

ANNUAL REPORT 2004-2005





MISSION STATEMENT

Real estate fund Leasinvest Real Estate SCA invests in high-quality and well-situated office buildings in and around Brussels, as well as in logistic and retail buildings. Through diversification of its portfolio, the real estate fund wants to achieve a rental yield in line with market performance, consistent dividend growth and potential capital gains.

INVESTOR PROFILE

Leasinvest Real Estate's investor profile consists of private investors, mainly in Belgium, and domestic and foreign institutional investors.



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RISK FACTORS



RISK FACTORS

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

Our strategy consequently has to manage and limit the inherent market and business risks as much as possible. These risks are, on the one hand, the impact of the overall economic evolution on the real estate market, the real estate market risk, the tenant risk and maintaining the quality of our buildings, and on the other hand, the development of a qualitative commercial and operational management, and managing the interest rate and financing risks.

ECONOMIC EVOLUTION

Changes in the economy have an impact on tenant demand, which are mostly corporates, for available office space. A poor economic climate leads to a reduction in employment opportunities and therefore the demand for office space.

This results in a higher vacancy rate and lower rents. Not all locations or all types of buildings (offices, semi-industrial and retail space) react in the same way to economic cycles. The Leopold District in Brussels e.g. has a very limited vacancy rate and stable rents. The correlation with the trend in the economy is the highest for offices, followed by semi-industrial space and the lowest for retail space.

Leasinvest Real Estate intends to expand the share of the Leopold District of its office portfolio and expand the semi-industrial and retail space share, so as to reduce sensitivity to economic cycles.

REAL ESTATE MARKET RISK

For several years, the demand by the **investment market** for all kinds of buildings has been very high. The reasons are low interest rates, the search for recurring income streams, the large amount of available funds in the market and the absence of alternative investment opportunities. Properties in good locations and/or with long term lease contracts are therefore very attractive and the acquisition yields therefore continue to decrease.

However, the situation in the **rental market** is more difficult because it is related to the economy which is currently still in a wait-and-see mode. Reorganisations and takeovers, followed by staff layoffs often go hand in hand with reductions in leased office space or relocation of head offices. Therefore offices may become vacant, and it can take some time before they are leased again. In 2004/2005 Leasinvest Real Estate successfully managed to entirely let the building Extensa Square I in Evere (Brussels), for which the lease with Mobistar expired in 2004/2005 (Mobistar's rent represented 7.9% of the total yearly rental income).

TENANT 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 limit the number of bad debts and bankruptcies by tenants. Our tenant portfolio spread by sector is good.

The most important sectors are non-profit organisations and international professional associations, followed by the services sector.

Therefore the vulnerability of the real estate fund to losing a tenant due to termination of the lease agreement or bankruptcy, for example, is reduced.

In addition, we look for creditworthy tenants and the signing of long-term lease agreements to ensure the recurrent rental income stream and therefore increase the duration of the lease agreements. 57% of the annual contractual rents on 30/06/05 is generated by lease agreements which have a first break opportunity within the next 3 years⁽¹⁾.

The creditworthiness of our tenants portfolio is very good. This is proven by the fact that barely any write-offs were booked due to bad debts in 2004/2005.

EFFICIENT BUILDINGS

Leasinvest Real Estate aims at providing efficient buildings which satisfy the requirements of the tenants and which can evolve to their future needs. If this is not, or not sufficiently, taken into account, the risk is that the tenants could rent elsewhere.

Therefore we invest only in quality and technically sound buildings and often in new or recent buildings. All investments must comply with a number of technical and return criteria (including technical requirements, location, accessibility by private and public transportation, and sufficient parking spaces). The investments must be made at an acceptable return taking into account future maintenance and renovation costs.

For buildings already in our portfolio, we invest where necessary to maintain the technical quality at a high level. In addition, we actively manage our buildings and each building is regularly assessed. Buildings in the portfolio which no longer meet our requirements are sold.

DYNAMIC COMMERCIAL AND OPERATIONAL MANAGEMENT

The tenant as client is key to our strategy. He generates the rental income and determines the vacancy rate. Therefore tenant loyalty is very important to Leasinvest Real Estate. Our professional, dynamic and client-focused commercial and operational management responds to tenant needs. Leasinvest Real Estate has a vacancy rate of about 10% in its office portfolio in Brussels, which is better than the general vacancy rate in the Brussels office market which is almost 11%.

¹ For more information, see page 54-55.

FINANCING RISK

In the past Leasinvest Real Estate used mainly short-term financing, through the issuing of short term commercial paper and bank advances. At least 50% of our financial debts should be funded through long-term bank credits.

Pursuant to the Royal Decree of 10 April 1995 on real estate funds (sica/s/bevaks), real estate funds are allowed a maximum debt ratio of 50%. Leasinvest Real Estate currently only has a debt ratio of 32.23% (compared to 41.06% in 2003/2004).

Leasinvest Real Estate has the necessary long-term credit facilities and back-up lines for its commercial paper lines with its banks, to cover existing and future investment needs. These credit facilities and back-up lines enable Leasinvest Real Estate to mitigate its financing risk, or in other words the risk that, for example, the commercial paper market should dry up and these short term debts would therefore become due. All credit facilities contain covenants which mainly relate to the status as real estate fund (bevak/sica/s) and the required maximum debt ratio of 50%.

As no reimbursement is provided in any of the credit facilities, the net cash flow of Leasinvest Real Estate is more than sufficient to cover the interest costs.

INTEREST RATE RISK

The hedging policy is intended to cover the interest rate risk for 80 to 90% of the financial debts. Since Leasinvest Real Estate's debt financing is based on a floating interest rate, there is an interest rate risk if the interest rate would rise, which would increase the cost of financing. This interest rate risk is hedged using financial instruments such as spot and forward interest rate collars and interest rate swaps.

The expiry dates for the interest rate hedges lie between 2008 and 2011. The fixed interest rates lie between 3.15% and 4.00%, excluding the credit margin. During the 2004/2005 financial year, the low interest rates were used to enter into two interest rate collars and to sell two previously purchased interest rate swaps.



LETTER TO THE SHAREHOLDERS

Dear Madam,
Dear Sir,

Notwithstanding a poor economic climate, the past financial year 2004/2005 was a very good year for Leasinvest Real Estate.

DYNAMIC COMMERCIAL APPROACH

Our dynamic commercial policy, which takes a pro-active approach towards focusing on our clients' needs, has been successful. During this past financial year, 35 new or existing lease agreements were signed or extended. The complete re-letting of the Extensa Square I building in Evere is the most representative example.

INVESTMENTS AND DIVESTMENTS

During this past financial year, two investments in fully leased office buildings in the Leopold District in Brussels were completed, for a total value of approximately € 40 million. The respective rental income contributed only partly to the result. The long term lease receivables on the Committee of the Regions of the European Union for the building Rue de Trèves were sold at the end of the financial year.

EXCELLENT RESULTS

Thanks to our dynamic commercial approach and our investments, the consolidated rental income for 2004/2005 decreased only slightly, i.e. from € 20.4 million in the previous year, to € 19.8 million, or a decrease of 3.13%.

The consolidated net current result rose by 10.3% from € 11.5 million to € 12.7 million thanks to drawbacks of provisions which more than compensated higher renovation and maintenance costs compared to 2003/2004. The consolidated net current result, share of the group, increased by 8.1% to € 12.4 million.

In addition, in 2004/2005 we experienced a major turnaround in the net portfolio result which went from a negative € 3.1 million in 2003/2004 to a positive value of € 3.3 million (€ 2.9 million share of the group), in 2004/2005. The revaluation of the portfolio is due to a combination of various factors. Apart from realised gains and positive changes in value in our retail portfolio, the reduction in the expected yields from long-term leases on buildings compensated the negative changes in value in our office parks to a great extent.

The consolidated net result, share of the group, went up by 83.7% from € 8.3 million in the previous year to € 15.3 million, the best result since our real estate fund was created. The total consolidated net result amounted to € 16 million.

In addition the downward trend in the net asset value per share (including dividend) over the last two years was reversed and increased from € 56.35 for 2003/2004 to € 57.89 in 2004/2005.

THE EVOLUTION OF THE SHARE

In a climate of falling interest rates, the closing prices for the share on 30 June 2004 and 2005 showed an increase from € 54.10 to € 64.40 or 19% higher.

The number of shares was increased at the end of December 2004 from 2,830,371 to 3,249,221 by the bringing in of one of the above-mentioned office buildings. These new shares had a diluting effect⁽¹⁾. In the 2005/2006 financial year, new investments will be needed to offset this dilution.

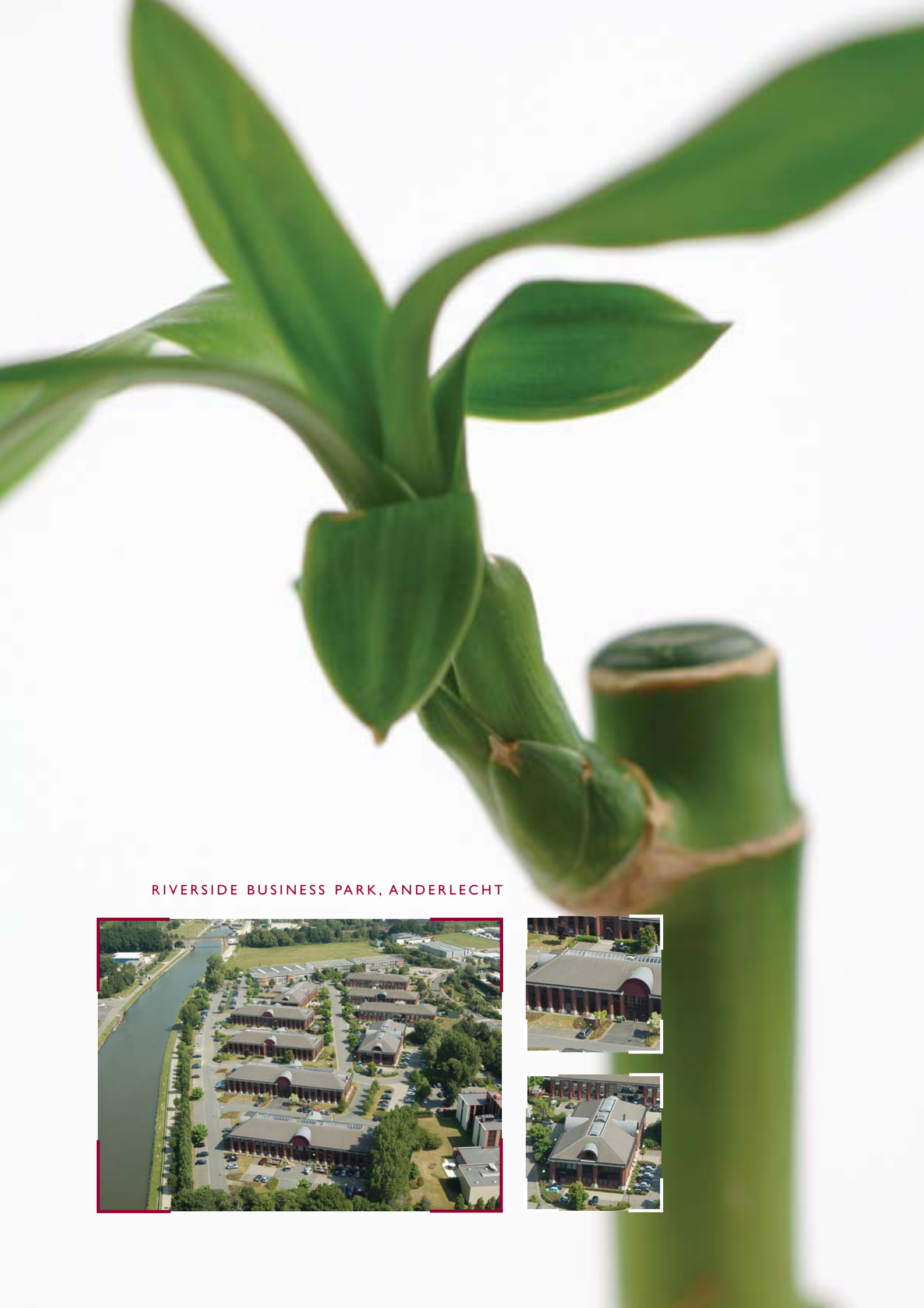
During this financial year, Axa Belgium SA and Fortis AG held important positions in the shareholder structure of our real estate fund. The entry of two of the most important institutional investors in Belgium proves their confidence in our strategy. A framework agreement was signed with Axa Belgium SA at the beginning of the financial year to support our growth.

We wish to thank all our clients, suppliers and shareholders for their confidence and support. We would also like to thank our employees for their continuing efforts without which we wouldn't have been able to achieve these results.

Jean-Louis Appelmans
Managing Director

Baron Bertrand
Chairman

¹ To see the effect of this on the results per share, see the key figures on p 14.



RIVERSIDE BUSINESS PARK, ANDERLECHT





IMPORTANT EVENTS DURING THE DEVELOPMENT OF LEASINVEST REAL ESTATE



1999/2000

- Leasinvest Real Estate SCA was granted the real estate fund (bevak/sicafi) status by the Banking and Finance Commission on 7 June 1999.
- Listing on the first market of the Brussels' Stock Exchange.

2000/2001

- Acquisition of 3 buildings of Phase I of the Axxes Business Park.

2001/2002

- Acquisition of the rest of the buildings of Phase I of the Axxes Business Park.
- Acquisition of Brussimmo SA (rue de Trèves 74, Brussels) and Ekiport SA (Route de Lennik 451, Anderlecht).

2002/2003

- Divestment of smaller, non-strategic buildings.

2003/2004

- Merger by absorption of Brussimmo SA (rue de Trèves 74, Brussels) and Ekiport SA (Route de Lennik 451, Anderlecht).
- Entering into the long term lease of 27 years with the European Union concerning the building rue de Trèves 74.

2004/2005

- Entering into the framework agreement with Axa Belgium SA in order to sustain further growth.
- Acquisition of the majority of the shares of Square de Meeûs 5-6 SA.
- Bringing in in-kind of the building Montoyer 63 through the partial splitting-up of Leasinvest SA.
- Sale of the long term lease receivables concerning rue de Trèves 74.



KEY FIGURES



Following the acquisition of the majority of the shares in Square de Meeûs 5-6 SA and the integral consolidation of this company, consolidated annual accounts are again issued on 30/06/05. These consolidated annual accounts comprise, unless mentioned otherwise, next to the share of the group, also the minority interests. During the financial year that ended on 30/06/04, Leasinvest Real Estate merged its 2 subsidiaries, Brussimmo SA and Ekiport SA by absorption. These subsidiaries have been accounted in the past via integral consolidation which makes that the statutory figures as of 30/06/04 are fully comparable with the consolidated figures for 2002/2003.

REAL ESTATE PORTFOLIO

Total area (in m ² above ground)	30/06/2005	30/06/2004	30/06/2003
Offices	119,150	105,520	112,467
Semi-industrial	73,387	72,339	73,736
Retail	949	949	1,704
Other	2,581	2,516	2,755
Total	196,067 ⁽¹⁾	181,324	190,662
	30/06/2005	30/06/2004	30/06/2003
Estimated investment value (x € 1.000) ⁽²⁾	275,460	257,488	266,079
Liquidation value (x € 1.000) ⁽³⁾	243,770	227,865	235,468
Occupancy rate (%) ⁽⁴⁾	91.15 ⁽⁵⁾	94.13	96.24
Rental yield (%)	7.14 ⁽⁵⁾	7.70	7.85

- 1 The increase from 2004 to 2005 in the different sections is due to the acquisitions of which details can be found on p 31.
- 2 Investment value estimated by real estate valuers Cushman & Wakefield Healey & Baker/Winsinger en Associates, including costs and taxes.
- 3 The liquidation value is the estimated investment value, after deduction of 13% costs.
- 4 Definition of occupancy rate can be found in the section 'Miscellaneous – terminology' on p 91.
- 5 This occupancy rate and the rental yield take into account the lease of Extensa Square I as from 01/07/05 and 100% of the building Square de Meeûs. Leasinvest Real Estate owns 50% + 1 share in Square de Meeûs 5-6 SA, which is consolidated according to the integral method. Excluding the lease of Extensa Square I the rental yield on 30/06/05 amounts to 6.74%.

KEY RESULTS

(in € 1,000)	30/06/2005	30/06/2004	30/06/2003
Operating income ⁽¹⁾	22,942	22,689	23,954
of which, rents ⁽²⁾	19,760	20,399	20,872
Operating result	17,107	15,427	16,947
EBITDA	14,309	16,641	18,423
Net current result	12,668	11,485	12,742
Net current result, share of the group	12,420	11,485	12,742
Portfolio result	3,331	-3,140	-2,677
Portfolio result, share of the group	2,910	-3,140	-2,677
Net result	15,999	8,345	10,072
Net result, share of the group	15,330	8,345	10,072
Net current cash flow, share of the group	8,887	12,455	14,219
Net cash flow, share of the group	14,734	12,595	14,251

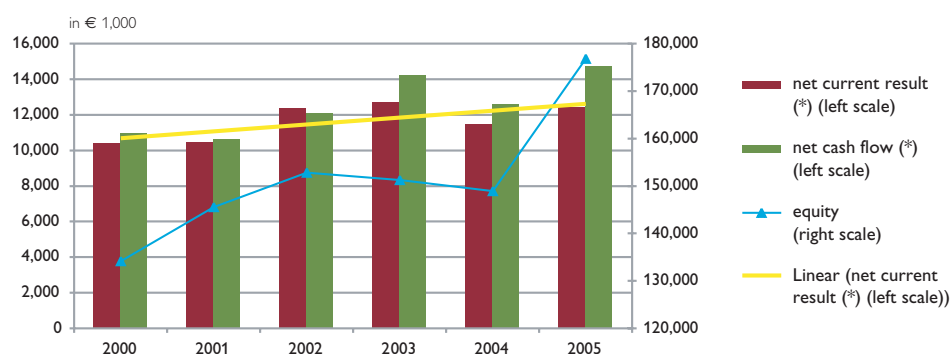
- 1 Including rental guarantees; for the financial year 30/06/05 there are no rental guarantees.
- 2 Excluding rental guarantees.

BALANCE SHEET

(in € 1,000)	30/06/2005	30/06/2004	30/06/2003
Equity ⁽¹⁾	176,766	148,945	151,287
Balance sheet total	281,876	267,604	275,051
Debt ratio (%) ⁽²⁾	32.23	41.06	42.33

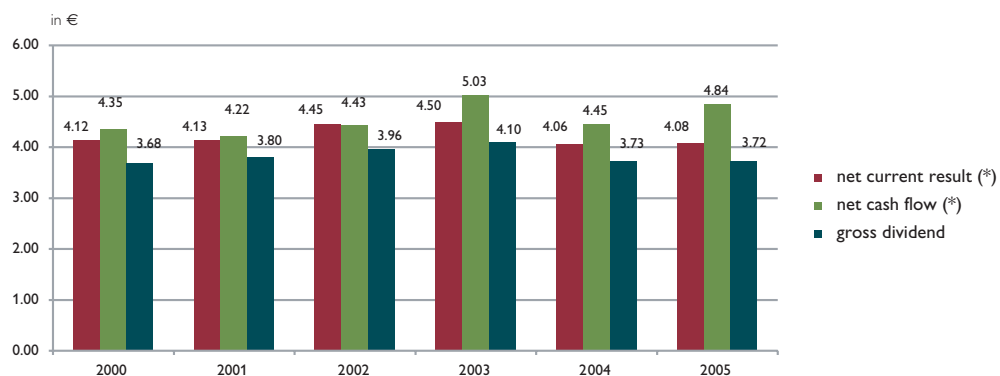
- 1 Ex-dividend and including the capital increase by bringing in (see p 31).
- 2 For 30/06/03 and 30/06/04 including provisions for exit tax amounting to € 2,364,978 and € 734,352 respectively.

EVOLUTION IN RESULTS AND EQUITY



* net current result and net cash flow for 30/06/05 are in each case share of the group

EVOLUTION IN RESULTS PER SHARE



* net current result and net cash flow for 30/06/05 are in each case share of the group

DATA PER SHARE

(€)	30/06/2005 ⁽¹⁾	30/06/2004	30/06/2003
Number of listed shares (#)	2,830,371	2,830,371	2,830,366
Number of issued shares (#)	3,249,221	2,830,371	2,830,366
Net asset value (excluding dividend)	54.40	52.62	53.45
Net asset value (including dividend)	57.89	56.35	57.55
Rents	6.48	7.21	7.37
Operating result	5.61	5.45	5.99
Net current result	4.16	4.06	4.50
Net current result, share of the group	4.08	4.06	4.50
Portfolio result	1.09	-1.11	-0.95
Portfolio result, share of the group	0.95	-1.11	-0.95
Net result	5.25	2.95	3.56
Net result, share of the group	5.03	2.95	3.56
Net current cash flow, share of the group	2.92	4.40	5.02
Net cash flow (CFS), share of the group	4.84	4.45	5.03

¹ Data per diluted share. As a result of the capital increase that took place for the acquisition of Montoyer 63,418,850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.

KEY RATIOS

(€)	30/06/2005 ⁽¹⁾	30/06/2004	30/06/2003
Share price on coupon date ⁽²⁾		56.50	53.50
Coupon date	24/10/2005	25/10/2004	27/10/2003
price / cash flow (PCF)		12.70	10.64
price / earnings (PER) ⁽³⁾		13.92	11.89
Price at end of financial year	64.40	54.10	55.50
price / cash flow (PCF)	13.31	12.16	11.03
price / earnings (PER) ⁽³⁾	15.78	13.33	12.33
Interest coverage ratio ⁽⁴⁾	2.18	3.25	5.15
Total debt / EBITDA	6.78	6.92	5.33

1 PCF and PER per 30/06/05 are calculated compared to the net cash flow and earnings, share of the group.

2 No figures available for 30/06/05 because the annual report precedes the coupon date.

3 Earnings = net current result.

4 EBITDA / (financial charges + portion of the LT debts falling due within a year).

CHANGE IN NUMBER OF SHARES

At end of the financial year 30/06/2000	2,525,124
capital increase 28/06/2001	200,500
At end of the financial year 30/06/2001	2,725,624
capital increase 14/12/2001	104,742
At end of the financial year 30/06/2002 + 30/06/2003	2,830,366
capital increase 28/11/2003 as a result of the merger of Brussimmo and Ekiport with Leasinvest Real Estate	5
At end of the financial year 30/06/2004	2,830,371
capital increase 23/12/2004 for the acquisition of Montoyer 63	418,850
At end of the financial year 30/06/2005	3,249,221

LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE

(€)	30/06/2005	30/06/2004	30/06/2003
Number of listed shares (#)	2,830,371	2,830,371	2,830,366
Number of issued shares (#)	3,249,221	2,830,371	2,830,366
Market capitalisation based on closing price	209,249,832	153,123,071	157,085,313
Closing price	64.40	54.10	55.50
Highest price	64.45	57.50	56.00
Lowest price	54.00	52.50	49.00
Average price	59.33	55.25	52.97
Annual traded volume (#)	1,055,903	653,805	584,605
Average monthly traded volume (#)	87,992	54,484	48,717
Annual turnover	62,646,725	35,653,537	31,543,415
Velocity ⁽¹⁾ (%)	37.31	23.10	20.65
Gross dividend	3.72	3.73	4.10
Net dividend	3.16	3.17	3.49
Dividend yield (%)	6.27	6.75	7.74
Pay-out ratio (%)	93	93	93

1 Annual traded volume / total number of listed shares.



CORPORATE GOVERNANCE

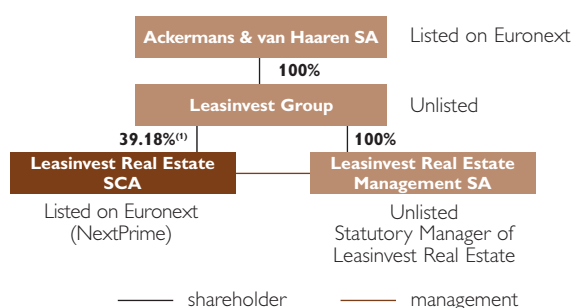
DECISION-MAKING ENTITIES

Pursuant the provisions of the RD of 10 April 1995 on real estate funds (sicafi/bevak) Leasinvest Real Estate is managed in the exclusive interest of its shareholders.

