



**LEASINVEST
REAL
ESTATE**

HALF-YEAR
FINANCIAL
REPORT 2010

REGULATORY INFORMATION

COMPANY PROFILE

Real estate investment trust (sicafi) Leasinvest Real Estate invests in high quality and well-located offices, logistics and retail buildings in Belgium and the Grand Duchy of Luxembourg.

The real estate investment trust (sicafi) is listed on Euronext Brussels and has a market capitalization of nearly € 243 million.

CONTENT

1	Statement of responsible persons	2
2	Interim management report	3
3	Key figures	6
4	Real estate report	8
	Market information	8
	Composition of the real estate portfolio	10
	Analysis of the real estate portfolio	11
	Valuation report	13
5	Condensed financial statements	14
6	Report of the auditor	24
7	Leasinvest Real Estate on the stock exchange	25

1 STATEMENT OF RESPONSIBLE PERSONS

ACCORDING TO ARTICLE 12 §2 OF THE RD OF 14/11/07

Mr. J. L. Appelmans, Permanent representative of the statutory manager of Leasinvest Real Estate, declares, on behalf and for the account of the statutory manager, that, to his knowledge:

- (i) The condensed consolidated financial statements, established in accordance with the applicable accounting standards, present a fair view of the assets, financial situation and the results of Leasinvest Real Estate and the companies included in the consolidation;

- (ii) The interim report presents a fair overview of the development and the results of Leasinvest Real Estate, and of the position of the company and the companies included in the consolidation, and also comprises a description of the main risks and uncertainties which the company is confronted with.

Jean-Louis Appelmans
 Permanent representative
 Leasinvest Real Estate Management NV
 Statutory manager

2 INTERIM MANAGEMENT REPORT

HIGHLIGHTS FIRST HALF-YEAR OF 2010

INCREASE OF THE RENTAL INCOME BY 2.4% TO € 20 MILLION (30/06/09: € 19.5 MILLION)

RISE OF THE NET CURRENT RESULT (GROUP SHARE) BY 17% TO € 12.5 MILLION OR € 3.12 PER SHARE (30/06/09: € 2.67 PER SHARE)

THE NET RESULT, GROUP SHARE, AMOUNTED TO € 5.6 MILLION (€ 1.4 PER SHARE) ON 30/06/10 COMPARED TO € 12.8 MILLION (€ 3.2 PER SHARE) ON 30/06/09; THE PAST YEAR THE LOSSES WERE MORE THAN COMPENSATED BY A ONE-OFF REALIZED CAPITAL GAIN ON THE SALE OF THE BIAN BUILDING

OCCUPANCY RATE REMAINS STABLE AT 97.81% (31/12/2009: 97.74%)

FIRST OCCUPANT FOR A PART OF THE CRESCENT IN ANDERLECHT

IMPORTANT EVENTS FOR THE PERIOD 01/01/10-30/06/10

The strategy of Leasinvest Real Estate is aimed at the creation of capitals gains through redevelopments and further diversification of its real estate portfolio into long-term rental contracts, logistics, retail and the Grand Duchy of Luxembourg.

While different (re-)development projects were successfully completed during the financial year 2009, focus for the first half-year of 2010 consisted of a further dynamic portfolio management and securing future rental income, mainly by the redevelopment of the building The Crescent into a real 'green building'.

Proof of the success of this strategy is found under 'Important events after the closing of the period 01/01/10-30/06/10'.

CANAL LOGISTICS BRUSSELS

At the end of the first quarter of the financial year 2010 Leasinvest Real Estate has acquired 100% of the shares of the company Canal Logistics Brussels SA. With this acquisition a newly built storage and distribution site of 27,700 m² of storage and 1,250 m² of offices in Neder-over-Heembeek ('Canal Logistics') was purchased, part of a total project of 50,000 m² of storage and 2,500 m² of offices.

The temporary vacancy of this building will have no impact on the net current result of 2010 thanks to a rental guarantee from the seller. The completion of the second phase is foreseen by the beginning of 2011, for which a rental guarantee will also be granted.

Through the acquisition of Canal Logistics the real estate portfolio (based on fair value) increased by 4% from € 537.5 million (31/12/09) to € 559 million. This increase takes into ac-



CANAL LOGISTICS - BRUSSELS



AXXES BUSINESS PARK - GHENT

count a global negative change of the investment properties of € 6.3 million, mainly on Canal Logistics and an office building in Anderlecht (Brussels).

KEY FIGURES OF THE REAL ESTATE PORTFOLIO

The average rental yields of the real estate portfolio of Leasinvest Real Estate have increased from 7.48% (per 31/12/09) to 7.57% (30/06/10) in terms of fair value and from 7.29% to 7.38% (per 30/06/10) in terms of investment value.

The real estate portfolio in operation consists of 59 buildings, of which 44 buildings situated in Belgium, with a total surface of 296,409 m², and 15 buildings in the Grand Duchy of Luxembourg with a total surface of 85,961 m².

Leasinvest Real Estate's attention goes to preserving the occupancy rate by proactively avoiding possible vacancy, to the dynamic management of our real estate portfolio and looking for interesting investment opportunities.

IMPORTANT EVENTS AFTER THE PERIOD 01/01/10-30/06/10

TRANSFER OF PROPERTY RIGHTS ON THE BUSINESS PARK AXXES BUSINESS PARK (PHASE 1) – ACQUISITION OF REAL ESTATE CERTIFICATES

In July 2010 Leasinvest Real Estate has transferred the leasehold on phase 1 of the Axxes Business Park situated in Merelbeke near Ghent to the company Axxes Certificates. The bare ownership will also be transferred before the end of this month. These transactions will be realized for a global gross amount of € 44.4 million, comparable to the investment value of the business park.

In total the business park comprises 23,728 m² of office space (archives included) and 868 parking spaces. The occupancy rate of the Axxes Business Park (phase 1) amounts to 96% and relates to 19 tenants.

The company Axxes Certificates has financed the acquisition, to a large extent, by a private issuance of real estate certificates, successfully placed by Banque Degroof. Within this framework

Leasinvest Real Estate has subscribed to € 1.7 million of these real estate certificates.

The technical and commercial management of the buildings remains with a 100% subsidiary of Leasinvest Real Estate, Leasinvest Services SA, which has been appointed as asset manager and property manager. Within this framework Leasinvest Real Estate has granted certain guarantees to perpetuate the rental income flow.

Furthermore, Axxes Certificates has agreed to acquire, at the end of 2012, for a fixed price of € 3.3 million, the facility center 'Torenhove' located at the same site in Merelbeke, after its renovation by Leasinvest Real Estate.

This divestment fits within Leasinvest Real Estate's dynamic real estate portfolio management.

Thanks to this transaction the debt ratio which temporarily increased from 47.61% (31/12/09) to 51.64% on 30/06/10 would reach 47.6% again.

FIRST OCCUPANT FOR PART OF THE CRESCENT BUILDING IN ANDERLECHT (BRUSSELS)

In the first half of August Leasinvest Real Estate has concluded a long-term services agreement for approximately 3,800 m² located in the office building called The Crescent at the Erasmus site in Anderlecht (Brussels), taking effect as from May 2011. In this difficult economic context Leasinvest Real Estate succeeded in signing contracts in advance for 25% of the office space that would become available in 2011. This proves the uniqueness of

the green building concept in combination with facility services (congress, restaurant and business center), as well as the exceptional location of the building.

OVERVIEW OF MAIN TRANSACTIONS WITH RELATED PARTIES

In the period 01/01/10-30/06/10 no transactions with related parties have occurred, which had material consequences regarding the financial position or the results of Leasinvest Real Estate in this period.

MAIN RISKS AND UNCERTAINTIES FOR THE LAST MONTHS OF THE FINANCIAL YEAR

For an overview of the main risks and uncertainties, we refer to note 5 (financial risk management) of the condensed financial statements.

TREASURY SHARES

In the period 01/01/10-30/06/10 Leasinvest Real Estate has not bought any treasury shares. On 30/06/10, on a consolidated basis, Leasinvest Real Estate holds 16,538 treasury shares in portfolio (idem 31/12/09). These have a total accounting value of € 1,045,928, with a par value per share of € 10.99.

