SHIFTING FOCUS

Annual financial report

2014

Leasinvest REAL ESTATE

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 24/03/2015. 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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www.leasinvest.be

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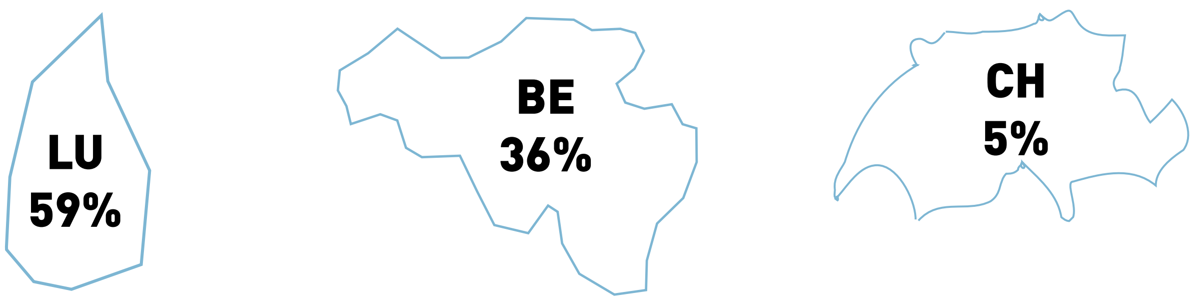
Content

"In **15 years*** time Leasinvest Real Estate has realized a successful transformation story with as its most recent important transaction, the acquisition of a retail portfolio in Switzerland, 3rd country where Leasinvest Real Estate is currently present with 5% of its consolidated real estate portfolio."



Rental income*
+295%

Net current result*
+150%

Net result*
+150%

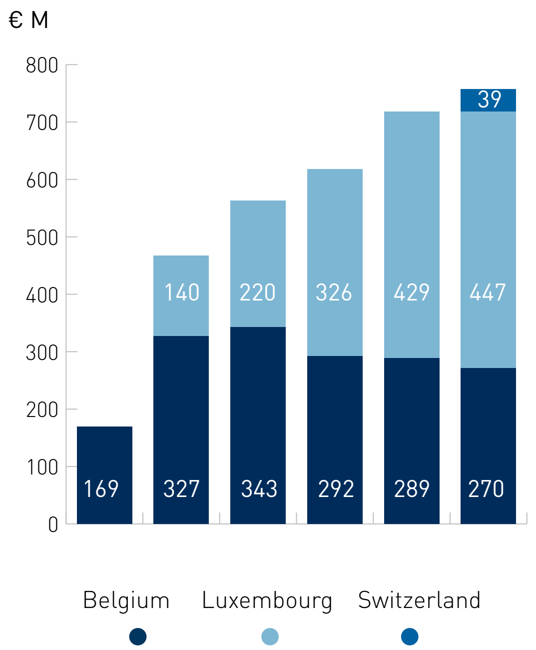
Share price*
+ 89%

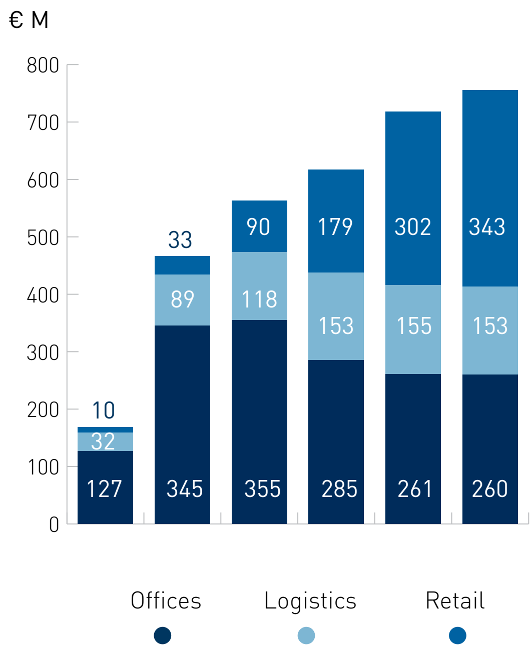
NAV investment value*
+ 150%

MISSION STATEMENT

Public Regulated Real Estate Company Leasinvest Real Estate SCA invests in high-quality and well-situated retail buildings, offices and logistics buildings, in the Grand Duchy of Luxembourg, in Belgium and in Switzerland. Through diversification of its portfolio, the company wants to achieve a rental yield in line with market performance, an acceptable dividend level and potential capital gains.

* Period of 01/07/1999 to 31/12/2014.

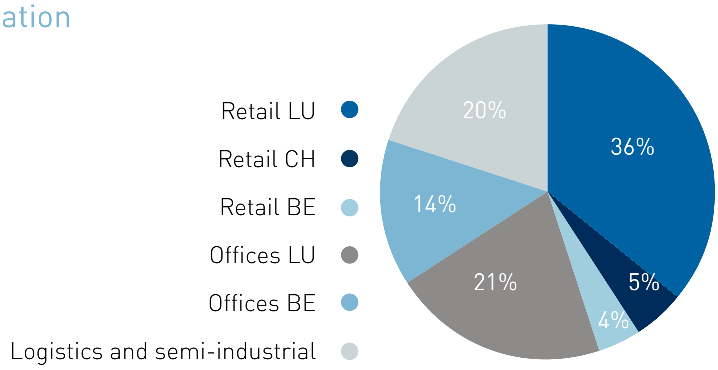




After the successful investment in 2006 in the Grand Duchy of Luxembourg with the take over of the Leasinvest Immo Lux portfolio (ex-Dexia Immo Lux), a first step was taken in 2014 towards diversification to a 3rd country with the take over of an important retail portfolio in Switzerland.

Our focus has evolved from mainly offices to a majority of retail (retail parks and medium-sized shopping centers), already representing 45% of our total portfolio.
Offices have decreased to 35% and are mostly located (21%) in the Grand Duchy of Luxembourg where the office market remains attractive.

"The Royal20 project, located Boulevard Royal in the Grand Duchy of Luxembourg was very sought after in the market and has been pre-let more than one year in advance before its reception. The proof that a top project at a top location remains a good investment."



REAL ESTATE PORTFOLIO

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 (practically stable at 31/12/2014 at 5.08 years - 31/12/2013: 5.23 yeas) and the rents, and on maintaining a high occupancy rate, which amounted to 96.24% on 31/12/2014 (31/12/2013: 96.90%).

"After our successful expansion in the Grand Duchy of Luxembourg, we are very pleased with these first acquisitions in Switzerland, a country benefitting as the Grand Duchy of Luxembourg from a well-performing and stable market situation. Leasinvest Real Estate thus becomes a unique market player, active in the Grand Duchy of Luxembourg, Belgium and Switzerland."

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

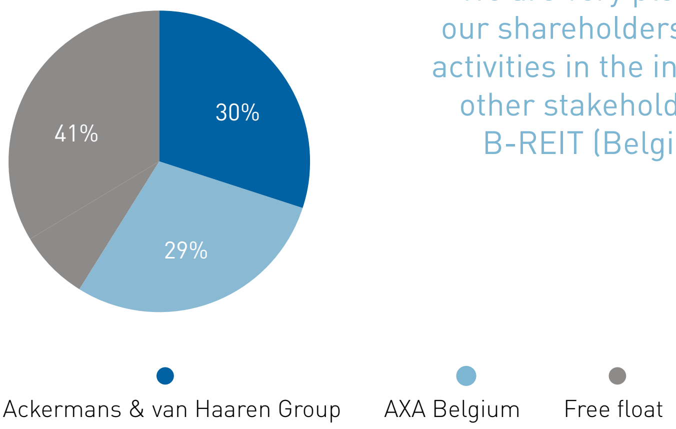
2006

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)

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

> "Last 6 November Leasinvest Real Estate has been granted the status of public regulated real estate company (RREC). We are very pleased with the approval of this new status by our shareholders. This will allow LRE to continue its current activities in the interest of the company, its shareholders and other stakeholders, and to consequently position itself as a B-REIT (Belgian Real Estate Investment Trust) in order to optimise its visibility and its understanding by international investors."

SHAREHOLDERS



INVESTOR PROFILE

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

FINANCIAL CALENDAR

31/03/2015	Annual financial report 2014
18/05/2015	Annual meeting of shareholders
19/05/2015	Interim statement Q1 (31/03/2015)
26/05/2015	Dividend payment
22/05/2015	Ex-date
25/05/2015	Record date
26/08/2015	Half-year financial report 2015
17/11/2015	Interim statement Q3 (30/09/2015)
18/02/2016	Year results 2015

2007-2011

Divestment of office buildings and further diversification towards logistics in Belgium
Redevelopments in offices and storage in the Grand Duchy of Luxembourg
Focus on diversification towards retail with acquisition of top retail portfolio in Luxembourg

2012-2013

Investment in two shopping centers and acquisition of an important retail building in the Grand Duchy of Luxembourg
Completion and acquisition State Archives Bruges
Divestment of office buildings
Public capital increase and public and private bond issue

2014

Acquisition of important retail portfolio in Switzerland
Change of the status of sicafi into a public regulated real estate company (RREC)
Further divestment of smaller non-strategic buildings
Pre-letting of office project Royal20 in the Grand Duchy of Luxembourg

Risk factors

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 42% to 45% and the offices part decreased from 36% to 35%. The logistics and semi-industrial part amounts to 20%. The share in the portfolio of the Grand Duchy amounts to 59%, that of Belgium to 36% and that of Switzerland to 5%. • Sectorial diversification of the tenants (1,2,3). The main sectors are: retail & wholesale (50% compared to 46.6% on 31/12/13), the services sector (17% compared to 17% on 31/12/13), followed by non-profit organisations and international professional associations (10% compared to 10% on 31/12/13) and financial institutions (8% compared to 8% on 31/12/13). The largest sector retail & wholesale is diversified as it is based on the type of products offered (clothes, DIY, food & beverage). Besides, these are mainly part of the shopping centers, where the 'experience' aspect complements the retail aspect as to attracting customers.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
		• Weighted average duration of the rental contracts is comparable to that of the previous year and amounts to 5.08 years compared to 5.23 years end-2013 (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 and 2014 (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 2. Decrease of the rents for current contracts 3. Relatively high opportunity funding cost following a decrease of the interest rates, taking into account the hedging policy, which leads to a lower shareholders' equity "NAV" 4. Decrease of the capitalisation rates which could make the available offer for the acquisition of real estate relatively more expensive	• Clause in rental contracts stipulating a minimum level for the basic rent (1), (2). • Decrease of the capitalisation rates and consequently an increase of the fair value of the real estate and a higher shareholders' equity ("NAV") (3). • Active investment management (3).
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 concluded to cover the interest rate risk 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. • The diversification to Switzerland contributes to potentially mitigating the effect of a disappearing of the monetary union. • Luxembourg, Switzerland and Belgium are politically relatively 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	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 with existing credit lines (1). • Aiming at maintaining an adequate availability margin on confirmed credit lines, however not entirely excluding this risk (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.
Volatility of the exchange rate EUR/CHF	1. Decrease of the value of the acquired assets 2. Variability in net cash flows	• Hedging of the fair value risk (1) through a cross currency swap neutralizing fluctuations from the assets by fluctuations in the fair value of the de swap. • Variability in net cash flows are to a large extent compensated by natural hedging, which means that as many expenses as possible in Swiss Franc are geared to income in Swiss Franc.

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 11.7% of the balance sheet total 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 2014 an increase of the average yield by 0.10% would have had an impact of - € 10.3 million on the net result and of € 2.09 on the net asset value per share, and result in an increase of the debt ratio by 0.68% (namely from 54.27% to 54.95%.
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 regulated real estate company to the fall-out of one or more important tenants due to termination of the rental contract or bankruptcy (1,2,3,4). • Relatively high average duration of the rental contracts (5.08 years) following the transactions in 2013 and 2014. • 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 € 501.05 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 regulated real estate company, 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 75.
Unforeseen non renewal or early termination of the rental contract	1. Rental vacancy 2. The regulated real estate company 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 2014 approximately € 61 thousand of rental incentives were granted with regard to the Belgian tenants portfolio (€ 270 thousand in 2013). The impact on the net result is usually spread and booked over 3 years. On the Luxembourg portfolio the rental incentives granted amounted to € 167 thousand (excluding the rental contract for Royal20) (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 (50% compared to 46.6% on 31/12/13), the services sector (17% compared to 17% on 31/12/13), followed by non-profit organisations and international professional associations (10% compared to 10% on 31/12/13) and the financial institutions (8% compared to 8% on 31/12/13). 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 regulated real estate company. 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 regulated real estate company	• The retail asset class held by the regulated real estate company 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). • 33% (calculated on the basis of the fair value) 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).

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. The credit lines (partially used) (excl. the € 95 million bond loans) amount to € 448.7 million end-2014, which is identical to end-2013. • Complete back-up of the commercial paper program through confirmed additional credit lines that are available. The credit lines made available by financial parties exceed the amount of the issued commercial paper (1, 2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). The margin end-2014 amounts to € 105 million after deduction of the credit lines held available as back-up for the commercial paper. • 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 3.2 years (2013: 3.7 years). • Complete back-up of the commercial paper program through available confirmed credit lines (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[1]. • 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 regulated real estate company has 39% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end-2013: 36%); 9% of current interest rate caps (with a limit on the interest rates) (end-2013: 10%), 35% of credits at fixed rates (2013: 36%) and 8% of currency swaps (1,2). For more details we refer to note 34 of the financial statements on page 156. • The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.63% (end-2013: 3.29%) excluding the effect of fair value adjustments on financial assets and liabilities; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 4% (2012: 3.08%). 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).

1 The rental income received during the financial year 2014 amply suffices to cover the increase of the interest charges. For the last three financial years the financial result compared to the rental income, amounts to 27.5% (2014), 20% (2013), 29% (2012), and the interest charges excluding the fair value adjustments, compared to the rental income, amount to 25% (2014), 22% (2013), 23% (2012).

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 24 of the RD of 13/07/2014 the RREC 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 156.
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 mainly active in EURO countries and in Switzerland. With regard to the investment in Switzerland the fair value risk has been hedged. The variability of the net cash flows is to a large extent compensated by natural hedging (1).
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 regulated real estate company and has to maintain its regulated real estate company status in order to benefit from the related favourable tax regime. Should the company loose its regulated real estate company status, it would break covenants with its banks and would have to reimburse its credits. Maintaining the regulated real estate company status is consequently primordial for the company. The company therefore takes into account all different provisions and rules of the legislation, i.e. the RREC law (the law of 12 May 2014 with regard to regulated real estate companies.

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 regulated real estate company 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 regulated real estate company system	1. Loss of the regulated real estate company 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).
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	• On-going 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 regulation as it is qualified as an AIF. The company is however subject to an exception rule to the applicable legislation, relating to the status of Leasinvest Real Estate and the shareholding structure, resulting in the fact that Leasinvest Immo Lux is finally not considered to be an AIF (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 rate	• 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 foreign pension funds i.e. art 95. of the RREC law 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	• On-going evaluation of the changes in legal demands and their compliance, assisted by specialized external consultants (1,2,4).
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).

Letter to the shareholders

Jean-Louis Appelmans

Luc Bertrand

"After our successful expansion in the Grand Duchy of Luxembourg, we are very pleased with these first acquisitions in Switzerland, a country benefitting as the Grand Duchy of Luxembourg from a well-performing and stable market situation. Leasinvest Real Estate thus becomes a unique market player, active in the Grand Duchy of Luxembourg, Belgium and Switzerland."

Etoy
Switzerland

THE MARKETS

The Belgian economy remained difficult in 2014. Important structural reforms are however necessary in order to improve the health of public finances and the potential growth of Belgium. Contrary to the expectations, the Euro zone countries have not left a period of recession in 2014 and 2015 will probably change little. The Grand Duchy of Luxembourg maintained its strong financial profile. The proactive policy of the government to keep the economy and the growth of the Grand Duchy of Luxembourg at their levels, has further been pursued. Switzerland, since the end of November our third investment country, recorded a relatively favourable economic evolution.

The evolution of the real estate markets knew a different evolution according to the asset classes and the country. In Belgium there was a turn in offices in 2014 with higher take-up figures of 400,000 m² than in 2013 (340,000 m²). In 2014 the rental volumes in retail real estate[1] remained stable, but they decreased for logistics real estate. In the Grand Duchy of Luxembourg the rental volume in offices rose in 2014 compared to the previous year.

RREC • REGULATED REAL ESTATE COMPANY

On 6 November 2014 the extraordinary general meeting of shareholders has unanimously decided to change the status from a public sicafi (undertaking for collective investment) into the status of a public regulated real estate company (RREC).

This RREC status will allow Leasinvest Real Estate to continue its current activities in the interest of the company, its shareholders and other stakeholders, and to consequently position itself as a B-REIT (Belgian Real Estate Investment Trust) in order to optimise its visibility and its understanding by international investors.

On 31/12/2014 the Grand Duchy of Luxembourg, based on the fair value of the buildings, represented 59% of our global portfolio (2013: 60%), Belgium 36% and Switzerland 5%. The main accent of our diversification towards asset class was further realized in 2014 towards retail that increased to 45% of the global real estate portfolio (2013: 42%), where the offices part further decreased to 35% (2013: 36%).

Villeneuve
Switzerland

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 2014. The past financial year was again a very good year, due to our important investments end-2013 and end-2014. The Grand Duchy of Luxembourg, Belgium and Switzerland remain our three core countries.

Our real estate portfolio will in the future probably continue to consist of retail and offices. In the Grand Duchy of Luxembourg the focus will be more on retail and offices, and in Switzerland on retail. Offices remain an interesting category if the location 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 72 et seq of the Real estate report, and for the related risks, to p 8 et seq of the Risk factors.

THE REALISATIONS IN 2014 & THE OBJECTIVES FOR 2015

The direct real estate portfolio end-2014 amounted to € 756 million, or an increase by 5.3% (2013: +12.2%); including indirect investments (the participation in Retail Estates NV) the consolidated real estate portfolio amounted to € 808 million.
The investments amounted to € 41 million which was lower than in 2013 (€ 129 million) and consisted mainly of the acquisition of a well-located retail portfolio in Switzerland, acquired from Redevco for an amount of € 37.8 million, and of further investments in the office project Royal20 in the City of Luxembourg, under development. In Belgium there were a couple of divestments of smaller or less strategic buildings at the beginning of 2014.
The leases in 2014 evolved well, with as most important realisation, the 100% pre-letting of the office project Royal20 located boulevard Royal in the center of the city of Luxembourg, and, on the one hand, the termination of tenant Bank Oppenheim (Kirchberg, City of Luxembourg), and on the other hand, the re-lettings to CVC Capital for a fixed period of 9 years (Avenue Monterey, City of Luxembourg), to SKF an anticipative lease extension for a fixed period of 9 years, as of 2016 (Tongres, Belgium) and the further letting to over 80% (2013: 70%) of the office building The Crescent (Anderlecht, Brussels). The global occupancy rate[1] remained nearly constant at 96.2% (2013: 96.9%).
In 2014 all our objectives within the scope of further growth, reorientation towards more investments in retail and in a third country, and increase of our profit were reached. The net result and the net current result recorded in 2014 compared to 2013 a respective increase of 21% and 8%, or € 32.6 million (2013: € 26.9 million) and € 26.1 million (2013: € 24.1 million). The increase of the net current result is mainly the consequence of an increased rental income to € 50 million, for which the like-for-like rental income rose by 3%.

Except for extraordinary circumstances and new investments, the company expects to realize a lower net result and net current result in 2015 than in 2014 due to the influence on the evolution of the rents of the planned redevelopments Monnet and Square de Meeûs.

1 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.

THE DIVIDEND AND THE SHARE PRICE

The share of an RREC is appreciated for its return. It is proposed to distribute a gross dividend of € 4.55 over the financial year 2014 that is 1.11% higher than the gross dividend of € 4.50 over 2013. The net dividend 2014 amounts to € 3.4125 in comparison with € 3.375 end-2013. Given the closing price on 31/12/2014 of € 91.61, this results in a dividend yield of gross 4.96% or net 3.73% (based on a withholding tax of 25%).
The price of the Leasinvest Real Estate share fluctuated during the financial year between € 73.10 and € 93.90. End-2014 the share was listed at € 91.61, which resulted in a premium of 34.5% compared to the net asset value of € 68.10 on 31/12/2014 (on the basis of the fair value of the real estate).

Rental income
€ 50 million

Net result
+ 21%

Net current result
+ 8%

Occupancy rate
96.24%

Retail
45%

Grand Duchy of Luxembourg
59%

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 'Breeam in-use' certificate[1] for a/o the redevelopment of the office buildings The Crescent (Brussels) and Motstraat (Malines). For a potentially new construction, such as the office project Royal20 in the City of Luxembourg, we will also aim at obtaining a Breeam certificate 'very good' or 'excellent'. In 2015/2016 a number of office buildings (Montoyer 63 and Square de Meeûs located in the City of Brussels) will be entirely renovated in order to better position these buildings in the market and make them more sustainable (Breeam certified).

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.

Royal20
Luxembourg

"We wish to thank all our tenants, suppliers, real estate agents, banks, investors and shareholders in the Grand Duchy of Luxembourg, in Belgium and in Switzerland, 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 KEY FIGURES RELATE TO IAS/IFRS KEY FIGURES

At the end of 2014 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, RAB Invest SA, S. Invest I SA and Porte des Ardennes Schmiede SA.

Key figures real estate portfolio (1)	31/12/2014	31/12/2013
Fair value real estate portfolio (€ 1,000) (2)	756,327	718,234
Fair value real estate portfolio, incl. participation Retail Estates (€ 1,000) (2)	808,126	759,290
Investment value real estate portfolio (€ 1,000) (3)	770,680	731,850
Rental yield based on fair value (4) (5)	7.23%	7.31%
Rental yield based on investment value (4) (5)	7.10%	7.18%
Occupancy rate (5) (6)	96.24%	96.90%
Average duration of leases (years)	5.08	5.23

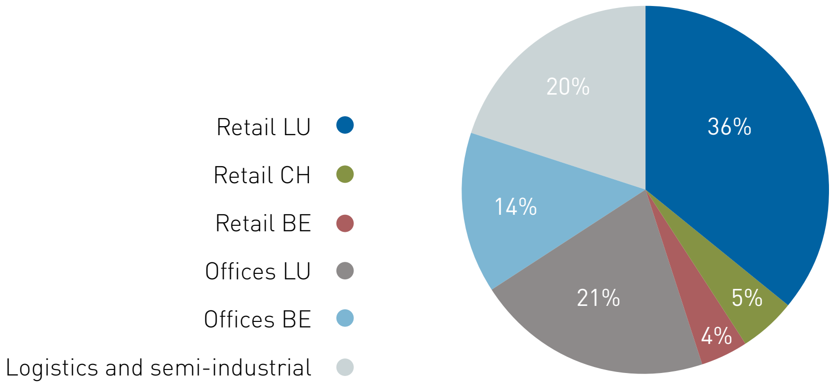
(1) The real estate portfolio comprises the buildings in operation, the development projects, the assets held for sale, as well as the buildings presented as financial leasing under IFRS.
(2) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS. The fair value of Retail Estates has been defined based on the share price on 31/12/2014.
(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 / Stadim.
(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 comprises, at the end of 2014, 34 sites (including the assets held for sale & the development projects) with a total surface area of 433,401 m², of which 18 are located in the Grand Duchy of Luxembourg (59% compared to 60% the previous financial year), 13 in Belgium (36% compared to 40% the previous financial year) and 3 in Switzerland (5%)[1]. The breakdown according to asset class has changed with a further increase of retail compared to offices.

The **fair value of the real estate portfolio** amounts to **€ 756.3 million** end-2014 compared to € 718.2 million end-December 2013. The increase is mainly explained by the investment in Switzerland for € 38 million, the carried out works for Royal 20, compensated by the sale of the building located avenue Louise 66 (Brussels) in the first quarter of 2014 (€ -8.2 million) and the sale of the logistics building situated in Meer (€ -1.7 million).

The **global direct and indirect real estate portfolio** (including the participation in Retail Estates SA) amounts to nearly **€ 808 million** at the end of 2014.

By the realized transactions, the **retail part** increases to **45%** and the offices part in the direct portfolio further decreases to 35%, of which 20% is located in the Grand Duchy of Luxembourg and 15% in Belgium.
The geographical breakdown of the portfolio is as follows as from now: Grand Duchy of Luxembourg: 59%, Belgium: 36%, Switzerland: 5%.



1 The breakdown has been calculated based on the fair value of the buildings.

The rental yield of the real estate portfolio in operation based on the fair value amounts to 7.23% (compared to 7.31% end-2013), and based on the investment value, to 7.10% (compared to 7.18% end-2013).

The data per share have been calculated based on the number of shares at the reporting date, namely 4,938,870.

Key figures balance sheet	31/12/2014	31/12/2013
Net asset value group share (€ 1,000)	336,410	335,334
Net asset value group share per share	68.1	67.9
Net asset value group share per share based on investment value	71.0	70.7
Net asset value group share per share EPRA	75.5	71.5
Total assets (€ 1,000)	836,914	777,867
Financial debt	441,155	407,602
Financial debt ratio (1)	54.27%	53.53%
Average duration credit lines (years)	3.2	3.7
Average funding cost (excl. fair value changes hedges)	3.63%	3.29%
Average duration hedges (years)	6.13	5.63

(1) Legal ratio calculated according to the rules on RRECs. For the calculation we refer to note 34.

The **net result**, group share, amounts to € 32.6 million at the end of 2014 compared to € 26.9 million end 2013. In terms of net result per share, this results in € 6.60 end 2014 compared to € 5.45 end 2013. The rise is explained by the higher rental income (+€ 5 million), compensated by a more negative financial result (-€ 4.2 million), mainly by the negative impact of the evolution of the fair value of the financial assets and liabilities (-€ 1.7 million) and higher costs (-€ 0.8 million). The result on the real estate portfolio amounts to € 7.5 million end 2014 in comparison with € 1.8 million end 2013, which explains the increase of the net result.

The **net current result** end 2014 amounts to € 26.1 million (or € 5.28 per share), in comparison with a net current result of € 24.1 million (or € 4.89 per share) end 2013. This increase is mainly the consequence of the higher rental income in comparison with the same period of last year.

Key figures results	31/12/2014	31/12/2013
Rental income (€ 1,000)	50,175	45,186
Net rental result per share	10.16	9.15
Net current result (€ 1,000) (1)	26,062	24,128
Net current result per share (1)	5.28	4.89
Net result group share (€ 1,000)	32,572	26,928
Net result group share per share	6.60	5.45
Global result group share (€ 1,000)	21,321	37,305
Global result group share per share	4.32	7.55

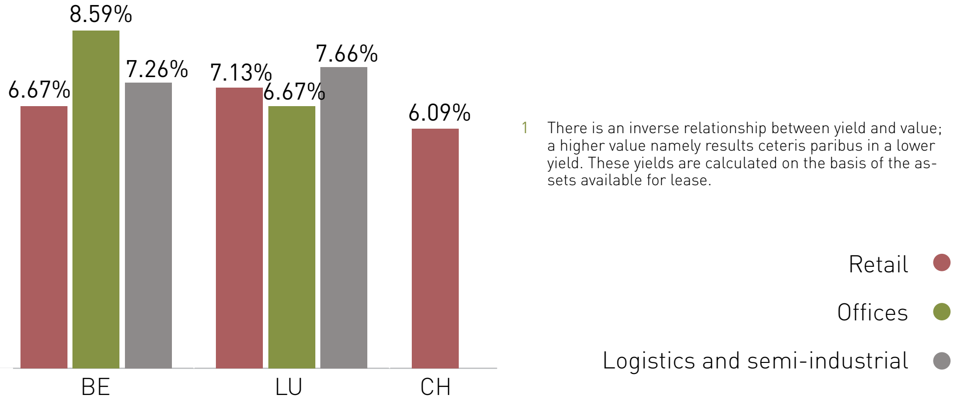
(1) The net current result consists of the net result excluding the portfolio result and the changes in fair value of the financial assets and liabilities (fair value adjustments).

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 RRECs and are also not subject to any review by public bodies.
These figures were not audited by the auditor.

	Definitions	2014 (x € 1 000)	2014 (€/share)	2013 (x € 1 000)	2013 (€/share)
EPRA Result	Current result from strategic operating activities	26,062	5.28	24,128	4.89
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	372,862	75.50	353,275	71.53
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	261,815	65.51
		(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	6.05%		6.20%	
EPRA Adjusted NIR	This ratio corrects the EPRA NIR with regard to the end of gratuities and other rental incentives	5.96%		6.14%	
EPRA Vacancy	Estimated rental value (ERV) of vacant space divided by ERV of total portfolio	3.73%		3.10%	
EPRA Cost Ratio (incl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income	19.70%		20.00%	
EPRA Cost Ratio (excl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income, excl. direct rental vacancy costs	18.70%		19.35%	

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. These yields are calculated on the basis of the assets available for lease.

Management report

Jean-Louis Appelmans • CEO

"In **15 years** time Leasinvest Real Estate has realized a successful transformation story with as its most recent important transaction, the acquisition of a retail portfolio in **Switzerland**, 3rd country where Leasinvest Real Estate is currently present with 5% of its consolidated real estate portfolio."

Strategic focus

Creation of shareholder value resulting in a high dividend yield	by creating capital gains through	• active portfolio management • dynamic investment and development policy • divestment of non-strategic buildings
Generation of recurrent cash flow	through a dynamic commercial policy	• that responds to tenant's needs • that is market-driven on a permanent basis
Development of a high-quality real estate portfolio	by optimizing the portfolio	• redevelopment, enhancing sustainability and renovating of existing buildings • strategic acquisitions
Limiting the risk profile	through diversification	• geographically: Grand Duchy of Luxembourg, Belgium and Switzerland • asset classes: focus on retail and offices in the Grand Duchy of Luxembourg

INVESTMENT POLICY

After its successful diversification in 2006 to the Grand Duchy of Luxembourg Leasinvest Real Estate has concretized its further geographical diversification with the take over, in 2014, of an important retail portfolio in the Vaud canton in the west French-speaking part of Switzerland.

The offices part has decreased, in that same period, to 35% in favour of retail, now repersenting 45% of the consolidated real estate portfolio.

INVESTMENT CRITERIA

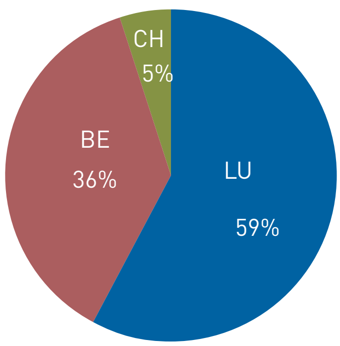
Diversification geographically & per asset class

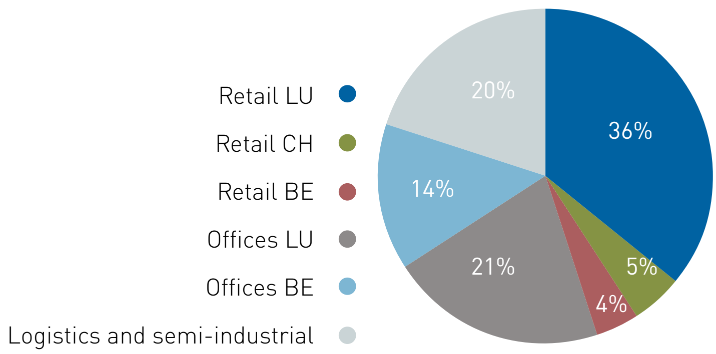
Countries: Luxembourg, Belgium & Switzerland

Focus on retail sector (retail parks/ medium-sized shopping centers)

Continue to look for redevelopment opportunities of office buildings in well-located CBD

Divestment of mainly non-strategic buildings





The text mentioned hereafter comprises an extract of the report of the statutory manager to the ordinary general meeting of shareholders of Leasinvest Real Estate which will be held on 18/05/2015 with regard to the statutory and consolidated IFRS figures for the financial year 2014 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 172.

WHY LUXEMBOURG?

Since 2006 Leasinvest Real Estate applies a clear diversification strategy, both in terms of asset class and geographically. The portfolio of the RREC on 31/12/2014 consists of: 45% retail, 35% offices, 20% logistics (incl. the State Archives in Bruges) and is located for 59% in the Grand Duchy of Luxembourg, for 36% in Belgium and for 5% in Switzerland.

The choice to invest in the Grand Duchy of Luxembourg is mainly inspired by the healthy and stable economic and political situation (AAA status) of the country that recorded in 2014 an important GDP growth of 3.3%. The country disposes of a strong financial center and is the worldwide no 1 in private banking and no 2 in fund management. In the Grand Duchy of Luxembourg that has a population of over 500,000 inhabitants, a daily flow of 150,000 people from the neighbouring countries Belgium, France and Germany come over there to work. All these factors contribute to the Grand Duchy of Luxembourg being a very interesting country for all types of real estate investments, which is also demonstrated by the vacancy rate of our Luxembourg portfolio that amounts to only 1.23%.

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 (and Switzerland).

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; take-up is rising again, but only for new or fully renovated buildings in the central business districts of Brussels or for exceptional transactions such as VAC in Ghent (see real estate report, market information), (2) this lower take-up trend led to lower rents that have barely evolved over the last 15 years, (3) completions of new office developments over the last couple of years have unnecessarily increased the offer and although the net take-up is still negative, the total vacancy rate of the Brussels office market still amounts to around 10%, (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 in 2014 the highest take-up level since 2008, of over 200,000 m², was recorded.

WHY RETAIL?

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.
In 2014 the retail portfolio was completed by the acquisition of 3 retail buildings, all 100% let to important retailers, in the Vaud canton in Switzerland.

SUCCESSFUL REDEVELOPMENTS

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. Since the end of 2013 Leasinvest Immo Lux has become the main foreign real estate investor in the country (source: Expertise/JLL Luxembourg).
The prestigious office project Royal20 of Leasinvest Real Estate, located boulevard Royal in the center of the city of Luxembourg, that will be completed in 2016, was already 100% pre-let at the end of 2014 to the Luxembourg branch of China Merchants Bank, one of the Chinese banks entering into the Luxembourg market over the last couple of years.

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 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 over 80% let on 31/12/2014. Older and/or less strategic office buildings are preferably sold if an opportunity presents itself, as was the case in 2014. A total of € 12 million was divested (see overview of divestments in the Management report).

> “Switzerland will, just as it was the case for the Grand Duchy of Luxembourg, become a strategic market for us.”

SWITZERLAND, THE NEW ASSET

Switzerland, just as is the case for the Grand Duchy of Luxembourg, has been granted AAA status and recorded over the entire year 2014 a growth of the gross domestic product of 1.9%, in comparison with 2.9% for the Grand Duchy of Luxembourg and 0.8% for the entire Euro zone (cf. information on the real estate market Cushman & Wakefield – see real estate report).
The unemployment rate in January 2015 only amounts to 3.5%, which is certainly better than both the levels in the Grand Duchy of Luxembourg and Belgium.
Switzerland also knows a very stable macro-economic environment.
The recent decision of the Swiss central bank to let go of the fixed rate compared to the euro has led to a situation of +/- parity of both currencies. The strong Swiss Franc could have a negative impact on export and tourism.
According to the Global Competitiveness Report 2014 – 2015 of the World Economic Forum Switzerland has a top 10 position, both in Europe and worldwide.

Europe Top 10

The Global Competitiveness Index 2014-2015	Global Rank*
Switzerland	1
Finland	4
Germany	5
Netherlands	8
United Kingdom	9
Sweden	10
Norway	11
Denmark	13
Belgium	18
Luxembourg	19

Source: The Global Competitiveness Report 2014-2015
Note: * 2014-2015 rank out of 144 economies

Global Top 10

The Global Competitiveness Index 2014-2015	Global rank*
Switzerland	1
Singapore	2
United States	3
Finland	4
Germany	5
Japan	6
Hong Kong SAR	7
Netherlands	8
United Kingdom	9
Sweden	10

Source: The Global Competitiveness Report 2014-2015
Note: * 2014-2015 rank out of 144 economies

The Global Competitiveness Report 2014 – 2015 of the World Economic Forum (http://www.weforum.org).

Power of innovation, efficiency of the labour market and a well-performing corporate sector

Top in scientific research

Public sector is no 5 worldwide as to efficiency and transparency

Excellent infrastructure

Strongly developed financial market

Very stable macro-economic environment

COMMERCIAL STRATEGY

By a sustained dynamic & proactive commercial management, Leasinvest Real Estate endeavours to keep the occupancy rate (96.24% on 31/12/2014 compared to 96.9% on 31/12/13) at a high level and to increase as much as possible the average duration of the leases, that remained relatively stable at 5.08 years (5.23 years on 31/12/2013).

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.

Yverdon-les-Bains Switzerland

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 13/07/2014 on regulated real estate companies (RRECs), amounts to 65%. The debt ratio at 31/12/2014 amounts to 54.27% and perfectly fits within the predefined spread of 50% to 55%.

Following article 24 of the RD of 13 July 2014, a public RREC has to draw up a financial plan with an execution calendar, as soon as the consolidated debt ratio amounts to more than 50%, in which it gives a description of the measures that will be taken to prevent the consolidated debt ratio from amounting to more than 65% of the consolidated assets. Over this financial plan a special report is drawn up by the auditor, in which is confirmed by the latter that he has verified the development procedure of the plan, namely with regard to its economic fundamentals, and that the figures recorded in this plan, correspond to those of the accounts of the public RREC.
The general guidelines of the financial plan are recorded in the financial statements in note 34.

In 2014 Leasinvest Real Estate has renewed expired credit lines. Consequently, the credit lines amount to € 448.7 million (excl. the bond loans of € 95), which is identical to 2013.
The increase of the average funding cost in 2014 from 3.29% to 3.63% is explained by, on the one hand, the influence of the diversification end-2013 to bond loans with fixed interest rates and, on the other hand, the excess of unused credit lines that were higher than in 2013 over the entire year (which implies a higher reservation cost). Due to the hedging structure of the debts, the influence of a decreasing interest rate is relatively limited.

Debt ratio
54.27%

Duration hedges
6.13 years

Funding cost
3.63%

Duration credit lines
3.2 years

Total credit lines
€ 448.7 million

Important events

2.1 DURING THE 2014 FINANCIAL YEAR

HIGHLIGHTS

Successful letting of Royal 20 according to schedule

High occupancy rate of the real estate portfolio

Recurrent rental income rises by 14%

Net current result increases to € 26.1 million, or by 8.3%

Net result rises by 21.2% to € 32.6 million

Outlook for 2014 confirmed

Increase of the dividend to € 4.55 gross per share

Occupancy rate
96.24%

Recurrent rental income
+ 14%

Net result
+ 21.2%

Gross dividend per share
€ 4.55

"Leasinvest Real Estate acquires a high-quality retail portfolio in Switzerland and hence strengthens its geographical diversification to a third country, besides the Grand Duchy of Luxembourg and Belgium."

INVESTMENTS AND DIVESTMENTS

"After our successful expansion in the Grand Duchy of Luxembourg, we are very pleased with these first acquisitions in Switzerland, a country benefitting as the Grand Duchy of Luxembourg from a well-performing and stable market situation. Leasinvest Real Estate thus becomes a unique market player, active in the Grand Duchy of Luxembourg, Belgium and Switzerland."

Acquisition retail portfolio in Switzerland

On 7 November 2014 Leasinvest Real Estate has acquired, via its 100% Luxembourg subsidiary Leasinvest Immo Lux SA SICAV-SIF, a high-quality real estate portfolio in Switzerland. The portfolio was acquired from the European high street retail specialist Redevco.

