REGULATED INFORMATION
UNDER EMBARGO TILL 25/08/2016 • 7.30 AM

HALF-YEAR FINANCIAL REPORT 2016

Leasinvest REAL ESTATE

Company profile

Public regulated real estate company (BE-REIT*) Leasinvest Real Estate SCA mainly invests in high quality and well-located retail buildings and offices in the Grand Duchy of Luxembourg, in Belgium and in Switzerland.

At present the total fair value of the directly held real estate portfolio of Leasinvest amounts to over € 814 million spread across the Grand Duchy of Luxembourg (52%), Belgium (43%) and Switzerland (5%). Moreover, Leasinvest is the largest real estate investor in Luxembourg.

The real estate portfolio consists of retail (45%), offices (39%) and logistics (16%).

The BE-REIT* is listed on Euronext Brussels and has a market capitalization of approximately € 525 million (value 23 August 2016).

Statement in accordance with the RD on BE-REIT*

Mr Jean-Louis 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 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
Managing director
Leasinvest Real Estate Management SA
Schermersstraat 42
BE-2000 Antwerp
Statutory manager

* Belgian Real Estate Investment Trust, referring to the GVV/SIR legal status according to the Belgian law of 12 May 2014 and the Royal Decree of 13 July 2014.

Key figures

KEY FIGURES REAL ESTATE PORTFOLIO [1]

	30/06/2016	31/12/2015
Fair value real estate portfolio (€ 1,000) [2]	814,146	869,361
Fair value real estate portfolio, incl. participation Retail Estates (€ 1,000) [2]	885,106	939,786
Investment value real estate portfolio (€ 1,000) [3]	829,799	886,390
Rental yield based on fair value [4] [5]	6.95%	6.88%
Rental yield based on investment value [4] [5]	6.82%	6.75%
Occupancy rate [5] [6]	97.47%	95.80%
Average duration of leases (years)	4.45	4.84

1) The real estate portfolio comprises the buildings in operation, the development projects, the assets held for sale, as well as the buildings presented as financial leasing under IFRS.
(2) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS. The fair value of Retail Estates has been defined based on the share price on 30/06/2016.
(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 / DTZ Winssinger / Stadim / SPG Intercity.
(5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken into account, excluding the assets held for sale.
(6) The occupancy rate has been calculated based on the estimated rental value.

KEY FIGURES INCOME STATEMENT

	30/06/2016	30/06/2015
Rental income (€ 1,000)	28,412	25,123
Net rental result per share	5.75	5.09
Net current result (€ 1,000) [1]	14,918	11,105
Net current result per share [1]	3.02	2.25
Net result group share (€ 1,000)	15,216	13,443
Net result group share per share	3.08	2.72
Comprehensive income group share (€ 1,000) [2]	937	25,346
Comprehensive income group share per share [2]	0.19	5.13

1) The net current result consists of the net result excluding the portfolio result and the changes in fair value of the financial assets and liabilities (fair value adjustments).
(2) The decrease of the comprehensive income (IFRS Other Comprehensive Income) is explained by the higher impact of the mark-to-markets of the interest rate hedges concluded, taken into account for cash flow hedging and consequently settled via Shareholders' equity.

KEY FIGURES BALANCE SHEET

	30/06/2016	31/12/2015
Net asset value group share (€ 1,000) [1]	340,151	362,405
Net asset value group share per share [1]	68.9	73.4
Net asset value group share per share based on investment value [1]	72.1	76.9
Net asset value group share per share EPRA [1] [2]	80.0	81.3
Total assets (€ 1,000)	939,954	976,302
Financial debt	497,596	532,249
Financial debt ratio [3]	56.68%	58.03%
Average duration credit lines (years)	2.88	2.96
Average funding cost (excl. fair value changes hedges)	2.87%	3.27%
Average duration hedges (years)	6.22	6.58

(1) Net asset value according to IFRS is before distribution of the dividend. The net asset value per share is calculated based on the number of shares entitled to the result of the period.
(2) These data are mentioned for purely informative reasons and are not required by the regulation on RRECs and are also not subject to any review by public bodies. Neither are they audited.
(3) Legal ratio calculated according to the regulation on RREC.

APPENDIX: KEY PERFORMANCE INDICATORS ACCORDING TO THE EPRA REFERENCE SYSTEM

These data are communicated for information purposes only and are not required by the regulation on RRECs and are also not subject to any review by public bodies.

These figures were not audited by the auditor.

		30/06/2016		30/06/2015	
	Definitions	(x € 1,000)	(€/share)	(x € 1,000)	(€/share)
EPRA Result	Current result from strategic operating activities	14,795	3.00	10,939	2.21
EPRA NAV	Net Asset Value (NAV) adjusted to take into account the fair value of investment properties and excluding certain elements that do not fit into a financial model of long-term real estate investments	394,777	80	373,420	75.61
EPRA NNNAV	EPRA NAV adjusted to take into account the fair value of the financial instruments, the debts and deferred taxes	340,151	68.92	339,312	68.70
		(in %)		(in %)	
EPRA Net Initial Return (NIR)	Annualized gross rental income based on current rents at closing date of the annual accounts, excluding property charges, divided by the portfolio's market value increased by the estimated transfer rights and costs from hypothetical disposal of investment properties	5.48%		5.75%	
EPRA Adjusted NIR	This ratio corrects the EPRA NIR with regard to the end of gratuities and other rental incentives	5.54%		5.79%	
EPRA Vacancy	Estimated rental value (ERV) of vacant space divided by ERV of total portfolio	2.53%		4.05%	
EPRA Cost Ratio (incl. di-rects rental vacancy costs)	Ratio of operating and general charges compared to gross rental income	25.53%		26.06%	
EPRA Cost Ratio (excl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income, excl. direct rental vacancy costs	23.60%		24.19%	

(1) Benchmark 2015 based on the situation on 31/12/2015.

Contents

Highlights first half-year 2016

- The positive outlook for 2016 is confirmed by the 30/06/2016 realized figures
- Increasing rental income from € 25.1 million to € 28.4 million (+13%)
- The net current result on 30/06/2016 has risen to € 14.9 million or € 3.02 per share (+34%)
- The net result has increased from € 13.4 million to € 15.2 million or € 3.08 per share (+13%)
- High occupancy rate of the real estate portfolio at 97.5%
- Global real estate portfolio (1) amounts to € 885 million after the sale of the completed project Royal20
- EPRA Net asset value (group share) per share stands at € 80.0
- Debt ratio has decreased to 56.68% (2) per 30/06/2016
- Redevelopments in Belgium and Luxembourg on schedule
- Montoyer 63: successful signing of usufruct with European Parliament for 21 years fixed term

(1) The global real estate portfolio consists of the direct (buildings) and indirect (mainly participation in Retail Estates) real estate portfolio.
(2) After deduction of the available cash resources on 30/06/2016 this debt ratio decreases to 55.8%.

1 ACTIVITY REPORT FOR THE PERIOD 01/01/2016- 30/06/2016

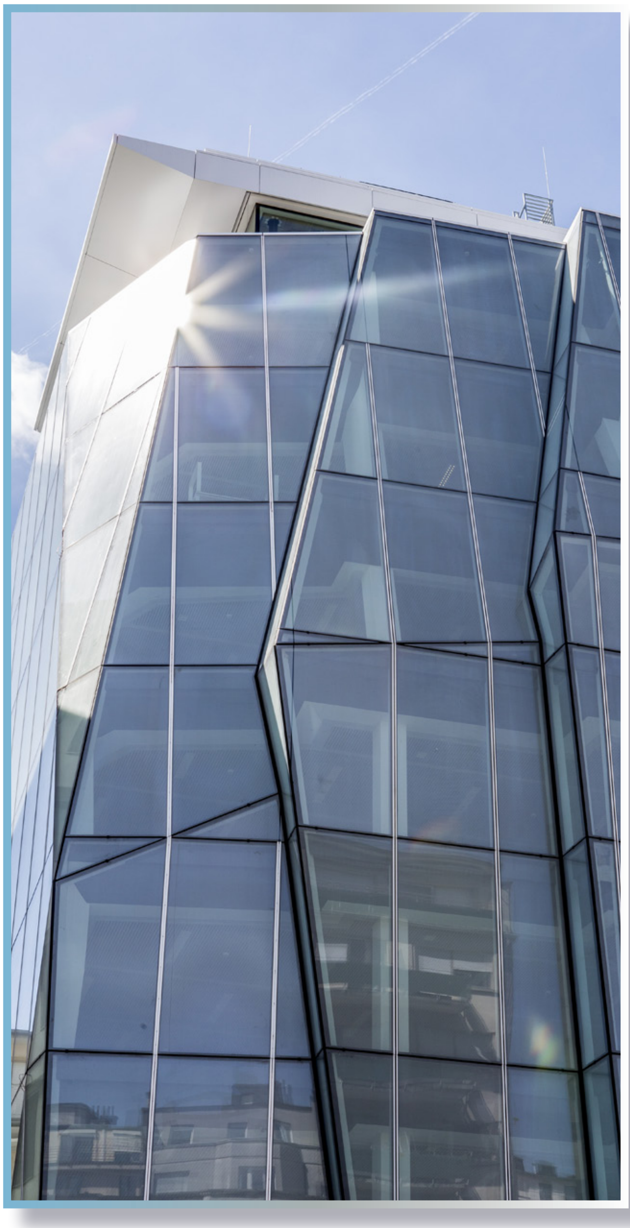
DEVELOPMENTS

Grand Duchy of Luxembourg

Sale office building Royal20 in Luxembourg

In the second quarter of 2016 the office building Royal 20 was completed upon schedule. This successful realisation is a perfect example of the daring and calculated entrepreneurship of Leasinvest Immo Lux (100% subsidiary of Leasinvest Real Estate) to turn the old Hotel Rix into a new office and landmark building on the Boulevard Royal. The magnetism of this diamond-shaped new office building designed by the renowned French architectural firm Christian de Portzamparc will become a strong architectural reference for the City of Luxembourg.

