Leasinvest REAL ESTATE

2013

Annual financial report

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 25/03/14. 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.

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June

Successful public capital increase of € 60 million

September

Investment of € 94,5 million of retail in Luxembourg

Successful public bond issue of € 75 million

December

Successful private bond issue of € 20 million

Acquisition of € 25 million of retail in Luxembourg

Risk factors

Since the investment in the second Knauf shopping center in Pommerloch, Leasinvest Real Estate became the market leader in shopping centers in the North of Luxembourg.

Knauf shopping center Pommerloch, Luxembourg

In this chapter the main risks Leasinvest Real Estate is confronted with, are described. It also mentions the influence of these risks on its activities and the different elements and actions to limit their potential negative impact. These mitigating factors are commented in this chapter whereby a link is in each case created with the potential impact on the activities.

The mitigating factors and measures mentioned can possibly not entirely eliminate the potential influence of the identified risk. It is consequently possible that the impact should partially or entirely be borne by Leasinvest Real Estate and indirectly by its shareholders. The risks and mitigating factors are discussed in the audit committee that formulates an advice on the matter to the board of directors. This process is followed at least once a year, but divergences or adjustments or new risks are discussed in the audit committee on a quarterly basis.

MARKET RISK

Those who invest in real estate are looking for stability both with regard to the dividend as to long-term income streams. Besides the specific risks characteristic to managing a real estate portfolio, the evolution of the economic circumstances, described as the systematic risk, can have an impact on the real estate market, be it with a certain delay.

The main exogenous risks linked to the market risk and their possible impact on the one hand, and the mitigating factors and measures on the other hand, are commented below.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Deterioration of the economic situation compared to the current situation	1. Negative influence on the demand for space to rent 2. Higher vacancy and/or lower rents in the case of re-letting 3. Downwards adjustment of the value of the real estate portfolio and consequently a lower shareholders' equity (net asset value or "NAV")	• Diversification of the real estate portfolio, both geographically and as to asset class (1,2,3); The weight of retail in the consolidated portfolio has risen from 29% to 42% and the offices part decreased from 47% to 36%. The logistics and semi-industrial part amounts to 22%. The share in the portfolio of the Grand Duchy amounts to 60% and that of Belgium to 40%, in comparison with respectively 53% and 47% end-2012. • Sectorial diversification of the tenants (1,2,3). The main sectors are: retail & wholesale (46.6% compared to 33% on 31/12/12), the services sector (17% compared to 19% on 31/12/12), followed by non-profit organisations and international professional associations (10% compared to 12% on 31/12/12) and financial institutions (8% compared to 8% on 31/12/12). The largest sector retail & wholesale is diversified as it is based on the type of products offered (clothes, DIY, food & beverage).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
		• Weighted average duration of the rental contracts has increased in comparison with the previous year and amounts to 5.23years compared to 4.9 years end-2012 (1,2). • Better follow-up of tenants and an annual limited provision for doubtful receivables (1). • Active investment management (1,2,3).
Decreased demand of investors for real estate	1. Decrease of fair value of the real estate portfolio and lower shareholders' equity ("NAV") 2. Increase of debt ratio	• Active portfolio management illustrated by the transactions realized in the past and in 2013 (1), (2). • Diversification of the real estate portfolio, both geographically and as to asset class (1), (2).
A decline in economic activity resulting in a general price reduction, deflation	1. Possible decrease of the rental income	• Clause in rental contracts stipulating a minimum level for the basic rent (1).
A general rise of the price level, inflation triggered by quantitative easing	1. Increase of the funding cost following a rise of the interest rates 2. Increase of the capitalisation rates and consequently a decrease of the fair value of the real estate portfolio and a lower shareholders' equity ("NAV")	• Active hedging strategy of the debt financing at variable interest rates (1). • Clause in rental contracts for indexing the basic rent (2). • Increase of the fair value of the hedges will partially mitigate the decrease of the NAV following a lower fair value of the real estate portfolio (2).
Splitting-up or disappearing of the monetary union or political instability	1. Increase of the funding cost following a rise of the interest rates 2. Increase of the capitalisation rates and consequently a decrease of the fair value of the real estate portfolio and a lower shareholders' equity ("NAV")	• Increase of the fair value of the hedges will partially mitigate the decrease of the NAV following a lower fair value of the real estate portfolio (2). • It is expected that Belgium and Luxembourg remain among the founding members of the monetary union. • Belgium and Luxembourg are politically stable countries.
Extreme volatility and insecurity on the international capital markets	1. Difficult access to the stock markets to proceed to a capital increase and consequently limiting the reduction of the debt ratio and limiting the growth of activities 2. Increased volatility of the share price	• Extensive and frequent dialogue with the capital markets and financial counterparties (1,2). • Strong long-term relationships existing with current shareholders (1).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
In relation to real estate unfavourable financial markets within the scope of a/o but not exclusively new regulations (Basel III)	1. More difficult and more expensive access to credits 2. Limited liquidity for increasing credits	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. • Complete back-up of the commercial paper program (1). • Aiming at maintaining an adequate availability margin on confirmed credit lines (2).
Volatility of the interest rates	1. Increase of the funding cost following a rise of the interest rates 2. Increase of the capitalisation rates and consequently a decrease of the fair value of the real estate portfolio and a lower shareholders' equity ("NAV" or Net Asset Value) at higher interest rates	• Increase of the fair value of the hedges will partially mitigate the decrease of the NAV following a lower fair value of the real estate portfolio (2). • Active hedging strategy (1). This hedging strategy aims at hedging approximately 75% of the forecasted debt within the first five years, through concluding credits at fixed interest rates or financial instruments through "interest rate swaps". For the consequent 5-year period and till a period of ten years a ratio of 50% is aimed at. However, in executing this strategy, the evolution of the interest rates and the durations granted by the financial markets, taking into account the conditions for credits and financial instruments, are always considered.

Motstraat Malines, Belgium

OPERATIONAL RISK

The company's investment strategy is concretely translated into a diversified real estate portfolio and a limited development activity. The technical management of the real estate is partially internally (mainly Belgium) and partially externally (mainly Luxembourg) managed.

The diversification as to assets with a limited correlation fits within the diversification of the market risks. Below the main risks relating to the real estate portfolio and the linked operational activities are reproduced, as well as their potential impact and the mitigating factors and measures.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Unsuitable policy resulting in unfit investment or development choices	1. Expected yields are not reached 2. Change in the income and risk profile of the company 3. Investment or real estate portfolio that is not adjusted to market demand and vacancy as a consequence	• Strategic and risk analysis, as well as a market, technical, administrative, legal, accounting and fiscal due diligence before each acquisition (1,2,3). • Internal and external valuation for each investment and divestment project (1,2,3). • Constant monitoring of changes in economic, real estate and regulation trends (2,3). • Management experience and formal procedure for approval by the board of directors (3).
Pipeline of developments for own account that is too large	1. Uncertainty on future income, costs and occupation	• Activity limited to one object and to maximum 10% of the fair value of the total real estate portfolio (1). • Taking a risk premium into account (1).
Risk specifically related to managing developments or redevelopments	1. Incapacity to obtain the necessary permits 2. Not respecting the budget, the timing and the intended quality 3. Long-lasting periods of vacancy 4. Not reaching the intended yield on the (re) development	• Internal specialized Project Management team with internal management system (1,2). • External specialized and carefully selected consultants for larger projects (1,2). • Commitment towards the environment in order to maintain the best possible constructive dialogue with the local decision-making levels and the environment (1). • No single development is launched before being entirely funded and before there is sufficient certainty with regard to obtaining the necessary permits and lettings, should this not yet be the case (3,4).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Negative changes in fair value of the buildings	1. The company is exposed to the risk of changes in fair value of its real estate portfolio. The quarterly valuations by independent real estate experts have an accounting impact on the net result, the net asset value per share and the company's debt ratio.	• The value of the real estate portfolio is defined quarterly by independent experts, which allows implementing corrective measures (1). • Portfolio with different types of assets to which different compensating valuation trends apply (1). • Most important asset represents 13.5% of the portfolio and relates to real estate certificates with regard to a shopping center with a diversification towards approximately 60 tenants. • Based on the balance sheet of end-December 2013 an increase of the average yield by 0.10% would have had an impact of € 9.7 million on the net result and of € 1.96 on the net asset value per share, and result in an increase of the debt ratio by 0.68% (namely from 53.53% to 54.21%).
Rental vacancy of the buildings	1. Loss of rental income 2. Downward adjustment of the rents 3. Higher commercial costs to attract new customers, which impacts the results 4. Value decrease of the buildings 5. Refurbishment costs	• Proactive commercial and property management (1,2,3,4,5). • 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 (1,2,3,4). • Increased average duration of the rental contracts (5.23 years) following the transactions in 2013. • Better follow-up of tenants.
Maintenance costs and wear off and deterioration of buildings	1. Decrease of the results 2. Architectural or technical obsolescence and consequently reduced commercial appeal	• Periodical maintenance policy for the assets carried out by specialized firms (1,2). • Portfolio adjustment policy (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Destruction of buildings	1. Discontinuous activity and consequently loss of the tenant and reduced rental income	• Portfolio insured for a total reconstruction value of € 442.5 million (yearly indexed according to the ABEX index), excluding a loss of rent of maximum 36 months and other accessory guarantees. For buildings that are part of the global insurance policy of the sicafi, the insured value is based on the 'new construction value', i.e. the cost for reconstruction of the building, including architects' fees and value-added tax (excluding the buildings that are subject to the VAT regime). With regard to buildings that are not subject to 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 80.
Unforeseen non renewal or early termination of the rental contract	1. Rental vacancy 2. The sicafi bearing costs itself that are, under normal circumstances, recoverable and commercial costs for re-letting 3. Decrease of income and cash flow 4. Refurbishment costs 5. Granting of higher incentives	• Internally and externally specialized teams responsible for the commercial management and the facility management (1,2,3,4,5). • Contractual compensation for the early termination of the contract and the existence of rental and bank guarantees (3). • In 2013 approximately € 270 thousand of rental incentives were granted with regard to the Belgian tenants portfolio (€ 430 thousand in 2012). The impact on the net result is usually spread and booked over 3 years. On the Luxembourg portfolio the rental incentives granted were negligible (1,3).
Decreased solvency / bankruptcy of the customer	1. Higher vacancy 2. Bearing costs that are normally recoverable and commercial costs for re-letting 3. Decrease of income and cash flow 4. Refurbishment costs	• Screening of the tenant's solvency with the assistance of an external rating agency (1,2,3). • The rent has to be prepaid (3). • Customary rental guarantee of minimum three months (3).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Concentration of the activities of the tenants	1. Loss of income if a specific sector is hit by an economic downturn	• Strong sector diversification with limited correlation of the tenants (1). • The breakdown of our tenants' portfolio according to sector remains good. The main sectors are: retail & wholesale (46.6% compared to 33% on 31/12/12), the services sector (17% compared to 19% on 31/12/12), followed by non-profit organisations and international professional associations (10% compared to 12% on 31/12/12) and the financial institutions (8% compared to 8% on 31/12/12). The largest sector retail & wholesale is diversified as it is based on the type of products offered (clothes, DIY, food & beverage).
Predominance of the most important tenants	1. Important negative impact on the rental income in case of departure	• Limited concentration of the most important tenants (1). The top 10 of the main tenants amounts to 30%.
Risks related to the success of e-commerce	1. The growing market of e-commerce can lead to a decrease of the demand for the retail asset class held in portfolio by the sicafi. In its turn, this can result in higher vacancy and lower rents 2. A decrease in demand for this type of property can lead to a diminution of the real estate portfolio of the sicafi	• The retail asset class held by the sicafi mainly relates to shopping centers with a broader perception and that also offer other services than merely shopping (1,2).
Concentration of investments in one or more buildings	1. Important negative impact on the rental income in case of departure of single tenants 2. Risk on larger negative impact on the NAV (net asset value) given the lower spread	• Limited concentration in one or more buildings (1,2). • 48% of the real estate portfolio is invested in buildings that represent individually more than 5% of total, of which more than half are retail buildings with different tenants (1,2).

Brixton Business Park Zaventem, Belgium

FINANCIAL MANAGEMENT

The financial management is intended at optimising the costs of the capital and limiting the financing, liquidity, cash flow, counterparty and covenant risks.

Below the main risks related to the financial management and the linked operational activities are reproduced, as well as their possible impact and the mitigating factors and measures.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Insolvency of financial or bank counterparties (counterparty risk)	1. Termination of current credit lines (credits and hedges) and reduction of financial resources 2. Costs of restructuring and higher costs of new credits and facilities	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings and diversification of funding resources wherever necessary. In 2013 Leasinvest Real Estate collected, with the public and private bond issues, respectively € 75 million and € 20 million. Besides the successful bond placements described above, the company has concluded additional credit lines or has renewed existing credit lines in 2013. The credit lines (excl. the € 95 million bond loans) amount to € 448.7 million end-2013 in comparison with € 386.7 million in 2012, or an increase of € 62 million. This net increase (€ 40 million) is mainly the consequence of new credit lines with financial institutions that did not offer credit lines at the end of 2012, which, besides the successful issue of bond loans, indicates a better diversification of the funding resources. • Complete back-up of the commercial paper program (1, 2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). The margin end-2013 amounts to € 137 million. • Strong shareholders (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
The non availability of financing or the intended duration of the financing (liquidity risk) and drying up of the commercial paper market	1. Impossibility to finance acquisitions, or only through increased costs and at a lower profitability 2. Impulse for selling assets at a value inferior to the fair value	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. The average duration of the total of credits, including the bond loans, amounts to 3.7 years (2012: 2.64 years) and has increased. • Complete back-up of the commercial paper program (1,2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). • Strong shareholders (1,2).
Insufficient cash flow to respect its financial obligations (cash flow risk)	1. No longer being able to satisfy the reimbursement of interests and capital	• Strict follow-up of the net cash flow and limiting the operational risks. The rental income received during the financial year 2013 amply suffices to cover the increase of the interest charges. For the last three financial years the financial result excl. the dividends received, compared to the rental income, amounts to 20% (2013), 29% (2012), 27% (2011) and the interest charges excluding the fair value adjustments, compared to the rental income, amount to 22% (2013), 23% (2012), 25% (2011). • Financing is of the bullet type with a clear view on the maturity dates. • Aiming at maintaining an adequate availability margin on confirmed credit lines.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Combination of unfavourable interest rate changes, increased risk premium on the stock exchanges and increase of the banking margin (cost of the capital)	1. Increase of the weighted average cost of the capital of the company 2. Impact on the profitability of the company and of new investments	• Protection against the rise of the interest rates by using hedges. The policy is intended to hedge the interest rate risk for approximately 75% of the financial debt for a 5-year period and for circa 50% for the consequent 5-year period. At the end of 2013 the real estate investment trust has 36% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end-2012: 39); 10% of current interest rate caps (with a limit on the interest rates) (end-2012: 27%) and 36% of credits at fixed rates (2012: 0%) (1,2). For more details we refer to note 34 of the financial statements on page 161. • The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.29% (end-2012: 3.04%) excluding the effect of fair value adjustments on ineffective hedges; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 3.08% (2012: 3.77%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost. • Permanent dialogue with shareholders and bank partners for establishing solid long-term relationships (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
The financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. The risk of a potential loss of confidence and of not respecting the covenants exists.	1. Possible termination of credits and an eroded confidence with investors and bankers 2. Sanctions and increased supervision from the regulator in the case of noncompliance with certain legal parameters	• The evolution of the debt ratio is regularly followed up and the influence of each investment project on the debt ratio is always analysed beforehand. • In accordance with art 54 of the RD of 07/12/10 a sicafi has to draw up a financial plan with an execution calendar when the consolidated debt ratio, as defined by the same RD, would amount to more than 50%. Herein are described the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. This has been commented in the financial report (note 34) at page 161.
Risk of divergence of the financial results from the predefined budget and legal demands	1. Untimely detection of potentially not meeting certain obligations	• Minimum quarterly updates of the financial model with checking of assumptions and the way they were set up, and continuous follow-up of parameters that could influence the result and the budget (1).
Risk of currency fluctuation relating to activities outside of the Euro zone	1. Decrease of income and cash flow	• Leasinvest Real Estate is only active in the Euro zone, namely in Belgium and in the Grand Duchy of Luxembourg, and has, ceteris paribus, no exchange rate risk.
Risk of fair value changes of financial derivatives or a relatively higher funding cost following the selected hedges when the interest rates decrease	1. Decrease of the group's shareholders' equity 2. Lower net result and net current result	• Leasinvest Real Estate aims at an optimum funding cost taking into account the selected hedging strategy. The latter is adjusted in function of the market evolution and the conclusion of IRS or CAPS or fixed rate credits is considered (1,2).
Within the framework of art 617 of the Company Code, the distribution of dividends can be limited, also by the fact that Leasinvest Real Estate has an important subsidiary in the Grand Duchy of Luxembourg (Leasinvest Immo Lux) that only contributes dividends to the statutory results of Leasinvest Real Estate.	1. Limited dividend yield for the shareholder	• Watch over sufficient income and compliance with art 617 and the distribution of dividends towards Leasinvest Real Estate.

LEGISLATION AND OTHER RISKS

Leasinvest Real Estate is a real estate investment trust (sicafi/vastgoedbevak) and has to maintain its sicafi status in order to benefit from the related favourable tax regime. Should the company loose its sicafi status, it would break covenants with its banks and would have to reimburse its credits. Maintaining the sicafi status is consequently primordial for the company. The company therefore takes into account all different provisions and rules of the sicafi legislation, i.e. the law of 3 August 2012 on certain forms of collective management of investment portfolios and the Royal Decree of 7 December 2010 with regard to sicafi. Leasinvest Immo Lux SA is a 100% subsidiary of Leasinvest Real Estate and has the status of a SICAV-SIF. It is equally important to maintain this status and to comply with the obligations imposed by the local authority, such as the FSMA for the sicafi in Belgium and the CSSF for the SICAV-SIF in Luxembourg.

Besides this, the company has to comply with the company law, but also with specific regulations relating to urban development and to the environment, both in Belgium and in Luxembourg.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Non compliance with the legal sicafi system	1. Loss of the sicafi status and of the related transparent tax regime 2. Mandatory advanced reimbursement of certain credits	• Professionalism of the teams and the board of directors by supervision of strict compliance with legal provisions (1,2).
Non compliance with the legal SICAV-SIF system	1. Loss of the transparent tax regime for Leasinvest Immo Lux	• Professionalism of the teams and the board of directors by supervision of strict compliance with legal provisions through mediation of specialized consultants (1).

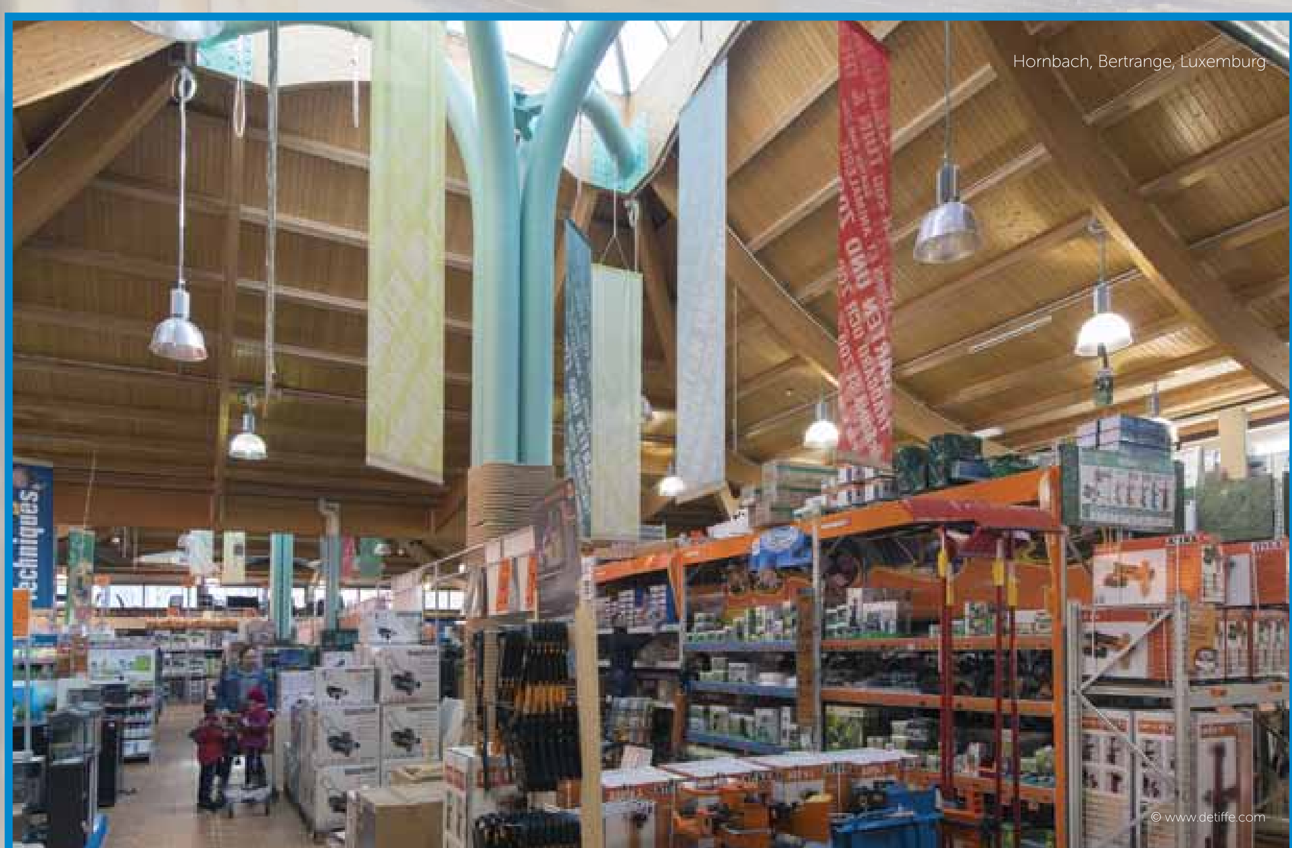
Bertrange, Luxembourg

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Changes in the EU-reference framework, i.e. IFRS and conversion of new initiatives in national legislation within the framework of AIFMD - Alternative Investment Fund Managers, EMIR-European Market Infrastructure Regulation	1. Influence on reporting, capital demands, the use of derivatives and the organization of the company 2. Defining the operational activities and potentially the valuation	• Ongoing evaluation of the changes in legal demands and their compliance, assisted by consultative meetings with professional associations (1,2). • Leasinvest Immo Lux SICAV-SIF, 100 % subsidiary of Leasinvest Real Estate in Luxembourg, is subject to AIFMD as it is qualified as an AIF (except should an exception rule to the applicable legislation be possibly applied, relating to the status of Leasinvest Real Estate) and to the Regulation nr. 648/2012 of the European Parliament and the Council on otc-derivatives, central counterparties and transaction registers ("EMIR"). The possibly higher capital requirements and additional demands and costs with regard to providing a guarantee for the negative mark-to-market (MtM) of financial instruments would have a rather limited impact. The negative fair value of financial products (excl. interests due) of the IRS type concluded in Luxembourg amounts to approximately € 107 thousand. Furthermore Leasinvest Immo Lux has appointed a depository ('banque dépositaire') already since a long time within the framework of the FIS-SIF status (1,2). • With regard to Leasinvest Real Estate or its statutory manager Leasinvest Real Estate Management the impact of AIFMD is yet unclear. Should Leasinvest Real Estate Management be subject to it, the impact on the consolidated figures would probably not be significant. When Leasinvest Real Estate should be subject to AIFMD, the potential impact of the guarantee for the negative MtM on financial instruments could impact the availability margin of its confirmed credit lines. As Leasinvest Real Estate disposes at present of sufficient credit lines, the impact would be relatively limited (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Changes in regulations relating to urban development and to the environment	1. Higher costs to maintain the real estate in good condition 2. Decrease of the fair value of a building 3. Decrease of the occupancy	• Active energy performance and environmental policy for office buildings that anticipates the legislation as much as possible (1,2,3). We refer to the chapter Management report on page 109.
Change in tax legislation	1. Potential influence on acquisition and sales prices 2. As a consequence, potential impact on the valuation and consequently on the NAV (net asset value or shareholders' equity of the group) 3. Potentially higher nominal yield wanted by retail investors or lesser interest following the increase of the withholding tax from 21% to 25% 4. Besides this, new national legislations and regulations, or possible amendments to current legislation and regulations can enter into force, such as a/o the existing practices within the tax administration, recorded in the circular Ci.RH.423/567.729 of 23 October 2004 of the Belgian Ministry of Finance with regard to the calculation of the exit tax	• Ongoing evaluation of the changes in legal demands and their compliance, assisted by specialized external consultants (1,2,4). • Since 2008 Leasinvest Real Estate pays a higher dividend, and it is proposed to increase the dividend over the financial year 2013 to € 4.50 per share in 2014 (3) (details: see Management report – dividend page 48).
Negative effect on consumer confidence	1. Negative effect on consumer confidence can lead to lower rents of retail tenants and a decrease of the fair value of retail buildings and consequently of the NAV	• Extensive analysis and due diligence of the aspects relating to the market and to the location of retail buildings (1). • Intense contact with tenants in order to closely follow-up the evolution of their turnover (1). • Diversified portfolio (1).
Complexity of acquisition or divestment files	1. Wrongly assessed risks of which the probability level and the impact have an influence on the profitability	• Extensive due diligence at different levels: property-technical, market, economic, tax, legal, accounting and administrative within the framework of each acquisition, together with specialized consultants (1).
Turnover of key personnel	1. Negative influence on current professional relationships 2. Loss of decisiveness and efficiency in the management decision-making process	• Remuneration package in line with market standards (1,2). • Working in teams, whereby individual responsibility for important and strategic tasks is avoided (1,2). • Clear and consistent procedures and internal communication (1,2).

Profile Leasinvest Real Estate

In 2013 Leasinvest Real Estate has realized its strategic reorientation towards more retail and more in the Grand Duchy of Luxembourg. The acquisition of Hornbach in Bertrange of 12,000 m² was the successful closing of 2013.



Hornbach, Bertrange, Luxemburg

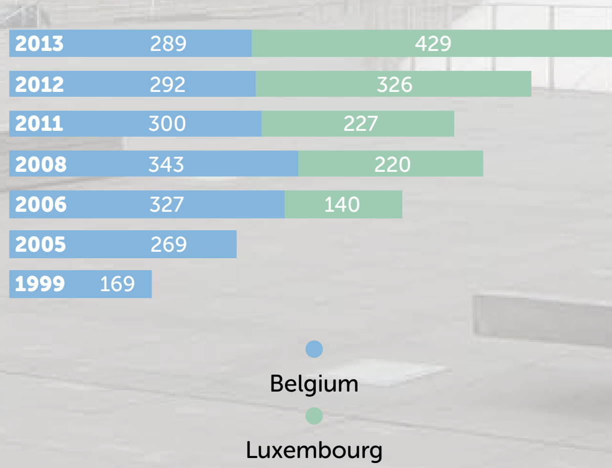
Leasinvest Real Estate has concretized the strategic reorientation of its real estate portfolio towards a larger part of retail (42%) and in the Grand Duchy of Luxembourg (currently 60%).

Mission statement

Leasinvest Real Estate SCA is a diversified public real estate investment trust (sicafi), listed on Euronext Brussels that invests in high-quality and well-situated retail buildings, offices and logistics buildings, in the Grand Duchy of Luxembourg and in Belgium.
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.



Real estate portfolio

Our core investment countries are the Grand Duchy of Luxembourg and Belgium, where currently respectively 60% and 40% of our assets are located.

Our focus has evolved from mainly offices to a majority of retail (retail parks and medium-sized shopping centers), now already representing 42% of our total portfolio. Offices have decreased to 36% and are located for the largest part (19%) in the Grand Duchy of Luxembourg where the office market remains attractive.

We manage our portfolio in a proactive way and keep on pursuing intelligent investments, such as redevelopments that generate capital gains, or buildings with excellent locations.

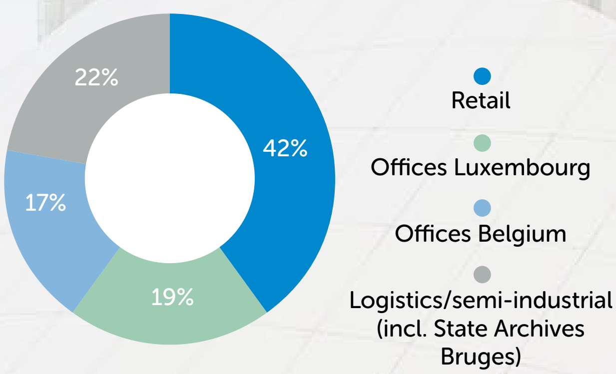
Our commercial policy focuses on maximizing the average duration of the rental contracts (increased to 5,23 yeas on 31/12/13) and the rents, and on maintaining a high occupancy rate, which amounted to 96.9% on 31/12/13.

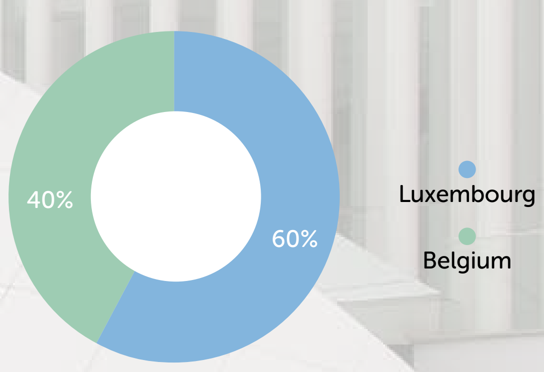
€ 718 million fair value

34 sites

429,579 m^2

see real estate report page 56





1999

Real estate investment trust (bevak/sicafi) status granted

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

>2005

Different acquisitions of mainly office buildings in Belgium

Own management and personnel

2006

Geographical diversification towards the Grand Duchy of Luxembourg by the acquisition of the Luxembourg sicav Dexia Immo Lux (currently Leasinvest Immo Lux) for € 150 M (13 buildings)

2007-2009

Divestment of office buildings and further diversification towards logistics in Belgium

Redevelopments in offices and storage in the Grand Duchy of Luxembourg

Acquisition of top retail portfolio in Luxembourg

2010-2011

Further divestment of office buildings

Focus on diversification towards retail

2012

Refinancing of shopping center in the Grand Duchy of Luxembourg of € 74 M

Completion and acquisition State Archives Bruges

Acquisition of top office location in the city centre of Luxembourg

2013

Divestment of mainly office buildings

Public capital increase of € 60 M

Public bond issue of € 75 M

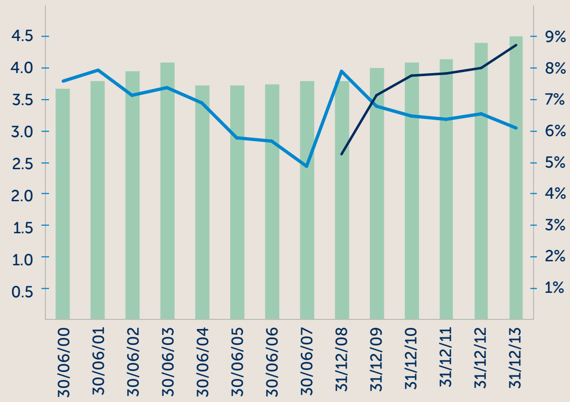
Refinancing of shopping center in the Grand Duchy of Luxembourg of € 96.5 M

Private bond issue of € 20 M

Acquisition of important retail building in the Grand Duchy of Luxembourg

For more information, see www.leasinvest.be – Leasinvest – history.

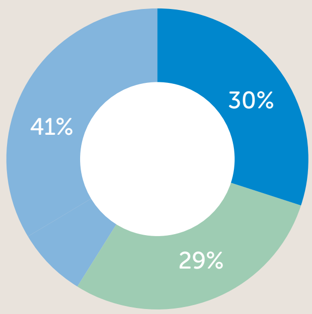
Dividend yield



Gross dividend
Gross dividend yield
Global return

Gross dividend yield = gross dividend/closing price on 31/12.
Global return: source GPR : www.globalpropertyresearch.com

Shareholder structure



Ackermans & van Haaren Group
AXA Belgium
Free float

Financial calendar

Annual financial report 2013	**31/03/14**
Interim statement Q1 (31/03/14)	**14/05/14**
Annual meeting of shareholders	**19/05/14**
Dividend payment	**26/05/14**
Ex-date	**21/05/14**
Record date	**23/05/14**
Half-year financial report 2014	**26/08/14**
Interim statement Q3 (30/09/14)	**17/11/14**
Year results 2014 (31/12/14)	**19/02/15**

Knauf shopping center Pommerloch, Luxembourg

Letter to the shareholders

Leasinvest Real Estate again increases the dividend to € 4.50.

Royal20, Luxembourg

THE MARKETS

The Belgian economy seemed to slightly recover in 2013, driven by increased export and internal consumption. Important structural reforms remain however necessary in order to improve the health of public finance and the potential growth of Belgium. The Eurozone countries will probably leave the recession period behind in 2014, but the recovery will remain fragile. The Grand Duchy of Luxembourg maintained its strong financial profile. The new coalition for the new government at the end of 2013 will continue the proactive policy to keep the economy and the growth of the Grand Duchy of Luxembourg at its level.

The evolution of the real estate markets knew a different evolution according to the type of real estate and to the country. In Belgium the offices recorded a downward trend in 2013 with lower take-up figures of 340,000 m² compared to 2012 (423,000 m²). The rental volumes in logistics and retail property[1] also increased in 2013. In the Grand Duchy of Luxembourg the rental volume in offices remained stable in 2013 compared to the previous year.

SUCCESSFUL FURTHER REALIZATION OF OUR STRATEGIC REORIENTATION

The “turnaround” strategy developed for Leasinvest Real Estate a couple of years ago to become more active in retail and in the Grand Duchy of Luxembourg has been further successfully concretized in 2013. The past financial year was a very good year thanks to the important investments end-2012 and end-2013. The Grand Duchy of Luxembourg and Belgium remain our two core countries. On 31/12/13 the Grand Duchy of Luxembourg represented 60% of our global portfolio (2012: 53%) and Belgium 40%. The main accent of our diversification as to type of assets has further evolved in 2013 toward retail that increased to 42% of the global real estate portfolio (2012: 29%), whereas the offices part further decreased to 36% (2012: 47%). Our real estate portfolio will probably continue to consist of retail, offices and logistics. In the Grand Duchy of Luxembourg it will be more focussed on retail and offices. Offices remain an interesting category if the localisation is good, the building is sustainable or can be made sustainable, and capital gains could be realized in the long term.

1 For more information on Leasinvest Real Estate’s situation, in particular with regard to its occupancy rate and rental income, we refer to page 78 et seq of the Real estate report, and for the related risks, to p 4 et seq of the Risk factors.

THE REALISATIONS IN 2013 & THE OBJECTIVES FOR 2014

The direct real estate portfolio amounted to € 718 million at the end of 2013, or an increase by 16.2% (2012: +22.5%), and including indirect investments the consolidated real estate portfolio amounted to € 759 million.

The investments (both direct and indirect) amounted to € 129 million, which is higher than in 2012 (€ 120 million) and consisted of the acquisition of the economic property of the 2nd Knauf shopping center in Pommerloch (in the North of the Grand Duchy of Luxembourg), of a rented retail building as DIY store to Hornbach in Bertrange, of the further investments in the development of the office project Royal20 (ex-Hotel Rix) in the City of Luxembourg and of the public capital increase followed by Leasinvest Real Estate

The “turnaround” strategy developed for Leasinvest Real Estate a couple of years ago to become more active in retail and in the Grand Duchy of Luxembourg has been further successfully concretized in 2013.

with preservation of our 10%-participation in sicafi Retail Estates. In both countries, some divestments of smaller or less strategic buildings were realized in the course of 2013 and at the beginning of 2014.

The lettings evolved well in 2013 with a/o the complete re-letting to the current tenants of the office building Monnet in the Grand Duchy of Luxembourg at comparable conditions, the further lettings to 70% (2012: 62.5%) of the office building The Crescent (Anderlecht, Brussels) and to 100% of the logistics site Canal Logistics Brussels. The global occupancy rate[2] increased to 96.9% (2012: 94.9%).

2 The occupancy rate takes into account all buildings, except for those recorded in the assets held for sale and the development projects, and is calculated in function of the estimated rent as follows: (estimated rent- estimated rent on vacancy)/ estimated rent.

96.9% occupancy rate

portfolio **€ 718** million

+31% net result

gross dividend yield **4.53%**

In 2013 all our objectives within the scope of further growth, reorientation towards more investments in retail and increase of our profit were reached. The net result and the net current result recorded a respective rise of 31% and 14.2% or € 26.9 million (2012: € 20.5 million) and € 24.1 million (2012: € 21.1 million) in 2013 compared to 2012. The increase of the net current result is mainly the consequence of the increased rental income to € 45 million, for which the like-for-like rental income rose by 9%.
However, taking into account that the investments in 2013 only took place at the beginning of September (for the shopping center in Pommerloch) and at the beginning of December (for the retail building in Bertrange), they could only contribute respectively for 4 months and 1 month to the 2013 result.

Except for unforeseen circumstances and unexpected capital losses on the current real estate portfolio and the hedges, the company expects to realize a better net result and a better net current result in 2014 than in 2013.

Except for unforeseen circumstances and unexpected capital losses on the current real estate portfolio and the hedges, the company expects to realize a better net result and a better net current result in 2014 than in 2013.

THE DIVIDEND AND THE SHARE PRICE

The share of a sicafi is appreciated for its return. It is proposed to distribute a gross dividend of € 4.50 over the financial year 2013, which is 2,27% higher than the gross dividend of € 4.40 over 2012. The net dividend 2013 amounts to € 3.3375 in comparison with € 3.30 end-2012. Given the closing price at 31/12/13 of € 73.60, this represents a dividend yield of 6.10% gross or 4.53% net (based on a 25%-withholding tax).
The share price of the Leasinvest Real Estate share fluctuated between € 65.10 and € 82.45 in the course of the financial year. End-2013 the share listed at € 73.60, which represented a premium of 7.5% compared to the net asset value of € 67.9 on 31/12/13 (based on the fair value of the real estate).

SUSTAINABLE BUILDINGS

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 by obtaining a 'Breaam in-use' certificate (with 'good' score) for a/o the redevelopment of the office buildings The Crescent in Brussels and Motstraat (Malines). It is our intention to request a 'Breaam in-use'-certificate for each important renovation[1]. For a potentially new construction, such as the Royal20 (ex-Rix hotel) office project in the City of Luxembourg, we will also aim at obtaining a Breeam certificate 'very good' or 'excellent'.

The final purpose is to own a high-quality real estate portfolio that is well located, well performing at a technical level, sustainable and requiring less maintenance costs.

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.

Jean-Louis Appelmans
Managing director

Luc Bertrand
Chairman of the board of directors

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

Key figures

The net result increases by 31% to € 26.9 million.

© Dries Van den Brande

Canal Logistics Brussels, Belgium

THE KEY FIGURES RELATE TO IAS/IFRS KEY FIGURES

At the end of 2013 Leasinvest Real Estate (LRE) fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Services SA, Canal Logistics Brussels SA, Orli Lux Sàrl and RAB Invest SA.

KEY FIGURES REAL ESTATE PORTFOLIO[1]

	31/12/13	31/12/12
Fair value real estate portfolio (€ 1,000) [2]	718,234	617,763
Fair value real estate portfolio, incl. participation Retail Estates (€ 1,000) [2]	759,290	649,254
Investment value real estate portfolio (€ 1,000) [3]	731,850	633,301
Rental yield based on fair value [4] [5]	7.31%	7.30%
Rental yield based on investment value [4] [5]	7.18%	7.14%
Occupancy rate [5] [6]	96.90%	94.90%
Average duration of leases (years)	5.23	4.9

1 The real estate portfolio comprises the buildings in operation, the development projects, the assets held for sale, as well as the buildings presented as financial leasing under IFRS.
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. The fair value of the real estate portfolio consists of the investment properties (€ 690,191 thousand), the finance lease receivables (€ 17,899 thousand) and the assets held for sale (€ 10,144 thousand), in total € 718,234 thousand. The fair value of Retail Estates has been defined based on the share price on 31/12/13.
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, excluding the assets held for sale.
6 The occupancy rate has been calculated based on the estimated rental value.