THE STATUTORY MANAGER

Real estate fund Leasinvest Real Estate is controlled by its limited (managing) partner and sole statutory manager, Leasinvest Real Estate Management SA, with registered office in 2018 Antwerp, Mechelsesteenweg 34 (Company Number 0466.164.776), a 100%-subsidiary of Leasinvest SA. Leasinvest Real Estate Management SA had an equity of € 294,303.27 on 30 June 2005.

Leasinvest SA is the founder, promotor and majority shareholder of Leasinvest Real Estate. Leasinvest SA, which manages approximately € 510 million of real estate assets either directly or indirectly, is active in real estate investment and development for the corporate and residential market. The company is a subsidiary of the listed investment group Ackermans & van Haaren.



TERM OF THE MANDATE

Leasinvest Real Estate Management SA was appointed as the sole statutory manager for an unspecified term with a minimum of 15 years.

The mandate is irrevocable until the general meeting of shareholders which will be held in 2014. After that, the mandate may be revoked provided that the attendance and majority conditions necessary to amend the articles of association are fulfilled, without the manager having a right of veto on this point. The statutory 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 legal grounds, initiated by the general meeting of shareholders.

Leasinvest Real Estate Management SA employs seven persons who are responsible for commercial contacts with tenants and real estate agents, accounting, legal affairs and administration. The technical management of the buildings of Leasinvest Real Estate is subcontracted to Bopro Real Estate Services SPRL (cfr: p 56).

¹ See p 71.

AUTHORITY

The statutory manager is authorised to perform all management actions which are necessary or serve to realise the company's objective, with exception for those actions for which only the general meeting of shareholders is authorised according to the law.

The statutory manager manages the company through its collegial board of directors, which has appointed 2 managing directors.

REMUNERATION OF THE STATUTORY MANAGER

The remuneration of the statutory manager has been stipulated at 0.415% of the investment value of the portfolio and amounted to € 1,155,046.82 for the past financial year.

No other remuneration is attributed to the statutory manager.

THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER ⁽²⁾

COMPOSITION OF THE BOARD OF DIRECTORS

The board of directors of the statutory manager, Leasinvest Real Estate Management SA, determines the policy of the real estate fund. The board is, at present, composed jointly of directors linked with investment group Ackermans & van Haaren on the one hand, and independent directors on the other hand.

The independent directors have the special task of safeguarding the interests of all shareholders of Leasinvest Real Estate and ensuring that they are treated equally.

The past financial year the board of directors was composed of eight directors.

Within the framework agreement entered into with AXA Belgium SA it has been agreed that a maximum of 4 directors proposed by AXA can be appointed as the participation of AXA increases up to 1,154,047 shares.

Subject to the approval of the Banking, Finance and Insurance Commission of the amendments to the articles of association (of statutory manager Leasinvest Real Estate Management SA) and the appointment of new directors, the board of directors will, upon full completion of the investment program by AXA, consist of a maximum of 12 members, of which 4 independent directors, 4 directors appointed on the proposal of investment group Ackermans & van Haaren and a maximum of 4 proposed by AXA.

The board of directors is presided by Luc Bertrand, Chairman of the Executive Committee of Ackermans & van Haaren.

2 Statements from the directors: section 'miscellaneous'.

The independent directors⁽²⁾ are:



- 1 Eric De Keuleneer, managing director of Credibe SA.
- 2 Bernard de Gerlache de Gomery, independent director of companies including Floridienne SA and Sipef SA.
- 3 Christophe Desimpel, managing director of De Speyebeek SA.
- 4 Marcus Van Heddeghem, managing director of Redevco Belgium SCS.

The directors⁽²⁾ associated with Ackermans & van Haaren are:



- 1 Luc Bertrand, Chairman of the Executive Committee of Ackermans & van Haaren SA.
- 2 Jean-Louis Appelmans, CEO and managing director of Leasinvest Real Estate Management SA.
- 3 Jan Suykens, CFO of Ackermans & van Haaren SA.
- 4 Kris Verhellen, managing director of Leasinvest Real Estate Management SA and CEO⁽³⁾ of the Leasinvest Group.

TERM OF THE MANDATE

By decision of the ordinary general meeting of shareholders held on 18 October 2004 the above mentioned directors have been re-appointed for a term of 6 years. Mr. de Gerlache de Gomery, Mr. De Keuleneer, Mr. Van Heddeghem and Mr. Desimpel have explicitly been appointed as independent directors in the sense of the Article 524 §2 of the Statute book of companies (as modified by the Corporate Governance Law of 2 August 2002).

All mandates of the directors expire at the general meeting of shareholders of 2010.

MEETINGS OF THE BOARD

The board of directors met four times during the past financial year, with a presence quotient of 97%. The articles of association provide that the board of directors should meet at least four times per year.

³ The addresses of the directors can be obtained, upon simple request, at the offices of the company.

⁴ Via SITAS SPRL, which appointed Mr. Verhellen as its permanent representative.

Next to the mandatory matters, such as drawing up the accounts, the annual and half-yearly report and press releases or the preparation of general meetings, the board of directors treats the following matters: budgets, interim results and provisions, investments and divestments.

The treated subjects by the board of directors are extensively explained by the management, preliminary to the deliberation. In 2004/2005, among other things, the following points on the agenda have been treated by the board of directors:

- the framework agreement with AXA;
- the investment in Square de Meeûs 5-6 and in rue Montoyer 63 through the partial splitting-up of Leasinvest SA;
- the divestment of Kontichsesteenweg 38A and the sale of the long term lease receivables concerning the rue de Trèves to ING Belgium;
- the letting of Extensa Square I in Evere.

REMUNERATION

During the past financial year the directors of the statutory manager of Leasinvest Real Estate SCA, received, directly or indirectly, for all services rendered on behalf of the statutory manager, the payment of a total amount of € 249,880.29.

ADVISING COMMITTEES

During the present financial year 2005-2006 Advising Committees, as intended by the Code Lippens, will be established by the board of directors, which will be further explained in the Corporate Governance Charter.

Finally – subject to the approval of the Banking, Finance and Insurance Commission of the amendments to the articles of association – a statutory committee of independent directors will be established, disposing of specific advisory authorities which are more extensive than those foreseen by 524 of the Statute book of companies.

SUPERVISION OF THE DAILY MANAGEMENT

At least 2 members (physical persons) of the board of directors are charged to secure the collegial supervision of the daily management of the real estate fund according to art 4 §1, 5° of the Royal Decree on real estate funds (sicafi/bevak). During the past financial year, this assignment has been entrusted to the two managing directors, Jean-Louis Appelmans, CEO, and Kris Verhellen.

DAILY MANAGEMENT

During the past financial year the daily management has been executed by 2 managing directors.

JEAN-LOUIS APPELMANS (CEO)

Jean-Louis Appelmans (°1953) is CEO and managing director of Leasinvest Real Estate Management SA since its foundation in 1999. He is also the permanent representative. Mr. Appelmans fulfils a number of other functions and mandates including, among others, at real estate fund Retail Estates (independent director). Mr. Appelmans was CEO of Leasinvest SA from 1989 till the beginning of 2005. Previously, he worked with Crédit Lyonnais within the Corporate Banking division (1986-1989). From 1979 tot 1986 he was Vice-President Corporate Banking at Chase (now JPMorgan Chase). He has an extensive experience in real estate, financial and general management.

KRIS VERHELLEN

Kris Verhellen (°1965) is managing director of Leasinvest Real Estate Management SA since its foundation in 1999. Kris Verhellen studied Law and Management and is CEO⁽⁴⁾ of the Leasinvest Group.

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 at least of a managing director; the commercial manager; the legal advisor; the financial manager and the real estate manager.

THE INVESTMENT COMMITTEE

The Investment Committee will meet according to the agenda and prepares the investment and divestment decisions for the board of directors. The Investment Committee consists of one managing director; the legal, technical and commercial advisors and the financial manager.

AXA will also be invited to take part with an advisory vote, in the Investment Committee and Permanent Committee of the real estate fund, as long as they hold a minimum participation of 10% in Leasinvest Real Estate.

CORPORATE GOVERNANCE

Within a broader transparency and from the objective of corporate governance, some changes will be made to the management structure of Leasinvest Real Estate, during the present financial year.

EXTERNAL REPRESENTATION

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

PERMANENT REPRESENTATIVE

In accordance with the provisions of article 61, §2, of the Statute book of companies, the statutory manager has appointed a permanent representative among its directors, charged with

5 Via SITAS SPRL, which appointed Mr. Verhellen as its permanent representative.

the execution of the mandate of the statutory manager, in name and on behalf of Leasinvest Real Estate Management SA, and who is authorised to represent and legally bind the real estate fund in relation to third parties, acting solely, without infringing the provisions of art. 18 of the RD on real estate funds (sicafi/bevak), nor any other provision applicable on collective investment companies. Since the end of 2002 Jean-Louis Appelmans has been appointed permanent representative of Leasinvest Real Estate Management SA within the framework of its mandate as statutory manager, without infringing art. 18 of the aforementioned RD.

DECISIVE ACTIONS FOR ITS REAL ESTATE

Pursuant art. 18 of the aforementioned RD, the real estate fund is represented by its statutory manager, acting through its permanent representative, together with one director, acting jointly, for each decisive action for its real estate in the sense of art. 2,4° of the RD previously mentioned.

SETTLEMENT OF CONFLICTS OF INTEREST

During the past financial year, no situations have occurred in which the provisions of Articles 523 and 524 onward of the Statute book of companies had to be applied. Should these situations occur the provisions of these articles will be applied.

The Banking, Finance and Insurance Commission is informed in advance by the real estate fund if, for a transaction with the real estate fund (or with a company which it controls) the promotor is acting as an opposing party and in case any advantage is obtained by the promotor. The same applies to directors and persons charged with the daily management.

The interest of the planned transaction for the real estate fund has to be proved, and that it fits within the investment policy of the real estate fund. Finally, the intended transactions are carried out at normal market conditions.

Depending on the actual conditions, the following situations could cause the application of article 523 and following of the Statute book of companies and therefore qualify as potential conflicts of interest:

- in the capacity of the directors appointed on the proposal of Ackermans & van Haaren SA if transactions occur between Leasinvest SA and Leasinvest Real Estate and/or the statutory manager and Leasinvest Real Estate;
- in the capacity of the directors appointed on the proposal of Axa, as soon as they are nominated in the board of directors of the statutory manager, pursuant the framework agreement with Axa (see p. 32), if transactions occur or decisions are being made by which Axa has an interest which is opposed to the interest of Leasinvest Real Estate and/or its statutory manager.

The possibility that potential conflicts of interest also arise between the directors of the statutory manager and Leasinvest Real Estate, due to the functions they hold in other companies in the real estate sector, is estimated as being very small.

AUDIT OF THE ANNUAL ACCOUNTS

The auditor, appointed by the general meeting of shareholders, audits the annual accounts and the semester reports.

Ernst & Young, approved Auditors, member of the 'Institut des Réviseurs d'Entreprises', Avenue Marcel Thiry 204, 1200 Brussels, represented by Mrs. Danielle Vermaelen, approved company auditor, were appointed for a period of three years to fulfil the function of auditors. Approval will be asked to the general meeting of shareholders which will be held on 17 October 2005 to renew the mandate of Ernst & Young, represented by Danielle Vermaelen, for a term of 3 years, until the annual meeting of 2008.

The remuneration of the auditor for verification of the annual accounts for the past financial year has been estimated at € 20,000 (VAT exc.). In addition a remuneration of € 14,000 (VAT excl.) has been paid for the partial splitting-up of Leasinvest SA, and € 6,250 (VAT excl.) for the audit of Square de Meeûs SA.

VALUATION OF THE PORTFOLIO

The quarterly valuations of the real estate portfolio are made by two independent valuers. In the event of a conflict arising between the real estate agent's activity and that of the property valuer, the other expert shall make the valuation. The value of the real estate portfolio is determined by Cushman & Wakefield Healey & Baker and Winssinger & Associates. The past exercise, a remuneration of € 97,655.19 (the value of the remuneration is defined as follows: 0.00625% on the investment for quarterly valuations and 0.0625% for special assignments) has been paid to the valuers by Leasinvest Real Estate.

Cushman & Wakefield Healey & Baker are represented by Mr. Eric Van Dyck and Mr. Kris Peetermans. Cushman & Wakefield Healey & Baker VOF (company number 0418.915.383) is a subsidiary of the offices in The Netherlands ('General partnership existing under the laws of The Netherlands'), registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered office of Cushman & Wakefield Healey & Baker VOF are established at Avenue des Arts 58 boîte 7, 1000 Brussels (the company is registered in Brussels, by the number 416 303).

Since the foundation on 04/12/1978 of the office in Belgium, there has always been a valuation department. The company values offices, retail and industrial properties in Belgium and Luxembourg.

In 2003 the name Healey & Baker has been transformed in Cushman & Wakefield Healey & Baker. Cushman & Wakefield Healey & Baker is not supervised by an official authority.

Winssinger & Associates is represented by Mr. Philippe Winssinger. Winssinger & Associates SA (company number 0422.118.165), with registered office at the Avenue Louise 380, 1050 Brussels, has been founded on 20/11/1981 for an unspecified term and is subject to Belgian legislation.

Today Winssinger & Associates is, among other things, the most important valuer of listed real estate funds and of properties of insurance groups.

Winssinger & Associates is associated with one of the most important international networks for valuations (DTZ group), allowing Winssinger & Associates to closely follow the evolution of the foreign real estate markets.

Winssinger & Associates is a member of the Royal Institute of Chartered Surveyors (RICS) BeLux, and is not supervised by an official authority.

DEPOSITARY

ING Bank SA, having its registered office at court Saint-Michel 60, 1040 Brussels, subject tot the supervision of the Banking, Finance and Insurance Commission, was appointed as the depositary of Leasinvest Real Estate, in accordance with the provisions of Article 12 onward of the Royal Decree on real estate funds (sicafi/bevak). In its capacity as the depositary, ING Bank must comply with the obligations imposed by the Law of 4 December 1990 and the implementing decree of 10 April 1995. The depositary is put in possession of all official documents and deeds relating to changes in the assets of the real estate fund, and ensures that any change in the real estate portfolio is incorporated into the inventory. The remuneration of the depositary for the past financial year amounted to € 53,088.23. The remuneration of the depositary is set on the basis of the investment value of the portfolio of Leasinvest Real Estate according to the tranches set out below:

Total investment value of the real estate portfolio	Remuneration of the depositary (excl.VAT) ⁽¹⁾
Between € 0 and € 125 million	0.03%
More than € 125 million	0.01%

1 Percentages applicable on the respective tranches.

LIQUIDITY PROVIDER

ING Financial Markets has been appointed as liquidity provider.

CORPORATE GOVERNANCE CHARTER

On 09/12/04 the Corporate Governance Committee, on the initiative of the Banking, Finance and Insurance Commission, Euronext Brussels and the FEB has announced the Belgian Corporate Governance Code (the "Code Lippens").

This Code aims at defining the rules for an efficient internal functioning and organisation of the management of the real estate fund, without infringing the legal provisions concerning the functioning and authorities of the board of directors (including the legal supervision and management authorities of each member of the board of directors) and the provisions of the RD on real estate funds (sicafi/bevak).

The real estate fund is currently establishing its Corporate Governance Charter.

The Charter will be communicated and published in accordance with the relevant provisions of the Royal Decree 31 March 2003 concerning the obligations of issuers of financial instruments authorised to trading on a Belgian regulated market. The board of directors will endeavour to publish the Corporate Governance Charter on its website (www.leasinvest-realestate.com), as soon as possible, as from 01/01/06.

The Charter will be updated, as many times as necessary, in function of the development of the policy on corporate governance in order to communicate a correct image of the management of the real estate fund (sicafi/bevak) at any given moment.

In its annual report 2006 (financial year 01/07/05-30/06/06) a Corporate Governance Chapter will be added, as intended by the Code, in which all relevant corporate governance events will be presented, which have taken place during the financial year concerned. If the real estate fund (sicafi/bevak) does not comply with one or more provisions of this Code, it will clarify the reason in the Corporate Governance Chapter of its annual report.

Sensitive information with a possible impact on the share price or information concerning a modification of the rights of the shareholders will be published immediately by the company.

A procedure on transactions of Leasinvest Real Estate shares by the directors, members of the management or employees, will be developed.

COMPANY PROFILE

Real estate fund Leasinvest Real Estate SCA invests, amongst other things, in high-quality and well situated office buildings in and around Brussels, and in logistics and retail buildings.

The investment value on 30/06/05 amounts to € 275.5 million. The portfolio represents a surface of over 190,000 m², in 13 different locations and spread across 37 buildings.

The total portfolio is geographically spread as follows: Brussels (78.07%), Ghent (14.02%), Antwerp (7.91%).

The real estate fund is listed on the Euronext in the Next Prime segment and was included, in January 2005, in the EPRA Eurozone Total Return Index.

The most important investments of the real estate fund include:

- Brussels: the business parks Riverside Business Park in Anderlecht (26,931 m²), Brixton Business Park in Zaventem (36,042 m²), Route de Lennik 451/Erasmus Science Park (15,132 m²) in Anderlecht, Extensa Square in Evere (12,218 m²).
- Ghent: the Axxes Business Park in Merelbeke (23,447 m²).
- Antwerp: the distribution centre in Prins Boudewijnlaan 7 in Kontich (27,589 m²).

For a detailed overview of the investment policy is referred to art. 5 of the articles of association (p 79) and to the real estate report.

As the investment policy is stipulated in the articles of association, it can only be modified by a general meeting of shareholders of the real estate fund held under the conditions required for an amendment of the articles of association.

IDENTIFICATION

NAME

Leasinvest Real Estate, 'investment company with fixed capital under Belgian law' (a closed-end real estate investment fund, known in Belgium as a 'sicafi').

LEGAL ENTITY

Leasinvest Real Estate adopted the legal form of a partnership limited by shares (SCA).

REGISTERED OFFICE

Leasinvest Real Estate has its registered office at Avenue de Tervueren 72, 1040 Brussels. The registered office can be moved within Belgium without any amendment to the articles of association by a decision of the statutory manager, notwithstanding the specific language legislation.

ADMINISTRATIVE OFFICE

Leasinvest Real Estate has its administrative office at Mechelsesteenweg 34, 2018 Antwerp.

FORMATION AND TERM

Leasinvest Real Estate has been established as an "Aktiengesellschaft" under Swiss law, after which the registered office has been moved (17/11/88) to Belgium and it was established that the company is subject to the Belgian law and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company. On 8 June 1999 the name has been modified into Leasinvest Real Estate and the company has been transformed into a real estate fund (sicafi/bevak) under Belgian law, for an unspecified term, under a deed recorded by notary public Frank Celis in Antwerp, and announced in the appendices to the Moniteur Belge on 26 June 1999, under number 990626-330.

REGISTER OF LEGAL ENTITIES (RPR) AND COMPANY NUMBER

Leasinvest Real Estate is registered in the register of legal entities in Brussels and has been allocated the company number 0436.323.915.

PURPOSE OF THE COMPANY / ACTIVITIES

Article 4 of the coordinated articles of association dated 23 December 2004:

The sole purpose of the company is collective investment from publicly drawn financing possibilities in real estate, as defined in Article 122, paragraph 1 first clause, 5° of the Law of 4 December 1990 on Financial Transactions and Financial Markets. Real estate is defined as:

1. immovable property as defined in Articles 517 onward of the Civil Code and rights in rem to real estate;
2. shares with voting rights issued by associated real estate companies;
3. option rights to real estate;
4. participating rights in other real estate investment companies which are recorded in the list as defined in Article 120, paragraph 1, second clause or Article 137 of the Law of 4 December 1990 on Financial Transactions and Financial Markets;
5. real estate certificates as described in Article 106 of the Law of 4 December 1990 on Financial Transactions and Financial Markets;
6. rights derived from contracts under which the company is given one or more properties in real estate leasing;
7. as well as any other goods, shares or rights that are defined as real estate by the Royal Decrees, taken pursuant to the Law of 4 December 1990 on Financial Transactions and Financial Markets and applicable to collective investment institutions investing in real estate.

Within the limits of the investment policy, as defined in Article 5 of the Articles of Association and in accordance with the legislation applicable to the "sicafi", the company may become involved with:

- the purchase, renovation, fitting-out, letting, sub-letting, management, exchange, sale, allotment, bringing within the co-ownership system of real estate as described above;
- the acquisition and lending of securities in accordance with Article 51 of the Royal Decree of 10 April 1995 with regard to "sicafis";
- real estate, with or without purchase option, financed through a leasing arrangement pursuant to Article 46 of the Royal Decree of 10 April 1995 with regard to "sicafis"; and
- in a secondary order; leasing of real estate, with or without purchase option, pursuant to Article 47 of the Royal Decree of 10 April 1995 with regard to "sicafis";
- the company may only occasionally act as a property developer; as defined in Article 2 of the Royal Decree of 10 April 1995.

The company may, in compliance with the applicable legislation on "sicafis":

- in an additional or temporary capacity, invest in securities, hold goods other than real estate and liquidities in accordance with Articles 41 and 45 of the Royal Decree of 10 April 1995 relating to "sicafis". The holding of securities must be compatible with the pursuit in the short or medium term of the investment policy as described in Article 5 of the Articles of Association. The securities must be included in the listing on a stock exchange of a member state of the OECD or traded on a regulated, regularly operating, approved market accessible to the public of the OECD, as well as the Euro.NM, Easdaq or Nasdaq. The liquidities may be held in any currency in the form of sight deposits, or in term accounts or by any instruments on the financial markets that are easily marketable;
- grant mortgages or other collateral or guarantees in the context of the financing of real estate in accordance with Article 53 of the Royal Decree of 10 April 1995 relating to "sicafis";
- grant loans and guarantees for a subsidiary of the company, which is also an investment institution as defined in Article 49 of the Royal Decree of 10 April 1995 relating to "sicafis".

The company may acquire, rent or let, assign or exchange any moveable or immovable goods, material and accessories, and in general, carry out any commercial or financial transactions directly and indirectly connected with the purpose of the company, and the exploitation of any intellectual and commercial property rights relating to it.

Provided that it is compatible with the status of "sicafis", the company may, by means of bringing-in in cash or in kind, or merger, split-off, subscription, participating interest, financial support or in any other way, acquire a share in any business or company that exists or has yet to be formed, in Belgium or abroad, whose company purpose is identical to its own, or is of such a nature as to promote the pursuit of its goal.