BREEAM: very good or excellent (to be confirmed)
Year of construction: 2016
4,743 m² offices
Occupancy rate (2016): 100%
Total investment: € 35 million



Occupancy rate
97.5%

Rental income
€ 28.4 million

EPRA Net asset value per share
€ 80.0

Net current result
+34%

Redevelopment retail park Strassen

The successful retail site located Route d'Arlon in Strassen, comprising 22,721 m², is being partially redeveloped into a retail park concept that will, besides the shops, a/o include a restaurant.

The redevelopment takes place in 2 phases in order to take into account the current tenants Adler Mode, Bâtiself and Roller, with regard to road works and redevelopment of the parking. The first phase will be completed end 2017. For phase 2 the reception is foreseen in 2020.

This site will be the largest retail park in the Luxembourg periphery at the entrance of the city of Luxembourg.

Year of construction: 1988
22,721 m² shops
Occupancy rate (2016): 100%
Total investment: € 13.4 million

Belgium

Redevelopment office building Montoyer 63 in Brussels CBD

This building, still leased to the European Parliament until end October 2016, will be entirely demolished and will comprise 6,052 m² state-of-the-art office space. Montoyer 63 is located in the Leopold district, amidst the European institutions, where there is currently a lack of new high-quality office buildings. The urban permit has been granted at the beginning of 2016 and the objective is to obtain a BREEAM 'excellent' certificate for this building at reception, foreseen in Q3 2018.

For this building, a usufruct agreement was concluded on 27/04/2016, for a fixed and irrevocable term of 21 years, with the European Parliament, that will enter into force as of the reception of the building in 2018 (see below).

BREEAM: excellent (objective for 2018)
Year of construction: reconstruction by 2018
6,052 m² offices
Occupancy rate: 100%
Total investment: € 16.9 million

Redevelopment Square de Meeûs in Brussels CBD

The demolition works for the office building Square de Meeûs that became vacant as of Q2 2015 have started in the meanwhile. Square de Meeûs benefits from a unique location in the heart of the Brussels' Leopold district (CBD), which is still the best office location in Belgium. Due to the scarcity in new quality buildings we are very optimistic about potential candidate-tenants for this building.
This building of 5,936 m^2 will be entirely demolished and rebuilt as an AAA building that will meet the highest quality standards as to technology and sustainability (BREEAM 'excellent' certificate expected).
The urban permit for this project has been delivered in January 2016 and the foreseen reception of the new building is planned for the second quarter of 2017.

BREEAM: excellent (objective for 2017)
Year of construction: reconstruction by 2017
5,936 m^2 offices
Total investment: € 17.8 million

"Leasinvest Real Estate wishes to deliver high-quality and sustainable buildings tenants can identify with and that allow them to differentiate themselves. Towards the community and the real estate market we wish to confirm our role as a creative real estate investor."

DIVESTMENTS

Grand Duchy of Luxembourg

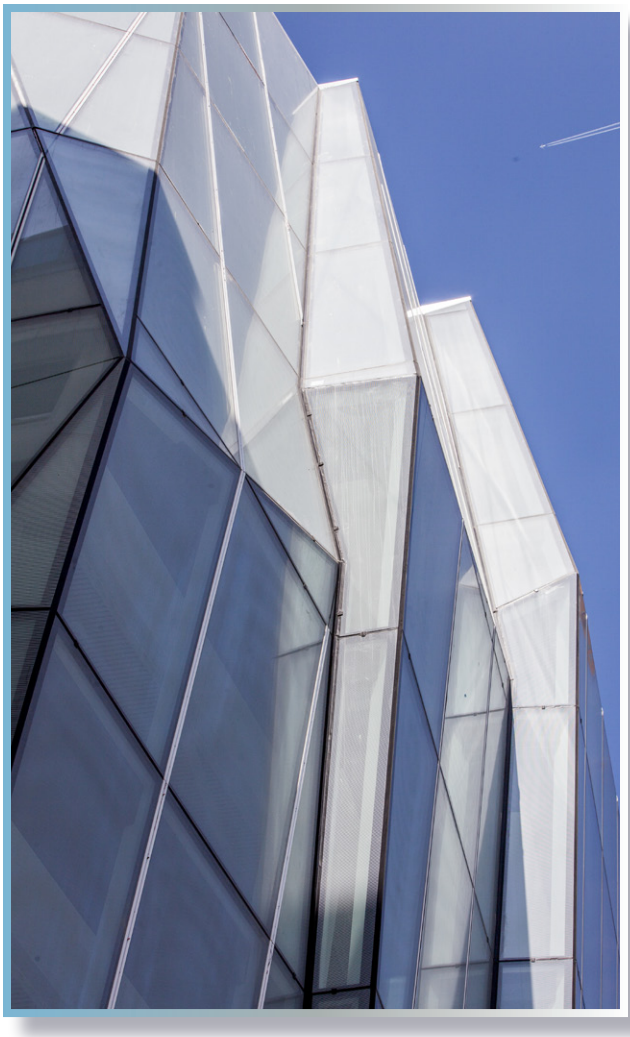
Finalising sale of completed office building Royal20 in Luxembourg city

On 30/06/2016, and according to planning, the 2nd notarial deed with regard to the future sale[1] of the delivered office building Royal20, located boulevard Royal in the center of the city of Luxembourg in the Grand Duchy of Luxembourg, was passed, for an amount of € 62.5 million (ex-VAT)[2], which exceeds the fair value, to a private investor. The building is entirely let following a rental contract concluded end-2014.

Belgium

Sale to an end user of the building Zeutestraat Malines

On 17/06/2016 the notarial deed for the sale of the building Zeutestraat in Malines was passed, based on which the building was sold to an end user for € 4.5 million, which is not lower than the fair value. This relates to a storage building with office space with a total surface of 7,363 m².
This sale fits within the scope of divesting non-strategic buildings.



"Leasinvest Real Estate is proud of having completed the office building Royal20, as it is one of our most important realisations, and the best example of the way in which the company creates value, not only for its shareholders, but also for the environment in general."

1 For more information on the future sale, see press releases of 20/04/2015, 18/02/2016 and 17/05/2016.
2 The agreed upon value takes into account the provisions of article 40 §1 of the law of 12 May 2014 with regard to RREC.

LEASES

Grand Duchy of Luxembourg

Extension of rental contract Strassen

On 17/03/2016 the current rental contract with sitting tenant Roller was extended for a fixed term of 15 years in our retail site of 22,721 m² at the route d'Arlon in Strassen, that will be redeveloped into a retail park concept, and that will comprise, besides shops, a/o a restaurant (see above).

Belgium

Usufruct agreement concluded with European Parliament for to be redeveloped Montoyer 63 building in Brussels CBD

On 27/04/2016 a usufruct agreement, for a fixed and irrevocable term of 21 years, was concluded with the European Parliament relating to the office building Montoyer 63 in 1000 Brussels (see above). This agreement will enter into force as of the reception of the building, foreseen in the third quarter of 2018.

Rental breaks

In 2016 10.6% (€ 6.1 million) of the contractual rents of the real estate portfolio expired. On 30 June 2016 the largest part of these expiring contracts has been renewed, or new tenants were found for those surfaces at conditions in line with market standards. At 30/06/2016 the part expiring in 2016 only amounts to 2.5% of the total portfolio (expiring amount 30/06/2016 reduced to € 1.4 million - see real estate report).

INDEX INCLUSION

Inclusion of the Leasinvest Real Estate share in the BEL Mid index

Since 21/03/2016 the Leasinvest Real Estate share is part of the BEL Mid on Euronext Brussels[1].

[1] In order to be part of this selection, the free float market capitalization of the company that is considered should be higher than the BEL 20 index level at the closing date of the review period, multiplied by 55,000 (cf. www.euronext.com - INDEX RULE BOOK BEL® Family).

2 CONSOLIDATED RESULTS PERIOD 01/01/2016- 30/06/2016

The first half-year of 2016 corresponds to Leasinvest Real Estate's expectations.

Thanks to the acquisition of T&T Royal Depot end 2015 the **rental income** has increased and amounts to € 28.41 million at the end of June 2016 in comparison with € 25.12 million end June 2015 (increase of 13.1%). At constant portfolio, 'like-for-like', the rental income remains stable (increase by 1.3% or € 332 thousand in comparison with the same period last year; excl. received rental guarantees and rental incentives).

The gross rental yield has slightly risen in comparison with end 2015 and stands at 6.95% (end 2015: 6.88%) based on the fair value and at 6.82% (end 2015: 6.75%) based on the investment value.

The occupancy rate[1] amounts to 97.47% (end 2015: 95.80%); an increase that is explained by realized lettings in different buildings (a/o the building Monnet that was entirely re-let after its renovation in 2015).

The fair value[2] of the direct real estate portfolio has slightly decreased and stands at € 814.15 million end June 2016 compared to € 869.36 million end December 2015, which is mainly explained by the realized sales of the completed building Royal20 (book value 31/12/2015 € 50.75 million) and the logistics building Malines Zeutestraat (valued at 31/12/2015 at a fair value of € 4.39 million).

The property charges have slightly increased from € - 4.22 million end June 2015 to € - 4.59 million by the increased management costs and other property charges in comparison with the same period last year. The relative increase of the property charges amounts to 8.6% and is mainly due to the increased portfolio size.

The result on the sale of investment properties end June 2016 amounts to € 4.80 million (in comparison with € 0.46 million end June 2015) thanks to the realized capital gain on the divestments of the buildings Royal20 on the one hand (capital gain of € 4.78 million) and Malines Zeutestraat on the other hand (capital gain € 18 thousand).
The changes in fair value of the investment properties on 30 June 2016 amounts to € - 3.7 million in comparison with a positive change in value of € 8.04 million over the first half-year of 2015. It needs to be mentioned that this portfolio result in 2015 was substantially influenced by the positive impact of the rise of the rate of the Swiss Franc on the valuation of the Swiss buildings in portfolio (€ 6.0 million). This was however compensated by an equal decrease (€ - 5.99 million) of the fair value of the financial instruments for hedging the exchange rate risk resulting in the integral cancellation of this increase in value in the financial results on 30/06/2015.

