

LEASINVEST
REAL
ESTATE

HALF-YEAR FINANCIAL REPORT 2011

REGULATED INFORMATION ♦ UNDER EMBARGO TILL 24/08/11 - 7.30H (AM)

Company profile

Real estate investment trust (sicafi) Leasinvest Real Estate SCA 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 256 million euro (value 22 August 2011).

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STATEMENT OF RESPONSIBLE PERSONS

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

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

(i) the condensed financial statements, established in accordance with the applicable accounting standards for annual accounts, 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 management 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 SA

Statutory manager

2011

Interim management report

HIGHLIGHTS FIRST HALF-YEAR OF 2011

- Revalued net asset value per share increases from 65.60 euro on 30/06/10 to 67.74 euro on 30/06/11 (based on the fair value of the real estate);
- Net result (Group share) increases to 2.57 euro per share (30/06/10: 1.40 euro) mainly due to lower unrealised capital losses on the real estate portfolio;
- Net current result (Group share – excluding IAS 39, IAS 40 and non recurrent elements) remained stable at 2.92 euro per share for the first half-year of 2011 (30/06/10: 2.90 euro);
- Occupancy rate decreases to 94.12% (31/12/10: 97.45%) mainly as a consequence of the partial vacancy of phase 1 of Canal Logistics;
- First tenant for 7,200 m² of phase 1 of Canal Logistics.

IMPORTANT EVENTS FOR THE PERIOD 01/01/11-30/06/11

TAKE-OVER OF RETAIL CONTRACTS IN NOSSEGEM OF REDEVCO RETAIL BELGIUM

Mid January 2011 the rental contract with Redevco Retail Belgium was ended by mutual consent. Leasinvest Real Estate leased a retail park situated in Nossegem to Redevco Retail Belgium, sub-let to different important retailers such as Brico, Leen Bakker, Blokker, Casa and Tony Mertens. These sub-lessees as a consequence became direct tenants of Leasinvest Real Estate. A cancellation fee of 6.8 million euro was paid

to Redevco Retail Belgium. As a result Leasinvest Real Estate receives, under constant circumstances, since 1 January 2011 more than 2 million euro of rental income per year instead of 0.9 million previously.

RENOVATION WORKS THE CRESCENT INTO A GREEN INTELLIGENT BUILDING

By the end of 2011 The Crescent will be completely renovated into a green intelligent building and used as a business center with different facilities (catering, meeting rooms, etc.). The objective for this building is to obtain a 'BREEAM in use'-certificate with a 'very good' score.

Different service contracts have been concluded in the meanwhile. Based on the current situation the occupancy rate reached 40% by the end of the first semester of 2011. For this building, a rental compensation of 1.2 million euro was received in May 2011.

COMPLETION OF A NEW STORE IN DIEKIRCH

In May 2011, within the scheduled deadline and budget, the extension of the retail park in Diekirch was completed. It consists of a new construction of a 1,356 m² store, let for a fixed term of 12.5 years to the German Siemes Schuhcenter Group. For this building, an realized capital gain of 1.2 million euro was accounted for in the second quarter of 2011.



BRIXTON BUSINESS PARK - BRUSSELS (NOSSEGEM)



THE CRESCENT - BRUSSELS (ANDERLECHT)

EVOLUTION OF THE CONSTRUCTION WORKS FOR THE STATE ARCHIVES IN BRUGES

The building project for the new State Archives in Bruges proceeds according to plan. The take-over of the project by Leasinvest Real Estate is foreseen by the end of October 2012 after the provisional acceptance of the State Archives and the start of the 25 year fixed lease with the federal government represented by the Buildings Agency.

COMPLETION OF THE BUSINESS CENTER TORENHOF IN MERELBEKE

The renovation of the castle-farm Torenhof situated in Merelbeke has been completed in the course of the second quarter of 2011. A business center activity will be started by the end of 2011.

INCREASE OF THE PARTICIPATION IN RETAIL ESTATES

Within the framework of the capital increase realized by the real estate investment trust Retail Estates SA on 27/06/11, following the partial demerger of FUN Belgium SA, Leasinvest Real Estate has purchased a part of these newly created shares (i.e. 81,783 shares, or 1.41% of the current total share capital of Retail Estates SA). This acquisition has been realized at the issue price of the partial demerger, or 48.91 euro, defined based upon the average closing price of the Retail Estates share during the 30 days preceding the emission, minus the net amount of the dividend paid by Retail Estates on 5 July 2011 (2.295 euro).

IMPORTANT EVENTS AFTER THE PERIOD 01/01/11-30/06/11

TAKE-OVER OF THE PARTICIPATION OF EXTENSA GROUP SA IN RETAIL ESTATES

On 08/07/11 Leasinvest Real Estate has taken over the existing shareholding of Extensa Participations II Sàrl (Extensa) of 173,072 shares (3.21%) in Retail Estates SA at 48.91 euro per share.

As Extensa is a 100% subsidiary of Extensa Group SA, in its turn a 100% indirect subsidiary of Ackermans & van Haaren, the promoter of Leasinvest Real Estate, the transaction is subject to the application of article 18 of the RD on real estate investment trusts (prevention of conflicts of interest). For more information on this operation, we refer to the press release on the website www.leasinvest.be (investors - occasional press releases - 'Leasinvest RE takes over the participation of Extensa in Retail Estates').

On 09/08/11 25,966 additional Retail Estates shares were purchased on the stock exchange.

Adding its current participation and the different aforementioned acquisitions, Leasinvest Real Estate currently holds a global stake of 7.39% in real estate investment trust Retail Estates SA.



STATE ARCHIVES - BRUGES (SALENS ARCHITECTS)



TORENHOF - MERELBEKE

EXTENSION OF A LOGISTICS RENTAL CONTRACT IN ANTWERP

In Kontich (Antwerp) the current tenant extends its lease for a logistics site and its accompanying offices of approximately 23,700 m². The current rental contract, expiring by the end of December 2011, has been anticipatively extended for a fixed rental period till the end of December 2016. This rental contract represents 3.04% of the consolidated real estate portfolio (including development projects).

CONCLUSION OF A FIRST RENTAL CONTRACT FOR THE LOGISTICS PART OF PHASE 1 OF CANAL LOGISTICS IN BRUSSELS

The contract with Cameleon/Famous Clothes SA on the existing 1st phase of Canal Logistics situated in Neder-over-Heembeek (Brussels) relates to a first lease contract on this site for 7,200 m² of storage space (with an option till 10,000 m²). The lease contract starts on 30 September 2011 and has been concluded based on a 6-9 years lease term. Cameleon is a major player in the private sale of clothes, accessories and decoration items in the Benelux, and will use this building as a logistics platform for the supply of their e-commerce operations in Belgium.

The global 1st phase of Canal Logistics (www.canallogistics.be), acquired in March 2010, of which the rental guarantee from the buyer expired at the beginning of April 2011, represents 2.88% of the consolidated real estate portfolio (including development projects). The expiry of this rental guarantee has a downward impact on the occupancy rate,

partially compensated by this first rental, starting on 30 september 2011.

Consequently, 25% of the logistics part of this 1st phase (27,682 m²) is let, or potentially 36% in case of the use of the extension possibility.

This first letting on phase 1 of Canal Logistics shortly after the expiry of the rental guarantee proves the attractiveness of this logistics site, also to other future users.

