Leasinvest Real Estate Annual financial report 2011

Leasinvest
REAL ESTATE

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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 Dutch version has been approved by the FSMA in accordance with art. 23 of the aforementioned law, on 27/03/12. 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.

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

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.

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 (31/12/11)	17/02/12
Annual financial report 2011 (official Dutch version online)	30/03/12
Interim statement Q1 (31/03/12)	11/05/12
Annual meeting of shareholders	21/05/12
Dividend payment	28/05/12
Ex-date	23/05/12
Record date	25/05/12
Half-year financial report according to IAS 34	23/08/12
Interim statement Q3 (30/09/12)	14/11/12
Year results (31/12/12)	15/02/13

Important events in the development of Leasinvest Real Estate

Portfolio (31/12/11)

Size	€ 527 M
Offices	52%
Logistics	25%
Retail	23%
Belgium	57%
Luxembourg	43%

Acquisition of second phase of Canal Logistics Brussels of 20,664 m² of storage and 1,250 m² of offices and letting of 85% of both phases

Further diversification into retail in Belgium and Luxembourg by take-over of the rental contract of Redevco in retail park (Nossegem), increase of the participation in sicafi Retail Estates SA up to 7.39% and completion of the pre-let construction of a retail building of 1,356 m² in Diekirch

Sale of office building in Belgium (Zwijndrecht)

At the end of 2011 offices represent 52.3% of total (including indirect real estate) portfolio, retail 22.7% and logistics 25%

Belgium accounts for 56.8% at the end of 2011 and the Grand Duchy of Luxembourg for 43.2% (including indirect real estate)

Total portfolio (including indirect real estate) amounts to € 526.7 million at the end of 2011

Canal Logistics, Brussels

Monnet, Luxembourg
© Jenifer Farruccia

2006 - 2010

Geographical diversification to the Grand Duchy of Luxembourg through the acquisition of the Luxembourg sicav Dexia Immo Lux (currently Leasinvest Immo Lux) with a real estate portfolio of 13 buildings (2006)

Divestment of office buildings in Belgium: Extensa Square buildings (2007) and avenue Louise 250 (2010) in Brussels, Axxes Business Park in Ghent (2010), and in Luxembourg: Aubépines (2007) and Bian (2009) Further diversification into logistics in Belgium: Tongeren (2006), Wommelgem (2008) and first phase of Canal Logistics Brussels: newly built storage and distribution site of 27,682 m^2 of storage and 1,250 m^2 of offices (2010)

Redevelopments in offices and storage in the Grand Duchy of Luxembourg: CFM site (2008), Bian (2009) and Montimmo (2009)

Acquisition of 3 top retail sites (Strassen, Diekirch, Foetz) in Luxembourg (2008)

Diversification at the end of 2010: Belgium (54%) and Luxembourg (46%)

At the end of 2010 offices represent 56% of total portfolio

Portfolio (2006-2010)

Size	€ 494 M
Offices	56%
Logistics	26%
Retail	18%
Belgium	54%
Luxembourg	46%

1999 - 2005

Real estate investment trust (bevak/sicafi) status granted (1999)

Listing on NYSE Euronext Brussels (previously the Brussels' Stock Exchange) (1999)

Diversified real estate investment trust with offices (75%), logistics (19%) and retail (6%), invested for 100% in Belgium (1999)

Initial portfolio of approximately € 170 million (07/1999)

Different acquisitions of mainly office buildings in Belgium (2000 till the end of 2005)

Percentage of offices increases to nearly 80% at the end of 2005

Own management and personnel (2005)

Portfolio (1999-2005)

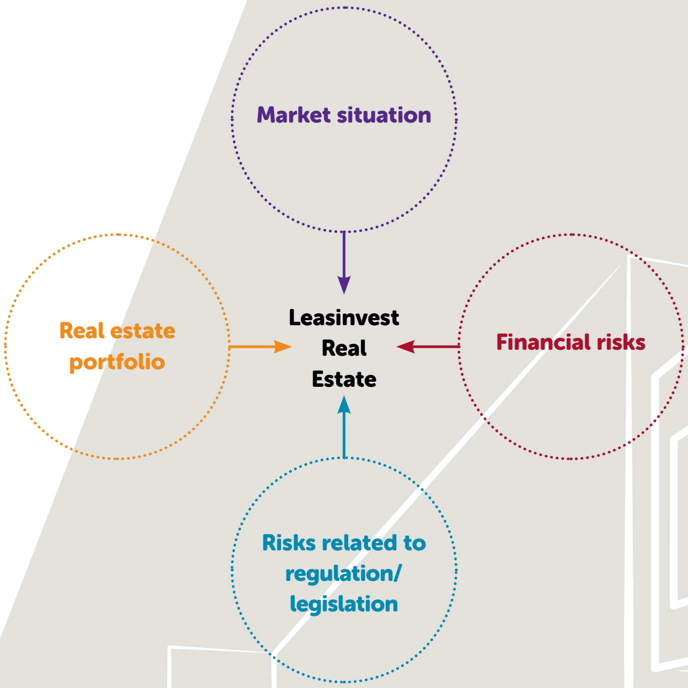
Size	€ 170 M
Offices	75%
Logistics	19%
Retail	6%
Belgium	100%

Risk factors

"Focus on diversification
for maximum risk spreading"

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
- interest rate risk
- exchange rate risk
- inflation and deflation risk
- risk related to losing the real estate investment trust (sicafi) status
- risk related to tax legislation, regulations and the environment

Hereafter the above mentioned inherent market and business risks , their possible impact on and the ways to limit these risks by the real estate investment trust, 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 poor 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 office spaces, mainly in certain segments
2. lower rents
3. bankruptcy of current tenants
4. increasing initial rental yields entailing value losses on the underlying real estate assets

The Western Europe economy recorded practically no growth in 2011 which is reflected in most countries in a negative trend for the office markets, which was also felt in Belgium, but not in the Grand Duchy of Luxembourg. Lettings, average rents and investments in offices in Belgium decreased in 2009, 2010 and 2011. In 2011 the logistics market in Belgium has altered the decreasing trend that started in 2009 and 2010. The retail market keeps on performing well, supported by a relatively stable consumption and the important demand from investors for retail properties. As opposed to the past 2 years, the office take-up in the Grand Duchy of Luxembourg in 2011 has sharply risen by over 44% almost reaching its pre-crisis level.

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 keeping its occupancy rate at a relatively good level, notwithstanding the increase in vacancy (for details we refer to the real estate report in point 6.2), taking into account the current difficult market situation (92.57% compared to 97.45% on 31/12/10). At present, offices remain the most important segment wherein the company is operating. The increased vacancy in offices in Brussels in 2011, compared to 2010, mainly relates to the building The Crescent in Anderlecht, but this was largely compensated for 2011 by the one-off rental guarantee received till November 2011 related to this vacancy, resulting in the fact that this vacancy had nearly no impact on the rental income in 2011. The renovation of the building is completed by the beginning of 2012. The building is currently let for almost 50% and commercial efforts are focused on further letting the building. Should this vacancy not change (or even increase), there will be an impact on the rental income in 2012.
LRE's increased vacancy in logistics was to a large extent influenced by the vacancy in the first phase of Canal Logistics in Brussels, already let for 78.1% by the end of 2011. The second phase of Canal Logistics is also nearly fully let.

When renegotiated, the rents of Leasinvest Real Estate have slightly decreased on average and, as was previously the case, the usual rental incentives are negotiated by the tenants.
Leasinvest Real Estate succeeded in limiting its sensitivity to the economic cycles by diversifying its real estate portfolio geographically, as well as by asset class.

The acquisition of Leasinvest Immo Lux in 2006 fitted in a deliberate geographical diversification. The Grand Duchy of Luxembourg currently represents 45% (31/12/10: idem) of the consolidated real estate portfolio (excl. indirect real estate) of Leasinvest Real Estate.

Within the framework of its dynamic real estate management Leasinvest Real Estate wishes to further diversify its asset classes by proportionally increasing the retail part and to reduce the offices part of its real estate portfolio. The divestment of the office building in Zwijndrecht in the financial year 2011 fits within this strategy.

Through the divestments in offices in 2010 and 2011 the breakdown according to the type of real estate has changed on 31/12/11 as follows (based on fair value): 54% offices (31/12/10: 56%), 26% logistics buildings (31/12/10: idem) and 20% retail (31/12/10: 18%). Not all types of buildings (offices, logistics and retail buildings) react in the same way to the economic cycles. The correlation with the economic trend 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.

Montimmo, Luxembourg
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Notwithstanding the financial and economic crisis, the absence of interesting investment opportunities and the more difficult bank financing, the decreasing trend in the office investment market in Belgium and the Grand Duchy of Luxembourg in 2011 has stopped, and the office market in 2011 recorded an increase, both in Belgium and the Grand Duchy of Luxembourg. Initial yields for offices in B locations, older and short-term leased or vacant office buildings remained however high or even increased, but the initial yields for sustainable, well-located offices in A locations, and long-term leased buildings remained low. This can be explained by the increased demand from local and foreign investors for these key buildings with long-term rental cash flows and the relatively prevailing low interest rates.

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 risen by 2.1% in 2011 due to different acquisitions, but recorded some important unrealized losses (€ - 6.6 million) on some specific buildings, mainly Canal Logistics, The Crescent and Vierwinden.

The risk consists of the fact that due to the increasing initial 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 47.29% (31/12/10: 44.13%) (statutory debt ratio 55.28% compared to 51.32% on 31/12/10) Leasinvest Real Estate deems the likeliness of such an event as small to non-existing.
Based on the balance sheet per 31/12/11 an increase of the yield of the real estate portfolio by 0.10% (e.g. from 7.23% to 7.33%) leads to an increase of the debt ratio by 0.61% (namely from 47.29% to 47.90%).

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 one or more important tenants due to termination of the rental contract or bankruptcy.

The top 10 of the most important tenants amounts to 42.11%. The breakdown per sector of our tenant portfolio remains good. The main sectors are services (23.7% compared to 23.6% on 31/12/10), retail & wholesale (26.7% compared to 22% on 31/12/10), financial institutions (13.8% compared to 13.6% on 31/12/10), the public sector, transport and distribution (11.4% compared to 10.7% on 31/12/10), followed by non-profit and international professional associations (10% compared to 9.5% on 31/12/10).

The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely any 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 2011 11.4% (2010: 9.9%) of the rental contracts expired, of which more than half was extended, or for which new tenants were found; 4.56% of the rental contracts were not extended.
In the coming years there are also important break possibilities, namely 15.3% in 2012, 12.5% in 2013 and 15.2% in 2014. 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. For more details on the real estate market and the rental situation of Leasinvest Real Estate we refer to the real estate report on page 32.

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 4 years on 31/12/11 (31/12/10: 3.8 years): the duration of the Belgian and Luxembourg real estate portfolios remained approximately constant, namely respectively at 4.3 years (31/12/10: 3.6 years) and 3.7 years (31/12/10: 4.1 years). For more details with regard to the remaining duration of the leases, we refer to page 45 of the real estate report.
The relatively low durations can be explained by the fact that rental contracts in Belgium and Luxembourg, concluded with corporates (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 10/2012 and will be let for a fixed term of 25 years to the federal government represented by the Buildings Agency.
We refer to note 4 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 in 2010 of our buildings in the Axxes Business Park in Merelbeke (Ghent), Leasinvest Real Estate granted a guarantee, based on the specificities of this file, until 07/2019 towards Axxes Certificates SA. This mainly relates to covering possible future vacancy.

For Canal Logistics Brussels the rental guarantees from the seller until respectively beginning of 04/2011 (phase 1) and the end of 12/2011 (phase 2) have expired.

Sustainability, renovation & maintenance risk of the buildings

Due to a lack of renovation, maintenance or sustainable development of its property, the company's can see its occupancy rate decrease, or see its the related costs increase.
In the context of sustainable and green buildings, the real estate investment trust has deliberately looked for optimal, energy-saving and efficient techniques. Leasinvest Real Estate has launched a number of initiatives in this regard. Besides the evaluation of the various alteration works to be carried out on its buildings portfolio, Leasinvest Real Estate has signed a supply contract for renewable electricity generated from hydroelectric power stations for use by all its tenants (2009), installed solar panels on the roof of the logistics building in Wommelgem (2010) and obtained a Breeam in-use certificate with 'good' rating for The Crescent (2011).

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 letting of our buildings in the long run.

A relevant multi-annual plan for maintenance and renovation is set up for each building in the portfolio. Wherever necessary, investments are being made to keep or bring the technical quality up to standard. Also, each building is regularly assessed by our internal team and by external specialists (in collaboration with SGS/AIB Vinçotte). 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 global real estate investment trust insurance policy, the insured value is based on the replacement value, or the acquisition price of the reconstruction as new of the building, including the architects' fees and value-added tax, with a loss of rent (for a maximum of 36 months). For the buildings that are not covered by the global insurance policy, similar conditions are usually negotiated. For more details on the insured value of the buildings, we refer to the Real estate report on page 51.

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 cash flows in order to meet its financial obligations. The net cash flow of Leasinvest Real Estate is more than adequate to meet its financial 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 the commercial paper market was again very liquid. Moreover, this risk is mitigated through back-up credit lines fully covering the commercial paper issues.
3. The existing bank loans and/or back-up credit loans not being extended. This risk is limited by diversifying the maturity date of the credit facilities. Leasinvest Real Estate has extended a limited part of its bank credits, namely € 15 million, that expired in 2011, till 2016. The average duration of its total credit lines amounts to 3.47 years (31/12/10: 4.1 years). In 2012 only € 12.5 million will expire (3.7% of total bank credits) and negotiations for extension for 5 years have started.

The rents collected in the financial year 2011 amply suffice to carry the interest charges. For the last three financial years the interest charges make out +/- 21% of the rental income.

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 comprise 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.
Besides, in accordance with art 54 of the RD of 07/12/10 Leasinvest Real Estate establishes a financial plan with an execution calendar whenever the consolidated debt ratio, as defined by the same RD, exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. The evolution of the debt ratio is regularly monitored and the impact of each investment project on the debt ratio is always analysed in advance.
This obligation has no impact on the company's risk related to covenants with banks.

The consolidated debt ratio of Leasinvest Real Estate is limited and amounted to 47.29% (31/12/10: 44.13%) on 31/12/11, 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 the counterparty banks

The conclusion 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 credits and derivative financial instruments over different banks, such as BNP Paribas Fortis, BGL BNP Paribas, Belfius Bank, ING Belgium, ING Luxembourg and LB Lux.

Interest rate risk

The hedging policy has been adjusted at the end of 2010 and in 2011 taking into account a potential rise of the interest rates and the extremely low interest rates since mid-2011, and is since intended to hedge 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. In 2011 Leasinvest Real Estate has increased the duration of its hedges from 4.4 years (31/12/10) to 5.8 years by concluding financial instruments such as spot and forward interest rate collars, interest rate caps and interest rate swaps. The maturity dates of the interest hedges are between 2013 and 2021. For more detail, please refer to note 32 of the financial statements on page 108.

For a real estate investment trust and in this case, Leasinvest Real Estate, which has a gross indexed rental yield of 7.23% (based on the fair value), higher interest rates are a potentially profit-decreasing factor. Normally this results in a decrease of the gross margin, equal to the difference between the obtained rental yield and the average financing cost paid.
Thanks to its hedging policy covering its debt to a large extent by interest rate collars, interest rate caps and interest rate swaps, the average financing cost (excluding the premiums of the hedges) of the company has slightly increased from 3.43% (2010) to 3.83% in 2011.

Moreover, an increase of decrease of the interest rates leads to respectively a positive or negative change in the fair value of the interest rate hedges, with a(n) (accounting but non-cash) positive or negative 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 € 248 million, and taking into account the current hedges, would have a negative impact of € 0.3 million or € 0.08 per share 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 97% in accordance with the health index in Belgium and the consumer price index in Luxembourg. 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.

Risk related to losing the real estate investment trust (sicafi) status

The company is a real estate investment trust and has to keep its status as a 'sicafi' 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. Consequently, the company takes into account the various provisions and rules of the sicafi legislation, i.e. the law of 20 July 2004 with regard to certain forms of collective management of investment portfolios and the Royal Decree of 7 December 2010 on sicafi.

Risk related to tax legislation, regulations and the environment

The company is subject to possible changes in tax legislation such as the potential change of withholding tax on dividends at the source. As to the withholding tax on dividends at the source in Belgium, the new Belgian government has decided at the end of 2011 to bring into line, as from 2012, the withholding tax on interests and dividends at a uniform rate of 21%. This will result for the company in having to withhold 21% instead of 15% as from its next dividend (foreseen in 05/2012) from the paid dividend, which will decrease the net dividend yield.
For taxpayers with income from movable assets (interests and dividends) of more than € 20,020 an additional taxation of 4% is charged on the part exceeding € 20,020. For the calculation of the € 20,020 border, the income to which the levy does not apply is first deducted. For this additional taxation on income from movable assets an optional system is introduced:

- or the taxpayer asks his financial intermediary not to withhold the taxation at the source, but at the moment of the personal income tax collection; in that case the taxpayer grants permission to the financial intermediary to communicate the amount of income received to a central contact point;
- or the taxpayer does not make that choice and allows his financial intermediary to withhold the taxation at the source, together with the withholding tax. However, the taxpayer can always choose to communicate the amount of income from movable assets in his declaration in order to have the surplus of taxation at the source refunded.

The amount of income from interests and dividends is automatically communicated to the central contact point. The data on the income for which the taxpayer has chosen to withhold the additional taxation at the source are not communicated to the central contact point. The central contact point to which the intermediaries communicate the data annually will be organized at the National Bank. Should the National Bank or the European Central Bank make reservations with regard to the possibility of installing the central contact point at the National Bank, it will be organized at the level of the Public Service Finance as a separate service, independent from the tax administrations.
The information held by the central contact point is automatically communicated to the operational services of the Public Service Finance if the income from movable assets of a taxpayer exceeds € 20,020 per year. The influence of this amended regulation is insignificant at present for Leasinvest Real Estate with regard to its participation in Retail Estates.

The company is also 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.
The company is also more and more confronted with new European regulations (AIMF, ESMA, EMIR etc.), which can entail new legal risks of noncompliance for the company in the future.

Given the current difficult economic context it is realistic to assume that more legal procedures could occur in the future. At present however there is no single legal procedure or arbitrage that could have, or recently had, a substantial impact on the financial position or the profitability of the real estate investment trust or its subsidiaries, and as far as currently known, there are no circumstances or facts that could cause this.

Canal Logistics, Anderlecht
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Letter to the shareholders

"Dividend increases to € 4.15 per share"

Motstraat, Malines
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EBBC, Luxembourg
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The markets

The financial, economic and real estate markets in Belgium were depressed in 2011. The long government formation process of the Belgian federal government has certainly added a negative impact on these markets. The final formation of a federal government at the end of 2011 will possibly remove the political uncertainty ruling the markets. The Grand Duchy of Luxembourg shows a strong financial profile. The steadier political context, and the proactive economic policy, enable the Grand Duchy of Luxembourg to respond well to changing market trends.

Depending on the type of real estate and the country, the evolution of the real estate markets was different. In Belgium offices knew a difficult evolution in 2011 taking into account the economic crisis, which resulted in the lowest take-up over the last 10 years compared to generally much better take-up figures in logistics and retail property[1]. In the Grand Duchy of Luxembourg however office take-up rose by 44% compared to 2010. 2012 is still expected to remain difficult for the Belgian office market.

Continuation of our strategy

The company's strategy consists of remaining a diversified real estate investment trust, both geographically and as to type of assets. This strategy aims at operating a portfolio of buildings that generate recurrent annual rental income on the one hand, but on the other hand – as was the case in the past – can offer a capital gain potential through their redevelopment. Belgium and the Grand Duchy of Luxembourg remain core investment countries for the company, but adding a third country can be considered. The real estate portfolio will probably continue to be composed of offices, retail and logistics, but the accent will continue to shift from offices to retail. Offices remain interesting if their location is good, if the buildings are sustainable (or can be made sustainable), and capital gains can be realized in the future.

Corporate social responsibility

Leasinvest Real Estate is aware of the fact that its ecological footprint can be reduced, by focusing on sustainability and treating its energy, water, electricity and waste management in a conscious way. Wherever possible we invest to make our buildings more sustainable, which is proven by the reception of a 'Breaam in-use' certificate (with 'good' score) for the redevelopment of the office building The Crescent in Brussels.

1 For more information on LRE's situation, in particular with regard to its occupancy rate and rental income, we refer to p 44 et seq of the Real estate report, and for the related risks, to p 7 et seq of the Risk factors.

The Crescent, Anderlecht
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It is our intention to ask for a 'Breaam in-use'-certificate for each important renovation[2].
Nearly half of our staff and a third of the management team consisted of women at the end of 2011. Within the scope of corporate governance it is our intention to reinforce the presence of women in our board of directors over time.
Leasinvest Real Estate sponsors different social and cultural institutions, such as the Royal Conservatory of Antwerp and the open-air museum for sculpture Middelheim in Antwerp.

The realisations in 2011 and the objectives for 2012

In 2011 nearly € 25 million were additionally invested in retail, both directly and indirectly through the completion of another store in the retail park in Diekirch (Luxembourg), the take-over of the head lease in the retail park in Nossegem (near Brussels) and the increase of our participation in real estate investment trust Retail Estates. By the sale of an office building in Zwijndrecht near Antwerp the offices part of our real estate portfolio further decreased.
In these difficult letting markets in 2011 the leases of some important vacant buildings of our portfolio have well evolved. In the course of the second half-year of 2011 the vacant phases 1 and 2 of the Canal Logistics site (Brussels) have been let for respectively 78% and 94% to renowned Belgian and multinational tenants. The office building The Crescent (Anderlecht, Brussels) is already let for nearly 50% after its complete vacancy mid-2011 and a fundamental renovation into a sustainable building[3].
2011 was a transitional year due to the important divestments of offices for € 65 million in 2010 resulting in a lower rental income than in 2010. Because of that, and due to the lack of positive changes in fair value of the hedges (as in 2010) and lower unrealized losses on some buildings, the net result and net current result recorded a lower level than in 2010 of respectively € 12.6 million (2010: € 14.3 million) and € 19.1 million (2010: € 22 million).

In the course of the first half of 2012 Leasinvest Real Estate expects to realize different investments, mainly in the Grand Duchy of Luxembourg. Except for unforeseen circumstances and unexpected capital losses on its current real estate portfolio and hedges, the company expects to realize a better net result and a comparable net current result than in 2011. The board of directors expects to be able to maintain the 2012 dividend in line with that of 2011.

The dividend and the share price

A sicafi's share is appreciated for its return and Leasinvest Real Estate is no exception to this rule. The proposed gross dividend over the financial year 2011 will amount to € 4.15 and thus exceed the dividend of € 4.10 over 2010 by 1.2%. Given the last closing price on 30/12/11 of € 64.99, this represents a dividend yield of 6.39% gross, or 5.045% net (based on a withholding tax of 21%).
Leasinvest Real Estate's share price fluctuated in the course of the financial year between € 58.27 and € 70. At the end of 2011 the share was listed at € 64.99, which corresponds approximately to its net asset value (based on the fair value of the property) of € 65.51 on 31/12/11.

We wish to thank all our tenants, suppliers, real estate agents, banks, investors and shareholders in Belgium and in the Grand Duchy of Luxembourg for their confidence in Leasinvest Real Estate. We also would like to thank our employees for their continued efforts, which have led to achieving these results, despite a difficult context.

Jean-Louis Appelmans	**Luc Bertrand**
Managing director	Chairman of the board of directors

2 For more information we refer to www.breeam.org.

3 For the one-off rental compensation received till 11/2011 we refer to chapter 1 Risk factors on page 7.

Key figures

The key figures relate to IAS/IFRS key figures.

On 31/12/11 Leasinvest Real Estate (LRE) fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Services SA and Canal Logistics Brussels SA.

Type of assets based on fair value

Real estate portfolio[1]

Total surface (in m² above ground)	31/12/11	31/12/10	31/12/09
Offices	99,761	104,082	137,749
Logistics	209,448	187,525	158,591
Retail	58,452	57,096	57,096
Total	**367,661**	**348,703**	**353,436**
Fair value (x € 1,000)[2][4]	504,443	494,203	537,518
Investment value (x € 1,000)[3][4]	517,488	506,550	551,400
Occupancy rate[5][6]	92.57%	97.45%	97.74%
Rental yield (fair value)[5]	7.23%	7.41%	7.48%
Rental yield (investment value)[5]	7.05%	7.22%	7.29%
Duration of the leases	4.0y	3.8y	3.9y
Duration of credit lines	3.4y	4.1y	2.7y
Financing cost (VV)	3.83%	3.43%	3.6%
Duration of hedges	5.8y	4.4y	2.2y

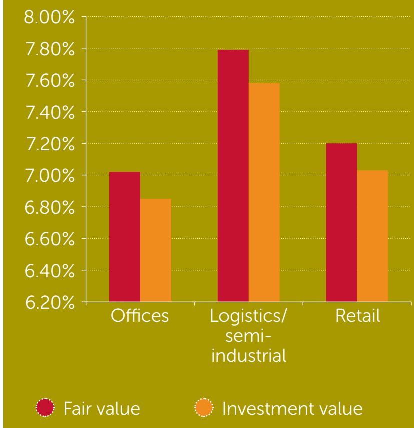
(1) The real estate comprises the buildings in operation and the development projects recorded in the balance sheet item 'Investment properties'. **(2)** Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS. **(3)** The investment value is the value as defined by an independent real estate expert and of which the transfer rights have not yet been deducted. **(4)** 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)	31/12/11 (12 months)	31/12/10 (12 months)	31/12/09 (12 months)
Rental income	36,647	38,438	39,196
Operating result[1]	22,473	21,599	29,330
Net current result, group share[2]	19,070	21,965	21,610
Portfolio result, group share	-6,032	-9,290	-2,629
Net result, group share	12,589	14,266	18,380
Net cash flow, group share[3]	19,727	21,668	36,434

(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.

Rental yield per segment

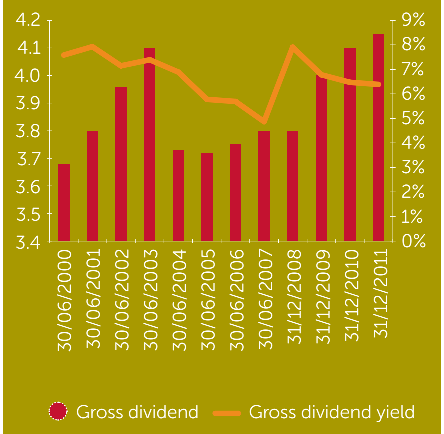


Balance sheet

(in € 1,000)	31/12/11	31/12/10	31/12/09
Total shareholders' equity	261,821	275,411	274,918
Shareholders' equity, group share	261,815	275,408	274,924
Balance sheet total	538,417	513,975	552,145
Debt ratio (%)[1]	47.29	44.13	47.61

(1) The debt ratio is calculated according to the RD of 7 December 2010.

Dividend yield based on gross dividend



Data per share[1]

(in €)	31/12/11 (12 months)	31/12/10 (12 months)	31/12/09 (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	65.51	68.92	68.79
- based on investment value	68.78	72.08	72.27
Rental income	9.17	9.62	9.81
Operating result	5.62	5.40	7.34
Net current result, group share	4.77	5.50	5.41
Portfolio result, group share	-1.51	-2.32	-0.66
Net result, group share	3.15	3.57	4.60
Net cash flow, group share	4.94	5.42	9.12
Gross dividend	4.15	4.10	4.00
Net dividend[3]	3.2785	3.485	3.400
Gross dividend yield (%)[4]	6.39%	6.47%	6.78%

(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 dividend. The net asset value per share is calculated based on the number of shares participating in the result of the period. **(3)** Based on a withholding tax of 15% (for dividends of 2009 and 2010) and 21% (2011 dividend). **(4)** The dividend yield is calculated based on the closing price on 31/12 or the last listing day of the calendar year.

Appendix: Key performance indicators according to the EPRA reference system

These data are communicated for information purposes only; they are not required by the regulation on real estate investment trusts and also not subject to any review by a public body. The auditor verified if the ratios "EPRA Result", "EPRA NAW" and "EPRA NNNAW" were calculated according to the definitions in the "EPRA Best Practices Recommendations" 2010 and if the financial data used for the calculation of these ratios correspond to the accounting data recorded in the audited consolidated financial statements.

These figures are unaudited.

	Definitions	2011 (x € 1,000)	2011 (€/share)	2010 (x € 1,000)	2010 (€/share)
EPRA Result	Current result from strategic operating activities	19,068	4.77	21,964	1.64
EPRA NAW	Net Asset Value (NAW) adjusted to take into account the fair value of investment properties and excluding certain elements that do not fit into a financial model of long-term real estate investments	274,214	68.62	277,171	69.36
EPRA NNNAW	EPRA NAW adjusted to take into account the fair value of the financial instruments, the debts and deferred taxes	261,815	65.51	275,408	68.92

		2011 (in %)	2010 (in %)
EPRA Net Initial Return (NIR)	Annualized gross rental income based on current rents at closing date of the annual accounts, excluding property charges, divided by the portfolio's market value increased by the estimated transfer rights and costs from hypothetical disposal of investment properties	5.74%	5.89%
EPRA Adjusted NIR	This ratio corrects the EPRA NIR with regard to the end of gratuities and other rental incentives	5.73%	6.07%
EPRA Vacancy	Estimated rental value (ERV) of vacant space divided by ERV of total portfolio	7.43%	2.55%

Management report

> "The offices part further decreases to 54% in favour of logistics and retail"

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 21/05/12 with regard to the statutory and consolidated IFRS figures for the financial year 2011 and the related notes. The consolidated figures are reproduced in full hereafter.
For more information on the statutory financial statements, we refer to the statements in the Permanent document on page 135.

4.1 Strategy

4.1.1 Investments and divestments

Since 2006 Leasinvest Real Estate applies a clear-cut diversification strategy, both in terms of **asset class** and **geographically**. The portfolio of the real estate investment trust on 31/12/11 consists of: 54% offices, 26% logistics and 20% retail, located for 55% in Belgium and 45% in the Grand Duchy of Luxembourg.

The investment strategy defined by the board of directors foresees, for the coming years, a further decrease of offices and an increase of investments in retail properties. In certain regions in Belgium the **office market** has lost a lot of its appeal, due to the following different factors, namely

1. the office market is under pressure due to the current and expected future poor economic situation, resulting in annual take-up decreasing each year since the start of the financial and economic crisis at the end of 2008 – in 2011 take-up was 25% below the 2010 level,
2. this lower take-up trend led to lower rents,
3. completions of new office developments over the last couple of years have unnecessarily increased the offer and
4. the high vacancy rate of mainly older and/or technically unadjusted buildings has risen each year.

In the Grand Duchy of Luxembourg the lower take-up trend has turned in 2011, with a significant increase of 44% compared to 2010.
The choice for **retail property** is inspired by the interesting yields, the low renovation and maintenance investments (opposed to e.g. investments for renovating offices into sustainable buildings) for Leasinvest as landlord, and the determination of retail tenants with regard to their good locations. With regard to sub-segments, Leasinvest focuses on retail parks and average-sized shopping centres.
The geographical diversification towards the Grand Duchy of Luxembourg remains a very successful move because of the relatively stable market situation, the reduced impact of the financial and economic crisis on the country, lower vacancy figures and a still attractive office rental market.

Besides direct investments in newly acquired real estate, **redevelopments** have also proven to be very successful these last few years. The redevelopment projects CFM, Bian & Montimmo realized in Luxembourg accounted for a total of € 30 million of realized and unrealized capital gains.

In the course of 2010 the redevelopment of the building The Crescent in Anderlecht (Brussels) into a 'green intelligent building', with extension to business centre, was started, resulting in nearly 50% let on 31/12/11. Moreover, the rental compensation from the previous owner of € 1.15 million for this building, still ran till the end of 11/2011.

Older and/or less strategic office buildings are preferably sold if an opportunity presents itself.

4.1.2 Commercial strategy

By a sustained **dynamic & proactive** commercial management, Leasinvest endeavours to keep the occupancy rate at a high level and increase the average duration of the leases.

To this effect, Leasinvest has its own **property management team** already since 2006, responsible for technical management of the buildings in Belgium.

4.1.3 Funding & hedging strategy

The board of directors of Leasinvest adopts a conservative hedging policy, limiting the **internal debt ratio** to 55%, while the maximum allowed debt ratio according to the RD of 07/12/10 on sicafi, amounts to 65%.

Besides, in accordance with art 54 of the RD of 07/12/10 Leasinvest Real Estate establishes a financial plan with an implementation calendar whenever the consolidated debt ratio, as defined by the same RD, exceeds 50%. Herein the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets are described.

In the course of the second half of 2010 and in 2011 Leasinvest has taken advantage of the low interest rates to renegotiate a maximum of its hedges; the longest **hedges** even run till beginning of 2021.

4.2 Important events[1]

In the course of the 2011 financial year

Highlights

- Strategic portfolio reorientation continued a/o through divestments of offices in Belgium, and further growth to retail/logistics and further geographical diversification
- Canal Logistics phase 1 and 2 nearly entirely let
- Increase of dividend to € 4.15 gross per share
  - Offices part of portfolio (based on fair value) further drops to 54% (of which 27.4% is located in Grand Duchy of Luxembourg) due to the sale of the building in Zwijndrecht (Antwerp);
  - Net result (group share) and net current result (excl. portfolio result and the changes in the fair value of the ineffective hedges) maintain well in a challenging office market: respectively € 3.15 per share (31/12/10: € 3.57) and € 4.77 per share (31/12/10: € 5.50);
  - Revalued net asset value (based on fair value of the real estate) per share: € 65.51 (31/12/10: € 68.92) mainly as a consequence of important negative impact of the fair value on the effective hedges;
  - Occupancy rate holds up well: 92.57% (31/12/10: 97.45%);
  - Renovated office building The Crescent let for nearly 50%.

4.2.1 Investments and divestments

Take-over of retail contracts in Nossegem of Redevco Retail Belgium

Mid January 2011 the lease contract with Redevco Retail Belgium was ended by mutual consent. Leasinvest Real Estate leased a retail park situated in Nossegem to Redevco Retail Belgium, sublet to different important retailers such as Brico, Leen Bakker, Blokker, Casa and Tony Mertens. These sublessees as a consequence became direct tenants of Leasinvest Real Estate. A cancellation fee of € 6.8 million was paid to Redevco Retail Belgium. As a result Leasinvest Real Estate received since 01/01/11 € 2 million of rental income per year instead of € 0.9 million previously.