The acquired retail portfolio consists of 3 very well located retail buildings in the Canton of Vaud in the West French-speaking part of Switzerland. Two commercial centers are located respectively in the well-developed retail park areas of Etoy (Littoral Park) and Villeneuve (Zone Pré Neuf). The third asset is located on the main retail street of Yverdon-les-Bains along the Lake of Neuchâtel, the second most important city in the Canton of Vaud.

These 3 buildings were acquired for a price of 45.6 million CHF (including registration duties and costs), or approximately € 37.8 million (at the exchange rate at the time of the acquisition), which is lower than the fair value. The total portfolio has a surface area of 11,649 m² and is fully let to international retailers such as Fust (part of the second largest Swiss retailer Coop group), C&A, Casa, JYSK, Maxi Zoo and Heytens. The annual net rental income amounts to 2.8 million CHF (or approximately € 2.24 million at the exchange rate at the time of the acquisition). The commercial center located in Etoy generates nearly half of the portfolio's rental income while 31% is generated by Villeneuve and 23% by Yverdon-les-Bains.

Villeneuve
Switzerland

Sale of 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 an amount of € 10,350,000 which exceeds the fair value at end-2013. This office complex located in front of 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 m² and is entirely let.

Sale of semi-industrial building in Meer

On 28 May 2014 Leasinvest Real Estate has sold a semi-industrial building located in Meer to RAMA SA for a net amount of € 1,650,000, which is not lower than the fair value end March 2014. It has a gross letting area of 5,015 m² and is entirely let to Dobla, producer of high-end chocolate decorations.

Signing of sales agreement for Phase 2 of Canal Logistics in Neder-over-Heembeek

On 31 December 2014 Leasinvest Real Estate has signed a sales agreement with regard to the sale of phase 2 of the logistics building Canal Logistics in Neder-over-Heembeek for an amount of € 16.75 million net, which is not lower than the fair value.
The building comprises 20,664 m² of storage space and 1,250 m² of offices and is very well located alongside the Brussels-Charleroi canal, just 10 minutes away from the city center and Brussels Airport.

DEVELOPMENTS AND REDEVELOPMENTS

Square de Meeûs and Montoyer 63

Leasinvest has taken advantage of the opportunity to re-construct Montoyer 63 (6,500 m²) and Square De Meeus 5-7 (5,500 m²) as Triple A buildings that respond to the highest quality standards with regard to sustainability and technology.
Due to their unique location, in the heart of the European district, they will be marketed (2017/2018) when the offer of new buildings will be limited.
These redevelopments will have a temporary influence on the rental income and the net result, respectively as of 06/2015 and 01/2016.
The authorization procedure is ongoing for both buildings. Montoyer 63 was designed by SVR Architects from Antwerp and Square de Meeus is a Assar Architects design.

Canal
Logistics
Brussels
Belgium

LETTINGS AND TERMINATIONS

Extension of the lease with SKF in Tongres

SKF, of which the real estate leasing contract would expire at the end of 2016, has opted for a further extension till end 2025. The site comprises a logistics building of 25,000 m² in Tongres, and is used as a European logistics hub for the Swedish multinational.

Extension of the lease for Monterey in Luxembourg

The rental contract with regard to the Monterey building located avenue Monterey in the Grand Duchy of Luxembourg has been successfully extended for a new fixed 9-year period with the current tenant.

Lease of Royal20, Boulevard Royal in Luxembourg

On 19 December 2014 Leasinvest Real Estate, via its 100% subsidiary Leasinvest Immo Lux, has concluded a pre-letting agreement for 100% of the prestigious office building Royal20, located Boulevard Royal in the center of the city of Luxembourg.
The rental contract has been concluded with the Luxembourg branch of the China Merchants Bank Co Ltd, the 6th Chinese bank in terms of assets.

The agreement will enter into force as of the reception of the office building Royal20, foreseen for the spring of 2016. Awaiting the delivery, China Merchants Bank occupies a floor in the office building Monnet located in Kirchberg (see below).
The prestigious building Royal20 designed by the renowned French architecture agency Agences Elisabeth & Christian de Portzamparc will comprise approximately 5,000 m² of office space and will respond to high energetic performance demands. The rental contract was concluded for a period of 10 years with an annual rent of € 3 million.

Improvement occupancy rate The Crescent in Anderlecht

By new services agreements concluded for the building The Crescent the occupancy rate has further increased to over 80%. Currently, negotiations are ongoing, which leads us to expect that the business center will reach its maximum capacity. Thanks to the high number of personnel, the sale of services offered also rises (such as catering, fitness, seminar centers) resulting in a higher financial occupancy rate.

Termination of rental contract for Monnet in Luxembourg

The tenant Sal. Oppenheim has cancelled its rental contract for the office building located at Kirchberg (Luxembourg) that expired on 31/12/2014. Some renovation works need to be carried out. Given the very good situation of this building and the low vacancy rate at this location, re-letting is expected to take place by the end of 2015.

Royal20
Luxembourg

CHANGE INTO A REGULATED REAL ESTATE COMPANY (RREC)

The FSMA (Financial Services and Markets Authority) has formally confirmed to the Company on 1 October 2014 that it meets all conditions of the Law of 12 May 2014 with regard to regulated real estate companies (the "RREC Law") to obtain a licence as a public regulated real estate company ("public RREC"), under certain conditions precedent, and if the "indirect real estate" is brought below the legal threshold of 20% of the consolidated assets of the Company[1]. The Company has brought thereafter its "indirect real estate" to below the legal threshold of 20% of the consolidated assets of the Company.
On 4 November 2014 the FSMA has granted Leasinvest Real Estate ("LRE") a licence as a public RREC under certain conditions precedent.
The Extraordinary General Meeting of shareholders of the company, held on 6 November 2014, has unanimously approved the change of status from a public sicafi (undertaking for collective investment) into a public RREC, in accordance with the RREC Law.

LRE is pleased with the approval of this new status by its shareholders. This will allow LRE to continue its current activities in the interest of the Company, its shareholders and other stakeholders, and to consequently position itself as a B-REIT (Belgian Real Estate Investment Trust) in order to optimise its visibility and its understanding by international investors.

1 For more information we refer to the Information memorandum and the Press release of 3 October 2014 of the Company with regard to the "proposal for amendment of the status into a Public Regulated Real Estate Company" as published on the website of the Company (www.leasinvest.be).

2.2 AFTER THE CLOSING OF THE FINANCIAL YEAR 2014

No important event took place after the closing of the financial year 2014.

Debt ratio
54.27%

Gross dividend yield
4.96%

Average duration leases
5.08 years

Retail
45%

Comments on the consolidated income statement and the balance sheet of the financial year 2014

INCOME STATEMENT

The rental income has increased by 11% (+ € 4,989 thousand) and amounts to € 50,175 thousand in comparison with € 45,186 thousand end 2013.
This evolution is mainly the consequence of the investment realized in Switzerland in 2014 (€ 0.4 million) and the investments realized in 2013 in Knauf Shopping Center Pommerloch and Hornbach, € 6.4 million in total, compensated by the decrease of rental income following divestments (- € 1.4 million).

But organic growth in rental income is also recorded which rises by 3% or € 1.3 million (mainly Knauf Shopping center in Schmiede & The Crescent in Anderlecht) at constant portfolio, in comparison with the same period of last year (excl. rental rebates).
Making abstraction of the settlement obtained in 2013, the rental income rises by 13.5% in comparison with the same period last year[1].

The average duration of the leases has slightly decreased to 5.08 years in comparison with 5.23 years end 2013, but recorded a strong rise in the asset class logistics/Belgium by the rental contract with SKF till end 2025 and in the asset class offices/ Grand Duchy of Luxembourg by the extension of the lease with the current tenant for a fixed period of 9 years for the Monterey building.
The average duration also increased by the acquisition in Switzerland (5.6 years).

The gross rental yields have slightly decreased in comparison with end 2013 and amount to 7.23% (end 2013: 7.31%) based on the fair value and to 7.10% (end 2013: 7.18%) based on the investment value, which is the consequence of the investment in Switzerland. The occupancy rate remained nearly stable and amounts to 96.24% in comparison with 96.90% end 2013.

The fair value of the real estate portfolio amounts to € 756.3 million end 2014 compared to € 718.2 million end December 2013. The increase is explained by the investment in Switzerland of € 38 million and the works carried out for Royal 20, compensated by the divestment of the building located avenue Louise 66 (Brussels) in the first quarter of 2014 (€ -8.2 million) and the sale of the logistics building located in Meer (€ -1.7 million).

The operating result before the portfolio result increases by 13% and amounts to € 38.6 million end 2014 in comparison with € 34.2 million end 2013.

The financial result decreases by € 4.2 million and amounts to - € 13,157 thousand. This evolution is explained by a higher average funding cost end 2014 (3.63%) in comparison with end 2013 (3.29%) which has an impact of -€ 1.4 million, higher debts by the investments realized in 2013 or an impact of -€ 1.7 million, the negative evolution of the fair value of the assets and liabilities or an impact of -€ 1.7 million, compensated by a higher dividend received from Retail Estates or +€ 0.6 million.

End December 2014 the debt ratio amounts to 54.27% in comparison with 53.53% end December 2013. At the end of December 2014 the debt ratio of 54.27% lies within the 50%-55% range.

The net result, group share, amounts to € 32.6 million at the end of 2014 compared to € 26.9 million end 2013. In terms of net result per share, this results in € 6.60 end 2014 compared to € 5.45 end 2013. The rise is explained by the higher rental income (+€ 5 million), compensated by a more negative financial result (-€ 4.2 million), mainly by the negative impact of the evolution of the fair value of the financial assets and liabilities (-€ 1.7 million) and higher costs (-€ 0.8 million). The result on the real estate portfolio amounts to € 7.5 million end 2014 in comparison with € 1.8 million end 2013, which explains the increase of the net result.

The net current result end 2014 amounts to € 26.1 million (or € 5.28 per share), in comparison with a net current result of € 24.1 million (or € 4.89 per share) end 2013. This increase is mainly the consequence of the higher rental income in comparison with the same period of last year.

1 In 2013 a compensation of approximately € 1.2 million was received within the framework of a settlement; making abstraction of this settlement, the rental income rises by € 6,2 million or 14%.

BALANCE SHEET

End December 2014 shareholders' equity group share (based on the fair value of the investment properties) amounts to € 336.4 million (31/12/13: € 335.3 million) or € 68.1 per share (2013: € 67.9).

The increase of the shareholders' equity in comparison with end 2013 is due to the evolution of the comprehensive result of € 21.3 million end 2014 compensated by the dividend (€ - 20.2 million).

End December 2014 the net asset value per share amounts to € 68.1 (2013: € 67.9). The closing price of the share was € 91.61, or 34.5% higher than the net asset value. The net asset value per share excl. the influence of the fair value adjustments on financial instruments (EPRA) amounts to € 75.5 end 2014 in comparison with € 71.5 end 2013.

On 29 October Leasinvest Real Estate, through its 100% subsidiary Leasinvest Immo Lux, has acquired all the shares of S. Invest SA, holding in its turn all the shares of Porte des Ardennes Schmiede SA, issuer of the real estate certificate of the shopping center Knauf Schmiede.

Monnet
Luxembourg

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 € 4.55, and net, free of withholding tax of 25%, € 3.4125 on 26 May 2015.

Subject to the approval of the ordinary general shareholders' meeting of 18 May 2015 dividends will be paid out on presentation of coupon no 18 as of 26 May 2015 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.
The Ex-date is 22/05/2015 and the Record date is 25/05/2015.

Outlook financial year 2015

Except for extraordinary circumstances and new investments, the company expects to realize a lower net result and net current result in 2015 than in 2014 due to the influence on the evolution of the rents of the planned redevelopments Monnet and Square de Meeûs.
Notwithstanding this evolution, the company expects to maintain the dividend over 2015 at minimum the same level.

Management of financial resources

In 2013 Leasinvest Real Estate already worked on diversifying and spreading its credit sources. The diversification and extension of the average duration objectives were mainly reached by issuing bond loans in 2013.

The net proceeds of these issues were already used in 2013 for concretizing the strategy of the company, and more specifically to fund the growth and further diversification of the real estate portfolio. In 2014 these resources were further used for the diversification to Switzerland.

By the acquisition of these buildings in Switzerland Leasinvest Real Estate runs the risk that both the value of the real estate and the net cash flows fluctuate due to the fluctuation of the Swiss Franc versus the Euro.
As the transaction was funded in Euro (variable) there was no compensation between the fluctuations of the exchange rates of the assets and the liabilities.

That is why a cross currency swap was concluded for 45 million CHF, consisting of two components, an exchange rate component recognized via the results and compensated by the exchange rate fluctuation of the assets, and an interest rate component, swapping the variable euribor in CHF fixed interest rate. The latter component ensures that Leasinvest Real Estate is hedged against the appreciation of the euribor. The interest rate component is recognized via shareholders' equity (cash flow hedge accounting).

End-2014 Leasinvest Real Estate disposes of € 105.7 million of available credit lines (after deduction of the credit lines held to cover the commercial paper) (€ 137.7 million end-2013).

Protection against increasing interest rates (or decreasing in the case of fixed interest rate credits) is ensured through the use of financial instruments or financial derivatives.

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 2014 Leasinvest Real Estate has 39% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end-2013: 36%); 9% of current interest rate caps (with a limit on the interest rates) (end-2013: 10%) and 35% of credits at fixed rates (2013: 36%) and 8% of currency swaps. For more details we refer to note 34 of the financial statements on page 156.

The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.63% (end-2013: 3.29%) excluding the effect of fair value adjustments on financial assets and liabilities; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 4% (2013: 3.08%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost.

Leasinvest Real Estate received for its annual financial reports 2012 & 2013 an EPRA Gold Award.

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 RRECs 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)

	2014	2013
Net result – group share as communicated in the financial statements	32,572	26,926
Net result per share – group share as communicated in the financial statements (in €)	6.60	5.45
Adjustments to calculate the EPRA Result	-6,510	-2,798
To exclude		
(i) Changes in fair value of investment properties and assets held for sale	-5,687	-1,978
(ii) Result on the sale of investment properties	-1,767	146
(iv) Changes in fair value of financial instruments	729	-966
(viii) Deferred taxes with regard to EPRA adjustments	215	0
(x) Minority interests with regard to EPRA adjustments	0	0
EPRA Result	26,062	24,128
Number of shares entitled to the result of the period	4,938,870	4,938,870
EPRA Result per share (in €)	5.28	4.89

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

	2014	2013
NAV according to the financial statements	336,414	335,334
NAV per share according to the financial statements (in €)	68.12	67.90
To exclude		
(i) Fair value of the financial instruments	36,448	17,941
EPRA NAV	372,862	353,275
Number of shares entitled to the result of the period	4,938,870	4,938,870
EPRA NAV per share (in €)	75.50	71.53

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

	2014	2013
EPRA NAV	372,862	353,275
To include		
(i) Fair value of the financial instruments	-36,448	-17,941
EPRA NNNAV	336,414	335,334
Number of shares entitled to the result of the period	4,938,870	4,938,870
EPRA NNNAV per share (in €)	68.12	67.90

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

		2014	2013
Investment properties and assets held for sale		756,327	718,234
To exclude			
Assets held for sale		-17,626	-10,144
Development projects		-33,860	-20,680
Real estate available for lease		**704,841**	**687,410**
To include			
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		13,226	12,401
Investment value of properties available for lease	B	**718,067**	**699,811**
Annualized gross rental income		51,200	51,000
Property charges		-7,782	-7,638
Annualized net rental income	A	**43,418**	**43,362**
Gratuities expiring within 12 months and other lease incentives		-601	-406
Annualized and adjusted net rental income	C	**42,817**	**42,956**
EPRA NIY	A/B	6.05%	6.20%
EPRA adjusted NIY	C/B	5.96%	6.14%

EPRA VACANCY RATE (X € 1,000)

		2014				2013			
		Offices	Logistics	Retail	Total	Offices	Logistics	Retail	Total
Rental surface (in m^2)		87,766	201,446	144,189	433,401	100,419	209,448	94,136	404,003
Estimated Rental Value of vacant spaces	A	1.43	0.40	0.07	1.89	1.37	0.19	0.00	1.56
Estimated Rental Value of total portfolio	B	16.57	9.41	24.63	50.61	17.54	11.25	21.47	50.26
EPRA Vacancy rate	A/B	**8.60%**	**4.10%**	**0.28%**	**3.73%**	**7.81%**	**1.61%**	**0.00%**	**3.10%**

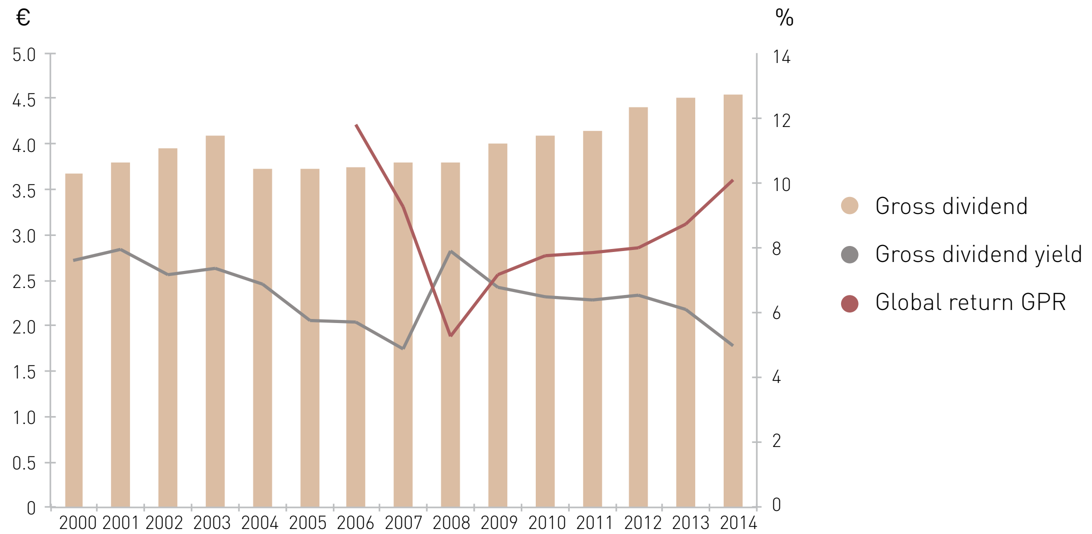
EPRA COST RATIO (X € 1,000)

	2014	2013
Other rental-related income and expenses	-1,637	-1,617
Property charges	-7,235	-6,717
General corporate costs	-2,704	-2,374
Other operating charges and income	-307	-343
EPRA costs including rental vacancy costs	**-9,869**	**-9,038**
Direct costs of rental vacancy	504	295
EPRA costs excluding rental vacancy costs	**-9,365**	**-8,743**
Rental income	**50,175**	**45,186**
EPRA Cost ratio (including direct rental vacancy costs)	**-19.7%**	**-20.0%**
EPRA Cost ratio (excluding direct rental vacancy costs)	**-18.7%**	**-19.3%**

Leasinvest real estate on the stock exchange

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
The return for the shareholders based on the global return GPR, is based on the nominal total returns, including reinvestment of the dividends. Returns are presented in the local currency and are based on the closing price of each month.

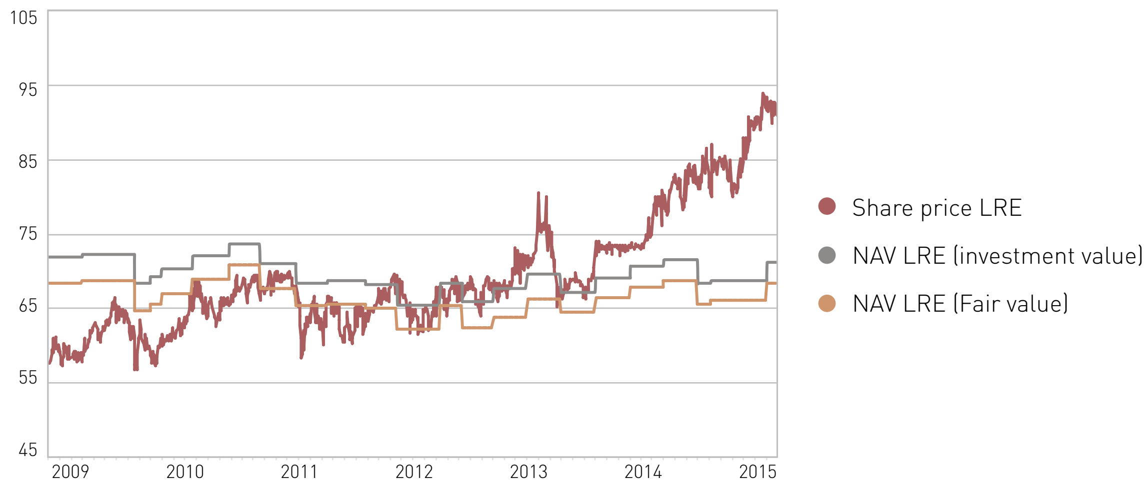
KEY FIGURES AND GRAPHS

	31/12/2014	31/12/2013
Number of listed shares (#)	4,938,870	4,938,870
Number of issued shares (#)	4,938,870	4,938,870
Market capitalisation based on closing price (€ million)	452.45	363.50
Free float (%)	41%	41%
Closing price (€)	91.61	73.60
Highest price (€)	93.90	80.52
Lowest price (€)	73.00	65.15
Average monthly traded volume (#)	38,682	33,347
Velocity (%) (1)	9.40%	8.96%
Free float velocity (%) (2)	22.92%	21.86%
Premium based on closing price vs NAV (fair value)	+34.5%	+7.50%
Gross dividend (€)	4.55	4.50
Net dividend (€)	3.4125	3.375
Gross dividend yield (3)	4.96%	6.10%
Payout ratio (consolidated)	86%	83.90%
Payout ratio (statutory)	99%	164.30%

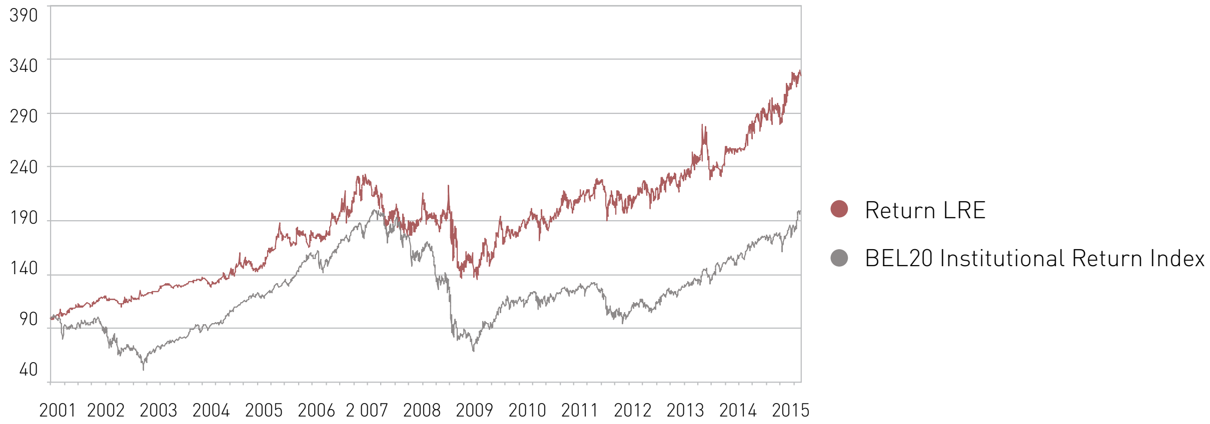
1 Number of traded shares / total number of listed shares.
2 Number of traded shares / (total number of listed shares * free float).
3 Gross dividend / closing price.

"The closing price of the Leasinvest Real Estate share has nearly increased by 25% in 1 year."

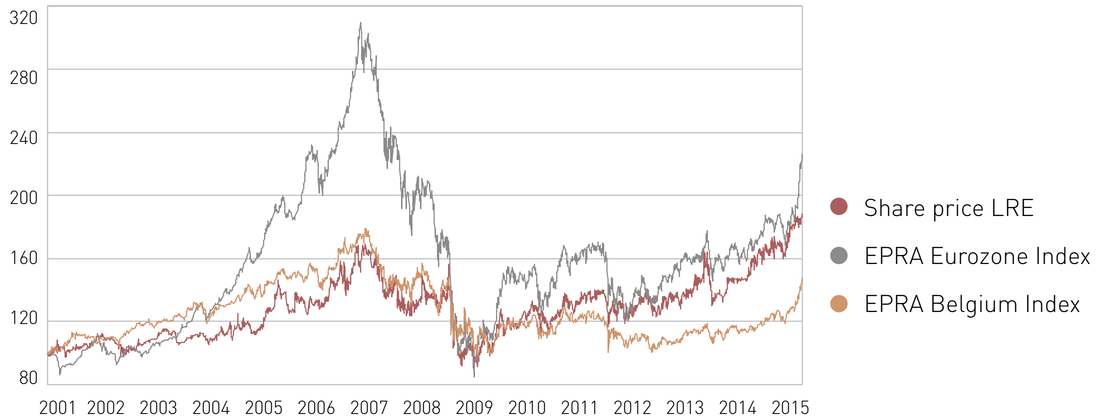
PRICE PREMIUM/DISCOUNT LEASINVEST REAL ESTATE SHARE PRICE VERSUS NET ASSET VALUE



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



COMPARISON OF LEASINVEST REAL ESTATE SHARE PRICE WITH THE RETURN OF THE EPRA INDICES (WWW.EPRA.COM)[2]



1 Index to consult in the financial newspapers and on the internet.
2 Information from EPRA, not controlled by any authority.

In the course of this year, the Leasinvest Real Estate share gradually rose to a top share price of € 93.90 in December to close on 31/12/2014 at € 91.61, which results in a 25% increase compared to the closing price op 31/12/2013 (€ 73.60). The share is listed with a premium of 34.5% compared to the net asset value on 31/12/2014.

The past financial year, the average monthly transaction volume of the share has increased to 38,682 shares in comparison with 33,347 in 2013. The relatively low velocity (9.40% over 2014) 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 2014 amounts to 22.92%, or a slight increase compared to 2013.
As shown by the graph, the Leasinvest Real Estate share records quasi systematically a higher return than the BEL20 Index. In 2014 the Leasinvest Real Estate share again performed a lot 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, recorded a more significant rise than the Leasinvest Real Estate share at the end of 2014.

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Michel Van Geyte • COO

Real estate report

"The prestigious Royal20 project, designed by the renowned French architect Christian de Portzamparc, located Boulevard Royal in the Grand Duchy of Luxembourg was very sought after in the market and has been pre-let more than one year in advance before its reception. The proof that a top project at a top location remains a good investment."

ROYAL20, LUXEMBOURG

Royal20 is a shimmering diamond in the heart of the Grand Duchy of Luxembourg, designed by the renowned French architect Christian de Portzamparc, combining purity and elegance.
This extraordinary structure is ideally located alongside one of the most prestigious boulevards in the center of Luxembourg. This project represents a perfect integration of the office function within its environment.
The Royal20 building is located in the financial center of Luxembourg, at walking distance of the pedestrian center with restaurants, shops, theaters and concert halls.
This building also offers a unique relaxation area in the very heart of the city thanks to its magnificent terraces and exceptional views on het city center.

The office building of 4,743 m² comprises eight floors of adaptable business space and excels in terms of energy efficiency. At the front of the building, large spaces will be bathed in the sunlight that filters in through the exceptional façade.
The project combines low energy consumption, guiding unit with real-time monitoring for heating and cooling, collecting rainwater for use in toilets, air in the premises renewed before the start of the period of occupation, sorting of waste, solar panels for hot water production, optimized orientation of the building and optimizing the contribution of external lighting with the treatment of facades, automatic management of external blinds for each facades and each floor/ manual management of internal blinds, optimizing insulation, framework performance (Uw max 1,30), movement detector for office lighting LED and BUS system, variable individual lighting according to contribution of external lighting (min 500lux), 22 cm thickness of mineral insulating on the façade and 34 cm thickness for roofing, to obtain a class BBB (energy performance class low consumption).
Breeam certification that covers every step' of the building's lifecycle from the design, demolition, construction to the operation is foreseen. The Breeam approach goes hand in hand with an obligation to achieve ambitious performance and results having a direct influence on the work and well-being of the tenants while being economically viable by reducing energy bills, transportation, communication and structure costs.

The interest of potential tenants for this prestigious building was high. Finally, a rental contract for the entire building Royal20 was anticipatively concluded end-2014 with China Merchants Bank for a fixed period of 10 years that will start as of the completion of the building in 2016.

Breeam: very good or excellent (objective for 2016)
Year of construction: 2016
4,743 m² offices
Occupancy rate (2016): 100%
Total investment: € 36 million
Rental yield: 5.5%

MONNET, LUXEMBOURG

The Monnet building, ideally located in the Kirchberg district in the Grand Duchy of Luxembourg is currently undergoing a major renovation.

This district, that keeps on growing, benefits from all necessary facilities, among which a large number of restaurants, shops and magnificent parks and gardens. It is as easily accessible by car as by public transport and is located in the immediate vicinity of the main roads.

The Monnet building differentiates itself from classic office buildings by its flexibility, its high degree of quality and its technical features. It comprises 5 floors, of which the large windows provide an unforgettable incidence of light, with a view on the city, the garden and the surroundings.

The reception of the renovation is expected by mid-2015; in the intervening period China Merchants Bank (future tenant of the entire Royal20 building) occupies 1 floor. There is also an important interest from other parties, which leads us to expect that the building will be entirely let by end-2015.

This building will also be BREEAM certified, at first with an objective in-use 'pass'.

Breeam-in-use: pass (objective for 2015)
Year of construction: 1992 – partial renovation in 2011 – partial renovation in 2015
3,866 m² offices
Occupancy rate (2014): 100%
Total investment: € 2.7 million
Rental yield (2014): 7.29%

KNAUF SHOPPING CENTERS, LUXEMBOURG

Shopping center Knauf in Schmiede has been for 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.

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.

Both shopping centers are entirely let and could in the meanwhile attract important new retailers such as McGregor, AS Adventure, Join Experience (telecom) and Sergeant Major (children's clothes).

Since February 2014 visitor numbers are monitored, which will allow a/o to measure the effect of our marketing efforts.
In the meanwhile, a new logo and sign were developed for the shopping centers with roll out in 2015.

Schmiede
Year of construction: 1995
32,908 m² shops – 2,776 m² offices – 1,200 parking spaces
Occupancy rate: 99%
Total investment: € 74.5 million
Rental yield (average): 7.13%

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): 6.65%

SQUARE DE MEEÛS, BRUSSELS (BELGIUM)

Office building Square de Meeûs that becomes vacant as of Q2 2015 is located in the heart of the Brussels' CBD district where there is currently already a scarcity in new buildings and where at present completed buildings can be promptly leased at good rents (see real estate market report).

This building will be entirely reconstructed and will comprise 5,936 m^2 state-of-the-art office space. The building permit request has been introduced, and the objective for this building is to obtain a BREEAM 'excellent' certificate by its completion, foreseen by 2016.

Breeam: excellent (objective for 2016)
Year of construction: reconstruction by 2016
5,936 m² offices
Occupancy rate (2014): 84.68%
Total foreseen investment: € 19 million
Rental yield (2014): 9.97%

MONTOYER, BRUSSELS (BELGIUM)

Office building Square de Meeûs that becomes vacant as of Q1 2016 is also located in the heart of the Brussels' CBD district where there is currently already a scarcity in new buildings and where at present completed buildings can be promptly leased at good rents (see real estate market report).

This building will be entirely reconstructed and will comprise 6,570 m^2 state-of-the-art office space. The building permit request has been introduced, and the objective for this building is to obtain a BREEAM 'excellent' certificate by its completion, foreseen by 2017.

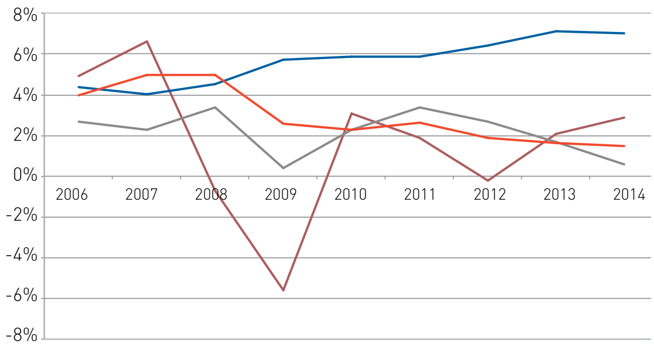
Breeam: excellent (objective by 2017)
Year of construction: reconstruction by 2017
6,570 m² offices
Occupancy rate (2014): 100%
Total foreseen investment: € 18 million
Rental yield (2014): 11.32%

9.1 REAL ESTATE MARKET IN 2014[1]

The information on the real estate market below comprises extracts from the real estate market reports of Cushman & Wakefield, for the Grand Duchy of Luxembourg and Belgium and of SPG Intercity for Switzerland, reproduced with their consent, and of which the contents have not been controlled.

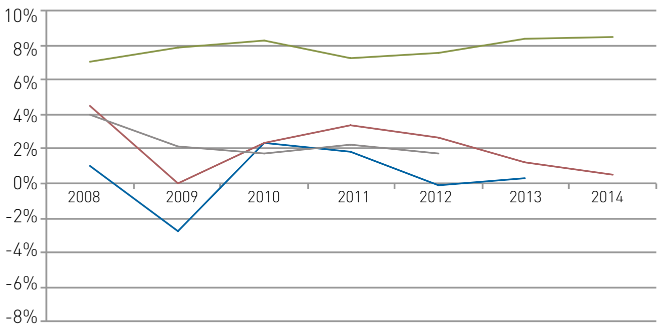
MACROECONOMIC EVALUATION OF LUXEMBOURG AND BELGIUM

Luxembourg



Source: Statec, BCL
Growth GDP
Growth inflation
Unemployment rate
Interest rates (Loans to non-financial companies < € 1 M)

Belgium



Source: Eurostat
Growth GDP
Growth inflation
Unemployment rate
Interest rates (Loans to non-financial companies < € 1 M)

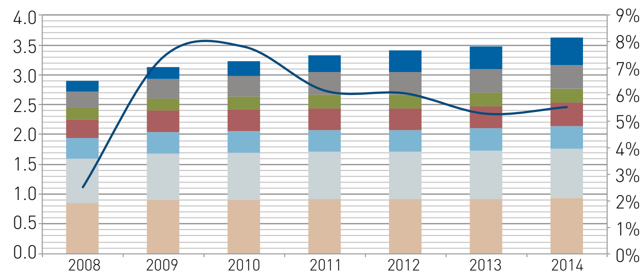
LUXEMBOURG

Investment market

Office market: limited pipeline of new completions

At the end of 2014, the Luxembourg office stock amounted to 3.6 million m². Although still dominant, the Kirchberg and the CBD have seen their proportions decrease from 55% in 2008 to 48% today. Other office districts are emerging, such as the Station district, the Cloche d'Or and Belval on the periphery. The pipeline over the next three years is estimated at 424,000 m² of which two thirds are already let or destined for own occupation. The office project Royal20 of Leasinvest Real Estate is also located in the CBD at boulevard Royal in the center of the city of Luxembourg and has been pre-let since the end of 2014 for a fixed period of 10 years to the Luxembourg branch of the China Merchants Bank. The completion of this prestigious project designed by the renowned French architect Christian de Portzamparc, is foreseen in 2016.

STOCK AND VACANCY

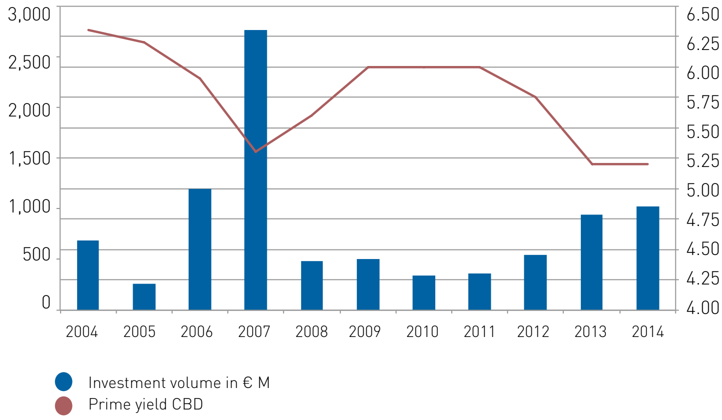


Kirchberg
CBD
Station
Cloche d'Or
Other inner city districts
Decentralized
Periphery
Vacancy rate (right scale)

The positive sentiment to have been felt in 2014 is further reinforced by the investment level in professional real estate, which amounted to 1.02 billion Euros across 40 transactions, the best result since 2007.
Luxembourg and Belgian investors accounted for 40% of the market, against 75% over the past five years. By contrast, German and French investors (31% and 18%), along with those from America (12%) have noticeably gained in importance this year compared to their five-year average. Prime yield last year remained at its lowest level since 2004– 5.20%. The largest volume transactions are likely to see a slight decrease in yields in view of the possible lack of core product on the market.

1 Source: Cushman & Wakefield for Luxembourg and Belgium + SPG Intercity for the Swiss market.

VOLUMES PROFESSIONAL REAL ESTATE MARKET



High-quality, well-let buildings in Luxembourg's central business districts remain a firm favourite among investors, with a distinct rise in activity from institutional and foreign investors. The expected finalization of several large investment deals in early 2015 suggests that Luxembourg should be on course to hit another €1 billion yearly investment total.

Retail market: low transaction volume with stable yields, except for the yields of top-located retail warehousing, that went down to 6.15%

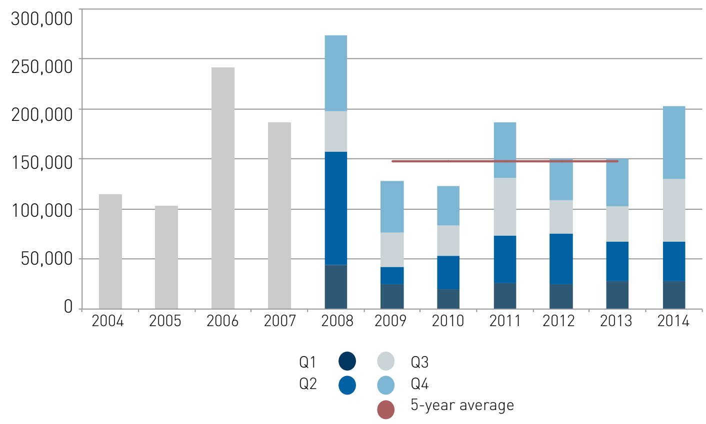
The investment volume in retail property amounts to € 102 million in 2014, a respectable result, but substantially lower than in 2012 and 2013, years during which a/o the investment by Leasinvest Real Estate in the second Knauf shopping center took place. The volume invested in high streets amounts to € 59 million in total according to our estimates, by a/o the sale of the Galerie Kons project (including retail on the ground floor), of the City Station redevelopment located Avenue de la Gare (idem) and of Rosenstiel at de Grand Rue. The balance of – € 43 million – relates to the sale of two retail parks in Howald and Strassen.
The top yields, despite a lack of reference points due to a lack of transactions, remain stable and are situated between 5.0 and 5.5% for the high street segment, between 5.5 and 6.0% for shopping centers and 6.15% for retail in the periphery (-10 base points compared to 2013).
In 2015 the retail volume will be strongly influenced by the sale of the mixed-use project Royal Hamilius, probably the third largest investment transaction in Luxembourg history.

