LEASINVEST
REAL
ESTATE

ANNUAL FINANCIAL REPORT 2010

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2010

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

Year results (31/12/10)	18/02/11
Annual financial report 2010 (online)	30/03/11
Interim statement Q1 (31/03/11)	13/05/11
Annual meeting of shareholders	16/05/11
Dividend payment	23/05/11
Half-year financial report according to IAS 34	24/08/11
Interim statement Q3 (30/09/11)	16/11/11
Year results (31/12/11)	17/02/12

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 29/03/11. 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.

Le rapport financier annuel en français peut être obtenu au siège de la société et peut être téléchargé du site internet www.leasinvest.be.

** As from 01/04/11 the CBFA becomes the Financial Services and Markets Authority, abbreviated 'FSMA'.*

Risk factors

OUR BUSINESS MODEL, FOCUSING ON CASH FLOWS AND CAPITAL GAINS, WITH A DIVERSIFICATION INTO DIFFERENT TYPES OF ASSETS, IS WELL SUITED TO WITHSTAND THE ECONOMIC AND FINANCIAL CRISIS.

THE CRESCENT - ANDERLECHT

Leasinvest Real Estate's objective is to manage a profitable and diversified real estate portfolio in Belgium and in the Grand Duchy of Luxembourg, generating recurring rental and dividend income, and possibly resulting in capital gains in the long term.

Our strategy consequently consists of limiting or excluding as much as possible the risks mentioned below, namely:

- economical risk and real estate market risk
- risk related to the evolution of the fair value
- rental and credit risk
- sustainability, renovation and maintenance risk
- risk of damage and destruction of property
- financing, liquidity and cash flow risk
- risk related to covenants with banks
- risk related to the counterparty banks
- risk related to losing the real estate investment trust (sicafi) licence
- risk related to regulations and the environment
- interest rate risk
- exchange rate risk
- inflation and deflation risk

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

RISKS RELATED TO THE OVERALL ECONOMIC EVOLUTION AND THE REAL ESTATE MARKET

The economic evolution has an impact on the real estate market, however with a delay.
A bad economic climate can lead to the following problems with regard to the rental and investment market:

1. lower take-up following a decreased demand for rentable spaces, mainly in offices and logistics
2. lower rents
3. bankruptcy of current tenants
4. increasing initial yields entailing value losses

Notwithstanding the positive signals of an improved worldwide economic situation, the positive impact on the real estate market cannot yet directly be felt in Belgium and Luxembourg given the classical 18 months delay between the economic situation and the real estate market. Lettings, investments and average rents in offices and logistics decreased in 2009 and 2010. Only the retail market keeps up, sustained by a steady consumption, indexing of salaries and an important demand from investors for retail properties. Thanks to a proactive and dynamic portfolio management, by among other things anticipated negotiations for the extension of certain leases, Leasinvest Real Estate has succeeded in maintaining its occupancy rate at a high level (97.45% compared to 97.74% on 31/12/09).
Leasinvest Real Estate's rents were on average relatively constant to slightly decreased, and in the case of renegotiations the usual incentives are negotiated by the tenants, as before.

In 2010 only a limited part of the rental contracts could be ended by the tenants (9.9% or € 4 million). As from 01/01/11 2% of those have led to vacancy and the occupancy rate has temporarily decreased to 95.45%. In 2011 11.4% of the rental contracts can possibly expire (€ 4.6 million), of which an important part could expire at the end of 2011. The financial impact of this will not really be felt in 2011 but probably more in 2012 in case no (re-)lettings were to be concluded. For the building Route de Lennik 451 (The Crescent) the impact will be limited in 2011 because of the rent received till the end of May 2011, rental compensations till the end of November 2011, the fact that 30% has already been let and the positive expectation to conclude additional lettings. For more details on the real estate market and the rental status of Leasinvest Real Estate we refer to the real estate report on page 51.

Leasinvest Real Estate succeeded in limiting its sensitivity to the economic cycles by diversifying its real estate portfolio geographically, as well as to the type of assets.

The acquisition of Leasinvest Immo Lux in the course of March 2006 fitted in a deliberate geographical diversification. The Grand Duchy of Luxembourg currently represents 45.1% (31/12/09: 40.8%) of the consolidated real estate portfolio of Leasinvest Real Estate.

Within the framework of its dynamic real estate management Leasinvest Real Estate wishes to proportionally increase the retail part and to reduce the offices part of its real estate portfolio. Through the divestments in offices in 2010 the breakdown according to the type of real estate has changed on 31/12/10 as follows: 56% offices (31/12/09: 64%), 26% logistics buildings (31/12/09: 20%) and 18% retail (31/12/09: 16%). Not all types of buildings (offices, logistics and retail buildings) react in the same way to the economic cycles. The correlation with the economic evolution is the strongest for offices, followed by logistics buildings, and the lowest for retail.

The economic climate does not only impact the rental market, but also the investment market. Since the financial and economic crisis, due to the absence of interesting investment opportunities, the demand for offices and logistics has decreased year after year in Belgium and the Grand Duchy of Luxembourg. The initial yields for secondary locations, obsolete and short-term or un-let buildings have increased in an important way, but the initial yields for sustainable, well located prime locations and long-term let buildings have decreased importantly, despite the increase of the interest rates. This can be explained by an increased demand from local and foreign investors for these core buildings with long-term rental cash flows.

RISK RELATED TO THE FAIR VALUE OF THE BUILDINGS

The company is exposed to the risk of fair value changes of its real estate portfolio. The quarterly valuations by the independent real estate experts have an accounting impact on the net result, the net asset value of the share and the debt ratio of the company. The initial yields have systematically risen since the end of 2008, mainly with regard to offices and logistics buildings. Leasinvest Real Estate's real estate portfolio has decreased by approximately 2% on average in 2010 mainly due to unrealized losses (€ - 10 million) on a specific number of buildings, i.e. mainly on Canal Logistics (phase 1), The Crescent (ex-L'Oréal), Vierwinden and Wommelgem.

The risk consists of the fact that due to the increasing yields, the buildings are devalued to such an extent, that the company's debt ratio exceeds the legally admitted threshold of 65%. Thanks to the current consolidated debt ratio of 44.13% (31/12/09: 47.61%) (statutory debt ratio of 51.32%) Leasinvest Real Estate estimates the likeliness of such an event as small to non-existing. Based on the balance sheet per 31/12/10 an increase of the yield of the real estate portfolio by 0.10% (e.g. from 7.41% to 7.51%) leads to an increase of the debt ratio by 0.6% (namely from 44.13% to 44.73%).

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 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 an important tenant due to termination of the rental contract or bankruptcy. The breakdown per sector of our tenant portfolio remains good.

The main sectors are services (23.6% compared to 25% on 31/12/09), retail & wholesale (22% compared to 19.1% on 31/12/09), financial institutions (13.6% compared to 14% on 31/12/09), the public sector, non-profit and international professional associations (9.5% compared to 9% on 31/12/09), followed by industry (8.6% compared to 10% on 31/12/09).
The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely no write-downs of doubtful receivables were booked over the last couple of years, nor in Belgium, nor in the Grand Duchy of Luxembourg.

Tenant loyalty is very important to Leasinvest Real Estate. Through a professional, dynamic and client-focused commercial and operational management we respond to tenant needs. In 2010 9.9% of the rental contracts expired, of which a large part has been extended, or for which new tenants were found, except for 2% as from 01/01/11. In 2011 there are also important break possibilities, namely 11.4%, 16.9% in 2012 and 11.4% in 2013. The real estate investment trust has already started negotiations for renewal with most of its important tenants of whom the rental contracts expire within the 3 coming years.

Leasinvest Real Estate has always succeeded in the past in renewing the largest part of its expiring rental contracts or in concluding new rental contracts, which is reflected in the relatively constant duration of our rental contracts over the years, namely 3.8 years on 31/12/10 (31/12/09: 3.9 years): the duration of the Belgian and Luxembourg real estate portfolios remained approximately constant, namely respectively 3.6 years on 31/12/10 compared to 3.7 years on 31/12/09 and 4.1 years on 31/12/10 compared to 4.3 years on 31/12/09. For more details with regard to the remaining duration of the leases, we refer to the real estate report on page 51.

The relatively low durations can be explained by the fact that rental contracts in Belgium and Luxembourg, concluded with corporations (representing 90% of Leasinvest Real Estate's consolidated portfolio) are mainly of the classical type (3-6-9 years).

Leasinvest Real Estate's proactive management consequently aims at concluding rental contracts with a higher duration. Within this objective fits the tender contract for the State Archives in Bruges, which will be completed at the end of 2012 and will be let for a fixed term of 25 years to the Buildings Agency.

We refer to note 5 of the financial report for an overview of the annual rents that could potentially be lost if each tenant having a break possibility would actually leave the building without any re-lettings. With regard to the divestment of our buildings in the Axxes Business Park in Merelbeke (Ghent), Leasinvest Real Estate has agreed to a rental guarantee for a term of maximum 9 years towards Axxes Certificates SA, as from July 2010. This mainly relates to covering possible future vacancy.

With regard to Canal Logistics Brussels, the rental guarantee from the seller on the first phase expires at the beginning of April 2011. Different contacts with potential tenants are ongoing. The completion of the second phase, for which a rental guarantee will also be obtained, is foreseen by the end of June 2011. See also the risk mentioned above with regard to The Crescent as from 2012.

SUSTAINABILITY, RENOVATION & MAINTENANCE RISK OF THE BUILDINGS

Due to a lack of renovation, maintenance or sustainable development of its property, the company may increase the vacancy rate, or the related costs.

In the context of sustainable and green buildings, the real estate investment trust has deliberately looked for optimal, energy-saving and efficient buildings. Leasinvest Real Estate has launched a number of initiatives in this regard. Besides the evaluation of the various renovation works to be carried out on its buildings portfolio, Leasinvest Real Estate has signed a contract in 2009 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 in 2010.

Leasinvest Real Estate is conscious of the need to provide efficient buildings which fulfil 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, evaluation of each building is regularly performed internally. Buildings in the portfolio which no longer meet our requirements are renovated or sold.

RISK OF DAMAGE AND DESTRUCTION OF PROPERTY

The risk of serious damage in its buildings and destruction of property as a result of fire, storm, water damage 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 48.

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 24 months) and bank credit lines (from 1 to 7 years).

The financing, liquidity and cash flow 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. Nearly all the bank loans are of the "bullet loan" type, and therefore the principal only has to be reimbursed at the maturity date. It has always been Leasinvest Real Estate's policy to conclude more credit lines with banks than necessary to cover its financial needs;
2. The commercial paper market drying up completely. This situation occurred partially and temporarily at the beginning of 2009 at the start of the crisis. Since then and over the entire year 2010 the commercial paper market has always been very liquid for the company. This risk is mitigated by the commercial paper issues being fully covered by back-up credit lines.
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. At the end of 2010 Leasinvest Real Estate has anticipatively extended the maturity dates of credit lines with its banks. The average duration of its credit lines has consequently been extended from 2.7 (31/12/09) to 4.1 years. In March 2011 only € 15 million expired, which has been extended till 2015.

RISK RELATED TO COVENANTS WITH BANKS

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Not respecting these covenants can entail the premature termination of these credits. The concluded credits hold classic covenants mainly related to maintaining the real estate investment trust status and the related maximum debt ratio. The company complies with all its covenants with banks. The consolidated debt ratio of Leasinvest Real Estate is low and amounted to 44.13% on 31/12/10 (31/12/09: 47.61%), which is significantly lower than the legally admitted maximum debt ratio of 65% as defined by the RD of 07/12/10.

RISK RELATED TO BANKING COUNTERPARTIES

Concluding credit lines and derivative financial instruments with financial institutions holds a counterparty risk for the company in the case of default of these financial institutions. This risk is limited by spreading the conclusion of credits and derivative financial instruments over different banks, such as BNP Paribas Fortis, BGL BNP Paribas, Dexia Bank, ING Belgium, ING Luxembourg and LB Lux.

RISK RELATED TO LOSING THE REAL ESTATE INVESTMENT TRUST (SICAFI) STATUS

The company is a real estate investment trust and has to keep its 'sicafi' status in order to benefit from the related favourable tax regime. Should the company lose its 'sicafi' status, it would break its covenants with banks and have to reimburse its credits. Maintaining its 'sicafi' status is therefore paramount for the company.

RISK RELATED TO REGULATIONS AND THE ENVIRONMENT

The company is exposed to the risk of not complying with an ever more complex regulation, among other things, with regard to the environment and fire safety. Within this framework the company is also confronted with environmental risks related to acquiring or holding property and to the risks of not obtaining permits or their renewal.

The company is exposed to the risk that new regulations limit its possibility to run and/or let certain buildings or that these new regulations extend its obligations, namely with regard to environmental performance.

INTEREST RATE RISK

The hedging policy has been adjusted at the end of 2010 taking into account the further increase of the interest rates, and is since then covering the interest rate risk for approximately 75% of the financial debt for a 5-year period and for 50% for the following 5-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. At the end of 2010 Leasinvest Real Estate has taken advantage of the historic low interest rates to increase the duration of its hedging from 2.2 years (31/12/09) to 4.5 years by concluding financial instruments such as spot and forward interest rate collars, interest rate caps, interest rate swaps and payer swaptions. The maturity dates of the interest hedges are between 2011 and 2021. For more detail, please refer to note 23 of the financial statements on page 101.

For a real estate investment trust like Leasinvest Real Estate, which has a gross indexed rental yield of 7.41% (based on the fair value), higher interest rates are a potentially profit-decreasing factor. Normally this results in a decrease of the gross margin between the received rental yield and the interest rate paid.

Nevertheless, Leasinvest Real Estate has succeeded, thanks to its hedging policy covering its debt to a large extent by interest rate collars, caps and swaps, in reducing its average financing cost from 3.72% (2009) to 3.43% in 2010.

Moreover, an increase of interest rates leads to a positive change in the fair value of the interest rate hedges, with a(n) (accounting but non-cash) positive impact on the shareholders' equity and/or the result. An increase of 1% of the short-term interest rates for a total use of credits for an amount of € 220 million, has a negative impact of € 0.6 million on the result. Based on the current hedging policy a potential rise of the interest rates should have no negative consequences on the fair value of the interest rate hedges.

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.

INFLATION AND DEFLATION RISKS

The company's rental income is adjusted each year for over 95% in accordance with the health index. In the case of increased indexing (inflation) the annual rents of the company rise, normally leading to an increased result. In the case of decreased indexing (deflation) the opposite scenario could occur. For the largest part of its rental contracts the company is protected from decreasing rents as a consequence of deflation, because most contracts foresee a bottom rent.

Important events
in the development of Leasinvest Real Estate

THE SUCCESSFUL EXPANSION TO **LUXEMBOURG** IN 2006 ALREADY ACCOUNTS FOR **45%** OF ALL REAL ESTATE ASSETS

KENNEDY - LUXEMBOURG

1999/2000

- Leasinvest Real Estate SCA was granted the real estate investment trust (bevak/sicafi) status by the Banking and Finance Commission (currently the FSMA, as of 01/04/11) 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 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
- 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) 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

SKF - TONGRES

2006/2007

- Modification of the name of Dexia Immo Lux in Leasinvest Immo Lux and of Dexia Immo Lux Conseil in Leasinvest Immo Lux Conseil
- Divestment of Extensa Square in Evere and the building situated in Wommelgem
- Acquisition of the building 'Torenhof' in Merelbeke (Ghent)
- Acquisition of the remaining shares of Square de Meeûs 5-6 SA, followed by a merger by absorption
- 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 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^2 of storage and 2,500 m^2 of offices
- 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

WOMMELGEM

BIAN - LUXEMBOURG

2010

- Successful completion and letting for a fixed term of 15 years to Cegelec SA of the office building situated in Zwijndrecht (Antwerp)
- Acquisition of 100% of the shares of the company Canal Logistics Brussels SA, owner of the first phase of a newly built storage and distribution site in Neder-over-Heembeek of 27,700 m^2 of storage and 1,250 m^2 of offices, part of a global project of 50,000 m^2 of storage and 2,500 m^2 of offices
- Transfer of the business park Axxes Business Park (phase 1) situated in Merelbeke near Ghent and acquisition of € 1.7 million of real estate certificates
- Sale of the office building situated Avenue Louise 250 in Brussels
- Start of the study for the renovation into a sustainable building with facility services of 'The Crescent', Route de Lennik 451 in Anderlecht
- Start of the construction of the new State Archives in Bruges for the federal government, represented by the Buildings Agency
- Start of the construction of a retail building of 1,350 m^2 on an existing site in Diekirch

TORENHOF - GHENT

Letter to the shareholders

FOCUS ON A DYNAMIC MANAGEMENT ON THE REAL ESTATE PORTFOLIO

MONTIMMO - LUXEMBOURG

Ladies and Gentlemen,

At the end of 2010 the economic climate recorded hopeful signs of improvement. Taking into account the 18-months delayed effect of the economic evolution on the real estate market, the recovery of the real estate market could only be expected by mid- 2012.
In Belgium the offices market is still confronted with low letting volumes, low rents and important vacancies (> 11%). The logistics market also knew a difficult year due to the consequences of the economic crisis. The retail market kept performing well.

DYNAMIC MANAGEMENT OF THE REAL ESTATE PORTFOLIO CONTINUED

For Leasinvest Real Estate, 2010 was characterized by the following transactions:

- In January the office building situated in Zwijndrecht (Antwerp) was successfully completed and let for a fixed term of 15 years to Cegelec SA;
- In March 100% of the shares of Canal Logistics SA were acquired. The project 'Canal Logistics', situated in Brussels (Neder-over-Heembeek) alongside the Canal, relates to an important and unique logistics project of 50,000 m² with 2,500 m² of offices, built in 2 phases. The completion of the 1st phase took place at the end of March 2010 and the completion of the 2nd phase is expected by June 2011. For the first phase a rental guarantee was received from the seller/developer till the beginning of April 2011;
- In July our 7 office buildings of the Axxes Business Park (Merelbeke-Ghent) were sold for an amount of € 44.4 million;
- In August 25% of the office building 'The Crescent' (Anderlecht-Brussels), that will be left by L'Oréal mid-2011, will as from then be available for 'Agence et Messageries de la Presse'. At the end of 2010 the percentage of let space had already increased to 30%, which proves the clear demand for sustainable and well located buildings with facility services;
- In October the office building located Avenue Louise 250 in Brussels was sold for € 24.1 million;

- At the end of 2010 the construction of the new State Archives in Bruges was started, adjudged in 2009 to the consortium Algemene Aannemingen Van Laere - Leasinvest Real Estate. This project will be completed at the end of October 2012 and will as from that date be let for a fixed term of 25 years to the federal government, represented by the Buildings Agency, after which Leasinvest Real Estate will acquire this project.

FURTHER EVOLUTION TO SUSTAINABLE BUILDINGS

Leasinvest Real Estate is aware of the growing concern for sustainability of its buildings. Where possible energy-saving measures are taken in order to make the buildings more sustainable and energy-efficient. Furthermore, just like the previous years, alternative greener energy sources and the collection of rainwater were sought after, such as the supply of green electricity (AlpEnergie) (in 2009), generating electricity by solar energy with the installation of solar panels on the roof of the logistics centre in Wommelgem (in 2009) and the installation of a green (rainwater absorbing) roof on the 1st phase of the'Canal Logistics' project (in 2010).

AMENDMENTS TO THE SICAFI LEGISLATION

At the end of December 2010 the long-awaited amendments to the sicafi legislation were published in the official Belgian gazette. This new RD foresees among other things, the possibility to create institutional non-listed subsidiaries of the listed public sicafi, the possibility to pay dividends in shares, the issue of convertible bonds and some other adjustments in view of facilitating capital increases. Leasinvest Real Estate analyses the different possibilities resulting from these amendments.

FINANCING AND INTEREST RATE HEDGES ANTICIPATIVELY SECURED

In the course of the last two quarters of 2010 the average durations of our bank credits and interest rate hedges were anticipatively extended, in order to secure the credit lines for a longer period on the one hand, and to ensure that further increased interest rates have a lower unfavourable effect on the interest rate charges on the other hand.

SLIGHT DECREASE OF THE REAL ESTATE PORTFOLIO AND THE RENTAL INCOME DUE TO DIVESTMENTS

At the end of 2010 the fair value of the consolidated real estate portfolio, including the development projects, amounted to € 494 million (compared to € 538 million per 31/12/09). The 8.2% decrease is mainly due to the sale of the office buildings located in the Axxes Business Park and Avenue Louise 250, in combination with the devaluation of the 1st phase of 'Canal Logistics' and the office building 'The Crescent'.

The total investment value (before deduction of transfer rights) per 31/12/10 amounted to € 507 million (31/12/09: € 551 million). The real estate portfolio consisted of 56% of offices, 26% of logistics and 18% of retail buildings and was spread across 37 buildings in Belgium (54.9% based on the fair value of the portfolio) and 15 buildings in Luxembourg (45.1%).
The average duration of the rental contracts remained unchanged at 3.8 years (2009: 3.9 years). The occupancy rate (including the rental guarantee on the first phase of 'Canal Logistics') was constant at 97.45% (2009: 97.74%).
The rental yield based on the fair value amounted to 7.41% per 31/12/10 (2009: 7.48%).
Per 31/12/10 the shareholders' equity (group share) amounted to € 275.4 million. The revaluated net asset value was € 68.92 per share based on the fair value of the property (€ 68.79 per 31/12/09) and € 72.08 (€ 72.27 per 31/12/09) based on the investment value.
The financial debts per 31/12/10 decreased due to the aforementioned divestments to € 220 million (€ 255 million per 31/12/09). Consequently, the debt ratio (calculated according to the RD of 21/06/06, currently replaced by the RD of 07/12/10) decreased to 44.13% (47.61% per 31/12/09).
Leasinvest Real Estate's balance sheet total per 31/12/10 amounted to € 514 million (2009: € 552.1 million).
The rental income over the financial year 2010 had decreased as a consequence of the aforementioned divestments in 2010 to € 38.4 million (€ 39.2 million per 31/12/09). Leasinvest Real Estate closed its financial year 2010 with a net result (group share) of € 14.3 million (€ 18.4 million per 31/12/09), or € 3.57 per share (€ 4.60 per 31/12/09), influenced by the absence of important realized capital gains as was the case in 2009. The net current result amounted to € 22.0 million and was slightly higher than in 2009, namely € 21.6 million.

DIVIDEND INCREASES BY 2.5%

In the calendar year 2010 the Leasinvest Real Estate share price fluctuated between € 56.66 and € 68.89. The closing price at the end of the year amounted to € 63.36.
The gross dividend per share over the financial year 2010 will amount to € 4.10, generating a dividend yield (based on the closing price at the end of the financial year) of 6.47% (financial year 2009: 6.78%).

IMPORTANT EVENTS AND TRANSACTIONS AFTER THE CLOSING OF THE FINANCIAL YEAR 2010

After the closing of the financial year, in January 2011 the rental contract for the retail park located in Zaventem-Nossegem (Brixton Business Park) with main tenant Redevco Retail Belgium SA was by mutual consent anticipatively cancelled, resulting in the fact that Leasinvest Real Estate rents directly to Redevco Retail Belgium SA's tenants since January 2011.

OUTLOOK FOR THE FINANCIAL YEAR 2011

Assuming a steady occupancy rate and without taking into account possible changes in the portfolio value, a net result and dividend in line with those of 2010 are expected for 2011. Leasinvest Real Estate will continue to focus on maintaining a high occupancy rate and also on a dynamic management of its buildings portfolio, which may result in additional divestments of buildings currently held, next to looking for suitable new investments.

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 once again led to good results, despite a difficult economic context.

Jean-Louis Appelmans
Managing director

Luc Bertrand
Chairman of the board of directors

DIVIDEND
INCREASES
BY
2.5%

THE CRESCENT - ANDERLECHT

Key figures

THE NET CURRENT RESULT AMOUNTS TO **€ 20 MILLION**

ALPHA CAMPUS - ZWIJNDRECHT (ANTWERP)

THE IAS/IFRS KEY FIGURES.

On 31/12/10 Leasinvest Real Estate (LRE) fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Leasinvest Services SA, Canal Logistics Brussels SA.

REAL ESTATE PORTFOLIO (1)

Total surface (in m^2 above ground)	31/12/10	31/12/09	31/12/08
Offices	104,082	137,749	140,705
Logistics	187,525	158,591	158,591
Retail	57,096	57,096	57,096
Total	348,703	353,436	356,392
	31/12/10	**31/12/09**	**31/12/08**
Fair value (x € 1,000) (2) (4)	494,203	537,518	563,234
Investment value (x € 1,000) (3) (4)	506,550	551,400	578,300
Occupancy rate (5) (6)	97.45%	97.74%	97.29%
Rental yield (fair value) (5)	7.41%	7.48%	7.27%
Rental yield (investment value) (5)	7.22%	7.29%	7.09%

(1) The real estate comprises the buildings in operation and the development projects recorded in the balance sheet item ‘Investment properties’, and the assets held for sale.
(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.

KEY RESULTS

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)	31/12/08 [4] (12 months)
Rental income	38,438	39,196	33,559
Operating result [1]	21,599	29,330	36,169
Net current result, group share [2]	21,965	21,610	17,714
Portfolio result, group share	-9,290	-2,629	9,169
Net result, group share	14,266	18,380	22,833
Net cash flow, group share [3]	21,668	36,434	17,601

(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.
(4) For the financial year 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.

BALANCE SHEET

(in € 1,000)	31/12/10	31/12/09	31/12/08
Total shareholders' equity	275,411	274,918	264,431
Shareholders' equity, group share	275,408	274,924	264,438
Balance sheet total	513,975	552,145	576,884
Debt ratio (%) [1]	44.13	47.61	52.06

(1) The debt ratio is calculated according to the RD of 21/06/06, currently replaced by the RD of 07/12/10.

DATA PER SHARE [1]

(in €)	31/12/10 (12 months)	31/12/09 (12 months)	31/12/08 (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	3,996,294
Net asset value, group share [2]			
- based on fair value	68.92	68.79	66.17
- based on investment value	72.08	72.27	69.59
Rental income	9.62	9.81	8.40
Operating result	5.40	7.34	9.05
Net current result, group share	5.50	5.41	4.43
Portfolio result, group share	-2.32	-0.66	2.29
Net result, group share	3.57	4.60	5.71
Net cash flow, group share	5.42	9.12	4.40
Gross dividend [3]	4.10	4.00	3.80
Net dividend	3.485	3.40	3.23
Gross dividend yield (%) [4]	6.47%	6.78%	7.91%

(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.

Consolidated management report

ALPHA CAMPUS - ZWIJNDRECHT (ANTWERP)

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 16/05/11 with regard to the statutory and consolidated IFRS figures for the financial year 2010 and the related comments. The consolidated figures are integrally presented hereafter. For more information regarding the statutory annual accounts, we refer to the declarations in the Permanent document on page 132.

5.1 IMPORTANT EVENTS OF FINANCIAL YEAR 2010

1. COMPLETION OF THE OFFICE BUILDING IN ZWIJNDRECHT (ANTWERP)

In January 2010 the office building situated in Zwijndrecht (Antwerp) was successfully completed and rented for a fixed term of 15 years to Cegelec SA.

2. INVESTMENT CANAL LOGISTICS – BRUSSELS

At the end of the first quarter of the financial year 2010 Leasinvest Real Estate has acquired 100% of the shares of Canal Logistics Brussels SA. With this transaction the first phase of a newly built storage and distribution site in Neder-over-Heembeek ('Canal Logistics') of 27,700 m^2 of storage and 1,250 m^2 of offices was acquired, part of a global project of 50,000 m^2 of storage and 2,500 m^2 of offices.

The rental guarantee from the seller on this first phase expires beginning of April 2011. Different contacts with potential tenants are ongoing. The completion of the second phase, for which a rental guarantee has also been agreed upon, is foreseen by the end of June 2011.

3. DIVESTMENTS

3.1 Transfer of rights in rem on Axxes Business Park (phase 1) - acquisition of real estate certificates

In July 2010 Leasinvest Real Estate has established leasehold rights on phase 1 of the Axxes Business Park situated in Merelbeke near Ghent on behalf of Axxes Certificates SA. The bare ownership has also been transferred. These transactions have been realized for a global gross amount of € 44.4 million.

In total the business park comprises 23,728 m^2 of office space (archives included) and 868 parking spaces. The occupancy rate of the Axxes Business Park (phase 1) amounted to 98.4% and related to 19 tenants.

The company Axxes Certificates has financed the acquisition, to a large extent, by a private issue of real estate certificates of which Leasinvest Real Estate itself has subscribed to € 1.7 million.

Within this framework Leasinvest Real Estate has granted certain guarantees to perpetuate the rental income flow. During this period the technical and commercial management of the buildings remains with Leasinvest Services SA, a 100% subsidiary of Leasinvest Real Estate.

Furthermore, Axxes Certificates has agreed to the acquisition, at the end of 2012, for a fixed price of € 3.3 million, of the facility center 'Torenhove' located at the same site in Merelbeke, after its renovation by Leasinvest Real Estate.


CANAL LOGISTICS - BRUSSELS


AVENUE LOUISE 250 - BRUSSELS

3.2 Sale of the office building located at Avenue Louise 250 in Brussels

On 26 October 2010 Leasinvest has transferred the leasehold rights on the office building located at Avenue Louise 250 in Brussels to the company ECF Brussels Office Leasehold SPRL. The bare ownership has also been transferred mid-November 2010. These transactions have been realized for a global gross amount of € 24.1 million, which resulted in a capital gain of approximately € 0.7 million compared to the investment value. The fair value amounted to € 21.5 million.