To change the purpose of the company, the prior approval of the Banking, Finance and Insurance Commission is required.

FINANCIAL YEAR

The financial year of Leasinvest Real Estate runs from 1 July to 30 June, with the exception of the first financial year that ran from 1 January 1999 to 30 June 2000.

REGISTERED CAPITAL

ISSUED CAPITAL

On 30 June 2005 the registered capital amounted to € 35,728,606.29. The total number of shares was 3,249,221, without mention of the nominal value.

AUTHORISED CAPITAL

Article 7 of the coordinated articles of association dated 23 December 2004:

The statutory manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more times, by an amount of thirty-one million one hundred and twenty-two thousand nine hundred and nine euro and forty-nine cents (€ 31,122,909.49) in the cases foreseen in the relevant report.

This authorisation is valid for a period of up to five years from the publication of the minutes of the general meeting of 23 December 2004.

It is renewable.

This capital increase (or increases) can be carried out by subscription in cash, by bringing-in in kind, or by conversion of reserves or issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Statute book of companies, Article 11 of the Royal Decree of 10 April 1995 with regard to "sicafris", and these Articles of Association.

If the case arises, in the event of a capital increase decided by the statutory manager, possibly after deduction of charges, the issue premiums shall be transferred by the statutory manager to a blocked account and treated in the same way as the capital which guarantees the interests of third parties, and may not under any circumstances be reduced or disposed of unless this is decided by the general meeting, voting under the conditions required by Article 612 of the Statute book of companies except for the conversion into capital as foreseen above.

The manager has, in the past, already been authorized to increase the registered capital by a maximum of € 27,500,000 as a result of the decision of the general meeting of 8 June 1999.

The board of directors made use of this authorization:

- Under a deed recorded by notary public Erik Celis in Antwerp on 28 June 2001 for an amount of two million two hundred and five thousand five hundred euro (€ 2,205,500).
- Under a deed recorded by notary public Erik Celis in Antwerp on 14 December 2001 for an amount of one million one hundred and fifty-two thousand one hundred and sixty-two euro (€ 1,152,162).

ACQUISITION OF OWN SECURITIES

Article 9 of the coordinated articles of association dated 23 December 2004:

1. The company can acquire its own fully paid shares and keep them in pledge in accordance with the decision of the general meeting and in accordance with the provisions of Article 620 and following of the Statute book of companies. The conditions of derealisation of these shares can be established in the same meeting.
2. The statutory manager is permitted to acquire own securities mentioned sub 1 without a decision of the general meeting of shareholders when this acquisition is necessary to safeguard the company against serious and threatening disadvantage. This permission is valid for three years from the publication date of the amendments to the articles of association of 23 December 2004 and is renewable for the same period of time.
3. The conditions for the derealisation of own securities acquired by the company are established depending on the case in accordance with the Article 622 § 2 of the Statute book of companies, or by the general meeting or by the statutory manager. The statutory manager is permitted to derealise own securities as foreseen by Article 622 § 2, 1° of the Statute book of companies and for a period of three years as from the publication of the amendments to the articles of association of 23 December 2004, as foreseen by Article 622 § 2, 2° of the Statute book of companies.



REPORT OF THE STATUTORY MANAGER



CHANGES IN THE PORTFOLIO

INVESTMENTS AND DIVESTMENTS IN THE FINANCIAL YEAR 2004/2005

INVESTMENTS

Brussels Leopold District, Square de Meeûs 5-6 – Take-over of the majority of the shares in Square de Meeûs 5-6 SA

Leasinvest Real Estate has acquired, on 19/11/04, through the take-over of the majority of the shares of the 'Société Anonyme' Square de Meeûs 5-6, the control over a very well situated office building in the Leopold District. The building is entirely let to a diplomatic representation with the European Union and an international association.

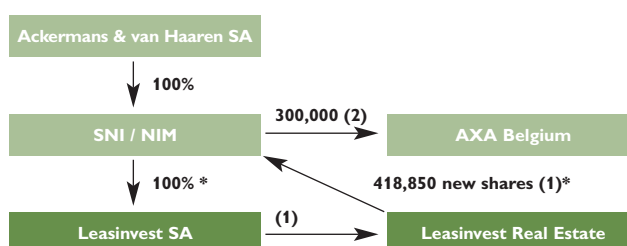
Leasinvest Real Estate acquired, jointly with partner AXA, 80% of the shares in Square de Meeûs 5-6 SA (50.07% for Leasinvest Real Estate and 29.93% for AXA). An option has been granted for the remaining 20% of the shares, which currently remains in the hands of the sellers.

Brussels Leopold District, rue Montoyer 63 – Acquisition

On 23/12/04 Leasinvest Real Estate has acquired a second office building in the Lepold District, i.e. the building situated Rue Montoyer 63 in 1000 Brussels, which is entirely let to the European Parliament. The building has been acquired by Leasinvest Real Estate as the result of the partial splitting-up of Leasinvest SA. As a result, the registered capital of Leasinvest Real Estate has been increased by € 4,605,696.08, to bring it to € 35,728,606.29, represented by 3,249,221 shares.

The 418,850 new shares have been issued to the shareholders of Leasinvest SA, and are entitled to a participation in the profit as from 23/12/04.

The transaction can be visualised as follows:



(1) Partial splitting-up of Leasinvest SA and bringing in of Montoyer 63 against 418,849 new shares on behalf of the Société Nationale d'Investissement on 23 December 2004

(2) The Société Nationale d'Investissement has sold, on 30 December 2004 300,000 of the new issued shares to AXA Belgium. These shares represent 9.23% in the capital.

* With the partial splitting-up Urbaninfra SA acquired 1 share.

DIVESTMENTS

Brussels Leopold District – Sale of the long term lease receivables of rue de Trèves

During the financial year 2003–2004, Leasinvest Real Estate has entered into a long term lease with purchase option, with the Committee of the Regions of the European Union, for a duration of 27 years, concerning the building situated rue de Trèves in the Leopold District. The long term lease has started on 01/02/2005.

Leasinvest Real Estate has sold, on 23/06/2005, without recourse, the long term lease receivables to ING Belgium SA. At the same time, the relative interest hedging contract concluded at the time has been sold. The net impact of these operations has positively influenced the portfolio result and consequently the net result on 30/06/2005 for an amount of € 0.95 million.

Kontichsesteenweg 38A, Aartselaar – Sale

Leasinvest Real Estate has sold the building situated Kontichsesteenweg 38A in Aartselaar on 15/04/05 resulting in the realisation of a small gain.

AGREEMENTS

Conclusion of a framework agreement with AXA Belgium SA

On 16/07/04, a framework agreement was entered into between Leasinvest Real Estate, Leasinvest Real Estate Management SA, Leasinvest SA and AXA Belgium SA (hereafter 'AXA') in order to support the growth of the real estate portfolio of Leasinvest Real Estate, under the suspending condition of approval by the Banking, Finance and Insure Commission of the successive steps of the investment project.

This framework agreement provides that AXA will participate in the capital of Leasinvest Real Estate by future contributions of real estate against the creation of new shares of Leasinvest Real Estate. If the planned investment is fully realised, Leasinvest SA and AXA will each own a stake of approximately 29% in Leasinvest Real Estate. In the meantime AXA has a participation of 9.23% in Leasinvest Real Estate following the acquisition of 300,000 shares created as a result of the above mentioned partial splitting-up, which is considered as part of the execution of the committed investment program by AXA, resulting in the fact that AXA does not have to make contributions in real estate anymore for the amount of the acquired shares.

The shareholder structure of the statutory manager will remain unchanged as a 100% subsidiary of Leasinvest SA. AXA will be represented on the board of directors of the statutory manager. Within the framework of the agreement concluded with AXA it has been stipulated that a maximum of 4 directors, proposed by AXA can be appointed as the participation of AXA increases up to 1,154,047 shares.

Letting of the entire building Extensa Square I after the departure of Mobistar

Leasinvest Real Estate has entirely let the building Extensa Square I, rue Colonel Bourg 153-155, as from 1 July 2005, to a financial institution and a professional federation. This letting is an important commercial achievement for Leasinvest Real Estate, taking into account the difficult market conditions in the decentralised zone of Brussels. The building, which accounted for 7.9% of annual rental income, was previously let to Mobistar.

IMPORTANT EVENTS THAT HAVE OCCURRED AFTER THE END OF THE FINANCIAL YEAR

After the accounts were closed, no exceptional events or facts arose which might have a fundamental influence on the results or the further development of Leasinvest Real Estate.

SUMMARY OF THE FINANCIAL STATEMENTS

ANALYTICAL RESULTS*

(in € 1,000)	30/06/2005	30/06/2004	30/06/2003
Rents	19,760	20,399	20,872
Other operating income	480	218	647
Rental result	20,240	20,617	21,518
Direct real estate costs	-3,662	-1,943	-1,251
Indirect real estate costs	-316	-339	-196
Provisions, doubtful receivables	2,773	-1,214	-1,477
Real estate result	19,035	17,121	18,595
Management charges	-1,155	-1,091	-1,110
Operating charges	-773	-603	-537
Operating result	17,107	15,427	16,947
Financial charges	-4,882	-3,858	-4,164
Financial operating income	139	125	101
Taxes	304	-209	-142
Net current result	12,668	11,485	12,742
Net current result, share of the group	12,420	11,485	12,742

Other operating income = indemnities, rental guarantees, ... excluding reinvoiced charges.

Direct real estate costs = costs of maintenance, renovation, vacancy and insurance.

Indirect real estate costs = other costs (excl. management fee and reinvoiced charges).

Operating expenses = management fee.

Operating charges = general operating charges.

KEY BALANCE SHEET DATA*

ASSETS (in € 1,000)	30/06/2005	30/06/2004	30/06/2003
FIXED ASSETS	276,211	258,161	266,079
Tangible assets	275,532	257,488	266,079
Financial assets	679	673	
CURRENT ASSETS	5,665	9,443	8,972
Amounts receivable after 1 year	190	78	131
Amounts receivable within 1 year	2,812	2,519	3,501
Investments, cash at bank and in hand	1,986	6,456	5,200
Deferred charges and accrued income	677	390	140
TOTAL ASSETS	281,876	267,604	275,051

* Consolidated figures, except on 30/06/04 (statutory figures, after the merger by absorption by Leasinvest Real Estate of Brussimmo SA and Ekiport SA).

LIABILITIES (in € 1,000)	30/06/2005	30/06/2004	30/06/2003
EQUITY	176,766	148,945	151,287
MINORITY INTERESTS	8,160		
PROVISIONS AND DEFERRED TAXATION		3,573	4,173
CREDITORS	96,950	115,086	119,591
Amounts payable after 1 year	29,800	41,550	
Amounts payable within 1 year	42,697	50,137	98,180
Trade debtors and taxes	5,493	5,205	3,422
Other debts	12,870	12,250	12,476
Accrued charges and deferred income	6,090	5,944	5,513
TOTAL LIABILITIES	281,876	267,604	275,051
Solvency (%)	62.71	55.66	55.00
Debt ratio (%) ⁽¹⁾	32.23	41.06	42.33

1 Excluding accrued charges and deferred income pursuant art. 52 of the RD of 10 April 1995 on real estate funds (sicafi/bevak).
For 30/06/2003 and 30/06/2004: including provisions for exit tax amounting to € 2,364,978 and € 734,352 respectively.

NOTES TO THE CONSOLIDATED BALANCE SHEET AND PROFIT AND LOSS ACCOUNT FOR THE FINANCIAL YEAR 2004/2005

Following the acquisition of the majority of the shares in Square de Meeûs 5-6 SA and the integral consolidation of this company, consolidated annual accounts are again issued on 30/06/05. These consolidated annual accounts and the notes concerning the financial year 2004/2005 comprise, unless mentioned otherwise, next to the share of the group, also the minority shares.

a. Profit and loss account

The operating income (excluding re-invoicing of charges for an amount of € 2.7 million) for the financial year amounted to € 20.2 million.

During the financial year € 19.8 million of rental income was collected, or 3.13% less than last year. This decrease is due to divestments of the previous financial year and the vacancy. The acquisitions of the financial year, i.e. Montoyer 63 and Square de Meeûs 5-6 SA, have only contributed to the rental income for slightly more than 6 months.

The occupancy rate amounted to 91.15%⁽¹⁾ compared to 94.13% the previous financial year and the rental yield is 7.14%⁽¹⁾ (7.70% on 30/06/04). This drop of the rental yield is the result of, among other things, the lower occupancy rate.

The operating result amounts to € 17.1 million compared to € 15.4 million per 30/06/04, which results in an increase of 10.9%. This rise is, despite the higher maintenance and renovation costs, explained by the drawback of provisions for an amount of € 2.8 million for maintenance and

1 The occupancy rate and the rental yield on 30/06/05 take into account the lease of Extensa Square I as from 01/07/05 and 100% of the building Square de Meeûs. Leasinvest Real Estate owns 50% + 1 share in Square de Meeûs 5-6 SA, which is consolidated according to the integral method. Excluding the lease of Extensa Square I the rental yield on 30/06/05 amounts to 6.74%.

renovation costs. Per diluted⁽²⁾ share this results in an operating result of € 5.61 compared to € 5.45 on 30/06/04, or an increase of 2.9 % per diluted share.

The net financial result is € - 4.7 million and is lower than the € - 3.7 million of the previous financial year, exclusively due to one-off costs.

At the end of 2004, the Minister of Finance has communicated, in a circular letter, his decision on the calculation method of the exit tax. This allowed the drawback of provisions, formerly made for the exit tax, of € 0.73 million.

The important rise of the net profit is mainly due to the positive net portfolio result of € 3.3 million (compared to a negative net portfolio result of € 3.1 million the previous financial year), and is composed of realised gains on the one hand, and changes in the value of the portfolio, on the other hand.

- The realised gains amount to € 1.1 million and are the result of the sale of the long term lease receivables on the Committee of the Regions for the building situated rue de Trèves and the sale of the building situated Kontichsesteenweg 38A.
- The changes in the value of the portfolio are € 2.2 million, which is mainly the result of gains on the retail portfolio on the one hand, and losses on office buildings in the decentralised zone and in Ghent, on the other hand. The increase in value of the buildings Avenue Louise 250, Avenue Louise 66 and the Prins Boudewijnlaan were compensated by the activated costs for value creating investments.

The financial year closed on a net current profit, share of the group, of € 12.4 million, or 8.1 % higher than the previous financial year and a net profit, share of the group, of € 15.3, million, which results in a rise of 83.7%. Per diluted⁽²⁾ share the net current profit, share of the group, is € 4.08 (compared to € 4.06 the previous financial year), or an increase of 0.5% and the net profit, share of the group, € 5.03 (compared to € 2.95 on 30/06/04) or a rise of 70.5%.

Thanks to important realised gains, the net cash flow⁽³⁾, share of the group, amounts to € 14.7 million, or an increase of 17%. The net cash flow, share of the group, per diluted⁽²⁾ share is € 4.84 compared to € 4.45 on 30/06/04, or + 8.7%.

b. Balance sheet

Equity excluding dividend ended at € 176.8 million, which results in a net asset value per share (excluding dividend) of € 54.40 on 30/06/05, compared to € 52.62 the previous year.

The investment value of the real estate portfolio was estimated by the real estate experts at € 275.5 million, after acquisition of the building Montoyer 63 and Square de Meeûs 5-6 and after the sale of a building and the long term lease receivables. The debt ratio fell from 41.06% to 32.23% due to the sale of the long term lease receivables at the end of the financial year.

2 As a result of the capital increase that took place for the acquisition of Montoyer 63, 418.850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.

3 Net cash flow: definition on p 90.

CASH FLOW STATEMENT

(x € 1,000)	30/06/2005	30/06/2004	30/06/2003
A. CURRENT ACTIVITIES			
1. Net current result of the financial year	12,668	11,485	12,742
2. Depreciation, provisions and write-downs	-3,531	1,215	1,477
3. Extraordinary result			7
Net current flow	9,137	12,700	14,226
B. PORTFOLIO ACTIVITIES			
1. Realised gains/losses	5,847	-347	25
Portfolio flow	5,847	-347	25
C. INVESTMENT ACTIVITIES			
1. Net investments in real estate	-5,839	5,798	995
2. Net investments in financial fixed assets	-7,496	-620	74
3. Effect of integration in the consolidation of new participations	596		
Investment flow	-12,739	5,178	1,069
D. FINANCING ACTIVITIES			
1. Change in capital and reserves and share premiums	23,821	0	0
2. Change in provisions	0	275	0
3. Change in amounts payable after 1 year	-11,750	41,550	-7,475
4. Change in amounts payable within 1 year	-7,440	-48,043	8,716
5. Paid dividends and tantièmes	-11,328	-10,557	-11,605
6. Change in the working capital requirement	-19	500	-11,703
Financing flow	-6,716	-16,275	-22,067
E. INVESTMENTS, CASH AT BANK AND IN HAND			
1. Cash at the beginning of the financial year	6,456	5,200	11,947
2. Cash at the end of the financial year	1,985	6,456	5,200
Net change in cash and cash equivalents	-4,471	1,256	-6,747

During the past financial year Leasinvest Real Estate realised an important cash flow on its portfolio thanks to its divestments. The net investments amounted to € 12.7 million, due to direct investments in real estate and the acquisition of a majority stake in Square de Meeûs 5-6 SA. Given the sale of the long term lease receivables for the building rue de Trèves, at the end of the financial year, the amounts payable have been reduced. The generated cash flow allows the distribution of a dividend of € 11.3 million.

STATUS OF CHANGE IN EQUITY

(x € 1,000)	
Equity 30/06/02	152,820
integration in the consolidation of new participations	308
revaluation of real estate	-2,702
profit of the financial year	12,465
dividend	-11,604
Equity 30/06/03	151,287
revaluation of real estate	-3,000
merger of Brussimmo SA and Ekiport SA	-130
profit of the financial year	11,345
dividend	-10,557
Equity 30/06/04*	148,945
capital increase	23,821
integration in the consolidation of new participations	248
revaluation of real estate	1,784
profit of the financial year	13,297
dividend	-11,328
Equity 30/06/05	176,767
acquisition of a participation in SQM	8,160
Equity + minority interests 30/06/05	184,927

* Statutory equity.

IAS/IFRS

For the financial year beginning on 01/07/05 and ending on 30/06/06, Leasinvest Real Estate will draw up and report its figures according to IFRS standards.

IMPACT OF THE APPLICATION OF THE INTERNATIONAL FINANCIAL REPORTING STANDARDS

In 2002, the European Union issued Regulation No. 1606/2002 whereby all listed companies in the European Union are obliged to draw up their consolidated statements for the financial years starting on or after 1 January 2005, according to the 'International Financial Reporting Standards' (IFRS) as published by the International Accounting Standards Board (IASB) and interpreted by the International Financial Reporting Interpretations Committee (IFRIC).

Pursuant to the EU Regulation and the stipulations of the IFRS 1 'First-time Adoption of International Financial Reporting Standards', the transfer date to IFRS is set for 1 January 2004. Because Leasinvest Real Estate's financial year ends on 30 June, the transfer date for Leasinvest Real Estate is 01/07/04. Leasinvest Real Estate is currently preparing the transfer of the financial statements from Belgian accounting rules to IFRS standards. The opening balance sheet was drawn up on 01/07/04 and the statements on 30/06/06 will be drawn up IAS/IFRS, and comparative figures will be given on 30/06/05.

IFRS 1 provides a number of exemptions which can be invoked. Leasinvest Real Estate has decided to invoke the exemption to providing both sets of figures in the opening balance sheet on the transfer date in regard to the IAS (International Accounting Standards) Standard 32 'Financial Instruments: Disclosure and Presentation' and IAS 39 'Financial Instruments: Recognition and Measurement.' The first application of these standards is therefore postponed until 01/07/05.

Below we present the impact of the identified restatements on equity in the opening balance sheet on 01/07/04, with the understanding that these restatements could still change in the final reporting of the financial statements under IAS/IFRS.

The impact of the IAS/IFRS standards on equity in the opening balance sheet on 01/07/04 will consist of restatements relating to:

1. DERIVATIVES

Leasinvest Real Estate's policy on interest rate risk consists of hedging the impact of fluctuations in interest rates on the results and on cash flow and at the same time keeping the total interest cost as low as possible. Therefore Leasinvest Real Estate finances its operations on the basis of floating interest rates, by the issue of commercial paper and using long-term credit lines which are also based on floating interest rates. 80-90% of its financing is hedged against fluctuations using derivatives, particularly interest rate swaps and interest rate collars.

These products are not recorded in the balance sheet under Belgian accounting rules. According to IAS/IFRS standards, they must be included in the balance sheet at market value. Leasinvest Real Estate has opted to apply hedge accounting. For those derivatives which under IAS/IFRS criteria are considered as an effective hedge, fluctuations in the market value are directly included in equity under a separate heading for hedge instruments. Fluctuations of the derivatives which do not

pass the 'effectiveness test' according to the criteria in the IAS 39 'Financial Instruments: Recognition and Measurement' are recorded in the profit and loss account.

In view of the decision on the future application of IAS standards 32 and 39, this has no impact on the opening balance. The impact on equity on 01/07/05 amounts to € -1.3 million.

2. PROVISIONS FOR MAINTENANCE AND RENOVATION WORKS

The provisions for maintenance and renovation works in the balance sheet under Belgian accounting rules do not satisfy the accounting criteria for a provision under IFRS. These must be fully transferred into equity.

Impact on equity on 01/07/04: € 2.8 million

Impact on equity on 01/07/05: zero

Impact on results on 30/06/05: € -2.8 million

3. DIVIDENDS

According to Belgian accounting standards, the dividend on the closing date of the financial year must be recorded under the heading "other debts" in liabilities. According to IFRS rules, the dividend is kept in equity until it is approved by the General Shareholders' Meeting.

Impact on equity on 01/07/04: € 10.6 million

Impact on equity on 01/07/05: € 11.3 million

Impact on results on 30/06/05: zero

4. RENT REBATES, RENT-FREE PERIODS AND INCENTIVES

Rent rebates (cost-free use by tenants), as well as all kind of benefits/incentives (e.g. free shuttle service, walls installed at owner's expense) must be spread over the period which begins with the signing of the lease agreement and ends on the first possible break date by the tenant, according to IAS/IFRS. Previously, rent rebates were only spread over the period in which the actual rebate applied (and therefore not over the full length of the lease agreement until the first break) and benefits were immediately charged to the results when they were granted.

The potential effect of applying IAS/IFRS to the balance sheet and profit and loss account is currently being assessed and is also one of the topics being tackled by the real estate investment working group.

5. REAL ESTATE APPRAISAL

Leasinvest Real Estate's real estate portfolio must be recorded at 'fair value' according to IAS/IFRS. However, it should be noted that so far there is no firm definition of exactly how 'fair value' is to be applied.

Leasinvest Real Estate takes into account the acquisition costs when making the appraisal ('all inclusive' appraisal, "acte en mains").

APPROPRIATION OF THE RESULT – DIVIDEND PAYMENT

The profit for appropriation from the current financial year 2004/2005 is € 13,296,830.68. Taking into account the profit brought forward from the previous financial year of € 3,988,641.75 and a withdrawal from the equity (on the reserves) of € 4,720,699.99, this results in a profit for appropriation of € 22,006,172.42.

The Board of Directors of the Statutory Manager proposes to the ordinary general meeting of shareholders to appropriate the profit of € 22,006,172.42 as follows:

- € 10,677,697.23 to be carried forward to the next year and
- € 11,328,475.19 to pay out as dividends.

