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## Contents

LETTER TO SHAREHOLDERS	3
KEY FIGURES	5
MANAGEMENT REPORT	7
COMPANY PROFILE, ORGANISATION AND STRUCTURE	8
CORPORATE GOVERNANCE	11
DEVELOPMENTS IN THE REAL ESTATE MARKET	12
MAJOR TRANSACTIONS IN THE PAST FINANCIAL YEAR	14
REAL ESTATE PORTFOLIO	16
PROSPECTS	31
APPROPRIATION OF THE RESULT	33
SHARES	34
FINANCIAL REPORTS	37
REPORT OF THE STATUTORY MANAGER	47
AUDITOR'S REPORT	49



## Letter to shareholders

Leasinvest Real Estate is a Belgian real estate investment trust (i.e. SICAFI/BEVAK) that invests mainly in business parks in Belgium.

During the past financial year, the real estate portfolio of the trust grew considerably. As a result of the acquisition of five additional buildings, the value of the portfolio rose from EUR 177.3 million to EUR 200.9 million, a rise of 13.3%.

The newly acquired office buildings are located in business parks on the outskirts of Ghent and Antwerp. In the Axxes Business Park in Merelbeke near Ghent, Leasinvest Real Estate bought three newly-constructed and fully-let office buildings. The real estate investment trust also bought buildings close to Antwerp, more specifically one in the Delta Business Park in the Satenrozen business zone in Kontich, and one in Wommelgem.

For the next financial year 2001-2002, we anticipate that the portfolio will grow to EUR 250 million. A first transaction in that direction is the planned acquisition in October 2001 of two new buildings in the Axxes Business Park in Merelbeke. Furthermore, the Board of Directors has decided to start up a property development project on a limited scale in a well-situated business park in the south of Brussels. In the longer term, we are aiming for a portfolio value of EUR 500 million.

Growth is important for Leasinvest Real Estate. It is not an end in itself, but a means to exploit economies of scale, to increase share liquidity and attract attention from additional Belgian and foreign investors.

Location, quality of the property and solidity of the tenants, return on investment, duration of the leases and the potential capital gain in the longer term are important criteria in the trust's investment decisions. It always endeavours to find a balance between a real estate approach on the one hand, and financial logic on the other.

One of the objectives within this context is to improve the main financial key figures for the existing portfolio. Investments in the past year have already contributed to a better return on the portfolio, a lower average age of our buildings, a higher occupancy rate and a longer duration.

Compared with the trust's previous year, the rental return rose by nearly 4%. While the dividend rose by over 3%. The occupancy

rate excluding rental guarantees maintained the upward trend of the second half of 2000, and climbed to 94.21%. The leases that were concluded in the month of June support that upward trend. An occupancy rate of approximately 96% is forecast by December 2001. The average duration of leases until the next possible break rose from 3.43 years to 4.51 years.

We would like to thank our employees, without whom this result would not have been possible.



**JEAN-LOUIS APPELMANS**  
Managing Director



**KRIS VERHELLEN**  
Managing Director



**LUC BERTRAND**  
Chairman



## Key figures

### KEY RESULTS

(x 000 EUR)

	30/06/01	30/06/00
Operating income	15 822	15 424
of which, rent <sup>(1)</sup>	14 266	13 523
Operating result	11 480	11 495
Net current result	10 441	10 415
Result of the portfolio	613	2 598
Net result	11 054	13 013

(1) incl. Leasinvest rental guarantee

### OTHER KEY DATA

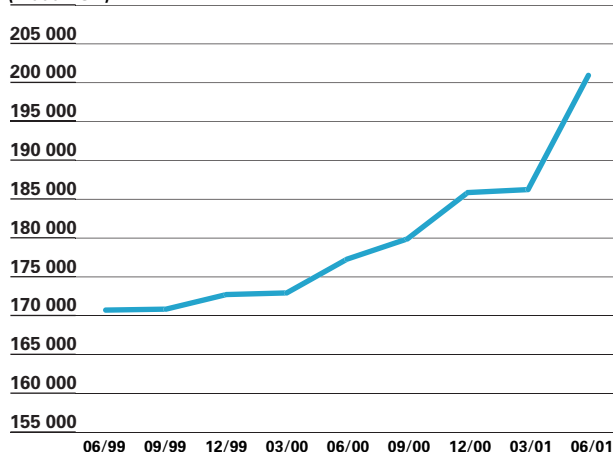
	30/06/01	30/06/00
Occupancy rate <sup>(1)</sup> (%)	94,21	92,25
Occupancy rate <sup>(2)</sup> (%)	98,53	98,00
Rental return <sup>(1)</sup> (%)	7,51	7,23
Rental return <sup>(2)</sup> (%)	7,86	7,69
Debt ratio	27,28	27,40
Payout ratio (%)	92,00	89,30
Gross dividend (EUR/share)	3,80	3,68
Net dividend (EUR/share)	3,23	3,13
Value of real estate portfolio (x 000 EUR)	200 945	177 288
Net asset value (x 000 EUR)	145 526	134 162
Number of shares	2 725 624	2 525 124

(1) excl. rental guarantee

(2) incl. rental guarantee

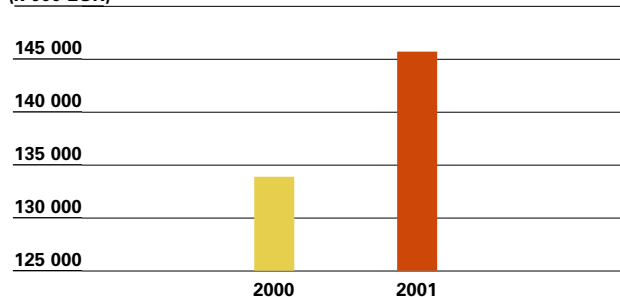
### QUARTERLY CHANGE IN INVESTMENT VALUE

(x 000 EUR)



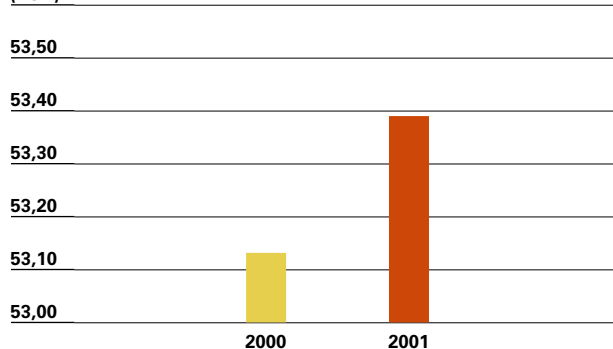
### CHANGE IN CAPITAL AND RESERVES

(x 000 EUR)



### INTRINSIC VALUE PER SHARE

(EUR)





## Management report

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## Company profile, organisation and structure

### Company profile

Leasinvest Real Estate C.V.A./S.C.A. (Euronext : LEAS) started its activities as a Belgian real estate investment trust (i.e. SICAFI/BEVAK) in July 1999. The trust mainly invests in office properties located in business parks in Belgium. Leasinvest Real Estate invests in high quality buildings – offices and semi-industrial units – preferably situated in the outskirts of large Belgian cities, specifically in the Brussels-Ghent-Antwerp triangle.

The trust's most important units include the Riverside Business Park in Anderlecht (12 buildings), Extensa Square in Evere (2 buildings), the Brixton Business Park in Zaventem (7 buildings) and the Axxes Business Park in Merelbeke (3 buildings).

The real estate investment trust uses the following investment strategy :

- office buildings must be well-situated, both geographically and locally, preferably in business parks
- they must be of high quality and meet the modern technical requirements. The trust invests mainly in new buildings
- they must be acquired at an acceptable return
- when concluding leases, the trust aims at a long-term relationship with the occupant, preferably for a minimum 6-year period
- in the longer term, there must be a potential capital gain.

After a first financial year (1999-2000) when the emphasis was placed on consolidation and optimisation of the portfolio, Leasinvest Real Estate devoted itself during the past financial year (2000-2001) to making a number of acquisitions in the context of its investment policy. Furthermore, the statutory manager decided to move cautiously into property development activities, whereby the trust itself will develop an office building which will be added to the portfolio.

At the end of June 2001, the value of the portfolio was EUR 200.9 million.

### Organisation and structure

#### THE STATUTORY MANAGER

The management of Leasinvest Real Estate was entrusted to the limited (managing) partner, Leasinvest Real Estate Management N.V./S.A., which was appointed as the only statutory manager for an unspecified duration with a minimum of ten years. Leasinvest Real Estate Management is a wholly-owned subsidiary of Leasinvest N.V./S.A., which is controlled in turn by the diversified services group Ackermans & van Haaren, which is listed on the Brussels stock market.

The mandate of the statutory manager is irrevocable until the date of the Ordinary General Meeting which will be held in 2009.

After that date, the mandate may be revoked provided that the attendance and majority rules required for the amendment of the articles of association are satisfied, without the manager having a right of veto on that point. The statutory manager may decide to resign at any time. The mandate of the manager can also be withdrawn by a court order as a result of a legal action on legal grounds, initiated by the Ordinary General Meeting

The manager employs five people who are responsible for commercial contacts with the lessees and real estate agents, the technical management, the accounting, the legal activities and the administration. The personnel of the Leasinvest group provides additional support

The day-to-day management of Leasinvest Real Estate is carried out by two managing directors.

The shares of Leasinvest Real Estate Management are wholly-owned by Leasinvest, the promotor of the investment trust.

#### MANAGEMENT OF THE REAL ESTATE PORTFOLIO

Management of the portfolio is entrusted to Leasinvest Properties B.V.B.A./S.P.R.L., a 100%-owned subsidiary of Leasinvest, for an initial period of two years. In the past financial year, the shares of Leasinvest Properties were transferred to Bopro N.V./S.A., a 50%-owned subsidiary of Leasinvest N.V. The management contract was renewed for a fixed initial period of five years. After that, the management contract may be terminated with effect from 1 January each year, provided that six months' notice are given. The name of Leasinvest Properties was changed to Bopro Real Estate Services B.V.B.A./S.P.R.L.

The ordinary management includes administrative, financial and technical activities.

The administrative and financial management comprises :

- verification of compliance with the leases and internal regulations
- maintenance of the rental condition
- calculation, collection and monitoring of payments of rent due and each occupant's proportion of the common charges, the property tax and the insurance premiums, and drawing up the annual final report of rent and charges, and if necessary adjusting the rental guarantees
- calculation of the rental guarantees, and monitoring of the creation and updating of the rental guarantees
- administration of any overdue rent and charges
- arranging for writing and monitoring of reports on the state of the premises on commencement and at the end of leases; recovery of cost of any damage from the occupant or person responsible



- management of the insurance portfolio
- optimisation of the relationships between the owner and the tenants, etc.

The technical management includes :

- regular inspection of the buildings with a view to maintaining good rental condition
- maintenance of the common areas and the technical facilities
- taking the necessary protective measures
- handling claims with the insurance companies.

Bopro Real Estate Services is paid for its ordinary assignment on the basis of a percentage of the rental income of the buildings managed by them, 3% excluding VAT. For the un-let premises, a management fee is charged at 1.5% excluding VAT. This remuneration is included in the rent that the lessees pay. Extra work and/or services that are not included in the normal management will be invoiced by the property manager on the basis of the scales laid down by the Professional Association.

While the management contract is in force, the manager may also be charged with carrying out project management tasks.

#### **REAL ESTATE VALUERS**

The value of the property assets is determined quarterly by the following real estate valuers :

##### **Healey & Baker**

Kunstlaan 58 (bus 7)  
1000 Brussels  
represented by Mr. Jean-Paul Ducarme

##### **Winssinger & Vennoten**

Avenue Louise 380  
1050 Brussels  
represented by Mr. Philippe Winssinger

#### **THE DEPOSITARY BANK (ALSO REFERRED TO AS THE "CUSTODIAN")**

Bank Brussel Lambert was appointed as the depositary bank of Leasinvest Real Estate, in accordance with the provisions of Article 12 onward of the Royal Decree of 10 April 1995.

In its capacity as the depositary bank of Leasinvest Real Estate, Bank Brussel Lambert must comply with the obligations imposed by the law of 4 December 1990 and the Royal Decree mentioned above. The depositary bank holds all official documents and deeds with regard to changes in the assets of the real estate investment trust, and will update the inventory whenever there is a change in the property portfolio.

#### **AUDITORS**

Ernst & Young, Bedrijfsrevisoren, Marcel Thiryiaan 204, 1200 Brussels, represented by Mr. Jacques Vandernoot, auditor, were appointed as auditors for a three-year period starting on 1 July 1999.



## Corporate Governance

### The decision-making components

#### BOARD OF DIRECTORS

The Board of Directors of the statutory manager, Leasinvest Real Estate Management N.V./S.A., determines the policy of the real estate investment trust, and is composed in equal numbers of directors associated with Leasinvest N.V./S.A., the promotor, on the one hand and independent directors on the other.

The independent directors have the particular mission of safeguarding the interests of all shareholders in Leasinvest Real Estate C.V.A./S.C.A. and ensuring that they receive equal treatment.

The Board of Directors has eight directors appointed for a maximum six-year term by the Ordinary General Meeting of Shareholders of Leasinvest Real Estate Management. Luc Bertrand is the Chairman of the Board of Directors.