The office building constructed in 1972 comprises 9,948 m² of office space (showroom and archives included) and 114 parking spaces. The occupancy rate of the office building amounted to 93% on 30/09/10 and related to 12 tenants.

4. ALREADY 30% LET IN THE CRESCENT ANDERLECHT

In the first half of August 2010 Leasinvest Real Estate has concluded a long term services contract for approximately 3,800 m² (25% of total available space) situated in the office building The Crescent at the Erasmus site in Anderlecht, which will start as from May 2011. At the end of 2010 this percentage had increased to 30%. This building will be subject to a renovation into a sustainable building and will offer different facility services (congress, restaurant and business center) to potential users.

5. START OF THE CONSTRUCTION OF THE STATE ARCHIVES IN BRUGES

At the end of 2010 the construction of the new State Archives in Bruges, granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate in 2009, was started. Leasinvest Real Estate will only acquire this project after its completion, foreseen by the end of October 2012, and after the start of the rental contract for a fixed term of 25 years with the federal government, represented by the Buildings Agency.

6. EXTENSION OF THE RETAIL SITE IN DIEKIRCH

In 2010 the construction of an additional retail building of 1,350 m^2 on the retail site in Diekirch was started, for the German group Siemes Schuhcenter. The completion of this building is foreseen at the end of April 2011.

7. ADDITIONAL OFFICE SPACE IN WOMMELGEM

In 2010 the offices part of the logistics site in Wommelgem was extended by 500 m^2 of extra office space, for tenant Van In, who signed a rental contract for a fixed term of 9 years for this space.

8. AMENDMENTS TO THE SICAFI LEGISLATION

At the end of December 2010 the long-awaited amendments to the sicafi legislation were published in the official Belgian gazette. This new RD relates to among other things, the possibility to create institutional non-listed subsidiaries of the listed public sicafi, the possibility to pay dividends in shares, the issue of convertible bonds and some other adjustments in view of facilitating capital increases. Leasinvest Real Estate studies the different possibilities resulting from these amendments.

THE CRESCENT - ANDERLECHT

STATE ARCHIVES - BRUGES (SALENS ARCHITECTS)

5.2 IMPORTANT EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR 2010

Mid January 2011 the rental contract with Redevco Retail Belgium was ended by mutual consent. Leasinvest Real Estate leased a retail park situated in Nossegem to Redevco Retail Belgium that was sub-leased to different important retailers such as Brico, Leen Bakker, Blokker and Tony Mertens. These sub-lessees as a consequence became direct tenants of Leasinvest Real Estate. A cancellation fee of € 6.85 million was paid to Redevco Retail Belgium. As a result Leasinvest Real Estate receives since 1 January 2011 approximately € 2 million of rental income per year instead of € 0.9 million previously.

Except for this transaction no other important events occurred after the closing of the financial year 2010.

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 aware of the growing concern for sustainability of its buildings. Where possible energy-saving measures are taken in order to make the buildings more sustainable and energy-efficient. Furthermore, just like the previous years, alternative greener energy sources and the collection of rainwater were sought after, such as the supply of green electricity (AlpEnergie) (in 2009), generating electricity by solar energy with the installation of solar panels on the roof of the logistics centre in Wommelgem (in 2009) and the installation of a green (rainwater absorbing) roof on the 1st phase of the 'Canal Logistics' project (in 2010).

5.4 COMMENTS ON THE CONSOLIDATED BALANCE SHEET AND THE RESULTS OF THE FINANCIAL YEAR 2010

Income statement

The **rental income** amounted to € 38.4 million compared to € 39.2 million a year before.

The **property charges** have slightly increased (€ 5.7 million in 2010 compared with € 5.4 million in 2009). The property management costs comprise the management fee paid to the statutory manager of the sicafi (Leasinvest Real Estate Management SA), as well 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 € 2 million compared with € 1.6 million in 2009.

BRIXTON BUSINESS PARK - ZAVENTEM

The **result on disposal of investment properties** (€ 0.7 million) consists of the realized capital gain on the sale of the office building located Avenue Louise 250 in Brussels and of the buildings of phase 1 in the Axxes Businesspark te Merelbeke (Ghent). In 2009 an extraordinary and important capital gain of € 15.2 million was realized on the sale of the Bian building in Luxembourg.

The **changes in fair value of investment properties** of € -10.0 million (€ -17.8 million per 31/12/09) are the consequence of a lower valuation of the buildings by the external real estate expert. The value decreases (non-cash) mainly relate to the Belgian portfolio (€ -11.0 million). In Luxembourg an increase was recorded (€ 1.0 million).

In the **financial result** the positive changes in the fair value (non-cash) of the ineffective hedges (in accordance with IAS 39) for an amount of € 1.6 million (31/12/09: € - 0.6 million) are recorded on the one hand, and premiums paid for new hedges of € 0.8 million on the other hand.
Making abstraction of the impact of IAS 39 and the premiums paid, the total financing cost of Leasinvest Real Estate amounted to € 8.4 million compared to € 8.7 million in 2009. Thanks to the low market interest rate the average funding cost (taking into account the amortization of the premiums of the hedges) has decreased from 3.7% to 3.6%.

The **net current result**, or the net result excluding the portfolio result and the changes in fair value of the ineffective hedges, increased by 1.9% from € 21.6 million (or € 5.41 per share) per 31/12/09 to € 22 million (or € 5.50 per share).

The **net result**, group share, amounted to € 14.3 million compared with € 18.4 million in 2009. In terms of net result per share this results in € 3.6 for 31/12/10 compared to € 4.6 per 31/12/09. This decrease is mainly the consequence of the lower rental income and the absence of important realized capital gains.

Balance sheet

The decrease of the fair value of the **investment properties** is mainly the consequence of the negative (non-cash) change in the estimated value by the independent real estate expert (€ -10.0 million or 2.0% of the portfolio), mainly related to the Belgian portfolio and more specifically to the first phase of Canal Logistics (€ - 4.4 million) and the building L'Oréal/ The Crescent (€ -3.2 million) on the one hand, and the sale of the office site Axxes Business Park and the office building Avenue Louise 250 on the other hand, not compensated by the acquisition of the first phase of Canal Logistics.

The **equity**, group share (based on the fair value of the investment properties) stands at € 275.4 million, or € 68.92 per share, against € 274.9 million per 31/12/09, or € 68.79 per share.

Thanks to the sale of Axxes Business Park and avenue Louise 250 the **financial debt** has decreased from € 255 million per 31/12/09 to € 220 million per 31/12/10. As a result the **debt ratio** lowered from 47.61% (per 31/12/09) to 44.13%.

5.5 APPROPRIATION OF THE RESULT – DIVIDEND PAYMENT

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay a gross dividend of € 4.10, and net, free of withholding tax, € 3.485, on 23/05/11.

The profit for appropriation of the current financial year 2010, based on the statutory accounts, amounts to € 13,895,652. Taking into account the profit carried forward from the previous financial year of € 5,159,592, this results in a profit for appropriation of € 19,055,244.

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to appropriate the profit of € 19,055,244 as follows:

- € 2,669,603 to be carried forward to the next year
- € 16,385,641 to be paid out as dividend.

Subject to the approval of the ordinary general shareholders' meeting of 16/05/11, dividends will be paid out on presentation of coupon nr. 12 as from 23/05/11 at the following financial institutions Bank Delen (main paying agent), ING Bank, Dexia Bank, BNP Paribas Fortis Bank and Bank Degroof.

5.6 OUTLOOK FOR THE FINANCIAL YEAR 2011

Assuming a steady occupancy rate and without taking into account possible changes in the portfolio value, a net result and dividend in line with those of 2010 are expected for 2011. Leasinvest Real Estate will continue to focus on maintaining a high occupancy rate and also on a dynamic management of its buildings portfolio, which may result in additional divestments of buildings currently held, next to looking for suitable new investments.

5.7 ACQUISITION OF TREASURY SHARES

During the period 01/01/10-31/12/10 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 31/12/10 (idem 31/12/09). These have an accounting value of € 1,045,928, with a par value per share of € 10.99.

5.8 FINANCIAL STRUCTURE

The real estate portfolio of Leasinvest Real Estate is financed with debt capital, such as the issuing of commercial paper, as well as bank credits.
The commercial paper is issued at short term (1 week to 24 months) and is entirely hedged by back-up credit lines to guarantee its refinancing in case the issuing becomes impossible.

On 31/12/09 Leasinvest Real Estate has € 219.6 million of financial debts on a consolidated basis, of which € 86.3 million of commercial paper and € 133.3 million of long-term bank credits. Moreover, the real estate investment trust disposes of € 119.1 million unused credit lines (including reserved back-up lines for issued commercial paper) on 31/12/10, which is amply sufficient to fulfil its obligations.

The average duration of the long-term bank credits amounts to 4.1 years on 31/12/10 (2.7 years on 31/12/09). In 2011 and 2012 a limited amount of bank credits expire, respectively € 15 million (4.4%) and € 12.5 million (3.7%) of total credit lines (including the back-up lines). The bank credit of € 15 million which expired at the beginning of March 2011, has been extended till 2015.

Nearly all bank credits are concluded at a floating 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 has been adjusted at the end of 2010 taking into account the further increase of the interest rates, and covers since then the interest rate risk for approximately 75% of the financial debt for a 5-year period and for 50% for the following 5-year period. Previously the hedging policy covered the interest rate risk for approximately 80% of the financial debt, for a 3-year period. At the end of 2010 Leasinvest Real Estate has taken advantage of the historic low interest rates to increase the duration of its hedging from 2.2 years (31/12/09) to 4.5 years (31/12/10). The maturity dates of the interest hedging instruments are between 2011 and 2021. For more detail, please refer to note 23 of the financial statements on page 94.

On 31/12/10 the real estate investment trust has 67% of current interest rate collars and interest rate caps (with a limit on the interest rates), 28% of current interest rate swaps (IRS) (hedging at a fixed interest rate) and 5% of interest rate swaptions (possibility to conclude an IRS at a fixed interest rate). The average financing cost (excluding the pro rata of the interest rates of the hedges) of Leasinvest Real Estate has further decreased from 3.72% in 2009 to 3.43% in 2010.

For more detail on the hedges, please refer to note 23 of the financial statements on page 101.

5.9 INDEPENDENCE AND EXPERTISE REGARDING ACCOUNTING AND AUDIT

The assignments of the audit committee correspond to the conditions of art. 526 bis, §4 of the company law.
According to the provisions of the new article 526 bis 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 till the end of 2010.

Both aforementioned directors 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 beginning of this annual financial report on page 4.

5.11 CORPORATE GOVERNANCE STATEMENT

For the corporate governance statement, we refer to the information produced in chapter 7 Corporate Governance statement as from page 58.

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

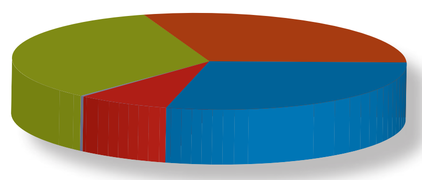
As for the application of the procedure for the prevention of conflicts of interest (articles 523 & 524 of the company law and art 18 of the new RD on real estate investment trusts (having adopted the general principle of art 24 of the old RD on real estate investment trusts) we refer to page 71 of the Corporate Governance statement.

5.13 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 limited partnership 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.

Shareholder structure



- ACKERMANS & VAN HAAREN GROUP **30%**
- AXA BELGIUM SA **29%**
- AG INSURANCE **7.4%**
- TREASURY SHARES **0.4%**
- FREE FLOAT **33.2%**

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 veto right 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 amendments to the articles of association: see below).

Each share entitles to one voting right.

No other securities 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 SA and AXA Belgium SA 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 SA.

The mandate of the statutory manager is irrevocable till the date of the annual meeting of the company which will be held 2014 according to article 12 of the current articles of association of Leasinvest Real Estate. It will be proposed to the extraordinary general meeting of shareholders of Leasinvest Real Estate which will be held in 2011 to extend the duration of the mandate by twenty years. In accordance with the provisions of the Corporate Governance Charter of Leasinvest Real Estate the committee of independent directors has been asked to draw up a written and motivated advice with regard to this modification of the organisation, which results in an amendment to the sicafi licence file.
After the expiry of this fixed term, 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 provision with regard to 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 chapter 7 Corporate Governance statement.

The general meeting of Leasinvest Real Estate can only lawfully deliberate and decide upon an amendment to 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 stingent legal dispositions.
An amendment to the articles of association is only adopted if previously approved by the FSMA and with ¾ of the votes attached to the present or represented shares and with the approval of the present or represented manager without prejudice to more stringent legal dispositions.

According to article 7 of the articles of association the statutory manager is authorised to increase the registered capital on the dates and under the conditions specified by him, in one or more instalments, by an amount of € 44,128,326.64 in the cases foreseen in the relevant report. This authorisation is valid for a term of five years as from the publication of the minutes of the general meeting of 15/10/07.
The statutory manager is authorised to proceed to the acquisition of treasury shares subject to the limits imposed by law, 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 imminent harm. This authorisation was valid for three years as from the publication date of the amendments to the articles of association of 15/10/07 and was renewable for the same period of time.
A new authorisation was granted by the extraordinary general meeting of 18/05/09 to the manager, taking into consideration the conditions defined by law, to acquire with liquid assets in the sense of article 617 of the Company Law, for a term of 5 years as from the date of the general meeting having adopted this proposal, on the stock exchange, or as soon as permitted by regulation, in any other way that sufficiently guarantees the equal treatment of shareholders under the same circumstances by means of equality of the price, a maximum of 20% of the current number of shares of the company, taking into account cumulatively all redeemed (and still held) shares by the company and its direct subsidiaries. This purchase has to take place at a minimum price per share that corresponds to the lowest of the last twenty closing prices of the share of the company on Euronext Brussels before the purchase date minus 15%, and at a maximum price per share that corresponds to the highest of the last twenty closing prices of the share of the company on Euronext Brussels before the purchase date augmented by 15%.
The manager has also been granted again, taking into consideration the conditions and terms defined by law, to sell, via the stock exchange or in any other way, the redeemed shares of the company at a minimum price per share that corresponds to the lowest of the last twenty closing prices of the share of the company on Euronext Brussels before

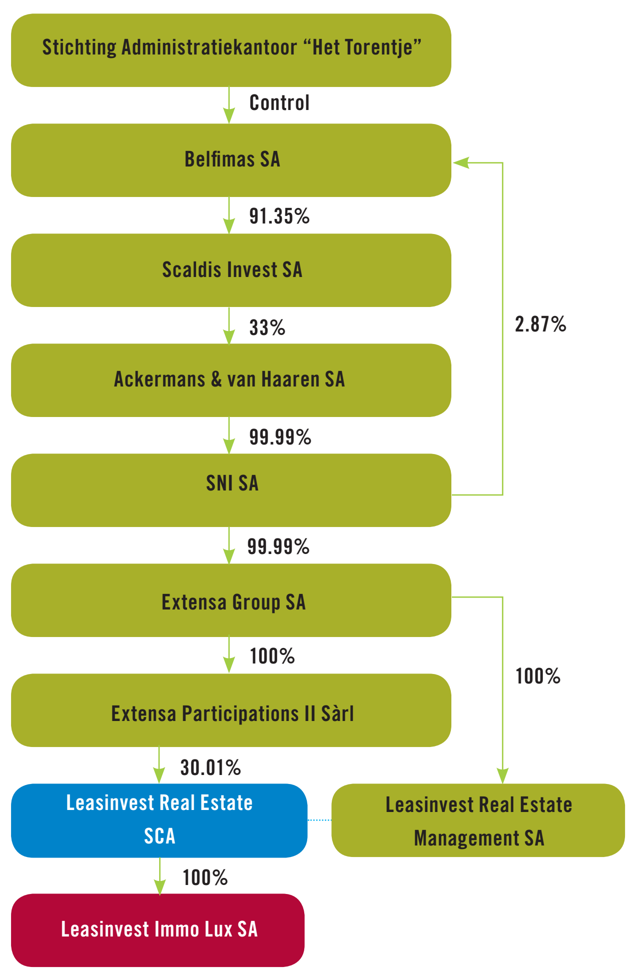
the alienation date minus 15% and at a maximum price per share that corresponds to the highest of the last twenty closing prices of the share before the alienation date augmented by 15%.
The boards of directors of the direct subsidiaries of Leasinvest Real Estate have also been authorized to purchase and sell company shares within the limits of the aforementioned authorizations.

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.

5.14 RELEVANT INFORMATION IN ACCORDANCE WITH THE LEGISLATION ON PUBLIC TAKE OVER BIDS

Leasinvest Real Estate is controlled by Ackermans & van Haaren SA through its subsidiary Extensa Participations II sàrl. The real estate investment trust which has the legal form of a limited partnership by shares, is managed by its statutory manager Leasinvest Real Estate Management SA, a 100% subsidiary of Extensa Group SA, promoter 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.



CANAL LOGISTICS - BRUSSELS

5.15 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.

5.16 DISCHARGE TO THE MANAGER AND THE AUDITOR

It is proposed to the general shareholders' meeting to discharge the statutory manager and the auditor for the execution of their mandates during the financial year closed on 31/12/10.

Drawn up in Antwerp on 23/03/11

Jean-Louis Appelmans
Managing director

Luc Bertrand
Chairman of the board of directors

Real estate report

OUR TENANTS ARE OUR MOST IMPORTANT ASSET, REFLECTED BY OUR HIGH OCCUPANCY RATE OF **97.5%**

CFM - LUXEMBOURG

6.1 REAL ESTATE MARKET IN 2010[1]

GENERAL

In 2010 the professional real estate market in Belgium and Luxembourg has well recovered from the crisis year 2009. Most property values maintained their level because the capitalization rates did not further increase and even slightly sharpened again in some markets. The rental values also remained steady and even substantially increased for retail in the important high streets by the end of 2010.

From an historic point of view, take-up recorded a substantial activity, for office markets, as well as for the different retail segments and the semi-industrial market. For the latter, the number of transactions in logistics remained below their normal level.

The professional real estate markets in Belgium and Luxembourg were clearly less volatile than many other European markets: till before the recent crisis of 2008/2009, the property values had increased less fiercely than in many other markets, and smaller decreases in value were recorded than in other markets. This makes the Belgian and Luxembourg markets temporarily relatively expensive, resulting in the fact that foreign investors see relatively more opportunities in other markets. The investment volume, specifically for offices, did not meet the expectations: with a total volume of some € 1.3 billion, the Belgian professional investment market slightly grew in comparison with 2009, but did not come close to the recent top years from the period 2004-2008.

The outlook for 2011 is far from being euphoric, but most market segments record a moderate optimism.

THE BELGIAN REAL ESTATE MARKET

OFFICES MARKET BRUSSELS

The offices market in Brussels recorded a total take-up of some 481,000 m² in 2010, and comes close to the long term yearly market average. Some 330,000 m² were taken up by private users generating a substantially increased demand in comparison with last year. The largest private transaction was the letting of 35,793 m² to BNP Paribas Fortis in the Boreal building near the North station. The European as well as the Belgian governments were absent for a long period with regard to large transactions, but just before the year-end it was decided that the Buildings Agency will lease 54,461 m² for the Federal Police in the Belair project in the Congress District of the Brussels' pentagon.

The vacancy rate on the Brussels office market increased in the course of 2010 to 12.6%, but decreased again to 11.4% by the end of the year; in absolute figures this

[1] Source: Cushman & Wakefield

represents some 1.5 million m², but it is noteworthy that only 1/3rd of this vacancy relates to top A-rated quality buildings. In the Leopold District the total vacancy remained at 8.4%, which is historically high; many B&C-rated buildings here will have to undergo substantial renovations before being taken into account for letting again. In the Pentagon (Brussels Pentagon) and the Louise District, there is a shortage of large and medium sized quality buildings. Total vacancy will probably gradually drop to 10% over the coming years as the pipeline of speculative projects is relatively limited at present.

For new contracts the rents remained relatively stable in the course of 2010. Taking into account the relatively high vacancy figures, some owners were inclined to grant rental incentives for renewals of leases. The prime rent for the Leopold District stands at some € 265/m²/year; this relates to the most constant top rents, but not to exceptional transactions, as there were a couple in 2010 in the Neo building in the Rue Montoyer (where some rents of € 300/m²/year were recorded for some smaller top transactions). The district with the strongest growth in rents was the Pentagon where prime rents increased from € 190/m²/year to € 210/m²/year, still with opportunities for further growth. Also in the Louise District an upward pressure from € 185/m²/year to € 190/m²/year was recorded. In the periphery, as well for the 19 municipalities in Brussels as beyond, there was a slight downward pressure on the rents as a consequence of the relatively important vacancy in these districts.

RETAIL MARKET BELGIUM

The Belgian retail market suffered little from the crisis years 2008/2009; in 2010 also there was still a good demand for well-located shops, in the city centres, as well as in the periphery and in shopping centres. Secondary locations however are facing more difficulties.

There are relatively little important new projects in the pipeline for the coming year; in 2010 also only a limited number of new projects were completed: they mainly concerned city centre developments such as shopping K in Kortrijk and the renovation of the Galerie de la Toison d'Or in uptown Brussels. Uptown Brussels underwent some other positive impulses, such as the Galerie Louise project of Prowinko at the Avenue Louise with tenants such as Superdry, Peak Performance and COS.

The market is strongly backed by international retailers: also new important retailers such as Forever 21, River Island and Disney store found their way to Belgian top locations in the course of the past year. For most of the high streets this has led to significant increases of the prime rents from 10 to even 15%. This makes Belgium a pretty extraordinary country in the West European real estate landscape. For the important shopping centres and retail warehouses, demand and rents maintained their level to a large extent.

The Belgian retail market excellently came through the recent crisis; this makes that retail property was the most sought after real estate category. In contradiction to the previous years however there were no important retail investment transactions in 2010. This resulted in a total investment volume of only approximately € 350 million for 2010. Retail warehousing and retail parks, such as Krüger shopping in Eeklo (sale from Banimmo to Retail Estates for € 17 million) are still in demand. For well-located high streets the demand also remained very high; the main high street transaction of 2010 was the sale of the Adrienne site at the Avenue de la Toison d'Or in Brussels by private developer Prowinko to Sogefibel/Groupe Hibert.
There is thus a very important demand for retail property, also from private parties, but mostly for smaller volumes and asset deals till approximately € 5 million. Consequently, the yields in this market are sharp: yields from 6 to 6.5% are no exceptions.

For share deals and larger volumes there are again more market players than in the previous year, but at more conservative yields; these are focused on core products that are totally 'right' (location, tenants, parking etc.); in this market we have to take into account yields of 6.5%, swiftly increasing to 7%.

LOGISTICS AND SEMI-INDUSTRIAL

The take-up published for the semi-industrial market amounted to a total of 905,000 m². This is a slight increase compared to 2009, but lower than the years preceding the recent financial crisis. In the logistics market the consequences of the crisis in the European markets can still be felt: the number of transactions in logistics was consequently very low: exceptions were

- Distrilog rented 44,969 m² at the Kersdonk Logistics site in Willebroek
- Cummins rented 41,000 m² at the Rumst Logistics site in Rumst
- DHL Exel Supply Chain rented 36,500 m² at Maritime Logistics, Bornem
- Dow Corning bought 32,000 m² at the Zone Industrielle in Feluy

It is no coincidence that the 3 largest transactions took place in the province of Antwerp because the core of the market was obviously Flanders (75% of take-up) and more specifically the triangle Antwerp-Brussels-Ghent. The province of Limburg remained largely below the level of previous years with a take-up of only 18,316 m².

Small & medium sized enterprises (SME) buildings and smaller transactions were still swiftly traded: this market is characterized by a large number of acquisitions for own use.
The rents for the logistics market have slightly dropped in the course of 2010 (by 2 to 5%). Belgium is one of the countries with the cheapest rents and furthermore, the construction and land prices have increased, resulting in the fact that new projects can no longer go below the current market rents. Prime rents in logistics go from € 42 to 46/m²/year on the axis Brussels-Antwerp to € 34 to 35/m²/year in Liège and Limburg.
The relatively strong market demand for SME buildings was reflected in a slight increase of the rents for this market: prime rents of € 52 à 42/m²/year on the axis Brussels-Antwerp are recorded, to € 32/m²/year in Liège and Limburg and € 30/m²/year in Ghent.

Practically nothing is being developed at risk, but different projects have all permits and infrastructure to swiftly proceed to realization; this means that state-of-the-art buildings can soon become available, when the demand increases.

The investment market in logistics has once again had a very moderate year; top deals were the sale of TDG Mond in Welkenraedt to ING Lease (€ 29.15 million) and the sale of the distribution centre of Vanden Borre in St-Pieters-Leeuw by BPA to Royal Properties (€ 23 million). The yields in these markets no further increased, but are currently not sharpened either. Top yields for logistics stand at 7.75%, and for semi-industrial buildings for SME's, at approximately 8.50%.

INVESTMENT MARKET

In 2010 the Belgian investment market slightly recovered from 2009, but remained far below the volumes of top years such as 2006 and 2007, with a total investment volume of € 1.3 billion (€ 1.7 billion if we take into account the acquisitions for own use). Only 55% of this amount was invested in the office market.

There are many reasons for this slowdown, but the main reasons remain the difficult bank financing, the immobilization of many investors focusing on the rental income, the absence of off plan sales, and the slower reaction of the Belgian market compared to the other more volatile markets, downward, as well as upward: due to the much stronger devaluations in other European markets, the Belgian market has become relatively expensive for foreign investors. 76% of the investments in 2010 were purely Belgian investors, which underlines the relative absence of international players in comparison with the period before 2008.

Nevertheless, there is still ample interest for good products and the interest from foreign investors is also returning. Secondary products remain difficult, despite the improved market conditions.

The prime yields have slightly sharpened in the course of 2010 to 6.20% in the Brussels Leopold District. In the retail market they have even further sharpened: in the high streets and for good retail warehouses, the yields dropped by 25 base points. Yields of 6 to 6.50% are no exceptions in this market, but only for products up to € 5 million; there is still less interest for higher values. Yields for top retail parks even sharpened by 50 base points. In 2010 yields for shopping centres maintained their level, because they still lie beyond the possibilities of most of the investors.

THE LUXEMBOURG MARKET

The Grand Duchy of Luxembourg already experienced a serious downturn in 2009 with regard to take-up in offices and then closed at 114,000 m²; 2010 was slightly better with a total take-up of 125,000 m². There were only 24 transactions of over 1,000 m², consequently this market was characterized by a clear demand for smaller spaces.

Still, Luxembourg remains very stable, just like Brussels. The impact of the financial crisis did not have the dreaded effect, although the growth of many companies has diminished; the banks and services sector only accounted for 27% of total take-up this year.

More worrying for the Luxembourg market is the growing availability, increasing to 8% in the course of 2010 and still reaching 7% at the end of 2010, which is remarkably high as to Luxembourg standards.

This vacancy is mainly situated in the Luxembourg periphery (15 to 20%) and less in the city centre (5.2%). The vacancy stands at a level of 240,000 m², which is considerable for a market of 3.2 million m². For the main peripheral districts Kirchberg, Cloche d'Or and Airport, a substantial improvement of the vacancy is expected in the course of 2011.
The downward pressure on the rents, with a more limited effect in the centre than in the periphery was stabilized to a large extent, in the course of 2010.

The Luxembourg investment market stood at an extremely low level in 2010, just as it was the case in 2009 (approximately € 250 million in total). Yields can therefore hardly be defined, but lie around 5.5% to 6% in the centre and 6.75% in the periphery (in 2009 this was only 6 to 6.5% and 5.75% before the crisis).

RETAIL MARKET LUXEMBOURG

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.

In the South of the Grand Duchy different projects are planned, but the crisis led to caution, and different projects have been delayed. In 2010 the city of Luxembourg has also made its choice for the development of an important new inner-city shopping centre with offices complex Royal Hamilius, to be developed.

The prime rent in Luxembourg City stands at around € 1.500/m²/year. With regard to investments, there are no noteworthy transactions; the prime yields lie around 6%.

6.2 LEASINVEST REAL ESTATE VERSUS THE MARKET

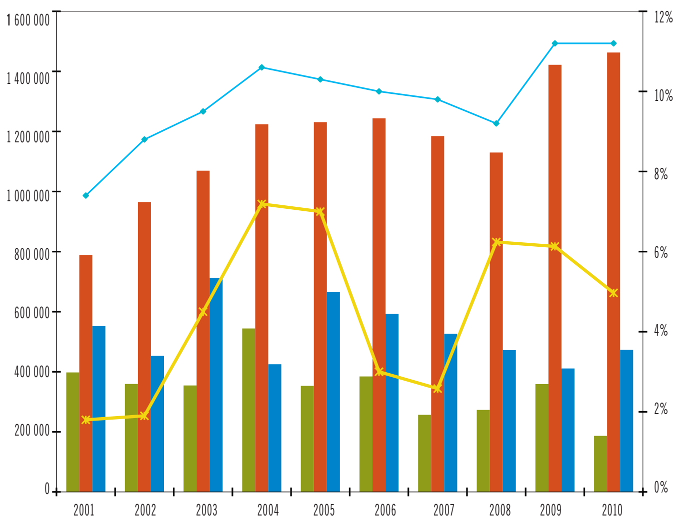
The overview hereafter is limited to the two largest market segments where Leasinvest Real Estate is active, namely the office market in Brussels and the Grand Duchy of Luxembourg, which represent respectively 28.3% and 21.1%, or 49% of the total real estate portfolio.

The conclusions presented hereafter cannot, 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 97.45%.