The consolidated real estate portfolio of Leasinvest Real Estate at the end of 2013 is composed of 34 sites (including the assets held for sale & the development projects) with a total surface of 429,579 m^2, of which 18 are located in Luxembourg (60% compared to 53% the previous financial year) and 16 in Belgium (40% of the fair value compared to 47% the previous financial year). The breakdown according to asset class has changed with a strong increase of the asset class Retail compared to offices, as shown in the table below (for more details, see the real estate report):

Relative share	31/12/13	31/12/12	change
Offices Brussels	13%	16%	-2.8%
Offices rest of Belgium	4%	5%	-1.3%
Offices Grand Duchy of Luxembourg	19%	26%	-6.5%
Total offices	36%	47%	-10.6%
Logistics/Semi-industrial Belgium	19%	21%	-2.2%
Logistics/Semi-industrial Grand Duchy of Luxembourg	3%	3%	-0.2%
Total Logistics/Semi-industrial	22%	24%	-2.4%
Retail Belgium	5%	5%	-0.5%
Retail Grand Duchy of Luxembourg	38%	24%	13.5%
Total retail	42%	29%	13.0%
Total real estate portfolio	100%	100%	

The **fair value of the real estate portfolio** amounts to **€ 718.2 million** end-2013 compared to € 617.8 million end-December 2012. The increase is mainly the consequence of the acquisition of the economic property of the shopping center Knauf Pommerloch in the third quarter of 2013 (€ 96.5 million). This investment was partially funded by the proceeds from the public capital increase realized at the end of June. In the fourth quarter a retail building was acquired in the Grand Duchy of Luxembourg, leased for a fixed term of 10 years to the German DIY-group Hornbach, acquired for € 25.5 million.
In 2013 some less strategic buildings were also sold for approximately € 27 million (book value), among which the Pasteur office building (located in the Grand Duchy of Luxembourg).

The global **direct and indirect real estate portfolio** (including the participation in Retail Estates SA) amounts to nearly € 760 million end-2013.

By the realized transactions, the **retail** part increases to **42%** and the offices part in the direct portfolio further decreases to 36%, of which 19% is located in the Grand Duchy of Luxembourg and 17% in Belgium, and also the part of the **Grand Duchy of Luxembourg (60%)** further increased in the direct portfolio compared to Belgium (40%).

Notwithstanding the difficult letting market in Belgium, the average occupancy rate of the buildings increased under the impulse of the investments made and the successful lettings. End-2013 this rate amounted to 96.9% compared to 94.9% end-2012. The occupancy rate for Belgium increased to 93.32% (2012: 90.89%), while it remains at a constant very high level for the Grand Duchy of Luxembourg and even slightly increased to 99.43% in comparison with 99.28% end-2012.

The rental yield of the real estate portfolio in operation based on the fair value amounts to 7.31% (compared to 7.30% end-2012), and based on the investment value to 7.18% (compared to 7.14% end-2012).

KEY FIGURES RESULTS

	31/12/13	31/12/12
Rental income (€ 1,000)	45,186	37,959
Net rental result per share	9.15	9.46
Net current result (€ 1,000) (1)	24,128	21,113
Net current result per share (1) (2)	4.88	5.26
Net result group share (€ 1,000)	26,928	20,508
Net result group share per share (2)	5.45	5.11
Global result group share (€ 1,000)	37,305	9,744
Global result group share per share (2)	7.55	2.43
Net current result per share pro rata (2)	5.37	5.26

1 The net current result consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.
2 The results per share are calculated based on the number of shares entitled to the result of the period.

The **net current result** rose by 14% from € 21.1 million (or € 5.26 per share) end-2012 to € 24.1 million (or € 4.88 per share) end-2013. This increase is the consequence of a higher rental income. If we take into account the weighing of the part of the result compared to the number of outstanding shares, that increased at the end of June following the public capital increase, the net current result per share amounts to € 5.37 end-2013 in comparison with € 5.26 per share end-2012.

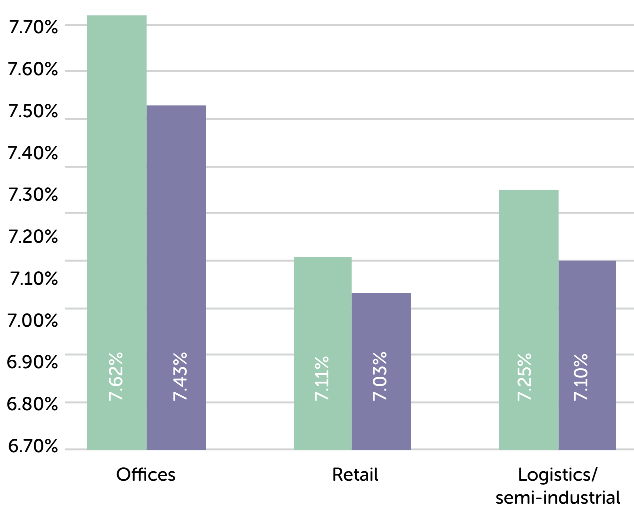
The **net result**, group share, amounted to € 26.9 million compared to € 20.5 million in 2012, or a rise of 31%. In terms of net result per share, this results in € 5.45 end-2013 compared to € 5.11 end-2012. This increase is mainly the consequence, besides the higher rental income mentioned above, of a positive change in the fair value of the real estate portfolio and of the financial assets and liabilities in comparison with 2012.

KEY FIGURES BALANCE SHEET

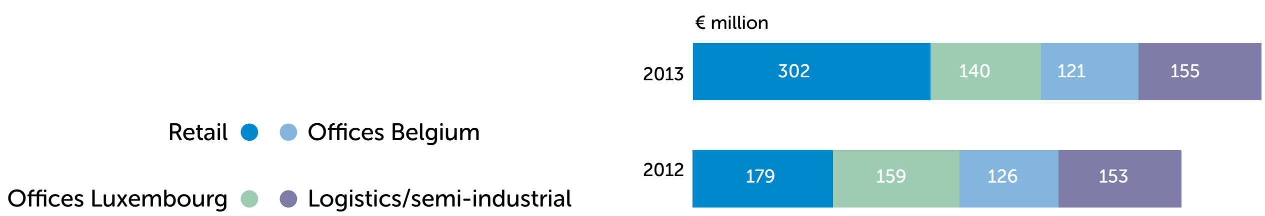
	31/12/13	31/12/12
Net asset value group share (€ 1,000)	335,334	256,005
Net asset value group share per share (1)	67.9	63.8
Net asset value group share per share based on investment value (1)	70.7	67.7
Net asset value group share per share EPRA (1)	71.5	70.6
Total assets (€ 1,000)	777,867	667,026
Financial debt	407,602	364,409
Financial debt ratio (pursuant RD 7/12/2010)	53.53%	56.19%
Average duration credit lines (years)	3.7	2.64
Average funding cost (excl. fair value changes hedges)	3.29%	3.04%
Average duration hedges (years)	5.63	5.43

1 The net asset value per share is calculated based on the number of shares entitled to the result of the period.

DETAILS ON YIELD PER ASSET CLASS (1)



1 There is an inverse relationship between yield and value; a higher value namely results ceteris paribus in a lower yield.



APPENDIX: KEY PERFORMANCE INDICATORS ACCORDING TO THE EPRA REFERENCE SYSTEM

These data are communicated for information purposes only and are not required by the regulation on sicafi and are also not subject to any review by public bodies.
These figures were not audited by the auditor.

	Definitions	2013 (x € 1 000)	2013 (€/share)	2012 (x € 1 000)	2012 (€/share)
EPRA Result	Current result from strategic operating activities	24,128	4.89	21,113	5.26
EPRA NAV	Net Asset Value (NAV) 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	353,275	71.53	283,404	70.62
EPRA NNNAV	EPRA NAV adjusted to take into account the fair value of the financial instruments, the debts and deferred taxes	335,334	67.90	256,005	63.80
		(in %)		(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	6.20%		5.84%	
EPRA Adjusted NIR	This ratio corrects the EPRA NIR with regard to the end of gratuities and other rental incentives	6.14%		5.84%	
EPRA Vacancy	Estimated rental value (ERV) of vacant space divided by ERV of total portfolio	3.10%		5.10%	
EPRA Cost Ratio (incl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income	20.00%		18.96%	
EPRA Cost Ratio (excl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income, excl. direct rental vacancy costs	19.35%		17.62%	

Management report

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Shopping center Knauf Schmiede, Luxemburg

portfolio
€ 718
million

60%
Luxembourg

Gross dividend
€ 4.50

Retail
42%

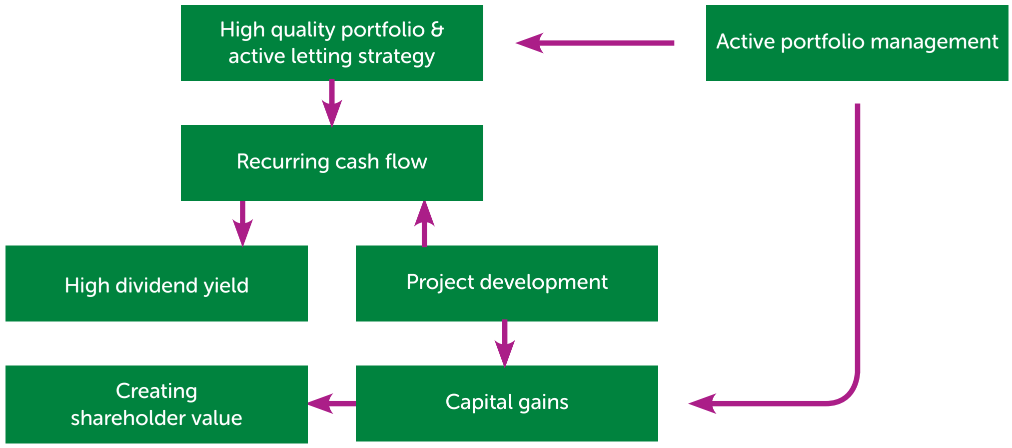
Jean-Louis Appelmans, CEO

"By focalized investments in retail, mainly in Luxembourg, Leasinvest Real Estate's investor profile has completely changed in a couple of years, resulting in a successful transformation of the sicafi from mainly focalized on offices towards a sicafi mainly focalized on retail (2013: 42%) and from investments exclusively in Belgium towards 60% in Luxembourg.
The global occupancy rate has evolved positively to nearly 97% (2012: 94.9%), not exclusively by the acquisitions of fully let buildings, but also by successful (re-) locations.
The financial markets in Belgium have in 2013 confirmed the notoriety of Leasinvest Real Estate through the successful realization of consecutively a public capital increase of € 60 million, a public bond issue of € 75 million, followed by a private bond issue of € 20 million. These operations have improved our debt ratio, have reinforced our balance sheet, have ensured the diversification of the funding sources and have extended their average duration.
2013 was consequently concluded as a strong year during which we have realized all our objectives in terms of growth, reorientation towards more investments in retail and an increase of our results."

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 19/05/14 with regard to the statutory and consolidated IFRS figures for the financial year 2012 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 183.

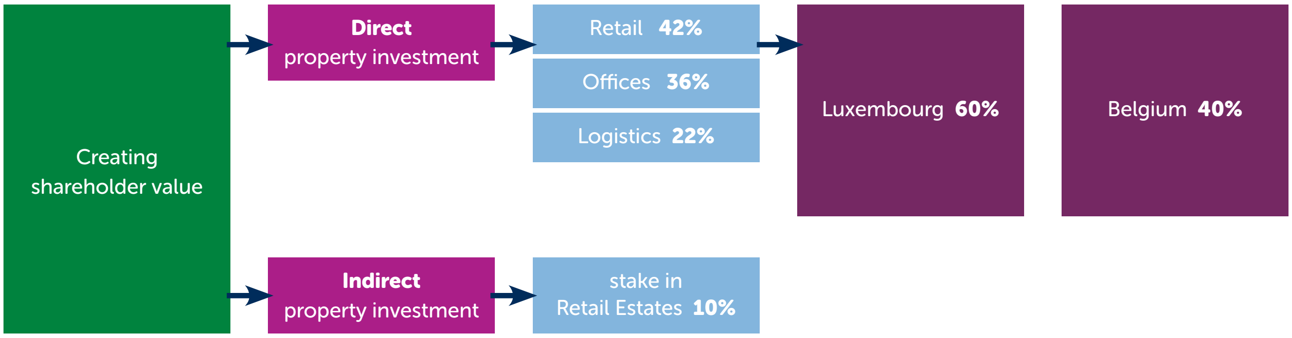
Strategy

Business model



1.1 INVESTMENTS AND DIVESTMENTS

Investment model



Since 2006 Leasinvest Real Estate applies a clear diversification strategy, both in terms of asset class and geographically. The portfolio of the real estate investment trust on 31/12/13 consists of: 42% retail, 36% offices, 22% logistics (incl. the State Archives in Bruges) and is located for 60% in the Grand Duchy of Luxembourg and for 40% in Belgium.

In the course of the past financial year Leasinvest Real Estate has further concretized its "turnaround" strategy to invest more in retail and less in offices, and more in the Grand Duchy of Luxembourg.

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 poor economic situation of the last years, resulting in annual take-up dropping each year since the start of the financial and economic crisis at the end of 2008 – except for 2012, when a revival was recorded, to reach its lowest level in 10 years in 2013 (see real estate report, market information),
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 and many of these buildings are transformed into residential buildings.

In the Grand Duchy of Luxembourg the lower take-up trend has turned in 2011, and the 2013-level is comparable to that of 2012, which is still in line with the five-yearly average.

The choice for retail property is inspired by the interesting rental yields, the low renovation and maintenance investments (opposed to e.g. investments for renovating offices into sustainable buildings) for Leasinvest as the landlord, and the constancy of retail tenants with regard to good locations. With regard to sub-segments, Leasinvest Real Estate focuses on retail parks and medium-sized shopping centers, such as the Knauf shopping centers in Schmiede and Pommerloch, wherein Leasinvest Real Estate invested through the subscription of real estate certificates, respectively in September 2012 and 2013.

The geographical diversification towards the Grand Duchy of Luxembourg remains a very successful move because of the good economic indicators, 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 mainly in the Central Business District and at Kirchberg, where the market is even under pressure by a lack of new quality developments. At the end of 2013 Leasinvest Real Estate has become even the main foreign real estate investor in the country (source: Expertise/JLL Luxembourg).

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 2012 the redevelopment of the building The Crescent in Anderlecht (Brussels) into a 'green intelligent building', with extension to a business center, was completed with nearly 70% let on 31/12/13. Also in 2013 we further invested in this building with the layout of a totally new garden according to biodiversity principles including an 'ecowall'.

Older and/or less strategic office buildings are preferably sold if an opportunity presents itself, as was the case in 2013. A total of € 28 million was divested, mainly in office buildings (see overview of divestments in the Management report).

1.2 COMMERCIAL STRATEGY

By a sustained dynamic & proactive commercial management, Leasinvest endeavours to keep the occupancy rate (96.9% on 31/12/13 compared to 94.9% on 31/12/12) at a high level and to increase the average duration of the leases, that further rose from 4.9 years on 31/12/12 to 5.23 years on 31/12/13).

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

1.3 FUNDING & HEDGING STRATEGY

The board of directors of the statutory manager of Leasinvest Real Estate opts for a conservative hedging policy, limiting the internal debt ratio within a spread of 50 to 55%, while the maximum allowed debt ratio according to the RD of 07/12/10 on sicafi, amounts to 65%. The debt ratio at 31/12/13 amounts to 53.53% and perfectly fit within the predefined spread of 50% to 55%.

In 2013 the funding capacity was reinforced through consequently a public capital increase of € 60 million, a public bond issue of € 75 million and a private bond issue of € 20 million. The net proceeds of these issues were used for the realization of the company strategy, and more specifically to fund the growth and further diversification of the real estate portfolio, as well as to diversify the funding resources, improve the debt ratio, strengthen the balance sheet, and also ensure an extension of the average duration of the debts.

Besides the successful bond placements described above, Leasinvest Real Estate has concluded additional credit lines in 2013 and has extended existing credit lines. The credit lines (excl. the € 95 million bond loans) amount to € 448.7 million end-2013 in comparison with € 386.7 million in 2012, an increase of € 62 million. This net increase (€ 40 million) is mainly the consequence of new credit lines with new financial institutions that did not offer credit lines at the end of 2012, which, besides the successful bond issues, indicates a better diversification of the funding resources.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Royal20, Luxembourg

Important events[1]

2.1 IN THE COURSE OF THE 2013 FINANCIAL YEAR

Highlights

- Realisation of the further strategic reorientation of the portfolio towards a larger part of retail (42%) and the Grand Duchy of Luxembourg (60%);
- Rise of the direct property portfolio by 16% to € 718.2 million (based on fair value);
- Increase of the occupancy rate from 94.9% end-2012 to 96.9% end-2013;
- Growth of the net result per share from € 5.11 end-2012 to € 5.43 end-2013
- Higher net result by 31% to € 26.9 million compared to € 20.5 million in 2012;
- Increase of the net current result pro rata per share from € 5.26 end-2012 to € 5.37 end-2013;
- Increase of net current result by 14% to € 24.1 million compared to € 21.1 million in 2012;
- Growth of dividend by 2.27% to € 4.50 gross per share (net € 3.3375), in comparison with a gross dividend of € 4.40 (net € 3.30) in 2012.

IInvestments and divestments

Investments

Acquisition of economic property shopping center Knauf Pommerloch

The in principle agreement signed in August 2012 with the owner of the two Knauf shopping centers located in the North of the Grand Duchy of Luxembourg has been fully realized on 10 September 2013, after the acquisition of the real estate certificates of the first Knauf shopping center Schmiede in September 2012, by the acquisition of the economic property of the second Knauf shopping center in Pommerloch.

On 10 September 2013 Leasinvest Real Estate has acquired, in execution of this agreement, through its 100% subsidiary Leasinvest Immo Lux SA located in Luxembourg, the economic property of Knauf Pommerloch for a value of € 96.5 million (which is not higher than the fair value) through the 100% subscription of a private issue of real estate certificates. This shopping center consists of 60 shops with over 26,000 m² of commercial space and more than 1,000 parking spaces, and 2,700 m² of offices currently commercialized. The shopping center is entirely let (average rental yield 6.68%) to different renowned retailers and attracts since more than 10 years visitors from both Luxembourg and Belgium.

With the acquisition of these 2 Knauf shopping centers, Leasinvest Immo Lux has a leading market position in the North of Luxembourg.

The amount of the successful capital increase of end-June 2013 of € 60.7 million (see below), together with the available credit lines, has been used to finance this acquisition of € 96.5 million.

Acquisition of a retail building of 12,000 m² in the Grand Duchy of Luxembourg

On 2 December 2013 Leasinvest Real Estate, via its 100% subsidiary Leasinvest Immo Lux, acquired 100% of the shares of a company owning a retail building of more than 12,000 m² with 475 parking spaces, located in the periphery of the city of Luxemburg. This very well located retail building is leased for a fixed term of 10 years to the German DIY group Hornbach, market leader in the Grand Duchy of Luxembourg and the only DIY-store of this size in Luxembourg. The acquisition value of the building amounted to € 25.5 million, which corresponds to the fair value based on an initial yield of 6.75%.

Leasinvest Immo Lux owns in Luxembourg more than 100,000 m² of shops in 7 regions, namely Schmiede, Pommerloch, Diekirch, Strassen, Bertrange, Foetz and Dudelange.

Subscription of capital increase Retail Estates

At the end of June Leasinvest Real Estate has subscribed the public capital increase of the public sicafi Retail Estates through exercising its preferential subscription rights, and has acquired 145,721 shares at € 49.75 per share, for a total of € 7,249 thousand. Consequently, the share of Leasinvest Real Estate in the capital of Retail Estates remained unchanged at 10%. These new shares created through the capital increase entitle to a full dividend for its financial year starting as of 1 April 2013.

Divestments

Sale of office building Pasteur in the Grand Duchy of Luxembourg

Leasinvest Immo Lux SA, a 100% subsidiary of Leasinvest Real Estate SCA, has sold on 11 March 2013 an office building of 4,928 m² located at the Avenue Pasteur in the Limpertsberg District in the City of Luxembourg to one of the real estate funds of the German investment company aik Immobilien-Kapitalanlagegesellschaft mbH. for an amount of approximately € 19.2 million, corresponding to the fair value of the building. The proceeds of this sale have been reinvested in the development of the former Hotel Rix located at the Boulevard Royal in Luxembourg City, where a new office building is constructed of which the reception if foreseen in the spring of 2015 (see below).

Sale of logistics building in Nossegem

At the beginning of January 2013 the front part of the Vierwinden site (located in Nossegem) was sold to Immobilière ASCO SA for a net amount of € 3 million, which is not lower than the fair value. On this sale, a limited capital gain was realized.

Sale of the remaining two floors in the building Mercure in the Grand Duchy of Luxembourg

At the end of April and at the beginning of May 2013 Leasinvest Immo Lux SA has sold, for a net amount of € 1.9 million, the two remaining floors of the office building "Mercure" held in co-ownership (located at the avenue de la Gare in the City of Luxembourg). On this sale, a capital gain of € 600 thousand was realized.

Divestment office building Delta Business Park in Kontich

On 13 September 2013 the office building of the Delta Business Park located at Kontichsesteenweg in the technology park Satenrozen in Kontich was sold for a net amount of € 2.2 million, or close to its fair value.

June

Successful public capital capital increase of € 60 million

September

Investment of € 94.5 million of retail in Luxembourg

Successful public bond issue of € 75 million

December

Successful private bond issue of € 20 million

Acquisition of € 25 million of retail in Luxembourg

Divestment of logistics building rue Lusambo in Forest

On 9 October 2013 the semi-industrial building, consisting of offices and storage, located at rue Lusambo in Forest was sold, together with the underlying long lease of the BRDA (Brussels Regional Development Agency) for a net amount of € 1 million, reflecting its fair value.

Developments and redevelopments

Building permit for the building 'Royal 20' located Boulevard Royal in the Grand Duchy of Luxembourg

On 9 October 2013 the building permit for the development of a new office project located Boulevard Royal in the City of Luxembourg was obtained. The demolition works of the former "Hotel Rix" have started and the completion of the building is foreseen in the spring of 2015. On this top location a new office building of approximately 5.000 m², named "Royal20", that will meet high energy performance standards, will be realised, and it will be designed by the renowned French architect firm Agences Elisabeth & Christian de Portzamparc.

The total investment cost of the project is estimated at € 34 million and its estimated annual rent amounts to +/- € 2.3 million.

Lettings

The further commercialization of the lettings evolved favourably in 2013, despite the still challenging market situation.

The Crescent (Anderlecht)

In the building The Crescent (15,132 m²) that was fully converted in 2012 into a 'green intelligent building' and is used as a business center with different facilities (catering, meeting rooms, etc.) +/- 40 service contracts have been concluded in the meanwhile, resulting in an occupancy rate of 69% at the end of 2013.

Canal Logistics

Orchestra-Prémaman SA leases 5,550 m² in Canal Logistics Brussels (detaisl on page 61) as of 4 December 2013 for an 8-year period. The French group Orchestra founded in 1995, of which Prémaman became part since July 2012, is market leader in baby supplies, maternity fashion and children's wear, from birth till 14 years, and operates in a number of European countries. Orchéstra-Prémaman will use the Canal Logistics site as a logistics platform for the supply of its shops in the Brussels Region.

Financing

Public capital increase of € 60,655,489

At the beginning of June 2013 the manager of Leasinvest Real Estate proceeded to a successful capital increase within the framework of the authorized capital, respecting the preferential subscription rights, of Leasinvest Real Estate for an amount of € 60,655,489 (including share premium) and this, through a public offering of 926,038 new shares issued at € 65.50. Consequently, the total amount of shares amounts to 4,938,870 at the end of June, in comparison with 4,012,832 end-2012.

The subscription period ran from 5 June 2013 till 19 June 2013 included and was fully subscribed after the sale of the scrips (91.5% through the exercise of preferential subscription rights and the balance through scrips). BNP Paribas Fortis acted as "Sole Global Coordinator and Sole Bookrunner"; ING Belgium and Belfius Bank as "Co-Lead Managers".

Public issue of bonds for an amount of € 75 million

On 27 September Leasinvest Real Estate raised, already after one day, the foreseen maximum amount of € 75 million through the issue of a public bond. The Joint Lead Managers (Belfius Bank NV/SA, BNP Paribas Fortis NV/SA and ING Bank NV, Belgian Branch) received subscriptions for a higher amount, subject to which the subscriptions were proportionally reduced. These bonds have a 6-year term.

These bonds have been issued and have been admitted for trading on the regulated market of NYSE Euronext Brussels on 9 October 2013 and offer an annual gross coupon of 3.75%. This represents a gross actuarial yield of 3.399% on an annual basis and the net annual actuarial yield is 2.472% (after deduction of 25% withholding tax).

This operation was coordinated by ING Bank NV acting as Arranger.

Successful private placement of € 20 million

On 4 December Leasinvest Real Estate proceeded to the early successful closing of a private placement for a total amount of € 20 million. The bonds have a 7-year term, are due 4 December 2020, and bear a fixed annual gross yield of 3.528%

The issue price of the bonds was equal to their nominal amount, being € 100,000.

The bonds were placed with institutional investors. Bank Degroof NV/SA acted as Lead Manager.

The net proceeds of these issues were used for realising the company's strategy and more specifically to fund the further growth and diversification of the real estate portfolio, to diversify the funding sources and to increase the average duration of the debt.

New and extended credit lines

Besides the successful bond issues described above, Leasinvest Real Estate has concluded additional credit lines in 2013 or has renewed existing credit lines. The credit lines (excl. the € 95 million of bonds) amount to € 448.7 million at the end of 2013 compared to € 386.7 million in 2012, an increase of € 62 million. This net increase is mainly (€ 40 million) the consequence of new credit lines with financial institutions which were not granting credits at the end of 2012, and which further indicates, besides the successful bond issues, to a better diversification of the financing resources.

2.2 AFTER THE CLOSING OF THE FINANCIAL YEAR 2013

Sale office building Avenue Louise 66 in Brussels

On 27 January 2014 Leasinvest Real Estate sold the office building located Avenue Louise 66 in Brussels to Immo Graanmarkt sprl for a net amount of € 10,350,000 which exceeds the fair value. This office complex located opposite the Steigenberger (ex-Conrad) hotel consists of 2 connected buildings and 1 commercial space (ground floor). It has a total rental surface of 3,398 m^2 and is entirely let.

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Kiem, Luxembourg

Comments on the consolidated balance sheet and the results of the financial year 2013

INCOME STATEMENT

The **rental income** amounted to € 45.2 million compared to € 37.96 million a year earlier, an increase by **19% or € 7.2 million**. This evolution is mainly the result of, on the one hand, the **investments** realized in September 2012 in Knauf Shopping Center Schmiede and the State Archives in Bruges, and on the other hand, of the contribution of 4 months of income from Knauf Shopping Center Pommerloch and nearly 1 month of income from Hornbach following the investments realized at the end of 2013, or in total € **6.5 million**.

The **divestment** of the buildings Pasteur and Mercure in the Grand Duchy of Luxembourg and Delta Business Park (Satenrozen), a part of Vierwinden, Torenhof (The Crescent Ghent) and a building located rue Lusambo in Belgium had a negative impact on the rental income of **€ 1.5 million**.

At **constant portfolio** the rental income rises by 9% or **€ 1.6 million** in comparison with the same period last year (excl. rental rebates € -0.4 million).
Moreover, the rental result was positively influenced for **nearly € 1 million** due to a settlement with a tenant for the early termination of its lease.

The **property charges** have increased by 21% and amount to € 6.7 million in comparison with € 5.5 million end-2012, and this, mainly following higher technical costs. 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 evolution of the property management costs is in proportion to the rise of the rental income.

The **corporate operating charges** increased to € 2.4 million compared to € 1.8 million in 2012, explained by a higher subscription tax and due diligence costs.

The **result on disposal of investment properties** (€ -0.1 million) consists of the limited realized capital loss on the divestment of the less strategic buildings that were however not sold below the fair value at the moment of the sale. Also, on a sale a rental guarantee of € -0.2 million was foreseen.

The **changes in fair value of the real estate portfolio** of € 2 million (€ 1.3 million end-2012) are the consequence of an upward evaluation of the buildings by the external real estate expert.

The **financial result** amounts to € - 9 million and is less negative than in 2012 (€ -9.8 million). This result is however positively influenced by the positive changes in fair value (non-cash) of the ineffective hedges and other fair value adjustments on financial assets and liabilities of € 0.9 million (2012: € -2.1 million).
Making abstraction of the dividend received from Retail Estates, the impact of the changes in fair value of the hedges and other financial assets and liabilities, the financial result is more negative in 2013 than in 2012 (2013: € -10.5 million; 2012: € -7.7 million). This evolution is explained by a higher average debt taken up with a slightly higher funding cost (2013: 3.29% in comparison with 3.04% in 2012).

The **net current result** rose by 14% from € 21.1 million (or € 5.26 per share) end-2012 to € 24.1 million (or € 4.88 per share) end-2013. If we take into account the weighing of the part of the result compared to the number of outstanding shares, that increased at the end of June following the public capital increase, the net current result per share amounts to € 5.37 end-2013 in comparison with € 5.26 per share end-2012. This increase is the consequence of a higher rental income.

The **net result**, group share, amounted to € 26.9 million compared to € 20.5 million in 2012. In terms of net result per share, this results in € 5.45 end-2013 compared to € 5.11 end-2012. This increase is mainly the consequence, besides the higher rental income mentioned above, of a positive change in the fair value of the real estate portfolio and of the financial assets and liabilities in comparison with 2012.

BALANCE SHEET

The **fair value of the real estate portfolio**, composed of the investment properties, finance lease receivables and assets held for sale, amounts to € 718.2 million end-2013 compared to € 617.8 million at the end of December 2012. The increase is mainly the consequence of the acquisition of the economic property of the shopping center Knauf Pommerloch in the third quarter of 2013 (€ 96.5 million). This investment was partially funded by the proceeds from the public capital increase realized at the end of June. In the fourth quarter a retail building was acquired in the Grand Duchy of Luxembourg, leased for a fixed term of 10 years to the German DIY-group Hornbach, acquired for € 25.5 million.
In 2013 some less strategic buildings were also sold for approximately € 27 million (book value), among which the Pasteur building (offices located in the Grand Duchy of Luxembourg).

The global direct and indirect real estate portfolio (including the participation in Retail Estates SA) amounts to nearly € 760 million end-2013.

The **non-current financial assets** increased from € 37.5 million to € 47.8 million and mainly comprise the participation in Retail Estates. End-June Leasinvest Real Estate has subscribed the public capital increase of Retail Estates by exercising all its preferential subscription rights, and has acquired 145,721 shares at € 49.75 per share, i.e. € 7,249 thousand in total. Consequently, the share of Leasinvest in the capital of Retail Estates remained unchanged at 10%. These new shares created following the capital increase entitle to a full dividend (financial year 01/04-31/03).

The account **finance lease receivables** for € 17.9 million comprises the State Archives in Bruges, presented as a financial leasing according to IFRS.

At the end of the financial year 2013 **shareholders' equity**, group share (based on the fair value of the investment properties) amounts to € 335 million (end-2012: € 256 million). The increase is due to the evolution of the global result, amounting to € 37.3 million end-2013 in comparison with € 9.7 million end-2012 and the capital increase realized in June 2013 for € 60.6 million before issue costs.

End-2013 **net asset value per share** amounts to € 67.9 (end-2012: € 63.8). End-2013 the closing price of the Leasinvest Real Estate share stood at € 73.6, or 8% higher than the net asset value; if we take into account the pro rata dividend of € 2.14, the premium would amount to 11.5%.

The **net asset value according to the EPRA best practices** amounts to € 71.5 per share end-2013 in comparison with € 70.6 end-2012. An increase by € 0.9 per share despite the dilution following the capital increase. At the end of 2013, the share price amounted to € 73.6 per share which represents a premium of 3%.

Due to the balance of the different investments and divestments the **financial debt** has increased from € 364.4 million end-2012 to € 407.6 million end-2013. However, following the successful public capital increase of € 60.6 million and the realized global result, the **debt ratio** has decreased from 56.19% end-2012 to 53.53% end-2013.

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 € 4.50, and net, free of withholding tax of 25%, € 3.3375 on 26 May 2014, for all the shares existing before the public capital increase. The pro rata gross dividend for the shares existing before the capital increase amounts to € 2.14 gross (net € 1.605), and the pro rata gross dividend for the new shares, created following the capital increase, amounts to € 2.36 gross (net € 1.77).

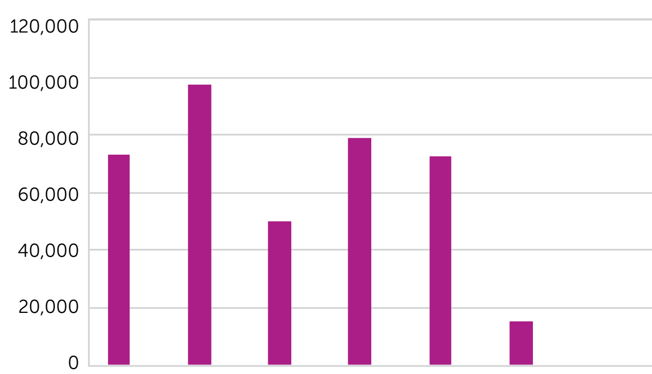
Subject to the approval of the ordinary general shareholders' meeting of 19 May 2014, dividends will be paid out on presentation of coupon no 16, or € 2.14 gross, on 4 June 2013 (after closing of the stock exchange), detached from the shares existing before the capital increase, representing the pro rata dividend for the financial year 2013, calculated pro rata for the period between 1 January 2013 and the issue date of the new shares, i.e. 25 June 2013, and coupon no 17, or € 2.36 gross, representing the dividend for the period after the issue date of the new shares and 31 December 2013, as of 26 May 2014 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

The Ex-date is 21/05/14 and the Record date is 23/05/14.

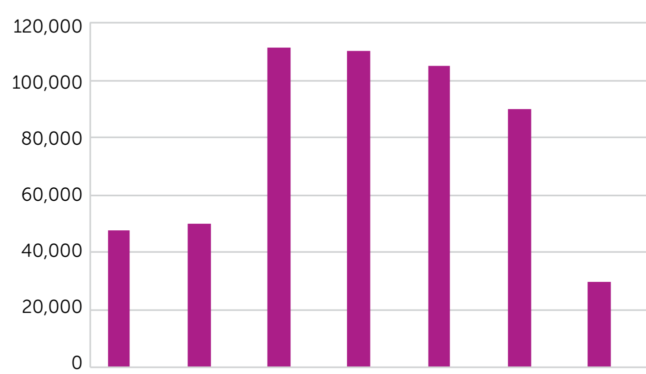
Outlook financial year 2014

Leasinvest Real Estate has in 2013 realized its strategic reorientation and expects that 2014 will become a year where this strategic reorientation will further contribute positively to the results. As a consequence it is expected that unless exceptional circumstances and unforeseen capital losses on the existing real estate portfolio and interest rate hedges a better net result and better net current result will be achieved than in 2013.

Evolution maturity of credits end-2012 & 2013



	2013	2014	2015	2016	2017	2018	2019
Maturity	73,000	97,500	50,000	78,700	72,500	15,000	0
Maturity %	19%	25%	13%	20%	19%	4%	0%



	2014	2015	2016	2017	2018	2019	2020
Maturity	47,500	50,000	111,200	110,000	105,000	90,000	30,000
Maturity %	9%	9%	20%	20%	19%	17%	6%

Management of financial resources

Leasinvest Real Estate has been very active as to the management of its financial resources in 2013.

In order to fund the planned investments, the company proceeded to a public capital increase of € 60.6 million at the beginning of June, and this through a public offering of 926,038 new shares at € 65.50. The total number of shares consequently amounts to 4,938,870 since the end of June, in comparison with 4,012,832 end-2012. The operation was very successful and was fully subscribed after the sale of the scrips. BNP Paribas Fortis acted as "Sole Global Coordinator and Sole Bookrunner"; ING Belgium and Belfius bank as "Co-Lead Managers".

Through this operation, the debt ratio also remains within the predefined spread of 50%-55%.

Because the timing of the capital increase closely corresponded to the moment of the investment of the resources (the investment in Pommerloch for € 96.5 million was realized at the beginning of September 2013), the pro rata current result per share is higher in 2013 than in 2012.

Moreover, the credit resources were strongly diversified in 2013 and the average duration was extended from 2.64 years end-2012 to 3.7 years end-2013.

The graphs opposite show the evolution of the maturities per end-2013 in comparison with end-2012:

The envisaged diversification and extension of the average duration were mainly obtained by the issue of a public bond that generated the maximum of € 75 million already after one day. The Joint Lead Managers (Belfius Bank NV/SA, BNP Paribas Fortis NV/SA and ING Bank NV, Belgian Branch) received subscriptions for a higher amount, due to which the subscriptions have been proportionally reduced. The bonds have a maturity of 6 years. The operation was coordinated by ING Bank NV. These bonds issued on 9 October 2013 and admitted to trading on the regulated market of Euronext Brussels offer an annual gross coupon of 3.75%. This represents a gross actuarial yield of 3.399% on an annual basis, and a net annual actuarial yield of 2.472% (after deduction of 25% withholding tax).

Besides this, Leasinvest Real Estate has proceeded to the successful early closure of a private placement of a bond issue for a total amount of € 20 million. The bonds have a maturity of 7 years, expire on 4 December 2020, and generate a fixed annual gross yield of 3.528%. The bonds were placed with institutional investors. Bank Degroof NV/SA acted as Lead Manager.

The net proceeds of these issues were used for realising the company's strategy and more specifically to fund the further growth and diversification of the real estate portfolio.
Besides the successful bond placements described above, Leasinvest Real Estate has concluded additional credit lines or has renewed existing credit lines in 2013. The credit lines (excl. the € 95 million bond loans) amount to € 448.7 million end-2013 in comparison with € 386.7 million in 2012, or an increase of € 62 million. This net increase (€ 40 million) is mainly the consequence of new credit lines with financial institutions that did not grant credit lines at the end of 2012, which, besides the successful bond issues, indicates a better diversification of the funding resources.

At the end of 2013 Leasinvest Real Estate disposes of € 137.7 million of available credit lines (after deduction of the back-up credit lines for the commercial paper issues) (€ 22 million end-2012).

Protection against the rise of the interest rates (or decrease for fixed-rate credits) is ensured by using interest rate hedges.

The policy is intended to hedge the interest rate risk for approximately 75% of the financial debt for a 5-year period and for circa 50% for the consequent 5-year period. At the end of 2013 the real estate investment trust has 36% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end-2012: 39); 10% of current interest rate caps (with a limit on the interest rates) (end-2012: 27%) and 36% of credits at fixed rates (2012: 0%). For more details we refer to note 34 of the financial statements on page 161.
The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.29% (end-2012: 3.04%) excluding the effect of fair value adjustments on ineffective hedges; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 3.08% (2012: 3.77%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost (€ 147.7 million including the bond issues).

Key performance indicators according to the EPRA reference system

Leasinvest Real Estate received an EPRA Gold Award for its Annual financial report 2012

These data are communicated for information purposes only and are not required by the regulation on sicafi and are also not subject to any review by public bodies.
These figures were not audited by the auditor.