The independent directors are :

- Eric Dekeuleneer, Director of Credibe N.V./S.A.
- Bernard de Gerlache de Gomery, Independent Director of companies including Unibra N.V./S.A., Floridienne N.V./S.A. and Sipef N.V./S.A.
- Aimé Desimpel, Managing Director of De Speybeek N.V./S.A., politician and director of different companies
- Marcus Van Heddeghem, Managing Director of Wilma Project Development N.V./S.A.

The directors associated with Ackermans & van Haaren are :

- Luc Bertrand, Chairman of the Executive Board of Ackermans & van Haaren N.V./S.A.
- Jean-Louis Appelmans, Managing Director of Leasinvest N.V./S.A.
- Jan Suykens, CFO of Ackermans & van Haaren N.V./S.A.
- Kris Verhellen, member of the Executive Management Committee of Leasinvest N.V./S.A.

In application of the Royal Decree of 20 April 1995, in their capacity as Managing Director, Mrs. Appelmans and Verhellen exercise supervision over the day-to-day management. The term of office of the directors expires after the Ordinary General Meeting of Shareholders in 2004.

The Board of Directors met five times during the financial year. The articles of association provide that the Board of Directors shall meet at least four times per year.

The direct and indirect fees that were paid to the independent directors during the past financial year amounted to EUR 18.592.

#### THE PERMANENT COMMITTEE

The 'Permanent Committee' meets fortnightly, to discuss the current business of the company, to ensure proper communication and monitor implementation of the decisions of the Board of Directors. The 'Permanent Committee' consists at least of a managing director, the commercial manager, the legal adviser, the financial manager and the real estate manager.

#### SETTLEMENT OF CONFLICTS OF INTEREST

In connection with the acquisitions made during the past financial year, the provisions of articles 523 onward of the Companies Act (formerly article 60 of the Companies Act) were observed. Furthermore, the Banking and Finance Commission were informed in advance of situations where those articles needed to be applied.

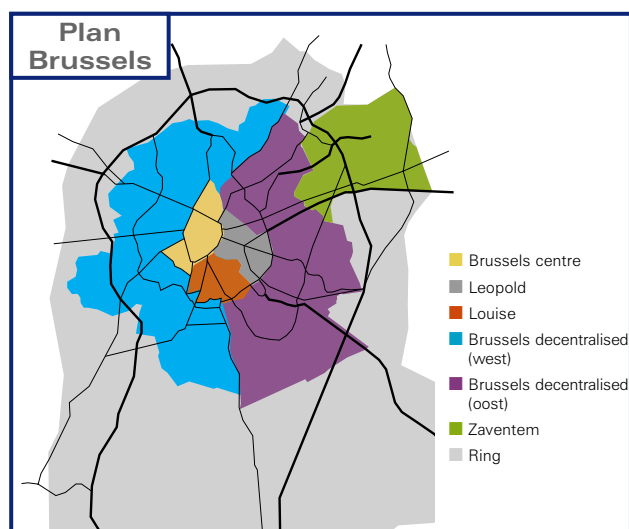
#### AUDIT OF THE ANNUAL ACCOUNTS

The auditor, appointed by the Ordinary General Meeting, audits the annual accounts and the half-yearly reports. The auditor also draws up a special report for the attention of the Banking and Finance Commission.

#### VALUATION OF THE ASSETS

The quarterly valuations of the portfolio are carried out by two independent valuers (see page 9). If a conflict of interest should arise with the agency business of one of the valuers, the other will make the valuation.

## Developments in the real estate market



### BRUSSELS PERIPHERY

The average rent for semi-industrial buildings rose during the last two years by 10 to 15%. The main reason for the rise in rents is the scarcity of such property. New developments are concentrating on office projects, which generate a higher return on the scarce available land. Furthermore, especially in the second half of 2000, the rising demand for telco-hotels was mainly responsible for driving the classic semi-industrial users out of the outskirts of the city. Increasing outsourcing of logistics activities closer to Brussels led to a substantial increase in demand.

The Brixton Business Park and Vierwinden Business Park benefited from this increase. The Vierwinden Business Park continues to have 100% occupancy and availability at the Brixton Business Park averaged 5% during the past year. Units that became available were re-let in an average of two to three months.

For the office market on the outskirts of the city, the outlook is expected to be less favourable. The scarce availability of public transport makes accessibility more difficult. Furthermore, the malaise in a substantial number of companies in the new economy has curbed demand considerably. Leasinvest Real Estate has not been investing in office buildings in the outskirts of Brussels.

### BRUSSEL LOUISE DISTRICT

In the district around avenue Louise, demand for office space has continued to rise, which has been reflected in a rise in average rents and occupancy rates. This increase is not so much due to the completion of new projects or renovations, but is the result of a shortage of supply in other districts in the centre of Brussels. Avenue Louise has a limited supply of offices, but continues to attract interest, mainly from multinational companies or European professional associations, which prefer this elegant inroad to the city.

Avenue Louise 66 and Avenue Louise 250 which are in the Leasinvest Real Estate portfolio benefited from this rising demand. Based on signed contracts in June 2001, the occupancy at avenue Louise 66 rose to more than 80%, a considerable increase on the 73% occupancy in previous months, and only 50 to 60% when the investment trust was established. Avenue Louise 250 remains 100% let on long-term leases.

### BRUSSELS DECENTRALISED AREA

Within this zone, a clear distinction can be seen in growth, between the northern and eastern decentralised zone (NE) on the one hand and the southern and western zone (SW). In recent years, the NE zone has grown fast, while the SW zone remained under-developed. In 2000, the NE zone saw a take-up of approximately 130,000m<sup>2</sup> compared with only 15,000 m<sup>2</sup> in the SW zone. Factors including the sharp decline in companies in the new economy and the growing mobility problems in the northern zone have led to a downturn in demand in recent months.

Thanks to the leases signed in recent months, the occupancy of the Riverside Business Park which is in the portfolio will rise in the second half of this year to 94.1%. A continuation of this upward trend depends on a continuing thorough renovation of the properties present, so that this it can match the quality of properties in the NE zone and the outskirts of the city. Extensa Square remains 100% let to Mobistar for the longer term.

(1) Source : Knight Frank

(2) Source : Catella Codemer

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#### **ANTWERP CITY CENTRE**

Demand for offices in Antwerp city centre has fallen as a result of the completion of new projects on the Singel, which have a high level of finishing in comparison with the older city centre buildings.

This downward trend can be found in the buildings along the Mechelsesteenweg and Britselei. Although occupancy rose from 90.18% to 93.32% last year, occupancy in the coming year will fall due to the departure of Alcatel at the end of 2001. Management is currently investigating the various options for repositioning these properties.

#### **ANTWERP SOUTHERN PERIPHERY**

Leasinvest Real Estate has consolidated its position during the past year through a number of acquisitions. Due to the mobility problems around the Brussels Ring motorway, the Brussels/Antwerp arterial route is developing further. Due to the quality of the developments, there is increasing demand from international companies.

The buildings along the Kontichsesteenweg benefited from this growth. The occupancy rate rose from 49.96% to 67.24%. Prins Boudewijnlaan 7 in Kontich is let on a long-term lease to Federal Mogul. The building in the Delta Business Park in Kontich – a new acquisition – is 67% let, and the unoccupied portion is guaranteed by the developer. The office building located on the Schranshoevebaan 18 in Wommelgem – also a new acquisition – is also occupied 100% and let for a fixed nine-year term to Asea Brown Boveri.

#### **GHENT PERIPHERY**

It is anticipated that the Brussels/Ghent arterial route will develop further – a few years later than the one between Brussels and Antwerp.

The Axxes Business Park is a unique development. It is the first office complex on this scale in the region. The three buildings that Leasinvest Real Estate has acquired in the Axxes Business Park are mostly let on the basis of the plans. The small proportion which is unoccupied is guaranteed by the developer.

## Main transactions in the last financial year

### Acquisitions

In September 2000, Leasinvest Real Estate bought the first building of the Delta Business Park in the Satenrozen business zone in Kontich. The office building is let to Chemetall and Meriventi. The unoccupied proportion is guaranteed for six years by the developer Implant N.V./S.A.

In November 2000, the investment trust concluded a contract with property developer Euro Crossroads Business Park N.V./S.A. (ECBP) – a joint venture that is 50%-owned by the Desimpel group, and the other 50% is owned by the Uyttersprot group for the acquisition and bringing-in of five office buildings on the Axxes Business Park in Merelbeke. Any unoccupied parts of these buildings are guaranteed by ECBP for six years. These build-

ings are being acquired by the investment trust once technical acceptance is completed. In November also, the first building (D3) was bought. This building is let to CBT De Wilde, GE Power, KBC and ECBP.

In June 2001, ECBP brought in two further buildings of the Axxes Business Park via a capital increase. These buildings (D4 and D5) are let to ADD, ADS Catering, Belpan Holding, Cross Associates, Curon Medical and Sidstahl. The rent for unoccupied space is guaranteed by the developer ECBP.

In June 2001, a building was bought at Schranshoevebaan 18 in Wommelgem. The building is let for a fixed nine-year term to Asea Brown Boveri.

### Lettings

	LOCATIONS	LESSEE	AREA	YEARS
<b>July 2000</b>	Extensa Square	Mobistar	3,017 m <sup>2</sup>	4
	Brixton Business Park	IRS	506 m <sup>2</sup>	3/6/9
	Brixton Business Park	Bintz Technics	376 m <sup>2</sup>	1/2/5
<b>October 2000</b>	Brixton Business Park	Gecotec	25 parking spaces	3/6/9
	Avenue Louise 250	RHI	1 926 m <sup>2</sup>	4/6/9
	Riverside Business Park	Vedior Interim	1 404 m <sup>2</sup>	4
<b>November 2000</b>	Brixton Business Park	ERG	605 m <sup>2</sup>	3/6/9
	Riverside Business Park	Clestra Hauserman	481 m <sup>2</sup>	3/6/9
<b>December 2000</b>	Riverside Business Park	Goossens Gossart Joos	372 m <sup>2</sup>	3/6/9
<b>January 2001</b>	Extensa Square	Mobistar	4 484 m <sup>2</sup>	4
	Kontichsesteenweg 17, 38, 38A	Tinchant	729 m <sup>2</sup>	6/9
	Avenue Louise 66	Manpower	344 m <sup>2</sup>	6/9
	Riverside Business Park	Belstar	109 m <sup>2</sup>	3
<b>February 2001</b>	Avenue Louise 250	Probox	782 m <sup>2</sup>	4/6/9
	Vierwinden Business Park	TBC Halbart	1 486 m <sup>2</sup>	3/6/9
<b>March 2001</b>	Brixton Business Park	Dawson Media Direct	453 m <sup>2</sup>	3/6/9
	Avenue Louise 66	GL Trade	231 m <sup>2</sup>	3/6/9
<b>April 2001</b>	Brixton Business Park	Repair Belgium	518 m <sup>2</sup>	3/6/9
	Kontichsesteenweg 17, 38, 38A	Servico	2 196 m <sup>2</sup>	3/6/9
<b>May 2001</b>	Brixton Business Park	Gecotec	419 m <sup>2</sup>	2
	Brixton Business Park	Paragraphe	453 m <sup>2</sup>	3/6/9
<b>June 2001</b>	Louizalaan 66	London Economics	251 m <sup>2</sup>	6/9
	Mechelsesteenweg 30	Chark	280 m <sup>2</sup>	3/6/9
<b>Lettings – concluded but not yet in force</b>				
<b>July 2000</b>	Avenue Louise 66	Lancaster RE	251 m <sup>2</sup>	6/9
<b>September 2001</b>	Riverside Business Park	Ansell	2 090 m <sup>2</sup>	6/9
<b>January 2002</b>	Riverside Business Park	NRG - Nashuatec	3 950 m <sup>2</sup>	6/9

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## Renovations

In the building on avenue Louise 250, four of the twelve floors were thoroughly renovated as planned by the end of 2000. In the same building, a new cooling system was installed in April 2001.

Similar thorough renovations were carried out in a building on the Kontichsesteenweg in Aartselaar and on the ground floor of the building at avenue Louise 66. The renovations were necessary to maintain the high quality appearance of the buildings.

At Avenue Louise 66 and 250, the renovations resulted in conclusion and renewal of long-term leases.

In addition, where necessary, and making use of changes in the letting situation, normal redecoration work was carried out. This was done for four units in the Brixton Business Park.

At building J (2.000 m<sup>2</sup>) in the Riverside Business Park, the fund will be making a major investment as a result of the new lease with Ansell. The building will be fitted with a complete climate control system using cool ceilings, new raised floors and suspended ceilings. Two identical buildings on the same part will be given similar finishing (including unit K for the extension of NRG - Nashuatec).

## Management of the property portfolio

The management of the real estate portfolio has been handled since June 2001 by Bopro, via its Bopro Real Estate Services subsidiary, a major player in the field of project, property and facility management.

By exploiting a number of synergies, Bopro offers a total service to lessees in relation to their business premises. Moreover, Bopro endeavours to optimise the price/quality ratio of maintenance work on the buildings, by extending the maintenance contracts to other clients/owners managed by the company. Bopro's multi-disciplinary approach leads to improved lessee satisfaction, which is good for the average duration of lease contracts in the portfolio.

Besides the day-to-day management, Bopro also handles project management and security coordination for renovation projects within the portfolio for which it is responsible.