The proposed dividend represents a payout ratio of 92.9% of the result for distribution (compared to 93.06% last year) and is considerably higher than the minimum 80% as imposed by the Royal Decree of 10 April 1995 on Belgian real estate closed-end funds (sicafi/bevak).

Consequently, the gross dividend is € 3.72 (compared to € 3.73 gross last year) and € 3.16 net, free of withholding tax (compared with € 3.17 net last year), amounts according to the participation in the dividends of all 3,249,221 shares⁽⁴⁾.

Subject to the approval of the ordinary general meeting, dividends will be paid out on presentation of coupon n° 6 as from 24/10/05 at branches of ING Bank, Dexia Bank, Fortis Bank and Bank Degroof.

OUTLOOK

Due to the important present debt capacity, Leasinvest Real Estate is able to look into further acquisitions. Future investments will aim at improving its financial ratios and compensate partially the dilution, resulting from the capital increase from the Montoyer 63 acquisition.

RESEARCH AND DEVELOPMENT

During the past financial year, no research and development activities were carried out, nor by the company, nor by the companies which are integrated in the consolidation scope of the company.

FINANCIAL INSTRUMENTS

Leasinvest Real Estate appraises its holdings in its statutory annual accounts at the acquisition price (for example the holding in the Square de Meeûs 5-6 NV). Trade receivables are appraised at their face value, after deduction of write-downs due to doubtful receivables or uncollectable receivables. In its consolidated figures Leasinvest Real Estate has short term investments at its disposal, which are appraised at market value. Debts are recorded at their face value.

⁴ As a result of the capital increase that took place for the acquisition of Montoyer 63, 418,850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.

Leasinvest Real Estate has no exchange rate risk. The only hedges which Leasinvest Real Estate has are interest rate hedges.

The hedging policy is aimed at protecting the interest rate risk for 80-90% of the financial debts. In view of the fact that Leasinvest Real Estate's debt financing is based on a floating interest rate, the interest rate risk is hedged by financial instruments such as spot and forward interest rate collars and interest rate swaps. The expiration dates for the interest rate hedges lie between 2008 and 2011. The fixed interest rates lie between 3.15% and 4.00%, excluding the credit margin. During the 2004/2005 financial year, the low interest rates were used to conclude two interest rate collars and to sell two previously purchased interest rate swaps.

DISCHARGE OF THE DIRECTORS AND AUDITOR

At the general shareholders' meeting the proposal was made to discharge the statutory manager and Auditor for the execution of their mandates during the financial year ending on 30/06/05.

Done at Antwerp on 18 August 2005.

Jean-Louis Appelmans
Managing Director

Baron Bertrand
Chairman



AXXES BUSINESS PARK, GHENT



REAL ESTATE REPORT



REAL ESTATE MARKET ⁽¹⁾

OFFICE INVESTMENT MARKET

The active investment market in Belgium over the last 2 years did not slow down in 2004.

An investment volume of about € 2.2 billion once again exceeded the volume in 2003. The demand for investment projects is still significantly higher than supply, which make that investors start looking outside the Leopold District for acquisition opportunities.

Although it looked as if the investment volume of € 400 million in the first half of 2005 indicated a slowdown, the market experts have determined that 2005 will be another strong investment year.

Of particular interest is the arrival of Irish real estate investors who have carried out a number of major transactions in the center of Brussels. One quarter of the investments in the first half of 2004 were carried out by Irish funds compared with 15% each by German and Belgian investors.

Because of the continuing demand, the average yields are coming under pressure and the initial yields went down by 25 base points compared to the first half of 2004. This drop is continuing not only in the upper market segments but also in the other areas of the market, for the largest part explained by the correction of the rental prices to the actual market situation, whereby the risk premiums included in the yields fall away. The better investment products are sold at below 6%, while long-term contracts of over 15 years are offered at about 5.5%.

OFFICE RENTAL MARKET

BRUSSELS

Due to the absence of some large rental contracts with the government and European institutions, the take-up in 2004 was reduced by 30% compared to 2003, from 725,000 square meters to 450,000 square meters.

Nevertheless, this take-up is in line with the average take-up over the last 5 years. The take-up of office space is directly related to the recovery in the economy, which in 2004 still had a wait-and-see attitude.

It is particularly noteworthy that there was an increase of 6% in the leasing of space under 10,000 square meters, which proves that a cautious recovery is taking place. This increased take-up is taking place mainly in the decentralised zone where lower rents attract companies away from the more expensive city center. The decentralised zone saw an increase of 30% as a result.

Also in the Ring zone around Brussels, more space was leased than in the previous year, although the oversupply of vacant space is still cause for concern. It is fortunate that the development and start up of new projects stalled somewhat so that these areas could catch their breath.

¹ Sources: Expertise, Research CBRE, King Sturge Brussels Report 2005, Jones Lang LaSalle Industrial Report 2004, Snapshots Q3-Q4 2004 & Q1-Q2 2005 van Cushman & Wakefield.

The average vacancy rate in the Brussels real estate market went up to 11%, mainly in the Central Business District and due to the completion of several major projects. In the first half of 2005, 90,000 square meters of office space was added, half of which was speculative.

At the end of 2004, 640,000 square meters will be under construction and another 480,000 square meters of firm projects will be added, which results in 10% of the market.

As a result of the high vacancy rates, the average leasing prices in 2004 decreased again. This mainly resulted in most real estate investors pursuing a more aggressive leasing policy by contributing to refurbishment costs and granting rent-free periods.

In the first half of 2005, the take-up went up again slightly, but this is mainly due to a few leases being signed with European institutions and the government.

ANTWERP

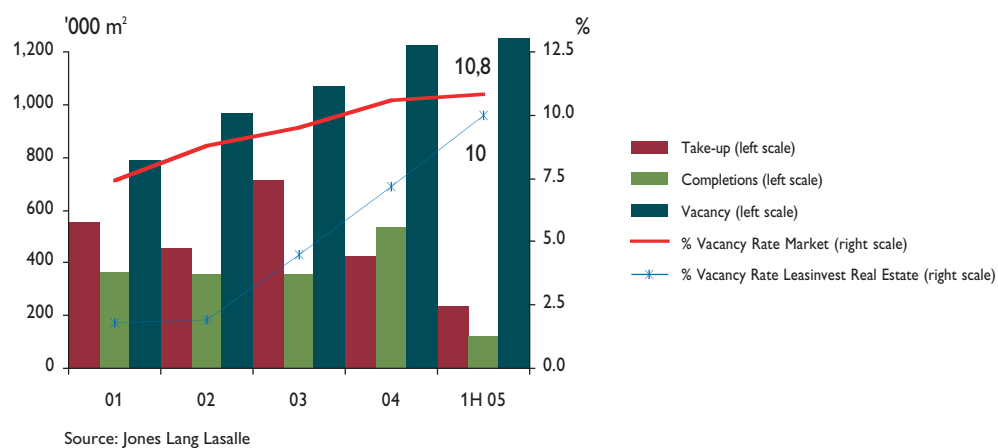
Antwerp had an office space take-up of 58,000 square meters in 2004, which was slightly lower than in 2003, which does not include leases to the City of Antwerp (21,000 square meters), and Alcatel (37,000 square meters). Mechelen had a take-up of 30,000 square meters, mostly due to 11,500 square meters leased by the Ministry of Finance, as a result of which the take-up remained the same as in 2003. The vacancy rate remained stable at around 8.5%.

GHENT

Ghent had an average take-up of 37,000 square meters in 2004, which does not include the take-up of 31,000 square meters in the Zuiderpoort by the Ministry of Finance. The start up of new projects has slowed slightly due to the uncertain economic climate.

LEASINVEST REAL ESTATE VERSUS THE MARKET

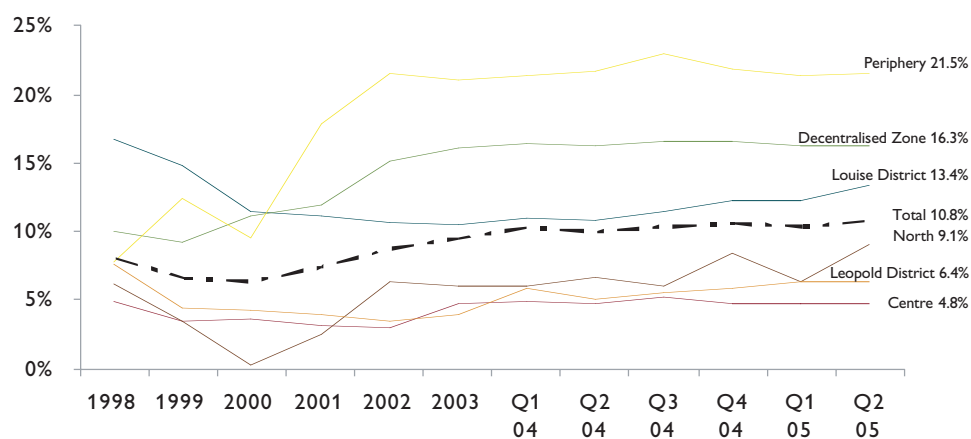
OFFICE RENTAL MARKET BRUSSELS



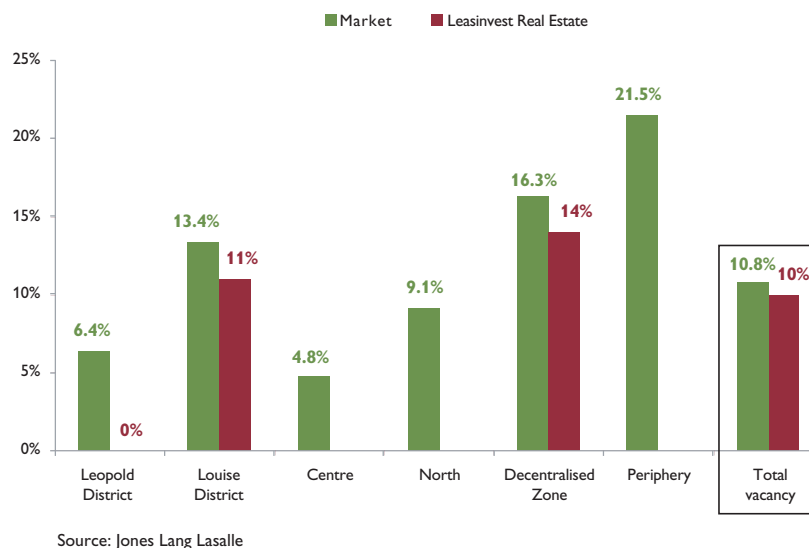
On this graph it is clearly shown that the occupancy rate of Leasinvest Real Estate has always been better than the occupancy rate of the total Brussels office market, despite the difficult rental conditions.

Leasinvest Real Estate is not present in the office market in the centre, the North District and the Periphery of Brussels.

BRUSSELS' OFFICES – VACANCY PER DISTRICT

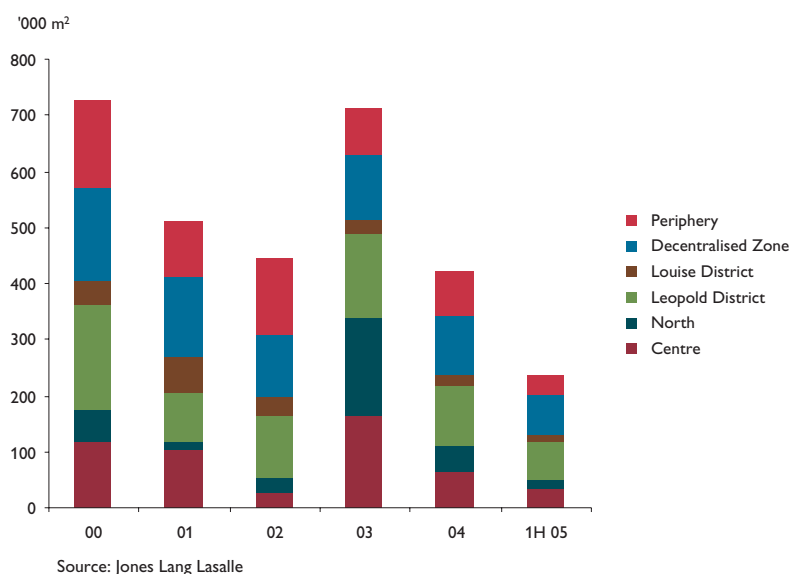


The vacancy in the periphery remains at its highest level since 2001, followed by the decentralised zone. At the end of the first semester of 2005, the total vacancy in the Brussels office market amounted to 10.8%.



The graph shown above indicates that Leasinvest Real Estate performs better than the market, in all segments where present, for the first semester of 2005.

BRUSSELS OFFICE MARKET – TAKE-UP PER DISTRICT



The most succesful year in terms of take-up for the Brussels market remains, undoubtedly, 2003. The last 2 years it has become clear that the majority of the take-up is situated in the Leopold District and the decentralised zone. In both districts Leasinvest Real Estate performs very well this year; thanks to the acquisitions of fully leased buildings in the Leopold District: Montoyer 63 and Square de Meeûs and the entire letting of the building Extensa Square I in Evere.

ROUTE DE LENNIK 451, ANDERLECHT



REAL ESTATE PORTFOLIO

**Axxes Business Park /
Guldensporenpark 22-40,
9820 Merelbeke**

Business park in a newly landscaped park alongside the E40 motorway, consisting of 7 new buildings

Year of construction 2000/01
Area rented 23,447 m²

**Riverside Business Park
Boulevard International 55, 1070 Anderlecht**

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

Year of construction 1992/96 –
partial renovation in 2005
Area rented 26,931 m²

**Route de Lennik 451,
1070 Anderlecht**

New office building in the Erasmus Science Park in Anderlecht

Year of construction 2002
Area rented 15,132 m²

**Avenue Louise 250,
1000 Brussel**

Prestige office complex consisting of 12 floors

Year of construction 1975/76, 4 of the
12 floors entirely renovated
since the end of May 2000
Area rented 11,225 m²

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

Business park in a newly landscaped park where Leasinvest Real Estate is the owner of the first office building

Year of construction 2000
Area rented 1,792 m²



Ghent

Brussel

**Avenue Louise 66,
1000 Brussels**

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

Year of construction 1974/75, renovated
in 1987, 6 floors
renovated in 2001
Area rented 3,592 m²

Prins Boudewijnlaan 7, 2550 Kontich

Distribution centre

Year of construction 1989, extended in 2000

Area rented 27,589 m²**Schranshoevebaan 18, 2160 Wommelgem**

A single office building with semi-industrial space in Wommelgem

Year of construction 1993

Area rented 2,394 m²**Vierwinden Business Park / Leuvensesteenweg 532, 1930 Zaventem**

Semi-industrial business park

Year of construction 1973, renovated in 1994 and 1998

Area rented 13,623 m²**Brixton Business Park / Brixtonlaan 1-30, 1930 Zaventem**

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

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

Area rented 36,042 m²**Extensa Square / rue Colonel Bourg 149, 153-155, 1140 Evere**

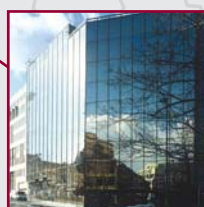
Prestige office complex consisting of 3 buildings, 2 of which are owned by Leasinvest Real Estate

Year of construction 1991 (I) / 1996 (II)

Area rented 12,218 m²**Rue Montoyer 63, 1000 Brussels**

Extremely well situated office building

Year of construction 1974, partially renovated in 2003

Area rented 6,684 m²**Square de Meeûs 5-6, 1000 Brussels⁽²⁾**

Very well situated office building

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

Area rented 5,971 m²

² This takes into account 100% of Square de Meeûs 5-6 SA following the integral consolidation of this company. Leasinvest Real Estate owns a participation of 50% + 1 in this company.

BREAKDOWN OF THE REAL ESTATE PORTFOLIO

	Investment value (€ mio)	Share in portfolio (%)	Contractual rents (€ mio/year)	Estimated rents (€ mio/year)	Yield (%)	Estimated yield (%)	Occupancy rate ⁽³⁾ (%)
OFFICES							
Square de Meeûs 5-6	15.59	5.66	1.15	1.14	7.35	7.00	100.00
Rue Montoyer 63	23.80	8.64	1.60	1.55	6.74	6.55	100.00
Avenue Louise 250	24.32	8.83	1.78	1.75	7.33	7.25	91.54
Avenue Louise 66	5.82	2.11	0.40	0.47	6.91	8.05	77.67
Riverside Business Park - Phase I, III + IV	39.85	14.47	2.15	3.10	5.39	7.40	69.50
Extensa Square	25.70	9.33	2.09	1.91	8.13	7.35	100.00
Route de Lennik, Anderlecht	28.73	10.43	2.10	2.05	7.31	7.50 ⁽⁴⁾	100.00
TOTAL OFFICES BRUSSELS	163.81	59.47	11.27	11.97	6.88	7.26	89.64
Delta Business Park	2.37	0.86	0.18	0.20	7.54	8.40	81.48
Schranshoevebaan 18, Wommelgem	2.51	0.91	0.23	0.20	9.01	8.50	100.00
TOTAL OFFICES ANTWERP	4.88	1.77	0.40	0.40	8.30	8.45	90.84
Axxes 51-003 Business Park	38.63	14.02	3.16	3.05	8.17	7.90	95.84
TOTAL OFFICES GHENT	38.63	14.02	3.16	3.05	8.17	7.90	95.84
TOTAL OFFICES	207.32	75.26	14.83	15.42	7.16	7.42	90.90
LOGISTICS							
Prins Boudewijnlaan 7	16.89	6.13	1.53	1.35	9.09	8.50	100.00
TOTAL LOGISTICS	16.89	6.13	1.53	1.35	9.09	8.50	100.00
INDUSTRIAL							
Riverside Business Park - Phase II	5.57	2.02	0.46	0.45	8.34	8.00	99.75
Brixton Business Park	17.30	6.28	1.21	1.50	7.00	8.38	71.95
Vierwinden Business Park	9.97	3.62	0.80	0.84	8.04	8.44	89.91
TOTAL INDUSTRIAL	32.84	11.92	2.48	2.79	7.54	8.34	81.86
RETAIL							
Brixton Business Park - Unit 4/5/6	18.41	6.68	0.83	2.02	4.52	7.25	100.00
TOTAL RETAIL	18.41	6.68	0.83	2.02	4.52	7.25	100.00
GENERAL TOTAL	275.46	100.00	19.68	21.59	7.14⁽⁵⁾	7.59	91.15⁽⁵⁾

INSURED VALUE OF THE REAL ESTATE PORTFOLIO

(€ mio)	Offices	Logistics	Industrial	Retail	Total
Insured value	141.23 ⁽⁶⁾	12.52	25.61	8.44	187.80

3 Occupancy rate: definition p 89.

4 Yield without leasing: for this building a real estate leasing was entered into with l'Oréal Belgilux.

5 This occupancy rate and rental yield on 30/06/05 take into account the lease of Extensa Square I as from 01/07/05 and 100% of the building Square de Meeûs. Leasinvest Real Estate owns 50% + 1 share in Square de Meeûs 5-6 SA, which is consolidated according to the integral method. Excluding the lease of Extensa Square I the rental yield on 30/06/05 amounts to 6.74%.

6 Excluding rue Montoyer 63 and Route de Lennik 451, as insured by the tenants.

VALUATION REPORT⁽⁷⁾

UPDATE AS AT THE 30 JUNE 2005 OF THE VALUATION OF THE LEASINVEST REAL ESTATE SCA PORTFOLIO

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD HEALEY & BAKER

We are pleased to report our valuation of the investment value of the portfolio of Leasinvest Real Estate SCA as at 30 June 2005.

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

Our valuation is based on the capitalisation of the estimated rental value, corrected with the net present value of the difference between current and estimated rental income, and on comparables that were available as at the date of valuation.

The values were determined taking current market parameters into account.

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

1. The portfolio consists of business parks, offices and semi-industrial buildings or distribution centres, situated in Brussels, Zaventem, Antwerp and Ghent (Merelbeke).
2. The occupancy rate of the total portfolio is 91%.
3. The average of the current rental income (+ the estimated rents on vacant space) is 0.02 % higher than the estimated rents.

For all buildings of Leasinvest Real Estate SCA, we determined an investment value, as at 30 June 2005, of € 275,460,000 (two hundred and seventy-five million four hundred sixty thousand euro).

This amount includes the buildings of the portfolio valued by the firm Winssinger & Associates.

On this basis, the initial yield is 6.74 %.

Cushman & Wakefield
Healey & Baker

⁷ The conclusions of the valuation report were taken down with the consent of Cushman & Wakefield Healey & Baker and Winssinger & Associates.

REVIEW OF THE RENTAL TRANSACTIONS

TOP 10 TENANTS

1. L'Oréal Belgilux
2. Redevco Retail Belgium
3. European Parliament
4. Federal Mogul
5. Japanese Mission
6. Mobistar
7. Electrabel Nets Flanders
8. Nashuatec
9. Agoria
10. ING Lease Belgium SA

CHANGES IN RENTAL CONTRACTS

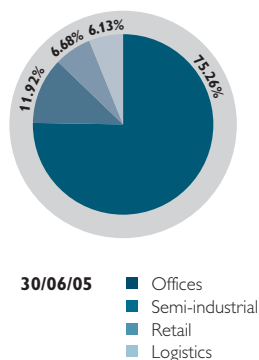
35 NEW TENANTS OR EXTENSIONS DURING THE PAST YEAR

	New (m ²)	Terminated (m ²)	Extended (m ²)	Number of contracts
BRUSSELS				
Central Business District				
Avenue Louise 66	733		251	4
Avenue Louise 250			1,926	1
Decentralised Zone				
Extensa Square	7,600	7,600		2
Riverside Business Park	3,206	4,133	3,093	7
Periphery				
Vierwinden Business Park	185		7,076	3
Brixton Business Park	432		5,336	6
ANTWERP				
Prins Boudewijnlaan			27,102	1
GHENT				
Axxes Business Park	3,058	237	3,613	11
TOTAL	15,214	11,970	48,397	35

Thanks to our dynamic commercial approach 35 new leases and/or extensions have been concluded, resulting in the fact that the occupancy rate only slightly decreased from 94.13% on 30/06/04 to 91.15% on 30/06/05 (see p 54), despite the difficult market conditions.

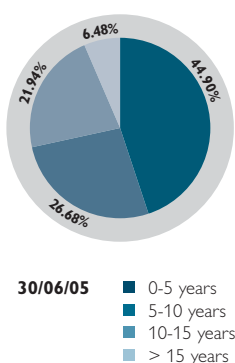
ANALYSIS OF THE REAL ESTATE PORTFOLIO ⁽⁸⁾

TYPE OF ASSETS



The major part of the Leasinvest Real Estate portfolio consists of offices, i.e. 75.26%, followed by semi-industrial (11.92%), retail (6.68%) and logistics (6.13%). The retail part is mainly situated at the Brixton Business Park in Zaventem. The logistics building is the distribution centre situated at the Prins Boudewijnlaan in Kontich.