BRUSSELS

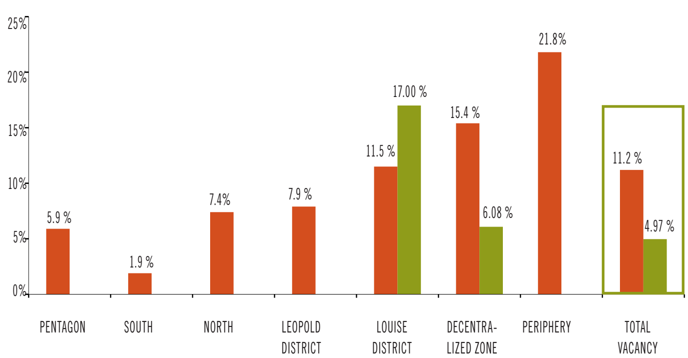
COMPLETIONS, TAKE-UP AND VACANCY



- COMPLETIONS (M²)
- VACANCY MARKET (M²)
- TAKE-UP (M²)
- VACANCY MARKET %
- VACANCY LEASINVEST REAL ESTATE %

Notwithstanding that the average vacancy rate of the Brussels office market remained constant in 2010 at 11.4% (idem at 31/12/09), Leasinvest Real Estate succeeded in keeping the occupancy rate of its office buildings located in Brussels at a high level. The occupancy rate slightly increased in 2010 and amounts to 95% (compared to a vacancy rate of 6.1% on 31/12/09).

VACANCY PER REGION 31/12/10

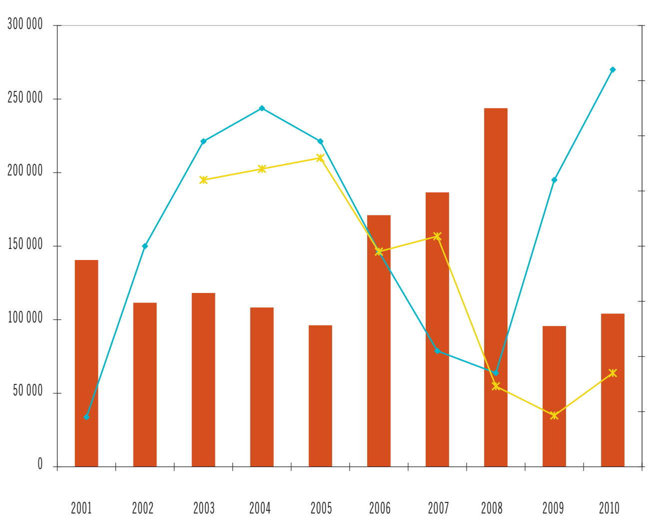


- MARKET
- LEASINVEST REAL ESTATE

The 5% vacancy rate of our offices in Brussels is mainly due to the partial vacancy of 17% of the building located on Avenue Louise 66 and of the Riverside Business Park (Decentralized zone) of 6% (end of 2009: 16%).

GRAND DUCHY OF LUXEMBOURG

OFFICE RENTAL MARKET LUXEMBOURG



- TAKE-UP (M²)
- VACANCY MARKET %
- VACANCY LEASINVEST IMMO LUX %

The occupancy rate in our Luxembourg offices remained high at 98.5% (99.1% at the end of 2009).

6.3 REAL ESTATE PORTFOLIO

6.3.1 REAL ESTATE PORTFOLIO IN OPERATION

BELGIUM

All buildings recorded in the statutory accounts of Leasinvest Real Estate are indicated with an *.

SQUARE DE MEEÛS 5-6 1000 BRUSSELS*

Very well situated office building

Year of construction 1974, important renovations in different phases (period 1996-2002)

Area rented 5,965 m²

RUE MONTOYER 63, 1000 BRUSSELS*

Extremely well situated office building

Year of construction 1974, partially renovated in 2003 – renovation of entrance hall and sanitary fittings 2009-2010

Area rented 6,745 m²

AVENUE LOUISE 66, 1000 BRUSSELS*

Office complex opposite the Conrad Hotel, consisting of 2 interconnected buildings and 1 commercial ground floor

Year of construction 1974/75, renovated in 1987 & 2001 ▪ ground floor and façade renovated in 2007

Area rented 3,398 m²

THE CRESCENT, ROUTE DE LENNIK 451, 1070 ANDERLECHT*

Office building in the Erasmus Science Park in Anderlecht

Year of construction 2002 ▪ renovated into a green intelligent building' in 2010 completion foreseen by spring 2011

Area rented 15,132 m²

RIVERSIDE BUSINESS PARK, BD. 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 m²

RUE LUSAMBO, 1190 FOREST*

Semi-industrial building consisting of offices and storage

Year of construction 1993

Area rented 3,191 m²

BELGIUM

BRIXTON BUSINESS PARK / BRIXTONLAAN 1-30, 1930 ZAVENTEM*

Business park alongside the E40 motorway, consisting of 6 semi-industrial buildings and 1 large retail space

Year of construction 1975/88, renovations carried out as required for new tenants

Area rented 36,122 m²

DELTA BUSINESS PARK, KONTICHSESTEENWEG / TECHNOLOGIEPARK SATENROZEN, SATENROZEN 1A BOÎTE 1, 2550 KONTICH*

Office building situated in a business park

Year of construction 2000

Area rented 1,792 m²

BAARBEEK-ZWIJNDRECHT, ALPHA CAMPUS*

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

Year of construction 2009

Area rented 3,478 m²

PRINS BOUDEWIJNLAAN 7, 2550 KONTICH*

Distribution centre

Year of construction 1989, extension in 2000

Area rented 27,589 m²

CANAL LOGISTICS, NEDER-OVER-HEEMBEEK (PHASE 1)

New state-of-the-art logistics centre with offices

Year of construction 2010

Area rented 27,682 m² of logistics and 1,250 m² of offices

NIJVERHEIDSSTRAAT 96, 2160 WOMMELGEM*

Storage and distribution site with offices

Year of construction 1992-1993 ▪ installation of solar panels and extended with 500 m² of extra office space in 2010

Area rented 26,590 m²

BELGIUM

RIYADHSTRAAT 21, 2321 MEER*
Warehouse with offices
Year of construction 2002

Area rented 5,015 m²

WENENSTRAAT 1, 2321 MEER*
Warehouse with offices
Year of construction 1989-1990

Area rented 8,071 m²

VIERWINDEN BUSINESS PARK / LEUVENSESTEENWEG 532, 1930 ZAVENTEM*
Semi-industrial business park
Year of construction 1973, renovated in 1994 and 1998

Area rented 13,624 m²

MOTSTRAAT, 2800 MALINES*
Office complex
Year of construction 2002

Area rented 14,174 m²

ZEUTESTRAAT, 2800 MALINES*
Logistics centre
Year of construction 2002

Area rented 7,362 m²

SKF, 3700 TONGRES*
Distribution centre consisting of storage halls and offices
Year of construction 1993/2003

Area rented 25,872 m²

LUXEMBOURG

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

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^2

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 2009

Area rented 1,760 m^2

MERCURE, AVENUE DE LA GARE 41, 1611 LUXEMBOURG

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

Area rented 807 m^2
Co-ownership

AVENUE PASTEUR 16, 2520 LUXEMBOURG

Office building situated nearby the well-known Glacis, in a semi-shopping street
Year of construction 1980 ▪ renovation common parts 2009-2010

Area rented 4,928 m^2

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^2

EBBC, ROUTE DE TRÈVES 6, 2633 SENNINGERBERG

Is part of an office complex of six buildings at walking distance of Luxembourg airport
Year of construction 1988

Area rented 4,473 m^2
Co-ownership parking and parking zone

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 m²

AVENUE J.F. KENNEDY 43, 1855 LUXEMBOURG

Exceptional location at the heart of Kirchberg, next to the Auchan shopping centre
Year of construction 1999

Area rented 2,270 m²
Co-ownership

ROUTE D'ESCH 25, 1470 LUXEMBOURG

Situated nearby Dexia Luxembourg's head offices at the route d'Esch
Year of construction 1992

Area rented 1,839 m²

CFM, RUE GUILLAUME KROLL, 1822 LUXEMBOURG

Industrial complex which serves as service centre, distributor, wholesale in sanitary fittings, on the one hand, and office complex on the other hand
Year of construction 1990 ▪ renovated and extended in 2008

Area rented 19,987 m²

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 m²

RUE DU CURÉ, 9217 DIEKIRCH

Mixed-use building commercial/residential
Year of construction 1994

Area rented 3,100 m²
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

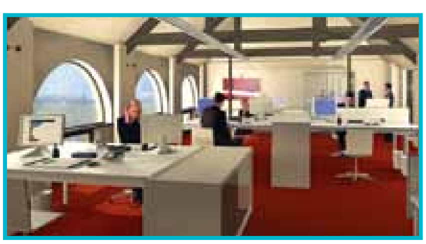
RUE DU BRILL, FOETZ
Retail building situated next to Cora
Year of construction 1987

Area rented 4,219 m²

ROUTE D'ARLON 2, STRASSEN
Retail site situated at an important approach road to the City of Luxembourg, namely the Route d'Arlon
Year of construction 1988

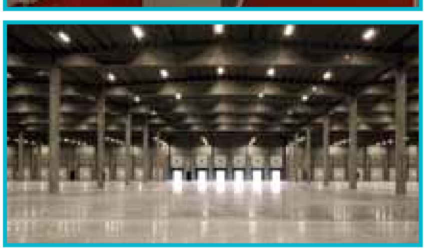
Area rented 22,721 m²

6.3.2 DEVELOPMENT PROJECTS



TORENHOF / GULDENSPORENPARK, 9820 MERELBEKE, BELGIUM
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 1,600 m²



CANAL LOGISTICS, NEDER-OVER-HEEMBEEK (PHASE 2), BELGIUM
Logistics centre with offices, under construction
Completion expected by the end of June 2011

Area rented 22,318 m² of logistics and 1,250 m² of offices

RUE DU CIMETIÈRE/AN DER N7, DIEKIRCH, LUXEMBOURG
Additional retail building under construction
Completion expected by the end of April 2011

Area rented 1,350m²

6.3.3. INVESTMENTS AND DIVESTMENTS

INVESTMENTS

Canal Logistics – Brussels, Belgium

At the end of the first quarter of the financial year 2010 Leasinvest Real Estate has acquired 100% of the shares of Canal Logistics Brussels SA. With this transaction the first phase of a newly built storage and distribution site in Neder-over-Heembeek ('Canal Logistics') of 27,700 m^2 of storage and 1,250 m^2 of offices was acquired, part of a global project of 50,000 m^2 of storage and 2,500 m^2 of offices.

DIVESTMENTS

Axxes Business Park, Merelbeke (Ghent), Belgium

In July 2010 Leasinvest Real Estate has established leasehold rights on phase 1 of the Axxes Business Park situated in Merelbeke near Ghent on behalf of Axxes Certificates SA. The bare ownership has also been transferred. In total the business park comprises 23,728 m² of office space (archives included) and 868 parking spaces.

Furthermore, Axxes Certificates has agreed to the acquisition, at the end of 2012, of the facility center 'Torenhove' located at the same site in Merelbeke, after its renovation by Leasinvest Real Estate.

Avenue Louise 250, Brussels, Belgium

On 26 October 2010 Leasinvest has transferred the leasehold rights on the office building located at Avenue Louise 250 in Brussels to the company ECF Brussels Office Leasehold SPRL. The bare ownership has also been transferred mid-November 2010. The office building constructed in 1972 comprises 9,948 m² of office space (showroom and archives included) and 114 parking spaces.

For more information on the investments and divestments we refer to chapter 5 management report, the press releases on www.leasinvest.be and note 4.1.2. of the financial statements.

6.4 COMPOSITION OF THE REAL ESTATE PORTFOLIO

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

FINANCIAL STATEMENTS P 90

GEOGRAPHICAL CLASSIFICATION BELGIUM – GRAND DUCHY OF LUXEMBOURG

	Fair value (€ m)	Investment value (€ m)	Share in portfolio (%) based on fair value	Contractual rents (€ m/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Belgium	264.29	271.38	53.5	20.96	7.92	7.72	96.4
Grand Duchy of Luxembourg	222.07	227.75	44.9	15.09	6.79	6.62	99.0
Buildings in operation	**486.36**	**499.13**	**98.4**	**36.05**	**7.41**	**7.22**	**97.5**
Projects Belgium	7.24	7.42	1.5				
Projects Luxembourg	0.60	0.00	0.1				
Total investment properties	**494.20**	**506.55**	**100**				

SEGMENTATION BASED ON ASSET CLASS

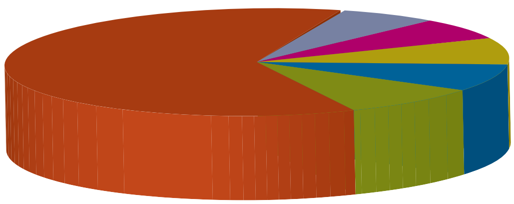
	Fair value (€ m)	Investment value (€ m)	Share in portfolio (%) based on fair value	Contractual rents (€ m/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Offices							
Offices Brussels	102.59	105.16	20.8	8.22	8.01	7.82	95.1
Offices Malines	27.36	28.04	5.5	2.16	7.90	7.70	100.0
Offices Antwerp	9.42	9.83	1.9	0.70	7.43	7.12	100.0
Offices Ghent	0.00	0.00	0.0	0	0.00	0.00	0.0
Offices Grand Duchy of Luxembourg	137.46	141.03	27.8	8.89	6.47	6.30	98.3
Total offices	**276.83**	**284.06**	**56.1**	**19.97**	**7.21**	**7.03**	**97.2**
Logistics/semi-industrial							
Logistics/semi-industrial Belgium	100.14	102.95	20.3	8.94	8.93	8.68	95.5
Logistics/semi-industrial Grand Duchy of Luxembourg	20.08	20.58	4.1	1.39	6.92	6.75	100.0
Total logistics/semi-industrial	**120.22**	**123.53**	**24.3**	**10.33**	**8.59**	**8.36**	**96.1**
Retail							
Retail Belgium	24.78	25.40	5.0	0.94	3.79	3.70	100.0
Retail Grand Duchy of Luxembourg	64.53	66.14	13.1	4.80	7.44	7.26	100.0
Total retail	**89.31**	**91.54**	**18.1**	**5.74**	**6.43**	**6.27**	**100.0**
Buildings in operation	**486.36**	**499.13**	**98.5**	**36.05**	**7.41**	**7.22**	**97.5**
Projects Belgium	7.24	7.42	1.5				
Projects Grand Duchy of Luxembourg	0.60	0.00	0.1				
Total investment properties	**494.20**[1]	**506.55**	**100**				

1) The difference between the fair value as recorded in the valuation report by the experts Cushman & Wakefield (€ 493.90 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 84).

TOTAL BREAKDOWN OF THE REAL ESTATE PORTFOLIO (CLASSIFICATION OF BUILDINGS ACCORDING TO THEIR MAIN DESTINATION)

	Total surface	Contractual rents (€ m/year)	Occupancy rate (%)	Contractual rents + estimated rents on vacancy (€ m/year)	Estimated rental value (€ m/year)
PART I: OFFICES					
Square de Meeûs 5-6	5,965	1.31	100%	1.31	1.11
Rue Montoyer 63	6,745	1.47	100%	1.47	1.41
Avenue Louise 66	3,398	0.50	83%	0.60	0.46
Riverside BP - phase I, III and IV	21,645	2.61	90%	2.90	2.57
Lenniksebaan, Anderlecht	15,132	2.32	100%	2.32	1.91
Total offices Brussels (Belgium)	**52,885**	**8.22**	**95%**	**8.61**	**7.46**
WKB offices, Motstraat	14,174	2.16	100%	2.16	1.89
Total offices Malines (Belgium)	**14,174**	**2.16**	**100%**	**2.16**	**1.89**
Delta Business Park	1,792	0.22	99%	0.22	0.20
Baarbeek - Zwijndrecht	4,321	0.48	100%	0.48	0.47
Total offices Antwerp (Belgium)	**6,113**	**0.71**	**100%**	**0.70**	**0.67**
EBBC	4,473	1.54	98%	1.57	1.43
CFM offices	5,559	1.26	100%	1.26	1.56
ESCH	1,839	0.22	100%	0.22	0.54
Kennedy	2,270	0.90	100%	0.90	0.84
Kiem	1,834	0.52	99%	0.52	0.53
Mercure	807	0.21	100%	0.21	0.16
Monnet	3,866	1.45	100%	1.45	1.46
Monterey	1,555	0.69	100%	0.69	0.57
Montimmo	1,760	0.89	100%	0.89	0.78
Pasteur	4,928	1.22	91%	1.33	1.14
Total offices Grand Duchy of Luxembourg	**28,891**	**8.89**	**98%**	**9.04**	**9.01**
Total offices LRE	**102,063**	**19.98**	**97%**	**20.51**	**19.03**
PART II: LOGISTICS/SEMI-INDUSTRIAL					
SKF, Tongres	25,872	1.13	100%	1.12	1.05
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	96%	1.33	1.26
Canal Logistics (phase 1)	28,934	1.39	100%	1.39	1.39
Riverside BP - phase II	5,181	0.42	97%	0.43	0.41
Brixton BP	21,668	1.38	98%	1.40	1.23
Vierwinden BP	13,624	0.53	60%	0.82	0.45
Almet (ex-Alcan)	3,191	0.27	100%	0.27	0.20
WKB Warehouses, Zeutestraat	7,362	0.37	100%	0.37	0.33
Total Logistics/semi-industrial Belgium	**173,097**	**8.94**	**96%**	**9.32**	**8.09**
CFM logistics	14,428	1.39	100%	1.39	1.17
Total Logistics/semi-industrial Grand Duchy of Luxembourg	**14,428**	**1.39**	**100%**	**1.39**	**1.17**
Total Logistics/semi-industrial	**187,525**	**10.33**	**96%**	**10.71**	**9.26**
PART III : RETAIL					
Brixton BP - Unit 4/5/6	14,454	0.94	100%	0.94	2.10
Total Retail Belgium	**14,454**	**0.94**	**100%**	**0.94**	**2.10**
Diekirch	3,100	0.64	100%	0.64	0.45
Dudelange	3,759	0.34	100%	0.34	0.36
Foetz - Adler	4,219	0.56	100%	0.56	0.56
Diekirch - Batiself	8,843	0.90	100%	0.90	0.91
Strassen	22,721	2.36	100%	2.36	2.49
Total Retail Grand Duchy of Luxembourg	**42,642**	**4.80**	**100%**	**4.80**	**4.77**
Total Retail	**57,096**	**5.74**	**100%**	**5.74**	**6.86**
General total without projects	**346,684**	**36.05**	**97.45%**	**36.97**	**35.15**
PART IV: PROJECTS					
Torenhof (Axxes BP)	2,019				
Total offices Belgium	**2,019**				
GENERAL TOTAL WITH PROJECTS	**348,703**				

OVERVIEW OF BUILDINGS WITH A SHARE OF MORE THAN 5% IN THE TOTAL REAL ESTATE PORTFOLIO IN OPERATION



- CFM LUXEMBOURG **8.9 %**
- RIVERSIDE BUSINESS PARK **8.0 %**
- BRIXTON BUSINESS PARK **8.0 %**
- STRASSEN **6.8 %**
- WKB MALINES **6.4 %**
- < **5 %**

INSURED VALUE (SITUATION ON 31/12/10)

In 2009 the value of the buildings was evaluated by an external party in terms of 'new construction'-value (VAT included). The insured values are reviewed annually, in accordance with the 'ABEX index' in force.

The buildings which are not recorded in the global insurance policy of the real estate investment trust, and of which the owner's risk is therefore individually insured, are, for Belgium, Rue Montoyer 63 (insured by the European Parliament for € 24.5 million), The Crescent (Route de Lennik 451) (insured by L'Oréal for € 46.34 million), SKF (takes care of the insurance of the buildings by means of a group insurance for a total amount of € 500 million), Prins Boudewijnlaan (Federal Mogul for € 71.36 million), and Almet (ex-Alcan) Forest (€ 2.18 million).

For Luxembourg these are the buildings Kennedy (global insurance policy for an amount of € 355.32 million of which 8.93 million relates to the part of Leasinvest Immo Lux), Mercure (total of € 4.32 million of which the part for Leasinvest Immo Lux € 2.53 million), Monterey (€ 24.46 million globally, of which € 4.44 million specifically for Leasinvest Immo Lux's property), Diekirch (Match) (€ 18.64 million of which € 4.88 million).

Besides the insured value, the global insurance policy of the real estate investment trust provides additional coverage, among which a 'loss of rent' of 36 months.

The total insured value for the buildings owned by Leasinvest Real Estate, amounts to € 276.53 million, of which € 172.47 million is part of the global insurance policy of Leasinvest Real Estate.

The total insured value for the buildings, which Leasinvest Immo Lux owns for 100%, amounts to € 134.91 million, of which € 104.93 million is part of the global insurance policy of Leasinvest Immo Lux.

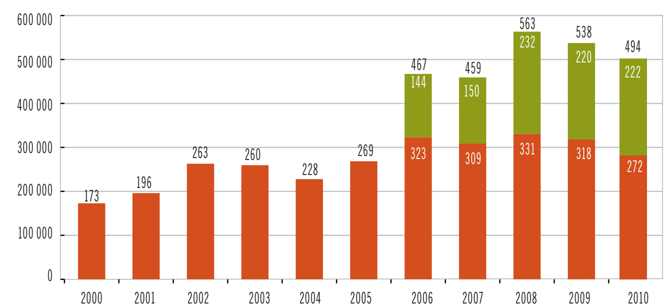
The insured value has been defined as best as possible by an independent expert, for which the reconstruction value (+VAT) has been taken into account.

BELGIUM	(in € million)	**LUXEMBOURG**	(in € million)
Offices	165.35	Offices	89.38
Logistics	101.03	Logistics	5.00
Retail	10.15	Retail	40.53
TOTAL	**276.53**	**TOTAL**	**134.91**

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

EVOLUTION OF THE FAIR VALUE

The fair value of the investment properties (including the development projects) on 31/12/10 (€ 494 million) has decreased compared to 31/12/09 (€ 538 million). The fair value of the Luxembourg portfolio has slightly increased on 31/12/10 from € 220 million on 31/12/09 to € 223 million op 31/12/10. The value decrease of the Belgian portfolio of € 318 million (31/12/09) to € 272 million is due to the sale of the office buildings in the Axxes Business Park in Merelbeke and Avenue Louise 250 in Brussels on the one hand, and the value decrease of the buildings by the independent real estate expert, on the other hand.

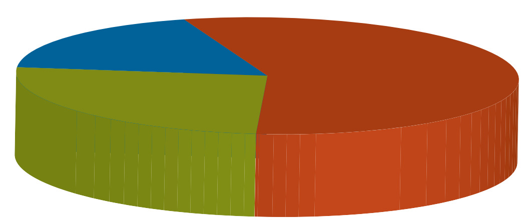


BELGIUM

LUXEMBOURG

TYPE OF ASSETS

Leasinvest Real Estate's portfolio is well balanced according to the type of assets. Due to the important sale of office buildings in 2010, the importance of offices in Leasinvest Real Estate's property portfolio evolved from 64% (31/12/09) to 56%, followed by 26% logistics (19.8% in 31/12/09) and 18% retail (16.2% in 31/12/09).



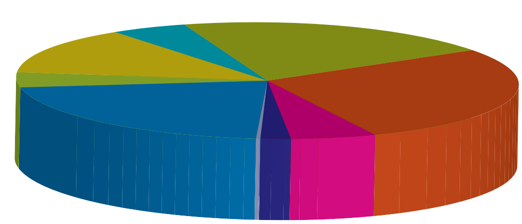
OFFICES **56.3 %**

LOGISTICS **25.6 %**

RETAIL **18.1 %**

BREAKDOWN OF THE PORTFOLIO

By the sales of offices in Belgium in 2010 the offices part in the Grand Duchy of Luxembourg has become the largest segment of the total real estate portfolio, with 27.8% or € 137.4 million. The logistics part in Belgium is now second with € 106.3 million or 21.5% of the total portfolio. Third is the offices part in Brussels with 20.8% or € 102.8 million. Retail in the Grand Duchy of Luxembourg is fourth with 13.2% or € 65.2 million. In 2009 the Axxes Business Park in Merelbeke (Ghent) was still fifth with € 43.5 million or 8.1%.



OFFICES LUXEMBOURG **27.8 %**

OFFICES BRUSSELS **20.8 %**

OFFICES MALINES **5.5 %**

OFFICES ANTWERP **1.9 %**

OFFICES GHENT **0.2 %**

LOGISTICS BELGIUM **21.5 %**

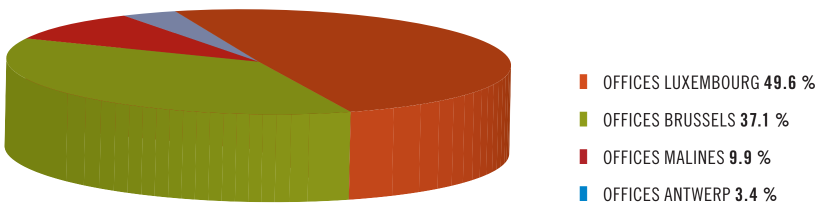
LOGISTICS LUXEMBOURG **4.1 %**

RETAIL LUXEMBOURG **13.2 %**

RETAIL BELGIUM **5.0 %**

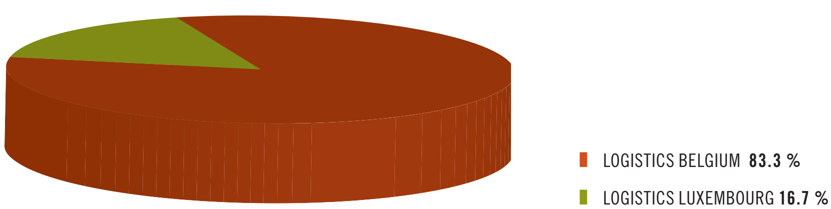
OFFICES PORTFOLIO

Just as it is the case for our total portfolio, the offices portfolio in Luxembourg represents the largest part with € 137.3 million or 49.6% of total offices. Brussels' offices account for 36.3%, followed by the offices in Malines (9.9%) and in Antwerp.



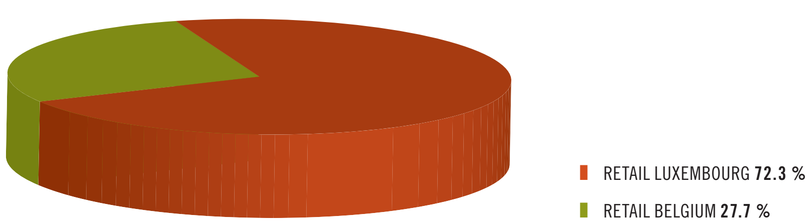
LOGISTICS PORTFOLIO

Through the acquisition of the first phase of Canal Logistics the largest part is taken up by the logistics sites/buildings in Belgium: first phase in Neder-over-Heembeek (Brussels), the building located 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 logistics building, namely 'CFM'.



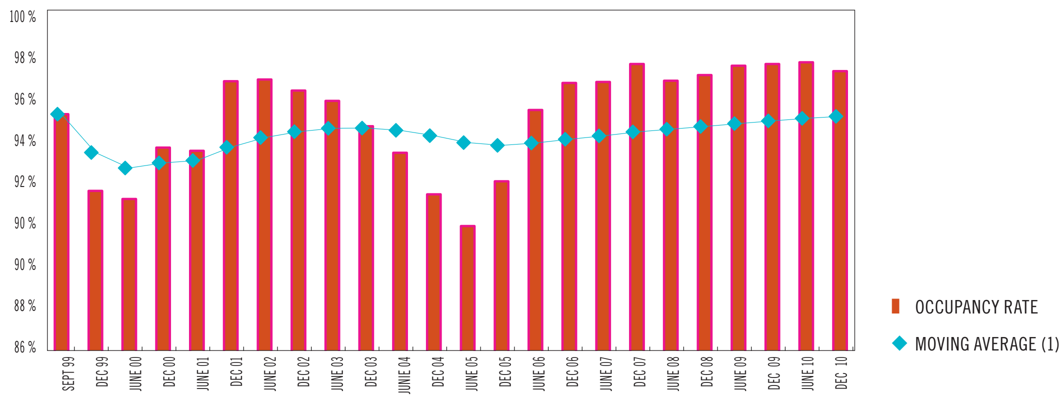
RETAIL PORTFOLIO

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



OCCUPANCY RATE

The occupancy rate on 31/12/10 amounted to 97.45% (97.74% on 31/12/09). 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.

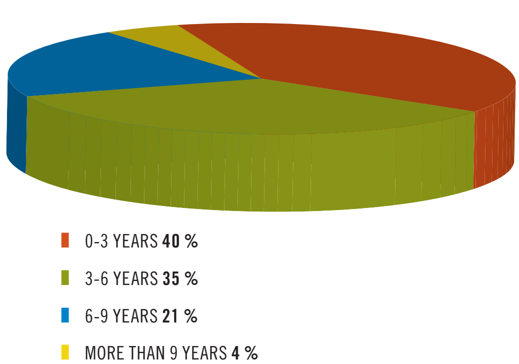


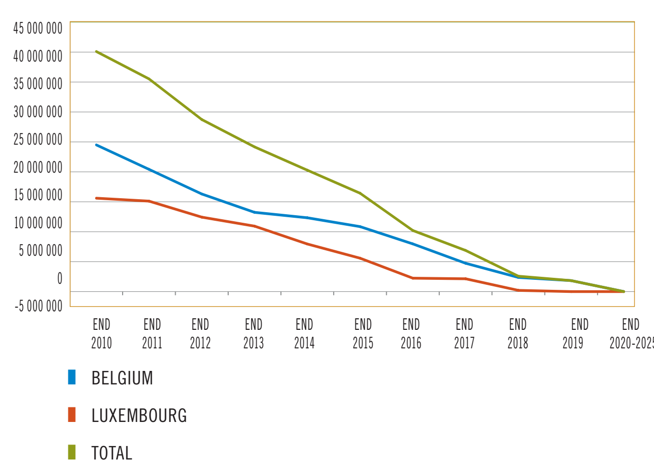
(1) A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.