PROVISIONAL ACCEPTANCE OF PHASE 2 OF CANAL LOGISTICS

The construction works of phase 2 of the logistics building with a surface of approximately 20,640 m² of storage space and 2,500 m² of offices have been completed at the beginning of July 2011. In 2007 concrete agreements have been made with the developer regarding the provisional acceptance and closing of this phase 2, foreseen by the end of August 2011. A rental guarantee of 11 1/2 months (idem as for phase 1) has been agreed with the developer.

Canal Logistics is a new state-of-the-art logistics centre, centrally located alongside the Brussels-Scheldt Maritime Canal and only 10 minutes away from the city centre of Brussels and Zaventem airport. The 2 phases comprise a total of 48,340 m² of storage space and 2,500 m² of offices.



CANAL LOGISTICS - BRUSSELS

CORPORATE GOVERNANCE

APPOINTMENT OF 3 NEW INDEPENDENT DIRECTORS AT THE LEVEL OF THE STATUTORY MANAGER

At the level of the statutory manager of Leasinvest Real Estate, i.e. Leasinvest Real Estate Management SA, on 16/05/11, three new independent directors were appointed, complying with the independence criteria of article 526 ter of the Company Code:

- ◆ **Michel Eeckhout**, CEO of Delhaize Belgium and Luxembourg
- ◆ **Mark Leysen**, CEO of vanbreda Risk & Benefits
- ◆ **Starboard sprl**, represented by **Eric Van Dyck**, CEO of Redevco Retail Belgium

These three directors replace 3 of the 4 independent directors, whose mandates have reached the legal maximum term of 12 years in June 2011, namely Mr Bernard de Gerlache de Gomery, Mr Marc Van Heddeghem and Mr Eric De Keuleneer.

Consequently, as from now, the board of directors of the statutory manager is composed as follows:

- ◆ **Luc Bertrand**, chairman
- ◆ **Jan Suykens**
- ◆ **Jean-Louis Appelmans**, managing director
- ◆ **Kris Verhellen**
- ◆ **Consuco SA**, with permanent representative **Alfred Bouckaert**
- ◆ **SiriusConsult BVBA**, with permanent representative **Thierry Rousselle**
- ◆ **Guy van Wymersch-Moons**
- ◆ **Christophe Desimpel**, independent director
- ◆ **Michel Eeckhout**, independent director
- ◆ **Mark Leysen**, independent director
- ◆ **Starboard BVBA**, with permanent representative **Eric Van Dyck**, independent director

Their mandate will expire immediately after the annual general meeting to be held in 2014.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The extraordinary general meeting of 16/05/11 has approved all proposed amendments to the articles of association, including those to adapt the articles of association to (a) the new Royal Decree on real estate investment trusts of 07/12/10 (the 'sica-fi/bevak-RD') and (b) the new legislation on the exercise of certain rights by shareholders in listed companies (the 'law on shareholders rights'), and some other amendments to the articles of association.

The new coordinated text of the articles of association is available at the company website **www.leasinvest.be** (official Dutch version).

TRANSPARENCY NOTIFICATION THRESHOLD OF 3%

In accordance with article 18 §1 of the law of 2 May 2007 on the disclosure of important participations in listed companies, it is communicated that the extraordinary general meeting has adopted an additional transparency notification threshold of 3%, next to the legal thresholds of 5% and multiples of 5% already recorded in the articles of association.

OVERVIEW OF MAIN TRANSACTIONS WITH RELATED PARTIES

In the period 01/01/11-30/06/11 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.

For more information on the transaction in Retail Estates shares with Extensa Participations II Sàrl we refer to the press release on the website **www.leasinvest.be**.

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 01/01/11-30/06/11 Leasinvest Real Estate has not purchased any treasury shares. On 30/06/11, on a consolidated basis, Leasinvest Real Estate holds 16,538 treasury shares in portfolio (idem 31/12/10). These have a total accounting value of 1,045,928 euro, with a par value per share of 10.99 euro.

OUTOOK FOR THE FINANCIAL YEAR

The important divestments in 2010, until present not compensated by additional investments, have a negative impact on the rental income and the net current result of 2011. Despite this, the board of directors expects to be able to maintain the dividend 2011 in line with 2010.



MOTSTRAAT - MALINES

Key figures

REAL ESTATE PORTFOLIO ⁽¹⁾

	30/06/11	31/12/10
Fair value (1,000 euro) ^{(2)/(4)}	503,718	494,203
Investment value (1,000 euro) ^{(3)/(4)}	516,730	506,550
Rental yield based on fair value ⁽⁵⁾	7.33%	7.41%
Rental yield based on investment value ⁽⁵⁾	7.15%	7.22%
Occupancy rate ^{(5)/(6)}	94.12%	97.45%

- (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 according to 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.



MOTSTRAAT - MALINES

KEY RESULTS

(in 1,000 euro)	30/06/11	30/06/10
Rental income	19,069	19,982
Operating result ⁽¹⁾	13,302	10,233
Net current result, Group share ⁽²⁾	11,650	11,571
Portfolio result, Group share	-2,450	-6,300
Net result, Group share	10,255	5,601
Net cash flow, Group share ⁽³⁾	11,203	11,918

KEY FIGURES PER SHARE ⁽⁴⁾

(in euro)	30/06/11	30/06/10
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	4.77	5.00
Operating result ⁽¹⁾	3.33	2.56
Net current result, Group share ⁽²⁾	2.92	2.90
Portfolio result, Group share	-0.61	-1.58
Net result, Group share	2.57	1.40
Net cash flow, Group share ⁽³⁾	2.80	2.98

- (1) Net result without financial result and taxes.
- (2) Net result minus the portfolio result, minus changes in the fair value of the ineffective interest rate hedges and minus non recurring elements.
- (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 ineffective 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 30/06/11 and 30/06/10 Leasinvest Real Estate held a total of 16,538 treasury shares, or 0.41% in portfolio, on a consolidated basis.

GENERAL INFORMATION

	30/06/11	31/12/10
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 euro)		
- based on fair value	67.74	68.92
- based on investment value	71.00	72.08
Debt ratio RD 07/12/10 (%)	46.72%	44.13%

Real estate report



REAL ESTATE MARKET OVER THE FIRST HALF-YEAR OF 2011¹

OFFICE MARKET IN LUXEMBOURG

The first half of 2011 was globally much better than the same period in 2010. This proves that the market is somehow picking up. After a steady 1st quarter, the 2nd quarter of 2011 was substantially better for the office market in the Grand Duchy of Luxembourg.

The take up of offices in Luxembourg over the first six months of 2011 increased by 42% compared to the same period of the previous year and amounted to 75,334 m² (30/06/10: 53,000 m²), of which take up of offices in the 2nd quarter was double the take up in the 1st quarter of 2011. The prime rents for top locations (e.g. CBD) amounted to 40 euro/m²/month and were stable for the rest of the country. The vacancy rate improved to 6.3% at the end of the 2nd quarter of 2011 (30/06/10: > 7%) with only 5% in the CBD and Kirchberg. The investment market for the first half-year of 2011 tripled compared to the previous year and amounted to 112 million euro (30/06/10: < 40 million euro).