Brixton Business Park, Zaventem
© www.detiffe.com

1 For more information on the matter, we refer to the press releases on the website www.leasinvest.be (investors).

Increase of the participation in Retail Estates

Within the framework of the capital increase realized by the real estate investment trust Retail Estates SA on 27/06/11, following the partial demerger of FUN Belgium SA, Leasinvest Real Estate has purchased a part of these newly created shares (i.e. 81,783 shares, or 1.41% of the current total share capital of Retail Estates SA). This acquisition has been realized at the issue price of the partial demerger, or € 48.91, defined based upon the average closing price of the Retail Estates share during the 30 days preceding the emission, minus the net amount of the dividend paid by Retail Estates on 5 July 2011 (€ 2.295).

On 08/07/11 Leasinvest Real Estate has taken over the existing shareholding of Extensa Participations II Sàrl (a 100% subsidiary of Extensa Group SA) of 3.21% in Retail Estates SA at the same price as mentioned above, of € 48.91 per share. As Extensa Group SA is a 100% subsidiary of Ackermans & van Haaren, i.e. the promoter of Leasinvest Real Estate, this transaction is subject to the application of art 18 of the RD on sicafi (prevention of conflicts of interest – see chapter 7 Corporate governance statement on page 66).

Finally, on 09/08/11 25,966 additional Retail Estates shares were purchased on the stock exchange.

Taking into account its current participation and the different aforementioned acquisitions, Leasinvest Real Estate currently holds a global stake of 7.39% in real estate investment trust Retail Estates SA.

Sale of office building in Zwijndrecht

On 19/12/11, through a transfer of a branch of economic activity, an office building located in the business park Alpha Campus in Zwijndrecht was sold to the company Integrale Immo Management SA, for an amount of € 7.7 million (transfer costs excluded) compared to a fair value of € 7.2 million (investment value € 7.3 million). On this transaction a limited capital gain of € 0.5 million was realized in the financial year 2011.

This transaction relates to an office building of 3,487 m^2 with integrated workshops of 355 m^2, a warehouse of 639 m^2, and 125 outdoor parking spaces, the underlying land (approx. 6,725 m^2), together with the real estate leasing contract concluded with the lessee occupying the building.

4.2.2 Developments and redevelopments

Completion of a new store in Diekirch

In 05/2011, within the scheduled deadline and budget, the extension of the retail park in Diekirch was completed. It consists of a new construction of a 1,356 m^2 store, let for a fixed term of 12.5 years to the German Siemes Schuhcenter Group. For this building, an unrealized capital gain of € 1.2 million was accounted for in the second quarter of 2011.

Diekirch, Luxembourg

The Crescent, Anderlecht
© www.detiffe.com

Redevelopment of The Crescent into a 'green intelligent building'

By the beginning of 2012 The Crescent will be completely converted into a 'green intelligent building', used as a business centre with different facilities (catering, meeting rooms, etc.). The objective for this building is to improve the 'BREEAM in-use'-certificate from a 'good' to a 'very good' score. Different service contracts have been signed in the meanwhile. Based on the current status, the occupancy rate nearly reached 50% at 31/12/11. For this building, a rental compensation from the previous owner of € 1.15 million still ran until 11/11 (received as a one-off payment in 05/2011).

Evolution of the construction works for the State Archives in Bruges

The building project for the new State Archives in Bruges, started at the end of 2010, proceeds according to plan. The take-over of the project by Leasinvest Real Estate is foreseen by the end of October 2012 after the provisional acceptance of the State Archives and the start of the 25-year fixed lease with the federal government represented by the Buildings Agency.

Completion business centre Torenhof in Merelbeke

The renovation of the castle-farm Torenhof located in Merelbeke has been completed in the course of the second quarter of 2011. A business centre activity has been launched at the end of 2011. At the latest by the end of 2012 this building will be sold at a fixed price of € 3.3 million to the same buyer who took over our part of the Axxes Business Park in 2010. The fair and investment values respectively amount to € 2.86 million and € 2.93 million.

4.2.3 Lettings

Conclusion of rental contracts with different major tenants for Canal Logistics Brussels

The contract with Cameleon/Famous Clothes SA on the phase 1 of Canal Logistics situated in Neder-over-Heembeek (Brussels) concerns a lease contract for 7,192 m^2 of storage space (with an option till 10,585 m^2) and 588 m^2 of offices. The lease contract started on 30/09/11. Cameleon is a major player in the private sale of clothes, accessories and decoration items in the Benelux, and will use this building as a logistics platform for the supply of their e-commerce operations in Belgium.

A second rental contract for phase 1 has been concluded with MSF Supply (central supply of Doctors Without Borders) for 13,547 m^2 of storage space and 1,250 m^2 of offices, with a possibility to extend to 17,097 m^2. This contract starts on 01/04/12. With 70 employees, MSF Supply realised in 2011 a turnover of € 50 million for almost 6,675 orders. Should both tenants use their extension possibility, phase 1 of Canal Logistics would be let for 100%.

For the phase 2 of Canal Logistics a rental contract was concluded at the end of 10/2011 with Caterpillar for the entire storage space of 20,664 m^2 and for half of the offices, namely 623 m^2. This agreement has entered into force on 01/11/11.
The construction works for phase 2 have been completed at the beginning of July 2011 and the building has been acquired in December 2011 based on concrete agreements with the property developer made in 2007.

By this important letting of nearly the entire phase 2 of Canal Logistics the occupancy rate of phase 1 and 2, including the lettings to Cameleon and MSF Supply, respectively amount to 78.1% and 94%. Total occupancy rate of both phases amounts to 85%.

Extension of a rental contract in logistics in Antwerp

The current lease contract for the logistics site of approximately 23,700 m^2 in Kontich (Antwerp) and its accompanying offices has been extended in 07/2011 with the current tenant. This lease contract, which originally expired at the end of 12/2011, has been extended anticipatively for a fixed lease period till the end of 12/2016. This lease contract represents 3.04% of the consolidated real estate portfolio (including development projects).

After the closing of the financial year 2011

No important events took place after the closing of the financial year 2011.

Canal Logistics, Brussels
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4.3 Social, ethical and environmental aspects regarding the management of the financial resources – sustainable development

4.3.1 Sustainability

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 fact that its ecological footprint can be reduced, by focusing on sustainability and treating its energy, water, electricity and waste management in a conscious way.

Where possible the following energy-saving measures have already been taken in order to make the buildings more sustainable and energy-efficient.
In 2009 an agreement was concluded with Electrabel for the supply of green power (AlpEnergie) for all tenants and solar panels were installed on the roof of the logistics centre in Wommelgem; in 2011 this generated 291.000 kWh. This reduces Leasinvest Real Estate's ecological footprint with regard to electricity to 0 i.e. 97% through purchasing green power, and 3% produced by solar panels.
In 2010 a green roof (absorbing rainwater) was installed on phase 1 of the logistics centre Canal Logistics in Neder-over-Heembeek (Brussels). We opted for covering the roof with moss, offering the following advantages: low maintenance, slowing down the draining process and consequently save on the rainwater drainage system, less overload for the public sewer system, protection of the roofing against ultraviolet radiation, and finally the production of oxygen.

Audit

In 2010 a global sustainability audit was carried out on behalf of Leasinvest Real Estate in order to define the areas in which the company could operate in a more sustainable way.
Within this integral approach it has become clear that Leasinvest Real Estate's major impact on the environment comes from targeted actions taken on the level of its portfolio of buildings.

Strategic approach

Leasinvest Real Estate has opted for an inclusive and solution-driven direction, translated into a clear-cut step-by-step plan. Unique about this approach is that it is based on a far-reaching cooperation with customers (tenants) and suppliers, and thus goes beyond initiatives taken by the company itself, and that building-specific interventions with the biggest impact are sought after, opposite to taking general measures (solution-driven).

Step-by-step plan

1. Analysis of the portfolio of buildings and detecting its potential for improvement
2. Development of a building-specific plan
3. Defining the correct measurement or appropriate technology for defining a zero point that will be the basis for assessing the improvements; Leasinvest Real Estate has chosen the Breeam in-use (www.breeam.org) certification, based on an annual audit by an accredited organization
4. Execution of the improvement action plan
5. Measuring results and informing (company, tenants, stakeholders); these procedures will be operational in the course of 2012

Selective arbitrage on the portfolio

Because Leasinvest Real Estate's investments, as a listed company, first of all have to be justifiable from the viewpoint of shareholders' return, a number of buildings have been selected for (partial) redevelopment. It concerns buildings, either vacant because of their lease ending or where improvements can be made, without hindering the tenant (e.g. installation of solar panels).
Older, less strategic buildings qualify for sale should an opportunity present itself.

Pilot project The Crescent, Anderlecht (Brussels)

As this building was left by the previous tenant as from 05/2011 (with a rental compensation till 11/2011) it was selected as the pilot project for the execution of Leasinvest Real Estate' new sustainability strategy. Moreover, the building is relatively recent (2002) and has a number of important assets, among which its excellent accessibility by public and private transport.

The Crescent is thus the first building of Leasinvest Real Estate to which the aforementioned integral approach has been applied.
First a number of selected sub-areas to take on were mapped out, based on the guidelines required for Breeam in-use certification. These sub-area concern:

- the building
- the site
- mobility and transport
- IT services and
- catering

A first set of concrete actions relates to the sub-areas seen from the point of view of their infrastructure; the second set of actions goes beyond this and wants to involve tenants and users in this sustainability study by taking initiatives that concern the entire community of tenants/users, and that can contribute to the improvement of their mutual contacts and communication.

Infrastructure:
- Breeam in-use-certificate received for the redevelopment into a 'green intelligent building'
- development of a building management system
- reduction of water consumption; at present the drilling of a groundwater well is in preparation, which will reduce the consumption of tap water
- increasing energy efficiency of the HVAC by a/o free cooling
- zone measurement of electricity, allowing to precisely monitor consumption and analysing possible highs or lows as a basis for corrective measures
- rainwater buffer in the pond
- a biodiversity study is being conducted and translated into plantation scheme
- quality showers and cloak-rooms for bikers
- common server room and data storage

Community of tenants/users:
- conference centre
- video conferencing rooms
- intranet
- info screens
- fitness
- coffee corners

Current and planned actions

General
Installation of intelligent electricity meters in the following buildings of the Belgian real estate portfolio:
- avenue Louise 66, Brussels
- Riverside Business Park, Anderlecht
- The Crescent, Anderlecht
- Nijverheidsstraat, Wommelgem
- Canal Logisticis, Neder-over-Heembeek (also intelligent water and gas meters)

The advantage of this type of meters is that they can be read at a distance and the data can be processed, basis for the distribution of electricity to the tenants. That way, both the owner and the tenant have real-time information on electricity consumption, which enables them to draw conclusions. Peaks in consumption can be detected and lead to corrective measures resulting in energy savings.

Belgium
Office building Motstraat Malines, Belgium: preparation of Breeam in-use (2012)
Logistics building Tongres, Belgium: energy study (2012)
Logistics building Canal Logistics phase 2 Neder-over-Heembeek, Belgium: increase of insulation value (2011) and preparation of installation of solar panels (2012)

Luxembourg
Office building Monnet: Breeam in-use (2011)

4.3.2 Culture

Sponsoring of cultural organisations such as the Royal Conservatory of Antwerp and the open-air museum for sculpture Middelheim in Antwerp (www.middelheimmuseum.be) reflect Leasinvest Real Estate's involvement in the social and cultural society.

In 2011 2 new cultural projects were selected. At present, Leasinvest Real Estate also supports the MAS or 'Museum aan de Stroom' (www.mas.be) and the latest project of the artist Wim Tellier, 'We drift' (www.wimtellier.com).

4.4 Comments on the consolidated balance sheet and the results of the financial year 2011

Income statement

The **rental income** amounted to € 36.6 million compared to € 38.4 million a year earlier. The decrease originates from the loss of rental income due to the sale in 2010 of a number of buildings in Merelbeke (Ghent) and Brussels. The increased vacancy in offices in Brussels in 2011, compared to 2010, mainly relates to the building The Crescent in Anderlecht, but this has been largely compensated for 2011 by a one-off rental guarantee till November 2011, related to this vacancy, resulting in the fact that this vacancy did practically not influence the rental income in 2011. The renovation of the building will be completed by the beginning of 2012. At present the building is almost let for 50% and the commercial efforts are focused on further letting the remaining building. Should this vacancy continue to exist (or even increase), there will be an impact on the rental income in 2012.

The **property charges** remained stable (€ 5.6 million in 2011 compared to € 5.7 million in 2010). The property management costs comprise the management fee paid to the statutory manager of the sicafi (Leasinvest Real Estate Management SA), and 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** decreased by 10% to € 1.8 million compared to € 2 million in 2010.

The **result on disposal of investment properties** (€ 0.5 million) consists of the realized capital gain on the sale of the office building located in the Alpha Campus Park in Zwijndrecht (Antwerp).

The **changes in fair value of investment properties** of € - 6.6 million (€ - 10.0 million per 31/12/10) 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 (€ - 9 million). In Luxembourg an increase was recorded (€ 2.4 million).

Kennedy, Luxembourg

In the **financial result** the negative changes in the fair value (non-cash) of the ineffective hedges (in accordance with IAS 39) for an amount of € - 0.45 million (31/12/10: € + 1.6 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 remained equal at € 8.45 million compared to € 8.4 million in 2010.
Through the hedging policy applied at the end of 2010 and the beginning of 2011 the average funding cost (not taking into account the spread of the premiums of the hedges) has increased from 3.43% to 3.83%.

The **net current result**, or the net result excluding the portfolio result and the changes in fair value of the ineffective hedges, decreased by 13.6% from € 22 million (or € 5.50 per share) per 31/12/10 to € 19 million (or € 4.77 per share).

The **net result**, group share, amounted to € 12.5 million compared to € 14.3 million in 2010. In terms of net result per share this results in € 3.15 for 31/12/11 compared to € 3.57 per 31/12/10. This decrease is mainly the consequence of the reduced rental income.

Balance sheet

Investment properties (excluding assets held for sale), valued at fair value, increased by 2%, from € 494.2 million to € 501.6 million which is mainly the consequence of the take-over of the Redevco rental contract in Nossegem (€ + 6.8 million) and capital expenditures (€ 15.2 million) essentially in the logistics building Canal Logistics, the business centre "The Crescent" and a new retail shop in Diekirch. This increase was largely compensated by the sale of the office building in Zwijndrecht (Antwerp) for € 7.7 million (accounting value € 7.1 million), the presentation of "Torenhof" under the assets held for sale (€ 2.8 million) (accounting value for the previous year of € 0,9 million) and the negative (non-cash) changes of the value estimated by the independent real estate expert (€ - 6.6 million or 1.3% of the portfolio), mainly relating to the Belgian portfolio, and more specifically to the building The Crescent (€ - 3.1 million) and the phase 2 of Canal Logistics (€ - 2.5 million).

The **non-current financial assets** increased from € 4.6 million to € 23.7 million due to the increased participation in Retail Estates and consequently a reclassification of the entire participation under the non-current financial assets account instead of current financial assets.

Notwithstanding the realized net result of € 12.6 million in the financial year 2011, **shareholders' equity**, group share (based on the fair value of the investment properties) decreases by € 13.6 million following the negative changes in fair value of the financial assets and liabilities (mainly marked-to-market of effective hedges of € - 10.2 million) and the distributed dividend. **Shareholders' equity** amounts to € 261.8 million per 31/12/11, or € 65.51 per share, compared to € 275.4 million per 31/12/10, or € 68.92 per share.

Due to the balance of the different investments and divestments the **financial debts** have increased from € 220 million per 31/12/10 to € **247.9** million per 31/12/11. Consequently the **debt ratio** has increased from 44.13% (per 31/12/10) to 47.29%.

4.5 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 € 4.15, and net, free of withholding tax, € 3.2785 (based on a withholding tax of 21%) on 28/05/12.

Subject to the approval of the ordinary general shareholders' meeting of 21/05/12, dividends will be paid out on presentation of coupon nr. 13 as from 28/05/12 at the financial institutions: Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

The Ex-date is 23/05/12 and the Record date is 25/05/12.

4.6 Outlook financial year 2012

In the course of the first half of 2012 Leasinvest Real Estate expects to realize different investments, mainly in the Grand Duchy of Luxembourg. Except for unforeseen circumstances and unexpected capital losses on its current real estate portfolio and hedges, the company expects to realize a better net result and a comparable net current result than in 2011. The board of directors expects to be able to maintain the 2012 dividend in line with that of 2011.

4.7 Debt structure

Leasinvest Real Estate's financing with debt capital of its real estate portfolio is done through 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 guaranteeing its refinancing in case the issuing becomes unfeasible.

On 31/12/11 Leasinvest Real Estate has € 247.9 million of financial debts on a consolidated basis (31/12/10: € 219.6 million), of which € 71.8 million of commercial paper (31/12/10: € 86.3 million) and € 176.1 million of long-term bank credits (31/12/10: € 133.3 million). Moreover, the real estate investment trust disposes of € 90.8 million (31/12/10: € 119.1 million) of unused credit lines (including reserved back-up lines for issued commercial paper) on 31/12/11, which amply suffices to fulfil its obligations.

The average duration of the long-term bank credits amounts to 3.4 years on 31/12/11 (4.1 years on 31/12/10). In 2012 a limited amount of bank credits expire, respectively € 12.5 million (3.7%) of total credit lines (including the back-up lines), for which negotiations for renewal by 5 years already started. In 2013 more bank credits expire, namely € 55 million (16.2% of total).

Nearly all bank credits are concluded at a variable interest rate. In order to hedge the risk of an increasing market interest rate, resulting in an increase of the financing costs, Leasinvest Real Estate has concluded interest rate hedges, such as spot & forward interest rate collars, interest rate swaps and swaptions. The hedging policy has been adjusted at the end of 2010 and is since intended to cover the interest rate risk for approximately 75% of the financial debt for a 5-year period and for approximately 50% for the following 5-year period. At the end of 2011 Leasinvest Real Estate's hedging duration increased from 4.4 years (31/12/10) to 5.84 years (31/12/11). The maturity dates of the interest hedging instruments are between 2012 and 2021. For more detail on the hedges, please refer to note 32 of the financial statements on page 108.

Montimmo, Luxembourg

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Louise 66, Brussels
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On 31/12/11 the real estate investment trust has 42% of current and forward interest rate collars and interest rate caps (with a limit on the interest rates) (31/12/10: 67%), 58% of current and forward interest rate swaps (IRS) (hedging at a fixed interest rate) (31/12/10: 28%) and 0% of interest rate swaptions (possibility to conclude an IRS at a fixed interest rate) (31/12/10: 5%). The average financing cost (excluding the pro rata of the premiums of the hedges) of Leasinvest Real Estate has slightly increased from 3.43% in 2010 to 3.83% in 2011 through the contracted hedges.

For more detail on the hedges, please refer to note 32 of the financial statements on page 108.

4.8 Risk factors

All risk factors specific to Leasinvest Real Estate are mentioned in the separate chapter 1 Risk factors in the front of this annual financial report on page 6.

4.9 Corporate governance statement

For the corporate governance statement, which is an integral part of this management report, we refer to the information produced in chapter 7 Corporate Governance statement as from page 54.

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 31/12/11.

Drawn up in Antwerp on 10/02/12

Jean-Louis Appelmans
Managing director

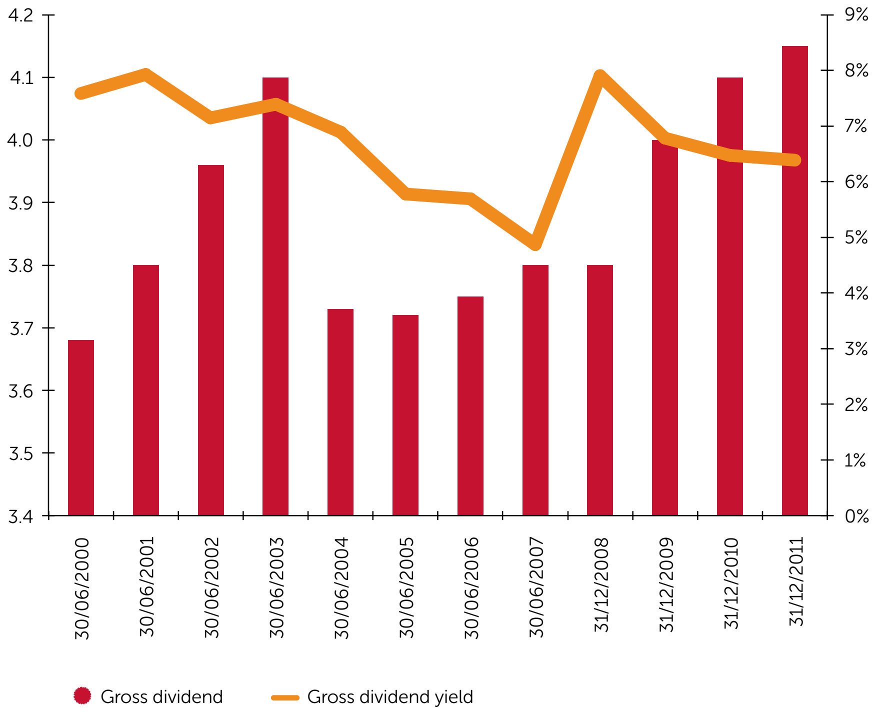
Luc Bertrand
Chairman of the board of directors

Leasinvest Real Estate on the stock exchange

"The performance of the share amounted to 8.69% in 2011"

LEAS LISTED NYSE EURONEXT

Dividend yield and shareholders' return



The graph below reflects the evolution of the gross dividends paid and the gross dividend yield (calculated as the gross dividend divided by the closing price of the share) and shows an increasing trend of the gross dividend since 2006.

Based on a performance comparison of the 7 main sicafi, made by Global Property Research (www.gpr.com and www.leasinvest.be – investors info – share - analysis) the Leasinvest Real Estate share ended as the 2nd best performing share at the end of 2011 with a score of 8.69% after Retail Estates (12.16%) but before WDP (8.61%). The performance is calculated as the difference on the share over the year plus the dividend paid. Since the stock exchange listing mid-1999 the Leasinvest Real Estate share has recorded a performance of 7.84%.

Global property research

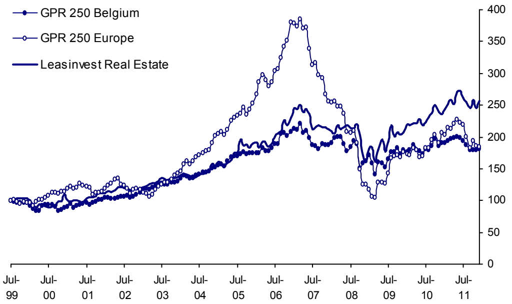
Leasinvest Real Estate

Performance Report - December 31, 2011

Performance Comparison

Companies	1 month	3 month	6 month	Y-T-D	1 year	3 year	5 year	Inception	Volatility	Sharpe
Leasinvest Real Estate	4.82%	4.81%	-5.88%	8.69%	8.69%	16.42%	2.13%	7.84%	19.29%	0.06
Befimmo	-3.44%	-3.64%	-11.78%	-11.77%	-11.77%	-0.61%	-2.18%	4.83%	21.65%	-0.15
Cofinimmo	2.59%	2.81%	-7.63%	-0.60%	-0.60%	6.18%	-3.62%	5.00%	16.69%	-0.27
Intervest Offices & Warehouses	-2.21%	-6.97%	-18.43%	-16.59%	-16.59%	10.23%	-0.99%		22.78%	-0.09
Retail Estates	2.81%	-0.18%	-3.92%	12.16%	12.16%	19.46%	8.75%	10.14%	16.26%	0.48
Warehouses De Pauw	0.84%	0.03%	-3.51%	8.61%	8.61%	16.00%	1.04%	12.06%	20.60%	0.00
Wereldhave Belgium	4.58%	2.75%	-2.90%	3.10%	3.10%	19.09%	9.45%	8.84%	19.30%	0.44
Indices										
GPR 250 Europe	-0.69%	0.84%	-17.17%	-10.43%	-10.43%	13.94%	-13.35%	5.07%	24.14%	-0.59
GPR 250 Belgium	0.26%	0.43%	-9.11%	-5.00%	-5.00%	3.56%	-2.95%	4.80%	17.07%	-0.23

Performance Graph



The table above presents returns for different time horizons up to December 31. All calculations are based on nominal total returns with reinvestment of dividends. Returns are denominated in local currency and based on the closing price of each month. The returns over the past 3 years, 5 years and since inception date are compounded. Inception date is the start date of Leasinvest Real Estate, which is 7/31/99. Volatility is calculated as the 5-year annualized standard deviation of monthly returns. The Sharpe ratio is calculated with the 5-year annualized return, the volatility and the 1-month Euribor.

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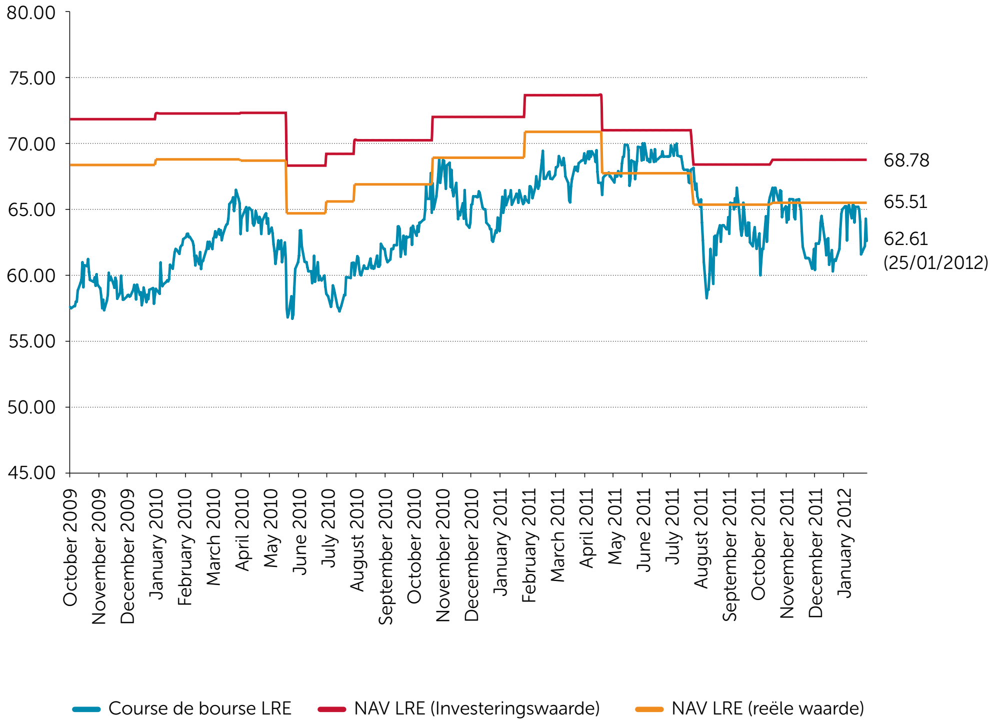
Global Property Research, January 2012

Key figures and graphs

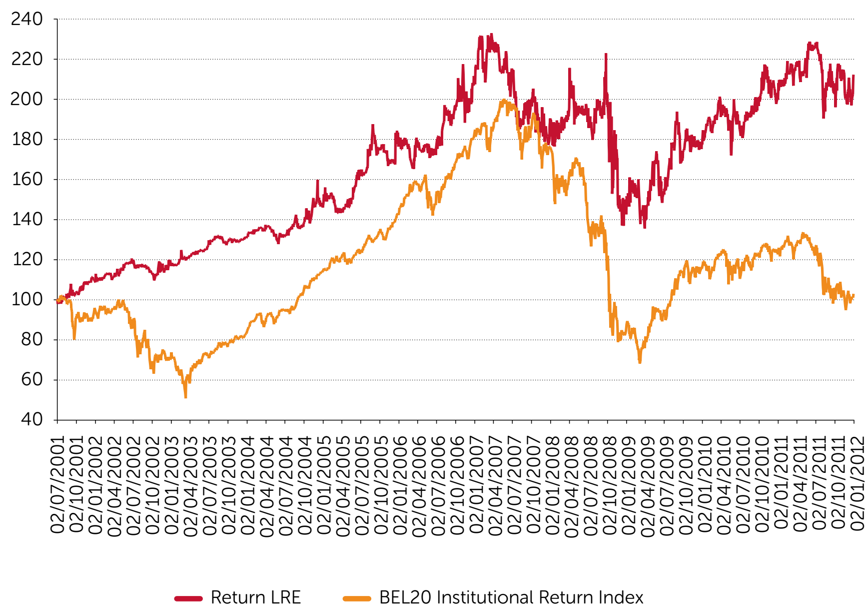
	31/12/11	31/12/10
Number of listed shares (#)	4,012,832	4,012,832
Number of issued shares (#)	4,012,832	4,012,832
Market capitalisation based on closing price (€ million)	260.80	254.25
Free float (%)	33.2%	33.2%
Closing price (€)	64.99	63.36
Highest price (€)	70.00	68.89
Lowest price (€)	58.27	56.71
Annual turnover (#)	284,796	338,614
Average monthly traded volume (#)	23,733	28,218
Velocity (%)(1)	7.1%	8.4%
Free float velocity (%)(2)	21.4%	25.4%
Discount based on closing price vs NAV (fair value)	-1%	-8%
Gross dividend	4.15	4.10
Gross dividend yield(3)	6.39%	6.47%
Payout ratio (consolidated)	88.6%	74.5%
Payout ratio (statutory)	95.5%	87.6%

(1) Number of traded shares / total number of listed shares. **(2)** Number of traded shares / (total number of listed shares * free float). **(3)** Gross dividend / closing price.

Price premium/discount Leasinvest Real Estate share price versus net asset value

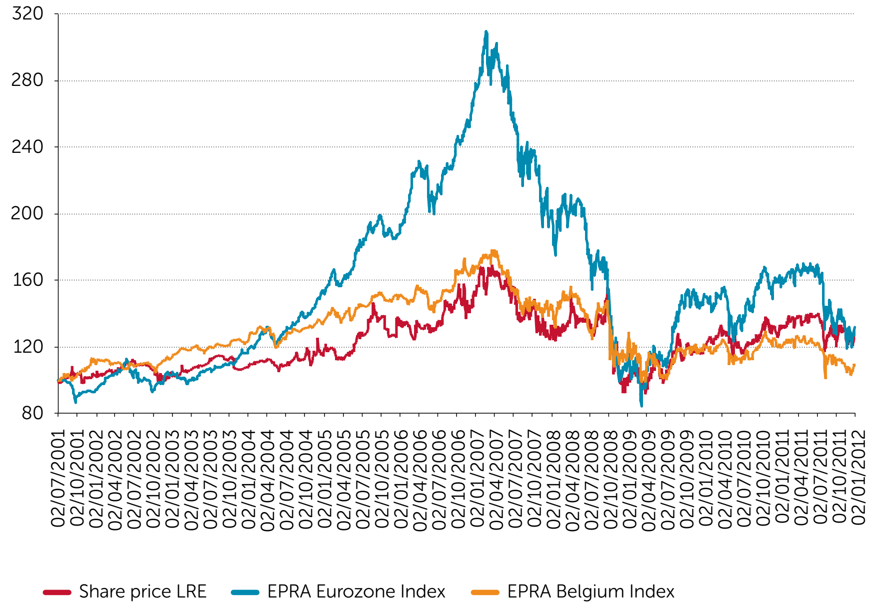


Comparison of return of Leasinvest Real Estate with the return on BEL20 Index[1]



1 Indices to consult in the financial newspapers and on the internet.

Comparison of Leasinvest Real Estate share price with the return of the EPRA Indices (www.epra.com)



In 2011 the Leasinvest Real Estate share price further recovered. The closing price evolved from € 63.36 on 31/12/10 to € 64.99 on 31/12/11. The discount compared to the net asset value decreased from -8% on 31/12/10 to -1% on 31/12/11.

The past financial year, the average monthly transaction volume of the share amounted to 23,733 shares in comparison with 28,218 in 2010. The low velocity (7.1% over 2011) 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 2011 amounts to 21.4%, to compare with 25.4% over 2010.

As shown by the graph, the Leasinvest Real Estate share records quasi systematically a higher return than the BEL20 Index. In 2011 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 performs better over the second half of 2011. 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 the first half of 2011, to converge to its share price after a sharp correction in the course of the second half of 2011.

Analysts' coverage

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Real estate report

"Market take-up in the Grand Duchy of Luxembourg increased by 44% compared to last year"

6.1 Real estate market in 2011[1]

General

In 2011 Leasinvest Real Estate was confronted with two different real estate markets, namely the one in Belgium and the one of the Grand Duchy of Luxembourg.

In Belgium, mainly the Brussels' office market knew a poor year, both in terms of take-up and investments. The regional office markets performed better, mainly in Wallonia.

The logistics market in Belgium slightly recovered, mainly due to end users-investors. Letting in Belgium reached a better level than the previous year. The increased vacancy in logistics of Leasinvest Real Estate was mainly influenced by the vacancy of the Vierwinden site and the unlet part of Canal Logistics.

The retail market in Belgium fortunately experienced a steadier climate and remained one of the most attractive investment asset classes in the market.

In Belgium the outlook for the office market is not very comforting which means the battle for the tenant will continue and the quality of the product will dominate.

The Luxembourg office market was entirely 'back' and recorded good take-up figures and stable rents with acceptable vacancy levels.

The outlook for 2012 remains uncertain, though the market is experiencing a sharp but healthy correction, putting a halt to the proliferation of projects, possibly resulting in opportunities.

Leasinvest Real Estate will try to respond in its usual cautious way.

The Belgian real estate market

Offices market Brussels

The Brussels' office market recorded one of its poorest years of the decennium. Take-up reached 320,000 m² or 25% less than in 2010, of which 45,000 m² were taken up by the European Commission in the building The Capital. This means that the effect of the crisis, the pressure for developing sustainable buildings, new technologies, and consequently the decreasing need for m² per person, have put a halt to the office take-up. It was striking that one third of take-up was for the account of (semi-)government agencies and that 15% was rented or acquired by educational institutions. The reconversion of office buildings into other types of assets such as schools, nursing homes or apartments consequently continues.

The vacancy rate of the Brussels' office market (11.8%) has not increased in 2011; approximately 1.5 million m² in absolute figures[2]. Due to the decreased take-up and the difficult bank financing of speculative projects, there is a decrease of this type of projects in the market.