OUTLOOK FOR THE FINANCIAL YEAR

Thanks to the continuous proactive commercial approach towards our tenants, the occupancy rate in 2010 keeps up well. Except for unexpected circumstances and notwithstanding the aforementioned divestment in Merelbeke, a net current result (excluding the portfolio result and the impact of IAS 39) comparable to that of the financial year 2009 is expected for the entire financial year 2010.



THE CRESCENT - ANDERLECHT

2 KEY FIGURES

REAL ESTATE PORTFOLIO ⁽¹⁾

	30/06/10	31/12/09
Fair value (€ 1,000) ^{(2)/(4)}	558,954	537,518
Investment value (€ 1,000) ^{(3)/(4)}	573,370	551,400
Rental yield based on fair value ⁽⁵⁾	7.57%	7.48%
Rental yield based on investment value ⁽⁵⁾	7.38%	7.29%
Occupancy rate ^{(5)/(6)}	97.81%	97.74%

- (1) The real estate portfolio consists of the buildings in operation as well as the development projects recorded in the balance sheet item 'Investment properties' and the buildings held for sale recorded in the balance sheet item 'Assets held for sale'.
- (2) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights are deducted; the fair value is the accounting value under IFRS.
- (3) The investment value is the value as defined by an independent real estate expert and of which the transfer rights have not yet been deducted.
- (4) Fair value and investment value estimated by real estate experts Cushman & Wakefield / Winssinger and Associates.
- (5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken into account.
- (6) The occupancy rate has been calculated based on the estimated rental value.

KEY RESULTS

(in € 1,000)	30/06/10	30/06/09
Rental income	19,982	19,510
Operating result ⁽¹⁾	10,233	19,763
Net current result, group share ⁽²⁾	12,462	10,677
Result on the portfolio, group share	-6,300	3,278
Net result, group share	5,601	12,839
Net cash flow, group share ⁽³⁾	11,918	25,790



KEY RESULTS PER SHARE ⁽⁴⁾

(in € 1,000)	30/06/10	30/06/09
Number of issued shares (#)	4,012,832	4,012,832
Number of shares participating in the result of the period (#)	3,996,294	3,996,294
Rental income	5.00	4.88
Operating result ⁽¹⁾	2.56	4.95
Net current result, group share ⁽²⁾	3.12	2.67
Result on the portfolio, group share	-1.58	0.82
Net result, group share	1.40	3.21
Net cash flow, group share ⁽³⁾	2.98	6.45

(1) Net result without financial result and taxes.

(2) Net result minus result on the portfolio and minus changes in the fair value of the non effective interest rate hedges.

(3) Net cash flow: net result minus all non-cash elements, among which the amortizations, depreciations on trade debtors, additions to or withdrawals from the provisions, changes in the fair value of the non effective interest rate hedges and changes in the fair value of the investment properties.

(4) The data per share are calculated based on the number of shares participating in the result of the period.

This corresponds to the number of issued shares minus the consolidated number of treasury shares.

On 30/06/10 and 30/06/09 Leasinvest Real Estate held a total of 16,538 treasury shares, or 0.41% in portfolio, on a consolidated basis.

GENERAL INFORMATION

	30/06/10	31/12/09
Number of issued shares (#)	4,012,832	4,012,832
Number of shares participating in the result of the period (#)	3,996,294	3,996,294
Net asset value, group share, per share (in €)		
- based on fair value	65.60	68.79
- based on investment value	69.21	72.27
Debt ratio RD 21/06/06 (%)	51.64%	47.61%

4 REAL ESTATE REPORT

REAL ESTATE MARKET OVER THE FIRST HALF-YEAR OF 2010

BELGIUM

IN GENERAL

The activities in the first half-year of 2010 indicate a slight and cautious recovery.

Take-up as well as investment volume have slightly increased compared to 2009, but things have to be put in perspective and analyzed at a deeper level.

The additional volume of completed buildings, the importance of sustainability, the volatile economic forecasts, eventual deflation scenario in our economy, keep the real estate market in a grip of uncertainty.

That is why the outlook for the 2nd half of the year is very hard to predict and why Leasinvest Real Estate will continue to manage its real estate portfolio with ongoing commercial efforts in order to perpetuate its high occupancy rate of 97.81%.

OFFICE MARKET BRUSSELS

The office market recorded an average take-up of +/- 245,000 m², which is more than the first 3 quarters of the past year (+29%). A number of companies start negotiating rents and see new rental opportunities on the market, which will again mainly lead to changes, but will not directly have an impact on additional net take-up.

An additional 150,000 m² of new developments have been completed in the first half-year, which brings the vacancy rate to an important level of around 12%, with peaks in the periphery (18%) and in the decentralized zone of 16%. Total availability for offices has passed the 1.5 million m² threshold.

Prime rents in Brussels lie between 256 and 285 €/m²/year, which confirms that higher rents are still being paid for high-quality products.

OFFICE MARKET GHEENT

Despite the announced future developments in Ghent, real estate players take on a rather expectative attitude with regard to building additional office spaces. The total offices market currently amounts to 765,000 m² (source DTZ), with a relatively low vacancy rate below 5%, which is lower than the vacancy rate of 12% in Brussels.

Take-up in Ghent in the first quarter was relatively low with 9,500 m² of which 1,000 m² extra office space by Lidl in Axxes Business Park phase 2 (Merelbeke).

In the future Ghent will mainly be confronted with many shifts by large tenants of office space (such as KBC, BNP Paribas Fortis, E&Y, Arcelor) resulting in vacancy of the older buildings, which will need new destinations.

RETAIL MARKET

The Belgian retail market keeps up, as well with regard to take-up as to rent level. Due to a serious delay of new projects, top locations are more than steady, resulting in a very good evolution for the value of the real estate.

The newly completed projects expected in 2010 are estimated to represent 80,000 m², mainly in the retail warehousing segment.

The retail investment market keeps performing well and reaches a volume of € 150 million in the first half-year.

Important investment is the transaction between GL Group and Baron Investments for € 60 million.

The initial yields for investments in retail remain low between 4.75% and 5.5% for high street shops and around 6.5% for retail warehousing.

LOGISTICS AND SEMI-INDUSTRIAL MARKET

The logistics and semi-industrial market has performed relatively well in the first half-year notwithstanding the difficult economic context, with a take-up of +/- 260,000 m², mainly in the semi-industrial segment, of which 30% was bought by end-users.

A number of important logistics deals such as Cummins (40,000 m² in Reet near Antwerp) and Ceva (18,000 m²) brought take-up of logistics transactions to 80,000 m².

This can be the first signal of market recovery.

The logistics investment market remained at a low level (€ 53 million), leading to a yield of 7.75 % for top products.

INVESTMENT MARKET

Total investment volume for the first 6 months is estimated at € 680 million.

This leads to an acceptable level compared to the last years, but without reaching the levels of 2007 and 2008 (nearly € 5 billion).

A large part, namely 55% of those figures, comes from the acquisition of offices in Belgium (€ 364 million), where high prices are paid for long term rental contracts and sustainable office buildings (e.g. South City), also supported by acquisitions by owners-users.

Hotels and residential real estate, accounting for € 85 million of transactions, are segments also considered as institutional investments within the framework of risk diversification.

It is also remarkable that foreign 'opportunity' investment funds have left the market and that local investors are back, typical in a crisis market where everyone is more security-driven. The Belgian players were responsible for 80% of all realized investments over the first six months of 2010.

GRAND DUCHY OF LUXEMBOURG

OFFICE MARKET

After a slow start, the office take-up has regained a more normal level. With a take-up of 33,200 m² in the second quarter, a total of 53,000 m² was reached over the entire first half of 2010, representing a decent average.

Some large transactions of over 2,500 m² took place, but 70% of rental transactions are below 500 m², which was always the objective of Leasinvest Immo Lux SA, our 100% subsidiary in the Grand Duchy of Luxembourg.

However, the vacancy rate remains relatively high around 7 to 8%, but will slightly decrease due to the delay of new completed projects. By the end of 2010 approximately 90,000 m² will be completed compared to 160,000 m² last year. The most important vacancy figures of +/- 20% can be found – as in Brussels – in the periphery (Capellen, Windhof, Ludelange, Contern) and in the decentralized periphery (Howald, Strassen, Airport) with 21.5%.

A recovery may not yet be confirmed, but rather reaching the bottom, with a slow recovery expected by the end of the year.

On top locations however we notice little pressure and prime rents are maintained at 40 €/m²/month.