## Real estate portfolio

### Composition of the real estate portfolio

The real estate investment trust has 45 buildings in its portfolio, at 12 different locations.

ADDRESS	FUNCTION	AREA
<b>Brixton Business Park</b> Brixtonlaan 1-30 1930 Zaventem	Semi-industrial/Retail	36 016 m <sup>2</sup>
<b>Vierwinden Business Park</b> Leuvensesteenweg 532 1930 Zaventem	Semi-industrial	13 639 m <sup>2</sup>
<b>Louizalaan/Avenue Louise 66</b> 1050 Brussels	Office	3 591 m <sup>2</sup>
<b>Louizalaan 250</b> 1050 Brussels	Office	11 175 m <sup>2</sup>
<b>Extensa Square</b> Rue Colonel Bourg/Kolonel Bourgstraat 149, 153-155 1140 Brussels	Office	12 630 m <sup>2</sup>
<b>Riverside Business Park</b> Internationalelaan 55 1070 Brussels	Office/Semi-industrial	26 930 m <sup>2</sup>
<b>Antwerp city centre (2018)</b> Mechelsesteenweg 30-34 J.F. Willemstraat 1 (parking) Britselei 3-5-7 Britselei 15	Office	6 997 m <sup>2</sup>
<b>Kontichsesteenweg 17, 38, 38A</b> 2630 Aartselaar	Office/Semi-industrial	5 710 m <sup>2</sup>
<b>Prins Boudewijnlaan 7</b> 2550 Kontich	Semi-industrial	27 589 m <sup>2</sup>
<b>Delta Business Park (new)</b> Satenrozen 1 2550 Kontich	Office	1 815 m <sup>2</sup>
<b>Schranshoevebaan 18 (new)</b> 2160 Wommelgem	Office	2 394 m <sup>2</sup>
<b>Axxes Business Park (new)</b> Guldensporenpark 22-40 9820 Merelbeke	Office	9 687 m <sup>2</sup>
<b>TOTAL</b>		<b>158 173 m<sup>2</sup></b>



## Description of the real estate portfolio

### BRUSSELS PERIPHERY



#### **Brixtonlaan 1-30, 1930 Zaventem**

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

Year built	1975-88, renovations carried out for new tenants
Area let	36 016 m <sup>2</sup>
Contractual rent	EUR 2 308 206
Estimated rental value	EUR 3 013 758
Occupancy rate	96,91%
Contractual rent and estimated value of unoccupied space	EUR 2 401 250
Estimated investment value on 30/06/01	EUR 30 664 429
Return on 30/06/01	7,34%
Potential return on 100% occupancy	8,06%

#### **Leuvensesteenweg 532, 1930 Zaventem**

Semi-industrial business park

Year built	1973, renovated in 1994 and 1998
Area let	13 639 m <sup>2</sup>
Contractual rent	EUR 879 935
Estimated rental value	EUR 764 707
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 879 935
Estimated investment value on 30/06/01	EUR 9 494 322
Return on 30/06/01	9,27%
Potential return on 100% occupancy	8,35 - 8,50%

**BRUSSELS AVENUE LOUISE**



**Louizalaan/Avenue Louise 66, 1000 Brussels**

Office complex opposite the Conrad Hotel, consisting of two interconnected buildings and a retail ground floor

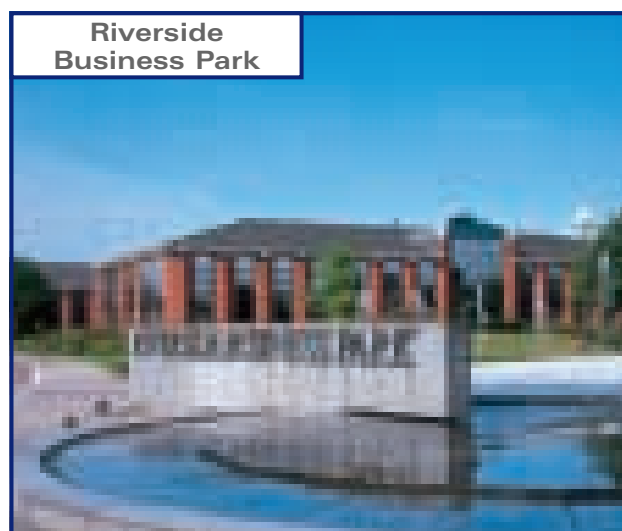
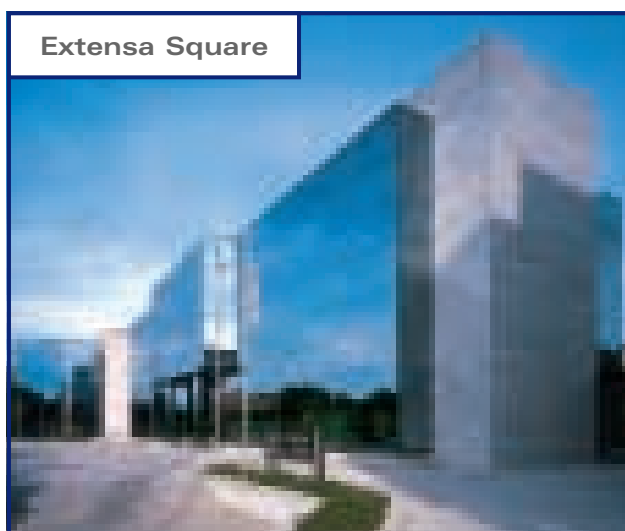
Year built	1974-75, renovated in 1987
Area let	3 591 m <sup>2</sup>
Contractual rent	EUR 395 961
Estimated rental value	EUR 486 510
Occupancy rate	73,12%
Contractual rent and estimated value of unoccupied space	EUR 526 716
Estimated investment value on 30/06/01	EUR 5 875 077
Return on 30/06/01	6,64%
Potential return on 100% occupancy	8,26%

**Louizalaan/Avenue Louise 250, 1000 Brussels**

Prestige office building with 13 floors

Year built	1975-76, 4 of the 12 floors have been completely renovated since the end of 2000
Area let	11 175 m <sup>2</sup>
Contractual rent	EUR 1 786 707
Estimated rental value	EUR 1 788 539
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 1 786 707
Estimated investment value on 30/06/01	EUR 22 583 100
Return on 30/06/01	7,91%
Potential return on 100% occupancy	7,50%

## BRUSSELS DECENTRALISED AREA



### Rue Colonel Bourg/Kolonel Bourgstraat 149, 153-155, 1140 Brussels (Evere)

Prestige office complex consisting of 3 buildings, 2 of which are owned by Leasinvest Real Estate

Year built	1991 (I) - 1996 (II)
Area let	12 630 m <sup>2</sup>
Contractual rent	EUR 2 505 380
Estimated rental value	EUR 2 296 505
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 2 505 380
Estimated investment value on 30/06/01	EUR 32 721 945
Return on 30/06/01	7,65%
Potential return on 100% occupancy	7,14%

### Internationalelaan 55, 1070 Anderlecht

Business park in verdant surroundings, consisting of 12 buildings, 9 of which are office buildings and 3 semi-industrial units

Year built	1992-96
Area let	26 930 m <sup>2</sup>
Contractual rent	EUR 3 133 470
Estimated rental value	EUR 3 756 498
Occupancy rate	85,76%
Contractual rent and estimated value of unoccupied space	EUR 3 668 300
Estimated investment value on 30/06/01	EUR 50 644 647
Return on 30/06/01	6,22%
Potential return on 100% occupancy	7,38%

**ANTWERP CITY CENTRE**



**Mechelsesteenweg 30-34 + Parking J.F. Willmstraat 1  
Britselei 3-5-7  
Britselei 15**

Office complex close to the National Bank

**Year built**

Mechelsesteenweg 30-34	1963 (34), 1975 (30)
+ parking J.F. Willmstraat 1	
Britselei 3-5-7	1978
Britselei 15	1970

**Area let** 6 997 m<sup>2</sup>

**Contractual rent** EUR 591 671

**Estimated rental value** EUR 581 609

**Occupancy rate** 93,32%

**Contractual rent and estimated value of unoccupied space** EUR 630 513

**Estimated investment value on 30/06/01** EUR 5 827 977

**Return on 30/06/01** 10,12%

**Potential return on 100% occupancy** 9,54%



## ANTWERP SOUTHERN PERIPHERY



### **Kontichsesteenweg 17, 38, 38A, 2630 Aartselaar**

Three buildings on the Kontichsesteenweg in Aartselaar, two of which are office buildings and the other is a semi-industrial building.

Year built	1973 (17), 1986 (38), 1990 (38A)
Area let	5 710 m <sup>2</sup>
Contractual rent	EUR 316 514
Estimated rental value	EUR 404 044
Occupancy	67,24%
Contractual rent and estimated value of unoccupied space	EUR 448 889
Estimated investment value on 30/06/01	EUR 4 610 820
Return on 30/06/01	6,67%
Potential return bij 100% occupancy	8,84%

### **Prins Boudewijnlaan 7, 2550 Kontich**

Distribution centre on the Prins Boudewijnlaan in Kontich

Year built	1989, extended in 2000
Area let	27 589 m <sup>2</sup>
Contractual rent	EUR 1 385 467
Estimated rental value	EUR 1 294 512
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 1 385 467
Estimated investment value on 30/06/01	EUR 15 766 028
Return on 30/06/01	8,79%
Potential return on 100% occupancy	8,40%



**Technologiepark Satenrozen, Satenrozen 1A bus 1, 2550 Kontich**

Business park in newly laid-out park, with Leasinvest Real Estate being the owner of the first office building

Year built	2000
Area let	1 815 m <sup>2</sup>
Contractual rent	EUR 208 814
Estimated rental value	EUR 211 770
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 208 814
Estimated investment value on 30/06/01	EUR 2 578 093
Return on 30/06/01	8,10%
Potential return on 100% occupancy	8,15%

**Schranshoevebaan 18, 2160 Wommelgem**

A single office building with storage space in Wommelgem

Year built	1993
Area let	2 394 m <sup>2</sup>
Contractual rent	EUR 211 354
Estimated rental value	EUR 215 623
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 211 354
Estimated investment value on 30/06/01	EUR 2 503 725
Return on 30/06/01	8,10%
Potential return on 100% occupancy	8,50%

**GHENT PERIPHERY**



**Guldensporenpark 22-40, 9820 Merelbeke**

Business park in a newly-laid out park alongside the E40 motorway, consisting of 7 new buildings. Leasinvest Real Estate already owns 3 buildings, and will buy another 2 later this year

Year built	2000-01
Area let	9 687 m <sup>2</sup>
Contractual rent	EUR 1 307 906
Estimated rental value	EUR 1 327 823
Occupancy rate	100%
Contractual rent and estimated value of unoccupied space	EUR 1 375 492
Estimated investment value on 30/06/01	EUR 17 674 808
Return on 30/06/01	7,75%
Potential return on 100% occupancy	7,60%