The financial result amounts to € - 6.29 million end June 2016 in comparison with € - 13.37 million for the same period last year.
The financial income amounts to € 1.36 million and is substantially influenced by the recovery of the withholding tax deducted in 2015 on the dividend of the Retail Estates shares held by Leasinvest Real Estate and for which Leasinvest Real Estate benefits from the reconfirmed (by the constitutional court) parent-subsidiary exemption.
The interest charges have decreased by € 497 thousand over the first half-year from € - 6.85 million in 2015 to € - 6.36 million on 30/06/2016. Consequently, the average funding cost decreased from 3.50% at the end of June 2015 to 2.87% at 30 June 2016. The other bank costs at 30/06/2016 amount to € - 0.62 million and are stable in comparison with the same period last year.
The changes in fair value of the financial assets and liabilities passed through the income statement have decreased from € - 6.0 million op 30 June 2015 to € - 0.7 million as a consequence of a more stabilized exchange rate Euro – Swiss Franc.

The net current result[3] end June 2016 stands at € 14.9 million (or € 3.02 per share), in comparison with a net current result of € 11.10 million (or € 2.25 per share) end June 2015. This 34% rise is mainly the consequence of the increased rental income thanks to the acquisition of the building Tour & Taxis Royal Depot at the end of last year.

The net half-year result amounts to € 15.22 million end June 2016 compared to € 13.44 million end June 2015. In terms of net result per share this results in € 3.08 per share end June 2016, compared to € 2.72 end June 2015.

At the end of the second quarter of the financial year 2016 shareholders' equity, group share (based on the fair value of the investment properties) amounts to € 340.15 million (end 2015 € 362.41 million).

1 In the calculation of the occupancy rate, the development projects are not taken into account.
2 Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted.
The fair value is the accounting value under IFRS.

3 The net current result is calculated as the net result excluding the portfolio result on the one hand, and the changes in fair value of the ineffective hedges on the other hand.

On 30 June 2016 a rise of the reserves was recorded for an amount of € 7.4 million by the addition of the profit of the previous financial year (€ 30.6 million) to the reserves, decreased by the distribution of the dividend over the financial year 2015 (paid on 23 May 2016) for an amount of € 23.2 million.
The net result per 30 June amounts to € 15.2 million over 6 months, as mentioned in the notes to the consolidated results.
The changes in fair value of the financial assets and liabilities (IAS 39) passed through shareholders' equity drop by € - 16.2 million as a consequence of the decreased swap curve (the market value of the hedges passed through shareholders' equity per 30/06/2016 amounts to € - 52.6 million compared to € - 36.4 million at 31 December 2015).
The net asset value per share excluding the influence of fair value adjustments on financial derivatives (EPRA NAV) stands at € 80.0 end June 2016 in comparison with € 81.3 end 2015.
End June 2016 the net asset value including the impact of fair value adjustments on financial derivatives (IAS 39) amounts to € 68.9 per share (31/12/15: € 73.4); the closing price of the Leasinvest Real Estate share on 30 June 2016 amounted to € 106.10 or 54.0% higher than the net asset value.

Thanks to the realized sales of the buildings Royal20 and Zeutestraat Malines the debt ratio has decreased end June 2016 to 56.68% in comparison with 58.03% end 2015, and this after payment of the dividend over the previous financial year for an amount of € 23.2 million. € 17.2 million of available cash is registered in the balance sheet per 30 June 2016; these resources intrinsically allow a further reduction of the debt ratio to 55.8%.

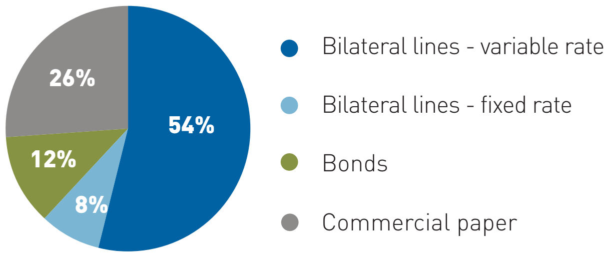
3 MANAGEMENT OF FINANCIAL RESOURCES

Per 30/06/2016 the financial debts recorded in the balance sheet amount to € 497.6 million compared to € 532.2 million on 31/12/2015. This decrease is due to repayments of bank debt as a consequence of the sale of the completed Royal20 building in Luxembourg and the building Zeutestraat in Malines.

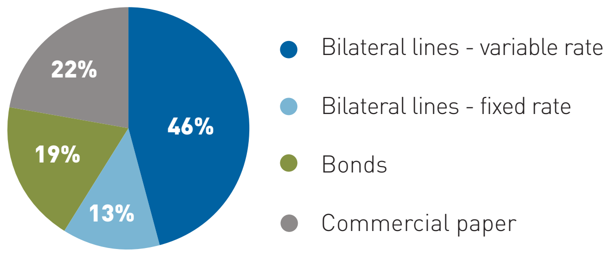
These financial debts for an amount of € 497.6 million comprise, at 30/06/2016, bank loans at a variable interest rate (€ 227.4 million) and at a fixed interest rate (€ 62.8 million), € 99.0 million of bonds and € 108.4 million of issued commercial paper.

The credit portfolio diversification as to funding sources and number of credit institutions is an important element to be able to count on a continuous funding basis, limiting to a minimum concentration and counterparty-risk. The draw-downs mentioned below are presented in a graph, in combination with a reproduction of the corresponding credit lines.

CREDIT LINES 30/06/2016

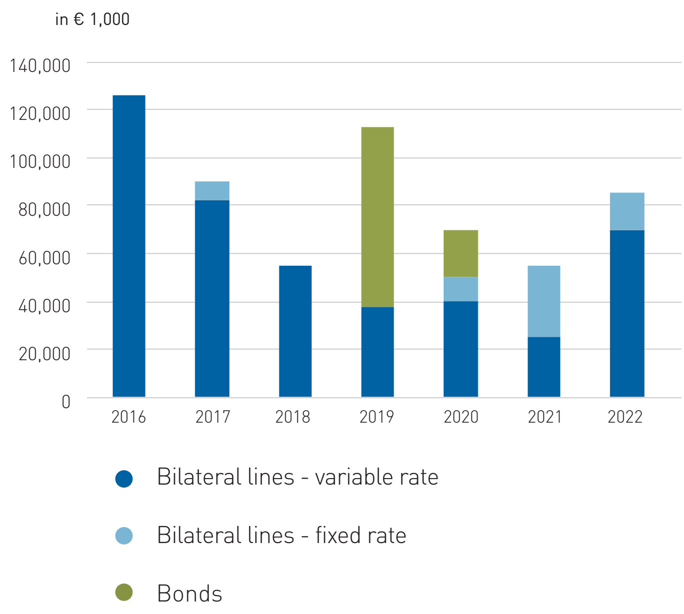


DRAW-DOWNS 30/06/2016



The commercial paper issues went up over the first half-year 2016 from € 87.7 million to € 108.4 million through an increased market liquidity with a higher demand of investors for issues as a consequence. Taken into account the short-term character of this funding resource, available, back-up credit lines are at all time foreseen for the outstanding amount in the commercial paper program.

The maturity profile of the credit portfolio (excluding commercial paper issues) show a balanced spread of maturity dates over the period 2016 – 2022. The coming expiry dates in 2016 are all situated arount the end of the year; discussions for refinancing have therefore already been started and will lead to a further spread of the maturity profile below.
The average duration of the credit lines granted amounts to 2.88 years per 30/06; this duration will increase after the refinancing of the lines expiring in 2016.



The hedge ratio at 30/06/2016 stands at 85% and is calculated on the basis of the total nominal outstanding hedge amount of the Interest Rate Swaps, Cross currency Swaps and interest caps (€ 264.8 million), augmented by the credits at a fixed rate incl. bonds (€ 157.5 million) over the total outstanding amount of financial debts at 30 June 2016 (€ 497.6 million). After the 30/06/2016 balance sheet date, the existing interest caps were sold (2 caps, jointly € 40 million concluded at a strike rate of respectively 4.5% and 4.0%). The average duration of the hedges amounts to 6.22 years at 30/06/2016.

The weighted average funding cost has decreased per 30 June 2016 to 2.87%, compared to 3.50% over the first half-year of 2015 as a consequence of the decrease market rate on the one hand, and the refinancing of a number of credits at lower margins, on the other hand.

4 IMPORTANT EVENTS AFTER THE CLOSING OF THE PERIOD 01/01/2016-30/06/2016

No significant events took place after the closing of the first half-year of 2016.

5 CORPORATE GOVERNANCE

Change of composition of the board of directors and the consultative committees

On 21 June 2016 Luc Bertrand, after over 17 years of chairmanship of the board of directors of the statutory manager of Leasinvest Real Estate, resigned as a director of Leasinvest Real Estate Management SA, as of 18 August 2016. He was succeeded as chairman of the board of directors by Jan Suykens, member of the board of directors since 1999. Piet Dejonghe, member of the executive committee of Ackermans & van Haaren SA, was appointed as a new director of Leasinvest Real Estate Management SA at proposal of Ackermans & van Haaren SA, as of 18 August 2016. His mandate expires at the annual meeting that will be held in 2018.
Jan Suykens was succeeded as chairman of the audit committee by Sonja Rottiers, non-executive director. Luc Bertrand was succeeded as member and chairman of the nomination and remuneration committee by Jan Suykens.

Renewal of the mandate with regard to the authorized capital

After preliminary reading and approval of the report of the Manager drawn up cf. article 604 of the Company Law in conjunction with article 657 of the Company Law, the meeting grants the Manager the largest possible competences in accordance with article 605 and 607 of the Company Law in conjunction with article 657 of the Company Law and articles 26 and 27 of the RREC Law, during a period of 5 years as of the communication of this decision, to increase the capital of the Company in one or more instalments for a maximum amount of 54,314,744.64 EUR, in cash or in kind, as these competences are described in article 7 of the articles of association of the Company, that was amended accordingly. An authorization is explicitly granted to the Manager to also use these competences for a period of 3 years in the cases intended by article 607 of the Company Law in conjunction with article 657 of the Company Law as of the date of communication by the FSMA of the notification of a public take-over bid.