The investment market in the Grand Duchy of Luxembourg is still non existing due to, a.o. the inactivity of German real estate funds. The investment volume lies below € 40 million and comes mainly from private investors.

RETAIL MARKET

The retail market has not experienced any major changes over the first half of 2010.

A take-up of approximately 10,000 m² represented by 15 transactions was recorded in the real estate report of Property Partners.

No investment transactions were recorded.

COMPOSITION OF THE REAL ESTATE PORTFOLIO

GEOGRAPHICAL CLASSIFICATION

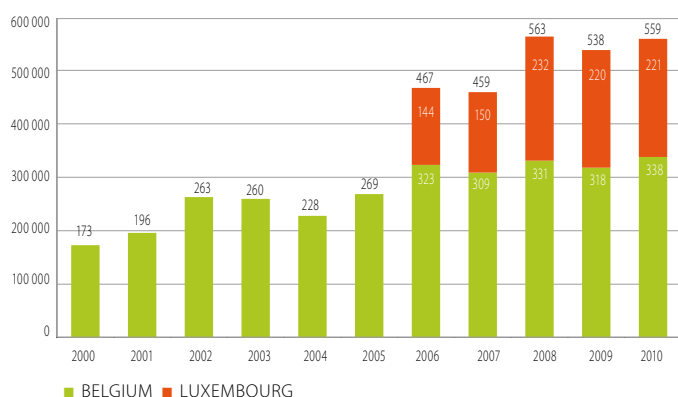
	Fair value (€ m)	Investment value (€ m)	Share in the portfolio (%) based on fair value	Contractual rents (€ m/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Belgium	330.72	339.3	59.2%	26.55	8.03	7.83	97.3
Grand Duchy of Luxembourg	220.99	226.65	39.5%	15.22	6.89	6.71	98.8
Buildings in operation	551.71	565.95	98.7%	41.77	7.57	7.38	97.8
Projects Belgium	7.24	7.42	1.3%				
Projects Luxembourg	0	0	0.0%				
Total investment properties	558.95	573.37	100.0%				

BREAKDOWN ACCORDING TO ASSET CLASS

	Fair value (€ m)	Investment value (€ m)	Share in the portfolio (%) based on fair value	Contractual rents (€ m/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Offices							
Offices Brussels	124.97	128.10	22.4%	9.81	7.85	7.66	94.0
Offices Malines	27.44	28.12	4.9%	2.16	7.88	7.69	100.0
Offices Antwerp	9.44	9.85	1.7%	0.71	7.38	7.2	99.0
Offices Ghent	42.41	43.47	7.6%	3.45	8.14	7.94	96.0
Offices Grand Duchy of Luxembourg	137.45	141.02	24.6%	9.18	6.68	6.51	98.0
Total offices	341.71	350.56	61.1%	25.32	7.41	7.22	96.0
Logistics/Semi-industrial							
Logistics/Semi-industrial Belgium	101.97	104.66	18.2%	9.48	9.30	9.06	99.7
Logistics/Semi-industrial Grand Duchy of Luxembourg	19.83	20.33	3.5%	1.39	7.03	6.86	100
Total Logistics/Semi-industrial	121.80	124.99	21.8%	10.87	8.93	8.70	100
Retail							
Retail Belgium	24.49	25.10	4.4%	0.94	3.84	3.74	100
Retail Grand Duchy of Luxembourg	63.71	65.30	11.4%	4.64	7.28	7.10	100
Total retail	88.2	90.40	15.8%	5.58	6.32	6.17	100
Buildings in operation	551.71	565.95	98.7%	41.77	7.57	7.38	97.8
Projects Belgium	7.24	7.42	1.3%				
Projects Grand Duchy of Luxembourg	0	0	0.0%				
Total investment properties	558.95⁽¹⁾	573.37	100.0%				

(1) The difference between the fair value as recorded in the valuation report by the experts Cushman & Wakefield (€ 559.09 million), results from a different calculation of the fixed transfer rights of the building Satenrozen. Due to the fact that the investment value of Satenrozen as from 30/06/07 for the first time exceeded the limit of € 2.5 million, the expert took into account 2.5% of transfer rights, whereas in the consolidated financial statements, for reasons of consistency with prior periods, still 10% is applied (see valuation rules in the annual financial report 2009 on pages 75-81).

EVOLUTION OF THE REAL ESTATE PORTFOLIO BASED ON FAIR VALUE

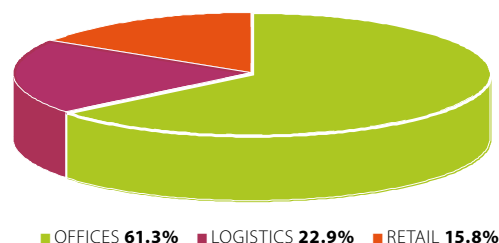


The fair value of the investment properties (including development projects) on 30/06/10 (€ 559 million) has increased compared to 31/12/09 (€ 538 million). The Luxembourg portfolio (€ 221 million on 30/06/10) remained status-quo compared to 31/12/09. The value increase of the Belgian portfolio from € 318 million (31/12/09) to € 338 million is entirely due to the acquisition of the 1st phase of Canal Logistics minus the unrealized capital loss mainly on the office building in Anderlecht and the 1st phase of Canal Logistics.

Due to the sale of the Axxes Business Park in July/August 2010 the total real estate portfolio decreases from € 559 million to € 517 million, of which Belgium represents € 296 million, or 57.3% instead of 60.5% on 30/06/10.

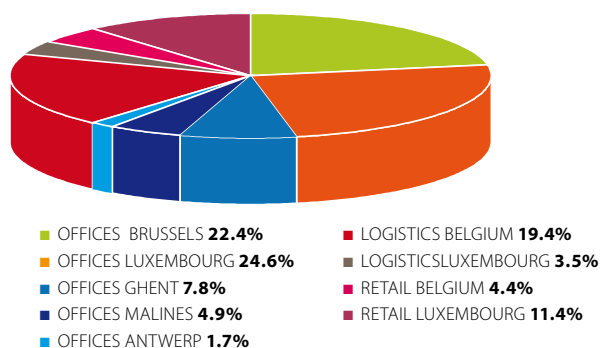
ANALYSIS OF THE REAL ESTATE PORTFOLIO IN OPERATION

TYPE OF ASSETS



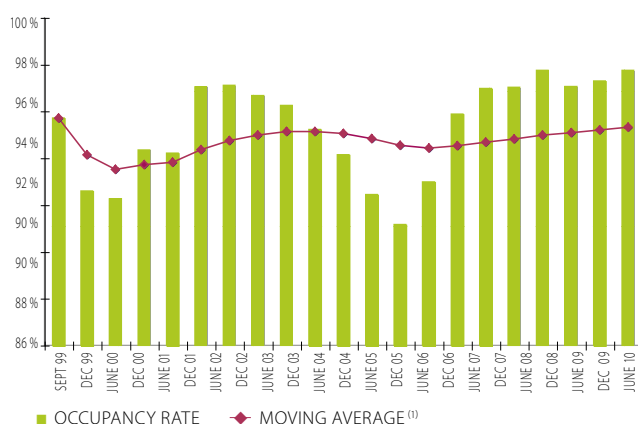
Leasinvest Real Estate's portfolio has a balanced breakdown as to the type of assets. 61% of the real estate portfolio of Leasinvest Real Estate consists of offices (31/12/09: 64%), followed by logistics (22,9% compared to 19.8% on 31/12/09) and retail (15.8% compared to 16.2 % on 31/12/08). After the sale of the Axxes Business Park in July/August 2010 the offices part further decreased from 61.3% to 58.1%.

PORTFOLIO BREAKDOWN



The offices part in the Grand Duchy of Luxembourg is the largest segment of the total portfolio with 24.6% or € 137.5 million. Second comes the offices part in Brussels with 22.4% or € 125 million. The logistics part in Belgium remains 3rd with € 101.97 million or 19.4% of the total portfolio. Retail in the Grand Duchy of Luxembourg is fourth with 11.4% or € 63.7 million.