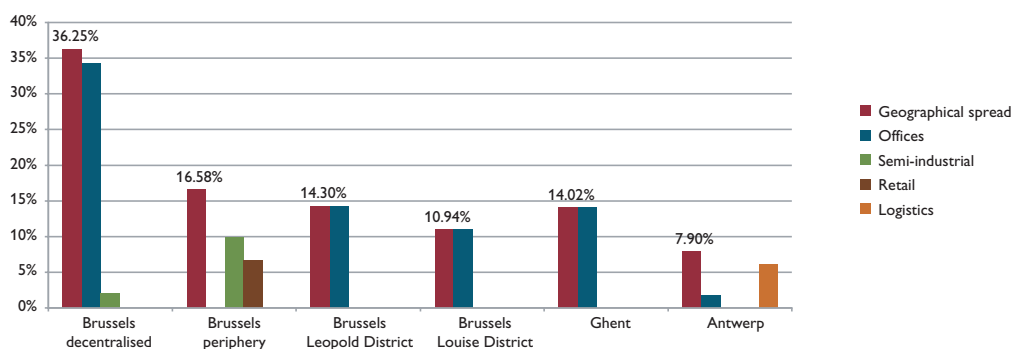
AVERAGE AGE



The real estate portfolio of Leasinvest Real Estate is a relatively young portfolio in terms of average age. 71.58% of the buildings are less than 10 years old (compared to 81.06% on 30/06/04), of which 44.90% are even less than 5 years old.

In comparison with the previous financial year (30/06/04) the part of properties of less than 5 years has increased from 28.38% to 44.90% due to the acquisition of fully renovated buildings.

TYPE OF ASSETS ACCORDING TO GEOGRAPHICAL SPREAD



At the end of the financial year Brussels accounted for 78.07% of the investments compared to 75.41% the previous financial year. This is due to the volume of the acquisitions of the past

⁸ Taking into account 100% van Square of Meeûs 5-6 SA.

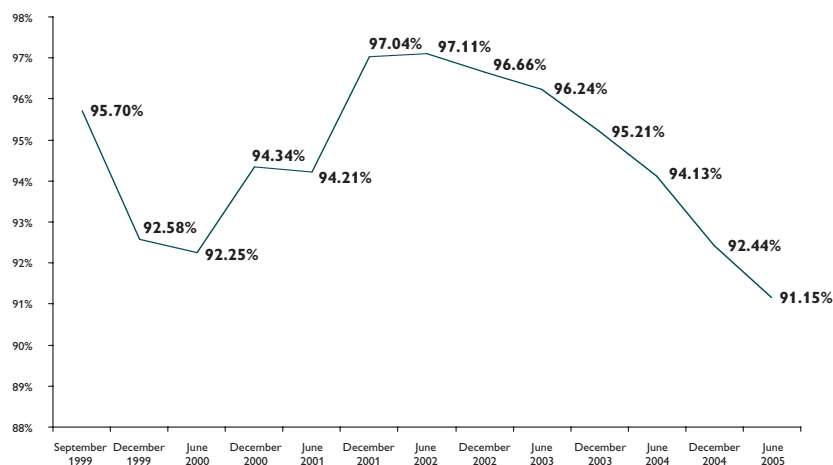
financial year, i.e. Montoyer 63 and Square de Meeûs 5-6, which were considerably higher than the divestment of the rue de Trèves.

Ghent remained almost stable: 14.02%. The part of Antwerp has further decreased due to the sale of the building Kontichsesteenweg 38A.

At the end of 2003 Antwerp still accounted for 11.45% compared to 7.90% on 30/06/05.

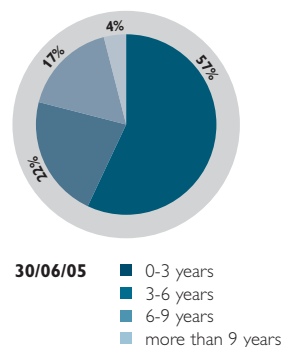
The decentralised and also the main zone consists mainly of offices with a limited semi-industrial space. The districts Ghent (Axxes Business Park), the Leopold District (Montoyer 63 and Square de Meeûs 5-6) and the Louise District also consist mainly of office buildings. The semi-industrial spaces and the logistics buildings are mainly situated in the periphery of Brussels and Antwerp. The retail part is also situated in the periphery of Brussels (Brixton Business Park in Zaventem).

OCCUPANCY RATE ⁽⁹⁾



Since the financial year 30/06/00, the occupancy rate has risen sharply and continuously from 92.25% per 30/06/00 to 97.11% per 30/06/02. The acquisitions of fully let buildings and intensive renovation investments in general were responsible for this positive evolution. Due to the difficult rental market the occupancy has since gradually decreased. During the past financial year the occupancy rate decreased from 94.13% to 91.15%.

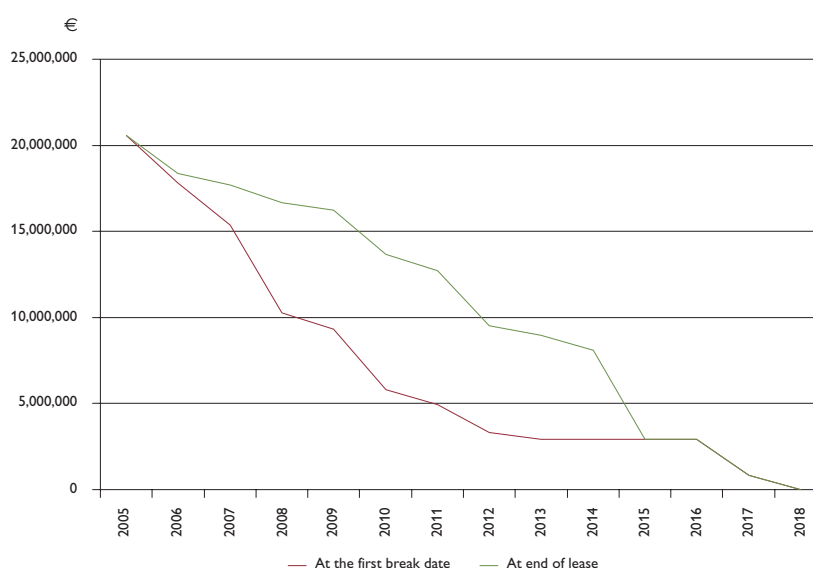
REMAINING LEASE TERMS AND CONTRACTUALLY GUARANTEED RENTAL INCOME



The graph is based on the first brake date of the current leases and on the contractual rents. The part of the leases with a remaining term of less than 3 years fell from 59% on 30/06/04 to 57% on 30/06/05, which indicates that a pro-active commercial approach keeps the remaining term of the leases at its level.

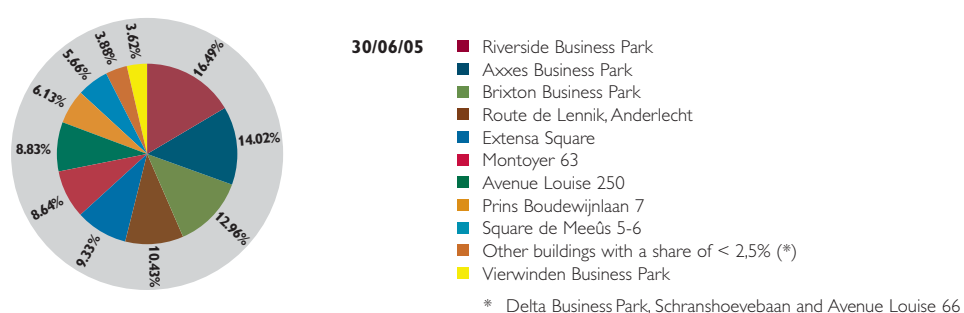
⁹ Occupancy rate: definition p 89.

The strategy aims at discussing the extension of the leases with the tenants minimum one and a half year before the break date. Due to the sale of the long term lease receivables for 27 years (rue de Trèves 74, Committee of the Regions) the number of contracts with a duration of more than 9 years fell from 13% to 4%.



The enclosed graph shows the rental income of the current portfolio guaranteed until the first break date on the one hand and guaranteed until the end, on the other hand.

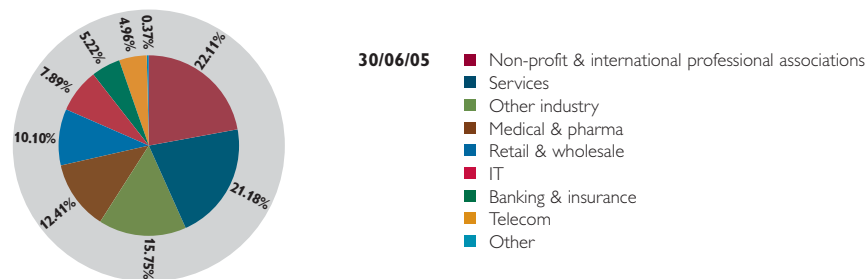
SPREAD OF INVESTMENT VALUE PER SITE



The top 3 investments in terms of investment value on 30/06/05 are the Riverside Business Park in Anderlecht, the Axxes Business Park in Merelbeke (Ghent) and the Brixton Business Park in Zaventem. Together these buildings represent 43.48% of the portfolio. The main changes of the financial year are related to the acquisitions of Montoyer 63 and Square de Meeûs 5-6, and the sale of the long term lease receivables for the building rue de Trèves.

The strategy to divest older and smaller buildings has been continued during the financial year. As a consequence, the part of smaller buildings, with an investment value of less than 2.5%, has further decreased from 7.51% at the end of the financial year 2003, over 4.90% on 30/06/04 to 3.88% on 30/06/05.

TYPE OF TENANTS



The composition of the portfolio of Leasinvest Real Estate, in terms of spread of the rental income across different business sectors, has substantially changed compared to the previous financial year. The two main segments are non-profit organisations and international professional associations, representing 22.11%. The previous financial year this was only 8.90%. This increase is mainly due to the acquisition of Montoyer 63 and Square de Meeûs 5-6. The services sector remains an important part of the portfolio (21.18%). Tenants active in the telecom sector accounted for 13.70% of the portfolio on 30/06/04; on 30/06/05 this part fell to 4.96%.

TECHNICAL MANAGEMENT OF THE BUILDINGS

The real estate management of Leasinvest Real Estate is carried out by Bopro Real Estate Services SPRL. The management contract runs until 31 December 2005. After that, the management contract can be terminated with effect from 1 January of each year, provided that six months' notice is given. The normal property management consists of administrative, financial and technical activities. As long as the management contract is still in force, the manager can be charged with carrying out project management tasks.

The administrative and financial management consists of:

- Verification of compliance with the leases and the internal regulations.
- Updating rental tenancy schedules.
- Calculating, requesting and monitoring the payments of rents due and each tenant's share of common charges, property tax and insurance premiums and drawing up the annual final accounts of rent and charges, and if necessary, charging against the rental guarantees provided.
- Calculating and monitoring the establishment and updating of rental guarantees.
- Management of any overdue rent and charges.

- Arranging for reports on the state of the premises to be drawn up and monitoring them at the start and end of leases; recovery of any damage recorded from the tenant or the party liable.
- Managing the insurance portfolio.

The technical management implies:

- Regular inspection of the buildings with a view to maintaining 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.

For its normal management assignment, Bopro Real Estate Services receives 3% (excluding 21% VAT) of the rents of the buildings managed by them. For unlet premises, a management fee of 1.5% excluding 21% VAT is charged. This fee is included in the rental charges paid by the tenants. Extra performances and/or services that are not included in the normal management may be charged by the real estate manager based on the scales produced by the Professional Institution. Leasinvest Real Estate has paid a remuneration of € 57,360.33 to Bopro Real Estate Services during the past financial year.

Bopro Real Estate Services SPRL (company number BE 0455.502.892, company under Belgian law) is directed by its two managers, Peter Garré and Philip Borremans and is a 100% subsidiary of Bopro SA.

Bopro Real Estate Services SPRL is not subject to the supervision of an official instance.

Since its foundation on 21/06/95 the company has been active as a real estate manager:

The registered and administrative offices are situated at Zandvoortstraat C27/20, 2800 Mechelen.

FINANCIAL STATEMENTS



CONSOLIDATED ACCOUNTS ⁽¹⁾

CONSOLIDATION SCOPE

The company mentioned below, controlled by Leasinvest Real Estate, is consolidated through the integral method.

Name and address of the registered office of the subsidiary	Applied method	Part of capital (in %)
Square de Meeûs 5-6 NV, Avenue de Tervueren 72 - 1040 Brussels, BE 866.486.251	Integral	50.07%

BALANCE SHEET

(x € 1,000)		consolidated 30/6/2005	statutory 30/6/2004	consolidated 30/6/2003
ASSETS				
FIXED ASSETS	20/28	276,211	258,161	266,079
III. Tangible assets	22/27	275,532	257,488	266,079
A. Land and buildings	22	275,460	257,488	266,079
B. Installations, machines and equipment	23	67		
C. Furniture and vehicles	24	5		
IV. Financial assets	28	679	673	
C. Other financial assets	285/8	679	673	
CURRENT ASSETS	29/58	5,665	9,443	8,972
V. Amounts receivable after 1 year	29	190	78	131
B. Other amounts receivable	291	190	78	131
VII. Amounts receivable within 1 year	40/41	2,812	2,519	3,501
A. Trade debtors	40	2,356	2,414	3,369
B. Other amounts receivable	41	456	105	132
VIII. Investments	50/53	1,817	4,600	179
B. Other investments	51/53	1,817	4,600	179
IX. Cash at bank and in hand	54/58	169	1,856	5,021
X. Deferred charges and accrued income	490/1	677	390	140
TOTAL ASSETS	20/58	281,876	267,604	275,051
LIABILITIES				
EQUITY	10/15	176,766	148,945	151,287
I. Capital	10	35,729	31,123	31,123
A. Issued capital	100	35,729	31,123	31,123
II. Share premium account	11	31,280	12,065	12,065
IV. Reserves	13	109,757	101,768	108,099
V. Profit carried forward	140		3,989	
MINORITY INTERESTS		8,160		
PROVISIONS AND DEFERRED TAXATION	16		3,573	4,173
VII. A. Provisions for liabilities and charges	160/5		3,573	4,173
CREDITORS	17/49	96,950	115,086	119,591
VIII. Amounts payable after 1 year	17	29,800	41,550	41,550
A. Financial debts	170/4	29,800	41,550	
IX. Amounts payable within 1 year	42/48	61,060	67,592	114,078
B. Financial debts	43	42,697	50,137	98,180
1. Credit institutions	430/8	300		16,574
2. Other loans	439	42,397	50,137	81,606
C. Trade debts	44	4,054	2,473	3,207
D. Advanced payments on orders	46			57
E. Taxes, remuneration and social security	45	1,439	2,732	158
F. Other amounts payable	47/48	12,870	12,250	12,476
X. Accrued charges and deferred income	492/3	6,090	5,944	5,513
TOTAL LIABILITIES	10/49	281,876	267,604	275,051

1 The annual brochures, which comprise the statutory and consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2002/2003 and 2003/2004 and the semester reports including the report of the auditor for the financial years 2002/2003, 2003/2004 and 2004/2005, can be consulted on the Leasinvest Real Estate website (www.leasinvest-realestate.com - investors – financial reports). The annual brochure for the financial year 2004/2005 can also be consulted on the Euronext website (www.euronext.com).

PROFIT AND LOSS ACCOUNT

(x € 1,000)		consolidated 30/6/2005	statutory 30/6/2004	consolidated 30/6/2003
A. NET CURRENT RESULT				
I. Operating income	70/74	22,942	22,689	23,954
A. Turnover	70	19,760	20,399	20,872
C. Other operating income	74	3,182	2,290	3,082
II. Operating charges (-)	60/64	-5,835	-7,262	-7,007
A. Services and other goods	61	-5,529	-3,691	-2,797
C. Amortizations	630	-22		
D. Depreciation on trade debtors	634	-18	-184	-37
E. Provisions for liabilities and charges	635/7	2,838	-1,031	-1,439
F. Other operating charges	640/8	-3,104	-2,356	-2,734
III. Operating result	70/64	17,107	15,427	16,947
IV. Financial income	75	1,825	1,384	1,364
A. Income from financial fixed assets	750	7	20	
B. Income from current assets	751	125	105	84
C. Other financial income	752/9	1,693	1,259	1,280
V. Financial charges (-)	65	-6,568	-5,117	-5,427
A. Interest payable	650	-2,739	-2,629	-3,577
B. Losses on other current assets than mentioned sub sub. II.D.	651		-36	
C. Other financial charges	652/9	-3,829	-2,452	-1,850
VI. Taxation	67/77	304	-209	-142
A. Taxation	670/3	-430	-263	-142
B. Regularisation of taxation and withdrawal from provision for taxation	77	734	54	
VII. Net current profit		12,668	11,485	12,742
B. PORTFOLIO RESULT				
VIII. Gain or loss on disposal of elements of the portfolio (compared with the acquisition value) (+) (-)		5,847	-140	109
A. Property				
Gains		9,431		109
Losses		-3,584	-140	
VIIIbis. Reversal of changes in market value previously recorded on elements of the portfolio disposed of				-84
Gains – withdrawal from non-distributable reserves (-)				-84
IX. Change in market value of elements of the portfolio		-2,516	-3,000	-2,702
A. Property in portfolio at the end of the year		2,205	-2,793	-2,702
Gains		6,875	5,496	2,548
Losses		-4,670	-8,289	-5,250
C. Reversal of changes in market value previously recorded on elements of the portfolio disposed of during the financial year ⁽²⁾		-4,721	-207	
Gains – withdrawal from non-distributable reserves (-)		-4,721	-315	
Losses – transfer to the non-distributable reserves (+)			108	
XI. Portfolio profit		3,331		
Portfolio loss (-)			-3,140	-2,677
C. EXTRAORDINARY RESULT				
XII. Extraordinary income				7
B. Other extraordinary income	764/9			7
XIV. Extraordinary profit				7
Extraordinary loss (-)				
D. RESULT FOR APPROPRIATION				
XV. Profit for the financial year		15,999	8,345	10,072
A. Minority interests		670		
B. Part of the group		15,329		

NOTES TO THE ANNUAL ACCOUNTS (amounts in € 1,000)

IX. STATEMENT OF TANGIBLE FIXED ASSETS

	1. Land and buildings	2. Installations, machines and equipment	3. Furniture and vehicles
A. ACQUISITION VALUE			
At the end of the previous financial year	124,373		
Changes during the financial year:			
- Acquisition value including fixed assets produced	40,855	88	6
- Transfers and taken out of service (-)	-18,103		
At the end of the financial year	147,126	88	6
B. GAINS			
At the end of the previous financial year	133,115		
Changes during the financial year:			
- Recorded	2,205		
- Written off (-)	-6,985		
At the end of the financial year	128,334		
C. AMORTIZATIONS AND DEPRECIATIONS			
At the end of the previous financial year			
Changes during the financial year:			
- Recorded		-21	-1
at the end of the financial year		-21	-1
D. NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	275,460	67	5

X. STATEMENT OF THE FINANCIAL FIXED ASSETS

	Other companies
2. AMOUNTS RECEIVABLE	
NET BOOK VALUE AT THE END OF THE PREVIOUS FINANCIAL YEAR	
Changes during the financial year:	
- Additions	679
NET BOOK VALUE AT THE END OF THE FINANCIAL YEAR	679

XI. STATEMENT OF CONSOLIDATED RESERVES

Consolidated reserves at the end of the previous financial year (+) (-)	105,756
Changes during the financial year	
- Share of the group in the consolidated result (+) (-)	15,329
- Distributable dividend Leasinvest Real Estate SCA	-11,328
Consolidated reserves at the end of the financial year (+) (-)	109,757

XIII. STATEMENT OF DEBTS

	More than 1 year but within 5 years
A. Breakdown of debts, having an initial term of more than one year; according to their residual value	
Financial debts	
4. Credit institutions	29,800
TOTAL	29,800

XIV. RESULTS

	30/6/2005
A. NET TURNOVER	
2. Total turnover of the group in Belgium	22,942
D. TAXES	
Leasinvest Real Estate applies since 1/7/1999 the fiscal regime used by real estate funds (sicafis/bevaks) under belgian law, based on which, corporate taxes are only applicable on disallowed expenses and, eventually, on abnormal and benevolent advantages. Rents received and realised gains are exempt of this tax.	
The subsidiary of Leasinvest Real Estate remains subject to the normal regime of corporate taxes.	

NOTES TO THE ANNUAL ACCOUNTS (CONTINUED) (amounts in € 1,000)

XV. RIGHTS AND LIABILITIES NOT RECORDED IN THE BALANCE SHEET

- In order to limit the risks of a rise in floating interest rates, Leasinvest Real Estate has partly hedged its loans by purchasing:
 - * a collar (purchase of CAP agreement at 3.50% and sale Floor agreement at 1.70%) from 30/6/2005 to 30/6/2010
 - * a collar (purchase of CAP agreement at 4.00% and sale Floor agreement at 2.00%) from 17/7/2008 to 18/7/2011
 - * an Interest Rate Swap at a fixed interest rate of 3.15% per year till 17/7/2008
 - * an Interest Rate Swap at a fixed interest rate of 3.375% per year till 21/1/2009
- the company has credit lines for a total amount of € 150 million.
- Within the framework of the long term lease agreement concerning the building L'Oréal situated Erasmus Science Park in Anderlecht, Leasinvest Real Estate has issued a bank guarantee for an amount of € 38,000 on behalf of the Brussels Regional Development Agency.
- The renovation of the building rue de Trèves 74 has been completed. A bank guarantee issued by Leasinvest Real Estate on behalf of the Committee of the Regions remains valid for a total amount of € 1.1 million until the final acceptance.

XVII. FINANCIAL RELATIONS WITH THE STATUTORY MANAGER OF THE CONSOLIDATING COMPANY

- | | |
|--|-------|
| A. Total amount of remuneration paid for its activities in the consolidating company,
its subsidiaries and affiliated companies to the statutory manager: | 1,155 |
|--|-------|

PRESENTATION OF THE ANNUAL ACCOUNTS

Under the derogation granted by the Federal Public Service of Economy, SME's, Self-employed and Energy on 9 February 2004, on the basis of a favourable opinion from the Accounting Standards Committee, the profit and loss account was adapted to the specific features of the real estate funds (sicafi). This derogation was granted for the 2002, 2003 and 2004 financial years⁽³⁾. The question about derogation for the subsequent financial years was submitted to the Federal Government Department for Economics, and the Commission for Accounting Standards.

OBJECT OF DEROGATION

In order to reflect the specific business activity of the sicafi, the results were split as follows:

- A. The net current result, which comprises the operating income and costs relating to the management of the assets, the financial results and taxes.
- B. The results on the portfolio, which mainly reflect variations in the portfolio as a result of:
 - the realisation of elements 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 for the incorporation in the results, 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 mentioned above, in the presentation of the annual accounts, items XVI A and B have been added – “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, taking into consideration the accounting principles and the provisions of the Royal Decree are as follows:

PROVISIONS

The company makes provisions for maintenance and renovation costs, to maintain the quality of the buildings or if possible, improve it.

TANGIBLE FIXED ASSETS

The tangible fixed assets are valued on purchase at their acquisition cost including additional charges and non-deductible VAT. Notwithstanding the obligation contained in Article 7 of the Law of 17 July 1975 on bookkeeping (amended to Article 8 by the Law of 7 May 1999) and the Royal Decree of 30 January 2001 with regard to the annual accounts of companies to produce an inventory at least once a year; the real estate fund, pursuant to Articles 55 to 61 of the Royal Decree of 10 April 1995 with regard to real estate funds, draws up an inventory on 30 June each year; and whenever it issues shares or buys them back other than on the stock market.