REMAINING LEASE TERMS AND CONTRACTUALLY GUARANTEED RENTAL INCOME

The graph is based on the first break date of the current rental contracts and on the contractual rents. 40% of the annual contractual rents expire within 3 years.
In 2010 € 4 million expired, of which 78% has been extended and 22% has been terminated as from 01/01/11.
In 2011 11.4% or € 4.6 million of the annual contractual rents expire. There are important breaks in 2012, namely 16.9% and 11.4% in 2013.
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 3.8 years (31/12/09: 3.9 years).
For more information we refer to note 5 of the financial statements.

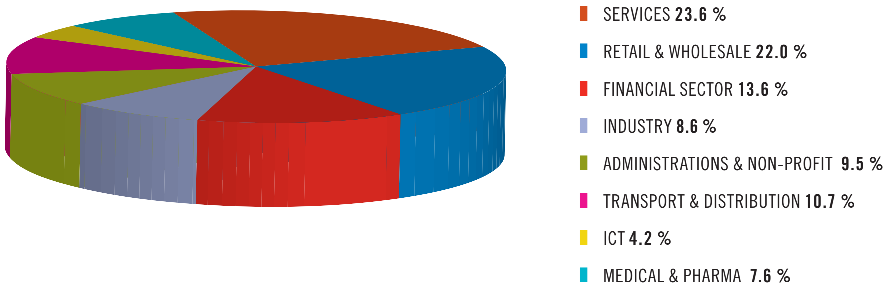
FINANCIAL STATEMENTS P 94





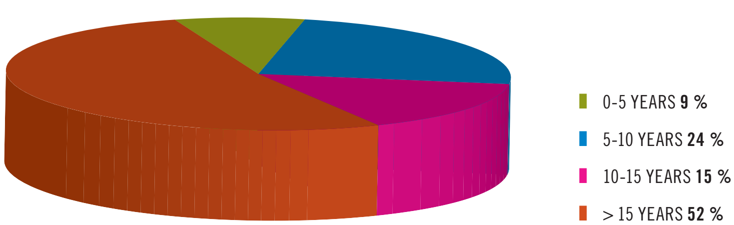
TYPE OF TENANTS

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 represent nearly 10% of the portfolio. The main sectors of the portfolio are services (24%), retail & wholesale (22%), the financial sector (14%), industry (11%) public/non-profit (10%), and transport/distribution (9%). The Grand Duchy of Luxembourg represents 90% of the financial sector.



AVERAGE AGE

More than 30% 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 [1 2]

Valuation update as at 31 December 2010 of the Leasinvest Real Estate SCA portfolio.

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD

'We are pleased to report our valuation of the investment value of the Leasinvest Real Estate SCA portfolio as at 31 December 2010.

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

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

The values were determined taking current market parameters into account.

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

1. The portfolio consists of business parks, offices and semi-industrial buildings or distribution centres and shops, situated in Belgium (Brussels, Zaventem, Malines, Antwerp, Tongres and Merelbeke) and in the Grand Duchy of Luxembourg.

2. The average of the current rental income (+ the market rent on vacant space) is 2.55% higher than the market rent (respectively 3.78% and 0.90% for the Belgian and Luxembourg portfolios).

3. The occupancy rate[3] of the total portfolio (excluding the Projects) is 97.45% (respectively 96.35% and 98.97% for the Belgian and the Luxembourg portfolios).

4. Two properties have been sold in 2010. First of all there was the Axxes Business Park in Merelbeke which has been taken out of the portfolio at 30/06/10 and secondly there was the building located at Avenue Louise 250 which has been taken out of the portfolio at 30/09/10. The investment values on their last date of valuation of these properties represented respectively € 43,470,000 and € 22,080,000.

For all buildings of Leasinvest Real Estate SCA, we determined the following values as at 31 December 2010, including the part that has been valued by Winssinger & Associés:

1. an **investment value** of € **506,550,000** (five hundred and six million five hundred fifty thousand euro), with respectively € 278,800,000 and € 227,750,000 as investment values for the Belgian and Luxembourg portfolios; and

2. a **fair value** of € **493,900,000** (four hundred ninety-three million nine hundred thousand euro), with respectively € 271,840,000 and € 222,060,000 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 7.22% (with respectively 7.72% and 6.62% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.41% (respectively 7.92% and 6.79% for the Belgian and Luxembourg portfolios).'

CUSHMAN & WAKEFIELD

1 The conclusions of the valuation report concern, unless mentioned otherwise, the real estate porfolio of Leasinvest Real Estate, including the development projects.
2 The valuation report has been reproduced with the agreement of Cushman & Wakefield and Winssinger & Associates.
3 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).

6.7 TECHNICAL MANAGEMENT OF THE BUILDINGS

BELGIUM – LEASINVEST SERVICES

The property management of Leasinvest Real Estate is performed by a 100% subsidiary of Leasinvest Real Estate, since 2007. The decision to insource the property management of the Belgian portfolio has mainly been taken to reinforce direct communication with our tenants.

The property management is currently performed by Leasinvest Services SA (company number 0826.919.159) and having its registered office in 2000 Antwerp, Schermersstraat 42.

This company is in principle exclusively active in property and project management of Leasinvest Real Estate's buildings located in Belgium.
Till the expiry of the rental guarantee granted by Leasinvest Real Estate within the framework of the divestment of phase I of the Axxes Business Park, and only during that period, Leasinvest Services is also in charge of the technical and commercial management of the buildings of the real estate certificate "Axxes", of which Leasinvest Real Estate has subscribed 5%.

Leasinvest Services SA was created mid-2010 and has taken over the management activities and the personnel of Leasinvest Services SA (old) with company number 0878.901.063 (created as Leasinvest Real Estate Facility Services SA on 17/01/06). Leasinvest Real Estate has sold its shares of the latter company, of which the name has been changed into Leasinvest Services SA afterwards and later in Foncière des Eperons d'Or, in 2010.

Leasinvest Services is not under the supervision of an official body. This company employs 7 persons, directed by Mr Sven Janssens, head of property management, reporting to Mr Michel Van Geyte, COO of Leasinvest Real Estate Management SA and one of the effective leaders of Leasinvest Real Estate.

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
- evaluating sustainability aspects

Leasinvest Services SA is a separate company within (i.e. subsidiary of) Leasinvest Real Estate that, in accordance with the provisions of article 11 of the RD of 07/12/10 disposes of the necessary administrative, accounting, financial and technical organisation for managing Leasinvest Real Estate's property portfolio. Its directors and the persons effectively managing the company, all have the required professional reliability and experience to be able to execute management tasks.

Leasinvest Services SA 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 also has the required professional competences 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 or its subsidiaries) 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, including 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 € 290,044 (excl. VAT) to Leasinvest Services, of which the largest part relates to project management costs for the different renovations with regard to the Belgian real estate portfolio.

These types of assignments were previously outsourced to architects and consultancy offices.

THE CRESCENT - ANDERLECHT

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 33 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 € 15,714 (excl. VAT) to Property Partners.

6.8 INVESTMENT ADVICE LUXEMBOURG

At the end of December 2010 the investment advice agreement, that existed since 14/01/1999 between Leasinvest Immo Lux SICAV-FIS and Leasinvest Immo Lux Conseil SA under Luxembourg law (since mid-2006 a 100% subsidiary of Leasinvest Real Estate) has been terminated by mutual consent.

This termination took place within the framework of the liquidation of Leasinvest Immo Lux Conseil SA and a new investment advice agreement under the same conditions and after approval by the CSSF, was concluded between Leasinvest Immo Lux and Leasinvest Real Estate directly. The agreement has been concluded for an unspecified term and can be terminated by each party provided that a notice of six months is given.

Based on this agreement, Leasinvest Real Estate 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 includes proposing real estate that fits within the defined investment policy, as well as making divestment proposals for buildings. Furthermore, Leasinvest Immo Lux has to be kept informed of the developments on the financial markets and the company is assisted by means of advice and recommendations with regard to the management of its investment properties, including the definition of its investment policy.

For these services Leasinvest Immo Lux pays an annual remuneration of:

- 0.75%, payable in four parts at the end of each quarter and calculated on the gross value of the real estate assets of Leasinvest Immo Lux, as estimated, at the end of each year, by the independent real estate experts;
- a maximum of 0.50%, payable in four 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, a fee is due, equal to 5% of the net gain on buildings sold by Leasinvest Immo Lux.

Within the framework of the aforementioned settlement of Leasinvest Immo Lux Conseil the personnel on the payroll has been transferred to Leasinvest Immo Lux.

The past year, Leasinvest Immo Lux Conseil received a remuneration of € 1,750,306 from Leasinvest Immo Lux.

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

SQUARE DE MEEÛS - BRUSSELS

DUDELANGE - LUXEMBOURG

Corporate Governance Statement

SUSTAINABILITY HAS BECOME ONE OF THE MAIN INVESTMENT CRITERIA

MONNET - LUXEMBOURG

7.0 ROYAL DECREE OF 7 DECEMBER 2010 ON REAL ESTATE INVESTMENT TRUSTS (SICAFIS)

On 28 December 2010 the long expected Royal Decree on real estate investment trusts was published in the Official Belgian Gazette (hereafter the RD of 07/12/10), based on the provisions of the law of 20 July 2004 with regard to certain forms of collective management of investment portfolios. This new regulation for real estate investment trusts was developed as a result of a real need for an actualisation taking into account the evolution of the financial markets. In order for the real estate investment trust to keep its attraction and in order to ensure the protection of investors, the existing legal framework had to be amended.

Taking into account the transitory provisions of the articles 73 to 75 of the aforementioned RD, the Royal Decrees of 10 April 1995 on real estate investment trusts, amended by the Royal Decrees of 20 July 2000, 10 June 2001 and 21 June 2006, and the Royal Decree of 21 June 2006 have been abolished.

To the extraordinary general meeting of shareholders of Leasinvest Real Estate, which will be held in 2011, there will be asked to amend the articles of association of the public real estate investment trust in accordance with the provisions of the RD of 07/12/10. At the same time, the articles of association of the statutory manager of Leasinvest Real Estate, Leasinvest Real Estate Management SA, will also be amended in accordance with the new RD of 07/12/10.
In conformity with article 8 of the RD of 07/12/10, the project for the amendments to the articles of association will be presented for approval to the FSMA beforehand, as this can result in a modification of the sicafi licence file.

7.1 DECISION-MAKING BODIES

Pursuant to the provisions of article 9 of the RD of 07/12/10 on real estate investment trusts (sicafi/bevak) Leasinvest Real Estate is autonomously managed in the exclusive interest of its shareholders.

7.1.1 THE STATUTORY MANAGER

The real estate investment trust Leasinvest Real Estate is being managed by its limited (managing) partner and sole statutory manager, Leasinvest Real Estate Management SA, with its registered office at 2000 Antwerp, Schermersstraat 42 (register of legal persons 0466.164.776), a 100% subsidiary of Extensa Group SA. The only activity of the manager is (and always has been) the management of Leasinvest Real Estate.

On 31/12/10 Leasinvest Real Estate Management SA had shareholder's equity of € 1,445,793.14.
Extensa Group SA is the founder and promoter of Leasinvest Real Estate. Extensa Group SA is active in real estate investment and development for the corporate and residential market and is a 100% subsidiary of the listed investment group Ackermans & van Haaren.

TERM OF THE MANDATE

Leasinvest Real Estate Management SA was appointed in 1999 as the sole statutory manager for an indefinite term, with an initial minimum term of 15 years, extended for the first time in 2004, by ten years. The mandate is currently irrevocable until the general meeting of shareholders that will be held in 2014.
It will be asked to the extraordinary general meeting of shareholders of Leasinvest Real Estate that will be held in 2011 to additionally extend the statutory term of the mandate by 20 years, till the annual meeting that will be held in 2034.
In conformity with the provisions of the Corporate Governance Charter of Leasinvest Real Estate the committee of independent directors was asked to draw up a written and motivated advice for the board of directors of the statutory manager, as this amendment of the organisation requires an amendment to the sicafi licence file.

After that fixed term, 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, that is responsible for general management, commercial contacts with tenants and real estate agents, accounting, legal activities, administration and technical management of the buildings currently consists of 17 persons[1].

AUTHORITY

The statutory manager is empowered to perform all management operations which are necessary or useful to fulfil Leasinvest Real Estate's objective, except for those operations for which only the general meeting of shareholders is competent according to the law. The statutory manager manages the company through its collegial board of directors, which has appointed a managing director and a representative 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 managing the real estate investment trust, the statutory manager is entitled to receive a remuneration on a flat rate basis pursuant to the articles of association of 0.415% of the assets of the company. For the past financial year, this remuneration was € 2,278,095. No other remuneration is attributed to the statutory manager.

7.1.2 THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER[2]

COMPOSITION OF THE BOARD OF DIRECTORS

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

The regulation for nominations (nomination rights granted to Extensa Group SA and AXA Belgium SA) based on which the board of directors is composed as stated above, is further developed in the articles of association of the statutory manager and in a shareholders' agreement. According to agreements between AXA Belgium and Extensa Group SA, a maximum of 3 directors may be appointed on the proposal of AXA Belgium SA.

The independent directors have the special task, based on the Corporate Governance Charter of the real estate investment trust, 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 statutory manager also comprise specific provisions regarding the majorities within the board of directors of the statutory manager, which relate, inter alia, to decisions regarding the strategy (see below) and in that way, confirm the exclusive control of Extensa Group SA (Ackermans & van Haaren) over Leasinvest Real Estate.

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.

In accordance with article 9 of the RD of 07/12/10 the board of directors should comprise at least three independent directors in the sense of article 526 ter of the Company Code.

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

[2] For statements by the directors and the management, please refer to chapter 10 Permanent document

1 THE INDEPENDENT DIRECTORS ARE:

- **Eric De Keuleneer**, managing director of Credibe SA

- **Marcus Van Heddeghem**, director of companies

- **Bernard de Gerlache de Gomery**, director of companies

- **Christophe Desimpel**, managing director of De Speyebeek SA

Messrs de Gerlache de Gomery, De Keuleneer, Van Heddeghem and Desimpel comply with the criteria of independent directors in the sense of article 526 ter of the Company Law and comply with the criteria of independence as defined in the Corporate Governance Charter of the real estate investment trust.

As in June 2011 the maximum term of twelve years for the execution of a mandate as an independent director, in accordance with the provisions of the aforementioned article 526 ter of the Company Law, is reached for Messrs de Gerlache de Gomery, Van Heddeghem and De Keuleneer, their directors mandate will end at the next annual meeting of shareholders of the manager, and three new independent directors, complying with the criteria of independence of the aforementioned article, will be nominated.

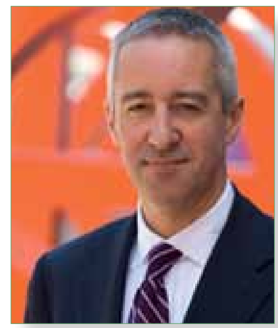
2 THE DIRECTORS PROPOSED BY EXTENSA GROUP SA ARE:

- **Luc Bertrand**, chairman of the executive committee of Ackermans & van Haaren SA, chairman of the board of directors of Leasinvest Real Estate Management SA (non-executive director)

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

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

- **Kris Verhellen**, CEO[1] of Extensa Group SA (non-executive director)

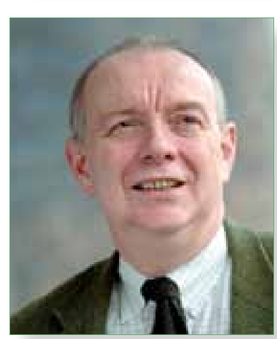


3 THE DIRECTORS PROPOSED BY AXA BELGIUM ARE:

- **Guy Van Wymersch-Moons**, general manager of real estate at AXA Belgium SA (non-executive director)

- **Consuco SA**, represented by its permanent representative **Alfred Bouckaert**, director of companies (non-executive director), for the execution of the mandate of director-legal person

- **SiriusConsult SPRL**, represented by its permanent representative **Thierry Rousselle**, director of companies (non-executive director), for the execution of the mandate of director-legal person



[1] Via SITAS BVBA, who appointed Mr. Verhellen as a permanent representative.

Director	start of mandate	end of mandate	attendance quotient board of directors
Eric De Keuleneer ■	18/06/99	16/05/11	4/4
Bernard de Gerlache de Gomery ♦	03/06/99	16/05/11	3/4
Marcus Van Heddeghem ■	03/06/99	16/05/11	3/4
Christophe Desimpel ♦	20/10/03	19/05/14	4/4
Luc Bertrand ♦	18/06/99	19/05/14	4/4
Jean-Louis Appelmans	03/06/99	19/05/14	4/4
Jan Suykens ■	03/06/99	19/05/14	3/4
Kris Verhellen	03/06/99	19/05/14	4/4
Guy Van Wymersch-Moons ♦	26/01/06	19/05/14	4/4
Thierry Rousselle ■ / SiriusConsult SPRL	26/01/06	19/05/14	2/4
Alfred Bouckaert / Consuco SA	17/08/09	19/05/14	4/4

■ member of the audit committee ♦ member of the nomination and remuneration committee

With regard to the (office) addresses of the aforementioned directors, please refer to chapter 10 Permanent document.

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.

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. Mr Desimpel was co-opted by the board of directors on 18/12/02, appointed as a director with effect from 20/10/03. Messrs Rousselle and Van Wymersch-Moons were appointed as directors as from 26/01/06 and Mr Bouckaert was appointed with effect from 17/08/09.

The annual meeting of shareholders of the statutory manager, Leasinvest Real Estate Management SA, held on 17 May 2010, has decided, in principle, to renominate all directors for a term of 4 years, i.e. till the annual meeting that will be held in 2014. But, taking into account the independence criteria of article 526 ter of the Company Code (that defines that an independent director cannot have executed more than 3 successive mandates as a non-executive director in the board of directors, and this term should not exceed 12 years), the mandates of Messrs Van Heddeghem, de Gerlache de Gomery and De Keuleneer will only have a term of 1 year, i.e. till the annual meeting that will be held on 16 May 2011.

SiriusConsult SPRL, represented by Mr Rousselle, and Consuco SA, represented by Mr Bouckaert have been nominated as from 17/05/10 till 2014.

Proposals have been made by the nomination and remuneration committee to the general meeting of shareholders of Leasinvest Real Estate Management SA, that will be held on 16 May 2011, to nominate three new independent directors as from that date, satisfying the independence criteria of article 526 ter of the Company Law and the provisions of the Corporate Governance Charter of Leasinvest Real Estate.

All directors mandates are limited to a maximum of four years, as foreseen by the Belgian Corporate Governance Code.

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 4 times during the financial year.
The overall attendance quotient was 79.54%. The attendance quotient of individual members was 100% in the case of Messrs Bertrand, Appelmans, Verhellen, De Keuleneer, Van Wymersch, Desimpel and Bouckaert (Consuco). Messrs Suykens, Van Heddeghem and de Gerlache de Gomery were excused once. Mr Rousselle (SiriusConsult) was 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 fulfil the objective of the statutory manager, in particular, the management of Leasinvest Real Estate, and to perform all acts which are not subject to the authority of the general meeting, according to the law or the articles of association.

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

In 2010, the following specific agenda items were dealt with by the board of directors:

- approval of the divestment of the Axxes Business Park;
- approval of the divestment of the office building Avenue Louise 250;
- extension, in advance, of the maturity dates of the current bank credits, seriously increasing the average duration;

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[1]. In the process of preparing certain decisions, the board of directors is advised by the audit committee, the nomination & remuneration committee or the committee of independent directors. Furthermore, the directors can request prior advice from an (or more) independent expert(s).

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 SA (or an associated company) and provided that there is no conflict of interest between them in the sense of article 523 of the Company Law; this qualified majority is also due to the exclusive control by Extensa Group SA (Ackermans & van Haaren);
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 directors are evaluated once every 4 years, based on the evaluation criteria defined in accordance with the provisions of the Company Law, taking into account the professional expertise required to run a real estate investment trust and their experience, based on education, prior and current functions and directors mandates in other companies. To that end, the committee can be assisted by external experts. The size, the composition and the efficient functioning of the board of directors and its consultative committees are also taken into account. The current composition of the board of directors is compared with its preferred composition, mainly in function of the proposed modification of the composition of the board of directors as from mid-2011 by the nomination of three new independent directors.

Once per year, the non-executive directors, meeting without the presence of the CEO, shall evaluate the relationship

[1] Two of the 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.)

between the board of directors on the one hand, and the effective leadership and executive management, on the other hand.

With regard to the renomination 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 renominate existing directors.

7.1.3 CONSULTATIVE COMMITTEES[1]

The board of directors has currently three consultative committees as defined in the Corporate Governance Code and further explained in the Corporate Governance Charter of the real estate investment trust.
The consultative committees have a pure advisory function.
They are in charge of examining specific matters and formulating advice to the board of directors.
The committee of independent directors holds a specific consultative remit, broader than that defined in article 524 of the Company Law and will e.g. also draw up a written and motivated advice following important changes in the organization of the real estate investment trust, that could result in amendments to the sicafi licence file.
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. 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 control 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 Company Law).

The tasks of the audit committee are carried out pursuant to article 526 bis, §4 of the Company Law.

The composition of the audit committee has been adapted in 2011 to the requirements of article 526 bis §2 of the Company Law, namely exclusively non-executive directors and at least one independent director, as well as to the requirements of the Belgian Corporate Governance Code, which is more stringent than the Company Law, and requires that at least the majority of the members of the audit committee are independent directors.

The members of the audit committee during the past year are:

1. **Eric De Keuleneer**, independent director
2. **Marcus Van Heddeghem**, independent director
3. **Jan Suykens**, (Ackermans & van Haaren SA), director and chairman of the audit committee (non-executive director)
4. **SiriusConsult SPRL**, represented by Mr **Thierry Rousselle** (AXA Belgium SA), director of companies (non-executive director)

[1] The complete text of the latest version of the Corporate Governance Charter can be found on the website www.leasinvest.be.

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 4 times during the past financial year. The attendance quotient of the members of the committee was 87.5% overall, and 100% in the case of Messrs Van Heddeghem and De Keuleneer, and 75% in the case of Messrs Suykens and Rousselle (SiriusConsult), individually.

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

- discussion of the quarterly financial reports;
- discussion of a possible amendment to the valuation rules;
- discussion of the functioning of the internal control system and the results of the internal audit (executed by BDO); see also below on internal control page 74);
- adjustment of the hedging strategy of Leasinvest Real Estate.

The auditor is 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.

NOMINATION & REMUNERATION COMMITTEE

The nomination & remuneration committee ensures objective and professional development of the nomination procedure and assists the board regarding the remuneration of the members of the board of directors and of the management and makes recommendations regarding the remuneration policy.
The nomination & remuneration committee consists exclusively of non-executive directors and half of its members are independent directors.

The members of the nomination & remuneration committee during the pas financial year are:

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

The composition of the nomination and remuneration committee has been adapted at the beginning of the financial year 2011 to the requirements of article 526 ter of the Company Law, that, inter alia, foresees that the remuneration committee must consist of a majority of independent directors.

The nomination & remuneration committee met once during the past financial year in the presence of all its members.
As from the financial year 2011 the frequency of the meetings of the remuneration committee will be adapted to the requirements of article 526 ter of the Company Law, that foresees that this committee meets at least twice a year.

Unless the nomination & remuneration committee decides otherwise, the chairman of the board of directors and the CEO are entitled to attend the meetings of the nomination & remuneration committee.

Among other things, the following agenda item was considered to by the nomination & remuneration committee:

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

The nomination & remuneration committee held in March 2011 advises to propose for approval to the general meeting of shareholders of Leasinvest Real Estate the compensation for departure of the managing director that is higher than the provision of article 554 of the Company Law. This nomination & remuneration committee also makes proposals to the annual meeting of shareholders of Leasinvest Real Estate Management SA with regard to the nomination of three new independent directors.

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 Company Law.
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 Company Law 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 fair value of the consolidated 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 statutory manager, resulting in a modification of the license of Leasinvest Real Estate as a real estate investment trust.

The committee is assisted by one (or more) independent expert(s) and draws up a reasoned report in writing to the board of directors on all matters for which it is competent. 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 a specific meeting was held by the committee of independent directors, within the framework of a related party transaction (see below at page 71), for which the committee was assisted by an external expert.

4.1.4. DAILY MANAGEMENT – EFFECTIVE LEADERSHIP

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, Mr Jean-Louis Appelmans, and Mr Michel Van Geyte, COO, who have powers to carry out the daily management.

JEAN-LOUIS APPELMANS (CEO), effective leader
Since it was established in 1999, Jean-Louis Appelmans (58), has been managing director of Leasinvest Real Estate Management SA 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 SA (ex-Leasinvest SA) from 1989 until 2005. He fulfills a number of other director's mandates, including at 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), effective leader
Michel Van Geyte (45) was appointed as commercial manager of Leasinvest Real Estate Management SA 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 twenty years of experience in real estate.

Both persons have been appointed as effective leaders in accordance with the legal provisions in force and are responsible as effective leaders towards the board of directors and third parties, with regard to leading the daily management of Leasinvest Real Estate.

MANAGEMENT

Messrs Jean-Louis Appelmans and Michel Van Geyte, effective leaders, are assisted in their daily management by one or more persons, more specifically by the finance manager and the legal manager.

1. **FINANCE MANAGER**
At the beginning of 2011 a new finance manager has been hired, starting his activities at Leasinvest Real Estate Management SA as from 1 April.

2. **MICHELINE PAREDIS**, secretary general
Micheline Paredis (44) is secretary general and group counsel and fulfills the role of compliance officer. She has 20 years of experience in corporate and real estate law, of which more than 11 years at Leasinvest Real Estate Management SA. Previously she was a candidate-notary (public).

These persons are not part of the effective leadership of the statutory manager.

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 COO, a commercial manager, a legal counsel, a 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, in function of the preparation of specific investment and divestment decisions, mandatorily taken by the board of directors. The investment committee is composed ad hoc in function of the agenda items and consists of one or more directors, the managing director, the COO, the finance manager, and the secretary general/group counsel, possibly assisted by external consultants for specific matters.

In accordance with the shareholders agreement between Extensa Group SA and AXA Belgium SA, the latter can always attend the meetings, with an advisory vote, of the investment committee and permanent committee, as long as AXA Belgium SA holds a minimum stake of 10% in Leasinvest Real Estate.

EXTERNAL REPRESENTATION

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

PERMANENT REPRESENTATIVE

Pursuant to the provisions of article 61, §2, of the Company Law and article 12, 2, c of the articles of association of Leasinvest Real Estate, 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 SA, and who is authorized to represent and legally bind the real estate investment trust in relation to third parties, acting solely, without infringing the provisions of the RD of 07/12/10 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 SA within the framework of its mandate as statutory manager, though without infringing the provisions of the aforementioned RD.

ACTS OF DISPOSAL REGARDING ITS REAL ESTATE

There is one exception to the aforementioned general rule that the statutory manager, represented by its permanent representative, is authorized to acting solely, represent and legally bind the real estate investment trust in relation to third parties, namely for acts of disposal regarding real estate.

In accordance with article 9 §1 of the RD of 07/12/10, that defines that a real estate investment trust having taken on the form of a limited partnership by shares, has to be represented, for each act of disposal regarding its real estate, by the permanent representative and at least one director of that statutory manager-legal person, for each act of disposal regarding its real estate, Leasinvest Real Estate is represented by Mr Jean-Louis Appelmans in his capacity of permanent representative, together with another director of the statutory manager. The aforementioned rule is not applicable if an operation of the company relates to a building of which the value is inferior to the lowest amount of 1% of the company's consolidated assets and € 2,500,000.

7.1.5 REMUNERATION REPORT

In relation to the past financial year, the directors of the statutory manager of Leasinvest Real Estate received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remuneration amounting to a total of € 500,809.

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 nomination & remuneration committee, in accordance with the remuneration policy applicable to the financial year under review in the annual report, and taking into account the provisions of article 96 §3, second sub-paragraph, 2° and 3° of the Company Law.

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 nomination & 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 Defined Contribution plan, providing in the build up of a capital in function of the paid premiums.

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.

3 The effective leadership

Within the framework of the application, on the one hand, of the principle 7.15 of the Belgian Corporate Governance Code, treating the "members of the executive management" and, on the other hand, the (new) article 96 § 3 of the Company Law, adopted by the law of 6 April 2010 on the reinforcement of corporate governance, mentioning "other leaders" (intending, inter alia, also the member of each committee discussing the general management of the company and organized beyond the regulation of article 524 bis of the Company Law), the remuneration report below globally presents only the remuneration of the two effective leaders, but not the remuneration of the other members of the management, assisting the effective leaders within the framework of the daily management.

The effective leadership is provided by Jean-Louis Appelmans, who is the managing director, and Michel Van Geyte, COO of Leasinvest Real Estate Management, as explained above.

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.

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	316,809	110,000	426,809
Michel Van Geyte	220,500	75,000	295,000
Total	537,309	185,000	722,309

(*) 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.

In derogation to principles 7.14 and 7.15 of the Belgian Corporate Governance Code, the form of the variable remuneration for the financial year 2010 is not mentioned. The variable remuneration can be granted under different forms, e.g. 'tantièmes'.

In the course of 2011 the nomination and remuneration committee will decide on the possible forms of variable remunerations, within the framework of the further development of the remuneration policy.