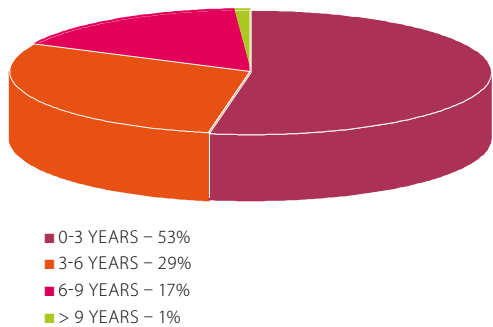
OCCUPANCY RATE



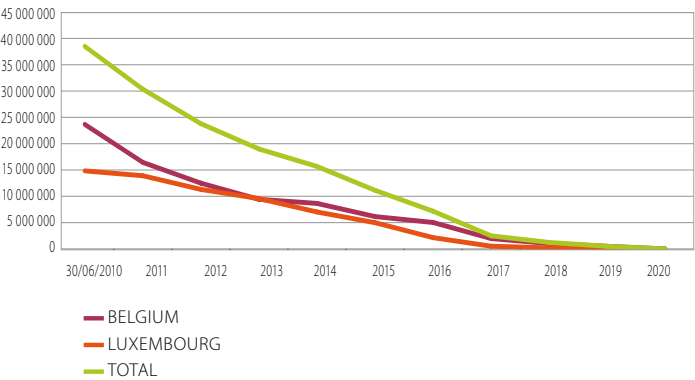
The occupancy rate on 30/06/10 amounted to 97.81% (97.74% on 31/12/09). Thanks to the continuous follow-up of the needs of our tenants and different marketing efforts, Leasinvest Real Estate succeeds in maintaining its occupancy rate at a high level.

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

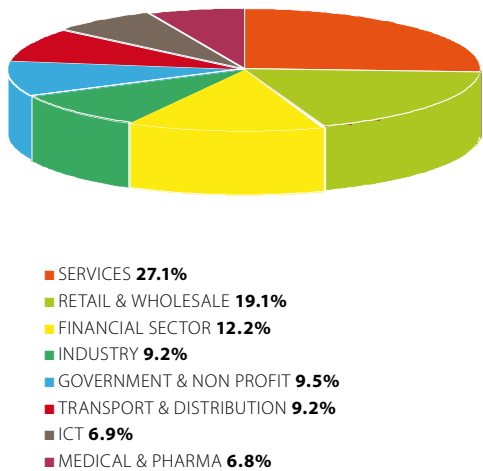
REMAINING LEASE TERMS
AND CONTRACTUALLY GUARANTEED RENTAL INCOME



The graph is calculated on the first break date of the current rental contracts based on the contractual rents. 53% of the annual contractual rents are guaranteed until 31/12/13. In 2011 20.3% or € 8.2 million of the annual contractual rents expire. In 2012 16.3% and in 2013 12% expire. Leasinvest Real Estate's portfolio mainly comprises tenants from the private sector and to a lesser degree from the public sector. The consequence is that companies wish more flexible contracts with shorter fixed durations, namely the classic 3/6/9-contracts. The average remaining duration of the rental contracts amounts to 3.9 years (31/12/09: 3.9 years).



TYPE OF TENANTS



The portfolio of Leasinvest Real Estate consists mainly of the private sector rather than the public sector. The non-profit and public sector only represents 9% of the portfolio. The main sectors of the portfolio are services (27%), retail & wholesale (19%), financial sector (12%), industry (9%) government/non-profit (9%), and transport/distribution (9%). In the financial sector the Grand Duchy of Luxembourg represents 11.5% of the 12%.

Valuation update as at 30 June 2010 of the Leasinvest Real Estate SCA portfolio

Report by the external valuer Cushman & Wakefield

We are pleased to report our valuation of the investment value of the Leasinvest Real Estate SCA portfolio as at 30 June 2009.

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

The values were determined taking current market parameters into account.



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

- 1 The portfolio consists of business parks, offices and semi-industrial buildings or distribution centres and shops, situated in Belgium (Brussels, Zaventem, Mechelen, Antwerp, Tongeren and Merelbeke) and in the Grand Duchy of Luxembourg.
- 2 The average of the current rental income (+ the market rent on vacant space) is 6.24% higher than the market rent (respectively 8.02% and 3.23% for the Belgian and Luxembourg portfolios).
- 3 The occupancy rate² of the total portfolio (excluding the projects) is 97.81% (respectively 97.27% and 98.75% for the Belgian and the Luxembourg portfolios).

For all buildings of Leasinvest Real Estate SCA, we determined the following values as at 30 June 2010, including the part that has been valued by Winssinger & Associés:

- 1 an investment value of € 573,370,000 (five hundred seventy-three million three hundred and seventy thousand euro), with respectively € 346,720,000 and € 226,650,000 as investment values for the Belgian and Luxembourg portfolios; and
- 2 a fair value of € 559,090,000 (five hundred fifty-nine million and ninety thousand euro), with respectively € 318,120,000 and € 220,970,000 as fair values for the Belgian and Luxembourg portfolios.

On this basis, the initial yield of the complete portfolio (excluding the projects) in terms of investment value is 7.38% (with respectively 7.83% and 6.71% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.57% (respectively 8.03% and 6.89% for the Belgian and Luxembourg portfolios).

¹ The valuation report has been reproduced with the agreement of Cushman & Wakefield and Winssinger & Associates.

² The occupancy rate is valid on the date of the valuation and does not take into account future availability (already known or not) nor with future new contracts (signed or not). This figure is calculated on the basis of the following formula: (market rent of all let areas) / (market rent of the complete portfolio).

5 CONDENSED FINANCIAL STATEMENTS

Condensed consolidated profit & loss

(in € 1,000)	Note	30/06/10	30/06/09
(+) Rental income		19,982	19,510
(+) Write-back of lease payments sold and discounted			
(+/-) Related rental expenses		0	41
NET RENTAL INCOME	2	19,982	19,551
(+) Recovery of property charges		210	11
(+) Recovery income of charges and taxes normally payable by tenants on let properties		1,873	1,051
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		-79	0
(-) Charges and taxes normally payable by tenants on let properties		-1,873	-1,051
(+/-) Other rental-related income and expenditure		-8	54
PROPERTY RESULT		20,105	19,616
(-) Technical costs		-665	-373
(-) Commercial costs		-364	-160
(-) Charges and taxes on un-let properties		-196	-104
(-) Property management costs		-1,431	-1,478
(-) Other property charges		-107	-113
PROPERTY CHARGES		-2,763	-2,228
PROPERTY OPERATING RESULT		17,342	17,388
(-) General corporate costs		-873	-892
(+/-) Other operating charges and income		64	-11
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		16,533	16,485
(+/-) Gains or losses on disposals of investment properties		0	15,233
(+/-) Changes in fair value of investment properties		-6,300	-11,955
OPERATING RESULT		10,233	19,763
(+) Financial income		192	564
(-) Interest charges		-4,137	-4,847
(-) Other financial charges		-1,063	-2,519
FINANCIAL RESULT		-5,008	-6,802
PRE-TAX RESULT		5,225	12,961
(+/-) Corporate taxes		-93	-285
(+/-) Exit tax		470	163
TAXES		377	-122
NET RESULT		5,602	12,839
Attributable to:			
Minority interests		1	0
Group shares		5,601	12,839
Results per share		30/06/10	30/06/09
(in €)			
Profit per share, group share ⁽¹⁾		1.40	3.21
Profit per diluted share, group share ⁽¹⁾		1.40	3.21

⁽¹⁾ Net result, group share, divided by the number of shares participating in the result of the period.

BASIS FOR THE PRESENTATION OF THE FINANCIAL STATEMENTS

Leasinvest Real Estate establishes its consolidated annual accounts in accordance with the International Financial Reporting Standards (IFRS) and IFRIC interpretations, effective on 30/06/10, as approved by the European Commission.

Since 01/01/09 the modified IFRS standard 'IAS 40' entered into force, due to which the development projects are treated as investment properties as from then on and are consequently recorded in the balance sheet at their fair value.

The consolidated results for the first half-year closing on 30/06/10 are established in accordance with IAS 34 'Interim financial reporting'.

COMMENTS ON THE CONSOLIDATED PROFIT & LOSS ACCOUNT

The **rental income** (€ 20 million) rose by 2.4% in comparison with 30/06/09 (€ 19.5 million). The occupancy rate amounts to 97.81% (30/06/09: 97.67%).

The increase of the commercial and maintenance costs has led to an increase of the **property charges** of € 2.2 million on 30/06/09 to € 2.7 million on 30/06/10.