A real estate valuer values the following elements of the fixed assets in a precise manner at the end of each financial year:

- the real estate, the real estate immovable by its intended purpose, and the rights in rem to real estate that are held by the real estate fund or, if the case should arise, by a real estate company under its control;
- option rights held to real estate by the real estate fund or, if the case arises, by a real estate company under its control, and the real estate to which these rights refer;

3 This derogation has again been applied for; for 2005. Leasinvest Real Estate expects to be granted the same derogation for the current financial year.

- rights from contracts where the real estate fund or, if the case should arise, a real estate company under its control, takes one or more properties under real estate leasing, and the underlying property.

These valuations are binding on the real estate fund with regard to the drawing up 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 owned by the real estate fund and, if appropriate, of the companies under its control, based on market developments and the specific features of the real estate concerned. The real estate is therefore shown in the annual accounts at the value estimated by a real estate valuer known as "investment value"⁽⁴⁾, i.e. including charges, registration duties and fees which is dictated by the going concern principle of the real estate fund, unless the Board of Directors adopts a different valuation method.

By derogation from Articles 27bis §3, 28 §3 and 34, first paragraph of the Royal Decree of 8 October 1976 with regard to the annual accounts of companies (amended by Articles 73, 61 §2/ 64 §2 and 57 §1 first clause respectively of the Royal Decree of 30 January 2001), pursuant to Article 57 §1 of the Royal Decree of 10 April 1995 with regard to real estate funds, reductions in value and revaluation surpluses on real estate are recorded, as established by the valuer and approved by the Board of Directors. By derogation from Articles 28 §2 and 30 of the Royal Decree of 8 October 1976 with regard to the annual accounts of companies (amended by Articles 61 §1/ 64 §1 and 65 respectively of the Royal Decree of 30 January 2001), pursuant to article 60 of the Royal Decree of 10 April 1995 with regard to real estate funds, the sicafi does not allow for any depreciation on components of the fixed assets described above, and which an expert values at the end of each financial year. The costs of maintenance and major repairs are charged against the accounts for the financial year to which they relate or are deducted from the provisions made for this purpose.

The tangible fixed assets, other than real estate, whose use is limited in time, are valued at their acquisition value, minus the depreciation allowed on the basis of their anticipated working life.

For tangible assets that are not real estate and whose use is not limited in time, reductions in value are entered in the event of a lasting reduction in value. These may be revalued. At the time when tangible fixed assets other than real estate are sold or taken out of service the acquisition values and depreciations relating to them are removed from the accounts and capital gains or losses are entered into the profit and loss account. Work on buildings which is payable by the owner, is treated in two different ways from the accounting viewpoint depending on its nature.

Expenditure concerning maintenance and repair work which adds no additional functions and does not raise the level of comfort of the building, is treated as a cost from the ordinary business activities for the financial year, and is therefore deducted from the net current result. Example: renovation of a roof.

On the other hand, the cost of two types of work are shown as assets (capitalised) on the balance sheet:

- major renovations: this concerns renovations which are normally carried out every 25 to 35 years, and consist of virtually a complete re-construction of the building often re-using the existing carcass of the building and applying the very latest construction techniques. After the major renovation, the building is considered as new, and can be included as such in presentations of the portfolio.
- alterations: this concerns occasional work that will add functions to the building or raise the level of comfort considerably, so allowing an increase in the rent, and consequently of the estimated rental value. The cost of such work is also shown on the assets side of the balance sheet since and to the extent that the valuer usually grants a corresponding increase in the value of the building. Example: installation of a climate control system.

4 This corresponds with the method indicated on page 51 of this annual report.

FINANCIAL FIXED ASSETS

Financial fixed assets are valued on the basis of their market value. On purchase the financial fixed assets are valued at their acquisition cost, without taking account of additional charges. The Board of Directors shall decide whether the additional charges will be capitalised and in that case, over what period they should be depreciated.

By derogation from Articles 29 §2, first clause and 34, first paragraph of the Royal Decree of 8 October 1976 with regard to the annual accounts of companies (amended by Articles 66 §2 and 57 §1 first clause respectively of the Royal Decree of 30 January 2001), pursuant to Article 57 §2 of the Royal Decree of 10 April 1995 with regard to real estate funds, reductions in value and revaluation surpluses on financial fixed assets held in associated real estate companies and real estate investment institutions are entered in the accounts whenever the inventory is drawn up.

Articles 10 and 14, §1 of the Royal Decree of 8 March 1994 on the bookkeeping and annual accounts of companies pursuant to Article 61 of the Royal Decree of 10 April 1995 with regard to real estate funds, certain institutions for collective investment and with a variable number of rights of participation apply to the valuation of the financial fixed assets held in associated real estate companies and real estate investment institutions.

AMOUNTS RECEIVABLE

The amounts receivable after one year and within one year are valued at their nominal value, after deduction of reductions 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 sicafi may have to face.

DEBTS

Debts are valued at their nominal value.

ACCRUED CHARGES - DEFERRED INCOME

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

STATUTORY AUDITOR'S REPORT

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2005 TO THE SHAREHOLDERS' MEETING
OF LEASINVEST REAL ESTATE SCA

In accordance with legal and regulatory requirements, we are pleased to report to you on the performance of the audit mandate which you have entrusted to us.

We have audited the consolidated financial statements as of and for the year ended 30 June 2005, which have been prepared under the responsibility of the Board of Directors and which show a balance sheet total of € 281,876 thousands and a profit for the year of € 15,329 thousands (part of the group). We have also examined the consolidated Directors' report.

Unqualified audit opinion on the consolidated financial statements

We conducted our audit in accordance with the standards of the "Institut des Réviseurs d'Entreprises/Instituut der Bedrijfsrevisoren". Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, taking into account the legal and regulatory requirements applicable to consolidated financial statements in Belgium.

In accordance with those standards, we considered the group's administrative and accounting organisation, as well as its internal control procedures. We have obtained explanations and information required for our audit. We examined, on a test basis, evidence supporting the amounts in the consolidated financial statements. We have assessed the validity of the accounting principles, the consolidation policies and significant accounting estimates made by the company, as well as the overall presentation of the consolidated financial statements. We believe that those procedures provide a reasonable basis for our opinion.

In our opinion, based on our audit, the consolidated financial statements give a true and fair view of the group's assets, liabilities and consolidated financial position as of 30 June 2005 and the consolidated results of the operations for the year then ended, in accordance with the legal and regulatory requirements applicable in Belgium and the information given in the notes to the consolidated financial statements is adequate.

Additional certification

The Directors' report contains the information required by law and is consistent with the consolidated financial statements.

Brussels, 26 September 2005

Ernst & Young Réviseurs d'Entreprises SCC (B 160)
represented by

Danielle Vermaelen
Partner

SUMMARISED STATUTORY ACCOUNTS ⁽⁵⁾

BALANCE SHEET

(x € 1,000)		statutory 30/6/2005	statutory 30/6/2004	statutory 30/6/2003
ASSETS				
FIXED ASSETS	20/28	268,132	258,161	280,571
III. Tangible assets	22/27	259,942	257,488	221,309
A. Land and buildings	22	259,870	257,488	221,309
B. Installations, machines and equipment	23	67		
C. Furniture and vehicles	24	5		
IV. Financial assets	28	8,190	673	59,262
A. Associated companies	280/1	7,512		59,262
C. Other financial assets	285/8	679	673	
CURRENT ASSETS	29/58	3,734	9,443	8,745
V. Amounts receivable after 1 year	29	190	78	131
B. Other amounts receivable	291	190	78	131
VII. Amounts receivable within 1 year	40/41	2,789	2,519	3,282
A. Trade debtors	40	2,340	2,414	3,217
B. Other amounts receivable	41	449	105	65
VIII. Investments	50/53		4,600	179
B. Other investments	51/53		4,600	179
IX. Cash at bank and in hand	54/58	111	1,856	5,021
X. Deferred charges and accrued income	490/1	643	390	132
TOTAL ASSETS	20/58	271,866	267,604	289,316
LIABILITIES				
EQUITY	10/15	176,094	148,945	149,987
I. Capital	10	35,729	31,123	31,123
A. Issued capital	100	35,729	31,123	31,123
II. Share premium account	11	31,280	12,065	12,065
IV. Reserves	13	98,408	101,768	103,598
A. Legal reserves	130	602	602	602
B. Non-distributable reserves	131	84,372	90,903	96,197
D. Available reserves	133	13,434	10,263	6,799
V. Profit carried forward	140	10,678	3,989	3,201
PROVISIONS AND DEFERRED TAXATION	16		3,573	946
VII. A. Provisions for liabilities and charges	160/5		3,573	946
CREDITORS	17/49	95,772	115,086	138,383
VIII. Amounts payable after 1 year	17	29,800	41,550	
A. Financial debts	170/4	29,800	41,550	
IX. Amounts payable within 1 year	42/48	60,939	67,592	133,485
B. Financial debts	43	42,697	50,137	98,180
1. Credit institutions	430/8	300		16,574
2. Other loans	439	42,397	50,137	81,606
C. Trade debts	44	4,041	2,473	1,730
D. Advanced payments on orders	46			57
E. Taxes, remuneration and social security	45	1,331	2,732	48
F. Other amounts payable	47/48	12,870	12,250	33,470
X. Accrued charges and deferred income	492/3	5,033	5,944	4,898
TOTAL LIABILITIES	10/49	271,866	267,604	289,316

5 The annual brochures, which comprise the statutory and consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2002/2003 and 2003/2004 and the semester reports including the report of the auditor for the financial years 2002/2003, 2003/2004 and 2004/2005, can be consulted on the Leasinvest Real Estate website (www.leasinvest-realestate.com - investors - financial reports). The annual brochure for the financial year 2004/2005 can also be consulted on the Euronext website (www.euronext.com).

PROFIT AND LOSS ACCOUNT

(x € 1,000)		statutory 30/6/2005	statutory 30/6/2004	statutory 30/6/2003
A. NET CURRENT RESULT				
I. Operating income	70/74	21,887	22,689	20,219
A. Turnover	70	19,066	20,399	17,526
C. Other operating income	74	2,821	2,290	2,693
II. Operating charges (-)	60/64	-5,432	-7,262	-5,537
A. Services and other goods	61	-5,488	-3,691	-2,541
C. Amortizations	630	-22		
D. Depreciation on trade debtors	634	-18	-184	-37
E. Provisions for liabilities and charges	635/7	2,838	-1,031	-620
F. Other operating charges	640/8	-2,743	-2,356	-2,339
III. Operating result	70/64	16,455	15,427	14,682
IV. Financial income	75	1,816	1,384	3,437
A. Income from financial fixed assets	750	7	20	1,907
B. Income from current assets	751	116	105	251
C. Other financial income	752/9	1,694	1,259	1,279
V. Financial charges (-)	65	-6,568	-5,117	-5,670
A. Interest payable	650	-2,739	-2,629	-3,821
B. Losses on other current assets than mentioned sub sub. II.D.	651		-36	
C. Other financial charges	652/9	-3,829	-2,452	-1,849
VI. Taxation	67/77	468	-209	-9
A. Taxation	670/3	-266	-263	-9
B. Regularisation of taxation and withdrawal from provision for taxation	77	734	54	
VII. Net current profit		12,171	11,485	12,440
B. PORTFOLIO RESULT				
VIII. Gain or loss on disposal of elements of the portfolio (compared with the acquisition value) (+) (-)		5,847	-140	109
A. Property				
Gains		9,431		109
Losses		-3,585	-140	
VIIIbis. Reversal of changes in market value previously recorded on elements of the portfolio disposed of				-84
Gains – withdrawal from non-distributable reserves (-)				-84
IX. Change in market value of elements of the portfolio	743/643	-3,360	-3,000	-2,285
A. Property in portfolio at the end of the year		1,361	-2,793	-2,285
Gains	74300	6,031	5,496	2,548
Losses	64300	-4,670	-8,289	-4,833
C. Reversal of changes in market value previously recorded on elements of the portfolio disposed of during the financial year ⁽⁶⁾		-4,721	-207	
Gains – withdrawal from non-distributable reserves (-)		-4,721	-315	
Losses – transfer to the non-distributable reserves (+)			108	
XI. Portfolio profit		2,487		
Portfolio loss (-)			-3,140	-2,260
D. RESULT FOR APPROPRIATION				
XV. Profit for the financial year		14,658	8,345	10,180
XVI. Appropriation of the change in market value of the portfolio				
A. Transfer to the non-distributable reserves (-)		-1,361		
B. Withdrawal from the non-distributable reserves (+) (provided that they are still positive)			3,000	2,285
XVII. Profit for the financial year for appropriation		13,297	11,345	12,465
APPROPRIATION OF THE RESULT				
A. Profit balance for appropriation		17,285	14,546	14,721
1. Profit (loss (-)) for the financial year for appropriation		13,297	11,345	12,465
2. Profit (loss (-)) brought forward from the last financial year		3,989	3,201	2,256
B. Withdrawal from the equity	791/2	4,721		84
2. From the reserves	792	4,721		84
D. Result to be carried forward	693	-10,678	-3,989	-3,201
1. Profit to be carried forward (-)	693	-10,678	-3,989	-3,201
F. Distributable profit (-)	694/6	-11,328	-10,557	-11,604
1. Dividends	694	-11,328	-10,557	-11,604

NOTES (amounts in € 1,000)

VIII. STATUS OF THE CAPITAL

	Amounts	Number of shares ⁽⁷⁾
A. AUTHORISED CAPITAL		
1. Subscribed capital (heading 100 of the liabilities side)		
- At the end of the previous financial year	31,123	2,830,371
- changes during the financial year:		
capital increase	4,606	418,850
- At the end of the financial year	35,729	3,249,221
2. Composition of the capital		
2.1. Sorts of shares		
Shares without nominal value	35,729	3,249,221
2.2. Registered or bearer shares		
Registered		1,574,275
Bearer		1,674,946
E. AUTHORISED, NON-SUBSCRIBED CAPITAL	31,123	

STATUTORY AUDITOR'S REPORT ⁽⁸⁾

The auditor has made an unqualified report on the statutory annual accounts of Leasinvest Real Estate on 30/06/05, parallel to his statement on the consolidated annual accounts.

⁷ All shares of Leasinvest Real Estate are completely paid-in.

⁸ The integral statutory figures, the notes and the report of the auditor for the financial year 2004/2005, which are filed with the National Bank of Belgium, can be obtained, on simple demand and free of charge, at the administrative office of the company and can be consulted on the website (www.leasinvest-realestate).



LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE



FINANCIAL CALENDAR

Financial calendar (financial year 2004/2005)

General Meeting	17/10/2005
Analysts' meeting about annual results	17/10/2005
Dividend payable from	24/10/2005

Financial calendar (financial year 2005/2006)

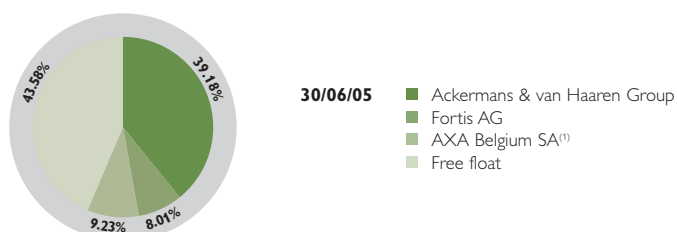
Trading update Q1 (30/09/2005)	25/11/2005
Announcement of half-year results (31/12/2005)	24/02/2006
Trading update Q3 (31/03/2006)	19/05/2006
Announcement of annual results (30/06/2006)	25/08/2006
General Meeting	16/10/2006
Analysts' meeting about annual results	16/10/2006
Dividend payable from	23/10/2006

SHAREHOLDERS

NUMBER OF LISTED SHARES (2,830,371)



NUMBER OF ISSUED SHARES (3,249,221)



1 For more information on the investment agreement with AXA: see p 32.

STATUS OF THE CAPITAL

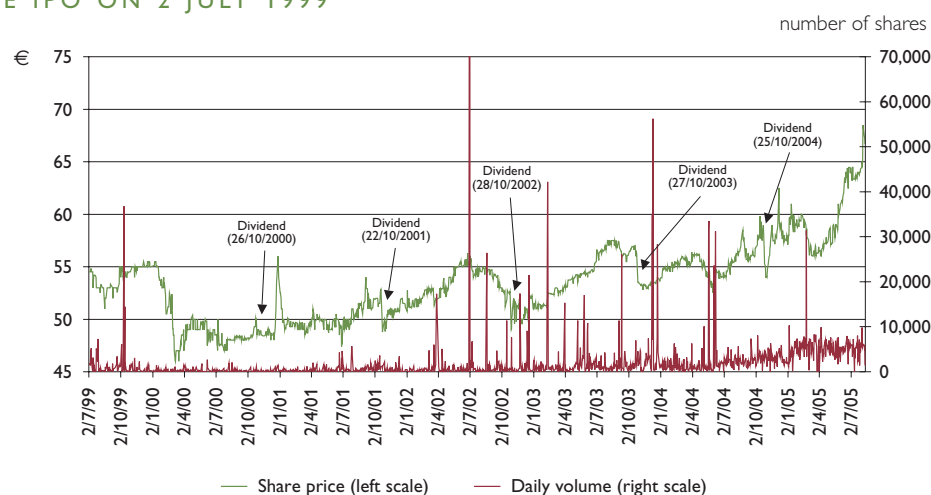
	Issued capital (in € 1,000)	Number of shares
Initial capital Brixton Zaventem	2,922	61,250
New number of shares		864,808
Buy-back of own shares and cancellation of bought-back shares		-24,603
Bringing-in of "Extensa buildings"	2,788	727,818
Bringing-in of Vierwinden Business Park	9,370	191,574
Total before public offering	15,080	1,759,597
Capital increase	20,334	370,851
Merger with Brixton Louise	7,561	394,672
Merger with Kapex		4
Reduction of the capital	-15,209	
Capital after public offering	27,765	2,525,124
Bringing-in of D4 and D5 of the Axxes Business Park	2,206	200,500
Bringing-in of D2 of the Axxes Business Park	1,152	104,742
Merger with Brussimmo		2
Merger with Ekiport		3
Issued capital on 30/06/04	31,123	2,830,371
Partial splitting-up (Montoyer 63)	4,606	418,850
Issued capital on 30/06/05	35,729	3,249,221

KEY FIGURES FOR THE SHARE ON THE STOCK MARKET

LEASINVEST REAL ESTATE IS PART OF THE EPRA EUROZONE TOTAL RETURN INDEX SINCE 1 JANUARY 2005

Leasinvest Real Estate is the 5th real estate fund (sicafi) to be part, as from 1 January 2005, of the prestigious european EPRA Index. The most important criteria for inclusion are: a free float of more than 50% and an annualised volume traded of > € 25 million and this for 2 consecutive trimesters.

EVOLUTION OF THE SHARE PRICE AND VOLUME OF SHARES TRADED SINCE THE IPO ON 2 JULY 1999



In the past financial year, the share price evolution was extremely positive, once more. The highest price was € 64.45 (compared to € 57.50 over the previous financial year); the lowest price was € 54.00.

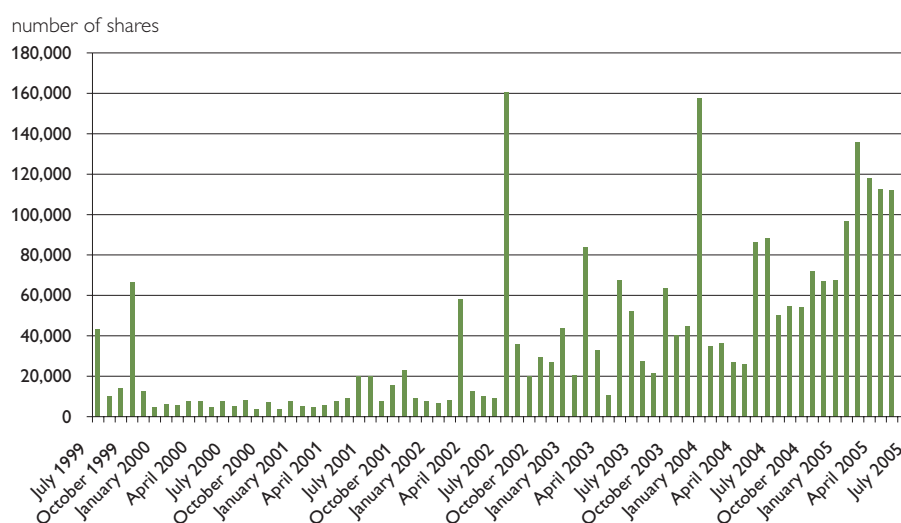
The average price amounted to € 59.33 and the closing price to € 64.40. Since the beginning of the financial year 04/05 the price has almost constantly risen. A maximum price of € 73.35 was listed at the end of August 2005, which results in an increase of 35% on slightly more than 1 year.

This positive evolution demonstrates that the investor, again, shows a clear interest in real estate shares; an interest which is also a consequence of the continuous decrease of the interest rates and the high dividend yields, distributed by the real estate funds (sica fis/bevaks). Real estate funds (sica fis/bevaks) are obliged to distribute a minimum of 80% of their profit.

The entry of AXA and Fortis AG, 2 of the main institutional investors, to the capital of Leasinvest Real Estate, is a reflection hereof.

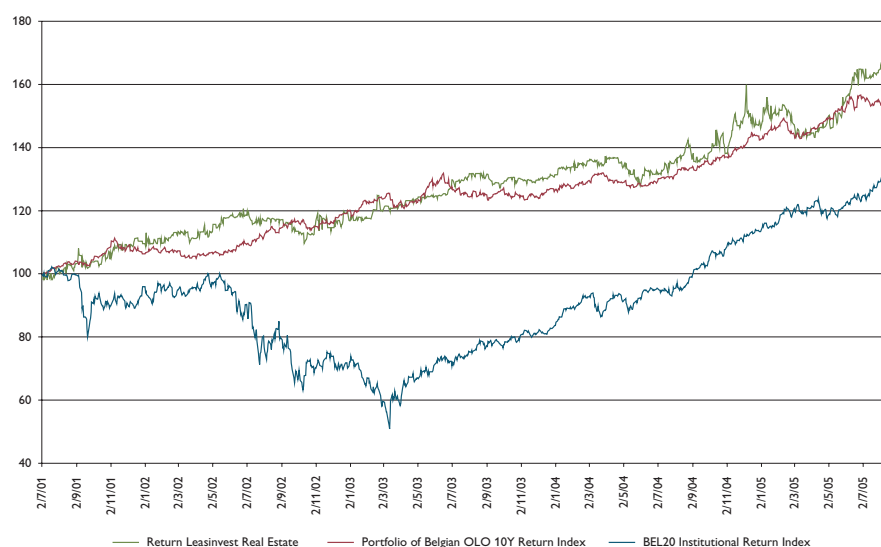
The dividend yield of Leasinvest Real Estate amounts to 6.27% based on a proposed gross dividend of € 3.72 per share and an average share price, during the past financial year, of € 59.33.