An advance notice of 24 months has been agreed on for Jean-Louis Appelmans. As this compensation exceeds the provisions of article 554 of the Company Law, namely a maximum of 12 months, or – providing a special motivation by the remuneration committee – of maximum 18 months, this provision in the management contract with Mr Appelmans, on the advice of the nomination and remuneration committee, will be presented for approval, separately, to the next general meeting of shareholders of Leasinvest Real Estate on 16/05/11.

The advance notice agreed upon for Mr Michel Van Geyte is no exception to the provisions of article 554 of the Company Law.

7.2 CORPORATE GOVERNANCE CHARTER

On 12/03/09 the Corporate Governance Committee, on the initiative of the FSMA, Euronext Brussels and the FEB announced the new version of 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).

COMPLY OR EXPLAIN - DEROGATIONS OF 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's 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.

Composition of the audit committee and nomination & remuneration committee

During the financial year 2010, the composition of the audit committee and nomination & remuneration committee did not comply with the recommendations of 5.3.1 of appendix C, respectively of 5.3.1 of appendix D of the Corporate Governance Code: the Code prescribes that the remuneration and audit committee should be exclusively composed of non-executive directors; for both committees, at least the majority of the members should be independent.

In the past, the board of directors has decided not to entirely follow this recommendation. The Corporate Governance Charter prescribed that only half of the members of the nomination and remuneration committee should be independent directors and that the audit committee should have at least one independent director as a member.

In accordance with the new article 526 quater of the Company Law (adopted by the law of 06/04/10 on corporate governance) that now legally defines the composition and the mission of the remuneration committee, the composition of the nomination and remuneration committee will be adapted as from the financial year 2011, in that sense, that it will as from then indeed consist of a majority of independent directors.

The composition of the audit committee was brought into line with the requirements of article 562 bis §2 of the Company Law, in other words exclusively non-executive directors and at least one independent director. The Code is rather stricter than article 526 bis of the Company Law, and requires that at least the majority of the members of the audit committee be independent directors (point 5.2./1 of appendix C).

These derogations from the Code are 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.

Frequency of the meetings of the nomination & remuneration committee

In the past year, the nomination and remuneration committee has only met once, taken into account the relatively limited size of the board of directors and the personnel of the statutory manager, making a second meeting per year unnecessary.

As from the financial year 2011 the nomination and remuneratiom committee will meet at least twice in accordance with article 526 quater of the Company Law, and there will no longer be any derogation to the Code in this regard.

Evaluation of the directors

Prior to the renomination of a director, his individual contribution is evaluated (and not yearly, as the Code prescribes). The evaluation of the composition and the functioning of the board of directors and its consultative committees takes place every four years instead of every two or three years. For the evaluation criteria we refer to article 554 of the Company Law. 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 5%, as foreseen in recommendation 8.9 of the Code. The board has chosen not to comply with this recommendation as the shareholders of Leasinvest Real Estate can put any questions, related to the items on the agenda, to the board of directors and the auditor during the general meeting of shareholders.

In accordance with the new legal provisions (law of 25 January 2011 on shareholders' rights) the extraordinary general meeting of shareholders which will be held in 2011 will be asked to amend the articles of association with regard to this point, in accordance with the legally required minimum of 3%.

Remuneration report

The fact of not specifically mentioning the form of the variable remuneration granted for the financial year 2010 is a derogation to principle 7.14 of the Belgian Corporate Governance Code.

The remuneration committee that will be held in 2011 will further define the possible forms of future variable remunerations.

7.3 SETTLEMENT OF CONFLICTS OF INTEREST

7.3.1 ARTICLE 523 AND 524 OF THE COMPANY LAW

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

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 523 of the Company Law occurred during the past financial year between the directors of the statutory manager or members of the management and Leasinvest Real Estate, except for the fact, that in application of article 523 § 1 last paragraph of the Company Law, with regard to the procedure for the prevention of conflicts of interest in listed companies, Mr. Appelmans 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[1].

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

[1] 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.

Company Law was examined:

- Article 524 of the Company Law does apply to the tender jointly submitted in the past financial year by Algemene Aannemingen Van Laere and Leasinvest Real Estate in response to an open call for tenders, including the granting of the contract for the construction of a new building to Algemene Aannemingen Van Laere, a 100% subsidiary of Ackermans & van Haaren, i.e. a related party to Leasinvest Real Estate.

  The committee of independent directors has, prior to the decisions of the board of directors on the subject, and assisted by an independent expert, namely Widnell Europe SA with regard to evaluating the construction cost, issued a written, reasoned advice for this investment, according to the acquisition structure foreseen at that time, and concerning some elements of the specifications on which basis the tender was submitted.

7.3.2 ARTICLES 17 AND 18 OF THE RD ON REAL ESTATE INVESTMENT TRUSTS

The articles 17 and 18 of the RD of 07/12/10 on real estate investment trusts contain a provision for a preceding notification to the FSMA in 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.

These articles are not applicable to:

a) operations relating to a sum lower than the lowest amount of 1% of the real estate investment trust's consolidated assets and € 2,500,000;

b) the acquisition of securities by the public real estate investment trust or one of its subsidiaries within the framework of a public issue by a third party, for which a promoter or intermediaries in the sense of article 18 §1 of the aforementioned RD act;

c) the acquisition of or the subscription to, following a decision of the general meeting, shares issued by the public real estate investment trust by the persons intended by article 18 §1.

This article resumes the provisions of article 24 of the RD of 10 April 1995 on real estate investment trusts. Article 24 was applicable the past financial year to the jointly submitted tender by the consortium Algemene Aannemingen Van Laere – Leasinvest Real Estate for the previously mentioned call for tenders.

In its notification to the FSMA Leasinvest Real Estate has pointed out that this operation takes place at normal market conditions, fits within the investment policy and is in the interest of the real estate investment trust.

Furthermore, and as far as applicable, the provisions of article 24 § 2 of the RD of 10 April 1995 were taken into account, foreseeing that the valuation[1] in accordance with article 59 §1 of the same RD is binding to the real estate investment trust in the case of an operation with a related party.

7.3.3 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 Company Law –, 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.

At the proposal of the nomination and remuneration committee of Leasinvest Real Estate the Corporate Governance Charter of Leasinvest Real Estate has been adapted to the new legal provisions, a.o. those of the law of 6 April 2010 on Corporate Governance.

The last version of the Corporate Governance Charter can be consulted on the website www.leasinvest.be.

[1] With regard to this file, it will only be possible to draw up a valuation report according to the provisions of the RD of 07/12/10 after the construction of the building.

7.3.4 GENERAL COMMENTS REGARDING POTENTIAL CONFLICTS OF INTEREST OF THE DIRECTORS AND THE EFFECTIVE LEADERS

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 Company Law does not apply) could arise with directors appointed on a proposal by Extensa Group SA, if operations are carried out between Extensa Group SA 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 SA - see above with regard to article 524 of the Company Law and article 18 of the RD of 07/12/10); or with directors appointed on a proposal by AXA Belgium SA, if transactions occur or decisions are made in which AXA Belgium SA has an interest that conflicts with an interest of the statutory manager and/or Leasinvest Real Estate.

Leasinvest Services is a 100% subsidiary of Leasinvest Real Estate, to which the property management is outsourced (see Real estate report, point 6.7).

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 and/or amendment to the organization structure.

7.4 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 takes into account the rules imposed by the RD of 05/03/06.

7.5 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 Gazette and in at least one national newspaper, at least 24 days before the meeting.

The invitations are sent, 15 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.

It will be proposed to the extraordinary general meeting of shareholders that will be held in 2011 to amend the articles of association with regard to this point, to take into account the provisions of the law of 25 January 2011 relative to shareholders' rights, not yet published in the Official Belgian Gazette at the moment of drawing up this annual report. This law is not expected to impact the convocation of the annual meeting of shareholders of Leasinvest Real Estate that will be held 16/05/11.

At latest as from 2012, this law will substantially modify the modalities for convocations, e.g. with regard to:

- the mandatory registration date for shares at least 14 days prior to the general meeting, as from then on, the only possible way for a shareholder to validly participate to a general meeting;
- a term of 30 days (instead of 24 days currently) for the publication of the convocation of shareholders (same term for convening registered shareholders and an additional publication through other distribution channels;
- each shareholder representing at least 3% of the shares will be entitled to propose new items for the agenda.

7.6 COMPOSITION OF THE BOARD OF DIRECTORS OF LEASINVEST IMMO LUX

The board of directors of Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate currently holding the Luxembourg portfolio, is at present composed of six directors, four of whom are directors of Leasinvest Real Estate Management SA:

Luc Bertrand, chairman of the executive committee of Ackermans & van Haaren SA, chairman of the board of directors of Leasinvest Real Estate Management SA;
Jean-Louis Appelmans, CEO and managing director of Leasinvest Real Estate Management SA;
Jan Suykens, member of the executive committee of Ackermans & van Haaren SA;
Guy Van Wymersch-Moons, general manager of real estate of AXA Belgium SA;
Michel Van Geyte, COO of Leasinvest Real Estate Management SA;
Micheline Paredis, secretary general 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.

7.7 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, represented by Mrs Christel Weymeersch, were reappointed in 2009 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 for the past financial year is estimated at € 30,000 (excl. VAT).
The fees for auditing subsidiaries of Leasinvest Real Estate were € 44,000 (excl. VAT). In addition, fees amounting to a total of € 46,760 (excl. VAT) were budgeted and already partially 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 2011, 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 René Esch for a further period of one year (which is usual practice for Leasinvest Immo Lux).
The remuneration of the auditor for auditing the annual accounts of Leasinvest Immo Lux for the past financial year was estimated at € 35,000.

7.8 INTERNAL CONTROL AND RISK MANAGEMENT

Pursuant to article 40 of the law on different 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.

A(n) (dis)investment decision is taken by the board of directors of the statutory manager, based on a proposal elaborated by the management and after ample deliberation in the board of directors. Should the case arise, a prior advice is given to the board of directors by one or more committees (e.g. the committee of independent directors within the framework of applying the procedure for preventing conflicts of interest, that can be assisted by external experts to that end).
Prior to each investment decision the property is compared to Leasinvest Real Estate's investment policy and to its conformity with all other provisions imposed by the articles of association or the law, and are applicable to real estate investment trusts.
Prior to each decision for investment – or divestment of property, a (technical, legal and fiscal) due diligence is carried out, of which the scope is defined in function of the object under review and the possible related risks. In most cases, external specialized consultants are appealed to.

Each acquisition or alienation can perfectly be reconstructed as to the parties involved, the time, the acquisition mode (asset deal or share deal, notarial deed, contribution in kind) or divestment (split sale leasehold/bare ownership, etc.).

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.

A regular (and at least once per quarter) assessment of the main risks for Leasinvest Real Estate is made (with regard to a detailed analysis of the risks Leasinvest Real Estate could be exposed to, we refer to page 4 of Risk factors). This evaluation is carried out within the audit committee – at least 4 times a year (e.g. analysis of possible derogations to the outlook, related to the hedging policy) as well as by the board of directors of the statutory manager.
Compliance with internal procedures relating to investments is regularly checked by an independent external party. During the previous financial years this was done by a.o. BDO (part of the BDO international network that consists of auditors, accountants, tax and legal counsel and counsel to the public sector – www.bdo.be), drawing up a report on the matter that is discussed in the audit committee.
Possible identified problems can result in amendments to the internal procedures or in other appropriate measures to prevent the repetition of such problems in the future.

7.9 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 € 136,620 (excl. VAT) was provided for, of which € 79,844 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 the financial year 2011 will be examined to which extent the remuneration for the valuation of the portfolio has to be adapted to the provisions of the RD of 07/12/10, that is more stringent with regard to property valuation. It is foreseen that an expert can be charged with the valuation of a certain property for only a maximum of three years. After this term of three years, the same expert can only value the aforementioned property, till after the end of a term of three years after the previous term.
In accordance with article 6 § 1 of the RD of 07/12/10 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 Kris Peetermans MRICS. 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 56, 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.
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.

7.10 DEPOSITARY

Bank Delen NV,[1] (company number 0453.076.211), with its registered office at Jan Van Rijswijcklaan 184, 2020 Antwerp, subject to the supervision of the FSMA, has been appointed as depositary of Leasinvest Real Estate in accordance with the provisions of Art. 12 onward of the RD of 10/04/99 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.

As the new RD of 07/12/10 no longer imposes the appointment of a depositary, the contract with Bank Delen has been terminated by 20 May 2011.

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.

[1] The depositary contract is governed by article 18 of the new RD of 07/12/10 on real estate investment trusts, since Bank Delen SA forms part of the Ackermans & van Haaren group.

Leasinvest Immo Lux provided for remunerations for a total amount of € 118,550 in the past financial year for RBC Dexia Investor Services Bank.

7.11 LIQUIDITY PROVIDER

Bank Degroof rendered services as liquidity provider of Leasinvest Real Estate during the past financial year and received a fixed remuneration of € 12,000 (excl. VAT) on an annual basis.

7.12 DIVIDEND POLICY LEASINVEST REAL ESTATE

In accordance with article 27 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 positive difference between the following amounts has to be paid out: 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.

As from the financial year that started on op 01/01/11 we refer to article 27 of the RD of 07/12/10, and furthermore article 617 of the Company Law has to be taken into account.

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

7.13 FINANCIAL SERVICE PROVIDERS

The financial service during the past financial year was entrusted to Bank Delen SA as the main paying agent in the context of the introduction of ESES (Euroclear Settlement for Euronext-zone Securities).

Financial statements

THE RENTAL INCOME AND THE PORTFOLIO HAVE **TRIPLED** OVER 10 YEARS

THE CRESCENT - ANDERLECHT

CONSOLIDATED INCOME STATEMENT

(in € 1,000)		Note	31/12/10 (12 months)	31/12/09 (12 months)	31/12/08 (18 months)	31/12/08 (a) (12 months)
(+)	Rental income		38,438	39,196	49,058	33,559
(+)	Write-back of lease payments sold and discounted				0	0
(+/-)	Related rental expenses		-17	42	-117	-117
NET RENTAL INCOME		**5**	**38,421**	**39,238**	**48,941**	**33,442**
(+)	Recovery of property charges	6	251	65	952	876
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	7	3,299	3,446	3,910	2,583
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	6	-242	0	-483	-483
(-)	Charges and taxes normally payable by tenants on let properties	7	-3,299	-3,446	-3,910	-2,581
(+/-)	Other rental-related income and expenditure		18	-56	-176	14
PROPERTY RESULT			**38,448**	**39,247**	**49,234**	**33,851**
(-)	Technical costs	8	-1,352	-1,090	-1,784	-1,192
(-)	Commercial costs	9	-655	-778	-810	-399
(-)	Charges and taxes on un-let properties	10	-490	-255	-581	-432
(-)	Property management costs	11	-2,853	-2,996	-3,808	-2,841
(-)	Other property charges		-348	-278	-497	-324
PROPERTY CHARGES			**-5,698**	**-5,397**	**-7,480**	**-5,188**
PROPERTY OPERATING RESULT			**32,750**	**33,850**	**41,754**	**28,663**
(-)	Corporate operating charges	12	-1,982	-1,646	-2,796	-1,940
(+/-)	Other operating income and expenditure		121	-245	260	277
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO			**30,889**	**31,959**	**39,218**	**27,000**
(+/-)	Gains or losses on disposals of investment properties	13	688	15,175	3,600	3
(+/-)	Changes in fair value of investment properties	14	-9,978	-17,804	13,371	9,166
OPERATING RESULT			**21,599**	**29,330**	**56,189**	**36,169**
(+)	Financial income	15	2,267	1,048	4,936	2,891
(-)	Interest charges	16	-7,972	-8,946	-16,331	-11,421
(-)	Other financial charges	17	-1,891	-3,020	-4,939	-3,812
FINANCIAL RESULT			**-7,596**	**-10,918**	**-16,334**	**-12,342**
PRE-TAX RESULT			**14,003**	**18,412**	**39,855**	**23,827**
(+/-)	Corporate taxes	18	-206	-395	-294	-135
(+/-)	Exit tax		470	364	1	1
TAXES			**264**	**-31**	**-293**	**-134**
NET RESULT			**14,267**	**18,381**	**39,562**	**23,693**
Attributable to:						
	Minority interests		1	1	1,240	860
	Group share		14,266	18,380	38,322	22,833

(a) As the financial year 01/07/07-31/12/08 was an extended financial year, comparative pro forma figures are presented for the period 01/01/08-31/12/08 (12 months) (unaudited). For more details, please refer to note 47 of the financial statements recorded in the annual financial report 07/08.

RESULTS PER SHARE

(in €)	31/12/10 (12 months)	31/12/09 (12 months)	31/12/08 (18 months)	31/12/08 (12 months)
Net result per share, group share (b)	3.57	4.60	9.59	5.71
Net result per diluted share, group share (b)	3.57	4.60	9.59	5.71

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

CONSOLIDATED BALANCE SHEET

(in € 1,000)	Note	Period 31/12/10	Period 31/12/09	Period 31/12/08
ASSETS				
NON-CURRENT ASSETS		**498,839**	**538,987**	**564,222**
Intangible assets	19	4	2	2
Investment properties, incl. development projects	20	494,203	537,518	563,234
Other tangible assets	21	25	31	33
Non-current financial assets	22.23	4,607	1,436	953
CURRENT ASSETS		**15,136**	**13,158**	**12,662**
Assets held for sale	20	0	0	0
Current financial assets	24	5,435	3,528	2,887
Trade receivables	25	5,685	5,782	4,762
Tax receivables and other current assets	26	960	746	1,659
Cash and cash equivalents	27	2,840	2,767	2,580
Deferred charges and accrued income	28	216	335	774
TOTAL ASSETS		**513,975**	**552,145**	**576,884**
LIABILITIES				
TOTAL SHAREHOLDER'S EQUITY		**275,411**	**274,918**	**264,431**
SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		**275,408**	**274,924**	**264,438**
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	-1,046
Reserves	29	154,829	152,435	121,506
Result	29	14,266	18,380	38,322
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties		-7,246	-8,129	-8,120
Change in fair value of financial assets and liabilities	31	-145	-1,466	-974
on financial assets available for sale		497	12	-630
on derivative financial instruments		-642	-1,478	-344
MINORITY INTERESTS	32	**3**	**-6**	**-7**
LIABILITIES		**238,564**	**277,227**	**312,453**
NON-CURRENT LIABILITIES		**142,360**	**198,782**	**176,688**
Provisions	33	0	386	1,105
Non-current financial debts	34	138,000	193,050	172,460
a. Credit institutions		133,310	192,856	163,901
c. Other		4,690	194	8,559
Other non-current financial liabilities	35	3,986	4,943	2,704
Other non-current liabilities		374	403	419
CURRENT LIABILITIES		**96,204**	**78,445**	**135,765**
Provisions		0	0	0
Current financial debts	34	81,837	62,001	92,021
a. Credit institutions		0	7,750	22,167
c. Other		81,837	54,251	69,854
Trade debts and other current debts	36	4,517	6,141	11,141
Exit tax		0	0	3,298
Other		4,517	6,141	7,843
Other current liabilities	37	2,091	1,267	24,298
Accrued charges and deferred income	38	7,759	9,036	8,305
TOTAL EQUITY AND LIABILITIES		**513,975**	**552,145**	**576,884**

STATEMENT OF COMPREHENSIVE INCOME

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Net result	**14,267**	**18,381**
Other elements of comprehensive income	2,203	-501
Impact on fair value of estimated transfer rights and costs resulting from	882	-9
- hypothetical disposal of investment properties	1,524	
- acquisitions of investment properties	-642	
Change in fair value of financial assets and liabilities	1,321	-492
Comprehensive income	**16,470**	**17,880**

CONSOLIDATED CASH FLOW STATEMENT

(in € 1,000)	Note	31/12/10 (12 months)	31/12/09 (12 months)	31/12/08 (18 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**27**	**2,767**	**2,580**	**1,472**
1. Cash flow from operating activities		**14,280**	**-6,703**	**52,351**
Net result		**14,276**	**18,380**	**39,562**
Amendment of the profit for non-cash and non-operating elements		**6,714**	**2,880**	**-14,010**
Depreciations and write-downs		*25*	*-35*	*140*
- Depreciations and write-downs on intangible and other tangible assets (+/-)		8	7	23
- Write-downs on current assets (+/-)		17	-42	117
Other non-cash elements		*7,377*	*18,090*	*-10,550*
- Changes in fair value of investment properties (+/-)		9,978	17,804	-13,371
- Movements in provisions (+/-)		-66	303	-646
- Phasing of gratuities (+/-)		-943	-619	-604
- Changes in the fair value of derivative financial instruments (+/-)		-1,592	602	4,368
- Other non-current transactions		0	0	-297
Non-operating elements		*-688*	*-15,175*	*-3,600*
Gains on disposals of non-current assets		-688	-15,175	-3,600
Change in working capital requirements:		**-6,710**	**-27,963**	**26,799**
Movements in asset items:		***-2,469***	***374***	***4,879***
- Current financial assets		-3,122	0	6,273
- Trade receivables		135	-978	-678
- Tax receivables and other current assets		398	913	-1,185
- Deferred charges and accrued income		120	439	469
Movements in liability items:		***-4,241***	***-28,337***	***21,920***
- Trade debts and other current debts		-2,674	-5,016	-226
- Other current liabilities		-260	-24,052	22,043
- Accrued charges and deferred income		-1,307	731	103
2. Cash flow from investment activities		**61,135**	**23,712**	**-92,151**
Investments				
Investment properties in operation		-3,706	-1,516	-51,942
Development projects		-1,104	-14,787	-18,062
Intangible and other tangible assets		-4	-5	-40
Non-current financial assets		-1,538	0	-35,318
Assets held for sale		0	0	13,083
Effect in consolidation of new participations		86	0	128
Divestments				
Investment properties in operation		67,400	40,000	0
Development projects		0	0	0
Intangible and other tangible assets		0	0	0
Non-current financial assets		1	20	0
Assets held for sale		0	0	0
Effect in consolidation of new participations		0	0	0
3. Cash flow from financing activities		**-75,342**	**-16,822**	**40,908**
Change in financial liabilities and financial debts				
Increase (+) / Decrease (-) of financial debts		-59,357	-9,429	72,797
Increase (+) / Decrease (-) of other financial liabilities				0
Change in other liabilities				
Increase (+) / Decrease (-) in other liabilities		0	0	0
Change in shareholders' equity (+/-)				
Variation of capital and share premium account (+/-)				
Increase (+) / Decrease (-) of treasury shares		0	0	-1,034
Dividend of the previous financial year		-15,985		-15,470
Interim dividend of the current financial year				-15,385
Closing dividend of the previous financial year			-7,393	
Increase (+) / Decrease (-) in fair value of financial assets and liabilities				
- on derivative financial instruments		0	0	0
Increase (+) / Decrease (-) of transfer rights		0	0	0
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**27**	**2,840**	**2,767**	**2,580**

STATEMENT OF MUTATION OF SHAREHOLDER'S EQUITY

(in € 1,000)	Capital	Share premium account	Treasury shares (-)	Reserves + result	Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	Change in fair value of financial assets and liabilities	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
Balance sheet under IFRS on 30/06/07	**44,128**	**70,622**	**-12**	**152,139**	**-6,219**	**1,413**	**262,071**	**9,975**	**272,046**
- Distribution dividend of the previous financial year				-15,248			-15,248		-15,248
- Distribution interim dividend of the current financial year				-15,385			-15,385		-15,385
- Profit 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
Balance sheet under IFRS on 31/12/08	**44,128**	**70,622**	**-1,046**	**159,828**	**-8,120**	**-974**	**264,438**	**-7**	**264,431**
- Distribution closing dividend of the previous financial year				-7,393			-7,393		-7,393
- Profit of the financial year 2009 (12 months)				18,380	-9	-492	17,879	1	17,880
- Various							0		0
Balance sheet under IFRS on 31/12/09	**44,128**	**70,622**	**-1,046**	**170,815**	**-8,129**	**-1,466**	**274,924**	**-6**	**274,918**
- Distribution closing dividend of the previous financial year				-15,985			-15,985		-15,985
- Profit of the financial year 2010 (12 months)				14,266	883	1,321	16,470	9	16,479
- Various							0		0
Balance sheet under IFRS on 31/12/10	**44,128**	**70,622**	**-1,046**	**169,095**	**-7,246**	**-145**	**275,408**	**3**	**275,411**

NOTE 1

GENERAL BUSINESS INFORMATION

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

The consolidated annual accounts of LRE for the financial year ended on 31/12/10 comprise LRE and its subsidiaries. The statutory and consolidated annual accounts were authorized for issue by the board of directors on 10/02/11 and will be proposed for approval to the annual general meeting of shareholders, on 16/05/11. 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, on 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 Financial Reporting Standards and IFRIC interpretations, in force at 31/12/10, as adopted by the European Commission.

In the course of the past year, different new or modified standards and interpretations entered into force.

The adapted standards that entered into force as from 01/01/2010, but had no impact on the financial statements of Leasinvest Real Estate are:

- IFRS 3 'Business combinations. This review could have an impact on the accounting of future takeovers.
- IAS 39 'Financial instruments: recognition and measurement - accepted hedges.
- IFRS 2 'Share-based payment – for group cash-settled share-based payment transactions'
- IAS 32 'Financial instruments: presentation' and IAS 1 'Presentation of the annual accounts'

For the next financial year, beginning on 1 January 2011, the following new or modified standards and interpretations will enter into force:

- IAS 24 'Related party transactions'
- IFRIC 14 The limit on a defined benefit asset, minimum funding requirements and their interaction.

B. BASIS OF PREPARATION

The consolidated financial statements are presented in €, 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 entities 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 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 as 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, including 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):

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 expenses upon occurrence.

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 the buildings ready for letting (investment properties in operation), as well as the 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', LRE applies the following principles to the investment value to determine the fair value:

(i) 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).
(ii) 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.

Investment properties are no longer recorded on the balance sheet when the investment property is disposed 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 in operation 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 directly attributable costs including additional expenses such as registration charges and non-deductible VAT are capitalized.

Interest costs related to the financing of the project shall also be capitalized, as far as they relate to the period prior to the accomplishment of the asset. To the extent that funds are borrowed generally to acquire assets, the amount of interests eligible for capitalization shall be determined by applying a rate reflecting the average borrowing cost of the group during that period.

H. ASSETS HELD FOR SALE

The assets held for sale (investment properties) are presented separately in the balance sheet at a value corresponding to the fair value, decreased by the transfer rights.

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 cannot 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

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

Financial assets available for sale

Financial assets available for sale and securities 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 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 transferred from equity to profit or loss.

L. ISSUED CAPITAL AND RESERVES

Shares

The costs relating to a capital transaction with the issue 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 upon approval 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, 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 recognized as a separate asset only when it is virtually certain that it will be received.

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

N. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are disclosed in the notes, 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 liabilities in the balance sheet, except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity. The tax amount is calculated based on the legal tax rates and tax legislation in force.

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

Deferred tax liabilities are recognized for all taxable temporary differences:

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

of temporary difference and it is probable that temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forwards 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 it 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 investment trust (sicafi) with an entity that is not a real estate investment trust.
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 date are disclosed in the notes if their impact is possibly 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 24 months) and bank credit lines (from 1 to 7 years).
The financing, liquidity and cash flow 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. It has always been Leasinvest Real Estate’s policy to conclude more credit lines with banks than necessary to cover its financial needs;
2. The commercial paper market drying up completely. This situation occurred partially and temporarily at the beginning of 2009 at the start of the crisis. Since then and over the entire year 2010 the commercial paper market has always been very liquid for the company. This risk is taken into account by the commercial paper issues being fully covered by back-up credit lines.

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.

At the end of 2010 Leasinvest Real Estate has anticipatively extended the maturity dates of its credit lines with banks. The average duration of its credit lines has consequently been extended from 2.7 (31/12/09) to 4.1 years. In March 2011 only € 15 million expired, which has been extended till 2015.

Interest rate risk

The hedging policy has been adjusted at the end of 2010 taking into account the further increase of the interest rates, and is since intended to cover the interest rate risk for approximately 75% of the financial debt for a 5-year period and for 50% for the following 5-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. At the end of 2010 Leasinvest Real Estate has taken advantage of the historic low interest rates to increase the duration of its hedging from 2.2 years (31/12/09) to 4.5 years by concluding financial instruments such as spot and forward interest rate collars, interest rate caps, interest rate swaps and payer swaptions. The maturity dates of the interest hedging instruments are between 2011 and 2021. For more detail, please refer to note 23 of the financial statements on page 101.

For a real estate investment trust and in this case, Leasinvest Real Estate, which has a gross indexed rental yield of 7.41% (based on the fair value), higher interest rates are a potentially profit-decreasing factor. Normally this results in a decrease of the gross margin between the received rental yield and the interest rate paid.

Nevertheless, Leasinvest Real Estate has succeeded, thanks to its hedging policy covering its debt to a large extent by interest rate collars, interest rate caps and interest rate swaps, in reducing its average financing cost from 3.72% (2009) to 3.43% in 2010.

Moreover, an increase of interest rates leads to a positive change in the fair value of the interest rate hedges, with a(n) (accounting but non-cash) positive impact on the shareholders' equity and/or the result. An increase of 1% of the short-term interest rates for a total use of credits for an amount of € 220 million, has a negative impact of € 0.6 million on the result. Based on the current hedging policy a potential rise of the interest rates should have no negative consequences on the fair value of the interest rate hedges.

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 an important tenant due to termination of the rental contract or bankruptcy. The breakdown per sector of our tenant portfolio remains good.

The main sectors are services (23.6% compared to 25% on 31/12/09), retail & wholesale (22% compared to 19.1% on 31/12/09), financial institutions (13.6% compared to 14% on 31/12/09), the public sector, non-profit and international professional associations (9.5% compared to 9% on 31/12/09), followed by industry (8.6% compared to 10% on 31/12/09).