Rental market

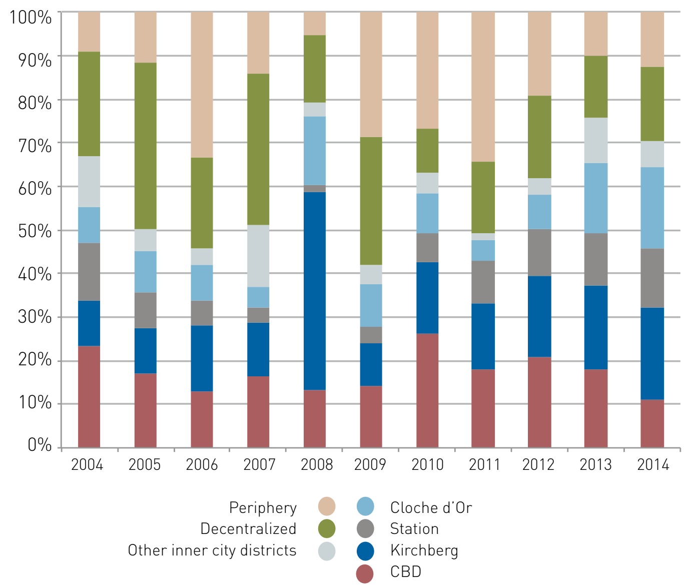
Office market: an excellent year with a take-up of 33% above the 5-year average

The year 2014 can be seen as a very good year for the Luxembourg office market, with total take-up of 202,700 m². This is the best result since 2008 and 33% above the average of the previous five years. Kirchberg (43,000 m²), the Cloche d'Or (37,342 m²) and the Station district (27,589 m²) are the leading trio where this activity is concerned, and together account for more than half of the market. Each of these districts also had the benefit of a major transaction for own occupation, with respectively KPMG in Kirchberg (17,000 m²), PwC in Ban de Gasperich (30,000 m²) and the BCEE in the Station district (10,500 m²). This relegates the CBD to an unaccustomed fourth place, but with 22,152 m² of take-up nevertheless. The airport district also had one of the best years in its history, with 19,245 m², which pulled the decentralized districts up to their best performance for five years, with around 35,000 m². The periphery had a more modest result with just over 25,000 m².

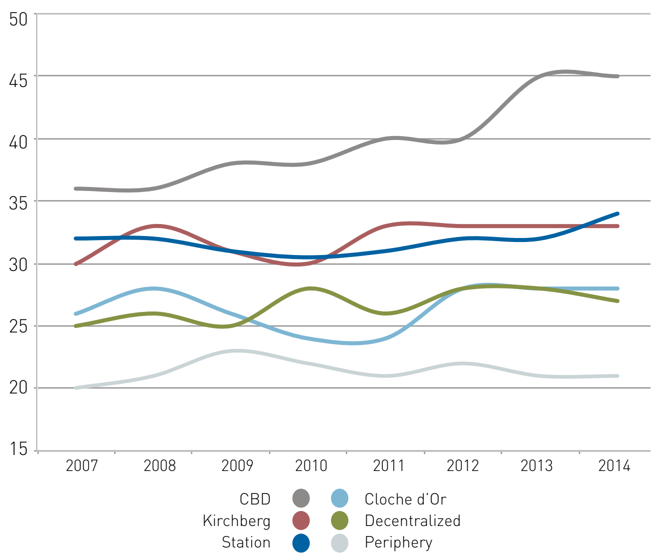
TAKE-UP



TAKE-UP PER DISTRICT



PRIME RENTS (EUR/M²/MONTH)



In terms of rents, 2014 was notable for a rise in prime rents in the Station district, which recorded € 34/m²/month, over 6% up as a result of a revival in local demand. Prime rents on the Kirchberg remained at € 33/ m²/month, meaning that the Station district is now the second most expensive after the CBD, which is untouchable in first place with € 45/ m²/ month.

In view of currently unsatisfied demand, it is probable that the top level will rise again with future developments around the Boulevard Royal, where the Royal20 building of Leasinvest Real Estate under development is located, already pre-let since the end of 2014 (completion in 2016) for a fixed period of 10 years and with an annual rent of € 3 million for approximately 5,000 m².

An analysis of the most active occupants by segment shows that the banking and financial sector has dropped down a little in one year (from 32% to 29%), as has the public sector (European and Luxembourg institutions, from 26% to 10%). The sector to benefit from this is services to companies, (including consultants of the Big 4 type, from 21% to 38%). Activity in the banking sector has in particular been impacted by Chinese banks, which have continued to confirm their presence in Luxembourg with the arrival of the Agricultural Bank of China, China Merchants Bank (tenant of the office project Royal20 of Leasinvest Real Estate at boulevard Royal) and the Bank of Communications.

Retail market: stable attractive and dynamic market

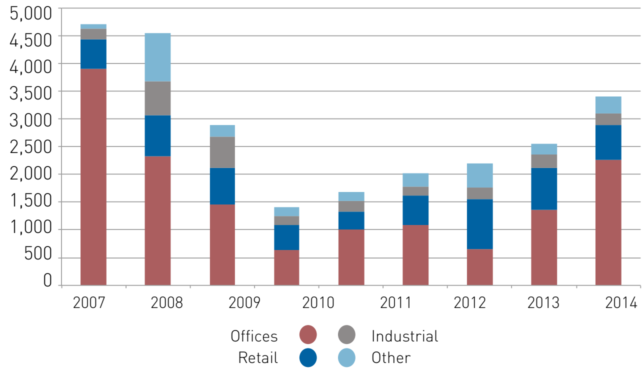
The results for the activities in the retail market for 2014 show a different picture according to looking at the market from a take-up or number of transactions view. The first figure that amounts to 23,700 m² has dropped by 13% in comparison with the 5-year average, while the number of transactions is 74.9% higher. It is assumed that this market does experience the consequences of economic uncertainty, but still demonstrates a solid attractiveness and dynamism. Top rents have all consolidated their level since 2012.

BELGIUM

Investment market

Investment on the Belgian property market has increased more than twofold since the low point reached in 2009, as ever more funds are desperately searching for yielding assets.

INVESTMENT VOLUME IN BELGIUM RE – BY SEGMENT
(IN MILLION EURO – 2006-14)

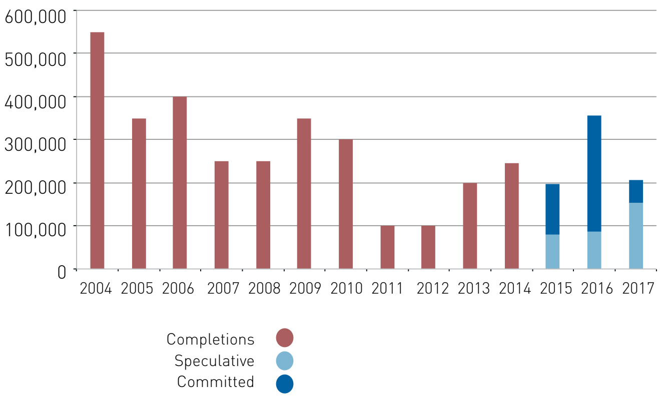


Recent transactions, such as the new IBGE headquarter in Tour&Taxis or the VAC in Ghent, show us that some institutional investors are willing to go close to or even below the 5%-threshold for properties let long-term to triple A tenants.

Office market: available offer of new offices remains historically low

The crisis had dramatically affected the supply of new office space. As new projects take several years to be completed, the fall in new supply only materialized in 2011 and 2012 when completions reached an all-time low. A modest rebound, almost entirely centred on CBD districts, took shape as from 2013 but supply of new offices remains well below historical levels at around 250-300,000 m² a year.

COMPLETIONS AND PIPELINE IN BRUSSELS
(TOTAL M² – NEW & REDEVELOPPED OFFICES)



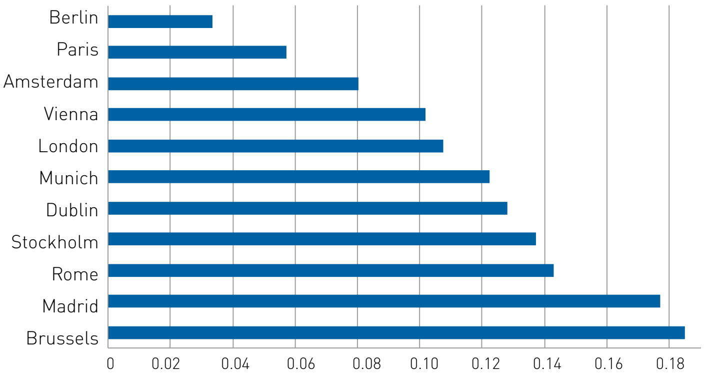
Moreover, some of these completions are actually total renovations of older premises so that net new supply is still lower. Also the buildings Montoyer 63 and Square de Meeûs of Leasinvest Real Estate, that will be entirely reconstructed with a BREEAM 'excellent' objective, are located in the CBD district. The completion of Square de Meeûs is foreseen by 2016 and that of Montoyer 63 for mid-2017.

Together with the growing trend of reconverting offices into other functions, the Brussels market finds itself with a flat and slowly ageing stock of office space. Some major potential (re)developments are nonetheless in the pipeline but many of them have yet to be confirmed and will therefore not be completed in the near future.
Based on current trends, less than 15% of the Brussels office stock will be considered as modern in three years' time and about half will be clearly old, more than twenty years having passed since they were last fully renovated.
The structural vacancy observed on the Brussels market over the years has turned developers and landlords especially cautious of launching speculative projects. But the picture could change as most recent office developments were let quite rapidly in central districts and few surface areas remain available. This is positive for the reconstruction of our buildings Montoyer 63 and Square de Meeûs, both located in the CBD of Brussels. In the decentralized districts some owners will have no other option than to renovate their buildings or alter their purpose, in order to rent or sell them. This is also what Leasinvest Real Estate has done with the building The Crescent in Anderlecht, that was successfully transformed into a modern office building with facilities (business center, auditorium, fitness, catering, ...), and that records, in the meanwhile, an occupancy rate of over 80% (subject to additional lettings) and that, thanks to its many occupants using the diverse offer of services, even reaches a financial occupancy rate that is even higher; in the meanwhile, the building has also obtained a BREEAM-in-use certificate 'excellent'.

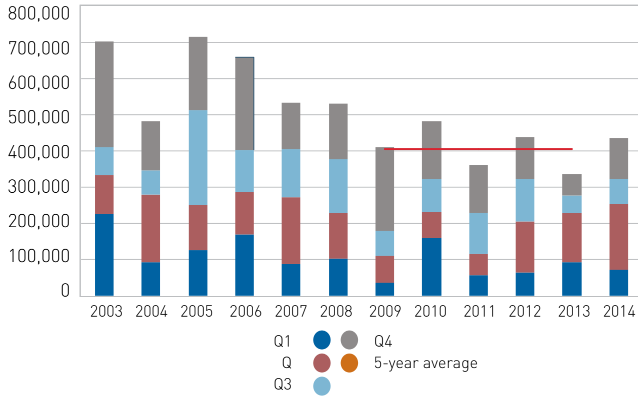
Retail market: significant activity in the retail warehousing segment to close 2014

Demographic growth and household consumption help to underpin the market The demographic growth in Belgium is significantly higher than in most neighbouring countries and Brussels is even one of the fastest-growing cities in Europe.

POPULATION GROWTH IN EUROPEAN CITIES (2002-2012)



BRUSSELS TAKE-UP – TOTAL M²



Planned retail developments (such as Docks Bruxsel or Uplace in the Brussels suburb of Machelen) are certainly justifiable in the context of this population growth, particularly because this growth is strongest in the north-western section of the Brussels region.

The total annual volume for 2014 amounted to € 631 million, which was 15% below the volumes recorded in 2013. Much of the investment activity in the first three quarters of the year was for small scale high street deals, but Q4 saw a significant improvement in activity in the out of town retail segment, with € 159 million traded across 9 transactions, with one of the largest deals being the sale of the Vastned portfolio including Julianus Tongeren to a French private investor for € 35.6 million.

Rental market

Office market: CBD accounts for 62% of total take-up

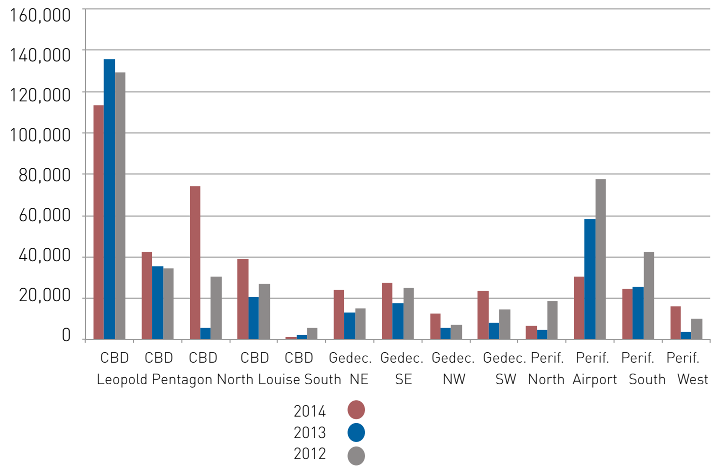
Take-up (new office leases, extensions or purchase for own use) grew steadily in 2014 after a ten-year low observed in 2013. 435,897 m² were let last year, a 29.7% increase on the previous year. The market has been mostly underpinned by public bodies, which represented more than a third of all new surface areas leased on the Brussels market in 2014. Out of the ten biggest transactions in 2014, eight of them were leased by public or non-governmental institutions and only two were let to corporate tenants, a straightforward illustration of the instrumental and growing impact of public tenants on the Brussels market. Moreover, large deals account for a disproportionate size of take-up activity, the thirty largest deals representing close to 60% of all surface areas rented in 2014. Public institutions are therefore increasingly the market maker for landlords and developers.

Looking ahead, this trend is set to continue in the coming months and years as the European Commission has opened major public calls for tender to find new offices for several of its directorate-generals, and different levels of the Belgian State will need to take on new space to accommodate civil servants.
On the corporate-side, which represents the bulk of the deals with more than 300 transactions a year, take-up of new space remains largely explained by the relocation of existing offices in order to upgrade their amenities and often resize work space to current needs.

The Central Business Districts (CBD) remained the driving forces behind Brussels take-up in 2014, accounting for 62% of take-up on the market. This is mainly due to the Leopold District (also known as the EU district) which confirms its central role in the Brussels office market in 2014 thanks to the activity of the EU institutions and the corporate activity this brings with it.
EU and other Belgian public institutions are again looking for new office space, which constitutes a positive trend for the Leopold area as typically 50% of the office spaces in the district is taken up by these tenants. The European institutions have, however, communicated that they may extend their location horizons, which could represent an opportunity for prime buildings in other well-connected districts.
The Pentagon – Brussels city center district – is however experiencing declining activity in take-up over recent years. This is mostly explained by a lack of supply as virtually no large prime space is available in the area and vacancy has reached a ten years low. All this confirms the current view that office demand is strong in the Brussels CBD districts, i.e. the district in which the Montoyer 63 and Square de Meeûs buildings of Leasinvest Real Estate are located, and that will both be entirely reconstructed with a BREEAM 'excellent' objective, and foreseen completions by respectively 2016 and 2017.

In Brussels' peripheral districts, office demand turned positive over recent years for high quality building as tenants move from older premises in decentralized and other peripheral districts.

BRUSSELS TAKE-UP PER DISTRICT (2012-14)



Retail market: growing demand for out-of-the-city locations

After performing weakly for most of 2014, the occupational market saw a pick-up in leasing activity in Q4, with take-up reaching 134,000 m². This accounted for 40% of the total take-up in 2014 and was boosted by several large leasing transactions. These included Primark taking a total of 12,150 m² in three separate locations, while Mediamarkt leased 11,550 m² of space, also across three separate locations. Despite this robust performance, occupier sentiment remains cautious, with even the best high streets and shopping centres seeing more prolonged deal negotiations, higher vacancy and downward rental pressures. There is growing demand for out of town space however, with several in town retailers such as H&M actively looking to pursue expansion in peripheral locations. Indeed, the out of town retail segment was the strongest performing rental market in 2014.

SWITZERLAND

Retail investment market

Foreign investors have strongly contributed to the development of the Swiss retail market

Due to specific legal restrictions (prohibiting the acquisition of residential investment properties by foreign buyers) for the acquisition in real estate, the Swiss real estate investment market is divided into two defined sub-markets: residential and commercial (i.e. office, retail, hotel, industrial and logistics).
On the commercial side, the market is still dominated by Swiss investment funds and Swiss pension funds, focusing on prime office and retail properties. For prime office and retail properties, we continually see quite low net yield levels of approx. 4%, reflecting the lack of available properties and strong demand.

In line with the small size of the Swiss real estate market (compared to other European markets), the retail investment market is quite limited. Most of large retail properties like shopping centres are often owned-occupied by large Swiss retailers like Coop and Migros. These are quite reluctant to sell their assets and prefer to keep the ownership of key properties. Historically, foreign investors have been important players on the investment market, particularly for retail warehouses and secondary located properties. They have strongly participated to the development of the retail market in Switzerland.

The observed range of yields on the retail market is quite large, as the different submarkets present various characteristics. For prime properties, we continually see quite low net yield levels of approx. 4%, reflecting the lack of available properties and strong demand. In secondary locations, the picture changed last years with a more cautious approach of investors. Last transactions for such properties show that investors are more concerned by remaining lease durations, even for brand new and fully let properties. We observe a net yield range from 5.25% to 6% for these properties. In general, yield levels remained quite stable over last two years, particularly because of the low interest rate and the limited pipeline of available assets.

One of the most significant phenomena of the retail market development in Switzerland over the last 10 years is the expansion of such "warehouse" retailers in various locations of the country. Most of them concentrate themselves on key-areas, located in the outskirts of city centers and easily accessible by car. It is quite important to note that the major retailers in that sectors are furniture (Ikea, Pfister, Top Tip, Conforama, Interio, Micasa) and DIY (Hornbach, Coop Bau+Hobby, Jumbo, Migros Do It + Garden, Obi) brands. Recent surveys show that retail warehouse developments have been motivated by the implementation of such retailers. Other important tenants are pet goods retailers (Fressnapf, Qualipet), sport retailers (Ochsner Sport, Decathlon, SportXX, Athleticum) and electronic retailers (Media Markt, Interdiscount, M-Electronics). These brands are present in approx. 2/3 of Swiss retail warehouses. We also observe the growing presence of hard discounters such as Lidl and Aldi and fast-food operators. This submarket is currently experiencing a quite particular situation where demand is exceeding supply, particularly in attractive locations such as Geneva and Vaud, where Leasinvest Real Estate has become the owner in November 2014 of 2 retail buildings in major developed retail parks in the regions of Etoy (Littoral Park) and Villeneuve (Pré Neuf). The third building is located in the main shopping street of Yverdon-les-Bains, the second most important city in the Vaud canton, alongside the Neuchâtel lake. The aforementioned specific situation is due to more restrictive planning and traffic rules that have been adopted by communes in order to reduce nuisances, having the consequences to reduce suitable sites for retailers.

Retail rental market

Locations with a high passage and traffic are clearly winners

Despite an attractive economic context, retail has recorded a mixed year. Based on the stagnation of the turnover figures, the decrease of results and the structural challenges, the demand for surfaces is modest. The retail market still experiences the influence of the large extension that took place between 2004 and 2010, together with an increase of competition. The accrued competition of e-commerce especially limits the demand for new spaces. The former growth factors, such as the trend for subsidiaries and the market penetration by foreign retail chains are still present, but less important and limited by the impact of e-commerce. The in general modest demand for space translates into a steady offer of available spaces at a high level. Investors on the retail market remain cautious despite the low interest rates, yet an ideal context for real estate investments. We foresee a further slowdown of the extension of spaces that we knew in the past. A large number of projects are still in a preparation phase and some projects are on the radar yet for many years, making their realization uncertain. Opposite to this, investments in transformations remain dynamic, driven by an accrued competition. Structural changes (in the sense of development of new retail concepts, showrooms to support e-commerce, ...) dominate the market and increasingly differentiate the winners from the losers. Locations with high passage and traffic are clearly winners. Their rents, already high, will probably record new increases.

9.2 REAL ESTATE PORTFOLIO

Shopping
center Knauf,
Pommerloch

Route d'Arlon 2,
Strassen

Rue Jean Monnet 4,
Luxembourg

GRAND DUCHY OF LUXEMBOURG

All investment properties are held directly and indirectly by Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate.

LOCATION	DESCRIPTION	CON-STRUC-TION	SURFACE
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, Belgium and Germany	1995	35,684 m²
Shopping center Knauf, Pommerloch	Shopping center with 60 shops, located in the North of the Grand Duchy of Luxembourg, near Bastogne in Belgium	2002	26,251 m²
Route d'Arlon 2, Strassen	Retail site located at an important entrance to the City of Luxembourg, namely the Route d'Arlon	1988	22,721 m²
Hornbach, 31, Rue du Puits Romain, Bertrange	Retail site situated in Bertrange, Bourmicht	2008	12,153 m²
Rue du Cimetière/An der N7, Diekirch	Retail building situated at the N7 in Diekirch • Construction additional retail building of 1,356 m² in 2011	1996	10,199 m²
Rue du Brill, Foetz	Retail building situated next to Cora	1987	4,219 m²
Place Schwarzenweg, Dudelange	Commercial building consisting of galleries, commercial spaces, bakeries, reserves, sales points, offices and a cafeteria	1991	3,759 m²
Rue du Curé, Diekirch Co-ownership	Shop on ground floor with amenities limited to the 1st and 2nd floors and underground parking, part of a mixed building (commercial/residential)	1994	3,100 m²
EBBC (building d), Route de Trèves 6, Senningerberg Co-ownership parking and parking zone	Is part of an office complex of six buildings at walking distance of Luxembourg airport	1988	4,473 m²
Rue Jean Monnet 4, Luxembourg	Flagship of the portfolio due to its location, architecture and excellent finishing • Partial renovation in 2011	1992	3,866 m²
Avenue J.F. Kennedy 43, Luxembourg Co-ownership	Exceptional location at the heart of Kirchberg, next to the Auchan shopping center • Rental surface offices 1st and 3rd floors	1999	2,270 m²
Route d'Esch 25, Luxembourg	Situated nearby Banque Internationale du Luxembourg's head offices at the route d'Esch	1992	1,839 m²
Rue du Kiem 145, Strassen	Is part of a complex of three buildings and is situated parallel to the Route d'Arlon in Strassen	2002	1,834 m²
Montimmo, Avenue Monterey 35, Luxembourg	Situated in one of the most important streets of the Central Business District of the City of Luxembourg	2009	1,760 m²
Avenue Monterey 20, Luxembourg	Office building with standing, situated at the Boulevard Monterey, one of the most prestigious locations in Luxembourg	2001	1,555 m²
CFM, Rue Guillaume Kroll, Luxembourg	Industrial complex which serves as service center, distributor, wholesale in sanitary fittings, on the one hand, and an office complex on the other hand • Renovated and extended in 2008	1990	19,987 m²

Brixton Business
Park / Brixtonlaan
1-30, Zaventem

The Crescent,
Route de Lennik
451, Anderlecht

State Archives,
Predikherenrei 4,
Bruges

BELGIUM

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

LOCATION	DESCRIPTION	CON-STRUC-TION	SURFACE
Brixton Business Park / Brixtonlaan 1-30, Zaventem*	Business park alongside the E40 motorway, consisting of 6 semi-industrial buildings and 1 large retail site • Renovations executed in function of new tenants	1975/88	36,122 m²
Riverside Business Park, Boulevard International 55, Anderlecht*	Business park in a verdant setting consisting of 12 buildings, 9 of which are office buildings and 3 are semi-industrial units • Different partial renovations 2005-2010	1992/96	26,826 m²
The Crescent, Route de Lennik 451, Anderlecht*	Office building in the Erasmus Science Park in Anderlecht • Renovated into a 'green intelligent building' in 2010/2011	2002	15,132 m²
Motstraat, Malines*	Office complex	2002	14,174 m²
Rue Montoyer 63, Brussels*	Extremely well located office building • Partially renovated in 2003 • renovation entrance hall and sanitary fittings 2009-2010	1974	6,745 m²
Square de Meeûs 5-6 Brussels*	Very well located office building • Renovated to a large extent in different phases (period 1996-2002)	1974	5,965 m²
Canal Logistics, Neder-over-Heembeek*	State-of-the-art logistics center with offices		
Phase 1	+ 1,250 m² offices	2010	27,682 m²
Phase 2	+ 1,250 m² offices	2011	20,664 m²
Prins Boudewijnlaan 7, Kontich*	Distribution center • Extension in 2000	1989	27,589 m²
Nijverheidsstraat 96, Wommelgem*	Storage and distribution site with offices • Equipped with solar panels and extended with 500 m2 of extra office space in 2010	1992/93	26,590 m²
SKF, Tongres*	Distribution center consisting of storage halls and offices	1993/03	25,872 m²
Wenenstraat 1, Meer*	Warehouse with offices	1989/90	8,071 m²
Zeutestraat, Malines*	Warehouse with offices	2002	7,362 m²
Vierwinden Business Park/ Leuvensesteenweg 532, Zaventem*	Semi-industrial business park • Renovated in 1994 and 1998 (sale Units A and B front part in January 2013 – 6,526 m²)	1973	7,098 m²
State Archives, Predikherenrei 4, Bruges	Building with 29 linear kilometers of archives	2012	6,097 m²

Route de Buchillon
2, Etoy

Route des
Paquays,
Villeneuve

Rue du lac 12,
Yverdon-les-Bains

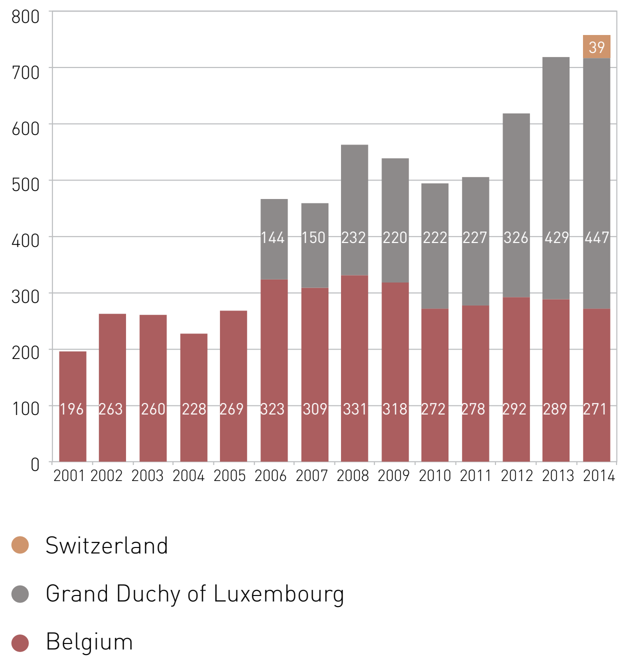
SWITZERLAND

All investment properties in Switzerland are directly held via Leasinvest Immo Lux, of which Leasinvest Real Estate is the 100% shareholder.

LOCATION	DESCRIPTION	CONSTRUCTION	SURFACE
Route de Buchillon 2, Etoy	Retail building located in retail park Littoral	2005	5,126 m²
Route des Paquays, Villeneuve	Retail building located in retail park Pré Neuf	2005	3,505 m²
Rue du lac 12, Yverdon-les-Bains	City shop located in the main street	1990	3,018 m²

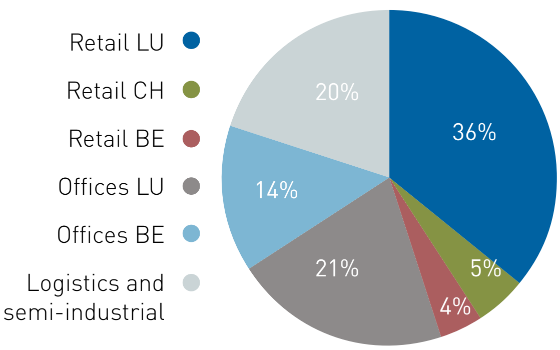
ANALYSIS OF THE REAL ESTATE PORTFOLIO

EVOLUTION OF FAIR VALUE



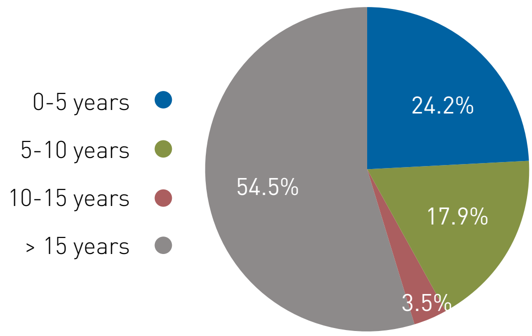
The fair value increases by 5.3% to € 756 million thanks to the acquisitions in Switzerland, currently representing 5% of the consolidated real estate portfolio. The Grand Duchy of Luxembourg represents 59% and Belgium 36%.

ASSET CLASSES



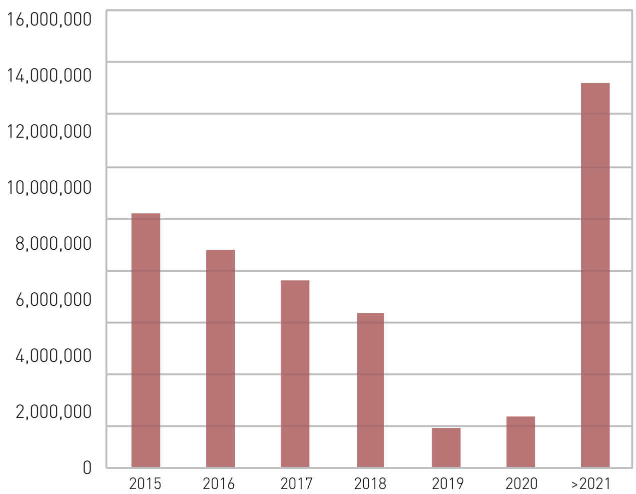
Retail remains the most important asset class with 45%, while the offices part further decreases to 35%, of which the majority is located in the Grand Duchy of Luxembourg, and for the main part in districts such as CBD and Kirchberg, where there is a scarcity threat and where the vacancy rate has again dropped; logistics and semi-industrial slightly decrease to 20%.

AVERAGE AGE



More than 42% of the buildings have less than 10 years and 54.5% of the buildings have more than 15 years (of which an important retail part). These figures still include Square de Meeûs and Montoyer that will be entirely rebuilt and will consequently assist in reducing the average age as of their respective completion dates in 2016 and 2017.
This graph was drawn up without the assets held for sale and the development projects.

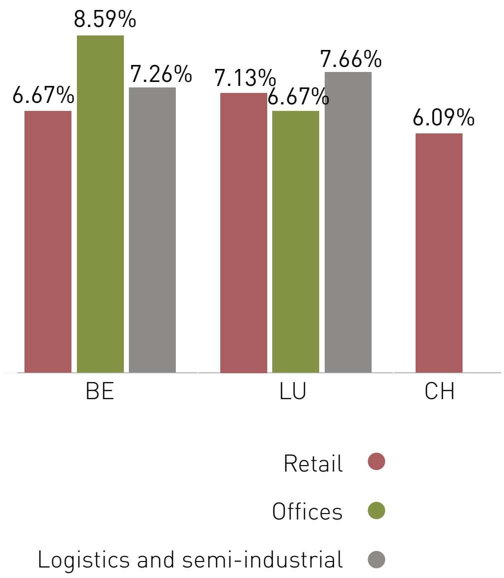
RENTAL BREAKS (FIRST BREAK DATE) AND CONTRACTUALLY GUARANTEED RENTAL INCOME



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 5.08 years (31/12/2013: 5.23 years).
50.7% of the annual contractual rents expire within 3 years. In 2014 15% of the annual contractual rents expired. The contracts were for the largest part all renewed or filled-in by other tenants, at competitive conditions, except for the building Monnet, which is subject to renovation and in which the future tenant of Royal20 (China Merchants Bank) has leased a floor in the meanwhile, and for the building Canal Logistics Phase 2 that became vacant in November 2014, but for which a sales agreement has been signed in the meanwhile (see management report – activity overview).
The breaks in the coming years amount to, respectively 19% in 2015, 17% in 2016 and 15% in 2017.

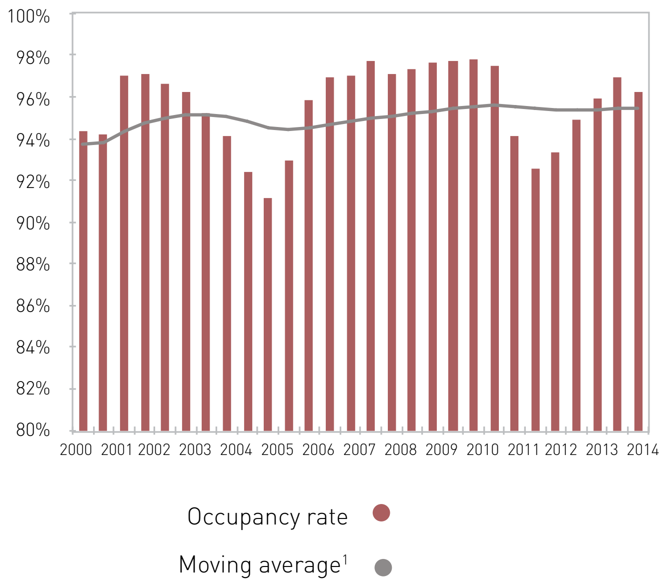
For more information we refer to note 4 of the financial statements.

RENTAL YIELD PER SEGMENT[1]



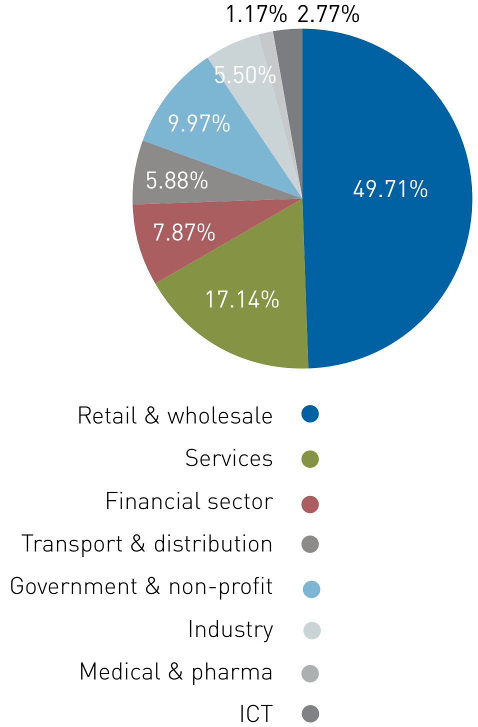
1 There is an inverse relationship between yield and value; a higher value namely results ceteris paribus in a lower yield. These yields are calculated on the basis of the assets available for lease.

OCCUPANCY RATE REMAINS STABLE AT 96.24%



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

TYPE OF TENANTS



Services and retail and wholesale account for nearly 70% of the portfolio.

COMPOSITION OF THE REAL ESTATE PORTFOLIO

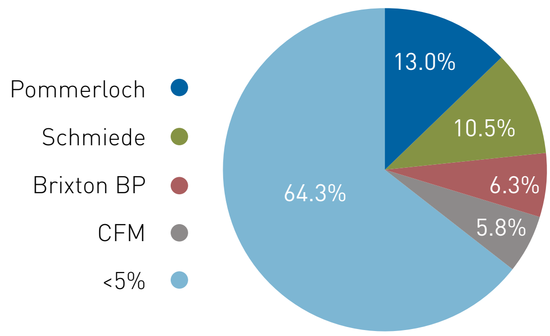
For more information with regard to the segment information we refer to note 3 of the financial statements.

GEOGRAPHICAL CLASSIFICATION BELGIUM – GRAND DUCHY OF LUXEMBOURG - SWITZERLAND

	Fair value (€ M)	Invest-ment value (€ M)	Share in portfolio (%) based on fair value	Contrac-tual rent (€ M/year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occu-pancy rate (%)	Duration
Grand Duchy of Luxembourg	412.6	418.7	54.5	29.0	7.02	6.92	98.77	5.41
Belgium	253.3	259.0	33.5	19.6	7.74	7.56	91.81	4.46
Switzerland	39.1	40.0	5.2	2.4	6.09	5.95	100.00	5.60
Real estate available for lease	**704.9**	**717.8**	**93.23**	**50.9**	**7.23**	**7.10**	**96.24**	**5.08**
Grand Duchy of Luxembourg	0.0		0.0	0.0				
Belgium	17.6	18.2	2.3	0.2				
Switzerland								
Assets held for sale	**17.6**	**18.2**	**2.3**	**0.2**				
Projects Luxembourg	33.9	34.7	4.5					
Projects Belgium	0.0	0.0	0.0					
Total investment properties	**756.3**	**770.7**	**100.0**	**51.1**				

The contractual rent mentioned is higher than the rental income recognized in the income statement, as the contractual rent annualizes the rental income of the acquisitions (the acquisition of the buildings in Switzerland was only recorded in the financial statements since the beginning of November).