EPRA RESULT AND EPRA RESULT PER SHARE (X € 1,000)

	2013	2012
Net result – group share as communicated in the financial statements	**26,926**	**20,508**
Net result per share – group share as communicated in the financial statements (in €)	**5.45**	**5.11**
Adjustments to calculate the EPRA Result	**-2,798**	**606**
To exclude		
(i) Changes in fair value of investment properties and assets held for sale	-1,978	-1,342
(ii) Result on the sale of investment properties	146	-153
(iv) Changes in fair value of financial instruments	-966	2,101
(viii) Deferred taxes with regard to EPRA adjustments	0	0
(x) Minority interests with regard to EPRA adjustments	0	0
EPRA Result	**24,128**	**21,113**
Number of shares entitled to the result of the period	4,938,870	4,012,832
EPRA Result per share (in €)	**4.89**	**5.26**

EPRA NET ASSET VALUE (NAV) (X € 1,000)

	2013	2012
NAV according to the financial statements	**335,334**	**256,005**
NAV per share according to the financial statements (in €)	**67.90**	**63.80**
To exclude		
(i) Fair value of the financial instruments	17,941	27,399
EPRA NAV	**353,275**	**283,404**
Number of shares entitled to the result of the period	4,938,870	4,012,832
EPRA NAV per share (in €)	**71.53**	**70.62**

EPRA TRIPLE NET ASSET VALUE (X € 1,000)

	2013	2012
EPRA NAV	**353,275**	**283,404**
To include		
(i) Fair value of the financial instruments	-17,941	-27,399
EPRA NNNAV	**335,334**	**256,005**
Number of shares entitled to the result of the period	4,938,870	4,012,832
EPRA NNNAV per share (in €)	**67.90**	**63.80**

EPRA NET INITIAL YIELD (NIY) AND ADJUSTED NET INITIAL YIELD (ADJUSTED NIY) (X € 1,000)

		2013	2012
Investment properties and assets held for sale		718,234	617,763
To exclude			
Assets held for sale		-10,144	-21,701
Development projects		-20,680	-19,620
Real estate available for lease		**687,410**	**576,442**
To include			
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		12,401	12,740
Investment value of properties available for lease	**B**	**699,811**	**589,182**
Annualized gross rental income		51,000	41,001
Property charges		-7,638	-6,576
Annualized net rental income	**A**	**43,362**	**34,425**
Gratuities expiring within 12 months and other lease incentives		-406	-19
Annualized and adjusted net rental income	**C**	**42,956**	**34,406**
EPRA NIY	A/B	6.20%	5.84%
EPRA adjusted NIY	C/B	6.14%	5.84%

EPRA VACANCY RATE (X € 1,000)

		2013				2012			
		Offices	Logistics	Retail	Total	Offices	Logistics	Retail	Total
Rental surface (in m^2)		100,419	209,448	94,136	404,003	100,419	209,448	94,136	404,003
Estimated Rental Value of vacant spaces	A	1.37	0.19	0.00	1.56	1.46	0.64	0.03	2.13
Estimated Rental Value of total portfolio	B	17.54	11.25	21.47	50.26	17.73	11.33	12.73	41.79
EPRA Vacancy rate	**A/B**	**7.81%**	**1.61%**	**0.00%**	**3.10%**	**8.23%**	**5.57%**	**0.24%**	**5.10%**

EPRA COST RATIO

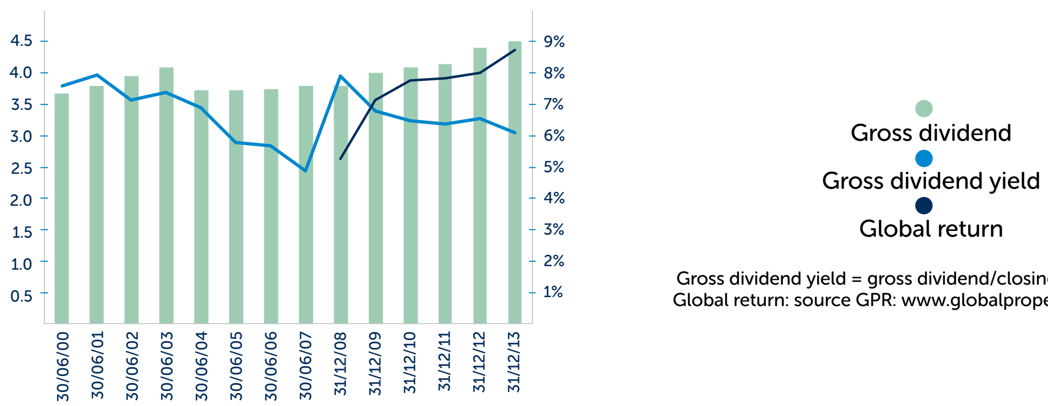
	2013	2012
Other rental-related income and expenses	-1,617	-1,542
Property charges	-6,717	-5,549
General corporate costs	-2,374	-1,824
Other operating charges and income	-343	-302
EPRA costs including rental vacancy costs	**-9,038**	**-7,205**
Direct costs of rental vacancy	295	507
EPRA costs excluding rental vacancy costs	**-8,743**	**-6,698**
Rental income	**45,186**	**38,006**
EPRA Cost ratio (including direct rental vacancy costs)	**-20.0%**	**-19.0%**
EPRA Cost ratio (excluding direct rental vacancy costs)	**-19.3%**	**-17.6%**

Leasinvest Real Estate on the stock exchange

"On 31/12/13 the Leasinvest Real Estate listed at a premium of 7.5% compared to the net asset value."

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), as well as the total return according to GPR. The gross dividend shows an increasing trend as from 2008.



Gross dividend yield = gross dividend/closing price on 31/12.
Global return: source GPR: www.globalpropertyresearch.com

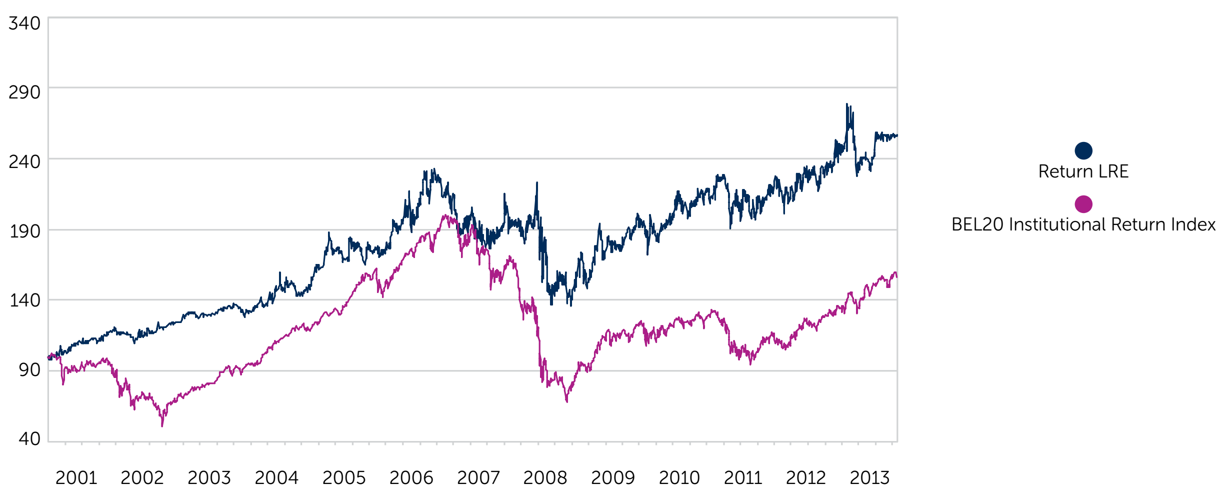
KEY FIGURES AND GRAPHS

	31/12/13	31/12/12
Number of listed shares (#)	4,938,870*	4,012,832
Number of issued shares (#)	4,938,870*	4,012,832
Market capitalisation based on closing price (€ million)	363.5	269.26
Free float (%)	41.00%	33.60%
Closing price (€)	73.60	67.10
Highest price (€) (30/04/13)	80.52	69.58
Lowest price (€) (21/06/13)	65.15	61.50
Average monthly traded volume (#)	33,347	24,052
Velocity (%) (1)	8.96%	7.20%
Free float velocity (%) (2)	21.86%	21.40%
Premium based on closing price vs NAV (fair value)	7.50%	5.20%
Gross dividend	4.50	4.40
Net dividend	€ 3.3375	€ 3.30
Gross dividend yield (3)	6.10%	6.56%
Payout ratio (consolidated)	83.90%	73.30%
Payout ratio (statutory)	164.30%	108.00%

* Since the capital increase of 20/06/13; the 926,038 new shares are listed since 25/06/13.
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.

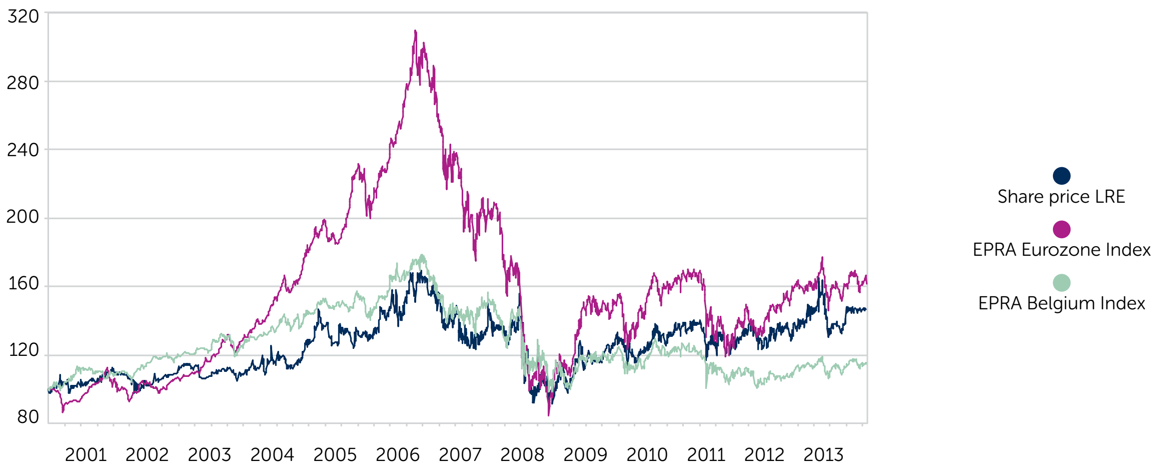
PRICE PREMIUM/DISCOUNT LEASINVEST REAL ESTATE SHARE PRICE VERSUS NET ASSET VALUE

COMPARISON OF RETURN OF LEASINVEST REAL ESTATE WITH THE RETURN ON BEL20 INDEX[1]



1 Index 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)[1]



1 Information from EPRA, not controlled by any authority.

In the course of this year, the Leasinvest Real Estate share price reached a top of € 80.52 in April. The decrease in the second quarter was caused by the correlation with the EPRA Eurozone index and the detaching of the pro rata dividend in June. The share price has again increased in October 2013 following the publication of the realization of the strategy for more investments in retail and in Luxembourg, and the successful placement of a public bond offering, to close at € 73.60 at the end of 2013 (€ 67.10 end-2012). On 31/12/13 the share listed at a premium of 7.5% compared to the net asset value.

The past financial year, the average monthly transaction volume of the share has increased to 33,347 shares in comparison with 24,052 shares in 2012. The low velocity (8.96% over 2013) is mainly explained by the limited free float of the share (41%). If we only take into account the tradable shares, the free float velocity over 2013 amounts to 21.86%, or a slight increase compared to 2012.

As shown by the graph, the Leasinvest Real Estate share records quasi systematically a higher return than the BEL20 Index. In 2013 the Leasinvest Real Estate share again performed 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 recorded a better evolution. The EPRA Eurozone Index, the index of the main listed real estate companies in Europe, of which the Leasinvest Real Estate share is part, showed a similar trend as the Leasinvest Real Estate share.

ANALYSTS' COVERAGE

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State Archives Bruges, Belgium

Real estate report

Michel Van Geyte, COO

"With the investment in the Knauf shopping centers (Schmiede in 2012, Pommerloch in 2013) and the Hornbach site in Bertrange we are the most important foreign investor[1] and above all a major retail player in the Grand Duchy of. Once again we proved that investing in itself is not an objective, but only well thought of investments can grow your real estate portfolio and your results.

Our investments are also supported by solid and innovative marketing campaigns and commercial initiatives that contribute to defining the value and the success of a building.

Creative thinking and realizing ideas is our daily mission."

1 Source: Expertise/JLL.

THE CRESCENT ANDERLECHT (BRUSSELS)

After the departure of the previous tenant, The Crescent has been transformed into a 'green 'intelligent building' business center in 2011 and 2012. It is now a building that perfectly responds to the needs of the modern office user, both in respect of sustainability and services.

The building offers a state-of-the-art business center with flex offices, meeting rooms, catering, fitness and an auditorium, a concept that clearly hits the market. The Crescent also offers a modern environment, situated at only 10 minutes from the centre of Brussels, and very well accessible both by public and private transport. The building consists of five office wings, connected by an impressive atrium, and completed by meeting rooms and facilities. This is all situated in a magnificent garden with ample parking facilities, both for bikes and cars. This offer is supported by a professional service and reception. The client pays a "full package" cost, including private (use, cleaning…) and common costs, taxes, reception and mail distribution.

The advantage for the user is that he does not have to sacrifice unnecessary space to a reception, meeting facilities, a fitness room, a restaurant or meeting points, as these are available to the entire community.

In 2013 the garden was finalized with a/o an eco-wall and plantations according to the biodiversity principle.

Breeam-in-use: good (objectif "excellent" in 2014)
Year of construction: 2002 – Renovation: 2010 -> 2013
7,500 m² offices – 1,500 m² business center
Current occupancy rate: 69%
Total investment: € 4.5 million
Rental yield (average): 6.05%


The Crescent Anderlecht, Belgium

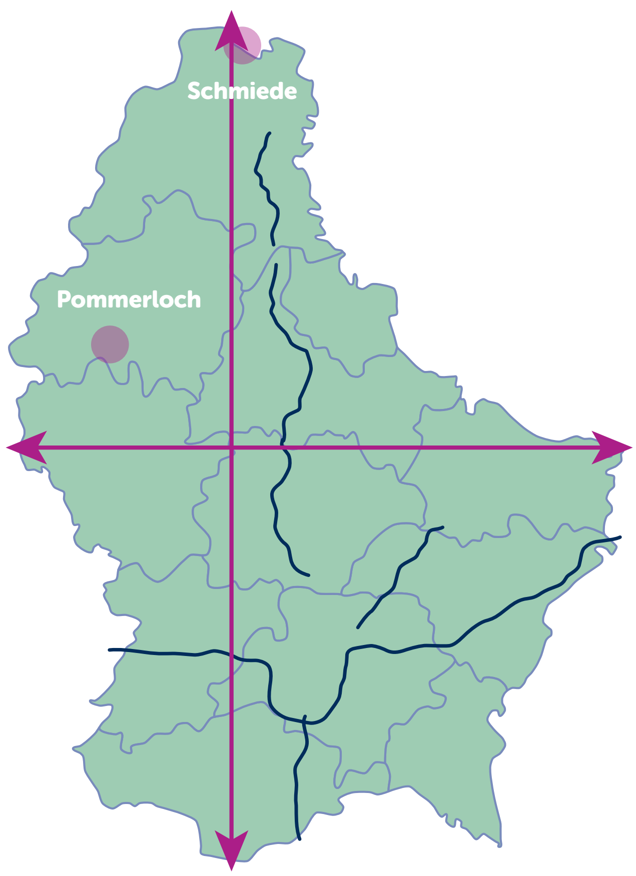
© Mine Daelemans

KNAUF SHOPPING CENTERS SCHMIEDE & POMMERLOCH, UN EXEMPLE DE « CROSS-BORDER SHOPPING »

Shopping center Knauf in Schmiede has been fore over tens of years an important attraction pole for shopping in the North of Luxembourg, at the border connecting Luxembourg, Belgium and Germany.
This shopping center consists of approximately 40 shops with a gross letting area of over 30,000 m². The shopping center is entirely let to different renowned retail brands.

Shopping center Knauf in Pommerloch, that is more recent and is located in the western direction, mainly attracts, besides the Luxembourg population, Belgian consumers (Bastogne region).
Here we find some 60 shops with a gross letting area of over 26,000 m². This shopping center also houses nationally and internationally renowned brands.

The Grand Duchy of Luxembourg has an original market position. It has a population of 537,000 inhabitants, of which 44.5% foreigners, and each day some 150,000 cross-border workers (of which 78% 1/6 of them run their errands in Luxembourg according to Statec in 2012) from the surrounding countries, Belgium, France and Germany. The country moreover has a limited surface, and the North-South axis counts 85 kilometres, and the East-West axis only 57 kilometres, or ideal circumstances for an international clientele.



Knauf Pommerloch, Luxembourg

© www.detiffe.com

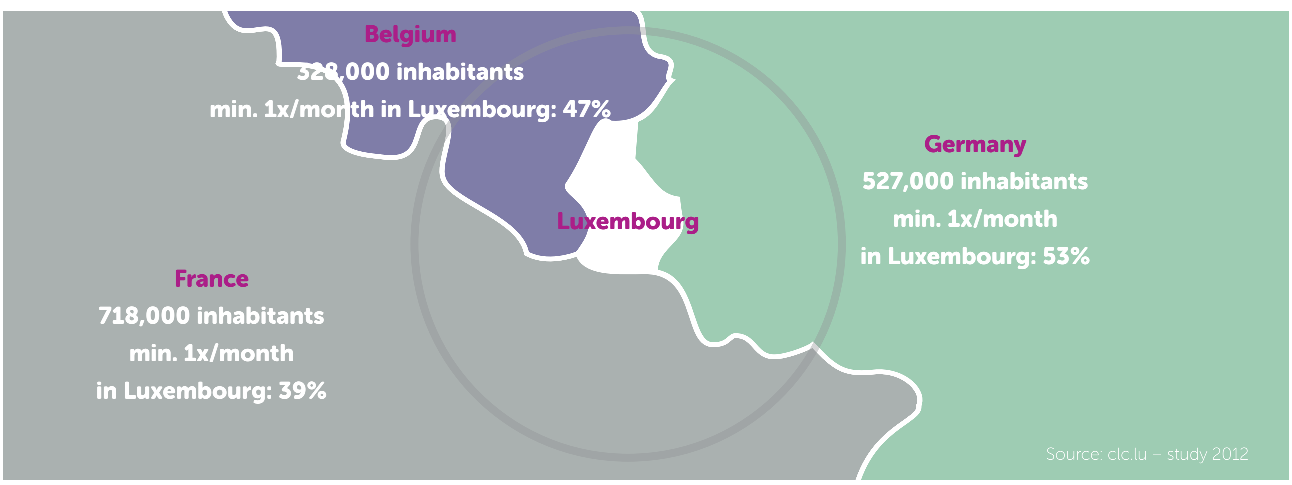
Schmiede
Year of construction: 1995
32,908 m² shops – 2,776 m² offices - 1,200 parking spaces
Occupancy rate: 100%
Total investment: € 74.5 million
Rental yield (average): 7.22%

Pommerloch
Year of construction: 2002-2011
25,096 m² shops – 2,651 m² offices – 1,013 parking spaces
Occupancy rate: 100%
Total investment: € 96.5 million
Rental yield (average): 6.68%

This international clientele or the so-called 'cross-border' shoppers (not to be confused with those who work in Luxembourg – they can however be part of this group) are estimated at approximately 1.5 million people from the surrounding countries, described as the 'Grande Région', representing a service zone of approximately 30 Kilometres.

This same study also indicates how many inhabitants (thus potential clients) are included in that zone and with what kind of frequency the inhabitants from those regions go shopping in the Grand Duchy of Luxembourg.

Promotions are part of the top 3 of all inhabitants of the surrounding countries as a reason to shop in the Grand Duchy, besides other reasons such as the unavailability of a certain product in their country, price, etc.



Source: clc.lu – study 2012

THE HORNBACH SITE IN BERTRANGE, LUXEMBOURG, MARKET LEADER IN DIY IN LUXEMBOURG

On 2 December 2013 Leasinvest Real Estate, via its 100% subsidiary Leasinvest Immo Lux, has acquired 100% of the shares of a company, owner of a retail building of over 12,000 m² with 475 parking spaces, located in the periphery of the city of Luxembourg. This very well located retail building is leased for a fixed term of 10 years to the German DIY-group Hornbach, market leader in the Grand Duchy of Luxembourg and the only DIY-market of this size in Luxembourg.

Following these acquisitions, Leasinvest Immo Lux owns in Luxembourg more than 110,000 m² of retail space in 7 regions, namely Schmiede, Pommerloch, Diekirch, Strassen, Bertrange, Foetz and Dudelange.

This site is of the retail warehousing type and perfectly completes the strategic retail positions of Leasinvest Real Estate in Luxembourg. A retail building in the periphery, of this size, with an important international tenant is a rare opportunity in this market.

Year of construction: 2008
12,153 m² – 475 parking spaces
Occupancy rate: 100%
Total investment: € 25.5 million
Rental yield (average): 7.16%

Hornbach Bertrange, Luxembourg

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CANAL LOGISTICS EVEN MORE SUSTAINABLE THANKS TO THE INSTALLATION OF SOLAR PANELS

Canal Logistics located alongside the Brussels' Canal is only 5 minutes away from the city centre and 10 minutes from the airport of Zaventem, and is the ideal location for multimodal transport in different directions, and moreover, the only logistics site alongside the Brussels' ring road. The complex is entirely let to major players, such as Cameleon-Famous Clothes, Caterpillar, MSF Supply, the central supply of Doctors without Borders, and recently to Orchestra-Prémaman, that will use Canal Logistics as a logistics platform for the supply of its stores in the Brussels region.

Canal Logistics meets all technical standards that complete a logistics center: ESFR-sprinklers, heating, large spans, sufficient dock levelers, and this, with respect for ecological principles.

In the scope of sustainable development solar panels were installed in 2013. With a surface of 49,775 m² and 14,220 solar panels, this installation will have a production capacity of 3.15 GWh/year, which corresponds to the average energy consumption of 920 households and also reduces the annual CO2 emission by no less than 640 tons.

Canal Logistics Brussels, Belgium

© Dries Van den Brande

Canal Logistics Brussels, Belgium

Year of construction: 2009/2011
48,346 m² of storage space with 10 m of free height and 50 loading docks, equipped with a sprinkler system – 3.097 m² of offices – outside parking
Occupancy rate: 100%
Total investment: € 32.6 million
Rental yield (averge): 6.94%

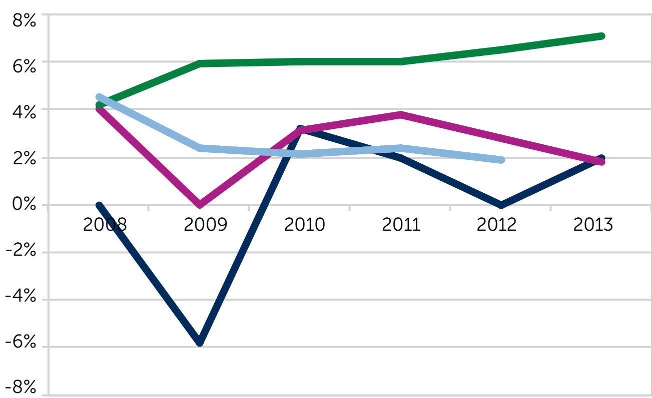
9.1 THE REAL ESTATE MARKET IN 2013[1]

The information on the real estate market below comprises extracts of the real estate market reports of Cushman & Wakefield, reproduced with their consent, and of which the contents have not been controlled.

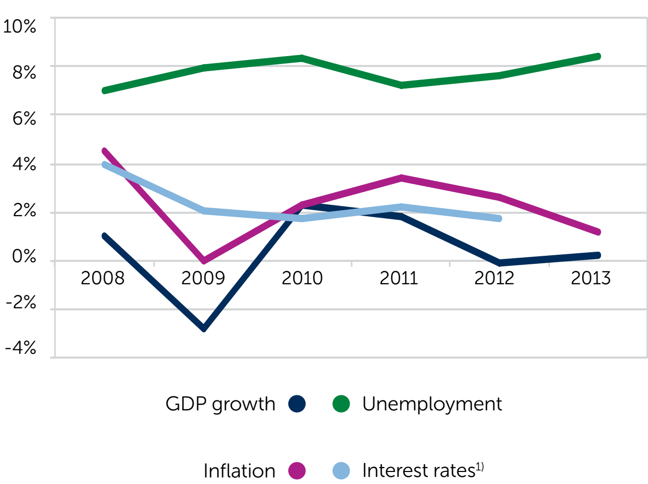
Macroeconomic evaluation of Luxembourg and Belgium

There is a slight improvement in the macroeconomic indicators in both countries, but the GDP increases more strongly in the Grand Duchy of Luxembourg than in Belgium. The unemployment rate increases is both countries.

Luxembourg



Belgium



Source: Eurostat, STATEC, BCL, NBB
1 Loans to non-financial companies

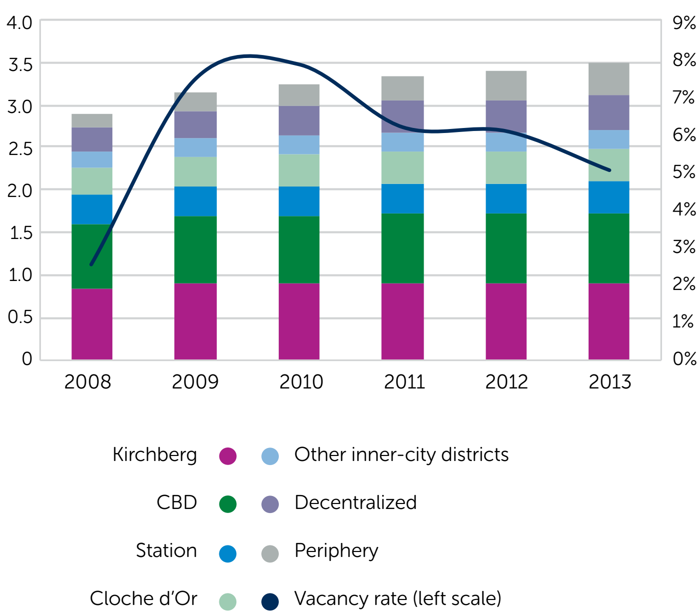
Luxembourg

Investment market

Office market: high investment activity in 2013 with a volume of € 624 million

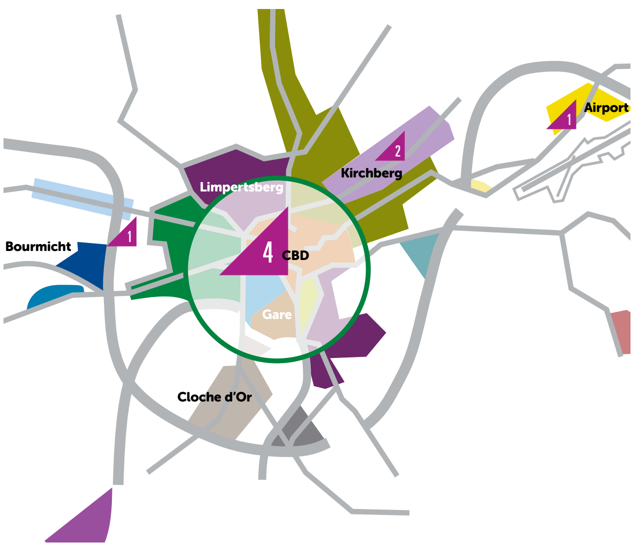
The Luxembourg office market represents currently approximately 3.49 million m², including the periphery. CBD and Kirchberg, the 2 main districts represent 49% of this volume. However, the biggest increase comes from the decentralized and periphery districts, due to a lack of affordable land in the business districts.

As shown by the graph below, the evolution of the available offer is characterized by a balanced growth since 2008 (3.7% on average per year). However, very little of these developments are speculative. In 2013 approximately 70,000 m² have been completed en added to this offer. A large part was pre-let, thus without any impact on the vacancy rate that further decreased since 2009 to 5% at present, which can be considered to be a healthy rate. The CBD (2.4%) and Kirchberg (1.8%) record the lowest vacancy rate, which also indicates a tension between offer and demand. Most inner-city districts can limit the vacancy rate to well below 10%, while the decentralized and periphery districts know a higher vacancy rate, such as Bertrange and Leudelange with the highest vacancy rates (20-25%).



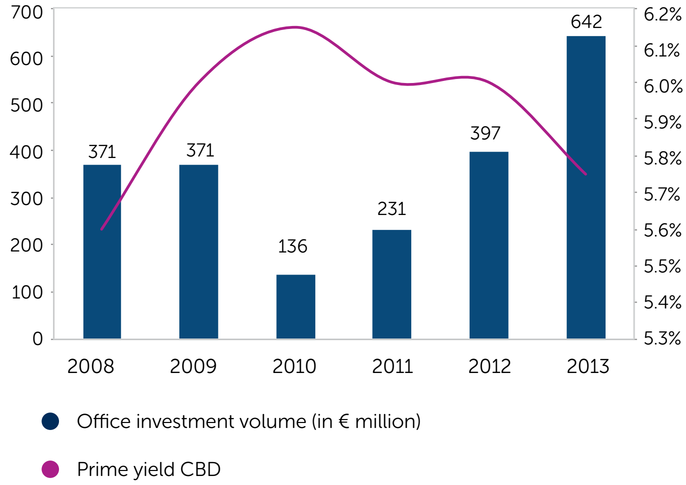
1 Source: Cushman & Wakefield.

Of the 8 office buildings that are part of the real estate portfolio of Leasinvest Real Estate, 2 are located at Kirchberg and 4 in the Central Business District, among which the Royal20 (ex-Hotel Rix) project that was acquired at the end of 2012 and for which the building permit was obtained in October 2013. Demolition is finalized and the construction works started. The project was revealed at the MIPIM exhibition in March 2014 in Cannes, the official start of the commercialization of this prestigious project. The interest for this project seems big, mainly due to the scarcity described above in this district. The completion of this office project signed by the renowned architect Christian de Portzamparc, is foreseen for the spring of 2015.



Airport: EBBC
Kirchberg: Monnet & Kennedy
CBD: Montimmo, Monterey, Royal20 & Esch
Decentralized: Kiem

2013 was a very good year for investments in offices, with at total of 29 transactions (of which 10 transactions of more than € 20 million, such as the divestment of the Pasteur building by Leasinvest Real Estate), or the same amount as for both 2011 and 2012. The growth trend initiated in 2010 thus recorded a record over the last 6 years in 2013 with at total investment volume in offices of € 642 million. Since the increase by 50 base points, the yield in the CBD has further decreased in 2 steps, and currently amounts to 5.75%.

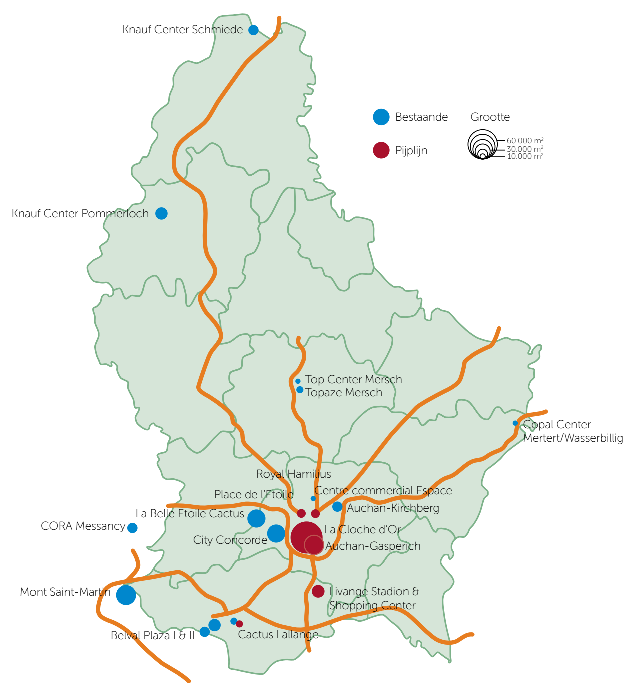


Retail market: Leasinvest Real Estate represented nearly 37% of the investment volume with the investment in the Knauf shopping center Pommerloch

Only four retail transactions were recorded in 2013, with a total transaction volume of €263 million, or nearly double of the transaction volume in 2012 and representing nearly 30% of the total transaction volume. Retail investments in Luxembourg are characterized by scarcity and by opportunistic transactions, and are generally dominated by wealthy Luxembourgers, mainly in the sector of high streets. In the medium term real estate and financial specialists expect a negative impact on the real estate values due to a possible increase of the interest rates, however negligible in het short term.

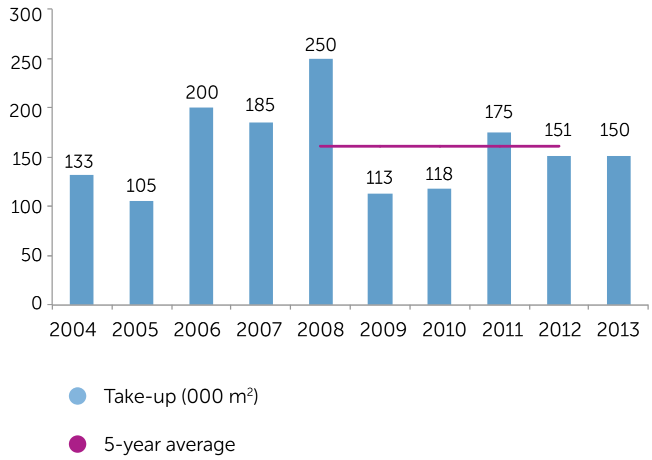
The investment activity is relatively irregular, but the interest of foreign and domestic investors remains strong. The reception of main projects such as Cactus Lallange (2015), Royal Hamilius (15,000 m^2 in CBD in 2017) and Cloche d'Or (2017) will probably activate both the investment and the rental market.

Shopping centers in Luxembourg



With both Knauf shopping centers in Schmiede and in Pommerloch Leasinvest Real Estate has become the market leader in the North of the Grand Duchy of Luxembourg, with 58,479 m^2 or 21.5% of the total offer of Luxembourg shopping centers in terms of surface (272,000 m^2).

With the acquisition of the Hornbach site (12,000 m^2) in December 2013 Leasinvest Real Estate currently holds, through its 100% subsidiary Leasinvest Immo Lux in Luxembourg, more than 110,000 m^2 of commercial space in 7 regions, namely Schmiede, Pommerloch, Diekirch, Strassen, Bertrange Foetz and Dudelange.



Rental market

Office market: top rent in CBD increases to € 45/m^2/month

The take-up in offices in the Grand Duchy of Luxembourg amounted to approximately 150,500 m^2, comparable to 2012, but 7% below the 5-year average. The CBD and Kirchberg remain dominant with respectively 18.0% and 19.5% of this take-up, closely followed by the south of the Cloche d'Or district with a significant take-up of 16.2%. The decentralized and periphery districts only represented 24% of the total take-up.

After the recovery since end-2010, the prime rents in most districts show a stable to upward trend. In the CBD the prime rent even reached € 45/m^2/month following the enduring lack of new qualitative developments, which represents a significant rise. The station district also recorded an increase of the prime rent over the past year, from 30 to 31 €/m^2/month.

¾ of the rental contracts relates to surfaces below 500 m^2. Larger transactions (>2,500 m^2) remain relatively scarce and mainly relate to tailor-made developments. 32% of the take-up comes from banks and financial services, which again confirms their strong presence, as well as from national and EU institutions, representing 26%.

Retail market: Stabile rents, but still dominated by a wait-and-see attitude from tenants

The rental activity remained stable, though lower than in 2012 and than the 5-year average. Owners and tenants remain cautious, and while the primary market stays healthy by a preference for quality, this has also led to a deterioration of the secondary market. While the prime rents seem stable, growth is below the inflation level.

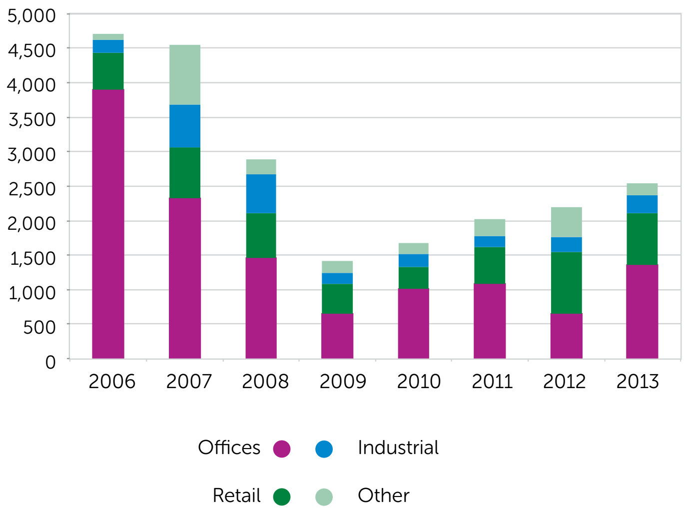
In 2013 the take-up lag was 14% below the one in 2012. The vacancy rate remains very low at the best locations and many tenants still have a wait-and-see attitude. A slightly downward pressure on the rents is expected, however most transactions are concluded at unchanged levels.

Belgium

Investment market

General

Some € 2.6 billion of investment transactions for commercial property were recorded in 2013. After the all-time record years of 2006/2007, this market declined by up to one-third in 2009 (€ 1.4 billion). Since then, investment volumes have risen year on year and with € 2.6 billion, we are now back at the level prior to the record years of 2006/2007.

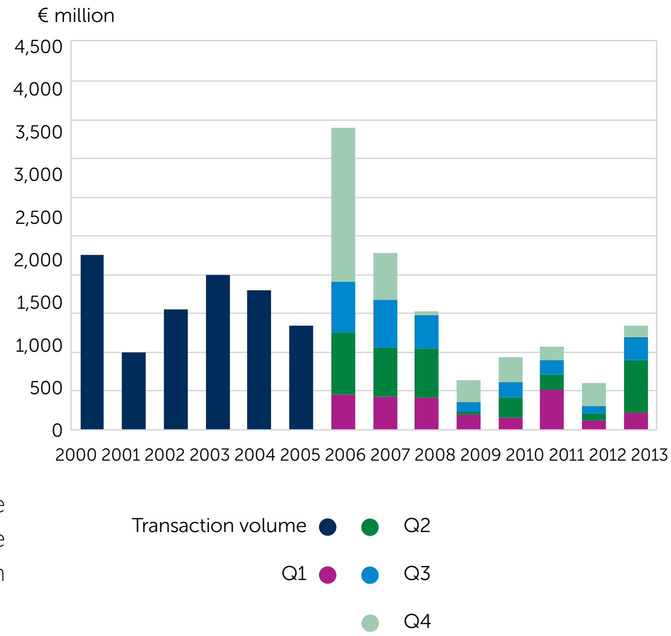


Office market: investments doubled to € 1.34 billion

In the wake of the low point reached in 2012, office investments more than doubled in 2013 to a total of € 1.338 million and in so doing returned to the rising trend line of the past 5 years. Low interest rates, plus growing interest from private, local institutional and international investors were the principal driving forces behind this growth. 60% of the investment volume came from Belgian investors, but there were also various significant transactions involving foreign players, including:

- sale of 5,174 m² of offices at the Belview project by Allfin to the German iii-Fonds (first forward commitment sale on the Brussels market for some years);
- Belair Offices: the future headquarters (64,308 m²) of the Belgian police was sold by the developers, Breevast and Immobel, to Hannover Leasing and its Chinese partner for +/- € 300 million;
- the French private financial group, Financière Teychené, acquired the 35,000 m² Senneberg complex from Redevco in Vilvoorde, located in Jean Monnetlaan (European purchasing departments of C&A), largest transaction in the periphery of Brussels for years;
- at the end of December 2013, PMV (Participatie Maatschappij Vlaanderen) finalised the sale of 6,563 m² occupied by Huis van het GO! (Gemeenschaps Onderwijs) in the UP 36 building in the North District of Brussels to Allianz Benelux for some € 27 million.