6 OVERVIEW OF MAIN RELATED-PARTY TRANSACTIONS

In the period 01/01/2016-30/06/2016 no transactions with related parties, which had material consequences with regard to the financial position or the results of Leasinvest Real Estate, took place.

7 MAIN RISKS AND UNCERTAINTIES FOR THE REMAINING MONTHS OF THE FINANCIAL YEAR

For an overview of the main risks and uncertainties we refer to the financial risk management in the condensed financial statements and to the Annual financial report 2015 (pages 4-18).

8 PURCHASE/SALE OF TREASURY SHARES

In the period 01/01/2016-30/06/2016 Leasinvest Real Estate has not purchased, nor sold any treasury shares, resulting in a total number of 4,938,870 issued and listed shares, and a number of shares entitled to the result of the period of 4,935,478, since the purchase of treasury shares in the course of the financial year 2015 of 3,392 shares within the framework of following the legal procedure with regard to the dematerialization of bearer shares according to article 11 of the law of 14 December 2005 (€ 282 thousand).

9 OUTLOOK FOR THE FINANCIAL YEAR 2016

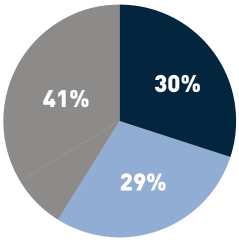
Notwithstanding the expected demolition and reconstruction of 2 buildings in the Brussels CBD in 2016, namely the Montoyer 63 building, for which a usufruct agreement was concluded with the European Parliament for a term of 21 years, and the building Square de Meeûs, for which an urban planning permit was also recently granted, and except for exceptional circumstances, the company expects, thanks to the acquisition of the Royal Depot at Tour & Taxis end 2015, to realize a higher net result and higher net current result in 2016 than in 2015. The company consequently expects that the dividend over 2016 can be maintained at minimum the same level.

Leasinvest Real Estate on the stock exchange

SHAREHOLDER STRUCTURE

The Leasinvest Real Estate shares are listed in Belgium on Euronext Brussels (BEL Mid).
Extensa Group SA (Ackermans & van Haaren Group) is the founder and promoter of the public RREC (BE-Reit) and holds 100% of the shares of the statutory manager, Leasinvest Real Estate Management SA.

NUMBER OF LISTED SHARES (4,938,870)



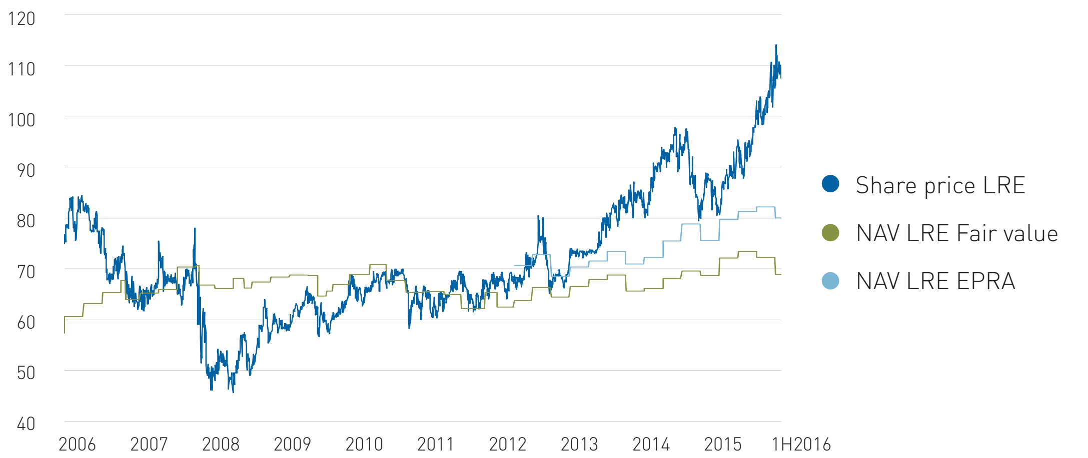
KEY FIGURES

	30/06/2016	31/12/2015
Number of listed shares (#)	4,938,870	4,938,870
Number of issued shares (#)	4,938,870	4,938,870
Number of shares entitled to the result of the period (#) (1)	4,935,478	4,935,478
Market capitalisation based on closing price (€ million)	524.0	454.0
Free float (%)	41.00%	41.00%
Closing price (€) (2)	106.1	93.09
Highest price (€) (2)	110.65	97.85
Lowest price (€) (2)	87.75	79.40
Average monthly volume (#) (2)	31,133	34,128
Velocity (%) (2) (3)	7.56%	8.29%
Free float velocity (%) (2) (4)	18.45%	20.22%
Premium based on closing price vs NAV (fair value)	54%	26.82%

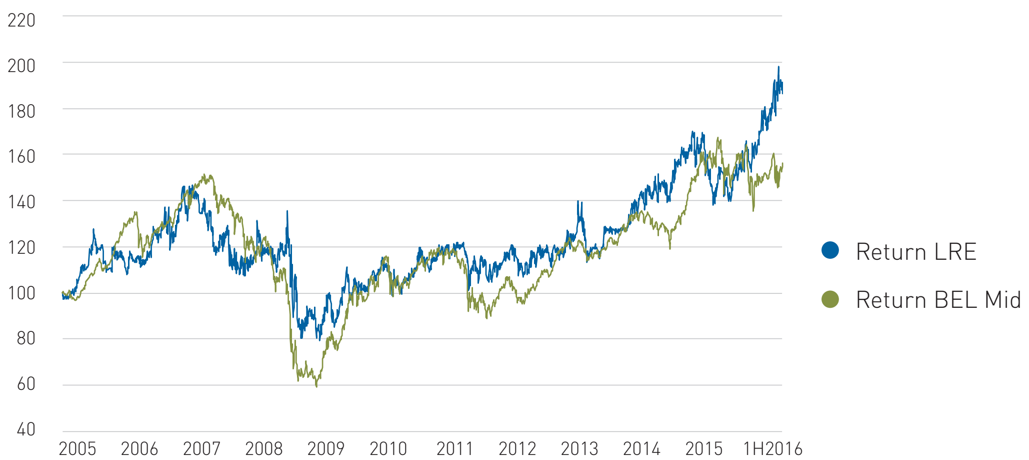
(1) The number of shares entitled to dividends was calculated based on the difference between the issued Leasinvest shares and the 3,392 shares purchased by Leasinvest Real Estate in 2015 within the framework of the finalization of the legal procedure relating to the dematerialization of bearer securities cf. art. 11 of the law of 14 December 2005.
(2) For the financial year 31/12/2015 the data are calculated over a period of 12 months and for 30/06/2016 over a period of 6 months.
(3) Number of traded shares / total number of listed shares.
(4) Number of traded shares / (total number of listed shares * free float).

In the first half-year of 2016 the price of the Leasinvest Real Estate share passed the € 100 threshold to reach an absolute record high on 10/06/2016 with € 110.65, trend that continued after 30/06/2016. The premium compared to the net asset value (based on fair value) rose to +54% on 30/06/2016.
The average monthly traded volume of the share over the first half of 2016 slightly decreased and amounted to 31,133 shares (31/12/2015: 34,128). The lower velocity for 6 months (7.56% over the first half of 2016) is mainly explained by the slightly lower transaction volume, in its turn relatively low due to the limited free float of the share (41,0%). If we only take into account the freely traded shares, the free float velocity for six months amounts to 18,45% over the first half-year of 2016.
Since the inclusion of the Leasinvest Real Estate share in the BEL Mid index on 21/03/2016, a clearly higher return of the share in comparison with the index was recorded. Also in comparison with the EPRA Belgium index the Leasinvest Real Estate share records a noticeably higher return. The return of the EPRA Eurozone Index remains higher, but moves towards the end of the first half-year of 2016 in the direction of the Leasinvest Real Estate share.

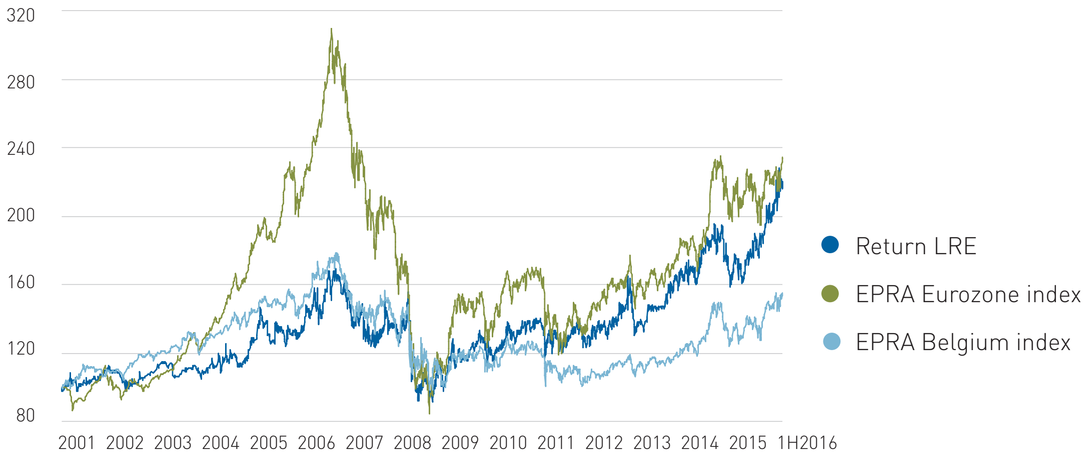
PRICE PREMIUM/DISCOUNT LEASINVEST REAL ESTATE SHARE PRICE VERSUS NET ASSET VALUES



COMPARISON OF RETURN LEASINVEST REAL ESTATE VERSUS RETURN BEL MID[1]



COMPARISON OF RETURN LEASINVEST REAL ESTATE VERSUS RETURN EPRA INDICES[2]



1 Index to consult in the financial newspapers or on the internet.
2 Information from EPRA (www.epra.com), not verified by any authority.