OFFICE MARKET IN BELGIUM

The take up of offices in Brussels over the first six months of 2011 was more than half lower than for the same period of the previous year and amounted to approximately 113,600 m² (30/06/10: 245,000 m²). The prime rents were relatively stable and fluctuated between 275 euro/m²/year and 295 euro/m²/year. The vacancy rate has slightly decreased to 11.3% compared to 12% in the same period of the previous year.

The investment market amounted to 421 million euro and has increased by 67% compared to the first half-year of 2010. This proves that the market for quality products is picking up, but pre-crisis investment levels have not yet been reached.



LOGISTICS & SEMI-INDUSTRIAL MARKET IN BELGIUM

The take up of logistics buildings has picked up during the 1st quarter of 2011. The evolution of this rental market is preceding the evolution of the still depressed offices rental market. This improved trend is also proven by a.o. some important rental transactions concluded by Leasinvest Real Estate at the beginning of July 2011 in its logistics site in Antwerp and a first rental in phase 1 of Canal Logistics.

Prime rents approximately amount to 50 euro/m²/year and have been relatively constant.

The investment market for logistics real estate remains weak and very low compared to the period preceding the financial crisis.

¹ Sources: Property Partners Research Q1 & Q2 2011 (Luxemburg), BNP Paribas Real Estate City Report Brussels Office H1 2011 & Cushman & Wakefield.

COMPOSITION OF THE REAL ESTATE PORTFOLIO

GEOGRAPHICAL BREAKDOWN

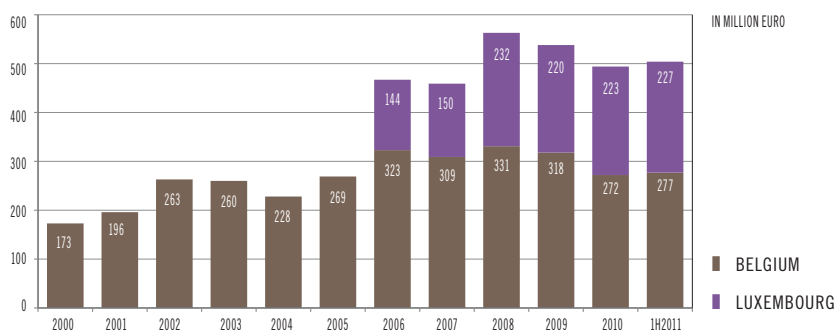
	Fair value (million euro)	Investment value (million euro)	Share in the portfolio (%) based on fair value	Contractual rents (million euro/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Belgium	270.94	278.00	53.8%	20.60	7.60	7.41	89.34
Grand Duchy of Luxembourg	226.52	232.31	45.0%	15.88	7.01	6.84	99.00
Buildings in operation	497.46	510.31	98.8%	36.48	7.33	7.15	94.12
Projects Belgium	6.26	6.42	1.2%				
Projects Luxembourg	0.00	0.00	0.0%				
Total investment properties	503.72	516.73	100%				

BREAKDOWN ACCORDING TO ASSET CLASS

	Fair value (million euro)	Investment value (million euro)	Share in the portfolio (%) based on fair value	Contractual rents (million euro/year)	Rental yield based on fair value (%)	Rental yield based on investment value (%)	Occupancy rate (%)
Offices							
Offices Brussels	102.21	104.77	20.3	8.23	8.05	7.86	94.0
Offices rest of Belgium	40.15	41.15	8.0	2.93	7.30	7.12	100.0
Offices Grand Duchy of Luxembourg	138.41	142.00	27.5	9.37	6.77	6.60	98.0
Total offices	280.77	287.92	55.8	20.53	7.31	7.13	97.0
Logistics/Semi-industrial							
Logistics/Semi-industrial Belgium	97.44	100.15	19.3	7.40	7.59	7.39	84.0
Logistics/Semi-industrial Grand Duchy of Luxembourg	20.28	20.79	4.0	1.44	7.10	6.93	100.0
Total Logistics/Semi-industrial	117.72	120.94	23.3	8.84	7.51	7.31	96.1
Retail							
Retail Belgium	31.15	31.93	6.2	2.04	6.55	6.39	100.0
Retail Grand Duchy of Luxembourg	67.82	69.52	13.5	5.06	7.46	7.28	100.0
Total retail	98.97	101.45	19.7	7.10	7.17	7.00	100.0
Buildings in operation	497.46	510.31	98.8	36.48	7.33	7.15	94.1
Projects Belgium	6.26	6.42	1.2				
Projects Grand Duchy of Luxembourg	0.00	0.00	0.0				
Total investment properties	503.72 ⁽¹⁾	516.73	100				

(1) The difference between the fair value as recorded in the valuation report by the experts Cushman & Wakefield (503.83 million euro), results from a different calculation of the fixed transfer rights of the building rue Lusambo in Forest. 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 2010 on page 84).

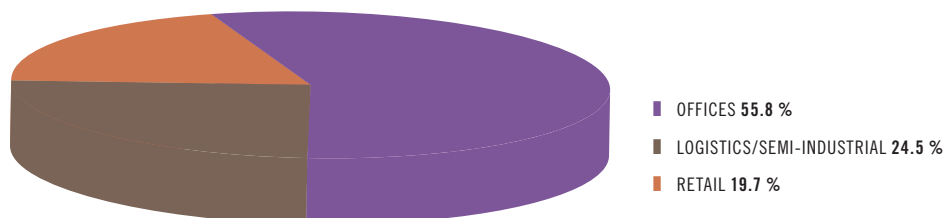
EVOLUTION OF THE REAL ESTATE PORTFOLIO BASED ON FAIR VALUE



The fair value of the investment properties (development projects included) has increased to 504 million euro on 30/06/11 compared to 494 million euro on 31/12/10. The value increase of the Belgian portfolio from 272 million euro (31/12/10) to 277 million euro is mainly the consequence of the take over of the retail contracts from Redevco Retail Belgium regarding the retail park located in Nossegem on the one hand, and the value decrease of the buildings by the independent real estate expert on the other hand. The fair value of the Luxembourg portfolio has also increased on 30/06/11, from 223 million euro on 31/12/10 to 227 million euro on 30/06/11, mainly as a consequence of the addition of the store in Diekirch. Belgium and Luxembourg represent respectively 55% and 45% of the real estate portfolio (development projects included).