For top buildings with a good location, the office market in Belgium offers a really good alternative to other major European cities; for the time being, though, investors are still avoiding B- and C-quality buildings or premises with a less good location, despite the growing gap with yields for 'core+' product. However, we are confident that we will see more opportunistic purchases in the years ahead for buildings that can be acquired at a good discount so that they can be repositioned in the marketplace.



Retail market: an excellent vintage

The healthy balance in the Belgian retail market between the 3 main segments (high street stores, shopping centres and out of town stores/retail parks) continues to attract an unprecedented number of investors: 2012 was a record year for retail property, although even more sales were recorded for high street stores in 2013: € 374 million was an absolute record for this subsector.

The total volume for out of town stores and retail parks was € 320 million; in December, this segment saw the largest retail transaction of the year, with the sale of a portfolio of 5 Cora sites by Cora to the Ascencio property trust for around € 85 million.

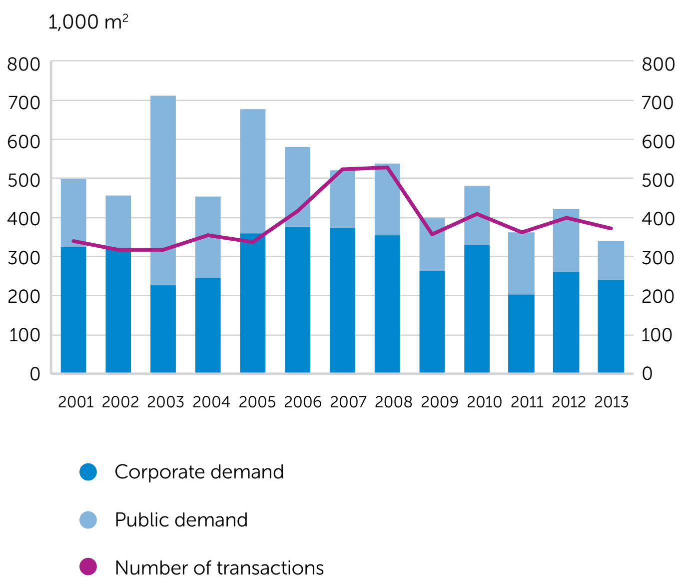
The total volume for the whole retail property market was € 756 million; the 2012 record (€ 889 million) was not beaten because no major shopping centre deals were finalised in 2013.

Retail property will remain high on the list of property investors in the coming years, too. In terms of rental yields, much higher prices are being offered for good retail property in Belgium than in neighbouring countries. Yet most owners continue to opt for the security of their retail investments and are not inclined to sell. The main factor holding this market back is now and will remain the lack of quality investment opportunities.

Rental market

Office market: take-up below average

At the end of 2013, the level of office take-up was 340,330 m2, which represents a significant decline in comparison with the annual average for the past five years (441,000 m2).



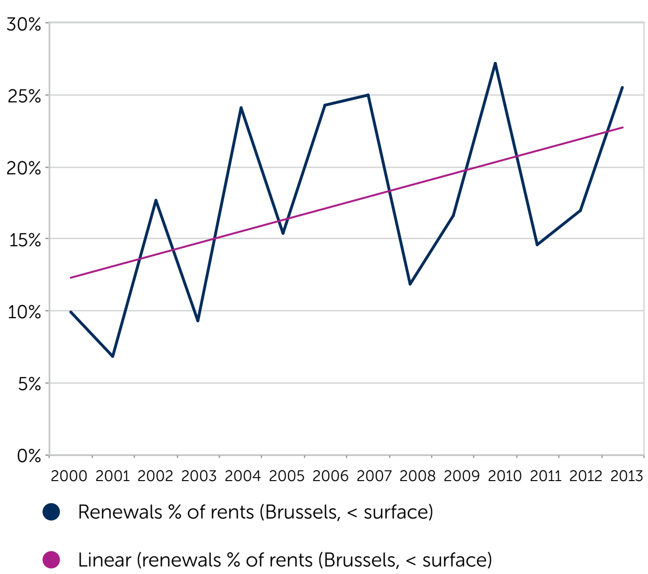
As any exit from the financial crisis is indecisive at best, this has led to two types of behaviour which have caused the market to decline in volume:

- cautiousness has significantly slowed the strategic decision-making processes in real estate;
- organisations are rationalising and seeking greater efficiency; when a company relocates, the occupants of offices take advantage of the move to maximise the use of space by reducing the total floor area occupied.

This over-cautiousness in particular is causing transactions to dry up. Volume is in the bracket from 1,000 to 3,000 m2 (see graph below), which is where the market's real dynamic lies. These medium-to-high volume transactions usually represent a large proportion of the total volume, but are lacking this year.

Two outstanding take-ups saved 2013 from a significantly worse result: AXA (combined 49,000 m2 Marnix + Régent) and Deloitte (34,000 m2, Gateway Zaventem). If these two are taken out of the equation in view of their exceptional nature, 2013 actually saw a net fall in the proportion of take-ups from the private sector, in contrast to take-ups from the public sector (Belgian and European), to around 45%, compared with the usual 60-65%.

One striking observation is the percentage of renegotiations across all of the lease transactions published. This ratio is currently over 25%, a level only exceeded over the past 13 years in 2010. These numerous renegotiations, resulting from increased rationalisation, tend to cannibalise part of the potential take-up. Taking non-published renegotiations into account, we estimate it is even probable that this percentage exceeds 50% of lease transactions.



The main trends currently emerging from the office property market are as follows:

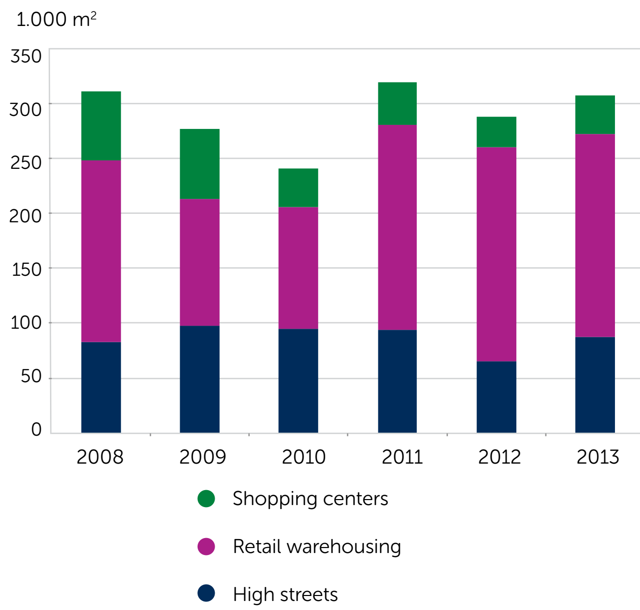
- conversions of office buildings into residential buildings, hotels, retirement homes, resulting in the remaining office buildings becoming more scarce in these districts;
- from a town-planning point of view, the authorities are veering away from the principle of single-function districts (such as offices in the Leopold district), instead advocating mixed usage in new developments (retail, residential, offices, crèches, etc.);
- The recently adopted Brussels Code on Air, Climate and Energy Management, known as "COBRACE", features new constraints on the number of parking spaces authorised for each office building. Over time, this could represent a disadvantage in terms of accessibility vis-à-vis the outskirts of the city if employees continue to favour the use of cars (idem for the mileage tax currently being discussed);
- There have also been fewer comments this year about environmental standards along the lines of BREEAM. Even though any new development is still required to incorporate a degree of environmental thinking, the attention paid to these forms of certification appears to have lessened this year for office buildings in Brussels and Belgium as a whole.

At the present time, large spaces of modern, high-quality offices have become few and far between in Brussels. Vacancies, which have declined slightly in recent years and currently represent 10% of stock, are located mainly on the outskirts of the city and are in older buildings that are out of date from a technical point of view. Large-scale, forward-commitment developments are becoming rare, which allows us to forecast that this stable-to-downward trend in the vacancy rate will continue.

Retail market: demographic growth and household consumption keep retail property leases up to the mark

Demographic growth in Belgium is significantly higher than in most neighbouring countries and Brussels is even one of the fastest-growing cities in Europe.
Unlike various neighbouring countries, retail spending has not experienced a downturn in Belgium. Domestic spending has remained strong, although many retailers are concerned about the impact of a slowdown in sales during the second half of 2013.
Demand for retail outlets is still high but fewer and fewer locations are oversupplied: rental values in top locations are holding up but pressure there has certainly declined. Of the 236 retail locations for which Cushman & Wakefield has tracked the rental values, exactly 50% have risen over the past 5 years, with 33% experiencing a reduction, particularly in secondary retail locations.

The market for retail parks and out of town stores is doing relatively well. There is a clear move towards upgrading locations going on in this market: the increasing trend is away from the classic 'shoe box' type of outlet with architecture of greater quality. A number of the 'better' brands are following suit, so that retail warehousing is gradually getting away from its discount image.



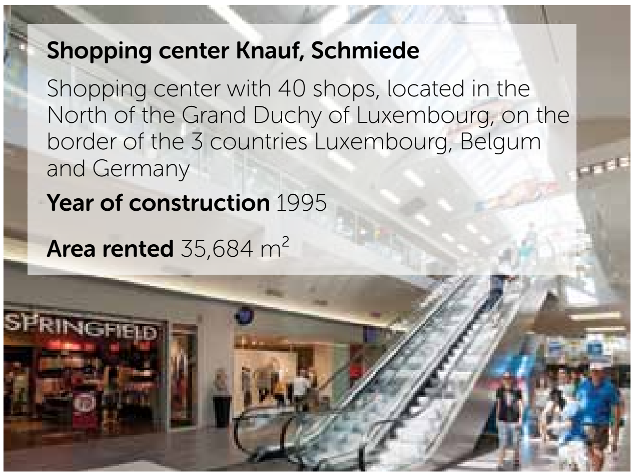
E-commerce is viewed by many retailers as an opportunity, although it is also perceived equally as a threat. There are doubts about the profitability of pure e-commerce players such as Zalando: the cost of home deliveries and the high percentage of returns will make it hard for them to be profitable.

Expectations for the coming year are moderate: only if retail sales pick up again, including in other countries, demand will improve. A general increase in retail rents is not in the immediate offing.

9.2 REAL ESTATE PORTFOLIO

LUXEMBOURG

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



Shopping center Knauf, Schmiede

Shopping center with 40 shops, located in the North of the Grand Duchy of Luxembourg, on the border of the 3 countries Luxembourg, Belgum and Germany

Year of construction 1995

Area rented 35,684 m²

Route d'Arlon 2, Strassen

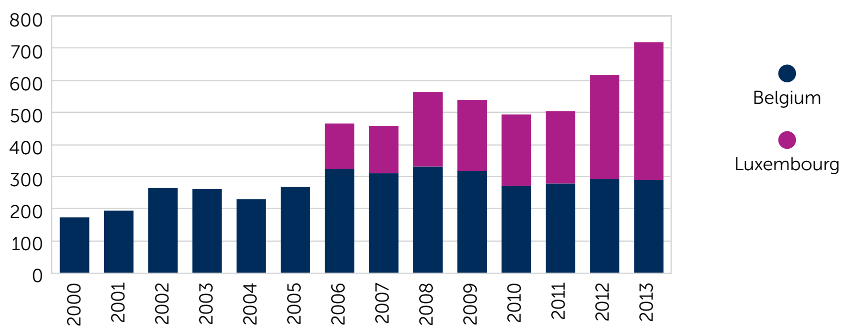
Retail site located at an important entrance to the City of Luxembourg, namely the Route d'Arlon

Year of construction 1988

Area rented 22,721 m²

Evolution of fair value

The fair value increases by 16% to € 718 million thanks to acquisitions in Luxembourg and the Grand Duchy currently represents 60% of the consolidated real estate portfolio



Shopping center Knauf, Pommerloch

Shopping center with 60 shops, located in the North of the Grand Duchy of Luxembourg, near Bastogne in Belgium

Year of construction 2002

Area rented 28,977 m²

Hornbach, 31, Rue du Puits Romain, Bertrange

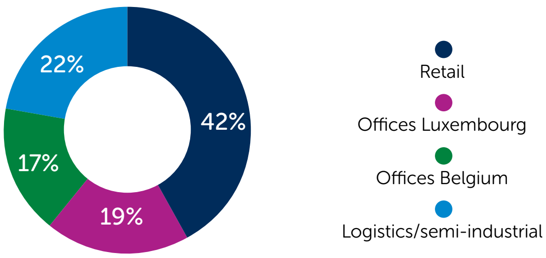
Retail site situated in Bertrange, Bourmicht

Year of construction 2008

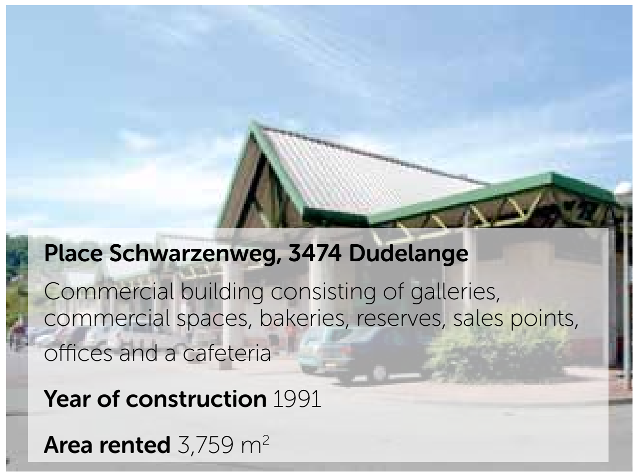
Area rented 12,153 m²

Retail

Type of assets



Retail becomes the main asset type with 42%, while the offices part further decreases to 36%, of which the majority is located in the Grand Duchy of Luxembourg, and for the largest part in the CBD and in Kirchberg where there is a scarcity and where the vacancy rate has again decreased; logistics and le semi-industrial consolidate at 22%.



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 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 Curé, 9217 Diekirch

Shop on ground floor with amenities limited to the 1st and 2nd floors and underground parkings, part of a mixed building (commercial/residential)

Year of construction 1994

Area rented 3,100 m²

Co-ownership

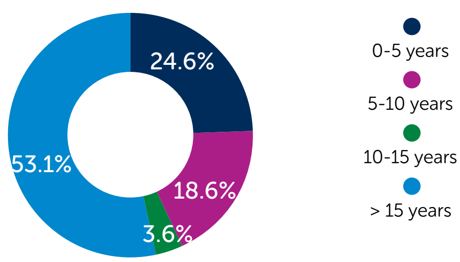
Rue du Brill, Foetz

Retail building situated next to Cora

Year of construction 1987

Area rented 4,219 m²

Average age



More than 43% of the buildings have less than 10 years and 53.1% of the buildings have more than 15 years (of which an important retail part). This graph was drawn up without the assets held for sale and the development projects.

Offices

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)

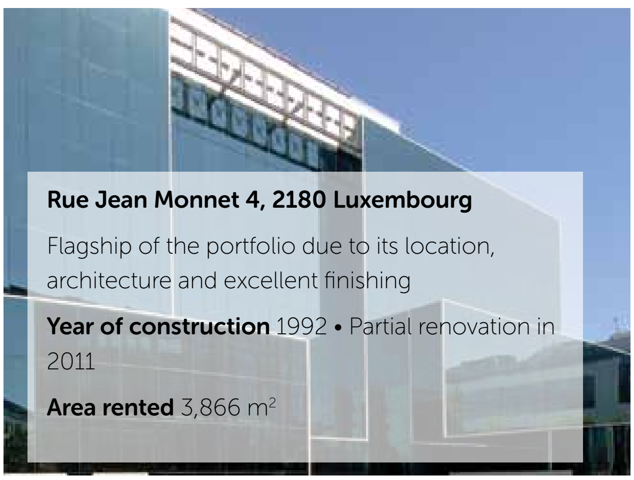
Avenue J.F. Kennedy 43, 1855 Luxembourg

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

Year of construction 1999

Area rented offices on 1st and 3rd floor of 2,270 m²

Co-ownership



Rue Jean Monnet 4, 2180 Luxembourg

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

Year of construction 1992 • Partial renovation in 2011

Area rented 3,866 m²

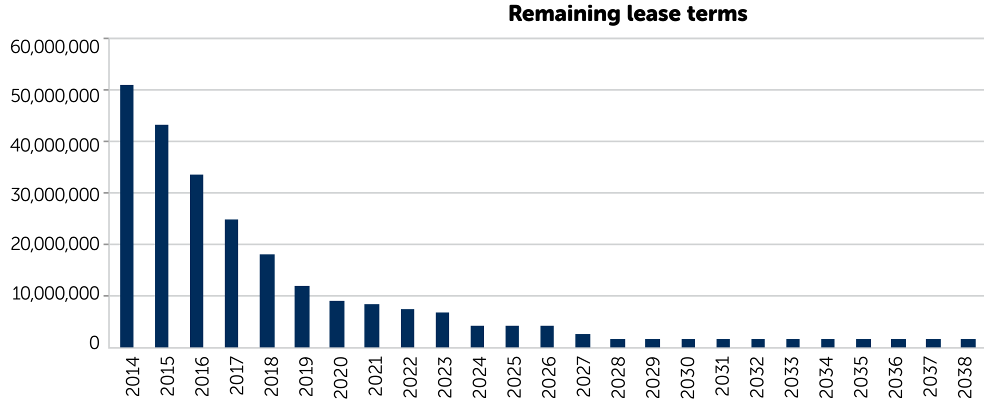
Route d'Esch 25, 1470 Luxemburg

Situated nearby Banque Internationale du Luxembourg's head offices at the route d'Esch

Year of construction 1992

Area rented 1,839 m²

Remaining lease terms



The graph is based on the first break date of the current rental contracts and on the contractual rents.

The average remaining duration of the rental contracts amounts to 5.23 years (31/12/12: 4.9 years).

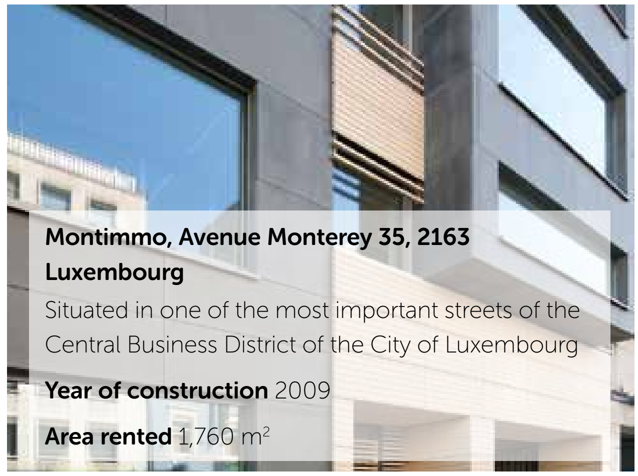
For more information we refer to note 4 of the financial statements.

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



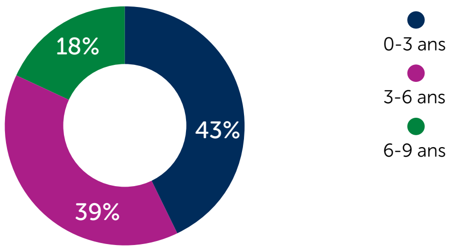
Montimmo, Avenue Monterey 35, 2163 Luxembourg

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

Contractually guaranteed rental income



43% of the annual contractual rents expire within 3 years. In 2013 7.9% of the annual contractual rents expired. The contracts were for the largest part all renewed or filled-in by other tenants, at competitive conditions. The breaks in the coming years amount to, respectively 15% in 2014, 19% in 2015 and 17% in 2016.

Avenue Monterey 20, 2163 Luxemburg

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

Logistics

CFM, Rue Guillaume Kroll, 1822 Luxembourg

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

Year of construction 1990 • Renovated & extended in 2008

Area rented 19,987 m²

BELGIUM

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

Retail

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 m²

Offices

Riverside Business Park, Bld. International 55, 1070 Anderlecht*

Business park in a verdant setting consisting of 12 buildings, 9 of which are o ce buildings and 3 are semi-industrial units

Year of construction 1992/96 • different partial renovations 2005-2010

Area rented 26,826 m²

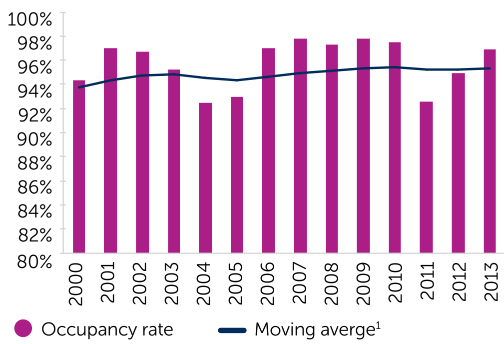
Motstraat, 2800 Malines*

Office complex

Year of construction 2002

Area rented 14,174 m²

Occupancy rate
increases to 96.9%



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

Rue 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

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

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

Logistics

Canal Logistics, Neder-over-Heembeek*

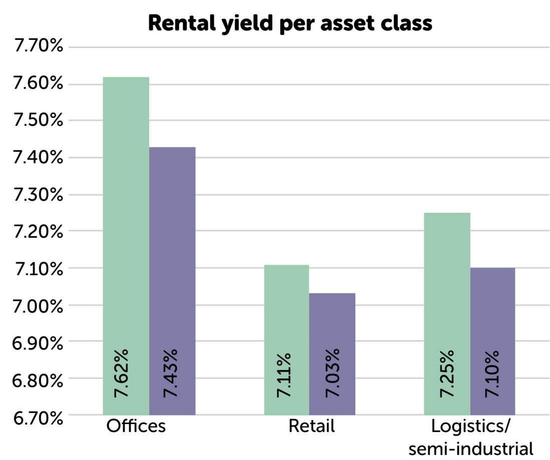
New state-of-the-art logistics centre with offices

Phase 1: **Year of construction** 2010

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

Phase 2: **Year of construction** 2011

Area rented 20,664 m² of logistics and 1,250 m² of offices



Prins Boudewijnlaan 7, 2550 Kontich*

Distribution centre

Year of construction 1989 • Extension in 2000

Area rented 27,589 m²

Nijverheidsstraat 96, 2160 Wommelgem*

Storage and distribution site with offices

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

Area rented 26,590 m²

Vierwinden Business Park/ Leuvensesteenweg 532, 1930 Zaventem*

Semi-industrial business park

Year of construction 1973 • Renovated in 1994 and 1998 (sale of units A and B front part in January 2013 – 6,526 m²)

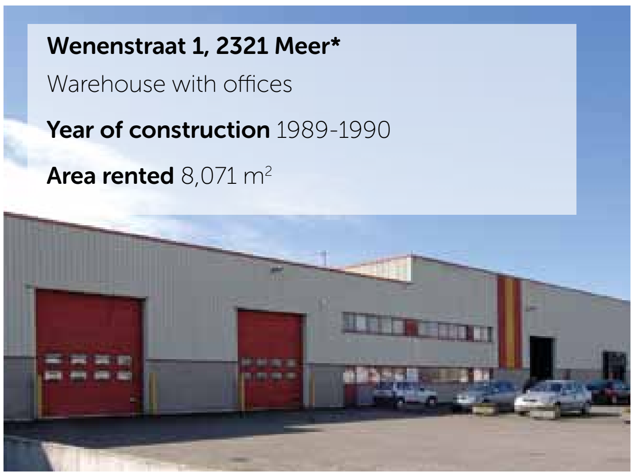
Area rented 7,098 m²

SKF, 3700 Tongres*

Distribution centre consisting of storage halls and offices

Year of construction 1993/2003

Area rented 25,872 m²



Wenenstraat 1, 2321 Meer*
Warehouse with offices
Year of construction 1989-1990
Area rented 8,071 m²

Riyadhstraat 21, 2321 Meer*
Warehouse with offices
Year of construction 2002
Area rented 5,015 m²

Type of tenants
Services and retail and wholesale represent > 60% of the portfolio

Zeutestraat, 2800 Malines*
Logistics centre
Year of construction 2002
Area rented 7,362 m²

State Archives, Predikherenrei 4, 8000 Bruges
Building with 29 linear kilometres of archives
Year of construction 2012
Area rented 6,097 m²

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 FV (%)	Contractual rents (€ M/year)	Rental yield FV (%)	Rental yield IV (%)	Occupancy rate (%)	Duration
Belgium	278.81	285.37	38.8	21.23	7.61	7.44	93.32	4.46
Grand Duchy of Luxembourg	408.57	414.73	56.9	29.03	7.11	7.00	99.43	5.75
Real estate available for letting	**687.38**	**700.1**	**95.7**	**50.26**	**7.31**	**7.18**	**96.90**	**5.23**
Belgium	10.12	10.54	1.4	0.77				
Assets held for sale	**10.12**	**10.54**	**1.4**	**0.77**				
Projects Luxembourg	20.68	21.21	2.9					
Total investment properties	**718.18**	**731.85**	**100.0**	**51.03**				

© Jenifer Farruggia

Diekirch, Luxembourg

Segmentation based on asset class

	Fair value (€ M)	Investment value (€ M)	Share in portfolio < FV (%)	Contractual rents (€ M/ year)	Rental yield FV (%)	Rental yield IV (%)	Occupancy rate (%)	Duration	Acquisition value	Insured value
Offices										
Offices Brussels	84.97	87.09	11.8	7.02	8.26	8.06	83.9	3.10	117.30	109.51
Offices rest of Belgium	26.35	27.01	3.7	2.32	8.80	8.59	100.0	3.40	47.70	30.85
Offices Grand Duchy of Luxembourg	118.89	121.88	16.6	8.20	6.90	6.73	97.9	2.50	105.93	80.61
Total offices	**230.21**	**235.98**	**32.1**	**17.54**	**7.62**	**7.43**	**91.2**	**2.80**	**270.93**	**220.97**
Logistics/Semi-industrial										
Logistics/Semi-industrial Belgium	135.02	137.98	18.8	9.75	7.22	7.07	97.7	5.64	110.36	139.55
Logistics/Semi-industrial Grand Duchy of Luxembourg	20.06	20.56	2.8	1.50	7.48	7.30	100.0	4.70	13.40	5.51
Total Logistics/Semi-industrial	**155.08**	**158.54**	**21.6**	**11.25**	**7.25**	**7.10**	**98.0**	**5.52**	**123.76**	**145.06**
Retail										
Retail Belgium	32.47	33.29	4.5	2.14	6.59	6.43	100.0	4.30	19.30	11.01
Retail Grand Duchy of Luxembourg	269.62	272.29	37.5	19.33	7.17	7.10	100.0	7.10	257.20	53.85
Total retail	**302.09**	**305.58**	**42.0**	**21.47**	**7.11**	**7.03**	**100.0**	**6.82**	**276.50**	**64.86** *
Investment properties	**687.38**	**700.10**	**95.7**	**50.26**	**7.31**	**7.18**	**96.9**	**5.23**	**671.19**	**430.89**
Assets held for sale (BE)	10.12	10.54	1.4	0.77					9.00	11.61
Real estate available for letting	**697.50**	**710.64**	**97.1**	**51.03**					**680.19**	**442.50**
Projects Grand Duchy of Luxembourg	20.68	21.21	2.9						20.58	0.00
Total investment properties	**718.18**	**731.85**	**100.0**						**700.77**	**442.50**

* The insured value of retail Grand Duchy of Luxembourg is excluding Schmiede and Pommerloch, as Leasinvest Real Estate is only its economic owner.

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

	Total surface (in m²)	Contractual rents (€ M/y) (1)	Occupancy rate (%) (2)	Contractual rents + ERV on vacancy (€ M/y) (3)	Estimated rental value (€ M/y)
PART I: OFFICES					
Montimmo	1,760	0.98	100%	0.98	0.84
EBBC	4,473	1.53	97%	1.58	1.44
CFM offices	5,559	1.36	100%	1.36	1.56
ESCH	1,839	0.62	100%	0.62	0.56
Kennedy	2,270	0.96	100%	0.96	0.86
Kiem	1,834	0.43	78%	0.55	0.53
Monnet	3,866	1.56	100%	1.56	1.46
Monterey	1,555	0.75	100%	0.75	0.57
Total Offices Luxembourg	**23,156**	**8.19**	**98%**	**8.36**	**7.81**
Square de Meeûs 5-6	5,965	1.38	100%	1.38	1.11
Rue Montoyer 63	6,745	1.52	100%	1.52	1.17
Riverside BP - Phase I, III and IV	21,645	2.61	81%	3.16	2.92
Lenniksebaan, Anderlecht	15,132	1.51	69%	2.11	1.93
Total Offices Brussels (Belgium)	**49,487**	**7.02**	**84%**	**8.17**	**7.14**
WKB offices, Motstraat	14,174	2.32	100%	2.32	1.89
Total Offices Malines (Belgium)	**14,174**	**2.32**	**100%**	**2.32**	**1.89**
Total Offices LRE	**86,817**	**17.53**	**92%**	**18.85**	**16.84**
PART II: LOGISTICS					
CFM Warehouse	14,428	1.50	100%	1.50	1.17
Total logistics Luxembourg	**14,428**	**1.50**	**100%**	**1.50**	**1.17**
SKF, Tongres	25,872	1.10	100%	1.10	1.07
Meer - Dobla	5,015	0.15	100%	0.15	0.16
Wommelgem - Nijverheidsstraat	26,590	1.32	96%	1.37	1.23
Canal Logistics	50,857	2.40	100%	2.40	2.29
Prins Boudewijnlaan 7	27,589	1.32	100%	1.32	1.15
Archives, Predikherenrei 3 - Bruges	6,097	1.16	100%	1.16	1.16
Total Logistics Belgium	**142,020**	**7.45**	**99%**	**7.51**	**7.05**
Total Logistics LRE	**156,448**	**8.95**	**99%**	**9.01**	**8.23**
PART III: INDUSTRIAL					
Riverside BP - Phase II	5,181	0.40	90%	0.44	0.42
Brixton BP	21,668	1.33	95%	1.39	1.27
Vierwinden BP	7,145	0.19	76%	0.27	0.30
WKB Warehouses, Zeutestraat	7,362	0.36	100%	0.36	0.33
Total Industrial Brussels (Belgium)	**41,356**	**2.28**	**92%**	**2.46**	**2.32**
Total Industrial LRE	**41,356**	**2.29**	**92%**	**2.46**	**2.32**
PART IV: Retail					
Diekirch	3,100	0.67	100%	0.67	0.42
Dudelange	3,759	0.36	100%	0.36	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	2.50	100%	2.50	2.48
Hornbach	12,153	1.72	100%	1.72	1.72
Schmiede	35,684	5.62	100%	5.62	5.90
Pommerloch	26,251	6.77	100%	6.77	7.36
Total Retail Luxembourg	**118,086**	**19.32**	**100%**	**19.32**	**19.95**
Brixton BP - Unit 4/5/6	14,454	2.14	100%	2.14	2.11
Total Retail Belgium	**14,454**	**2.14**	**100%**	**2.14**	**2.11**
Total Retail LRE	**132,540**	**21.47**	**100%**	**21.47**	**22.06**
TOTAL LRE WITHOUT PROJECTS	**417,161**	**50.24**	**97%**	**51.78**	**49.45**
PART V: PROJECTS					
RIX - Boulevard royal	949	0.00	0%	2.19	2.19
Total Projects LRE	**949**	**0.00**	**0%**	**2.19**	**2.19**
PART VI: ASSETS HELD FOR SALE					
Avenue Louise 66	3,398	0.59	96%	0.61	0.57
Meer - Helios	8,071	0.18	84%	0.22	0.22
Total assets held for sale LRE	**11,469**	**0.77**	**93%**	**0.83**	**0.80**
TOTAL WITH PROJECTS & ASSETS HELD FOR SALE	**429,579**	**51.01**	**93%**	**52.62**	**50.24**

1 The dierence between the contractual rent and the rental income as presented in the financial statements is mainly attributable to the fact that the investments in 2013 have only contributed to the rental income as from September and December, and that these in the table above are annualized.

2 For the definition of the occupancy rate, we refer to page 206.

3 The real estate experts base the definition of the estimated rent on their knowledge of the real estate market and recently realized transactions. The rental value is a/o influenced by: the situation, the suitability of the site, the qualities of the building and the market circumstances. The unit price granted is multiplied by the surface of the building in order to obtain the total estimated rental value.

Insured value (situation on 31/12/13)

In order to avoid a multitude of recourse claims and to benefit from favourable premiums, all standard rental contracts (and service agreements within the framework of the business center activities) of both Leasinvest Real Estate and Leasinvest Immo Lux, and of their subsidiaries, define that the insurance contract of the specific building is concluded by the lessor for its total reconstruction value (its 'insured value'), including the tenant risk and similar risks, mutually waived, and including a loss of rent of 36 months ('the global insurance policy of the real estate investment trust').

The insured value of the buildings in the global insurance policy of the real estate investment trust is based on an external 'new construction' valuation executed by an authorized real estate expert. These insured values are yearly automatically indexed. For Belgium the buildings are re-valued at 31/12/2013 based on the ABEX index 730 compared to 711 on 31/12/2012 and for the Grand Duchy of Luxembourg on the basis of the 'Indice semestriel des prix de la construction', which a value of 730.85 compared to 716.93 at 31/12/12.

In Belgium the insurance risk of this global insurance policy is subscribed by three insurance companies, namely ACE European Group Ltd. (60%), Bâloise SA (20%) and BDM NV (20%). In the Grand Duchy of Luxembourg the global insurance policy is entirely subscribed by Allianz Insurance Luxembourg SA.

For a number of buildings the owner's risk is 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 All Risk insurance of Federal Mogul Corporation). Just as 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 € 385.73 million (incl. € 60 million loss of rent) of which € 9.55 million (including a loss of rent of € 2.60 million) relates to the Leasinvest Immo Lux part), EBBC (total value of the buildings of € 86.21 million with a Leasinvest Immo Lux share of € 14.01 million), Monterey 20 (globally € 26.25 million of which € 4.05 million for the Monterey 20 part (100% Leasinvest Immo Lux) and € 0.71 million for the Central Parc co-ownership), Diekirch (Match) (€ 20.70 million of which € 5.27 million for Leasinvest Immo Lux). Both the owner's risk and the tenant risk of the recently acquired site in Bertrange (via the acquisition of Orly Lux SARL) are insured by the tenant, Hornbach Baumarkt AG. Its insured value amounts to € 7.5 million, excluding a loss of rent in favour of the landlord.

The following divestments were deleted from the respective insurance policies: Satenrozen (B), Alcan (Vorst), Pasteur (L) and, Mercure (L).

Besides the State Archives in Bruges, owned by subsidiary RAB Invest SA, the policy of the real estate investment trust, taking into account the co-ownership situation, also covers its underground parking. Also the Axxes Business Park and the business center 'The Crescent Ghent' (before Torenhove) in Merelbeke are part of the policy of the real estate investment trust within the framework of the management and syndic activities (exercised by subsidiary Services SA). Finally, also the furniture of the de business centers, as well as the tenant risk of the administrative office in Antwerp are incorporated in the real estate investment trust policy. The solar panels installed at Canal Logistics in Neder-over-Heembeek are separately insured by the owner of the building and planting rights. A mutual renunciation of redress has been negotiated between parties and is incorporated in the real estate investment trust policy.

Taking into account the demolition of the hotel Rix (20, Bld Royal) in Luxembourg and the conclusion of a construction all risk policy for the duration of the new construction of the project "Royal20", its insured value was reduced to zero.

For both shopping centers Knauf in Schmiede and Pommerloch (L) the underlying leases define if the lessor, respectively the tenants should each insure their own risks against fire and similar risks. Within the framework of the acquisition of the real estate certificates by Leasinvest Immo Lux, the incorporation of a special clause in the respective insurance contracts of the owner (with Lalux and Foyer) was negotiated, in particular stating that priority is given to the certificate holders for the distribution of potential indemnities within the framework of these insurances in order to compensate each possible loss of rental income.

The total insured value for the buildings owned by Leasinvest Real Estate, amounts to € 302.53 million, of which € 236.49 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 € 139.97 million, of which € 102.93 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	148.94 (122.64% of the FV)
Logistics	142.58 (105.60% of the FV)
Retail	11.01 (33.91% of the FV)
TOTAL	**302.53 (104.71% of the FV)**

Luxemburg (in € million)	
Offices	80.61 (67.80% of the FV)
Logistics	5.51 (27.47% of the FV)
Retail	53.85 (19.97% of the FV)
Project Royal20 (ex-Rix, demolished)	
TOTAL	**139.97 (34.26% of the FV)**

The premiums paid for 2013 within the framework of the global insurance policies, incl. taxes, amount respectively to € 150,609 for Belgium and to € 47,203 for Luxembourg.

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Montimmo, Luxembourg

9.3 VALUATION REPORT[1,2]

VALUATION UPDATE AS AT 31 DECEMBER 2013 OF THE LEASINVEST REAL ESTATE SCA PORTFOLIO - REPORT BY CUSHMAN & WAKEFIELD

Our valuation has been prepared on the basis of the information provided to us by Leasinvest Real Estate CVA. We assume this information is correct and complete, and that there are no undisclosed matters which could affect our valuation.

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

The values were determined taking current market parameters into account.

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

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

2. The effective rental income (including the market rent on vacant space) is 4.92% higher than the market rent (respectively 10.73% and 0.91% for the Belgian and Luxembourg portfolios).

3. The occupancy rate[3,4] of the total portfolio (including the Projects) is 92.79% (respectively 93.30% and 92.43% for the Belgian and the Luxembourg portfolios).

4. In Q4 2013, the Hornbach property in Bertrange was added to the portfolio with an estimated net value of € 25,460,000.

5. The semi-industrial property 'Satenrozen' has been sold during Q3 2013 for a net estimated value of € 2,180,000, and the Knauf shoppingcenter in Pommerloch has been added o the portfolio with an estimated net value of € 97,170,000.

6. The last floors of the Mercure building have been sold during the second quarter of 2013.

7. Units A and B of Vierwinden Business Park in Zaventem & the Pasteur building in Luxembourg have been sold during the first quarter of 2013 for € 2,850,000 & € 21,020,000 respectively[5].

For all buildings of Leasinvest Real Estate SCA, we determined the following values as at 31 December 2013, including the part that has been valued by Winssinger & Associés: and Stadim,

1. an investment value of € 731,850,000 (seven hundred thirty-one million eight hundred and fifty thousand euros), with respectively € 295,910,000 and € 435,940,000 as investment values for the Belgian and Luxembourg portfolios; and
2. a fair value of € 718,180,000 (Seven hundred eighteen million one hundred and eighty thousand euros), with respectively € 288,930,000 and € 429,250,000 as fair values for the Belgian and Luxembourg portfolios.

On this basis, the initial yield of the complete portfolio (including the Projects) in terms of investment value is 6.97% (with respectively 7.43% and 6.66% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.11% (respectively 7.61% and 6.76% for the Belgian and Luxembourg portfolios).

Wim OTTEVAERE	**Koen NEVENS**
Associate	Managing Partner
Valuation & Advisory	

In the name of Cushman & Wakefield

1 The valuation report has been reproduced with the agreement of Cushman & Wakefield and Winssinger & Associates.
2 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.
3 The occupancy rate is valid on the date of the valuation and does not take into account future availability (already known or not) nor with future new contracts (signed or not). This figure is calculated on the basis of the following formula: (market rent of all let areas)/ (market rent of the complete portfolio).
4 The dierence with the occupancy rate of 96.9% mainly concerns the RIX project to be developed, of which the estimated rent amounts to € 2,3 million, and of which the commercialization has yet to be started.

5 This relates to the investment value at 31 December 2012.

9.4 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 NV (company number 0826.919.159) and
having its registered office in 2000 Antwerp, Schermersstraat 42. This company is in principle exclusively active in property and project management of Leasinvest Real Estate's buildings located in Belgium.
Till the expiry of the rental guarantee granted by Leasinvest Real Estate within the framework of the divestment of phase I of the Axxes Business Park and Torenhof, 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 to 5%.