Real estate report

REAL ESTATE MARKET OVER THE FIRST HALF-YEAR OF 2016

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

GRAND DUCHY OF LUXEMBOURG

Office market: the best half-year of this decade

The take up in H1 edged up to 122,000 m² equating to a yearly increase of 42%, the best level since 2008. In view of the pipeline of transactions take-up over the full year may approach 200,000 m2, the best level of this decade.
The financial sector remained very active and this sector contributed for over 50% this take-up, vs. 20% in 2015 and the highest level of the decade. This year so far, corporates lead by far the market, with a limited number of deals by administrations and no deal by the EU or embassies. However, in strong competition with Dublin, Paris, Amsterdam and Frankfurt Luxembourg is well positioned to attract banks and financial institutions leaving London amidst the BREXIT should the "European passport" been lost.
The Kirchberg, where Leasinvest Real Estate's substantially renovated (in 2015) Monnet building is located, dominates the occupier market with over 30% of take-up. It is perceived as the place to be by large corporates, European institutions and banks. Works on the new tramway network have recently started, a major enhancement of the district's attractivity to tenants. CBD and decentralized (particularly Cloche d'Or) follow with respectively 22% and 25%.
Total available space in Luxembourg came in at 208,749 m2, equating to a vacancy rate of 5.04%, vs. 4.2% end 2015 (CBD: 4.6%, Station district: 4.5%, Kirchberg: 2.1%). There is currently 353,500 m² under construction in Luxembourg, of which +/- 80,000 m². is speculative. The office stock in Luxembourg will therefore reach and exceed 4 million m² by year-end.
Office rents in Luxembourg increased in 2014 and 2015 due to restricted vacancy and continuous demand, and Luxembourg became the eighth most expensive city in Western Europe. Now rents seem to have stabilised, though several projects trade at rents above current standards, especially in the CBD, where Leasinvest Real Estate was able to already pre-let the office building Royal20 for 100% end 2014. In the CBD, prime rents are € 45/m²/month, in the Kirchberg, € 34/m²/month, while in the Station district € 35/m²/month and in the Airport District € 25/m²/month. It is expected that prime rents in the CBD will further increase given the increased competition for top locations.

The investment activity in Luxembourg continues to show steady growth. Volume year-to-date is to € 625 million. The market remains dominated by the office segment (50%, or 320 million) but it was boosted by a mega land sale that contributed to 28% of total volume (Abu Dhabi Investment Authority - 20,000 m² land located Place de l'Etoile in the CBD for an estimated price of € 150 million). Consequently, the Middle East now leads the investment market in Luxembourg with an estimated share of 40%.
Top office yields remain under pressure, currently at 4.9% and could reach a historic low of 4.5% over the coming months.

Retail market: solid market fundamentals underpin strong demand

Luxembourg is a small but very wealthy country with a high population density in its southern regions, including the regions of Belgium, France and Germany nearby.
After a very strong 2015 with more than 37,000 m² of take up, 2016 is bound to another year with healthy take-up. The average space per transaction has increased significantly over 2015 and 2016, especially for out of town shops, among which our lettings to Adler Mode (2015) and Roller (1H 2016) in EKZ Strassen. Out-of-town is definitely the most active sector over the first half of 2016: with a take-up of more than 13,000 m² over H1 2016 it almost exceeds the full-year average of the previous years for this sector. In out of town sites like Foetz rents currently stand at € 19 to € 22 /m²/month. Given the actual demand for prime out-of-town locations in Luxembourg we expect these rents to grow to € 23-25 /m²/month over the coming years.
The % of retail take-up by cross-border retailers shows that over recent years about 60% of retail space was taken by international players.
The projects pipeline has grown considerably, especially for large projects planned to be delivered in the 2018-2019 period: the flagship development Royal Hamilius in the city centre of Luxembourg is under construction and Cloche

d'Or has revealed its final approved plans for the largest shopping centre in Luxembourg (75,000 m²). This supply of new retail space is expected to limit rental growth in the medium term for shopping center locations.

Prime retail product for sale is limited so only one retail investment transaction recorded for 2016 so far (the 3,200 m² C&A shop located avenue de la Gare 15 by Redevco). Previously dominated by Luxembourg and Belgian actors, the retail investment market is becoming more and more international, following the trend observed in the office sector.
Prime retail yields are at historically low level in every retail segment. The compression is also important in the retail warehouse segment where prime yields are currently standing at 6% coming from 7% in the beginning of 2012. In the shopping center segment, prime yields are more stable, recorded at 5.4%. However, we forecast a strong yield compression in the coming months as new shopping centers will enter the market and should witness a huge appetite on the investment market.

BELGIUM

Despite witnessing a third decrease of the quarterly invested volumes in a row, the Belgian professional investment market remains dynamic, with € 900 million invested in Q2. This brings the total invested volumes since the start of the year to around € 1.9 billion (including owner occupier deals), representing a 25% increase compared to 2015.
As the recent Brexit should have rather limited impacts on the Belgian market and as we should continue to live in a low interest rates environment in the next months, the investment market will remain dynamic.
We still expect investment volumes to increase up to € 4.5 billion for the whole 2016, as megadeals are still awaited in every market sector before the year ends.

Office market: public sector boosted the activity

This quarter (Q2) recorded more than 204,000 m² of take-up, the highest level since Q4 2009. As a result, the activity stands close to 310,000 m² since the beginning of the year, already more than the whole of 2015. Take-up in the Central districts stands at an impressive 136,000 m² in Q2, the highest level recorded since Q4 2009. Since the beginning of the year, the activity is close to 194,000 m². Grade A buildings represent 40% of the take-up.
The long-awaited decisions of the European Commission and European Parliament, with whom Leasinvest Real Estate concluded in the second quarter a usufruct agreement for a 21-year fixed term for its to be redeveloped building Montoyer, combined with the occupations of the municipality of Brussels, the Souverain 25 and the Brussels-Capital Region represent more than 55% of the total take-up. As some important transactions are still in the pipeline for the rest of the year, the take-up could reach its highest level since 2011.
The important activity of the public sector, mainly located in the Central districts logically boosted the share of the take-up located in the CBD compared to the other districts since the start of the year. However, the lack of available qualitative spaces in the Central districts could constrain some occupiers to opt for the Decentralized areas or the Periphery or to delay their relocations' decisions in the coming months. Thanks to the lettings of the Black Pearl and the Mérode by the European Commission, only 95,000 m² of grade A buildings remain available. An important part of these spaces should be occupied in the coming months, bringing further compression to the availability in grade A-buildings. Indeed, we witness a "regeneration effect" of the CBD, a return of occupiers to the Central districts and these buildings should rapidly find new occupiers. That is why Leasinvest Real Estate is convinced that its second redevelopment, Square de Meeûs with reception in 2017, will easily attract new tenants.

Globally, the vacancy rate continues to decrease and currently stands at 9.3%, coming from 9.8% one year ago. The continuous decrease observed since mid-2010 is mainly due to the low level of speculative developments delivered since the 2008 economic crisis. The vacancy rate could witness further downward movement in the course of 2016.
The vacancy rate in the Central districts continues its slow decrease, standing globally at 6.5% in Q2, coming from 7% last quarter. The different lettings of recently delivered buildings contribute to this downward movement and further decreases are expected in the coming months. There is thus an important window of opportunity to develop new office schemes, which are well located and offer the highest efficiency and environmental performances criteria to counterbalance the growing lack of available grade A spaces. Currently, the vacancy rate in the North district stands at 6.9%. Even if recording a low vacancy rate, the North and Midi districts are considered as stagnant as the turnover ratio remains very low (mainly due to the long-term lettings observed in these districts). The Royal Depot at the Tour & Taxis site, an iconic building in the North district, acquired by Leasinvest Real Estate end-2015 is practically entirely let, and when space becomes available, it is easily leased.
The prime rents are still to be found in the Leopold district, at € 275/m²/year. Conversely, the weighted average rents are on the upward, to stand around € 190/m²/year in Q2,

compared to € 187/m²/year in Q1.
As new assets have already entered or are expected to enter the market in 2016, the prime rent is expected to slightly increase and could reach € 280/m²/year. The weighted average rents should also record an upward movement as the activity in grade A-buildings will increase this year

Retail market: out-of-town holds up very well

Take-up figures were below average for Q1 but were progressing over Q2 especially in the out of town market, definitely the most steady market segment over the last years. There is a dynamic top-end of the market with some brands leaving but enough new players coming into the market. Take-up picked up over the second quarter and stood at 164,000 m² end June 2016; out of town performed above average but in shopping centers there was less activity than in previous years. The average out of town transactions represents about four times more m² GLA than main streets or shopping centre deals; as a result out of town is quite dominant and holding up very well.
Out of town retail schemes benefited from the upgrading of architecture and clusters of greater quality, with classical inner town brands like H&M progressing into the periphery. Many retail parks are being redeveloped and upgraded. The clear upgrading of formats, architecture and locations in the out of town retail market means outlets are increasingly moving away from the classic "shoe box" type of format thanks to designs of greater quality. This process should also benefit from the regionalization of the law on commercial establishments. As a result, out of town retail is gradually shedding its discount image.
There are more projects in the pipeline on the Brussels and Walloon side than in Flanders. Several new developments are coming to market in 2016: one new shopping centre (Docks Bruxsel in Brussels) and in the out of town segment IKEA has opened two new large shops in Hasselt and Mons over the first half this year.
Rents are picking up on AAA-locations as there is good demand for prime and flagship stores: with e-commerce progressing these high visibility shops have more and more of an additional marketing and showroom function.
Prime rents for top retail parks across Belgium vary from € 100/m²/year in locations such as Mons to € 160/m²/year in Zaventem. They have varied very little over the past years but most of them are slightly up over recent quarters. This is reflecting the healthy demand and the clear tendency to upgrade this market segment; now that we see more and more typical high street brands and quality architecture in this segment, rents are slowly but steadily following pace in this segment.