The rents for new and environmentally friendly buildings remain high. Mainly for the secondary products, i.e. older, not centrally located or less environmentally friendly buildings, rental contracts are negotiated in favour of the tenants and prices further decrease.

The prime rent in the Brussels Leopold district was € 275/m²/year, which is a very high level and proves that the market currently has 2 types of products.

In the western decentralized border of Brussels, where Leasinvest Real Estate operates with The Crescent and Riverside Business Park, there was little activity in the second half of the year. Despite the difficult situation, Leasinvest Real Estate could conclude a number of rental contracts for The Crescent, which already led to an occupancy rate of 50%.

The regional markets also recorded a serious slowdown in 2011 with a 30% relapse. Most lettings took place in the neighbourhood of railway stations (Bruges, Louvain, Namur) but there was more activity in Wallonia than in Flanders.

Retail market Belgium

The Belgian retail market registered a very good year 2011. In comparison with e.g. The Netherlands, the retail market is performing really well. The high street locations and shopping centres encountered little downward pressure on the rents. Due to the measures of the Di Rupo I government, purchasing power will be affected, putting pressure on retailers' turnover and thus on the rents.

Retail property is still very much desired as an investment product, yet resulting in very sharp yields offered (4 to 5% for city centres and 6 to 7.25% for good retail warehouses).

1 Source: CBRE: Belgium Property Insight 2011, C&W: Marketbeatt quarterly Snapshots Q4, Expertise January, DTZ: Property overview Brussels & Luxemburg, Property Partners: 'Rapport de marché 2011'.

2 For more information on the situation of LRE we refer to page 35.

Logistics and semi-industrial

Take-up in logistics and semi-industrial property reached a level of nearly 1 million m^2, 20% more than last year.

The purely logistics players remained most dependent on the economic situation and could hardly commit for the longer term. Their margins are under pressure by both the competition and their customers what they want to see reflected in lower rents.

The main transactions were acquisitions by end-users such as Duvel (25,000 m^2), Colruyt (45,000m^2) and Black&Decker (62,000m^2).

Canal Logistics beats the lot in terms of number of lettings, with Caterpillar (22,500 m^2), Famous Clothes (7,200 m^2) and MSF Supply (13,500 m^2) all concluded in 2011.

Project developers became more cautious, resulting in a very limited number of projects marketed in 2012. There is however a huge land stock potential for the development of 'built-to-suit' projects.

Investment market

The Belgian investment market realized a total volume of € 1.6 billion in 2011. This approximately equals the level of the previous year.
Breakdown is as follows: 52% in offices, 27% in retail, +/- 10% in logistics and 13% in nursing homes and hotels.

A clear trend in 2010, yet reinforced in 2011, is that buyers seek for risk-adverse products. Huge prices are offered for office buildings with long-term contracts, strategically located, both in the capital city and outside, with the acquisition of the Kam building in Bruges as a highlight.

The escape to retail is ongoing for a couple of years and continued in 2011. Not only are high prices paid for shops, but their liquidity is very substantial, all the more because of retail warehousing relate to lower investmentvolumes (€ 1 to 3 million/ building). The most important retail transaction was the sale of the Galeries Saint Lambert in Liège.

The investment market in logistics buildings has also somewhat stagnated by a lack of products, but also due to the competition of users-investors. Remarkable transactions were the sale of the distribution centre of Carrefour in Nivelles and the acquisition of the UIT site in Herentals.

Striking are the multiple transactions in nursing homes for a large volume, by a number of investors within the scope of their diversification strategy.

Monnet, Luxembourg

The Luxembourg market

The Grand Duchy of Luxembourg fully recovered in 2011.

Take-up in the Luxembourg office market in 2011 reached its normal level with a volume of 150,000 m^2, or 44% more than in 2010. A particularly good sign is that this increased take-up was mainly the consequence of a higher number of transactions, each below 1,000 m^2, again proving that Luxembourg is dominated by a demand for smaller spaces.

The outlook for Luxembourg should remain cautious, but can be called comforting with a development pipeline of only 78,000 m^2, and rents keeping up their level.

Availability rose to a high level in the periphery (18.81%) and the decentralized zone (11.47%), but Kirchberg (2.92%) and the Centre (1.45%) recorded very low vacancy rates. Leasinvest Immo Lux's portfolio is mainly located in the latter zones.

The Luxembourg investment market in 2011 was more active than in 2010 with a transaction volume of € 435 million (+ 26%). However, the levels from before 2009 were not reached because of a lack of "core" products, and also here, the caution of investors. Yields for the better products remain relatively low in Luxembourg.

Retail market Luxembourg

Most development projects in Luxembourg are not yet realized, which makes that the combination of the improved economic parameters in Europe and the strong buying power had no effect on the rents.

Most of the future projects are located in the south of Luxembourg, if we add Grossfeld in the Cloche d'Or zone hereto. Over time, this will have an effect, and there might occur an excess. In the north or the centre of Luxembourg there is much less danger for this to happen, and a number of shopping centres have confirmed their value.

The completion of the shopping centre Hamilius in the city centre is foreseen in 2014, which will add a very attractive shopping pool to the city centre.

For the German shoe retailer Siemes Shuhcenter Leasinvest Real Estate completed a store of 1,356 m^2, which was a gigantic success since its opening.

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 the Grand Duchy of Luxembourg and in Brussels, which represent respectively 27.4% and 20.2%, or 47.6% 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 92.57% (97.45% at the end of 2010).

SKF, Tongres
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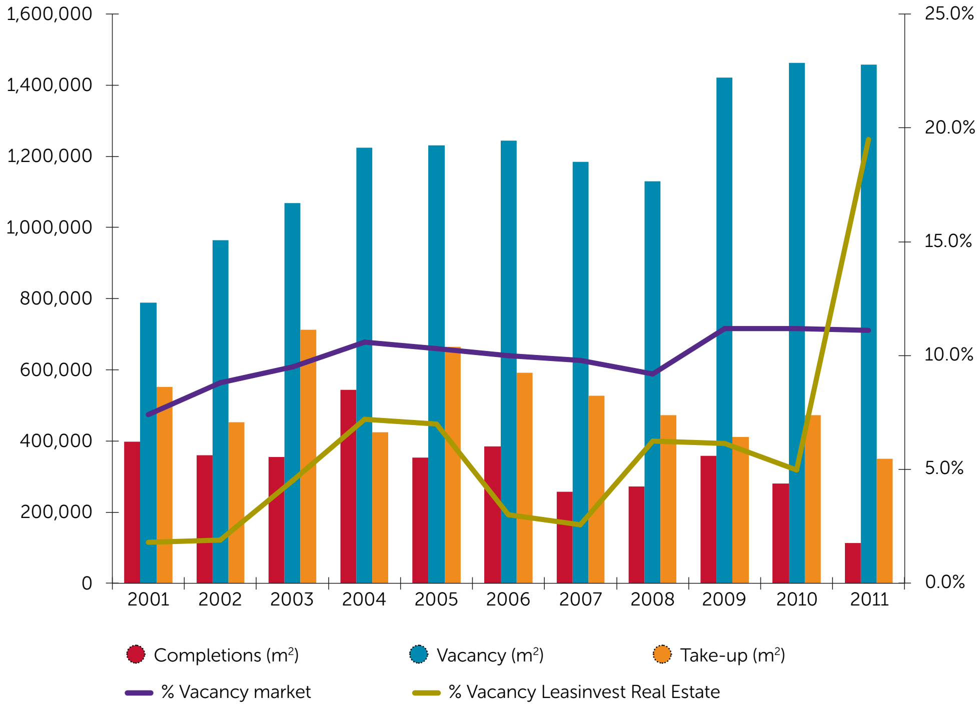
Brussels

Completions, take-up and vacancy

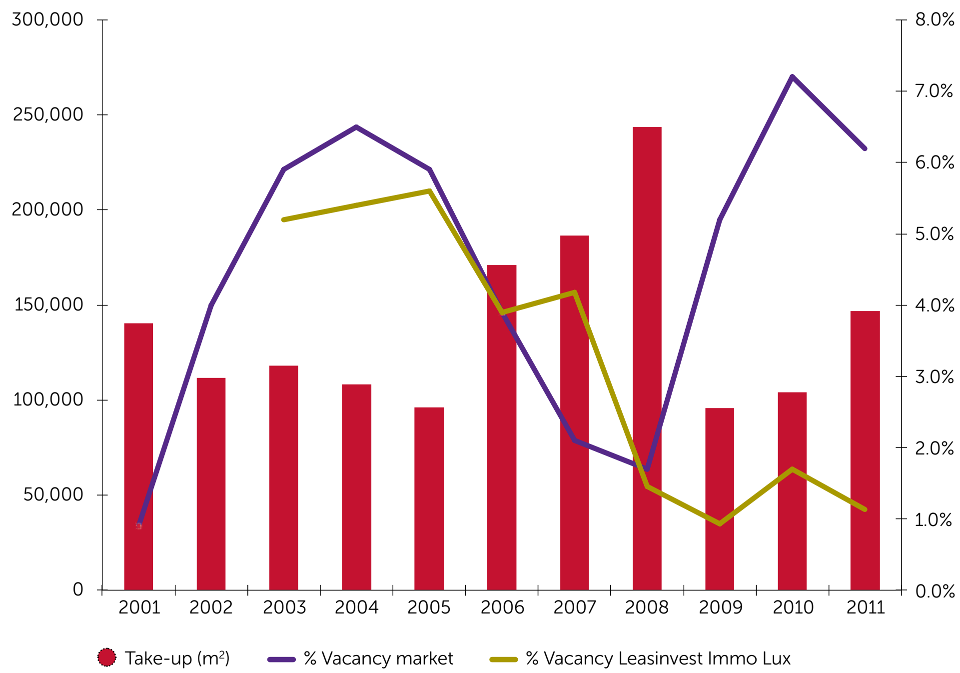
Higher vacancy rate for Leasinvest Real Estate, mainly due to partial vacancy of The Crescent, Anderlecht (market vacancy = 11.1%)



Grand Duchy of Luxembourg

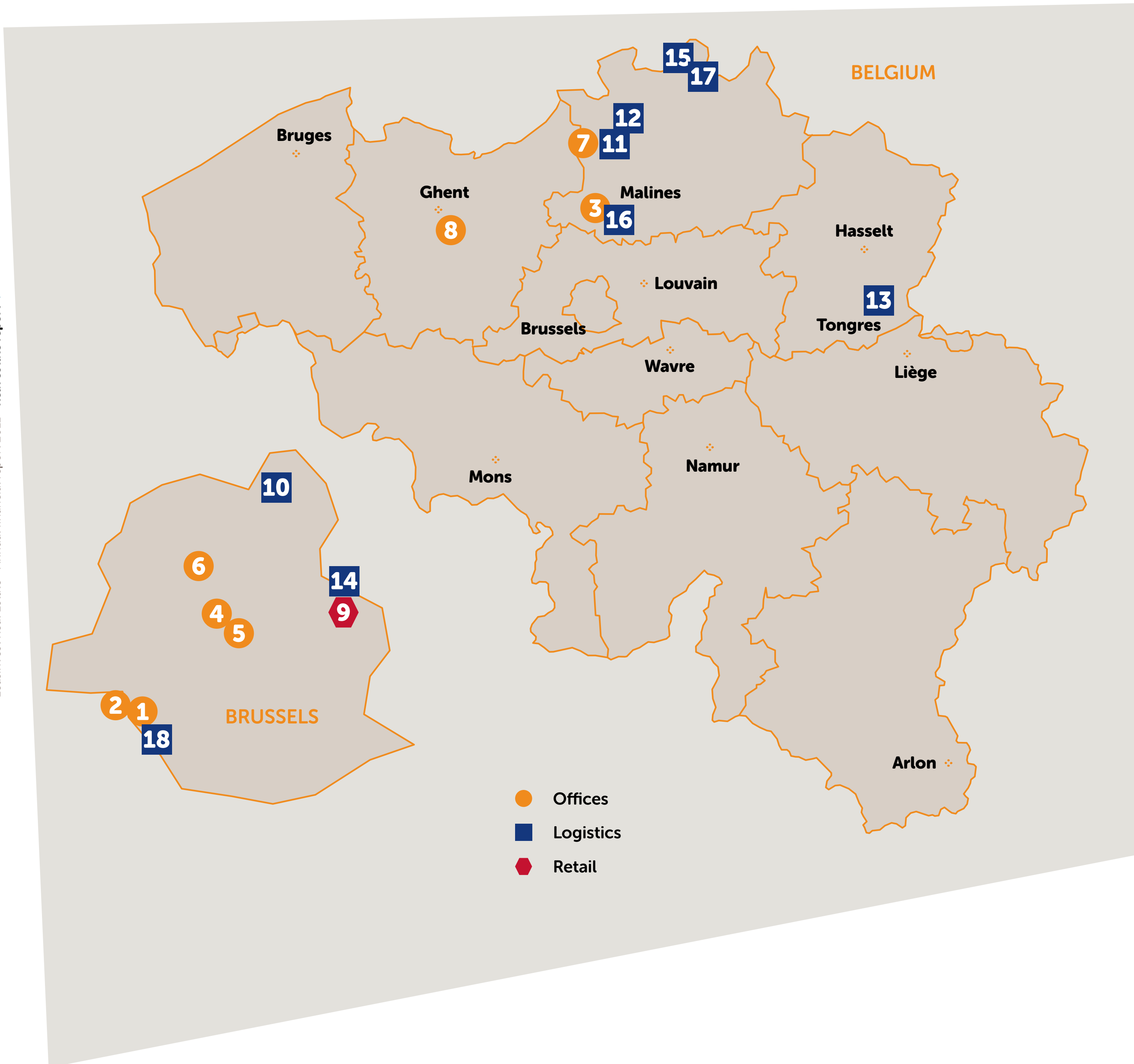
Office rental market Luxembourg

Nearly 100% occupancy for Leasinvest Immo Lux portfolio



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 *.

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

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 2010/2011

Area rented 15,132 m²

Motstraat, 2800 Malines*

Office complex

Year of construction 2002

Area rented 14,174 m²

Rue Montoyer 63, 1000 Brussels*

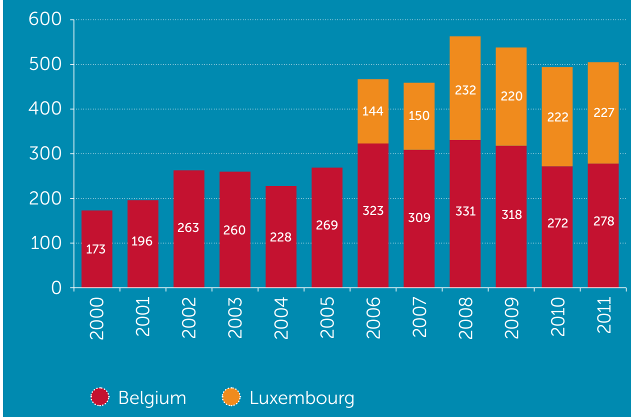
Extremely well situated office building

Year of construction 1974

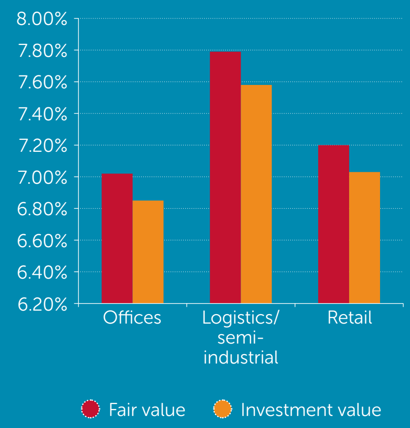
partially renovated in 2003 • renovation of entrance hall and sanitary fittings 2009-2010

Area rented 6,745 m²

Evolution of fair value: increase to over € 500 million thanks to acquisitions



Rental yield per segment



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

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

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

Office building situated in a business park

Year of construction 2000

Area rented 1,792 m²

Torenhof / Guldensporenpark, 9820 Merelbeke

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

Year of construction first part 19th century, second part 1974 and third part end of the eighties

Renovation 2010/2011

Area rented 1,600 m²

Brixton Business Park / Brixtonlaan 1-30, 1930 Zaventem*

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

Year of construction 1975/88

Renovations carried out as required for new tenants

Area rented 36,122 m^2

Canal Logistics, Neder-over-Heembeek

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

Phase 1
Year of construction 2010
Area rented
27,682 m^2 of logistics and 1,250 m^2 of offices

Phase 2
Year of construction 2011
Area rented
20,664 m^2 of logistics and 1,250 m^2 offices

Prins Boudewijnlaan 7, 2550 Kontich*

Distribution centre

Year of construction 1989

Extension in 2000

Area rented 27,589 m^2

Nijverheidsstraat 96, 2160 Wommelgem*

Storage and distribution site with offices

Year of construction 1992-1993

Installation of solar panels and extended with 500 m^2 of extra office space in 2010

Area rented 26,590 m^2

Asset classes:
offices part drops to 54%, increase of logistics by the acquisition of phase 2 of Canal Logistics

- Offices **54%**
- Logistics/semi-industrial **26%**
- Retail **20%**

**Portfolio breakdown:
offices Luxembourg represent the largest part
of Leasinvest Real Estate's portfolio**

- Offices Luxembourg **27.4%**
- Logistics Belgium **22.1%**
- Offices Brussels **20.2%**
- Retail Luxembourg **13.5%**
- Offices rest of Belgium **6.5%**
- Retail Belgium **6.3%**
- Logistics Luxembourg **4.0%**

SKF, 3700 Tongres*

Distribution centre consisting of storage halls and offices

Year of construction 1993/2003

Area rented 25,872 m^2

Vierwinden Business Park / Leuvensesteenweg 532, 1930 Zaventem*

Semi-industrial business park

Year of construction 1973

Renovated in 1994 and 1998

Area rented 13,624 m^2

Wenenstraat 1, 2321 Meer*

Warehouse with offices

Year of construction 1989-1990

Area rented 8,071 m^2

Zeutestraat, 2800 Malines*

Logistics centre

Year of construction 2002

Area rented 7,362 m^2

Riyadhstraat 21, 2321 Meer*

Warehouse with offices

Year of construction 2002

Area rented 5,015 m^2

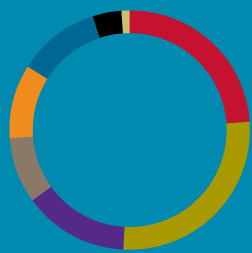
Rue Lusambo, 1190 Forest*

Semi-industrial building consisting of offices and storage

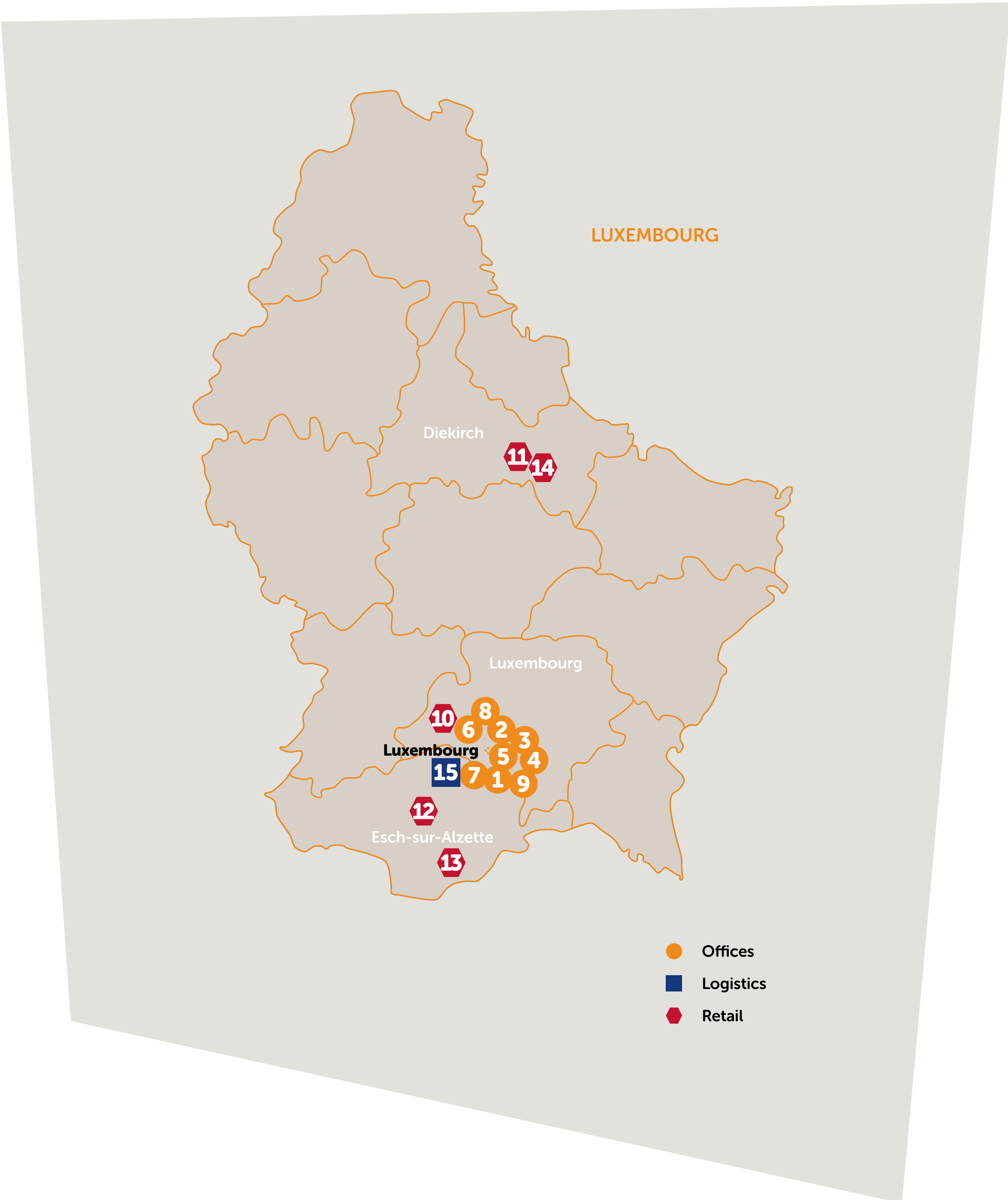
Year of construction 1993

Area rented 3,191 m^2

Type of tenants:
services and retail & wholesale account for > 50% of the portfolio



- Services **24%**
- Retail & wholesale **27%**
- Financial sector **14%**
- Industry **9%**
- Government & non-profit **10%**
- Transport & distribution **11%**
- ICT **4%**
- Medical & pharma **1%**


LUXEMBOURG
Diekirch
11
14
Luxembourg
10
8
6
2
3
Luxembourg
5
4
15
7
1
9
12
Esch-sur-Alzette
13
Offices
Logistics
Retail

LUXEMBOURG

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

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 m²

EBBC (building d), 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 m²

Co-ownership parking and parking zone

Rue Jean Monnet 4, 2180 Luxembourg

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

Year of construction 1992

Partial renovation in 2011

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

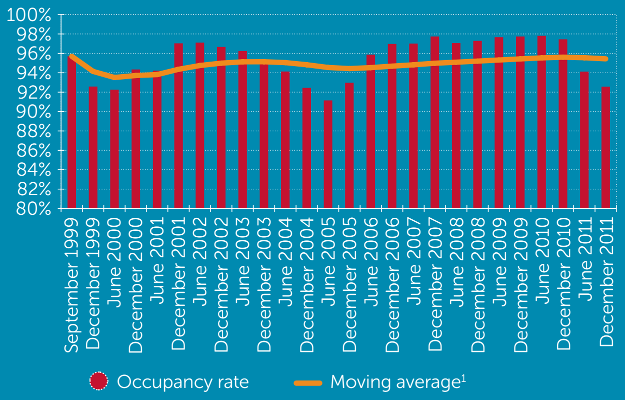
Co-ownership

Average age of buildings: more than 30% of the buildings are less than 10 years old

- 0-5 years **10%**
- 5-10 years **23%**
- 10-15 years **5%**
- > 15 years **62%**

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.

**Occupancy rate:
keeps up relatively well despite
the current difficult market**



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

**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

**Rue du Kiem 145,
8080 Strassen**

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

Year of construction 2002

Area rented 1,834 m²

**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 m²

**Avenue Monterey 20,
2163 Luxembourg**

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

Year of construction 2001

Area rented 1,555 m²

Mercure, Avenue de la Gare 41, 1611 Luxembourg

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

Year of construction 1989

Area rented 807 m²

Co-ownership

Route d'Arlon 2, Strassen

Retail site located at an important entrance to the City of Luxembourg, namely the Route d'Arlon

Year of construction 1988

Area rented 22,721 m²

Rue du Cimetière/An der N7, Diekirch

Retail building situated at the N7 in Diekirch

Year of construction 1996 for the main building

Construction of an additional retail building of 1,356 m² in 2011

Area rented 10,199 m²

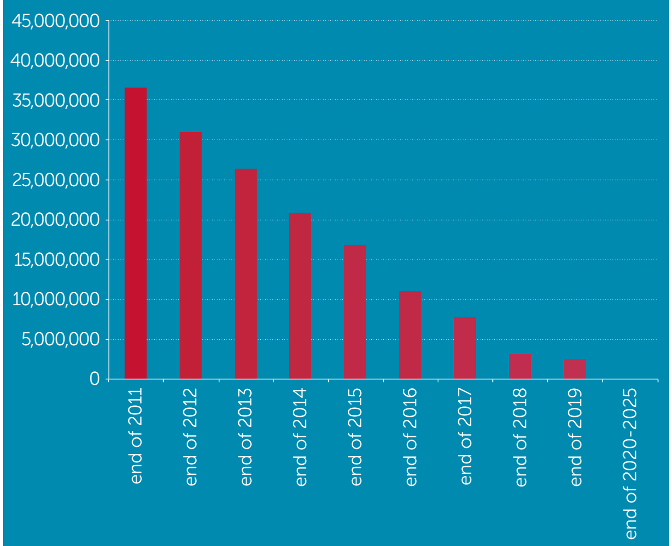
Rue du Brill, Foetz

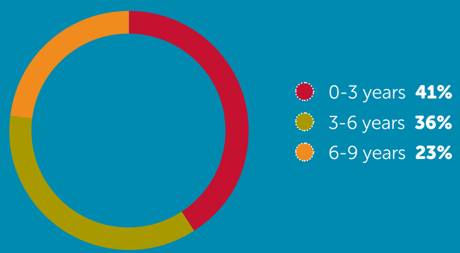
Retail building situated next to Cora

Year of construction 1987

Area rented 4,219 m²

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. 41% of the annual contractual rents expire within 3 years.
In 2011 11.4% or € 4.6 million of the annual contractual rents expired. There are important breaks in 2012, namely 15.3% and 12.5% 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 4 years (31/12/10: 3.8 years).
For more information we refer to note 4 of the financial statements.

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

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

6.3.2 Investments and divestments

Investments

Canal Logistics phase 2 – Neder-over-Heembeek, Belgium

The construction works for phase 2 have been completed at the beginning of July 2011 and the building has been acquired in December 2011 based on concrete agreements with the property developer made in 2007. Phase 2 comprises a total storage space of 20,664 m² and 1,250 m² of offices.

Divestments

Alpha Campus, Zwijndrecht

On 19/12/11, through a transfer of a branch of economic activity, an office building located in the business park Alpha Campus in Zwijndrecht was sold. This transaction relates to an office building of 3,487 m² with integrated workshops of 355 m², a warehouse of 639 m², and 125 outdoor parking spaces, the underlying land (approx. 6,725 m²), together with the real estate leasing contract concluded with the lessee occupying the building.

For more information on the investments and divestments we refer to chapter 4 management report, the press releases on www.leasinvest.be and note 3.1.2 of the financial statements.

6.4 Composition of the real estate portfolio

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

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 FV (%)	Rental yield IV (%)	Occupancy rate (%)
Belgium	275.08	282.25	54.5	20.11	7.31	7.12	87.78
Grand Duchy of Luxembourg	226.52	232.31	44.9	16.20	7.15	6.97	99.32
Investment properties	**501.60**	**514.56**	**99.4**	**36.31**	**7.23**	**7.05**	**92.57**
Assets held for sale	2.85	2.93	0.6				
Buildings in operation	**504.45**	**517.49**	**100.00**				
Projects Belgium	0.00	0.00	0.0				
Projects Luxembourg	0.00	0.00	0.0				
Total investment properties	**504.45**	**517.49**	**100.0**				

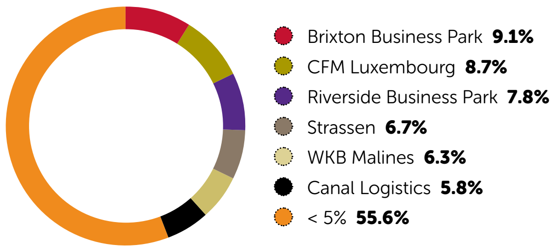
Segmentation based on asset class

	Fair value (€ m)	Investment value (€ m)	Share in portfolio based on fair value (%)	Contractual rents (€ m/year)	Rental yield FV (%)	Rental yield IV (%)	Occupancy rate (%)	Acquisition value (€ m)	Insured value (€ m)
Offices									
Offices Brussels	101.74	104.28	20.20	6.80	6.68	6.52	80.66	122.40	112.25
Offices rest of Belgium	29.90	30.65	5.90	2.45	8.19	7.99	100.00	50.30	32.06
Offices Grand Duchy of Luxembourg	138.13	141.72	27.40	9.59	6.94	6.77	91.52	124.00	92.18
Total offices	**269.77**	**276.65**	**53.50**	**18.84**	**6.98**	**6.81**	**91.52**	**296.70**	**241.82**
Logistics/semi-industrial									
Logistics/semi-industrial Belgium	111.53	114.61	22.10	8.81	7.90	7.69	87.96	99.60	110.15
Logistics/semi-industrial Grand Duchy of Luxembourg	20.20	20.70	4.00	1.45	7.18	7.00	100.00	13.40	5.13
Total logistics/ semi-industrial	**131.73**	**135.31**	**26.10**	**10.26**	**7.79**	**7.58**	**89.42**	**113.00**	**115.28**
Retail									
Retail Belgium	31.91	32.71	6.30	2.05	6.42	6.27	100.00	18.50	10.47
Retail Grand Duchy of Luxembourg	68.19	69.89	13.50	5.16	7.57	7.38	100.00	61.20	44.19
Total retail	**100.10**	**102.60**	**19.80**	**7.21**	**7.20**	**7.03**	**100.00**	**79.70**	**54.66**
Investment properties	**501.60**	**514.56**	**99.40**	**36.31**	**7.23**	**7.05**	**92.57**	**489.40**	**411.76**
Assets held for sale	2.85	2.93	0.60					3.00	5.33
Buildings in operation	**504.45**	**517.49**	**100.00**					**492.40**	**411.76**
Projects Belgium	0.00	0.00	0.0					0.00	
Projects Grand Duchy of Luxembourg	0.00	0.00	0.0					0.00	
General total incl. development projects	**504.45**	**517.49**	**100.00**					**492.40**	**411.76**

Total breakdown of the real estate portfolio (classification of buildings according to their main destination)

	Total surface (in m²)	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	1.32	100	1.32	1.11
Rue Montoyer 63	6,745	1.52	100	1.52	1.36
Avenue Louise 66	3,398	0.52	83	0.62	0.56
Riverside BP - phase I, III and IV	21,645	2.57	86	2.97	2.89
Route de Lennik, Anderlecht	15,132	0.86	47	1.89	1.94
Total offices Brussels (Belgium)	**52,885**	**6.80**	**81**	**8.32**	**7.86**
WKB offices, Motstraat	14,174	2.23	100	2.23	1.89
Delta Business Park	1,792	0.22	99	0.22	0.20
Total offices rest (Belgium)	**15,966**	**2.45**	**100**	**2.45**	**2.09**
EBBC	4,473	1.55	94	1.63	1.46
CFM Bureaux	5,559	1.31	100	1.31	1.56
ESCH	1,839	0.61	99	0.61	0.56
Kennedy	2,270	0.93	100	0.93	0.86
Kiem	1,834	0.54	100	0.54	0.53
Mercure	807	0.20	99	0.21	0.16
Monnet	3,866	1.50	100	1.50	1.46
Monterey	1,555	0.71	100	0.71	0.57
Montimmo	1,760	0.92	100	0.92	0.78
Pasteur	4,928	1.33	99	1.35	1.26
Total offices Grand Duchy of Luxembourg	**28,891**	**9.59**	**99**	**9.69**	**9.20**
Total offices LRE	**97,742**	**18.84**	**92**	**20.46**	**19.15**
PART II: LOGISTICS/SEMI-INDUSTRIAL					
SKF, Tongres	25,872	1.13	100	1.13	1.04
Prins Boudewijnlaan 7	27,589	1.25	100	1.25	1.30
Meer - Dobla	5,015	0.15	100	0.15	0.17
Meer - Helios	8,071	0.36	100	0.36	0.28
Wommelgem - Nijverheidsstraat	26,590	1.31	94	1.38	1.30
Canal Logistics (phase 1)	28,934	1.06	78	1.36	1.37
Canal Logistics (phase 2)	21,923	0.89	94	0.95	1.01
Riverside BP - phase II	5,181	0.39	90	0.43	0.42
Brixton BP	21,668	1.39	93	1.48	1.26
Vierwinden BP	13,624	0.19	23	0.77	0.74
Alcan	3,191	0.31	100	0.31	0.22
WKB Warehouses, Zeutestraat	7,362	0.38	100	0.38	0.33
Total Logistics/semi-industrial Belgium	**195,020**	**8.81**	**88**	**9.95**	**9.42**
CFM logistics	14,428	1.45	100	1.45	1.31
Total Logistics/semi-industrial Grand Duchy of Luxembourg	**14,428**	**1.45**	**100**	**1.45**	**1.31**
Total Logistics/semi-industrial	**209,448**	**10.26**	**89**	**11.40**	**10.73**
PART III: RETAIL					
Brixton BP - Unit 4/5/6	14,454	2.05	100	2.04	2.24
Total Retail Belgium	**14,454**	**2.05**	**100**	**2.04**	**2.24**
Diekirch	3,100	0.66	100	0.66	0.45
Dudelange	3,759	0.35	100	0.35	0.37
Foetz - Adler	4,219	0.56	100	0.56	0.56
Diekirch - Batiself	8,843	0.90	100	0.90	0.91
Diekirch - Siemes	1,356	0.23	100	0.23	0.23
Strassen	22,721	2.46	100	2.46	2.50
Total Retail Grand Duchy of Luxembourg	**43,998**	**5.16**	**100**	**5.16**	**5.01**
Total Retail	**58,452**	**7.21**	**100**	**7.20**	**7.24**
GENERAL TOTAL WITHOUT PROJECTS	**365,642**	**36.31**	**92.57**	**39.07**	**37.12**
PART IV: ASSETS HELD FOR SALE					
Torenhof (Axxes BP)	2,019	0.10	31	0.28	0.26
Total Offices Belgium	**2,019**	**0.10**	**31**	**0.28**	**0.26**
GENERAL TOTAL WITH ASSETS HELD FOR SALE	**367,661**	**36.41**	**92.14**	**39.35**	**37.38**

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



Insured value (situation on 31/12/11)

In order to avoid a multitude of recourse claims and to benefit from favourable premiums, the standard rental contracts of Leasinvest Real Estate and Leasinvest Immo Lux define that the insurance contract is concluded by the lessor for the total reconstruction value of the building, mutually waived (and including a loss of rent of 36 months). The insured value of the buildings is based on the external 'new construction' value defined in May 2009. Exceptions to this rule are: the 3 buildings in Luxembourg acquired at the end of 2009 from the METRO group (EKZ Strassen, Diekirch (Batiself) and Foetz (Adler) that were valued in the course of 2011, and the recent new constructions (Siemes Schuhcenter in Diekirch (L) and Canal Logistics (B), insured at their actual construction cost. The insured values are automatically indexed yearly based, for Belgium on the current ABEX index 694 and for the Grand Duchy of Luxembourg on the 'Indice semestriel des prix de la construction' 696.95 (half-yearly construction price index).