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



SEGMENTATION BASED ON ASSET CLASS

	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) based on fair value	Contractual rent (€ M/ year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occupancy rate (%)	Duration	Acquisition value (€ M)	Insured value (€ M)
Retail										
Retail Grand Duchy of Luxembourg	271.78	274.45	35.9	19.38	7.13	7.06	99.67	6.60	257.20	102.12
Retail Switzerland	39.05	40.03	5.2	2.38	6.09	5.95	100.00	5.60	37.00	18.17
Retail Belgium	32.55	33.36	4.3	2.17	6.67	6.49	100.00	3.30	19.30	11.23
Total retail	343.38	347.84	45.4	23.93	6.97	6.88	99.73	6.23	313.50	131.52
Offices										
Offices Grand Duchy of Luxembourg	120.92	123.93	16	8.07	6.67	6.51	96.36	2.60	105.93	81.85
Offices Brussels	79.2	81.18	10.5	6.68	8.43	8.23	82.85	2.00	107.00	111.61
Offices rest of Belgium	25.52	26.16	3.4	2.32	9.09	8.87	100.00	2.40	47.70	31.45
Total offices	225.64	231.27	29.9	17.07	7.57	7.38	90.09	2.38	260.63	224.91
Logistics/Semi-industrial										
Logistics/Semi-industrial Belgium	115.99	118.33	15.3	8.42	7.26	7.12	95.14	6.98	92.80	126.27
Logistics/Semi-industrial Grand Duchy of Luxembourg	19.85	20.35	2.6	1.52	7.66	7.47	100.00	3.40	13.40	5.50
Total Logistics/Semi-industrial	135.84	138.68	17.9	9.94	7.32	7.17	95.75	6.43	106.20	131.77
Investment properties	704.86	717.79	93.2	50.94	7.23	7.1	96.24	5.08	680.33	488.20
Assets held for sale	17.6	18.19	2.3	0.18					17.6	12.85
Real estate available for lease	722.46	735.98	95.5	51.12					697.93	501.05
Projects Grand Duchy of Luxembourg	33.86	34.7	4.5						21.5	0
Total investment properties	756.32	770.68	100.0						719.43	501.05

	Total surface (in m²)	Contractual rent (M EUR/y) (1)	Occupancy rate (%) (2)	Contr. Rent + ERV on vacancy (M EUR/y) (3)	Estimated rental value (M EUR/y) (3)
PART I: OFFICES					
Montimmo	1,760	0.98	100%	0.98	0.84
EBBC	4,473	1.51	97%	1.56	1.43
CFM offices	5,559	1.38	100%	1.38	1.56
ESCH	1,839	0.63	100%	0.64	0.56
Kennedy	2,270	0.97	100%	0.97	0.86
Kiem	1,834	0.28	52%	0.52	0.50
Monnet	3,866	1.56	100%	1.56	1.65
Monterey	1,555	0.75	100%	0.75	0.67
Total Offices Luxembourg	23,156	8.07	96.36%	8.37	8.08
Square de Meeûs 5-6	5,965	1.19	85%	1.36	1.11
Rue Montoyer 63	6,745	1.52	100%	1.52	1.17
Riverside BP - Phase I, III and IV	21,645	2.32	77%	2.89	2.40
Lenniksebaan, Anderlecht	15,132	1.65	79%	2.05	1.93
Total Offices Brussels (Belgium)	49,487	6.68	83%	7.82	6.61
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	17.08	91%	18.50	16.57
PART II: LOGISTICS					
CFM Warehouse	14,428	1.52	100%	1.52	1.17
Total Logistics Luxembourg	14,428	1.52	100%	1.52	1.17
SKF, Tongeren	25,872	1.10	100%	1.10	1.08
Wommelgem - Nijverheidsstraat	26,590	1.38	100%	1.38	1.24
Canal Logistics - Phase 1	29,520	1.20	84%	1.42	1.36
Prins Boudewijnlaan 7	27,589	1.33	100%	1.33	1.09
Archives Predikherenrei 3 - Bruges	6,097	1.16	100%	1.16	1.16
Total Logistics Belgium	115,668	6.18	96%	6.39	5.93
Total Logistics LRE	130,096	7.70	97%	7.91	7.11
PART III: INDUSTRIAL					
Riverside BP - Phase II	5,181	0.35	82%	0.42	0.38
Brixton BP	21,668	1.33	97%	1.37	1.29
Vierwinden BP	7,145	0.19	71%	0.28	0.30
WKB Warehouses, Zeutestraat	7,362	0.36	100%	0.36	0.32
Total Industrial Brussels (Belgium)	41,356	2.24	92%	2.43	2.30
Total Industrial LRE	41,356	2.24	92%	2.43	2.30
PART IV: Retail					
Diekirch	3,100	0.67	100%	0.67	0.42
Dudelange	3,759	0.38	100%	0.38	0.38
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	1.73	100%	1.73	1.74
Schmiede	35,684	5.68	99%	5.74	5.90
Pommerloch	26,251	6.73	100%	6.73	7.44
Total Retail Luxembourg	118,086	19.38	100%	19.44	20.05
Brixton BP - Unit 4/5/6	14,454	2.17	100%	2.17	2.11
Total Retail Belgium	14,454	2.17	100%	2.17	2.11
Littoral Park - Etoy	5,126	1.10	100%	1.10	1.14
Pré-Neuf - Villeneuve	3,505	0.72	100%	0.72	0.72
Yverdon-les-Bains	3,018	0.57	100%	0.57	0.60
Total Retail Switzerland	11,649	2.38	100%	2.38	2.46
Total Retail LRE	144,189	23.93	100%	24.00	24.62
Total LRE without projects	402,458	50.94	96%	52.84	50.60
PART V: PROJECTS					
RIX - Boulevard royal	949	0.00	0%	2.68	2.68
Total Projects LRE	949	0.00	0%	2.68	2.68
PART VI: ASSETS HELD FOR SALE					
Meer - Helios	8,071	0.18	90%	0.20	0.20
Canal Logistics - Phase 2	21,923	0.00	0%	1.00	1.00
Total assets held for sale LRE	29,994	0.18	15%	1.20	1.20
Total LRE with projects & assets held for sale	433,401	51.12	90%	56.72	54.48

(1) The difference 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 189 (Lexicon).
(3) The real estate experts (Cushman & Wakefield, Stadim, DTZ and SPG Innercity) 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 commercial building in order to obtain the total estimated rental value.

INSURED VALUE (SITUATION ON 31/12/2014)

In order to avoid a multitude of recourse claims and to benefit from favourable premiums, the standard rental contracts (and service agreements within the framework of the business center activities) of both Leasinvest Real Estate (LRE) and Leasinvest Immo Lux (LIL), 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 LRE/LIL').

In Belgium the insurance risk of this global insurance policy LRE ("Alle risico's behalve") 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 LIL ("Tous risques sauf") is entirely subscribed by Allianz Insurance Luxembourg SA.

The insured value of the buildings in the global insurance policies LRE/LIL 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 31/12/2014 based on the ABEX index[1] 744 compared to 730 on 31/12/2013 and for the Grand Duchy of Luxembourg on the basis of the 'Indice semestriel des prix de la construction', which a value of 745.85 compared to 730.85 on 31/12/2013.

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 LRE/LIL, 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. For Luxembourg this relates to the following buildings (all insured through the (syndic of the) respective co-ownerships): Kennedy (global insurance policy of € 388.38 million (incl. € 60 million loss of rent) of which € 9.61 million (including a loss of rent of € 2.60 million) relates to the LIL part), EBBC (total value of the buildings of € 86.36 million with a LIL share of € 14.03 million), Monterey 20 (global insured value LIL € 4.83 million, of which € 4.13 million for the building Monterey 20 (100% LIL) and € 0.69 million for the Central Parc co-ownership owned by LIL, with regard to the adjacent building located at 31-33 Blvd. du Prince Henri with a global insured value of € 22.77 million), Diekirch (Match) (€ 20.48 million of which € 5.37 million for LIL). Both the owner's risk and the tenant risk of the 'Hornbach Baumarkt' site in Bertrange (property of LIL via its 100% subsidiary Orly Lux SARL) are insured by that tenant. Its insured value amounts to € 7.5 million, excluding a loss of rent in favour of the landlord.

The buildings divested in the course of 2014 located Ryadhstraat (Meer) and Avenue Louise 66 (Brussels) have been deleted from the insurance policy.

Besides the building State Archives in Bruges, owned by 100% subsidiary RAB Invest SA, the LRE policy, taking into account the co-ownership situation, also covers the insured value of its underground parking. Also the Axxes Business Park and the business center 'The Crescent Ghent' (before Torenhove) in Merelbeke are part of the LRE policy 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 LRE 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 LRE policy.

Taking into account the demolition of the hotel Rix (20, Bld Royal) in Luxembourg and the conclusion of a construction all risk policy (with first rank coverage) for the duration of the new construction, its insured value was temporarily reduced to zero in the LIL policy. As is habitual in the GD Luxembourg, a certified control body, the firm Secolux SA, was appointed for the control of the works in view of concluding an insurance for the (two- and) ten-year liability ("RC biënnale et décennale"). This decennial insurance will be concluded in the course of 2015. As of the provisional acceptance of the building, it will again be incorporated in the LIL policy.

For both Luxembourg shopping centers Knauf, respectively in Schmiede (100% owned by LIL via Porte des Ardennes Schmiede SA) and Pommerloch (owned by Porte des Ardennes Pommerlach SA) the underlying leases define if the lessor, respectively the tenants should each insure their

1 The adjustment of the insured value is done by coupling the insured amounts to the evolution of the ABEX-index , a figure that is defined twice a year by the Association of Belgian Experts (Associatie van Belgische Experten) . This figure follows the evolution of the construction costs in Belgium by observing the prices of construction materials and salary charges in the construction sector.

own risks against fire and similar risks. Within the framework of the acquisition of the real estate certificates by LIL, the incorporation of a special clause in the respective insurance contracts of the owner (with Lalux for Schmiede and Foyer for Pommerloch) was negotiated, in particular stating that priority is given to the real estate 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 take over by LIL of (all the shares of) S. Invest I SA, in its turn holding 100% of the shares of Porte des Ardennes Schmiede SA (the issue instrument and legal owner of the shopping center in Schmiede), had no influence on the insurance contract for the building. The insured amounts for Knauf Schmiede are € 64.30 million per 31/12/2014, of which € 47.13 million for the building (and for the balance for accessory covers among which the loss of rent). The insurance duty for Knauf Pommerloch belongs to the owner, Porte des Ardennes Pommerlach SA, that has insured the building for a value of € 53.96 million.

In the course of 2014 LIL has proceeded to the acquisition of 3 retail buildings in Switzerland, more specifically in Villeneuve, Etoy and Yverdon-les-Bains. The underlying rental contracts stipulate that the lessor guarantees the insurance of fire and related risks, including the loss of rent. In virtue of the current legal provisions, the insurance policy "Police d'Assurance contre l'Incendie et les Eléments Naturels – Bâtiment" of those buildings was mandatorily entrusted to the insurer of the canton ECA (l'Etablissement Cantonal d'Assurance). The current insured value of the buildings amounts to € 18.17 million in total (Index value 125, currency value CHF per 31/12/2014). The related risks, among which a loss of rent of 36 months, are covered via a separate insurance with the insurance company Schweizerische Mobiliar Versicherungsgesellschaft AG.

The total insured value for the buildings owned by Leasinvest Real Estate, amounts to € 293.41 million, of which € 238.38 million is part of the global LRE insurance policy.

The total insured value for the buildings owned by Leasinvest Immo Lux, amounts to € 207.64 million (i.e. including Knauf Schmiede and the Swiss properties), of which € 104.94 million is part of the global LIL insurance policy (i.e. excluding the insurances for Knauf Schmiede and the Swiss properties that are separately insured in the name of LIL).

The relatively lower proportional share of the insured value compared to the fair value in Luxembourg and Switzerland is explained by the relatively higher land value compared to the construction value, which is also usual in Retail.

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

Belgium (in € million)	
Offices	143.06 (136.61% of the FV)
Logistics	139.12 (104.14% of the FV)
Retail	11.23 (34.50% of the FV)
TOTAL	293.41 (108.33% of the FV)

Luxembourg (in € million)	
Offices	81.85 (67.69% % of the FV)
Logistics	5.50 (27.71% of the FV)
Retail	102.12 (37.57% of the FV)
Project Royal20	-
TOTAL	189.47 (45.93% of the FV)

Switzerland (in € million)	
Retail	18.17 (46.53% of the FV)
TOTAL	18.17 (46.53% of the FV)
General total	**501.05 (66.25% of the FV)**

The premiums paid for 2014 within the framework of the global LRE/LIL insurance policies, incl. taxes, amount respectively to 149,235.43 for Belgium and to € 44,377.61 for Luxembourg. For Switzerland no premiums were paid yet in 2014.

9.3 VALUATION REPORT[1,2]

VALUATION UPDATE AS AT 31 DECEMBER 2014 OF THE LEASINVEST REAL ESTATE SCA PORTFOLIO

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD

We are pleased to report our valuation of the investment value and the fair value of the Leasinvest Real Estate SCA portfolio as at 31 december 2014.

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 capitalization 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 centers and shops, situated in Belgium (Brussels, Zaventem, Malines, Antwerp, Tongres and Meer) and in the Grand Duchy of Luxembourg and Switzerland.

2. The effective rental income (including the market rent on vacant space) is 4.59% (respectively 13.08%, 0.10% and -2.99%) higher than the market rent for the Belgian, the Luxembourg and the Swiss portfolio.

3. The occupancy rate[3] of the total portfolio (including projects) amounts to 89.71%[4] (respectively 87.21%, 90.49% and 100% for the Belgian, the Luxembourg and the Swiss portfolio).

4. In Q4 2014 three retail buildings in Switzerland were acquired for a net estimated value of € 39,050,000.

5. In Q4 2014 the contract was signed for the entire project R20 for a fixed period of 10 years.

6. In Q1 2014 the office building with a shop on the ground floor located avenue Louise 66 in Brussels was sold for a net estimated value of € 8,200,000.

7. In Q1 2014 the building in Meer (Dobla) was sold for a net estimated value of € 1,630,000.

For all buildings of Leasinvest Real Estate SCA, we determined the following values as at 31 December 2014, including the part that has been valued by Winssinger & Associates and Stadim:

1. an investment value of € 770,670,000 (seven hundred and seventy million six hundred and seventy thousand euro), with respectively investment values of € 277,220,000, € 453,430,000 and € 40,030,000 for the Belgian, the Luxembourg and the Swiss portfolios; and
2. a fair value of € 756,320,000 (seven hundred and fifty-six million three hundred and twenty thousand euro), with respectively fair values of € 270,860,000, € 446,410,000 and € 39,050,000 for the Belgian, the Luxembourg and the Swiss portfolios.

On this basis, the initial yield of the complete portfolio (including the Projects)[5] in terms of investment value is 6.63% (respectively 7.13%, 6.39% and 5.95% for the Belgian, the Luxembourg and the Swiss portfolio) and the initial yield of the complete portfolio in terms of fair value is 6.76% (respectively 7.3%, 6.49% and 6.10% for the Belgian, the Luxembourg and the Swiss portfolio).

Jérôme LITS
Associate
Valuation & Advisory
In the name of Cushman & Wakefield
Koen NEVENS MRICS
Managing Partner

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 portfolio 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 difference with the 96.2% occupancy rate mainly relates to the current project Royal20 of which the rent amounts to € 3 million per year according to the rental contract concluded with China Merchants Bank for a period of 10 years (see management report – activity overview).

5 The rental yields mentioned elsewhere in this annual financial report are calculated based on the assets available for lease.

9.4 OPERATIONAL MANAGEMENT OF THE BUILDINGS – ACTIVE MANAGEMENT

The company aims at actively developing and managing its real estate.

Within this framework it also provides different supplementary services that constitute an added value to providing its real estate or to its users. The supplementary services comprise – except for collecting the rents and re-invoicing of common charges to the tenants – different services such as among other things the property management (with or without an available own helpdesk to rapidly solve the problems of clients-tenants), project management (such as the presence of own engineers and/or architects to coordinate, with the contractors and/or subcontractors, the necessary renovation or adjustment works for new lettings) and facility management (such as providing extra services, e.g. catering, meeting rooms, computer systems, telecom, etc.).

These supplementary services are means to exercise its activities and constitute an added value, both for the real estate provided and its users. These services fit within the company strategy to answer to the needs of its clients and to be able to offer, in that way, tailor-made real estate solutions in the long term.

These supplementary services are provided by own staff or by third-party specialized companies, acting under the responsibility, control and coordination of the effective officers of the company.

The income from the other supplementary services (except for those for the technical and commercial management of the "Axxes Business Park" and "Torenhof"), are included in the rental income of the company. The "supplementary services" the company offers within the framework of its activities, are indeed inherent to the activities of the company, and cannot be presented by separate figures. These supplementary services have to be considered from a qualitative point of view, in which the "fee" (and thus income) for the supplementary services is translated in the fee the company receives in fine within the framework of providing the buildings.

The company Leasinvest Real Estate has no own personnel. The personnel is employed by the subsidiaries Leasinvest Services SA, Leasinvest Immo Lux SA and Porte des Ardennes Schmiede SA, as well as by the statutory manager Leasinvest Real Estate Management SA.

The entire operational team operating within the company, responsible for general management, commercial contacts with tenants and real estate agents, accounting, legal counsel, administration and technical management of the buildings, consists end-2014 of 30 people (in comparison with 20 end-2013). This temporary increase of staff relates to the acquisition of a shopping center in Luxembourg, whereby the staff was also taken over.

The company also appeals to subcontractors or external suppliers whereby the company keeps on effectively carrying the responsibility and organizes the control and the coordination.

Following article 19 of the RREC law, the company and its subsidiaries can entrust the management of their portfolio to a related company specialized in property management.

BELGIUM

For the buildings in Belgium, the technical management of the buildings is executed since 2007 by Leasinvest Services SA, (company number 0826.919.159), with registered office in 2000 Antwerp, Schermersstraat 42, a 100% subsidiary of the company.
The decision in 2007 to fully internally manage the Belgian portfolio was mainly inspired by the company's concern to strengthen direct communication with its tenants. Leasinvest Services SA is in principle exclusively dedicated to the property management and the project management of the company's buildings located in Belgium.

The property management comprises administrative, financial and technical activities. Leasinvest Services SA disposes of an adequate accounting and technical organization.

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

The managers of Leasinvest Services SA are the same persons as the managers of the company and the statutory manager, and dispose of adequate experience and the required professional reliability, namely Mr Jean-Louis Appelmans and Mr Michel Van Geyte, the effective officers of the company.

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. the company or one of its subsidiaries) within the framework of important renovations during the construction/renovation process, with activities going from the preparation of the specifications over the comparison of offers, the follow-up and planning of the construction, including managing the budgets.
This project management is remunerated separately in function of the specific project.

During the past financial year the company has paid a total remuneration of € 355,735.64 (excl. VAT), to Leasinvest Services, including the project management fee with regard to the redevelopment projects Montoyer 63 and Square de Meeûs, and with regard to managing the business center The Crescent in Anderlecht.

GRAND DUCHY OF LUXEMBOURG

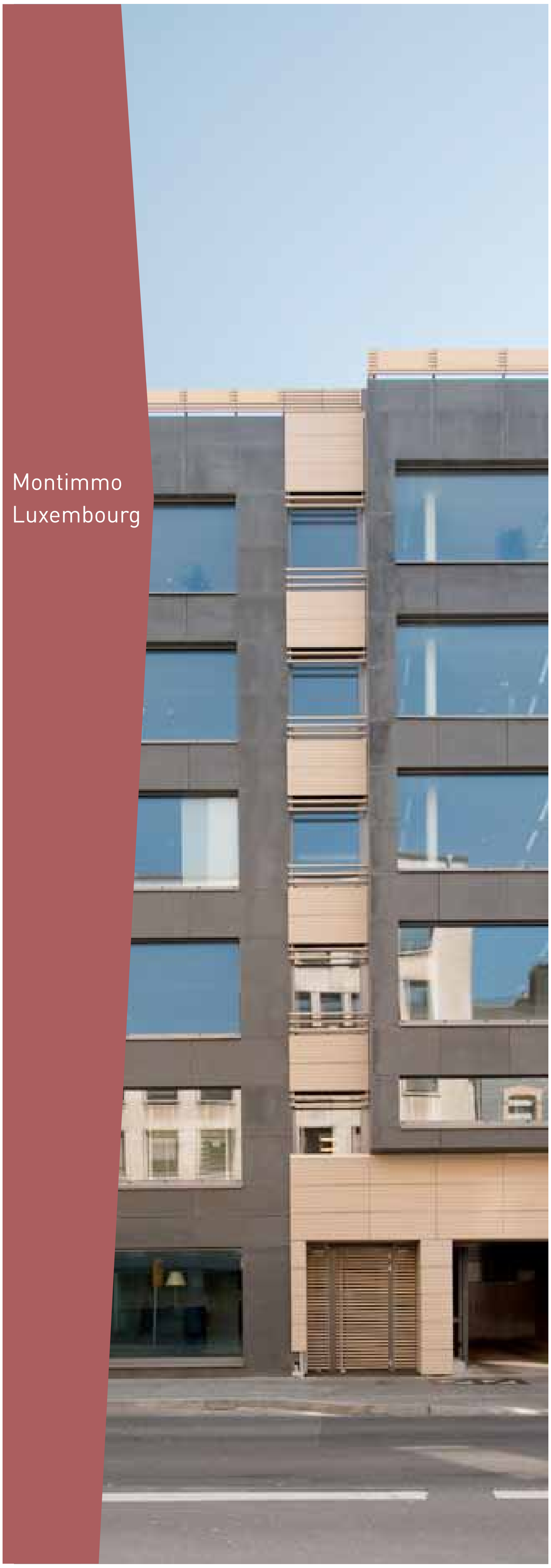
For technical assistance with regard to the technical management and project management of the offices portfolio in Luxembourg a management contract was concluded with an external property manager, Inowai SA (previously Property Partners SA) for the Luxembourg office portfolio.

The technical management and project management are supervised by a technical staff member of Leasinvest Immo Lux SA (100% subsidiary of the company), and is controlled by the technical services in Belgium and by the commercial staff member in Luxembourg. Decisions on important matters are prepared by the property manager, but are only taken by the company. Regular reporting and discussion are organized.
Moreover, the financial, accounting, administrative and legal aspects of the activities of Leasinvest Immo Lux SA are treated from the administrative office of the company, where it has an implicit "shared service" organization. The investment decisions, risk analyses, and target setting and performance meeting are also organized from the administrative office of the company.

The past financial year, Leasinvest Immo Lux paid a fee of € 24,323.33 (excl. VAT) to Inowai.

The property management and technical and commercial management of the 2 shopping centers in the North of Luxembourg are taken care of by dedicated staff members of the subsidiaries of the company, Leasinvest Immo Lux and Porte des Ardennes Schmiede SA.

In all cases, the ultimate responsibility, control and coordination of the 2 real estate portfolios of offices and the 2 shopping centers remain in the hands of the technical and/or commercial staff members of the company.



Montimmo
Luxembourg

SWITZERLAND

For the technical management and local assistance within the framework of the property management of the retail portfolio in Switzerland a management contract was concluded at the beginning of 2015 with an external property manager, PSM Center Management AG.

This management is supervised by an internal technical staff member of Leasinvest Services and by the managers of Leasinvest Services SA who dispose of an adequate experience and the required professional reliability, namely Mr Jean-Louis Appelmans and Mr Michel Van Geyte, the effective officers of the company.

Potential decisions on important matters are prepared by the property manager, but only taken by the company. Regular reporting and discussion are organized.

Moreover, the financial, accounting and administrative aspects of the activities with regard to Switzerland are treated from the administrative office of the company, where it has an implicit "shared service" organization. The investment decisions, risk analyses, and target setting and performance meeting are also organized from the administrative office of the company.

The past financial year, Leasinvest Immo Lux has consequently not paid any fee for the management of the Swiss buildings that were only taken over at the end of the year. As of 2015 a management fee of circa € 70,000 (excluding VAT) will be due.

Diekirch
Luxembourg

Corporate Governance Statement

10.1 CORPORATE GOVERNANCE CHARTER

The Belgian Corporate Governance Code (the "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 (hereafter the "Company").

The Corporate Governance Charter of the company, established as an implementation of this Code, aims to lay down the rules for efficient internal functioning and organization of the management structure of the company, 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 legislation on regulated real estate companies (the "RREC"), (the "RREC legislation" among which the "RREC law[1]" and the "RREC RD[2]").

The Charter is updated to reflect changes in corporate governance policies so that a correct view on the management structure of the company is provided at any given time. The Charter was updated on 11 February 2015 and can be found on the website (www.leasinvest.be).

De corporate governance principles, because of the specific management structure of the company, are mainly implemented in the management structure of the statutory manager.

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

The company's Charter differs from the recommendations of the Code, only for a limited number of items, as illustrated by the list hereafter.

1 The law of 12 May 2014 with regard to regulated real estate companies.
2 The Royal Decree of 13 July 2014 with regard to regulated real estate companies.

Composition of the audit committee

In accordance with article 526bis of the Company Law, the audit committee has to be composed of non-executive members of the board of directors, of which at least one member is an independent director in the sense of article 526ter of the Company Law and should dispose of the necessary competences in matters of accounting and audit.
De Code, which is more stringent than the Company Code, requires that at least the majority of the members of the audit committee are independent (point 5.2./4 of Annex C of the Code).
The board of directors has chosen not to follow this recommendation by the Code, in that sense, that the audit committee is composed of 4 persons of which (only) half are independent directors, which is in accordance with the provisions of the Company Code, but not with the Code.

This is justified by the small structure of the board of directors, which does not impede an efficient deliberation and decision-making. The board of directors is moreover convinced that it is in the interest of the company that, besides the two independent directors, not one, but two experts in matters of accounting and audit are part of the audit committee that are not independent directors in the sense of article 526ter C. Code, even if this entails that the Code is not followed at this point. The board of directors is convinced that this composition strengthens the efficiency of functioning of the audit committee.

Composition of the board of directors – gender diversity

OIn accordance with provision 2.1. of the Code the board of directors has to be composed based on gender diversity and diversity in general.
Based on article 518bis of the Company Code, and taking into account the exception with regard to free float which is lower than 50% for the company, the board of directors will ultimately on 1 January 2019 have to be composed of at least one third of female directors.
The board of directors is currently composed of 9 men with various though complementary knowledge and experience. The board of directors is aware of the recommendation of the Commission Corporate Governance with regard to the representation of women in boards of directors of listed companies and is also aware of article 518bis of the Company Code.

The board of directors will take all necessary efforts to present to the annual meeting of the statutory manager-legal person that will be held on 18 May 2015 at least one female candidate-director for a nomination by the general meeting in replacement of Mr Thierry Rousselle, of whom the mandate expires, as a consequence of which, the board of directors will be composed of 8 men and 1 woman as of 18 May 2015.

Qualified majority

The qualified majority required for certain important decisions makes that the agreement of the directors nominated on the proposal of Ackermans & van Haaren SA is demanded. Broadly interpreted, this could be seen as 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 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 the company on 16/05/11, on the advice of the nomination and remuneration committee.

10.2 GOVERNANCE STRUCTURE AND DECISION-MAKING BODIES

The company is managed by a statutory manager, having the capacity of a limited (managing) partner and who moreover permanently complies with the articles 14 and 15 of the RREC law.

Extensa Group SA is the founder and promoter of the company. 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 SA.

STATUTORY MANAGER

The company 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[1], in its turn a 100% subsidiary of Ackermans & van Haaren SA[2].

The main activity of the statutory manager is (and always has been) the management of the company.

On 31/12/14 Leasinvest Real Estate Management NV had a shareholder's equity of € 3,818,794.

Term of the mandate

Leasinvest Real Estate Management SA was appointed in 1999 as the sole statutory manager for an indefinite term, knowing that the minimum term of its mandate is defined at twenty-seven (27) years, which makes that its mandate is irrevocable until the annual general meeting of the company that will be held in 2026.
After that date, the mandate of the statutory manager-legal person may be revoked provided that the attendance and majority conditions necessary to amend the articles of association are fulfilled, without the statutory manager-legal person 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.

Authority

The statutory manager is empowered to perform all management operations that are necessary or useful to fulfill the company's objective, except for those operations for which only the general meeting of shareholders is competent in virtue of the law or the articles of association.

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 company, the statutory manager is entitled to receive a fixed-rate remuneration pursuant to the articles of association of 0.415% of the consolidated assets of the company. For the past financial year, this remuneration was € 3,220,317. No other remuneration is granted to the statutory manager.

1 Extensa Group SA (previously Leasinvest SA), with registered office in 1000 Brussels, Avenue du Port 86C Box 316 and company number (Register of legal persons Brussels) 0425.459.618.
2 Ackermans & van Haaren SA, with registered office in 2000 Antwerp, Begijnenvest 113 and company number (Register of legal persons Antwerp) 0404.616.494.

BOARD OF DIRECTORS OF THE STATUTORY MANAGER[1]

Composition of the board of directors[2]

At present, the board of directors of the statutory manager-legal person, Leasinvest Real Estate Management SA, is exclusively composed of physical persons and in that way, that the public RREC can be managed in accordance with article 4 of the RREC law. The composition of the board of directors also guarantees that the company is managed in the interest of the company.

All directors, the effective leadership, and the members of the executive committee dispose permanently of the required professional reliability and experience adequate for those functions, required within the RREC, taking into account their previous and current functions, their director's mandates and education.

The statutory manager is managed since 19/05/14 by a board of directors of nine directors, of which four directors were nominated on the proposal of Ackermans & van Haaren SA.

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 SA over the company.

The board of directors of the statutory manager consists of at least three independent directors, as foreseen by article 526ter of the Company Code.
Based on the Corporate Governance Charter of the PRREC, the independent directors have the special mission to watch over the interests of all shareholders of Leasinvest Real Estate and ensure them an equal treatment.

In conformity with the Corporate Governance Charter the non-executive directors do not occupy more than 5 director's mandates in listed companies.

The directors may not find themselves in on the cases defined in article 20 of the law of 25 April 2014 on the status of supervision on credit institutions.

1 For statements by the directors, the effective leadership and the executive committee, please refer to chapter 6 Permanent document.
2 For the mandates in other companies terminated mandates are indicated with an '*'; listed companies are indicated in bold.

The independent directors are:

Michel Eeckhout

Director of companies, Zikkelstraat 44, 1970 Wezembeek-Oppem.
Mandates in other companies, currently and during the 5 previous financial years:
Alcopa NV, Moteo NV, Puratos Groep NV, Van Genechten Packaging NV, Etilux SA en van 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 SA, with registered office at 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.

Eric Van Dyck

CIO of Redevco BV and Managing Director of Redevco Belgium, with registered office at 1000 Brussels, Place du samedi 1.
Mandates in other companies, currently and during the 5 previous financial years:
Redevco Retail Belgium Comm. V, Redevco Offices Belgium Comm. V, Redevco B.V., Arioso Investments Belgium N.V., Bengali NV, Mons Revitalisation, Redevco France Développement Eurl, Redevco France Sasu, Redevco Prime SPPICAV, Starboard BVBA, Portside Property Investment BVBA. Cushman & Wakefield LLP – UK, Cushman & Wakefield VOF*, België* en Nederland*, Cushman & Wakefield Germany*, Greece* & Turkey*, "V" Prime Properties Korlátolt Felelösségü Társaság*, Immoca Wirtschaftsgütervermietungsgesellschaft m.b.H.*, Jotta Wirtschaftsgütervermietungsgesellschaft

m.b.H.*, MITI Wirtschaftsgüter Vermietungsgesellschaft m.b.H.*, Redevco France Services*, Redevco Holding France B.V.*, Redevco Holding France II B.V.*, Redevco Iroda Ingatlanhasznosító Korlátolt Felelösségü Társaság (Redevco Kft.)*, Redevco Liegenschaftsverwaltungs-GmbH*, Redevco MH77 Liegenschaftsverwaltungs-GmbH*, Redevco Nederland B.V.*, Redevco Polska Delta Spolka Z Ograniczona Odpowiedzialnoscia*, Redevco Polska Spólka z ograniczona odpowiedzalnoscia*.

Messrs Eeckhout, Leysen and Van Dyck satisfy the criteria of independent directors in the sense of article 526ter of the Company Code. They also satisfy the criteria of independence as defined in the Corporate Governance Charter of the company.

The directors proposed by Ackermans & van Haaren 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), with registered office at Begijnenvest 113, 2000 Antwerp.

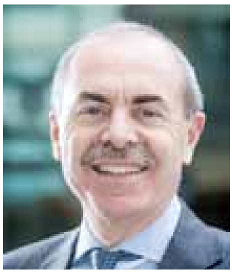
Mandates in other companies, currently and during the 5 previous financial years:
Ackermans & van Haaren Coordination Center NV, Ackermans & van Haaren NV, Algemene Aannemingen Van Laere NV, Anfima NV, Atenor Group NV, Axe Investments NV, Baarbeek BV, Bank Delen & De Schaetzen NV, Bank J.Van Breda & Co NV, Belfimas NV, Bos NV, , Brinvest NV, CFE Aannemingsmaatschappij nv, 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 SA, Holding Group Duval, I.C.P. (Instituut Christian De Duve), Idea Strategische Economische Consulting NV*, ING België NV, JM Finn & Co Ltd., 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.

Jan Suykens

Member of the executive committee of Ackermans & van Haaren SA (non-executive director), with registered office at 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 NV*, Bank Delen & De Schaetzen NV, Bank J.Van Breda & C° NV, Banque Delen Luxembourg NV, CFE Aannemingsmaatschappij NV, 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° Ltd., 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*, Profimolux NV, Project T&T NV, Protalux NV*, Sofinim NV, , T&T Koninklijk Pakhuis NV, T&T Openbaar pakhuis NV, T&T Parking NV.



Jean-Louis Appelmans

CEO and managing director of Leasinvest Real Estate Management SA (member of the executive committee), with registered office at 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, 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 GVV, Zebra Trading NV*, Orli Lux S.à.r.l., Porte des Ardennes Schmiede S.à.r.l., S.Invest I SA.

Michel Van Geyte

COO of Leasinvest Real Estate Management SA (member of the executive committee), with registered office at 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., Porte des Ardennes Schmiede S.à.r.l., S.Invest I SA.

The other directors are:

Guy Van Wymersch-Moons

CEO of AXA REIM Belgium SA (non-executive director), with registered office at 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 GVV, Beran SA, Blauwe Toren NV, Brustar One NV, Bull's Eye Property Lux II SA (Luxembourg), Cabesa NV, Calar-Cabesa Partners SCI, Cordelière 4 NV, Cornaline House NV, Europese wijk Fonds, Evere Square NV, EVERS NV*, Freehold NV*, Froissart Léopold NV, Galaxy Properties NV, Home Invest Belgium NV openbare GVV*, Immo Foire SA, Immo du Parc Hotel NV, Immo Instruction NV*, Immo Jean Jacobs NV, Immo RAC HASSELT NV, Immo Zellik NV, Instruction NV, Jouron BVBA, 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, Ligne Invest NV, L-Park NV, Maison de l'assurance NV, Marina Building NV*, Messancy Réalisation NV, MG Real Estate NV*, MUCC NV, Parc de l'Alliance NV, Parc Léopold NV, Parc Louise NV, QB19 NV, Quartier des arts vzw, Ragar SL (Spanje), 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 NV, Zaventem Properties NV, lid van beheerraad BVS-UPSI.

Thierry Rousselle

Director of the company SiriusConsult SPRL (non-executive director), with registered office at Avenue Paul Hymans 101 box 21, 1200 Woluwe-Saint-Lambert.

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

SiriusConsult BVBA, MG Real Estate NV.

Mandates ended on 19/05/2014:

As an independent director:

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.

On the proposal of Ackermans & van Haaren:

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 , Sitas BVBA, T&T Koninklijk Pakhuis NV, T&T Openbaar Pakhuis NV, T&T Parking NV, Top Development AS, Upo Invest NV, Vilvolease NV.

On the proposal of AXA Belgium:

Consuco SA, Director, represented for exercising the mandate of manager-legal person 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.

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

Term of the director's mandates

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

Messrs Jean-Louis Appelmans and Jan Suykens were appointed as directors as of 03/06/99, Mr Luc Bertrand was appointed as director as of 18/06/99. Mr Michel Van Geyte was appointed as director as of 19/03/2013. On 19/05/14 their mandates were extended for 4 years, i.e. till the annual meeting of shareholders of the statutory manager, Leasinvest Real Estate Management SA, that will be held in 2018.

Mr Kris Verhellen was appointed as director as of 03/06/99. On 19/05/14 his mandate ended.

Messrs Thierry Rousselle and Guy Van Wymersch-Moons were appointed as directors as of 21/01/06. As of 17/05/10 SiriusConsult SPRL, represented by Thierry Rousselle, was appointed as director till the annual meeting of 2014. On 19/05/14 Mr Rousselle was (re)appointed till the annual meeting that will be held in 2015. Mr Van Wymersch-Moons was appointed till the annual meeting that will be held in 2017.

Mr Alfred Bouckaert was appointed as of 17/08/09. On 17/05/10 Consuco SA, represented by Alfred Bouckaert, was appointed as director, and on 19/05/14 this mandate ended.

Messrs Michel Eeckhout, Mark Leysen and Eric Van Dyck (Starboard SPRL) were appointed as directors as of 16/05/11. As of 20/12/12 Michel Eeckhout Management SPRL, with permanent representative of the legal person-independent director Michel Eeckhout, was appointed as director till 19/05/14. On 19/05/14 Michel Eeckhout, Eric Van Dyck and Mark Leysen were (re)appointed as independent directors for a term of 4 years, i.e. till the annual meeting that will be held in 2018.

Mr Christophe 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. His mandate ended on 19/05/14.

Meetings of the board of directors

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 of directors.

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

The board of directors met 4 times during the financial year 2014. The attendance quotient was 79.16%. The attendance quotient of individual members is mentioned in the table below.

Director	Start mandate	End mandate	Attendance quotient board of directors
Christophe Desimpel (1) (2)	20/10/03	19/05/14	100%
Michel Eeckhout / Michel Eeckhout Management SPRL** (3) (4)	16/05/11	22/05/18	75%
Eric Van Dyck / Starboard SPRL** (3)	16/05/11	22/05/18	75%
Mark Leysen (3) (4)	16/05/11	22/05/18	50%
Luc Bertrand (3)	18/06/99	22/05/18	100%
Jean-Louis Appelmans	03/06/99	22/05/18	100%
Jan Suykens (4)	03/06/99	22/05/18	100%
Kris Verhellen	03/06/99	19/05/14	50%
Michel Van Geyte	19/03/13	22/05/18	100%
Guy van Wymersch-Moons (3)	21/01/06	15/05/17	75%
Thierry Rousselle / SiriusConsult SPRL** (4)	21/01/06	18/05/15	75%
Alfred Bouckaert / Consuco SA**	17/08/09	19/05/14	50%

(1) Member of the audit committee till 19/05/14
(2) Member of the nomination and remuneration committee till 19/05/14
(3) Member of the nomination and remuneration committee (for M. Leysen as of 19/05/14)
(4) Member of the audit committee (for M. Eeckhout as of 19/05/14)
** mandates of the legal persons have ended since 19/05/14.

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

In accordance with the articles of association, the board of directors has the power to perform all acts which are useful or necessary to fulfill the objective of the statutory manager, in particular, the management of the company, 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.

It is a general rule that the board of directors is responsible for the general policy of the company and for controlling day-to-day management.

Without prejudice to the competences that are granted to the board of directors in virtue of the Company Code and the RREC legislation, the essential tasks of the board of directors can be summarized as follows:

- approval of the goals of the company in the long term and of its strategy and evaluation of the realization of that strategy;
- approval of the most important investments/divestments;
- approval and dismissal of the members of the consultative committees, as well as defining their remuneration and defining the responsibilities of each committee;
- exercising supervision on the policy and functioning of the effective officers, granting sufficient autonomy to the effective officers to be able to fulfill their tasks adequately;
- defining the respective responsibilities of the chairman and of the chairman of each committee;
- approval of the composition, remuneration, responsibilities, functioning, deliberation and decision-making of the consultative committees;
- taking the necessary measures so that a faithful image and the timely publication of the financial statements, half-year results and other material financial and non-financial information of the company to the shareholders and potential shareholders can be ensured;
- approval of a framework for internal control and risk management, established by the effective officers;
- description and publication of the main characteristics of the internal control and risk management systems of the company in this corporate governance statement;
- evaluation of the implementation of this framework, taking into account the evaluation of the audit committee;
- supervising the existence and good functioning of the internal control systems, on an operational, financial and legal level;
- supervising the activities of the auditor and the internal audit function, taking into account the evaluation of the audit committee;
- supervising the consultative committees established within the board of directors;

In 2014 the following specific agenda items were treated by the board of directors:

- further development of the strategy of the company towards a greater diversification to retail and the geographic extension, after Belgium and the Grand Duchy of Luxembourg, to Switzerland, a/o by acquiring the legal property of the Shopping Center Knauf in Schmiede, the acquisition of the property leased to Hornbach and the acquisition of three retail buildings located in Switzerland, and the divestment of a number of smaller and/or non-strategic office and logistics buildings: Avenue Louise 66, Meer and Canal Logistics phase 2;
- the extension of the maturities of the current bank credits;
- the change of the status of the company of a public sicafi into a public RREC;
- establishment of an executive committee.

Prior to the meeting, the directors receive an agenda with the items to be discussed and a documentation bundle, in order to prepare the meetings of the board of directors.

The subjects dealt with by the board of directors are also explained comprehensively by the members of the executive committee before the deliberation by the Board[1].

In the process of preparing certain decisions, the board of directors is advised by the audit committee, the nomination and remuneration committee or the committee of independent directors. The directors can request prior advice from an (or more) independent expert(s), at the company's expenses.

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.

1 Two of the members of the executive committee have the function of effective officers (in this regard, we also refer the reader to the point "Day-to-day management – Effective leadership").

Simple majority

The board can validly decide if the majority of its members are present or represented.

The board always endeavors to take decisions unanimously. If for a certain decision, no consensus can be reached, the decision of the board of directors is taken by a simple majority of votes of the directors present or represented, and in the case of abstention by one or more directors, by a simple majority of votes of the other directors present or represented, except in those cases that require a special or qualified majority.