The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely no write-downs of doubtful receivables were booked over the last couple of years, nor in Belgium, nor in the Grand Duchy of Luxembourg.

Tenant loyalty is very important to Leasinvest Real Estate. Through a professional, dynamic and client-focused commercial and operational management we respond to tenant needs. In 2010 9.9% of the rental contracts expired, of which a large part has been extended, or for which new tenants were found, except for 2% as from 01/01/11. In 2011 there are also important break possibilities, namely 11.4%, 16.9% in 2012 and 11.4% in 2013. The real estate investment trust has already started negotiations for renewal with most of its important tenants of whom the rental contracts expire within the 3 coming years.

Leasinvest Real Estate has always succeeded in the past in renewing the largest part of its expiring rental contracts or in concluding new rental contracts, which is reflected in the relatively constant duration of our rental contracts over the years, namely 3.8 years on 31/12/10 (31/12/09: 3.9 years): the duration of the Belgian and Luxembourg real estate portfolios remained approximately constant, namely respectively 3.6 years on 31/12/10 compared to 3.7 years on 31/12/09 and 4.1 years on 31/12/10 compared to 4.3 years on 31/12/09. For more details with regard to the remaining duration of the leases, we refer to page 51 of the real estate report.

The relatively low durations can be explained by the fact that rental contracts in Belgium and Luxembourg, concluded with corporations (representing 90% of Leasinvest Real Estate's consolidated portfolio) are mainly of the classical type (3-6-9 years).
Leasinvest Real Estate's proactive management consequently aims at concluding rental contracts with a higher duration. Within this objective fits the tender contract for the State Archives in Bruges, which will be completed at the end of 2012 and will be let for a fixed term of 25 years to the Buildings Agency.

We refer to note 5 of the financial report for an overview of the annual rents that could potentially be lost if each tenant having a break possibility would actually leave the building without any re-lettings. With regard to the alienation of our buildings in the Axxes Business Park in Merelbeke (Ghent), Leasinvest Real Estate has given a lease warranty for a term of maximum 9 years towards Axxes Certificates SA, as from July 2010. This mainly relates to covering possible future vacancy.
With regard to Canal Logistics Brussels, the rental guarantee from the seller on the first phase expires at the beginning of April 2011. Different contacts with potential tenants are ongoing. The completion of the second phase, for which a rental guarantee has also been granted, is foreseen by the end of June 2011. See also the risk mentioned above with regard to The Crescent as from 2012.

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)

		Belgium		Luxembourg		Corporate		TOTAL	
(in € 1,000)		31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10 (12 months)	31/12/09 (12 months)
(+)	Rental income	23,378	24,689	15,060	14,507			38,438	39,196
(+)	Write-back of lease payments sold and discounted								
(+/-)	Related rental expenses	-17	42					-17	42
NET RENTAL INCOME		**23,361**	**24,731**	**15,060**	**14,507**	**0**	**0**	**38,421**	**24,731**
(+)	Recovery of property charges	28	65	223				251	65
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	3,237	3,398	62	48			3,299	3,446
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-242						-242	
(-)	Charges and taxes normally payable by tenants on let properties	-3,237	-3,398	-62	-48			-3,299	-3,446
(+/-)	Other rental-related income and expenditure	171	125	-153	-181			18	-56
PROPERTY RESULT		**23,318**	**24,921**	**15,130**	**14,326**	**0**	**0**	**38,448**	**39,247**
(-)	Technical costs	-1,205	-945	-147	-145			-1,352	-1,090
(-)	Commercial costs	-502	-330	-153	-448			-655	-778
(-)	Charges and taxes on un-let properties	-478	-209	-12	-46			-490	-255
(-)	Property management costs (1)	-2,687	-2,840	-166	-156			-2,853	-2,996
(-)	Other property charges	-219	-154	-129	-124			-348	-278
PROPERTY CHARGES		**-5,091**	**-4,478**	**-607**	**-919**	**0**	**0**	**-5,698**	**-5,397**
PROPERTY OPERATING RESULT		**18,227**	**20,443**	**14,523**	**13,407**	**0**	**0**	**32,750**	**33,850**
(-)	Corporate operating charges					-1,982	-1,646	-1,982	-1,646
(+/-)	Other operating income and expenditure					121	-245	121	-245
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**18,227**	**20,443**	**14,523**	**13,407**	**-1,861**	**-1,891**	**30,889**	**31,959**
(+/-)	Gains or losses on disposals of investment properties	688			15,175			688	15,175
(+/-)	Changes in fair value of investment properties	-10,952	-19,105	974	1,301			-9,978	-17,804
OPERATING RESULT		**7,963**	**1,338**	**15,497**	**29,883**	**-1,861**	**-1,891**	**21,599**	**29,330**
(+)	Financial income					2,267	1,048	2,267	1,048
(-)	Interest charges					-7,972	-8,946	-7,972	-8,946
(-)	Other financial charges					-1,891	-3,020	-1,891	-3,020
FINANCIAL RESULT		**0**	**0**	**0**	**0**	**-7,596**	**-10,918**	**-7,596**	**-10,918**
PRE-TAX RESULT		**7,963**	**1,338**	**15,497**	**29,883**	**-9,457**	**-12,809**	**14,003**	**18,412**
(+/-)	Corporate taxes					-206	-395	-206	-395
(+/-)	Exit tax					470	364	470	364
TAXES		**0**	**0**	**0**	**0**	**264**	**-31**	**264**	**-31**
NET RESULT		**7,963**	**1,338**	**15,497**	**29,883**	**-9,193**	**-12,840**	**14,267**	**18,381**
	Attributable to:								
	Minority interests							1	1
	Group shares							14,266	18,380

(1) The property management costs consist a.o. 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, the participation in Retail Estates & the real estate certificates held. Of the total fee paid by Leasinvest Real Estate during the financial year 2010 (12 months) € 0.94 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.

	Belgium		Luxembourg		Corporate		TOTAL	
(in € 1,000)	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
ASSETS								
Intangible assets	4	2					4	2
Investment properties (incl. development projects)	271,537	317,979	222,666	219,539			494,203	537,518
Assets held for sale							0	0
Other assets	17,010	12,039	2,758	2,586			19,768	14,625
ASSETS PER SEGMENT	**288,551**	**330,020**	**225,424**	**222,125**	**0**	**0**	**513,975**	**552,145**
LIABILITIES								
Non-current financial debts					138,000	193,050	138,000	193,050
Current financial debts					81,837	62,001	81,837	62,001
Other liabilities	10,654	12,202	3,183	4,094	4,890	5,880	18,727	22,176
LIABILITIES PER SEGMENT	**10,654**	**12,202**	**3,183**	**4,094**	**224,727**	**260,931**	**238,564**	**277,227**

OTHER SEGMENT INFORMATION

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

	Belgium		Luxembourg		TOTAL	
(in € 1,000)	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
Investment properties in operation						
investments	2,835	509	871	1,007	3,706	1,516
divestments	-65,188				-65,188	0
Assets held for sale						
investments						
divestments						
Development projects						
Investments	357	5,280	604	9,507	961	14,787
divestments			0	-24,834	0	0
Other tangible assets (other)						
investments	1			5	1	5
depreciations	-6	-6	-1	-1	-7	-7
Net book value at the end of the financial year	**19**	**26**	**6**	**5**	**25**	**31**

In the financial year 2010 the investments in the buildings in operation, in Belgium (€ 2.8 million) as well as in Luxembourg (€ 0.9 million), were limited to renovations increasing the value of the building, that are capitalized in accordance with the valuation rules.
The divestments (€ - 65.2 million) relate to the sale of the Axxes Business Park in Merelbeke and Avenue Louise 250 in Brussels.

In the development projects € 1 million was invested in 2010 compared to € 14.8 million in the previous financial year. In Belgium this relates to investments in the development project Torenhove and to the acquisition of the land for phase 2 of Canal Logistics.
The investments in the Grand Duchy of Luxembourg relate to the investments in the construction of the retail building located in Dierkirch.

4.1.3 MAIN KEY FIGURES (GEOGRAPHICAL SEGMENTATION)

	Belgium		Luxembourg		TOTAL	
(in € 1,000)	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
REAL ESTATE PORTFOLIO						
Fair value of the real estate portfolio	271,537	317,979	222,666	219,539	494,203	537,518
Investment value of the real estate portfolio	278,800	326,230	227,750	225,170	506,550	551,400
Yield (in fair value) of the segment	7.92%	7.88%	6.79%	6.90%	7.41%	7.48%
Yield (in investment value) of the segment	7.72%	7.69%	6.62%	6.73%	7.22%	7.29%
Total rentable surface (m^2)	262,742	267,475	85,961	85,961	348,703	353,436
Occupancy rate	96.35%	96.72%	98.97%	99.39%	97.45%	97.74%
Weighted average duration till first break possibility (# years)	3.7	3.7	4.1	4.3	3.8	3.9

The fair value and the investment value of the real estate portfolio comprise the buildings in operation as well 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 ASSET CLASS

4.2.1 MAIN KEY FIGURES

	Offices		Logistics (and semi-industrial)		Retail		TOTAL	
(in € 1,000)	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
Rental income	22,623	24,253	9,947	8,917	5,608	5,498	38,178	38,668
Fair value of the real estate portfolio	278,412	344,220	126,484	106,576	89,307	86,722	494,203	537,518
Investment value of the real estate portfolio	285,060	353,140	129,950	109,370	91,540	88,890	506,550	551,400
Occupancy rate	97.00%	97.00%	96.00%	99.00%	100%	100%	97.45%	97.74%
Rental yield (in fair value) of the segment	7.21%	7.35%	8.59%	8.84%	6.43%	6.29%	7.41%	7.48%
Rental yield (in investment value) of the segment	7.03%	7.17%	8.37%	8.61%	6.27%	6.13%	7.22%	7.29%
Weighted average duration till first break possibility (# years)	3.3	3.3	3.5	4.0	5.8	6.2	3.8	3.9

The real estate portfolio comprises the buildings in operation as well as the development projects.
For the calculation of the occupancy rate and the rental yield, only the buildings in operation are taken into account.
Mid-2010 and at the end of 2010, respectively, the Axxes Business Park phase 1 and Avenue Louise 250 were sold.
The decrease of the rental income was partially compensated by the guaranteed income of Canal Logistics Brussels and the new letting of the building situated in Zwijndrecht.
Regarding the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type.

NOTE 5

NET RENTAL RESULT

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)	31/12/08 (18 months)
Rental income	**38,438**	**39,196**	**49,058**
Rents	**36,176**	**38,049**	**48,454**
Guaranteed income	1,060		
Rent-free periods	943	619	604
Rental incentives			
Indemnities for early termination of the leases	259	528	0
Income from finance leases and comparable items			
Write-back of lease payments sold and discounted	**0**	**0**	**0**
Rental-related expenses	**-17**	**42**	**-117**
Rent payable on rented premises			
Write-downs on trade receivables	-34		-137
Write-backs of write-downs on trade receivables	17	42	20
NET RENTAL RESULT	**38,421**	**39,238**	**48,941**

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)	31/12/10 (12 months)	31/12/09 (12 months)
Within one year	4,579	4,046
Between one and five years	25,323	20,431
More than five years	10,203	16,409
TOTAL	**40,105**	**40,886**

NOTE 6

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	**-242**	**0**
Recovery of property charges	**251**	**65**
Compensations received for rental damage	251	65
Recovery of refurbishment costs at end of lease	0	0
TOTAL	**9**	**65**

NOTE 7

(in € 1.000)	31/12/10 (12 months)	31/12/09 (12 months)
Recovery income of charges and taxes normally payable by tenants on let properties	**3,299**	**3,446**
Rebilling of rental charges paid by the landlord	655	823
Rebilling of taxes on let properties	2,644	2,623
Rental charges and taxes normally payable by tenants on let properties	**-3,299**	**-3,446**
Rental charges paid by the landlord	-655	-823
Taxes on let properties	-2,644	-2,623
Rental charges borne by the landlord on let properties	**0**	**0**

Under usual lease terms these charges and taxes are borne by the tenants through 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)	31/12/10 (12 months)	31/12/09 (12 months)
Recurring technical costs	**-1,330**	**-1,079**
Maintenance	-1,320	-1,061
Compensation for total guarantees		
Insurance premiums	-10	-18
Non-recurring technical costs	**-22**	**-11**
Major repairs (building contractors, architects, engineering, …)	-18	-5
Claims	-4	-6
TOTAL	**-1,352**	**-1,090**

To ensure that the buildings keep responding to the increasing demands of comfort, image and sustainability, 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)	31/12/10 (12 months)	31/12/09 (12 months)
Letting fees paid to real estate agents	-408	-593
Marketing expenses	-33	-74
Lawyer fees and legal expenses	-214	-111
TOTAL	**-655**	**-778**

Thanks to the relatively high occupancy rate of the portfolio and re-lettings to current tenants (without mediation by real estate agents) less letting fees were paid.

NOTE 10

CHARGES AND TAXES ON UN-LET PROPERTIES

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Charges on un-let properties of the financial year	-264	-135
Property taxes on un-let properties	-226	-120
TOTAL	**-490**	**-255**

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)	31/12/10 (12 months)	31/12/09 (12 months)
External management costs	-2,278	-2,353
Costs of the internal management of the property	-575	-643
TOTAL	**-2,853**	**-2,996**

Leasinvest Real Estate SCA (on a statutory basis) has no own personnel. The statutory manager, Leasinvest Real Estate Management SA (‘LREM’), is in charge of the management of the real estate investment trust and had a staff of nine persons on 31/12/10 under the direction of the permanent representative (ten in total).

The **external management costs** consist of the remuneration of the statutory manager, which is defined at 0.415% of the investment value of the consolidated real estate portfolio, including the buildings of Leasinvest Immo Lux, the participation in Retail Estates and the real estate certificates subscribed to, 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 employees).

NOTE 12

GENERAL CORPORATE CHARGES

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
ICB tax	-294	-266
Depositary	-180	-140
Auditor fees	-84	-69
Liquidity provider	-14	-14
Other expenses	-1,410	-1,157
TOTAL	**-1,982**	**-1,646**

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)	31/12/10 (12 months)	31/12/09 (12 months)
Net gains on investment properties (selling price – transfer rights)	67,400	40,000
Book value of real estate sold (fair value)	-66,712	-24,825
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	0	0
TOTAL	**688**	**15,175**

In 2010 Leasinvest Real Estate has sold the office buildings of phase 1 of the Axxes Business Park and the office building located Avenue Louise 250 with a total capital gain of € 0.7 million.
In the previous financial year a capital gain of € 15.2 million was realized on the sale of the building Bian located in the Grand Duchy of Luxembourg.

NOTE 14

CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Positive changes in fair value of investment properties	3,819	4,638
Negative changes in fair value of investment properties	-13,797	-22,442
TOTAL	**-9,978**	**-17,804**

The negative changes mainly relate to the buildings situated in Belgium (€ -11 million) and are the consequence of higher capitalization rates applied by the external real estate expert. The main losses come from:

- on the 1st phase of Canal Logistics a loss of € - 4.5 million was booked due to the increase of the yield from 7% to 7.95%.
- on the office building located at the Erasmus Campus in Anderlecht an exceptional loss of € - 3.2 million was booked because the tenant L'Oréal has announced leaving the building as from the end of May 2011.
- on the buildings Vierwinden in Nossegem a loss of € - 1.1 million was booked as a result of the partial departure of the tenant G4S.

On the Luxembourg portfolio only a limited capital gain of € 0.98 million was recorded.
In the changes in fair value of the investment properties, the rent-free period of € - 0.9 million is incorporated (see note 20).

NOTE 15
FINANCIAL INCOME

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Interests and dividends received	236	227
Income from finance leases and comparable items	5	6
Income from derivative financial instruments	434	815
Change in the fair value of financial assets	1,592	0
Net realized gains on the disposal of financial assets	0	0
TOTAL	**2,267**	**1,048**

The interests and dividends received consist of the dividends received of € 0.23 million on the Retail Estates shares, and of interests from temporary, short term deposits of cash surpluses on the other hand.

The income from derivative financial instruments (€ 0.4 million) consists of floating interests received from interest rate swaps, for which Leasinvest Real Estate always pays a fixed interest rate. This fixed interest rate can be found under the section 'costs of derivative financial instruments' of the interest charges (see note 16).

The changes in the fair value of financial assets relate to positive changes in the fair value of ineffective hedges (see note 23).

NOTE 16
INTEREST CHARGES

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Nominal interest charges on loans	-3,640	-5,489
Interest charges on non-current financial debts	-2,929	-4,438
Interest charges on current financial debts	-711	-1,051
Re-composition of the nominal amount of the financial debts	0	0
Costs of derivative financial instruments	-4,332	-3,447
Other interest charges	0	-10
TOTAL	**-7,972**	**-8,946**

Thanks to the low market interest rate till the beginning of the third quarter of 2010 the interest charges have decreased in comparison with the previous financial year.

The costs of derivative financial instruments comprise a.o. the fixed interest rate which Leasinvest Real Estate pays within the framework of the interest rate swaps concluded, as well as the interest paid on the sold floors (see note 15).

NOTE 17
OTHER FINANCIAL CHARGES

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Bank costs and other commissions	-1,114	-830
Costs of derivative financial instruments	-777	-1,588
Changes in the fair value of financial assets	0	-602
TOTAL	**-1,891**	**-3,020**

The past financial year Leasinvest Real Estate paid premiums for an amount of € 0.8 million in the context of interest rate hedges concluded.

NOTE 18
INCOME TAXES

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Parent company LRE	**-192**	**-97**
Pre-tax result	14,088	-217
Result exempt from income tax due to the 'sicafi' regime	14,088	-217
Taxable result based on non-deductible costs	463	398
Tax rate of 33.99%	-157	-135
Income tax provision	-35	0
Withholding tax	0	38
Previous tax year adjustment	0	0
Subsidiaries	**456**	**66**
TOTAL	**264**	**-31**

Real investment trusts ('sicafi/vastgoedbevak') enjoy a special tax regime, which makes that corporate taxes are only applicable to non-deductible expenses and, on abnormal and benevolent advantages and special amounts.

Leasinvest Immo Lux, 100% subsidiary of Leasinvest Real Estate, enjoys, as a sicav, a special tax regime in Luxembourg. The other subsidiaries, on the contrary, are subject to income tax.

NOTE 19
INTANGIBLE ASSETS

(in € 1,000)	31/12/10	31/12/09
Software	4	2
Other intangible assets	**4**	**2**
Movements in intangible assets		
Balance at the end of the previous financial year	**2**	**2**
Gross amount	3	2
Accumulated depreciations (-)	-1	0
Accumulated impairments	0	0
Investments	3	1
Acquisitions through business combinations		
Disposals through retirement (-)		
Disposals through splitting-up (-)		
Depreciations	-2	-1
Balance at the end of the financial year	**4**	**2**

NOTE 20

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

	Buildings in operation		Development projects		Assets held for sale		Total	
(in € 1,000)	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09	31/12/10	31/12/09
Balance at the end of the previous financial year	**529,352**	**534,039**	**8,166**	**29,195**	**0**	**0**	**537,518**	**563,234**
Investments	3,706	1,516	961	14,787			4,667	16,303
Divestments	-65,188	0	0	-24,834			-65,188	-24,834
Acquisitions of property	19,835	0	6,406				26,241	0
Transfer from/(to) other items	7,190	12,868	-7,190	-12,868			0	0
Increase/(decrease) in fair value	-8,530	-19,071	-505	1,886			-9,035	-17,185
Balance at the end of the financial year	**486,365**	**529,352**	**7,838**	**8,166**	**0**	**0**	**494,203**	**537,518**

Following an amendment to IAS 40 (see valuation rules) the development projects are recorded under the balance sheet item investment properties and consequently valued at fair value (previously at acquisition cost) since 01/01/09.

No new buildings were acquired in the course of the past financial year. The investments (€ 4.7 million) mainly consist of the capitalized renovations to the buildings in operation on the one hand, and the investments in the development projects Torenhove and the retail building located in Dierkirch – Grand Duchy of Luxembourg, on the other hand.
For more details, we refer to note 4.1.2. Other segment information.

In 2010 Canal Logistics Brussels SA has become the owner of land and storage spaces alongside the Canal Brussels - Charleroi for an amount of € 26.24 million, taken over by Leasinvest Real Estate.

In the course of 2010 the office buildings Axxes Business Park and Avenue Louise 250 were sold with a total capital gain of € 0.69 million.

The transfer from the development projects to the investment properties (€ 7.19 million) relates to the new office building Alpha Campus (Cegelec), completed at the end of January 2010 and fully let.

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

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

Canal Logistics Brussels NV, a 100% subsidiary of Leasinvest Real Estate, has to acquire a 2nd phase of a logistics site near Brussels. This acquisition, subject to a number of conditions precedent, is foreseen by the end of June 2011 and would amount to € 10.6 million.
Furthermore, at the end of 2009 the adjudication order for the construction of the new State Archives in Bruges has been definitively granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate (for more details we refer to the Management report).
After the provisional acceptance 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 NV, created by Van Laere, that will be the owner-lessor of the new State Archives.

NOTE 21

OTHER TANGIBLE ASSETS

(in € 1,000)	31/12/10	31/12/09
Installations, machines and equipment	16	18
Tangible assets for own use	9	13
Other	0	0
Other tangible assets	**25**	**31**
Changes in other tangible assets		
Balance at the end of the previous financial year	**31**	**33**
Gross amount	152	147
Accumulated depreciations (-)	-121	-114
Accumulated extraordinary write-downs	0	0
Investments	1	5
Acquisitions through business combinations		
Transfers and disposals (-)		
Transfers through splitting-up		
Depreciations (-)	-7	-7
Balance at the end of the financial year	**25**	**31**

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

NOTE 22

NON-CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/10	31/12/09
Available for sale	0	0
Loans and receivables	46	66
Other	638	618
Real estate certificates	1,700	
Derivative financial instruments	2,223	752
Participations in associated companies	0	0
TOTAL	**4,607**	**1,436**

The decrease of the non-current financial assets is mainly explained by the positive market value of the new hedges concluded in 2010.

At the occasion of the transfer of the rights in rem on the business park Axxes Business Park - phase 1 Leasinvest Real Estate itself has subscribed to real estate certificates for an amount of € 1.7 million.

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
Options			
Active options			
acquisition CAP	25,000,000	3.50%	2010
Disposal FLOOR	25,000,000	1.70%	2010
acquisition CAP	40,000,000	5.00%	2011
Disposal FLOOR	40,000,000	3.15%	2011
acquisition CAP	20,000,000	4.00%	2011
Disposal FLOOR	20,000,000	2.00%	2011
acquisition CAP	30,000,000	4.50%	2013
Disposal FLOOR	30,000,000	3.00%	2013
acquisition CAP	10,000,000	4.75%	2013
acquisition CAP	20,000,000	4.50%	2013
Disposal FLOOR	20,000,000	3.17%	2013
acquisition CAP	20,000,000	4.50%	2018
Disposal FLOOR	20,000,000	1.70%	2018
Future options			
acquisition CAP	10,000,000	4.50%	2011-2016
acquisition CAP	10,000,000	4.00%	2011-2016
acquisition CAP	20,000,000	4.00%	2013-2018
disposal FLOOR	20,000,000	2.51%	2013-2018
acquisition CAP	10,000,000	4.50%	2017-2020
acquisition CAP	10,000,000	4.75%	2017-2020

Swaps	Notional amount	Interest rate	Duration
Active swaps			
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
Future swaps			
IRS	20,000,000	3.10%	2011-2015
IRS	40,000,000	2.13%	2011-2017
IRS	10,000,000	2.85%	2013-2018
IRS	10,000,000	3.10%	2013-2018
IRS	20,000,000	3.37%	2013-2020
IRS	10,000,000	3.79%	2015-2020

Options on a swap (1)	Notional amount	Fixed interest rate	Duration
Acquisition of payer’s swaption	10,000,000	4.50%	2010-2015
Acquisition of payer’s swaption	10,000,000	5.00%	2013-2016
Acquisition of payer’s swaption	10,000,000	5.00%	2014-2017
Acquisition of payer’s swaption	20,000,000	4.50%	2017-2020

(1) The acquired payer’s swaption grants an option to Leasinvest Real Estate to conclude an IRS with the bank, for which Leasinvest Real Estate, as from the exercise of the option, pays a fixed interest rate to the bank, against the reception of a floating 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 relate to 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 on closing date is composed as follows:

(in € 1,000)	31/12/10		31/12/09	
	Assets	Liabilities	Assets	Liabilities
Bought caps	1,817		550	
Sold floors		-3,344		-3,398
Interest Rate Swaps		-642	68	-1,545
Acquired payer's swaption	406		134	
Sold receiver's swaption				
	2,223	-3,986	752	-4,943

Changes in the fair value of the derivative financial instruments:

Effective part of the fair value (cfr. Section in the shareholders' equity) (see note 31)	
Balance on 30/06/07	**1,077**
Change in the effective part of the fair value of derivative financial instruments	-1,421
Balance on 31/12/08	**-344**
Change in the effective part of the fair value of derivative financial instruments	-1,134
Balance on 31/12/09	**-1,478**
Change in the effective part of the fair value of derivative financial instruments	836
Balance on 31/12/10	**-642**

Ineffective part of the fair value	
Balance on 30/06/07	**2,256**
Change in the ineffective part of the fair value of derivative financial instruments	-4,368
Balance on 31/12/08	**-2,112**
Change in the ineffective part of the fair value of derivative financial instruments	-601
Balance on 31/12/09	**-2,713**
Change in the ineffective part of the fair value of derivative financial instruments	1,592
Balance on 31/12/10	**-1,121**

NOTE 24

FINANCIAL CURRENT ASSETSS

(in € 1,000)	31/12/10	31/12/09
Assets held to maturity		
Assets available for sale	5,419	3,512
Assets at fair value through profit or loss		
Loans and receivables	16	16
Others		
TOTAL	**5,435**	**3,528**

On 31/12/10 the item ‘Assets available for sale’ consists of the Retail Estates shares of 2.7% compared to 1.9% on 31/12/09, 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)	31/12/10	31/12/09
Trade receivables	4,867	5,201
To be invoiced	813	576
Doubtful receivables	5	5
TOTAL	**5,685**	**5,782**

NOTE 26

TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in € 1,000)	31/12/10	31/12/09
Taxes	675	104
Salaries and social security	0	0
Other	285	642
TOTAL	**960**	**746**

NOTE 27

CASH AND CASH EQUIVALENTS (SEE ALSO THE CONSOLIDATED CASH FLOW STATEMENT)

(in € 1,000)	31/12/10	31/12/09
Cash	2,840	2,767
Cash equivalents	0	0
TOTAL	**2,840**	**2,767**

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)	31/12/10	31/12/09
Accrued and not due rental income		
Rent free periods and incentives for appropriation		
Prepaid property charges	123	275
Prepaid interests and other financial charges	61	43
Other	32	17
TOTAL	**216**	**335**

NOTE 29

A. SUBSCRIBED CAPITAL

a) Evolution subscribed capital since the creation of the real estate investment trust

Date		Issued capital (in € 1,000)	Number of shares
31/12/98	Initial capital Brixton Zaventem	2,922	61,250
4/05/99	New number of shares (1)		864,808
7/05/99	Acquisition of treasury shares and annulment of the acquired shares		-24,603
8/06/99	Contribution in kind of the 'Extensa buildings'	2,788	727,818
8/06/99	Contribution in kind of the Vierwinden Business Park	9,370	191,574
	Total before the offering	**15,080**	**1,759,597**
1/07/99	Capital increase	20,334	370,851
1/07/99	Merger with Brixton Louise	7,561	394,672
1/07/99	Merger with Kapex		4
1/07/99	Decrease of the capital	-15,209	
	Capital and number of shares after the offering	**27,765**	**2,525,124**
28/06/01	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2,206	200,500
14/12/01	Contribution in kind D2 of the Axxes Business Park	1,152	104,742
28/11/03	Merger with Brussimmo		2
28/11/03	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	**31,123**	**2,830,371**
23/12/04	Partial splitting-up (Montoyer 63)	4,606	418,850
	Issued capital and number of issued shares on 30/06/05	**35,729**	**3,249,221**
29/05/06	Contribution in kind of buildings Extensa-portfolio	8,397	763,407
	Issued capital and number of issued shares on 30/06/06	**44,126**	**4,012,628**
29/12/06	Merger with Square de Meeûs 5-6 SA	2	204
	Issued capital and number of issued shares on 30/06/07 & 31/12/10	**44,128**	**4,012,832**

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

b) Categories of shares
Leasinvest Real Estate has only one category of shares, namely ordinary shares.
Holders of ordinary shares are entitled to receive the declared dividend and to one vote per share at the annual general meetings of shareholders of Leasinvest Real Estate.
All shares are fully paid. The shares are bearer shares or registered shares or dematerialized shares.
For more information on the nature of the shares, see articles of association (article 8).

c) Authorized capital
The statutory manager is authorized 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 31/012/09 (12 months) and 31/12/10 (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	Transaction	
28/06/01	Contribution in kind buildings D4 and D5 of the Axxes Business Park	7,710
14/12/01	Contribution in kind D2 of the Axxes Business Park	4,356
23/12/04	Partial splitting-up (Montoyer 63)	19,214
	Share premium account on 30/06/05	**31,280**
29/05/06	Contribution in kind of buildings Extensa-portfolio	39,331
	Share premium account on 30/06/06	**70,611**
29/12/06	Merger with Square de Meeûs 5-6 SA	11
	Share premium account on 30/06/07 & 31/12/10	**70,622**

C. RESULT

(in € 1,000)	31/12/10	31/12/09
Result to be carried forward	-2,119	2,395
Proposed dividend	16,385	15,985
TOTAL	**14,266**	**18,380**

The consolidated net result, group share, of the past financial year 2010 amounted to € 14.3 million.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to distribute a gross dividend of € 4.1, resulting in a total dividend of € 16.39 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 2010 Leasinvest Real Estate has not acquired, nor sold any treasury shares, resulting in the fact that the number of treasury shares remained unchanged per 31/12/10 at 16,538 (incl. the 204 shares held by Leasinvest Services SA, a subsidiary of Leasinvest Real Estate).