At the end of 2011 the global insurance policy of the real estate investment trust for the Belgian portfolio was terminated after a successful tender, and a new global insurance policy was concluded with a fixed duration of two years, decreasing the insurance premium by 28.5% on average. The franchise was adapted according to market standards.

The insurance risk of this new global insurance policy is currently spread across three insurance companies, namely ACE European Group Ltd. (60%), Mercator NV (20%) and BDM NV (20%).

The main new buildings insured by the Belgian global insurance policy are Canal Logistics (€ 21.43 million), The Crescent (previously insured by (ex-)tenant L'Oréal, € 38.52 million) and Axxes Business Park (incorporated in the global insurance policy within the scope of Leasinvest Services SA being its syndic, € 44.51 million). The value of all moveable items (furniture, electronics,...) of the business centres was also incorporated.

For a number of buildings the owner's risk is exceptionally insured individually by the tenant (via their own global insurance policy) or by the co-ownership. In Belgium this relates to the buildings rue Montoyer 63 (insured via the global insurance policy of the European Parliament), the SKF building at Heesterveldweg 16 (Tongres) (insured via the global insurance policy of the SKF group), the building at Prins Boudewijnlaan (via the Master Policy of Federal Mogul Corporation), and the rue Lusambo 76 in Forest (via the Almet Belgium policy). Just at it is the case for the global insurance policy of the real estate investment trust, the insured value of these buildings is based on the aforementioned external 'new construction' value of 2009 and is in principle indexed automatically every year, based on the ABEX.

For Luxembourg this relates to the following buildings (all insured through the (syndic of the) respective co-ownerships): Kennedy (global insurance policy of € 365.90 million (incl. € 60 million loss of rent) of which € 9.13 million (including a loss of rent of € 2.60 million) relates to the Leasinvest Immo Lux part), EBBC (total value of the buildings of € 82.87 million with a Leasinvest Immo Lux share of € 13.78 million), Mercure (total of € 4.45 million of which the Leasinvest Immo Lux share is € 2.60 million), Monterey 20 (globally € 25.49 million of which € 3.86 million for the Monterey 20 part (100% Leasinvest Immo Lux) and € 0.69 million for the Central Parc co-ownership), Diekirch (Match) (€ 19.14 million of which € 5.01 million for Leasinvest Immo Lux).

The total insured value for the buildings owned by Leasinvest Real Estate, amounts to € 270.26 million, of which € 238.73 million is part of the global insurance policy of Leasinvest Real Estate.

The total insured value for the buildings owned by Leasinvest Immo Lux, amounts to € 141.50 million, of which € 110,29 million is part of the global insurance policy of Leasinvest Immo Lux.

A number of buildings to which a full VAT deduction applies, are insured at their new construction value excluding VAT.

Belgium (in € million)	
Offices:	149.64 (111% of fair value)
Logistics:	110.15 (99% of fair value)
Retail:	10.47 (33% of fair value)
TOTAL:	**270.26**

Luxemburg (in € million)	
Offices:	92.18 (67% of fair value)
Logistics:	5.13 (25% of fair value)
Retail:	44.19 (65% of fair value)
TOTAL:	**141.50**

6.5 Valuation report[3] [4]

VALUATION UPDATE AS AT 31 DECEMBER 2011 OF THE LEASINVEST REAL ESTATE SCA PORTFOLIO REPORT BY THE EXTERNAL APPRAISER CUSHMAN & WAKEFIELD

We are pleased to report our valuation of the investment and fair values of the Leasinvest Real Estate SCA portfolio as at 31 December 2011.

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.

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

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

The values were determined taking current market parameters into account.

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

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

2. The average of the current rental income (+ the market rent on vacant space) is 6.47% higher than the market rent (respectively 6.86% and 5.99% for the Belgian and Luxembourg portfolios).

3. The occupancy rate[5] of the total portfolio (including the Projects) is 92.57% (respectively 86.98% and 99.32% for the Belgian and the Luxembourg portfolios).

4. Two properties were delivered in Q2 2011. One is the renovation of the Torenhof (1,565 m^2 and 40 parking spaces) next to the Access Park in Merelbeke. This is being developed into a Business center and the estimated net value was € 2,880,000 upon delivery. Secondly, the Siemes Shuhcenter, a retail warehouse property of 1,356 m^2 located in Diekirch in Luxemburg (next to the Batiself) with an estimated net value of € 3,170,000.

5. In Q1 2011, Redevco, who had an ongoing contract until 2018, was bought out of the Brixton Business Park units 4/5/6. This related to an historic arrangement where Redevco had to pay a low market rent until April 2018, in exchange for the redevelopment of the site. As compensation Redevco could then take a margin by subletting to third parties. All current contracts which Redevco had with subtenants will now be taken over by Leasinvest Real Estate.

6. In Q4 2011, the second phase of canal logistics was completed and it was almost entirely prelet upon delivery. Also in Q4 2011, the property in Baarbeek, with an estimated value of € 7,440,000, was sold.

5 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).

For all buildings of Leasinvest Real Estate SCA, we determined the following values as at 31 December 2011, including the part that has been valued by Winssinger & Associés:

1. an investment value of € 517,490,000 (five hundred seventeen million four hundred and ninety thousand euros), with respectively € 285,180,000 and € 232,310,000 as investment values for the Belgian and Luxembourg portfolios; and
2. a fair value of € 504,580,000 (five hundred and four million five hundred and eighty thousand euros), with respectively € 278,090,000 and € 226,490,000 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 7.01% (with respectively 7.08% and 6.97% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.19% (respectively 7.26% and 7.15% for the Belgian and Luxembourg portfolios).

CUSHMAN & WAKEFIELD

6.6 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.
Until 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, for a fee in line with market standards, 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 Services is not under the supervision of an official body. This company employs 7 persons, directed by Sven Janssens, head of property management, reporting to Michel Van Geyte, COO of Leasinvest Real Estate Management SA and one of the effective managers of Leasinvest Real Estate. Apart from the aforementioned persons, Jean-Louis Appelmans and Micheline Paredis are also members of the board of directors.

The property management comprises administrative, financial and technical activities.

The administrative and financial management consists 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 a/o:

- 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 unlet premises a management fee of 1.5% (excluding 21% VAT) on the estimated rental income as defined by the real estate expert, is charged. This remuneration is included in the rental charges paid by the tenants.
Extra performances and/or services (e.g. facility management in case of moving) that are not included in the normal management may be charged by the property manager based on the scales produced by the Professional Institution.

Leasinvest Services SA 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 € 508,341.06 (excl. VAT), through its 100% subsidiary Canal Logistics Brussels SA, 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 (The Crescent, Torenhof, Canal Logistics Phase 2).
These types of assignments were previously outsourced to architects and consultancy offices.

Grand Duchy of Luxembourg

A management contract has been concluded, for the entire portfolio, with an external property manager, for the entire Luxembourg portfolio.
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 receives 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 (company number 1999 2228 302 – register of commerce RCB 72.368, company under Luxembourg law) is mainly a team of 30 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 segments and offers a number of services regarding letting, management, investments, advice, expertise, research and sustainable development.
At present, Property Partners lies at the basis of the first Luxembourg property network, thanks to the creation of 'PP Belgium' in Brussels at the end of 2011 and the future creation of an office in France.
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 € 36,290.09 (excl. VAT) to Property Partners. The increase in comparison with 2010 is explained by the fact that Property Partners has taken over the management of some co-ownerships.

Corporate Governance Statement

"Maximum transparency for genuine corporate governance"

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 31/12/11 Leasinvest Real Estate Management NV had shareholder's equity of € 1,839,143.43.
Extensa Group NV 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 NV was appointed in 1999 as the sole statutory manager for an indefinite term, with a fixed minimum term of twenty-seven (27) years. The mandate is irrevocable until the annual general meeting of Leasinvest Real Estate that will be held in 2026.
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 20 persons[1].

Authority

The statutory manager is empowered to perform all management operations which are necessary or useful to fulfill Leasinvest Real Estate's objective, except for those operations for which only the general meeting of shareholders is competent according to the law.
The statutory manager manages the company through its collegial board of directors, which has appointed a managing director and a representative for the daily management (see further 'daily management-effective leadership').

Remuneration of the manager

Besides entitlement to reimbursement of expenses directly associated with its mission of running the real estate investment trust, the statutory manager is entitled to receive a fixed-rate remuneration pursuant to the articles of association of 0.415% of the assets of the company. For the past financial year, this remuneration was € 2,183,377.98. 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[3]

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 NV, four independent directors and three directors appointed on the proposal of AXA Belgium NV.

The regulation for nominations (nomination rights granted to Extensa Group 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 NV.

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.

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 9 Permanent document.
3 For the mandates in other companies terminated mandates are indicated with an '*'; listed companies are indicated in bold.

The articles of association of the statutory manager also comprise specific provisions regarding the special 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, the effective 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.

Director	Start mandate	End mandate	Attendance quotient Board of directors
Eric De Keuleneer *	18/06/1999	16/05/2011	2/2
Bernard de Gerlache de Gomery *	03/06/1999	16/05/2011	2/2
Marcus Van Heddeghem *	03/06/1999	16/05/2011	1/2
Christophe Desimpel ■ ◆	20/10/2003	19/05/2014	4/4
Michel Eeckhout ** ◆	16/05/2011	19/05/2014	2/2
Starboard SPRL ◆ /Eric Van Dyck **	16/05/2011	19/05/2014	2/2
Mark Leysen ** ■	16/05/2011	19/05/2014	2/2
Luc Bertrand ◆	18/06/1999	19/05/2014	4/4
Jean-Louis Appelmans	03/06/1999	19/05/2014	4/4
Jan Suykens ■	03/06/1999	19/05/2014	4/4
Kris Verhellen	03/06/1999	19/05/2014	4/4
Guy van Wymersch-Moons ◆	26/01/2006	19/05/2014	3/4
Sirius Consult BVBA/Thierry Rousselle ■	26/01/2006	19/05/2014	3/4
Consuco NV/ Alfred Bouckaert	17/08/2009	19/05/2019	4/4

■ Member of the audit committee as from 16/05/2011
* mandate ending 16/05/2011

◆ Member of the nomination and remuneration committee as from 16/05/2011
** mandate starting 16/05/2011

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 The independent directors are:

Christophe Desimpel
managing director of De Speyebeek NV, Guldensporenpark 82, 9820 Merelbeke
Mandates in other companies, currently and during the 5 previous financial years: Accentis NV*, Aluclaeys Finance NV, Aluclaeys Invest NV, BEM, BVS-UPSI, De Cederboom NV*, DEG Vastgoed NV, Desimpel Energy Group NV, Desimpel Real Estate NV, De Speyebeek NV, Enfinity 2 CVBA*, Enfinity 4 CVBA*, Enfinity 7 NV, ENG Invest CV, Eurocrossroads Business Park NV, Eurofina NV, Immo Desimpel NV, Koninklijke Renvereniging Oostende NV, Cevimmo SA, Mahora Invest NV, Marina Tower ESV, DML Composites NV, New Regence NV, Nutridix NV, Omroepgebouw Flagey NV, Parts & Components NV*, Pathoeke Industries NV, Pathoeke Plus NV, Pielos BVBA, Reafund 2 CV, Resiterra NV, Te Lande NV, Ter Harte vzw, Valletta Invest NV, Wellington Golf Oostende NV*, VZW Buurthuis, Wellington Golf Park NV

Mandates as from the annual general meeting of 16/05/11:

Michel Eeckhout
Executive Vice President of Delhaize Group, Square Marie Curie 40, 1070 Anderlecht
Mandates in other companies, currently and during the 5 previous financial years: Alcopa NV, Aniserco SA, Comeos ASBL, Delhome SA, GS1 Global vzw, Points Plus Punten – PPP SA, Union Wallonne des Entreprises SA, Voka Flanders' Chamber of Commerce & Industry NV*.

Mark Leysen

Executive Chairman of VanBreda Risk & Benefits, Plantin en Moretuslei 297, 2140 Antwerp

Mandates in other companies, currently and during the 5 previous financial years: Bank Delen & De Schaetzen NV, Bank J.Van Breda & C° NV*, Bredcover Comm.V, Econopolis NV, EOS RISQ NV, Finaxis NV*, Justitia NV, Unibreda Comm.V, Vanbreda Ausloos NV, Vanbreda Credinco NV, Vanbreda Fryns NV, Vanbreda Informatica NV, Vanbreda International NV*, Vanbreda & Lang SA, Vanbreda Risk & Benefits Nederland BV, Zinner NV, De Warande vzw*.

Starboard SPRL, having its registered office at 2930 Brasschaat, t'Serclaeslei 12, with permanent representative for the execution of this mission in the name and for the account of the aforementioned legal person-independent director, **Eric Van Dyck**, COO of Redevco BV and Managing Director of Redevco Belgium, at 1000 Brussels, Anspachlaan 1/1

Mandates in other companies, currently and during the 5 previous financial years of Starboard SPRL: nil and of Mr Eric Van Dyck: Redevco Retail Belgium Comm. V, Redevco Offices Belgium Comm. V, Bengali NV, Mons Revitalisation, Starboard BVBA, Cushman & Wakefield LLP – UK, Cushman & Wakefield VOF, België en Nederland, Cushman & Wakefield Germany, Greece & Turkey.

Mandates ended on 16/05/11:

Bernard de Gerlache de Gomery

director of companies

Mandates in other companies, currently and during the 5 previous financial years: Floridienne NV, Sipef NV, Texaf SA, Quest for Growth, Belficor SA, Equifund SA, BIO SA, Siat SA, ITB Tredetech SA.

Marcus Van Heddeghem

director of companies

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

Eric De Keuleneer

managing director of Credibe SA

Mandates in other companies, currently and during the 5 previous financial years: Credibe SA, Fondation Universitaire, AG Real Estate, Amonis Sicav, Cibemathèque Royale de Belgique, Crédal, Cecoforma SA, Bank Delen, Ethical Properties (EPE), Finasucre SA, Hydralis, Keytrade Bank, Lampiris, Mediafin, Mobistar NV, Rothorn, Stater SA, WWF Belgium, Ackermans-Stoobants*, Foire Internationale de Bruxelles*, CBFA*, SPE*

Photography board of directors and individual members: © Nicolas van Haaren

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), Begijnenvest 113, 2000 Antwerp

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

Charity mandates: ICP (cancer research), Insead Belgian Council, Vlerick Leuven Gent School, VOKA (vice chairman)

Jean-Louis Appelmans

CEO and managing director of Leasinvest Real Estate Management SA (executive director), Schermersstraat 42, 2000 Antwerp

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

Jan Suykens

member of the executive committee of Ackermans & van Haaren SA (non-executive director), Begijnenvest 113, 2000 Antwerp

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

Kris Verhellen

CEO[4] of Extensa Group SA (non-executive director), Tour & Taxis, avenue du Port 86C bus 316, 1000 Brussels

Mandates in other companies, currently and during the 5 previous financial years: Arcade SRL, Axor SRL, Bel Rom Fifteen SRL, Bel Rom Patru SRL, Bel Rom Sapte SRL, Bel Rom Uno SRL*, CBS Development NV, CBS-Invest NV, Citérim NV, De Leewe NV*, Développements et Promotions Immobiliers SA, 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 I NV, Kinna II NV, Kinna Finance 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*

Messrs Desimpel, Eeckhout, Leysen and Van Dyck (Starboard SPRL) satisfy the criteria of independent directors in the sense of article 526 ter of the Company Law. They also satisfy the criteria of independence as defined in the Corporate Governance Charter of the real estate investment trust.

3 The directors proposed by AXA Belgium SA are:

Guy Van Wymersch-Moons

general manager real estate of AXA Belgium SA (non-executive director), boulevard du Souverain 25, 1170 Brussels

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

SiriusConsult SPRL, for the execution of the mandate of director-legal person represented by its permanent representative **Thierry Rousselle**, director of companies (non-executive director), avenue Paul Hymans 101 boîte 21, 1200 Woluwe-Saint-Lambert

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

Consuco SA, for the execution of the mandate of director-legal person represented by its permanent representative, **Alfred Bouckaert**, director of companies (non-executive director), avenue De Foestraets 33 A, 1180 Brussels

Mandates in other companies, currently and during the 5 previous financial years: AXA ART Versicherung AG, AXA Assurances Luxembourg SA, AXA Assurances Vie Luxembourg, AXA Bank Europe SA, AXA Belgium NV, AXA GREECE NV, AXA Holdings Belgium, AXA Insurance SA, AXA ITALIE NV, AXA Konzern AG, AXA Leben, AXA Lebensversicherung AG, AXA Luxembourg, AXA Participations Belgium, AXA Service AG, AXA Versicherung AG, Bank J.Van Breda & Co NV, **CFE NV**, Chambre Française de Commerce et d'industrie de Belgique, Consuco, Contere, De Waere (Belgique), Finaxis NV, Institut de Duve, L'Ardenne Prévoyante, Leasinvest Real Estate Management NV, MITISKA NV, RESO, Société patrimoniale familiale, Vandemoortele NV, Vesalius NV

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.

4 Via SITAS BVBA, who appointed Mr. Verhellen as its permanent representative.

Term of the mandate

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

Messrs Appelmans, Suykens and Verhellen, were appointed as directors as from 03/06/99; Mr Bertrand as from 18/06/99.
Mr Desimpel was co-opted by the board of directors on 18/12/02 and definitively appointed as a director with effect from 20/10/03.
Messrs Rousselle and Van Wymersch-Moons were appointed as directors as from 21/01/06; Mr Bouckaert was appointed with effect from 17/08/09.
Messrs de Gerlache de Gomery and Van Heddeghem were appointed as directors as from 03/06/99 and their mandate ended on 16 May 2011.
Mr De Keuleneer was appointed as from 18/06/99 and his mandate also ended on 16 May 2011.
Messrs Eeckhout, Leysen and Van Dyck (Starboard SPRL) were appointed as directors with effect from 16/05/11.

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.

As for Messrs de Gerlache de Gomery, Van Heddeghem and De Keuleneer 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 526ter of the Company Code would expire in June 2011, their mandates were ended at the annual meeting of shareholders of the statutory manager, held on 16 May 2011, and the aforementioned three new independent directors were nominated, who satisfy the independence criteria of the same article 526ter of the Company Code.

The three new independent directors, Messrs Leysen, Eeckhout and Starboard SPRL, represented by Mr Van Dyck, have been appointed as from 16/05/11, also till the annual meeting which will be held in 2014.

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

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.
The board of directors met 4 times during the financial year 2011. The overall attendance quotient was more than 90%. The attendance quotient of individual members was 100% in the case of Messrs Bertrand, Suykens, Appelmans, Verhellen, Bouckaert (Consuco SA) and Desimpel. The same applies to (for the duration of their mandate) Messrs De Keuleneer, de Gerlache de Gomery and (since the start of their mandate on 16/05/11) Messrs Van Eeckhout, Leysen and Van Dyck (Starboard SPRL). Messrs Rousselle (SiriusConsult) and Van Wymersch and Mr Van Heddeghem (for the duration of his mandate) were excused once.

	BoD				AC				NRC	
Name	**10/02/11**	**12/05/11**	**18/08/11**	**14/11/11**	**03/02/11**	**03/05/11**	**09/08/11**	**27/10/11**	**28/03/11**	**23/11/11**
Luc BERTRAND ◆	X	X	X	X					X	X
Jan SUYKENS ■	X	X	X	X	X	X	X	X		
Christophe DESIMPEL ■ ◆	X	X	X	X	/	/	O	X	X	X
Thierry ROUSSELLE (Sirius Consult SPRL) ■	X	O	X	X	X	X	O	O		
Guy VAN WYMERSCH ◆	X	X	O	X					X	X
Alfred BOUCKAERT (Consuco SA)	X	X	X	X						
Jean-Louis APPELMANS	X	X	X	X						
Kris VERHELLEN	X	X	X	X						
Michel EECKHOUT ** ◆	/	/	X	X					/	X
Eric VAN DYCK (Starboard SPRL) ** ◆	/	/	X	X					/	X
Mark LEYSEN ** ■	/	/	X	X	/	/	X	O		
Eric De Keuleneer * ■	X	X	/	/	X	X	/	/		
Bernard de Gerlache de Gomery * ◆	X	X	/	/					X	/
Marc Van Heddeghem * ■	O	X	/	/	X	X	/	/		

* Directors till 16/05/11 ** Independent directors as from 16/05/11
X Present O Not present / Not applicable

Competencies of the board of directors and activity report of the meetings of the board of directors

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

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

In 2011 the following specific agenda items were dealt with by the board of directors:

- approval of the further diversification to retail in Belgium and Luxembourg by the take-over of the commercial lease agreements in the retail park in Zaventem-Nossegem of Redevco Retail Belgium, the increase of the participation to 7.39% in the public sicafi Retail Estates SA and the construction of a retail building in Diekirch;
- approval of the acquisition of the second phase of Canal Logistics Brussels of 20,664 m² of storage and 1,250 m² of offices;
- approval of the divestment of the branch of activity "Cegelec" including the office building in Zwijndrecht;
- anticipative extension of the maturity dates of the current bank credits;

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[5]. 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 are 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 those cases that require a special or qualified majority:

Special or qualified majorities

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 Code. This qualified majority is also due to the exclusive control by Extensa Group SA (Ackermans & van Haaren) as a consequence of the exclusive control over the statutory manager of the company.
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 regularly evaluated within the scope of the requirement that directors of a real estate investment trust have to dispose of the professional expertise and adequate experience. Their education, prior and current functions and directors' mandates in other companies are therefore taken into account. A periodical assessment is made of whether the directors keep on meeting the requirements and of their contribution to the further development of the real estate investment trust based on their presence and input during the deliberation and decision-making process within the committees they may be part of, and within the board of directors. Preliminary to the possible renomination of a director, his individual contribution is assessed in function of the (new) composition of the board of directors.

The evaluation of the composition and functioning of the board of directors and its consultative committees takes place every two to three years, as foreseen by the Code.

For this evaluation or actualization of the evaluation external advice can be asked. In the past, a/o the Guberna institute was appealed to.

The size, the composition and the efficient functioning of the board of directors and its consultative committees are also taken into account in the case of an evaluation.

Once per year, the non-executive directors, meeting without the presence of the CEO, shall evaluate the relationship between the board of directors on the one hand, and the effective direction and executive management, on the other hand.

If the aforementioned evaluation procedures reveal specific weaknesses, the board of directors shall adopt the appropriate solutions. 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.

5 Two of the members of the management have the function of effective directors 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 7.1.4 Day-to-day management – Effective direction.)

7.1.3 Consultative committees[6]

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 Code 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 lincence 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 Code.

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

The composition of the audit committee has been adapted to the requirements of article 526 bis §2 of the Company Code, namely exclusively non-executive directors and at least one independent director in the sense of article 526 ter of the Company Code, as well as to the requirements of the Belgian Corporate Governance Code, which is more stringent than the Company Code, and requires that at least the majority of the members of the audit committee are independent directors (point 5.2./4 of Annex C).

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

1. **Eric De Keuleneer**, independent director (till 16/05/11)
2. **Marcus Van Heddeghem**, independent director (till 16/05/11)
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)
5. **Christophe Desimpel**, independent director
6. **Mark Leysen**, independent director (as from 16/05/11)

Messrs Suykens De Keuleneer, Desimpel and Leysen have the necessary experience in the field of audit and accounting as defined in in article 526bis §2 of the Company Code and in appendix C, point 5.2.4. of the Corporate Governance Code, taking into account their education, their prior and current functions and directors mandates in other companies.

The audit committee met 4 times during the past financial year. The attendance quotient of the members of the committee was more than 75% overall, and 100% in the case of Messrs Suykens, Van Heddeghem and De Keuleneer, and 50% in the case of Mr Rousselle (SiriusConsult), and (for the duration of their mandate) for Messrs Leysen and Desimpel, 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 70);
- 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 and the COO have 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 the majority of its members are independent directors.

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

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

1. **Bernard de Gerlache de Gomery**, independent director (till 16/05/11)
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
5. **Starboard SPRL** (**Eric Van Dyck**, independent director (as from 16/05/11))
6. **Michel Eeckhout**, independent director (as from 16/05/11)

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 quater of the Company Code, that, inter alia, foresees that the remuneration committee must consist of a majority of independent directors.

The nomination & remuneration committee met twice during the past financial year.
The frequency of the meetings of the remuneration committee has been adapted to the requirements of article 526 quater of the Company Code, 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 advised to propose for approval to the general meeting of shareholders of Leasinvest Real Estate the compensation for leaving of 24 months of the managing director Jean-Louis Appelmans, that is higher than the provision of article 554 of the Company Code. This compensation for leaving of 24 months has a/o been based on his seniority within the company and has been formally approved at the annual meeting of 16/05/11.

This nomination & remuneration committee also made 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 article 8 of the articles of association of the statutory manager. The committee of independent directors intervenes in the cases defined in article 524 of the Company Code.

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 the following specific meetings were held by the committee of independent directors:

- for drawing up a reasoned report in writing within the framework of the transaction with a related party, namely the take-over of a share participation of Extensa Participations II Sàrl, i.e. a party related to Ackermans & van Haaren (for this advice we refer to page 66 below); and
- for drawing up a reasoned report in writing for the board of directors of the statutory manager with regard to the proposed extension of the fixed minimum duration of the mandate of LREM as statutory manager of the real estate investment trust, as this modification of the organization required an amendment to the sicafi licence file, of which the conclusion is literally reproduced hereafter: "(…)Taking into account the aforementioned, it is the committee's opinion that the extension of the fixed minimum duration of the mandate of LREM as the statutory manager of LRE till 2026 is not to the prejudice of the company, but is in its best interest and that of its shareholders, on the contrary. The committee consequently formulates a favourable advice to the board with regard to the proposed amendment of the articles of association.(…)"

7.1.4. Daily management – Effective direction[7]

Effective direction

The daily management during the past financial year was entrusted to two members of the management, who have exercised the effective direction 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 has powers to carry out the daily management.

7 For the mandates in other companies terminated mandates are indicated with an '*'.

Jean-Louis Appelmans
(CEO), effective director
Since it was established in 1999, Jean-Louis Appelmans (59), 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.
For the other mandates of Mr Appelmans we refer to the composition of the board of directors above.

Michel Van Geyte
(COO), effective director, Schermersstraat 42, 2000 Antwerp
Michel Van Geyte (46) 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 more than twenty years of experience in real estate.
Mandates in other companies, currently and during the 5 previous financial years: Alm Distri NV*, Canal Logistics Brussels NV, Foncière des Eperons d'Or NV*, IFMA VZW, Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, Leasinvest Services NV, Midhan BVBA, Montimmo SA*, Zebra Trading NV*

Both persons have been appointed as effective directors in accordance with the legal provisions in force and are responsible as effective directors 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 specialized in specific areas.

For financial/tax matters:
At the end of 2011 a new **CFO** was hired, namely **Vincent Macharis** (39), who started with Leasinvest Real Estate Management since 6 February 2012. He has more than 15 years of experience in financial management and was previously part of the financial management of CFE.
Mandates in other companies, currently and during the 5 previous financial years: nil

For legal matters:
Micheline Paredis, **secretary general, Schermersstraat 42, 2000 Antwerp**
Micheline Paredis (45) is secretary general and group counsel, and fulfills the role of compliance officer. She has over 20 years of experience in corporate and real estate law, of which more than 12 years at Leasinvest Real Estate Management SA. Previously she was a candidate-notary (public).
Mandates in other companies, currently and during the 5 previous financial years: Alm Distri NV*, Canal Logistics Brussels NV, Foncière des Eperons d'Or NV*, Leasinvest Immo Lux SICAV-FIS SA, Leasinvest Immo Lux Conseil SA*, Leasinvest Services NV, , Montimmo SA*, Zebra Trading NV*, Middelheim Promoters VZW

These persons are not part of the effective direction 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 CEO, the COO, the CFO, and the secretary general, 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.

The manager can appoint authorized representatives of the company. Only special and limited proxies for a certain or a number of well-defined legal acts are authorized. These authorized representatives commit the company within the boundaries of their proxy, without prejudice to the responsibility of the statutory manager in the case of excessive proxies.

Permanent representative

Pursuant to the provisions of article 61, §2, of the Company Code and article 14.2, 4° 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, and article 17 of the articles of association Leasinvest Real Estate is represented, for each act of disposal by the statutory manager-legal person acting through Jean-Louis Appelmans in its capacity of permanent representative together with one other director of the statutory manager, acting jointly.
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 € 546,924.92.

The remuneration policy and the remuneration level for the non-executive directors and the members of the effective direction 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 Code, and was subsequently approved by the board of directors of the statutory manager. Remunerations granted in the recent past and a limited benchmark for the same functions in comparable companies were a/o taken into account.

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 and Van Heddeghem, independent directors from 01/01/11 to 16/05/11, an amount of € 18,500 was paid:
  - a fixed-rate remuneration of € 12,500;
  - 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.
- to Mr Desimpel, independent director for the entire financial year, a total amount of € 22,500 was paid:
  - a fixed-rate remuneration of € 12,500;
  - an additional fixed remuneration of € 4,000 per financial year as a member of the audit committee or the nomination & remuneration committee (Desimpel is a member of both);
  - and an additional remuneration of € 2.000 per financial year as a member of the committee of independent directors.
- to Messrs Eeckhout, Leysen and Van Dyck (Starboard SPRL) independent directors, for the financial year 2011 a total amount of € 11,562.50 was paid on a pro rata basis, for the period as from 16/05/11 to 31/12/11, as follows:
  - a fixed-rate remuneration of € 7,562.50 (pro rata calculation based on € 12,500/year);
  - an additional fixed remuneration of € 4,000 as a member of the audit committee or the nomination & remuneration committee.

  For Mr Van Dyck (Starboard SPRL) VAT is due on these amounts.

These remunerations paid to the independent directors as members of the consultative committees are fixed, irrespective of the number of meetings of each committee held during the financial year.

In the course of the past financial year, the mandate of the other non-executive directors was unpaid.

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 pension 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 direction

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 article 96 § 3 of the Company Code, adopted by the law of 6 April 2010 on the reinforcement of corporate governance, mentioning "other leaders" (intending, inter alia, also the members of each committee discussing the general management of the company and organized beyond the regulation of article 524 bis of the Company Code), the remuneration report below globally presents only the remuneration of the two effective directors, but not the remuneration of the other members of the management, assisting the effective directors within the framework of the daily management.

The effective direction consists of 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 direction have no stock options, nor other share-related remunerations in accordance with the remuneration policy of the company.

For the past financial year they received the following amounts:

In € effective direction	fixed (*)	variable	total
Jean-Louis Appelmans	334,809.29	97,000	431,809.29
Michel Van Geyte	231,500.00	85,000	316,500.00
Total	**566,309.29**	**182,000**	**748,309.29**

(*) including insurance premium: 42,733.29

The remuneration of the effective direction is based on the one hand on their capabilities and experience in various fields such as commercial, real estate-technical, legal, tax, 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, letting activities, rent receipts and improvement in risk profile of the buildings.

The variable remuneration relates to exceptional performance related to factors including improvement and optimization of the aforementioned criteria and the consolidated net current result (excluding all changes in fair value of assets and hedges).

At the beginning of 2011 it was defined that the objectives for the CEO and COO would be based on the following important criteria with the following degree of importance, namely

a) Financial criteria (30%) a/o net current result, EPS, control of debt ratio, funding, hedging, etc.

b) Portfolio criteria (25%) a/o occupancy rate, duration of leases, relettings of vacant buildings and responding to important lease breaks

c) Execution of the strategy (20%) a/o sale of (office)buildings, investments in new buildings, diversification to retail and to another country;

d) Management capacities (25%) a/o leadership, personnel and investor relations.

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 2011 is not mentioned. The variable remuneration can be granted under different forms, e.g. 'tantièmes'. In the course of 2012 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.

A compensation for leaving of 24 months has been agreed on for Jean-Louis Appelmans. As this compensation exceeds the provisions of article 554 of the Company Code, 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, has been approved separately by the general meeting of shareholders of Leasinvest Real Estate held on 16/05/11.

The compensation for leave agreed upon for Mr Michel Van Geyte is no exception to the provisions of article 554 of the Company Code.

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. This Corporate Governance Code is applied as the reference code by Leasinvest Real Estate.
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

Leasinvest Real Estate' Charter differs from the recommendations of the Code, only for a limited number of items.
The corporate governance principles are mainly applied to the management structure of the statutory manager, because of the particular management structure of Leasinvest Real Estate.

Remuneration report

The fact of not specifically mentioning the form of the variable remuneration granted for the financial year 2011 is a derogation to principle 7.14 of the Belgian Corporate Governance Code.
Another derogation, to principle 9.3/2 of the Belgian Corporate Governance Code, is granting Jean-Louis Appelmans a compensation for leaving of 24 months, which has been proposed to and approved by the general meeting of shareholders of Leasinvest Real Estate on 16/05/11, on the advice of the nomination and remuneration committee.
The remuneration committee will further define the possible forms of future variable remunerations in 2012.