As a consequence of the general trend in the national and international real estate market a slight increase of the rental yields has been applied by the external independent real estate expert

for the valuation of the real estate portfolio.

This has led to an unrealized loss of € 6.3 million (recorded in **changes in fair value of investment properties**), to compare to an unrealized loss of € 12 million a year before, then compensated by a realized capital gain of € 15.2 million on the sale of the Bian building.

Due to the decreasing market interest rates the fair value of the non effective hedges (according to IAS 39) recorded a negative change of € 0.5 million compared to a negative change of € 1.1 million per 30/06/09. Without taking into account the impact of IAS 39 the **financial result** rose from € -5.7 million (30/06/09) to € -4.4 million. The average financing cost (excl. IAS 39 and premiums of hedges and including bank margins) on 30/06/10 decreased to 3.36% in comparison with 3.72% on 30/06/09.

The **net result, group share**, closed at € 5.6 million (or € 1.4 per share³) compared to € 12.8 million (or € 3.21 per share) last year. This decrease is mainly the consequence of an important one-off realized capital gain of € 15.2 million on the sale of the Bian building in Luxembourg the past year.

The **net current result**, group share, or the net result excluding the portfolio result and the changes in the fair value of the non effective hedges however, rose by 17% from € 10.7 million or € 2.67 per share³ on 30/06/09 to € 12.5 million, or € 3.12 per share on 30/06/10.



NIJVERHEIDSSTRAAT - WOMMELGEM

³ All result data per share are calculated based on the number of shares participating in the result of the period.

CONSOLIDATED BALANCE SHEET

(in € 1,000)	NOTE	30/06/10	31/12/09
ASSETS			
NON-CURRENT ASSETS		517,622	538,987
Intangible non-current assets		4	2
Investment properties, incl. development projects	3	516,544	537,518
Other non-current assets		28	31
Non-current financial assets		1,046	1,436
CURRENT ASSETS		57,987	13,158
Assets held for sale	3	42,410	0
Current financial assets		5,258	3,528
Trade receivables		6,480	5,782
Tax receivables and other current assets		1,229	746
Cash and cash equivalents		2,283	2,767
Deferred charges and accrued income		327	335
TOTAL ASSETS		575,609	552,145
LIABILITIES			
TOTAL SHAREHOLDER'S EQUITY cfr, statement of changes in equity		262,145	274,918
SHAREHOLDER'S EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		262,151	274,924
Capital		44,128	44,128
Share premium account		70,622	70,622
Treasury shares (-)		-1,046	-1,046
Reserves		154,828	152,435
Result		5,601	18,380
Impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties		-8,770	-8,129
Change in fair value of financial assets and liabilities		-3,212	-1,466
on financial assets held for sale		320	12
on financial derivatives		-3,532	-1,478
MINORITY INTERESTS		-6	-6
LIABILITIES		313,464	277,227
NON-CURRENT LIABILITIES		201,180	198,782
Provisions		28	386
Non-current financial debts		193,583	193,050
Other non-current financial liabilities		7,178	4,943
Other non-current liabilities		391	403
CURRENT LIABILITIES		112,284	78,445
Provisions		0	0
Current financial debts		95,884	62,001
Trade debts and other current debts		5,142	6,141
Other current liabilities		2,232	1,267
Accrued charges and deferred income		9,026	9,036
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		575,609	552,145

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

The decrease of the **investment properties** is the consequence of a transfer € of 42.4 million to the assets held for sale.

At the end of the half-year of the financial year 2010 shareholders' equity, group share (based on the fair value of the investment properties), amounted to € 262.15 million, or € 65.60 per share compared to € 68.79 per 31/12/09.

The **debt ratio** has temporarily increased from 47.61% (per 31/12/09) to 51.64% per 30/06/10.

Leasinvest Real Estate's **shareholders' equity** has decreased from € 274.9 million (per 31/12/09) to € 262.1 million per 30/06/10 following the distribution of the dividend of € 15.9 million in May 2010.

DEBT RATIO

	30/06/10	31/12/09
Debt ratio*	51.64%	47.61%

* The debt ratio is calculated according to the RD of 21/06/06.

NET ASSET VALUE PER SHARE

(in €)	30/06/10	31/12/09
Net asset value per share (fair value)	65.60	68.79
Net asset value per share (investment value)	69.21	72.27

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(in € 1,000)

	Capital	Share premium account	Treasury shares (-)	Reserves + result	Impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties	Change in fair value of financial assets and liabilities	Share-holders' equity attributable to the share-holders of the parent company	Minority interests	Total share-holders' equity
Balance sheet on 31 December 2008	44,128	70,622	-1,046	159,828	-8,120	-974	264,438	-7	264,431
Distribution closing dividend financial year 2007-2008				-7,393			-7,393		-7,393
Total comprehensive income 1 st half-year 2009 (6 months)				12,839	-9	-497	12,333		12,333
Balance sheet on 30 June 2009	44,128	70,622	-1,046	165,274	-8,129	-1,471	269,378	-7	269,371
Total comprehensive income 2 nd half-year 2009 (6 months)				5,541		5	5,546	1	5,547
Balance sheet on 31 December 2009	44,128	70,622	-1,046	170,815	-8,129	-1,466	274,924	-6	274,918
Distribution dividend financial year 2009				-15,986			-15,986		-15,986
Total comprehensive income 1 st half-year 2010 (6 months)				5,601	-641	-1,746	3,214		3,214
IFRS balance sheet on 30 June 2010	44,128	70,622	-1,046	160,429	-8,770	-3,212	262,152	-6	262,146

STATEMENT OF COMPREHENSIVE INCOME

(in € 1,000)

	30/06/10	30/06/09
Net result	5,601	12,839
<i>Other elements of comprehensive income</i>		
Changes in estimated transfer rights resulting from hypothetical disposal of investment properties	-641	-9
Change in fair value of financial assets and liabilities	-1,746	-497
Total comprehensive income	3,214	12,333

CONSOLIDATED CASH FLOW STATEMENT

(in € 1,000)	30/06/10	30/06/09
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	2,767	2,580
1 Cash flow from operating activities	7,817	-7,404
Net result	5,601	12,839
Amendment of the profit for non-cash and non-operating elements	6,318	-3,322
Depreciations and write-downs	4	-39
- Depreciations and write-downs on intangible and other tangible assets (+/-)	4	3
- Write-downs on current assets (-)	0	-42
Other non-cash elements	6,314	11,950
- Changes in fair value of investment properties (+/-)	6,300	11,955
- Movements in provisions (+/-)	-53	-1,040
- Spreading of gratuities (+/-)	-495	-81
- Changes in the fair value of the financial derivatives (+/-)	562	1,116
- Other non-current transactions	0	0
Non-operating elements	0	-15,233
- Capital gains on realisation of non-current assets	0	-15,233
Change in requirements of working capital:	-4,102	-16,921
Movements in asset items:	-1,926	389
- Current financial assets	-1,422	0
- Trade receivables	-642	-1,404
- Tax receivables and other current assets	129	1,544
- Deferred charges and accrued income	9	249
Movements in liability items:	-2,176	-17,310
- Trade debts and other current debts	-2,033	4,119
- Other current liabilities	-105	-22,924
- Accrued charges and deferred income	-38	1,495
2 Cash flow from investment activities	-2,588	31,273
Investments		
Investment properties in operation	-1,058	-537
Development projects	-85	-8,195
Other (in) tangible non-current assets	-3	-5
Non-current financial assets	-1,538	0
Assets held for sale	0	0
Impact on consolidation of new participations	86	0
Divestments		
Investment properties in operation		40,000
Development projects		
Non-current financial assets	10	10
3 Cash flow from financing activities	-5,713	-19,842
Change in financial liabilities and financial debts		
Increase (+) / Decrease (-) of long term financial debts	699	16,675
Increase (+) / Decrease (-) of short term financial debts	9,573	-29,124
Increase (+) / Decrease (-) of other financial liabilities	0	0
Change in other liabilities		
Increase (+) / Decrease (-) in other liabilities	0	0
Change in shareholders' equity		
Change in capital and share premium account (+/-)	0	0
Increase (+) / Decrease (-) of treasury shares	0	0
Dividend of the previous financial year	-15,985	-7,393
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,283	6,607