NOTE 30

COMMENTS ON THE NUMBER OF SHARES, DIVIDENDS AND PROFIT PER SHARE

30.1 CHANGES IN THE NUMBER OF SHARES

	31/12/2010	31/12/2009
	Number of shares	Number of shares
Number of shares at the beginning of the financial year	4,012,832	4,012,832
Changes 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 entitled to dividends	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)

The minimum mandatory distribution is calculated according to the RD of 7 December 2010 and has been established based on the statutory annual accounts, in accordance with the IFRS standards.

Art 27, § 1, sub-paragraph 1 Calculation scheme	Statutory	
	31/12/2010	31/12/2009
A. Corrected result		
Net result of the group	13,896	-314
+ Depreciation	0	
+ Write-downs	17	-42
+/- Write-back of write-downs		
+/- Write-back of lease payments sold and discounted		
+/- Other non-monetary elements	-1,592	602
+/- Result sale of property	-759	
+/- Changes in fair value of property	6,389	17,070
= Corrected result	17,951	17,316
B. Net capital gains on the sale of property not exempt from mandatory distribution		
TOTAL (A) + (B)	**17,951**	**17,316**
Mandatory distributable result 80%	**14,361**	**13,853**

The profit for appropriation of the financial year 2010, defined, based on the statutory accounts, amounts to € 19,055,244 and is composed of the net result of the financial year (€ 13,895,652) augmented by the result carried forward from the previous financial year of € 5,159,592. The result to be carried forward of this financial year amounts to € 2,669,603. 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.

Art 27, § 1, sub-paragraph 6 (Art 617 Company Law)
The amount as intended by article 617 of the Company Law, of the registered capital, or, should this amount be higher, of the called-up capital, increased by all the reserves that cannot be distributed according to the law or the articles of association, has to be calculated as the sum of the amounts mentioned in the following items:

	Statutory	
	31/12/2010	31/12/2009
- Registered capital or should this be higher, the called-up capital	44,128	44,128
- Share premium account non-distributable according to the articles of association	70,622	70,622
- Reserves for the positive balance of the changes in fair value of property (+)	62,268	79,339
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-4,405	-5,929
- Reserve for the balance of the changes in fair value of allowed derivative financial instruments subject to hedge accounting as defined in IFRS (+/-)	-254	-1,278
- Reserve for the balance of the changes in fair value of allowed derivative financial instruments not subject to hedge accounting as defined in IFRS (+/-)	1,592	-602
- Reserve for the balance of changes in fair value of financial assets held for sale	497	12
- Other reserves declared unavailable by the general meeting	1,034	1,034
- Legal reserve	602	602
Total	**176,084**	**187,928**
Net assets of the company	**216,636**	**215,693**
Proposed dividend	**16,385**	**15,986**
Net assets of the company - total of non-distributable reserves - proposed dividend	**24,167**	**11,779**

30.3 CALCULATION OF THE PROFIT AND DIVIDEND PER SHARE

(in € 1,000)	31/12/10 (12 months)	31/12/09 (12 months)
Net result, group share (in € 1,000)	14,266	18,380
Number of shares participating in the result of the period	3,996,294	3,996,294
Net result, group share, per share (€) (1)	3.57	4.60
Distributable profit per share (€) (2)	4.49	4.33
	proposition 2010	**proposition 2009**
Gross dividend attributable to ordinary shareholders (€)	16,384,805	15,985,176
Gross dividend per share (€)	4.10	4.00
Net dividend per share (€)	3.49	3.40

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

NOTE 31

CHANGE IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(in € 1,000)	31/12/10	31/12/09
On financial assets available for sale	497	12
On derivative financial instruments	-642	-1,478
TOTAL	**-145**	**-1,466**

NOTE 32

MINORITY INTERESTS

Company (in € 1,000)	Percentage of participation	31/12/10	31/12/09
Leasinvest Services SA (0878.901.063)	99%		-6
Leasinvest Services SA (0826.919.159)	99%	3	
Total minority interests		3	-6
TOTAL SHAREHOLDERS' EQUITY		**275,411**	**274,918**

Leasinvest Services SA with company number 0826.919.159 has been established mid-2010 and has taken over the management activities of Leasinvest Services SA with company number 0878.901.063 (created as Leasinvest Real Estate Facility Services SA on 17/01/06). Leasinvest Real Estate has sold its shares in this company, of which the name has been changed into Leasinvest Services SA afterwards, in the course of the past financial year.

NOTE 33

PROVISIONS

(in € 1,000)	Provisions for guarantees	Other provisions	TOTAL
Balance at the end of the previous financial year	**57**	**329**	**386**
Additional provisions		0	0
Amount of provisions used (-)	-57	-263	-320
Write-back of unused provisions		-66	-66
Balance at the end of the financial year	**0**	**0**	**0**

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. This rental guarantee has expired.
The other provisions created in 2009 related to a settlement concluded in the first semester of 2010.

NOTE 34

FINANCIAL DEBTS

(in € 1,000)	31/12/10	31/12/09
Non-current financial debts	138,000	193,050
Credit institutions	133,310	192,856
Other	4,690	194
Current financial debts	81,837	62,001
Credit institutions	0	7,750
Other	81,837	54,251
TOTAL	**219,837**	**255,051**

The non-current financial debts with credit institutions consist of long-term credit facilities of € 133.3 million.

The other non-current financial debts comprise the commercial paper for more than one year of € 4.5 million on the one hand, and rental guarantees received of € 0.2 million on the other hand.
The other current financial debts only comprise the commercial paper for less than one year.

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

	31/12/10				31/12/09			
	Debts with a residual duration of				Debts with a residual duration of			
(in € 1,000)	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Financial debts – credit institutions								
Credit lines	0	258,847	60,482	319,329	0	218,931	565	219,496
Credit draw-downs	0	117,828	15,482	133,310	0	186,411	565	186,976
% share (credit draw-downs/credit lines)	0.0%	45.5%	25.6%	41.7%	0.0%	85.1%	100.0%	85.2%
Commercial paper and back-up lines								
Commercial Paper program			210,000	210,000			210,000	210,000
Commercial Paper draw-downs	81,837	4,495		86,332	54,251	0		54,251
Back-up credit lines	0	20,000		20,000	26,670	77,500		104,170
Back-up credit draw-downs	0	0		0	7,750	5,880		13,630
% share CP / back-up credit lines				0.0%				52.1%
% share back-up draw-downs / credit lines				0.0%				13.1%
% share CP / CP program				41.1%				25.8%

All credit lines are based on a floating interest rate, for which the interest risk is mainly (85%) covered by derivative financial instruments.
For more details we refer to note 23 (Derivative financial instruments).

NOTE 35

OTHER NON-CURRENT FINANCIAL LIABILITIES

(in € 1,000)	31/12/10	31/12/09
Derivative financial instruments	3,986	4,943
Other	0	0
TOTAL	**3,986**	**4,943**

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 further comments we refer to note 23.

NOTE 36

TRADE DEBTS AND OTHER CURRENT DEBTS

(in € 1,000)	31/12/10	31/12/09
Exit tax	0	0
Other		
Suppliers	3,900	5,381
Tenants	0	0
Taxes, salaries and social security	617	760
TOTAL	**4,517**	**6,141**

NOTE 37

OTHER CURRENT LIABILITIES

(in € 1,000)	31/12/10	31/12/09
Other current liabilities	2,091	1,267
Total	**2,091**	**1,267**

The other current liabilities on 31/12/10 comprise a.o. the forecasted exit tax on the land of phase 2 of Canal Logistics Brussels.

NOTE 38

ACCRUED CHARGES AND DEFERRED INCOME - LIABILITIES

(in € 1,000)	31/12/10	31/12/09
Property income received in advance	6,828	8,066
Interests and other charges accrued and not due	905	937
Other	26	33
TOTAL	**7,759**	**9,036**

NOTE 39

CONTINGENT LIABILITIES

The tenants of the following buildings dispose of a call option at market value at the end of their leases, from Leasinvest Real Estate: the office building located in Baarbeek-Zwijndrecht, the office building ‘Motstraat 30-32’ in Malines and the distribution centre situated in Tongres (SKF).

Canal Logistics Brussels SA, a 100% subsidiary of Leasinvest Real Estate has to acquire a 2nd phase of a logistics site near Brussels. This acquisition is foreseen by the end of June 2011 and would amount to € 10.6 million.
This acquisition is subject to a number of conditions precedent.

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 demolition has started at the end of 2010.
To this end, Van Laere has created an ad hoc company (RAB Invest SA).
After the provisional acceptance 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.

In the context of the alienation of the buildings in the Axxes Business Park in Merelbeke (Ghent) Leasinvest Real Estate stands surety with respect to Axxes Certificates SA for a term of maximum 9 years as from July 2010 till July 2019. This mainly relates to covering future vacancy.

In the context of the disposal of the buildings in Axxes Buiness Park, Axxes Certificates SA has taken on to acquire, after its renovation, the building Torenhove for a fixed price of € 3.3 million before the end of 2012. Upon the provisional delivery (foreseen at the end of 2011) by Leasinvest Real Estate and acceptance by Axxes Certificates SA, Leasinvest Real Estate has to sell the building Torenhove at the aforementioned price.

NOTE 40

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

Name & address of the administrative office	VAT or national number	Direct or indirect part of the capital held and voting rights (in%)	
		31/12/10	31/12/09
Leasinvest Services SA (1) Schermersstraat 42 - 2000 Antwerp	BE 878.901.063		99%
Leasinvest Services SA Schermersstraat 42 - 2000 Antwerp	BE 826.919.159	99%	99%
Leasinvest Immo Lux SA 17, Route d'Esch - L-1470 Luxembourg	LU 16372655	100%	100%
Leasinvest Immo Lux Conseil SA 17, Route d'Esch - L-1470 Luxembourg	LU 10355144	100%	100%
Canal Logistics Brussels SA Schermersstraat 42 - 2000 Antwerp	BE 888.064.001	100%	
Zebra Trading SA (2) Schermersstraat 42 - 2000 Antwerp	BE 424.903.946		100%
Alm Distri SA (2) Schermersstraat 42 - 2000 Antwerp	BE 475.333.157		100%

(1) Leasinvest Services SA with company number 0878.901.063 has been sold (see note 32).
(2) On 01/01/10 Zebra Trading SA and Alm Distri SA were merged with Leasinvest Real Estate.

NOTE 41

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 2010 (12 months) amounted to € 2.3 million.

Algemene Aannemingen Van Laere SA has built an office building with storage space for Leasinvest Real Estate for the end-user Cegelec SA. The building was completed on 16/12/09.
De total contracting price of Van Laere amounts to € 2.95 million (excl. VAT).

In the context of the renovation of the building Torenhove a contracting price of € 2.5 million (excl. VAT) has been agreed upon with Algemene Aannemingen Van Laere SA.

NOTE 42

REMUNERATION OF THE AUDITOR ERNST & YOUNG (EXCL VAT)

(in € 1,000)	Leasinvest Real Estate	Subsidiaries	Total 31/12/10
Remuneration of the auditor for the audit mandate	30	44	74
Remuneration for extraordinary activities or special assignments:			
- Other auditing assignments			0
- Tax consulting		5	5
Other than audit assignments	0	42	42
TOTAL	**30**	**91**	**121**

NOTE 43

EVENTS AFTER THE CLOSING OF THE BALANCE SHEET

Mid-January 2011 the rental contract with Redevco Retail Belgium was ended by mutual consent.
Leasinvest Real Estate leased a retail park situated in Nossegem to Redevco Retail Belgium that was sub-leased to different important retailers such as Brico, Leen Bakker, Blokker and Tony Mertens. As a consequence these sub-lessees have become direct tenants of Leasinvest Real Estate. A cancellation fee of € 6.85 million was paid to Redevco Retail Belgium. As a result Leasinvest Real Estate receives since 1 January 2011 approximately € 2 million of rental income per year instead of € 0.9 million previously.
Except for this transaction no other important events occurred after the closing of the financial year 2010.

REPORT OF THE AUDITOR

Statutory auditor's report to the general meeting of shareholders of Leasinvest Real Estate on the consolidated financial statements for the year ended 31 December 2010

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 2010, 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 2010, 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 € 513,975,000 and the consolidated statement of income shows a profit for the year, share of the Group, of € 14,266,000.

RESPONSIBILITY OF THE BOARD OF DIRECTORS FOR THE PREPARATION AND FAIR PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

RESPONSIBILITY OF THE STATUTORY AUDITOR

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the legal requirements and the auditing standards applicable in Belgium, as issued by the Institute of Registered Auditors (Institut des Réviseurs d'Entreprises/Instituut van de Bedrijfsrevisoren). Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.
In accordance with these standards, we have performed procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we have considered internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. We have evaluated the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by the Group and the presentation of the consolidated financial statements, taken as a whole. Finally, we have obtained from the board of directors and the Group's officials the explanations and information necessary for executing our audit procedures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

OPINION

In our opinion, the consolidated financial statements for the year ended 31 December 2010 give a true and fair view of the Group's financial position as at 31 December 2010 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, 25 March 2011

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

Christel Weymeersch
Partner

STATUTORY ANNUAL ACCOUNTS

Hereafter an abbreviated version of the statutory annual accounts of Leasinvest Real Estate is presented.
The complete annual accounts together with the annual report and the report of the auditor are filed with the National Bank of Belgium and these documents may be consulted at the company's office and can be obtained for free, upon simple request.
The auditor has approved the statutory annual accounts without reservations.

(in € 1,000) INCOME STATEMENT	Period 31/12/10 IFRS 12 months	Period 31/12/09 IFRS 12 months	Period 31/12/08 IFRS 18 months
Rental income	22,252	22,902	33,008
Write-back of lease payments sold and discounted	0	0	0
Related rental expenses	-17	42	-117
NET RENTAL INCOME	**22,235**	**22,944**	**32,891**
Recovery of property charges	28	64	811
Recovery income of charges and taxes normally payable by tenants on let properties	2,806	2,733	3,569
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-242	0	-483
Charges and taxes normally payable by tenants on let properties	-2,806	-2,733	-3,569
Other rental-related income and expenditure	-265	-308	-396
PROPERTY RESULT	**21,756**	**22,700**	**32,823**
Technical costs	-1,202	-857	-1,462
Commercial costs	-911	-326	-493
Charges and taxes on un-let properties	-370	-222	-430
Property management costs	-2,278	-2,353	-3,083
Other property charges	-440	-303	-487
PROPERTY CHARGES	**-5,201**	**-4,061**	**-5,955**
PROPERTY OPERATING RESULT	**16,555**	**18,639**	**26,868**
Corporate operating charges	-981	-793	-1,290
Other current operating income and expenditure	-1,070	3	2,186
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**14,504**	**17,849**	**27,764**
Results on disposals of investment properties	759		
Changes in fair value of investment properties	-6,389	-17,070	-5,545
OPERATING RESULT	**8,874**	**779**	**22,219**
Financial income	14,126	10,212	15,779
Interest charges	-7,121	-8,273	-21,039
Other financial charges	-1,791	-2,935	-4,930
FINANCIAL RESULT	**5,214**	**-996**	**-10,190**
PRE-TAX RESULT	**14,088**	**-217**	**12,029**
Corporate taxes	-192	-97	-14
Exit tax	0	0	0
TAXES	**-192**	**-97**	**-14**
NET RESULT	**13,896**	**-314**	**12,015**

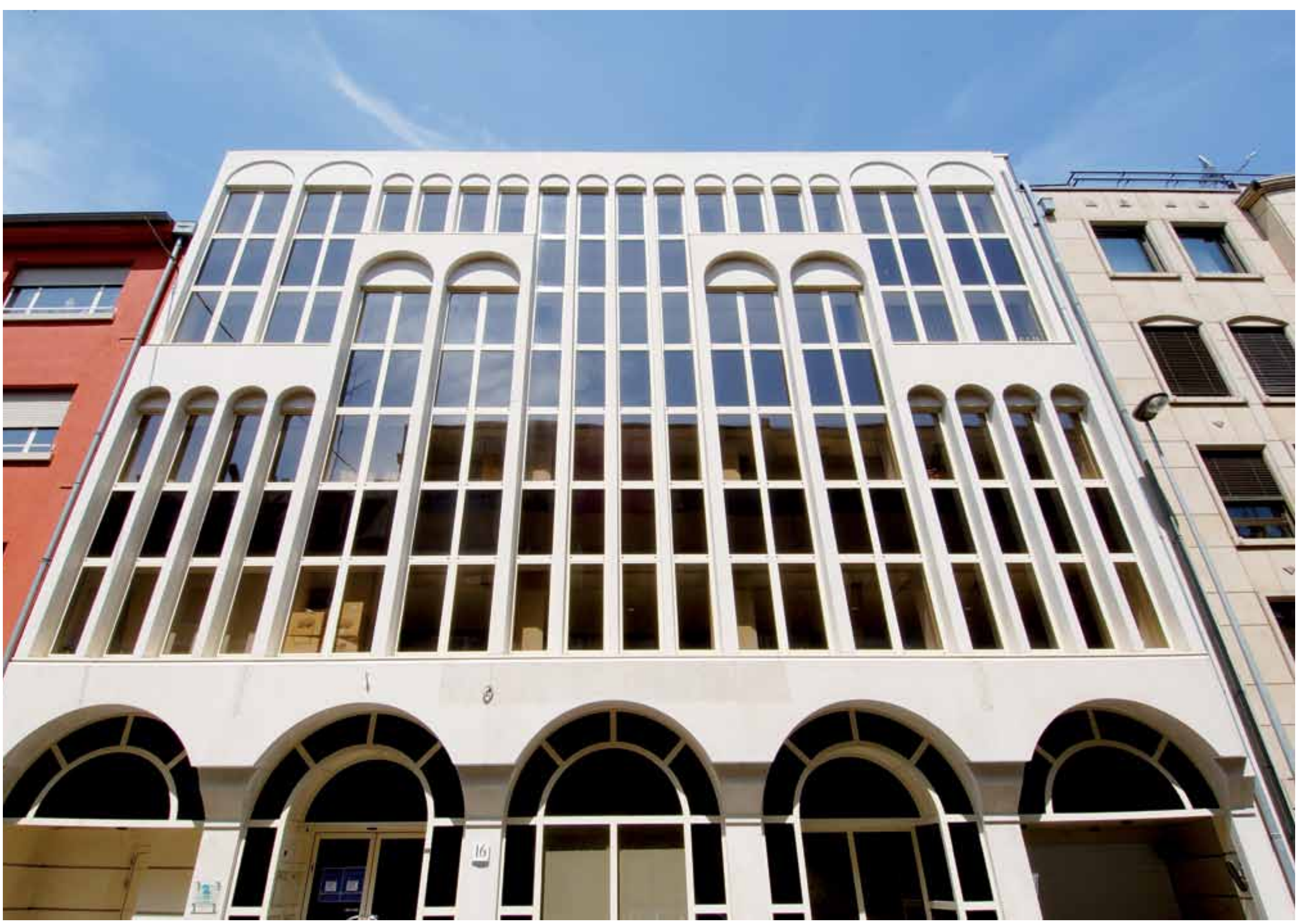
BALANCE SHEET (in € 1,000)	Period 31/12/10 IFRS	Period 31/12/09 IFRS	Period 31/12/08 IFRS
ASSETS			
NON-CURRENT ASSETS	**428,059**	**486,112**	**496,731**
Investment properties	248,815	286,096	302,288
Development projects	976	8,166	3,393
Other tangible assets	0	0	0
Non-current financial assets	178,268	191,850	191,050
CURRENT ASSETS	**34,907**	**15,093**	**13,431**
Assets held for sale			
Current financial assets	30,418	10,915	8,062
Trade receivables	2,625	2,683	3,844
Tax receivables and other current assets	46	122	54
Cash and cash equivalents	1,618	1,130	805
Deferred charges and accrued income	200	243	666
TOTAL ASSETS	**462,966**	**501,205**	**510,162**
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY	**216,636**	**215,693**	**223,692**
Capital	44,128	44,128	44,128
Share premium account	70,622	70,622	70,622
Treasury shares (-)	-1,034	-1,034	-1,034
Reserves	88,026	105,096	105,096
Legal reserves	602	602	602
Unavailable reserves	63,302	80,372	80,372
Available reserves	24,122	24,122	24,122
Result	19,056	4,076	11,782
Results carried forward from previous financial years	5,159	4,389	9,608
Result of the financial year (1)	13,896	-314	2,174
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-4,405	-5,929	-5,929
Change in fair value of financial assets and liabilities	243	-1,266	-973
On financial assets available for sale	497	12	-630
On derivative financial instruments	-254	-1,278	-343
LIABILITIES	**246,330**	**285,512**	**286,470**
NON-CURRENT LIABILITIES	**100,597**	**146,413**	**139,043**
Provisions	0	387	1,105
Non-current financial debts	96,625	140,880	134,815
Other non-current financial liabilities	3,598	4,743	2,704
Other non-current liabilities	374	403	419
CURRENT LIABILITIES	**145,733**	**139,099**	**147,427**
Provisions	0	0	0
Current financial debts	136,421	128,657	134,781
Trade debts and other current debts	3,053	3,519	4,057
Other current liabilities	1,141	1,039	1,116
Accrued charges and deferred income	5,118	5,884	7,473
TOTAL EQUITY AND LIABILITIES	**462,966**	**501,205**	**510,162**


ESSENTIEL

Leasinvest Real Estate on the stock exchange

THE SHARE PRICE OF LEASINVEST REAL ESTATE ROSE BY **7.4%** IN 2010

PASTEUR - LUXEMBOURG



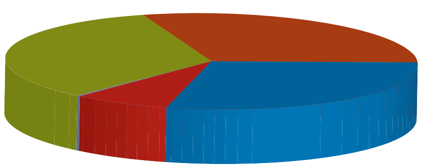
SHAREHOLDERS

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.

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.

Number of listed shares (4,012,832)[1]



The number of issued shares on 31/12/10 amounted to 4,012,832.

On 31/12/10 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.

LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE

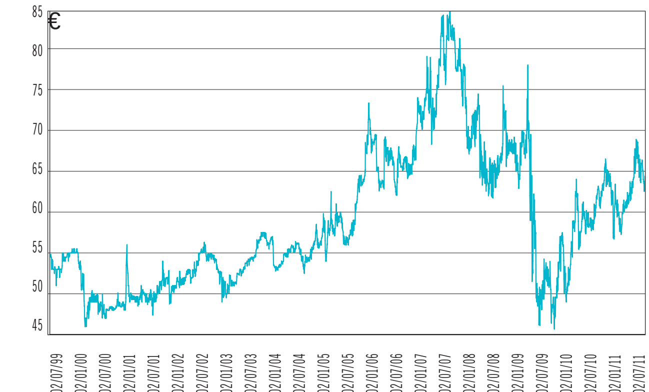
Key figures

(In €)	31/12/10	31/12/09	31/12/08 (1)
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)	254.25	236.64	192.82
Free float (%)	33.2%	33.2%	33.2%
Closing price	63.36	58.97	48.05
Highest price	68.89	64.01	78.00
Lowest price	56.71	45.68	46.13
Average price	62.55	54.87	64.37
Annual turnover (#)	338,614	383,879	367,948
Average monthly traded volume (#)	28,218	31,990	30,662
Velocity (2) (%)	8.4%	9.6%	9.2%
Free float velocity (%) (3)	25.4%	28.8%	27.6%
Gross dividend (4)	4.10	4.00	3.80
Net dividend (4)	3.49	3.40	3.23
Gross dividend yield (%) (5)	6.47%	6.78%	7.91%

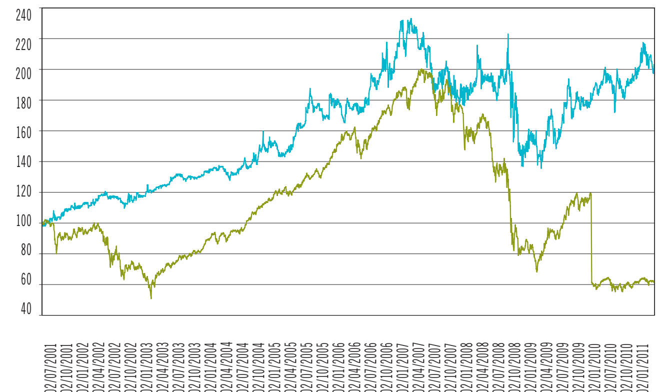
(1) Notwithstanding the fact that the financial year closed at 31/12/08 was an extended financial year of 18 months, the key figures presented in the table above are calculated for the calendar year 2008 (12 months).
(2) Number of traded shares / total number of listed shares.
(3) Number of traded shares / (total number of listed shares * free float).
(4) During the extended financial year 2007/2008 of 18 months, ending at 31/12/08 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 is presented (€ 3.80 for 12 months).
(5) Gross dividend / closing price.

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

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



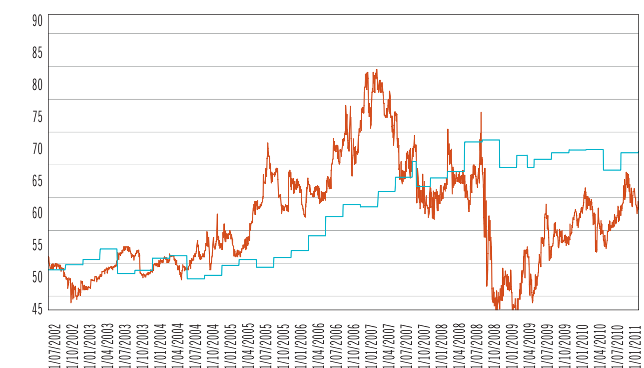
Comparison of return of Leasinvest Real Estate with the return on BEL20 Index[1]



RETURN LRE

BEL 20 INSTITUTIONAL RETURN INDEX

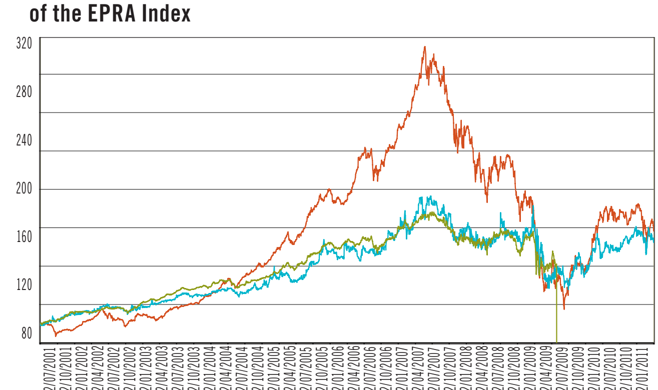
Price premium/discount Leasinvest Real Estate share since 01/07/02 compared with net asset value



NET ASSET VALUE BASED ON INVESTMENT VALUE

SHARE PRICE

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

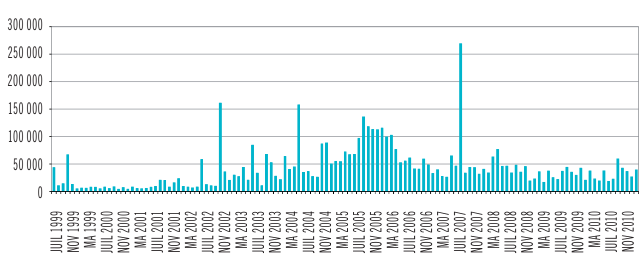


SHARE PRICE LRE

EPRA BELGIUM INDEX

EPRA EUROZONE INDEX

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



[1] Index to consult in the financial newspapers, i.e. l'Echo and De Tijd in the stock market pages.

In 2010 the Leasinvest Real Estate share price further recovered. The price evolved from € 58.97 on 31/12/09 to € 63.36 on 31/12/10. 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 -14% on 31/12/09 to -8% op 31/12/10.

The past financial year, the average monthly transaction volume of the share amounted to 28,218 shares in comparison with 31,990 in 2009. The low velocity (8.4% over 2010) 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 2010 amounts to 25.4%, to compare with 28.8% over 2009.

As shown by the graph, the Leasinvest Real Estate share records quasi systematically a higher return than the BEL20 Index. In 2010 the Leasinvest Real Estate share performed substantially better than the BEL20 index.

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 circa comparable evolution over the first half, and performing even better over the second half of 2010. The EPRA Eurozone Index, the index of the main listed real estate companies in Europe, exceeded the level of the Leasinvest Real Estate share in 2010, but remained above the level of the EPRA Belgium Index.

ANALYSTS' COVERAGE

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Permanent document

THE DEBT RATIO ONLY AMOUNTS TO **44.13%**

RIVERSIDE BUSINESS PARK - ANDERLECHT

10.1 GENERAL INFORMATION

COMPANY PROFILE

Real estate investment trust 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 31/12/10 amounts to € 494.2 million, the investment value to € 506.6 million. The consolidated real estate portfolio represents a surface of 348,703 m^2, with 52 buildings, of which 37 in Belgium and 15 in the Grand Duchy of Luxembourg.

Geographically, the real estate portfolio is situated for 45% in the Grand Duchy of Luxembourg (through its 100% subsidiary Leasinvest Immo Lux) and for 55% 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

Article 5 of the coordinated articles of association dated 17/12/09:

'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.

During the past financial year the investment/divestment decisions were taken in accordance with the aforementioned investment policy.