Special or qualified majorities

a) Decisions with regard to defining the strategy of the company and decisions with regard to proposals to amend the articles of association can only be taken with a simple majority, always including a positive vote from (i) at least the majority of the independent directors and (ii) at least the majority of the directors nominated on the proposal of the limited company Ackermans & van Haaren SA or one of its associated companies, providing that those directors have no conflict of interest with the company in the sense of article 523 of the Company Code. This qualified majority is also due to the exclusive control by Ackermans & van Haaren SA over the company as a consequence of the exclusive control over the statutory manager-legal person.
b) decisions with regard to each proposal for appropriation of the result of the company can only be taken by a special majority of 80% of the votes of the directors present or represented.

The directors have to treat all non-public information with regard to the company in a confidential way and cannot use this information for any other purpose than within the scope of exercising their mandate.

Evaluation

On the initiative of the chairman, the directors are regularly evaluated within the scope of the requirement that directors of a public RREC have to dispose of the professional reliability and adequate competence for the exercise of their function. 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 company 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 re-nomination 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 always appealed to; at the end of 2014 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 directors. 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 leadership and executive committee, 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 re-nominate current directors.

CONSULTATIVE COMMITTEES

In accordance with the articles 522, 526bis and 526quater of the Company Code, the board of directors has currently three consultative committees as defined in the Code and further explained in the Corporate Governance Charter[1].

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 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, at the company's expenses, to support the performance of its mission.

A meeting of a consultative committee can only be held validly, if the majority of its members is present or represented, and if at least half of de members are physically present.

A member of a consultative committee that is prevented from assisting to a meeting can give a special mandate to another member of this committee. A member of a consultative committee can only represent one other member of the committee.

The committees endeavor to take decisions unanimously. If for a certain decision, no consensus can be reached, the decision on the advice is taken by a simple majority of votes.

Audit Committee

The oversight mission of the audit committee and the related reporting duty concerns the company and its subsidiaries.

The audit committee sees to it that the financial reporting of the company presents a truthful, sincere and clear view of the situation and prospects of the company. 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 the company.

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

Furthermore, the audit committee evaluates, at least once a year, the systems of internal control and risk management established by the effective officers, to ensure itself that the main risks (including risks related to respecting the current legislation and regulation) have been properly identified, notified and managed in conformity with the framework approved by the board of directors.

The audit committee also evaluates the independence of the auditor and makes recommendations about the internal and external audit.

The audit committee is also empowered, with regard to the statutory manager, as well as to the company, to decide that the auditor can perform activities, other than those assigned to it by law and of which the remunerations exceed that for the audit mission (i.e. it may grant derogations from the prohibition of article 133, §5 of the Company Code.

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

Half of the audit committee consists of independent directors. The composition of the audit committee has been adapted to the requirements of article 526bis §2 of the Company Code, namely exclusively non-executive directors of which at least one independent director in the sense of article 526ter of the Company Code.
As explained above (Comply or explain) the recommendations of the Code, which are more stringent than the Company Code, and require that at least the majority of the members of the audit committee are independent (point 5.2./4 of Annex C of the Code), have not been followed, which is justified, as commented above.

The audit committee was composed as follows during the past year:

1. Jan Suykens, (Ackermans & van Haaren SA), director and chairman of the audit committee (non-executive director)
2. Thierry Rousselle (till 19/05/14 represented by SiriusConsult SPRL, represented by Mr Thierry Rousselle), director of companies (non-executive director)
3. Christophe Desimpel, independent director (till 19/05/14)
4. Mark Leysen, independent director
5. Michel Eeckhout, independent director (as of 19/05/14)

Messrs Suykens, Leysen, Eeckhout and Rousselle have the necessary experience in the field of audit and accounting as defined in in article 526bis §2 of the Company Code and in appendix C, point 5.2.4. of the Code, taking into account their education, their prior and current functions and director's 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 90% globally. Individually for Messrs Suykens, Rousselle, Leysen and Eeckhout (after 19/05/14) it was 100% each; for Mr Desimpel (only in function till 19/05/14) it was 50%.

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 104);
- adjustment of risk factors;
- change of the status of the company from a sicafi to a public RREC and 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 effective officers have the right to attend the meetings of the audit committee.

Nomination and remuneration committee

The nomination and 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 executive committee and makes recommendations regarding the remuneration policy.

The nomination and remuneration committee consists exclusively of non-executive directors and the majority of its members are independent directors.

The composition of the nomination and remuneration committee has been adapted to the requirements of article 526quater of the Company Code 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 members of the nomination and remuneration committee during the pas financial year are:
1. Luc Bertrand (Ackermans & van Haaren SA), non-executive director and chairman of the nomination and remuneration committee
2. Guy Van Wymersch-Moons (AXA Belgium SA), non-executive director
3. Christophe Desimpel, independent director (till 19/05/14)
4. Mark Leysen, independent director (as of 19/05/14)
5. Eric Van Dyck (Starboard SPRL till 19/05/14), independent director)
6. Michel Eeckhout (Michel Eeckhout Management SPRL till 19/05/14), independent director

The representatives of the legal persons Starboard SPRL and Michel Eeckhout Management SPRL that are no longer part of the committee as of 19/05/14 remained members of the committee as physical persons.

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

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

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

Among other things, the following agenda items were considered to by the nomination and remuneration committee during the past financial year:
- the proposals for the remuneration of the executive committee, of the managing director (the CEO) and the personnel, and development of the remuneration report;
- the amendments to the articles of association and to Corporate Governance Charter;
- the appointment of the Guberna institute for executing an independent audit on the composition of the board of directors;
- a positive advice of the adjustment of the number of directors from 12 to 9;
- a positive advice of the organization of an executive committee.

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.
The committee of independent directors disposes of the competences defined in article 524 §2 of the Company Code.

This mission has been defined in article 9.5 of the articles of association of the statutory manager.

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.

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

Jean-Louis Appelmans and Michel Van Geyte, effective officers, are assisted in their daily management by the CFO, Vincent Macharis, who is not part of the effective leadership of the statutory manager, but with whom they jointly constitute the executive committee.

DAILY MANAGEMENT – EFFECTIVE OFFICERS[1]

Effective officers

The daily management during the past financial year was entrusted to two members of the executive committee, who have exercised the effective leadership since 13/02/07, namely the managing director (CEO), Mr Jean-Louis Appelmans, and Mr Michel Van Geyte, COO, both executive directors.

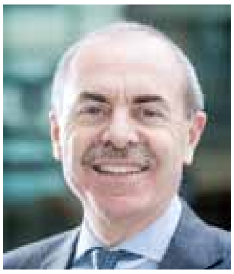
Jean-Louis Appelmans (CEO), effective officer
Since it was established in 1999, Jean-Louis Appelmans (62), has been managing director of Leasinvest Real Estate Management SA and, since the end of 2002, also its permanent representative. He is also managing director of Leasinvest Immo Lux. He was CEO of Extensa Group SA (ex-Leasinvest SA) from 1989 until 2005. He fulfills a number of other director's mandates, including at the listed public real estate investment trust Retail Estates. Previously he worked in corporate banking at Chase Manhattan Bank (now JPMorgan Chase) from 1979 until 1986 and Crédit Lyonnais Belgium (1986-1989).
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 (49) was appointed as commercial manager of Leasinvest Real Estate Management SA in August 2004. He is currently an executive director of Leasinvest Real Estate Management SA and also a director of a/o Leasinvest Immo Lux SA. Previously he worked at Knight Frank SA as a managing partner and has more than 21 years of experience in real estate.
For the other mandates of Michel Van Geyte we refer to the composition of the board of directors above.

Executive committee

The executive committee consists of 3 people, namely:

The executive committee is chaired by Jean-Louis Appelmans.



Jean-Louis Appelmans, CEO, afore-mentioned

Michel Van Geyte, COO, afore-mentioned

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

Vincent Macharis, CFO

Vincent Macharis (42), who started with Leasinvest Real Estate Management SA since 6 February 2012. He has more than 16 years of experience in financial management and was previously part of the financial management of CFE Contractors SA and Deceuninck.
Mandates in other companies, currently and during the 5 previous financial years: RAB Invest NV, Leasinvest Immo Lux SICAV-FIS, Porte des Ardennes Schmiede SA, S.Invest I SA.

The Permanent Committee

The permanent committee meets regularly to discuss the current affairs of the company, 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 effective officers and the CFO, possibly assisted by external consultants for specific matters.

Active management

The company focuses on an active management for the exercising its activities, which implies that is ensures itself the daily management of its real estate. To that effect, in accordance with the RREC legislation, it disposes of an operational team directed by the effective officers and managed in accordance with the decisions of the board of directors. In that way, it has direct relations with its clients and suppliers.

The entire operational team employed within the Leasinvest Real Estate group, that is responsible for general management, commercial contacts with tenants and real estate agents, accounting, legal matters, administration and technical property management, consists of 30 persons .

The company can also appeal to subcontractors or external suppliers, while always effectively carrying responsibility and ensuring coordination.

External representation – permanent representative

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

The statutory 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.

Pursuant to the provisions of article 61, §2, of the Company Code and article 14.6 of the articles of association of the company, the statutory manager has appointed a permanent representative among its directors, charged with the mandate of statutory manager of the public RREC, in the name and on behalf of Leasinvest Real Estate Management SA, and who is authorized to represent and legally bind the public RREC in relation to third parties, acting solely, but without infringing the RREC legislation.

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 of the company.

REMUNERATION REPORT

The remuneration policy for directors, the other leaders and persons in charge of daily management has been developed already a couple of years ago, and is based on the following components, namely:

- as to the directors, a fixed remuneration is granted to the independent directors (see below), but they do not receive any other financial benefits, and for the two executive directors, fixed and variable remunerations have been defined (see below)
- for the effective officers (also executive directors) and other leaders, fixed and variable remunerations are defined in function of comparable remuneration packages within the RREC sector. The fixed remunerations mainly consist of a fixed remuneration with potentially additional group and hospitalization insurances and a company car as a benefit in kind. The variable remunerations are related to reaching the predefined annual objectives, both qualitative and quantitative (see below).

The remuneration of individual directors, the other leaders and persons in charge of daily management of the company is defined as follows:

- for independent directors the remuneration is individually defined on a fixed basis, taking into account which of the three committees (audit committee, nomination and remuneration committee and committee of independent directors) the independent director is a member.
- for the effective officers (also executive directors) and other leaders the remuneration (fixed and variable part) is individually defined in function of general satisfaction on annual performance and objectives.

The remuneration policy will normally not be modified in the course of the two financial years.
The criteria for evaluating performance compared to objectives consist of, on the one hand, quantifiable criteria, such as a/o reaching the financial key figures, predefined projects (e.g. obtaining an urban permit, realizing a renovation project, etc.) and, on the other hand, of qualitative criteria, such as cooperation with the rest of the personnel/team, integration in the team, feedback from personnel the manager is responsible for, timely treatment of internal and external deadlines in dossiers, etc.
Reaching the predefined annual objectives is discussed, at least 1 a year, mostly at the end of the financial year, with the person concerned, on the basis of an evaluation/functioning meeting of which the outcome is presented to the nomination and remuneration committee and to the board of directors.

In relation to the past financial year, the executive and non-executive directors of the statutory manager of the company received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remuneration amounting to a total of € 958,407.

The remuneration policy and the remuneration level for the non-executive directors and the members of the executive committee, among whom the effective officers, were developed during the past financial year in accordance with the procedures laid down by the nomination and remuneration committee, in accordance with the remuneration policy applicable to the financial year under review in the annual report.
Account was taken of the provisions of article 96 §3, second sub-paragraph, 2° and 3° of the Company Code.
The remuneration policy was approved by the board of directors of the statutory manager. Remunerations granted in the past and a limited benchmark for the same functions in comparable companies were a/o taken into account.

The nomination and remuneration committee will pronounce itself further on the form of distribution of the variable remunerations, within the framework of the practical development of the remuneration policy.

The remuneration policy did not undergo any significant changes in the course of the past financial year. The board also expects not to significantly adjust the remuneration policy in 2015 and 2016.

Non-executive directors

The 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.

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	Fixed remuneration NRC	Fixed remuneration committee independent directors	Total
Christophe Desimpel	6,250	1,667	1,667	833	10,417
Michel Eeckhout / Michel Eeckhout Management SPRL	15,000	2,333	4,000	2,000	23,333
Mark Leysen	15,000	4,000	2,333	2,000	23,333
Eric Van Dyck / Starboard SPRL	15,000		4,000	2,000	21,000
Luc Bertrand	-	-		-	-
Jan Suykens	-	-		-	-
Kris Verhellen	-	-		-	-
Guy Van Wymersch-Moons	-	-		-	-
Thierry Rousselle (SiriusConsult SPRL)	-	-		-	-
Alfred Bouckaert (Consuco SA)	-	-		-	-
Total non-executive directors	51,250	8,000	12,000	6,833	78,083

To Mr Desimpel, independent director till 19/05/14, a total amount of € 10,417 was paid, on a pro rata basis for the duration of this mandate (5 months):
- a fixed pro rata remuneration of € 6,250 till 19/05/14;
- an additional fixed pro rata remuneration of € 1,667 a member of the audit committee till 19/05/14;
- an additional fixed pro rata remuneration of € 1,667 a member of the nomination and remuneration committee till 19/05/14; and
- and an additional fixed pro rata remuneration of € 833 as a member of the committee of independent directors till 19/05/14.

To Michel Eeckhout (Michel Eeckhout Management SPRL till 19/05/14), independent director, for the 2014 financial year a total amount of € 23,333 was paid as follows:
- a fixed-rate remuneration of € 15,000 per financial year;
- a fixed pro rata remuneration of € 2,333 as a member of the audit committee as of 19/05/14;
- a fixed-rate remuneration of € 4,000 per financial year as a member of the nomination and remuneration committee;
- an additional fixed remuneration of € 2,000 per financial year as a member of the committee of independent directors.

For the part that related to the period before 19/05/14, due to Michel Eeckhout Management SPRL, 21% VAT is due on these amounts.

To Mr Leysen, independent director, for the 2014 financial year a total amount of € 23,333 was paid as follows:
- a fixed-rate remuneration of € 15,000 per financial year;
- an additional fixed remuneration of € 4,000 as a member of the audit committee;
- a fixed-rate remuneration of € 2,333 as a member of the nomination and remuneration committee as of 19/05/14;
- an additional remuneration of € 2,000 per financial year, as a member of the committee of independent directors.

To Mr Van Dyck (Starboard SPRL till 19/05/14), independent director, for the 2014 financial year a total amount of € 21,000 was paid as follows:
- a fixed-rate remuneration of € 15,000 per financial year;
- an additional fixed-rate remuneration of € 4,000 per financial year as a member of the nomination and remuneration committee;
- an additional fixed remuneration of € 2,000 per financial year as a member of the committee of independent directors.

For the part that related to the period before 19/05/14, due to Starboard SPRL, 21% VAT is due on these amounts.

Executive directors and en 'other leaders' - effective officers – executive committee

Since 2011 the objectives for the effective officers are based on four important criteria with the following degree of importance (adjusted in the course of the years), namely

a) financial criteria (30%) a/o net current result, EPS, control of debt ratio, funding, hedging and funding of further growth;
b) portfolio criteria (40%) a/o control of occupancy rate, duration of leases, re-lettings of vacant buildings and responding to important lease breaks, integration and management of the shopping center Schmiede and Pommerloch, elaborating (re)development projects;
c) execution of the strategy (15%) a/o divestment of less qualitative buildings, mainly (older) (office and logistics) buildings in Belgium, investments in new buildings, diversification to retail, etc.;
d) management capacities (15%) a/o leadership, personnel management and investor relations.

With regard to the past financial year, the executive directors and 'other leaders' of the statutory manager of the company[1]' (in the sense of article 96 §3, 7° of the Company Code), i.e. the effective officers and the other member of the executive committee, the CFO, received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remunerations for a global amount of € 954,380, among which

- fixed remuneration[2]: € 774,084
- variable remuneration: € 240,000
- group insurance (type defined contribution and hospitalization insurance): € 50,971
- benefits in kind (company car): € 21,340 as other components of remuneration.

A reproduction of the remuneration on an individual basis of the COO and the CFO, both also member of the executive committee, is not reproduced in the remuneration report, as this demand only applies to the 'main representative of the other leaders' (article 96 §3, 6° of the Company Code) or the CEO (principle 7.14 of the Code). For that reason, only the remuneration of the CEO is presented on an individual basis in the remuneration report below, but not that of the other members of the executive committee.

1 Also intending a/o the members of each committee in which general management of the company is discussed, and organized a part from the regulation of article 524bis of the Company Code, i.e. the executive committee.
2 This amount comprises for € 147,000 of remunerations paid in the capacity of "certain other leaders or persons charged with daily management" as foreseen by article 96, §3, 4° of the Company Code.

Remuneration of the CEO

Mr. Appelmans has fixed and variable remunerations covering his functions as a member of the board of directors and CEO, as well as a Defined Contribution pension plan, providing in the build up of a capital in function of the paid premiums.

The following remuneration mentioned in the table below was granted, for the past financial year, to the CEO on an individual basis, directly and indirectly[3]. He does not receive any specific benefits in kind.

fixed	insurance	variable	Total
335,897	42,733,29	110,000	488,630

Global remuneration of the other members of the executive committee

The executive committee consists of Mr Jean-Louis Appelmans, CEO and managing director, and Mr Michel Van Geyte, COO (both executive directors and effective officers) of Leasinvest Real Estate Management SA and Vincent Macharis, CFO, as explained above.

The members of the executive committee, among which the effective officers, have no stock options, nor other share-related remunerations, in accordance with the remuneration policy of the company.

The global gross amount of the remuneration and other benefits, directly or indirectly, granted by the company or its subsidiaries in 2014 to the other members of the executive committee, can be broken down as follows:

fixed	insurance	variable	Total
438,187	8,238	130,000	576,425

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

3 Via Granvelle Consultants & Co SPRL.

The variable remuneration of the members of the executive committee, among which the effective officers, relates to exceptional performance related to factors including improvement and optimization of the criteria mentioned above. The nomination and remuneration committee yearly defines the form of the variable remuneration granted to the effective officers and members of the executive committee, which were bonuses ("tantièmes") in the financial year 2014.

Important contractual clauses

A compensation for leaving of 24 months has been agreed on for Jean-Louis Appelmans. As this compensation exceeds the provisions of article 554 of the Company Code, namely a maximum of 12 months, or – providing a special motivation by the remuneration committee – of maximum 18 months, this provision in the management contract with Mr Appelmans, after the advice of the nomination and remuneration committee, has been approved separately by the general meeting of shareholders of the company held on 16/05/11.

The contracts with the other members of the executive committee contain the usual provisions with regard to remuneration (fixed and variable), non-competition and confidentiality. The contracts are valid for an unspecified term. No single contract was concluded after 1 July 2009, except for the contract with Vincent Macharis.
Except with regard to the CEO (see above), for the other members of the executive committee, no specific compensations for leaving were recorded in the management or employment contracts concluded, which makes that article 554 of the Company Code does not apply.

10.3 SETTLEMENT OF CONFLICTS OF INTEREST

AArticle 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 Code had to be applied, than those mentioned hereafter.

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 523 of the Company Code occurred during the past financial year between the directors of the statutory manager or members of the effective leadership or executive committee and the company, except for the fact, that in application of article 523 § 1 last paragraph of the Company Code, with regard to the procedure for the prevention of conflicts of interest in listed companies, Messrs Appelmans and Van Geyte did not take part in the deliberation and decision-making of the proposals with regard to the remuneration of the managing director and the executive officers.

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 Code had to be examined took place in the course of the past financial year.

Articles 37 and 38 of the RREC law

Article 37 of the RREC law foresees a preliminary notification to the FSMA when in the case of an operation with the public RREC one of its subsidiaries, some people mentioned in the article, directly or indirectly are a counterparty or get a patrimonial benefit. In its notification to the FSMA the company has to demonstrate the interest of the planned operation for the company, and also that the planned operation fits within the normal course of the company strategy.

These notifications are not applicable to:

a) operations relating to a sum lower than the lowest amount of 1% of the public RREC's consolidated assets and € 2,500,000;
b) the acquisition of securities by the public RREC 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 37 of the RREC law act;
c) the acquisition of or the subscription to, following a decision of the general meeting, shares issued by the public RREC by the persons intended by article 37 of the RREC law.

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

1 Messrs Appelmans and Van Geyte were not present during the deliberation and decision-making about the agenda item relating to remuneration. The board of directors approved the proposals relating to remuneration.

Corporate Governance Charter

In its Corporate Governance Charter, the company has subscribed to the policy that a director, the effective officers or members of the executive committee (or their closest relatives) who, directly or indirectly, (i) have 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 the company or (ii) has an interest of a patrimonial nature that is opposed to a decision or operation of the company but that is in principle not subject to the competences of the board of directors, that person should immediately inform the chairman of the board of directors. 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.

On the proposal of the nomination and remuneration committee the Corporate Governance Charter of the company has been adapted to the applicable provisions of the RREC legislation.

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 executive committee and the company, due to, among other things, the functions they hold in other companies in the real estate sector, is estimated as being small.

A functional conflict of interest (to which the legal rules on conflicts of interest contained in article 523 of the Company Code do not apply) could arise with directors appointed on the proposal of Ackermans & van Haaren SA, if operations are carried out between the companies related to Ackermans & van Haaren SA and/or the statutory manager and the company 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 SA).

Leasinvest Services SA is a 100% subsidiary of the company, to which the operational property management for the buildings in Belgium is outsourced (see Real estate report, page 78). RAB Invest is a 100% subsidiary of the company and the owner of the State Archives in Bruges.

Leasinvest Immo Lux SA is a 100% subsidiary of the company, owner of the Luxembourg real estate portfolio and the buildings located in Switzerland. Orli Lux Sàrl is a 100% subsidiary of Leasinvest Immo Lux SA. S.Invest SA is a 100% subsidiary of Leasinvest Immo Lux SA, in its turn holder of 100% of the shares of Porte des Ardennes Schmiede SA, legal owner of the Knauf Shopping center in Schmiede.

A potential conflict of interest could occur between the company and the statutory manager or between the company and Leasinvest Services SA or between the company or Leasinvest Immo Lux SA 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.

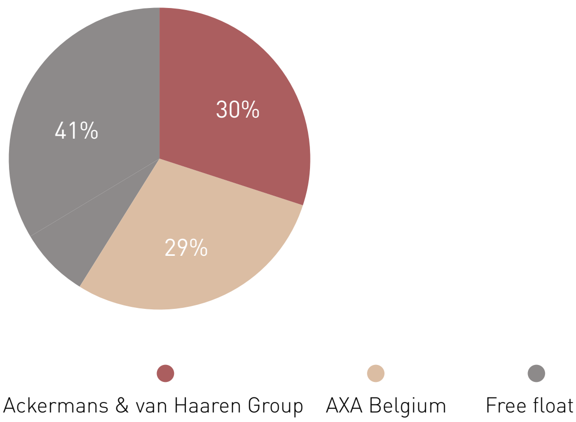
A potential conflict of interest could finally potentially arise by reason of the director's function exercised by the managing director, Jean-Louis Appelmans, in Retail Estates SA or on account of the function of independent director exercised by Eric Van Dyck within the framework of the investment in Switzerland via a Swiss subsidiary of Redevco.

In the past financial year, no conflict of interest on the account of the function of director took place.

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

The company 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)

The company's main shareholders are Ackermans & van Haaren SA (i.e. the reference shareholder that exclusively controls, via Extensa Group SA, the company via the statutory manager) and holds a stake of 30.0% in the company, and AXA Belgium SA (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 page 101), 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 SA has 6 Leasinvest Real Estate shares.

The shares in Leasinvest Real Estate Management NV are held by Extensa Group SA for 100%, a 100% subsidiary of Ackermans & van Haaren SA.

Legal or statutory limitations as to the transfer of shares
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 29.1 of the articles of association (according to article 659 of the Company Code) for decisions of the general meeting relating to actions regarding the interests of the company versus third parties, such as dividend distribution and each decision affecting the assets of the company (for amendments to the articles of association: see below).

Legal or statutory limitations as to exercising the voting right
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.

Stock option plan for employees
Nor is there a stock option plan for the employees.

Shareholder's agreements
Between Ackermans & van Haaren SA and AXA Belgium SA a shareholders' agreement has been concluded for a term of 10 years in 2004, that contained a mutual pre-emption right regarding the shares issued by the company 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. This shareholder's agreement has been anticipatively terminated by mutual consent in May 2014.

The competences of the managing body, namely with regard to the possibility of issuing or redeeming shares
As to the authorization granted to the statutory manager to proceed to the issue of shares, we refer to article 7 of the articles of association of the company.

As to the authorization granted to the statutory manager to proceed to acquiring (or alienating) treasury securities, we refer to Chapter 6 Permanent Document, referring to article 11 of the articles of association of the company.

The rules for nominating and replacing members of the management body and for amendments to the articles of association
As to the current agreements regarding the composition of the board of directors of the statutory manager and the majority rules in force within the board of directors, we refer to page 89.

The general meeting of the company 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 statutory 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.

Important agreements by which the issuer is a party and that enter into force, undergo amendments or end in the case of a change of control over the issuer after a public take over bid

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 the company, each bondholder has the right to oblige the company 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 hypothesis that the company has the legal form of an SCA and that Leasinvest Real Estate Management SA 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 statutory manager; or
  - Leasinvest Real Estate Management SA is replaced as the statutory manager of the company 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 hypothesis that the company 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 the company;

for which "Control" is defined as follows:

- in the hypothesis (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 the company;
  - the right in virtue of the articles of association of the manager of the company or based on agreements known by the manager to nominate or dismiss the majority of the directors; and
- in the hypothesis (B) above:
  - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of the company;
  - the right in virtue of the articles of association of the company or based on agreements known by the company to nominate or dismiss the majority of the directors; or
  - the acquisition or possession of voting rights in the company, 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 the company 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 hypothesis 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 SA 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 hypothesis 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 hypothesis (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 hypothesis (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 the company that enter into force, change or end in case of a change in the control over the company after a public take over bid.

Agreements between the company and its statutory manager, directors or employees that foresee compensations for leaving in the case of a public take over bid Furthermore, no agreements are concluded between the company, 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

The company 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 SA has declared holding more than 30% of the shares with voting rights of the company.

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

10.6 DIVIDEND POLICY

In accordance with article 13 of the RD on RREC, in case a profit is recorded for the financial year, at least the positive difference between the following amounts has to be paid out:

(i) 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) and

(ii) the net decrease of financial debt in the course of the financial year of the public RREC.

Furthermore, article 617 of the Company Code also has to be taken into account.

The company 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 153 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 the company, 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 executive committee 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 article 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 on market abuse.

The Corporate Governance Charter takes into account the rules imposed by the RD of 5 March 2006 on market abuse. 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

The company guarantees equal treatment of all shareholders and respects their rights. The statutory manager encourages the shareholders to attend to the meeting in person and develops a publication and communication policy that improves an effective dialogue with shareholders and potential shareholders. To this effect, the shareholders can consult all information and all documents with regard to general meetings on the website of the company as soon as the convocation to the general meeting has been published.

The company facilitates assisting the meetings by making a model proxy document available to the shareholders that cannot assist to a certain meeting, made timely available by the company on the website that it also sends to shareholders requesting it. The shareholder can only appoint one person as a proxy for a certain general meeting. The company has to receive the proxy at latest on the sixth day preceding the date of the meeting.

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. The shareholders can ask these questions in writing directly after the convocation and at latest on the sixth day preceding the meeting.

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 following working day at the same hour.

When one or more shareholders representing individually or jointly 1/5 of the registered capital of the company ask, the statutory manager is held, cf. article 23.1 of the articles of association of the company, to convene a special or extraordinary general meeting.

The convocations to the general meeting mention the agenda and the proposals for decision and are made by an announcement in the Official Belgian Gazette and one national newspaper, as well s by a publication on the website of the company, at least 30 days prior to the meeting. The convocations comprise the data as prescribed by article 533bis of the Company Code. To the holders of nominative shares, the convocations are also communicated 30 days prior to the meeting by ordinary letter, unless the recipient has explicitly and in writing agreed to receive the convocation through any other communication tool.

In accordance with article 23.3. of the articles of association, each shareholder representing at least three percent (3%) of the shares, has the possibility to add himself items to the agenda and proposals for decision with regard to the agenda items listed or to be added. Such a request has to be communicated at latest the twenty-second (22nd) day before the date of the general meeting.
The added items and related proposals for decision are published at latest on the fifteenth day before the date of the meeting. At the same time, new proxy forms, adapted to the new agenda, are made available on the website of the company.

The minutes of the general meeting and the results of the votes are published as soon as possible after the meeting on the website of the company, and at latest, within fifteen days following the meeting.

In order to participate validly to the general meeting and to vote, each shareholder has to, at latest on the fourteenth (14th) day before the general meeting, at twenty-four hours, have his shares registered (registration date),
- or by the inscription in the register of nominative shares of the company;
- or by the inscription in the accounts of a recognized account holder or settlement institution. Only the shares at the registration date are taken into account, no matter the number of shares the shareholder detains at the date of the general meeting.

The owners of dematerialized shares wishing to participate to the meeting, have to send, at latest on the sixth (6th) prior to the date of the general meeting, a certificate to the company, delivered by their financial intermediary or recognized account holder, stating the number of dematerialized shares inscribed in the name of the shareholder at the registration date and for which the shareholder has indicated wishing to participate to the general meeting.

Amendments to the rights of shareholders have to be approved by an extraordinary general meeting of shareholders of the company 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 SA

The board of directors of Leasinvest Immo Lux SA, a 100% subsidiary of the company currently holding the Luxembourg portfolio and the Swiss buildings, is at present composed of seven directors, five of whom are directors of Leasinvest Real Estate Management SA, the CFO and the Secretary-general of the comapany:

- 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 and chairman of the executive committee of the company;
- 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 the company;
- Vincent Macharis, CFO and member of the executive committee of the company.

To the annual meeting of the shareholders of Leasinvest Immo Lux SA that will be held in April 2015 will be asked to re-appoint the directors of Leasinvest Immo Lux SA, each time appointed for one year, till the annual meeting that will be held in April 2016.

10.11 AUDIT OF THE ANNUAL ACCOUNTS – AUDITOR

The auditor, appointed by the general meeting of share-holders, 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 fulfill the function of auditor of the company.

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

To the annual meeting of shareholders of the company that will be held on 18 May 2015 will be proposed to extend the mandate of Ernst Young Bedrijfsrevisoren, represented by Mr Pierre Vanderbeek, for a term of 3 years (financial years 2015, 2016 and 2017), to expire after the annual meeting that will be held in 2018.

The remuneration of the auditor for auditing the financial statements of the company and its Belgian subsidiaries for the past financial year was estimated at € 38,900 (excl. VAT), or € 32,907 for the company and € 5,993 for the audit of its subsidiaries.

Next to that, remunerations of € 18,500 (excl. VAT) were paid to the auditor for extraordinary missions (namely auditor's reports for FSMA, debt ratio and with regard to the change of purpose cf. article 559 of the Company Code) after approval by the audit committee in accordance with the procedure intended in article 133 § 6, 1 of the Company Code.

To the annual general meeting of shareholders of Leasinvest Immo Lux SA which will be held in April 2015, 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 SA).

The remuneration of the auditor for auditing the financial statements of Leasinvest Immo Lux SA and its subsidiaries for the past financial year was estimated at € 68,100 (excl. VAT).

Agreements relating to the (fixed) remuneration of the auditor of the company 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, INDEPENDENT CONTROL FUNCTIONS AND RISK MANAGEMENT

Internal control

In accordance with article of the RREC law the company pursues an active management for exercising its activities, which implies that the company itself ensures the development and the daily management of the real estate.

In view of exercising its activities, in accordance with article 17 of the RREC law, the company disposes of over a management structure and an administrative, accounting, financial and technical organization allowing it to exercise its activities in conformity with article article 4 of the RREC law.

The company has, subject to the supervision of the effective officers, also arranged appropriate internal control, whose operation is checked at least annually. The internal control system ensures with a reasonable degree of certainty the realization of namely the following: management is well organized and cautious as to defined objectives; the resources are used economically and efficiently. 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 well as the reliability of financial communciation.

Administrative and accounting organization

As regards its administrative and accounting organization, the company 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.

Integrity policy

In addition, the company 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, as described below, supervising the integrity policy.

The integrity policy comprises different aspects, among which preventing insider trading, conflicts of interest and the incompatibility of mandates, non-corruption and professional confidentiality. The effective officers examine regularly which other domains and activities should be part of the scope of the compliance function.

Independent control functions

Independent internal audit function

The company disposes of an adequate independent internal audit function. The responsible for this internal audit function is responsible for an independent and permanent evaluation of the activities of the company and examines the quality and efficiency of existing procedures and methods for internal control.

The independent person responsible for the internal audit function is Vincent Macharis, CFO of the company.

Independent risk management function

The company disposes of a risk management policy as described below.

The board of directors of the statutory manager of the company has decided to appoint Mr Jean-Louis Appelmans as the person responsible for the risk management position (the risk manager) as a large number of risk are of a financial nature and are mainly situated in the acquisition activities of the company rather than in managing the real estate portfolio. Jean-Louis Appelmans is also an effective officer and director. The risk manager is appointed for a term of 3 years.

Independent compliance function

The company disposes of an adequate independent compliance function that can, with a reasonable certainty, ensure the compliance by the public RREC, its statutory managers, directors, effective officers, members of the executive committee, employees and mandatories of the legal provisions relative to the integrity of the company of the public RREC and, more specifically, of the rules related to the integrity of the activities of the company, by following up the different risks that the company runs from its status and activities. The compliance officer is more particularly responsible for respecting the rules with regard to the integrity policy.

The board of directors has appointed Mrs Micheline Paredis, Secretary-general of the company, as compliance officer.

Micheline Paredis (47) is secretary general of the company has over 20 years of experience in corporate and real estate law, of which more than 15 years as legal counsel 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*, Canal Logistics Brussels NV*, Foncière des Eperons d'Or NV*, Leasinvest Immo Lux SICAV-FIS, Leasinvest Immo Lux Conseil SA*, Leasinvest Services NV, RAB Invest NV, Zebra Trading NV*, Autonoom Gemeentebedrijf Boom Plus, Middelheim Promotors VZW.

Risk management policy

The company disposes of an adequate risk management policy.

A(n) (dis)investment decision is taken by the board of directors of the statutory manager, based on a proposal elaborated by the management and after ample deliberation in the board of directors. Should the case arise, a prior advice is given to the board of directors by one or more committees (e.g. the committee of independent directors within the framework of applying the procedure for preventing conflicts of interest, that can be assisted by external experts to that end).

Prior to each 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 the company is made (with regard to a detailed analysis of the risks the company could be exposed to, we refer to page 8 of Risk factors). For each of the risk enumerated in this annual report, measures and procedures have been established to identify the risks and monitor them, and to avoid that the risks would materialize, and/or to limit the impact of these risk (should the case arise) and assess their consequences as far as possible, and control and follow them up.

This evaluation is carried out within the audit committee – at least four 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, and by the person responsible for the risk management function as described above.

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 past financial year 2014, the quarterly valuations of the real estate portfolio were conducted by four independent valuers, Cushman & Wakefield VOF, DTZ Winssinger, Stadim and SPG (related to Cushman). 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.

The valuation of the Luxembourg portfolio is made by Cushman, that of Belgium respectively by Cushman, DTZ Winssinger and Stadim and that of the buildings located in Switzerland by SPG.

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, Belgium and Switzerland, a total remuneration of € 137,283 (excl. VAT) was provided for, of which

- € 60,779 for the valuation of the Belgian portfolio to Cushman (€ 12,250), DTZ Winssinger (€ 22,689) and Stadim (€ 25,840) for Leasinvest Real Estate;
- € 61,600 to Cushman for the valuation of the Luxembourg portfolio, and
- € 14,904 to SPG for the valuation of the real estate in Switzerland for Leasinvest Immo Lux SA.

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 24 § 1 of the RREC law the remuneration of the surveyor shall not be linked, either directly or indirectly, to the value of the real estate subject to his valuation. The remuneration mentioned above has been defined based on a fixed amount per m^2. The remuneration is contractually defined with the real estate expert.

The physical persons representing the real estate expert as experts in the sense of article 24 §1 of the RREC law, have to define their valuation in complete independence. This is also valid when these physical persons follow each other up within or after the maximum term of three years defined in article 24 §1 of the RREC law, in which an expert can value a certain real estate.

Valuation of the real estate in Belgium/Luxembourg
Cushman & Wakefield VOF 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). Both Cushman & Wakefield Belgium and Luxembourg are represented by Koen Nevens, MRICS.

Since 31/12/11 the valuation is done by Matthias Gerits, Surveyor, under the supervision of Jérôme Lits, Associate.

Valuation of the real estate in Belgium
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 is done 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 real estate (offices, retail, logistics and nursing homes) 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 agreement was concluded for a term of 3 years as of 1 January 2013 to end, in principle, on 31 December 2015.

The valuation of the logistics real estate in Belgium is done by Yannick Stolk.

Valuation of the real estate in Switzerland
SPG Intercity Geneva SA (company number CH-660.2.618.000-9), with registered office at CH-1207 Genève, 41A, route de Frontenex, is a joint venture of the "Société Privée de Gérance" (Geneva) and the Intercity Group (Zurich), two independent real estate services companies with offices in the main Swiss cities, under Swiss legislation. SPG is not supervised by any official authority.

The valuation of the real estate in Switzerland is done by Martin Dunning and Bertrand Maag.

10.14 DEPOSITARY

The company has no depositary. Leasinvest Immo Lux SA does.

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', was appointed as depositary of Leasinvest Immo Lux SA in accordance with the applicable Luxembourg legislation (RCS Luxembourg B47192) till 31/12/14.

Remuneration were paid by Leasinvest Immo Lux SA in the course of the past financial year for a total amount of € 233,000 (excl. VAT) to RBC Investor Services Bank.

Since 01/01/2015 SGG S.A. (company number B 65.906) with registered office at L-2086 Luxembourg, 412F, route d'Esch, was appointed as depositary. SGG is subject to supervision by the "Commission de Surveillance du Secteur Financier".

In its capacity of depositary, SGG is bound to comply with the provisions imposed, including the Luxembourg law of 13 February 2007 on specialized investment funds. In that capacity the depositary is put in possession of, among other things, all official documents and deeds relating to changes in the assets of the company and of a number of documents according to corporate law.

For the financial year 2015 SGG will receive a remuneration of circa 120,000 € (excl. VAT).

10.15 LIQUIDITY PROVIDER

Bank Degroof rendered services as liquidity provider of the company 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.

Corporate social responsibility

Corporate social responsibility is an integral part of the daily management of Leasinvest Real Estate and is part of its on-going 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 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 m² and 14,220 solar panels, this installation has a production capacity of 3.15 GWh/year, which corresponds to the average energy consumption of 920 households and also reduces the annual CO_2 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.

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 2014, € 12 million were divested within this scope (see Management report page 39 – 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: BREEAM In-use score was improved from 'Very good' to 'excellent'
Office building Motstraat Malines: 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)
Redevelopment office building Square de Meeûs: objective is BREEAM Excellent
Redevelopment office building Montoyer 63: objective is BREEAM Excellent

LUXEMBOURG

Office building Royal20 (new construction): objective is BREEAM 'Very good' or '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), the Royal Museum of Fine Arts (KMSKA) and De Singel Academie 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 2014 this was Rotonde vzw, active in care for adults with limitations. The annual budget for new year's cards 2015 was integrally donated to Doctors Without Borders.

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 8.

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 31/12/2014.