NOTE 1 SEGMENTED INFORMATION

PRIMARY SEGMENTATION - GEOGRAPHICAL

CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT

(in € 1,000)

	Belgium		Luxembourg		Corporate		TOTAL	
	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009	30/06/2010	30/06/2009
(+) Rental income	12,397	12,369	7,585	7,141			19,982	19,510
(+) Write-back of lease payments sold and discounted							0	0
(+/-) Related rental expenses		41					0	41
NET RENTAL INCOME	12,397	12,410	7,585	7,141	0	0	19,982	19,551
(+) Recovery of property charges	22	11	188	0			210	11
(+) Recovery income of charges and taxes normally payable by tenants on let properties	1,820	1,010	53	41			1,873	1,051
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-79	0					-79	0
(-) Charges and taxes normally payable by tenants on let properties	-1,820	-1,010	-53	-41			-1,873	-1,051
(+/-) Other rental-related income and expenditure	52	62	-60	-8			-8	54
PROPERTY RESULT	12,392	12,483	7,713	7,133	0	0	20,105	19,616
(-) Technical costs	-598	-347	-67	-26			-665	-373
(-) Commercial costs	-304	-157	-60	-3			-364	-160
(-) Charges and taxes on un-let properties	-192	-61	-4	-43			-196	-104
(-) Property management costs	-1,365 ⁽¹⁾	-1,404	-66	-74			-1,431	-1,478
(-) Other property charges	-57	-61	-50	-52			-107	-113
PROPERTY CHARGES	-2,516	-2,030	-247	-198	0	0	-2,763	-2,228
PROPERTY OPERATING RESULT	9,876	10,453	7,466	6,935	0	0	17,342	17,388
(-) General corporate costs	-653	-588	-220	-304		0	-873	-892
(+/-) Other operating charges and income	65	-2	-1	-9	0	0	64	-11
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	9,288	9,863	7,245	6,622	0	0	16,533	16,485
(+/-) Gains or losses on disposals of investment properties				15,233			0	15,233
(+/-) Changes in fair value of investment properties	-6,888	-11,960	588	5			-6,300	-11,955
OPERATING RESULT	2,400	-2,097	7,833	21,860	0	0	10,233	19,763
(+) Financial income					192	564	192	564
(-) Interest charges					-4,137	-4,847	-4,137	-4,847
(-) Other financial charges					-1,063	-2,519	-1,063	-2,519
FINANCIAL RESULT	0	0	0	0	-5,008	-6,802	-5,008	-6,802
PRE-TAX RESULT	2,400	-2,097	7,833	21,860	-5,008	-6,802	5,225	12,961
(+/-) Corporate taxes					-93	-285	-93	-285
(+/-) Exit tax					470	163	470	163
TAXES	0	0	0	0	377	-122	377	-122
NET RESULT	2,400	-2,097	7,833	21,860	-4,631	-6,924	5,602	12,839
Attributable to:								
Minority interests							1	0
Group shares							5,601	12,839

(1) The property management costs consist, a.o. of the remuneration paid by Leasinvest Real Estate and its Belgian subsidiaries to the statutory manager Leasinvest Real Estate Management SA. Of the total remuneration paid by Leasinvest Real Estate for the first 6 months of the financial year 2010 (€ 1.2 million), € 0.5 million is related to the Luxembourg portfolio. The fee is however integrally recorded in the Belgian segment, because Leasinvest Real Estate is the real debtor.

CONDENSED CONSOLIDATED BALANCE SHEET - GEOGRAPHICAL SEGMENTATION (PRIMARY SEGMENT)

(in € 1,000)	Belgium		Luxembourg		Corporate		TOTAL	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
ASSETS								
Intangible assets	4	2					4	2
Investment properties (incl. development projects)	295,552	317,979	220,992	219,539			516,544	537,518
Assets held for sale	42,410			0			42,410	0
Other assets	14,283	12,039	2,368	2,586			16,651	14,625
ASSETS PER SEGMENT	352,249	330,020	223,360	222,125	0	0	575,609	552,145
LIABILITIES								
Non-current financial debts					193,583	193,050	193,583	193,050
Current financial debts					95,884	62,001	95,884	62,001
Other liabilities	12,822	12,202	2,993	4,094	8,182	5,880	23,997	22,176
LIABILITIES PER SEGMENT	12,822	12,202	2,993	4,094	297,649	260,931	313,464	277,227

MAIN KEY FIGURES - GEOGRAPHICAL SEGMENTATION (PRIMARY SEGMENT)

In the balance sheet item 'investment properties' the buildings in operation as well as the development projects are recorded. For the calculation of the other key figures (yield, total rentable surface, occupancy rate and weighted average duration) only the buildings in operation are taken into account.

(in € 1,000)	Belgium		Luxembourg		TOTAL	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Fair value of the real estate portfolio	337,962	317,979	220,992	219,539	558,954	537,518
Investment value of the real estate portfolio	346,720	326,230	226,650	225,170	573,370	551,400
Yield (in fair value) of the segment	7.85%	7.88%	6.89%	6.90%	7.57%	7.48%
Yield (in investment value) of the segment	7.66%	7.69%	6.71%	6.73%	7.38%	7.29%
Total rentable surface (m ²)	294,390	267,475	85,961	85,961	380,351	353,436
Occupancy rate	96.52%	96.72%	98.75%	99.39%	97.81%	97.74%
Weighted average duration till first break possibility (# years)	3.5	3.7	4.4	4.3	3.9	3.9

SECONDARY SEGMENTATION - PER ASSET CLASS

The real estate portfolio comprises the buildings in operation and the development projects. For the calculation of the other key figures (yield, total rentable surface, occupancy rate and weighted average duration) only the buildings in operation are taken into account.

(in € 1,000)	Offices		Logistics (and semi-industrial)		Retail		TOTAL	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Rental income	12,309	24,253	4,334	8,917	2,767	5,498	19,410	38,668
Fair value of the real estate portfolio	342,688	344,220	128,071	106,576	88,195	86,722	558,954	537,518
Investment value of the real estate portfolio	351,560	353,140	131,410	109,370	90,400	88,890	573,370	551,400
Yield (in fair value)	7.41%	7.35%	8.93%	8.84%	6.32%	6.29%	7.57%	7.48%
Yield (in investment value)	7.22%	7.17%	8.70%	8.61%	6.17%	6.13%	7.38%	7.29%
Occupancy rate	96.00%	97.00%	100.00%	99.00%	100%	100%	97.81%	97.74%
Weighted average duration till first break possibility (# years)	3.4	3.3	3.3	4.0	6.2	6.2	3.9	3.9

NOTE 2 NET RENTAL RESULT

(in € 1,000)	30/06/10	30/06/09
Rental income		
Rents	18,915	19,207
Guaranteed income	359	
Rental rebates	495	81
Rental incentives		
Compensation for early termination of the leases	213	222
Compensation for financial leasing and comparable items	0	0
TOTAL	19,982	19,510
Write-back of lease payments sold and discounted	0	0
Rental-related expenses		
Rent payable on rented assets	0	0
Write-downs on trade receivables	0	0
Write-backs of write-downs on trade receivables	0	41
TOTAL	0	41
NET RENTAL RESULT	19,982	19,551

NOTE 3 INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE (FAIR VALUE METHOD)

(in € 1,000)	Buildings in operation		Development projects		Assets held for sale		Total	
	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009	30/06/2010	31/12/2009
Balance at the beginning of the period	529,352	534,039	8,166	29,195	0	0	537,518	563,234
Investments	20,893	1,516	6,348	14,787			27,241	16,303
Divestments		0	0	-24,834	42,410	0	42,410	-24,834
Acquisitions through business combinations		0		0			0	0
Transfers	-35,220	12,868	-7,190	-12,868			-42,410	0
Increase/(decrease) of the fair value	-5,720	-19,071	-85	1,886			-5,805	-17,185
Balance at the end of the period	509,305	529,352	7,239	8,166	42,410	0	558,954	537,518

NOTE 4 DIVIDENDS DISTRIBUTED

At the ordinary general meeting of 17/05/10 a total gross dividend of € 4.00 was approved.
This dividend was paid on 24/05/10.

FINANCING, LIQUIDITY AND CASH FLOW RISK

Leasinvest Real Estate finances its real estate portfolio through its shareholders' equity, issue of short term commercial paper (from 1 week to 6 months) and bank credit lines (from 1 to 5 years).