Qualified majority

The qualified majority required for certain important decisions makes that the agreement of the directors nominated on the proposal of Extensa Group (Ackermans & van Haaren) is demanded. Broadly interpreted, this could be seen as a derogation to the principle of section 2.2. of the Code, which prescribes that the decision-making process within the board of directors may not be dominated by an individual, nor by a group of directors.

Composition of the remuneration committee

For a short period (01/01-16/05/11) the remuneration committee was not yet composed of a majority of independent directors due to the fact that all independent directors, except for Mr Desimpel, would be replaced at the annual meeting of shareholders in May 2011 and initially no meeting of the remuneration committee was planned in that period.

7.3 Settlement of conflicts of interest

7.3.1 Article 523 and 524 of the Company Code

During the past financial year, no other situations occurred in which the provisions of the articles 523 and 524 of the Company Code 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 Code 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 Code, 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. As regards the consequences in terms of the assets of the company, please refer to the aforementioned details about remuneration[8].
As described above in section 7.1 (Decision-making bodies – Consultative committees – Committee of independent directors) the board of directors took the following decisions the past financial year within the framework of related-party transactions, for which the applicability of article 524 of the Company Code was examined:

Article 524 of the Company Code is applicable within the framework of the transaction in shares in the course of the past financial year, with Extensa Participations II Sàrl, a 100% subsidiary of Extensa Group SA, a 100% subsidiary of Ackermans & van Haaren, i.e. a company related to Leasinvest Real Estate. The committee of independent directors has, prior to the decisions of the board of directors on the matter, drawn up a reasoned report in writing within the scope of this investment, for which the conclusion was: "(…) It is the committee's opinion that the operation is in the interest of LRE and its shareholders, that the price and conditions for taking over the Retail Estates shares have been defined consistent with market rates. The committee confirms its opinion that the operation can lead to an improvement of the risk profile, and to an increase of the operating result and the return per share of LRE as from 2012, that the operation is not harmful for LRE nor for its shareholders or unlawful with regard to the company policy, and consequently the committee communicates a favourable advice to the board with regard to the operation project.(…)". The related report established by the auditor formulates the following conclusion: 'Based on our audit we have no findings to report'.

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 public 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.

The previous financial year, article 18 was applicable to the share transaction with Extensa Participations II sàrl.

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 Code –, 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.

8 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.

7.3.4 General comments regarding potential conflicts of interest of the directors and the effective directors

The possibility that potential conflicts of interest could arise between the directors of the statutory manager or members of the management and Leasinvest Real Estate, due to, among other things, the functions they hold in other companies in the real estate sector, is estimated as being small.
A functional conflict of interest (to which the legal rules on conflicts of interest contained in article 523 of the Company Code does not apply) could arise with directors appointed on the proposal of Extensa Group SA, if operations are carried out between Extensa Group SA and/or the statutory manager and Leasinvest Real Estate (in the past financial year, apart from the transactions mentioned above, no transactions have occurred between Leasinvest Real Estate and companies related to Extensa Group SA - see above with regard to article 524 of the Company Code and article 18 of the RD of 07/12/10); or with directors appointed on the proposal of 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 6.6).

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

Leasinvest Real Estate is a partnership limited by shares (SCA) with one statutory manager, Leasinvest Real Estate Management NV. Its registered capital is divided in four million twelve thousand eight hundred thirty-two (4,012,832) shares, with no-par value, which represent each one/ four million twelve thousand eight hundred thirty-two (1/4,012,832) of the capital

Shareholder structure

- Ackermans & van Haaren **30.0%**
- AXA Belgium SA **29.0%**
- AG Insurance **7.4%**
- Treasury shares **0.4%**
- Free float **33.2%**

Number of listed shares (4,012,832)[9]

The company's main shareholders are Ackermans & van Haaren (i.e. the reference shareholder that exclusively controls the company via the statutory manager) and holds a stake of 30.0% in the company, and AXA Belgium (29.0%).

For more information on the transparency notices by Ackermans & van Haaren Group, AXA Belgium and AG Insurance including the relevant chains of control (see also point 7.5), we refer to the transparency notices and related press releases on the website www.leasinvest.be.

The thresholds that result in a mandatory notification if exceeded, following the legislation on disclosing important participations, are fixed at 3%, 5% and multiples of 5% of the total number of existing voting rights.

During the period 01/01/11-31/12/11 Leasinvest Real Estate has not acquired nor sold any treasury shares. On a consolidated basis, Leasinvest Real Estate held 16,538 treasury shares in portfolio on 31/12/11, or a participation of 0.41% (idem 31/12/10). These have an accounting value of € 1,045,928 in total, with a par value per share of € 10.99. Leasinvest Real Estate Management has 6 Leasinvest Real Estate shares.

With regard to the authorization granted to the statutory manager to proceed to redeeming (and selling) treasury shares, we refer to the comments in chapter 9 Permanent Document, referring to article 7 of the articles of association.

The shares in Leasinvest Real Estate Management NV are held by Extensa Group NV for 100%.

There are no legal or statutory limitations as to the transfer of shares.
The statutory manager has a statutory right of veto according to article 27 of the articles of association (according to article 659 of the Company Code) 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 in 2004, containing a mutual pre-emption right regarding the shares issued by Leasinvest Real Estate and also a pre-emption right and, within specific circumstances, acquisition and sales commitments with regard to the shares issued by Leasinvest Real Estate Management SA.

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

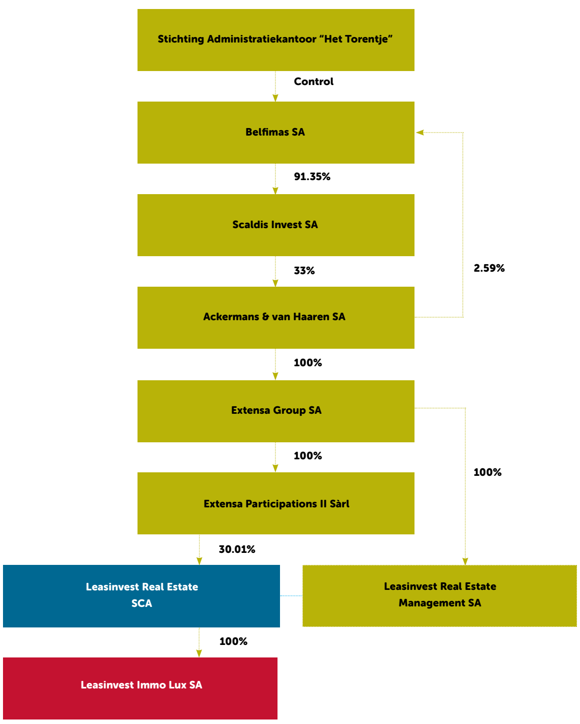
As to the current agreements regarding the composition of the board of directors of the statutory manager and the majority rules in force within the board of directors, we refer to point 7.1. The general meeting of Leasinvest Real Estate can only lawfully deliberate and decide upon an amendment to the 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 stringent 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.

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.

7.5 Relevant information in accordance with the legislation on public Take over bids

Leasinvest Real Estate is controlled by Ackermans & van Haaren SA through its indirect subsidiary Extensa Participations II sàrl.

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.



7.6 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 article 617 of the Company Code also 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.

The past financial year, and this without any future guarantees, it has always been the objective to distribute a dividend that exceeds the legal minima.
For the concrete figures we refer to page 106 et seq of the Financial statements.

7.7 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.

7.8 Code of conduct for financial transactions – notification thresholds

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

A procedure has been developed 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.
Each shareholder exceeding a threshold of three per cent (3%), five per cent (5%) and multiples of five percent (5%) of the total number of shares has to communicate to the company and the FSMA the number of shares he possesses in accordance with the legislation on the disclosure of important participations.

7.9 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 in accordance with article 23.1 of the articles of association of Leasinvest Real Estate

The annual meeting is held each year the third Monday of the month May at 16.00h or, should this be a legal holiday, the next working day at the same hour.

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 30 days prior to the meeting.

The invitations are sent, also 30 days before the meeting, by ordinary mail, to the registered shareholders, unless they have consented, explicitly and in writing, to receive the invitation by means of another communication tool.

In accordance with article 23.3 of the articles of association a shareholder representing at least three per cent (3%) of the shares, has the possibility to add items to the agenda and introduce proposals for decision with regard to items on (or to be added to) the agenda. Such request should be communicated at least the twenty-second (22nd) day prior to the date of the general meeting.
The added items and related proposals for decisions are communicated according to the provisions of article 546 of the Company Code.

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.

In order to validly participate to a general meeting and be able to vote, each shareholder should have his shares registered (registration date) at latest the fourteenth (14th) day at twenty-four hours prior to the general meeting

- or by subscription to the shareholders' register of the company;
- or by subscription to the accounts of an authorized account holder or a clearing institution;
- or upon presentation of the bearer shares to a financial intermediary.

Only the shares at the registration date are taken into account, regardless of the number of shares the shareholder holds at the date of the general meeting.

The owners of dematerialized shares or bearer shares who wish to attend the meeting, have to send a certificate to the company, at latest the sixth (6th) day prior to the date of the general meeting, issued by their financial intermediary or authorized account holder stating the number of dematerialized shares, at the registration date, that are registered in the name of the shareholder or how many bearer shares were presented at the registration date, and for which the shareholder has communicated wanting to participate to the general meeting.

The owners of registered shares wishing to attend the meeting, have to communicate their intention to participate to the meeting, per ordinary letter, fax or e-mail, at latest the sixth (6th) day prior to the meeting date.

At the general meeting the directors reply to shareholders' questions, asked during the meeting or in writing, in relation to their report or the agenda items, as far as the communication of data or facts is not harmful to the company's business interests or to the principle of confidentiality to which the company or its directors have committed. The auditor also replies to shareholders' questions, asked during the meeting or in writing, in relation to his report, as far as the communication of data or facts is not harmful to the company's business interests or to the principle of confidentiality to which the company, its directors or the auditor have committed.

7.10 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.

7.11 Audit of the annual accounts – auditor

The auditor, appointed by the general meeting of shareholders, audits the annual accounts and the half-year reports.
Ernst & Young Bedrijfsrevisoren, member of the 'Instituut der Bedrijfsrevisoren' (Institute of Company Auditors), De Kleetlaan 2, 1831 Diegem, were reappointed in 2009 for a term of three years to fulfill the function of auditor of Leasinvest Real Estate. At present, Ernst & Young Bedrijfsrevisoren is represented by Mrs **Christel Weymeersch**, auditor of banks.

To the general meeting to be held on 21/05/12 will be proposed to extend the mandate of Ernst & Young Belgium as the auditor of Leasinvest Real Estate for a new term of 3 years, whereby the auditor can only be represented for maximum 1 year by Mrs Weymeersch, and afterwards, for the remaining duration of the mandate, in accordance with the legal rotation requirements, by Mr **Pierre Vanderbeek**.

The remuneration of the auditor for auditing the annual accounts of Leasinvest Real Estate for the past financial year was estimated at € 30,930 (excl. VAT).
The fees for auditing subsidiaries of Leasinvest Real Estate were € 47,405.10 (excl. VAT).
At the annual general meeting of shareholders of Leasinvest Immo Lux which will be held in April 2012, a request will be made 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 € 36,750.

7.12 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 directors, 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 is 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 6 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, 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.

7.13 Valuation of the portfolio

In the financial year 2011, the quarterly valuations of the real estate portfolio were conducted by two independent valuers, Cushman & Wakefield VOF en DTZ Winssinger. 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.

For the past financial year, the value of the property was defined by Cushman & Wakefield and Winssinger & Associates, and for the valuation of the portfolio in Luxembourg and that in Belgium, a total remuneration of € 104,408.63 (excl. VAT) was provided for, of which € 70,683.63 was for Leasinvest Real Estate and € 33,725.00 for Leasinvest Immo Lux

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. Should the expert be a legal person, these rules are exclusively applicable to the natural persons representing the legal person, providing that the expert proves that an adequate functional independence exists between these natural persons.

In accordance with article 6 § 1 of the RD of 07/12/10 the remuneration of the valuer shall not be linked, either directly or indirectly, to the value of the real estate which is the subject of the valuation.

Cushman & Wakefield VOF (company number: 0418.915.383) is a subsidiary of the offices in The Netherlands ('General partnership existing under the laws of The Netherlands'), with its registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered offices of Cushman & Wakefield VOF are established at Avenue des Arts 58 boîte 7, 1000 Brussels (the company is registered in Brussels, under the number 416 303). Since the foundation on 04/12/78 of the office in Belgium, there has always been a valuation department.
On 7 September 2011 there was the official opening of an office in Luxembourg: Cushman & Wakefield S.a.r.l., 'Serenity Building', Route d'Arlon 19-21, L-8008 Strassen.
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).

Cushman & Wakefield Belgium and Luxembourg are both represented by Mr Koen Nevens, MRICS, in his capacity of respectively Managing Partner and 'Gérant'.

The natural persons representing the real estate expert as experts in the sense of article 6 § 1 of the RD of 07/12/10 on real estate investment trusts, have to conduct their valuation completely independently. This is also the case when these natural persons succeed each other within or after the maximum term of three years mentioned in article 6 § 2 during which an expert can value a specific property.

For the period of 01/01/08 till 30/09/11 the valuation was conducted by Kris Peetermans, MRICS, Partner, Head of Valuation & Advisory.

Since 31/12/11 and in principle till 31/12/14 the valuation will be made by Matthias Gerits, Surveyor, under the supervision of Wim Ottevaere, Account Manager.

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 not supervised by any official authority.

Till 31/12/11 Winssinger & Associates was represented by Mr Christophe Ackermans, MRICS, director. Since 01/01/12 Winssinger is represented by Benoît Forgeur, Managing Director.

7.14 End of depositary

Bank Delen SA, (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 article 12 onward of the RD of 10/04/99 on real estate investment trusts. Bank Delen therefore received a fixed remuneration of € 9,509.79 (incl. VAT).
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 as from 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.
Leasinvest Immo Lux provided for remunerations for a total amount of € 117,806.46 in the past financial year for RBC Dexia Investor Services Bank.

7.15 Liquidity Provider

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

7.16 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). A remuneration of € 40,000 was foreseen for this.

Consolidated financial statements

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CONSOLIDATED FINANCIAL STATEMENTS AND NOTES

The consolidated financial statements of Leasinvest Real Estate have been approved for publication by the board of directors on 10 February 2012.

The annual report of the board of directors should be read jointly with the financial statements of Leasinvest Real Estate.

Consolidated statement of comprehensive income

(in € 1,000)	Note	31/12/11 (12 months)	31/12/10 (12 months)	31/12/09 (12 months)
Rental income		36,647	38,438	39,196
Related rental expenses		18	-17	42
NET RENTAL INCOME	**4**	**36,664**	**38,421**	**39,238**
Recovery of property charges	5	82	251	65
Recovery income of charges and taxes normally payable by tenants on let properties	6	2,633	3,299	3,446
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	5	-4	-242	0
Charges and taxes normally payable by tenants on let properties	6	-2,633	-3,299	-3,446
Other rental related income and expenditure	5	-869	18	-56
PROPERTY RESULT		**35,873**	**38,448**	**39,247**
Technical costs	7	-1,189	-1,352	-1,090
Commercial costs	7	-699	-655	-778
Charges and taxes on unlet properties	9	-558	-490	-255
Property management costs	10	-2,832	-2,853	-2,996
Other property charges	10	-278	-348	-278
PROPERTY CHARGES		**-5,556**	**-5,698**	**-5,397**
PROPERTY OPERATING RESULT		**30,317**	**32,750**	**33,850**
Corporate operating charges	11	-1,789	-1,982	-1,646
Other operating charges and income	11	-22	121	-245
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**28,506**	**30,889**	**31,959**
Result on disposal of investment properties	12	534	688	15,175
Changes in fair value of investment properties	13	-6,566	-9,978	-17,804
OPERATING RESULT		**22,473**	**21,599**	**29,330**
Financial income	14	1,753	675	1,048
Net interest charges	15	-8,936	-7,972	-8,946
Other financial charges	16	-2,036	-1,891	-2,418
Changes in fair value of financial assets and liabilities	17	-449	1,592	-602
FINANCIAL RESULT		**-9,668**	**-7,596**	**-10,918**
PRE-TAX RESULT		**12,805**	**14,003**	**18,412**
Corporate taxes	18	-216	-206	-395
Exit tax		0	470	364
TAXES		**-216**	**264**	**-31**
NET RESULT(1)		**12,589**	**14,267**	**18,381**

(1) The net result, group share, amounts to € 12,587 thousand in 2011 (2010: € 14,266 thousand, 2009: € 18,379 thousand). The difference between the net result and the net result, group share, comes from the minority interests.

Following the provisions of the RD of 7 December 2010, the financial income for the financial years 2010 and 2009 has been re-stated, as the changes in fair value of non-current financial assets are at present recorded as a separate item.

(in € 1,000)	31/12/11	31/12/10	31/12/09
OTHER ELEMENTS OF COMPREHENSIVE INCOME			
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties		882	-9
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-10,187	836	-492
Changes in fair value of financial assets available for sale	392	485	0
Other elements of comprehensive income	-9,795	2,203	-501
Minority interests	0	0	
Other elements of comprehensive income – Group share	-9,795	2,203	-501
COMPREHENSIVE INCOME	**2,794**	**16,470**	**17,880**
Minority interests	2	1	1
Comprehensive income – Group share	2,792	16,469	17,879
NET CURRENT RESULT			
Net result	12,589	14,267	18,381
To be eliminated			
- Result on disposal of investment properties	534	688	15,175
- Changes in fair value of investment properties	-6,566	-9,978	-17,804
- Changes in fair value of financial assets and liabilities	-449	1,592	-602
NET CURRENT RESULT	**19,070**	**21,965**	**21,610**

RESULTS PER SHARE (in €)	**31/12/11 (12 months)**	**31/12/10 (12 months)**	**31/12/09 (12 months)**
Comprehensive income per share, group share[1]	0.70	4.12	4.47
Comprehensive income per diluted share, group share[1])	0.70	4.12	4.47
Result per share, group share[1]	3.15	3.57	4.60
Result per diluted share, group share[1]	3.15	3.57	4.60
Net current result per share[1]	4.77	5.50	5.41

(1) Divided by the weighted average number of shares.

Consolidated balance sheet

(in € 1,000)	Note	Period 31/12/11	Period 31/12/10	Period 31/12/09
ASSETS				
I. NON-CURRENT ASSETS		526,647	498,839	538,987
Intangible assets	19	3	4	2
Investment properties	20	501,584	494,203	537,518
Other tangible assets	21	1,316	25	31
Non-current financial assets	22	23,744	4,607	1,436
II. CURRENT ASSETS		11,770	15,136	13,158
Assets held for sale	23	2,859	0	0
Current financial assets	24	1	5,435	3,528
Trade receivables	25	5,685	5,685	5,782
Tax receivables and other current assets	26	854	960	746
Cash and cash equivalents	27	1,998	2,840	2,767
Deferred charges and accrued income	28	373	216	335
TOTAL ASSETS		**538,417**	**513,975**	**552,145**
LIABILITIES				
TOTAL SHAREHOLDERS' EQUITY		**261,821**	**275,410**	**274,918**
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		261,815	275,407	274,924
Capital	29	44,128	44,128	44,128
Share premium account	29	70,622	70,622	70,622
Reserves	29	134,478	146,391	141,794
Net result of the financial year	29	12,587	14,266	18,380
II. MINORITY INTERESTS	31	5	3	-6
LIABILITIES		**276,596**	**238,565**	**277,227**
I. NON-CURRENT LIABILITIES		177,560	142,360	198,782
Provisions		0	0	386
Non-current financial debts	32	163,724	138,000	193,050
- Credit institutions		163,529	133,310	192,856
- Other		194	4,690	194
Other non-current financial liabilities	32	13,836	3,986	4,943
Other non-current liabilities		0	374	403
II. CURRENT LIABILITIES		99,036	96,205	78,445
Provisions		0	0	0
Current financial debts	32	84,222	81,838	62,001
- Credit institutions		12,563	0	7,750
- Other		71,659	81,838	54,251
Trade debts and other current debts	33	5,200	4,517	6,141
- Exit tax		0	0	0
- Other		5,200	4,517	6,141
Other current liabilities	34	1,449	2,091	1,267
Accrued charges and deferred income	35	8,165	7,759	9,036
TOTAL EQUITY AND LIABILITIES		**538,417**	**513,975**	**552,145**

Following the provisions of the RD of 7 December 2010, in the figures of the financial years 2011 and 2010, the "reserve for treasury shares", the "impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties" and the "changes in fair value of financial assets and liabilities", have been recorded in the "Reserves", and the previous years were restated.

Consolidated cash flow statement

(in € 1,000)	Note	31/12/11 (12 months)	31/12/10 (12 months)	31/12/09 (12 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**27**	**2,840**	**2,767**	**2,580**
1. Cash flow from operating activities		**26,286**	**21,629**	**-6,703**
Net result		12,590	14,276	18,380
Amendment of the profit for non-cash and non-operating elements		**13,812**	**13,642**	**2,880**
Depreciations, write-downs and taxes		82	-345	-35
- Depreciations and write-downs on intangible and other tangible assets (+/-)		75	8	7
- Write-downs on current assets (+/-)		-18	17	-42
- Taxes		216	-264	
- Taxes paid		-191	-106	
Other non-cash elements		7,081	7,377	18,090
- Changes in fair value of investment properties (+/-)		6,566	9,978	17,804
- Movements in provisions (+/-)		0	-66	303
- Phasing of gratuities (+/-)		66	-943	-619
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities		449	-1,592	602
- Other non-current transactions		0	0	0
Non-operating elements		6,649	6,610	-15,175
Gains on disposals of non-current assets		-534	-688	-15,175
Dividends received		-318	-226	
Write-back of financial income and financial charges		7,501	7,524	
Change in working capital requirements		**-116**	**-6,289**	**-27,963**
Movements in asset items		199	-2,451	374
- Current financial assets		15	-3,122	0
- Trade receivables		19	135	-978
- Tax receivables and other current assets		146	398	913
- Deferred charges and accrued income		19	138	439
Movements in liability items		-315	-3,838	-28,337
- Trade debts and other current debts		682	-2,674	-5,016
- Taxes		-25	370	
- Other current liabilities		-1,016	-260	-24,052
- Accrued charges and deferred income		44	-1,274	731
2. Cash flow from investment activities		**-31,854**	**61,135**	**23,712**
Investments				
Investment properties in operation		-19,218	-3,706	-1,516
Development projects		-4,819	-1,104	-14,787
Intangible and other tangible assets		-1,365	-4	-5
Non-current financial assets		-14,658	-1,538	0
Assets held for sale		0	0	0
Effect in consolidation of new participations		0	86	0
Divestments				
Investment properties in operation		7,700	67,400	40,000
Development projects		0	0	0
Intangible and other tangible assets		0	0	0
Non-current financial assets		506	1	20
Assets held for sale		0	0	0
Effect in consolidation of new participations		0	0	0

Consolidated cash flow statement (continuation)

(in € 1,000)	Note	31/12/11 (12 months)	31/12/10 (12 months)	31/12/09 (12 months)
3. Cash flow from financing activities		**4,726**	**-82,691**	**-16,822**
Change in financial liabilities and financial debts				
Increase (+) / Decrease (-) of financial debts		28,109	-59,357	-9,429
Increase (+) / Decrease (-) of other financial liabilities				0
Dividends received		318	226	
Financial income received		1,258	430	
Financial charges paid		-8,574	-8,005	
Change in other liabilities				
Increase (+) / Decrease (-) in other liabilities		0	0	0
Change in shareholders' equity (+/-)				
Change of capital and share premium account (+/-)				
Increase (+) / Decrease (-) of treasury shares		0	0	0
Dividend of the previous financial year		-16,385	-15,985	
Interim dividend of the current financial year				
Closing dividend of the previous financial year			0	-7,393
Increase (+) / Decrease (-) of transfer rights		0	0	0
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**27**	**1,998**	**2,840**	**2,767**

As from 2011, dividends received, financial income received and financial charges paid, are recorded in financing activities. The comparative figures of 2010 have been restated accordingly.

Consolidated statement of changes in equity

(in € 1,000)	Capital	Share premium account	Treasury shares redeemed (-)
Balance sheet under IFRS on 30/06/07	**44,128**	**70,622**	**-12**
- Distribution dividend of the previous financial year			
- Distribution interim dividend of the current financial year			
- Result of the financial year 2007/2008 (18 months)			
- Treasury shares redeemed			-1,034
- Various			
Balance sheet under IFRS on 31/12/08	**44,128**	**70,622**	**-1,046**
- Distribution closing dividend of the previous financial year			
- Result of the financial year 2009 (12 months)			
- Various			
Balance sheet under IFRS on 31/12/09	**44,128**	**70,622**	**-1,046**
- Distribution closing dividend of the previous financial year			
- Result of the financial year 2010 (12 months)			
- Various			
Balance sheet under IFRS on 31/12/10	**44,128**	**70,622**	**-1,046**
Restatement according to the RD of 07/12/10			1,046
Balance sheet under IFRS on 31/12/10 after restatement	**44,128**	**70,622**	**0**
- Distribution closing dividend of the previous financial year			
- Transfer net result 2010 to reserves			
- Comprehensive result of the financial year 2011 (12 months)			
- Various			
Balance sheet under IFRS on 31/12/11	**44,128**	**70,622**	**0**

Presented according to the items defined in the RD of 7/12/10

(in 1,000 €)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the impact on fair value of estimated transfer costs and rights resulting from hy-pothetical disposal of investment properties (-)	Reserve from the balance of changes in fair value of allowed hedges subject to hedge accounting under IFRS
Balance sheet under IFRS on 31/12/09	**44,128**	**70,622**	**602**	**62,268**	**-7,240**	**-1,478**
Comprehensive result for the period					882	836
Dividends to shareholders						
Balance sheet under IFRS on 31/12/10	**44,128**	**70,622**	**602**	**62,268**	**-6,358**	**-642**
Comprehensive result for the period				-22,431		-10,187
Dividends to shareholders				(1)		
Balance sheet under IFRS on 31/12/11	**44,128**	**70,622**	**602**	**39,837**	**-6,358**	**-10,829**

(1) In 2011 € -449 k is recognized on ineffective financial instruments, i.e. allowed hedges not subject to hedge accounting. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of allowed hedges not subject to hedge accounting under IFRS" after result appropriation. In 2011 € -6.566 k is recorded as changes in fair value of investment properties. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of investment properties" after result ap-propriation.

Reserves	Net result of the financial year	Impact on fair value of estimated transfer costs resulting from hypothetical disposal of investment properties	Changes in fair value of financial assets and liabilities	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
152,139		**-6,219**	**1,413**	**262,071**	**9,975**	**272,046**
-15,248				-15,248		-15,248
-15,385				-15,385		-15,385
38,322		-1,901	-2,387	34,034	1,240	35,274
				-1,034		-1,034
				0	-11,222	-11,222
159,828		**-8,120**	**-974**	**264,438**	**-7**	**264,431**
-7,393				-7,393		-7,393
18,380		-9	-492	17,879	1	17,880
				0		0
170,815		**-8,129**	**-1,466**	**274,924**	**-6**	**274,918**
-15,985				-15,985		-15,985
14,266		883	1,321	16,470	9	16,479
				0		0
169,095		**-7,246**	**-145**	**275,408**	**3**	**275,410**
-22,702	14,266	7,246	145			
146,393	**14,266**	**0**	**0**	**275,408**	**3**	**275,410**
-16,385				-16,385		-16,385
14,266	-14,266					
-9,795	12,587			2,792	2	2,794
				0		0
134,478	**12,587**	**0**	**0**	**261,815**	**5**	**261,821**

Reserve from the balance of changes in fair value of allowed hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Minority interests (reclassification)	Total sharehold-ers' equity	Minority interests	Sharehold-ers' equity attribut-able to the sharehold-ers of the parent company
-2,713	**-1,046**	**12**	**91,388**	**18,381**	**-6**	**274,918**	**6**	**274,924**
1,592		485	16,789	-4,114	6	16,470	-3	16,467
			-15,985			-15,985		-15,985
-1,121	**-1,046**	**497**	**92,192**	**14,267**	**0**	**275,407**	**3**	**275,410**
		392	36,697	-1,678		2,793	2	2,795
[1]			-16,385			-16,385		-16,385
-1,121	**-1,046**	**889**	**112,504**	**12,589**	**0**	**261,815**	**5**	**261,821**

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Note 1
General 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 financial statements of LRE for the financial year ending on 31 December 2011 comprise LRE and its subsidiaries. The statutory and consolidated annual accounts were authorized for issue by the board of directors on 10 February 2012 and will be proposed to the annual general meeting of shareholders for approval on 21 May 2012. The statutory annual accounts as well as the consolidated annual accounts are prepared according to IFRS.
Leasinvest Real Estate is included in the consolidation of Extensa Group SA, in its turn included in Ackermans & van Haaren SA.

Note 2
Significant accounting principles

2.1 IFRS valuation rules consolidated annual accounts Leasinvest Real Estate SCA

A. STATEMENT OF COMPLIANCE
The consolidated annual accounts are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 31/12/11, as adopted by the European Commission.

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

The adapted standards that entered into force as from 01/01/11 are:

- IAS 24 Related party disclosures, into force as of 1 January 2011
- IAS 32 Financial instruments: Presentation – Classification of rights issues, into force as of 1 February 2010
- IFRIC 14 – Prepayments of a minimum funding requirement, into force as of 1 January 2011
- IFRIC 19 Extinguishing financial liabilities with equity instruments, into force as of 1 July 2010
- Improvements of IFRSs (May 2010), into force as of 1 January 2011

IAS 24 Related party disclosures
The amendment clarifies the definition of a related party. The new definition stresses a symmetrical perspective on related party relationships and clarifies the circumstances in which persons and managers in key positions influence the related parties of the entity.
Second, the amendment introduces an exemption from the general related party disclosures for transactions with authorities and entities (jointly controlled) by authorities or on which authorities have a significant influence. This amendment had no influence on the current related party disclosures.

Improvements of IFRSs (published May 2010)
In May 2010 the IASB has published a third compilation with amendments to the standards, mainly intended to remove inconsistencies and for clarification. For each standard there are different transitional provisions. The incorporation of the following amendments has resulted in changes of the principles, but had no consequences on the financial position or results of the Group.

- IFRS 3 Business combinations: The options for the valuation of minority interests have been amended. Only minority interests entitling their owner to a proportional share in the net asset value of the entity in the case of discontinuation, will be valued at fair value or at their proportional share in the net asset value of the entity. All other minority interests are valued at fair value at the take-over date.
- IFRS 3 Business combinations: Clarifies that the contingent fees resulting from a business combination that took place before the first application of IFRS 3 (revised version from 2008) have to be accounted for according to IFRS 3 (2005).
- IFRS 3 Business combinations: Treats share-based payments that have not been replaced and those that were replaced voluntarily and their accounting within the framework of a business combination.
- IFRS 7 Financial instruments: Disclosures: The amendment was intended to simplify the disclosures by reducing the scope of the disclosures on sureties held, and improve the comments.
- IAS 1 Presentation of financial statements: The amendment clarifies that the entity has the option to present the analysis of each component of the unrealized results in the statement of changes in equity or in the notes.
- IAS 27 Consolidated and separate financial statements: Clarifies the transitional provisions for the other amendments as a consequence of the revision of the IAS 27 standard.
- IFRIC 13 Customer Loyalty programmes: Clarifies that an entity, for the fair value definition of the benefits granted, shall take into account rebates and other advantages granted to customers not participating to the loyalty programme.

On the publication date of the financial statements of the Group, the standard below was issued, but did not yet enter into force:
- IFRS 7 Financial instruments: Disclosure – Amendments to disclosures, into force as of 1 July 2011
- IFRS 9 Financial instruments, into force as of 1 January 2013
- IFRS 10 Consolidated and separate financial statements, into force as of 1 January 2013
- IFRS 11 Joint Arrangements, into force as of 1 January 2013
- IFRS 12 Disclosure of interests in other entities, into force as of 1 January 2013
- IFRS 13 Fair Value Measurement, into force as of 1 January 2013
- IAS 1 Presentation of Financial Statements, into force as of 1 July 2012
- IAS 12 Income taxes – Treatment of tax receivables, into force as of 1 January 2012
- IAS 19 Employee Benefits, into force as of 1 January 2013

IFRS 7 Financial instruments: Disclosure
The amendments to IFRS 7 have entered into force for the financial years beginning on or after 1 July 2011 and will lead to a better understanding of transactions in financial assets, and more specifically with regard to the possible influence of risks related to assets sold, which remain for the entity's account. Furthermore, the amendments make additional disclosures mandatory if an important number of transactions took place around the end of the financial year.
LRE does not expect this amendment to have a significant influence on the current disclosures.

IFRS 9 Financial instruments

The current version of IFRS 9 introduces the first phase of the IASB project for the replacement of IAS 39 and applies to the classification and measurement of financial assets and liabilities. The standard has entered into force for the financial years starting on or after 1 January 2013. In the next phases, IASB will treat depreciation and hedging. IASB expects to finish off the project in 2012.

The first application of the first phase of IFRS 9 will have an influence on the classification and measurement of LRE's financial assets. The group will assess the influence of these and the next phases on its financial statements in their entirety as to present a complete description.

IFRS 10 Consolidated and separate financial statements

The standard has entered into force for the financial years starting on or afters 1 January 2013 and states that the control concept is a decisive factor for assessing whether an entity has to be recorded in the consolidated financial statements of the parent company. The standard provides additional guidance for assessing the control, wherever needed.

Currently, LRE evaluates the influence of this standard within the scope of possible future operations.

IFRS 11 Joint Arrangements

The standard entered into force for the financial years beginning on or after 1 January 2013 and, for the accounting of joint arrangements, mainly focuses on the rights and obligations of the arrangement instead of its legal status. The standard makes it mandatory for the entity to apply one single accounting treatment to the interests in jointly controlled entities. Currently, LRE evaluates the influence of this standard within the scope of possible future operations.

IFRS 12 Disclosure of interests in other entities

The standard entered into force for the financial years starting on or after 1 January 2013 and treats the disclosures of all forms of interests in other entities, including joint arrangements, associates, entities created for a specific purpose and other unconsolidated entities. Currently, LRE evaluates the influence of this standard within the scope of possible future operations.

IFRS 13 Fair Value Measurement

The standard entered into force for the financial years starting on or after 1 January 2013 and provides one definition of fair value and one single source for fair value measurement and disclosures for its application in IFRS.

Currently, LRE assesses the influence of this standard.