Drawn up in Antwerp on 11/02/2015

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

Financial statements

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 11 February 2015.
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	31/12/14 (12 months)	31/12/13 (12 months)
Rental income	4	50,175	45,186
Rental-related expenses	4	-31	0
NET RENTAL INCOME	4	50,145	45,186
Recovery of property charges	5	367	92
Recovery income of charges and taxes normally payable by tenants on let properties	6	4,008	3,509
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	5	0	0
Charges and taxes normally payable by tenants on let properties	6	-4,008	-3,509
Other rental-related income and expenditure	5	-1,637	-1,617
PROPERTY RESULT		48,875	43,661
Technical costs	7	-1,307	-1,559
Commercial costs	8	-1,059	-696
Charges and taxes on unlet properties	9	-504	-295
Property management costs	10	-3,893	-3,639
Other property charges	10	-472	-528
PROPERTY CHARGES		-7,235	-6,717
PROPERTY OPERATING RESULT		41,640	36,944
Corporate operating charges	11	-2,704	-2,374
Other operating charges and income	11	-307	-343
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		38,629	34,227
Result on disposal of investment properties	12	1,767	-146
Changes in fair value of investment properties	13	5,687	1,978
OPERATING RESULT		46,083	36,059
Financial income	14	3,111	2,254
Net interest charges	15	-13,811	-10,810
Other financial charges	16	-1,728	-1,365
Changes in fair value of financial assets and liabilities	17	-729	966
FINANCIAL RESULT		-13,157	-8,955
PRE-TAX RESULT		32,926	27,104
Corporate taxes	18	-353	-178
Exit tax		0	0
TAXES		-353	-178
NET RESULT		32,572	26,926
Attributable to:			
Minority interests		1	-2
Net result – Group share		32,571	26,928

(in € 1,000)	Note	31/12/14	31/12/13
Other elements of comprehensive income			
Other elements of comprehensive income that will not be reclassified later to the net result		0	0
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties		-825	-338
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS		-21,890	8,427
Changes in fair value of financial assets available for sale	23	11,465	2,288
Other elements of comprehensive income that will be reclassified later to the net result		-11,251	10,377
Comprehensive income		21,321	37,303
Attributable to:			
Minority interests		1	-2
Comprehensive income – Group share		21,320	37,305
NET CURRENT RESULT			
Net result		32,572	26,926
To be eliminated			
- Result on disposal of investment properties		1,767	-146
- Changes in fair value of investment properties		5,687	1,978
- Changes in fair value of financial assets and liabilities		-729	966
- Deferred taxes		-213	
NET CURRENT RESULT		26,062	24,128

RESULTS PER SHARE (in €)	31/12/14 (12 months)	31/12/13 (12 months)
Comprehensive income per share, group share (1)	4,32	7,55
Comprehensive income per diluted share, group share (1)	4,32	7,55
Result per share, group share (1)	6,60	5,45
Result per diluted share, group share (1)	6,60	5,45
Net current result per share (1)	5,28	4,88

1 Based on the number of shares at closing date (31/12/14).

CONSOLIDATED BALANCE SHEET

(in € 1,000)	Note	Period 31/12/14	Period 31/12/13
ASSETS			
I.NON-CURRENT ASSETS		804,789	757,058
Intangible assets	19	80	1
Investment properties	20	720,801	690,191
Other tangible assets	22	1,266	1,140
Non-current financial assets	23	64,743	47,827
Finance lease receivables	24	17,900	17,899
II. CURRENT ASSETS		32,125	20,809
Assets held for sale	25	17,626	10,144
Current financial assets	26	0	0
Trade receivables	27	8,207	5,427
Tax receivables and other current assets	28	1,010	1,197
Cash and cash equivalents	29	3,654	2,254
Deferred charges and accrued income	30	1,627	1,786
TOTAL ASSETS		836,914	777,867
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		336,414	335,334
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		336,410	335,331
Capital	31	54,315	54,315
Share premium account	31	121,091	121,091
Reserves	31	128,432	132,997
Net result of the financial year	31	32,572	26,928
II. MINORITY INTERESTS	33	4	4
LIABILITIES		500,500	442,532
I. NON-CURRENT LIABILITIES		357,650	301,299
Provisions		0	0
Non-current financial debts	34	319,423	282,731
- Credit institutions		222,029	186,776
- Other		97,394	95,955
Other non-current financial liabilities	34	38,227	18,568
Other non-current liabilities		0	0
II. CURRENT LIABILITIES		142,850	141,233
Provisions		0	0
Current financial debts	34	121,910	125,058
- Credit institutions		32,919	25,099
- Other		88,991	99,959
Trade debts and other current debts	35	8,631	6,077
- Exit tax		0	0
- Other		8,631	6,077
Other current liabilities	36	3,250	2,203
Accrued charges and deferred income	37	9,059	7,896
TOTAL EQUITY AND LIABILITIES		836,914	777,867

CONSOLIDATED CASH FLOW STATEMENT[1]

(in € 1,000)	Note	31/12/14 (12 months)	31/12/13 (12 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**29**	**2,254**	**2,436**
1. Cash flow from operating activities		**40,511**	**30,319**
Net result		32,573	26,926
Adjustment of the profit for non-cash and non-operating elements		6,687	7,674
Depreciations, write-downs and taxes		*383*	*161*
- Depreciations and write-downs on intangible and other tangible assets (+/-)		100	73
- Write-downs on current assets (-)	27	31	0
- Taxes	18	353	178
- Taxes paid		-100	-91
Other non-cash elements		*-4,357*	*-2,554*
- Changes in fair value of investment properties (+/-)	13	-5,687	-1,978
- Movements in provisions (+/-)		0	0
- Phasing of gratuities (+/-)	4	601	389
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities (1)	17	729	-966
Non-operating elements		*10,660*	*10,067*
Gains on disposals of non-current assets	13	-1,767	146
Dividends received (1)	14	-2,187	-1,690
Write-back of financial income and financial charges (1)		14,615	11,611
Change in working capital requirements		1,251	-4,281
Movements in asset items		*-2,463*	*-244*
- Other long term assets			-24
- Current financial assets			
- Trade receivables		-2,809	1,177
- Tax receivables and other current assets		187	122
- Deferred charges and accrued income		159	-1,520
Movements in liability items		*3,714*	*-4,036*
- Other non-current debts		0	-18
- Trade debts and other current debts		2,554	-1,916
- Taxes		-253	-88
- Other current liabilities		1,047	22
- Accrued charges and deferred income		366	-2,037

1 The sum of the decrease of the fair value of financial assets and liabilities (€ -729 thousand), dividends received (€ 2,187 thousand) and the reversal of financial income and charges (€ -14,615 thousand) in cash flow amounts to € - 13,157 thousand, which is the financial result end-2014.

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(in € 1,000)	Note	31/12/14 (12 months)	31/12/13 (12 months)
2. Cash flow from investment activities		**-34,432**	**-81,641**
Investments			
Investment properties in operation	20	-40,458	-99,641
Development projects	20	-3,513	-1,489
Intangible and other tangible assets		-305	-1
Non-current financial assets	23	-4,323	-7,974
Assets held for sale		0	0
Effect in consolidation of new participations		0	131
Divestments			
Investment properties in operation	20	1,598	27,332
Intangible and other tangible assets			-146
Non-current financial assets	23	74	67
Assets held for sale	25	10,308	27,410
Dividends received	1	2,187	1,690
3. Cash flow from financing activities		**-4,678**	**49,450**
Change in financial liabilities and financial debts			
Increase (+) / Decrease (-) of financial debts		32,095	17,688
Increase (+) / Decrease (-) of other financial liabilities		-2,809	
Financial income received		1,019	2,254
Financial charges paid		-14,742	-12,512
Change in shareholders' equity			42,021
Change of capital and share premium account (+/-)			60,655
Changes in reserves			-979
Increase (+) / Decrease (-) of treasury shares			
Dividend of the previous financial year	31	-20,242	-17,656
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**29**	**3,655**	**2,254**

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES

(in € 1,000)	Capital	Share premium account	Treasury shares redeemed (-)	Reserves
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
- Comprehensive income 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
- Comprehensive income 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
- Distribution closing dividend of the previous financial year				-20,243
- Transfer net result 2013 to reserves				26,928
- Comprehensive income of the financial year 2014 (12 months)				-11,251
- Various				
Balance sheet under IFRS on 31/12/14	54,315	121,091	0	130,104

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
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
			-20,243		-20,243
-26,928			0		0
32,572			21,321	1	21,321
32,572	0	0	336,409	4	336,414

PRESENTED ACCORDING TO THE ITEMS DEFINED IN THE RD OF 13/07/2014

(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
Comprehensive income 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	
Comprehensive income 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	
Comprehensive income 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
Transfers				1,978	
Comprehensive income for the period					-825
Dividends to shareholders					
Balance sheet under IFRS on 31/12/14	54,315	121,091	5,431	36,591	-8,166

1 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.

In 2014 € 720 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 2014 € 5,687 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
	1,031			23,919	-26,928	0		0
-21,890			11,465		32,572	21,321	1	21,322
				-20,243		-20,243		-20,243
-37,191	-2,640	-11	17,422	116,997	32,572	336,409	4	336,414

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CLOSED PER 31 DECEMBER 2014

NOTE 1
GENERAL INFORMATION

Leasinvest Real Estate SCA ('LRE') is a public regulated real estate company under Belgian Law and subject to the law of 12 May 2014 (RREC law) and the RD of 13 July 2014, with its administrative offices in Antwerp.

The consolidated financial statements of LRE for the financial year ending on 31 December 2014 comprise LRE and its subsidiaries. The statutory and consolidated financial statements were authorized for issue by the board of directors of 11 February 2015 and will be proposed to the annual general meeting of shareholders for approval on 18 May 2015. The statutory financial statements as well as the consolidated financial statements 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 financial statements 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 31/12/14, 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.

The nature and the impact of each of the following new accounting rules, changes and/or interpretations, are described below:

- IFRS 10 Consolidated financial statements, effective as of 1 January 2014
- IFRS 11 Joint arrangements, effective as of 1 January 2014
- IFRS 12 Disclosure of Interests in Other Entities, effective as of 1 January 2014
- Improvements to IFRS 10, IFRS 11 and IFRS 12 Transitional provisions, effective as of 1 January 2014
- Improvements to IFRS 10, IFRS 12 and IAS 27 – Investment funds, effective as of 1 January 2014
- IAS 27 Separate financial statements (2010), effective as of 1 January 2014
- IAS 28 Investments in associates and joint ventures (2011), effective as of 1 January 2014
- Improvements to IAS 32 Financial instruments: Presentation: Offsetting of financial assets and financial liabilities, effective as of 1 January 2014
- Improvements to IAS 36 Impairment of assets – Recoverable Amount Disclosures for Non-Financial Assets, effective as of 1 January 2014
- Improvements to IAS 39 Financial instruments: Recognition and Measurement – Renewal of derivatives and continuation of hedge accounting, effective as of 1 January 2014

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

1) IFRS 10 Consolidated financial statements

IFRS 10 replaces the part of IAS 27 'Consolidated and separate financial statements' relative to consolidated financial statements. IFRS 10 replaces moreover the regulation from SIC-12 'Consolidation – Special purpose entities'.
This standard changes the definition of control. In IFRS 10 control is defined as follows: an investor benefits from or is entitled to a variable income from his involvement in the participation and is capable to exercise his power as a consequence of the participation, to influence the income.
This standard has no influence on the financial statements.

2) IFRS 11 Joint arrangements

IFRS 11 replaces IAS 31 'Interests in joint ventures' and SIC-13 'Jointly controlled entities - Non-monetary contributions by participants in a joint venture'. Entities, according to this new standard, have no longer the option to proportionally consolidate jointly controlled entities. These entities are treated according to the 'equity method' if they meet the definition of a joint venture.
This standard has no influence on the financial statements.

3) IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 comprises disclosures on interests in subsidiaries, joint arrangements, associates and unconsolidated 'structured entities'. These disclosures are more extensive than the previous for subsidiaries.
Leasinvest Real Estate has no subsidiaries with material minority interests.

4) Improvements to IFRS 10- IFRS 11 – IFRS 12 - Transitional provisions

The changes clarify the transitional provisions in IFRS 10 Consolidated financial statements and provide in additional transitional exemptions in IFRS 10, IFRS 11 Joint arrangements and IFRS 12 'Disclosure of Interests in Other Entities'.
This standard has no influence on the financial statements.

5) Improvements to IFRS 10, IFRS 12 en IAS 27 – Investment funds

These changes consist of an exception to the consolidation obligation and apply to entities that correspond to the definition of an investment entity according to IFRS 10. As a consequence, an investment entity has to value certain subsidiaries at fair value with treatment of value adjustments via the income statement. The changes are not relevant for Leasinvest, as none of the group entities corresponds to the definition of an investment entity according to IFRS 10.

6) IAS 27 Separate financial statements (reviewed in 2011)

The publication of IFRS 10 and IFRS 12 has led to a review of IAS 27. IAS 27 currently only relates to the treatment of interests in subsidiaries, joint arrangements and associates in the separate financial statements. The revised standard has no impact on the financial position or the results of Leasinvest.

7) IAS 28 Investments in associates and joint ventures (reviewed in 2011)

The adoption of IFRS 10 and IFRS 12 led to a revision of IAS 28. Under IAS 28 the 'equity method' has to be applied, both to the treatment of interest in joint ventures and to interests in associates. The revised standard has no impact on the financial position or the results of Leasinvest.

8) Improvements to IAS 32 Financial instruments: Presentation: Offsetting of financial assets and financial liabilities

These improvements clarify the meaning of "an enforceable right [...] to offset" and the criteria that non-simultaneous fulfillment mechanisms of clearing houses have to meet in order to be taken into account for offsetting. As Leasinvest does not offset financial instruments and has made no relevant offsetting arrangements, this change has no influence on the presentation of the financial assets and liabilities.

9) Improvements to IAS 36 Impairment of assets – Recoverable Amount Disclosures for Non-Financial Assets

These improvements clarify that entities only have to disclose on the use of the valuation at fair value after deduction of the costs of disposal if the realizable value of an asset subject to impairment is equal to the fair value after deduction of the costs of disposal. The adjustments also introduce additional disclosures for measurement at fair value in the case of impairment or a reversal of impairment. This change only relates to notes and not to the financial position or results of van Leasinvest. But as Leasinvest has not booked any impairments, this has no influence.

10) Improvements to IAS 39 Financial instruments: Recognition and Measurement – Renewal of derivatives and continuation of hedge accounting

These improvements comprise an exception to stopping hedge accounting if the renewal of a derivative used as a hedge meets certain criteria. Leasinvest has not renewed any derivatives in the course of the period under review. The changes will however be taken into account for future renewals.

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, effective as of 1 January 2018
- Improvements to IFRS 10, IFRS 12 and IAS 28 – Investment funds: Applying the exception to consolidation, effective as of 1 January 2016
- Improvements to IFRS 10 Consolidated financial statements and IAS 28 Investments in associates and joint ventures – Sale or contribution of assets between the investor and the associated party or joint venture, effective as of 1 January 2016
- Improvements to IFRS 11 Joint arrangements: Treatment of the acquisition of interests in joint operations, effective as of 1 January 2016
- IFRS 14 Regulatory deferral accounts, effective as of 1 January 2016
- IFRS 15 Revenue from Contracts with Customers, effective as of 1 January 2017
- Improvements to IAS 1 Presentation of Financial Statements – Initiative on disclosures, effective as of 1 January 2016
- Improvements to IAS 16 Property Plant and Equipment and IAS 38 Intangible assets: Clarification of acceptable amortization methods, effective as of 1 January 2016
- Improvements to IAS 16 Property Plant and Equipment and IAS 41 Agriculture: Fruit-bearing plants, effective as of 1 January 2016
- Improvements to IAS 19 Employee Benefits: Defined Benefit Plans: Employee Contributions, effective as of 1 February 2015
- Improvements to IAS 27 Separate financial statements: Equity method in Separate financial statements, effective as of 1 January 2016
- IFRIC 21 Levies, effective as of 17 June 2014
- Annual improvements of IFRSs, cycle 2010-2012 (published in December 2013), effective as of 1 February 2015
- Annual improvements of IFRSs, cycle 2011-2013 (published in December 2013), effective as of 1 January 2015
- Annual improvements of IFRSs, cycle 2012-2014 (published in September 2014), effective as of 1 January 2016

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.

I Subsidiaries

Subsidiaries are entities over which the company exercises control. There is control when the company, directly or indirectly, has the power to direct the financial and operational policy of an entity, in order to benefit from its activities. The financial statements of the subsidiaries are recorded in the consolidated financial statements as of the start date till the end date of the control.
If necessary, the valuation rules for subsidiaries are amended in order to guarantee coherence with the principles adopted by the Group. The financial statements of the subsidiaries recorded in the consolidation cover the same accounting period as that of the company.
Changes in interests of the Group in subsidiaries that do not lead to a loss of control are treated as transactions in shareholders' equity.
The book value of the interests of the Group or of third parties in subsidiaries is adjusted to take into account the changes of the respective interest levels. Each difference between the amount by which the minority interests are adjusted and the fair value of the paid or received remuneration is immediately recorded in shareholders' equity.

II Jointly controlled entities

Jointly controlled entities are associates and joint ventures over which the Group exercises a joint control, defined by contract of as a consequence of a distribution of the shares among a limited number of shareholders. The consolidated income statements comprise the Group share in the results of the associates and joint ventures according to the equity method. This share is calculated as of the start date till the end date of the joint control. The financial statements of the jointly controlled entities comprise the same accounting period as that of the company.

III Transactions eliminated in consolidation

Intra-group balances and transactions, and all profits from intragroup transactions, are eliminated when preparing the consolidated financial statements.
Profits from transactions with jointly controlled entities are eliminated in relation to the interest of the Group in those entities. Losses are eliminated in the same way as profits, but only if there is no indication of depreciation.
A list of the Group companies is recorded in the notes to the consolidated financial statements.
The financial statements of subsidiaries are fully consolidated as from the date of acquisition until the date that such control ceases.

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. INTANGIBLE ASSETS

Intangible assets with a finite useful life are carried at cost less any accumulated depreciation and any possible impairment losses.

Intangible assets are depreciated over their estimated useful life, i.e. 3 years, using the straight-line method.
The estimated useful life, as well as the residual value is reviewed annually.

Intangible assets with an indefinite useful life also carried at cost, are not depreciated but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Formation expenses are recognized as expense when incurred.

F. OTHER TANGIBLE FIXED ASSETS

The other tangible fixed assets, excluding real estate, are carried at acquisition value less any accumulated depreciation and any possible impairment losses.
Other tangible fixed assets are depreciated using the straight-line method over their economic useful life. The estimated economic useful life, as well as the residual value is reviewed annually.
The useful life of assets amounts to 20 years for solar panels, 5 years for furniture and 3 years for IT-equipment.

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 and in Switzerland with a value higher than € 2.5 million, the fixed transfer taxes of 2.5% applicable on real estate in Belgium, can be applied.

For an acquisition the transfer rights, in the case of a later hypothetical sale, are directly recorded in shareholders' equity; each subsequent adjustment is booked in the income statement.

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 RRECs, 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 state-

ment 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.

The company value is the market value of the expected future cash flows. In order to define the company value, the expected future cash flows are discounted at an interest rate before taxes that reproduces both the current market interest rate and the specific risks with regard to the asset.
For assets that do not generate cash flows the recoverable value of the cash-generating entity they belong to, is defined.

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 ASSETS AND LIABILITIES

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, unless they were founded by 'hedge accounting' documentation (see K).

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 the interest rate and exchange rate risks 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 (payer interest rate swaps and cross currency swaps), 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 fair value of the 'swap' interest rates is the estimated value the company would receive or pay when exercising the swap at the balance sheet date, taking into account the current interest rates and the expected interest rates and the solvency of the counterparty of the swap.

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.

Fair value hedging
For each financial derivative covering the potential changes in fair value of a recorded receivable or debt, the profit or loss resulting from the revaluation of the hedge is recorded in the income statement. The value of the hedged element is also measured at the fair value attributable to the hedged risk. The related profits or losses are recorded in the income statement. The fair value of the hedged elements related to the hedged risk are the book values at the balance sheet date, calculated in euro at the exchange rate effective at the balance sheet date.

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 an RREC with an entity that is not an RREC. 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 RREC 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 period. For the calculation of the diluted profit per share, the profit or the loss that can be attributed and the holders of ordinary shares and the weighted average number of issued shares are corrected for the effects of all potential ordinary shares that will lead to dilution.

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

Financial income

Financial income comprises the interest received on investments, dividends, exchange rate income and income relating to hedges that is recorded in the income statement (excluding fair value adjustments).
Interests and dividends that originate from the use by third parties of company resources, are recorded when it is probable that the economic benefits related to the transaction will flow back to the company and the income can be defined in a reliable way.
Interests received are recorded when collected (taking into account the time elapsed and the effective return of the asset), unless there is any doubt on the collection.
Dividends are recorded in the income statement at the date of payment or when they were granted.

Net funding costs

The net funding costs comprise the interest payable on loans, calculated using the effective interest rate method, as well as the net interest due on derivative financial instruments that are recognized in the income statement (excluding fair value adjustments). Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset.

Other financial charges

The other financial charges mainly comprise reservation fees due on unused confirmed credit lines.

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 "chief operating decision makers" (high-ranking officers) are the Effective officers of the company. The operational segments are defined, as there is evidence, in the long term, of similar financial performance as they have comparable economic characteristics, based on the estimated rental value, investment potential and residual value.

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 three geographic segments, namely Belgium, the Grand Duchy of Luxembourg and Switzerland. The Luxembourg and Swiss segment correspond to the Leasinvest Immo Lux SICAV-SIF portfolio. The "corporate" category comprises all unallocated fixed costs carried at group level, and the financing costs.

NOTE 3
SEGMENT INFORMATION

3.1 Segment information - geographical

3.1.1 Consolidated statement of comprehensive income

(in € 1,000)	Belgium		Luxembourg		Swit-zerland	Corporate		TOTAL	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/14	31/12/13	31/12/14 (12/12)	31/12/13 (12/12)
(+) Rental income (1)	21,552	23,122	28,258	22,064	365			50,175	45,186
(+) Write-back of lease payments sold and discounted									
(+/-) Related-rental expenses	-31							-31	0
NET RENTAL INCOME	21,522	23,122	28,258	22,064	365		0	50,145	45,186
(+) Recovery of property charges	254	92	113					367	92
(+) Recovery income of charges and taxes normally payable by tenants on let properties	3,971	3,455	37	54				4,008	3,509
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease				0					0
(-) Charges and taxes normally payable by tenants on let properties	-3,971	-3,455	-37	-54				-4,008	-3,509
(+/-) Other rental related income and expenditure	-1,467	-1,497	-161	-120	-8			-1,637	-1,617
PROPERTY RESULT	20,309	21,717	28,210	21,943	357		0	48,875	43,661
(-) Technical costs	-1,076	-1,342	-231	-217				-1,307	-1,559
(-) Commercial costs	-172	-652	-888	-44				-1,059	-696
(-) Charges and taxes on un-let properties	-460	-264	-45	-31				-504	-295
(-) Property management costs (2)	-3,556	-3,412	-337	-227				-3,893	-3,639
(-) Other property charges	-219	-368	-238	-159	-15			-472	-528
PROPERTY CHARGES	-5,482	-6,038	-1,738	-679	-15		0	-7,235	-6,717
PROPERTY OPERATING RESULT	14,826	15,679	26,472	21,265	342		0	41,640	36,944
(-) Corporate operating charges						-2,704	-2,374	-2,704	-2,374
(+/-) Other operating charges and income						-307	-342	-307	-342
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	14,826	15,679	26,472	21,264	342	-3,010	-2,716	38,629	34,227
(+/-) Result on disposal of investment properties	1,767	-785		639				1,767	-146
(+/-) Changes in fair value of investment properties	-9,413	684	13,035	1,294	2,065			5,687	1,978
OPERATING RESULT	7,180	15,578	39,507	23,197	2,407	-3,010	-2,716	46,083	36,059
(+) Financial income						3,111	2,254	3,111	2,254
(-) Net interest charges						-13,811	-10,810	-13,811	-10,810
(-) Other financial charges						-1,728	-1,365	-1,728	-1,365
(+/-) Changes in fair value of financial assets and liabilities						-729	966	-729	966
FINANCIAL RESULT		0		0		-13,157	-8,955	-13,157	-8,955
PRE-TAX RESULT	7,180	15,578	39,507	23,197	2,407	-16,167	-11,671	32,926	27,104
(+/-) Corporate taxes						-353	-178	-353	-178
(+/-) Exit tax									0
TAXES		0		0		-353	-178	-353	-178
NET RESULT	7,180	15,578	39,507	23,089	2,407	-16,521	-11,849	32,572	26,926
Attributable to:									
Minority interests									-2
Group share									26,928

1 There is no rental income from transactions with other operational segments.

2 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 2014 (12 months) € 1.9 million is related to the Luxembourg real estate portfolio (including the Swiss buildings). The fee is however fully recorded in the Belgian segment because Leasinvest Real Estate is the actual debtor.

3.1.2 Consolidated balance sheet (geographical segmentation)

(in € 1,000)	Belgium		Luxembourg		Swit-zerland	Corporate		TOTAL	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/14	31/12/13	31/12/14	31/12/13
ASSETS									
Intangible assets	80	1		0	0			80	1
Investment properties (incl. development projects, excl. financial leasing)	235,345	260,926	446,767	429,265	38,689			720,801	690,191
Assets held for sale	17,626	10,144						17,626	10,144
Other assets	83,058	71,593	14,302	5,939	1,047			98,407	77,532
ASSETS PER SEGMENT	336,109	342,663	461,069	435,204	39,736			836,914	777,867
LIABILITIES									
Non-current financial debts						319,423	282,731	319,423	282,731
Current financial debts						121,910	125,058	121,910	125,058
Other liabilities						59,167	34,743	59,167	34,743
LIABILITIES PER SEGMENT						500,500	442,532	500,500	442,532
SHAREHOLDERS' EQUITY								336,414	335,334

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		Switzer-land	TOTAL	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/14	31/12/13
Investment properties							
investments	368	3,027	4,416	122,113	37,964	42,748	126,630
divestments							
Finance lease receivables							
investments							
divestments							
Assets held for sale							
investments							
divestments	-10,139	-2,591		-19,110		-10,139	-21,701
Other tangible assets (other)							
investments	8		213			221	
divestments	-1	0				-1	0
depreciations	-82	-73	-13			-95	-73
Net book value at the end of the financial year	1,066	1,140	200			1,266	1,140

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		Switzer-land	TOTAL	
(in € 1,000)	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/14	31/12/13
Fair value of the real estate portfolio (1)	270,860	288,984	446 410	429,250	39,057	756,327	718,234
Investment value of the real estate portfolio	277,220	295,910	453 430	435,940	40,030	770,680	731,850
Gross yield (in fair value) of the segment	7.74%	7.61%	7.02%	7.44%	6.09%	7.23%	7.31%
Gross yield (in investment value) of the segment	7.56%	7.44%	6.92%	7.00%	5.95%	7.10%	7.18%
Total letting area (m^2)	156,619	156,619	265,133	272,960	11,649	433,401	429,579
Occupancy rate (2)	91.81%	93.32%	98.77%	99.43%	100%	96.24%	96.90%
Weighted average duration till first break possibility (# years)	4.46	4.46	5.41	5.75	5.60	5.08	5.23

1 The fair value of the real estate portfolio end-2014 consists of the investment properties (€ 720,801 thousand), the finance lease receivables (€ 17,900 thousand) and the assets held for sale (€ 17,626 thousand), or € 756,327 thousand in total.

The fair value of the real estate portfolio end-2013 consists of the investment properties (€ 690,191 thousand), the finance lease receivables (€ 17,900 thousand) and the assets held for sale (€ 10,144 thousand), or € 718,234 thousand in total.

2 The 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	
	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13	31/12/14	31/12/13
Rental income (incl. lease receivables and excl. compensation for termination and incentives)	18,315	18,717	9,166	10,846	21,395	14,501	50,130	44,064
Fair value of the real estate portfolio	259,507	261,010	153,440	155,080	343,380	302,090	756,327	718,234
Investment value of the real estate portfolio	265,970	267,730	156,870	158,540	347,840	305,580	770,680	731,850
Occupancy rate	90.1%	91.2%	95.7%	98%	100%	100%	96.24%	96.90%
Rental yield (in fair value) of the segment	7.57%	7.62%	7.32%	7.25%	6.97%	7.11%	7.23%	7.31%
Rental yield (in investment value) of the segment	7.38%	7.43%	7.17%	7.10%	6.88%	7.03%	7.10%	7.18%
Weighted average duration till first break possibility (# years)	2.4	2.80	6.4	5.52	6.2	6.82	5.08	5.23

	2014		2013	
	Fair value (€ M)	Acquisition value (€ M)	Fair value (€ M)	Acquisition value (€ M)
Offices				
Offices Grand Duchy of Luxembourg	120.92	105.93	118.89	105.93
Offices Brussels	79.20	107	84.97	117.3
Offices rest of Belgium	25.52	47.7	26.35	47.7
Total offices	225.64	260.63	230.21	270.93
Logistics/semi-industrial				
Logistics/semi-industrial Grand Duchy of Luxembourg	19.85	13.4	20.06	13.4
Logistics/semi-industrial Belgium	94.5	73	113.02	90.56
Other	21.5	19.8	22	19.8
Total Logistics/Semi-industrial	135.84	106.2	155.08	123.76
Retail				
Retail Grand Duchy of Luxembourg	271.78	257.2	269.62	257.2
Retail Belgium	32.55	19.3	32.47	19.3
Retail Switzerland	39.05	37		
Total retail	343.35	313.5	302.09	276.5
Investment properties	704.86	680.3	687.38	671.19
Assets held for sale	17.60	17.6	10.12	9
Buildings in operation	722.46	698	697.5	680.19
Projects Grand Duchy of Luxembourg	33.86	21.5	20.68	20.58
Projects Belgium	0		0	
General total with projects & assets held for sale	756.32	719.5	718.18	700.77

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)	31/12/14 (12 months)	31/12/13 (12 months)
Rental income	50,175	45,186
Rents	49,477	43,209
Guaranteed income	0	0
Rent-free periods (1)	-601	-389
Rental incentives	0	-17
Indemnities for early termination of the leases	45	1,138
Income from finance leases and comparable items	1,254	1,244
Write-back of lease payments sold and discounted	0	0
Rental-related expenses	-31	0
Rent payable on rented premises		
Write-downs on trade receivables	-31	0
Write-backs of write-downs on trade receivables		0
NET RENTAL RESULT	50,144	45,186

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 rental income has increased by 11% (+ € 4,989 thousand) and amounts to € 50,175 thousand in comparison with € 45,186 thousand end 2013. This evolution is mainly the consequence of the investment realized in Switzerland in 2014 (€ 0.4 million) and the investments realized in 2013 in Knauf Shopping Center Pommerloch and Hornbach, € 6.4 million in total, compensated by the decrease of rental income following divestments (- € 1.4 million).

But organic growth in rental income is also recorded which rises by 3% or € 1.3 million (mainly Knauf Shopping center in Schmiede & The Crescent in Anderlecht) at constant portfolio, in comparison with the same period of last year (excl. rental rebates). The rental income in the third quarter of 2013 has been positively influenced by € 967 thousand within the framework of an anticipated early termination of a rental contract by settlement. If we make abstraction of this settlement, the rental income increases by 13.5% in comparison with the same period of the previous year.

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)	31/12/14 (12 months)	31/12/13 (12 months)
Within one year	10,230	7,502
Between one and five years	24,730	31,420
More than five years	17,622	11,969
TOTAL	52,582	50,891

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)	31/12/14 (12 months)	31/12/13 (12 months)
Within one year	52,582	50,891
Between one and five years	121,346	119,824
More than five years	94,593	65,953
TOTAL	268,521	236,668

The increase in comparison with end-2013 is explained by the indexed rental contract concluded with Chinese Merchants Bank for 10 years.
Excluding finance lease receivables, the total amount of the future rental income is:

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Within one year	51,312	49,621
Between one and five years	114,487	112,965
More than five years	56,745	29,374
TOTAL	222,544	191,959

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

(in € 1,000)	31/12/14 (12 months)	31/12/13 (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	367	93
Compensations received for rental damage	367	93
Recovery of refurbishment costs at end of lease		
TOTAL	367	93
Other rental-related income and expenses	-1,637	-1,617
TOTAL	-1,637	-1,617

The recovery of property charges only comprises the compensations received for rental damage.
The item "other rental-related income and expenses" amounts to € -1,637 thousand at the end of 2014 in comparison with € - 1,617 thousand at the end of 2013. This item mainly comprises the operational costs related to the business center "The Crescent".
Besides this, this item also comprises the management fee, in accordance with market standards, paid to Leasinvest Services by third parties (€ 370 thousand), compensated by other costs borne by Leasinvest Real Estate (€ - 379 thousand). The contribution of the business center "The Crescent" to the property result is 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)	31/12/14 (12 months)	31/12/13 (12 months)
Recovery income of charges and taxes normally payable by tenants on let properties	4,008	3,509
Rebilling of rental charges paid by the landlord	1,604	1,354
Rebilling of taxes on let properties	2,404	2,155
Rental charges and taxes normally payable by tenants on let properties	-4,008	-3,509
Rental charges paid by the landlord	-1,604	-1,354
Taxes on let properties	-2,404	-2,155
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 2014 and 2013 all charges and taxes, for the account of the tenant, have been rebilled.

NOTE 7
TECHNICAL COSTS

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Recurring technical costs	-1,309	-1,523
Maintenance	-1,242	-1,499
Compensation for total guarantees	-47	0
Insurance premiums	-20	-24
Non-recurring technical costs	2	-36
Major repairs (building contractors, architects, engineering, ...)	0	-42
Claims	0	6
TOTAL	-1,307	-1 559

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)	31/12/14 (12 months)	31/12/13 (12 months)
Letting fees paid to real estate agents	-840	-328
Marketing expenses	-132	-304
Lawyer fees and legal expenses	-87	-64
TOTAL	-1,059	-696

NOTE 9
CHARGES AND TAXES ON UN-LET PROPERTIES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Charges on un-let properties of the financial year	-347	-161
Property taxes on un-let properties	-157	-134
TOTAL	-504	-295

The charges on un-let 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)	31/12/14 (12 months)	31/12/13 (12 months)
External management costs	-3,220	-2,804
Costs of the internal management of the property	-673	-835
TOTAL	-3,893	-3,639

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 RREC and had a staff of thirteen persons at the end of 2014 under the direction of the permanent representative (fourteen in total). The external management costs consist of the remuneration of the 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 RREC (personnel: 6 employees).

10.2 Other property costs

The other property costs amount to € -0.5 million at the end of 2014 and mainly comprise the valuers' fee (€ 150 thousand) and the fee paid within the framework of the external management (o/a Onowai (ex-Property Partners)) and other diverse property costs.

NOTE 11
GENERAL CORPORATE CHARGES AND OTHER OPERATING INCOME AND CHARGES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
UCI tax	-445	-358
Depositary	-233	-147
Auditor fees	-136	-99
Liquidity provider	-18	-13
Other expenses	-1,872	-1,757
TOTAL	-2,704	-2,374
Other operating income and charges	-307	-342

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 RREC 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 comprise a/o the fee for the effective officers and the bonuses ("tantièmes") (€ 733 thousand; 2013: € 719 thousand), communication costs (€ 203 thousand; 2013: € 200 thousand), fees for lawyers and notaries (€ 336 thousand; 2013: € 87 thousand). This item comprises for approximately € 50 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 (€ -307 thousand) mainly comprise the rental guarantee within the framework of the buildings sold for € 455 thousand in comparison with € 404 thousand in 2013 (as elaborated in the Basis for preparation).

NOTE 12
RESULT OF DISPOSAL OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Net gains on investment properties (sales price – transfer rights)	11,906	27,265
Book value of real estate sold (fair value)	-9,988	-27,007
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-151	-402
TOTAL	1,767	-145

In the course of 2014 two less strategic buildings were divested, namely the building located avenue Louise 66 and a logistics building situated in Meer.

NOTE 13
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Positive changes in fair value of investment properties	17,977	10,654
Negative changes in fair value of investment properties	-12,290	-8,676
TOTAL	5,687	1,978

The net portfolio result shows a total unrealized capital gain of € 5.7 million in 2014, compared to € 2 million at the end of 2014, or an increase of 0.8% of the real estate portfolio.

The main unrealized changes in fair value of the investment properties of € 5.7 million are:

1. By the conclusion of the rental contract for a development project in Luxembourg an unrealized capital gain of approximately € 9.7 million was recognized. The other latent capital gains for approximately € 5 million were also mainly recognized in Luxembourg and in Switzerland.
2. In the Logistics segment in Belgium approximately € 1.7 million of unrealized losses were recognized, mainly on one building where we take into account the possible departure of a tenant end-2016.
3. In the Offices segment in Belgium € 7.5 million of unrealized losses were recognized. These unrealized losses mainly relate to three buildings of which for two buildings we assume that we will have to proceed to a redevelopment or profound renovation at the end of the leases, and one building undergoing a correction of the value in function of the market evolution.

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)	31/12/14 (12 months)	31/12/13 (12 months)
Interests and dividends received	2,225	1,754
Income from finance leases and comparable items	0	0
Income from authorized hedges	886	500
Authorized hedges subject to hedge accounting as defined by IFRS	886	500
Authorized hedges not subject to hedge accounting as defined by IFRS	0	0
TOTAL	3,111	2,254

The 'interests and dividends received' consist of the dividends received of € 2.2 million (for the financial year 2013) 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 an increase of the dividend distributed by Retail Estates in which Leasinvest Real Estate holds a participation of 10%.

The income from derivative financial instruments (€ 0.9 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 payer interest rate can be found under the section 'Costs of financial instruments held for hedging' of the Net interest charges (see note 15).

NOTE 15
NET INTEREST CHARGES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Nominal interest charges on loans	-8,753	-6,018
Interest charges on non-current financial debts	-4,612	-4,683
Interest charges on bond loans	-3,518	-701
Interest charges on current financial debts	-624	-634
Re-composition of the nominal amount of the financial debts	0	0
Costs of authorized hedges	-5,780	-5,449
Authorized hedges subject to hedge accounting as defined by IFRS	-5,357	-4,683
Authorized hedges not subject to hedge accounting as defined by IFRS	-423	-766
Other interest charges		
Activated interest charges	722	658
TOTAL	-13,811	-10 809

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.

The increase of the nominal interest charges on loans (mainly bond loans) originates from the higher financial debts following the net investments in the second half of 2013 and in 2014 with a higher average interest rate cost in comparison with end-2013.

The average funding cost (excluding the marked to market of the hedges) after hedging amounts to 3.63% (end-2013: 3.29%) end-2014; before hedging it amounts to 2% (end-2013: 1.94%) end-2014.
Taking into account these non-cash elements and potential premiums for options, the funding cost after hedging amounts to 4.01% (2013: 3.08%). The increase of the average funding cost is explained, on the one hand, by the influence of the diversification at the end of 2013 towards fixed interest rate bond loans, and on the other hand, by the surplus of unused credit lines that was higher over the entire year than in 2013, which implies a higher reservation cost. Due to the hedging structure of the debts, the influence of decreasing interest rates is relatively limited.

End-2014 € 722 thousand funding costs were activated with regard to the project Royal 20, based on an internal funding rate of approximately 3.4%.