Leasinvest Services NV was created mid-2010 and has taken over the management activities and the personnel of Leasinvest Services NV (old) with company number 0878.901.063 (created as Leasinvest Real Estate Facility Services NV on 17/01/06).
Leasinvest Services is not under the supervision of an official body. This company employs 7 persons, directed by Sven Janssens, Asset Manager Belgium, 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 go-

ing 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 € 399,624 (excl. VAT), through its 100% subsidiary Canal Logistics Brussels SA, to Leasinvest Services.
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 offer a qualitative and efficient management.

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 40 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 in October 2011 and PP France in Metz in September 2012.
The registered office is situated at rue de Merl, 51-53 in the Luxembourg-Merl. Property Partners SA is not subject to the supervision of an official body.

The past financial year, Leasinvest Immo Lux paid a fee of € 35,963.22 (excl. VAT) to Property Partners.

Corporate Governance Statement

10.1 CORPORATE GOVERNANCE CHARTER

The Belgian Corporate Governance Code, communicated on 12/03/09 by the Corporate Governance Committee, on the initiative of the FSMA, Euronext Brussels and the FEB, 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 of the statutory manager (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 Charter was updated at the beginning of 2014 and the most recent version 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's Charter differs from the recommendations of the Code, only for a limited number of items, as illustrated by the list hereafter.
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.

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 from 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.

Remuneration report
There is a derogation from principle 9.3/2 of the Belgian Corporate Governance Code in the sense that a compensation for leaving of 24 months was granted to Jean-Louis Appelmans, which has been approved by the general meeting of shareholders of Leasinvest Real Estate on 16/05/11, on the advice of the nomination and remuneration committee.

Audit committee
The Belgian Corporate Governance Code which is stricter than the Company Law demands that at least the majority of the members of the audit committee are independent (point 5.2./4 of Annex C of the Belgian Corporate Governance Code). At Leasinvest Real Estate half of the audit committee is composed of independent directors.

10.2 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.

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 31/12/13 Leasinvest Real Estate Management NV had a shareholder's equity of € 3,035,520.33.
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
En 1999 Leasinvest Real Estate Management SA a été 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 21 persons[1].

Authority

The statutory manager is empowered to perform all management operations which are necessary or useful to fulfil Leasinvest Real Estate's objective, except for those operations for which only the general meeting of shareholders is competent according to the law.

The statutory manager manages the company through its collegial board of directors, which has appointed a managing director and a representative for the daily management (see further 'daily management-effective leadership').

Remuneration of the manager

Besides entitlement to reimbursement of expenses directly associated with its mission of 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 € 2,803,521.24. No other remuneration is granted to the statutory manager.

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 twelve directors, of whom five directors are appointed on the proposal of Ackermans & van Haaren/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 Ackermans & van Haaren/Extensa Group SA and AXA Belgium SA) based on which the board of directors is at present composed as stated above, was further developed in the articles of association of the statutory manager and in a shareholders' agreement. According to agreements between AXA Belgium and Ackermans & van Haaren Group, 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.

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 Ackermans & van Haaren Group 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.

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 6 Permanent document.

3 LFor the mandates in other companies terminated mandates are indicated with an '*'; listed companies are indicated in bold.

Director	Start mandate	End mandate	Attendance quotient board of directors
Christophe Desimpel (1) (2)	20/10/03	19/05/14	87.50%
Michel Eeckhout / Michel Eeckhout Management SPRL (2)	16/05/11	19/05/14	100%
Eric Van Dyck / Starboard SPRL (2)	16/05/11	19/05/14	75%
Mark Leysen (1)	16/05/11	19/05/14	62.50%
Luc Bertrand (2)	18/06/99	19/05/14	87.50%
Jean-Louis Appelmans	03/06/99	19/05/14	100%
Jan Suykens (1)	03/06/99	19/05/14	87.50%
Kris Verhellen	03/06/99	19/05/14	87.50%
Michel Van Geyte	19/03/13	19/05/14	100%
Guy van Wymersch-Moons (2)	21/01/06	19/05/14	87.50%
Thierry Rousselle / SiriusConsult SPRL (1)	21/01/06	19/05/14	100%
Alfred Bouckaert / Consuco SA	17/08/09	19/05/14	75%

(1) Member of the audit committee
(2) Member of the nomination and remuneration committee

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

The independent directors are:

Christophe Desimpel

managing director of De Speyebeek NV, te 8800 Roeselare,Ter Reigerie, 5

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, DEG Tanking NV, Desmatra NV, Desimpel Energy Group NV, Desimpel Real Estate NV, De Speyebeek NV, Enfinity 2 CVBA*, Enfinity 4 CVBA*, 7 Energy NV, ENG Invest NV, Eurocrossroads Business Park NV, Eurofina NV, Immo Desimpel NV, Koninklijke Renvereniging Oostende NV, Mahora Invest NV, Marina Tower ESV, DML Composites NV, New Regence NV*, Nutridix NV*, Omroepgebouw Flagey NV, Parts & Components NV*, Demcopack Davis NV*, Pathoeke Industries NV, Pathoeke Plus NV, Pielos BVBA, Creafund 1 NV*, Creafund 2 NV, Resiterra NV, Barbarahof NV, Te Lande NV, Quio NV, Wonen en Zorg NV, Aldea NV, WZP NV, Ter Harte vzw, Sint-Vincentius vzw, Leuven Brabançonne NV, Houthalen Lucia NV, Woonzorg het dorp VZW, Ter Reigerie VZW, SODEIM NV*, Dekosim Nv, Ter Ecke VZW, Ter Poele VZW, Valletta Invest NV*, Wellington Golf Oostende NV*, VZW Buurthuis, Wellington Golf Park NV*, Oostende Koerse VZW, Restotel NV, Immo Ter Poele NV, THV Immoflandria-De Speyebeek, Wenzig NV*, DOP Kortemark NV

Michel Eeckhout Management SPRL, having its **registered office at 1970 Wezembeek-Oppem, Zikkelstraat 44,** with permanent representative for the execution of this mission in the name and for the account of the aforementioned legal person-independent director, Michel Eeckhout, director of companies, previously, till 31/12/2012 Executive Vice President of Delhaize Group, Square Marie Curie 40, 1070 Anderlecht

Mandates in other companies, currently and during the 5 previous financial years of Michel Eeckhout Management SPRL: Alcopa NV, Moteo NV, Puratos Groep NV, Van Genechten Packaging NV, Etilux SA and of Michel Eeckhout: Aniserco SA*, Comeos VZW*, Delhome SA*, GS1 Global VZW*, Points Plus Punten - PPP SA*, Union Wallonne des Entreprises SA*, VOKA NV*, Internationale Muziekwedstrijd Koningin Elisabeth van België VZW, Michel Eeckhout Management BVBA, Middelheim Promotors VZW, Syndicat d'Initiative de Bruxelles ASBL, Goods to Give VZW

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*, Vanbreda Services NV, 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 SPRA, 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, Place du samedi 1

Mandates in other companies, currently and during the 5 previous financial years of Starboard SPRL: none 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*

Messrs Desimpel, Eeckhout (Michel Eeckhout Management SPRL, 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.

As to Mr Desimpel, his mandate as an independent director will come to an end for reaching the maximum legal term of 12 years as an independent director.

The directors proposed by Ackermans & van Haaren/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, Algemene Aannemingen Van Laere NV, Anfima NV, Asco Leven NV*, Atenor Group NV, Axe Investments NV, Baarbeek BV, Bank Delen & De Schaetzen NV, Bank J.Van Breda & Co NV, Belcadi BV*, Belfimas NV, Bos NV, Bracht Deckers & Mackelbert NV*, Brinvest NV, CFE Aannemingsmaatschappij nv, Continentale Verzekeringen NV*, Cruiser BV*, Delen Investments CVA, Deme Coordination Center NV, "Dredging, Environmental & Marine Engineering" NV,Dredging International NV, Egemin International NV, Extensa Group NV, Finaxis NV, Gemini Natural Resources NV, Groupe Financière Duval SA, Groupe Flo, Holding Group Duval, I.C.P. (Instituut Christian De Duve), Idea Strategische Economische Consulting NV*, ING België NV, JM Finn & Co, Leasinvest Immo Lux SICAV-FIS SA, Manuchar NV, Nationale Investeringsmaatschappij NV*, Nationale Maatschappij Der Pijpleidingen NV*, NMC NV, Profimolux NV, Project T&T NV, Protalux NV*, Rent-A-Port Energy NV, Rent-a-port NV, IBF NV*, Scaldis Invest NV, Schroders Ltd. (London), Sipef NV, Sofinim NV, T&T Koninklijk Pakhuis NV, T&T Openbaar Pakhuis NV, T&T Parking NV, Thornton & C° NV, Vlaamse Beleggingen BV*

Charity mandates: Guberna (chairman) Belgian governance institute, VOKA (vice chairman), Tropical institute Antwerp , ICP (cancer research), Middelheim Promotors and Mayer v. den Berghe, Insead Belgian Council, Vlerick Leuven Gent School, Katholieke Universiteit Leuven, VKW Synergia

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*, Extensa Group NV, Extensa NV*, Foncière des Eperons d'Or NV, Granvelle Consultants & Co BVBA, Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, Leasinvest Services NV, Rab Invest NV, Retail Estates NV openbare vastgoedbevak, Zebra Trading NV*, Orli Lux S.à.r.l.

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, ABK Bank CVBA, Baloise Belgium*, Bank Delen & De Schaetzen NV, Bank J.Van Breda & C° NV, Banque Delen Luxembourg NV, Belcadi BV*, CFE Aannemingsmaatschappij, Cobelguard 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*, JM Finn & C°, Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, , Mabeco NV*, Media Core NV (Ex-Synvest 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, Oleon NV*, T&T Koninklijk Pakhuis NV, T&T Openbaar pakhuis NV, T&T Parking NV

Kris Verhellen

CEO[1] 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, Building Green One NV, BVS-UPSI, CBS Development NV, CBS-Invest NV, Citérim NV*, Développements et Promotions Immobiliers SA, Exparom I BV, Exparom II BV, Extensa Development NV, Extensa Group NV, Extensa I SRO*, Extensa Istanbul AS, Extensa Land I* NV, Extensa Land II NV, Extensa Luxembourg SA, Extensa Nederland BV*, Extensa NV, Extensa Participations I SARL, Extensa Participations II SARL, Extensa Romania SRL, Extensa Slovakia SRO, FDC Deva BV, FDC Focsani BV, Grossfeld Immobilière SA, Grossfeld PAP SA, GVE BVBA, Implant NV, Kinna I NV*, Kinna II NV*, Kinna Finance NV*, Leasinvest Development NV, Leasinvest Finance NV, Leasinvest Real Estate Management NV, Metropool 2000 NV*, Omroepgebouw Flagey NV*, Project T&T NV, RFD NV, RFD CEE Venture Capital BV[2], Sitas BVBA, T&T Koninklijk Pakhuis NV, T&T Openbaar Pakhuis NV, T&T Parking NV, Top Development AS, Upo Invest NV, Vilvolease NV

Michel Van Geyte

COO 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*, Foncière des Eperons d'Or NV*, IFMA VZW*, Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, Leasinvest Services NV, Midhan BVBA, Rab Invest NV, Zebra Trading NV*, KUL Alumni, Belgian Luxembourg Council of Shopping Centers (BLSC), Orli Lux S.à.r.l.

1 Via SITAS BVBA, who appointed Mr. Verhellen as its permanent representative.
2 Via RFD SA.

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: AXA REIM Belgium NV, AXA Real Estate Investment Managers Nederland BV, Befimmo NV openbare vastgoedbevak, Beran SA, Blauwe Toren NV, Brustar One NV, Calar-Cabesa Partners SCI, Cordelière 4 NV, Cornaline House NV, Europese wijk Fonds, EVERS* Freehold NV*, Froissart Léopold NV, Home Invest Belgium NV openbare vastgoedbevak* (tot 26/11/2013), Immo Foire, 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, MG Real Estate, MUCC NV, Parc de l'Alliance NV, Parc Léopold NV, Parc Louise NV, QB19 NV, Quartier des arts vzw, 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, Wijnegem Ontwikkelingsmaatschappij, Zaventem Properties 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, MG Real Estate.

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*, Belfius Bank*, Belfius Insurance*, CFE NV, Chambre Française de Commerce et d'industrie de Belgique, Consuco, Contere, De Waere (Belgique), Finaxis NV*, voorzitter van First Retail International, Institut de Duve, KBL Private Banker, L'Ardenne Prévoyante, Leasinvest Real Estate Management NV, MITISKA NV, RESO, Société patrimoniale familiale, The Mauritius Commercial Union, 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.

CFM, Luxembourg

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. 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 Eeckhout, Leysen and Van Dyck (Starboard SPRL) were appointed as directors with effect from 16/05/11.

As of 20 December 2012 Michel Eeckhout Management SPRL, with permanent representative of the legal person-independent director Michel Eeckhout, was appointed as director till the annual meeting to be held in 2014; at the same date the mandate of Michel Eeckhout as an independent director was ended.

As of 19/03/2013 Michel Van Geyte was appointed as director till the annual meeting in 2014.

The annual meeting of shareholders of the statutory manager, Leasinvest Real Estate Management SA, held on 17 May 2010, has decided to renominate all directors for a term of 4 years, i.e. till the annual meeting that will be held on 19/05/2014.

Mr Desimpel was co-opted by the board of directors on 18/12/02 and definitively appointed as an independent director with effect from 20/10/03.

The three other independent directors, Mr Leysen, and Starboard SPRL, represented by Eric Van Dyck, have been appointed as from 16/05/11, also till the annual meeting which will is held in 2014. Michel Eeckhout Management SPRL, represented by Michel Eeckhout, has been appointed as of 20/12/2012 till the annual meeting in 2014.

SiriusConsult SPRL, represented by Thierry Rousselle, and Consuco NV, represented by Alfred Bouckaert, has been appointed as from 17/05/10 till 2014.

The general meeting of shareholders of the statutory manager, on the advice of the nomination and remuneration committee, will proceed on next 19 May to the nomination of new directors and/or the re-nomination of current directors and independent directors taking into account the provisions of art 526ter of the Company Code. Relating to the latter, it will no longer be possible to nominate Mr Desimpel as an independent director.

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 9 times during the financial year 2013. The attendance quotient was 87.50%. The attendance quotient of individual members is mentioned in the table on page 86.

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

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

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

In 2013 a/o the following specific agenda items were treated by the board of directors:

- development of the further strategy of the company to a more important diversification towards retail in Belgium and in Luxembourg, and geographically towards Luxembourg a/o by the subscription to 100% of the real estate certificates issued by the Knauf shopping center in Pommerloch, the acquisition of a DIY retail building "Hornbach", and the increase of the participation to more than 10% in the public sicafi Retail Estates SA and the divestment of a number of smaller and/or less strategic buildings, among which Satenrozen, Avenue Louise 66, rue Lusambo and two buildings in Vierwinden;
- the increase of the registered capital by the issue of new shares;
- extension of the maturity dates of the current bank credits and extension of the number of banks;
- public bond issue;
- private bond issue.

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 . 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 endeavours 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 Ackermans & van Haaren Group (or an associated company) and provided that there is no conflict of interest between them in the sense of article 523 of the Company Law. This qualified majority is also due to the exclusive control by Ackermans & van Haaren Group 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, the Guberna institute was appealed to; at the end of 2013 this institute was asked again to assist the board of directors in the evaluation of the composition and functioning of the board of directors, a/o in view of the (re-)nomination of the directors' mandates as of 19 May 2014.
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.

Consultative committees[1]

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

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

The board oversees the consultative committees and grants them all means and powers necessary to carry out their task effectively.
After notifying the chairman, each consultative committee can, as far as it considers it useful, appoint one or more external advisers or experts to support the performance of its mission.
The committees endeavour 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 ofthe auditor and makes recommendations about the internal and external audit.
The audit committee is also empowered, with regard to the statutory manager, as well as to the real estate investment trust, to decide that the auditor can perform activities, other than those assigned to it by law and of which the remunerations exceed that for the audit mission (i.e. it may grant derogations from the prohibition of article 133, §5 of the Company Law.

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

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

1 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 audit committee during the past year are:

1. Jan Suykens, (Ackermans & van Haaren SA), director and chairman of the audit committee (non-executive director)
2. SiriusConsult SPRL, represented by Mr Thierry Rousselle (AXA Belgium SA), director of companies (non-executive director)
3. Christophe Desimpel, independent director
4. Mark Leysen, independent director

Messrs Suykens, Desimpel, Leysen and Rousselle (SiriusConsult SPRL) have the necessary experience in the field of audit and accounting as defined in in article 526bis §2 of the Company Law 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 75% globally. Individually for Mr Rousselle (SiriusConsult SPRL) it was 100% and for Messrs Suykens and Leysen it was 75% each, and 50% for Mr Desimpel.

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

- quarterly financial reporting;
- possible amendment to the valuation rules;
- functioning of the internal control system and the results of the internal audit (executed by BDO); see also below on internal control page 111);
- adjustment of risk factors;
- the potential consequences of the changing regulatory framework (a/o AIFMD, EMIR, tax regime).

The auditor is invited to the meetings of the audit committee, and certainly for discussing the half-yearly and annual figures. 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.

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

1. Luc Bertrand (Ackermans & van Haaren SA), non-executive director and chairman of the nomination & remuneration committee
2. Guy Van Wymersch-Moons (AXA Belgium SA), non-executive director
3. Christophe Desimpel, independent director
4. Starboard SPRL (Eric Van Dyck, independent director)
5. Michel Eeckhout Management SPRL (Michel Eeckhout), independent director

The composition of the nomination and remuneration committee has been adapted to the requirements of article 526 quater of the Company Law that, inter alia, foresees that the remuneration committee must consist of a majority of independent directors. The independent directors in this committee dispose of the necessary expertise in remuneration policies.

The nomination & remuneration committee met twice during the past financial year. The attendance quotient of the members amounted to 100%.

The frequency of the meetings of the remuneration committee has been adapted to the requirements of article 526 quater of the Company Law.

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 items were considered to by the nomination & remuneration committee:

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

- the amendment of the Corporate Governance Charter
- the appointment of the Guberna institute for executing an independent audit on the composition of the board of 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 Law.

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

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

The committee is assisted by one (or more) independent expert(s) and draws up a reasoned report in writing to the board of directors on all matters for which it is competent. If the case arises, the board of directors shall record in the minutes, the grounds on which it deviated from the advice of the committee. The written advice shall remain appended to the minutes of the board of directors meeting.

Daily management – Effective officers[1]

Effective officers

The daily management during the past financial year was entrusted to two members of the management, who have exercised the effective management in accordance with the provisions of the law of 3 August 2012 on 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, both executive directors of LREM SA.

Jean-Louis Appelmans
(CEO), effective officer

Since it was established in 1999, Jean-Louis Appelmans (61), 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 fulfils 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 officer**

Michel Van Geyte (48) was appointed as commercial manager of Leasinvest Real Estate Management SA in August 2004. He is currently an executive director of LREM SA and also a director of a/o Leasinvest Immo Lux. Previously he worked at Knight Frank as a managing partner and has more than twenty years of experience in real estate.

For the mandates of Michel Van Geyte we refer to the composition of the board of directors above.

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

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

Management

Messrs Jean-Louis Appelmans and Michel Van Geyte, effective officers, are assisted in their daily management by one or more persons specialized in specific areas, but that are not part of the effective direction of the statutory manager.

It relates mainly to the following persons:

For financial/tax matters:

Vincent Macharis, CFO, Schermersstraat 42, 2000 Antwerp

Vincent Macharis (41), 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: RAB Invest NV, Leasinvest Immo Lux SICAV-FIS.

For legal matters:

Micheline Paredis, secretary general, Schermersstraat 42, 2000 Antwerp

Micheline Paredis (47) 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 13 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, Rab Invest NV, Zebra Trading NV*, Middelheim Promotors VZW

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 Ackermans & van Haaren Group 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 Law 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 of the Law of 3 August 2012 on certain forms of collective management of investment portfolios applicable to 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 §2 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.

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 € 943,195.95.

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 Law, 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.

Non-executive directors

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

	Fixed remuneration BoD	Fixed remuneration AC and/or NRC	Fixed remuneration independent director's committee	VAT 21%	Total
Christophe Desimpel	15.000	8.000	2.000		25.000
Michel Eeckhout / Michel Eeckhout Management SPRL	15.000	4.000	2.000	4.410	25.410
Mark Leysen	15.000	4.000	2.000		21.000
Eric Van Dyck / Starboard SPRL	15.000	4.000	2.000	4.410	25.410
Luc Bertrand					0
Jan Suykens					0
Kris Verhellen					0
Guy Van Wymersch-Moons					0
Thierry Rousselle (SiriusConsult SPRL)					0
Alfred Bouckaert (Consuco SA)					0
Total non-executive directors	60.000	20.000	8.000	8.820	96.820

- to Mr Desimpel, independent director for the entire financial year, a total amount of € 25,000 was paid:
  - a fixed-rate remuneration of € 15,000;
  - an additional fixed remuneration of € 8,000 per financial year as a member of the audit committee and the nomination & remuneration committee (Christophe 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 Michel Eeckhout Management SPRL, represented by its permanent representative Michel Eeckhout, Mr Leysen and Starboard SPRL, represented by its permanent representative Eric Van Dyck, independent directors, for the 2013 financial year a total amount of € 21,000 was paid as follows:
  - a fixed-rate remuneration of € 15,000;
  - an additional fixed remuneration of € 4,000 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.

For Starboard SPRL (E. Van Dyck) and Michel Eeckhout Management SPRL (M. Eeckhout) 21% VAT is due on these amounts.

These aforementioned 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. No benefits in kind are granted to the independent directors.

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

Executive directors – CEO and COO

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[1].

They do not receive any specific benefits in kind.

Mr Van Geyte has, indirectly[2], fixed and variable remunerations covering his functions as a member of the board of directors and COO.

Effective management

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 Law, 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 Law), the remuneration report below globally presents only the remuneration of the two effective officers, but not the remuneration of the other members of the management, assisting the effective offciers within the framework of the daily management.

The effective management consists of Jean-Louis Appelmans, CEO and managing director and Michel Van Geyte, COO and executive director of Leasinvest Real Estate Management, as explained above.

The following remuneration mentioned in the table below was granted to the CEO, for the past financial year, on an individual basis, directly and indirectly.

The members of the effective management 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 :

effective officers (in €)	fixed(*)	insurance	variable	Total
Jean-Louis Appelmans	324,679.42	42,733.08	110,000.00	477,412.50
Michel Van Geyte	278,963.45		90,000.00	368,963.45
Total	**603,642.87**	**42,733.08**	**200,000**	**846,375.95**

1 Via Granvelle Consultants & Co SPRL.

2 Via Midhan SPRL.

The fixed remuneration of the effective direction is based on their capabilities and experience in various fields such as commercial, real estate-technical, legal, tax, financial, accounting and general policy.

The variable remuneration relates to exceptional performance related to factors including improvement and optimization of the criteria mentioned below. The nomination and remuneration committee yearly defines the form of the variable remuneration, which were royalties ("tantièmes") in the financial year 2013.

Since 2011 the objectives for the CEO and COO are based on four important criteria with the following degree of importance (recently slightly adjusted), 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, integration and management of the shopping center Schmiede;
c) Execution of the strategy (25%) a/o divestment of (older) (office) buildings, investments in new buildings, diversification to retail;
d) Management capacities (20%) a/o leadership, personnel and investor relations.

In the course of 2013 the nomination and remuneration committee will decide on the possible forms of variable remunerations, within the framework of the practical 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 Law, namely a maximum of 12 months, or – providing a special motivation by the remuneration committee – of maximum 18 months, this provision in the management contract with Mr Appelmans, on the advice of the nomination and remuneration committee, has been approved separately by the general meeting of shareholders of Leasinvest Real Estate held on 16/05/11.

For Mr Michel Van Geyte no specific compensation for leave was recorded in the management contracts concluded so that art 554 of the Company Code does not apply.

10.3 SETTLEMENT OF CONFLICTS OF INTEREST

Article 523 and 524 of the Company Law

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

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 523 of the Company Law occurred during the past financial year between the directors of the statutory manager or members of the management and Leasinvest Real Estate, except for the fact, that in application of article 523 § 1 last paragraph of the Company Law, with regard to the procedure for the prevention of conflicts of interest in listed companies, Mr. Appelmans left the meeting of the board of directors, held on 12/11/2013, 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[1].

As described above in the section "Decision-making bodies – Consultative committees – Committee of independent directors" no related-party transactions for which the applicability of article 524 of the Company Law had to be examined took place in the course of the past financial year.

Articles 17 and 18 of the RD on real estate investment trusts (sicafi/vastgoedbevaks)

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;

1 Mr. Appelmans was not present during the deliberation and decision-making by the board of directors about the agenda item relating to remuneration. The board of directors approved the proposals relating to remuneration.

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.

During the past financial year no notifications had to be made to the FSMA within that framework.

Corporate Governance Charter

In its Corporate Governance Charter, Leasinvest Real Estate has subscribed to the policy that a director or member of the management (or their closest relatives) who, directly or indirectly, has an interest non-related to the patrimony, that is opposed to, or, has a parallel interest, related or not to the patrimony, to a decision or operation of Leasinvest Real Estate – in cases other than those referred to by the legal rules on conflicts of interest contained in article 523 of the Company Law –, that person should immediately inform the chairman. The chairman shall assess whether to report the matter to the board of directors.
During the past financial year the chairman received no notification requiring the application of this policy.

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

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

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 Law does not apply) could arise with directors appointed on the proposal of Ackermans & van Haaren Group, if operations are carried out between Ackermans & van Haaren Group and/or the statutory manager and Leasinvest Real Estate or an other company from the Leasinvest Real Estate Group (in the past financial year no transactions have occurred between Leasinvest Real Estate Group and companies related to Ackermans & van Haaren Group); 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 and/or a subsidiary of Leasinvest Real Estate e.g. Leasinvest Immo Lux and/or Leasinvest Services (in the past financial year no transactions have occurred between Leasinvest Real Estate Group and companies related to AXA Belgium SA).
Leasinvest Services is a 100% subsidiary of Leasinvest Real Estate, to which the property management is outsourced (see Real estate report, page 82).
RAB Invest is a 100% subsidiary of Leasinvest Real Estate and the owner of the State Archives in Bruges.
Canal Logistics Brussels NV is a 100% subsidiary of Leasinvest Real Estate and the owner of a logistics building in Neder-over-Heembeek.
Leasinvest Immo Lux is a 100% subsidiary of Leasinvest Real Estate, owner of the Luxembourg real estate portfolio.
Orli Lux Sàrl is a 100% subsidiary of Leasinvest Immo Lux.

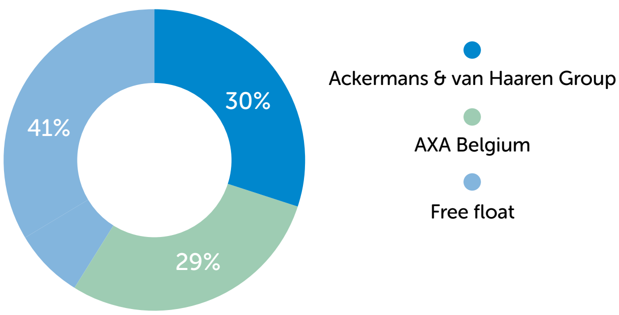
A potential conflict of interest could occur between Leasinvest Real Estate and the statutory manager or between Leasinvest Real Estate and Leasinvest Services or between Leasinvest Real Estate or Leasinvest Immo Lux within the framework of a potential further restructuring of the property management and/or amendment to the organization structure. In the past year no specific restructurings took place, nor was the organization structure amended in a way that a conflict of interest could have occurred.

A potential conflict of interest could finally potentially arise by reason of the director's function executed by the managing director, Jean-Louis Appelmans, in Retail Estates, as far as the investment policy of both sicafi would overlap. In the past year no potential conflict of interest of this nature has occurred.

10.4 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 SA. Its registered capital is divided in 4,938,870 shares, with no-par value, which represent each 1/4,938,870 of the capital.

Shareholder structure



Number of listed shares (4,938,870)[1]

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 SA and AG Insurance SA including the relevant chains of control (see also point 10.5), 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 and/or the articles of association, are fixed at (cf. articles of association) 3%, (cf. legal provisions) 5% and multiples of 5% of the total number of existing voting rights.

The total number of shares in circulation consequently equals the number of issued shares, or 4,938,870. 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 6 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 Law) for decisions of the general meeting relating to actions regarding the interests of the company versus third parties, such as dividend distribution and each decision affecting the assets of the company (for amendments to the articles of association: see below).
Each share entitles to one voting right.
No other securities granting voting rights have been issued.
There are no legal and statutory limitations on the execution of the voting rights.
Nor is there a stock option plan for the employees.

Between Ackermans & van Haaren Group and AXA Belgium SA a shareholders' agreement has been concluded for a term of 10 years 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.

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 page 85.

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 provisions.

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

The conditions of the bonds that were issued on 9 October 2013 by the company, define that, in the case of a change in control of Leasinvest Real Estate, each bondholder has the right to oblige Leasinvest Real Estate to refund all of a part of his bonds.

For the objective of this provision, a change in control is defined as follows:

(A) in the assumption that Leasinvest Real Estate has the legal form of an SCA and that Leasinvest Real Estate Management is the sole statutory manager (i.e. the current situation):
   - a person or a group of persons acting in mutual consent acquire the control of the manager; or
   - Leasinvest Real Estate Management is replaced as the manager of Leasinvest Real Estate by one or more new managers (unless Ackermans & van Haaren SA or a person related to Ackermans & van Haaren exercises the control over this (these) new manager (s);

(B) in the assumption that Leasinvest Real Estate takes on the legal form of a limited company (SA) (or any other legal form besides its current legal form): a person or a group of persons acting in mutual consent acquires the control over Leasinvest Real Estate;

for which "Control" is defined as follows:

- in the assumption (A) above:
   - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of the manager of Leasinvest Real Estate;
   - the right in virtue of the articles of association of the manager of Leasinvest Real Estate or based on agreements known by the manager to nominate or dismiss the majority of the directors; and
- in the assumption (B) above:
   - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of Leasinvest Real Estate;
   - the right in virtue of the articles of association of Leasinvest Real Estate or based on agreements known by Leasinvest Real Estate to nominate or dismiss the majority of the directors; or
   - the acquisition or possession of voting rights in Leasinvest Real Estate, even if this amounts to less than 50% of the voting rights linked to the total number of shares following the acquisition that has led to a mandatory public take over bid on the shares with voting rights.

Issue condition 6.3. of the bond loan issued by Leasinvest Real Estate on 4 December 2013 and the rights of the bondholders, as recorded in the placement memorandum for the private placement of bonds of 19 November 2013, contains the possibility for the bond holders to demand the early refund of the bonds, in the case of a change of control.

For the application of this provision, a change of control is supposed to have take place if:

A) in the assumption that Leasinvest Real Estate has the legal form of an SCA and that Leasinvest Real Estate Management is the sole statutory manager (i.e. the current situation):
   (i) a person or a group of persons acting in mutual consent acquire the control of the manager; or;
   (ii)Leasinvest Real Estate Management is replaced as the manager of Leasinvest Real Estate by one or more new managers (unless Ackermans & van Haaren SA or a person related to Ackermans & van Haaren exercises the control over this (these) new manager (s);

B) in the assumption that Leasinvest Real Estate takes on the legal form of a limited company (SA) (or any other legal form besides its current legal form): a person or a group of persons acting in mutual consent acquires the control over Leasinvest Real Estate;

for which "Control" is defined as follows:

- in the first assumption (A) above:
   - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of the manager of Leasinvest Real Estate;
   - the right in virtue of the articles of association of the manager of Leasinvest Real Estate or based on agreements known by the manager to nominate or dismiss the majority of the directors; and
- in the second assumption (B) above:
   - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of Leasinvest Real Estate;
   - the right in virtue of the articles of association of Leasinvest Real Estate or based on agreements known by Leasinvest Real Estate to nominate or dismiss the majority of the directors; or
   - the acquisition or possession of voting rights in Leasinvest Real Estate, even if this amounts to less than 50% of the voting rights linked to the total number of shares following the acquisition that has led to a mandatory public take over bid on the shares with voting rights.

Besides the aforementioned clauses in the case of a change in control, there are no other 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.

Furthermore, 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.

10.5 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 (Extensa Group SA)[1].

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.

1 Ackermans & van Haaren SA, Begijnenvest 113, 2000 Antwerp – Extensa Group NV, avenue du Port 86c Box 316 • 1000 Brussels, Extensa Participations II Sàrl, 6D route de Trèves L- 2633 Senningerberg.

10.6 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 01/01/11 we refer to article 27 of the RD of 07/12/10, and article 617 of the Company Law 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 years, 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 157 et seq of the Financial statements.

10.7 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.

10.8 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.

A notification was made to the FSMA by Mr Van Geyte on 30 January 2013 in conformity with art 25bis §2 of the law of 2 August 2002 on the supervision of the financial sector and on financial services and the articles 13 and 14 of the RD of 5 March 2006.
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%) (statutory threshold) and/or exceeding (the legal) threshold of five per cent (5%) and multiples of five per cent (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 article 6 of the law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market.

10.9 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 3rd Monday of the month of 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 Law.

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 settlement body;
- or upon presentation of the bearer shares to a financial intermediary.

Only the shares at 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 registration date, that are registered in the name of the shareholder of how many bearer shares were presented at the registration date, and for which the shareholder has communicated wanting to participate to the general meeting.

Following the law of 14 December 2005 on the deletion of bearer shares, depositing printed bearer shares with a financial institution in view of the participation of a shareholder to a general meeting legally results as of 1 January 2008 in the dematerialization of these shares and the deposit in a dematerialized securities account with this financial institution. Physical restitution of deposited printed bearer shares is thus no longer possible.

Since 1 January 2008 no new bearer securities can be issued and existing bearer shares that were deposited in a securities account can no longer be physically delivered. As of then they have to remain deposited on the securities account, unless they would be converted into nominative shares. The bearer shares deposited on a securities account, have as from 1 January 2008 legally been converted into dematerialized securities. 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.

Amendments to the rights of shareholders have to be approved by an extraordinary general meeting of shareholders of Leasinvest Real Estate according to the legal provisions, taking into account an attendance quorum of at least 50% of the registered capital, the presence of the manager and an approval by at least ¾ of the votes. Moreover, an amendment to the rights of the shareholders is an amendment to the articles of association that requires a preliminary approval by the FSMA.

10.10 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 seven 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 and executive director of Leasinvest Real Estate Management SA;
- Micheline Paredis, secretary general of Leasinvest Real Estate Management SA;
- Vincent Macharis, CFO of Leasinvest Real Estate Management SA.

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 and can be renewed at the annual meeting held in April 2014.

10.11 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 May 2012 for a term of three years to fulfil the function of auditor of Leasinvest Real Estate.

Ernst & Young Bedrijfsrevisoren is represented to that effect by Pierre Vanderbeek, bank auditor.

The remuneration of the auditor for auditing the annual accounts of Leasinvest Real Estate and its Belgian subsidiaries for the past financial year was estimated at € 85,323 (excl. VAT), or € 32,591 for Leasinvest Real Estate and € 52,732 for the audit of the subsidiaries of Leasinvest Real Estate.
Next to that, remunerations of € 134,126 (excl. VAT) were paid to the auditor for extraordinary missions (namely tax advice and remunerations paid within the framework of developing the required comfort letters within the framework of the public capital increase, the public bond loan issue and the private placement of a bond loan, as well as relating to drawing up the financial plan cf. art 54 of the RD with regard to sicafi) after approval by the audit committee in accordance with the procedure intended in art 133 § 6, 1 of the Company Law.

To the annual general meeting of shareholders of Leasinvest Immo Lux which will be held in April 2014, a request is made to renew the mandate of the auditor Ernst & Young (Luxembourg), with its registered office at 7, Rue Gabriel Lippmann, Parc d'Activité 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 € 45,000 (excl. VAT).

Agreements relating to the (fixed) remuneration of the auditor are contractually defined with the auditor and are, for the remuneration relating to the audit mission, approved by the general meeting of shareholders.

10.12 INTERNAL CONTROL AND RISK MANAGEMENT

Pursuant to article 41 of the law of 3 August 2012 on different forms of collective management of investment portfolios, 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 divestment/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 4 of Risk factors). This evaluation is carried out within the audit committee – at least 4 times a year (e.g. analysis of possible derogations to the outlook, related to the hedging policy) as well as by the board of directors of the statutory manager.

Compliance with internal procedures relating to investments is regularly checked by an independent external party. During the previous financial years this was done by a/o BDO (part of the BDO international network that consists of auditors, accountants, tax and legal counsel and counsel to the public sector – www.bdo.be), drawing up a report on the matter, 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.

10.13 VALUATION OF THE PORTFOLIO

In the financial year 2013, the quarterly valuations of the real estate portfolio were conducted by three independent valuers, Cushman & Wakefield VOF, DTZ Winssinger and Stadim. In the event of a conflict arising between the real estate agent's activity and that of the property surveyor, the other expert shall make the valuation.

For the past financial year, the value of the property was defined by Cushman & Wakefield, Winssinger & Associates and Stadim, and for the valuation of the portfolio in Luxembourg and that in Belgium, a total remuneration of € 248,392.90

(excl. VAT) was provided for, of which € 144,842.90 was for Leasinvest Real Estate and € 103,550 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 surveyor shall not be linked, either directly or indirectly, to the value of the real estate that is the subject of the valuation. The remuneration mentioned above has been defined based on a fixed amount per m2. The remuneration is contractually defined with the real estate expert.

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 04/12/1978 of the office in Belgium, there has always been a valuation department.
In Luxembourg the registered office of Cushman & Wakefield S.a.r.l. is situated in the '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 Koen Nevens, MRICS.

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.

Since 31/12/11 and in principle till 31/12/14 the valuation will be executed 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 20/11/1981 for an unspecified term and is subject to Belgian legislation. Today Winssinger & Associates is, among other things, the most important surveyor 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.

Since 31/03/2013 and in principle until 31/03/2016 the valuation will be executed by Hervé Biebuyck, Director.

Stadim CVBA (company number 0458.797.033), with registered office in 2600 Berchem-Antwerp, Uitbreidingstraat 10-16. Stadim is represented by Philippe Janssens. The company values both residential and professional (offices, retail, logistics, care housing, ...) real estate all over Belgium and Luxembourg. Stadim is not supervised by any official authority, but is regulated by the RICS (Royal Institute of Chartered Surveyors).

The valuation of the Luxembourg portfolio is made by Cushman, that of Belgium by respectively Cushman, DTZ Winssinger and Stadim.

10.14 DEPOSITARY AGENT

Leasinvest Real Estate has no depositary agent.

Leasinvest Immo Lux has RBC 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', which was appointed as depositary agent in accordance with the applicable Luxembourg legislation (RCS Luxembourg B47192).

It is currently examined which will be the eventual consequences and which additional procedures will have to be installed if Leasinvest Immo Lux is subject to the European directive AIFMD as from July 2014 that could a/o entail an extension of the supervision by RBC Investor Services Bank.
In its capacity of depositary, RBC Investor Services Bank 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 agent 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 € 147,677.61 in the past financial year for RBC Investor Services Bank.

10.15 LIQUIDITY PROVIDER

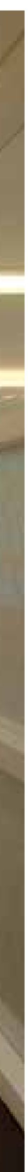
Bank Degroof rendered services as liquidity provider of Leasinvest Real Estate during the past financial year and receives a fixed remuneration of € 12,000 (excl. VAT) on an annual basis.

10.16 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 fixed remuneration of € 32,000 was foreseen for this.