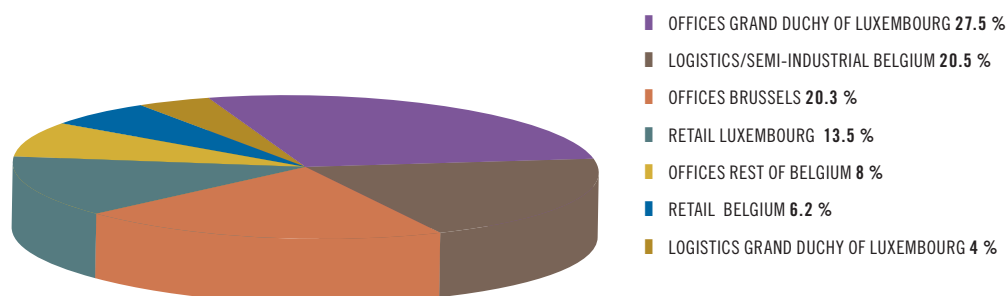
ANALYSIS OF THE REAL ESTATE PORTFOLIO

TYPE OF ASSETS



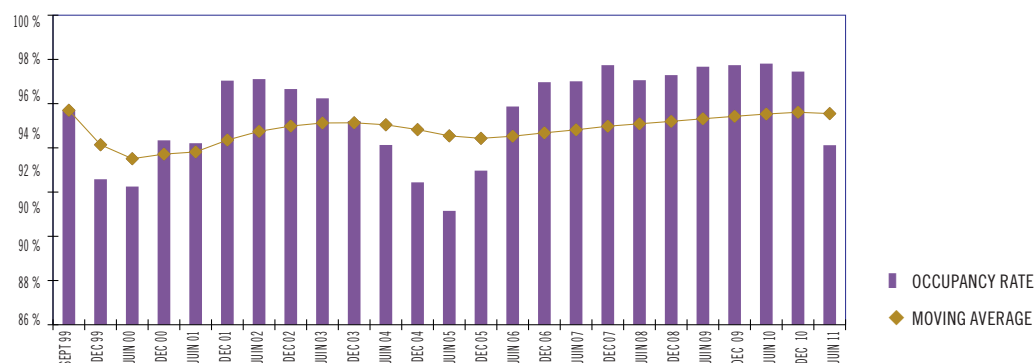
The real estate portfolio (development projects included) of Leasinvest Real Estate (based on fair value) has a balanced breakdown according to the type of assets. The importance of offices in the real estate portfolio of Leasinvest Real Estate amounts to 55.8%, followed by 24.5% of logistics and 19.7% of retail.

PORTFOLIO BREAKDOWN



Due to the sale of offices in Belgium in 2010 the offices part in the Grand Duchy of Luxembourg has become the main portfolio segment with 27.5% or 138.4 million euro. The logistics buildings in Belgium (including development projects) are second with 103.7 million euro (20.5% of the portfolio), followed by the offices part in Brussels of 102.2 million euro or 20.3% of the total portfolio. Retail in the Grand Duchy of Luxembourg is fourth with 13.5% or 67.8 million euro.

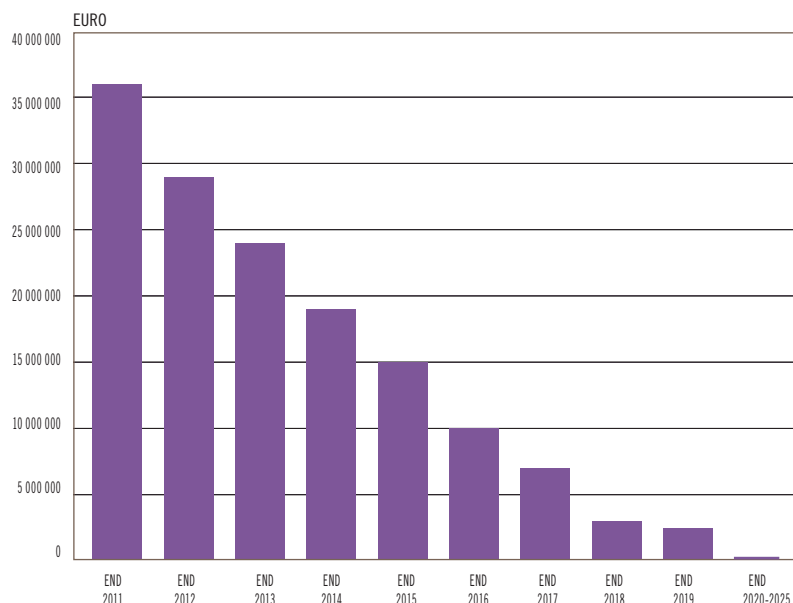
OCCUPANCY RATE



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

The occupancy rate on 30/06/11 amounted to 94.12% (97.45% on 31/12/10). The lower occupancy rate is mainly the consequence of the partial vacancy of phase 1 of Canal Logistics.

REMAINING LEASE TERMS AND CONTRACTUALLY GUARANTEED RENTAL INCOME



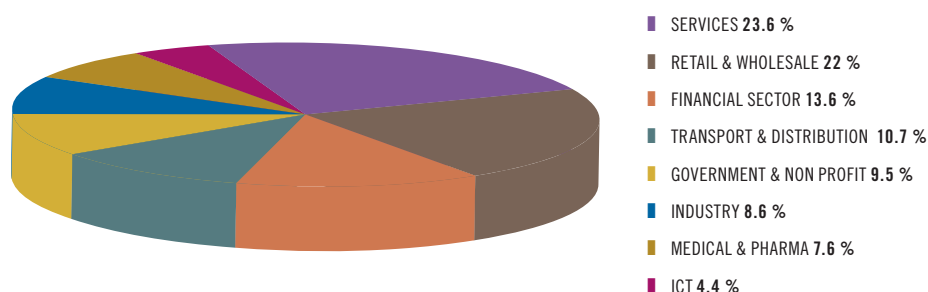
The graph is calculated on the first break date of the current rental contracts based on the contractual rents. 49.1% of the annual contractual rents expire within 3 years.

In 2011 4.6 million euro expired, of which until present 48% has been extended and 52% has been terminated. For these terminated leases or vacant buildings contacts are made to attract new tenants. The main reasons are the vacancy of phase 1 of Canal Logistics as from 04/2011 and the expected partial vacancy in The Crescent.

There are important break possibilities in 2012, namely 17.1%, 11.6% in 2013 and 11.5% in 2014.

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 (31/12/10: 3.9 years).

TYPE OF TENANTS



The portfolio of Leasinvest Real Estate is rather composed of tenants from the private sector than of the public sector. The main sectors of the portfolio are: services (24%), retail & wholesale (22%), financial sector (14%), transport & distribution (11%), government/non-profit (10%) and industry (9%). In the Grand Duchy of Luxembourg the financial sector represents 90% of our portfolio.

VALUATION REPORT¹

VALUATION UPDATE AS AT 30 JUNE 2011 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 2011.

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 Meer) and in the Grand Duchy of Luxembourg.
2. The average of the current rental income (+ the market rent on vacant space) is 6.10% higher than the market rent (respectively 8.97% and 4.34% for the Belgian and Luxembourg portfolios).
3. The occupancy rate² of the total portfolio (including the projects) is 94.12% (respectively 89.34% and 99% for the Belgian and the Luxembourg portfolios).
4. Two properties were delivered in Q2 2011. One is the renovation of the Torenhof (1,565 m² and 40 parking spaces) next to the Access Park in Merelbeke. This is being

developed into a Business center and the estimated net value is 2,880,000 euro. Secondly, the Siemes Shuhcenter, a retail warehouse property of 1,356 m² located in Diekirch in Luxemburg (next to the Batiself) with an estimated net value of 3,170,000 euro.

5. In Q1 2011, Redevco, who had an ongoing contract until 2018, was bought out of the Brixton Business Park units 4/5/6. This had to do with a historic arrangement where Redevco had to pay a low market rent until April 2018, in exchange for the redevelopment of the site. As compensation Redevco could then take a margin by subletting to third parties. All current contracts which Redevco had with subtenants will now be taken over by Leasinvest Real Estate.