NOTE 16
OTHER FINANCIAL CHARGES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Bank costs and other commissions	-1,727	-1,365
Net realized losses on the sale of non-current financial assets		0
Net realized losses on the sale of finance lease receivables and similar		0
Other		0
Costs of financial instruments for hedging		0
TOTAL	-1,727	-1,365

NOTE 17
CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Authorized hedges not subject to hedge accounting as defined by IFRS	720	1,031
Fair value adjustments bond loans	-1,449	-65
TOTAL	-729	966

The item "Authorized hedges not subject to hedge accounting as defined by IFRS" of € 720 thousand comprise for -598 thousand euro the influence of mainly floors, for -237 thousand euro of ineffective hedges, for -64 thousand euro the impact of the exchange rate component of the cross currency swap and for 1.619 thousand euro in the framework of the fair value hedge of the bond loan (through an IRS receiver).

NOTE 18
CORPORATE TAXES

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
Parent company LRE	-148	-168
Pre-tax result	14,869	9,924
Result exempt from income tax due to the RREC regime	14,869	9,924
Taxable result based on non-deductible costs	435	355
Tax rate of 33.99%	-148	-121
Corporate tax provision	0	0
Withholding tax	0	0
Previous tax year adjustment	0	-47
Subsidiaries	-205	-10
TOTAL	-353	-178

RRECs enjoy a special tax regime, which makes that corporate taxes are only applicable to non-deductible expenses (regional taxes) 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)	31/12/14	31/12/13
Software	80	1
Other intangible assets	0	1
Movements in intangible assets		
Balance at the end of the previous financial year	1	2
Gross amount	5	5
Accumulated depreciation (-)	-4	-4
Accumulated impairment	0	0
Investments	84	
Acquisitions through business combinations		
Disposals through retirement (-)		
Disposals through splitting-up (-)		
Depreciations	-5	-1
Balance at the end of the financial year	80	1

End-2014 licenses for new transaction software were acquired.

NOTE 20
INVESTMENT PROPERTIES (FAIR VALUE METHOD)

	Real estate available for lease		Development projects	
(in € 1,000)	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Balance at the end of the previous financial year	669,511	558,544	20,680	19,620
Investments	38,259	125,140	3,513	1,489
Divestments	-1,783	-6,047	0	0
Acquisitions of property	0	0	0	0
Transfer from/(to) other items	-16,024	-9,888	0	0
Spreading of gratuities	-591	-416	0	0
Increase/(decrease) in fair value	-2,430	2,178	9,667	-429
Balance at the end of the financial year	686,942	669,511	33,860	20,680

Real estate portfolio	756,328	718,234

Items in the balance sheet:

Investment properties	720,801	(1)
Finance lease receivables	17,900	(2)
Assets held for sale	17,626	(3)
	756,327	

	Total investment properties (1)		Finance lease receivables (2)		Total		Assets held for sale (3)	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
	690,191	578,164	17,900	17,900	708,091	596,064	10,144	21,701
	41,772	126,629	0	0	41,772	126,629	1,222	0
	-1,783	-6,047	0	0	-1,783	-6,047	-8,205	-21,701
	0	0	0	0	0	0		
	-16,024	-9,888	0	0	-16,024	-9,888	16,024	9,888
	-591	-416	0	0	-591	-416	-10	27
	7,236	1,749	0	0	7,236	1,749	-1,550	229
	720,802	690,191	17,900	17,900	738,702	708,091	17,626	10,144

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 € 770,670,000 (seven hundred and seventy million six hundred and seventy thousand euro), with respectively investment values of € 277,220,000, € 453,430,000 and € 40,030,000 for the Belgian, the Luxembourg and the Swiss portfolios; and
2. a fair value of € 756,320,000 (seven hundred and fifty-six million three hundred and twenty thousand euro), with respectively fair values of € 270,860,000, € 446,410,000 and € 39,050,000 for the Belgian, the Luxembourg and the Swiss portfolios.

The property consists of business parks, offices, semi-industrial buildings, distribution centers and shops, spread across the Grand Duchy of Luxembourg, Belgium and Switzerland.
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 € 756.3 million end-2014 compared to € 718.2 million end-December 2013. The increase is mainly the consequence of the investments in Switzerland (€ 38 million) and the latent recognized capital gains.
In 2014 approximately € 10 million (accounting value) of some less strategic buildings were sold, among which the building avenue Louise 66 and the building located in Meer, let to Dobla.

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

Asset class	Fair value 2014 (€ 000)	Valuation technique	Important input data	Spread (ERV per month)
Retail (Grand Duchy of Luxembourg & Belgium)	304,330	Actualization of estimated rental income	a. weighted average ERV b. Capitalization rate	a. [15.8 €/m²] b. [6.7% -> 7.2%]
Retail Switzerland	39,050	Actualization of estimated rental income	a. weighted average ERV b. Capitalization rate	a. [19 €/m²->21€/m²] b. [5.8% -> 6.5%]
Offices Grand Duchy of Luxembourg	120,920	Actualization of estimated rental income	a. weighted average ERV b. Capitalization rate	a. [26.7 €/m²] b. [5.55% -> 7%]
Offices Belgium	104,720	Actualization of estimated rental income	a. ERV b. Capitalization rate	a. [8 €/m²->12 €/m²] b. [7% -> 8%]
		Residual valuation	a. ERV b. Capitalization rate c. Construction cost	a. [20 €/m²-> 20,5 €/m²] b. [5.6%->5.7%] c. 1,650 €/m²
Logistics	153,440	DCF (discounted cash flow)	a. Average discount rate b. Economic life	a. 6.4% b. 20 years
Projects Grand Duchy of Luxembourg	33,867	DCF (discounted cash flow)	a. Average rent b. Capitalization rate c. Construction periode	a. 46 €/m² b. 5.5% c. 15 months
Total investment properties	756,327			

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

Based on the balance sheet at the end of December 2014, an increase of the average yield by 0.10% would have had an impact of - € 10,3 million on the net result and of € 2.09 on the net asset value per share, and an increase of the debt ratio by 0.68% (namely from 54.27% to 54.95%).

Based on that same balance sheet, a decrease of the average ERV by 10% would have an impact of approximately € - 75.6 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 29 October 2014 Leasinvest Real Estate, via its 100% subsidiary Leasinvest Immo Lux, has acquired 100% of the shares (as well as 100% of the shares with voting rights) of S. Invest SA, holding in its turn all the shares of Porte des Ardennes Schmiede SA. The latter is the owner of the shopping center located in Schmiede. The acquisition price amounted to € 1 net after deduction of cash. By this transaction the company wishes to stress even more the strategic interest of managing and developing the shopping center. Control was acquired by the acquisition of all shares with voting rights and by the majority in the board of directors and the full control of the management.

(in € 1,000 sub-consolidation)	Book value	Fair value
ASSETS		
I. NON-CURRENT ASSETS		
Investment properties	30,243	74,500
II. CURRENT ASSETS		
Taxes and other current assets	2,614	2,614
Cash and cash equivalents	39,975	39,975
TOTAL ASSETS	72,832	117,089
LIABILITIES		
SHAREHOLDERS' EQUITY	98	39,975
Non-current financial debts		
- Other	69,840	74,500
II. CURRENT LIABILITIES		
Trade debts and other current debts		
- Exit tax		
- Other	2,894	2,614
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	72,832	117,089
Net assets	98	39,975
Goodwill		0
Acquisition price		39,975
Cash and cash equivalents acquired		39,975
Net investment cash-out		1

This entity comprises the shopping center Knauf Schmiede and is also the issuing company of the real estate certificate (presented under "other"). As Leasinvest already presented the asset (economically) under investment properties, this business combination has no influence on the item "investment properties".
Moreover, the real estate certificate is considered as a transaction between consolidated entities.
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 € 5,672 thousand and the net result to € -9 thousand. This entity has contributed for € 826 thousand to the result in 2014 (excluding fair value adjustments).
The transfer rights relating to this business combination amounted to approximately € 50 thousand.

NOTE 22
OTHER TANGIBLE ASSETS

(in € 1,000)	31/12/14	31/12/13
Installations, machines and equipment	1,099	1,132
Furniture, office equipment and rolling stock	167	8
Other		
Other tangible assets	1,266	1,140
Changes in other tangible assets		
Balance at the end of the previous financial year	1,140	1,212
Gross amount	1,486	1 486
Accumulated depreciation (-)	-347	-274
Accumulated impairments		
Investments	221	
Acquisitions through business combinations		
Transfers and disposals (-)		
Transfers through splitting-up		
Depreciations (-)	-95	-73
Balance at the end of the financial year	1,266	1,140
Of which:		
Tangible assets for own use	166	8
Other	1,100	1,132

The other tangible assets are recorded at cost minus accumulated depreciation and possible 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 € 1.1 million, written off over a 20-year period. The tangible assets for own use of € 166 thousand mainly comprise the decoration of the offices.

NOTE 23
NON-CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/14	31/12/13
Participations in other RRECs	51,799	41,056
Loans and receivables	0	0
Other	160	162
Real estate certificates	10,955	5,982
Derivative financial instruments	1,829	627
Participations in associates		
TOTAL	64,743	47,827

The increase of the non-current financial assets is mainly explained by the participation in Retail Estates (participations in other RRECs). On the one hand, the participation increased from 10.03% end-2013 to 10.11% end-2014, by the take over of 35,000 shares created following a contribution in kind in Retail Estates, for € 2,091 thousand. On the other hand, the fair value rose, recognized in the comprehensive income, by € 8,652 thousand in 2014.

The company also holds real estate certificates with regard to office buildings. On the one hand, additional certificates were acquired for € 2,160 thousand in 2014, and on the other hand, the fair value rose, recognized in the comprehensive income, by € 2,813 thousand in 2014.

The total changes in fair value amount to € 11,465 thousand and were presented under the item "changes in fair value of non-current financial assets available for sale" in the comprehensive income.

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. The initial duration was 25 years, of which already two years have passed. The implicit interest rate amounts to 3.6% for 2014 and to 3.7% for 2013.

(in € 1,000)	31/12/14				31/12/13			
	< 1 year	1 year < > 5 years	> 5 years	TOTAL	< 1 year	1 year < > 5 years	> 5 years	TOTAL
	remaining duration							
1. Gross lease investments	1,295	6,946	34,949	43,190	1,270	6,744	36,579	44,593
2. Present value of minimum lease payments		281	17,618	17,899		115	17,784	17,899
3. Unearned finance income				25,291				26,694
4. Contingent rent recognised in income								
5. Unguaranteed residual values for the lessor								
6. Accumulated allowance for uncollectible lease payments receivable								

NOTE 25
ASSETS HELD FOR SALE

(in € 1,000)	31/12/14	31/12/13
Balance at the end of the previous financial year	10,144	21,701
Investments	1,222	0
Divestments	-8,205	-21,701
Transfer from/(to) other items	16,024	9,888
Spreading of gratuities	-10	27
Increase/(decrease) of fair value	-1,550	229
Balance at the end of the financial year	17,626	10,144

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.

At the end of 2014 this item comprises the building located Canal Logistics Phase 2 (€ 16 million) in Brussels and the building located Wenenstraat in Meer (€ 1.6 million), together a book value of € 17,626 thousand. It concerns two buildings immediately available for sale and only subject to provisions that are customary for the sale of those kinds of assets. The sales is also expected to be highly probable, and this according to the criteria defined in IFRS 5 § 8.

The investment property, presented as an asset held for sale end-2013, avenue Louise 66 (€ 8.2 million) has been sold at the beginning of 2014.

The building Canal Logistics phase 2 located in Brussels is presented in the segment Belgium under Logistics. The contribution to the rental income in 2014 was approximately € 915 thousand and to the net current result approximately € 315 thousand.
The building Meer is presented in the segment Belgium under Logistics. The contribution to the rental income in 2014 was approximately € 200 thousand and to the net current result approximately € 107 thousand.

NOTE 26
CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/14	31/12/13
Assets held to maturity		
Assets available for sale	0	0
Assets at fair value through profit or loss		
Loans and receivables		
Other		
TOTAL	0	0

NOTE 27
TRADE RECEIVABLES

(in € 1,000)	31/12/14	31/12/13
Trade receivables	8,332	4,806
To be invoiced		621
Doubtful receivables	-125	-94
TOTAL	8,207	5,427

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

(in € 1,000)	31/12/14					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	8,082	6,821	391	295	180	395
To be invoiced						
Doubtful receivables	125					125
TOTAL	8,207	6,821	391	295	180	520

(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

Receivables and debts	31/12/14	31/12/13
Accumulated depreciation – opening balance	-94	-94
Impairment booked during the financial year	-31	
Write-back of impairment during the financial year		
Write off of impairment during the financial year		
Accumulated depreciation – ending balance	-125	-94

The part of the trade receivables that was not foreseen, is either covered by a bank guarantee on first request or is the object of an installment plan.

NOTE 28
TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in € 1,000)	31/12/14	31/12/13
Taxes	193	760
Salaries and social security	0	0
Other	817	437
TOTAL	1,010	1,197

The increase of the item Other is mainly explained by property tax to be recovered on a building.

NOTE 29
CASH AND CASH EQUIVALENTS

(in € 1,000)	31/12/14	31/12/13
Cash	3,655	2,254
Cash equivalents		
TOTAL	3,655	2,254

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)	31/12/14	31/12/13
Accrued and not due rental income		
Rent-free periods and incentives for appropriation		
Prepaid property charges	825	223
Prepaid interests and other financial charges	383	1,062
Other	420	501
TOTAL	1,628	1,786

NOTE 31
SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND NET RESULT

31.1 Subscribed capital

a) Evolution subscribed capital since the creation of the RREC

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 & 31/12/2014	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.

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	Operation	
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 & 31/12/2014	121,091

31.3 Result

(in € 1,000)	31/12/14	31/12/13
Result to be carried forward	10,100	6,682
Proposed dividend	22,472	20,246
TOTAL	32,572	26,928

The consolidated net result, group share, of the past financial year 2014 amounted to € 32.6 million.

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting of 18 May 2015 to pay a gross dividend of € 4.55, and net, free of withholding tax of 25%, € 3.4125. Consequently, the dividend amounts to € 22.5 million.

Subject to the approval of the ordinary general shareholders' meeting of 18 May 2015, dividends will be paid out on presentation of coupon no 18.

31.4 Treasury shares redeemed

No treasury shares were purchased nor redeemed in 2014.

31.5 Reserves

(in € 1,000)	31/12/14	31/12/13	31/12/12
Legal reserve	5,431	5,431	602
Reserves for the balance of the changes in fair value of property (+/-)	36,591	34,613	33,271
Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)	-8,166	-7,341	-7,003
Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS	-37,191	-15,300	-23,727
Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-2,640	-3,671	-1,570
Reserve for treasury shares	-11	-11	-11
Reserve for the balance of changes in fair value of financial assets held for sale	17,422	5,957	3,669
Result carried forward	116,997	113,321	115,518
Net result of the financial year	32,572	26,928	20,508

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

32.1 Changes in the number of shares

	31/12/14 Number of shares	31/12/13 Number of shares
Number of shares at the beginning of the financial year	4,938,870	4,012,832
Changes in the number of shares		926,038
Number of shares at the end of the financial year	4,938,870	4,938,870
Number of shares entitled to dividends	4,938,870	4,938,870
Number of treasury shares (on a consolidated basis)	0	0
Number of shares entitled to the result of the period	4,938,870	4,938,870
Number of shares entitled to a full dividend	4,937,870	4,012,832
Number of shares entitled to a pro rata dividend (creation capital increase)	0	926,038

32.2. Calculation of the amount of the mandatory dividend distribution (according to the statutory annual accounts) - (RD 13/07/2014)

(in € 1,000)	31/12/14 (12 months)	31/12/13 (12 months)
A. Corrected result		
Net result according to the statutory accounts	14,721	9,756
+ Amortization	70	67
+ Depreciation	31	
+/- Write-back of depreciation		-5 746
+/- Write-back of lease payments sold and discounted		0
+/- Other non-monetary elements	738	-915
+/- Result sale of property	-1,767	785
+/- Changes in fair value of property	8,932	2 692
Corrected result (A)	22,726	6,638
Realized capital gains and losses on investment property versus acquisition cost, in the course of the financial year, augmented by capitalized renovation costs		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
Realized capital gains on investment property previously exempt from mandatory distribution that were not reinvested within 4 years (+)		0
Net capital gains on the sale of property not exempt from mandatory distribution (B)		0
TOTAL (A) + (B)	22,726	6,638
Mandatory distributable result 80%	18,180	5,310

The minimum mandatory distribution is calculated according to the RD of 13/07/2014 and established based on the statutory annual accounts, according to IFRS standards.

The statutory appropriation of the result is presented as follows:

TREATMENT OF THE RESULT (in € 1,000)	31/12/14	31/12/13
A. Net result	14,721	9,756
B. Addition to/withdrawals from reserves (-/+)	7,751	10,488
1. Addition to/withdrawals from the reserves from the (positive or negative) balance of the changes in fair value of the property (-/+)	8,933	2,692
- financial year	8,933	2,692
- previous financial years		
- sale of property		0
2. Addition to/withdrawals from the reserves from estimated transfer rights and costs from hypothetical disposal of investment properties (-/+)	-151	-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 (-)		
- 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 (+)	738	-915
- financial year	738	-915
- 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 (-/+)	-1,769	9,108
11. Addition to/withdrawals from results carried forward from previous financial years (-/+)		
C. Remuneration of the capital according to article 27, § 1, subparagraph 1	18,181	5,310
D. Remuneration of the capital – other than C	4,291	14,932
Dividend for distribution	22,472	20,243

According to the obligation mentioned in the RREC law within the scope of the mandatory dividend distribution it cannot 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 31/12/14	Statutory 31/12/13
- Paid up capital or should this be higher, the called-up capital	54,315	54,315
- Share premium account non-distributable according to the articles of association	121,091	121,091
- Reserves for the positive balance of the changes in fair value of property (+)	15,061	23,994
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-3,857	-4,008
- Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS (+/-)	-37,190	-15,221
- Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-2,696	-2,696
- Reserve for the balance of exchange rate differences on monetary assets and liabilities (+)		0
- Reserve from translation differences resulting from the conversion of a foreign activity (+/-)		0
- Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	14,610	5,958
- Reserve for the actuarial gains and losses on defined benefit pension plans (+)		0
- Reserve for tax latencies with regard to property located abroad (+)		0
- Reserve for dividends received aimed at reimbursing financial debts (+)		0
- Other reserves declared unavailable by the general meeting (+)		0
- Legal reserve (+)	5,431	5,431
Total un-distributable	166,766	188,849
Net assets of the company	216,161	234,849
Proposed dividend	22,472	20,243
Net assets after distribution	193,688	214,606
Balance of the margin after distribution	26,923	25,741

Calculation of the profit and dividend per share:

	31/12/14 (12 months)	31/12/13 (12 months)
Net result, group share (€ 1,000)	32,572	26,926
Number of shares entitled to the result of the period	4,938,870	4,938,870
Net result, group share, per share (€) (1)	6.60	5.45
Distributable result per share (€) (2)	3.68	1.32

	proposal 2014	proposal 2013
Gross dividend attributable to ordinary shareholders (€)	22,471,859	20,243,194
Gross dividend per share (€)	4.55	4.50
Net dividend per share (€)	3.4125	3.375

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.

NOTE 33
MINORITY INTERESTS

(in € 1,000)	Percentage of participation	31/12/14	31/12/13
Company			
Leasinvest Services SA (0826.919.159)	99%	4	4
Total minority interests		4	4
TOTAL SHAREHOLDERS' EQUITY		68,268	63,529

NOTE 34
INFORMATION WITH REGARD TO FINANCIAL DEBT

34.1 Financial debt

(in € 1,000)	31/12/14	31/12/13
Non-current financial debts	319,423	282,731
Credit institutions	222,029	186,776
Other	97,394	95,955
Other loans	97,215	95,767
Rental guarantees received	179	189
Current financial debts	121,910	125,058
Credit institutions	32,919	25,099
Other	88,991	99,959
Other loans	88,991	99,959
TOTAL	441,333	407,789

The financial debts increased by € 33,544 thousand in comparison with end-2013 and amount to € 441,333 thousand. The increase is due to the net investments realized in 2014 (mainly Switzerland).

The item other loans comprises for € 97,215 thousand the bond loans issued by Leasinvest in 2013.

The credit lines (excl. the € 95 million bond loans) amount to € 448.7 million end-2014, which is identical to end-2013.

The 'other current financial debts' only comprise the commercial paper issued at 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 in 2013. 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 € - 1.4 million. (2013: € 65 thousand).

The bond loans, except for the part for which a fair value hedge was concluded, were treated at amortized cost.

The fair value of the interest-bearing loans is higher than the accounting value and amounts to € 351,607 thousand end-2014.

The fair value of the public and private bon loans amounts to € 97.4 million end-2014 in comparison with € 96 million end-2013.

End-2014 the part of the fixed-rate credits amounts to 35% or € 158 million of the total outstanding debt of € 448.7 million, in comparison with 36% end-2013.

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 RREC status 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 RREC status and the related maximum debt ratio.

The company complies with all its covenants with banks.

Besides, in accordance with the RD of 13/07/2014 on RRECs 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 54.27% end-2014 (2013: 53.53%), which is lower than the legally admitted maximum debt ratio of 65% as defined by the RD of 13/07/2014.

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 8.

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. The credit lines (partially used) (excl. the € 95 million bond loans) amount to € 448.7 million end-2014, which is identical to end-2013. • Complete back-up of the commercial paper (1, 2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). The margin end-2014 amounts to € 105 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 3.2 years (2013: 3.7 years). • Complete back-up of the commercial paper program through available confirmed credit lines (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 2014 amply suffices to cover the increase of the interest charges. For the last three financial years the financial result compared to the rental income, amounts to 27.5% (2014), 20% (2013), 29% (2012), and the interest charges excluding the fair value adjustments, compared to the rental income, amount to 25% (2014), 22% (2013), 23% (2012). • 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 regulated real estate company has 39% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end-2013: 36%); 9% of current interest rate caps (with a limit on the interest rates) (end-2013: 10%), 35% of credits at fixed rates (2013: 36%) and 8% of currency swaps (1,2). For more details we refer to note 34 of the financial statements on page 156. • The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.63% (end-2013: 3.29%) excluding the effect of fair value adjustments on financial assets and liabilities; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 4% (2012: 3.08%). 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 24 of the RD of 13/07/2014 the RREC 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 156.
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 mainly active in EURO countries and in Switzerland. With regard to the investment in Switzerland the fair value risk has been hedged. The variability of the net cash flows is to a large extent compensated by natural hedging (1).
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.

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

(in € 1,000)	31/12/14				31/12/13			
	Debts with a residual duration of				Debts with a residual duration 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	50,000	387,700	20,000	448,700	47,500	376,200	25,000	448,700
Credit draw-downs	32,900	201,351	20,000	254,251	25,000	161,384	25,000	211,384
Interests	697			697	490			490
% share (credit draw-downs/ credit lines)	94%	51%	100%	57%	52.6%	42.8%	100%	47%
Bond loans	701	76,514	20,000	97,215	701		95,065	95,766
Commercial paper								
Commercial Paper program (CP)				210,000				210,000
Commercial Paper draw-downs	88,991			88,991	99,959			99,959
% share CP / credit lines				19.8%				22.3%
% share (credit draw-downs & CP / credit lines)				76.8%				69.4%
% Credit lines balance after CP hedging				23.2%				30.6%

As shown by the table above Leasinvest disposes of € 105.5 million (or 23.6%) of unused credit lines after hedging of the commercial paper at the end of 2014, in comparison with € 138 million in 2013.

The average funding cost (excluding the marked to market of the hedges) after hedging amounts to 3.63% at the end of 2014 (end-2013: 3.29%); before hedging it stands at 2% at the end of 2014 (end-2013: 1.94%).
Taking into account these non-cash elements and potential premiums for options, the funding cost after hedging amounts to 4.01% (2013: 3.08%).
End-2014 € 722 thousand funding costs were activated, at an internal funding rate of approximately 3.4%.

Calculation and further comments on the debt ratio

		Statutory balance sheet	Consolidated balance sheet
Total of the items 'Liabilities' of the balance sheet	→	408,689	500,499
I. Non-current liabilities			
A. Provisions	-	0	0
C. Other non-current financial liabilities – Authorized hedges	-	38,227	38,227
F. Deferred taxes	-	0	0
II. Current liabilities			
A. Provisions	-	0	0
C. Other current financial liabilities – Authorized hedges	-	0	0
F. Deferred charges and accrued income	-	4,519	9,059
Total liabilities taken into account for the calculation of the debt ratio (numerator):	=	365,943	453,213
Total 'Assets' of the balance sheet	→	624,850	836,914
Authorized hedges recorded in the assets	-	1,829	1,829
Total assets taken into account for the calculation of the debt ratio (denominator):	=	623,021	835,085
Debt ratio	:	58.74%	54.27%

In accordance with art 24 of the RD of 13 July 2014, the public RREC 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 RREC.
The general guidelines of the financial plan are recorded in the annual and half-year financial reports. In the annual and half-year financial reports is described and justified how the financial plan was executed in the course of the relevant period and how the public RREC 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, 2013 and 2014, 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 and Porte des Ardennes Pommerlach SA for the refinancing of the shopping center Knauf located in Schmiede and in Pommerloch.

	Debt ratio	
2014	54.27%	
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 per 30/6

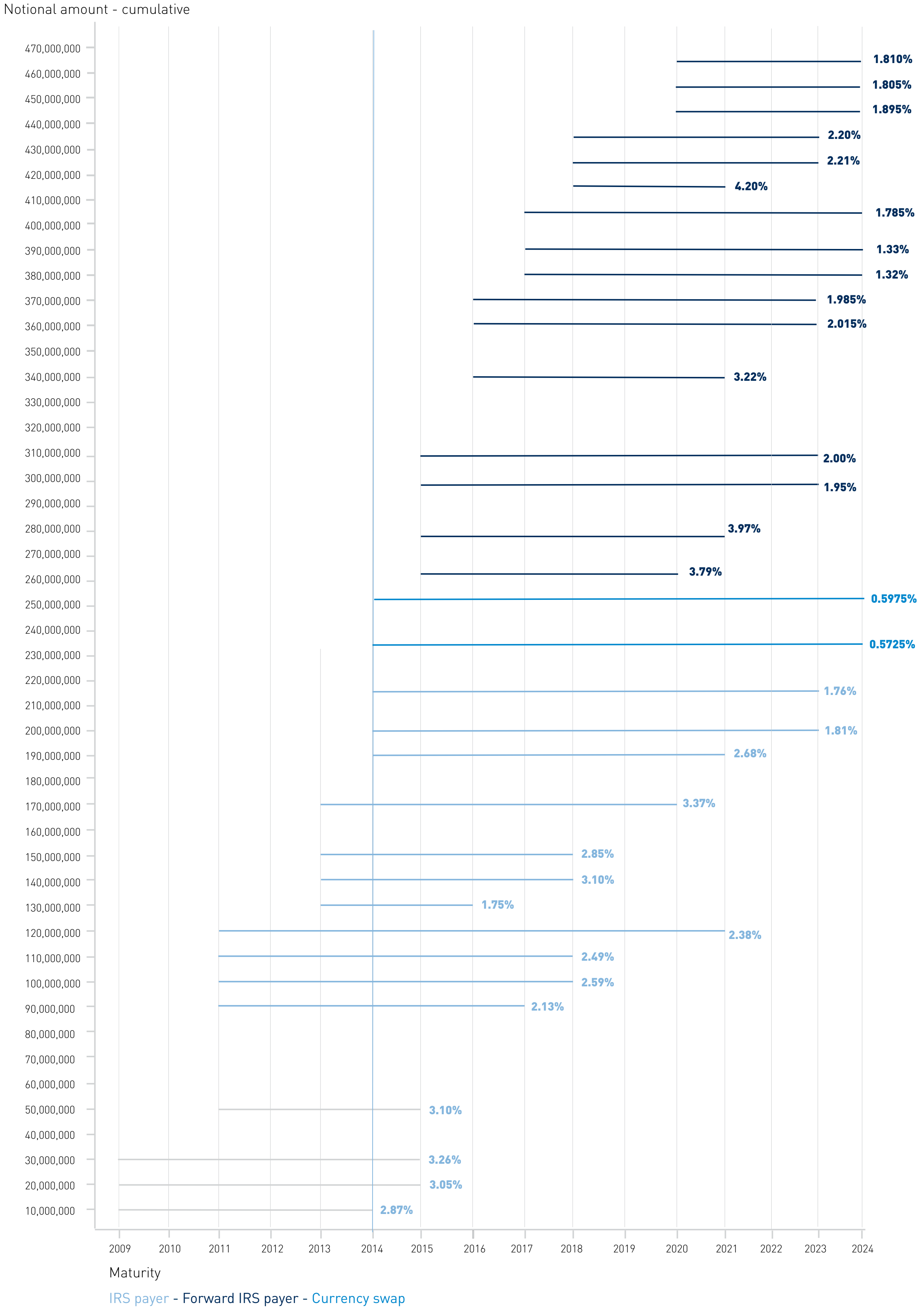
Leasinvest Real Estate's debt ratio has exceeded 50% since September 2013 and amounted to 54.27% at the end of 2014.
The board of directors considers a debt ratio of maximum 50%-55% as being optimal for, and in the interest of the shareholders of Leasinvest Real Estate, and this both with regard to return, 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 54.27% end-December 2014 Leasinvest Real Estate has an investment potential based on debt financing of € 255 million without exceeding the 65%-debt ratio, and an investment potential of € 119 million without exceeding the 60%-debt ratio, and € 12 million without exceeding the 55%-debt ratio.

Each quarter a projection of the debt ratio is presented to the board of directors in the scope of the presentation of the budget, in function of the forecasted results and the planned acquisitions and sales. 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.
Based on these elements, a projection is made per end-2015. This forecast also takes into account possible divestment and/or investment transactions.
Taking into account these assumptions, and the realization or not of possible divestment transactions as mentioned above, the debt ratio will be situated between 52% and 55% at the end of December 2015, i.e. still within the 50%-55% range. The valuation of the real estate portfolio has a direct impact on the debt ratio.

As of today there are no indications in the market of strong negative 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 records an increasing trend in 2013. Should substantial value decreases take place in a certain asset class or in Belgium, with the risk that the debt ratio would exceed 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings.
It is the opinion of the board of directors that no additional measures are necessary to avoid the debt ratio from exceeding 65%.

Hedges

Current 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:

The notional amount of the current net payer IRS contracts (€ 180 million), future (€ 212 million) IRS contracts, caps (€ 40 million) and cross currency swap (€ 37.3 million) amounted to € 470 million end-2014 (end-2013: 327 million).

In 2013 en 2014, 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 fixed-rate debt versus total debt exceeded the fixed limit.
Consequently, the company owns at the end of 2014 two caps of € 20 million each. On the transaction a loss of approximately € 421 thousand was realized.

By the acquisition of some buildings in Switzerland Leasinvest runs the risk that both the value of the real estate and the net cash flows fluctuate due to a fluctuation of the CHF compared to the EUR.
As this transaction was funded in EUR (variable) there was no match between the exchange rate fluctuations of the asset and the liability.

Therefore, a cross currency swap was concluded for 45 million CHF with two components, an exchange rate component recognized via the result and compensated by the exchange rate fluctuation of the asset, and an interest rate component swapping the variable euribor in a CHF fixed interest rate of +/- 0,58%. The latter component ensures that Leasinvest is hedged against appreciation of the euribor. The interest rate component is recognized via shareholders' equity (cash flow hedge accounting).

The hedge position was 92% (fix ratio 83%) at the end of 2014, in comparison with 82% at the end of 2013.

The relation between the financial debt € 441,333 thousand) on the one hand and the fixed-rate debt (€ 157,651 thousand), and on the other hand, the corresponding IRS hedge (€ 170,000 thousand), the current CAPS (€ 40,000 thousand) and the CCS (€ 37,323 thousand), is the hedge position, which is calculated on the basis of the notional amount of the hedges running at that moment. 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 RREC 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 marked-to-market calculated by financial institutions based on the Black & Scholes model (category 3 according to IFRS 13). 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 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)	31/12/14		31/12/13	
	Assets	Liabilities	Assets	Liabilities
Caps bought	11		184	
Floors sold	1,819			-2,315
Interest Rate Swaps (incl. Cross Currency Swap)		-38,227	444	-16,253
	1,829	-38,227	628	-18,568

The balance of the liabilities of € -38.3 million is presented in the item "Other non-current liabilities" and the balance of the assets of € +1.8 million is presented in "Non-current financial assets" (note 23).

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 31/12/2012	-23,727
Change in the effective part of the fair value of derivative financial instruments	8,427
Balance on 31/12/2013	-15,300
Change in the effective part of the fair value of derivative financial instruments	-21,890
Balance on 31/12/2014	-37,191

Ineffective part of the fair value	
Balance on 31/12/2012	-3,671
Change in the ineffective part of the fair value of derivative financial instruments	1,031
Balance on 31/12/2013	-2,640
Change in the ineffective part of the fair value of derivative financial instruments	720
Balance on 31/12/2014	-1,920

The changes in the ineffective part of the fair value of derivative financial instruments of € 0.7 million (end-2013: € 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 € - 0.9 million or € - 0.18 per share (€ 0.9 million or € 0.18 per share).

The impact on the global result based on the current hedging portfolio and the yield curve at the end of December 2014, would contribute approximately € 21.5 million (positive impact) for an increase of the interest rate by 100 bp, 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, 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 data that are an approximation of the credit risk. The valuation of the private bond is based on an approximation of an observable CDS spread and the evolution of the Euribor 6M.

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).

For the valuation techniques with regard to investment properties and assets held for sale, we refer to note 20 and note 25.

There are no transfers between items in 2014 in comparison with 2013.

Fair value disclosures:

(in € 1,000) per end-2014	Level 1	Level 2	Level 3	book value
Investment properties			720,801	720,801
Non-current financial assets				64,743
- Financial assets	51,859	10,955		
- Other derivative instruments non qualified as cash flow hedge			11	11
- Derivative instruments qualified as cash flow hedge			1,819	1,819
Finance-lease receivables			17,899	17,899
Assets held for sale			17,626	17,626
Current financial assets				
Trade receivables		8,207		8,207
Tax receivables and other current assets		1,010		1,010
Cash and cash equivalents	3,654			3,654
Deferred charges and accrued income		1,627		1,627
Non-current financial debts				
- Credit institutions			229,697	222,029
- Other	79,875		21,511	97,394
Other non-current financial liabilities				38,227
- Financial derivatives through the income statement			1,780	1,780
- Financial derivatives through other equity components			36,447	36,447
Current financial debts				121,910
- Credit institutions			33,116	32,919
- Other			88,991	88,991
Trade debts and other current debts				
- Exit tax		8,631		8,631
- Other		3,250		3,250
Other current liabilities				
Accrued charges and deferred income		9,059		9,059

(in € 1,000) per 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

The non-current financial assets comprise, at the end of 2014, the participations in other public RRECs (€ 51.8 million) and real estate certificates (€ 10.9 million).

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 RREC 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 approximately 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)	31/12/14	31/12/13
Exit tax		0
Other		
Suppliers	7,197	5,477
Tenants	0	0
Taxes, salaries and social security	1,434	600
TOTAL	8,631	6,077

NOTE 36
OTHER CURRENT LIABILITIES

(in € 1,000)	31/12/14	31/12/13
Other current liabilities	3,250	2,202
TOTAL	3,250	2,202

The item comprises the dividends to be paid, provisions relating to rental guarantees and rental guarantees received in cash. The increase is explained by an increase of those components.

NOTE 37
ACCRUED CHARGES AND DEFERRED INCOME – LIABILITIES

(in € 1,000)	31/12/14	31/12/13
Property income received in advance	7,711	7,628
Interests and other charges accrued and not due	998	201
Other	350	67
TOTAL	9,059	7,896

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 Satenrozen a rental guarantee of 3 years was granted in 2013 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 2014 (12 months) amounted to € 3.2 million.

The past financial year, Leasinvest Real Estate has paid a total remuneration of € 355,735.64 (excl. VAT) to Leasinvest Services, among which the project management fee with regard to the redevelopment projects Montoyer 63 and Square de Meeûs, as well as the management of the business center The Crescent in Anderlecht.

As in the remuneration report below only the remuneration of the two effective officers on a global basis is reproduced, but not that of the other members of the executive committee assisting the effective officers 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 leadership 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	335,897	42,733	110,000	488,630
Michel Van Geyte	301,694		90,000	391,694
TOTAL	637,591	42,733	200,000	880,324

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

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 financial statements are established at the same date as the date on which the subsidiaries establish their financial statements.

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%)	
			31/12/14	31/12/13
Leasinvest Services SA	Belgium	BE 826.919.159	99%	99%
Schermersstraat 42 - 2000 Antwerp				
Leasinvest Immo Lux SA	Grand Duchy of Luxembourg	LU 16372655	100%	100%
6D route de Trèves - LU-2633 Senningerberg				
RAB Invest SA	Belgium	BE 820.897.736	100%	100%
Schermersstraat 42 - 2000 Antwerp				
Canal Logistics Brussels SA	Belgium	BE 888.064.001	-	100%
Schermersstraat 42 - 2000 Antwerp				
Orli Lux sàrl	Grand Duchy of Luxembourg	LU B136357	100%	100%
S INVEST SA	Grand Duchy of Luxembourg	B 174218	100%	
PDA Schmiede SA	Grand Duchy of Luxembourg	B 171588	100%	

Leasinvest Services SA, RAB Invest SA and Canal Logistics Brussels SA were established in Belgium, while Leasinvest Immo Lux SA, Orli Lix sàrl , S Invest SA and PDA Schmiede SA were created in Luxembourg. The group structure and Leasinvest Real Estate's position in it are commented at page 101. In 2014 Canal Logistics Brussels SA was merged with LRE.

NOTE 42
IMPORTANT EVENTS AFTER BALANCE SHEET DATE

No important event took place after the balance sheet date.

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF THE COMPANY LEASINVEST REAL ESTATE COMM VA FOR THE YEAR ENDED 31 DECEMBER 2014

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated balance sheet as at 31 December 2014, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 31 December 2014 and the notes (all elements together "the Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Leasinvest Real Estate Comm VA ("the Company") and its subsidiaries (together "the Group") as of and for the year ended 31 December 2014, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of € 836,914 thousand and of which the consolidated income statement shows a profit for the year of € 32,572 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 the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 and presentation of the 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, 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 the Board of Directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence 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 Group as at 31 December 2014 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results 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 Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard issued by the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements.