IAS 1 Presentation of Financial Statements

The changes apply to the financial years starting on or after 1 July 2012. The amendments make it mandatory to split up the items in unrealized results that can be passed through profit and loss. Furthermore, the amendments confirm the current obligation to present the items in unrealized results in one single or two consecutive overviews.

Currently, LRE assesses the influence of this standard.

IAS 12 Income taxes

The amended standard entered into force for the financial years starting on or after 1 January 2012. The amendment offers a practical solution to the difficult and subjective assessment of recovery through use or sale when the asset is measured using the fair value model in IAS 40 Investment properties, by introducing a presumption that recovery of the carrying amount will normally be through sale.

Currently, LRE assesses the influence of this standard.

IAS 19 Employee Benefits

The amended standard entered into force for the financial years starting on or after 1 January 2013. The amendments eliminate the possibility to defer gains and losses, better known as the 'corridor method'. The amendments streamline the presentation of changes in assets and liabilities from defined benefit plans. This comprises a/o the recognition of remeasurements in other comprehensive income. Furthermore, they enhance the disclosures on defined benefit plans by requiring additional disclosures on the properties of defined benefit plans and on the risks incurred by entities by participating to such plans.

Currently, LRE assesses the influence of this standard.

B. BASIS OF PREPARATION

The financial statements are presented in €, rounded to the nearest thousand. They have been prepared on the historical cost basis, except for investment properties, derivative financial instruments, investments held for sale and investments available for sale, stated at fair value.

Equity instruments or derivative financial instruments are stated on a historical cost basis when the instrument concerned has no market price in an active market and when other methods for defining its fair value in a reasonable way are unsuitable or unfeasible.

Hedged assets and liabilities are stated at fair value, taking into account the risk hedged.

The accounting principles have been consistently applied.

The consolidated financial statements are established before profit appropriation by the parent company, as proposed to the general meeting of shareholders.

The presentation of the financial statements according to IFRS standards requires estimates and assumptions which influence the amounts presented in the financial statements, namely:

- the measurement of investment properties at fair value;
- the amortization rhythm of non-current assets;
- the measurement of provisions and employee benefits;
- the measurement selected for impairment tests;
- the measurement of financial instruments at market value;

These estimates are based on a 'going-concern' principle and are defined in function of the information available at that moment. The estimates can be reviewed if the circumstances they were based on change or if new information became available. The final outcome can differ from the estimate.

More specifically, within the framework of the sale of the buildings in the Axxes Business Park in 2010, LRE stands surety for a maximum term of 9 years (till 2019), mainly with regard to possible vacancy. Per closing date, an assessment of the probability of the surety is made, taking into account the vacancy, the expected vacancy and the commercial success in order to find sufficient tenants. Commercial management is executed by a subsidiary of LRE, i.e. Leasinvest Services, and is remunerated. When Leasinvest Services does not succeed, or it becomes probable that it will not succeed in successfully concluding sufficient rental contracts to compensate potential vacancy, this can entail the recognition of a provisison on the account of LRE.

C. CONSOLIDATION PRINCIPLES

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

Subsidiaries

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

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

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 expense when incurred.

F. OTHER TANGIBLE FIXED ASSETS

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

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

G. INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income for the long term. Investment properties comprise 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 of or permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are recognized in profit or loss in the year during which the retirement or disposal occurs.

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

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

On the other hand, charges related to renovations and significant improvements adding a function to the investment property 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 capitalized and consequently recorded in the accounting 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 in the balance sheet.

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.

Redeeming of treasury shares

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

Dividends

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

M. PROVISIONS

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

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

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

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

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 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 fund (sicafi). When the latter first enters in the scope of consolidation, the exit tax is recorded as a liability. Every subsequent adjustment to the exit tax liability is recognized in the income statement.

P. DISCONTINUED OPERATIONS

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

Q. EVENTS AFTER THE BALANCE SHEET DATE

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

R. EARNINGS PER SHARE

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

S. REVENUE

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

T. FINANCIAL RESULT

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

U. SEGMENT REPORTING

The segment information is prepared taking into account the operating segments and the information used internally in order to take decisions. The segment information comprises the results, assets and liabilities that can, directly, or on a reasonable basis, be attributed to a segment. LRE is split up 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 "corporate" category comprises all unallocated fixed costs carried at group level, and the financing costs.

Note 3
Segment information

The segment information is prepared taking into account the operating segments and the information used internally in order to take decisions. The segment information comprises the results, assets and liabilities that can, directly, or on a reasonable basis, be attributed to a segment. LRE is split up 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 "corporate" category comprises all unallocated fixed costs carried at group level, and the financing costs.

3.1 Segment information - geographical

3.1.1 Consolidated statement of comprehensive income

(in € 1,000)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11 (12 months)	31/12/10 (12 months)
(+) Rental income	21,112	23,378	15,535	15,060			36,647	38,438
(+) Write-back of lease payments sold and discounted								
(+/-) Related rental expenses	18	-17					18	-17
NET RENTAL INCOME	**21,130**	**23,361**	**15,535**	**15,060**	**0**	**0**	**36,665**	**38,421**
(+) Recovery of property charges	23	28	59	223			82	251
(+) Recovery income of charges and taxes normally payable by tenants on let properties	2,585	3,237	48	62			2,633	3,299
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-4	-242	0				-4	-242
(-) Charges and taxes normally payable by tenants on let properties	-2,585	-3,237	-48	-62			-2,633	-3,299
(+/-) Other rental related income and expenditure	-736	171	-133	-153			-869	18
PROPERTY RESULT	**20,413**	**23,318**	**15,461**	**15,130**	**0**	**0**	**35,874**	**38,448**
(-) Technical costs	-773	-1,205	-416	-147			-1,189	-1,352
(-) Commercial costs	-601	-502	-98	-153			-699	-655
(-) Charges and taxes on unlet properties	-527	-478	-31	-12			-558	-490
(-) Property management costs[1]	-2,652	-2,687	-180	-166			-2,832	-2,853
(-) Other property charges	-130	-219	-148	-129			-278	-348
PROPERTY CHARGES	**-4,683**	**-5,091**	**-873**	**-607**	**0**	**0**	**-5,556**	**-5,698**
PROPERTY OPERATING RESULT	**15,730**	**18,227**	**14,588**	**14,523**	**0**	**0**	**30,318**	**32,750**
(-) Corporate operating charges					-1,790	-1,982	-1,790	-1,982
(+/-) Other operating charges and income					-22	121	-22	121
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**15,730**	**18,227**	**14,588**	**14,523**	**-1,812**	**-1,861**	**28,506**	**30,889**
(+/-) Result on disposal of investment properties	534	688					534	688
(+/-) Changes in fair value of investment properties	-8,963	-10,952	2,397	974			-6,566	-9,978
OPERATING RESULT	**7,301**	**7,963**	**16,985**	**15,497**	**-1,812**	**-1,861**	**22,474**	**21,599**
(+) Financial income					1,752	675	1,752	675
(-) Net interest charges					-8,936	-7,972	-8,936	-7,972
(-) Other financial charges					-2,036	-1,891	-2,036	-1,891
(+/-) Changes in fair value of financial assets and liabilities					-449	1,592	-449	1,592
FINANCIAL RESULT	**0**	**0**	**0**	**0**	**-9,669**	**-7,596**	**-9,669**	**-7,596**
PRE-TAX RESULT	**7,301**	**7,963**	**16,985**	**15,497**	**-11,481**	**-9,457**	**12,805**	**14,003**
(+/-) Corporate taxes					-216	-206	-216	-206
(+/-) Exit tax						470	0	470
TAXES	**0**	**0**	**0**	**0**	**-216**	**264**	**-216**	**264**
NET RESULT	**7,301**	**7,963**	**16,985**	**15,497**	**-11,697**	**-9,193**	**12,589**	**14,267**
Attributable to:								
Minority interests							2	1
Group share							12,587	14,266

(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 2011 (12 months) € 0.963 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.

3.1.2 Consolidated balance sheet (geographical segmentation)

(in € 1,000)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10
ASSETS								
Intangible assets	3	4					3	4
Investment properties (incl. development projects)	275,079	271,537	226,505	222,666			501,584	494,203
Assets held for sale	2,859						2,859	0
Other assets	30,296	17,010	3,675	2,758			33,971	19,768
ASSETS PER SEGMENT	**308,237**	**288,551**	**230,180**	**225,424**	**0**	**0**	**538,417**	**513,975**
LIABILITIES								
Non-current financial debts					163,724	138,000	163,724	138,000
Current financial debts					84,222	81,837	84,222	81,837
Other liabilities	21,084	10,654	2,366	3,183	5,200	4,890	28,650	18,727
LIABILITIES PER SEGMENT	**21,084**	**10,654**	**2,366**	**3,183**	**253,146**	**224,727**	**276,596**	**238,564**

Other segment information

The investment properties consist of the property available for letting as well as of the development projects.

(in € 1,000)	Belgium		Luxembourg		TOTAL	
	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10
Investment properties						
investments	23,664	3,192	291	1,475	24,038	4,667
divestments	-7,166	-65,188			-7,166	-65,188
Assets held for sale						
investments	83				0	
divestments						
Other tangible assets (other)						
investments	1,365	1			1,365	1
depreciations	-71	-6	-3	-1	-74	-7
net book value at the end of the financial year	1,313	19	3	6	1,316	25

The other tangible assets are mainly not for own use (note 21).
The investments in investment properties mainly comprise the take-over of the Redevco rental contract in Nossegem and the investments in the logistics building Canal Logistics, the business center "The Crescent", a new store in Diekirch and Torenhof.
Per end of 2011 the building "Torenhof" was recorded as an asset held for sale.
At the end of 2011 the office building situated in the Alpha Campus business park in Zwijndrecht was sold for € 7.7 million (accounting value, i.e. fair value, 7.166 million). The divestments (- 65.2 million) in 2010 related to the sale of Axxes Business Park in Merelbeke and avenue Louise 250 in Brussels.

3.1.3 Main key figures

(in € 1,000)	Belgium		Luxembourg		TOTAL	
REAL ESTATE PORTFOLIO	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10
Fair value of the real estate portfolio	277,938	271,537	226,505	222,666	504,443	494,203
Investment value of the real estate portfolio	285,178	278,800	232,310	227,750	517,488	506,550
Yield (in fair value) of the segment	7.26%	7.92%	7.15%	6.79%	7.23%	7.41%
Yield (in investment value) of the segment	7.08%	7.72%	6.97%	6.62%	7.05%	7.22%
Total rentable surface (m^2)	280,344	262,742	57,317	85,961	337,661	348,703
Occupancy rate	87.78%	96.35%	99.32%	98.97%	92.57%	97.45%
Weighted average duration till first break possibility (# years)	4.3	3.7	3.7	4.1	4.0	3.8

The fair value and the investment value of the real estate portfolio comprise the buildings in operation, i.e. the buildings available for letting and the assets held for sale, 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.

3.2 Segment information – Key figures per asset class

	Offices		Logistics (and semi-industrial)		Retail		TOTAL	
	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10
Rental income	20,717	22,623	8,561	9,947	7,109	5,608	36,387	38,178
Fair value of the real estate portfolio	272,621	278,412	131,724	126,484	100,098	89,307	504,443	494,203
Investment value of the real estate portfolio	279,578	285,060	135,310	129,950	102,600	91,540	517,488	506,550
Occupancy rate	91.52%	97.00%	89.42%	96.00%	100%	100%	92.57%	97.45%
Rental yield (in fair value) of the segment	6.98%	7.21%	7.79%	8.59%	7.20%	6.43%	7.23%	7.41%
Rental yield (in investment value) of the segment	6.81%	7.03%	7.58%	8.37%	7.03%	6.27%	7.05%	7.22%
Weighted average duration till first break possibility (# years)	3.0	3.3	5.2	3.5	5.1	5.8	4.0	3.8

The rental income does not take into account the indemnities received for early termination of leases of € 3.3 million (end 2011 and end 2010). The offices segment comprises the assets held for sale for defining the fair value and the investment value, but they are not taken into account to define the yields.

The real estate portfolio comprises the buildings in operation and the assets held for sale, 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. With regard to the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type. Leasinvest Real Estate does not depend on major clients representing each more than 10% of the rental income.

GLOBAL RESULT

Note 4
Net rental result

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)	31/12/09 (12 months)
Rental income	**36,647**	**38,438**	**39,196**
Rents	34,517	36,176	38,049
Guaranteed income	1,936	1,060	
Rent-free periods	-66	943	619
Rental incentives			
Indemnities for early termination of the leases	260	259	528
Income from finance leases and comparable items			
Write-back of lease payments sold and discounted	**0**	**0**	**0**
Rental related expenses	**18**	**-17**	**42**
Rent payable on rented premises			
Write-downs on trade receivables	-16	-34	
Write-backs of write-downs on trade receivables	34	17	42
Net rental result	**36,664**	**38,421**	**39,238**

Leasinvest Real Estate rents its investment properties on the basis of customary rental contracts.
The decrease of the net rental income in 2011 in comparison with 2010 originates from the drop of rental income due to the sale of different buildings in Merelbeke and Brussels in 2010.

The increased vacancy in the Brussels' offices in 2011 in comparison with 2010 has been largely compensated by the related compensation, as presented in the item "guaranteed income". This mainly relates to the building The Crescent in Anderlecht, but has been largely compensated for 2011 by a one-off rental guarantee till November 2011, related to this vacancy, resulting in the fact that this vacancy did practically not influence the rental income in 2011. The renovation of the building will be completed by the beginning of 2012. At present the building is almost let for 50% and the commercial efforts are focused on further letting the building. Should this vacancy continue to exist (or even increase), there will be an impact on the rental income in 2012.

The guaranteed income increased to € 1.9 million in comparison with € 1.1 million at the end of 2010. This relates to the compensation received as a consequence of the departure of a tenant, for € 1.1 million (in 05/2011) of Extensa Group SA, and the balance (€ 1.1 million was already received in 2010) of the rental guarantee for phase 1 and the final amount for phase 2 of Canal Logistics of € 0.8 million.

Costs of rent-free periods and rental incentives to tenants are deducted from the rental income (in the item "rent-free periods") over the duration of the lease, defined as the period between the start and the first break.

This implies, when entering a new rental period (after a break possibility or after the conclusion of a new rental contract) and in the case a rent-free period has been granted, no rent will be collected during that period, but rent will be recorded in this item. Consequently, ceteris paribus, this item has a positive balance. In the course of the rental period the rent received will be higher than the rent corrected with the rent-free period. This correction is recorded in this item and will, ceteris paribus, consequently have a negative balance.

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

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Within one year	5,602	4,579
Between one and five years	20,008	25,323
More than five years	11,001	10,203
TOTAL	**36,612**	**40,105**

Leasinvest Real Estate's portfolio mainly comprises players from the private sector and, to a lessor extent, of the public sector. Consequently, there are relatively more contracts with shorter fixed durations.

Total amount of future minimal rental income related to ordinary rental contracts that cannot be terminated:

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Within one year	30,850	32,657
Between one and five years	83,070	80,734
More than five years	5,651	20,831
TOTAL	**119,571**	**134,222**

Note 5

Costs payable by tenants and borne by the landlord and other rental-related income and expenses

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	**-4**	**-242**
Recovery of property charges	**82**	**251**
Compensations received for rental damage	82	251
Recovery of refurbishment costs at end of lease	0	0
TOTAL	**78**	**9**
Other rental-related income and expenses	**-869**	**18**
TOTAL	**-869**	**18**

The recovery of property charges only comprises the compensations received for rental damage.
The item "other rental-related income and expenses" amounts to € - 869 thousand at the end of 2011 in comparison with € 18 thousand at the end of 2010. This change is explained by the costs related to the business center "The Crescent" that could, in accordance with the valuation rules, not be capitalized (€ -953 thousand). This item also comprises the management fee, in accordance with market standards, paid to Leasinvest Services and other costs borne by Leasinvest Real Estate (€ - 379 thousand).

Note 6

Charges borne by the landlord on let properties

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Recovery income of charges and taxes normally payable by tenants on let properties	**2,633**	**3,299**
Re-invoicing of rental charges paid by the landlord	908	655
Re-invoicing of taxes on let properties	1,725	2,644
Rental charges and taxes normally payable by tenants on let properties	**-2,633**	**-3,299**
Rental charges paid by the landlord	-908	-655
Taxes on let properties	-1,725	-2,644
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 re-invoicing by the landlord. This concerns, among other things, the property taxes and other taxes. In 2011 and 2010 all charges and taxes, for the account of the tenant, have been re-invoiced.

Note 7
Technical costs

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Recurring technical costs	**-1,181**	**-1,330**
Maintenance	-1,150	-1,320
Compensation for total guarantees		
Insurance premiums	-31	-10
Non-recurring technical costs	**-8**	**-22**
Major repairs (building contractors, architects, engineering, ...)	-3	-18
Claims	-5	-4
TOTAL	**-1,189**	**-1,352**

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 8
Commercial costs

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Letting fees paid to real estate agents	-518	-408
Marketing expenses	-52	-33
Lawyer fees and legal expenses	-129	-214
TOTAL	**-699**	**-655**

Note 9
Charges and taxes on un-let properties

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Charges on un-let properties of the financial year	-332	-264
Property taxes on un-let properties	-226	-226
TOTAL	**-558**	**-490**

The charges on un-let properties are the charges related to vacant spaces, which cannot be recuperated and are consequently to be borne by the owner.

Note 10
Property management costs and other property costs

10.1 Property management costs

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
External management costs	-2,183	-2,278
Costs of the internal management of the property	-649	-575
TOTAL	**-2,832**	**-2,853**

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 seven persons on 31/12/11 under the direction of the permanent representative (eight 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: 6 employees).

10.2 Other property costs
The other property costs amount to € -0.3 million at the end of 2011 and mainly comprise the valuers' fee and the fee paid to Property Partners.

Note 11

General corporate charges and other operating income and charges

(in € 1,000)	31/12/10 (12 months)	31/12/10 (12 months)
UCI tax	-217	-294
Depositary	-125	-180
Auditor fees	-86	-84
Liquidity provider	-13	-14
Other expenses	-1,348	-1,410
TOTAL	**-1,789**	**-1,982**
Other operating income and charges	**-22**	**121**

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.
The other operating income and charges comprise the recovery of VAT and the rental guarantee within the framework of the sale of Axxes Business Park in 2010 for € 229 thousand (2011) in comparison with € 10 thousand in 2010 (as elaborated in the Risk factors).

Note 12

Result on disposal of investment properties

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Net gains on investment properties (selling price – transfer rights)	7,700	67,400
Book value of real estate sold (fair value)	-7,166	-66,712
Write-back of impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties	0	0
TOTAL	**534**	**688**

At the end of 2011 the office building located in the Alpha Campus business park in Zwijndrecht was sold for € 7.7 million (accounting value, i.e. fair value, € 7.166 million).

In 2010 Leasinvest Real Estate has sold the office buildings of phase 1 of the Axxes Business Park in Merelbeke and the office building avenue Louise 250 in Brussels, with a total capital gain of € 0.7 million.

Note 13

Changes in fair value of investment properties

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Positive changes in fair value of investment properties	5,668	3,819
Negative changes in fair value of investment properties	-12,234	-13,797
TOTAL	**-6,566**	**-9,978**

The net portfolio result shows a total unrealized loss of € - 6.6 million in 2011, compared to € -10 million per end of 2010, and is composed of losses in Belgium for € - 9 million (€ - 11 million per end of 2010) and capital gains in the Grand Duchy of Luxembourg for € 2.4 million (€ + 1 million per end of 2010).

The negative changes of € -6.6 million at the end of 2011 are mainly the consequence of:
- the renovation of The Crescent (€ - 3.1 million) into a green intelligent office building and business center;
- the expiry of a rental guarantee and the partial vacancy of the second phase of Canal Logistics (€ -2.5 million);
- the decrease of the estimated rental value of Montoyer 63 (€ - 0.9 million);
- the partial vacancy of the building Vierwinden (€ - 0.6 million);
- increase of the yield of 6.75% to 6.90% on the building EBBC (€ - 0.6 million);
- the construction and letting (for 12.5 years) of the retail building in Diekirch (€ + 1.2 million).

The changes in transfer rights are recorded under the item "Addition to/ Withdrawal from the reserves from estimated transfer rights and costs resulting from hypothetical disposal of investment properties.

Note 14
Financial income

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Interests and dividends received	388	236
Income from finance leases and comparable items	6	5
Income from hedges	1,359	434
Allowed hedges subject to hedge accounting as defined by IFRS	1,359	434
Allowed hedges not subject to hedge accounting as defined by IFRS	0	0
TOTAL	**1,753**	**675**

The changes in fair value of financial assets are recorded as a separate item according to the RD of 7/12/2010 (note 17). Consequently, the comparative figures of 2010 have been restated, and the financial income of € 1.6 million related to the changes in fair value of financial assets has been recorded in 'Changes in fair value of financial assets and liabilities'. (note 17).
The interests and dividends received consist of the dividends received of € 0.23 million (for the financial year 2010) on the Retail Estates shares on the one hand, and of interests from temporary, short term deposits of cash surpluses on the other hand.
The income from derivative financial instruments (€ 1.34 million) consists of floating interests received from interest rate swaps, for which Leasinvest Real Estate always pays a fixed interest rate and receives the floating rate. This fixed interest rate can be found under the section 'Costs of derivative financial instruments' of the Net interest charges (see note 15).

Note 15
Net interest charges

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Nominal interest charges on loans	-4,925	-3,640
Interest charges on non-current financial debts	-3,940	-2,929
Interest charges on current financial debts	-985	-711
Re-composition of the nominal amount of the financial debts	0	0
Costs of allowed hedges	-3,963	-4,332
Allowed hedges subject to hedge accounting as defined by IFRS	-2,597	-1,814
Allowed hedges not subject to hedge accounting as defined by IFRS	-1,366	-2,518
Other interest charges	-48	0
TOTAL	**-8,936**	**-7,972**

The costs of derivative financial instruments comprise the fixed interest rate paid by Leasinvest Real Estate within the framework of the interest rate swap's concluded, as well as the interest paid on the sold floors.
The increase of the nominal interest charges on loans mainly originates from the increase of the interest charges on non-current financial debts (€ - 3.9 million) in comparison with the end of 2010 (€ - 2.9 million) and is explained by a higher average annualized financing cost (incl. the spread of the premiums of the hedges), amounting to 4.02% at the end of 2011 compared to 3.56% at the end of 2010. This increase is primarily explained by the influence of newly concluded credits at relatively higher, though in accordance with market standards, margins.

Note 16
Other financial charges

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Bank costs and other commissions	-1,265	-1,114
Net realized losses on the sale of non-current financial assets		
Net realized losses on the sale of finance lease receivables and similar		
Other	-771	-777
Costs of financial instruments for hedging	-771	-777
TOTAL	**-2,036**	**-1,891**

The item Other, Costs of financial instruments for hedging, comprise the premiums paid by Leasinvest Real Estate for an amount of € 0.8 million in the context of interest rate hedges concluded.

Note 17
Changes in fair value of financial assets and liabilities

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
Allowed hedges subject to hedge accounting as defined by IFRS	-449	1,592
TOTAL	**-449**	**1,592**

In accordance with the RD of 7/12/2010 the changes in fair value of financial assets and liabilities are recorded as a separate item (note 14). Consequently, the comparative figures of 2010 have been restated, and the financial income of € 1.6 million related to the changes in fair value of financial assets has been recorded in 'Changes in fair value of financial assets and liabilities'.

Note 18
Corporate taxes

(in € 1,000)	31/12/10 (12 months)	31/12/10 (12 months)
Parent company LRE	**-136**	**-192**
Pre-tax result	3,855	14,088
Result exempt from income tax due to the 'Sicafi' regime	3,855	14,088
Taxable result based on non-deductible costs	335	463
Tax rate of 33.99%	-114	-157
Corporate tax provision	0	-35
Withholding tax	0	0
Previous tax year adjustment	-22	0
Subsidiaries	**-80**	**456**
TOTAL	**-216**	**264**

Real investment trusts ('sicafi/vastgoedbevaks') 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, a 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 corporate taxes.

BALANCE SHEET

Note 19
Intangible assets

(in € 1,000)	31/12/11	31/12/10
Software	3	4
Other intangible assets	**3**	**4**
Movements in intangible assets		
Balance at the end of the previous financial year	**4**	**2**
Gross amount	5	3
Accumulated depreciation (-)	-2	-1
Accumulated impairment	0	0
Investments		3
Acquisitions through business combinations		
Disposals through retirement (-)		
Disposals through splitting-up (-)		
Depreciations	-1	-2
Balance at the end of the financial year	**3**	**4**

Note 20

Investment properties (fair value method)

(in € 1,000)	Buildings in operation		Development projects		Total	
	31/12/11	31/12/10	31/12/11	31/12/10	31/12/11	31/12/10
Balance at the end of the previous financial year	**486,365**	**529,352**	**7,838**	**8,166**	**494,203**	**537,518**
Investments	19,136	3,706	4,902	961	24,038	4,667
Divestments	-7,166	-65,188	0	0	-7,166	-65,188
Acquisitions of property	0	19,835	0	6,406	0	26,241
Transfer from/(to) other items	7,787	7,190	-10,646	-7,190	-2,859	0
Spreading of gratuities	-71	943	5		-66	943
Increase/(decrease) in fair value	-4,467	-9,473	-2,099	-505	-6,566	-9,978
Balance at the end of the financial year	**501,584**	**486,365**	**0**	**7,838**	**501,584**	**494,203**

Based on the fair value model according to IAS 40, investment properties are accounted for at fair value. This fair value corresponds to the amount for which a building could be sold between well-informed and ready parties acting under normal competitive circumstances. 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. These values have been defined by independent real estate experts.
Their valuation methodology is the capitalization of the market rent with corrections to take into account the difference between the current rent and the market rent, and based on comparables available at the valuation date. For the total LRE property, including the part of the portfolio valued by the company Winssinger & Associates, Cushman & Wakefield has defined at 31 December 2011

1. an investment value of € 517,490,000, with respectively an investment value of € 285,180,000 and € 232,310,000 for the Belgian and Luxembourg portfolios; and
2. a fair value of € 504,580,000, with respectively a fair value of € 278,090,000 and € 226,490,000 for the Belgian and Luxembourg portfolios.

The property consists of business parks, offices, semi-industrial buildings, distribution centers and shops, spread across Belgium (Brussels, Zaventem, Malines, Antwerp, Meer and Tongres) and the Grand Duchy of Luxembourg.

For more details, we also refer to the note Main key figures - (Other segment information).

No new buildings were acquired in the past financial year. The investments (€ 24.04 million) mainly consist of, on the one hand, the take-over of the Redevco lease for the Brixton Business Park units 4/5/6 (all current leases of Redecvo with the present sub-lessees have been integrally taken over by Leasinvest Real Estate), and on the other hand, investments in the buildings in operation and the investments in Canal Logitics Brussels, the business center 'The Crescent' and the retail building located in Diekirch. At the end of 2011 the office located at Baarbeek in Zwijndrecht has been sold. On this sale, Leasinvest Real Estate realized a capital gain of € 0.53 million (note 12). The transfer from development projects to investment properties (€ 7.79 million) relates to the new logistics space Canal Logistics Brussels Phase 2 in Vilvoorde. The office building 'Torenhof' (€ 2.8 million) in Merelbeke has been recorded as an asset available for sale (balance of transfer to other items). In 2010 the office buildings of Axxes Business Park and avenue Louise 250 have been sold with a total capital gain of € 0.69 million (note 12). The transfer of development projects to investment properties (€ 7.19 million) in 2010 relates to the new office building Alpha Campus, sold in 2011.

Based on the balance sheet per 31/12/11, an increase of the yield of the real estate portfolio by 0.10% (e.g. from 7.23% to 7.33%) ceteris paribus leads to an increase of the debt ratio by 0.61% (namely from 47.29% to 47.90%).

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, for approximately € 17 million, of the adhoc company RAB Invest NV, created by Van Laere, that will be the owner-lessor of the new State Archives, after completion and acceptance. This operation will be financed with available credit lines.

Note 21
Other tangible assets

(in € 1,000)	31/12/11	31/12/10
Installations, machines and equipment	1,270	16
Furniture, office supplies and rolling material	46	9
Other	0	0
Other tangible assets	**1,316**	**25**
Changes in other tangible assets		
Balance at the end of the previous financial year	**25**	**31**
Gross amount	153	152
Accumulated depreciation (-)	-128	-121
Accumulated extraordinary write-downs	0	0
Investments	1,365	1
Acquisitions through business combinations		
Transfers and disposals (-)		
Transfers through splitting-up (-)		
Depreciations (-)	-74	-7
Balance at the end of the financial year	**1,316**	**25**
Of which:	0	0
Tangible assets for own use	22	25
Other	1,294	0

The other tangible assets are recorded at cost minus accumulated depreciation and possible extraordinary impairments (in accordance with IAS 16).

These are written off in a linear way in function of their economical life cycle. In 2011 an investment was made in solar panels on the storage building in Wommelgem, for an amount of € 1.3 million, written off over a 20-year period. The tangible assets for own use of € 22 thousand mainly comprise the decoration of the offices.

Note 22
Non-current financial assets

(in € 1,000)	31/12/11	31/12/10
Participations in other sicafi	19,532	0
Loans and receivables	0	46
Other	138	638
Real estate certificates	2,636	1,700
Derivative financial instruments	1,438	2,223
Participations in associates	0	0
TOTAL	**23,744**	**4,607**

The increase of the non-current financial assets is mainly explained by the participation in Retail Estates (participations in other sicafi). In the course of the financial year the participation increased from 2.7% (end 2010) to 7.39% (end 2011), for an amount of € 13.7 million. Consequently, the participation was recorded under Non-current financial assets instead of under Current financial assets per end 2010. The market value of the Retail Estates shares is calculated based on the closing price.

Note 23
Assets held for sale

(in € 1,000)	31/12/11	31/12/10
Transfer of investment properties	2,859	0
Sale of assets during the financial year	0	0
TOTAL	**2,859**	**0**

All assets held for sale are investment properties.

As the asset is an investment property accounted for according to the fair value model, it is valued at fair value, i.e. the accounting value, based on the valuation by the independent external valuer.

Axxes Certifcates SA has agreed towards LRE to acquire the building 'Torenhof' for a fixed price of € 3.3 million before the end of 2012, after its renovation by LRE.
The latent capital losses or gains are recorded in the item changes in fair value of investment properties. Other income and expenditure with regard to assets are insignificant. The asset is recorded in the geographical segment 'Belgium'.

Note 24
Current financial assets

(in € 1,000)	31/12/11	31/12/10
Assets held to maturity		
Assets available for sale	0	5,419
Assets at fair value through profit or loss		
Loans and receivables	1	16
Others		
TOTAL	**1**	**5,435**

The decrease of the financial current assets is explained by a reclassification of the participation in Retail Estates. During the financial year the participation increased from 2.7% (end 2010) to 7.39% (end 2011). Consequently, the participation has been recorded under the item Non-current financial assets instead of under Financial currents assets per end 2010.

Note 25
Trade receivables

(in € 1,000)	31/12/11	31/12/10
Trade receivables	4,686	4,867
To be invoiced	994	813
Doubtful receivables	5	5
TOTAL	**5,685**	**5,685**

Leasinvest Real Estate estimates that the accounting value of the trade receivables comes close to their fair value.

The tables below show an analysis of outstanding amounts from customers:

(in € 1,000)	31/12/11					
	Total	Not expired	Expired < 30 d	Expired < 60 d	Expired < 120 d	Expired > 120 d
Trade receivables	4,685	3,880	145	84	99	477
To be invoiced	994	994				0
Doubtful receivables	5					5
TOTAL	**5,685**	**4,874**	**145**	**84**	**99**	**482**

(in € 1,000)	31/12/10					
	Total	Not expired	Expired < 30 d	Expired < 60 d	Expired < 120 d	Expired > 120 d
Trade receivables	4,867	4,047	131	51	138	500
To be invoiced	813	813				
Doubtful receivables	5					5
TOTAL	**5,685**	**4,860**	**131**	**51**	**138**	**505**

	31/12/11	31/12/10
Accumulated depreciation – opening balance	-165	-127
	0	0
Impairment during the financial year	-16	-38
Write-back of impairment during the financial year	35	0
Write off of impairment during the financial year	0	0
Accumulated depreciation – ending balance	**-147**	**-165**

Note 26
Tax receivables and other current assets

(in € 1,000)	31/12/11	31/12/10
Taxes	747	675
Salaries and social security	0	0
Other	107	285
TOTAL	**854**	**960**

Note 27
Cash and cash equivalents

(in € 1,000)	31/12/11	31/12/10
Cash	1,998	2,840
Cash equivalents	0	0
TOTAL	**1,998**	**2,840**

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)	31/12/11	31/12/10
Accrued and not due rental income		
Rent-free periods and incentives for appropriation		
Prepaid property charges	121	123
Prepaid interests and other financial charges	238	61
Other	14	32
TOTAL	**373**	**216**

Note 29

Share capital, share premium, treasury shares and net result

29.1 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 & 31/12/11	**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 installments, for a total amount of € 44,128,326.64. For more information on the authorized capital, we refer to the articles of association (article 7).

d) Costs related to capital increases

For the financial years ending 31/12/10 (12 months) and 31/12/11 (12 months) no costs related to a capital transaction or issuing of new shares have been deducted from the capital.

29.2 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 & 31/12/11	**70,622**

29.3 Result

(in € 1,000)	31/12/11	31/12/10
Result to be carried forward	-3,998	-2,118
Proposed dividend	16,585	16,385
TOTAL	**12,587**	**14,267**

The consolidated net result, group share, of the past financial year 2011 amounted to € 12.6 million.
The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to distribute a gross dividend of € 4.15, resulting in a total dividend of € 16.58 million, based on the dividend rights of all 4,012,832 shares, minus the consolidated number of treasury shares (16,538).

29.4 Treasury shares redeemed

The past financial year 2011 Leasinvest Real Estate has not redeemed, nor sold any treasury shares, resulting in the fact that the number of treasury shares remained unchanged per 31/12/11 at 16,538 (incl. the 204 shares held by Leasinvest Services SA, a subsidiary of Leasinvest Real Estate).