MONTHLY VOLUMES OF THE LEASINVEST REAL ESTATE SHARE SINCE THE IPO ON 2 JULY 1999



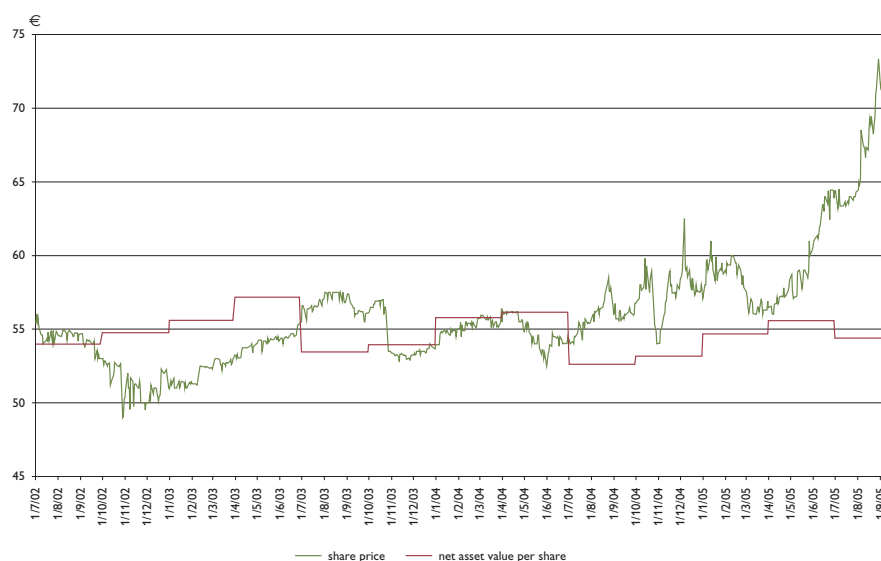
The results in terms of traded volume and turnover of the Leasinvest Real Estate share reached a historic high this financial year. The average transaction volume per month was historically high during the past financial year and amounted to 87,992 shares, compared to 54,424 shares the previous financial year. In total, on an annual base, 61.5% more shares were traded than the previous financial year; i.e. 1,055,903 shares, and this, taking into account the rise of 11.8% during the previous financial year. The above mentioned trends in terms of volume also have their impact on the velocity of the share, which increases from 3.53% per 30/06/01 to 37.31% per 30/06/05.

COMPARISON OF RETURN OF LEASINVEST REAL ESTATE WITH THE RETURN ON BEL20 AND OLO 10Y RETURN INDEX ⁽²⁾



The return of the Leasinvest Real Estate share, the BEL20 Index and the Portfolio of Belgian OLO 10Y Return Index are shown on this graph as base 100 on 02/07/2001. The return of Leasinvest Real Estate is continuously higher than the return of the BEL20 Index over the last 4 financial years. Since July 2003 Leasinvest Real Estate shows a systematic higher return than the OLO 10Y index. The difference has mainly increased since 05/2005. The past financial year Leasinvest Real Estate offered an average return that was 4.4% higher than the OLO 10Y.

PRICE PREMIUM/DISCOUNT LEASINVEST REAL ESTATE SHARE SINCE IPO ON 2 JULY 1999 COMPARED WITH NET ASSET VALUE



2 Indexes to consult in the financial newspapers, i.e. l'Echo de la Bourse and De Tijd in the stock market pages.

Since the beginning of the past financial year, the Leasinvest Real Estate share has presented a premium, which amounted to 9.8% on average, compared to the average net asset value. This phenomenon is typical for the European real estate sector. Also, in July 2004 a framework agreement was concluded with AXA, one of the most important institutional real estate investors.

This shows that the investor has perceived this evolution as an important signal and has included the Leasinvest Real Estate share in his portfolio. The confidence in the share has brought the share price to never attained levels.

ANALYSTS FOLLOWING THE SHARE

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Last advice (29/08/05): reduce

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Last advice (29/03/05): hold



ARTICLES OF ASSOCIATION



COORDINATED ARTICLES OF ASSOCIATION FROM DATE 23 DECEMBER 2004

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

Established as an "Aktiengesellschaft" under Swiss law with the name "Zanos Estate Company A.G." from Zug (Switzerland) on the twenty first of November nineteen seventy three and first registered in Zug (Switzerland) on the thirtieth of November thereafter.

It was decided at the general meeting on the date of the seventeenth of November nineteen eighty eight, amongst other things, to move the registered office from Switzerland to Belgium.

Under a deed recorded by notary public Hans Berquin in Brussels on the sixteenth of December nineteen eighty eight, announced in the appendices to the Moniteur Belge on the twelfth of January nineteen eighty nine under number 890112-044, the aforementioned 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 Statute book of companies and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company, and the Articles of Association were integrally re-established under Belgian law.

The Articles of Association were changed several times, as follows:

- under a deed recorded by notary public Frank Celis in Antwerp on the eighth of June nineteen ninety nine, announced in the appendices to the Moniteur Belge on the twenty sixth of June thereafter under number 990626-330 stipulating, amongst other things, the name change into 'LEASINVEST REAL ESTATE' and the transformation of the company into a sicafi under Belgian law under the legal form of a partnership limited by shares, and of which establishment of the fulfilment of the suspending condition in the aforementioned deed of the amendments to the articles of association, including the legal form of "sicafi", recorded by notary public Erik Celis in Antwerp on the first of July nineteen ninety nine, announced in the appendices to the Moniteur Belge on the twentieth of July thereafter under number 990720-618. – under a deed recorded by notary public Erik Celis in Antwerp on the twenty eighth of June two thousand and one, announced in the appendices to the Moniteur Belge on the twenty sixth of July thereafter under number 20010726-264, by which the capital was increased within the framework of the authorised capital.
- under a deed recorded by notary public Erik Celis in Antwerp on the fourteenth of December two thousand and one, announced in the appendices to the Moniteur Belge on the third of January two thousand and two under number 20020103-16.
- under a deed recorded by notary public Erik Celis in Antwerp on the twenty eighth of November two thousand and three, announced in the appendices to the Moniteur Belge on 12 December thereafter under number 20031212-131932, 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, laid down for publication in the appendices to the Moniteur Belge.

CHAPTER I – NAME - TERM - OFFICE - PURPOSE OF THE COMPANY

ARTICLE 1. NAME

The company has the legal form of a partnership limited by shares.

It has the name "LEASINVEST REAL ESTATE".

It is subject to the available laws for companies with fixed capital, called "sicafi", provided by Article 118 of the Law dated the fourth of December nineteen ninety on the Financial Transactions and the Financial Markets.

The social naming of the "sicafi" and all the documents that it brings forth (including all deeds and invoices)

contain the declaration “investment company with fixed capital under Belgian law” or “sicafi under Belgian law” or are immediately followed by these words.

The company has opted for the category of investments provided by Article 122, paragraph 1, alinea 1, 5° (real estate) of the Law dated the fourth of December nineteen ninety.

The company makes a public appeal for savings in the sense of Article 438 of the Statute book of companies. The company is subject to the provisions of book 3 of the Law of the fourth of December nineteen ninety, as well as to the provisions of the Royal Decree of the tenth of April nineteen ninety five with regard to “Sicafis”, as amended by the Royal Decree of 10 June 2001 with regard to the amendment of the RD of 10 April 1995 with regard to sicafis.

ARTICLE 2. TERM

The term of the company is undetermined. It can be dissolved by decision of the general meeting according to the conditions and in the form required for a change of the Articles of Association, notwithstanding more stringent legal conditions.

The company will not be dissolved by the resignation, the expulsion, the recalling, the withdrawal, the purchase, the declaration of incompetence, the prevention, the dissolution or the declaration of bankruptcy from the managing partner.

ARTICLE 3. OFFICE

The company is registered at Brussels-Etterbeek, avenue de Tervueren 72.

The office can be moved in Belgium without any amendment to the Articles of Association by decision of the statutory manager; and this irrespective of the legislation on use of languages.

The company can, by simple decision of the statutory manager; establish branches or agencies, either in Belgium or abroad.

In case unusual events of a political, military, economic or social nature should occur or could occur; that could endanger the normal workings of the registered office or the easy communication with the office abroad, then the office of the company can be temporarily moved in Belgium or abroad by the sole decision of the statutory manager; until the complete conclusion of these abnormal circumstances. These temporary measures will have no consequence for the nationality of the company, which will stay Belgian despite this temporary moving of the company office.

ARTICLE 4. PURPOSE OF THE COMPANY

The sole purpose of the company is collective investment from publicly drawn financing possibilities in real estate, as defined in Article 122, paragraph 1 first clause, 5° of the Law of 4 December 1990 on Financial Transactions and Financial Markets.

Real estate is defined as:

1. immoveable property as defined in Articles 517 onward of the Civil Code and rights in rem to real estate;
2. shares with voting rights issued by associated real estate companies;
3. option rights to real estate;
4. participating rights in other real estate investment companies which are recorded in the list as defined in Article 120, paragraph 1, second clause or Article 137 of the Law of 4 December 1990 on Financial Transactions and Financial Markets;
5. real estate certificates as described in Article 106 of the Law of 4 December 1990 on Financial Transactions and Financial Markets;
6. rights derived from contracts under which the company is given one or more properties in real estate leasing;
7. as well as any other goods, shares or rights that are defined as real estate by the Royal Decrees, taken pursuant to the Law of 4 December 1990 on Financial Transactions and Financial Markets and applicable to collective investment institutions investing in real estate.

Within the limits of the investment policy, as defined in Article 5 of the Articles of Association and in accordance with the legislation applicable to the “sicafi”, the company may become involved with:

- the purchase, alteration, fitting-out, letting, sub-letting, management, exchange, sale, allotment, bringing within the co-ownership system of real estate as described above;

- the acquisition and lending of securities in accordance with Article 51 of the Royal Decree of 10 April 1995 with regard to "sicafris";
- real estate, with or without purchase option, take out a leasing arrangement pursuant to Article 46 of the Royal Decree of 10 April 1995 with regard to "sicafris"; and
- in a secondary capacity, lease out real estate, with or without purchase option, pursuant to Article 47 of the Royal Decree of 10 April 1995 with regard to "sicafris";
- the company may only occasionally act as a property developer, as defined in Article 2 of the Royal Decree of 10 April 1995.

The company may, in compliance with the applicable legislation on "sicafris":

- in an additional or temporary capacity, invest in securities, hold goods other than real estate and liquid funds in accordance with Articles 41 and 45 of the Royal Decree of 10 April 1995 relating to "sicafris". The holding of securities must be compatible with the pursuit in the short or medium term of the investment policy as described in Article 5 of the Articles of Association. The securities must be included in the listing on a stock exchange of a member state of the OECD or traded on a regulated, regularly operating, approved market accessible to the public of the OECD, as well as the Euro.NM, Easdaq or Nasdaq. The liquid funds may be held in any currency in the form of sight deposits, or in term accounts or by any instruments on the financial markets that are suitable for easy raising of funds;
- grant mortgages or other sureties or guarantees in the context of the financing of real estate in accordance with Article 53 of the Royal Decree of 10 April 1995 relating to "sicafris";
- grant loans and stand surety for a subsidiary of the company, which is also an investment institution as defined in Article 49 of the Royal Decree of 10 April 1995 relating to "sicafris".

The company may acquire, hire or let, assign or exchange any moveable or immovable goods, material and accessories, and in general, carry out any commercial or financial transactions directly and indirectly connected with the purpose of the company, and the exploitation of any intellectual and commercial property rights relating to it.

Provided that it is compatible with the statute of "sicafris", the company may, by means of bringing-in in cash or in kind, or merger, split-off, subscription, participating interest, financial support or in any other way, acquire a share in any business or company that exists or has yet to be formed, in Belgium or abroad, whose company purpose is identical to its own, or is of such a nature as to promote the pursuit of its goal. To change the purpose of the company, the prior approval of the Banking, Finance and Insurance Commission is required.

ARTICLE 5. INVESTMENT POLICY

The collective investment in real estate by means of capital raised from public savings in Belgium or abroad will happen as described here.

The company portfolio at present consists mainly of office buildings and semi-industrial buildings to a lesser extent. The company is also the owner of one commercial premise. The company has the intention of expanding the portfolio in the short term. The new acquisitions must meet the following criteria. Learning from the experience of the already owned industrial parks, the attention will primarily be focussed on so-called "business parks", complexes of different buildings which, it is true, form a harmonious whole and complement each other; but are also flexible and can be commercialised autonomously. These business parks can have a solely semi-industrial function, but they can also be exclusively office parks. The experience from the Riverside Business Park in Anderlecht has taught that even mixed parks can be extremely attractive. Given the limited availability of such business parks within the urban agglomerations, the acquisitions will rather be found situated in the peripheral areas of the most important Belgian cities. Investments in individual buildings will be investigated further. As far as office buildings are concerned, the preference will be for recent or recently thoroughly renovated buildings with a minimum of ten thousand square metres of floor space to let. Such buildings must furthermore fulfil a series of technical requirements, have sufficient parking space and be modulisable. If the whole building is to be let to one customer, this customer must have an exceptional reputation. The locations can be inner city or peripheral.

This type of diversification permits to anticipate temporary postponements of the demand due to external elements. Even though new investments in office buildings are a priority, investments in semi-industrial and retail buildings will also be made. New locations with a strategic potential will furthermore also be

investigated. Guidelines for new investment can be derived from experience at the Brixton Business Park in Zaventem. The buildings' great flexibility guarantees optimal occupancy.

In accordance with the starting portfolio, the centre of the portfolio will stay in and around Brussels. Further geographical spreading in to the Brussels - Antwerp - Ghent triangle is fairly certain, but a broader geographical spread, even subsidiary outside the Belgian border, is being studied. Investments in other types of real estate will only be considered if necessary accessories to an investment in offices, semi-industrial or retail buildings. Finally, the company will continue to improve the quality of the technical support as well as the service provided to the tenants, in order to add extra value to the portfolio.

CHAPITRE II – CAPITAL – ACTIONS

ARTICLE 6. CAPITAL

The company's registered capital amounts to thirty-five million seven hundred and twenty eight thousand six hundred and six euros and twenty nine cents (35.728.606,29). It is completely accountable. It is divided in to three million two hundred and fourty-nine thousand two hundred and twenty-one (3.249.221) shares, without nominal value, with each one representing 1 / 3.249.221 of the capital.

ARTICLE 7. AUTHORISED CAPITAL

The Statutory Manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more instalments, by an amount of thirty-one million one hundred and twenty-two thousand nine hundred and nine euro and forty-nine cents in the cases foreseen in the relevant report. This authorisation is valid for a period of up to five years from the publication of the minutes of the general meeting of 23 December 2004.

It is renewable.

This capital increase (or increases) can be carried out by subscription in cash, by bringing-in in kind, or by conversion of reserves or issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Statute book of companies, Article 11 of the Royal Decree of 10 April 1995 with regard to "sicafis", and these Articles of Association.

If the case arises, in the event of a capital increase decided by the statutory manager, possibly after deduction of charges, the issue premiums shall be transferred by the statutory manager to a blocked account and treated in the same way as the capital which guarantees the interests of third parties, and may not under any circumstances be reduced or disposed of unless this is decided by the general meeting, voting under the conditions required by Article 612 of the Statute book of companies except for the conversion into capital as foreseen above.

ARTICLE 8. NATURE OF THE SHARES

The shares are bearer shares or registered shares, or in case of prior indication of an account holder by the statutory manager, in the form of dematerialised titles.

The bearer shares can be issued as single shares or as a collection of shares.

Every holder of single securities can acquire the exchange of his securities from the company against one or more collections of bearer shares that represent single securities and this, according to his choice; each holder of a collection of shares can acquire the exchange of these securities from the company against the number of single shares that they represent.

This exchange occurs at the holder's expense. Each bearer security can be exchanged for registered securities or securities under dematerialised form and the other way around at the holder's expense.

If the company has not yet decided to issue dematerialised securities, the exchange in dematerialised securities can not yet be requested.

ARTICLE 9. FURTHER PURCHASE OF OWN SHARES

1. The company can acquire its own fully paid shares and keep them in the premises in accordance with the decision of the general meeting and in accordance with the provisions of Article 620 and following of the Statute book of companies. The conditions of derealisation of these shares can be established in the same meeting.

2. The statutory manager is permitted to acquire own securities mentioned sub 1 without a decision of the general meeting of shareholders when this acquirement is necessary to safeguard the company against serious and threatening disadvantage. This permission is valid for three years from the publication date of the amendments to the articles of association of 23 December 2004 and is renewable for the same period of time.
3. The conditions for the derealisation of own securities acquired by the company are established depending on the case in accordance with the Article 622 § 2 of the Statute book of companies, or by the general meeting or by the Statutory Manager. The statutory manager is permitted to derealise own securities as foreseen by Article 622 § 2, 1° of the Statute book of companies and for a period of three years as from the publication of the amendments to the articles of association of 23 December 2004, as foreseen by Article 622 § 2, 2° of the Statute book of companies.

ARTICLE 10. CHANGING THE REGISTERED CAPITAL

Subject to the possibility of the application of the authorised capital by decision of the statutory manager, an increase or decrease in the placed capital can only be decided at an extraordinary general meeting in the presence of a notary public and with the approval of the statutory manager.

Furthermore the company will have to adhere to the rules laid down in the case of public issue of company shares provided by Article 125 of the Law of the fourth of December nineteen ninety and the Articles 28 and following of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis". Furthermore in accordance with Article 11, paragraph 2 of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafis", the following conditions must be met for contributions in kind:

1. the identity of the one who makes the contribution must be stated on the report provided by Article 602, paragraph 3 of the Statute book of companies just as in the summoning of the general meeting which will deliberate about capital increases;
2. the issue price cannot be lower than the average stock exchange price from the thirty days prior to the contribution;
3. the report provided under point 1 above must also indicate the repercussions of the proposed contribution for the situation of old shareholders and moreover with regard to their share of the profit and the capital.

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

ARTICLE 11. EXECUTIVE AND SILENT PARTNERS

The managing partner is jointly and fully responsible for all obligations of the company. The silent partners are responsible for the debts and losses of the company to the tune of their contributions, on the condition that they have no executive duties whatsoever.

CHAPTER III – MANAGEMENT AND REPRESENTATION

ARTICLE 12. NOMINATIONS – DISMISSALS – VACANCIES

1. The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner. The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", registered in the register of legal persons under number 0466.164.776, with registered office in 1040 Brussels-Etterbeek, Avenue de Tervueren 72, is appointed sole statutory manager for an indefinite duration with a minimal duration of fifteen years.

The mandate of this statutory manager is irrevocable until the date of the annual meeting of the company which will be held in 2014.

After this date the mandate is revocable under the presence and majority conditions required for a change of the Articles of Association, without the statutory manager having a right to veto on this point.

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

If the statutory manager is a legal person, he appoints amongst his managers or Directors one Permanent Representative for the execution of his mission as Manager in the name and for the account of the legal person-statutory manager and authorised, in particular, to represent and legally bind, alone, the "sicafi" towards third parties without infringing the provisions of the Article 18 of the Royal Decree of 10 April 1995 with regard to sicafis, nor any other provision applicable on institutions for collective investment, under the condition that this Permanent Representative satisfies the conditions of professional integrity, experience and autonomy, foreseen by Article 4, paragraph 1, 4° of the Royal Decree of 10 April 1995 and cannot fall within the application of the provisions prescribed by Article 19 of the Law of 22 March 1993 regarding the statute and the supervision of credit institutions. The legal person-statutory manager cannot dismiss its representative, without, at the same time, appoint a successor. Concerning the appointment of the Permanent Representative and the end of his mission, the publication rules to be applied are the same as if he executed this mission in his own name and for his own account.

3. The statutory manager can resign at any time.

The statutory manager's tasks can only be revoked by judicial decision demanded by the general meeting on grounds of legal reasons. The general meeting must make this decision with an Articles of Association changing majority and the statutory manager cannot participate in the vote. The statutory manager will continue to carry out his tasks until his removal is acquired and declared by the authority of a final decision. The legal person-statutory manager must be organised in such a way that in the course of his Board of Directors at least two physical persons are appointed to jointly supervise the day-to-day management.

4. The statutory manager is obliged, after his dismissal, to further fulfil his task until a replacement can reasonably be provided.

In that case the general meeting will meet within a month to officially nominate a new statutory manager.

5. The death, the declaration of incompetence, the dissolution, the bankruptcy or similar procedure, the dismissal, the deposition of the statutory manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be followed up by a statutory manager appointed by the extraordinary shareholders general meeting, on condition that he, if necessary, accepts to act for the company as limited (managing) partner. If a statutory manager is a legal person, the fusion, the splitting, the conversion or any other form of legal company reorganisation whereby the legal status of the statutory manager according to the relevant law as set out, does not lead to the dismissal or the replacement of the statutory manager. In case of the overall loss of the members of the agencies of the board or the statutory manager's executive committee of the reliability, experience and autonomy required by Article 4, paragraph 1, 4° of the Royal Decree of the tenth of April nineteen ninety five, the statutory manager or the auditors must give notice of a general meeting with the possible reporting of the loss of the requirements and the necessary measures to be taken on the agenda; this meeting must meet within the month; if only one or more members of the agencies of the board or of the statutory manager's executive committee no longer meet the aforementioned requirements, the statutory manager must replace them within the month; after this period, notice for the company meeting will be given as mentioned above; and all this in either case, under reserve of the measures that the Banking, Finance and Insurance Commission would take by virtue of the powers provided in Article 134 of the Law of the fourth of December nineteen ninety. In case of the application of the provisions of Article 19 of the Law of the twenty second of March nineteen ninety three concerning the statute and supervision of the credit institutions which endanger all members of the agencies of the board or the statutory manager's executive committee, the statutory manager or the auditors must give notice of the general meeting with the reporting of the application of the noted Article 19 of the Law from the twenty second of March nineteen ninety three and the decisions to be taken on the agenda; this meeting must happen within the month; if only one or more members of the agencies of the board or of the statutory manager's executive committee no longer meet the aforementioned requirements, the statutory manager must replace them within the month; after this period, notice for the company meeting will be given as mentioned above; and all this in either case, under reserve of the measures that the Banking, Finance and Insurance

Commission would take by virtue of the powers provided by Article 134 of the Law of the fourth of December nineteen ninety.

ARTICLE 13. SALARY

Any possible remuneration cannot, neither directly nor indirectly, be bound to the transactions that occur through the "sicafi".

The statutory manager will carry out his mandate with remuneration.

The remuneration is equal to nought point four one five percent (0.415%) of the company assets.

The remuneration is due during the financial year; yet is only payable after the annual accounts have been approved.

The statutory manager has the right to the repayment for costs directly related to his assignment.

ARTICLE 14. INTERNAL MANAGEMENT

The statutory manager is authorised to perform all internal management affairs that are necessary or serve to fulfil the company objective, with exception for those affairs for which only the general meeting is authorised according to the law.

The statutory manager presents reports every semester as well as a draft for an annual report.

The statutory manager appoints the experts conforming to the Royal Decree of the tenth of April nineteen ninety five and presents every related change to the list of experts recorded in the dossier that accompanies in advance the request for recognition as a "sicafi".

The statutory manager also chooses a guardian and explains this choice to the Banking, Finance and Insurance Commission.

The statutory manager also appoints the change of the guardian to the Banking, Finance and Insurance Commission and this according to the Royal Decree of the tenth of April nineteen ninety five.

The statutory manager can determine the allowance for each mandate holder who has had special powers conferred, and this all according to the law of the fourth of December nineteen ninety and its implementing decisions.

The statutory manager takes all decisions it deems appropriate.

ARTICLE 15. EXTERNAL REPRESENTATIVE POWER

The statutory manager represents the company in all affairs judicially and extrajudicially. In accordance with Article 18 of the Royal Decree from the tenth of April nineteen ninety five, the company is represented by the statutory manager for each decisive action for its real estate in the sense of Article 2, 4° of the predicated Royal Decree, acting via its Permanent Representative and one Director; acting jointly.