Avenue Monterey, Luxembourg

Social, ethical and environmental aspects regarding the management of financial resources – sustainable development



The concern for social, ethical and environmental aspects in the sense of the law of 3 August 2012 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 the past 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.
In 2013 Leasinvest Real Estate has also installed solar panels on the roof of Canal Logistics in collaboration with ORKA SA. With a surface of 49,775 m^2 and 14,220 solar panels, this installation will have a production capacity of 3.15 GWh/year, which corresponds to the average energy consumption of 920 households and also reduces the annual CO2 emission by no less than 640 tons. Currently, this production is still injected on the net.
This reduces Leasinvest Real Estate's ecological footprint with regard to electricity to 0: 97% through purchasing green power, and 3% produced by solar panels.

In 2013 Salens Architects from Bruges, who designed the State Archives in Bruges, also won the Wienerberger prize at the FAB Awards for Architecture & Energy, where biannually high-quality and architecturally interesting construction projects in our country are awarded with the Belgian Prizes for Architecture & Energy. This competition is organized by the Royal Federation of Architect companies in Belgium (FAB) and Electrabel GDF-SUEZ. Besides these prestigious prizes, Wienerberger awards a prize to an innovative or remarkable construction project with ceramic materials. Salens Architects from Bruges were awarded Wienerberger's prize for the 'Best application of Ceramic construction materials' for the State Archives in Bruges.
With the State Archives, Salens Architects succeeded in harmoniously integrating a contemporary architecture with a strong identity in with a historic environment of Bruges, part of the world heritage. The building is conceived as a stack of old paper on top of a transparent and open ground floor. The specially built Terca Wasserstrich Special facing brick – characterized by a rough, uneven structure and a weather-beaten, fanciful look – give this wall an intense and dynamic appearance.
In awarding this prize, Wienerberger wishes to further support the creative use of ceramic construction materials in the future. Bricks are indeed still the sustainable material par excellence for contemporary applications in different styles (source: press release Wienerberger).

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 actions taken on the level of its portfolio of buildings. The concrete actions are reproduced below.

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 are operational since 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, vacant because of their lease ending, or those 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. In 2013, € 28 million were divested within this scope (see Management report page 43 – Overview of activities).

REALIZED AND PLANNED ACTIONS

General

In the course of 2012 intelligent electricity meters were installed in the following buildings of the Belgian real estate portfolio:

- 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 The Crescent Anderlecht: objective is the improvement of Breeam in-use 'good' score to 'excellent' in 2014
Office building Motstraat Malines: execution of Breeam in-use (2013), score 'good'
Logistics building Tongres: energy study executed in 2012
Logistics building Canal Logistics Neder-over-Heembeek: installation of solar panels (2013)

Luxembourg

Office building Royal20 (new construction): objective is Breeam 'excellent'
Office building Monnet: Breeam in-use (2012), score 'pass'

Culture

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

Each year new opportunities are assessed and new initiatives are taken. In 2013 this related to the sponsoring of "Quartier des arts (quartierdesarts.be)".

Risk factors

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

Discharge to the manager and to 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 31/12/13.

Drawn up in Antwerp on 13/02/14

Jean-Louis Appelmans
Managing director

Luc Bertrand
Chairman of the board of directors

Financial statements

Vincent Macharis, CFO

"Besides a strong investment year, 2013 was also the year in the course of which we have improved our debt ratio, reinforced our balance sheet and diversified our funding sources through a public capital increase of € 60 million in June, a public bond issue of € 75 million in September, and finally a private bond issue of € 20 million.

Moreover, we could close the financial year with a higher pro rata net current result, despite the capital increase."

45.2 million rental income

funding cost 3.29%

53.53% Debt ratio

Net result +31%

Consolidated financial statements

Consolidated financial statements and notes

The consolidated financial statements of Leasinvest Real Estate have been approved for publication by the board of directors on 13 February 2014.

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	31/12/13	31/12/12 (12 months)	31/12/11 (12 months)
Rental income	4	45,186	37,959	36,647
Related rental expenses	4	0	47	18
NET RENTAL INCOME	**4**	**45,186**	**38,006**	**36,664**
Recovery of property charges	5	92	212	82
Recovery income of charges and taxes normally payable by tenants on let properties	6	3,509	3,463	2,633
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	5	0	0	-4
Charges and taxes normally payable by tenants on let properties	6	-3,509	-3,463	-2,633
Other rental-related income and expenditure	5	-1,617	-1,541	-869
PROPERTY RESULT		**43,661**	**36,676**	**35,873**
Technical costs	7	-1,559	-1,042	-1,189
Commercial costs	8	-696	-514	-699
Charges and taxes on unlet properties	9	-295	-507	-558
Property management costs	10	-3,639	-3,123	-2,832
Other property charges	10	-528	-363	-278
PROPERTY CHARGES		**-6,717**	**-5,549**	**-5,556**
PROPERTY OPERATING RESULT		**36,944**	**31,127**	**30,317**
Corporate operating charges	11	-2,374	-1,824	-1,789
Other operating charges and income	11	-343	-302	-22
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		**34,227**	**29,001**	**28,506**
Result on disposal of investment properties	12	-146	153	534
Changes in fair value of investment properties	13	1,978	1,342	-6,566
OPERATING RESULT		**36,059**	**30,496**	**22,473**
Financial income	14	2,254	2,203	1,753
Net interest charges	15	-10,810	-8,787	-8,936
Other financial charges	16	-1,365	-1,076	-2,036
Changes in fair value of financial assets and liabilities	17	966	-2,101	-449
FINANCIAL RESULT		**-8,955**	**-9,761**	**-9,668**
PRE-TAX RESULT		**27,104**	**20,736**	**12,805**
Corporate taxes	18	-178	-228	-216
Exit tax		0	0	0
TAXES		**-178**	**-228**	**-216**
NET RESULT		**26,926**	**20,508**	**12,589**

(in € 1,000)	31/12/13	31/12/12	31/12/11
AUTRES ÉLÉMENTS DU RÉSULTAT GLOBAL			
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-338	-645	0
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	8,427	-12,899	-10,187
Changes in fair value of financial assets available for sale	2,288	2,780	392
Other elements of the global result	**10,715**	**-10,119**	**-9,795**
GLOBAL RESULT	**37,303**	**9,744**	**2,794**
Attributable to:			
Minority interests	-2	0	2
Global result – Group share	37,305	9,744	2,792
NET CURRENT RESULT			
Net result	**26,926**	**20,508**	**12,589**
To be eliminated			
- Result on disposal of investment properties	-146	153	534
- Changes in fair value of investment properties	1,978	1,342	-6,566
- Changes in fair value of financial assets and liabilities	966	-2,101	-449
NET CURRENT RESULT	**24,128**	**21,114**	**19,070**

RÉSULTATS PAR ACTION (in €)	31/12/13 (12 months)	31/12/12 (12 months)	31/12/11 (12 months)
Global result per share, group share (1)	7.55	2.43	0.70
Global result per diluted share, group share (1)	7.55	2.43	0.70
Result per share, group share (1)	5.45	5.11	3.15
Result per diluted share, group share (1)	5.45	5.11	3.15
Net current result per share (1)	4.88	5.26	4.77

1 Based on the number of shares at closing date (31/12/13).

CONSOLIDATED BALANCE SHEET

(in € 1,000)	Note	Period 31/12/13	Period 31/12/12	Period 31/12/11
ASSETS				
I. NON-CURRENT ASSETS		757,058	634,775	526,647
Intangible assets	19	1	2	3
Investment properties	20	690,191	578,163	501,584
Other tangible assets	22	1,140	1,212	1,316
Non-current financial assets	23	47,827	37,499	23,744
Finance lease receivables	24	17,899	17,899	0
II. CURRENT ASSETS		20,809	32,251	11,770
Assets held for sale	25	10,144	21,701	2,859
Current financial assets	26	0	1	1
Trade receivables	27	5,427	6,605	5,685
Tax receivables and other current assets	28	1,197	1,253	854
Cash and cash equivalents	29	2,254	2,436	1,998
Deferred charges and accrued income	30	1,786	255	373
TOTAL ASSETS		**777,867**	**667,026**	**538,417**
LIABILITIES				
TOTAL SHAREHOLDERS' EQUITY		**335,334**	**256,010**	**261,821**
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		335,331	256,005	261,815
Capital	31	54,315	44,128	44,128
Share premium account	31	121,091	70,622	70,622
Reserves	31	132,997	120,747	134,478
Net result of the financial year	31	26,928	20,508	12,587
II. MINORITY INTERESTS	33	4	5	5
LIABILITIES		**442,532**	**411,016**	**276,596**
I. NON-CURRENT LIABILITIES		301,299	256,591	177,560
Provisions		0	0	0
Non-current financial debts	34	282,731	228,674	163,724
- Credit institutions		186,776	228,467	163,529
- Other		95,955	207	194
Other non-current financial liabilities	34	18,568	27,917	13,836
Other non-current liabilities		0	0	0
II. CURRENT LIABILITIES		141,233	154,425	99,036
Provisions			0	0
Current financial debts	34	125,058	135,942	84,222
- Credit institutions		25,099	63,000	12,563
- Other		99,959	72,942	71,659
Trade debts and other current debts	35	6,077	7,723	5,200
- Exit tax		0	0	0
- Other		6,077	7,723	5,200
Other current liabilities	36	2,203	2,180	1,449
Accrued charges and deferred income	37	7,896	8,580	8,165
TOTAL EQUITY AND LIABILITIES		**777,867**	**667,026**	**538,417**

CONSOLIDATED CASH FLOW STATEMENT

(in € 1,000)	Note	31/12/13 (12 months)	31/12/12 (12 months)	31/12/11 (12 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**29**	**2,436**	**1,998**	**2,840**
1. Cash flow from operating activities		**30,319**	**24,287**	**26,286**
Net result		26,926	20,508	12,590
Adjustment of the profit for non-cash and non-operating elements		**7,674**	**8,398**	**13,812**
Depreciations, write-downs and taxes		**161**	**135**	**82**
- Depreciations and write-downs on intangible and other tangible assets (+/-)		73	74	75
- Write-downs on current assets (-)		0	-47	-18
- Taxes		178	227	216
- Taxes paid		-91	-119	-191
Other non-cash elements		**-2,554**	**757**	**7,081**
- Changes in fair value of investment properties (+/-)		-1,978	-1,342	6,566
- Movements in provisions (+/-)		0	0	0
- Phasing of gratuities (+/-)		389	-2	66
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities		-966	2,101	449
Non-operating elements		**10,067**	**7,505**	**6,649**
Gains on disposals of non-current assets		146	-153	-534
Dividends received		-1,690	-1,116	-318
Write-back of financial income and financial charges		11,611	8,775	7,501
Change in working capital requirements		**-4,281**	**-4,619**	**-116**
Movements in asset items		-244	-1,524	199
- Other non-current assets		-24		
- Current financial assets			1	15
- Trade receivables		1,177	-873	19
- Tax receivables and other current assets		122	-532	146
- Deferred charges and accrued income		-1,520	-120	19
Movements in liability items		-4,036	-3,095	-315
- Other non-current debts		-18		
- Trade debts and other current debts		-1,916	-3,796	682
- Taxes		-88	26	-25
- Other current liabilities		22	547	-1,016
- Accrued charges and deferred income		-2,037	128	44

1 The sum of the decrease of the fair value of the non-current financial assets and liabilities (€ 966 thousand), the dividends received (€ 1,690 thousand) and the financial income and charges (€ -11,611 thousand), amounts to € -8,955 thousand, which is the financial result at the end of 2013.

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(in € 1,000)	Note	31/12/13 (12 months)	31/12/12 (12 months)	31/12/11 (12 months)
2. Cash flow from investment activities		**-81,641**	**-105,342**	**-31,536**
Investments				
Investment properties in operation		-99,641	-79,154	-19,218
Development projects		-1,489	-19,535	-4,819
Intangible and other tangible assets		-1	-8	-1,365
Non-current financial assets		-7,974	-11,957	-14,658
Assets held for sale		0	0	0
Effect in consolidation of new participations		131	-26	0
Divestments				
Investment properties in operation		27,332	823	7,700
Intangible and other tangible assets		-146	102	0
Non-current financial assets		67	0	506
Assets held for sale		27,410	3,295	0
Received dividends		1,690	1,116	318
3. Cash flow from financing activities		**49,450**	**81,493**	**4,408**
Change in financial liabilities and financial debts				
Increase (+) / Decrease (-) of financial debts		17,688	105,299	28,109
Increase (+) / Decrease (-) of other financial liabilities				
Financial income received		2,254	2,441	1,258
Financial charges paid		-12,512	-10,691	-8,574
Change in shareholders' equity (+/-)		42,021		
Change of capital and share premium account (+/-)		60,655		
Change in reserves		-979		
Increase (+) / Decrease (-) of treasury shares			1,097	0
Dividend of the previous financial year		-17,656	-16,652	-16,385
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**29**	**2,254**	**2,436**	**1,998**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND RESERVES

(in € 1,000)	Capital	Share premium account	Treasury shares redeemed (-)	Reserves
Balance sheet under IFRS on 30/06/07	**44,128**	**70,622**	**-12**	**152,139**
- Distribution dividend of the previous financial year				-15,248
- Distribution interim dividend of the current financial year				-15,385
- Result of the financial year 2007/2008 (18 months)				38,322
- Treasury shares redeemed			-1,034	
- Various				
Balance sheet under IFRS on 31/12/08	**44,128**	**70,622**	**-1,046**	**159,828**
- Distribution closing dividend of the previous financial year				-7,393
- Result of the financial year 2009 (12 months)				18,380
- Various				
Balance sheet under IFRS on 31/12/09	**44,128**	**70,622**	**-1,046**	**170,815**
- Distribution closing dividend of the previous financial year				-15,985
- Result of the financial year 2010 (12 months)				14,266
- Various				
Balance sheet under IFRS on 31/12/10	**44,128**	**70,622**	**-1,046**	**169,095**
Restatement according to the RD of 07/12/10			1,046	-22,702
Balance sheet under IFRS on 31/12/10 after restatement	**44,128**	**70,622**	**0**	**146,393**
- Distribution closing dividend of the previous financial year				-16,385
- Transfer net result 2010 to reserves				14,266
- Global result of the financial year 2011 (12 months)				-9,795
- Various				
Balance sheet under IFRS on 31/12/11	**44,128**	**70,622**	**0**	**134,478**
- Distribution closing dividend of the previous financial year				-16,653
- Transfer net result 2011 to reserves				-12,587
- Global result of the financial year 2012 (12 months)				-10,763
- Various				1,097
Balance sheet under IFRS on 31/12/12	**44,128**	**70,622**	**0**	**120,746**
- Issue of shares through capital increase in cash	10,187	50,469		-979
- Distribution closing dividend of the previous financial year				-17,656
- Transfer net result 2012 to reserves				20,508
- Global result of the financial year 2013 (12 months)				10,377
- Various				
Balance sheet under IFRS on 31/12/13	**54,315**	**121 091**	**0**	**132,997**

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
	-6,219	**1,413**	**262,071**	**9,975**	**272,046**
			-15,248		-15,248
			-15,385		-15,385
	-1,901	-2,387	34,034	1,240	35,274
			-1,034		-1,034
			0	-11,222	-11,222
	-8,120	**-974**	**264,438**	**-7**	**264,431**
			-7,393		-7,393
	-9	-492	17,879	1	17,880
			0		0
	-8,129	**-1,466**	**274,924**	**-6**	**274,918**
			-15,985		-15,985
	883	1,321	16,470	9	16,479
			0		0
	-7,246	**-145**	**275,408**	**3**	**275,410**
14,266	7,246	145			
14,266	**0**	**0**	**275,408**	**3**	**275,410**
			-16,385		-16,385
-14,266					
12,587			2,792	2	2,794
			0		0
12,587	**0**	**0**	**261,815**	**5**	**261,821**
			-16,653		-16,653
-12,587			0		
20,508			9,745	0	9,745
			1,097		1,097
20,508	**0**	**0**	**256,005**	**5**	**256,010**
			59,676		59,676
			-17,656		-17,656
-20,508			0		0
26,928			37,305	-2	37,303
26,928	**0**	**0**	**335,331**	**3**	**335,334**

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 hypothetical disposal of investment properties (-)
Balance sheet under IFRS on 31/12/10	**44,128**	**70,622**	**602**	**62,268**	**-6,358**
Global result for the period and transfers				-22,431	
Dividends to shareholders					
Balance sheet under IFRS on 31/12/11	**44,128**	**70,622**	**602**	**39,837**	**-6,358**
Transfers				-6,566	
Global result for the period					-645
Sale of treasury shares					
Dividends to shareholders					
				(1)	
Balance sheet under IFRS on 31/12/12	**44,128**	**70,622**	**602**	**33,271**	**-7,003**
Issue of shares through capital increase in cash	10,187	50,469			
Transfers			4,829	1,342	
Global result for the period					-338
Dividends to shareholders					
Balance sheet under IFRS on 31/12/13	**54,315**	**121,091**	**5,431**	**34,613**	**-7,341**

1 In 2012 € -2,101 thousand is recognized on ineffective financial instruments, i.e. authorized 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 authorized hedges not subject to hedge accounting under IFRS" after result appropriation. In 2012 € 1,342 thousand 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 appropriation.

In 2013 € 1,031 thousand is recognized on ineffective financial instruments, i.e. authorized 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 authorized hedges not subject to hedge accounting under IFRS" after result appropriation. In 2013 € 1,978 thousand 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 appropriation.

Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve from the balance of changes in fair value of authorized 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	Total shareholders' equity	Minority interests	Shareholders' equity attributable to the shareholders of the parent company
-642	**-1,121**	**-1,046**	**497**	**92,192**	**14,267**	**275,407**	**3**	**275,410**
-10,187			392	36,697	-1,678	2,793	2	2,795
				-16,385		-16,385		-16,385
-10,829	**-1,121**	**-1,046**	**889**	**112,504**	**12,589**	**261,815**	**5**	**261,821**
	-449			19,604	-12,589	0		0
-12,898			2,780		20,508	9,745		9,745
		1,035		63		1,098		1,098
				-16,653		-16,653		-16,653
	(1)							
-23,727	**-1,570**	**-11**	**3,669**	**115,518**	**20,508**	**256,005**	**5**	**256,010**
				-979		59,676		59,676
	-2,101			16,438	-20,508	0		0
8,427			2,288		2,288	37,305	-2	37,303
				-17,656		-17,656		-17,656
-15,300	**-3,671**	**-11**	**5,957**	**113,321**	**26,928**	**335,331**	**3**	**335,334**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CLOSED 31 DECEMBER 2013

GLOBAL RESULT

BALANCE SHEET

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, the law of 3 August 2012 on certain forms of collective management of investment portfolios and the RD of 7 December 2010, with its administrative offices in Antwerp.

The consolidated financial statements of LRE for the financial year ending on 31 December 2013 comprise LRE and its subsidiaries. The statutory and consolidated annual accounts were authorized for issue by the board of directors on 13 February 2014 and will be proposed to the annual general meeting of shareholders for approval on 19 May 2014. 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 31/12/13, 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 applied accounting principles are consistent with those of the previous financial year, except for the following modifications.

- IFRS 7 - Financial Instruments: Disclosures – Offsetting of financial assets and liabilities
- IFRS 13 Fair value measurement
- IAS 1 Presentation of financial statements – Presentation of unrealized results
- IAS 12 Income taxes – Latent taxes: Realization of underlying assets
- IAS 19 Employee benefits (modified)
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- Annual improvements to IFRS (released in May 2012)

The nature and the impact of each of the following new standards, modifications and/or interpretations is described below:

1) IFRS 7 Financial Instruments: Disclosures
These amendments impose on an entity to disclose information on the rights of set-off and related settlements (e.g. securities). These new information disclosures are mandatory for all financial instruments of the balance sheet that were offset according to IAS 32 Financial Instruments: Presentation. Moreover, entities are obliged to disclose additional information on financial instruments of the balance sheet that are subject to a 'master netting' or similar settlement, regardless of the fact that they could be taken into account for offsetting or not according to IAS 32. These amendments had no impact on the balance sheet or the results of Leasinvest Real Estate.

2) IFRS 13 Fair Value Measurement
IFRS 13 treats the practical application of fair value measurement when this is imposed or allowed by another standard. IFRS 13 has not the intention to define under which circumstances assets or liabilities can be treated at fair value. IFRS 13 introduces a new element in measurement, namely the obligation to record the own credit risk and that of the counterparty in the calculation. The correction of the fair value as a consequence of the application of the credit risk to the counterparty is called Credit Valuation Adjustment (CVA). Quantifying the own credit risk is called Debit Valuation Adjustment or DVA. The impact of the correction of the fair value has led to a DVA with a positive impact of € 652 thousand in equity and of € 66.7 thousand in the net result.

3) IAS 1 Presentation of Financial Statements
The amendments have an influence on the presentation of elements in the unrealized results. Elements with a possible influence on the income statement (e.g. actuarial profits and losses on defined benefit retirement plans and the revaluation of land and buildings) should be separated from the other elements (e.g. net profit on hedges of net investments in a foreign entity, exchange rate differences for the consolidation of a foreign activity, net changes in cash flow hedges and net losses or gains on the sale of financial assets available for sale). There is no influence of this standard on the financial statements.

4) IAS 19 Employee Benefits
The IASB has published a number of amendments to IAS 19. These comprise fundamental changes, such as the deletion of the 'corridor method', but also simple clarifications or amendments to phrases. The amended standard does not apply to Leasinvest Real Estate.

5) IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine

This interpretation applies to production stripping costs carried for mine exploitation. The interpretation discusses the accounting treatment of the economic benefit obtained as a consequence of this activity. The new interpretation will have no impact on Leasinvest Real Estate.

Leasinvest Real Estate did not apply anticipatively the standards and interpretations below, published on the date of approval of these consolidated financial statements, though not yet in force.

The standards and interpretations below were issued at the publication date of the financial statements of the group, but were not yet in force. Here are presented only the standards and interpretations which the group reasonably assumes, when applied in the future, to have an impact on the notes, the financial position or the results of the Group. The Group plans to apply these standards and interpretations as soon as they are applicable.

- IFRS 9 Financial instruments
- IFRS 10 The consolidated financial statements, into force as of 1 January 2014
- IFRS 11 Joint arrangements, into force as of 1 January 2014
- IFRS 12 Disclosure of interests in other entities, into force as of 1 January 2014
- IFRS 10-12 Transition guidelines - into force as of 1 January 2014
- IFRS 10, IFRS 12 en IAS 27 – Investment entities1, into force as of 1 January 2014
- IAS 27 Separate financial statements, into force as of 1 January 2014
- IAS 28 Investments in Associates and Joint Ventures, into force as of 1 January 2014
- IAS 32 Financial instruments – presentation of offsetting of financial assets and liabilities, into force as of 1 January 2014
- IAS 36 Impairment of assets – Recoverable Amount Disclosures for Non-Financial Assets1, into force as of 1 January 2014
- IFRIC 21 Levies, into force as of 1 January 2014

The company currently examines the impact of these amendments. However, the first analyses show that these amendments will have no material impact.

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 and Torenhove in 2012, LRE stands surety for a maximum term of 9 years (respectively till July 2019 and till December 2021), 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 or users. 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 or service contracts to compensate potential vacancy, this can entail the recognition of an additional provision 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. The cost of a business combination consists of the acquisition price, the minority interests and the fair value of the previously held interests (shares) in the party acquired. The transfer rights have to be passed through the income statement.

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. IINTANGIBLE 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 NON-CURRENT 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 following methods to define the fair value according to IFRS 13:

- Net present value of estimated rental income
  The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

- Discounted cash flow method
  The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

- Residual valuation
  Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

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.

Real estate certificates
The valuation of the real estate certificates depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 2/3)
If the holder of the certificates does not possess a substantial interest (less than 2/3) in the real estate certificate, the certificates are booked at closing date at the weighted average share price of the last 30 days, under the item Non-Current Financial Assets.

B. Possession of a substantial interest (more than 2/3) in the issued certificates
If these certificates are not listed, or if the share price, as reflected by the price tables, cannot be considered as a reliable reference because of the limited liquidity of this real estate certificate, Leasinvest Real Estate wishes to revalue, at each closing of it accounts, its certificates in function of:

a) the fair value of the real estate of which the issuer is the owner and this, and this by analogy with the valuation of its own real estate. This occurs on the basis of a periodical valuation by its real estate expert.

If one or more buildings are sold by the issuer of the real estate certificate, the sales price will be taken into account for the valuation, till the distribution of the sales proceeds.

b) the contractual rights of the holder of the real estate certificate according to the initial prospectus issued by the real estate certificate.
Although Leasinvest Real Estate is not the legal owner of this real estate, it considers itself to be its economic beneficiary, and this pro rata of its contractual rights as the owner of the real estate certificates. Moreover, an investment in real estate certificates, in application of the RD on sicafi of 7 December 2010, article 2, sub 20°, is considered as real estate. Taking these considerations into account, the certificates are booked under the investment properties at their acquisition value including additional costs. Profit or loss, resulting from changes in the fair value of an investment property, are recorded in the income statement in the period in which they originated and are attributed to the available reserves when the result is appropriated.

The treatment of the coupon also depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 2/3)
The fee received comprises a part for the capital reimbursement and a part for the interest. The latter is presented in the financial result when there is certainty on the fee, and this falls due.

B. Possession of a substantial interest (more than 2/3) in the issued certificates
As holder of the real estate certificates, Leasinvest Real Estate has a contractual right pro rata of the real estate certificates in its possession, on a part of the operating balance realized by the issuer through the collection of the rents and payments for the operating and maintenance costs.

As the entire depreciation or value increase is treated via the revaluation of the real estate certificate, no part of the coupon relating to the operating balance should be considered to be a fee for the depreciation of the buildings of the issuer.

Consequently, the entire coupon (pro rata) is treated as net rental income and as operating income (turnover).

When a certain building from the issuer's portfolio is sold, it is treated as follows:
- the net revenue, potentially after deduction of withholding taxes due, is only booked as a realized capital gain at Leasinvest Real Estate for the difference between the book value of the real estate certificate at closing date, augmented by the net liquidation coupon, and the book value at the previous closing date.

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 and liabilities at fair value
The fair value changes of the financial assets and liabilities 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 or are fair value hedges, are taken into profit or loss.

IFRS 13 introduces a new element in measurement, namely the obligation to record the own credit risk and that of the counterparty in the calculation. The correction of the fair value as a consequence of the application of the credit risk to the counterparty is called Credit Valuation Adjustment (CVA). Quantifying the own credit risk is called Debit Valuation Adjustment or DVA.

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.

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, following the evolution of the fair value and the accounting value between the moment of the incorporation in the consolidated accounts of the acquired companies and the moment of the merger between the sicafi and those companies, 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.

Montimmo, Luxembourg

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 global result

(in € 1,000)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13 (12 months)	31/12/12 (12 months)
(+) Rental income	23,122	20,716	22,064	17,243			45,186	37,959
(+) Write-back of lease payments sold and discounted								
(+/-) Related-rental expenses		47					0	47
NET RENTAL INCOME	**23,122**	**20,763**	**22,064**	**17,243**	**0**	**0**	**45,186**	**38,006**
(+) Recovery of property charges	92	207		5			92	212
(+) Recovery income of charges and taxes normally payable by tenants on let properties	3,455	3,418	54	45			3,509	3,463
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		0	0	0			0	0
(-) Charges and taxes normally payable by tenants on let properties	-3,455	-3,418	-54	-45			-3,509	-3,463
(+/-) Other rental related income and expenditure	-1,497	-1,428	-120	-114			-1,617	1,541
PROPERTY RESULT	**21,717**	**19,543**	**21,943**	**17,134**	**0**	**0**	**43,661**	**36,676**
(-) Technical costs	-1,342	-996	-217	-45			-1,559	-1,042
(-) Commercial costs	-652	-472	-44	-42			-696	-514
(-) Charges and taxes on unlet properties	-264	-489	-31	-18			-295	-507
(-) Property management costs (1)	-3,412	-2,952	-227	-171			-3,639	-3,123
(-) Other property charges	-368	-220	-159	-143			-528	-363
PROPERTY CHARGES	**-6,038**	**-5,129**	**-679**	**-420**	0	0	**-6,717**	**-5,549**
PROPERTY OPERATING RESULT	**15,679**	**14,414**	**21,265**	**16,713**	**0**	**0**	**36,944**	**31,127**
(-) Corporate operating charges					-2,374	-1,824	-2,374	-1,824
(+/-) Other operating charges and income					-342	-302	-342	-302
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**15,679**	**14,414**	**21,264**	**16,713**	**-2,716**	**-2,126**	**34,227**	**29,001**
(+/-) Result on disposal of investment properties	-785	-3	639	156			-146	153
(+/-) Changes in fair value of investment properties	684	-5,014	1,294	6,355			1,978	1,342
OPERATING RESULT	**15,578**	**9,398**	**23,197**	**23,225**	**-2,716**	**-2,126**	**36,059**	**30,496**

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 2013 (12 months) € 1.4 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.

Consolidated statement of global result (continued)

(in € 1,000)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13 (12 months)	31/12/12 (12 months)
(+) Financial income					2,254	2,203	2,254	2,203
(-) Net interest charges					-10,810	-8,787	-10,810	-8,787
(-) Other financial charges					-1,365	-1,075	-1,365	-1,075
(+/-) Changes in fair value of financial assets and liabilities					966	-2,101	966	-2,101
FINANCIAL RESULT	0	0	0	0	-8,955	-9,760	-8,955	-9,760
PRE-TAX RESULT	**15,578**	**9,398**	**23,197**	**23,225**	**-11,671**	**-11,886**	**27,104**	**20,736**
(+/-) Corporate taxes					-178	-228	-178	-228
(+/-) Exit tax							0	0
TAXES	0	0	0	0	-178	-228	-178	-228
NET RESULT	**15,578**	**9,398**	**23,089**	**23,225**	**-11,849**	**-12,114**	**26,926**	**20,508**
Attributable to:								
Minority interests							-2	0
Group share							26,928	20,508

3.1.2 Bilan consolidé (Information sectorielle géographique)

(in € 1,000)	Belgium		Luxembourg		Corporate		TOTAL	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
ASSETS								
Intangible assets	1	2	0					2
Investment properties								
(incl. development projects, excl. financial leasing)	260,926	271,556	429,265	306,607			690,191	578,163
Assets held for sale	10,144	2,591		19,110			10,144	21,701
Other assets	71,593	61,001	5,939	6,160			77,532	67,161
ASSETS PER SEGMENT	**342,663**	**335,149**	**435,204**	**331,877**		**0**	**777,867**	**667,026**
LIABILITIES								
Non-current financial debts					282,731	228,674	282,731	228,674
Current financial debts					125,058	135,942	125,058	135,942
Other liabilities					34,743	46,400	34,743	46,400
LIABILITIES PER SEGMENT		**0**		**0**	**442,532**	**411,016**	**442,532**	**411,016**
SHAREHOLDERS' EQUITY							**335,334**	**256,010**

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	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
Investment properties						
investments	3,027	3,746	122,113	93,671	126,630	97,417
divestments				-603		-603
Finance lease receivables						
investments		17,900				17,900
divestments						
Assets held for sale						
investments						
divestments	-2,591	-2,859	-19,110		-21,701	-2,859
Other tangible assets (other)						
investments		8				8
divestments	0	-38			0	
depreciations	-73	-72		-1	-73	-73
Net book value at the end of the financial year	1,132	1,210		2	1,132	1,212

The investments in and divestments of investment properties, the finance lease receivables and the assets held for sale are commented in respectively note 20, 24 and 25.

The other tangible assets are mainly not for own use (note 22).

3.1.3 Main key figures

REAL ESTATE PORTFOLIO	Belgium		Luxembourg		TOTAL	
(in € 1,000)	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
Fair value of the real estate portfolio (1)	288,984	292,047	429,250	325,716	718,234	617,763
Investment value of the real estate portfolio	295,910	299,660	435,940	333,640	731,850	633,300
Gross yield (in fair value) of the segment	7.61%	7.45%	7.44%	7.16%	7.31%	7.30%
Gross yield (in investment value) of the segment	7.44%	7.26%	7.00%	7.03%	7.18%	7.14%
Total letting area (m^2)	156,619	284,469	272,960	123,659	429,579	408,128
Occupancy rate (2)	93.32%	90.98%	99.43%	99.28%	96.90%	94.90%
Weighted average duration till first break possibility (# years)	4.46	5.4	5.75	4.3	5.23	4.9

1 The fair value of the real estate portfolio consists of the investment properties (€ 690,191 thousand), the finance lease receivables (€ 17,899 thousand) and the assets held for sale (€ 10,144 thousand), or € 718,234 thousand in total.

2 LThe occupancy rate takes into account all buildings, except for those recorded under 'assets held for sale' and 'development projects', and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy)/ estimated rent.

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 letting area, the occupancy rate and the weighted average duration) only the buildings in operation are taken into account, excluding the assets held for sale. The yields concern gross yields.

3.2 Segment information – Key figures per asset class

(in € 1,000)	Offices		Logistics (and semi-industrial)		Retail		TOTAL	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
Rental income (incl. lease receivables and excl. indemnities for termination and incentives)	18,717	19,187	10,846	9,934	14,501	8,726	44,064	37,848
Fair value of the real estate portfolio	261,010	285,030	155,080	153,413	302,090	179,320	718,234	617,763
Investment value of the real estate portfolio	267,730	293,710	158,540	157,540	305,580	182,050	731,850	633,300
Occupancy rate	91.2%	91.82%	98%	94.30%	100%	100%	96.90%	94.90%
Rental yield (in fair value) of the segment	7.62%	7.28%	7.25%	7.49%	7.11%	7.19%	7.31%	7.30%
Rental yield (in investment value) of the segment	7.43%	7.10%	7.10%	7.30%	7.03%	7.08%	7.18%	7.14%
Weighted average duration till first break possibility (# years)	2.80	3.5	5.52	6.0	6.82	6.2	5.23	4.9

	2013		2012	
	Fair value (€ M)	Acquisition value (€ M)	Fair value (€ M)	Acquisition value (€ M)
Offices				
Offices Grand Duchy of Luxembourg	118.89	105.93	119.84	108.27
Offices Brussels	84.97	117.3	96.58	123.80
Offices rest of Belgium	26.35	47.7	29.91	50.30
Total offices	**230.21**	**270.93**	**246.32**	**282.37**
Logistics/semi-industrial				
Logistics/semi-industrial Grand Duchy of Luxembourg	20.06	13.4	20.18	13.40
Logistics/semi-industrial Belgium	113.02	90.56	108.40	97.76
Other	22	19.8	22.25	19.80
Total Logistics/semi-industrial	**155.08**	**123.76**	**150.83**	**130.96**
Retail				
Retail Grand Duchy of Luxembourg	269.62	257.2	146.98	135.70
Retail Belgium	32.47	19.3	32.34	19.30
Total retail	**302.09**	**276.5**	**179.32**	**155.00**
Investment properties	**687.38**	**671.19**	**576.48**	**568.32**
Assets held for sale	10.12	9	21.69	19.32
Buildings in operation	**697.5**	**680.19**	**598.17**	**587.64**
Projects Grand Duchy of Luxembourg	20.68	20.58	19.60	19.50
Projects Belgium	0		0.00	0
General total including projects & assets held for sale	**718.18**	**700.77**	**617.77**	**607.14**

The rental income does not take into account the indemnities received for early termination of leases of € 1.1 million (end-2013).

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, excluding the assets held for sale and the development projects. The yields concern gross yields.
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)	31/12/13 (12 months)	31/12/12 (12 months)
Rental income	**45,186**	**37,959**
Rents	43,209	37,433
Guaranteed income	0	0
Rent-free periods	-389	2
Rental incentives	-17	-20
Indemnities for early termination of the leases	1,138	132
Income from finance leases and comparable items	1,244	413
Write-back of lease payments sold and discounted	**0**	**0**
Rental-related expenses	**0**	**47**
Rent payable on rented premises		
Write-downs on trade receivables	0	47
Write-backs of write-downs on trade receivables	0	47
NET RENTAL RESULT	**45,186**	**38,006**

1 Under the IFRS referential, the rent-free period is spread over the duration of the lease resulting in an annual recognition of the real rent. This implies a positive amount at the start of the rent-free period in the item 'rent-free periods' as no rental income is recognized following that rent-free period. However, in the following periods after the expiry of the rent-free period, the item 'rent-free periods' will be negatively influenced because rental income is then received. The table below presents a schematic overview of this principle taking into account a 2-year rent-free period:

	year 1	year 2	year 3	year 4	year 5	year 6	Total
Rental income	0	0	120	120	120	120	480
Rent-free periods	80	80	-40	-40	-40	-40	0
Total	**80**	**80**	**80**	**80**	**80**	**80**	**480**

Leasinvest Real Estate rents its investment properties on the basis of customary rental contracts.

The net rental result amounts to € 45,186 thousand compared to € 38,006 thousand a year before, or an increase by 19% or € 7,180 thousand. This evolution is mainly the result of, on the one hand, the investments realized in September 2012 in Knauf Shopping Center Schmiede and the State Archives in Bruges, and on the other hand, the contribution of 4 months of income from Knauf Shopping Center Pommerloch and nearly 1 month of income from Hornbach following the investments in 2013, or a total of nearly € 6.5 million.

The sale of the buildings Pasteur, Mercure, Delta Business Park (Satenrozen), a part of vierwinden, Torenhof (The Crescent Ghent) and a building located rue Lusambo had a negative impact on the rental income of € 1,5 million.

At constant portfolio, the rental income increases by 9% or € 1.6 million in comparison with the same period last year (excl. rental rebates € -0.4 million). If we take the latter into account, the increase amounts to 6.8%.
Besides this, the rental result was positively influenced for nearly € 1 million within the framework of a settlement with a tenant for the early termination of its lease.

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. The rental incentives that were not yet recognized in the result are deducted from the fair value of the assets.
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 rented corrected with the rent-free period. This correction is recorded in this item and will, ceteris paribus, consequently have a negative balance, unless another rent-free period, exceeding this balance, is again granted in that period.

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)	31/12/13 (12 months)	31/12/12 (12 months)
Within one year	7,502	3,705
Between one and five years	31,420	25,780
More than five years	11,969	13,856
TOTAL	**50,891**	**43,341**

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 (including finance lease receivables):

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Within one year	50,891	39,636
Between one and five years	119,824	93,752
More than five years	65,953	33,091
TOTAL	**236,668**	**166,479**

The increase in comparison with end-2012 is explained by, on the one hand, the indexed rental contract concluded with Hornbach for approximately 10 years and, on the other hand, by the recording of the rental income coming from the rental contracts concluded by Porte des Ardennes Pommerlach, the company that owns the shopping center Knauf in Pommerloch and has refinanced its business through real estate certificates subscribed by Leasinvest Immo Lux SA, and of which Leasinvest Real Estate is finally the economic owner.
Excluding finance lease receivables, the total amount of the future rental income is:

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Within one year	49,621	38,488
Between one and five years	112,965	89,161
More than five years	29,374	28,499
TOTAL	**191,959**	**156,148**

NOTE 5
COSTS PAYABLE BY TENANTS AND BORNE BY THE LANDLORD AND OTHER RENTAL-RELATED INCOME AND EXPENSES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	**0**	**0**
Recovery of property charges	**93**	**212**
Compensations received for rental damage	93	212
Recovery of refurbishment costs at end of lease		
TOTAL	**93**	**212**
Other rental-related income and expenses	**-1,617**	**-1,541**
TOTAL	**-1,617**	**-1,541**

The recovery of property charges only comprises the compensations received for rental damage.
The item "other rental-related income and expenses" amounts to € -1,617 thousand at the end of 2013 in comparison with € -1,541 thousand at the end of 2012. This item mainly comprises operating costs related to the business center "The Crescent" "(€ - 1,630 thousand end-2013). Besides this, this item also comprises the management fee, in accordance with market standards, paid to Leasinvest Services by third parties (€ 392 thousand), compensated by other costs borne by Leasinvest Real Estate (€ -405 thousand). The contribution of the business center "The Crescent" to the property result is slightly positive. It is expected that additional lettings will increase the contribution to the property result.