29.5 Reserves

(in 1,000 €)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the impact on fair value of estimated transfer costs and rights resulting from hy-pothetical disposal of investment properties (-)	Reserve from the balance of changes in fair value of allowed hedges subject to hedge accounting under IFRS
Balance sheet under IFRS on 31/12/09	**44,128**	**70,622**	**602**	**62,268**	**-7,240**	**-1,478**
Comprehensive result for the period					882	836
Dividends to shareholders						
Balance sheet under IFRS on 31/12/10	**44,128**	**70,622**	**602**	**62,268**	**-6,358**	**-642**
Comprehensive result for the period				-22,431		-10,187
Dividends to shareholders						
Balance sheet under IFRS on 31/12/11	**44,128**	**70,622**	**602**	(1) **39,837**	**-6,358**	**-10,829**

(1) In 2011 € -449 k is recognized on ineffective financial instruments, i.e. allowed hedges not subject to hedge accounting. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of allowed hedges not subject to hedge accounting under IFRS" after result appropriation. In 2011 € -6.566 k is recorded as changes in fair value of investment properties. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of investment properties" after result ap-propriation.

Reserve from the balance of changes in fair value of allowed hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Minority interests (reclassification)	Total shareholders' equity	Minority interests	Shareholders' equity attributable to the shareholders of the parent company
-2,713	**-1,046**	**12**	**91,388**	**18,381**	**-6**	**274,918**	**6**	**274,924**
1,592		485	16,789	-4,114	6	16,470	-3	16,467
			-15,985			-15,985		-15,985
-1,121	**-1,046**	**497**	**92,192**	**14,267**	**0**	**275,407**	**3**	**275,410**
		392	36,697	-1,678		2,793	2	2,795
(1)			-16,385			-16,385		-16,385
-1,121	**-1,046**	**889**	**112,504**	**12,589**	**0**	**261,815**	**5**	**261,821**

Note 30

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

30.1 Changes in the number of shares

	31/12/11 Number of shares	31/12/10 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) (RD 7/10/2010 art 27. § 1. subparagraph 1 Calculation scheme)

(in € 1,000)	31/12/11 (12 months)	31/12/10 (12 months)
A. Corrected result		
Net result according to the statutory accounts	3,719	13,896
+ Amortization	67	0
+ Depreciation	6,730	17
+/- Write-back of depreciation	-18	0
+/- Write-back of lease payments sold and discounted	0	0
+/- Other non-monetary elements	449	-1,592
+/- Result sale of property	-534	-759
+/- Changes in fair value of property	6,414	6,389
Corrected result (A)	16,845	17,951
Realized capital gains and losses on investment property versus acquisition cost, in the course of the financial year, augmented by capitalized renovation costs	0	0
Realized capital gains on investment property in the course of the financial year, exempt from mandatory distribution subject to their reinvestment within 4 years (-)	0	0
Realized capital gains on investment property previously exempt from mandatory distribution that were not reinvested within 4 years (+)	0	0
Net capital gains on the sale of property not exempt from mandatory distribution (B)	0	0
TOTAL (A) + (B)	**16,845**	**17,951**
Mandatory distributable result 80%	**13,476**	**14,361**

The item "Depreciation" mainly comprises an extraordinary impairment loss recorded in the statutory accounts of LRE in 2011 on the financial asset Canal Logistics Brussels SA, measured at amortized cost, as held to maturity, for a total of € 6.7 million. This extraordinary impairment has been recorded to reduce the financial asset in the statutory accounts of LRE to its fair value (based on the valuation report), i.e. mainly the underlying logistics centre. This fair value change has been explained in 2010 (loss of € 4.5 million due to the increase of the yield from 7% to 7.95%) and in 2011 (note 13).

The minimum mandatory distribution is calculated according to the RD of 7 December 2010 and established based on the statutory annual accounts, according to IFRS standards, though without taking into account the possible net decrease in debt.

The statutory appropriation of the result is presented as follows:

	31/12/11	31/12/10
A. Net result	**3,719**	**13,896**
B. Appropriation/withdrawals to (from) reserves (-/+)	**12,866**	**2,490**
1. Appropriation to/withdrawals from the reserves from the (positive or negative) balance of the changes in fair value of the property (-/+)	-37,012	-55,880
- financial year	6,414	6,389
- previous financial years	-55,880	-62,268
- sale of property	12,453	
2. Appropriation to/withdrawals from the reserves from estimated transfer rights and costs from hypothetical disposal of investment properties (-/+)	0	1,524
6. Appropriation to/withdrawals from the reserves from the changes in fair value of allowed hedges, not subject to hedge accounting as defined by IFRS (+)	1,570	1,121
- financial year	449	-1,592
- previous financial years	1,121	2,713
10. Appropriation to/withdrawals from other reserves (-/+)	45,639	50,565
11. Appropriation to/withdrawals from results carried forward from previous financial years (-/+)	2,670	5,160
C. Remuneration of the capital according to article 27, § 1, subparagraph 1	**13,477**	**14,361**
D. Remuneration of the capital – other than C	**3,109**	**2,025**
Dividend for distribution	**16,585**	**16,386**

Art 27, § 1, subparagraph 6 of the RD 07/12/2010 states that the mandatory distribution of art. 27 within the scope of the mandatory dividend distribution does not derogate from the provisions of art. 617 of the Company Law. This article states that no distribution can take place if, at closing date of the last financial year, the net asset value has decreased or would decrease below the amount of the paid up, or should this be higher, the called up share capital, augmented by all reserves unavailable for distribution according to the law or the articles of association.

	Statutory	
	31/12/11	31/12/10
Paid up 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 (+)	37,012	62,268
Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-4,405	-4,405
Reserve for the balance of the changes in fair value of allowed hedges subject to hedge accounting as defined in IFRS (+/-)	-10,342	-254
Reserve for the balance of the changes in fair value of allowed hedges not subject to hedge accounting as defined in IFRS (+/-)	-1,570	-1,121
Reserve for the balance of exchange rate differences on monetary assets and liabilities (+)	0	0
Reserve from translation differences resulting from the conversion of a foreign activity (+/-)	0	0
Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	889	497
Reserve for the actuarial gains and losses on defined benefit retirment plans (+)	0	0
Reserve for tax latencies with regard to property located abroad (+)	0	0
Reserve for dividends received aimed at reimbursing financial debts (+)	0	0
Other reserves declared unavailable by the general meeting (+)	1,034	1,034
Legal reserve (+)	602	602
Total undistributable	**137,970**	**173,371**
Net assets of the company	**194,273**	**216,636**
Proposed dividend	**16,585**	**16,385**
Net assets after distribution	**177,688**	**200,251**
Balance of the margin after distribution	**39,718**	**26,880**

Calculation of the profit and dividend per share:

	31/12/11 (12 months)	31/12/10 (12 months)
Net result, group share (€ 1,000)	12,587	14,266
Number of shares participating in the result of the period	3,996,294	3,996,294
Net result, group share, per share (€)(1)	3.15	3.57
Distributable profit per share (€)(2)	4.22	4.49

	proposal 2011	proposal 2010
Gross dividend attributable to ordinary shareholders (€)	16,584,620	16,384,805
Gross dividend per share (€)	4.15	4.10
Net dividend per share (€)	3.28	3.24

(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
Minority interests

Company (in € 1,000)	Percentage of participation	31/12/11	31/12/10
Leasinvest Services SA (0826.919.159)	99%	5	3
Total minority interests		**5**	**3**
TOTAL SHAREHOLDERS' EQUITY		**261,821**	**275,411**

Note 32
Information with regard to financial debt

32.1 Financial debt

(in € 1,000)	31/12/11	31/12/10
Non-current financial debts	163,724	138,000
Credit institutions	163,530	133,310
Other	194	4,690
Other loans		4,690
Rental guarantees received	194	
Current financial debts	84,222	81,837
Credit institutions	12,563	0
Other	71,659	81,837
Other loans	71,659	81,837
TOTAL	**247,946**	**219,837**

The other current financial debts only comprise the commercial paper for less than one year.

The accounting value approaches the fair value of the interest-bearing loans.

32.2 Financial conditions (covenants)
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 statute and the related maximum debt ratio. The company complies with all its covenants with banks.

Besides, in accordance with art 54 of the RD of 07/12/10 Leasinvest Real Estate establishes a financial plan with an execution calendar whenever the consolidated debt ratio, as defined by the same RD, exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

The consolidated debt ratio of Leasinvest Real Estate is limited and amounted to 47.29% (31/12/10: 44.13%) on 31/12/11, which is significantly lower than the legally admitted maximum debt ratio of 65% as defined by the RD of 07/12/10.

32.3 Information on financial risk management

32.3.1 Financing, liquidity and cash flow risk

Leasinvest Real Estate finances its real estate portfolio through its shareholders' equity, the 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:

- 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 financial 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.
- 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 the commercial paper market was again very liquid. Moreover, this risk is taken into account by the commercial paper issues being fully covered by back-up credit lines.
- The existing bank loans and/or back-up credit loans not being extended. This risk is limited by diversifying the maturity date of the credit facilities. Leasinvest Real Estate has extended a limited part of its bank credits, namely € 15 million, that expired in 2011, till 2016. The average duration of its total credit lines amounts to 3.47 years (31/12/10: 4.1 years). In 2012 only € 12.5 million expire (3.7% of total bank credits) and negotiations for extension for 5 years have started.

Breakdown according to the expiry date of financial debts and credit lines

(in € 1,000)	31/12/11 Debts with a residual duration of				31/12/10 Debts with a residual duration of			
	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total	Less than 1 year	More than 1 year and less than 5 years	More than 5 years	Total
Financial debts – credit institutions								
Credit lines	12,563	246,599	60,000	319,162	0	258,847	60,482	319,329
Credit draw-downs	12,563	143,279	20,250	176,092	0	117,828	15,482	133,310
% share (credit draw-downs/ credit lines)		58.1%	33.8%	55.2%	0.0%	45.5%	25.6%	41.7%
Commercial paper and back-up lines								
Commercial Paper program			210,000	210,000			210,000	210,000
Commercial Paper draw-downs	71,659			71,659	81,837	4,495		86,332
Back-up credit lines	0	20,000		20,000	0	20,000		20,000
Back-up credit draw-downs	0	0		0	0	0		0
% share CP / back-up credit lines				0.0%				0.0%
% share back-up draw-downs / credit lines				0.0%				0.0%
% share CP / CP program				34.1%				41.1%

All credit lines are based on a floating interest rate, for which the interest rate risk is covered, to a large extent (97%), by derivative financial instruments.

32.3.2 Interest rate risk and policy

The hedging policy has been adjusted at the end of 2010 and in 2011 taking into account a potential rise of the interest rates and the extremely low interest rates since mid-2011, and is since intended to hedge 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. In 2011 Leasinvest Real Estate has increased the duration of its hedges from 4.4 years (31/12/10) to 5.8 years by concluding financial instruments such as spot and forward interest rate collars, interest rate caps and interest rate swaps. The maturity dates of the interest hedges are between 2013 and 2021.

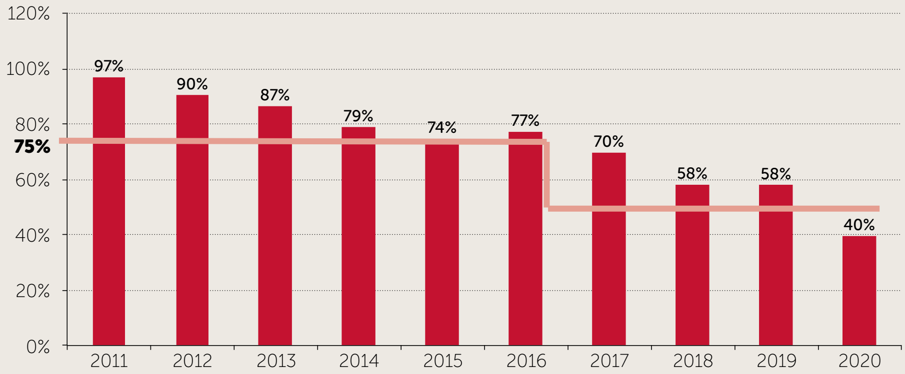
The average financing cost (excluding the marked-to-market of the hedges and the premium paid), after hedging, amounts to 3.83% (end-2010: 3.43%) at the end of 2011; before hedging it amounts to 2.77% (end-2010: 1.91%) at the end of 2011.

Cash flow hedging

TYPE	Notional amount	Interest rate	Duration
OPTIONS			
Active options			
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	10,000,000	4.50%	2016
acquisition CAP	10,000,000	4.00%	2016
acquisition CAP	20,000,000	4.50%	2018
disposal FLOOR	20,000,000	1.70%	2018
Total notional amount	**100,000,000**		
Future options			
acquisition CAP	20,000,000	4.00%	2013-2018
disposal FLOOR[1]	20,000,000	2.30%	2013-2018
acquisition CAP	10,000,000	4.50%	2017-2020
acquisition CAP	10,000,000	4.75%	2017-2020
acquisition CAP	15,000,000	4.50%	2018-2021
acquisition CAP	25,000,000	5.00%	2018-2021
Total notional amount	**80,000,000**		
SWAPS			
Active swaps			
IRS	10,000,000	2.90%	2013
IRS	10,000,000	2.87%	2014
IRS	10,000,000	1.43%	2014
IRS	10,000,000	3.05%	2015
IRS	10,000,000	3.26%	2015
IRS	20,000,000	3.10%	2015
IRS	40,000,000	2.13%	2017
IRS	10,000,000	2.59%	2018
IRS	10,000,000	2.49%	2018
IRS	10,000,000	2.38%	2021
Total notional amount	**140,000,000**		
Future swaps			
IRS	10,000,000	1.75%	2013-2016
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
IRS	20,000,000	2.68%	2014-2021
IRS	15,000,000	3.97%	2015-2021
IRS	30,000,000	3.22%	2016-2021
IRS	10,000,000	4.20%	2018-2021
Total notional amount	**135,000,000**		

(1) Correction strike from 2.51% to 2.30%.

The following graph shows the evolution of the hedging position of the total financial debt at the end of 2011 and the following years. The hedge position was 97% at the end of 2011, in comparison with 85% at the end of 2010.



Derivative financial instruments are valued at fair value, which corresponds to the marked-to-market calculated by financial institutions based on the Black & Scholes model (category 2 according to IFRS 7). With regard to interest rate swaps, hedge accounting is applied and the efficiency of the hedges has been proven. They relate to cash flow hedges, hedging commercial paper issued at floating interest rates, with price adjustments at short-term intervals (typically three months or less). On the contrary, the caps / floors and swaptions have not been qualified as effective hedges, due to which the changes in fair value are passed through the income statement.

The fair value of the hedges at closing date is composed as follows:

in € 1,000	31/12/11		31/12/10				
	Assets	Liabilities	Assets	Liabilities	Change assets	Change liabilities	Net change
Bought caps	1,438		1,817		-379		-379
Sold floors		-3,007		-3,344		337	337
Interest Rate Swaps		-10,829		-642		-10,188	-10,188
Acquired payer's swaption	0		406		-406		-406
Sold receiver's swaption							
	1,438	**-13,836**	**2,223**	**-3,986**	**-785**	**-9,851**	**-10,636**

The balance of the liabilities of € -13.8 million is presented in the item "Other non-current liabilities" and the balance of the assets of € + 1.4 million is presented in "Non-current financial assets" (note 22).

The changes in fair value of the hedges:

Effective part of fair value presented in Reserves for the balance of changes in fair value of allowed hedges subject to hedge accounting under IFRS.

Effective part of the fair value	
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**
Change in the effective part of the fair value of derivative financial instruments	-10,187
Balance on 31/12/11	**-10,829**

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**
Change in the ineffective part of the fair value of derivative financial instruments	-449
Balance on 31/12/11	**-1,570**

The changes in the ineffective part of the fair value of derivative financial instruments of € - 0.4 million (at the end of 2010: € 1.6 million) are passed through the results (note 17).
An increase (decrease) of 1% of the short-term interest rates on a global credit in use of € 248 million, and taking into account the current hedges, would have a negative (positive) impact on the result of € 0.3 million or € 0.08 per share (€ - 0.36 million or € 0.08 per share). Based on the current hedging policy, a potential interest rate rise should have no negative consequences on the fair value of the hedges.

on 31/12/11 (in € 1,000)	**Level 1**	**Level 2**	**Total fair value**
Financial instruments at fair value			
- Financial assets available for sale	19,532	2,636	22,168
- Financial derivatives – assets			
- Other financial derivatives unqualified for hedge accounting		1,438	1,438
- Financial derivatives – liabilities		10,829	10,829
Financial debt at fair value passed through the income statement			
- Other financial derivatives unqualified for hedge accounting		3,007	3,007

on 31/12/10 (in € 1,000)	**Level 1**	**Level 2**	**Total fair value**
Financial instruments at fair value			
- Financial assets available for sale	5,419	1,700	7,119
- Financial derivatives – assets			
- Other financial derivatives unqualified for hedge accounting		2,223	2,223
- Financial derivatives – liabilities		642	642
Financial debt at fair value passed through the income statement			
- Other financial derivatives unqualified for hedge accounting		3,344	3,344

The Non-current financial assets available for sale comprise the participations in other sicafi (€ 19.5 million) and real estate certificates (€ 2.6 million) at the end of 2011.

32.2.3 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.

32.3.4 Risk related to the counterparty banks

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

32.3.5 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 one or more important tenants due to termination of the rental contract or bankruptcy.

The top 10 of the most important tenants amounts to 42.11%. The breakdown per sector of our tenant portfolio remains good.

The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely any write-downs of doubtful receivables were booked over the last couple of years, not in Belgium, nor in the Grand Duchy of Luxembourg.

For an analysis of the trade receivables we refer to note 25.

Note 33
Trade debts and other current debts

(in € 1,000)	31/12/11	31/12/10
Exit tax	**0**	**0**
Other		
Suppliers	4,897	3,900
Tenants	0	0
Taxes, salaries and social security	303	617
TOTAL	**5,200**	**4,517**

Note 34
Other current liabilities

(in € 1,000)	31/12/11	31/12/10
Other current liabilities	1,449	2,091
TOTAL	**1,449**	**2,091**

Note 35
Accrued charges and deferred income – liabilities

(in € 1,000)	31/12/11	31/12/10
Property income received in advance	6,894	6,828
Interests and other charges accrued and not due	1,266	905
Other	5	26
TOTAL	**8,165**	**7,759**

Note 36
Contingent assets and liabilities

According to the available information we have no knowledge of unexpressed assets and liabilities between the closing date and the date of approval of the financial statements by the board of directors.

Note 37
Other 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 at Motstraat 30-32 in Malines and the distribution centre situated in Tongres (SKF).

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 leased 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 price for the land and the building of € 17.7 million.

In the context of the alienation of our buildings in the 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. Furthermore, Leasinvest Real Estate has granted a rental guarantee for 9 years, after the sale. This guarantee is justified, as Leasinvest Real Estate is also responsible for the commercial and technical management of the Axxes Business Park, and is remunerated for it.

Note 38
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 2011 (12 months) amounted to € 2.2 million.

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

In 2011 LRE has received € 1.1 million of guaranteed rental income from Extensa Group SA.
Besides that, in the context of the share transaction, Leasinvest Real Estate has taken over the existing share participation of 3.21% in Retail Estates SA, at a market price of € 48.91 per share, of Extensa Participations II Sàrl, a 100% subsidiary of Extensa Group SA, in its turn a 100% subsidiary of Ackermans & van Haaren, a party related to Leasinvest Real Estate. We also refer to the press release of 12 July 2011.

As in the remuneration report below only the remuneration of the two effective leaders on a global basis is reproduced, but not that of the other management members assisting the effective leaders in their day-to-day management.

As explained above, effective leadership consists of Mr Jean-Louis Appelmans, managing director, and Mr Michel Van Geyte, COO of Leasinvest Real Estate Management.

Michel Van Geyte is not a director of the statutory manager. During the past financial year the remuneration in the table below was granted to him, on an individual basis, directly and indirectly.

In accordance with the company's remuneration policy, the members of the effective direction do not receive any stock options or other share-based payments.

For the past financial year they received the following amounts:

In € effective leadership	fixed(1)	variable	total
Jean-Louis Appelmans	334,809.29	97,000	431,809.29
Michel Van Geyte	231,500.00	85,000	316,500.00
Total	**566,309.29**	**182,000**	**748,309.29**

(1) of which insurance premium: 42,733.29.

Besides their remuneration package, there are no other transactions with the effective leadership.

Note 39
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%)	
		31/12/11	31/12/10
Leasinvest Services SA	**BE 826.919.159**	**99%**	**99%**
Schermersstraat 42 - 2000 Antwerp			
Leasinvest Immo Lux SA	**LU 16372655**	**100%**	**100%**
17, Route d'Esch - L-1470 Luxembourg			
Leasinvest Immo Lux Conseil SA(2)	**LU 10355144**	**0%**	**100%**
17, Route d'Esch - L-1470 Luxembourg			
Canal Logistics Brussels SA	**BE 888.064.001**	**100%**	
Schermersstraat 42 - 2000 Antwerp			

(1) Leasinvest Immo Lux Conseil SA with company number LU 10355144 has been settled in 2011. The impact of this settlement on the financial statements is insignificant.

Auditor's report to the general meeting of shareholders on the consolidated financial statements closed as at 31 December 2011

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 2011

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 2011, 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 2011, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement 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 € 538,417 (000) and the consolidated statement of income shows a profit for the year, share of the Group, of € 12,587 (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 2011 give a true and fair view of the Group's financial position as at 31 December 2011 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

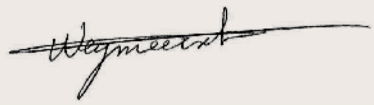
The preparation and the assessment of the information that should be included in the directors' report on the consolidated financial statements are the responsibility of the board of directors.

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, 26 March 2012

Ernst & Young Bedrijfsrevisoren SCCRL
Statutory auditor
Represented by



Christel Weymeersch
Partner

STATUTORY FINANCIAL STATEMENTS

Statement of comprehensive income and balance sheet

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.

Statutory income statement

(In € 1,000)	Period 31/12/11 IFRS	Period 31/12/10 IFRS	Period 31/12/09 IFRS
(+) Rental income	20,103	22,252	22,902
(+) Write-back of lease payments sold and discounted	0	0	0
(+/-) Related rental expenses	18	-17	42
NET RENTAL INCOME	**20,121**	**22,235**	**22,944**
(+) Recovery of property charges	23	28	64
(+) Recovery income of charges and taxes normally payable by tenants on let properties	1,858	2,806	2,733
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-4	-242	0
(-) Charges and taxes normally payable by tenants on let properties	-1,858	-2,806	-2,733
(+/-) Other rental related income and expenditure	-1,197	-265	-308
PROPERTY RESULT	**18,943**	**21,756**	**22,700**
(-) Technical costs	-738	-1,202	-857
(-) Commercial costs	-172	-911	-326
(-) Charges and taxes on unlet properties	-368	-370	-222
(-) Property management costs	-2,184	-2,278	-2,353
(-) Other property charges	-567	-440	-303
PROPERTY CHARGES	**-4,029**	**-5,201**	**-4,061**
PROPERTY OPERATING RESULT	**14,914**	**16,555**	**18,639**
(-) Corporate operating charges	-782	-981	-793
(+/-) Other operating charges and income	-4,943	-1,069	3
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**9,188**	**14,505**	**17,849**
(+/-) Result on disposal of investment properties	534	759	0
(+/-) Changes in fair value of investment properties	-6,414	-6,389	-17,070
OPERATING RESULT	**3,308**	**8,875**	**779**
(+) Financial income	11,112	12,533	10,212
(+) Interest charges	-8,303	-7,121	-8,273
(+) Other financial charges	-1,814	-1,791	-2,935
(+/-) Changes in fair value of financial assets and liabilities	-449	1,592	-602
FINANCIAL RESULT		**5,213**	**-996**
PRE-TAX RESULT	**3,855**	**14,089**	**-217**
(+/-) Corporate taxes	-136	-192	-97
(+/-) Exit tax	0	0	0
TAXES	**-136**	**-192**	**-97**
NET RESULT	**3,719**	**13,897**	**-314**

(in € 1,000)	31/12/11	31/12/10
Other elements of comprehensive income	-9,697	3,033
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties		1,524
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-10,089	1,024
Changes in fair value of financial assets available for sale	392	485
COMPREHENSIVE INCOME	**-5,978**	**16,930**

COMPREHENSIVE INCOME PER SHARE	31/12/11 (12 months)	31/12/10 (12 months)
Result per share, group share (in €)	-1.50	4.24
Result per diluted share, group share (in €)	-1.50	4.24
NET CURRENT RESULT		
Net result	3,719	13,897
To be eliminated		
- Result on disposal of investment properties	534	759
- Changes in fair value of investment properties	-6,414	-6,389
- Changes in fair value of financial assets and liabilities	-449	1,592
NET CURRENT RESULT	**10,049**	**17,935**
Net current result per share (in €)	2.51	4.49
Net result per share (in €)	0.93	3.48

(in € 1,000)	Period 31/12/10 IFRS	Period 31/12/10 IFRS	Period 31/12/09 IFRS
ASSETS			
NON-CURRENT ASSETS	441,902	428,060	486,112
Investment properties, incl. development projects	245,742	249,791	294,262
Other tangible assets	1,295	1	0
Non-current financial assets	194,865	178,268	191,850
CURRENT ASSETS	41,245	34,907	15,093
Assets held for sale	2,859		
Current financial assets	34,155	30,418	10,915
Trade receivables	3,395	2,625	2,683
Tax receivables and other current assets	73	46	122
Cash and cash equivalents	368	1,618	1,130
Deferred charges and accrued income	395	200	243
TOTAL ASSETS	**483,146**	**462,966**	**501,205**
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY	**194,272**	**216,636**	**215,693**
Capital	44,128	44,128	44,128
Share premium account	70,622	70,622	70,622
Reserves	75,803	87,990	101,257
- Legal reserve	602	602	602
- Reserve from the balance of changes in fair value of investment properties	43,426	62,268	62,268
- Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties	-4,405	-4,405	-5,929
- Reserve from the balance of changes in fair value of allowed hedges subject to hedge accounting under IFRS	-10,342	-254	-1,278
- Reserve for treasury shares	-1,034	-1,034	-1,034
- Reserve from the balance of changes in fair value of financial assets available for sale	889	497	12
- Other reserves	33,801	25,156	25,156
- Result carried forward of previous financial years	12,866	5,160	21,460
Net result of the financial year	3,719	13,896	-314
LIABILITIES	**288,873**	**246,330**	**285,512**
NON-CURRENT LIABILITIES	143,179	100,597	146,413
Provisions	0	0	387
Non-current financial debts	129,829	96,625	140,880
Other non-current financial liabilities	13,350	3,598	4,743
Other non-current liabilities	0	374	403
CURRENT LIABILITIES	145,694	145,733	139,099
Provisions	3,214	0	0
Current financial debts	131,402	136,421	128,657
Trade debts and other current debts	4,576	3,054	3,519
Other current liabilities	1,253	1,141	1,039
Accrued charges and deferred income	5,250	5,117	5,884
TOTAL EQUITY AND LIABILITIES	**483,146**	**462,966**	**501,205**

Permanent document

10.1 General information - Company profile

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

The fair value of the real estate portfolio on 31/12/11 amounts to € 504.6 million, the investment value to € 517.5 million. The consolidated real estate portfolio represents a surface of 367,661 m², with 53 buildings, of which 37 in Belgium and 16 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 16/05/11:

'The collective investment of financial resources in real estate in Belgium and/or abroad will happen as described hereafter.
Since the sicafi's operations started, 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.
For the composition of its real estate portfolio the company aims at an adequate and diversified spreading of its assets, at a consolidated level, namely as to the type of investment property, as to the geographical area and as to the category of user or tenant. With regard to the type of tenant, the company focuses mainly on companies renowned in their respective sectors and authorities.
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 to 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 decision 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 shares are listed on Euronext Brussels (Bel Small).

Purpose of the company / activities

Article 4 of the coordinated articles of association dated 16/05/11:

The sole purpose of the company is the collective investment of financial resources in real estate, as defined in the legislation on sicafi.

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, exclusively or jointly controlled by the company;
3. option rights to real estate;
4. rights of participation in other public or institutional real estate investment companies, provided that in the latter case, the company holds joint or exclusive control;
5. rights of participation in foreign collective investment institutions in real estate, registered under article 129 of the UCI law intended list;
6. 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;
7. 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;
8. rights derived from contracts under which the company has given one or more properties in real estate leasing or comparable rights of usage;
9. also all other goods, shares or rights defined as real estate by the legislation on sicafi.

Within the limits of its investment policy, as described in article 5 of the articles of association, and in compliance with the relevant provisions of the legislation on sicafi and all other applicable legislation the company is authorized 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 rights, 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.

In accordance with the legislation on sicafi the company cannot act as a property developer; it can only occasionally execute property development activities.

In accordance with the legislation on sicafi the company may also:

- 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 these 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.

Taking into account the relevant provisions of the legislation on sicafi, 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 31/12/11 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

Article 7 of the coordinated articles of association dated 16/05/11:

The manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more installments, by a maximum 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 of the statutory manager and, if the statutory manager is a legal person, in compliance with the rules for deliberation and decision-making as defined in the articles of association of the statutory manager-legal person.

This authorization is valid for a term of (5) five years as from the publication of the minutes of the extraordinary general meeting of 16 May 2011.

It is renewable.

These capital increases can be carried out by a contribution in cash, by a contribution in kind, or by the conversion of reserves including profits carried forward and issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, the legislation on sicafi, and the 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.
Without prejudice to the application of the articles 592 to 598 and 606 of the Company Law, the manager is 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 legislation on sicaf and of article 11.2 of 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 article 11.2 of the articles of association.
Capital increases in kind are realized in accordance with the legislation on sicafi and in accordance with the conditions recorded in article 11.3 of 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.
Without prejudice to the authorization granted to the manager as explained in the aforementioned paragraphs, the extraordinary general meeting of 16 May 2011 has authorized the manager to proceed to one or more capital increases in the case of a public takeover bid, under the conditions of article 607 of the Company Law and in compliance with, potentially, the irreducible right of attribution foreseen by the legislation on sicafi.
The capital increases realized by the manager following the aforementioned authorization are charged to the capital that can still be used according to this article. This authorization does not limit the powers of the manager to proceed to other operations using the authorized capital than those foreseen by article 607 of the Company Law.

Till present the aforementioned authorization has not been used.

In the past the manager has already been authorized to increase the registered capital by a maximum of € 27,500,000 as a result of the decision of the general meeting of 08/06/99. The board of directors made use of this authorization:

- under a deed recorded by notary public Erik Celis in Antwerp on 28/06/01 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.

Redemption of treasury shares

Article 10 of the coordinated articles of association dated 16/05/11:

10.1. The company can acquire its own shares and hold them in pledge in accordance with a decision of the general meeting taken 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.
10.2. The statutory manager is also permitted to proceed to the acquirement of treasury shares without a decision of the general meeting when this acquirement is necessary to safeguard the company against serious and threatening disadvantage. This permission is valid for (3) three years as from the publication of the amendment to the articles of association of 16 May 2011 and is renewable for the same period of time.
10.3. The conditions for the alienation of treasury shares redeemed 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 alienate treasury shares as foreseen in article 622, § 2, 1° of the company law, and for a term of (3) three years counting as from the publication of the amendments to the articles of association of 16 May 2011, in article 622, § 2, 2°of the company law.

The procedure for amending the articles of association mainly consists of a proposal for amending the articles of association being formulated by the board of directors of the statutory manager, potentially taking into account special majorities. Consequently a proposal for amendments to the articles of association is communicated to the general meeting of shareholders that takes a decision with regard to the approval of the proposed changes, also requiring the agreement of the statutory manager. Decisions to amend the articles of association of the company can only be taken if the required attendance and majority conditions are respected.

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 31/12/11, the investment properties of Leasinvest Immo Lux represent 45% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31/12/11 Leasinvest Immo Lux owned 16 buildings in ownership or co-ownership, with a total surface of 87,317 m², 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 (8.7%) and Strassen (6.7%).

The buildings are mostly multi-tenant and consist of offices (62%), one logistic building (9%) and retail (29%).
Geographically, the buildings are well spread across 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 6D route de Trèves, L- 2633 Senningerberg.

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, on 27/12/05, on 18/09/06, on 18/12/08 and for the last time on 18/04/11.

'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

Article 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 let its shareholders benefit from the results of its assets management. 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.'

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 settlement project 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, to Leasinvest Immo Lux, in accordance with the investment policy defined 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 managing 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;
- besides that, a premium 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 Real Estate received a remuneration of € 1,788,353.46 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.

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 16/05/11

"LEASINVEST REAL ESTATE"
Partnership limited by shares which makes a public appeal to savings Sicafi under Belgian law
1150 Woluwe-Saint-Pierre, Bld. de la Woluwe 2
Register of legal persons Brussels 0436.323.915

Established as an "Aktiengesellschaft" under Swiss law with the name "Zanos Estate Company A.G." from Zug (Switzerland) on 21 November 1973 and first registered in Zug (Switzerland) on 30 November thereafter.
It was decided at the general meeting of 17 November 1988, amongst other things, to move the registered office from Switzerland to Belgium.
Under a deed recorded by notary public Hans Berquin in Brussels on 16 December 1988, announced in the appendices to the Belgian Official Gazette on 12 January thereafter under number 890112-044, the aforementioned office move to Belgium was ratified, it was established that the company is subject to the Belgian law conforming to article 197 (at that time) of the Company Law and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company, and the Articles of Association were integrally re-established under Belgian law.
The Articles of Association were changed several times, as follows:

- under a deed recorded by notary public Frank Celis in Antwerp on 8 June 1999, announced in the appendices to the Belgian Official Gazette on 26 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 1 July 1999, announced in the appendices to the Belgian Official Gazette on 20 July thereafter under number 990720-618.
- under a deed recorded by notary public Erik Celis in Antwerp on 28 June 2001, announced in the appendices to the Belgian Official Gazette on 26 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 14 December 2001, announced in the appendices to the Belgian Official Gazette on 3 January thereafter under number 20020103-16.
- under a deed recorded by notary public Erik Celis in Antwerp on 28 November 2003, announced in the appendices to the Belgian Official Gazette on 12 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 23 December 2004, announced in the appendices to the Belgian Official Gazette on 17 January thereafter under number 20050117-9802;
- under a deed recorded by notary public Frank Liesse in Antwerp, on 23 December 2004, announced in the appendices to the Belgian Official Gazette on 17 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 29 May 2006, announced in the appendices to the Belgian Official Gazette on 19 June thereafter under number 20060619-98546.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 29 December two thousand and six, announced in the appendices to the Belgian Official Gazette on 22 January thereafter 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 Belgian Official Gazette on 30 March thereafter under number 20070330-48139.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 15 October 2007, announced in the appendices to the Belgian Official Gazette on 5 November thereafter 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 condition precedent under which the decisions to change the articles of association were taken, recorded by notary public Frank Liesse in Antwerp, on 27 June 2008, announced in the appendices to the Belgian Official Gazette on 17 July thereafter under number 20080717-119053.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 27 June 2008, announced in the appendices to the Belgian Official Gazette on 17 July thereafter under number 20080717-119054, in which the financial year, as well as the date of the annual meeting was modified;
- under a deed recorded by notary public Frank Liesse in Antwerp on 17 December 2009, announced in the appendices to the Belgian Official Gazette on 8 January thereafter under number 20100108-4101, including the silent merger by take over (following the joining of all shares in one hand) of the Sociétés Anonymes "Zebra Trading" and "Alm Distri";
- by decision of the statutory manager of 31 March 2010, announced in the appendices to the Belgian Official Gazette on 15 April thereafter under number 20100415-54287, the registered office was moved to Bld. de la Woluwe 2, 1150 Brussels (Woluwe-Saint-Pierre) as from 15 April 2010;
- under a deed recorded by notary public Frank Liesse in Antwerp on 16 May 2011, to be announced as soon as possible in the appendices to the Belgian Official Gazette.