The financing and liquidity risks for Leasinvest Real Estate could consist of:

- 1 insufficient liquidity to be able to meet its financial obligations. The net cash flow of Leasinvest Real Estate is more than adequate to meet its interest charges. Almost all the bank loans are of the 'bullet loan' type, and therefore the principal only has to be reimbursed at the maturity date. Leasinvest Real Estate' policy has always been to conclude more bank credits than necessary in order to cover its financial needs;
- 2 the commercial paper market drying up completely. This risk is limited as the commercial paper issues are fully covered by back-up credit lines (€ 104.2 million);
- 3 the existing bank loans and/or back-up credit loans not being extended. This risk is limited by diversifying the maturity date of the credit facilities. Leasinvest Real Estate has no bank loans that have to be extended in 2010, only part of the back-up credit lines (€ 26.7 million), of which € 20 million has already been extended in August 2010;
- 4 the credit lines being withdrawn prematurely, due to the real estate investment trust no longer being able to meet its existing financial and other commitments imposed by its banks. The bank loans include financial covenants, which relate mainly to the status of real estate investment trust and the associated maximum debt ratio. The consolidated debt ratio of Leasinvest Real Estate on 30/06/10 was 51.64% (31/12/09: 47.61%), which is significantly lower than the maximum debt ratio of 65% as defined by the RD of 21/06/06. Due to the sale of the Axxes Business Park after the closing on 30/06/10 the debt ratio decreases back to 47.6%;
- 5 the credit lines have to be withdrawn prematurely due to the default of the financial institutions (counterparty risk). This risk is limited by spreading the bank loans across various banks.

INTEREST RATE RISK

The hedging policy is intended to cover the interest rate risk for approximately 80% of the financial debt for a 3-year period. Since Leasinvest Real Estate's debt financing is almost exclusively based on a floating interest rate, there is an interest rate risk if the interest rate were to rise, which would increase the financing cost. This interest rate risk is hedged using financial instruments such as spot and forward interest rate collars, interest rate caps, interest rate swaps and payer swaptions.

The maturity dates of the interest rate hedges lie between 2010 and 2017. For more detail we refer to note 23 of the financial statements on page 94 of the annual financial report 2009.

For a real estate investment trust and in this case, Leasinvest Real Estate, which has a gross indexed rental yield of 7.57% (based on the fair value), low interest rates are a potentially profit-increasing factor. Normally these result in an increase of the gross margin, namely the difference between the received rental yield and the average interest rate paid.

Notwithstanding the fact that Leasinvest Real Estate is financed mainly on the basis of floating interest rates, it could to a large extent, but not entirely take advantage of these lower interest rates, because Leasinvest Real Estate - due to its risk-averse profile - has contracted interest rate hedging instruments (such as a.o. IRS and interest collars) to cover that interest rate risk. Moreover, a decrease of the interest rates often leads to negative changes in the fair value of the interest rate hedges, with a(n) (accounting though non-cash) negative impact on the shareholders' equity and the results.

Following the trend of increasing bank margins since the start of the economic and financial crisis, a turnaround has been recorded since the end of 2009 and the beginning of 2010, and credit margins for new or extended credits are again decreasing. In so far as the borrower has to extend its loans, this can partially offset the above mentioned positive effect of lower market interest rates, due to the higher credit margins than before the crisis, for the extension of current or the conclusion of new credits.

Nevertheless, due to its interest hedging policy, whereby the liability is covered largely by interest collars and interest caps (€ 145 million in current hedging with a ceiling on interest rates), and to a more limited extent via interest rate swaps (€ 55 million of current hedging with a fixed interest rate) Leasinvest Real Estate succeeded in reducing its average financing cost (excl. IAS 39 and premiums of the hedges including bank margins) from 3.72% (30/06/09) to 3.36% on 30/06/10.

TENANT & CREDIT RISKS

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active, in order to obtain a rental risk and income with an improved diversification and therefore limiting the dependency of the real estate investment trust to the fall-out of a tenant due to termination of the lease or bankruptcy.

The breakdown per sector of our tenant portfolio remains healthy.

The main sectors are services (27.1% compared with 25% on 31/12/09), retail & wholesale (19.1%, same as 31/12/09), financial institutions (12.2% compared with 14% on 31/12/09), followed by industry (9.2% compared to 10% on 31/12/09) and public institutions, non-profit organizations and international professional associations (9.5% compared with 9% on 31/12/09).

The creditworthiness of our tenants' portfolio remains very good, which is demonstrated by the fact that Leasinvest Real Estate did not have to make any write-downs of doubtful receivables the last years in Belgium or in Luxembourg.

Ensuring tenant loyalty has always been very important to Leasinvest Real Estate. We respond to the needs of our tenants through a competent, dynamic and customer-focused commercial and operational management. In 2010 4% of the rental contracts expired, of which the largest part was extended or new tenants were found. In 2011 there are more important break possibilities, i.e. 20.3%, in 2012 16.3% and in 2013 12%.

The real estate investment trust has already started negotiations in advance, wherever possible, for renewal with most of the large tenants with leases due to expire within the 3 coming years.

In the past, Leasinvest Real Estate has always succeeded in extending the majority of the leases due to expire, or in negotiating new leases, which has been reflected in the relatively constant duration of our leases over the years, namely 3.9 years on 30/06/10 (31/12/09: 3.9 years): the duration of the Belgian and Luxembourg portfolio were nearly constant, namely respectively 3.5 years on 30/06/10 compared with 3.7 years on 31/12/09 and 4.4 years (30/06/10) compared to 4.3 years on 31/12/09. The relatively low duration is explained by the fact that the leases in Belgium and Luxembourg, which are mainly contracted with companies (who constitute 90% of Leasinvest Real Estate's consolidated portfolio) are mainly of the classic type (3-6-9 years).

Leasinvest Real Estate's pro-active management is also focused on entering into leases with a longer duration than the classic 3-6-9 years. The State Archives in Bruges fit into this strategy. It will be completed by the end of 2012 and will be rented for a fixed term of 25 years to the Buildings agency.

We refer to note 2 of the financial report for a list of the rental income on an annual basis that could potentially be lost if every tenant having a break possibility would actually leave their premises, and there would be no re-letting.



RIJKSARCHIEF - BRUGES
(SALENS ARCHITECTS)

6 REPORT OF THE AUDITOR

Report of the statutory auditor to the shareholders of Leasinvest Real Estate Comm VA on the review of the interim condensed consolidated financial statements as of 30 June 2010 and for the six months then ended

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated balance sheet of Leasinvest Real Estate Comm VA (the ‘Company’) as at 30 June 2010 and the related interim condensed consolidated statements of income, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting (‘IAS 34’) as adopted for use in the European Union.

Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

SCOPE OF REVIEW

We conducted our review (‘revue limitée/beperkt nazicht’ as defined by the ‘Institut des Reviseurs d’Entreprises/Instituut der Bedrijfsrevisoren’) in accordance with the recommendation of the “Institut des Reviseurs d’Entreprises/Instituut der Bedrijfsrevisoren” applicable to review engagements. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the auditing standards of the ‘Institut des Reviseurs d’Entreprises/Instituut der Bedrijfsrevisoren’ and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 as adopted for use in the European Union.

Brussels, 30 August 2010

Ernst & Young Reviseurs d’Entreprises scrl
Statutory auditor
represented by

Christel Weymeersch
Partner

7 LEASINVEST REAL ESTATE ON THE STOCK EXCHANGE

SHAREHOLDERS

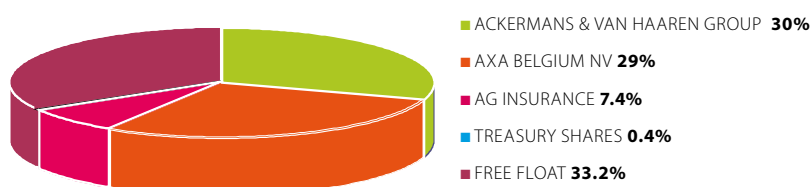
The Leasinvest Real Estate shares are listed in Belgium on Euronext Brussels (BEL Small).

Extensa Group SA (Ackermans & van Haaren Group) is the founder and promoter of the real estate investment trust and holds 100% of the shares of the statutory manager, Leasinvest Real Estate Management SA.