For all buildings of Leasinvest Real Estate SCA, we determined the following values as at 30 June 2011, including the part that has been valued by Winssinger & Associés:

1. an investment value of 516,730,000 euro (five hundred sixteen million seven hundred and thirty thousand euro), with respectively 284,420,000 euro and 232,310,000 euro as investment values for the Belgian and Luxembourg portfolios; and
2. a fair value of 503,830,000 euro (five hundred and three million eight hundred and thirty thousand euro), with respectively 277,330,000 euro and 226,500,000 euro 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 7.15% (with respectively 7.41% and 6.84% for the Belgian and Luxembourg portfolios) and the initial yield of the complete portfolio in terms of fair value is 7.33% (respectively 7.60% and 7.01% for the Belgian and Luxembourg portfolios).

CUSHMAN & WAKEFIELD

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).

Condensed financial statements

CONDENSED CONSOLIDATED PROFIT & LOSS

(in 1,000 euro)	Note	30/06/11	30/06/10
(+) Rental income		19,069	19,982
(+) Write-back of lease payments sold and discounted			
(+/-) Related rental expenses		26	0
NET RENTAL INCOME	2	19,095	19,982
(+) Recovery of property charges		13	210
(+) Recovery income of charges and taxes normally payable by tenants on let properties		1,438	1,873
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		-4	-79
(-) Charges and taxes normally payable by tenants on let properties		-1,438	-1,873
(+/-) Other rental-related income and expenditure		-142	-9
PROPERTY RESULT		18,962	20,105
(-) Technical costs		-458	-665
(-) Commercial costs		-180	-364
(-) Charges and taxes on un-let properties		-249	-196
(-) Property management costs		-1,349	-1,431
(-) Other property charges		-108	-108
PROPERTY CHARGES		-2,344	-2,763
PROPERTY OPERATING RESULT		16,618	17,342
(-) General corporate costs		-767	-873
(+/-) Other operating charges and income		-99	64
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		15,752	16,533
(+/-) Gains or losses on disposals of investment properties		0	0
(+/-) Changes in fair value of investment properties		-2,450	-6,300
OPERATING RESULT		13,302	10,233
(+) Financial income		2,353	192
(-) Interest charges		-3,849	-4,137
(-) Other financial charges		-1,416	-1,063
FINANCIAL RESULT		-2,912	-5,008
PRE-TAX RESULT		10,390	5,225
(+/-) Corporate taxes		-133	-93
(+/-) Exit tax		0	470
TAXES		-133	377
NET RESULT		10,257	5,602
Attributable to:			
Minority interests		2	1
Group shares		10,255	5,601

RESULTS PER SHARE

(in euro)	30/06/11	30/06/10
Profit per share, Group share ⁽¹⁾	2.57	1.40
Profit per diluted share, Group share ⁽¹⁾	2.57	1.40

(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 30/06/11, as approved by the European Commission. The principles and methods are unchanged compared to the annual accounts closed on 31/12/10.

The consolidated results for the first half-year closing on 30/06/11 have been established in accordance with IAS 34 'Interim financial reporting'.

COMMENTS ON THE CONSOLIDATED PROFIT & LOSS ACCOUNT

The **rental income** (19.1 million euro) experienced a decrease of 4.6% compared to 30/06/10 (20 million euro) as a consequence of the divestments of Axxes Business Park and Avenue Louise 250, realized in H2 2010. At the end of May 2011 a compensation of 1.2 million euro was received with regard to the building ex-L'Oréal/The Crescent. The lower occupancy rate amounted to 94.12% (30/06/10: 97.81%), mainly as a consequence of the vacancy of phase 1 of Canal Logistics. This latter site represents 2.88% of the real estate portfolio (development projects included). By the recent first letting to Cameleon/Famous Clothes SA, the occupancy rate of phase 1 should slightly increase as from 30 September 2011 as 25% of the logistics part of phase 1 (27,682 m²) will be let, or 36% in the future in case of execution of the extension possibility.

The **property charges** decreased from 2.8 million euro on 30/06/10 to 2.3 million euro on 30/06/11, as a consequence of lower commercial and technical costs.

In the item **changes in fair value of investment properties** a lower unrealized loss of -2.5 million euro has been recorded, compared to -6.3 million euro on 30/06/10. This loss is a.o. the consequence

¹ All result data per share are calculated based on the number of shares participating in the result of the period.

of capitalized renovation costs for the business center The Crescent in Anderlecht (1.4 million euro), only partially compensated by an unrealized capital gain of 1.2 million euro on the completion of the store in Diekirch (Luxembourg) in Q2 2011.

Due to the increased market interest rates, the fair value of the ineffective hedges (according to IAS 39) recorded a positive change of 1.7 million euro per 30/06/11, comprised in the item **financial income**. A year before, there was still a negative variation of -0.6 million euro (comprised in the item other financial charges). Making abstraction of IAS 39 the (negative) **financial result** has increased from -4.4 million euro to -4.6 million euro as a consequence of premiums paid for new hedges (0.8 million euro) and higher commitment fees (0.1 million euro) due to a lower appropriation of the available credits. The average financing cost (excluding IAS 39 and premiums of hedges, and including bank margins) on 30/06/11 has increased to 3.79% compared to 3.36% on 30/06/10.

The **net result, Group share**, closed at 10.3 million euro (or 2.57 euro per share¹) compared to 5.6 million euro (or 1.4 euro per share on 30/06/10). The increased performance in comparison with 30/06/10 is to a large extent a consequence of the changes in fair value of the investment properties (3.9 million euro better) and the changes in the fair value of the ineffective hedges (2.2 million euro better).

The **net current result, Group share**, or the net result excluding the portfolio result, the changes in fair value of the ineffective hedges and the non-recurrent elements, remained constant at 11.7 million euro, or 2.92 euro per share, compared to 11.6 million euro, or 2.90 euro per share, on 30/06/10.

CONSOLIDATED BALANCE SHEET

(in 1,000 euro)	Note	30/06/11	31/12/10
ASSETS			
NON-CURRENT ASSETS		511,321	498,839
Intangible non-current assets		3	4
Investment properties, incl. development projects	3	503,718	494,203
Other non-current assets		1,155	25
Non-current financial assets		6,445	4,607
CURRENT ASSETS		19,965	15,136
Assets held for sale	3	0	0
Current financial assets		10,180	5,435
Trade receivables		6,574	5,685
Tax receivables and other current assets		758	960
Cash and cash equivalents		2,067	2,840
Deferred charges and accrued income		386	216
TOTAL ASSETS		531,286	513,975
LIABILITIES			
TOTAL SHAREHOLDER'S EQUITY	cf. statement of changes in equity	270,717	275,411
SHAREHOLDER'S EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		270,712	275,408
Capital		44,128	44,128
Share premium account		70,622	70,622
Treasury shares (-)		-1,046	-1,046
Reserves		152,710	154,829
Result		10,255	14,266
Impact on fair value of estimated transfer rights resulting from hypothetical disposal of investment properties		-7,246	-7,246
Change in fair value of financial assets and liabilities		1,289	-145
on financial assets held for sale		1,257	497
on financial derivatives		32	-642
MINORITY INTERESTS		5	3
LIABILITIES		260,569	238,564
NON-CURRENT LIABILITIES		186,465	142,360
Provisions			
Non-current financial debts		182,766	138,000
Other non-current financial liabilities		3,699	3,986
Other non-current liabilities			374
CURRENT LIABILITIES		74,104	96,204
Provisions		0	0
Current financial debts		56,825	81,837
Trade debts and other current debts		6,161	4,517
Other current liabilities		2,442	2,091
Accrued charges and deferred income		8,676	7,759
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		531,286	513,975

COMMENTS ON THE CONSOLIDATED BALANCE SHEET

Compared to the end of the previous financial year, the **investment properties** (development projects included) have increased from 494.2 million euro to 503.7 million euro. Mid-January 2011 the rental contract with Redevco Retail Belgium was terminated by mutual consent, resulting in the fact that Leasinvest Real Estate now directly lets to the tenants in the retail park in Nossegem. A cancellation fee of 6.8 million euro was paid. The gross rental yield decreased to 7.33% (31/12/10: 7.41%) following the vacancy of phase 1 of Canal Logistics.