## Summary of the real estate portfolio

	Contractual rent	Estimated rental value	Occupancy rate	Contractual rent and estimated value of unoccupied space	Estimated investment value on 30/06/01	Return on 30/06/01	Potential return on 100%	m <sup>2</sup>
<b>Brixton Business Park</b>								
Unit 1	269 050	316 805	82,50%	324 507	3 767 982	7,14%	8,25%	
Unit 2	248 301	290 261	87,05%	285 889	3 569 667	6,96%	8,10%	
Unit 3	296 310	262 544	100,00%	296 310	3 296 984	8,99%	8,10%	
Unit 4/5/6	722 805	1 433 221	100,00%	722 805	11 155 209	6,48%	8,00%	
Unit 8	255 847	224 760	100,00%	255 847	2 801 197	9,13%	8,10%	
Unit 9	285 428	259 492	100,00%	285 428	3 247 405	8,79%	8,10%	
Unit 10	230 465	226 674	100,00%	230 465	2 825 986	8,16%	8,00%	
Total/average	2 308 206	3 013 758	96,91%	2 401 250	30 664 429	7,34%	8,06%	36 016 m <sup>2</sup>
<b>Vierwinden Business Park</b>								
	879 935	764 707	100,00%	879 935	9 494 322	9,27%	8.35-8.50%	13 639 m <sup>2</sup>
<b>Louizalaan 66<sup>(2)</sup></b>								
Louise side	282 576	287 638	85,93%	323 051	3 495 299	8,08%	8,40%	
Grosse Tour side	48 409	130 702	30,92%	138 692	1 412 993	3,43%	8,60%	
Retail part	64 975	68 171	100,00%	64 975	966 785	6,72%	7,00%	
Total/average	395 961	486 510	73,12%	526 718	5 875 077	6,64%	8,26%	3 591 m <sup>2</sup>
<b>Louizalaan 250</b>								
	1 786 707	1 788 539	100,00%	1 786 707	22 583 100	7,91%	7,50%	11 175 m <sup>2</sup>
<b>Extensa Square</b>								
Kol. Bourg 153-155	1 602 756	1 426 027	100,00%	1 602 756	20 525 584	7,81%	7,10%	
Kol. Bourg 149	902 625	870 478	100,00%	902 625	12 196 361	7,40%	7,20%	
Total/average	2 505 380	2 296 505	100,00%	2 505 380	32 721 945	7,65%	7,14%	12 630 m <sup>2</sup>
<b>Riverside Business Park<sup>(1)</sup></b>								
Fase I	556 208	924 246	58,52%	939 575	12 617 780	4,41%	7,25%	
Fase II	499 604	481 106	99,77%	500 720	5 899 866	8,47%	8,25%	
Fase III + IV	2 077 658	2 351 146	93,61%	2 228 005	32 127 001	6,47%	7,25%	
Total/average	3 133 470	3 756 498	85,76%	3 668 300	50 644 647	6,22%	7,38%	26 930 m <sup>2</sup>
<b>Antwerpen Centrum</b>								
Mechelsesteenweg 30-34 + Parking J.F. Willemstraat 1	445 762	443 988	96,18%	462 703	4 387 715	10,16%	9,50%	
Britselei 3-5-7	35 868	54 499	59,81%	57 770	530 492	6,76%	9,75%	
Britselei 15	110 040	83 121	100,00%	110 040	909 769	12,10%	9,65%	
Total/average	591 671	581 609	93,32%	630 513	5 827 977	10,12%	9,54%	6 997 m <sup>2</sup>
<b>Kontichsesteenweg</b>								
17	120 697	97 757	100,00%	120 697	1 041 153	11,59%	9,80%	
38	0	132 375	0,00%	132 375	1 388 204	0,00%	8,90%	
38A	195 817	173 912	100,00%	195 817	2 181 463	8,98%	8,25%	
Total/average	316 514	404 044	67,24%	448 889	4 610 820	6,67%	8,84%	5 710 m <sup>2</sup>
<b>Prins Boudewijnlaan 7</b>								
	1 385 467	1 294 512	100,00%	1 385 467	15 766 028	8,79%	8,40%	27 589 m <sup>2</sup>
<b>Delta Business Park</b>								
	208 814	211 770	100,00%	208 814	2 578 093	8,10%	8,15%	1 815 m <sup>2</sup>
<b>Schranshoevebaan 18</b>								
	211 354	215 623	100,00%	211 354	2 503 725	8,10%	8,50%	2 394 m <sup>2</sup>
<b>Axxes Business Park</b>								
Building 3	451 298	436 646	100,00%	455 884	5 800 708	7,78%	7,60%	
Building 4	493 779	455 690	100,00%	493 779	6 197 338	7,97%	7,60%	
Building 5	425 828	435 487	100,00%	425 828	5 676 762	7,50%	7,60%	
Total/average	1 370 906	1 327 823	100,00%	1 375 492	17 674 808	7,75%	7,60%	9 687 m <sup>2</sup>
<b>Subtotal</b>	<b>15 094 383</b>	<b>16 141 900</b>	<b>94,21%</b>	<b>16 028 819</b>	<b>200 944 970</b>	<b>7,51%</b>		
<b>Garantie Leasinvest</b>	<b>697 911</b>							
<b>Total<sup>(3)</sup></b>	<b>15 792 295</b>		<b>98,53%</b>					<b>158 173m<sup>2</sup></b>

(1) Leasinvest Real Estate concluded two new leases in June 2001 for Phase 1 of the Riverside Business Park. At the same time, Kraft announced a cutback. Phase 1 of the park will be 100% occupied by 1 November 2001, phase 3 occupancy will be 90,5%. This will bring the total occupancy for the Riverside Business Park up from 85,76% to 94,1%.

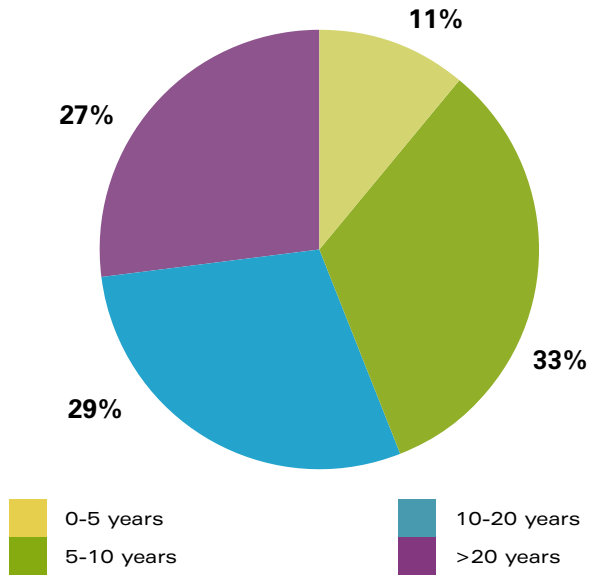
(2) Leasinvest Real Estate concluded a lease in June 2001 with Lancaster RE for 6-9 years for the remaining floor in the building at avenue Louise 66. From 1 July 2001, the occupancy for the front of the building will be 100%. The occupancy of the building as a whole will rise from 73,12% to 82,12%.

(3) If the above mentioned signed, but not yet applicable leases are taken into account, the total occupancy of the real estate portfolio amounts to 96,55%. Including the guarantee from Leasinvest, occupancy is 100%.

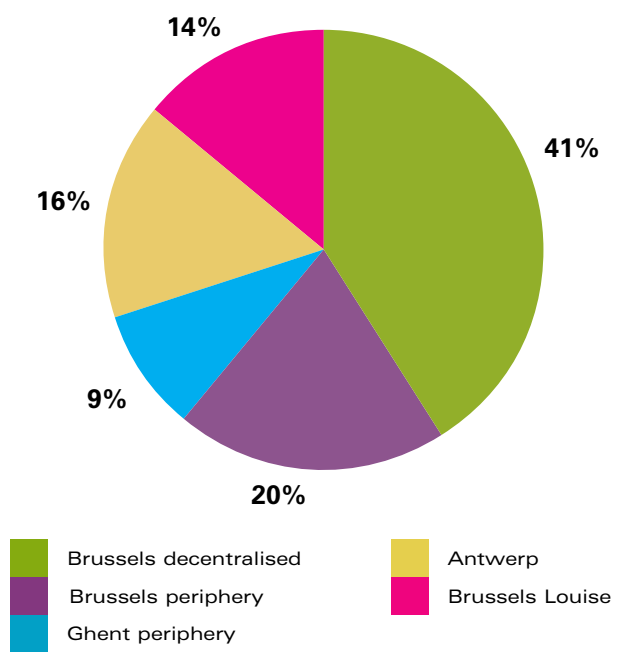




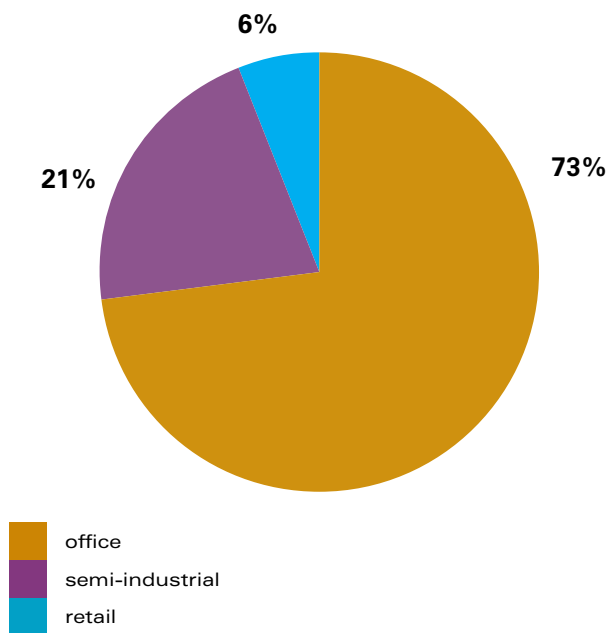
**AGE OF THE BUILDINGS  
(BASED ON THE INVESTMENT VALUE)**



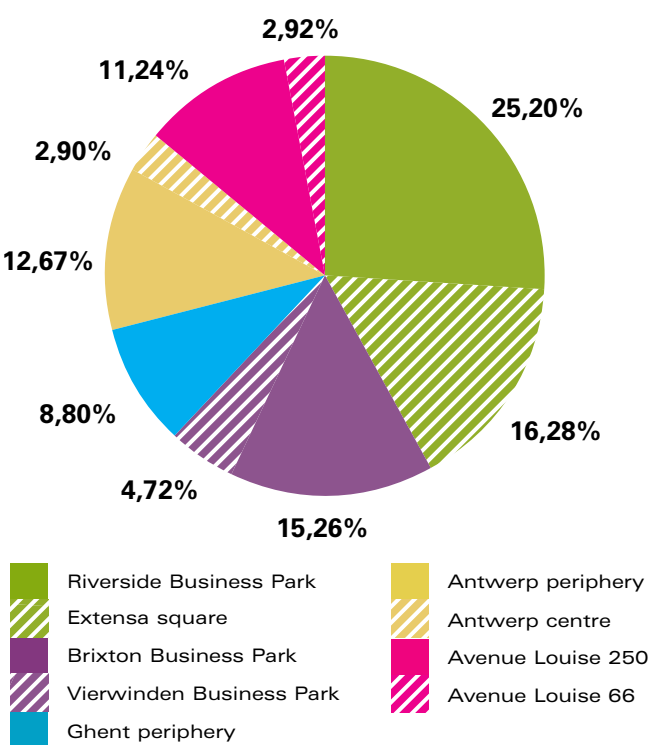
**GEOGRAPHICAL SPREAD OF THE PORTFOLIO  
(BASED ON THE INVESTMENT VALUE)**



**SECTORAL SPREAD OF THE PORTFOLIO  
(BASED ON THE INVESTMENT VALUE)**



**INVESTMENT VALUE OF THE BUILDINGS  
(BASED ON THE INVESTMENT VALUE)**



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## Analysis of the real estate portfolio

### **AVERAGE AGE OF THE BUILDINGS**

Due to the acquisition of a number of new buildings, the average age of the Leasinvest Real Estate portfolio fell. Nearly 44% of the buildings are less than 10 years old, compared with 36% a year earlier. Furthermore, it should be pointed out that thanks to thorough renovations, various older buildings can be considered as new buildings (see page 15). However, these are not taken into account when determining the average age.

### **SECTORAL SPREAD OF THE PORTFOLIO**

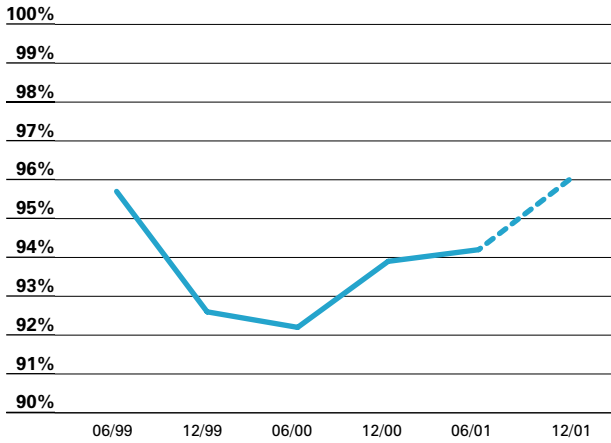
Due to the acquisitions of exclusively office properties, the relative importance of offices in the real estate investment trust rose from 69% to 73%. This brought the relative share of semi-industrial buildings down from 24% to 21%, and the retail component fell from 7% to 6%.

### **GEOGRAPHICAL SPREAD OF THE PORTFOLIO**

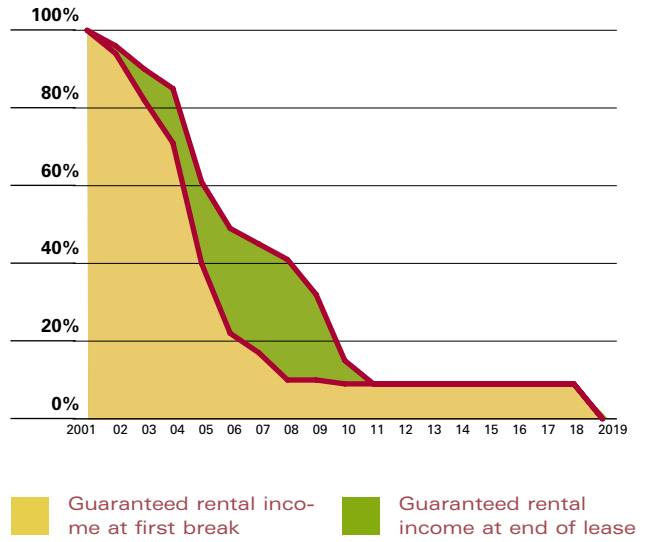
Despite a reduction in its relative importance, the decentralised zone of Brussels continues to form the major part of the fund's portfolio, with a relative investment value of 41%, compared with 46% the previous year.

The share of the Antwerp market in the portfolio rose from 13% to 16%. No additional investments were made in the Brussels market. A first investment was made in the periphery of Ghent, with the purchase of three buildings in the Axxes Business Park.