CHAPTER I – NAME – LEGAL FORM – TERM – OFFICE – PURPOSE OF THE COMPANY

ARTICLE 1. NAME - LEGAL FORM

The company has the legal form of a partnership limited by shares (hereafter "the Company").
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 (hereafter the "UCI Law").
The social naming of the Company 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 UCI Law.
The Company makes a public appeal for savings in the sense of Article 438 of the Company Law.
The Company is subject to the relevant provisions of the UCI Law and of the Royal Decree of 7 December 2010 with regard to sicafi (hereafter the "RD on sicafi") as well as of all other Royal Decrees in execution of that UCI Law that are applicable to undertakings for collective investment with a fixed number of participation rights having as the exclusive objective the collective investment in the category of allowed investments as defined in article 7, first paragraph, 5° of the UCI Law. The UCI Law, the RD on sicafi together with all other applicable Royal Decrees and any other regulation applicable at any moment to sicafi are hereafter jointly referred to as the "legislation on sicafi".
Moreover the Company is subject to the provisions of these articles of association that at least comprise the data mentioned in Annex A of the RD on sicafi (hereafter the "articles of association"). Each proposal to amend the articles of association has to be submitted in advance to the Financial Services and Markets Authority, abridged "FSMA") (hereafter always referred to as "FSMA").

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 Bld. de la Woluwe 2, Brussels (Woluwe-Saint-Pierre).

The registered office can be moved in Belgium by simple decision of the statutory manager, as far as this decision has no influence on the applicable language regime in accordance with 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 registered 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 registered office.

ARTICLE 4. PURPOSE OF THE COMPANY

The sole purpose of the company is the collective investment of financial resources in real estate, as defined in the legislation on sicafi.

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, exclusively or jointly controlled by the company;
3. option rights to real estate;
4. rights of participation in other public or institutional real estate investment companies, provided that in the latter case, the company holds joint or exclusive control;
5. rights of participation in foreign collective investment institutions in real estate, registered under article 129 of the UCI law intended list;
6. 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;
7. 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;
8. rights derived from contracts under which the company has given one or more properties in real estate leasing or comparable rights of usage;
9. also all other goods, shares or rights defined as real estate by the legislation on sicafi.

Within the limits of its investment policy, as described in article 5 of the articles of association, and in compliance with the relevant provisions of the legislation on sicafi and all other applicable legislation the company is authorized 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 rights, 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;

In accordance with the legislation on sicafi the company cannot act as a property developer; it can only occasionally execute property development activities.

In accordance with the legislation on sicafi the company may also:

- 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 these 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.

Taking into account the relevant provisions of the legislation on sicafi, 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.

ARTICLE 5. INVESTMENT POLICY

The collective investment of financial resources in real estate in Belgium and/or abroad will happen as described hereafter.

Since the sicafi's operations started, 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.

For the composition of its real estate portfolio the company aims at an adequate and diversified spreading of its assets, at a consolidated level, namely as to the type of investment property, as to the geographical area and as to the category of user or tenant. With regard to the type of tenant, the company focuses mainly on companies renowned in their respective sectors and authorities.

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 – OTHER SECURITIES

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 a maximum 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 of the statutory manager and, if the statutory manager is a legal person, in compliance with the rules for deliberation and decision-making as defined in the articles of association of the statutory manager-legal person.

This authorization is valid for a term of (5) five years as from the publication of the minutes of the extraordinary general meeting of 16 May 2011.

It is renewable.

These capital increases can be carried out by a contribution in cash, by a contribution in kind, or by the conversion of reserves including profits carried forward and issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, the legislation on sicafi, and the 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.

Without prejudice to the application of the articles 592 to 598 and 606 of the Company Law, the manager is 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 legislation on sicaf and of article 11.2 of 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 article 11.2 of the articles of association.

Capital increases in kind are realized in accordance with the legislation on sicafi and in accordance with the conditions recorded in article 11.3 of 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.

Without prejudice to the authorization granted to the manager as explained in the aforementioned paragraphs, the extraordinary general meeting of 16 May 2011 has authorized the manager to proceed to one or more capital increases in the case of a public takeover bid, under the conditions of article 607 of the Company Law and in compliance with, potentially, the irreducible right of attribution foreseen by the legislation on sicafi. The capital increases realized by the manager following the aforementioned authorization are charged to the capital that can still be used according to this article. This authorization does not limit the powers of the manager to proceed to other operations using the authorized capital than those foreseen by article 607 of the Company Law.

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 clearing organisation.

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. OTHER SECURITIES

The company can issue the securities foreseen in article 460 of the Company Law and eventually other securities allowed by the Company Law, except for profit-sharing bonds and comparable securities, issued in conformity with the rules prescribed by the Company Law, the legislation on sicafi and these articles of association.

ARTICLE 10. REDEMPTION, HOLDING IN PLEDGE AND ALIENATION

10.1. The company can acquire its own shares and hold them in pledge in accordance with a decision of the general meeting taken 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.

10.2. The statutory manager is also permitted to proceed to the acquirement of treasury shares without a decision of the general meeting when this acquirement is necessary to safeguard the company against serious and threatening disadvantage. This permission is valid for (3) three years as from the publication of the amendment to the articles of association of 16 May 2011 and is renewable for the same period of time.

10.3. The conditions for the alienation of treasury shares redeemed 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 alienate treasury shares as foreseen in article 622, § 2, 1° of the company law, and for a term of (3) three years counting as from the publication of the amendments to the articles of association of 16 May 2011, in article 622, § 2, 2°of the company law.

ARTICLE 11. CHANGING THE REGISTERED CAPITAL

11.1. Except for the possibility of the use of the authorized capital by a decision of the statutory manager, an increase or decrease in the registered 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 always have to comply with the applicable rules prescribed by the legislation on sicafi.

Should the general meeting decide to ask for the payment of an issue premium within the framework of a capital increase, this has to be booked on an unavailable account which constitutes a third-party guarantee at the same level as the capital and which can in no possible way be reduced or lifted than by a decision of the general meeting deliberating in accordance with the provisions required for an amendment to the articles of association.

11.2. In the case of a capital increase by a contribution in cash following a decision of the general meeting or within the framework of the authorized capital as defined in article 7 of the articles of association, and without prejudice to the articles 592 to 598 of the Company Law, the preferential right of the shareholder can only be limited or lifted as far as the current shareholder is granted an irreducible right of attribution when granting new securities. That irreducible right of attribution at least meets the following conditions of the legislation on sicafi:

1° it is related to all newly issued securities;

2° it is granted to the shareholders in correspondence with the share of the capital represented by their shares at the moment of the operation;

3° at latest the eve of the opening of the public subscription period a maximum price per share is announced; and

4° the public subscription period has to last at least three (3) listing days.

That irreducible right of attribution is applicable to the issue of shares, convertible bonds and warrants.

Without prejudice to the articles 595 to 599 of the Company Law, the irreducible right of attribution does not have to be granted in the case of a contribution in cash where the preferential right is limited or lifted, complementary to a contribution in kind within the framework of the distribution of an optional dividend, as far as the distribution of that optional dividend is effectively made payable to all shareholders.

11.3. The capital increases by a contribution in kind are subject to the provisions of articles 601 and 602 of the Company Law. Furthermore, in accordance with the legislation on sicafi, the following conditions have to be met in the case of a contribution in kind:

1° the identity of the contributor has to be mentioned in the report as defined by article 602 of the Company Law and, if necessary, in the invitation to the general meeting convened for the capital increase;

2° the issue price cannot be less than the lowest value of (a) a net asset value dated no more

than four (4) months prior to the date of the contribution agreement or, up to the choice of the company, prior to the date of the capital increase deed, and (b) the average closing price during thirty (30) calendar days prior to that same date.
For the application of what is mentioned above sub point 2°, it is allowed to deduct an amount that corresponds to the part of the non-distributed gross dividend to which the new shares would eventually not entitle, from the amount defined sub point (b) of point 2°, provided that the manager specifically motivates the amount to be deducted from the cumulated dividend in his special report and explains the financial conditions of the operation in his annual financial report;
3° except if the issue price, or, in the case defined in article 11.4 of the articles of association, the exchange rate, and the related modalities are defined and communicated to the public at latest the working day following the conclusion of the contribution agreement, mentioning the term in which the capital increase will effectively take place, the capital increase deed is recorded within a maximum term of four (4) months; and
4° the report mentioned in point 1° must also explain the impact of the proposed contribution on the situation of the former shareholders, more specifically with regard to their share in the profit, in the net asset value and in the capital, including the impact at the level of the voting rights.
The special conditions described above, in accordance with the legislation on sicafi, are not applicable in the case of a contribution of the right to dividends within the framework of the distribution of an optional dividend, as far as the distribution of that dividend if effectively made payable to all shareholders.
11.4. The special rules with regard to capital increases by contribution kind recorded in article 11.3 of the articles of association are mutatis mutandis applicable to mergers, split-ups and similar operations as defined in the articles 671 to 677, 681 to 758 and 772/1 of the Company Law. In that case, the "date of the contribution agreement" refers to the date the merger or split-up proposal is filed.
11.5. In accordance with the legislation on sicafi the manager of the company, in the case of a capital increase by a contribution in cash to a subsidiary that has the status of an institutional sicafi for a price that is ten per cent (10%) or more lower than the lowest value of (a) a net asset value dated no more than four (4) months prior to the start of the issue, and (b) the average closing price during thirty (30) calendar days prior to the start of the issue, draws up a report in which he explains the economic justification of the applied discount, the financial consequences of the operation for the shareholders of the company and the interest of that capital increase for the company. This report and the applied valuation criteria and methods are commented by the auditor of the company in a separate report. The reports of the manager and the auditor are published according to article 35 et seq of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, at latest the day the issue starts and in any case as soon as the price is proposed, should this be earlier.
For the application of what is mentioned above in the first paragraph of article 11.5 of the articles of association, it is allowed to deduct from the amount defined in point (b) of the first paragraph an amount that corresponds to part of the non-distributed gross dividend to which the new shares would eventually not entitle, provided that the manager of the company specifically motivates the amount to be deducted from the cumulated dividend and explains the financial conditions of the operation in the annual financial report of the company.
In case the concerned subsidiary is not listed, the discount defined in the first paragraph of this article 11.5 of the articles of association is only calculated based on the net asset value that is dated no more than four (4) months.
Article 11.5 of the articles of association is not applicable to capital increases fully subscribed by the company or its subsidiaries of which the capital is entirely held by the company, either directly or indirectly.

ARTICLE 12. EXECUTIVE AND LIMITED PARTNERS

The managing partner is jointly and fully responsible for all obligations of the company. The limited partners ("shareholders") 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.

ARTICLE 13. LISTING ON THE STOCK EXCHANGE AND NOTIFICATION OF IMPORTANT PARTICIPATIONS

The shares of the company must be admitted to trading on a Belgian regulated market, in accordance with the legislation on sicafi.
Each shareholder must notify the company and the FSMA of the number of securities with voting rights, voting rights or similar financial instruments of the company he owns, in accordance with the legislation on the disclosure of important participations.
The thresholds of which exceeding results in a mandatory notification following the legislation of the disclosure of important participations are fixed at three percent (3%), five per cent (5%) and multiples of five percent (5%) of the total number of voting rights.
Except for exceptions foreseen by the Company Law, nobody can participate to a voting at the general meeting of the company with a number of votes that is higher than the number of votes related to the securities he has reported holding, at least twenty (20) days prior to the date of the general meeting.

CHAPTER III – MANAGEMENT AND REPRESENTATION - CONTROL

ARTICLE 14. NOMINATIONS – DISMISSALS – VACANCIES

14.1. 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 2000 Antwerp, Schermersstraat 42, is appointed as the first and sole manager for an indefinite period. The minimal duration of his mandate has been fixed at twenty-seven (27) years, in the understanding that his mandate is irrevocable until the date of the annual meeting, which will be held in 2026. After this date the mandate of the aforementioned first manger 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.
Despite the aforementioned concerning the first manager, the 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.
14.2. If the statutory manager is a legal person, then the following conditions will have to be fulfilled:
1° the board of directors of the manager-legal person is composed in such a way that the company is managed autonomously and in the exclusive interest of its shareholders;
2° the board of directors of the manager-legal person has at least three (3) independent members in the sense of article 526ter of the Company Law, for which respecting the criteria of article 526ter of the Company Law is assessed as if the concerned independent member of the board of directors the manager-legal person would be a director in the company;
3° the effective direction of the real estate fund (Bevak/Sicafi) must, according to article 38 of UCI Law, be entrusted to at least two (2) 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 (1) has to be a member of the board of directors of the manager-legal person;
4° one of the persons intended under 3° who is also a member of the board of directors of the manager-legal entity, is appointed as permanent representative of the 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 company in the name and for the account of the manager-legal entity and who is specifically authorized to, acting alone, represent and legally bind the company towards third parties but without infringing the applicable provisions of legislation on sicafi, as far and for so long as the aforementioned regulatory provisions are in force. The

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 he would fulfill this mission in his own name and for his own account;

5° the members of the board of directors of the manager-legal entity and their potential respective permanent representatives, and also the persons and their eventual respective permanent representatives intended under point 3°, others than members of the board of directors of the manager-legal entity, must have the necessary professional reliability and the experience appropriate for these functions in accordance with article 38 of the UCI Law. They cannot be subject to a prohibition foreseen by article 39 of the UCI Law.

The members of the board of directors of the manager-legal entity and their potential respective permanent representatives and the persons intended under point 3° and their eventual respective permanent representatives, comply with the articles 18 and 46 of the RD on sicafi as far and for so long as these regulatory provisions are in force; afterwards, the current provision will be held for unread.

14.3. 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.

14.4. The statutory manager can resign at any time.

The statutory manager is obliged, after his resignation, to further fulfill his task until a replacement can reasonably be provided for him. In view of that a general meeting has to be convened within one (1) months after his resignation with the nomination of a new manager on the agenda; that general meeting has to take place in any case within two (2) months after the resignation.

14.5. The decease, the declaration of incompetence, the dissolution, the bankruptcy or any similar procedure, the dismissal, the deposition of the manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be succeeded by the newly appointed manager, by a decision of the extraordinary shareholders general meeting, that also accepts to become a limited (managing) partner of the company. If a manager is a legal person, the merger, the split up, the conversion or any other form of company reorganization whereby the legal personality of the manager is continued according to the applicable law, does not lead to the dismissal or the replacement of the manager.

In case of the loss of the reliability, experience and autonomy required by the legislation on sicafi of the members of the board of directors or day-to-day management of the manager-legal entity, the board of directors or the auditor(s) of the manager-legal entity have to convene a general meeting of the manager-legal entity within one (1) month after drawing that conclusion with as agenda items the eventual conclusion of the loss of the requirements and the measures to take; that general meeting must in any case convene within the same month. If only one or some members of the board of directors or of the day-to-day management of the manager-legal entity do no longer meet the aforementioned requirements, the board of director of the manager-legal entity has to replace those members within one month; if after that term those directors have not yet been replaced, the general meeting of the manager-legal person will have to be convened as stated above and meet within one (1) month after the expiry of one (1) month after the aforementioned conclusion. All that is mentioned before is always subject to the measures the FSMA would take in virtue of the powers foreseen in article 92 of the UCI Law.

In case of the application of the provisions of article 39 of the UCI Law where all members of the board of directors or of the day-to-day management of the manager-legal entity are prohibited to execute their directors' functions, the board of directors or the auditor(s) of the manager-legal entity must convene the general meeting of the manager-legal entity within one (1) month after that conclusion with as agenda items the conclusion of the fact that the aforementioned article 39 of the UCI Law needs to be applied, and the measures to take; this meeting must take place within that same month. If only one or some members of the board of directors or of the day-to-day management of the manager-legal entity do no longer meet the aforementioned requirements, the board of director of the manager-legal entity has to replace those members within one month; if after that term those directors have not yet been replaced, the general meeting of the manager-legal person will have to be convened as stated above and meet within one (1) month after the expiry of one (1) month after the aforementioned conclusion. All that is mentioned before is always subject to the measures the FSMA would take in virtue of the powers foreseen in article 92 of the UCI Law.

ARTICLE 15. SALARY

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's consolidated 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 16. INTERNAL MANAGEMENT

The 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 manager draws up half-yearly reports as well as a draft for an annual report. The manager appoints the real estate experts in accordance with the legislation on sicafi.

The manager takes all decisions it deems appropriate.

In the case the manager is a legal person, the board of directors of the manager-legal person can establish among his members and under his responsibility, in accordance with the articles 522, 526bis en 526quater of the Company Law, one or more consultative committees, such as e.g. a remuneration committee and an audit committee. The aforementioned committees, established within the board of directors of the manager-legal person, also function if the case arises, as a remuneration committee, if any, audit committee for the company with mutatis mutandis the same powers as those that committee has within the manager-legal person. The conditions for the appointment of the members of the consultative committees, their dismissal, their remuneration, the term of their mandate and the procedure of these committees as well as the description of their tasks, are defined by the board of directors of the manager-legal person at the moment of their creation and they can also be modified afterwards by that same board of directors in compliance with the applicable regulations.

ARTICLE 17. EXTERNAL REPRESENTATIVE POWER

The manager represents the company in all judicial and extra-judicial affairs.

In accordance with the legislation on sicafi the company is represented by the manager-legal person for each act of disposal on its real estate acting through its Permanent Representative and one (other) Director of the manager-legal person, both acting jointly.

The rule mentioned in the previous paragraph does not apply when an operation of the company relates to a building of which the value amounts to less than the lowest amount of one per cent (1%) of the company's consolidated assets and two million five hundred thousand euro (€ 2.500.000,00).

ARTICLE 18. EXCEPTIONAL AUTHORITIES

The statutory manager can appoint proxies for the company.

Only special and limited powers for specific or for a series of specific legal acts are permitted. The proxies legally bind the company within the bounds of their conferred mandate, without diminishing the responsibility of the statutory manager in the case of an excessive power.

The manager defines the remuneration of each representative who was granted special powers, all of this in conformity with the legislation on sicafi.

ARTICLE 19. RESPONSIBILITY OF THE STATUTORY MANAGER

The statutory manager is personally, severally and unlimitedly bound to the obligations of the company.

ARTICLE 20. CONTROL

The control of the company is entrusted to one or more auditors.

CHAPTER IV – GENERAL MEETING

ARTICLE 21. THE ORDINARY 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.

ARTICLE 22. POWER OF THE GENERAL MEETING

The general meeting has the power a/o 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 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 manager, to the increase or decrease of the capital, to powers with regard to the authorized capital by decision of the manager, to conversion of the company into a company with a different legal status, to decide to an early dissolution of the company, to the distribution of interim dividends and optional dividends, to the issue of convertible bonds or warrants, to the merger with one or more companies.

ARTICLE 23. CONVENING

23.1. The manager and every auditor can convene both an ordinary general meeting (annual meeting) and an exceptional or extraordinary general meeting. They have to convene the annual meeting on the day as determined by the articles of association.

The manager and every auditor are obliged to convene an exceptional or extraordinary meeting when one or more shareholders who represent, individually or collectively, a fifth (1/5th) of the registered capital request for it.

23.2. The convocations to the general meeting take place in accordance with the formalities and other provisions of the Company Law. The convocations mention the agenda, listing the subjects to be treated and the proposals for decision, and all other date that are mandatory to be included in virtue of the law.

23.3. One or more shareholders representing together at least three per cent (3%) of the registered capital of the company, in accordance with the provisions of the Company Law, can have subjects to treat added to the agenda of the general meeting and introduce proposals for decision with regard to items on the agenda or those that were added. The company should receive these requests at latest the twenty-second (22nd) day prior to the date of the general meeting. The subjects to be treated and the related proposals for decision that could be added to the agenda, should the case arise, will be published according to the modalities prescribed by the Company Law. The subjects to be treated and proposals for decision that were added to the agenda in application of the previous paragraph are only discussed if all related provisions of the Company Law were respected.

ARTICLE 24. CONDITIONS FOR ADMITTANCE TO THE GENERAL MEETINGS

24.1. A shareholder can only participate to the general meeting and exercise his voting right based on the recording of his shares in book-entry form in his name, at the registration date, or by inscription in the register of nominative shares of the company, or by inscription in the accounts of an authorized account holder or clearing organisation, or upon presentation of the bearer shares to a financial intermediary, regardless of the number of shares the shareholder owns at the general meeting. The fourteenth (14th) day prior to the general meeting, at twenty-four hours (24h00 CET) applies as the registration date.

24.2. The owners of dematerialized shares or bearer shares who want to participate to the general meeting, must present a certificate issued by their financial intermediary or authorized account holder, stating, according to the case, how many dematerialized shares are registered in their accounts at the registration date, in the name of the shareholders, or how many bearer shares have been presented at the registration date, and for which the shareholder has indicated wanting to participate to the general meeting. This filing has to take place at latest the sixth (6th) day prior to the date of the general meeting at the registered office or at the institutions mentioned in the convocation.

The owners of registered shares who wish to participate to the meeting, must inform the company by ordinary mail, fax or e-mail at latest the sixth (6th) day prior to the meeting date of their intention to participate to the meeting.

24.3. The manager will keep a register for each shareholder having communicated his wish to participate to the general meeting, stating his name and address or registered office, the number of shares he owned at the registration date and for which he has indicated wishing to participate to the general meeting, and a description of the documents that prove that he was holder of the shares at that registration date.

ARTICLE 25. PARTICIPATION IN THE MEETING – REPRESENTATION

A shareholder of the company may only appoint (1) one proxy for a specific general meeting. A derogation to this principle is only possible in accordance with the related rules of the Company Law.

A person acting as an authorized representative can have proxies of more than one shareholder. In the case an authorized representative has proxies from several shareholders, he can vote differently in the name of one shareholder than in the name of another shareholder.

The appointment of a proxy by a shareholder is done in writing or via an electronic form and has to be signed by the shareholder, should the case arise, with an advanced electronic signature in the sense of article 4, §4, of the Law of 9 July 2001 with respect to certain rules regarding the legal framework for electronic signatures and certification services, or with an electronic signature that meets the conditions of article 1322 of the Civil Law.

The notification of the proxy has to be done in writing to the company. This notification can also take place electronically, at the address mentioned in the convocation.

The company has to receive the proxy at latest the sixth (6th) day prior to the meeting date.

Without prejudice to the possibility, in accordance with article 549, second paragraph, of the Company Law to derogate from the instructions under certain circumstances, the authorized representative expresses his vote in accordance with the potential instructions of the shareholder. The authorized representative has to hold a register for at least (1) year of the voting instructions and confirm, at the request of the shareholder, that he respected the voting instructions.

In the case of a potential conflict of interest as defined in article 547bis, §4, of the Company Law between the shareholder and the authorized representative he has appointed, the authorized representative has to disclose the precise facts that are of interest to the shareholder to judge if the danger exists that the authorized representative promotes any other interest than that of the shareholder. Moreover, the authorized representative can only vote in the name of the shareholder provided that he has specific voting instructions for each agenda item.

In the case of an addition to the agenda in accordance with article 23.3. of the articles of association and if a proxy has already been communicated to the company before the publication of the amended agenda, the authorized representative has to respect the related provisions of the Company Law.

ARTICLE 26. CHAIRMANSHIP – BUREAU

Every general meeting is presided by the chairman of the Board of Directors or, in case the chairman is unable to attend, another director of the manager-legal person. The chairman of the meeting 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 27. MEETING PROCEDURE

27.1. The deliberation and voting are directed by the chairman and take place in accordance with the habitual rules of proper meeting techniques. The manager answers the questions of the shareholders that are asked during the meeting or in writing, with regard to his report or the agenda items, as far as the communication of data or facts is not detrimental to het company's business interests or to confidentiality rules the company or the manager have committed to.

The auditors answer the questions of the shareholders that are asked during the meeting or in writing, with regard to their report, as far as the communication of data or facts is not detrimental to het company's business interests or to confidentiality rules the company, the manager or the auditors have committed to. They have the right to speak at the general meeting with regard to the fulfillment of their mission.

If different questions are related to the same subject, the manager and the auditors are allowed to respond to these with one answer. As soon as the convocation is published, the shareholders can ask the aforementioned questions in writing, in accordance with the related provisions of the Company Law.

27.2. The manager is entitled to adjourn each ordinary, exceptional or extraordinary general meeting one single time for five (5) weeks, unless the meeting has been convened at the request of one or more shareholders representing at least one fifth (1/5th) of the capital, or by the auditor. Such adjournment does not prejudice the other decisions that were taken, except if the general meeting decides otherwise on this matter.

27.3. The general meeting can only validly deliberate or decide on the items recorded or implicitly stated in the agenda. There can only be a deliberation on items that were not included in the agenda if all persons that are to be invited according to article 533 of the Company Law are present or represented by their body or permanent representative and nobody objects to extending the agenda. The required agreement is definite if no protest has been recorded in the minutes of the meeting.

ARTICLE 28. VOTING RIGHT

28.1. Every share gives the right to one vote.

28.2. 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.

28.3. If a share is encumbered with a usufruct, the exercise of the connected voting rights is reserved for the usufructuary, unless the nude owner has previously opposed to it in writing. The execution of the preemptive right in the case of a capital increase belongs to the nude owner.

ARTICLE 29. 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 (1/2) 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 virtue of 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 potential absence of the statutory manager.

An amendment to the Articles of Association is only then accepted if it has previously been approved by the FSMA and if it they have got three quarters (3/4) 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 the blank or invalid votes, are considered to be votes against the proposal in the calculation of the required majority.

CHAPTER V – FINANCIAL YEAR – APPROPRIATION OF THE RESULT

ARTICLE 30. 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 applicable provisions of the legislation on sicafi. Furthermore, the statutory manager draws up an annual report in which he renders account for his policy.

The annual report also comprises a corporate governance statement that is a specific part of it and which comprises a remuneration report.

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

The annual and half-year financial reports of the company, comprising the statutory and consolidated annual and half-year accounts of the company and the report of the auditor(s), are made available to the shareholders according to the provisions that are applicable to issuers of financial instruments admitted to trading on a regulated market and the legislation on sicafi.

The annual and half-year reports of the company, the report of the auditor(s) and the articles of association of the company are published on the website of the company. The shareholders can obtain a copy of the aforementioned documents for free at the registered office of the manager.

ARTICLE 31. APPROPRIATION OF THE PROFIT

It is mandatory for the company, within the limits of the Company Law and the legislation on sicafi, to distribute a dividend as a remuneration of the capital to its shareholders, of which the minimum amount is defined in accordance with article 27 of the RD on sicafi.

ARTICLE 32. 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 reserves which are or 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 and the relevant provisions of the legislation on sicafi.

CHAPTER VI – DISSOLUTION – LIQUIDATION

ARTICLE 33. 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 by the general meeting in accordance with the legal provisions on the matter. The liquidators only take up their mission after the confirmation of their appointment by a competent commercial court.

If no liquidator is appointed, the manager in function is considered to be the liquidator towards third parties.

The liquidators have the most extended powers in accordance with the Articles 186, 187 and 188 of the Company Law, unless the general meeting decides otherwise by a normal majority of votes. The liquidation of the company is settled in accordance with the provisions of the Company Law.

ARTICLE 34. LIQUIDATION BALANCE

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

CHAPTER VII – MISCELLANEA - CHOICE OF LOCATION

ARTICLE 35. PERSON RESPONSIBLE FOR THE FINANCIAL SERVICE

The company appoints a person responsible for the financial service in accordance with the legislation on sicafi. This person is a/o responsible for the financial service and for the distribution of the dividend and the balance after liquidation, for the settlement of securities issued by the company and for making available the information that the company is due to publish in virtue of the laws and regulations.

The person responsible for the financial service is appointed and dismissed by the manager. The appointment and the dismissal of the person responsible for the financial service is communicated in accordance with article 35 et seq of the aforementioned Royal Decree of 14 November 2007.

ARTICLE 36. CHOICE OF LOCATION

The 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 37. JURISDICTION

Exclusive jurisdiction is given to the courts of the company seat for all disputes between the company on the one hand, and its manager, its holders of securities and/or its liquidators on the other hand, regarding the company matters and the implementation of the current Articles of Association, unless the company expressly renounces to it.

ARTICLE 38. APPLICABLE LAW

For everything that is not explicitly defined in these articles of association, or with regard to the legal provisions that were not validly derogated from in these articles of association, the provisions of the Company Law de, the legislation on sicafi and the other provisions of Belgian law are applicable.

Moreover, the provisions of these articles of association that would unlawfully have derogated from the provisions of the laws mentioned in the previous paragraph, are considered not to be recorded in the current articles of association and the clauses that would be opposed to the mandatory provisions of these laws shall be deemed as not written.

CHAPTER VIII – TEMPORARY PROVISIONS

ARTICLE 39. LAW ON SHAREHOLDERS' RIGHTS

The manager is responsible for the coordination of these articles of association after the entry into force of the 'law of 20 December 2010 on the exercise of certain rights of shareholders in listed companies' (the "Law on shareholders' rights") and more specifically, following the entry into force of the Law on shareholders' rights, for deleting automatically lifted or unnecessary provisions, including this entire chapter VIII, from the articles of association.

The Law on shareholders' rights enters into force on 1 January 2012."

10.3 Statements

Forward-looking statements – third-party information - 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 different from any future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertain factors forward-looking statements do not include guarantees.

The statutory manager of Leasinvest Real Estate is responsible for the information provided in this annual financial report and 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.

The information obtained from third parties has furthermore been precisely reproduced, and as far as is known to him, and based on information published by those third parties, the statutory manager declares that no facts have been omitted which could result in the reproduced information from third parties being inaccurate or misleading.

General statements – statements with regard to legal procedures or arbitrages

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 at least 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 the compensation for leaving of 24 months approved by the general meeting of shareholders of Leasinvest Real Estate on 16/05/11, in derogation of article 554 of the Company Code, granted to the executive director, Jean-Louis Appelmans, or his management company;
- that the (employment) contracts concluded between the statutory manager, the real estate investment trust of its subsidiaries, and the members of the management do not provide in special payment of indemnities upon the termination of the employment, except for the usual cancellation clauses with the members of the effective direction, in which case an indemnity is due in case the usual term for notice is not respected;
- that the directors Luc Bertrand, Jan Suykens, Jean-Louis Appelmans, Guy Van Wymersch-Moons, SiriusConsult SPRL, with permanent representative Thierry Rousselle and Consuco SA, with permanent representative Alfred Bouckaert, Michel Eeckhout, Mark Leysen, Starboard SPRL, with permanent representative Eric Van Dyck , Christophe Desimpel, and (for the duration of their mandate till 16/05/11) Marcus Van Heddeghem, Bernard de Gerlache de Gomery, Eric De Keuleneer, do not own Leasinvest Real Estate shares and that Kris Verhellen owns 100 Leasinvest Real Estate shares;
- that the members of 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 management;
- that there are no family ties between the directors and the members of the executive management.

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 financial statements are filed with the National Bank of Belgium. Each year the financial statements together with the reports thereto are sent to the registered shareholders and to anyone who requests it.

The annual brochures (annual financial reports), which comprise the consolidated financial statements, the annual report and the report of the auditor concerning the financial years 2009 and 2010 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 2009, 2010 and 2011 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 2011[1] can also be consulted on the website www.leasinvest.be.

The historical financial information for the previous financial years 2009 and 2010 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, Leasinvest Services SA and Canal Logistics Brussels 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 Belgian Official Gazette.

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 2009 and 2010 and related party transactions in the previous financial years 2009 and 2010

For this information we refer to the annual brochures (annual financial reports), which comprise the consolidated financial statements, the annual report and the report of the auditor concerning the financial years 2009 and 2010 and the half-year reports (half-yearly financial reports) including the report of the auditor drawn up in the financial years 2009, 2010 and 2011, which can be consulted on the Leasinvest Real Estate website (www.leasinvest.be).

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

1 The statutory annual accounts of the statutory manager, the annual report and the report of the auditor, and the valuation rules regarding the statutory annual accounts for the financial year 2011 can be obtained for free, and by anyone who asks, upon simple request at the office of the company.

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; 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 hedges
- 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 article 617 of the Company Code
- taxable basis for corporate taxes consists of the sum of the disallowed expenses and abnormal and benevolent advantages
- withholding tax of 21% on dividend (for more information we refer to "Risk factors" on pages 10-11)
- 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
- no depreciation on real estate assets
- supervision by the "Commission de Surveillance du Secteur Financier", but no mandatory stock exchange listing
- annual valuation by an independent real estate expert
- real estate assets carried at fair value
- debt ratio limited to 50%
- risk diversification: <20% of total assets invested in a single property
- no withholding tax on dividends (in case the dividends are paid in favour of the real estate investment trust)
- no corporate taxes on result nor gains

Dividend 2011

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to pay a gross dividend of € 4.15, and net, free of withholding tax, € 3.2785 (based on 21% withholding tax), on 28/05/12.

Subject to the approval of the ordinary general meeting of 21/05/12, dividends will be paid out on presentation of coupon nr 13 as from 28/05/12 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

The Ex-date is 23/05/12 and the Record date is 25/05/12.

With regard to practical formalities to attend the annual meeting of shareholders that will be held on 21/05/12 we refer to page 69 of this annual financial report and to the website www.leasinvest.be.

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 e-mail.

Investor relations contact

Leasinvest Real Estate Management SA
Jean-Louis Appelmans
CEO
T: +32 3 238 98 77
E: investor.relations@leasinvest.be

Lexicon

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 31/12/11.

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.

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