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 Bld. de la Woluwe 2, in 1150 Brussels. The registered office may be transferred within Belgium by a decision of the statutory manager, without prejudice to the specific legislation on the use of language.

ADMINISTRATIVE OFFICE

Leasinvest Real Estate has its administrative office at Schermersstraat 42 in 2000 Antwerp.

CONSTITUTION AND TERM

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

On 8/06/99 the company name was modified into Leasinvest Real Estate and the company was transformed into a real estate investment trust (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 Official Belgian Gazette 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

In accordance with article 4 of its coordinated articles of association date 17/12/09, the sole purpose of Leasinvest Real Estate 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 (below the UCI law).

The aforementioned article 4 of the coordinated articles of association of the company clarifies what should be understood by real estate and what are the allowed activities of the company (see further, point 10.2, for an integral reproduction of the coordinated articles of association dated 17/12/09).

It will be asked to the extraordinary general meeting of shareholders of Leasinvest Real Estate which will be held in 2011 to adapt the definition of real estate in article 4 of the articles of association of the company to the new Royal Decree on real estate investment trusts (below the RD of 07/12/10).

Real estate in the sense of the RD of 07/12/10 comprises:

- immoveable property as defined in articles 517 onward of the Civil Code and rights in rem to real estate;
- shares with voting rights issued by associated real estate companies, exclusively or jointly controlled by the company;
- option rights to real estate;
- rights of participation in other public or institutional real estate investment companies, provided that in the latter case, the company hold joint or exclusive control
- rights of participation in foreign collective investment institutions in real estate, registered under article 129 of the UCI law intended list;
- rights of participation in collective investment institutions in real estate that are established in another member state of the European Economic Space and that are not registered under article 129 of the UCI law intended list, as far as they are subject to an equal supervision as public real estate investment trusts;
- 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 and admission of investment instruments to trading on a regulated market;
- rights derived from contracts under which the company has given one or more properties in real estate leasing or comparable rights of usage.

It will also be asked to the extraordinary general meeting of shareholders to adapt the authorized activities of Leasinvest Real Estate to the provisions of the RD of 07/12/10, in order to allow the company, within the limits of its investment policy, as described in article 5 of the articles of association, and in accordance with the legislation on real estate investment trusts in force, to:

- the acquisition, the purchase, alteration, fitting-out, letting, sub-letting, management, exchange, sale, contribution, transfer, alienation, allotment, the ranging of real estate under the co-ownership system as described above, granting or being granted building and planting richts, leasehold rights, usufruct or other rights in rem on real estate as described above;
- the acquisition, transfer, alienation and lending of financial instruments;
- the taking into lease agreements of real estate, with or without purchase option, as the lessee;
- the giving into lease of one or more buildings, for which the giving into leasing of one or more buildings with purchase option can only be executed as an accessory activity, unless

- that property is destined for purposes of general interest, including social housing and education;
- only exceptionally and occasionally act as a property developer.

It is proposed that the company may also, in accordance with the legislation on sicafis in force:

- in an additional or temporary capacity, invest in securities, other than real estate, and unallocated liquid assets, for which 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, and for which 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;
- execute transactions in hedging instruments (as defined by the RD of 07/12/10), as far as thes transactions are part of the company's defined hedging policy of financial risks, with the exception of speculative transactions;
- grant mortgages or other securities or guarantees in the context of the financing of real estate activities of the company or those part of its group;
- grant loans and stand surety for a subsidiary of the company.

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.

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 31/12/10 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

The manager is empowered to increase the registered capital on dates and under 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 of the manager, as explained in article 7 of the coordinated articles of association of the company dated 17/12/09 (see further, point 10.2 for an integral reproduction of the articles of association). This authorization is valid for a term of five years as from the publication of the minutes of the general meeting of 15/10/07. Till present, the aforementioned authorization has not been used.

It will be asked to the extraordinary general meeting of shareholders of Leasinvest Real Estate which will be held in 2011, subject to the approval of the CBFA, to renew the authorization, as to authorize the manager again to increase the registered capital on dates and under conditions specified by him, in one or more instalments, by an amount of maximum € 44,128,326.64 for a term of five years as from the publication of the minutes of the aforementioned extraordinary general meeting.

In the context of the aforementioned authorizations, the capital increases can be carried out by a subscription in cash, by a contribution in kind, or by the conversion of reserves, including profits carried forward and issue premiums or by the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, the legislation on real estate investment trusts and the articles of association of the company. Without prejudice to the application of the articles 592 to 598 and 606 of the Company Law, the manager will also be authorized to limit or abolish the preferential right of shareholders, also when this occurs in favour of one or more persons that are no personnel of the company or its subsidiaries, as far as an irreducible right of attribution is granted to the current shareholders in the case of attribution of new securities. This irreducible right of attribution will at least have to meet the requirements of the

RD of 07/12/10 and the articles of association of the company. Without prejudice to the articles 595 to 599 of the Company Law, the aforementioned limits in the context of the abolition or limits to the preferential right will not be applicable in the case of a contribution in cash within the framework of the distribution of an optional dividend, in the cases foreseen by the articles of association.

Capital increases in kind will be done in accordance with the RD of 07/12/10 and in accordance with the conditions recorded in the articles of association. Such contributions in kind can also relate to the dividend rights in the context of the distribution of an optional dividend.

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 28/06/01 for an amount of € 2,205,500.
- under a deed recorded by notary public Erik Celis in Antwerp on 14/12/01 for an amount of € 1,152,162.

ACQUISITION OF TREASURY SHARES

In accordance with article 9 of its coordinated articles of association dated 17/12/09, the company can acquire treasury shares and take them in pledge pursuant the decision of the general meeting in accordance with article 620 et seq of the Company Law.

The same meeting can define the conditions for alienation of these shares.

Pursuant a decision of the extraordinary general meeting of shareholders of 15/10/07 the manager was authorized to proceed to the acquisition of treasury shares without a decision of the general meeting of shareholders, whenever this acquisition is necessary to prevent the company from imminent and serious harm. This authorization was valid for a term of three years as from the publication of the articles of association.

The conditions for the de-realization of treasury shares 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 manager is authorized to alienate treasury shares as foreseen by article 622 § 2, 1° of the Company Law, as well as, for a term of three years to count as of the publication of the amendments to the articles of association dated 15/10/07, in article 622 § 2, 2° of the Company Law.

To the extraordinary general meeting of Leasinvest Real Estate that will be held in 2011 it will be proposed, subject to the approval of the CBFA, to extend the aforementioned authorizations in the context of purchase (and sale) of treasury shares for the legally admitted maximum term.

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 Leasinvest Real Estate are also authorised to acquire and de-realise shares in the company within the limits of the authorisations above.

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 Luxembourg law of 13 February 2007 regarding specialised investment funds.

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

On 31/12/10, the investment properties of Leasinvest Immo Lux represented 45% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31/12/10 Leasinvest Immo Lux owned 15 buildings in ownership or co-ownership, with a total surface of 85,961 m^2, exclusively situated in the Grand Duchy of Luxembourg.

Currently Leasinvest Immo Lux does not hold any investment via a real estate company.
2 buildings represent more than 5% of the consolidated Leasinvest Real Estate portfolio, namely CFM (8.9%) and Strassen (6.8%).
The buildings are mostly multi-tenant and consist of offices (62%), one logistics building (9%) and retail (29%). Geographically, the buildings are well spread across Luxemburg 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) under Luxembourg Law.

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 article 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 dated 17/12/09

"LEASINVEST REAL ESTATE"
Partnership limited by shares which makes a public appeal to savings Sicafi under Belgian law
1040 Bussels-Etterbeek, avenue de Tervueren 72
Register of legal persons 0436.323.915

Established as an "Aktiengesellschaft" under Swiss law with the name "Zanos Estate Company A.G." from Zug (Switzerland) on the twenty first of November nineteen seventy three and first registered in Zug (Switzerland) on the thirtieth of November thereafter.
It was decided at the general meeting on the date of the seventeenth of November nineteen eighty eight, amongst other things, to move the registered offi ce from Switzerland to Belgium.
Under a deed recorded by notary public Hans Berquin in Brussels on the sixteenth of December nineteen eighty eight, announced in the appendices to the Moniteur Belge on the twelfth of January nineteen eighty nine under number 890112-044, the aforementioned offi ce move to Belgium was ratified, it was established that the company is subject to the Belgian law conforming to article 197 (at that time) of the Company Law and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company, and the Articles of Association were integrally re-established under Belgian law.
The Articles of Association were changed several times, as follows:
- under a deed recorded by notary public Frank Celis in Antwerp on the eighth of June nineteen ninety nine, announced in the appendices to the Moniteur Belge on the twenty sixth of June thereafter under number 990626-330 stipulating, amongst other things, the name change into 'LEASINVEST REAL ESTATE' and the transformation of the company into a sicafi under Belgian law under the legal form of a partnership limited by shares, and of which establishment of the fulfillment of the suspending condition in the aforementioned deed of the amendments to the articles of association, including the legal form of "sicafi ", recorded by notary public Erik Celis in Antwerp on the fi rst of July nineteen ninety nine, announced in the appendices to the Moniteur Belge on the twentieth of July thereafter under number 990720-618.
- under a deed recorded by notary public Erik Celis in Antwerp on the twenty eighth of June two thousand and one, announced in the appendices to the Moniteur Belge on the twenty sixth of July thereafter under number 20010726-264, by which the capital was increased within the framework of the authorized capital.
- under a deed recorded by notary public Erik Celis in Antwerp on the fourteenth of December two thousand and one, announced in the appendices to the Moniteur Belge on the third of January two thousand and two under number 20020103-16.
- under a deed recorded by notary public Erik Celis in Antwerp on the twenty eighth of November two thousand and three, announced in the appendices to the Moniteur Belge on the twelfth of December thereafter under number 20031212-31932, including the merger by absorption of the public companies 'EKIPORT' and 'BRUSSIMMO'.
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-third of December two thousand and four, announced in the appendices to the Moniteur Belge on the seventeenth of January thereafter under number 20050117-9802, including, among other things, authorisations regarding authorized capital and acquisition/disposal of own shares and various amendments to the articles of association;
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-third of December two thousand and four, announced in the appendices to the Moniteur Belge on the seventeenth of January thereafter under number 20050117-9803, by which the capital was increased by the bringing in of a part of the assets of the "société anonyme Leasinvest", split-up following a decision to partial splitting-up by take-over;
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-ninth of May two thousand and six, announced in the appendices to the Moniteur Belge on the nineteenth of June thereafter under number 20060619-98546.
- under a deed recorded by notary public Frank Liesse in Antwerp, on the twenty-ninth of December two thousand and six, announced in the appendices to the Moniteur Belge on January twenty-second under number 20070122-12628, including a merger by take over of the 'Société Anonyme Square de Meeûs 5-6' by The Company, of which a rectification was announced in the appendices to the Moniteur Belge on March thirtieth two thousand and seven under number 20070330-48139.
- under a deed recorded by notary public Frank Liesse in Antwerp, on the fifteenth of October two thousand and seven, announced in the appendices to the Moniteur Belge on November fifth under the number 20071105-159299, including the merge by take over of the Sociétés Anonymes "De Leewe", "Warehouse Finance" and "Logistics Finance I" by The Company, followed by a deed of conclusion of the fulfillment of the suspensive condition under which the decisions to change the articles of association were taken, recorded by notary public Frank Liesse in Antwerp, on June twenty-seventh two thousand and eight, announced in the appendices to the Moniteur Belge on the seventeenth of July thereafter under number 20080717-119053.
- under a deed recorded by notary public Frank Liesse in Antwerp, on June twenty-seventh two thousand and eight, announced in the appendices to the Moniteur Belge on July seventeenth thereafter under number 20080717-119054, in which the financial year, as well as the date of the annual meeting were modified.
- and for the last time under a deed recorded by notary public Frank Liesse in Antwerp on 17 December two thousand and nine, comprising the merger by absorption of all shares of the Sociétés Anonymes Zebra Trading SA and Alm Distri SA, announced in the appendices to the Moniteur Belge.

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 1150 Brussels, Bld. de la Woluwe 2.

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. immoveable property as defined in Articles 517 onward of the Civil Code and rights in rem to real estate;
2. shares with voting rights issued by associated real estate companies;
3. option rights to real estate;
4. rights of participation in other real estate investment companies which are recorded in the list as defined in article 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.

CHAPTER 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 "sicafis".

Furthermore in accordance with Article 11, paragraph 2 of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis", the following conditions must be met for contributions in kind:

1. the identity of the one who makes the contribution must be stated on the report provided by Article 602, paragraph 3 of the Company Law so as in the writ of summons for the general meeting which will rule on the capital increase;

2. the issue price cannot be lower than the average stock exchange price from the thirty days prior to the contribution;

3. the report provided under point 1 mentioned above must also indicate the repercussions of the proposed contribution on the situation of the old shareholders and more specifically with regard to their share in the profit and the capital.

In accordance with Article 11 paragraph 1 of the Royal Decree of the tenth of April nineteen ninety five concerning "sicafis, the pre-emptive right of the shareholders provided by Article 592 of the Company Law in the case of money subscriptions, cannot be revoked.

ARTICLE 11. EXECUTIVE AND SILENT PARTNERS

The managing partner is jointly and fully responsible for all obligations of the company. The limited partners are responsible for the debts and losses of the company to the extent of their contributions, on the condition that they do not perform any management duty whatsoever.

CHAPTER III – MANAGEMENT AND REPRESENTATION

ARTICLE 12. NOMINATIONS – DISMISSALS – VACANCIES

1. The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner.

The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", registered in the register of legal persons under number 0466.164.776, with registered office in 1040 Brussels-Etterbeek, Avenue de Tervueren 72, is appointed as the sole statutory manager for an indefinite period with a minimal duration of fifteen years. The mandate of this statutory manager is irrevocable until the date of the annual meeting of the company, which will be held in 2014. After this date the mandate is revocable under the attendance and majority conditions required for a change of the Articles of Association, without any right of veto for the statutory manager on this point.

2. Despite the provision of Article 12.1 concerning the first statutory manager, the statutory manager is appointed for a definite or indefinite period at the general meeting, which decides under the attendance and majority conditions required for a change of the Articles of Association.

If the statutory manager is a legal person, then the following conditions will have to be fulfilled:

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

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

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

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

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

3. The statutory manager can resign at any time.

The statutory manager's tasks can only be revoked by a judicial decision after a claim submitted by the general meeting on lawful grounds. The general meeting must make this decision with a majority equal to the majority for the amendment of the Articles of Association and the statutory manager cannot participate in the vote. The statutory manager will continue to carry out his tasks until his removal is passed by a peremptory decree..

4. The statutory manager is obliged, after his resignation, to further fulfill his task until a replacement can reasonably be provided for him. In that case the general meeting will meet within a month to officially nominate a new statutory manager.

5. The decease, the declaration of incompetence, the dissolution, the bankruptcy or any similar procedure, the dismissal, the deposition of the statutory manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be succeeded by a statutory manager appointed by 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 fi ve, 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 specifi c 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 of telecopy. The proxies must be deposited at the company offi ce 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 fi fth 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. Abstinence or blank votes and invalid votes are neglected in the calculation of the majority. In the case of equality of votes, the proposal is rejected.

At each general meeting minutes are taken during the meeting.

The extraordinary general meeting must be held in the presence of a notary public who draws up an authentic official report. The general meeting can only then lawfully deliberate and decide on a change in the Articles of Association, when those who participate in the meeting represent at least half of the companies' capital and when the statutory manager is at present, notwithstanding more stringent legal stipulations. If the aforementioned quorum is not reached or if the statutory manager is not at present, then a new summons in accordance with Article 558 of the Company Law is required; the second meeting deliberates and decides validly, irrespective of the present or represented part of the capital and irrespective of the absence of the statutory manager.

A change of the Articles of Association is only then accepted if it has previously been approved by the Banking, Finance and Insurance Commission and if it they have got three quarters of the votes bound to the shareholders that are present or represented and with approval of the present or represented statutory manager notwithstanding more stringent legal stipulations.

The votes of those who abstain, or blank or invalid votes, are considered to be votes against the proposal in the calculation of the required majority.

ARTICLE 28. FINANCIAL YEAR – ANNUAL ACCOUNTS – ANNUAL REPORT

The financial year of the company always commences on the first of January and ends on the thirty first of December. At the end of each financial year the accounts and records are closed and the statutory manager draws up the inventory, including the annual accounts, and is further proceeded as specified in Article 92 and following of the Company Law and of the stipulations of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis".

Furthermore, the statutory manager draws up an annual report in which he renders account for his policy.

Fifteen days prior to the normal general meeting, which must convene within six months after the closure of the financial year, the shareholders can have access to the annual accounts and the other records as stated in the Article 553 of the Company Law.

After the approval of the balance sheet the general meeting decides on the discharge to be given, by separate vote, to the statutory manager and to the auditor.

ARTICLE 29. APPROPRIATION OF THE PROFIT

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

ARTICLE 30. INTERIM DIVIDENDS

The statutory manager has the power to pay out interim dividends on the results of the financial year. This payment can only be taken from the profit of the current financial year, as when the occasion arises decreased by the transferred loss or increased by the transferred profit, without any withdrawal from the build up reserves and with due regard to the reserves which must be build up by means of a legal or statutory decree.

Further action is made by reference to the requirements of Article 618 of the Company Law.

CHAPTER VI – DISSOLUTION – LIQUIDATION

ARTICLE 31. NOMINATION AND CAPACITY OF LIQUIDATORS

In case of dissolution of the company for whatever reason and at whatever time, the liquidation is being carried out by a liquidator or a board of liquidators, appointed thereto by the general meeting in accordance with the legal provisions on the matter. If nothing has been decided on that matter, the statutory manager who is in function is to be considered as the liquidator towards third parties. The liquidators are empowered to all operations as defined in the Articles 186, 187 and 188 of the Company Law, unless the general meeting decides otherwise by a normal majority of votes. Every year the liquidators present the results of the liquidation to the company's general meeting.

ARTICLE 32. DISSOLUTION

The balance after liquidation is distributed to the shareholders in proportion to their rights.

CHAPTER VII – CHOICE OF LOCATION

ARTICLE 33.

The statutory manager and the liquidators, whose place of residence is unknown, are supposed to have chosen their address at the seat of the company, where all subpoenas, services and notifications concerning the companies' affairs can be delivered.

ARTICLE 34. JURISDICTION

Exclusive jurisdiction is given to the courts of the company seat for all disputes between the company, its statutory manager, its shareholders and liquidators, regarding the company matters and the implementation of the current Articles of Association, unless the company expressly renounces to it.

It will be proposed to the extraordinary general meeting of shareholders to amend the articles of association, to adapt them to the amended legislation, more specifically the RD of 07/12/10.

10.3 STATEMENTS

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 cannot 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.

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 or its subsidiaries 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.

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 exceed 12 months as intended by article 554 of the Company Code (adopted by the law of 6 April 2010 on Corporate Governance), except for what is mentioned hereafter; that the (employment) contracts concluded between the statutory manager, the real estate investment trust or 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 leadership, in which case an indemnity is due in case the usual term for notice is not respected;
- that to the ordinary general meeting of shareholders which will be held in 2011, on the advice of the nomination and remuneration committee of Leasinvest Real Estate, will be asked the approval of a compensation for departure of 24 months for the executive director, Jean-Louis Appelmans, or his management company, as a derogation to article 554 of the Company Law, adopted by the law on Corporate Governance of 6 April 2010, providing in a maximum compensation of 12 months, or 18 months in case of a motivated advice by the remuneration committee;
- 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, SiriusConsult SPRL, with permanent representative Thierry Rousselle and Consuco NV, with permanent representative 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.

OTHER DIRECTORS MANDATES EXERCISED DURING THE 5 PREVIOUS YEARS[1]

DIRECTORS

Luc Bertrand

Mandates in other companies, currently and during the 5 previous financial years: **Ackermans & van Haaren NV**, Ackermans & van Haaren Coordination Center NV, Agridec NV*, Algemene Aannemingen Van Laere NV, Anfima NV, Continentale Verzekeringen NV, Asco Leven NV, **Atenor Group NV**, Aviapartner NV*, Axe Investments NV, Baarbeek BV, Bank J.Van Breda & Co NV, Bank Delen & De Schaetzen NV, Bracht Deckers & Mackelbert NV, Belcadi BV, Belfimas NV, Belgian Media Holding NV*, BIAC NV*, Blomhof NV*, Bos NV, Brinvest NV, Cruiser BV*, De Pijler vzw*, De Speyebeek NV*, Deme Coordination Center NV, Dredging International NV, "Dredging, Environmental & Marine Engineering" NV, "Electriciteit Voor Goederen-Behandeling, Marine En Industrie" (Egemin) NV*, Egemin International NV, Finaxis NV, Fortis Private Equity Belgium NV*, Gemini Natural Resources NV, Groupe Financière Duval SA, Groupe Flo, I.C.P. (Instituut Christian De Duve), Idea Strategische Economische Consulting NV, IlloSpear NV*, ING België NV, 'Belgische Instituut Voor Vorming, Technische Bijstand En Overdracht Van Technologie' NV*, Lamitref Industries NV*, Extensa Group NV, Manuchar NV, Middelheim Promotors, Museum Mayer van den Bergh vzw, NMC NV, Prins Leopold Instituut voor Tropische Geneeskunde, Profimolux NV, Project T&T NV, Promofi SA*, Protalux NV, Quick Restaurants NV*, Scaldis Invest NV, Schroders Ltd. (London), **Sipef NV**, Nationale Maatschappij Der Pijpleidingen NV, Nationale Investeringsmaatschappij NV, Sofinim NV, Solvus NV*, Virgin Express NV*, Vlaamse Beleggingen BV, Leasinvest Immo Lux SA, Rent-a-port NV, IBF NV, Guberna VZW

Jan Suykens

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

Bernard de Gerlache de Gomery

Mandates in other companies, currently and during the 5 previous financial years: **Floridienne NV, SIPEF NV, Texaf SA,** Belficor NV, Equifund SA, BDM SA*, ASCO SA*, BIO SA, Polytra SA*, Siat SA

Eric De Keuleneer

Mandates in other companies, currently and during the 5 previous financial years: Credibe NV, **Mobistar NV**, Raad van Toezicht CBFA*, Keytrade Bank NV, Amonis NV, Mediafin, Ackermans-Stroobants*, Finasucre NV, Hydralis NV, Ethical Property Europe NV; Stater Belgium NV, Cecoforma SA

Christophe Desimpel

Mandates in other companies, currently and during the 5 previous financial years: Remi Claeys Aluminium NV*, De Cederboom NV*,Telindus Group NV*, De Speyebeek NV, Aluclaeys Invest NV, Aluclaeys Finance NV, RC Systems NV*, Aleurope Holding NV*, Cedes NV*, Point Break SA*,Te Lande NV,Val-I-Pac VZW*, Levimmo SA, **Accentis NV***, Immo Desimpel NV, New Regence NV, Omroepgebouw Flagey NV, Fortales NV*, Wellington Golf Oostende NV*, Eurocrossroads Business Park NV, Marina Tower ESV, DML Composites

[1] Terminated mandates are indicated with an '*'; listed companies are indicated in bold.

NV,Valletta Invest NV, BVS-UPSI, BEM, Enfinity 2 CVBA*, Parts & Components NV*, Pathoeke Industries NV, Enfinity 4 CVBA*, Enfinity 7 NV, Koninklijke Renvereniging Oostende NV, Creafund 2 CV, Ter Harte vzw, Pielos BVBA, ENG Invest CV, Resiterra NV, Mahora Invest NV, Pathoeke Plus NV, Desimpel Energy Group NV, Nutridix NV, VZW Buurthuis, DEG Vastgoed NV, Eurofina NV, Desimpel Real Estate NV, Wellington Golf Park NV

Marcus Van Heddeghem

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

Jean-Louis Appelmans

Mandates in other companies, currently and during the 5 previous financial years: **Retail Estates SA sicafi publique**, Brussimmo NV*, Ekiport NV*, Extensa NV*, Grossfeld Immobilière NV*, I.D.I.M. NV*, Extensa Group NV, Music City Brussels NV*, Omroepgebouw Flagey NV*, Project T&T NV*, Stevibis NV*, Granvelle Consultants & Co BVBA, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, De Leewe NV*, Logistics Finance I NV*, Warehouse Finance NV*, Square de Meeûs NV*, Leasinvest Services, Zebra Trading NV*, Alm Distri NV*, Montimmo SA*, Foncière des Eperons d'Or NV*, Canal Logistics Brussels NV

Kris Verhellen

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

Guy Van Wymersch-Moons

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

Thierry Rousselle

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

Alfred Bouckaert

Mandates in other companies, currently and during the 5 previous financial years: AXA Holdings Belgium, AXA Belgium NV, 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), **CFE NV**, MITISKA NV, Vandemoortele NV, Vesalius NV, AXA ITALIE NV, AXA GREECE NV, Institut de Duve

MEMBERS OF THE MANAGEMENT OTHER THAN THE CEO

Michel Van Geyte
Mandates in other companies, currently and during the 5 previous financial years: Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Leasinvest Services NV, IFMA VZW, Midhan BVBA, Zebra Trading NV*, Alm Distri NV*, Montimmo SA*, Foncière des Eperons d'Or NV*, Canal Logistics Brussels NV

Micheline Paredis
Mandates in other companies, currently and during the 5 previous financial years: Brussimmo NV*, Leasinvest Immo Lux Conseil SA, Foncière des Eperons d'Or NV*, Leasinvest Services NV, Autonoom Gemeentebedrijf Boom Plus*, Montimmo SA*, Zebra Trading NV*, Alm Distri NV*, Canal Logistics Brussels NV

OFFICE ADDRESSES

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Jan Suykens
Member of the executive committee of Ackermans & van Haaren SA
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Boulevard Général Jacques 26, 1050 Brussels

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Managing director Credibe SA
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Christophe Desimpel
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Michel Van Geyte
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Schermersstraat 42, 2000 Antwerp

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

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 2007/2008 and 2009 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 2007/2008, 2009 and 2010 can be consulted on the Leasinvest Real Estate website (www.leasinvest.be) and may be consulted at the administrative office of the company.

The current annual financial report 2010[1] can also be consulted on the website www.leasinvest.be and the Euronext website (www.euronext.com).

The historical financial information for the previous financial years 2007/2008 and 2009 of all subsidiaries of Leasinvest Real Estate (Warehouse Finance SA, De Leewe SA, Logistics Finance I SA, Zebra SA, Alm Distri SA, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Montimmo SA and Leasinvest Services SA) 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 FSMA in this regard.
The decisions about the nomination or dismissal of members of the board of directors are published in the appendices to the Moniteur Belge.
The last update of the Corporate Governance Charter can be found on the website www.leasinvest.be.

Anyone interested can freely subscribe at www.leasinvest.be to receive all press releases and mandatory financial information per e-mail.

LIST OF REFERENCE INFORMATION

Historical financial information and the description of the financial situation of the previous financial years 2007/2008 and 2009 and related party transactions in the previous financial years 2007/2008 and 2009

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 2007/2008 and 2009 and the semester reports (half-yearly financial reports) including the report of the auditor drawn up in the financial years 2007/2008, 2009 and 2010, which can be consulted on the Leasinvest Real Estate website (www.leasinvest.be).

[1] 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 2010 can be obtained for free, and by anyone who asks, upon simple request at the office of the company.

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 SA
Statutory manager

INFORMATION TO SHAREHOLDERS

REAL ESTATE INVESTMENT TRUST (SICAFI/BEVAK) - CHARACTERISTICS AND TAX REGIME

The main characteristics of a SICAF Immobilière are as follows (RD of 07/12/10):

- closed-end fixed capital real estate investment company
- stock exchange listing
- activity limited to real estate investment
- risk diversification: no more than 20% of the consolidated assets may be invested in a single property. In certain cases a derogation can be obtained by the FSMA (ex-CBFA); such a derogation has until present not been granted to Leasinvest Real Estate.
- the consolidated debt ratio of the real estate investment trust and its subsidiaries, and the statutory debt ratio of the real estate investment trust is limited to 65% of the consolidated or statutory assets, after deduction of the allowed hedging instruments
- a sicafi cannot grant loans unless to subsidiaries
- quarterly valuation of the real estate portfolio by an independent real estate expert (fair value)
- properties carried at fair value - no depreciation
- distribution, in the case of profit, of at least the positive difference between 80% of the corrected result and the net decrease of the debts during the financial year, as defined in the RD of 07/12/10, 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 FSMA

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 13/02/07 regarding specialised investment funds are admitted as shareholders
- mainly real estate investments
- no minimum distribution of the operating result
- 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 € 4.10, and net, free of withholding tax, € 3.485, on 23/05/11.

Subject to the approval of the ordinary general meeting of 16/05/11, dividends will be paid out on presentation of coupon nr. 12 as from 23/05/11 at the financial institutions Bank Delen (main paying agent), ING Bank, Dexia Bank, BNP Paribas Fortis Bank and Bank Degroof.

WEBSITE
www.leasinvest.be

With regard to its communication Leasinvest Real Estate pursues the guidelines of the FSMA. The website has free access and comprises all mandatory financial information.

Anyone interested can freely subscribe at www.leasinvest.be to receive all press releases and mandatory financial information per email.

INVESTOR RELATIONS CONTACT
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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 31/12/10.

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 on 12/03/09 (www.corporategovernancecomittee.be).

DEBT RATIO
All items of the "Liabilities" in the balance sheet, except for the items: "I. Non-current liabilites – A. Provisions", "I. Non-current liabilites – C. Other non-current financial liabilities – Derivative financial instruments", "I. Non-current liabilites – 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 unrealized 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.

Concept and design: www.theimagecompany.be
Photos: Marc Detiffe - Koen Keppens

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