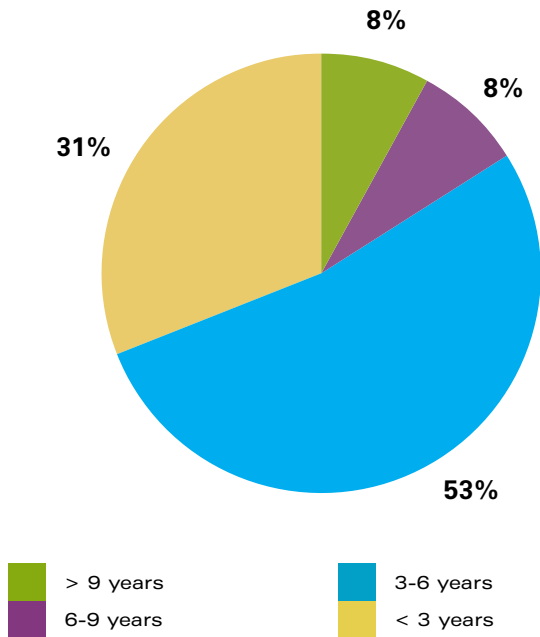
**OCCUPANCY RATE SINCE THE FUND WAS ESTABLISHED**



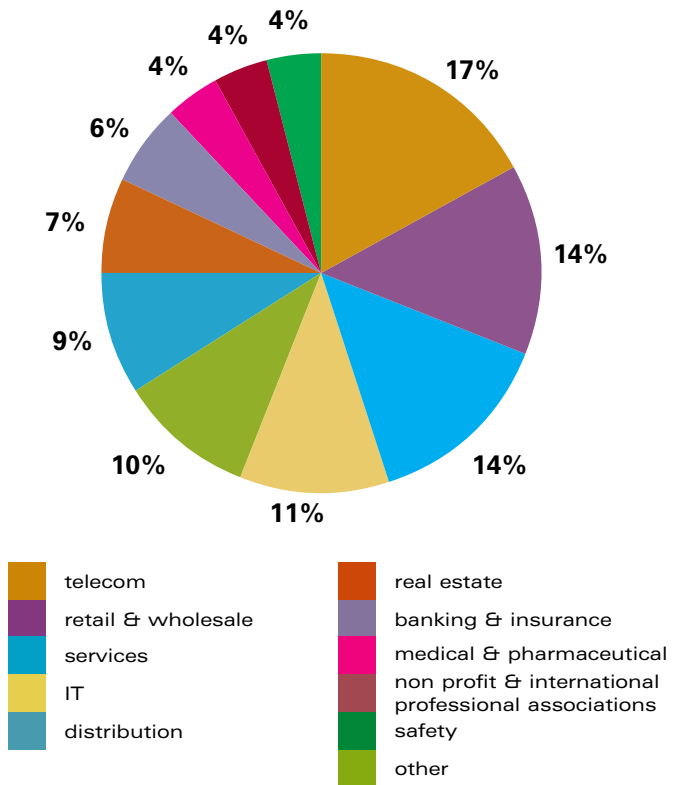
**RELATIVE CONTRACTUALLY-GUARANTEED RENTAL INCOME (BASED ON ESTIMATED RENTAL VALUE)**



**DURATION UNTIL FIRST BREAK OPTION (BASED ON ESTIMATED RENTAL VALUE)**



**SPREAD OF THE RENTAL INCOME PER BUSINESS SECTOR (BASED ON ESTIMATED RENTAL VALUE)**



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## Analysis of rental income

### **OCCUPANCY RATE SINCE THE FUND WAS ESTABLISHED**

When the Leasinvest Real Estate investment trust was established in June 1999, the occupancy rate was 95.7%. After an initial fall (92.6% in December 1999 and 92.2% in June 2000), the occupancy rate rose again to 93.9% by December 2000, mainly due to the conclusion of various leases for Avenue Louise 250. In the first half of 2001, this positive trend continued, due to a number of lettings in the Brixton Business Park, Antwerp city centre and Avenue Louise 66, and due to the acquisition of three new properties (including the Axxes Business Park in Merelbeke). By the end of June 2001, the occupancy rate excluding rent guarantees amounted to 94.21%, compared with 92.25% a year earlier.

Taking account of the rent guarantee provided by Leasinvest, the promotor of Leasinvest Real Estate, the occupancy rate in the past financial year amounted to 98.53%, compared with 98% in the previous financial year.

Based on the contracts signed in the month of June, but which will only come into force in the next financial year 2001-2002, we anticipate a continuation of this rising trend in the next half-year to an occupancy of approximately 96% by December 2001. That would mean that occupancy would for the first time exceed the original occupancy of July 1999.

The structural unoccupancy fell during the last financial year to 4%, compared with 6% the previous year. This is attributable to an extension of the duration of the leases, the acquisition of new buildings and seeking creative solutions within the fund.

### **DURATION AND CONTRACTUALLY-GUARANTEED RENTAL INCOME**

The average duration until the first break option is now 4.51 years, compared with 3.43 years a year earlier. This increase is due on the one hand to the fact that nearly all new leases have a minimum term of six years, and some of nine years. On the other hand, for the existing properties, during the past year, nearly all the contracts signed deviated from the standard 3/6/9-year lease period.

The average duration until the end of the lease was 6.06 years during the past financial year, compared with 4.91 years a year earlier.

### **BREAKDOWN OF THE RENTAL INCOME PER BUSINESS SECTOR**

With regard to the breakdown of the rental income per business sector, the telecom sector consisted entirely of Mobistar and Alcatel. Retail and wholesale make up 25 tenants. Bureau Van Dijk and Econocom represented 47% of the IT sector. The distribution centres sector had Federal Mogul as the only tenant.



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## Outlook

Leasinvest Real Estate wants to continue expanding its portfolio to over EUR 250 million. In the first half of the financial year 2001-2002, the statutory manager expects to complete the planned acquisition of two new leased office buildings in the Axxes Business Park in Merelbeke, of a value of EUR 13.67 million. Furthermore, statutory manager hopes to conclude the ongoing negotiations for bringing-in and acquiring additional buildings during the first half-year.

The investment strategy of Leasinvest Real Estate remains unchanged. Location, quality of the property and the tenants, return on investment, duration of leases and potential long-term capital gains remain important criteria for assessing investment opportunities.

The aim of the planned growth is to improve the liquidity and visibility of the shares, to create shareholder value.

Further growth could occur by using the available borrowing capacity to make direct or indirect acquisitions. Mergers with real estate companies are also among the possibilities.

The maximum allowable debt ratio for real estate investment trusts was increased by the legislator on 10 June 2001 (the Royal Decree to amend the R.D. of 10 April 1995 on real estate investment trusts) from 33 to 50% of the balance sheet total.





## Appropriation of the result

### Dividend policy

Since the results of Leasinvest Real Estate during the second financial year have exceeded the forecasts, the fund can improve its dividend policy in comparison with the target dividends shown in the issue prospectus in 1999. The fund's dividend strategy aims at annual dividend growth above annual inflation.

### Appropriation of the result

The result for the financial year amounts to EUR 11.1 million. Taking account of the result brought forward from the previous year, this gives a profit for appropriation of EUR 11.6 million.

In accordance with Article 60 of the Royal Decree of 10 April 1995 on real estate investment trusts, no depreciation is applied to buildings. In accordance with Article 119 section 4 of the Law of 4 December 1990 on investment institutions with a fixed number of unit certificates, no transfer is required to the legal reserves.

In accordance with our prudent policy, a provision was made for renovations and major maintenance work, amounting to EUR 669,313. This amount will be spent, together with the budgeted amounts as shown in the issue prospectus in 2001-2002.

The statutory manager proposes that the Ordinary General Meeting should appropriate the profit available for distribution as follows:

• Available reserves	: EUR 522.085
• Profit to be carried forward	: EUR 1.427.002
• Dividends	: EUR 9.606.366

If you approve this appropriation, the net dividend will amount to EUR 3.23 for all 2,725,624 shares. The dividend is payable from 22 October 2001, on presentation of coupon no. 2 at the following banks:

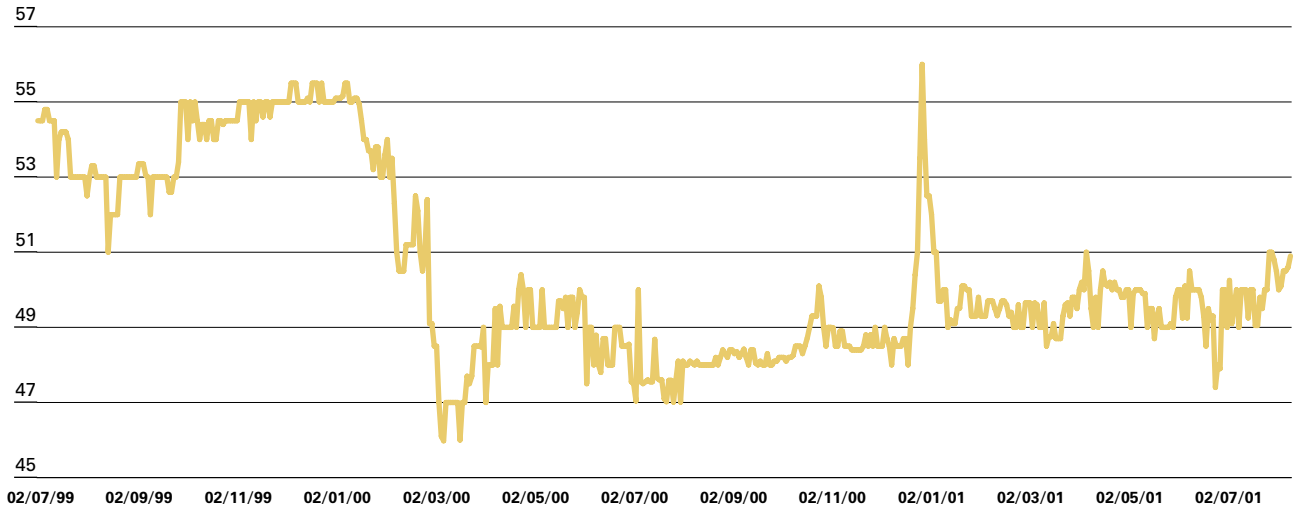
- Fortis Bank/Banque
- BBL
- Artesia Bank/Banque (Dexia Groep)
- Bank/Banque Degroof
- Bacob

The payout ratio is 92%. That is 1% less than the percentage provided for in the issue prospectus of 1999. The dividend paid out is higher than the minimum 80% of the proceeds imposed by Article 62 of the R.D. of 10 April 1995.

## Shares

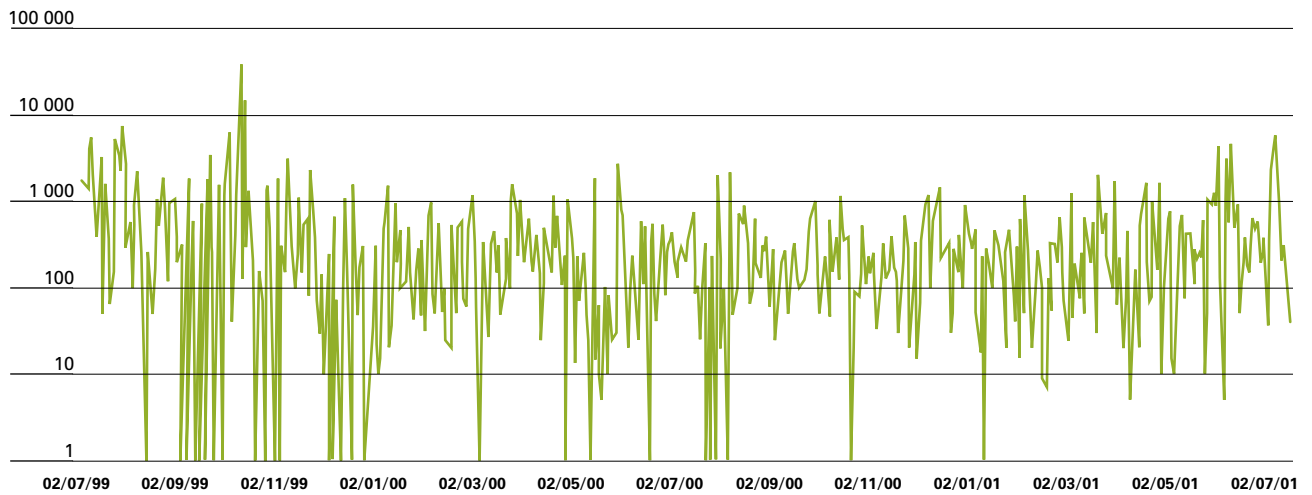
### EVOLUTION OF THE SHARE PRICE SINCE THE IPO ON 02/07/99

(EUR)