NOTE 6
CHARGES BORNE BY THE LANDLORD ON LET PROPERTIES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Recovery income of charges and taxes normally payable by tenants on let properties	**3,509**	**3,463**
Rebilling of rental charges paid by the landlord	1,354	1,633
Rebilling of taxes on let properties	2,155	1,830
Rental charges and taxes normally payable by tenants on let properties	**3,509**	**-3,463**
Rental charges paid by the landlord	-1,354	-1,633
Taxes on let properties	-2,155	-1,830
Rental charges borne by the landlord on let properties	**0**	**0**

Under usual lease terms these charges and taxes are borne by the tenants through rebilling by the landlord. This concerns, among other things, the property taxes and other taxes. In 2013 and 2012 all charges and taxes, for the account of the tenant, have been rebilled.

NOTE 7
TECHNICAL COSTS

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Recurring technical costs	**-1,523**	**-1,034**
Maintenance	-1,499	-1,022
Compensation for total guarantees	0	0
Insurance premiums	-24	-13
Non-recurring technical costs	**-36**	**-8**
Major repairs (building contractors, architects, engineering, ...)	-42	-8
Claims	6	0
TOTAL	**-1 559**	**-1,042**

To ensure that the buildings keep responding to the increasing demands of comfort, image and sustainability maintenance and renovation works are regularly carried out.

NOTE 8
COMMERCIAL COSTS

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Letting fees paid to real estate agents	-328	-386
Marketing expenses	-304	-76
Lawyer fees and legal expenses	-64	-52
TOTAL	**-696**	**-514**

NOTE 9
CHARGES AND TAXES ON UNLET PROPERTIES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Charges on unlet properties of the financial year	-161	-369
Property taxes on unlet properties	-134	-138
TOTAL	**-295**	**-507**

The charges on unlet properties are the charges related to vacant spaces, which cannot be recovered 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)	31/12/13 (12 months)	31/12/12 (12 months)
External management costs	-2,804	-2,396
Costs of the internal management of the property	-835	-727
TOTAL	**-3,639**	**-3,123**

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 eleven persons end-2013 under the direction of the permanent representative (twelve 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 (3 persons) 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 € -0.5 million at the end of 2013 and mainly comprise the valuers' fee (€ 270 thousand) and the fee paid within the framework of the external management (a/o Property Partners) and other diverse property costs.

NOTE 11
GENERAL CORPORATE CHARGES AND OTHER OPERATING INCOME AND CHARGES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
UCI tax	-358	-219
Depositary	-147	-123
Auditor fees	-99	-111
Liquidity provider	-13	-13
Other expenses	-1,757	-1,358
TOTAL	**-2,374**	**-1,824**
Other operating income and charges	**-342**	**-302**

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 charges compris a/o the fee for the effective leaders, publicity and communication costs. This item also comprises nearly € 90 thousand of costs related to the acquisition of business combinations.
The costs of the depositary only relate to Leasinvest Immo Lux SICAV-SIF.

The other operating income and charges (€ -342 thousand) mainly comprise the rental guarantee within the framework of the sale of Axxes Business Park in 2010 for € 404 thousand (2013) in comparison with € 315 thousand in 2012 (as elaborated in the Basis for preparation).

NOTE 12
RESULT OF DISPOSAL OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Net gains on investment properties (sales price – transfer rights)	27 265	4,208
Book value of real estate sold (fair value)	-27 007	-3,987
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-402	-67
TOTAL	**-145**	**153**

In the course of the first quarter of 2013 the office building of 4,928 m² located Avenue Pasteur in the city of Luxembourg was sold for an amount of approximately € 19.3 million. Next to that, the front part of the Vierwinden site (located in Nossegem) was sold to Immobilière ASCO SA for a net amount of € 3 million.
At the end of April and beginning of May, the two remaining floors of the office building "Mercure" (located avenue de la Gare in the city of Luxemburg), held in co-ownership, were sold for a net amount of € 1.9 million.

In the fourth quarter the office building of the Delta Business Park located Kontichsesteenweg was sold for an amount of € 2.2 million, which reflected approximately its fair value at the moment of the sale. At this sale a rental guarantee for 3 years was granted, that can amount to a maximum of € 0.3 million. € 0.2 million have been provided.

Also in the fourth quarter, the semi-industrial building, composed of offices and storage, rue Lusambo in Forest, together with the underlying long lease of the BRDA (Brussels Regional Development Agency) was sold for a net amount of € 1 million, or its fair value.

The buildings were sold at a value that is not lower than the fair value at the moment of the sale.

NOTE 13
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Positive changes in fair value of investment properties	10,654	14,133
Negative changes in fair value of investment properties	-8,676	-12,792
TOTAL	**1,978**	**1,342**

The net portfolio result shows a total unrealized capital gain of nearly € 2 million in 2013, compared to € 1.3 million per end of 2012, or an increase of the real estate portfolio by 0.3%.

The main unrealized changes in fair value of the investment properties of € 2 million are:

In the Logistics segment in Belgium approximately € 6 million of unrealized capital gains were recognized, in comparison with € -4 million of unrealized capital losses last year (mainly Canal Logistics Brussels).

In the Offices segment in Belgium € 7.5 million of unrealized losses were recognized. These unrealized losses mainly relate to two buildings of which is assumed that we will need to proceed to a redevelopment or important renovation at the end of the current rental contracts (end-2015).

The changes in transfer rights are recorded in 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)	31/12/13 (12 months)	31/12/12 (12 months)
Interests and dividends received	1,754	1,191
Income from finance leases and comparable items	0	6
Income from authorized hedges	500	1,006
Authorized hedges subject to hedge accounting as defined by IFRS	500	1,006
Authorized hedges not subject to hedge accounting as defined by IFRS	0	0
TOTAL	**2,254**	**2,203**

The ‘interests and dividends received’ consist of the dividends received of € 1.6 million (for the financial year 2012) 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 increase of the dividends is attributable to the dividend distributed by Retail Estates in which Leasinvest Real Estate holds a participation of 10%.

The income from derivative financial instruments (€ 0.5 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 hedges’ of the Net interest charges (see note 15).

NOTE 15
NET INTEREST CHARGES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Nominal interest charges on loans	-6,018	-4,410
Interest charges on non-current financial debts	-4,683	-3,356
Interest charges on bond loans	-701	0
Interest charges on current financial debts	-634	-1,054
Recomposition of the nominal amount of the financial debts	0	0
Costs of authorized hedges	-5,449	-4,372
Authorized hedges subject to hedge accounting as defined by IFRS	-4,683	-3,158
Authorized hedges not subject to hedge accounting as defined by IFRS	-766	-1,214
Other interest charges		-5
Capitalized interest charges	658	0
TOTAL	**-10 809**	**-8,787**

The costs of financial instruments for hedging 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, and the premiums the sicafi paid for the options.

The increase of the nominal interest charges on loans mainly originates from the higher financial debts following the net investments in 2013 with slightly higher interest cost in comparison with 2012.

The average funding cost (excluding the marked to market of the hedges and the paid premiums) after hedging amounts to 3.29% at the end of 2013 (end-2012: 3.04%); before hedging it amounts to 1.94% end-2013 (end-2012: 1.87%).
Taking into account these non-cash elements and potential premiums for options, the funding cost after hedging amounts to 3.08% (2012: 3.77%).
End-2013 € 658 thousand of funding costs were capitalized. For this, an internal funding rate of 3.4% was applied.

NOTE 16
OTHER FINANCIAL CHARGES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Bank costs and other commissions	-1,365	-1,076
Net realized losses on the sale of non-current financial assets	0	0
Net realized losses on the sale of finance lease receivables and similar	0	0
Other	0	0
Costs of financial instruments for hedging	0	0
TOTAL	**-1,365**	**-1,076**

NOTE 17
CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Authorized hedges not subject to hedge accounting as defined by IFRS	1,031	-2,101
Fair value adjustments bond loans	-65	
TOTAL	**966**	**-2,101**

The positive changes in fair value of financial assets and liabilities mainly originate from the evolution of the fair value of authorized hedges, mainly of the type 'caps' and 'floors', and this, following the evolution (increase) of the reference interest rate, the euribor.

NOTE 18
CORPORATE TAXES

(in € 1,000)	31/12/13 (12 months)	31/12/12 (12 months)
Parent company LRE	-168	-204
Pre-tax result	9,924	3,973
Result exempt from income tax due to the 'Sicafi' regime	9,924	3,973
Taxable result based on non-deductible costs	355	342
Tax rate of 33.99%	-121	-116
Corporate tax provision	0	0
Withholding tax	0	0
Previous tax year adjustment	-47	-88
Subsidiaries	-10	-24
TOTAL	**-178**	**-228**

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, 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)	31/12/13	31/12/12
Software	1	2
Other intangible assets	**1**	**2**
Movements in intangible assets		
Balance at the end of the previous financial year	**2**	**3**
Gross amount	5	5
Accumulated depreciation (-)	-4	-3
Accumulated impairment	0	0
Investments		
Acquisitions through business combinations		
Disposals through retirement (-)		
Disposals through splitting-up (-)		
Depreciations	-1	-1
Balance at the end of the financial year	**1**	**2**

NOTE 20
INVESTMENT PROPERTIES (FAIR VALUE METHOD)

	Real estate available for letting		Development projects	
(in € 1,000)	31/12/13	31/12/12	31/12/13	31/12/12
Balance at the end of the previous financial year	**558,544**	**501,584**	**19,620**	**0**
Investments	125,140	78,373	1,489	19,045
Divestments	-6,047	-603	0	0
Acquisitions of real estate	0	0	0	0
Transfers from/(to) other items	-9,888	-21,190	0	0
Spreading of gratuities	-416	36	0	0
Increase/(decrease) in fair value	2,178	343	-429	575
Balance at the end of the financial year	**669,511**	**558,544**	**20,680**	**19,620**

Balance sheet items:

Investment properties	690.191	(1)
Finance-lease receivables	17.899	(2)
Assets held for sale	10.144	(3)
TOTAL	**718.234**	

EBBC, Luxembourg

	Total investment properties (1)		finance-lease receivables (2)		Total		Assets held for sale (3)	
	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12	31/12/13	31/12/12
	578,164	**501,584**	**17,899**	**0**	**578,164**	**501,584**	**21,701**	**2,859**
	126,630	97,418	0	0	126,630	97,418	0	559
	-6,047	-603	0	0	-6,047	-603	-21,701	-3,295
	0	0	0	17,899	0	17,899		
	-9,888	-21,190	0	0	-9,888	-21,190	9,888	21,190
	-416	36	0	0	-416	36	27	-35
	1,749	918	0	0	1,749	918	229	424
	690,191	**578,163**	**17,899**	**17,899**	**690,191**	**596,062**	**10,144**	**21,701**

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. The values have been defined by independent real estate experts.

The following methods were used to define the fair value according to IFRS 13:

- Net present value of estimated rental income
  The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

- Discounted cash flow method
  The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

- Residual valuation
  Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).
- Level 3 inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

The investment properties come under level 3

For the total Leasinvest Real Estate SCA property, including the part of the portfolio estimated by the companies Winssinger & Associates and Stadim, Cushman & Wakefield has defined at 31 December 2013,

1. an investment value of **€ 731,850,000** (seven hundred thirty-one million eight hundred fifty euros), with respectively € 295,910,000 and € 435,940,000 as investment values for the Belgian and Luxembourg portfolios; and
2. a fair value of **€ 718,180,000** (seven hundred and eighteen million one hundred and eighty thousand euros), with respectively € 288,930,000 and € 429,250,000 as fair values for the Belgian and Luxembourg portfolios.

The property consists of business parks, offices, semi-industrial buildings, distribution centers and shops, spread across Belgium and the Grand Duchy of Luxembourg.

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

The fair value of the real estate portfolio amounts to € 718.2 million end-2013 compared to € 617.8 million end-December 2012. The increase is mainly the consequence of the acquisition of the economic property of the shopping center Knauf Pommerloch in the third quarter of 2013 (€ 96.5 million). This investment was partly financed by the proceeds from the public capital increase realized at the end of June. In the fourth quarter a retail building leased for a fixed term of 10 years to the German DIY-group Hornbach was acquired for € 25.5 million in the Grand Duchy of Luxembourg.
In 2013 approximately € 28 million (accounting value) of some less strategic buildings were sold, among which the building Pasteur (offices located in the Grand Duchy of Luxembourg).

The following table gives an overview of the valuation techniques applied per asset class, and of the main variables used:

Asset class	**Fair value 2013 (€ 000)**	**Valuation technique**	**Important input date**	**Spread (ERV per month)**
Retail	302,121	Actualization of estimated rental income	a. weighted average ERV b. Yield	a. [15.8 €/m²] b. [6.7% -> 7.2%]
Offices Grand Duchy of Luxembourg	118,890	Actualization of estimated rental income	a. weighted average ERV b. Yield	a. [26.7 €/m²] b. [5.8% -> 7%]
Offices Belgium	111,320	Actualization of estimated rental income	a. ERV b. Yield	a. [10 €/m²->12 €/m²] b. [7% -> 8%]
		Residual valuation	a. ERV b. Yield c. Construction cost	a. [20 €/m²-> 20.5 €/m²] b. [5.6%->5.7%] c. 1 ,650 €/m²
Logistics	137,181	DCF	a. Average discount rate b. Economic life	a. 6.4% b. 20 years
Projects Grand Duchy of Luxembourg	20,680	DCF	a. Average ERV b. Yield c. Construction period	a. 39 €/m² b. 5.8% c. 15 months
Total investment properties	**690,192**			

The forecasted inflation applied to the valuation techniques amounts to 1.4%.

Based on the balance sheet at the end of December 2013, an increase of the average yield by 0.10% would have had an impact of € 9.7 million on the net result and of € 1.96 on the net asset value per share, and an increase of the debt ratio by 0.68% (namely from 53.53% to 54.21%).

Based on that same balance sheet, a decrease of the average ERV by 10% would have an impact of approximately € 69 million on the net result. The possible influence of the construction cost on the fair value and the net result is considered to be less significant.

NOTE 21
ACQUISITIONS OF SUBSIDIARIES

On 2 December 2013 Leasinvest Real Estate has acquired, via its 100% subsidiary Leasinvest Immo Lux, 100% of the shares of Orli Lux sàrl, owner of a retail building of more than 12,000 m² with 475 parking spaces, located in the periphery of the city of Luxembourg. This very well located retail building is leased for a fixed 10-year term to the German DIY-group Hornbach. The acquisition price was € 1.

(in € 1,000)	Book value	Fair value
ASSETS		
I. NON-CURRENT ASSETS		
Investment properties	25,500	25,500
II. CURRENT ASSETS		
	78	78
Taxes and other current assets		
Cash and cash equivalents	131	131
TOTAL ASSETS	**25,709**	**25,709**
LIABILITIES		
Non-current financial debts		
- Other	25,439	25,439
II. CURRENT LIABILITIES		
Trade debts and other current debts		
- Exit tax		
- Other	269	269
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**25,708**	**25,708**
Net assets	1	1
Goodwill	0	0
Acquisition price	1	1
Cash and cash equivalents acquired	**131**	**131**
Net investment cash-out	**130**	**130**

The first administrative treatment of the period has been defined provisionally. Consequently, the fair value attributed to the assets and liabilities can still be adjusted within 12 months after the acquisition date.
The rental income of this entity amounts to € 1,722 thousand and the net current result to € 860 thousand. This entity has contributed for € 71 thousand to the result in 2013 (excluding fair value adjustments).
The transfer rights relating to this business combination amounted to approximately € 90 thousand.

NOTE 22
OTHER TANGIBLE ASSETS

(in € 1,000)	31/12/13	31/12/12
Installations, machines and equipment	1,132	1,205
Furniture, office equipment and rolling stock	8	7
Other		
Other tangible assets	**1,140**	**1,212**
Changes in other tangible assets		
Balance at the end of the previous financial year	**1,212**	**1,316**
Gross amount	1 486	1,517
Accumulated depreciation (-)	-274	-201
Accumulated extraordinary impairments		
Investments		8
Acquisitions through business combinations		
Transfers and disposals (-)		-38
Transfers through splitting-up (-)		
Depreciations (-)	-73	-73
Balance at the end of the financial year	**1,140**	**1,212**
Of which:		
Tangible assets for own use	8	22
Other	1,132	1,190

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 € 8 thousand mainly comprise the decoration of the offices.

NOTE 23
NON-CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/13	31/12/12
Participations in other sicafi	41,056	31,491
Loans and receivables	0	0
Other	162	137
Real estate certificates	5,982	5,352
Derivative financial instruments	627	519
Participations in associates		0
TOTAL	**47,827**	**37,499**

The increase of the non-current financial assets is mainly explained by the participation in Retail Estates (participations in other sicafi). At the end of June Leasinvest Real Estate has subscribed the public capital increase of Retail Estates for the exercise of all of its preferential rights, and has acquired 145,721 shares at € 49.75 per share, or a total of € 7,249 thousand. Consequently, the stake of Leasinvest in the capital of Retail Estates remained unchanged at 10%. These new shares created following the capital increase entitle to a full dividend for the financial year.
The fair value adjustment on this participation, that was recognized in shareholders' equity, amounts to € 2.3 million.

NOTE 24
LEASING

The item finance lease receivables for € 17.9 million comprises the State Archives in Bruges that are presented as a financial leasing in conformity with IFRS.

	31/12/13				31/12/12			
	< 1 year	1 year < > 5 years	> 5 years	TOTAL	< 1 year	1 year < > 5 years	> 5 years	TOTAL
	durée résiduelle							
1. Gross lease investments	1,270	6,744	36,579	44,593	1,246	6,611	38,605	46,462
2. Present value of minimum lease payments		115	17,784	17,899	0	47	17,853	17,900
3. Unearned finance income				26,694				28,562
4. Contingent rent recognised in income								0
5. Unguaranteed residual values for the lessor								0
6. Accumulated allowance for uncollectible lease payments receivable								0

NOTE 25
ASSETS HELD FOR SALE

(in € 1,000)	31/12/13	31/12/12
Balance at the end of the previous financial year	**21,701**	**2,859**
Investments	0	559
Divestments	-21,701	-3,295
Transfer from/(to) other items	9,888	21,190
Spreading of gratuities	27	-35
Increase/(decrease) of fair value	229	424
Balance at the end of the financial year	**10,144**	**21,701**

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 minus the transfer rights, based on the valuation by the independent external real estate expert.

This item comprises at the end of 2013 the building located Avenue Louise 66 (€ 8.2 million) in Brussels and the building located Wenenstraat in Meer (€ 1.92 million), or a total accounting value of € 10,144 thousand. It relates to two buildings that are immediately available for sale and are only still subject to provisions that are customary for the sale of this type of assets. It is also expected that the sale is highly probable, and this according to the criteria defined in IFRS 5 § 8.

The investment properties presented as assets held for sale end-2012, i.e. the building Pasteur (€ 19.1 million) in Luxembourg and a part of the Vierwinden building (€ 2.6 million) in Belgium, were both sold in 2013.

The building located Avenue Louise 66 in Brussels is presented in the Belgian segment under Offices. The contribution to the rental income in 2013 related to approximately € 545 thousand, and to the net current result to nearly € 235 thousand. This building was sold at the end of January 2014.

The building Meer is presented in the Belgian segment under Logistics. The contribution to the rental income in 2013 related to approximately € 161 thousand and to the net current result to nearly € 161 thousand.

NOTE 26
CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/13	31/12/12
Assets held to maturity		
Assets available for sale	0	1
Assets at fair value through profit or loss		
Loans and receivables		
Other		
TOTAL	**0**	**1**

NOTE 27
TRADE RECEIVABLES

(in € 1,000)	31/12/13	31/12/12
Trade receivables	4,806	5,889
To be invoiced	621	715
Doubtful receivables	-94	-94
TOTAL	**5,427**	**6,604**

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

(in € 1,000)	31/12/13					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	4,712	4,263	52	36	116	245
To be invoiced	621	621				
Doubtful receivables	94					94
TOTAL	**5,427**	**4,884**	**52**	**36**	**116**	**399**

(in € 1,000)	31/12/12					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	5,889	4,860	379	0	199	451
To be invoiced	715	715				0
Doubtful receivables	94					94
TOTAL	**6,604**	**5,575**	**379**	**0**	**199**	**356**

Receivables and debts	31/12/13	31/12/12
Accumulated depreciation – opening balance	-94	-147
		0
Impairment during the financial year		-89
Write-back of impairment during the financial year		142
Write off of impairment during the financial year		0
Accumulated depreciation – ending balance	**-94**	**-94**

NOTE 28
TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in € 1,000)	31/12/13	31/12/12
Taxes	760	824
Salaries and social security	0	0
Other	437	429
TOTAL	**1,197**	**1,253**

NOTE 29
CASH AND CASH EQUIVALENTS

(in € 1,000)	31/12/13	31/12/12
Cash	2,254	2,436
Cash equivalents		
TOTAL	**2,254**	**2,436**

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 30
DEFERRED CHARGES AND ACCRUED INCOME – ASSETS

(in € 1,000)	31/12/13	31/12/12
Accrued and not due rental income		
Rent-free periods and incentives for appropriation		
Prepaid property charges	223	245,9
Prepaid interests and other financial charges	1,062	0
Other	501	9,4
TOTAL	**1,786**	**255**

NOTE 31

SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND NET RESULT

31.1 Subscribed capital

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

Date		Issued capital (in € 1,000)	Number of shares
31/12/1998	Initial capital Brixton Zaventem	2,922	61,250
4/05/1999	New number of shares (1)		864,808
7/05/1999	Acquisition of treasury shares and annulment of the acquired shares		-24,603
8/06/1999	Contribution in kind of the 'Extensa buildings'	2,788	727,818
8/06/1999	Contribution in kind of the Vierwinden Business Park	9,370	191,574
	Total before the offering	15,080	1,759,597
1/07/1999	Capital increase	20,334	370,851
1/07/1999	Merger with Brixton Louise	7,561	394,672
1/07/1999	Merger with Kapex		4
1/07/1999	Decrease of the capital	-15,209	
	Capital and number of shares after the offering	27,765	2,525,124
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2,206	200,500
14/12/2001	Contribution in kind D2 of the Axxes Business Park	1,152	104,742
28/11/2003	Merger with Brussimmo		2
28/11/2003	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	31,123	2,830,371
23/12/2004	Partial splitting-up (Montoyer 63)	4,606	418,850
	Issued capital and number of issued shares on 30/06/05	35,729	3,249,221
29/05/2006	Contribution in kind of buildings Extensa-portfolio	8,397	763,407
	Issued capital and number of issued shares on 30/06/06	44,126	4,012,628
29/12/2006	Merger with Square de Meeûs 5-6 SA	2	204
	Issued capital and number of issued shares on 30/06/07 & 31/12/11 & 2012	44,128	4,012,832
25/06/2013	Capital increase	10,187	926,038
	Issued capital and number of issued shares on 31/12/2013	**54,315**	**4,938,870**

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

b) Categories of shares:

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

c) Authorized capital:

The statutory manager is authorized to increase the registered capital on the dates and subject to the conditions he will define, in one or more instalments, for a total amount of € 44,128,326.64. This authorization is valid for a term of five (5) years as of the publication of the minutes of the extraordinary general meeting of 16 May 2011. It is renewable. The manager already used the aforementioned authorization for a total amount of € 10,186,418.00, with a consequent balance of € 33,941,908. For more information on the authorized capital, we refer to the articles of association (article 7).

d) Costs related to capital increases:

Over the financial year 2013 € 979 thousand of costs related to the above mentioned capital transaction, and consequently to the issue of new shares, were deducted from the reserves.

31.2 Share premium accounts (in € 1,000)

Date	Transaction	
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	7,710
14/12/2001	Contribution in kind D2 of the Axxes Business Park	4,356
23/12/2004	Partial splitting-up (Montoyer 63)	19,214
	Share premium account on 30/06/05	31,280
29/05/2006	Contribution in kind of buildings Extensa-portfolio	39,331
	Share premium account on 30/06/06	70,611
29/12/2006	Merger with Square de Meeûs 5-6 SA	11
	Share premium account on 31/12/2012	70,622
25/06/2013	Public capital increase	50,469
	Share premium account on 31/12/2013	**121,091**

31.3 Result

(in € 1,000)	31/12/13	31/12/12
Result to be carried forward	6,682	2,851
Proposed dividend	20,246	17,656
TOTAL	**26,928**	**20,508**

The consolidated net result, group share, of the past financial year 2013 amounted to € 27 million.

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay a gross dividend of € 4.50, and net, free of withholding tax of 25%, € 3.3375 on 26 May 2014, for all the shares existing before the public capital increase. pro rata gross dividend for the new shares, created following the capital increase, amounts to € 2.36 gross (net € 1.77). Consequently, the dividend amounts to € 20.2 million.

Subject to the approval of the ordinary general shareholders' meeting of 19 May 2014, dividends will be paid out on presentation of coupon no 16, or € 2.14 gross, on 4 June 2013 (after closing of the stock exchange), detached from the shares existing before the capital increase, representing the pro rata dividend for the financial year 2013, calculated pro rata for the period between 1 January 2013 and the issue date of the new shares, i.e. 25 June 2013, and coupon no 17, or € 2.36 gross, representing the dividend for the period after the issue date of the new shares and 31 December 2013.

31.4 Treasury shares redeemed

No treasury shares were purchased nor redeemed in 2013.

31.5 Reserves

€ 1,000	31/12/13	31/12/12	31/12/11
Legal reserve	5,431	602	602
Reserves for the balance of the changes in fair value of property (+/-)	34,613	33,271	39,837
Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)	7,341	-7,003	-6,358
Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS	32,154	-23,727	-10,829
Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	3,671	-1,570	-1,121
Reserve for treasury shares	-11	-11	-1,046
Reserve for the balance of changes in fair value of financial assets held for sale	5,957	3,669	889
Result carried forward	113,321	115,518	113
Net result of the financial year	26,928	20,508	12,589

NOTE 32
COMMENTS ON THE NUMBER OF SHARES, DIVIDENDS AND PROFIT PER SHARE

32.1 Changes in the number of shares

	31/12/13 Number of shares	31/12/12 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	926,038	0
Number of shares at the end of the financial year	4,938,870	4,012,832
Number of shares entitled to dividends	4,938,870	4,012,832
Number of treasury shares (on a consolidated basis)	0	0
Number of shares entitled to the result of the period	4,938,870	4,012,832
Number of shares entitled to a full dividend	4,012,832	4,012,832
Number of shares entitled to a pro rata dividend (creation capital increase)	926,038	-

32.2. 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)	31/12/13 (12 months)	31/12/12 (12 months)
A. Corrected result		
Net result according to the statutory accounts	9,756	3,769
+ Amortization	67	67
+ Depreciation		187
+/- Write-back of depreciation	-5 746	-46,9
+/- Write-back of lease payments sold and discounted	0	0
+/- Other non-monetary elements	-915	2,041
+/- Result sale of property	785	3
+/- Changes in fair value of property	2 692	10,327
Corrected result (A)	**6,638**	**16,347**
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)	**6,638**	**16,347**
Mandatory distributable result 80%	**5,310**	**13,077**

As described in the annual report 2011, the item “Depreciation” mainly comprised 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). End-2012 another limited extraordinary depreciation of approximately € 190 thousand was recorded. In 2013 the impairment was largely taken back for € 5,7 million.

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.

The statutory appropriation of the result is presented as follows:

RESULT APPROPRIATION (in € 1,000)	31/12/13	31/12/12
A. Net result	**9,756**	**3,769**
B. Addition to/withdrawals from reserves (-/+)	**10,488**	**13,888**
1. Addition to/withdrawals from the reserves from the (positive or negative) balance of the changes in fair value of the property (-/+)	2,692	10,327
- financial year	2,692	10,327
- previous financial years		
- sale of property	0	0
2. Addition to/withdrawals from the reserves from estimated transfer rights and costs from hypothetical disposal of investment properties (-/+)	-397	
3. Addition to the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (-)	0	0
- financial year	0	0
- previous financial years		
4. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (+)	0	0
- financial year		
- previous financial years		
5. Addition to the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (-)		0
- financial year		
- previous financial years		
6. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (+)	-915	2,041
- financial year	-915	2,041
- previous financial years		
7. Addition to/withdrawals from the reserves for the balance of exchange rate differences on monetary assets and liabilities (-/+)		
8. Addition to/withdrawals from de reserves for tax latencies with regard to property located abroad (-/+)		
9. Addition to/withdrawals from de reserves for dividends received, intended for the reimbursement of financial debts (-/+)		
10. Addition to/withdrawals from other reserves (-/+)	9,108	2,541
11. Addition to/withdrawals from results carried forward from previous financial years (-/+)		-1,021
C. Remuneration of the capital according to article 27, § 1, subparagraph 1	**5,310**	**13,077**
D. Remuneration of the capital – other than C	**14,932**	**4,579**
Dividend for distribution	**20,243**	**17,656**

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 (in €).

(in € 1,000)	Statutory 31/12/13	31/12/12
- Paid up capital or should this be higher, the called-up capital	54,315	44,128
- Share premium account non-distributable according to the articles of association	121,091	70,622
- Reserves for the positive balance of the changes in fair value of property (+)	23,994	26,686
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-4,008	-4,405
- Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS (+/-)	-15,221	-23,257
- Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-2,696	-3,611
- 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 (+/-)	5,958	3,669
- Reserve for the actuarial gains and losses on defined benefit pension 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 (+)	0	0
- Legal reserve (+)	5,431	602
Total undistributable	**188,849**	**114,434**
Net assets of the company	**234,849**	**172,351**
Proposed dividend	**20,243**	**17,656**
Net assets after distribution	**214,606**	**154,695**
Balance of the margin after distribution	**25,741**	**40,260**

Calculation of the profit and dividend per share:

	31/12/13 (12 months)	31/12/12 (12 months)
Net result, group share (€ 1,000)		20,508
Number of shares entitled to the result of the period	4,938,870	4,012,832
Net result, group share, per share (€) (1)	5.45	5.11
Distributable profit per share (€) (2)		4.07

	proposal 2013	proposal 2012
Gross dividend attributable to ordinary shareholders (€)	20 243 194	17,656,461
Gross dividend per share (€)	4.50	4.40
Net dividend per share (€)	3.375	3.30

1 The net profit per share is the net result, group share, as stated in the income statement, divided by the number of shares entitled to 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 entitled to the result of the period, but without taking into account the net decrease of the debts.

3 Shares possessed by the investor before 25 June 2013 are entitled to a gross dividend of € 4.50 upon presentation of coupons no 16 (gross dividend of € 2.14) and no 17 (gross dividend of € 2.36). Shares acquired by the investor after 25/06/13 only entitle to coupon no 17, namely a gross dividend of € 2.36 as the pro rata dividend of € 2.14 was already detached.

NOTE 33
MINORITY INTERESTS

(in € 1,000)	Percentage of participation	31/12/13	31/12/12
Company			
Leasinvest Services SA (0826.919.159)	99%	4	5
Total minority interests		**4**	**5**
TOTAL SHAREHOLDERS' EQUITY		**63,529**	**256,010**

NOTE 34
INFORMATION WITH REGARD TO FINANCIAL DEBT

34.1 Financial debt

(in € 1,000)	31/12/13	31/12/12
Non-current financial debts	**282,731**	**228,674**
Credit institutions	186,776	228,467
Other	95,955	207
Other loans	95,767	
Rental guarantees received	189	207
Current financial debts	**125,058**	**135,942**
Credit institutions	25,099	63,000
Other	99,959	72,942
Other loans	99,959	72,942
TOTAL	**407 789**	**364,616**

The financial debts increased by € 43,173 thousand in comparison with end-2012 and amount to € 407,789 thousand. The increase is due to the net investments realized in 2013, compensated by the realized public capital increase of € 60,655 thousand.

The item other loans comprises the placed bond loans by Leasinvest of € 95,767 thousand in 2013.

On 27 September Leasinvest Real Estate collected € 75 million through the issue of a public bond loan. The bonds have a maturity of 6 years.

These bonds that are listed on the regulated market of Euronext Brussels, offer an annual gross coupon of 3.75%.

On 4 December 2013 Leasinvest Real Estate proceeded to a private placement for a total amount of € 20 million. These bonds have a maturity of 7 years and generate a fixed annual gross yield of 3.528%.

The net proceeds of these issues have been used to concretize the company strategy, and more specifically to finance the further growth and diversification of the real estate portfolio, as well as to diversify the funding sources and moreover, to ensure an extension of the average duration of the debt.

Besides the aforementioned successful placements, Leasinvest Real Estate has concluded additional credit lines in 2013 or has renewed existing credit lines. The credit lines (excl. the € 95 million of bond loans) amount to € 448.7 million at the end of 2013 in comparison with € 386.7 million in 2012, or an increase of € 62 million. This net increase is mainly (€ 40 million) the consequence of new credit lines concluded with financial institutions that did not grant credits at the end of 2012, which implies, besides the successful issues, a better diversification of the credit sources.

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

Taking into account the hedging policy of the company as described in the risk factors, for which the company strives at a hedging ratio of 75%, i.e. the relation between the fixed rate-debt augmented by the variable interest rate-debt swapped against a fixed-rate debt through interest rate swaps, compared to the total debt, for a part, namely € 35 million of the public bond loan, a fair value hedge was concluded through an IRS receiver. The corresponding part, € 35 million of the public bond loan was not treated at amortized cost, but at faire value, and recognized in the financial result, and amounts to € -65 thousand.

The bond loans, except for the part for which a fair value hedge was concluded, were treated at amortized cost. The accounting value nears the fair value of the interest-bearing loans, except for the bond loans.

The fair value of the public and private bon loans amounts to € 96 366 thousand at the end of 2013.

End-2013 the part of the fixed-rate credits amounts to 36% or € 147.7 million of the total debt of € 407.7 million, in comparison with 0% end-2012.

34.2 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.

Within the framework of the issue of the public and private bond loans, covenants were concluded that mainly relate to maintaining the sicafi status and the relate 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 internally 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 under control and amounted to 53.53% (31/12/12: 56.19%) end-2013, which is lower than the legally admitted maximum debt ratio of 65% as defined by the RD of 07/12/10.

34.3 Information on financial risk management

34.3.1 Financing, liquidity and cash flow risk

Financial management

The financial management is intended at optimising the costs of the capital and limiting the financing, liquidity, cash flow, counterparty and covenant risks. Below are reproduced the main risks related to the financial management and the linked operational activities, as well as their possible impact and the mitigating factors and measures.

We also refer to the other risks, such as a/o the risks relating to the valuation of the real estate portfolio, such as described in the Risk factors, recorded in the registration document on page 4.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Insolvency of financial or bank counterparties (counterparty risk)	1. Termination of current credit lines (credits and hedges) and reduction of financial resources 2. Costs of restructuring and higher costs of new credits and facilities	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. In 2013 Leasinvest Real Estate collected, with the public and private bond issues, respectively € 75 million and € 20 million. Besides the successful bond placements described above, the company has concluded additional credit lines or has renewed existing credit lines in 2013. The credit lines (excl. the € 95 million bond loans) amount to € 448.7 million end-2013 in comparison with € 386.7 million in 2012, or an increase of € 62 million. This net increase (€ 40 million) is mainly the consequence of new credit lines with financial institutions that did not offer credit lines at the end of 2012, which, besides the successful issue of bond loans, indicates a better diversification of the funding resources. • Complete back up of the commercial paper program (1,2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). The margin amounted to € 137 million end-2013 .• Strong shareholders (1,2).
The non availability of financing or the intended duration of the financing (liquidity risk) and drying up of the commercial paper market	1. Impossibility to finance acquisitions, or only through increased costs and at a lower profitability 2. Impulse for selling assets at a value inferior to the fair value	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. The average duration of the total of credits, including the bond loans, amounts to 3.7 years (2012: 2.64 years) and has increased. • Complete back-up of the commercial paper program (1,2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). • Strong shareholders (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Insufficient cash flow to respect its financial obligations (cash flow risk)	1. No longer being able to satisfy the reimbursement of interests and capital	• Strict follow-up of the net cash flow and limiting the operational risks. The rental income received during the financial year 2013 amply suffices to cover the increase of the interest charges. For the last three financial years the financial result excl. the dividends received, compared to the rental income, amounts to 20% (2013), 29% (2012), 27% (2011) and the interest charges excluding the fair value adjustments, compared to the rental income, amount to 22% (2013), 23% (2012), 25% (2011). • Financing is of the bullet type with a clear view on the maturity dates. • Aiming at maintaining an adequate availability margin on confirmed credit lines.
Combination of unfavourable interest rate changes, increased risk premium on the stock exchanges and increase of the banking margin (cost of the capital)	1. Increase of the weighted average cost of the capital of the company 2. Impact on the profitability of the company and of new investments	• Protection against the rise of the interest rates by using hedges. The policy is intended to hedge the interest rate risk for approximately 75% of the financial debt for a 5-year period and for circa 50% for the consequent 5-year period. At the end of 2013 the real estate investment trust has 36% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end-2012: 39); 10% of current interest rate caps (with a limit on the interest rates) (end-2012: 27%) and 36% of credits at fixed rates (2012: 0%) (1,2). For more details we refer to note 34 of the financial statements on page 161. • The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.29% (end-2012: 3.04%) excluding the effect of fair value adjustments on ineffective hedges; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 3.08% (2012: 3.77%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost. • Permanent dialogue with shareholders and bank partners met for establishing solid long-term relationships (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
The financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants; there is a risk of losing this confidence and of non-respect of the covenants	1. Possible termination of credits and an eroded confidence with investors and bankers 2. Sanctions and increased supervision from the regulator in the case of non-compliance with certain legal parameters	• The evolution of the debt ratio is regularly followed up and the influence of each investment project on the debt ratio is always analysed beforehand. • In accordance with art 54 of the RD of 07/12/10 a sicafi has to draw up a financial plan with an execution calendar when the consolidated debt ratio, as defined by the same RD, would amount to more than 50%. Herein are described the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. This was commented in note 34 of the financial report.
Risk of divergence of the financial results from the predefined budget and legal demands	1. Untimely detection of potentially not meeting certain obligations	• Minimum quarterly updates of the financial model with checking of hypotheses and the way they were set up, and continuous follow-up of parameters that could influence the result and the budget (1).
Risk of currency fluctuation relating to activities outside of the euro zone	1. Decrease of income and cash flow	• Leasinvest Real Estate is only active in the EURO zone, namely in Belgium and in the Grand Duchy of Luxembourg, and has, ceteris paribus, no exchange rate risk.
Risk of fair value changes of financial derivatives or a relatively higher funding cost following the selected hedges when the interest rates decrease	1. Decrease of the group's shareholders' equity 2. Lower net result and net current result	• Leasinvest Real Estate aims at an optimum funding cost taking into account the selected hedging strategy. The latter is adjusted in function of the market evolution and the conclusion of IRS or CAPS or fixed rate credits is considered (1,2).

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

(in € 1,000)	31/12/13 Debts with a maturity of				31/12/12 Debts with a maturity of			
	< 1 year	> 1 year < 5 years	> 5 years	Total	< 1 year	> 1 year < 5 years	> 5 years	Total
Financial debts – credit institutions								
Credit lines	47,500	376,200	25,000	448,700	73,000	298,700	15,000	386,700
Credit draw-downs	25,000	161,384	25,000	211,384	63,000	213,467	15,000	291,467
% share (credit draw-downs/credit lines)	490			490				
% share (credit draw-downs/credit lines)	52.6%	42.8%	100%	47%	86.3%	71.5%	100.0%	75.4%
Bond loans	**701**		**95,065**	**95,766**				**0**
Commercial paper								
Commercial Paper program (CP)				210,000				210,000
Commercial Paper draw-downs	99,959			99,959	72,942			72,942
% share CP / credit lines				22.3%				18.9%
% share (credit draw-downs & CP / credit lines)				69.4%				94.2%
% Credit lines balance after CP hedging				30.6%				5.8%

As shown by the table above Leasinvest disposes of € 138 million (or 30.6%) of unused credit lines at the end of 2013 in comparison with € 22 million in 2012.