The **current financial assets** have increased from 5.4 million euro to 10.2 million euro as a consequence of the take over, at the end

of June 2011, of the newly created Retail Estates SA shares for an amount of 4 million euro within the framework of the partial demerger of FUN Belgium SA.

The **shareholders' equity, Group share** (based on the fair value of the investment properties) amounts to 270.7 million euro, or 67.74 euro per share at the end of the 1st quarter of 2011, compared to 262.1 million euro, or 65.60 euro per share on 30/06/10.

The **debt ratio** (calculated in accordance with the RD of 07/12/10) has slightly increased from 44.13% on 31/12/10 to 46.72% on 30/06/11.

NET ASSET VALUE PER SHARE

(in euro)	30/06/11	30/06/10
Net asset value per share (fair value)	67.74	65.60
Net asset value per share (investment value)	71.00	69.21

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in 1,000 euro)	Capital	Share premium	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	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total Shareholders' equity
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
Income 1 st half-year 2010 (6 months)				5,601	-641	-1,746	3,214		3,214
Balance sheet on 30 June 2010	44,128	70,622	-1,046	160,429	-8,770	-3,212	262,152	-6	262,146
Income 2 nd half-year 2010 (6 months)				8,665	1,524	3,067	13,256	9	13,265
Balance sheet on 31 December 2010	44,128	70,622	-1,046	169,095	-7,246	-145	275,408	3	275,411
Distribution dividend financial year 2010				-16,385			-16,385		-16,385
Income 1 st half-year 2011 (6 months)				10,255	0	1,434	11,689	2	11,691
IFRS balance sheet on 30 June 2011	44,128	70,622	-1,046	162,965	-7,246	1,289	270,712	5	270,717

STATEMENT OF COMPREHENSIVE INCOME

(in 1,000 euro)	30/06/11	30/06/10
Net result	10,257	5,601
Other elements of comprehensive income		
Changes in estimated transfer rights resulting from hypothetical		
- disposal of investment properties		
- acquisition of investment properties		-641
Change in fair value of financial assets and liabilities	1,434	-1,746
Total comprehensive income	11,691	3,214

CONSOLIDATED CASH FLOW STATEMENT

(in 1,000 euro)	30/06/11	30/06/10
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	2,840	2,767
1. Cash flow from operating activities	8,720	7,817
Net result	10,257	5,601
Amendment of the profit for non-cash and non-operating elements	948	6,318
<i>Depreciations and write-downs</i>	<i>7</i>	<i>4</i>
- Depreciations and write-downs on intangible and other tangible assets (+/-)	33	4
- Write-downs on current assets (-)	-26	0
<i>Other non-cash elements</i>	<i>941</i>	<i>6,314</i>
- Changes in fair value of investment properties (+/-)	2,450	6,300
- Movements in provisions (+/-)	0	-53
- Spreading of gratuities (+/-)	144	-495
- Changes in the fair value of the financial derivatives (+/-)	-1,653	562
- Other non-current transactions	0	0
<i>Non-operating elements</i>	<i>0</i>	<i>0</i>
Capital gains on realisation of non-current assets	0	0
Change in requirements of working capital:	-2,485	-4,102
<i>Movements in asset items:</i>	<i>-5,023</i>	<i>-1,926</i>
- Current financial assets	-4,232	-1,422
- Trade receivables	-863	-642
- Tax receivables and other current assets	242	129
- Deferred charges and accrued income	-170	9
<i>Movements in liability items:</i>	<i>2,538</i>	<i>-2167</i>
- Trade debts and other current debts	1,269	-2,033
- Other current liabilities	350	-105
- Accrued charges and deferred income	919	-38
2. Cash flow from investment activities	12,862	-2588
Investments		
Investment properties in operation	-12,005	-1,058
Development projects	-104	-85
Other (in) tangible non-current assets	-1,163	-3
Non-current financial assets	0	-1,538
Assets held for sale	0	0
Impact on consolidation of new participations	0	86
Divestments		
Investment properties in operation		
Development projects		
Non-current financial assets	410	10
3. Cash flow from financing activities	3,369	-5,713
<i>Change in financial liabilities and financial debts</i>		
Increase (+) / Decrease (-) of financial debts	19,754	10,272
Increase (+) / Decrease (-) of other financial liabilities	0	0
<i>Change in other liabilities</i>		
Increase (+) / Decrease (-) in other liabilities	0	0
<i>Change in shareholders' equity</i>		
Change in capital and share premium account (+/-)	0	0
Increase (+) / Decrease (-) of treasury shares	0	0
Dividend of the previous financial year	-16,385	-15,985
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	2,067	2,283

NOTE 1: GEOGRAPHICAL SEGMENTATION

CONDENSED CONSOLIDATED PROFIT & LOSS ACCOUNT

(in 1,000 euro)		Belgium		Luxembourg		Corporate		TOTAL	
		30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
(+)	Rental income	11,363	12,397	7,706	7,585			19,069	19,982
(+)	Write-back of lease payments sold and discounted								
(+/-)	Related rental expenses	26						26	0
NET RENTAL INCOME		11,389	12,397	7,706	7,585	0	0	19,095	19,982
(+)	Recovery of property charges	13	22		188			13	210
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	1,399	1,820	39	53			1,438	1,873
(-)	Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	-4	-79					-4	-79
(-)	Charges and taxes normally payable by tenants on let properties	-1,399	-1,820	-39	-53			-1,438	-1,873
(+/-)	Other rental-related income and expenditure	-110	52	-32	-60			-142	-8
PROPERTY RESULT		11,288	12,392	7,674	7,713	0	0	18,962	20,105
(-)	Technical costs	-354	-598	-104	-67			-458	-665
(-)	Commercial costs	-115	-304	-65	-60			-180	-364
(-)	Charges and taxes on un-let properties	-222	-192	-27	-4			-249	-196
(-)	Property management costs	-1,275 ⁽¹⁾	-1,365	-74	-66			-1,349	-1,431
(-)	Other property charges	-69	-57	-39	-50			-108	-107
PROPERTY CHARGES		-2,035	-2,516	-309	-247	0	0	-2,344	-2,763
PROPERTY OPERATING RESULT		9,253	9,876	7,365	7,466	0	0	16,618	17,342
(-)	General corporate costs	-567	-653	-200	-220			-767	-873
(+/-)	Other operating charges and income	-98	65	-1	-1			-99	64
OPERATING RESULT BEFORE PORTFOLIO RESULT		8,588	9,288	7,164	7,245	0	0	15,752	16,533
(+/-)	Gains or losses on disposals of investment properties							0	
(+/-)	Changes in fair value of investment properties	-5,021	-6,888	2,571	588			-2,450	-6,300
OPERATING RESULT		3,567	2,400	9,735	7,833	0	0	13,302	10,233
(+)	Financial income					2,353	192	2,353	192
(-)	Interest charges					-3,849	-4,137	-3,849	-4,137
(-)	Other financial charges					-1,416	-1,063	-1,416	-1,063
FINANCIAL RESULT		0	0	0	0	-2,912	-5,008	-2,912	-5,008
PRE-TAX RESULT		3,567	2,400	9,735	7,833	-2,912	-5,008	10,390	5,225
(+/-)	Corporate taxes					-133	-93	-133	-93
(+/-)	Exit tax					0	470	0	470
TAXES		0	0	0	0	-133	377	-133	377
NET RESULT		3,567	2,400	9,735	7,833	-3,045	-4,631	10,257	5,602
Attributable to:									
Minority interests								2	1
Group shares								10,255	5,601