Retail investments remain at subdued levels compared to 2015, still awaiting significant transactions in 2016. € 360 million have been invested in the retail sector since the beginning of the year, highly contrasting with the record year 2015 and its € 2.1 billion invested. The absence of shopping center transactions weighs on the total invested volumes. The recent terrorist threats may have put some retail investment transactions on hold, though significant transactions are still in the pipeline for the rest of 2016. The market also benefits from growing consumer confidence. International institutional investors are more and more interested, not only in big but also medium sized tickets in Belgian main streets, including portfolio deals.
The sharp yield compression observed since mid-2014 slowed down but continued since the beginning of 2016. Prime retail yields in the high streets segment reached a historic 3.50% in Q2 and are the only ones witnessing a compression this quarter. Indeed, prime yields in the shopping center and out of town retail segments remained unchanged, respectively at 4.25% and 5.35%. For trophy assets in very specific locations, we still find 'Superprime' yields around or below 3%.

SWITZERLAND (RETAIL MARKET)

The Swiss economy recorded a certain slowdown in the course of 2015, linked to the evolution of the economic activity in Switzerland, more specifically with regard to export and the effect of the "strong Swiss Franc". Positive growth is however expected in 2016, with an improvement of the situation recorded in the first half-year of 2016. The majority of the analysts still expects this impact on the Swiss economy to continue in 2016 and 2017, with a growth lower than Switzerland's real potential growth and a slightly increasing unemployment rate in 2016 (3.6%)as a consequence. The probability of an increase of consumer prices remains low and the outlook is rather a negative inflation. Because of specific legal restriction (prohibiting the acquisition of residential real estate investments by foreign buyers) for real estate acquisitions, the Swiss real estate market is split up in two clear segments: residential and commercial (i.e. offices, retail, hotels, industry and logistics), recently considered by Swiss authorities as an effective tool to stabilize the prices in a climate of high pressure on residential rents. At the commercial side the market is still dominated by Swiss investment and pension funds, such as Crédit Suisse Asset Management, Swiss Life and Swiss Prime Site, that focus on top commercial and administrative buildings. For this type of assets we record since a number of years net yields of 3% to 4%, reflecting the lack of available buildings and the high demand of investors.

The retail landscap in Switzerland remains dominated by shopping centers located in the big cities and the periphery of Switzerland. Historically, the two biggest Swiss retailers are Coop and Migros, mainly dominating the retail market. Newcomers such as Aldi and Lidl have however led to bigger competition and are currently well implanted in Switzerland.
One of the most remarkable phenomena recorded in Switzerland over the last 10 years is the development of out-of-town shops. The majority of the retailers focuses on specific zones in the periphery of the cities that are easily accessible by car. A majority of these retailers is active in furniture and DIY.
Other important retailers are pet shops, sports and electronics. These retailers are present in approximately 2/3 of the developments. We also record a growing presence of "hard discounters" such as Lidl and Aldi and fast-food chains.
In 2015 and the beginning of 2016 this sector continues to record a strong demand, more specifically in the most attractive locations such as Geneva and Vaud ('la Côte'), where Leasinvest Real Estate holds 3 very well located retail buildings in Etoy, Villeneuve (Préneuf) and Yverdon-les-Bains.
The DIY sector experiences the largest expansion, with e.g. Hornbach, that renewed in the spring the rental contracts for different locations for a long term (15 years). No rent increase is however recorded, which reflects the pressure that retailers feel on their turnover.
The current developments are strongly limited and slowed down by Cantonal and communal restrictions with regard to traffic and nuisance caused by such activities. Consequently, it becomes more difficult to proceed to new developments.
E-commerce has in the meanwhile become the biggest challenge for traditional retailers. The impact varies per sector. The clothing and electronics sectors experience the biggest impact and undergo a substantial transformation. Till 2020 the outlook is an 11%-e-commerce share of retail with more important shares for clothing (27%) and electronics (38%).

COMPOSITION & ANALYSIS OF THE REAL ESTATE PORTFOLIO

GEOGRAPHICAL BREAKDOWN GRAND DUCHY OF LUXEMBOURG – BELGIUM - SWITZERLAND

	Fair value (€ M)	Invest-ment value (€ M)	Share in portfolio (%) (FV*)	Contrac-tual rent (€ M/year)	Rental yield (FV*) (%)	Rental yield (IV*) (%)	Occu-pancy rate (%)	Duration
Grand Duchy of Luxembourg	419.17	425.46	51.49	28.58	6.82	6.72	99.68	4.55
Belgium	339.73	347.71	41.73	24.55	7.23	7.06	94.48	3.89
Switzerland	43.91	45.01	5.39	2.63	5.99	5.84	100.00	5.13
Real estate available for lease	802.81	818.18	98.60	55.76	6.95	6.82	97.47	4.45
Assets held for sale	0.00	0.00	0.00	0.00				
Projects Luxembourg	0.00	0.00	0.00	0.00				
Projects Belgium	11.34	11.62	1.39	0.00				
Total investment properties	814.15	829.80	99.99	55.76				

* FV = Fair value - IV = Investment value

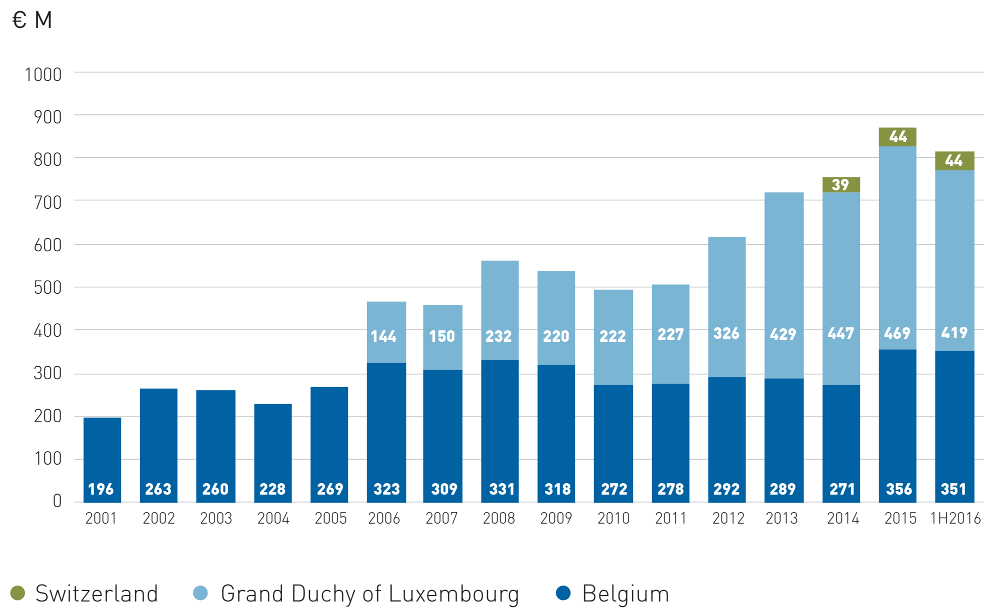
Shopping center Knauf Pommerloch, Luxembourg

BREAKDOWN ACCORDING TO ASSET CLASSES

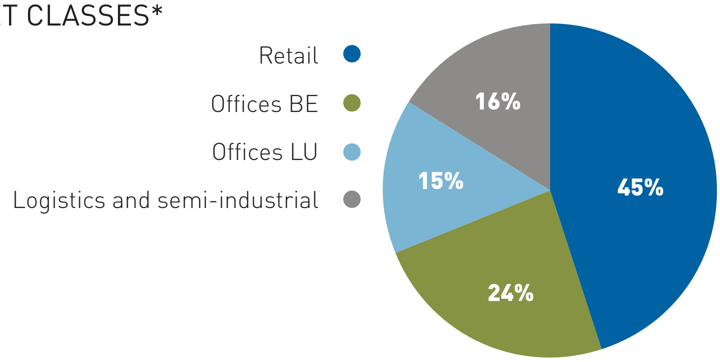
	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) (FV*)	Contractual rent (€ M/year)	Rental yield (FV*) (%)	Rental yield (IV*) (%)	Occupancy rate (%)	Duration
Retail								
Retail Grand Duchy of Luxembourg	275.31	278.00	33.82	18.86	6.84	6.78	99.75	5.53
Retail Switzerland	43.91	45.01	5.39	2.63	5.99	5.84	100.00	5.13
Retail Belgium	48.35	49.56	5.94	3.40	7.03	6.86	99.71	2.07
Total retail	367.57	372.57	45.15	24.89	6.77	6.68	99.77	5.08
Offices								
Offices Grand Duchy of Luxembourg	124.54	127.66	15.30	8.19	6.58	6.42	99.44	2.44
Offices Brussels	160.72	164.75	19.74	10.51	6.54	6.38	91.40	2.70
Offices rest of Belgium	18.66	19.13	2.29	2.34	12.54	12.23	100.00	0.90
Total offices	303.92	311.54	37.33	21.04	6.91	6.75	95.18	2.86
Logistics/Semi-industrial								
Logistics/Semi-industrial Belgium	112.00	114.27	13.76	8.30	7.41	7.26	95.71	6.80
Logistics/Semi-industrial Grand Duchy of Luxembourg	19.32	19.80	2.37	1.53	7.92	7.73	100.00	1.50
Total Logistics/Semi-industrial	131.32	134.07	16.13	9.83	7.49	7.33	96.38	6.02
Investment properties	802.81	818.18	98.61	55.76	6.95	6.82	97.47	4.45
Assets held for sale	0.00	0.00	0.00	0.00				
Real estate available for lease	802.81	818.18	98.61	55.76				
Projects Belgium	11.34	11.62	1.39	0.00				
Projects Grand Duchy of Luxembourg	0.00	0.00	0.00	0.00				
Total investment properties	814.15	829.80	100.00	55.76				