NUMBER OF LISTED SHARES (4,012,832) ⁴

The number of issued shares on 30/06/10 amounted to 4,012,832.

On 30/06/10 the real estate investment trust held 16,538 treasury shares on a consolidated basis in portfolio, or a participation of 0.41%. Leasinvest Real Estate Management held 6 Leasinvest Real Estate shares.



KEY FIGURES

(in €)	30/06/10	31/12/09
Number of listed shares (#)	4,012,832	4,012,832
Market capitalisation based on closing price (€ million)	235.19	236.64
Free float (%)	33.2%	33.2%
Closing price	58.61	58.97
Highest price ⁽¹⁾	66.48	64.01
Lowest price ⁽¹⁾	56.71	45.68
Average price ⁽¹⁾	62.03	54.87
Total volume (#) ⁽¹⁾	205,818	383,879
Average monthly traded volume (#) ⁽¹⁾	34,303	31,990
Velocity ^{(1) (2)} (%)	5.1%	9.6%
Free float velocity (%) ^{(1) (3)}	15.4%	28.8%

(1) For the financial year 31/12/09 the data are calculated over a period of 12 months and for 30/06/10 over a period of 6 months.

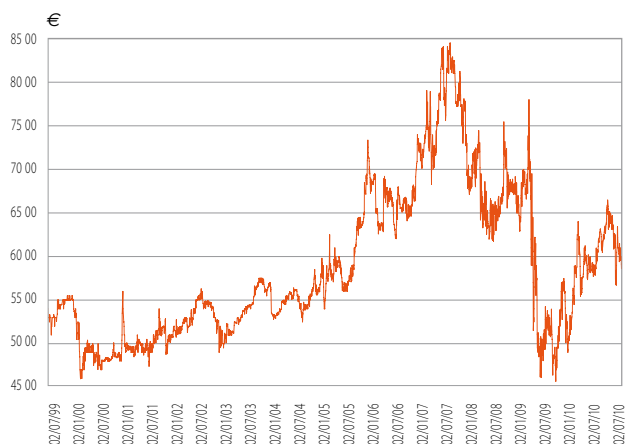
(2) Number of traded shares / total number of listed shares.

(3) Number of traded shares / (total number of listed shares * free float).



⁴ In the periodical press releases, the net asset value per share is communicated.

Evolution of the share price since the IPO on 02/07/99



Premium / discount of the Leasinvest Real Estate share since 01/07/02 compared with net asset value

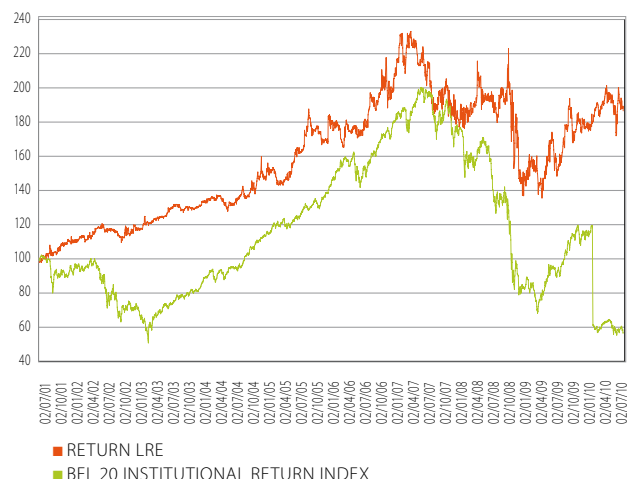


The share price evolved from € 58.97 on 31/12/09 to € 66.48 (highest price) on 26/03/10 to finally close the half-year at € 58.61 (30/06/10).

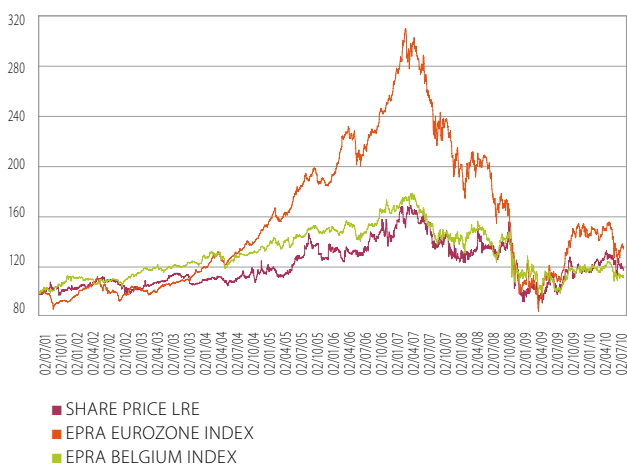
The discount (compared to the net asset value base on fair value) decreased from -14% on 31/12/09 to -11% on 30/06/10. On 23/08/10 the share price amounted to € 61.49, representing a lower discount of 6.3% compared to the fair value on 30/06/10.

The average monthly traded volume of the share for the first half-year of the financial year 2010 amounted to 34,303 shares in comparison with 31,990 in 2009. The lower velocity (5.1% over 2010) is mainly explained by the limited free float of the share (33.2%). If we only take into account the freely tradable

Comparison of return of Leasinvest Real Estate with the return on the Bel20 Index ⁵



Comparison of return of Leasinvest Real Estate with the return of the EPRA Index



shares, the free float velocity over the first half-year of 2010 amounts to 15.4% compared to 28.8% over 2009.

As shown by the graph, the Leasinvest Real Estate share records quasi systematically a higher return than the BEL20 Index. In comparison with the EPRA Belgium Index, the index of the main listed real estate companies in Belgium, the Leasinvest Real Estate share records a comparable evolution. The EPRA Eurozone Index, the index of the main listed real estate companies in Europe rose above the level of the EPRA Belgium Index and of the Leasinvest Real Estate share.

⁵ Index to consult in the financial newspapers, i.e. *l'Echo* and *De Tijd* in the stock market pages.

IDENTITY CARD**REAL ESTATE INVESTMENT TRUST UNDER BELGIAN LAW** LEASINVEST REAL ESTATE SCA**LEGAL ENTITY** LIMITED PARTNERSHIP BY SHARES**REGISTERED OFFICE** WOLUWE GATE, BLD. DE LA WOLUWE 2, 1150 BRUSSELS, BELGIUM**ADMINISTRATIVE OFFICE** SCHERMERSSTRAAT 42, 2000 ANTWERP, BELGIUM**CONTACT INFORMATION** T +32 3 238 98 77 – F +32 3 237 52 99**E-MAIL** INVESTOR.RELATIONS@LEASINVEST.BE**WEB** HTTP://WWW.LEASINVEST.BE**REGISTER OF LEGAL ENTITIES** BRUSSELS**VAT** BE 0436.323.915**ESTABLISHED** 8/06/99, PUBLICATION MB 26/06/99 (CONVERSION INTO REAL ESTATE INVESTMENT TRUST) (NR. 990626-330)**TERM** UNSPECIFIED**FINANCIAL YEAR** 1 JANUARY – 31 DECEMBER**LISTING** EURONEXT BRUSSELS, BEL SMALL**LIQUIDITY PROVIDER** BANK DEGROOF**DEPOSITARY** BANK DELEN**AUDITOR** ERNST & YOUNG RÉVISEURS D'ENTREPRISES, REPRESENTED BY CHRISTEL WEYMEERSCH, PARTNER**REAL ESTATE VALUERS** CUSHMAN & WAKEFIELD - WINSSINGER & ASSOCIATES**SUPERVISION** BANKING, FINANCE AND INSURANCE COMMISSION (CBFA)**FINANCIAL CALENDAR**

HALF-YEAR FINANCIAL REPORT 30/06/10 (IAS 34)	31/08/10
INTERIM STATEMENT 30/09/10 (9 MONTHS)	09/11/10
PUBLICATION RESULTS OF THE FINANCIAL YEAR 31/12/10 (12 MONTHS)	18/02/11
ANNUAL FINANCIAL REPORT 31/12/10	APRIL 2011
INTERIM STATEMENT 31/03/11 (3 MONTHS)	13/05/11
ANNUAL MEETING OF SHAREHOLDERS	16/05/11
DIVIDEND PAYMENT	23/05/11
HALF-YEAR RESULTS 30/06/11 (6 MONTHS)	19/08/11
HALF-YEAR FINANCIAL REPORT 30/06/11 (IAS 34)	31/08/11

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