(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 2011 (1.1 million euro), 0.5 million euro is related to the Luxembourg portfolio. The fee is however integrally recorded in the Belgian segment, because Leasinvest Real Estate is the real debtor.

CONSOLIDATED BALANCE SHEET

	Belgium		Luxembourg		Corporate		TOTAL	
(in 1,000 euro)	30/06/11	31/12/10	30/06/11	31/12/10	30/06/11	31/12/10	30/06/11	31/12/10
ASSETS								
Intangible assets	3	4					3	4
Investment properties (incl. development projects)	277,201	271,537	226,517	222,666			503,718	494,203
Assets held for sale	0			0			0	0
Other assets	24,897	17,010	2,668	2,758			27,565	19,768
ASSETS PER SEGMENT	302,101	288,551	229,185	225,424	0	0	531,286	513,975
LIABILITIES								
Non-current financial debts					182,766	138,000	182,766	138,000
Current financial debts					56,825	81,837	56,825	81,837
Other liabilities	13,520	10,654	2,647	3,183	4,811	4,890	20,978	18,727
LIABILITIES PER SEGMENT	13,520	10,654	2,647	3,183	244,402	224,727	260,569	238,564

MAIN KEY FIGURES

In the balance sheet item 'investment properties' the lettable 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.

	Belgium		Luxembourg		TOTAL	
(in 1,000 euro)	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
REAL ESTATE PORTFOLIO						
Fair value of the real estate portfolio	277,201	337,962	226,517	220,992	503,718	558,954
Investment value of the real estate portfolio	284,420	346,720	232,310	226,650	516,730	573,370
Yield (in fair value) of the segment	7.43%	7.85%	7.01%	6.89%	7.24%	7.57%
Yield (in investment value) of the segment	7.24%	7.66%	6.84%	6.71%	7.06%	7.38%
Total rentable surface (m²)	262,742	294,390	87,317	85,961	350,059	380,351
Occupancy rate	89.34%	96.52%	99.00%	98.75%	94.12%	97.81%
Weighted average duration till first break possibility (# years)	4.0	3.5	4.0	4.4	3.9	3.9

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 (rental income, yield, occupancy rate and weighted average duration) only the buildings in operation are taken into account.

	Offices		Logistics (and semi-industrial)		Retail		TOTAL	
(in 1,000 euro)	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10	30/06/11	30/06/10
Rental income	10,014	12,309	3,981	4,334	3,487	2,767	17,482	19,410
Fair value of the real estate portfolio	280,771	342,688	123,972	128,071	98,975	88,195	503,718	558,954
Investment value of the real estate portfolio	287,920	351,560	127,360	131,410	101,450	90,400	516,730	573,370
Yield (in fair value)	7.31%	7.41%	7.51%	8.93%	7.18%	6.32%	7.24%	7.57%
Yield (in investment value)	7.13%	7.22%	7.31%	8.70%	7.00%	6.17%	7.06%	7.38%
Occupancy rate	97.00%	96.00%	84.00%	100%	100%	100%	94.12%	97.81%
Weighted average duration till first break possibility (# years)	3.1	3.4	4.6	3.3	5.2	6.2	3.9	3.9

NOTE 2: NET RENTAL RESULT

(in 1,000 euro)	30/06/11	30/06/10
Rental income		
Rents	17,626	18,915
Guaranteed income	1,425	359
Rental rebates	-144	495
Rental incentives	0	0
Compensation for early termination of the leases	162	213
Compensation for financial leasing and comparable items	0	0
TOTAL	19,069	19,982
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	26	0
TOTAL	26	0
NET RENTAL RESULT	19,095	19,982

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

(in 1,000 euro)	Buildings in operation		Development projects		Assets held for sale		Total	
	30/06/11	31/12/10	30/06/11	31/12/10	30/06/11	31/12/10	30/06/11	31/12/10
Balance at the beginning of the period	486,365	529,352	7,838	8,166	0	0	494,203	537,518
Investments	8,276	3,706	3,833	961			12,109	4,667
Divestments		-65,188		0		0	0	-65,188
Acquisitions of real estate		19,835	0	6,406			0	26,241
Transfers from/(to) other items	3,477	7,190	-3,477	-7,190			0	0
Increase/(decrease) of the fair value	-663	-8,530	-1,931	-505			-2,594	-9,035
Balance at the end of the period	497,455	486,365	6,263	7,838	0	0	503,718	494,203

NOTE 4: DIVIDENDS DISTRIBUTED

At the ordinary general meeting of 16/05/11 a total gross dividend of 4.10 euro was approved. This dividend was paid on 23/05/11.



ZEUTESTRAAT - MALINES

NOTE 5: FINANCIAL RISK MANAGEMENT

FINANCING, LIQUIDITY AND CASH FLOW RISK

Leasinvest Real Estate finances its real estate portfolio through its shareholders' equity, the conclusion of bank credits (from 1 to 7 years) and the issue of short-term commercial paper (from 1 week to 12 months).

The financing, liquidity and cash flow 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. Virtually all the bank credits are of the 'bullet loan' type, and therefore the principal only has to be reimbursed at the maturity date;
- 2 The commercial paper market drying up completely. This risk is taken into account by the fact that the concluded mid- & long-term bank credits provide for the possibility of back-up of the commercial paper issues;
- 3 The existing bank credits and/or back-up credits not being extended. This risk is limited by diversifying the maturity date of the credit facilities. At the end of 30/06/11 Leasinvest Real Estate has no maturity dates anymore for bank credits in the second half of 2011. In 2012 only 12.5 million euro expires;
- 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 covenants imposed by its banks. The bank credits include covenants, which mainly relate to the status of real estate investment trust and the associated maximum debt ratio. The consolidated debt ratio of Leasinvest Real Estate on 30/06/11 was 46.72% (31/12/10: 44.13%), which is significantly lower than the maximum debt ratio of 65% as defined by the RD of 07/12/10;
- 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 bankers.

INTEREST RATE RISK

The hedging policy is intended to cover the interest rate risk for approximately 75% of the financial debt for the following 5-year period and for 50% for the next 5-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 rates 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 and interest rate swaps.

In 2009 Leasinvest Real Estate has taken advantage of the historic low interest rates to increase the duration of its hedgings by concluding new forward caps, forward and spot interest rate swaps and payer swaptions. The maturity dates of the interest rate hedges are between 2011 and 2020.