The average funding cost (excluding the mark-to-market of the hedges and the paid premiums) after hedging amounts to 3.29% at the end of 2013 (end-2012: 3.04%); before hedging it stands at 1.94% (end-2012: 1.87%). End-2013 € 658 thousand of funding costs were activated. To this effect, a funding rate of 3.4% was applied.

Calculation and further comments on the debt ratio

(in € 1,000)	Statutory balance sheet	Consolidated balance sheet
Total of the items 'Liabilities' of the balance sheet	**348,006**	**442,532**
I. Non-current liabilities		
A. Provisions	0	0
C. Other non-current financial liabilities – Authorized hedges	-18,479	-18,568
F. Deferred taxes	0	0
II. Current liabilities	**0**	**0**
A. Provisions	0	0
C. Other non-current financial liabilities – Authorized hedges	0	0
F. Deferred charges and accrued income	-4,324	-7,895
Total liabilities taken into account for the calculation of the debt ratio (numerator):	**325,203**	**416,069**
Total 'Assets' of the balance sheet	**582,855**	**777,867**
Authorized hedges recorded in the assets	-627	-627
Total assets taken into account for the calculation of the debt ratio (denominator):	**582,228**	**777,240**
Debt ratio (%)	**55.85%**	**53.53%**

In accordance with art 54 of the RD of 7 December 2010, the public sicafi has to establish a financial plan with an execution calendar, whenever the consolidated debt ratio exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

On the financial plan, a special report is drawn up by the auditor, in which is confirmed that the latter has verified the way the plan has been drawn up, namely with regard to its economic fundamentals, and that the figures comprised in this plan correspond to those of the accounts of the public sicafi.

The general guidelines of the financial plan drawn up on 14 January 2013 are recorded below, as prescribed, in the annual financial report, and it is described and justified how the financial plan was executed in the course of the relevant period and how the public sicafi will execute the plan in the future.

Historically, Leasinvest Real Estate's debt ratio has remained below 50%, as demonstrated by the table hereafter, with crossings in 2008, 2012 and 2013, within the framework of the development and later sale of the Bian office building in Luxembourg and the investment in the real estate certificates issued by Porte des Ardennes Schmiede SA for the refinancing of the shopping center Knauf located in Schmiede.

	Debt ratio	
2013	53,53%	
2012	56,19%	
2011	47,29%	
2010	44,13%	
2009	47,61%	
2008	52,06%	
2007	40,93%	(*)
2006	44,15%	(*)
2005	32,23%	(*)
2004	41,06%	(*)
2003	41,38%	(*)
2002	44,94%	(*)

(*) Closing at 30/6

Leasinvest Real Estate's debt ratio has exceeded 50% since September 2013 and amounts to 52.73% since September 2013.

The board of directors considers a debt ratio of maximum 50%-55% as being optimal for, and in the interest of the shareholders of Leasinvest Real Estate, and this both with regard to return, net result per share and to mitigating the liquidity and solvency risks. For each investment the impact on the debt ratio is analysed, and the investment is potentially not selected should it unilaterally influence the debt ratio in a too negative way.

Based on the debt ratio of 52.73 % end-September 2013 Leasinvest Real Estate has an investment potential based on debt financing of € 264 million without exceeding the 65%-debt ratio, and an investment potential of € 135 million without exceeding the 60%-debt ratio, and € 38 million without exceeding the 55%-debt ratio.

The valuation of the real estate portfolio has a direct impact on the debt ratio. At the end of September 2013, in the case of a potential decrease of the fair value of the investment properties by € 142 million, based on currently unknown elements, the debt ratio of 65% would be exceeded.

This potential value decrease can be the consequence of an increase of the yield (at constant rental values the yield should increase by 1.8% from 7.28% to 9.08% in order to exceed the debt ratio of 65%, or the rents should decrease by 20% in order to exceed the debt ratio of 65%.

As of today there are no indications in the market of such evolutions. Through the diversification of the portfolio of Leasinvest Real Estate, both in terms of assets as geographically, the risk is also mitigated.

Moreover, the occupancy rate again knows an increasing trend in 2013. Should substantial value decreases take place in a certain asset class or in Belgium, resulting in the debt ratio exceeding 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings.

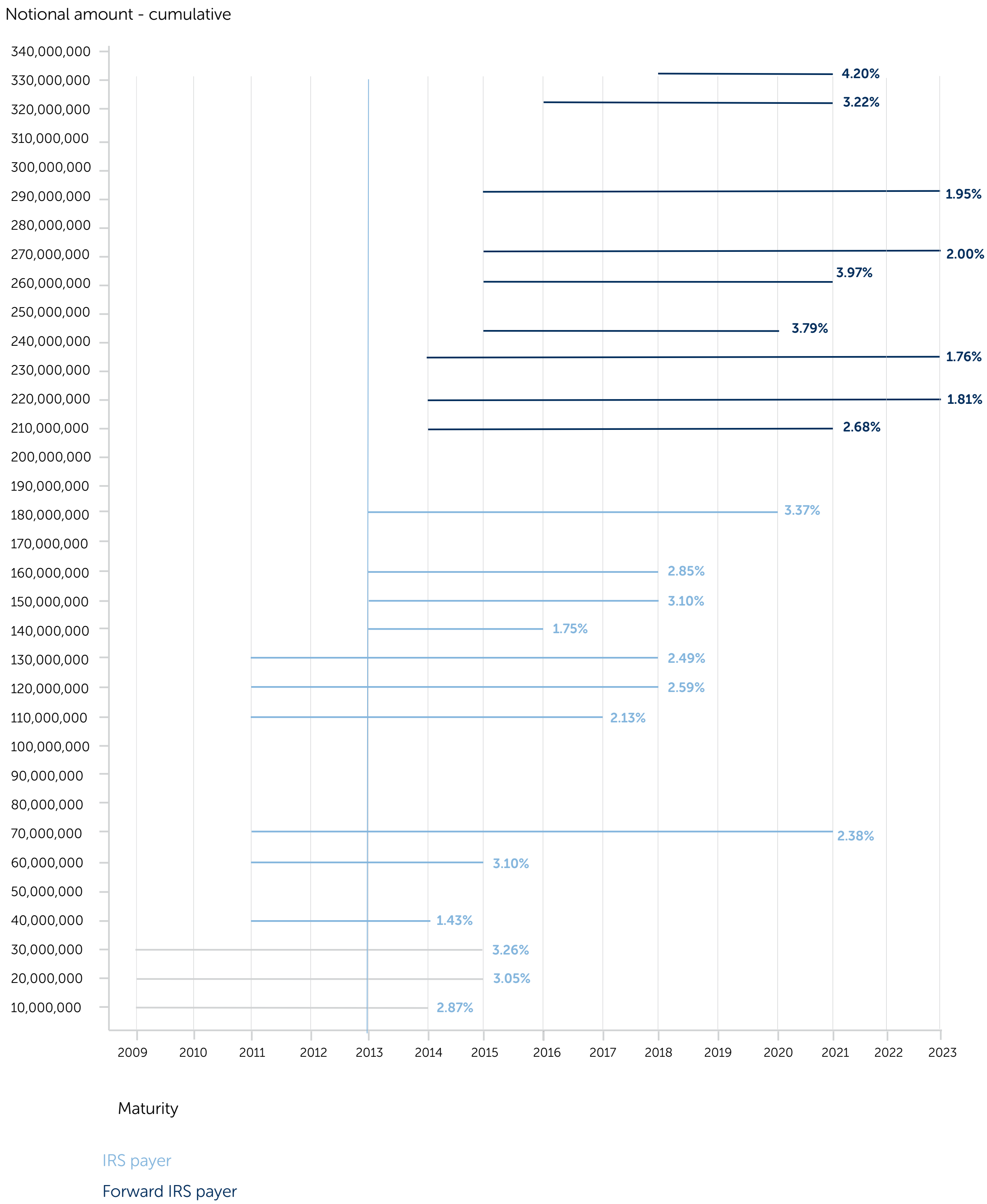
Based on the present data at the end of 2013 (debt ratio: 53.53%) it is the opinion of the board of directors that no additional measures are necessary to avoid the debt ratio from exceeding 65%. It is the intention to keep the debt ratio at 50%-55%.

Hedges

Leasinvest Real Estate's risk policy is set out in Note 3.

In order to limit the risks of a rise of the variable interest rates, Leasinvest Real Estate has partially hedged its loans by the conclusion of the financial products below:

Current hedges



The notional amount of the current net payer IRS contracts (€ 145 million), future (€ 142 million) IRS contracts and current collars (€ 40 contracts) amounted to € 327 million end-2013.

At the beginning of 2013, as mentioned in the annual financial report 2012, some operations were sold (caps, floors and future caps) in order to anticipate the time value of the caps and taking into account the hedging policy. As the company had concluded several fixed-rate credits at the beginning of 2013, the ratio fixe-rate debt versus total debt exceeded the fixed limit.

Consequently, the company owns at the end of 2013 another two caps and two floors of € 20 million each, thus a total notional amount of € 40 million instead of € 180 million in 2013. On the transaction a capital gain of nearly € 190 thousand was realized.

The current caps have the following characteristics:

Purchase CAP	20,000	17/11/2010 -> 17/11/2018	4.5%
Purchase Floor	20,000	17/11/2010 -> 17/11/2018	1.7%
Purchase CAP	20,000	18/02/2013 -> 18/02/2018	4.0%
Purchase Floor	20,000	18/02/2013 -> 18/02/2018	2.3%

At the moment of closing the public bond issue, two receiver interest rate swaps for a total of € 35 million (duration 9/10/2013 -> 9/10/2019 with a receiver rent of approximately 1.28%) were concluded for which a variable reference interest rate is paid and a fixed rate is received. This operation corresponds to the company's hedging strategy in order to reach for a 75%-hedging.

The hedge position was 82% (fix ratio 72%)[1] at the end of 2013, in comparison with 67% at the end of 2012.

The relation between the financial debt (€ 406,192 thousand (excluding accrued interest and fair value adjustments of the bond loans), and the fixed-rate debt (€ 147,734 thousand), and on the other hand, the corresponding hedge (€ 185,000 thousand), the hedge position, (which stands at 82% end-2013) is calculated on the basis of the notional amount of the hedges running at that moment (whereby a collar only stand for one amount). For this calculation future financial derivatives are thus not taken into account, as they do not yet offer 'protection' against rising interest rates at that specific moment.

It is assumed that buildings owned by the sicafi will in principle be held in portfolio in order to generate rental income and allow to paying the mandatory dividend. This creates the presumption that it is highly probable that certain cash flows will be realized (rents & dividend) and as a consequence can be deducted what debt financing we will withdraw and what we wish to hedge. Consequently, the concluded operations cannot be called speculative to Leasinvest's opinion.

Derivative financial instruments are valued at fair value, which corresponds to the mark-to-market calculated by financial institutions based on the Black & Scholes model (category 3 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)	31/12/13		31/12/12	
	Assets	Liabilities	Assets	Liabilities
Bought Caps	184		519	
Sold Floors		-2,315		-3,577
Interest Rate Swaps	444	-16,253		-24,340
	628	-18,568	519	-27,917

The balance of the liabilities of € -18.6 million is presented in the item "Other non-current liabilities" and the balance of the assets of € +0.6 million is presented in "Non-current financial assets" (note 23).

1 De fix ratio is defined as the relation between the fixed-rate debt, augmented by the variable-rate debt converted into a fixed-rate debt through the use of financial derivatives, compared to the total debt. The hedge ratio is the fix ratio, for which the numerator is augmented by the notional value of the concluded CAPs.

The changes in fair value of the hedges:

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

Effective part of the fair value (cf. Item in reserves) (see note 32)	
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**
Change in the effective part of the fair value of derivative financial instruments	-12,898
Balance on 31/12/12	**-23,727**
Change in the effective part of the fair value of derivative financial instruments	8,427
Balance on 31/12/13	**-15,300**

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**
Change in the ineffective part of the fair value of derivative financial instruments	-2,101
Balance on 31/12/12	**-3,671**
Change in the ineffective part of the fair value of derivative financial instruments	1,031
Balance on 31/12/13	**-2,640**

The changes in the ineffective part of the fair value of derivative financial instruments of € 1 million (end-2012: € -2.1 million) is passed through the results (note 17).

An increase (decrease) of 1% of the short-term interest rates and taking into account the current hedges, would have a negative (positive) impact on the net result of € - 0.6 million or € - 0.13 per share (€ 0.6 million or € 0.13 per share). The impact on the global result based on the current hedging portfolio and the yield curve at the end of December 2013, would contribute approximately € 11 million (positive impact) for an increase of the interest rate by 1%, on top of the already foreseen increase.

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.

- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices).

- Level 3 inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

Concretely, the company appeals to comparable market data for the valuation of the credits and the private bond loan, such as an approximation of the applied reference rate and an approximation of the evolution of the credit margin based on recent comparable observations.

With regard to the financial derivatives, the valuations of the different counterparty banks have been recorded, meaning that a detailed description of these data, as required by level 3, is not possible. However, these instruments were classified under level 3 as we calculate a CVA or a DVA on these received valuations, and this on the basis of records that are an approximation of the credit risk.

The financial leasing is valued based on a discounted cash flow that takes into account an indexed rental value (2% index on a rental value of approximately € 1.2 million), an effective interest rate (3.7%) and the period (25 years).

Fair value disclosures:

(in € 1.000) end-2013	Level 1	Level 2	Level 3	Book value
Investment properties			690,191	690,191
Non-current financial assets				47,827
- Financial assets	41,056	6,144		47,200
- Other derivative instruments non qualified as cash flow hedge			184	184
- Derivative instruments qualified as cash flow hedge			443	443
Finance-lease receivables			17,899	17,899
Assets held for sale			10,144	10,144
Current financial assets		1		1
Trade receivables		5,427		5,427
Tax receivables and other current assets		1,253		1,197
Cash and cash equivalents	2,254			2,254
Deferred charges and accrued income		1,786		1,786
Non-current financial debts				301,299
- Credit institutions			172,174	186,776
- Other	76,500		19,866	95,955
Other non-current financial liabilities				18,568
- Financial derivatives through the income statement			2,315	2,315
- Financial derivatives through other equity components			16,253	16,253
Current financial debts				
- Credit institutions			24,978	25,099
- Other			99,959	99,959
Trade debts and other current debts		6,077		6,077
- Exit tax	0	0		0
- Other		6,077		6,077
Other current liabilities		2,203		2,203
Accrued charges and deferred income		7,896		7,896

(in € 1,000) end-2012	Level 1	Level 2	Level 3	Book value
Investment properties			578,163	578,163
Non-current financial assets				37,499
- Financial assets	31,491	5,489		36,980
- Other derivative instruments non qualified as cash flow hedge			519	519
- Derivative instruments qualified as cash flow hedge			-	-
Finance-lease receivables			17,899	17,899
Assets held for sale			21,701	21,701
Current financial assets		1		1
Trade receivables		6,605		6,605
Tax receivables and other current assets		1,253		1,253
Cash and cash equivalents	2,436			2,436
Deferred charges and accrued income		255		255
Non-current financial debts				228,674
- Credit institutions			227,446	228,467
- Other	207			207
Other non-current financial liabilities				27,917
- Financial derivatives through the income statement			3,577	
- Financial derivatives through other equity components			24,340	
Current financial debts				135,942
- Credit institutions			62,034	63,000
- Other			72,942	72,942
Trade debts and other current debts		7,723		7,723
- Exit tax	0	0		0
- Other		7,723		7,723
Other current liabilities		2,180		2,180
Accrued charges and deferred income		8,580		8,580

The Non-current financial assets comprise the participations in other sicafi (€ 41.1 million) and real estate certificates (€ 5.98 million) at the end of 2013.

34.3.2 Tenant and credit risk

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to 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 30%. 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 by Leasinvest Real Estate 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 27.

NOTE 35
TRADE DEBTS AND OTHER CURRENT DEBTS

(in € 1,000)	31/12/13	31/12/12
Exit tax	**0**	**0**
Other		
Suppliers	5,477	6,597
Tenants	0	0
Taxes, salaries and social security	600	1,126
TOTAL	**6,077**	**7,723**

NOTE 36
OTHER CURRENT LIABILITIES

(in € 1,000)	31/12/13	31/12/12
Other current liabilities	2,202	2,180
TOTAL	**2,202**	**2,180**

NOTE 37
ACCRUED CHARGES AND DEFERRED INCOME – LIABILITIES

(in € 1,000)	31/12/13	31/12/12
Property income received in advance	7,628	8,013
Interests and other charges accrued and not due	201	539
Other	67	28
TOTAL	**7,896**	**8,580**

NOTE 38
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 39
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).

Within the framework of the alienation of the buildings in the Axxes Business Park in 2010 and Torenhove in 2012, LRE stands surety for a maximum term of 9 years (respectively till July 2019 and till December 2021), 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 or users. Commercial management is executed by a subsidiary of LRE, i.e. Leasinvest Services, and is remunerated.

Within the framework of the alienation of the building a rental guarantee of 3 years was granted with a maximum risk of € 261 thousand. 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 or users, and a provision of € 174 thousand was created.

NOTE 40
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 2013 (12 months) amounted to € 2.8 million.

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 and director.

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 officers	fixed	insurance	variable	total
Jean-Louis Appelmans	324,679.42	42,733.08	110,000.00	477,412.50
Michel Van Geyte	278,963.45		90,000.00	368,963.45
TOTAL	**603,642.87**	**42,733.08**	**200,000.00**	**846,375.95**

IBesides their remuneration package, there are not other transactions with the effective direction.

NOTE 41
CONSOLIDATION SCOPE

The subsidiaries mentioned below are all part of the consolidation scope using the full consolidation method. This consists in incorporating the entire assets and liabilities, as well as the results of the subsidiaries. The minority interests are recorded under a separate caption in the balance sheet and the income statement.

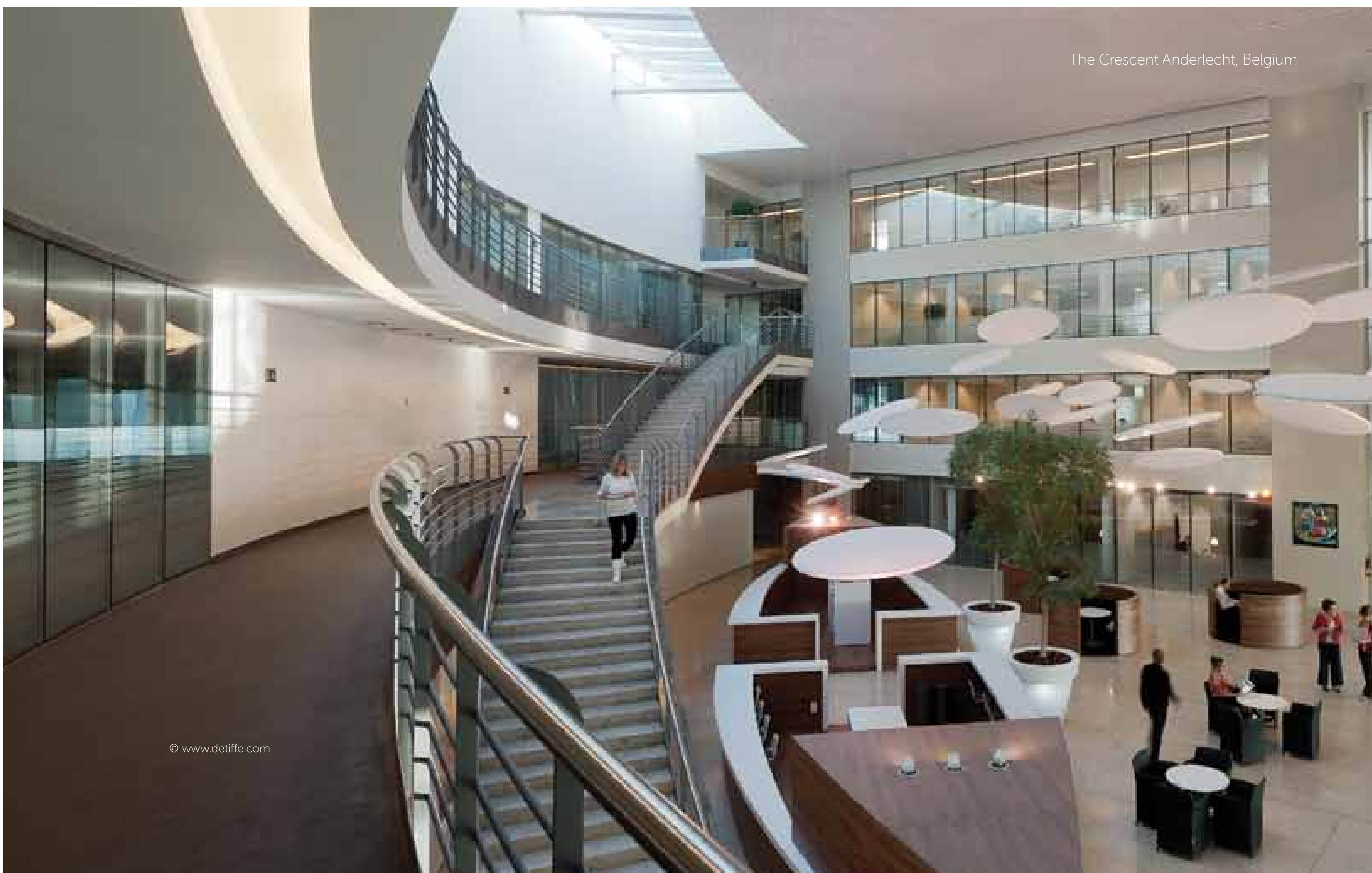
The consolidated accounts are established at the same date as the date on which the subsidiaries establish their annual accounts.

Name & address of the administrative office	Country of origin/branch	VAT or national number	Direct or indirect part of the capital held and voting rights (in%)	
			31/12/13	31/12/12
Leasinvest Services SA Schermersstraat 42 - 2000 Antwerp	**Belgium**	**BE 826.919.159**	**99%**	**99%**
Leasinvest Immo Lux SA 6D route de Trèves - LU-2633 Senningerberg	**Grand Duchy of Luxembourg**	**LU 16372655**	**100%**	**100%**
RAB Invest SA Schermersstraat 42 - 2000 Antwerp	**Belgium**	**BE 820.897.736**	**100%**	**100%**
Canal Logistics Brussels SA Schermersstraat 42 - 2000 Antwerp	**Belgium**	**BE 888.064.001**	**100%**	**100%**
Orli Lux sàrl avenue Monterey 40	**Grand Duchy of Luxembourg**	**LU B136357**	**100%**	**0%**

Leasinvest Services SA, RAB Invest SA and Canal Logistics Brussels SA were established in Belgium, while Leasinvest Immo Lux SA and Orli Lux Sàrl were created in Luxembourg. The group structure and Leasinvest Real Estate's position in it are commented at page 108.

NOTE 42
IMPORTANT EVENTS AFTER THE CLOSING OF THE BALANCE SHEET

On 27 January 2014 Leasinvest Real Estate has sold the office building Avenue Louise 66 to Immo Graanmarkt for an amount of € 10.4 million, which is higher than the fair value.



The Crescent Anderlecht, Belgium

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STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF SHAREHOLDERS OF LEASINVEST REAL ESTATE SCA AS OF AND FOR THE YEAR ENDED 31 DECEMBER 2013

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 (the "Consolidated Financial Statements") as well as our report on other legal and regulatory requirements as further defined below. The Consolidated Financial Statements include the consolidated statement of financial position as of 31 December 2013, the consolidated statement of comprehensive income, including the consolidated income statement, consolidated statement of changes in shareholders' equity and consolidated statement of cash flows for the year ended 31 December 2013 and the notes.

Report on the Consolidated Financial Statements - unqualified opinion

We have audited the Consolidated Financial Statements of Leasinvest Real Estate ("the Company") and its subsidiaries (collectively referred to as "the Group") as of and for the year ended 31 December 2013. These Consolidated Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union. The total of the consolidated statement of financial position amounts to € 777,867 thousand and the consolidated statement of comprehensive income shows a profit for the year of € 26,926 thousand.

Responsibility of the board of directors for the preparation of the Consolidated Financial Statements

The board of directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union. The board of directors is also responsible for the implementation of internal controls, which it considers necessary for the preparation of the Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

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 International Standards on Auditing ("ISA"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the statutory auditor's 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, the statutory auditor considers internal control relevant to the Group's preparation of consolidated financial statements that give a true and fair view 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board of directors, as well as evaluating the overall presentation of the consolidated financial statements.

We have obtained from management and the Company's officials the explanations and information necessary to perform our audit and we believe that the resulting audit evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Company give a true and fair view of the Group's consolidated financial position as of 31 December 2013 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

The board of directors is responsible for the preparation and the content of the report of the board of directors on the Consolidated Financial Statements, including the corporate governance statement, in accordance with articles 96 and 119 of the Company code (Wetboek van vennootschappen/ Code des sociétés) as well as the compliance of these Consolidated Financial Statements with the Company code.

As part of our audit mandate and in accordance with the applicable supplementary standard issued by the Belgian Institute of Registered Auditors (Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises) as published in the Belgian State Gazette on 28th August 2013 (the "Supplementary Standard"), it is our responsibility to perform certain procedures, in all material respects, on the compliance of certain legal and regulatory requirements, as defined in the Supplementary Standard. As a result of these procedures, we provide the following additional statement which does not modify our opinion on the Consolidated Financial Statements:

- •The report of the board of directors on the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 20 March 2014

Ernst & Young Réviseurs d'Entreprises sccrl

Statutory auditor

represented by

Pierre Vanderbeek

Partner

STATUTORY FINANCIAL STATEMENTS

Statement of global result 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.

Compte de résultats statutaire

(in € 1,000)	Period 31/12/13 IFRS	Period 31/12/12 IFRS	Period 31/12/11 IFRS
Rental income (+)	19,875	18,481	22,252
Write-back of lease payments sold and discounted (+)	0	0	0
Related-rental expenses (+/-)	0	47	-17
NET RENTAL RESULT	**19,875**	**18,528**	**22,235**
Recovery of property charges (+)	91	207	28
Recovery income of charges and taxes normally payable by tenants on let properties (+)	2,021	2,341	2,806
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease (-)	0	0	-242
Charges and taxes normally payable by tenants on let properties (+)	-2,021	-2,341	-2,806
Other rental-related income and expenditure (+/-)	-1,951	-1,901	-265
PROPERTY RESULT	**18,016**	**16,834**	**21,756**
Technical costs (-)	-1,310	-966	-1,202
Commercial costs (-)	-639	-447	-911
Charges and taxes on unlet properties (-)	-234	-404	-370
Property management costs (-)	-2,567	-2,236	-2,278
Other property charges (-)	-648	-557	-440
PROPERTY CHARGES	**-5,398**	**-4,610**	**-5,201**
PROPERTY OPERATING RESULT	**12,618**	**12,224**	**16,555**
Corporate operating charges (-)	-817	-683	-981
Other operating charges and income (+/-) (1)	7,627	1,768	-1,069
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	**19,427**	**13,309**	**14,505**
Result on disposal of investment properties (+/-)	-785	-3	759
Changes in fair value of investment properties (+/-)	-2,692	-10,327	-6,389
OPERATING RESULT	**15,950**	**2,979**	**8,875**
Financial income (+)	3,429	11,591	12,533
Net interest charges (-)	-9,291	-7,644	-7,121
Other financial charges (-)	-1,080	-912	-1,791
Changes in fair value of financial assets and liabilities (+/-)	915	-2,041	1,592
FINANCIAL RESULT	**-6,027**	**994**	**5,213**
PRE-TAX RESULT	**9,924**	**3,973**	**14,088**
Corporate taxes	-168	-204	-192
Exit tax	0	0	0
TAXES	**-168**	**-204**	**-192**
NET RESULT	**9,756**	**3,769**	**13,896**

1 The evolution of the other operating charges and income mainly relate to a write-back of an impairment recognized on the participation in Canal Logistics Brussels SA.

	31/12/13	31/12/12
Net result	**9,756**	**3,769**
Other elements of global result	10,723	-10,135
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-338	
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	8,036	-12,915
Changes in fair value of financial assets available for sale	2,289	2,781
Global result	**20,478**	**-6,366**

Royal20, Luxembourg

(in € 1,000)	Period 31/12/13 IFRS	Period 31/12/12 IFRS	Period 31/12/11 IFRS
ASSETS			
NON-CURRENT ASSETS	537,154	446,108	441,902
Investment properties	221,932	235,840	245,742
Other tangible assets	1,124	1,190	1,295
Non-current financial assets	314,098	209,078	194,865
CURRENT ASSETS	45,701	38,178	41,245
Assets held for sale	10,144	2,591	2,859
Current financial assets	30,766	30,233	34,155
Trade receivables	3,502	3,752	3,395
Tax receivables and other current assets	208	195	73
Cash and cash equivalents	447	1,239	368
Deferred charges and accrued income	633	169	395
TOTAL ASSETS	**582,855**	**484,286**	**483,147**
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY	**234,849**	**172,351**	**194,273**
Capital	54,315	44,128	44,128
Share premium account	121,091	70,622	70,622
Reserves	49,687	53,832	75,803
- Legal reserve	5,431	602	602
- Reserve from the balance of changes in fair value of investment properties	29,378	26,686	37,012
- Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties	-4,008	-4,405	-4,405
- Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	-15,221	-23,257	-10,342
- Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	-2,696	-3,611	-1,570
- Reserve for treasury shares	0	0	-1,034
- Reserve from the balance of changes in fair value of financial assets available for sale	5,958	3,669	889
- Other reserves	18,623	40,260	41,785
- Result carried forward of previous financial years	12,222	13,888	12,866
Net result of the financial year	9,756	3,769	3,719
PASSIF	**348,006**	**311,935**	**288,874**
NON-CURRENT LIABILITIES	237,029	181,154	143,179
Provisions	0	0	0
Non-current financial debts	218,549	153,767	129,829
Other non-current financial liabilities	18,479	27,387	13,350
Other non-current liabilities	0	0	0
CURRENT LIABILITIES	110,977	130,781	145,695
Provisions	0	0	3,214
Current financial debts	99,959	117,942	131,402
Trade debts and other current debts	4,710	5,416	4,576
Other current liabilities	1,984	2,828	1,253
Accrued charges and deferred income	4,324	4,595	5,250
TOTAL EQUITY AND LIABILITIES	**582,855**	**484,286**	**483,147**

Motstraat Malines, Belgium

Permanent document

Knauf Shopping Center Pommerloch, Luxemburg

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GENERAL INFORMATION

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 31/12/13 amounts to € 718.2 million, or including the participation in Retail Estates to € 759.3 million, the investment value to € 731.8 million. The consolidated real estate portfolio represents at the end of 2012 (including assets held for sale and development projects) a surface of 429.579 m2, with 34 sites, of which 18 in the Grand Duchy of Luxembourg and 16 in Belgium.

Geographically, the real estate portfolio is situated for 60% in the Grand Duchy of Luxembourg (through its 100% subsidiary Leasinvest Immo Lux) and for 40% 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 25/06/2013:

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 Route de Lennik 451, in 1070 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 21/11/1973, after which the registered office has been moved (17/11/1988) to Belgium where it was established that the company assumed the legal status of a public limited company (SA) and is a legal person under Belgian law, subject to the Belgian law.

On 8/06/1999 the company name was modified into Leasinvest Real Estate and the company was transformed into a public 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 of Leasinvest Real Estate are listed on Euronext Brussels (Bel Small).

Purpose of the company / activities

Article 4 of the coordinated articles of association dated 25/06/2013:

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 01/01/1999 to 30/06/2000.

Registered capital

Issued capital

On 31/12/12 the registered capital amounted to € 54,314,744.64. The total number of shares was 4,938,870, and have a no-par value.

Authorised capital

Article 7 of the coordinated articles of association dated 25/06/2013:

The manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more instalments, 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 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 con-

tribution 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.

The manager used the aforementioned authorization already for a total amount of ten million one hundred and eighty-six thousand four hundred and eighteen euro (€ 10,186,418.00).

Redemption of treasury shares

Article 10 of the coordinated articles of association dated 25/06/2013:
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 in 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 31/12/13, the investment properties of Leasinvest Immo Lux represent 60% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31/12/13 Leasinvest Immo Lux owned 18 buildings in ownership or co-ownership, with a total surface of 156,619 m2, exclusively situated in the Grand Duchy of Luxembourg.

Currently Leasinvest Immo Lux does not hold any investment via a real estate company.

3 buildings represent each more than 5% of the consolidated Leasinvest Real Estate portfolio, namely Knauf Pommerloch (13%), Knauf Schmiede (11%) and CFM (6%).

The buildings are mostly multi-tenant. The portfolio consists of offices (66.6%), retail (28.2%) and one logistics building (5.2%).

Geographically, the majority of the office buildings are located in the CBD of Luxembourg city where the vacancy rate is minimal.

Name
Leasinvest Immo Lux, 'real estate investment trust with variable capital-specialised investment fund under Luxembourg Law' or 'a SICAV-SIF' under Luxembourg Law ("Société d'Investissement à Capital Variable (SICAV immobilière) - Fonds d'Investissement Spécialisé (FIS) de droit luxembourgeois").

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, LU- 2633 Senningerberg.

Constitution and term
Leasinvest Immo Lux has been established on 14/01/1991 under the form of a public limited company (SA). It is subject to the Luxembourg Law of 10 August 1915 on commercial companies ("loi du 10 août 1915 relative aux sociétés commerciales"), as amended thereafter, and the Luxembourg Law of 13 Februari 2007 on specialized investment funds, as amended therafter ("loi du 13 février 2007 concernant les fonds d'investissement spécialisés").
The articles of association have been modified on 10/11/1999, 27/12/05, 18/09/06, 18/12/08, 18/04/11 and for the last time on 28/09/12 (published in the Mémorial C, Recueil des Sociétés et Associations du Grand-Duché de Luxembourg" on 23/11/12).

'Registre de commerce et des sociétés'
Leasinvest Immo Lux is listed in the "Registre de Commerce et des Sociétés du 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, subscribe to real estate certificates, own all moveable assets that can be traded on a stock exchange or on a regulated market, 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 € 1,916,233.90 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.

COORDINATED ARTICLES OF ASSOCIATION DATED 25/06/2013

"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, announced in the appendices to the Belgian Official Gazette on 15 June thereafter under number 20110615-88483
- under a deed recorded by notary public Frank Liesse in Antwerp on 25 June 2013, to be filed for publication 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")[1].
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").

1 This law has been replaced by the law of 3 August 2012 on certain forms of collective management of investment portfolios (hereafter the 'UCI Law").

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)[1].

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

La Société a pour objet exclusif le placement colThe 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.

1 By decision of the statutory manager of 3 May 2013 it has been decided to move the registered office as of 1 August 2013 to Route de Lennik 451, 1070 Anderlecht. The articles of association were not yet amended in conformity with this change of the registered office.

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 leg-

islation 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.

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.

Leasinvest Real Estate confirms that the auditor granted his permission to reproduce the auditor's report on the consolidated statements for the financial year closed on 31 December 2013 in this report.

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 Management SPRL with permanent representative Michel Eeckhout, Mark Leysen, Starboard SPRL, with permanent representative Eric Van Dyck and Christophe Desimpel, do not own Leasinvest Real Estate

shares and that Kris Verhellen owns 100 Leasinvest Real Estate shares and that Michel Van Geyte owns 220 Leasinvest Real Estate shares; at the date of publication of this report the company has no knowledge of agreements on (limitations on) the disposal of these securities;
- that the members of management do not own Leasinvest Real Estate shares, except for Michel Van Geyte (as mentioned above);
- 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 mutual 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 2011 and 2012 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 2011, 2012 and 2013 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 2013[1] can also be consulted on the website www.leasinvest.be.

The historical financial information for the previous financial years 2010, 2011 and 2012 (as far as applicable) 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, Canal Logistics Brussels SA, Orli Lux Sàrl and RAB Invest 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 www.leasinvest.be.
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.

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 2013 can be obtained for free, and by anyone who asks, upon simple request at the office of the company.

List of reference information

Historical financial information and the description of the financial situation of the previous financial years 2011 and 2012 and related party transactions in the previous financial years 2011 and 2012

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 2011 and 2012 and the half-year reports (half-yearly financial reports) including the report of the auditor drawn up in the financial years 2011, 2012 and 2013, 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
Schermersstraat 42
BE-2000 Antwerp
Statutory manager

Montimmo, Luxembourg

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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 and the law of 3 August on certain forms of collective management of investment portfolios):

- 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 authorized 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 25% on dividend; increase of the withholding tax from 21% to 25% since 01/01/2013 following the Programme law of 27/12/2012 (for more information we refer to "Risk factors" on page 4)
- 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
- Risk diversification: maximum 30% of the consolidated assets can be invested in one building/complex, or in securities issued by one same company. In certain cases derogation can be granted by the CSSF
- debt ratio of maximum 50% except for derogations grated by the CSSF in certain cases
- no withholding tax on dividends (in case the dividends are paid in favour of the real estate investment trust-sicafi)
- no corporate taxes on result nor gains

For the choice of an investment, Leasinvest Real Estate is subject to limitations with regard to the diversification of investments and participation in companies.

Dividend 2013

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay a gross dividend of € 4.50, and net, free of withholding tax of 25%, € 3.3375 on 26 May 2014, for all the shares existing before the public capital increase. The pro rata gross dividend for the shares existing before the capital increase amounts to € 2.14 gross (€ 1.605 net), and the pro rata gross dividend for the new shares, created following the capital increase, amounts to € 2.36 gross (net € 1.77).

Subject to the approval of the ordinary general shareholders' meeting of 19 May 2014, dividends will be paid out on presentation of coupon no 16, or € 2.14 gross, on 4 June 2013 (after closing of the stock exchange), detached from the shares existing before the capital increase, representing the pro rata dividend for the financial year 2013, calculated pro rata for the period between 1 January 2013 and the issue date of the new shares, i.e. 25 June 2013, and coupon no 17, or € 2.36 gross, representing the dividend for the period after the issue date of the new shares and 31 December 2013, as of 26 May 2014 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

The Ex-date is 21/05/14 and the Record date is 23/05/14.

With regard to practical formalities to attend the annual meeting of shareholders that will be held on 19/05/14 we refer to page 103 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 (investor relations – contact) to receive all press releases and mandatory financial information per email.

Investor relations contact

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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, within a predefined period, to exercise its option. At that moment 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 31/12/12.

CORPORATE GOVERNANCE
Sustainable 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 (minimum interest rate). 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.

GOODWILL
Goodwill equals the amount by which the cost of the business combination exceeds, at the transaction date, the interest in the fair value of the identifiable assets, liabilities and conditional liabilities taken over from the acquiring party.

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, substituted by the RD of 07/12/10, 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 'assets held for sale' and '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.

Identity card Leasinvest Real Estate

Real estate investment trust under Belgian Law	Leasinvest Real Estate SCA
Legal entity	Limited partnership by shares
Registered office	Route de Lennik 451, 1070 Brussels, Belgium
Administrative office	Schermersstraat 42, 2000 Antwerp, Belgium
Contact	T +32 3 238 98 77 – F +32 3 237 52 99
E-mail	investor.relations@leasinvest.be
Web	http://www.leasinvest.be
Register of legal entities	Brussels
VAT	BE 0436.323.915
Established	8 June 1999, publication MB 26 June 1999 (conversion into real estate investment trust) (nr. 990626-330)
Term	Unspecified
Financial year	1 January – 31 December
Listing	Euronext Brussels, Bel Small
Liquidity provider	Bank Degroof
Financial service	Main paying agent Bank Delen
Auditor	Ernst & Young Réviseurs d'entreprises, represented by Pierre Vanderbeek, certified auditor
Real estate experts	Cushman & Wakefield - Winssinger & Associates - Stadim
Supervision	FSMA

This annual financial report is available on
www.leasinvest.be in pdf an in an interactive version.

You can request a printed copy through registration on www.leasinvest.be.

Concept and design: www.theimagecompany.be

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