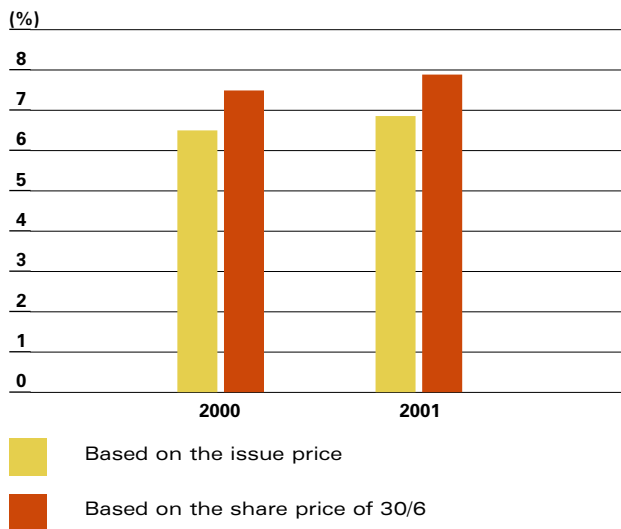


### EVOLUTION OF THE TRANSACTION VOLUME SINCE THE IPO ON 02/07/99

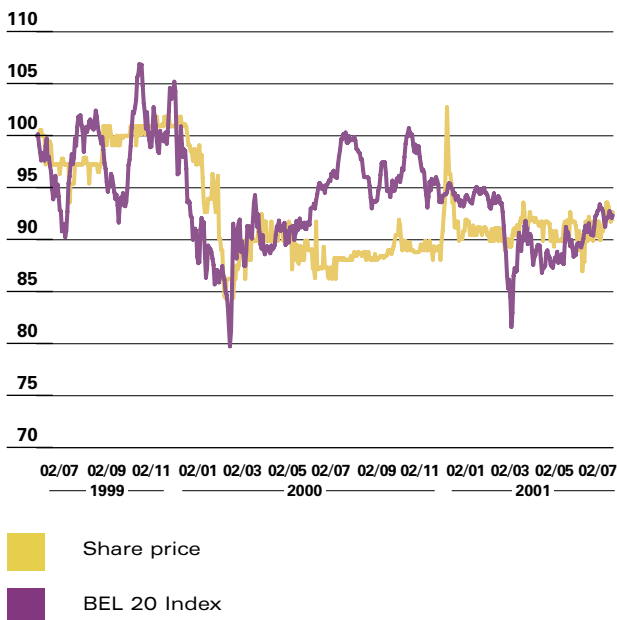
(Number of shares)



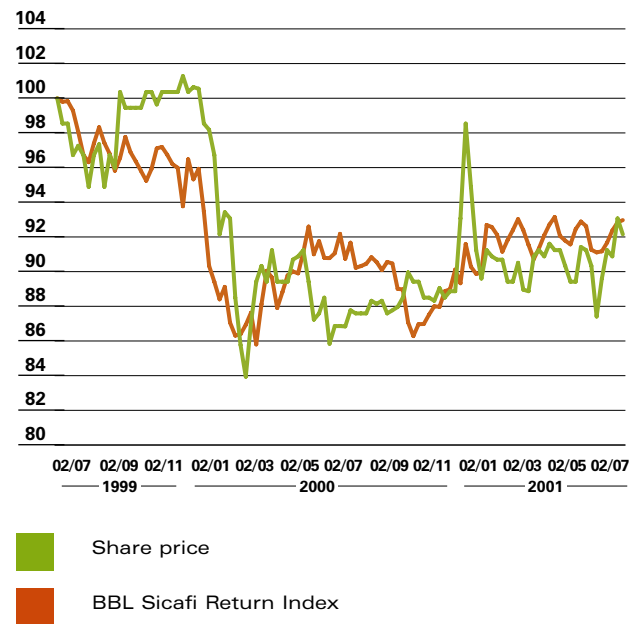
**EVOLUTION DIVIDEND**



**EVOLUTION SHARE PRICE COMPARED TO THE BEL 20 INDEX**



**EVOLUTION SHARE PRICE COMPARED TO THE BBL SICAFI RETURN INDEX**





## Financial statements

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		PERIOD 101/07/00–30/06/01 (x 000 EUR)	PERIOD* 01/07/99–30/06/00 (x 000 EUR)
<b>A S S E T S</b>			
<b>FIXED ASSETS</b>	<b>20/28</b>	<b>200 945</b>	<b>177 288</b>
I. FORMATION EXPENSES	20		
II. INTANGIBLE FIXED ASSETS	21		
III. TANGIBLE FIXED ASSETS	<b>22/27</b>	<b>200 945</b>	<b>177 288</b>
A. Land and buildings	22	200 945	177 288
B. Plant, machinery and equipment	23		
C. Fittings and vehicles	24		
D. Leasing and similar charges	25		
E. Other tangible fixed assets	26		
F. Assets under construction and prepayments	27		
IV. FINANCIAL FIXED ASSETS	<b>28</b>		
A. Associated companies	280/1		
1. Participating interests	280		
2. Amounts receivable	281		
B. Other companies through participating interests	282/3		
1. Participating interests	282		
2. Amounts receivable	283		
C. Other financial fixed assets	284/8		
1. Shares	284		
2. Amounts receivable and cash guarantees	285/8		
<b>CURRENT ASSETS</b>	<b>29/58</b>	<b>5 353</b>	<b>8 277</b>
V. AMOUNTS RECEIVABLE IN MORE THAN 1 YEAR	<b>29</b>	<b>274</b>	<b>225</b>
A. Trade debtors	290		
B. Other amounts receivable	291	274	225
VI. STOCKS AND WORK IN PROGRESS	<b>3</b>		
A. Stocks	30/36		
1. Raw materials and consumables	30/31		
2. Work in progress	32		
3. Finished goods	33		
4. Goods for resale	34		
5. Fixed assets acquired or constructed for sale	35		
6. Prepayments	36		
B. Orders in hand	37		
VII. AMOUNTS RECEIVABLE WITHIN 1 YEAR	<b>40/41</b>	<b>2 136</b>	<b>2 539</b>
A. Trade debtors	40	1 926	2 321
B. Other amounts receivable	41	210	218
VIII. INVESTMENTS	<b>50/53</b>	<b>2 441</b>	<b>5 354</b>
A. Own shares	50		
B. Other investments	51/53	2 441	5 354
IX. CASH IN HAND AND AT BANK	<b>54/58</b>	<b>288</b>	<b>96</b>
X. PREPAYMENTS AND DEFERRED INCOME	<b>490/1</b>	<b>214</b>	<b>63</b>
<b>TOTAL ASSETS</b>	<b>20/58</b>	<b>206 298</b>	<b>185 565</b>

(\* The first financial year of Leasinvest Real Estate ran from 01/01/99 to 30/06/00. The balance sheet and profit and loss account cover the period 01/07/99-30/06/00 (first sicaf year)

<b>L I A B I L I T I E S</b>		<b>PERIOD</b> <b>01/07/00–30/06/01</b> <small>(x 000 EUR)</small>	<b>PERIOD*</b> <b>01/07/99–30/06/00</b> <small>(x 000 EUR)</small>
<b>CAPITAL AND RESERVES</b>	<b>10/15</b>	<b>145 526</b>	<b>134 162</b>
I. CAPITAL	<b>10</b>	<b>29 971</b>	<b>27 765</b>
A. Issued capital	100	29 971	27 765
B. Uncalled capital	101		
II. SHARE PREMIUM ACCOUNT	<b>11</b>	<b>7 710</b>	
III. REVALUATION SURPLUSES	<b>12</b>	<b>96 500</b>	<b>96 500</b>
IV. RESERVES	<b>13</b>	<b>9 918</b>	<b>8 783</b>
A. Legal reserves	130	602	602
B. Reserves not available for distribution	131	3 852	2 717
1. For own shares	1310		
2. Other	1311	3 852	2 717
C. Tax-exempt reserves	132		
D. Available reserves	133	5 464	5 464
V. PROFIT BROUGHT FORWARD	<b>140</b>	<b>1 427</b>	<b>1 114</b>
LOSS BROUGHT FORWARD	<b>141</b>		
VI. INVESTMENT GRANTS	<b>15</b>		
<b>PROVISIONS AND DEFERRED TAXATION</b>	<b>16</b>	<b>669</b>	<b>543</b>
VII. A. PROVISIONS FOR LIABILITIES AND CHARGES	<b>160/5</b>	<b>669</b>	<b>543</b>
1. Pensions and social security	160		
2. Income taxes	161		
3. Major repairs and maintenance	162	669	543
4. Other liabilities and charges	163/5		
B. Deferred taxation	168		
<b>DEBTS</b>	<b>17/49</b>	<b>60 103</b>	<b>50 860</b>
VIII. AMOUNTS PAYABLE IN MORE THAN 1 YEAR	<b>17</b>	<b>46</b>	<b>46</b>
A. Financial debts	170/4		
1. Subordinated loans	170		
2. Other debenture loans	171		
3. Leasing and similar charges	172		
4. Loans from banks	173		
5. Other loans	174		
B. Trade creditors	175		
1. Suppliers	1750		
2. Bills of exchange payable	1751		
C. Prepayments received against orders	176		
D. Other debts	178/9	46	46
IX. AMOUNTS PAYABLE WITHIN 1 YEAR	<b>42/48</b>	<b>56 224</b>	<b>47 556</b>
A. Amounts payable > 1, current portion	42		
B. Financial debts	43	44 240	34 896
1. Loans from banks	430/8	15 150	
2. Other loans	439	29 090	34 896
C. Trade creditors	44	2 159	3 062
1. Suppliers	440/4	2 159	3 062
2. Bills of exchange payable	441		
D. Prepayments received against orders	46		
E. Unpaid taxes, salaries and social security	45	81	135
1. Taxes	450/3	81	135
2. Salaries and social security	454/9		
F. Other debts	47/48	9 744	9 463
X. ACCRUALS AND DEFERRED CHARGES	<b>492/3</b>	<b>3 833</b>	<b>3 258</b>
<b>TOTAL LIABILITIES</b>	<b>10/49</b>	<b>206 298</b>	<b>185 565</b>

(\*) The first financial year of Leasinvest Real Estate ran from 01/01/99 to 30/06/00. The balance sheet and profit and loss account cover the period 01/07/99-30/06/00 (first sicaf year)

		PERIOD 01/07/00–30/06/01 (x 000 EUR)	PERIOD* 01/07/99–30/06/00 (x 000 EUR)
<b>P R O F I T A N D L O S S A C C O U N T</b>			
<b>A. OPERATING RESULTS</b>			
I. OPERATING INCOME	<b>70/74</b>	<b>15 822</b>	<b>15 424</b>
A. Turnover	70	13 568	12 705
B. Stock variations	71		
C. Capitalised production costs	72		
D. Other operating income	74	2 254	2 719
II. OPERATING EXPENSES	<b>60/64</b>	<b>(4 343)</b>	<b>(3 929)</b>
A. Goods for resale, raw materials and consumables	60		
1. Purchases	600/8		
2. Stock variations (increase -)	609		
B. Goods and services bought	61	3 132	1 770
C. Salaries, social security and pensions	62		(52)
D. Depreciation and diminutions of value on formation expenses, intangible and tangible fixed assets	630		14
E. Depreciation and diminutions of value on stocks, work in progress and trade debtors	631/4	100	75
F. Provision for liabilities and charges	635/7	126	473
G. Other operating expenses	640/8	985	1 649
H. Operating costs capitalised as restructuring costs	649		
III. OPERATING PROFIT	<b>70/64</b>	<b>11 480</b>	<b>11 495</b>
Operating loss	64/70		
IV. FINANCIAL INCOME	<b>75</b>	<b>611</b>	<b>121</b>
A. Income from financial fixed assets	750		
B. Income from current assets	751	130	94
C. Other financial income	752/9	481	27
V. FINANCIAL CHARGES	<b>65</b>	<b>(2 295)</b>	<b>(1 249)</b>
A. Interest payable	650	2 027	1 073
B. Diminutions of value on other current assets	651		
C. Other financial charges	652/9	268	176
VI. TAXATION OF THE RESULT	<b>67/77</b>	<b>646</b>	<b>48</b>
A. Taxation	670/3	(11)	(51)
B. Regularisation of taxation and withdrawal from provision for taxation	77	657	99
VII. OPERATING PROFIT		<b>10 441</b>	<b>10 415</b>
Operating loss (-)			

(\*) The first financial year of Leasinvest Real Estate ran from 01/01/99 to 30/06/00. The balance sheet and profit and loss account cover the period 01/07/99-30/06/00 (first sicafi year)



		PERIOD 01/07/00–30/06/01 <small>(x 000 EUR)</small>	PERIOD* 01/07/99–30/06/00 <small>(x 000 EUR)</small>
<b>B. RESULTS ON THE PORTFOLIO</b>			
VIII.	CAPITAL GAINS AND LOSSES ON REALISATION OF COMPONENTS OF THE PORTFOLIO (COMPARED WITH THE ACQUISITION VALUE)	<b>746/646</b>	
	A. Property (as defined by R.D. of 10/04/1995)		
	1. Real estate and charges on real estate		
	Capital gains	74600	
	Capital losses	64600	
	2. Securities and other charges on real estate		
	Capital gains	74601	
	Capital losses	64601	
	B. Investments in other securities		
	Capital gains	7461	
	Capital losses	6461	
IX.	FLUCTUATIONS IN THE MARKET VALUE OF COMPONENTS OF THE PORTFOLIO	<b>747/647</b>	<b>613</b>
	A. Property (as defined by R.D. of 10/04/1995)		<b>2 598</b>
	1. Real estate and charges on real estate		
	Capital gains	74700	613
	Capital losses	64700	2 598
	2. Securities and other charges on real estate		
	Capital gains	74701	1 862
	Capital losses	64701	(1 249)
	B. Investments in other securities		
	Capital gains	7471	
	Capital losses	6471	(1 685)
X.	PROFIT ON THE PORTFOLIO		<b>613</b>
	Loss on the portfolio (-)		<b>2 598</b>
<b>C. EXTRAORDINARY RESULTS</b>			
XI.	EXTRAORDINARY INCOME	<b>76</b>	
	A. Withdrawal from provision for extraordinary liabilities and charges	762	
	B. Other extraordinary income	764/9	
XII.	EXTRAORDINARY CHARGES	<b>66</b>	
	A. Provision for extraordinary risks and charges	662	
	B. Other extraordinary charges	664/8	
	C. Extraordinary charges capitalised as restructuring costs	669	
XII <sup>BIS</sup> .	SPECIAL TAXATION AS A RESULT OF APPROVAL AS A REAL ESTATE CLOSED-END FUND		
XIII.	EXTRAORDINARY PROFIT	<b>76/66</b>	
	Extraordinary loss (-)	66/76	
<b>D. RESULTS FOR APPROPRIATION</b>			
XIV.	PROFIT FOR THE FINANCIAL YEAR	<b>11 054</b>	<b>13 013</b>
	Loss for the financial year (-)		
XV.	APPROPRIATION OF THE FLUCTUATION IN THE MARKET VALUE OF THE PORTFOLIO		
	A. Transfer to the reserves not available for distribution (-)	(613)	(2 598)
	B. Withdrawal from the reserves not available for distribution (+) (provided that they are still positive)		
XV <sup>BIS</sup> .	WITHDRAWAL FROM THE TAX-EXEMPT RESERVES	<b>789</b>	
XVI.	PROFIT FOR THE FINANCIAL YEAR FOR APPROPRIATION(-)	<b>10 441</b>	<b>10 415</b>