ARTICLE 16. EXCEPTIONAL AUTHORITIES

The statutory manager can appoint proxies for the company. Only exceptional and limited powers for certain or for a series of certain 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 excessive power.

ARTICLE 17. RESPONSIBILITY OF THE STATUTORY MANAGER

The statutory manager is personally, and jointly bound without limit to the obligations of the company.

CHAPTER IV – CONTROL

ARTICLE 18. CONTROL

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

CHAPTER V – GENERAL MEETING

ARTICLE 19. THE GENERAL MEETING

The general meeting is held at the registered office or at the address indicated in the notice.

The annual meeting is held every year on the third Monday of the month of October at four p.m. or, if this day is a recognised public holiday, on the previous working day at the same time.

The general meeting is called by the statutory manager or by the auditor:

ARTICLE 20. JURISDICTION OF THE GENERAL MEETING

The general meeting is authorised for deliberations and decisions concerning:

- the reporting of the annual accounts;
- the appropriation of the results;
- the nomination and the dismissal of the auditor;
- the reporting of the auditor's salary;
- the establishment of the company action or the relieving of duties for the statutory manager and auditor:

The general meeting is also authorised to make changes to the Articles of Association, namely to decide the nomination of a statutory manager; for early dissolution of the company; increase or decrease of the placed capital, the possibility of an authorised capital by decision of the statutory manager; the pay off of the capital, the paying out of interim dividends, the issue of convertible bonds or warrants, merger with one or more companies, conversion of the company to a company with another legal status.

ARTICLE 21. CONVENING

The statutory manager and every auditor can call together an ordinary general meeting (annual meeting) as well as an exceptional or an extraordinary general meeting. They must call together the annual meeting on the day as determined by the Articles of Association. The statutory manager and auditor are obliged to give notice of an exceptional or extraordinary meeting when one or more shareholders who represent a fifth of the placed capital individually or collectively request it.

ARTICLE 22. REGISTRATION OF SHARES

To be permitted in to the meeting the bearer holders of securities must, when required by the invitation, register their securities at the company office or a financial institution indicated in the invitation at least three working days prior to the date of the intended meeting.

Registered holders of securities do this by sending a normal letter to the company office, also at least three working days before.

The owners of dematerialised securities must produce, at least three working days before the meeting, a certificate from a recognised account holder or from the settlement institution at the office that records the unavailability of the dematerialised securities until the date of the meeting.

ARTICLE 23. PARTICIPATION IN THE MEETING – REPRESENTATION

Notwithstanding the rules concerning the legal representation namely the mutual representation of married people, each shareholder can be represented at the meeting by a nominated proxy, shareholder or not.

To be authorised the proxy must have been given in writing, by telegram, telex or telecopy.

The proxies must be presented to the company office at least three working days before the meeting.

ARTICLE 24. CHAIRMANSHIP – BUREAU

Every general meeting is chaired by the chairman of the Board of Directors of the legal person-statutory manager's.

The chairman appoints a secretary and one or more vote counter(s), who do not need to be (a) shareholder(s).

The chairman, the secretary and the vote counters together form the bureau.

ARTICLE 25. MEETING PROCEDURE

1. The deliberations and vote occur under the leadership of the chairman and in accordance with the applicable rules for proper meeting procedure. The statutory manager and the auditor answer the questions asked by the shareholders with regard to their annual report or points on the agenda.
2. The statutory manager has the right to adjourn each normal, exceptional or extraordinary meeting once, for three weeks, unless the meeting has been called at the request of one or more shareholders who represent at least one fifth of the capital, or by a auditor. Such an adjournment does not infringe other decisions, unless the general meeting decides otherwise.
3. The general meeting can only legally deliberate or make decisions about points that are noted in the announced agenda or are implicit therein. Points that are not in the agenda can only be deliberated in a meeting where all persons who should be invited according to the Article 533 of the Statute book of companies are present or represented by their bodies or their Permanent Representative and provided that no one is opposed to adding topics to the agenda. The required approval is stood by if no opposition is noted in the minutes of the meeting. The agenda must contain the matters to be dealt with, as well as the proposals to deliberate.

ARTICLE 26. VOTING RIGHT

1. Every share gives the right to one vote.
2. When one or more shares belong to separate people with joint ownership or to a legal person with a collegial body of representation, the application of the associated rights according to the company can only be made by a single person who has been given written consent to do so by all entitled persons respectively those who can represent the legal persons externally. As long as such a consent has not been given, all the rights bonded with the shares remain suspended.
3. If a share is encumbered with a usufruct, then the execution of that share's bonded voting right is executed by the usufructuary except if the legal owner opposes. The execution of the pre-emptive right in the case of a capital increase belongs to the legal owner.

ARTICLE 27. DECISION MAKING – RIGHT OF VETO FOR THE STATUTORY MANAGER

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 present then a second meeting can be called together, to deliberate and decide, even if the statutory manager is absent. The decisions are made simply on the majority of votes and with the approval of affairs of the present or represented statutory manager, with the best interests for third parties of the company at heart, such as payment of dividends along with each decision whereby the company assets are affected. Abstaining, or blank or invalid votes are not included in the counting of votes. When no voting is recorded the proposal is rejected. Minutes are taken at each general meeting during the meeting.
2. 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 deliberate and decide on a change in Articles of Association in a legal way, when those participating in the meeting represent at least half of the company capital and in the presence of the statutory manager; notwithstanding more stringent legal stipulations. If the nominated quorum is not reached or if the statutory manager is not present, then a new notice of meeting is necessary in accordance with Article 558 of the Statute book of companies; the second meeting deliberates and decides in a valid way, irrespective of the present or represented part of the capital and irrespective of the absence of the statutory manager. A change of the Articles of Association is then only accepted if it has been previously approved by the Banking, Finance and Insurance Commission and when they have got three quarters of the votes bound to the shareholders that are present or represented and with approval of the present or represented statutory manager notwithstanding more stringent legal stipulations. The votes of those who abstain, or blank or invalid votes, are considered to be votes against the proposal in calculating if the required majority has been reached.

ARTICLE 28. FINANCIAL YEAR – ANNUAL ACCOUNTS – ANNUAL REPORT

The financial year of the company always commences on the first of July and ends on the thirtieth of June. 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 processed further as specified in Article 92 and following of the Statute book of companies and the stipulations of the Royal Decree of the tenth of April nineteen ninety five with regard to "sicafig".

Furthermore, the statutory manager draws up an annual report in which he gives an explanation of his policy. Fifteen days before the normal general meeting, which must meet within six months of the ending of the financial year, the shareholders can have access to the annual accounts and other records as stated in the Article 553 of the Statute book of companies.

The general meeting can decide to discharge the statutory manager and auditor after approval of the balance by separate vote.

ARTICLE 29. APPROPRIATION OF THE PROFIT

The company distributes the net returns, under the title of capital payment, decreased by the amounts that are equal to net decreases of the debts of the current financial year to the tune of at least eighty percent. For the application of this Article, the net returns are defined as the profit from the financial year with the exclusion of the decreases in value, the reclaiming of decreases in value and surplus-values on the fixed assets for as far as these can be added to the calculation of the results.

The remaining twenty percent will go to who the general meeting wants to give it to on recommendation from the statutory manager:

On the other hand surplus-values on the realisations of fixed assets are not included as part of the net returns as determined by alinea 2 because this will be reinvested within a period of four years beginning on the first day of the running financial year in which surplus-values will be realised.

The part of the realised surplus-values that is not reinvested after the period of four years is added to the net returns as defined of the financial year that follows this period.

ARTICLE 30. INTERIM DIVIDENDS

The statutory manager has the capacity to pay out interim dividends at the results of the financial year. This payment can only be taken from the profit of the current financial year, in the event decreased by the loss carried forward or increased by the profit carried forward, without withdrawal from the formed reserves and with due regard for the reserves which must be formed under a legal or statutory stipulation.

Further reference is made to the requirements of Article 618 of the Statute book of companies.

CHAPTER VI – DISSOLUTION – LIQUIDATION**ARTICLE 31. NOMINATION AND CAPACITY OF LIQUIDATORS**

If no liquidators are nominated, then the statutory manager, who is in function at the time of the dissolution, is automatically the legal liquidator unless the general meeting decides otherwise. The liquidators are authorised for all operation as stated in Article 186, 187 and 188 of the Statute book of companies, unless the general meeting, by normal majority of votes, decides otherwise. The liquidators present the results of liquidation to the company's general meeting every year.

ARTICLE 32. DISSOLUTION

The balance after liquidation is divided between the shareholders in relation to their rights.

CHAPTER VII – CHOICE OF LOCATION

ARTICLE 33.

The statutory manager and liquidators whose location is unknown are obliged to choose location at the company office where their subpoenas, services and notifications concerning the company can be done.

ARTICLE 34. JURISDICTION

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



MISCELLANEOUS



DEFINITION OF A REAL ESTATE FUND

The main characteristics of a SICAF Immobilière are as follows (RD of April 10, 1995):

- fixed capital public company limited by shares
- stock exchange listing
- activity limited to real estate investment
- risk diversification: no more than 20% of total assets invested in a single property. In certain cases a derogation can be obtained by the Banking, Finance and Insurance Commission; such a derogation has until present not been granted to Leasinvest Real Estate.
- borrowing limited to 50% of the market value of the company's assets
- a sicafi cannot grant loans unless to subsidiaries
- quarterly valuation of the asset portfolio by an independent real estate valuer (investment value)
- properties carried at investment value - no amortizations
- profits (rental income and capital gains on sales less operating expenses and financial charges) plus amounts corresponding to the net decrease in debt, are tax exempt, subject to compulsory distribution of at least 80%, with regard to the limitations provided by art. 617 of the Companies Act
- taxable basis for corporate taxes consists of the sum of the disallowed expenses and abnormal and benevolent advantages
- withholding tax of 15%, relieving natural persons from any further tax liability on the dividends
- no withholding tax for non-residents who do not exercise a profitable activity

TERMINOLOGY

ACQUISITION YIELD

Immediate yield at the acquisition, i.e. the annual rental income divided by the investment value.

CAP

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short term interest rate. As a buyer, Leasinvest Real Estate has acquired the right to, within a predefined period, exercise its option when the short term interest rates pass above a certain level (= CAP). At that time of exercising the option, Leasinvest Real Estate pays the capped interest rate (= CAP) instead of the (higher) short term interest rate. For the acquisition of this right, the buyer pays a premium to the seller. Via this interest rate hedging, Leasinvest Real Estate covers 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.

DEBT RATIO

Total debt excluding accrued charges and deferred income divided by the balance sheet total.

DIVIDEND YIELD

Gross dividend / average share price of the financial year concerned.

DURATION

Weighted average tenor of the leases, for which the weight is equal to the ratio of the rental income to the total rental income of the portfolio.

EBITDA

Earnings before interests, taxes, depreciation & amortisation = operating result corrected for amortisations, depreciation and provisions.

EXIT TAX

Companies applying for approved 'Sicaf Immobilière' status, or which merge with a 'Sicaf Immobilière' are subject to an exit tax. This tax is equivalent to a liquidation tax on net unrealised gains and on taxexempt reserves, and amounts to 16.5% (increased by an additional crisis tax of 3%, amounting to a total of 16.995%).

FLOOR

Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short term interest rate. As a seller, Leasinvest Real Estate has the obligation to, within a predefined period, deliver the floor when the short term interest rates pass below that specified level (= floor). In exchange for this, Leasinvest Real Estate, as the seller, receives a premium from the buyer. The received premium on the floor limits in this way the premium paid on the CAP.

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.

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

Value of the equity.

NET CASH FLOW

Net current result plus additions to and withdrawals on depreciations on trade debtors and the additions to and withdrawals on provisions, plus the gains or losses realised on the portfolio, plus the extraordinary result.

NET CURRENT CASH FLOW

Net current result plus additions to and withdrawals on depreciations on trade debtors and the additions to and withdrawals on provisions, plus the extraordinary result.

OCCUPANCY RATE

The occupancy rate takes into account all buildings and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy) / estimated rent.

PAY-OUT RATIO

Percentage of the net current result that is distributed as dividends.

TAKE-UP

The total number of square meters which are rented in the commercial professional real estate market.

VELOCITY

Presents how many shares are traded annually or, in other words, the yearly traded volume divided by the total number of listed shares.

STATEMENTS**FORWARD LOOKING STATEMENTS – INFORMATION BY THIRD PARTIES – RESPONSIBLE PERSONS**

This presentation contains forward-looking statements. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial conditions, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties you are cautioned not to place any undue reliance on such forward-looking statements, which can not be guaranteed.

The Statutory Manager of Leasinvest Real Estate SCA is responsible for the information provided in this annual brochure, under the reserve of the information provided by third parties, including the reports of the auditor and the valuation report. The statutory manager of Leasinvest Real Estate SCA has made all reasonable efforts to check all information presented in this annual brochure and states accordingly that, as far as is known to him, all data in this annual brochure correspond to the reality and that no data have been omitted which could affect the meaning of this annual brochure.

GENERAL STATEMENTS

The statutory manager of Leasinvest Real Estate SCA declares that no governmental interventions, lawsuits or procedures led by an arbiter exist which could (or) have influence(d), in a recent past, the financial position or the profitability of the real estate fund and that, as far as is known, there are no circumstances or facts which could cause such governmental interventions, lawsuits or procedures led by an arbiter.

STATEMENT ON INVESTMENT RESTRICTIONS

The statutory manager of Leasinvest Real Estate SCA has, currently, not the intention to invest more than 20% in other real estate investment companies.

STATEMENTS FROM THE DIRECTORS

The statutory manager of Leasinvest Real Estate SCA declares that, as far as known by him:

- none of the directors has ever been convicted for a fraud felony, there have never been official nor public accusations or sanctions by legal or supervisory authorities and they have never been involved in any bankruptcy in their capacity of director;
- that until now no employment contracts have been concluded with the directors, nor with the real estate fund, nor with the statutory manager, which provide in compensations for the termination of the employment;
- that the directors Christophe Desimpel, Marcus Van Heddeghem, Bernard de Gerlache de Gomery, Eric De Keuleneer, Luc Bertrand, Jan Suykens and Jean-Louis Appelmans do not own Leasinvest Real Estate shares and that Kris Verhellen owns 100 Leasinvest Real Estate shares;
- that until now no options on Leasinvest Real Estate shares have been granted.

OTHER EXERCISED MANDATES DURING THE 5 PREVIOUS YEARS

Luc Bertrand

Mandates in other companies, currently and during the 5 previous financial years: Ackermans & van Haaren SA, Ackermans & van Haaren Coordination Center SA, Agridec SA, Algemene Aannemingen Van Laere SA, Anfima SA, Continentale Verzekeringen SA, Asco Leven SA, Atenor Group SA, Aviapartner SA*, Axe Investments SA, Baarbeek BV, Bank J. Van Breda & Co SA, Bank Delen & De Schaetzen SA, Bracht Deckers & Mackelbert SA, Belcadi BV, Belfimas SA, Belgian Media Holding SA, Blomhof SA, Bos SA, Brinvest SA, Cruiser BV, De Speyebeek SA, Deme Coordination Center SA, Dredging International SA, "Dredging, Environmental & Marine Engineering" SA, "Electriciteit Voor Goederen-Behandeling, Marine En Industrie" (Egemin) SA, Egemin International SA, Finaxis SA, Fortis Private Equity Belgium SA, Gemini Natural Resources SA, Idea Strategische Economische Consulting SA, IlloSpear SA, ING België SA, "Belgische Instituut Voor Vorming, Technische Bijstand En Overdracht Van Technologie" SA, Lamitref Industries SA, Leasinvest SA, NMC SA, Profimolux SA, Project T&T SA, Promofi SA, Protalux SA, Quick Restaurants SA, Scaldis Invest SA, Sipef SA, Nationale Maatschappij Der Pijpleidingen SA, Société Nationale d'Investissement SA, Sofinim SA, Solvus SA*, Virgin Express SA*, Vlaamse Beleggingen BV

Jan Suykens

Ackermans & van Haaren SA, Continentale Verzekeringen SA, Bracht, Deckers en Mackelbert SA, Asco Leven SA, Bank Delen & De Schaetzen SA, Banque Delen Luxembourg SA, Bank J. Van Breda & Co SA, Leasinvest SA, Leasinvest Finance SA, Oleon SA, Oleon Holding SA, Bureau Van Dijk Computer Services SA*, Solvus SA*, VUM Media SA, Synvest SA, Algemene Aannemingen Van Laere SA, "Dredging, Environmental & Marine Engineering" SA, IlloSpear SA, Ackermans & van Haaren Coordination Center SA, Mabeco SA, Société Nationale d'Investissement SA, Sofinim SA, Brantano SA, Anfima SA, Avafin-Re SA, Belcadi BV, Brinvest SA, Extensa SA, Finaxis SA, Gemini Natural Resources SA, Profimolux SA, Project T&T SA, Protalux SA

* Terminated mandates.

Bernard de Gerlache de Gomery

Mandates in other companies, currently and during the 5 previous financial years: Floridienne SA, SIPEF SA, Société Financière et de Gestion Texaf SA, Belficor SA

Eric De Keuleneer

Mandates in other companies, currently and during the 5 previous financial years: Mobistar SA, Raad van Toezicht CBFA, Keytrade Bank SA, Amonis SA, Ad Valvas Group SA*

Christophe Desimpel

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

Marcus Van Heddeghem

Mandates in other companies, currently and during the 5 previous financial years: Redevco Retail Comm.V, Redevco Offices Comm.V, Redevco Industrial Comm.V, Home Invest SA, City Hotels SA, Befimmo SA, Compagnie du Zoute SA

Jean-Louis Appelmans

Mandates in other companies, currently and during the 5 previous financial years: Retail Estates SA, Brussimmo SA*, Ekiport SA*, Extensa SA, Grossfeld Immobilière SA, IDIM SA*, Leasinvest SA, Music City Brussels SA*, Omroepgebouw Flagey SA*, Project T&T SA, Stevibis SA, Granvelle Consultants & Co SPRL

Kris Verhellen

Mandates in other companies, currently and during the 5 previous financial years: Brussimmo SA*, Ekiport SA*, Extensa SA, Grossfeld Immobilière SA, Leasinvest Finance SA, Music City Brussels SA*, Project T&T SA, SITAS SPRL, Omroepgebouw Flagey SA, Stevibis SA

OFFICE ADDRESSES**Luc Bertrand**

Chairman of the Executive Committee

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Sporweglaan 1, 2610 Wilrijk

Jan Suykens

CFO

Ackermans & van Haaren SA
Sporweglaan 1, 2610 Wilrijk

* Terminated mandates.

Bernard de Gerlache de Gomery

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Belficor SA

Boulevard General Jacques 26, 1050 Brussels

Eric De Keuleneer

Chairman of the Management Committee

Credibe SA

Rue de la Loi 42, 1040 Brussels

Christophe Desimpel

managing director

De Speyebeek SA

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Marcus Van Heddeghem

managing director

Redevco SCS

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Boulevard Anspach 1 B1, 1000 Brussels

Jean-Louis Appelmans

CEO

Leasinvest Real Estate Management SA

Mechelsesteenweg 34, 2018 Antwerpen

Kris Verhellen

CEO

Leasinvest SA

Avenue de Tervueren 72, 1040 Brussels

FINANCIAL COMMUNICATION TO THE SHAREHOLDERS

PLACES WHERE DOCUMENTS ARE ACCESSIBLE FOR THE PUBLIC

The **Articles of Association** of Leasinvest Real Estate are available for inspection at the Registry of the Commercial Court in Brussels and at the registered office.

The **annual accounts** are filed with the National Bank of Belgium. The annual accounts are sent each year, together with the associated reports, to the registered shareholders, and to anyone who requests it.

The **annual brochures**, which comprise the statutory and consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2002/2003 and 2003/2004 and the valuation report and the **semester reports** including the report of the auditor for the financial years 2002/2003, 2003/2004 en 2004/2005, can be consulted on the Leasinvest Real Estate website (www.leasinvest-realestate.com) and can be consulted at the administrative office of the company. The annual brochure 2004/2005 can also be consulted on the Euronext website (www.euronext.com).

Financial reporting and **convocation of the shareholders** for general meetings of shareholders are published in the financial press (only half-year results and other mandatory information – all the rest can be found on the Leasinvest Real Estate website only). Leasinvest Real Estate pursues the guidelines of the Banking, Finance and Insurance Commission concerning those matters.

Decisions about the **appointment or dismissal of members of the board of directors** are published in the appendices to the Moniteur Belge.

Anyone interested can **freely** subscribe to www.leasinvest-realestate.com to receive all press releases and mandatory financial information per e-mail (contact – subscribe).

LIST OF INFORMATION BY REFERENCE

HISTORICAL FINANCIAL INFORMATION AND THE DESCRIPTION OF THE FINANCIAL SITUATION OF THE PREVIOUS FINANCIAL YEARS 2002/2003 AND 2003/2004

The **annual brochures**, which comprise the statutory and consolidated annual accounts, the annual report and the report of the auditor concerning the financial years 2002/2003 and 2003/2004 and the valuation report and the **semester reports** including the report of the auditor for the financial years 2002/2003, 2003/2004 en 2004/2005, can be consulted on the Leasinvest Real Estate website (www.leasinvest-realestate.com). The annual brochure 2004/2005 can also be consulted on the Euronext website (www.euronext.com).

The Banking, Finance and Insurance Commission gave its authorisation to use this annual report as a reference document for any public appeal to savings that may be made by the company, for a period of twelve months, by means of the procedure for separate information provision. In the context of this procedure, this annual report must be accompanied by an issue note and a summary in order to jointly form a prospectus as ment by Article 52 of the Law of 20 July 2004. That prospectus must be submitted for approval to the Banking, Finance and Insurance Commission under Article 53 of the abovementioned law.

Leasinvest Real Estate has chosen Dutch as its official language, and only the Dutch-language version of the annual report is authoritative. The French and English versions are translations of the Dutch-language annual report. The annual report was translated under the responsibility of Leasinvest Real Estate.


Het jaarverslag in het Nederlands is beschikbaar op de zetel van de vennootschap.

Le rapport annuel en français peut être obtenu au siège de la société.



IDENTITY CARD

Real estate fund (sicafi/bevak) under Belgian law	Leasinvest Real Estate SCA
Legal entity	Limited partnership by shares
Registered office	Avenue de Tervueren 72, 1040 Brussels, Belgium
Administrative office	Mechelsesteenweg 34, 2018 Antwerp, Belgium
Contact information	T +32 3 238 98 77 – F +32 3 237 52 99
E-mail	investor.relations@leasinvest-realestate.com
Web	http://www.leasinvest-realestate.com
RPM	Brussels
VAT	BE 0436.323.915
Established (transformation into real estate fund)	8 June 1999, publication MB 26 June 1999 (nr. 990626-330)
Term	Unspecified
Financial year	1 July – 30 June
Listing	Euronext Brussels, NextPrime, Bel small
Liquidity provider	ING Financial Markets
Depository	ING Bank
Financial service	Bank Degroof, Dexia Bank, Fortis Bank and ING Bank
Auditor	Ernst & Young Réviseurs d'entreprises, represented by the statutory auditor Danielle Vermaelen
Real estate valuers	Cushman & Wakefield Healey & Baker - Winsinger & Associates
Supervision	Banking, Finance and Insurance Commission



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