* FV = Fair value - IV = Investment value

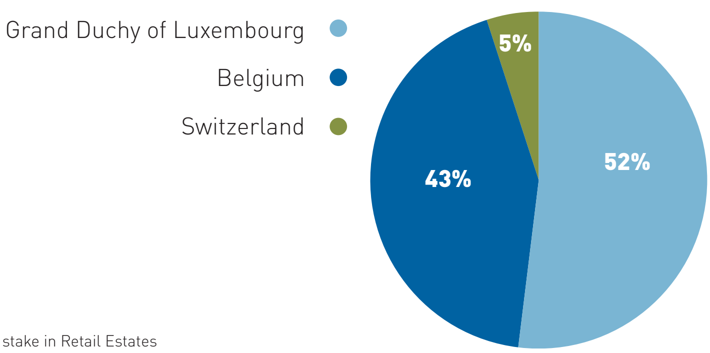
EVOLUTION OF THE FAIR VALUE



ASSET CLASSES*

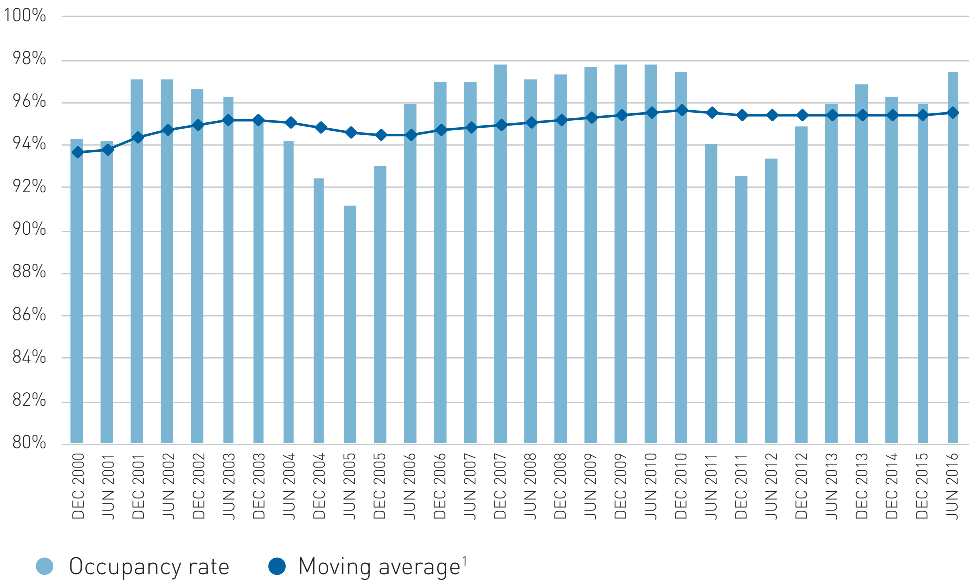


GEOGRAPHICAL BREAKDOWN*



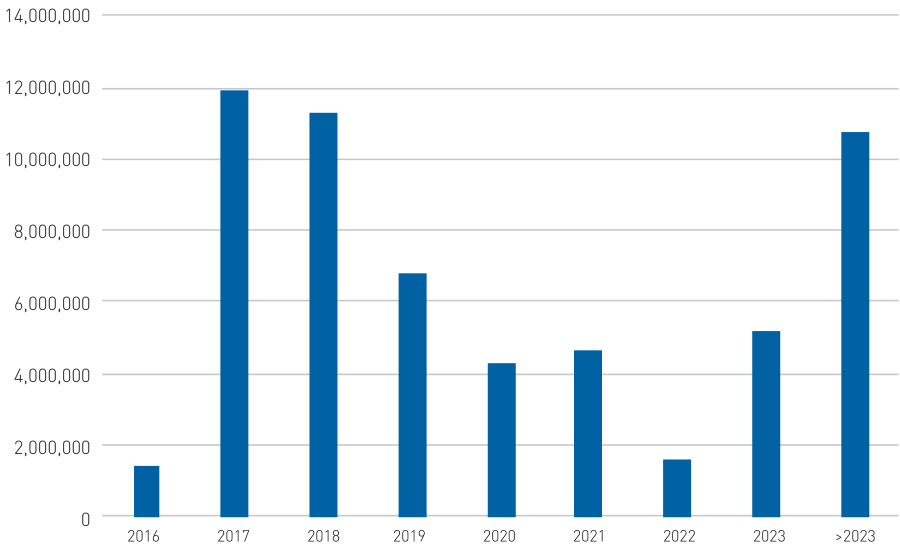
* Excluding stake in Retail Estates

OCCUPANCY RATE



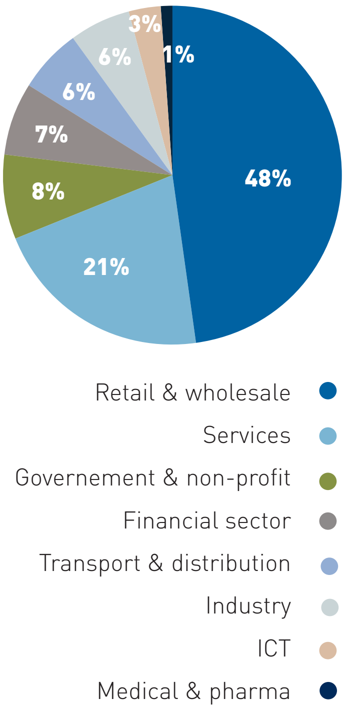
1 A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.

RENTAL BREAKS (FIRST BREAK DATE)



	2016	2017	2018	2019	2020	2021	2022	2023	>2023
Annual rent (€ 1,000)	1,428	11,909	11,296	6,819	4,268	4,629	1,555	5,228	10,753
Share	2.5%	20.6%	19.5%	11.8%	7.4%	8.0%	2.7%	9.0%	18.6%

TYPE OF TENANTS



VALUATION REPORT[1]

1.VALUATION UPDATE AS AT 30 JUNE 2016 OF THE LEASINVEST REAL ESTATE SCA PORTFOLIO

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD

We are pleased to report our valuation of the investment and fair values of the Leasinvest Real Estate SCA portfolio as at 30 June 2016.

Our valuation has been prepared on the basis of the information provided by Leasinvest Real Estate CVA. We assume this information is correct and complete, and that there are no undisclosed matters which could affect our valuation. Our valuation methodology is the capitalisation of the market rent with corrections to take into account for the difference between the current rent and the market rent. We have also 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, located in Belgium, in the Grand Duchy of Luxembourg and in Switzerland.

2. The total (including de projects and assets 'to be sold) effective rental income (including the market rent on vacant space) is 3.03% higher than the market rent (respectively 9.30%, -1.24% and -3.39% for the Belgian, the Luxembourg and the Swiss portfolios).
   The total (excluding de projects and assets 'to be sold) effective rental income (including the market rent on vacant space) is 3.03% higher than the market rent (respectively 9.30%, -1.24% and -3.39% for the Belgian, the Luxembourg and the Swiss portfolio).

3. The total occupancy rate[2] of the portfolio (including the projects) is 94.78% (respectively 88.61%, 99.68% and 100% for the Belgian, the Luxembourg and the Swiss portfolio).
   The total occupancy rate of the portfolio (excluding the projects) is 97.47% (respectively 94.48%, 99.68% and 100% for the Belgian, the Luxembourg and the Swiss portfolio.

4. The remaining weighted average duration of the current leases for the whole portfolio equals to 17.8 quarters or 4.45 years. The projects and assets 'to be sold' were not taken into account in this parameter.

5. The office project 'R20' was delivered and sold in Q2 2016 and is no longer a part of the portfolio.

6. The industrial building 'WKB Warehouses' has been sold in Q2 2016 and is no longer a part of the portfolio.

7. A total investment value of € 829,800,000 (eight hundred twenty-nine million eight hundred thousand euro) has been determined, with respectively € 359,330,000, € 425,460,000 EUR and € 45,010,000 as investment values for the Belgian, Luxembourg and Swiss portfolios.

8. A total fair value of € 814,140,000 (eight hundred fourteen million one hundred and fourty thousand euro) has been determined, with respectively € 351,060,000, € 419,170,000 and € 43,910,000 as fair values for the Belgian, Luxembourg and Swiss portfolios.

1 The conclusions of the valuation report were reproduced with the agreement of Cushman & Wakefield and DTZ Winssinger.

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).

On this basis, the initial yield of the complete portfolio (including the Projects and assets 'to be sold') in terms of investment value is 6.72% (with respectively 6.84%, 6.72% and 5.84% for the Belgian, Luxembourg and Swiss portfolios) and the initial yield of the complete portfolio in terms of fair value is 6.85% (respectively 7.00%, 6.82% and 5.99% for the Belgian, Luxembourg and Swiss portfolio).

Gregory Lamarche
Account Manager - Surveyor
Valuation & Advisory
For Cushman & Wakefield

Koen Nevens MRICS
Managing Partner
For Cushman & Wakefield

Hornbach Burmicht, Luxembourg

Condensed financial statements

The condensed consolidated financial statements of Leasinvest Real Estate have been approved for publication by the board of directors on 18 August 2016.

The half-year report of the board of directors should be read jointly with the condensed financial statements of Leasinvest Real Estate. The condensed financial statements have been subject to a limited review by the auditor.