(\*) The first financial year of Leasinvest Real Estate ran from 01/01/99 to 30/06/00. The balance sheet and profit and loss account cover the period 01/07/99-30/06/00 (first sicafii year)

		PERIOD 01/07/00–30/06/01 (x 000 EUR)	PERIOD* 01/07/99–30/06/00 (x 000 EUR)
<b>A P P R O P R I A T I O N O F T H E R E S U L T</b>			
A. PROFIT BALANCE FOR APPROPRIATION		<b>11 555</b>	<b>10 409</b>
1. Profit (loss (-)) for the financial year for appropriation		10 441	10 415
2. Profit brought forward (loss (-)) from the last financial year		1 114	(6)
B. WITHDRAWAL FROM THE CAPITAL AND RESERVES	<b>791/2</b>		
1. from the capital and share premium account	791		
2. from the reserves	792		
C. TRANSFER TO THE CAPITAL AND RESERVES (-)	<b>691/2</b>	<b>(522)</b>	
1. to the capital and share premium account	691		
2. to the legal reserve	6920		
3. to the other reserves	6921	522	
D. PROFIT TO BE CARRIED FORWARD (-)	<b>693</b>	<b>(1 427)</b>	<b>(1 114)</b>
1. Profit to be carried forward (-)	69	(1 427)	(1 114)
F. DISTRIBUTABLE INCOME (-)	<b>694/6</b>	<b>(9 606)</b>	<b>(9 295)</b>
1. Dividens	694	9 606	9 295
2. Directors or managemet	695		
3. Other entitled persons	696		

(\* The first financial year of Leasinvest Real Estate ran from 01/01/99 to 30/06/00. The balance sheet and profit and loss account cover the period 01/07/99-30/06/00 (first sicafi year)

	<b>E X P L A N A T O R Y N O T E S</b>		
	1. LAND AND BUILDINGS (HEADING 22) (x 000 EUR)	2. PLANT, MACHINERY AND EQUIPMENT (HEADING 23) (x 000 EUR)	3. MEUBILAIR, FITTINGS AND VEHICLES (HEADING 24) (x 000 EUR)
<b>III. STATEMENT OF TANGIBLE FIXED ASSETS</b>			
(headings 22 to 27 of the assets side)			
a) ACQUISITION VALUE			
At the end of the previous financial year:	815	50 916	
Changes during the financial year:			
• Purchases incl. capitalised production costs	816	23 044	
• Disposals and retirements (-)	817		
• Transferred from one heading to another (+)(-)	818	(16 226) <sup>(1)</sup>	
At the end of the financial year:	819	57 734	
b) CAPITAL GAINS			
At the end of the previous financial year:	820	142 599	
Changes during the financial year:			
• Posted	821	613 <sup>(2)</sup>	
• Acquired from third parties	822		
• Written off (-)	823		
• Transferred from one heading to another (+) (-)	824		
At the end of the financial year:	825	143 212	
c) DEPRECIATION AND DIMINUTIONS IN VALUE.			
At the end of the previous financial year:	826	16 226 <sup>(3)</sup>	
Changes during the financial year:			
• Posted	827		
• Written back because excessive (-)	828		
• Acquired from third parties	829		
• Written off after disposals and retirements (-)	830		
• Transferred from one heading to another (+) (-)	831	(16 226) <sup>(1)</sup>	
Per einde van het boekjaar	832		
d) NET BOOK VALUE AT END OF FIN. YEAR (a)+(b)-(c)	833	200 945 <sup>(4)</sup>	

(1) Corrective entry (real estate sicafi cannot depreciate)

(2) Fluctuation in value of portfolio

(3) Depreciation to 30/06/99

(4) Value of the portfolio on 30/06/01

		<b>PERIOD</b> <b>01/07/00–30/06/01</b> <small>(x 000 EUR)</small>	<b>PERIOD*</b> <b>01/07/99–30/06/00</b> <small>(x 000 EUR)</small>
<b>VI. INVESTMENTS: OTHER INVESTMENTS</b> (heading 51/53 of the assets side)			
Shares	51		
Book value plus the uncalled amount	8681		
Uncalled amount (-)	8682		
Fixed-interest securities	52	11	11
of which issued by financial institutions	8684		
Fixed-term accounts with financial institutions	53	1 900	1 438
with a remaining term or notice period of:			
• maximum one month	8686	1 900	1 438
• more than one month but less than one year	8687		
• more than one year	8688		
Other investments not shown above	8689	530	3 905 <sup>(1)</sup>
		<b>AMOUNTS</b>	<b>NUMBER OF SHARES</b>
<b>VIII. STATEMENT OF THE CAPITAL</b>			
<b>A. AUTHORISED CAPITAL</b>			
1. Subscribed capital (heading 100 of the liabilities side)			
• At the end of the previous financial year	8700	27 765	2 525 124
• Changes during the financial year:			
Capital increase		2 206	200 500
• At the end of the financial year	8701	29 971	2 725 624
2. Composition of the capital			
2.1. Sorts of shares			
Bearer shares			
2.2. Registered or bearer shares			
Registered	8702		1 356 002
Bearer	8703		1 369 622
		<b>PERIODE</b> <b>01/07/00–30/06/01</b>	<b>PERIODE*</b> <b>01/07/99–30/06/00</b>
<b>Xbis STATEMENT OF DEBTS</b>			
<b>B. Financial debts</b>			
1. Financial institutions		15 150	
2. Other loans		29 090	34 896 <sup>(2)</sup>

(1) Premiums minus depreciation of hedging instruments  
(2) Treasury certificates

(\*) The first financial year of Leasinvest Real Estate ran from 01/01/99 to 30/06/00. The balance sheet and profit and loss account cover the period 01/07/99-30/06/00 (first sicafi year)

## Notes to the Accounts

### State of the capital

#### MERGER BETWEEN BRIXTON ZAVENTEM AND EXTENSA

On 8 June 1999 Extensa N.V./S.A. was split up, which gave rise on the one hand to the bringing-in of the finished buildings ("Extensa Buildings") in Brixton Zaventem for an amount of EUR 2,788,090 and on the other hand to the incorporation of a new company, Extensa N.V./S.A. An issue of 727,818 shares was made in exchange for the contribution of the assets of the Extensa Buildings.

#### BRINGING-IN OF THE VIERWINDEN COMPLEX

The Vierwinden complex of Brixton Zaventem was brought-in for EUR 1,295,310. As a result of this contribution, 191,574 new shares were issued. The name of Brixton Zaventem was changed to Leasinvest Real Estate.

#### CAPITAL INCREASE

With the public offering to sell 996,533 existing shares, the future real estate investment trust raised its capital by an amount of EUR 20,333,522. The capital increase was realised by the creation of 370,851 new shares.

#### MERGER BETWEEN LEASINVEST REAL ESTATE AND BRIXTON LOUISE

The merger of Leasinvest Real Estate and Brixton Louise for EUR 7,560,753 led to the issue of 392,672 new Leasinvest Real Estate shares.

#### MERGER BETWEEN LEASINVEST REAL ESTATE AND KAPEX

As a result of the integration with Kapex – originally an almost wholly-owned subsidiary of Extensa, whose shares formed part of the assets of "Extensa buildings" at an amount of EUR 123.95 – four additional Leasinvest Real Estate shares were issued in exchange for Kapex shares owned by third-party shareholders in "Extensa Buildings". As a result of the merger, the capital consisted of 2,525,124 shares.

#### CAPITAL REDUCTION

To compensate the loss resulting from the posting of the exit tax, the capital of Leasinvest Real Estate was reduced by EUR 15,209,290 without reducing the number of shares. The share premium amounting to EUR 8,075,066 was incorporated into the capital.

#### CAPITAL INCREASE

During the course of the 2000-2001 financial year, the capital was increased through the issue of 200,500 new shares and the share premia increased by EUR 2,205,500 and EUR 7,710,227 respectively. This was done by bringing-in buildings D4 and D5 of the Axxes Business Park in Merelbeke.

### Presentation of the annual accounts

Under the derogation granted by the Minister of Economic Affairs and Scientific Research on 25 August 2000, on the basis of a favourable opinion from the Accounting Standards Committee, the profit and loss account was adapted to the specific features of a real estate investment trust. This derogation was granted for the 1999, 2000 and 2001 financial years.

#### OBJECT OF THE DEROGATION

In order to reflect the specific business activity of the real estate investment trust, the results were split as follows:

- A. The operating result, which comprise the operating income and expenditure relating to the management of the assets, the financial results and taxes.
- B. The results from the portfolio, which mainly reflect variations in the portfolio as a result of:
  - the realisation of components of the portfolio;
  - the variation in the market value of the real estate valued by the experts.

The net balance of the variations in the market values is transferred to the reserves not available for distribution before the profit appropriation, while the capital losses or gains on the realisation of buildings are included fully in the results for appropriation of the financial year.

In order to present the activities of the company faithfully, in the context of what was said above, in the presentation of the annual accounts, items XV A and B have been added – which are 'Transfer to the reserves not available for distribution' and 'Withdrawal from the reserves not available for distribution' respectively.

## Valuation rules

The main special valuation rules of Leasinvest Real Estate, which comply with accounting principles and the provisions of the Royal Decree, are as follows:

### Provisions

The company has made provision for maintenance and renovation costs in order to maintain, or if possible, increase the quality of the buildings.

### Tangible fixed assets

Tangible fixed assets are valued at the cost of acquisition, including ancillary charges and non-deductible VAT.

Notwithstanding the obligation under Article 7 of the law of 17 July 1975 on the bookkeeping and annual accounts of companies to draw up an inventory at least once per year, the real estate investment trust, in accordance with Articles 55 to 61 of the R.D., draws up its inventory on 30 June of each year, and it also issues shares and buys them other than on the stock market.

At the end of each financial year, the following components of the fixed assets are valued in a precise manner by a real estate valuer:

- the real estate, the fixtures and the fixed charges on real estate that are held by the real estate investment trust or, if the case arises, by a real estate company that it controls;
- option rights to real estate held by the real estate investment trust or, if the case arises, by a real estate company that it controls, as well as the real estate to which those rights relate;
- the rights deriving from contracts under which the real-estate investment trust or, if the case arises, a real estate company that it controls is given one or more properties in real estate leasing, as well as the underlying property.

These valuations are binding for the real estate investment trust with regard to the presentation of its annual accounts.

Furthermore, at the end of each quarter of the financial year, the valuer updates the total valuation of the real estate investment trust and, if the case arises, of the companies that it controls, based on the developments in the market and the specific characteristics of the real estate concerned.

The real estate is therefore shown in the annual accounts at the value estimated by a real estate valuer, transaction costs included, i.e. expenses, registration fees and professional fees, unless the Board of Directors decides to adopt a different valuation.

By derogation from Articles 27bis §3, 28 §3 and 34, first paragraph of the R.D. of 8 October 1976 on the annual accounts of companies, diminutions in value and revaluation surpluses of the real estate are as established by the valuer and approved by the Board of Directors.

By derogation from Articles 28, 52 and 30 of the Royal Decree of 8 October 1976 on the annual accounts of companies, the real estate investment trust does not apply any depreciation to the components of the fixed assets described above, which are valued by an expert at the end of each financial year.

The costs of maintenance and major repairs are charged to the financial year to which they relate or are charged against the provisions made for that purpose.

The tangible fixed assets other than real estate, whose use is limited in time, are valued at their acquisition cost, after deduction of the depreciation calculated on the basis of their anticipated life.

For tangible fixed assets other than real estate, whose use is not limited in time, diminutions in value are posted in the event of a lasting diminution in value. These may be revalued if appropriate.

At the time of the disposal or retirement of tangible fixed assets other than real estate, the relevant purchase price and depreciation are removed from the accounts, the capital gains or losses shown in the profit and loss account.

Works on buildings that are to be paid for by the owner are treated in two different ways in accounting terms, depending on their nature.

The expenditure on maintenance and repair work that do not add any additional functions or improve the level of comfort of the building are treated as ordinary operating expenses for the financial year, and therefore are offset against the operating result, example: renovation of a roof.