- The Board of Director's report to 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, 30 March 2015

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by

Pierre Vanderbeek
Vennoot

STATUTORY FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME AND BALANCE SHEET

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

STATUTORY INCOME STATEMENT

(in € 1,000)	Period 31/12/14 IFRS	Period 31/12/13 IFRS
Rental income (+)	20,298	19,875
Write-back of lease payments sold and discounted (+)	0	0
Related-rental expenses (+/-)	0	0
NET RENTAL RESULT	20,298	19,875
Recovery of property charges (+)	254	91
Recovery income of charges and taxes normally payable by tenants on let properties (+)	2,454	2,021
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease (-)	0	0
Charges and taxes normally payable by tenants on let properties (+)	-2,454	-2,021
Other rental-related income and expenditure (+/-)	-1,950	-1,951
PROPERTY RESULT	18,572	18,016
Technical costs (-)	-1,069	-1,310
Commercial costs (-)	-171	-639
Charges and taxes on un-let properties (-)	-460	-234
Property management costs (-)	-3,129	-2,567
Other property charges (-)	-394	-648
PROPERTY CHARGES	-5,224	-5,398
PROPERTY OPERATING RESULT	13,348	12,618
Corporate operating charges (-)	-1,083	-817
Other operating charges and income (-)	1997	7,627
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	14,263	19,427
Result on disposal of investment properties (+/-)	1,767	-785
Changes in fair value of investment properties (+/-)	-8,933	-2,692
OPERATING RESULT	7,097	15,950
Financial income (+)	22,548	3,429
Net interest charges (-)	-12,615	-9,291
Other financial charges (-)	-1,423	-1,080
Changes in fair value of financial assets and liabilities (+/-)	-738	915
FINANCIAL RESULT	7,772	-6,027
PRE-TAX RESULT	14,869	9,924
Corporate taxes	-148	-168
Exit tax	0	0
TAXES	-148	-168
NET RESULT	14,721	9,756

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

COMPREHENSIVE INCOME STATEMENT	31/12/14	31/12/13
Net result	14,721,200	9,755,805
Other elements of comprehensive income	-13,166,715	10,722,582
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	150,976	397,140
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-21,969,227	8,036,332
Changes in fair value of financial assets available for sale	8,651,537	2,289,110
Comprehensive income	1,554,486	20,478,387

(in € 1,000)	Period 31/12/14 IFRS	Period 31/12/13 IFRS
ASSETS		
NON-CURRENT ASSETS	594,463	537,154
Investment properties	231,375	221,932
Other tangible assets	1058	1,124
Non-current financial assets	362,019	314,098
CURRENT ASSETS	30,386	45,701
Assets held for sale	17,626	10,144
Current financial assets	2,266	30,766
Trade receivables	4,420	3,502
Tax receivables and other current assets	4,007	208
Cash and cash equivalents	849	447
Deferred charges and accrued income	1,217	633
TOTAL ASSETS	624,850	582,855
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	216,161	234,849
Capital	54,315	54,315
Share premium account	121,091	121,091
Reserves	26,033	49,687
- Legal reserve	5,431	5,431
- Reserve from the balance of changes in fair value of investment properties	15,061	29,378
- Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties	-3,857	-4,008
- Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	-37,190	-15,221
- Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	-2,696	-2,696
- Reserve for treasury shares	0	0
- Reserve from the balance of changes in fair value of financial assets available for sale	14,610	5,958
- Other reserves	34,673	18,623
- Result carried forward of previous financial years		12,222
Net result of the financial year	14,721	9,756
LIABILITIES	408,689	348,006
NON-CURRENT LIABILITIES	274,683	237,029
Provisions	0	0
Non-current financial debts	236,456	218,549
Other non-current financial liabilities	38,227	18,479
Other non-current liabilities	0	0
CURRENT LIABILITIES	134,006	110,977
Provisions	0	0
Current financial debts	121,910	99,959
Trade debts and other current debts	4,541	4,710
Other current liabilities	3,036	1,984
Accrued charges and deferred income	4,519	4,324
TOTAL EQUITY AND LIABILITIES	624,850	582,855

RESERVES

	Capital	Share premium account	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 31/12/12	44,128,327	70,622,222	602,082	37,012,482	-4,404,812
Comprehensive income for the period					397,140
Transfers				-13,018,462	
Changes in reserve					
Changes in reserve W			4,829,392		
Transfers and sale of treasury shares					
Issue of shares through capital increase in cash	10,186,418	50,469,071			
Dividends to shareholders					
Balance sheet under IFRS on 31/12/13	54,314,745	121,091,293	5,431,474	23,994,020	-4,007,672
Comprehensive income for the period					150,976
Transfers					
Changes in reserve					
Changes in reserve W					
Transfers and sale of treasury shares					
Issue of shares through capital increase in cash					
Dividends to shareholders					
Balance sheet under IFRS on 31/12/14	54,314,745	121,091,293	5,431,474	23,994,020	-3,856,696

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
-23,257,408	-1,569,898	0	3,669,359	41,779,792	3,768,951	172,351,097
8,036,332	914,979		2,289,110	-914,979	9,755,805	20,478,387
	-2,041,280			18,828,693	-3,768,951	0
				-979,322		-979,322
				-4,829,392		0
		0				0
						60,655,489
				-17,656,461		-17,656,461
-15,221,076	-2,696,199	0	5,958,470	36,228,331	9,755,805	234,849,191
-21,969,227	0		8,651,537	0	14,721,200	1,554,486
				9,755,805	-9,755,805	0
						0
				-20,243,194		-20,243,194
-37,190,303	-2,696,199	0	14,610,007	25,740,942	14,721,200	216,160,484

Permanent document

GENERAL INFORMATION

Leasinvest Real Estate is a public regulated real estate company that invests in high quality and well-situated retail, office and logistics buildings in the Grand Duchy of Luxembourg, Belgium and Switzerland.

The fair value of the real estate portfolio on 31/12/2014 amounts to € 756.3 million, or including the participation in Retail Estates to nearly € 808 million.

The consolidated real estate portfolio represents at the end of 2014 (including assets held for sale and development projects) a surface of 433.401 m2, with 34 sites, of which 18 in the Grand Duchy of Luxembourg, 13 in Belgium and 3 in Switzerland.

Geographically, the real estate portfolio is situated for 59% in the Grand Duchy of Luxembourg (through its 100% subsidiary Leasinvest Immo Lux), for 36% in Belgium and for 5% in Switzerland.

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

INVESTMENT POLICY

The company has not the intention, except for its participation in Leasinvest Immo Lux, to invest more than 20% of its assets in an UCI.

IDENTIFICATION LEASINVEST REAL ESTATE

Name

Leasinvest Real Estate, 'public regulated real estate company under Belgian law', or abbreviated 'public RREC under Belgian law' or 'PRREC under Belgian law'.

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.
On 06/11/2014 the status of the company was changed into a public regulated real estate company under Belgian law, recorded by a deed by notary public Frank Liesse in Antwerp, and published in the Appendices to the Official Belgian Gazette on 03/12/2014 under number 20141203-14216372.

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 06/11/2014:
"ARTICLE 4. PURPOSE
4.1. The exclusive purpose of the Company is:
(a) to make real estate available to users, directly or via a company in which it holds a participation, in accordance with the provisions of the RREC legislation; and
(b) to, within the limits of the RREC legislation, posses real estate as mentioned in article 2, 5°, i till x of the RREC law.
"Real estate" is defined as follows:
i. real estate as defined in article 517 et seq of the Civil Code, and the rights in rem on real estate, excluding real estate of forestry, agricultural or mining nature;
ii. the shares with voting rights issued by real estate companies, die exclusively or jointly controlled by the Company;
iii. pre-emptive rights to real estate;
iv. the shares of public or institutional regulated real estate companies, providing that, in the latter case, a joint or exclusive control is exercised by the Company;
v. rights arising from contracts giving the company leasehold of one or several real estate assets or other similar rights of use;
vi. the shares of public real estate investment trusts;
vii. the participation rights in foreign undertakings for collective investment in real estate registered in the list intended by article 260 of the law of 19 April 2014 with regard to alternative undertakings for collective investment and their managers;
viii. the participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area and that are not registered in the list intended by article 260 of the aforementioned law of 19 April 2014, as far as they are subject to an equivalent supervision as public sicafi;
ix. the shares issued by companies (i) that are legal entities; (ii) governed by the law of another member state of the European Economic Area; (iii) of which the shares are admitted to trading on a regulated market and/or are subject to a regime of prudential supervision; (iv) of which the main activity is acquiring or constructing real estate in view of making it available to users, or the direct or indirect possession of participations in companies with a similar activity; and (v) that are exempt from tax on income from the profits resulting from the activity referred to in clause (iv) above, subject to compliance with certain legal obligations, and that are at least required to distribute part of their income to their shareholders (the "Real Estate Investment Trusts" (abbreviated "REIT's"));
x. real estate certificates, as intended by article 5, § 4, of the law of 16 June 2006 on public offers of investment instruments and on the admission of investment instruments to trading on regulated markets.
xi. and all other assets, shares or rights defined as real estate by the RREC legislation.
4.2. Within the framework of making real estate available, the Company can exercise all activities related to the foundation, the construction (without prejudice to the prohibition of acting as a property developer, except for occasional operations), the alteration, the design, the renovation, the development, the alienation, the lease, the sub-lease, the exchange, the contribution, the transfer, the allotment, the bringing of real estate assets into a system of co-ownership or joint ownership, granting or receiving the right of superficies, usufruct, long-term lease or other real or personal rights on real estate, management and running of real estate assets.
4.3. Providing conformity with the RREC legislation, the Company can also invest additionally or temporarily in securities that are not real estate in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified, so that they ensure an adequate risk diversification. The Company can also posses unallocated cash in all currencies in the form of deposits on demand, term deposits, or any money-market instrument that can be easily traded.
4.4. Providing conformity with the RREC legislation, the Company is authorized to subscribe authorized hedges, except for speculative operations. The acquisitions and disposals have to fit within the financial risk hedging policy of the Company.
4.5. Providing conformity with the RREC legislation, the Company is authorized to grant mortgages or other sureties or grant guarantees within the framework of funding the real estate activities of the Company or its group, within the limits defined by the RREC legislation to that effect.
4.6. Providing conformity with the RREC legislation, the Company is authorized to take or give in lease one or more properties. The activity of giving in lease with purchase option of real estate assets can only be exercised as an accessory activity, unless these real estate assets are destined for a purpose of general interest, including social housing and education (in this case, the activity can be exercised as main activity).
4.7. Providing conformity with the RREC legislation, the Company is authorized to grant credits within the limits defined by the RREC legislation to that effect.
4.8 Providing conformity with the RREC legislation, the Company can, through a contribution in cash or in kind, a merger, splitting-up or any other restructuring, subscription, participation, financial or other intervention, according to Company Law, acquire a share and any possible form of participation or membership in all existing or to be founded companies, associations or enterprises, in Belgium or abroad, of which the purpose is similar to its own, or that fits within the realization of, or facilitates, its purpose. Providing conformity with the RREC legislation, the Company can, in general, acquire, rent, lease, transfer or exchange all moveable or real estate assets, all materials and necessities, and in general, take all civil, commercial or financial actions that are, directly or indirectly, related to its purpose and exercising all related intellectual rights and commercial properties. Next to that, the Company may, providing conformity with the RREC legislation, do anything relevant or necessary to realize its purpose, also including all activities relating to, directly or indirectly the development and daily management of its real estate assets and all other activities with an added value to its real estate assets and to its users, such as offering services that are complementary to making the related real estate available."

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.

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 31/12/14 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 06/11/2014:

"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 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 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 RREC legislation, 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 the RREC legislation and of article 8.2 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 8.2 of the articles of association.
Capital increases in kind are realized in accordance with the RREC legislation and in accordance with the conditions recorded in article 8.3 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.
The manager already used the aforementioned authorization for a total amount of ten million one hundred and eighty-six thousand four hundred eighteen euro (€ 10,186,418.00)."

Redemption of treasury shares

Article 11 of the coordinated articles of association dated 06/11/2014:

"ARTICLE 11. REDEMPTION, HOLDING IN PLEDGE AND ALIENATION OF TREASURY SHARES

11.1. The Company can acquire its own shares and hold them in pledge in virtue of a decision of the general meeting taken in accordance with article 620 et seq of the Company Code.
That same meeting can define the conditions for alienation of those shares.
11.2. The manager is also authorized to proceed to acquiring treasury shares without a decision of the general meeting when that acquisition is necessary to safeguard the Company against serious and threatening disadvantage. This authorization is valid for three years (3) as of the publication of the amendments to the articles of association of 19 May 2014 and is renewable for a similar period.
11.3. The conditions for alienation of treasury shares by the Company are defined, depending on the case, in accordance with article 622, §2, of the Company Code by the general meeting or by the manager. The manager is authorized to alienate treasury shares as foreseen in article 622, §2, 1°, of the Company Code and, for a period of three (3) years as of the publication of the amendments to the articles of association of 19 May 2014, in article 622, §2, 2°, of the Company Code."

IDENTIFICATION LEASINVEST IMMO LUX

Since the extraordinary general meeting of Leasinvest Immo Lux of 18/12/2008 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 31/12/2014, the investment properties of Leasinvest Immo Lux represent 64% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31/12/2014 Leasinvest Immo Lux owned 18 buildings in ownership or co-ownership, with a total surface of 156,619 m^2, mainly situated in the Grand Duchy of Luxembourg.

3 buildings are located in Switzerland (11,649 m^2).

At present, Leasinvest Immo Lux has two subsidiaries, namely S. Invest I SA, in its turn 100% owner of Porte des Ardennes Schmiede S.A., the legal owner of the shopping center Schmiede and Orli Lux S.à.r.l. the owner of the property in Hornbach.

3 buildings represent each more than 5% of the consolidated Leasinvest Real Estate portfolio, namely shopping center Pommerloch (13%), shopping center Schmiede (10.5%) and CFM (5.8%).

The buildings in Luxembourg and Switzerland are mostly multi-tenant. The portfolio consists of retail (69%), offices (27%), and one logistics building (4%).

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, 27/12/2005, 18/09/2006, 18/12/2008, 18/04/2011 and for the last time on 28/09/2012 (published in the Mémorial C, Reueil des Sociétés et Associations du Grand-Duché de Luxembourg" on 23/11/2012).

'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 15/09/2006.

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 € 2,285,000 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.

ARTICLES OF ASSOCIATION

Coordinated articles of association dated 06/11/2014
"LEASINVEST REAL ESTATE"
Partnership limited by shares
Public regulated real estate company under Belgian law
which makes a public appeal to savings
at 1070 Brussels (Anderlecht), route de Lennik 451
Register of legal persons Brussels 0436.323.915

The Company was 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 of the Company 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";
- 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, announced in the appendices to the Belgian Official Gazette on 16 July thereafter under number 20130716-109614, stating the increase of the capital within the framework of the authorized capital;
- under a deed recorded by notary public Frank Liesse in Antwerp on 19 December 2013, announced in the appendices to the Belgian Official Gazette on 14 January thereafter under number 20140114-13718, stating the silent merger by take over (following the joining of all shares in one hand) of the Société Anonyme "Canal Logistics Brussels" (RPR Antwerp 0888.064.001) however without an actual amendment to the articles of association as a consequence;
- under a deed recorded by notary public Frank Liesse in Antwerp on 19 May 2014, announced in the appendices to the Belgian Official Gazette on 16 June thereafter under number 20140616-116768;
- under a deed – stating a/o an amendment to the purpose of the company and the change into the status of a public regulated real estate company – recorded by notary public Frank Liesse on 6 November 2014, to be filed for publication in the appendices to the Belgian Official Gazette.

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

ARTICLE 1. NAME - LEGAL FORM

1.1 The company has the legal form of a partnership limited by shares (hereafter "the Company").
It has the name "LEASINVEST REAL ESTATE".
1.2. The Company is a public regulated real estate company under Belgian law (abbreviated "public RREC under Belgian law" or "PRREC under Belgian law") as intended by article 2, 2° of the law of 12 May 2014 with regard to regulated real estate companies (hereafter the "RREC law") of which the shares are admitted to trading on a regulated market and that attracts is financial resources in Belgium or abroad via a public offer of shares.
The name of the Company is always immediately followed by the words "public regulated real estate company under Belgian law" or "public RREC under Belgian law" or "PRREC under Belgian law"; those same words are mentioned in all documents issued by the Company.
The Company is subject to the RREC law an to the Royal Decree of 13 July 2014 on regulated real estate companies (herafter the "RREC RD") as well as to all other potential executory decrees and regulations of the RREC law, at any given time, (this law and its executory decrees and regulations together with any other regulation, at any given time, applicable to PRRECs under Belgian law are referred to hereafter as the "RREC legislation").
The Company is moreover subject to the provisions of these articles of association (hereafter the "Articles of association"). Each project to modify the Articles of association has to be preliminary submitted to the "Financial Services and Markets Authority", abbreviated "FSMA", hereafter always referred to by its abbreviation "FSMA").
1.3. The Company attracts its financial resources in Belgium or abroad via a public offer of shares, and appeals to public savings in the sense of article 438 of the Company Code (abbeviated "C.Code.").

ARTICLE 2. MANAGING AND LIMITED PARTNERS

2.1. By reason of its legal form, the Company always has, mandatorily, one or more jointly responsible partners, called managing partners, and one or more limited partners, having the capacity of shareholder.
2.2. The Company has namely one (1) managing partner, severally and unlimitedly liable for all agreements of the Company and that also acts as the manager of the Company; this manager/managing partner is indicated in article 13 of the Articles of association.
2.3. The limited partners (also referred to as "shareholders") are responsible for the debts and losses of the Company, only proportionally to their contribution, providing that they do not exercise any management activity. They can however act in the capacity of mandatory of the Company, following a special proxy.

ARTICLE 3. OFFICE

3.1. The registered office of the Company is situated in Brussels (Anderlecht), Route de Lennik 451.
The registered office and the general board always have to be established in Belgium. They can be moved by a simple decision by the 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 manager has full authority, following that kind of move, to have every modification of the Articles of association certified, as well as to have every move of the registered office, and consequently amended text of the Articles of association, filed for publication.
3.2. By a simple decision of the manager, the Company can establish branches or agencies, both in Belgium and abroad.

ARTICLE 4. PURPOSE

4.1. The exclusive purpose of the Company is:
(a) to make real estate available to users, directly or via a company in which it holds a participation, in accordance with the provisions of the RREC legislation; and
(b) to, within the limits of the RREC legislation, posses real estate as mentioned in article 2, 5°, i till x of the RREC law.
"Real estate" is defined as follows:
i. real estate as defined in article 517 et seq of the Civil Code, and the rights in rem on real estate, excluding real estate of forestry, agricultural or mining nature;
ii. the shares with voting rights issued by real estate companies, die exclusively or jointly controlled by the Company;
iii. pre-emptive rights to real estate;
iv. the shares of public or institutional regulated real estate companies, providing that, in the latter case, a joint or exclusive control is exercised by the Company;
v. rights arising from contracts giving the company leasehold of one or several real estate assets or other similar rights of use;
vi. the shares of public real estate investment trusts;
vii. the participation rights in foreign undertakings for collective investment in real estate registered in the list intended by article 260 of the law of 19 April 2014 with regard to alternative undertakings for collective investment and their managers;
viii. the participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area and that are not registered in the list intended by article 260 of the aforementioned law of 19 April 2014, as far as they are subject to an equivalent supervision as public sicafi;
ix. the shares issued by companies (i) that are legal entities; (ii) governed by the law of another member state of the European Economic Area; (iii) of which the shares are admitted to trading on a regulated market and/or are subject to a regime of prudential supervision; (iv) of which the main activity is acquiring or constructing real estate in view of making it available to users, or the direct or indirect possession of participations in companies with a similar activity; and (v) that are exempt from tax on income from the profits resulting from the activity referred to in clause (iv) above, subject to compliance with certain legal obligations, and that are at least required to distribute part of their income to their shareholders (the "Real Estate Investment Trusts" (abbreviated "REIT's"));
x. real estate certificates, as intended by article 5, § 4, of the law of 16 June 2006 on public offers of investment instruments and on the admission of investment instruments to trading on regulated markets.
xi. and all other assets, shares or rights defined as real estate by the RREC legislation.
4.2. Within the framework of making real estate available, the Company can exercise all activities related to the foundation, the construction (without prejudice to the prohibition of acting as a property developer,

except for occasional operations), the alteration, the design, the renovation, the development, the alienation, the lease, the sub-lease, the exchange, the contribution, the transfer, the allotment, the bringing of real estate assets into a system of co-ownership or joint ownership, granting or receiving the right of superficies, usufruct, long-term lease or other real or personal rights on real estate, management and running of real estate assets.
4.3. Providing conformity with the RREC legislation, the Company can also invest additionally or temporarily in securities that are not real estate in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified, so that they ensure an adequate risk diversification. The Company can also posses unallocated cash in all currencies in the form of deposits on demand, term deposits, or any money-market instrument that can be easily traded.
4.4. Providing conformity with the RREC legislation, the Company is authorized to subscribe authorized hedges, except for speculative operations. The acquisitions and disposals have to fit within the financial risk hedging policy of the Company.
4.5. Providing conformity with the RREC legislation, the Company is authorized to grant mortgages or other sureties or grant guarantees within the framework of funding the real estate activities of the Company or its group, within the limits defined by the RREC legislation to that effect.
4.6. Providing conformity with the RREC legislation, the Company is authorized to take or give in lease one or more properties. The activity of giving in lease with purchase option of real estate assets can only be exercised as an accessory activity, unless these real estate assets are destined for a purpose of general interest, including social housing and education (in this case, the activity can be exercised as main activity).
4.7. Providing conformity with the RREC legislation, the Company is authorized to grant credits within the limits defined by the RREC legislation to that effect.
4.8 Providing conformity with the RREC legislation, the Company can, through a contribution in cash or in kind, a merger, splitting-up or any other restructuring, subscription, participation, financial or other intervention, according to Company Law, acquire a share and any possible form of participation or membership in all existing or to be founded companies, associations or enterprises, in Belgium or abroad, of which the purpose is similar to its own, or that fits within the realization of, or facilitates, its purpose. Providing conformity with the RREC legislation, the Company can, in general, acquire, rent, lease, transfer or exchange all moveable or real estate assets, all materials and necessities, and in general, take all civil, commercial or financial actions that are, directly or indirectly, related to its purpose and exercising all related intellectual rights and commercial properties. Next to that, the Company may, providing conformity with the RREC legislation, do anything relevant or necessary to realize its purpose, also including all activities relating to, directly or indirectly the development and daily management of its real estate assets and all other activities with an added value to its real estate assets and to its users, such as offering services that are complementary to making the related real estate available.

ARTICLE 5. TERM

5.1. The term of the Company is unspecified. It can be dissolved by a resolution of the general meeting deliberating in accordance with the conditions and forms required for amending the articles of association, without prejudice to the application of other more stringent legal provisions.
5.2. The Company shall not be dissolved as a result of the dismissal, expulsion, revocation, withdrawal, purchase, declaration of incompetence, prevention, dissolution or declaration of bankruptcy of the managing partner.

CHAPTER II – CAPITAL – SHARES – OTHER SECURITIES

ARTICLE 6. CAPITAL

6.1 The company's registered capital amounts to fifty-four million three hundred and fourteen thousand seven hundred and forty-four euros and sixty-four cents (54,314,744.64). It is paid up in full.
6.2 It is divided into four million nine hundred and thirty-eight thousand eight hundred and seventy (4,938,870) shares, of no-par value, each one representing 1 / 4,938,870 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 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 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 RREC legislation, 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 the RREC legislation and of article 8.2 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 8.2 of the articles of association.
Capital increases in kind are realized in accordance with the RREC legislation and in accordance with the conditions recorded in article 8.3 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.
The manager already used the aforementioned authorization for a total amount of ten million one hundred and eighty-six thousand four hundred eighteen euro (€ 10,186,418.00).

ARTICLE 8. CHANGE OF THE REGISTERED CAPITAL

8. 1 Except for the possibility to increase the capital using 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 of the shareholders in the presence of a notary public and with the approval of the manager. Furthermore the company will always have to take the RREC legislation into account in this context.
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.
8.2. 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 RREC legislation:
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.
8.3. 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 RREC legislation, 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 value per share 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 8.4 hereafter, 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 value per share and in the capital, including the impact at the level of the voting rights.
The special conditions described above, in accordance with the RREC legislation, 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.
8.4. The special rules with regard to capital increases by contribution kind recorded in article 8.3 above 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.
8.5. In accordance with the RREC legislation 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 regulated real estate company (or abbreviated "institutional RREC") for an issue price that is ten per cent (10%) or more lower than the lowest value of (a) a net value per share 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 this article 8.5, 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 subsidiary mentioned in the first paragraph of this article 8.5 is not listed, the discount defined in the first paragraph of this article 8.5 is only calculated based on the net value per share that is dated no more than four (4) months.
This article 8.5 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 9. NATURE OF THE SHARES

9.1. The Company has only one type of shares, that all have the same rights.
9.2. The shares of the Company are nominative or dematerialized, and this according to the choice of their owner or holder (hereafter the "Holder") and in accordance with legal limitations. Each Holder of shares can at any given time, and at his own expenses, ask for the conversion of his nominative shares into dematerialized shares, or vice versa.
9.3. For nominative shares, ownership is exclusively proven by inscription in the register of shares of the Company held at its office; the register of shares may potentially be held in an electronic form.
9.4. Dematerialized shares are represented by booking into an account, at the name of the owner or holder, with a clearing institution.

ARTICLE 10. OTHER SECURITIES

With the exception of profit-sharing certificates and similar securities and subject to the specific provisions of the RREC legislation, the Company may issue the securities intended by article 460 of the Company Code in accordance with the rules prescribed by the Company Code, the RREC legislation and these Articles of association.

ARTICLE 11. REDEMPTION, HOLDING IN PLEDGE AND ALIENATION OF TREASURY SHARES

11.1. The Company can acquire its own shares and hold them in pledge in virtue of a decision of the general meeting taken in accordance with article 620 et seq of the Company Code.
That same meeting can define the conditions for alienation of those shares.
11.2. The manager is also authorized to proceed to acquiring treasury shares without a decision of the general meeting when that acquisition is necessary to safeguard the Company against serious and threatening disadvantage. This authorization is valid for three years (3) as of the publication of the amendments to the articles of association of 19 May 2014 and is renewable for a similar period.
11.3. The conditions for alienation of treasury shares by the Company are defined, depending on the case, in accordance with article 622, §2, of the Company Code by the general meeting or by the manager. The manager is authorized to alienate treasury shares as foreseen in article 622, §2, 1°, of the Company Code and, for a period of three (3) years as of the publication of the amendments to the articles of association of 19 May 2014, in article 622, §2, 2°, of the Company Code.

ARTICLE 12. LISTING ON THE STOCK EXCHANGE AND NOTIFICATION OF IMPORTANT PARTICIPATIONS

12.1 The shares of the company must be admitted to trading on a Belgian regulated market, in accordance with the RREC legislation.
12.2 Each holder of shares 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 in issuers of which the shares are admitted for trading on a regulated market.
The thresholds of which exceeding results in a mandatory notification following the special aforementioned legislation of the disclosure of important participations are fixed at three per cent (3%), five per cent (5%) and multiples of five per cent (5%) of the total number of voting rights.
12.3 Except for exceptions foreseen by the Company Law, nobody can participate to a voting at a general meeting of shareholders 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 that general meeting.

CHAPTER III – MANAGEMENT AND REPRESENTATION - CONTROL

ARTICLE 13. NOMINATIONS – DISMISSALS – VACANCIES

14.1 The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner and who must permanently comply with the articles 14 and 15 of the RREC legislation.
14.2 The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", (register of legal persons Antwerp, section Antwerp 0466.164.776), with registered office in 2000 Antwerp, Schermersstraat 42, is the (only) managing partner intended by article 2.2 of the Articles of association and is in virtue of this article appointed as the first and sole statutory manager of the Company (hereafter the "Manager-Legal person"). It is appointed for an indefinite period, in the understanding that the minimal duration of its mandate has been fixed at twenty-seven (27) years, which makes that its mandate is irrevocable until the date of the annual meeting, which will be held in 2026. After this date the mandate of the Manager-Legal person is revocable under the attendance and majority conditions required for a change of the Articles of Association, without any right of veto for the manager on this point.
The board of directors of the Manager-Legal person has to be composed as prescribed by the RREC legislation and as settled in article 14 of the Articles of association below.
13.3 Despite the aforementioned (article 13.2) concerning the first manager, the manager is appointed for a definite or indefinite period at the general meeting of shareholders, which decides under the attendance and majority conditions required for a change of the Articles of Association.
13.4 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 of shareholders 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.
13.5 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.
13.6 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.

ARTICLE 14. SPECIAL PROVISIONS WITH REGARD TO THE MANAGER-LEGAL PERSON AND THE EFFECTIVE OFFICERS OF THE COMPANY

14.1. The provisions of this article 14 below are valid for the Manager-Legal person as long as it manages the Company as a public RREC. The Manager-Legal person acts to that effect via its board of directors, its permanent representative and the persons it appointed for the effective leadership of the Company. The directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company cannot personally be manager nor managing partner of the Company. Moreover, they have to comply, on a permanent basis, with the articles 14 and 15 of the RREC law.
14.2. The board of directors of the Manager-Legal person is always composed in that way, that the Company can be managed in accordance with article 4 of the RREC law.
14.3. The board of directors of the Manager-Legal person consists at least of three (3) independent members in the sense of article 526ter of the Company Code, for which the respect of the criteria intended by the aforementioned article is also evaluated as if the concerned independent member of the board of directors of the Manager-Legal person would be a director in the Company.
14.4. The members of the board of directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company are exclusively physical persons and have to dispose, on a permanent basis, of the required professional reliability and adequate competences, required for exercising their function. They cannot find themselves in one of the cases foreseen by article 20 of the law of 25 April 2014 on the status of supervision on credit institutions.
14.5. The effective leadership of the Company has to be entrusted to at least two (2) physical persons, of which at least one (1) has to be a member of the board of directors of the Manager-Legal person.
14.6. One of the persons intended by article 14.5 above that is also a member of the board of directors of the Manager-Legal person, is appointed as permanent representative of the Manager-Legal person in the sense of article 61, §2, of the Company Code, that is entrusted with exercising the mandate of manager in the Company in the name of and for the account of the Manager-Legal person and that is more specifically authorized to, acting alone, represent and commit the Company versus third parties, but without prejudice to the applicable provisions of the RREC legislation. The Manager-Legal person cannot dismiss its permanent representative without appointing a successor at the same time.
14.7. Within the framework of and specifically in view of the internal management of the Company intended by article 16 of the Articles of association, the board of directors of the Manager-Legal person can, among his members and under his responsibility, in accordance with the articles 522, 526bis en 526quater of the Company Law, establish one or more consultative committees, such as e.g. a remuneration committee and an audit committee. These 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 that those committees respectively have 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 of the Manager-Legal person in compliance with the applicable regulations.

ARTICLE 15. SALARY

15.1. The manager will carry out his mandate with remuneration.
15.2. The remuneration is equal to zero point four hundred fifteen per cent (0.415%) of the consolidated assets of the Company. The remuneration is due during the financial year, but only payable after the approval of the financial statements.
15.3. The manager is entitled to the repayment of the costs that are directly related to his assignment.

ARTICLE 16. COMPETENCES OF THE MANAGER – INTERNAL MANAGEMENT

16.1. The manager has the most extended powers to perform all acts of internal management necessary or useful for realizing the purpose of the Company, except for those acts for which only the general meeting is competent, in virtue of the law or the Articles of association. The manager takes all decisions it deems appropriate.
16.2. The manager draws up the half-year reports, as well as the annual report project in accordance with the RREC legislation. The manager appoints the real estate experts in accordance with the RREC legislation.
16.3. The deliberations and decisions of the manager – should the case arise, taken at the level of the board of directors of the Manager-Legal person in accordance with the rules for deliberation and decision-making as defined in the articles of association of the Manager-Legal person – are reproduced in the minutes that are signed by the manager or the acting directors of the Manager-Legal person. These minutes are recorded in a special register.
The copies of or the extracts of those minutes, that have to be presented lawfully or elsewhere, are signed by the manager in accordance with its external representation power, except for copies and extracts of the minutes that were registered in an authentic deed and that are signed by the notary public.

ARTICLE 17. EXTERNAL REPRESENTATIVE POWER
17.1 The manager represents the company in all judicial and extra-judicial affairs.
17.2 The Manager-Legal person acts externally towards third parties via its permanent representative, all this, in accordance with the RREC legislation.
17.3 In all deeds committing the Company, the capacity in which the person representing the Company acts has to be stated, immediately before of after his signature.

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 RREC legislation.

ARTICLE 19. RESPONSIBILITY OF THE STATUTORY MANAGER
19.1 The statutory manager is personally, severally and unlimitedly bound to the obligations of the company.
19.2 The permanent representative of the Manager-Legal person is however not personally liable for the undertakings made by the Company.

ARTICLE 20. CONTROL
20.1. The audit of the Company is entrusted to a company auditor or auditor's company certified by the FSMA, that exercises the mission of auditor as defined in the Company Code and in the RREC legislation. In the case of the appointment of a certified auditor's company as auditor, this company will appeal to a certified company auditor that it appoints, for the exercise of its mission as auditor; it can eventually also appoint a substitute among its members that comply with the appointment conditions.
20.2. Moreover, the Company is subject to supervision by the FSMA in accordance with the RREC legislation.

CHAPTER IV – GENERAL MEETING

ARTICLE 21. POWER OF THE GENERAL MEETING
21.1 The lawfully composed general meeting of the shareholders of the Company represents the entirety of the shareholders. The decisions of the general meeting that were validly taken are binding upon all shareholders, even for those who were absent or for those who voted against a proposal.
21.2 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 of optional dividends, to the issue of convertible (or not) bonds or warrants, to the merger or an equal operation with one or more companies.

ARTICLE 22. ORDINARY GENERAL MEETING
22.1. The general meeting is held at the registered office or at the address indicated in the convening notice.
22.2. The ordinary general meeting, also called annual meeting, is held each year the third Monday of the month of May at sixteen hours or, should this day be a legal holiday, the next working day at the same hour.

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 Holders of dematerialized shares who want to participate to the general meeting, must present a certificate issued by an authorized account holder or the settlement body, stating how many dematerialized shares are registered in their accounts at the registration date, in the name of the shareholders, 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.
Holders 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
25.1 A shareholder of the company may only appoint (1) one proxy for a specific general meeting. 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.
25.2 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.
25.3 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.
25.4 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
26.1 Every general meeting is in general presided by manager of the Company. For as long as the Manager-Legal person manages the Company, the chairman of its Board of Directors or, in case the chairman is unable to attend, another director of the Manager-Legal person presides the general meeting.
26.2 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 at the general meeting are directed by the chairman of the meeting and take place in accordance with the habitual rules of proper meeting techniques.
27.2 The manager answers the questions of the shareholders 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.
27.3 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.
27.4 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 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 pre-emptive right in the case of a capital increase belongs to the nude owner.

ARTICLE 29. DECISION-MAKING – RIGHT OF VETO FOR THE STATUTORY MANAGER
29.1 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.
29.2 At each general meeting minutes are taken during the meeting.
29.3 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.
29.4 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
30.1 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 RREC legislation. Furthermore, the statutory manager draws up an annual report in which he renders account for his policy, as prescribed by the Company code and the RREC legislation.
The annual report also comprises a corporate governance statement that is a specific part of it and which comprises a remuneration report.
30. 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).
30. 3The 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 RREC legislation.
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 RREC legislation, to distribute a dividend as a remuneration of the capital to its shareholders, of which the minimum amount is defined in accordance with article 13 of the RREC RD.

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 RREC legislation.

CHAPTER VI – DISSOLUTION – LIQUIDATION

ARTICLE 33. NOMINATION AND CAPACITY OF LIQUIDATORS

33.1 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.
33.2 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.
33. 3 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 in the Company.

CHAPTER VII – MISCELLANEA - CHOICE OF LOCATION

ARTICLE 35. CHOICE OF LOCATION

35. 1 The manager and the liquidators, whose place of residence is unknown, are supposed to have chosen their address at the registered office of the company, where all subpoenas, services and notifications concerning the companies' affairs can be delivered.
35.2. The regulation in article 35.1 above is mutatis mutandis also valid for the directors of the Manager-Legal person and the persons in charge of effective direction of the Company and the persons responsible for the internal control functions of the Company.

ARTICLE 36. JURISDICTION

36.1 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.
36.2 The regulation in article 36.1 above is mutatis mutandis also valid for all disputes between the Company, on the one hand, and the directors of the Manager-Legal person, the persons in charge of effective direction of the Company and the people responsible for the internal control functions of the Company.

ARTICLE 37. 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 (a) the Company Law and its executory decrees and regulations, (b) the RREC legislation and (c) the other legal provisions, decrees and regulations under Belgian law are applicable, as far as they apply to the Company due to its status as a public RREC.
Moreover, the provisions of these articles of association that would unlawfully have derogated from the provisions of the laws, decrees and regulations 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, decrees and regulations 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 the company 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.

The statutory manager confirms that the auditor of the company granted his permission to reproduce the auditor's report on the consolidated statements for the financial year closed on 31 December 2014 in this report.

General statements – statements with regard to legal procedures or arbitrages

The statutory manager of the company 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 company 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 the company declares that, to the best of his knowledge:

- nor himself, nor one of the directors, not the effective leaders, nor members of the executive committee 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, the effective leaders and the members of the executive committee, 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 company 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 company or its subsidiaries, and the members of the executive committee 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, Thierry Rousselle, Michel Eeckhout, Mark Leysen and Eric Van Dyck, do not own 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 the executive committee do not own Leasinvest Real Estate shares, except for Michel Van Geyte (as mentioned above);
- that until now no options on the company shares have been granted, nor to the directors, nor to the members of the executive committee;
- that there are no mutual family ties between the directors and the members of the executive committee.

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 2012 and 2013 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 2012, 2013 and 2014 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 2014[1] can also be consulted on the website www.leasinvest.be.

The historical financial information for the previous financial years 2012 and 2013 (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.

List of reference information

Historical financial information and the description of the financial situation of the previous financial years 2011, 2012 and 2013 and related party transactions in the previous financial years 2011, 2012 and 2013

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, 2012 and 2013, 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 the RD on RRECs

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

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 2014 can be obtained for free, and by anyone who asks, upon simple request at the office of the company.

Information to shareholders

Regulated real estate company (RREC) – characteristics and tax regime

The main characteristics of a regulated real estate company (RREC) are as follows (RD of 13/07/2014):

- 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 regulated real estate company and its subsidiaries, and the statutory debt ratio of the regulated real estate company is limited to 65% of the consolidated or statutory assets, after deduction of the authorized hedges
- 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 13/07/2014, 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; otherwise, there are no company taxes on results and capital gains
- withholding tax of 25% on dividend
- no withholding tax for non-residents who are not engaged in a profit-making activity
- a regulated real estate company cannot grant loans unless to subsidiaries
- 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
- no mandatory stock exchange listing
- mainly real estate investments
- 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
- annual valuation by an independent real estate expert
- real estate assets carried at fair value – no amortizations
- no minimum distribution of the operating result
- no corporate taxes on result nor gains
- no withholding tax on dividends (in case the dividends are paid in favour of the RREC)
- supervision by the "Commission de Surveillance du Secteur Financier"

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 2014

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay a gross dividend of € 4.55, and net, free of withholding tax of 25%, € 3.4125 on 26 May 2015.

Subject to the approval of the ordinary general shareholders' meeting of 18 May 2015 dividends will be paid out on presentation of coupon no 18 as of 26 May 2015 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.
The Ex-date is 22/05/2015 and the Record date is 25/05/2015.

With regard to practical formalities to attend the annual meeting of shareholders that will be held on 18/05/14 we refer to page 102 of this annual financial report and to the website www.leasinvest.be, where all documents to participate are published on the day indicated in the convocation published in the Official Belgian Gazette and in a national newspaper.

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 – IR contact) to receive all press releases and mandatory financial information per email.

INVESTOR RELATIONS CONTACT

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

Lexicon

BADWILL
Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction.

BULLET LOAN
A loan which is reimbursed in one time at the end of the duration.

CAP
Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short term interest rate. As a buyer, Leasinvest Real Estate has acquired the right, 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 31/12/2014.

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.

REGULATED REAL ESTATE COMPANY
Is an ordinary operational company that has to act according to its purpose (which includes taking into account other interests than the exclusive interest of the shareholders, such as the interests of its clients, users of the buildings). They have a general commercial purpose: offering real estate to users.
These companies pursue a company strategy and not an investment policy; they can make a public appeal to savings, but to use those funds for their company purpose in general, in function of the needs arising from their strategy, and not to invest them in accordance with a statutory investment policy with regard to managing those funds in view of generating a "pooled return" for investors.

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

Public regulated real estate company 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) 6 November, publication Official Belgian Gazette 3 December 2014 (change into a regulated real estate company) (no 20141203-14216372)
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 – SPG Intercity Geneva
Supervision	FSMA

This annual financial report is available on www.leasinvest.be.

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

Concept and design: www.theimagecompany.be

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