For a real estate investment trust and in this case, Leasinvest Real Estate, which has a gross indexed rental yield of 7.33% (based on the fair value) on 30/06/11, low interest rates are a potentially profit-increasing factor. Normally these result in an increase of the gross margin between the received rental yield and the paid interest rate.

Notwithstanding the fact that Leasinvest Real Estate is financed mainly on the basis of floating interest rates, it can only partially take advantage of these lower interest rates, because Leasinvest Real Estate - due to its risk-averse profile - has contracted interest rate hedges (such as a.o. IRS and interest collars) to cover that interest rate risk.

Nevertheless, due to its interest rate hedging policy, whereby the bank debt is covered on a 50/50 basis by interest collars and interest caps (100 million euro in current hedging with a ceiling on interest rates), and via interest rate swaps (100 million euro of current hedging with a fixed interest rate) Leasinvest Real Estate succeeded in only increasing its average financing cost to a limited extent from 3.43% (31/12/10) to 3.79% on (30/06/11).

Moreover, a decrease/increase of the interest rates often leads to negative/positive changes in the fair value of the interest rate hedges, with a(n) (accounting though non-cash) negative/positive impact on the shareholders' equity and the results.

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 an important tenant due to e.g. termination of the lease or bankruptcy.

The breakdown per sector of our tenant portfolio remains healthy.

The main sectors are services (23.6% compared with 27.1% on 30/06/10), retail & wholesale (22%, compared to 19.1% on 30/06/10), financial institutions (13.6% compared with 12.2% on 30/06/10), followed by transport & distribution (10.7% compared to 9.2% on 30/06/10), public institutions, non-profit organizations and international professional associations (9.5%, idem as on 30/06/11) and industry (8.6% compared to 9.2% on 30/06/10).

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 important write-downs of doubtful receivables the last years and also in H1 2011, 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. At the beginning of the financial year 2011 17% of different rental contracts with a break possibility expired, of which almost half has been extended. There are no more break possibilities in the second half of 2011. In 2012 17.1% of the leases expire, 11.6% in 2013 and 11.5% in 2014. 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: the duration of the global portfolio on 30/06/11 has remained equal to the same period of the previous year, namely 3.9 years. The duration for Belgium amounted to 3.9 years (30/06/10: 3.7 years) and for Luxembourg to 4 years (30/06/10: 4.3 years).

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.

Report of the auditor

Report of the statutory auditor to the shareholders of Leasinvest Real Estate SCA on the limited review of the interim condensed consolidated financial statements for the semester closed on 30 June 2011.

INTRODUCTION

We have reviewed the accompanying interim condensed consolidated balance sheet of Leasinvest Real Estate SCA (the 'Company') as at 30 June 2011, and the related interim condensed consolidated statements of income, of comprehensive income, of changes in equity and cash flows for the semester 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 limited 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 limited 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, 19 August 2011

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

Christel Weymeersch
Partner



THE CRESCENT - ANDERLECHT

Leasinvest Real Estate on the stock exchange

SHAREHOLDER STRUCTURE

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)¹

The number of issued shares on 30/06/11 amounted to 4,012,832.

On 30/06/11 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 holds 6 Leasinvest Real Estate shares.

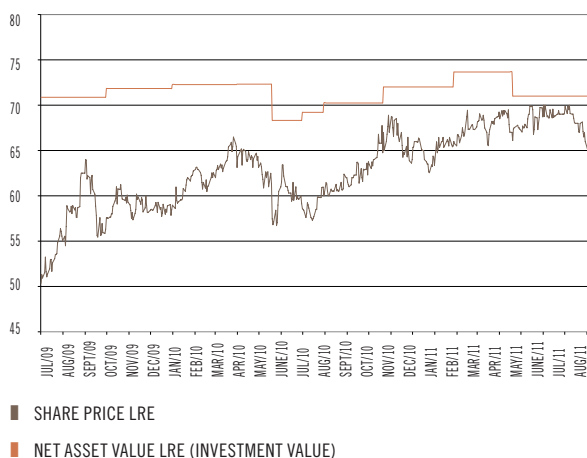
KEY FIGURES

(in euro)	30/06/11	31/12/10
Number of listed shares (#)	4,012,832	4,012,832
Number of issued shares (#)	4,012,832	4,012,832
Market capitalisation based on closing price (million euro)	277.10	254.25
Free float (%)	33.2%	33.2%
Closing price ⁽¹⁾	69.05	63.36
Highest price ⁽¹⁾	70.00	68.89
Lowest price ⁽¹⁾	64.75	56.71
Annual turnover (#) ⁽¹⁾	157,058	338,614
Average monthly traded volume (#) ⁽¹⁾	26,176	28,218
Velocity ^{(1) (2)} (%)	3.91%	8.4%
Free float velocity ^{(1) (3)} (%)	11.8%	25.4%

(1) For the financial year 31/12/10 the data are calculated over a period of 12 months and for 30/06/11 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).



In the first half-year of 2011 the Leasinvest Real Estate share price further recovered. The share price evolved from 63.36 euro on 31/12/10 to 69.05 euro on 30/06/11. The discount compared to the net asset value (based on fair value) diminished from -8% on 31/12/10 to a slight premium of +1.9% on 30/06/11.

The average monthly traded volume of the share over the first half of 2011 decreased and amounted to 26,176 shares (30/06/10: 34,303). The low velocity for 6 months (3.9% over the first half of 2011) is mainly explained by the limited free float of the share (33.2%). If we only take into account the freely tradable shares, the free float velocity for six months amounts to 11.8% over the first half of 2011.

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

FINANCIAL CALENDAR

Half-year financial report 2011 according to IAS 34	24/08/11
Interim statement Q3 (30/09/11)	16/11/11
Publication results of the financial year (31/12/11)	17/02/12
Annual financial report 2011 (online)	30/03/12
Interim statement Q1 (31/03/12)	11/05/12
Annual meeting of shareholders	21/05/12
Dividend payment	28/05/12
Half-year financial report 2012 according to IAS 34	23/08/12

APPENDIX: KEY PERFORMANCE INDICATORS ACCORDING TO THE EPRA REFERENCE SYSTEM¹

These data are communicated for information purposes only; they are not required by the regulation authorities on real estate investment trusts and also not subject to any review by a public body. These figures are unaudited.

EPRA Earnings	30/06/11 6 Months	31/12/10 12 Months
IFRS net result	10,257	14,267
Minority interests	2	1
Net result Group shareholders	10,255	14,266
Adjustments:		
Result on the sale of investment properties	0	-688
Changes in fair value of investment properties	2,450	9,978
Changes in fair value of financial assets	-1,653	-1,592
EPRA Earnings	11,052	21,964

EPRA NAV / NNNAV	30/06/11	31/12/10
Net asset value, Group share (NAV) (1,000 euro)	270,712	275,408
Changes in fair value of financial assets before hedging	-32	-642
EPRA NAV	270,680	274,766
EPRA NAV per share	67.73	68.76
EPRA NNNAV	270,712	275,408
EPRA NNNAV per share	67.74	68.92

¹ Main financial performance indicators applicable to listed real estate companies as defined by the EPRA guidelines (www.epra.com).

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