On the other hand, the expenditure relating to two types of work is shown on the asset side of the balance sheet (capitalised):

- major renovations: this concerns renovations that would normally take place every 25 to 35 years, and consist of virtually a complete reconstruction of the building, usually re-using the existing carcass of the building and applying the latest construction techniques. After that major renovation, the building can be considered as new, and it will be shown as such in the assets

- alterations: this concerns occasional works that add a function to the building, or considerably increase the level of comfort, enabling an increase in the rent and consequently in the estimated rental value. The costs of such works are also shown on the assets side of the balance sheet, because and to the extent that the valuer normally acknowledged a corresponding increase in the value of the building, example: installation of a climate control system.

### Financial fixed assets

Financial fixed assets are valued on the basis of their market value.

On acquisition, financial fixed assets are valued at their acquisition value, without taking account of ancillary expenses. The Board of Directors shall decide whether the ancillary expenses are capitalised and if the case arises, over what period they should be depreciated.

By derogation from Articles 29, section 2, first paragraph and 34, first paragraph of the R.D. of 8 October 1976 with regard to the annual accounts of companies, diminutions in value and revaluation surpluses of financial fixed assets held by associated real estate companies and real estate financial institutions are posted whenever the inventory is drawn up.

Article 10 and 14, section 1 of the Royal Decree of 8 March 1994 on the bookkeeping and annual accounts of collective investment undertakings with a variable number of shares are applicable for the valuation of the financial fixed assets held in associated real estate companies and real estate investment institutions.

### Amounts receivable

The amounts receivable in more than one year and within one year are valued at their nominal value, after deduction of diminutions in value for doubtful or bad debts.

### Financial investments

Financial investments are valued at their market value or, if this is impossible, at their acquisition value.

### Provisions for liabilities and charges

Each year, the Board of Directors examines the necessity of making provisions to cover liabilities and charges that the real estate investment trust may have to face.

### Debts

Debts are valued at their nominal value.

### Adjustment accounts

The adjustment accounts show the proportion of deferred charges and income that apply to the financial year or subsequent financial years.

## Report of the statutory manager

### Management Report by the statutory manager to the Ordinary General Meeting of Leasinvest C.V.A./S.C.A. on 15 October 2001

Ladies and Gentlemen,

The Board of Directors of Leasinvest Real Estate Management N.V./S.A. is honoured to report to you on the activities of Leasinvest Real Estate C.V.A./S.C.A. during its second financial year, which runs from 1 July 2000 to 30 June 2001, and to submit the annual accounts of Leasinvest Real Estate (subsequently referred to as "the company") as of 30 June 2001.

#### INVESTMENTS IN THE 2000-2001 FINANCIAL YEAR

The following transactions were carried out during the past financial year:

- in September 2000, the company bought the first building of the Delta Business Park in Kontich-Satenrozen from Implant N.V./S.A.
- in November 2000, the company concluded a contract with property developer Euro Crossroads Business Park N.V./S.A., a joint venture 50% owned by the Desimpel Group, and the other 50% owned by the Uyttersprot group – for the acquisition and bringing-in of five office buildings on the Axxes Business Park in Merelbeke
- in November 2000, the first building was bought in the Axxes Business Park
- in June 2001, two additional buildings were acquired by means of a capital increase by bringing-in capital in kind
- in June 2001, an office building was bought in Wommelgem, on the Schranshoevebaan.

In addition, various improvements and renovations were carried out on a number of office buildings in order to increase the convenience of the tenants:

- in the building at avenue Louise 250, 4 of the 12 floors were thoroughly renovated as planned, and an upgrade of the heating, ventilation and air conditioning system was carried out
- similar thorough renovations took place in a building on the Kontichsesteenweg in Aartselaar and on the ground floor of Louizalaan/avenue Louise 66 necessary to maintain the quality appearance of the premises
- in addition, redecoration was carried out in various parts of the Brixton Business Park.

#### AUTHORISED CAPITAL – CAPITAL INCREASE

The statutory manager wishes to inform the Ordinary General Meeting that on 28 June 2001, use was made for the first time of the power of attorney to increase the capital of the company in accordance with the provisions of Article 7 of the articles of association.

The capital increase was carried out by Euro Crossroad Business Park N.V./S.A. by bringing-in capital in kind, in the form of two buildings in the Axxes Business Park in Merelbeke near Ghent.

This capital contribution is part of the overall transaction agreed with Euro Crossroads Business Park N.V./S.A. for the acquisition of five buildings in the park. The total amount of the transaction is due to be EUR 31,420,504 (BEF 1,267,500,000), BEF 400 million of which are in the form of a capital contribution in exchange for newly-issued shares in the investment trust, while the rest was paid in cash amounting to BEF 85 million.

The issue price of the shares was determined in accordance with the provisions of Article 11 section 2 of the R.D. of 10 April 1995 on real estate investment trusts.

The value of the exchange for the capital contribution was determined on the basis of the agreed contractual value of the capital contribution on the one hand, and the average price of the shares over the last 30 trading days on the stock market prior to the capital contribution, with a minimum of EUR 48 and a maximum of EUR 50.

The managing director made use of this power of attorney recorded before notary public Erik Celis in Antwerp on 28/06/2001 for an amount of EUR 2,205,500.

#### MANAGEMENT OF THE PORTFOLIO

Leasinvest Properties B.V.B.A./S.P.R.L. (a wholly owned subsidiary of Leasinvest N.V./S.A.) which ensures the management of our real estate portfolio, was acquired in June 2001 by Bopro N.V./S.A. (a 50%-subsidiary of Leasinvest). The name was changed in Bopro Real Estate B.V.B.A./S.P.R.L., with which a new management contract has been signed for an initial 5-year period.

#### RESULTS 2000-2001

The company's second financial year ran from 1 July 2000 to 30 June 2001.

During the financial year, an amount of EUR 13,567,668 was collected in rent, or 5% more than foreseen in the budget in the issue prospectus. This increase is mainly the result of indexation of the rent and the acquisition of new buildings.

'Services and miscellaneous goods' amounted to EUR 3,131,798 and represents the remuneration of the statutory manager, Leasinvest Real Estate Management N.V./S.A., and the operating costs (auditor, consultancy fees, valuations, agents, etc.), EUR 805,969 and EUR 2,325,829.

Furthermore, a provision for liabilities and charges of EUR 669,313 was made, which will be applied as maintenance and renovation costs for the real estate assets in 2001-2002.

The costs of debt after offsetting the proceeds of hedging amounted to EUR 1,546,126, were higher than expected, and were attributable to the faster rise in short-term interest rates, partly due to the financial burden of the new acquisitions.

The operating profit amounted to EUR 10,441,295.

The value of the assets was estimated by the valuers at EUR 200,944,970, or an increase of 13.3% on last year.

#### RESEARCH AND DEVELOPMENT

During the past financial year, no particular activities were carried out in the field of research and development.

#### SETTLEMENT OF CONFLICTS OF INTEREST

The acquisitions during the past financial year complied with the provisions of Article 523 onward of the Companies Act (formerly Article 60 of the Companies Act), and the Banking and Finance Commission was informed in advance of the situations in which this articles needed to be applied.

As required by law, an extract is reproduced below from the minutes of the Board of Directors' meeting on 28 June 2001, concerning the acquisition of the buildings in the Axxes Business Park in Merelbeke near Ghent:

*"(...) Before proceeding to the decisions, Mr. Aimé Desimpel, aforementioned and represented as stated, informed the meeting that he had an interest as defined by Article 523 of the Companies Act, and took no further part in the deliberations or the voting.*

*The Chairman stated that the auditor had already been informed of the said interest by Mr. Aimé Desimpel, aforementioned.*

*The justifying grounds are as follows:*

*This acquisition forms part of a greater whole, for which a master agreement has already been signed. Mr. Desimpel is a shareholder in the limited company De Speyebeek Naamloze Vennootschap, which is in turn a shareholder in the limited company Euro Crossroads Business Park Naamloze Vennootschap; on the other hand, Mr. Desimpel holds the title of director in the limited company "Leasinvest Real Estate Management Naamloze Vennootschap."*

*Nature and justification:*

*The mixed contribution which has been decided by this company is justified as stated in the report of the Board of Directors' meeting drawn up in the context of the capital increase in kind. Property law consequences:*

*These are as stated in the report of the Board of Directors' and Auditor's meeting drawn up in the context of the capital increase in kind.*

*The Chairman states that this transaction is not subject to Article 524 of the Companies Act.*

*Accordingly, the following decisions were adopted by a unanimous vote of the other directors. (...).*

#### APPROPRIATION OF THE RESULT – DIVIDEND PAYMENT

The result for the 2000-2001 financial year amounts to EUR 11,054,415. Taking account of the transfer to the reserves not available for distribution of the profit on the portfolio and with the profit brought forward from the previous financial year, this gives a profit for appropriation of EUR 11,555,453.

The Board of Directors of the statutory manager proposes to the

Ordinary General Meeting of Shareholders to appropriate the profit of EUR 11,555,453 as follows:

- to transfer EUR 522,085 to the reserves not available for distribution
- to carry forward EUR 1,427,002 to the next financial year
- to pay out EUR 9,606,366 in dividends.

The dividend pay-out amounts to 92% of EUR 10,441,702, which is 1% less than the percentage foreseen in the issue prospectus of 1999, and higher than the minimum 80% of the return, as imposed by the R.D. of 10 April 1995.

If you approve this appropriation, the dividend will be EUR 3.80 gross and EUR 3.23 net, free of withholding tax, for all 2,725,624 shares.

Dividends will be payable on presentation of coupon no. 2 from 22 October 2001 at the BBL, Artesia Bank/Banque, Fortis Bank/Banque and Bank/Banque Degroof.

#### OUTLOOK

The managing director wishes to grow the fund's portfolio to over EUR 250 million. During the first half of the 2000-2001 financial year, the statutory manager is planning the acquisition of two new buildings in the Axxes Business Park in Merelbeke near Ghent, for a value of EUR 13,671,328. Furthermore, the statutory manager hopes to complete the ongoing negotiations for acquisition of the buildings in the first half-year.

The investment strategy remains unchanged. Location, quality of the property and the tenants, return on investment, duration of leases and potential long-term capital gains remain important criteria for evaluating investment opportunities.

The aim of the planned growth is to improve the liquidity and visibility of the shares, to create shareholder value. Further growth could occur by using the available borrowing capacity to make direct or indirect purchases. Mergers with real estate companies are also among the possibilities.

The maximum allowable debt ratio for real estate investment trusts was increased by the legislator on 10 June 2001 from 33 to 50% of the balance sheet total. This will promote our growth even further and will be good for the return to shareholders.



K. Verhellen  
Managing Director



J.L. Appelmans  
Managing Director



## Auditor's Report

### on the financial year ending 30 June 2001 submitted to the Ordinary General Meeting of Shareholders in Leasinvest Real Estate C.V.A./S.C.A.

In accordance with the legal and statutory provisions, we have the honour of reporting to you on the performance of the audit assignment that you entrusted to us.

We have carried out the audit of the annual accounts drawn up under the responsibility of the statutory manager of the company, for the financial year ending 30 June 2001, for which the balance sheet total amounts to EUR 206,298,182, and the balance of the profit and loss account is a profit for the financial year of EUR 11,054,415. We also carried out specific additional checks required by law.

#### **CERTIFICATION OF THE ANNUAL ACCOUNTS WITHOUT RESERVATIONS**

Our checks were carried out in accordance with the norms of the Instituut der Bedrijfsrevisoren/Institut des Reviseurs d'Entreprises (Institute of Company Auditors). These professional norms require our audit to be organised and carried out in such a way as to obtain reasonable certainty that the annual accounts do not contain significant inaccuracies, taking account of the legal and regulatory provisions applicable to annual accounts in Belgium.

In accordance with these standards, we have taken account of the organisation of the company from the administrative and accounting viewpoint, and its internal verification mechanisms. The management of the company answered our requests for explanations and information clearly. We performed spot checks on the documents substantiating the amounts that appear in the annual accounts. We evaluated the soundness of the valuation rules and the significant accounting estimates made by the company, as well as the overall presentation of the annual accounts. We consider that this work forms a reasonable basis for expressing our opinion.

In our opinion, taking account of the legal and regulatory provisions that govern annual accounts and the derogation granted, the annual accounts to 30 June 2001 give a faithful image of the assets, the financial situation and the results of the company, and the information given in the notes to the accounts is adequate.

#### **ADDITIONAL CERTIFICATES AND INFORMATION**

We complete our report with the following additional certificates and information, which is not of such a nature as to modify the scope of the certification of the annual accounts:

- the management report contains the information required by law, and concurs with the annual accounts
- without prejudice to formal aspects of minor importance, the bookkeeping is maintained and the annual accounts are drawn up in accordance with the legal and regulatory provisions applicable in Belgium.

In application of Article 15 of the Law of 17 July 1975; the company has obtained a derogation from the Minister of Economic Affairs concerning the lay-out of annual accounts. This derogation was granted for the financial years 1999, 2000 and 2001.

- we did not find any transaction concluded or any decision taken in violation of the articles of association or the Companies Act which should be reported to you. The appropriation of the results proposed to the General Meeting is in accordance with the legal provisions relating to real estate investment trusts and the statutory provisions.

Brussels, 10 September 2001  
Ernst & Young Bedrijfsrevisoren BCV (B 160)  
Auditors  
Partner



Partner

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Ordinary Shareholders' Meeting 2001: 15 October 2001

Payment dividend n° 2: from 22 October 2001