Royal Depot Tour & Taxis, Belgium

CONDENSED CONSOLIDATED STATEMENT OF REALIZED AND UNREALIZED RESULTS

(in € 1,000)	30/06/16	30/06/15
Rental income	28,412	25,123
Write-back of lease payments sold and discounted	0	0
Related-rental expenses	-51	-31
NET RENTAL INCOME	28,361	25,092
Recovery of property charges	53	50
Recovery income of charges and taxes normally payable by tenants on let properties	2,083	2,577
Costs payable by tenants and borne by the landlord for rental damage and re-furbishment at end of lease	0	0
Charges and taxes normally payable by tenants on let properties	-2,083	-2,577
Other rental-related income and expenditure	-1,337	-931
PROPERTY RESULT	27,077	24,211
Technical costs	-1,014	-981
Commercial costs	-276	-344
Charges and taxes on un-let properties	-550	-471
Property management costs	-2,289	-2,121
Other property charges	-464	-309
PROPERTY CHARGES	-4,593	-4,226
PROPERTY OPERATING RESULT	22,484	19,985
Corporate operating charges	-1,232	-1,239
Other operating charges and income	-92	-152
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	21,160	18,594
Result on disposal of investment properties	4,801	456
Changes in fair value of investment properties	-3,710	8,041
Other portfolio result	0	0
OPERATING RESULT	22,251	27,091
Financial income	1,362	82
Net interest charges	-6,358	-6,855
Other financial charges	-624	-607
Changes in fair value of financial assets and liabilities	-670	-5,994
FINANCIAL RESULT	-6,290	-13,374
PRE-TAX RESULT	15,961	13,717
Corporate taxes	-649	-274
Exit tax	-97	0
TAXES	-746	-274
NET RESULT	15,215	13,443
Attributable to:		
Minority interests	0	-1
Net result - Group share	15,215	13,443

OTHER ELEMENTS OF REALIZED AND UNREALIZED RESULTS

(in € 1,000)	30/06/16	30/06/15
Impact on fair value of estimated transfer rights and costs resulting from hypo-thetical disposal of investment properties	490	156
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-15,877	8,762
Changes in fair value of financial assets available for sale	1,108	2,985
Translation differences coming from the conversion of a foreign activity	0	0
Other elements of comprehensive income that will not be reallocated later on to the net result	-14,279	11,903
COMPREHENSIVE INCOME		
Attributable to:		
Minority interests		1
Comprehensive income – Group share	936	25,345
NET CURRENT RESULT		
NET RESULT	15,215	13,443
To be eliminated		
- Result on disposal of investment properties	4,801	456
- Changes in fair value of investment properties	-3,710	8,041
- Changes in fair value of financial assets and liabilities	-670	-5,994
- Deferred taxes	-123	-165
NET CURRENT RESULT	14,916	11,105

RESULTS PER SHARE	30/06/16 (6 months)	30/06/15 (6 months)
Comprehensive income per share, group share (1)	0.19	5.13
Comprehensive income per diluted share, group share	0.19	5.13
Net result per share, group share (1)	3.08	2.72
Net result per diluted share, group share	3.08	2.72
Net current result per share (1)	3.02	2.25

(1) Based on the number of shares at closing date (30/06/2016).

CONSOLIDATED BALANCE SHEET

(in € 1,000)	30/06/16	31/12/15
ASSETS		
I. NON-CURRENT ASSETS	905,302	954,243
Intangible assets	7	10
Investment properties	796,247	847,069
Other tangible assets	1,181	1,163
Non-current financial assets	89,967	88,101
Finance lease receivables	17,900	17,900
II. CURRENT ASSETS	34,652	22,059
Assets held for sale	0	4,392
Current financial assets	8	0
Trade receivables	12,465	7,967
Tax receivables and other current assets	3,717	2,885
Cash and cash equivalents	17,243	4,531
Deferred charges and accrued income	1,219	2,284
TOTAL ASSETS	939,954	976,302
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	340,150	362,410
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PAR-ENT COMPANY	340,150	362,405
Capital	54,315	54,315
Share premium account	121,091	121,091
Purchase of treasury shares	-293	-293
Reserves	149,814	156,666
Net result of the financial year	15,215	30,618
Translation differences	8	8
II. MINORITY INTERESTS	0	5
LIABILITIES	599,804	613,892
I. NON-CURRENT LIABILITIES	387,385	395,948
Provisions	10	9
Non-current financial debts	330,875	355,722
- Credit institutions	231,489	258,538
- Other	99,386	97,184
Other non-current financial liabilities	56,500	40,217
Other non-current liabilities	0	0
II. CURRENT LIABILITIES	212,419	217,944
Provisions	0	0
Current financial debts	167,137	176,887
- Credit institutions	58,742	89,191
- Other	108,395	87,696
Other current financial liabilities	0	0
Trade debts and other current debts	31,451	24,810
- Exit tax	12,396	12,299
- Other	19,055	12,511
Other current liabilities	2,273	8,200
Accrued charges and deferred income	11,558	8,047
TOTAL EQUITY AND LIABILITIES	939,954	976,302

CONSOLIDATED CASH FLOW STATEMENT

(in € 1,000)	30/06/16 (6 months)	30/06/15 (6 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	4,531	3,655
1. Cash flow from operating activities	19,925	15,861
Net result	15,216	13,443
Adjustment of the profit for non-cash and non-operating elements	4,988	5,001
Depreciations, write-downs and taxes	246	339
- Depreciations and write-downs on intangible and other tangible assets (+/-)	70	65
- Write-downs on current assets (-)	51	30
- Taxes	746	274
- Taxes paid	-621	-30
Other non-cash elements	3,923	-2,264
- Changes in fair value of investment properties (+/-)	3,710	-8,041
- Movements in provisions (+/-)	1	0
- Phasing of gratuities (+/-)	-458	-243
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities	670	5,993
- Other non-current transactions	0	27
Non-operating elements	819	6,926
Gains on disposals of non-current assets	-4,801	-456
Dividends received	-592	0
Write-back of financial income and financial charges	6,212	7,382
Change in working capital requirements	-279	-2,583
Movements in asset items	-4,323	-1,401
- Other long-term assets	0	0
- Current financial assets	-8	0
- Trade receivables	-4,548	-701
- Tax receivables and other current assets	-832	-379
- Deferred charges and accrued income	1,065	-320
Movements in liability items	4,044	-1,182
- Other non-current debts	0	0
- Trade debts and other current debts	6,544	890
- Taxes	-28	-244
- Other current liabilities	-5,927	-950
- Accrued charges and deferred income	3,455	-878

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(in € 1,000)	30/06/16 (6 months)	30/06/15 (6 months)
2. Cash flow from investment activities	57,238	8,637
Investments	-8,807	-14,083
Investment properties in operation	-3,174	-264
Development projects	-5,025	-5,668
Intangible and other tangible assets	-86	-30
Non-current financial assets	-522	-8,121
Assets held for sale	0	0
Effect in consolidation of new participations	0	0
Divestments	65,453	22,720
Investment properties in operation	0	6,178
Development projects	61,043	0
Intangible and other tangible assets	0	64
Non-current financial assets	0	0
Assets held for sale	4,410	16,478
Effect in consolidation of new participations	0	0
Dividends received	592	0
3. Cash flow from financing activities	-64,451	-6,424
Change in financial liabilities and financial debts	-34,992	23,610
Increase (+) / Decrease (-) of financial debts	-34,992	23,610
Increase (+) / Decrease (-) of other financial liabilities	0	0
Financial income received	663	86
Financial charges paid	-6,926	-7,649
Change in shareholders' equity	-23,196	-22,471
Change of capital and share premium account (+/-)	0	0
Changes in reserves	0	0
Increase (+) / Decrease (-) of treasury shares	0	0
Dividend of the previous financial year	-23,196	-22,471
CASH AND CASH EQUIVALENTS AT END OF PERIOD	17,243	21,728

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AND RESERVES

(in € 1,000)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	Reserve for translation differences from the conversion of a foreign activity (+/-)
IFRS Balance sheet 31/12/15	54,315	121,091	5,431	42,278	-8,723	8
Transfers						
Comprehensive income for the period					490	
Dividends to shareholders						
Miscellaneous						
IFRS Balance sheet 30/06/16	54,315	121,091	5,431	42,278	-8,233	8

End June 2016 shareholders' equity, group share (based on the fair value of the investment properties) amounts to € 340.15 million (31/12/2015: 362.41 million) or € 68.9 per share (31/12/2015: 73.40).
The decrease of shareholders' equity in comparison with end 2015 is attributable to the evolution of the comprehensive income that is lower, mainly due to changes in fair value of authorized hedges in hedge accounting as defined by IFRS over the first half-year of 2016 for € 15.8 million compared to 31/12/2015. The comprehensive income on 30/06/2016 amounts to € 0.9 million and is integrally absorbed by the payment of the dividend over the financial year 2015 for an amount of 23.20 million.

Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
-34,189	-1,920	-293	32,363	121,426	30,618	362,405	5	362,410
				7,422	-7,422	5	-5	0
-15,877	-5,216		1,108	5,216	15,215	936		936
					-23,196	-23,196		-23,196
						0		0
-50,066	-7,136	-293	33,471	134,069	15,215	340,150	0	340,150

Shopping center Schmiede, Luxembourg

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1 BASIS FOR PRESENTATION

These interim condensed consolidated financial statements have been established in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union. These interim condensed consolidated financial statements are in accordance with IAS 34 'Interim financial reporting'.

For establishing the interim condensed consolidated financial statements the same accounting standards and methods have been used as for the financial statements per 31 December 2015. A number of new standards and interpretations entered into force as of January 2016, as enumerated below.

None of these new standards have had an impact on the consolidated interim financial half-year financial statements at 30 June 2016. In the course of the second half-year we will proceed to an adjustment of the separate financial statements on the basis of an adjustment of the standard IAS 27 Separate financial statements – Equity method, but this will be detailed in the section separate financial statements of the annual report 2016.

Standards and interpretations applicable for the financial year starting on 1 January 2016

- IFRS improvements (2010-2012) (applicable to financial years as of 1 February 2015)
- IFRS improvements (2012-2014) (applicable to financial years as of 1 January 2016)
- Adjustment to IFRS 11 Joint arrangements – Treatment of take-overs of participations in joint activities (applicable to financial years as of 1 January 2016)
- Adjustment to IAS 1 Presentation of financial statements – Initiative with regard to disclosures (applicable to financial years as of 1 January 2016)
- Adjustment to IAS 16 and IAS 38 Property, plant and equipment and Intangible assets – Clarification of accepted amortization methods (applicable to financial years as of 1 January 2016)
- Adjustment to IAS 16 and IAS 41 Property, plant and equipment and Agriculture – Bearer plants (applicable to financial years as of 1 January 2016)
- Adjustment to IAS 19 Employee benefits – Employee contributions (applicable to financial years as of 1 February 2015)
- Adjustment to IAS 27 Separate financial statements – Equity method (applicable to financial years as of 1 January 2016)

Standards and interpretations that were published but not yet entered into force for the financial year starting on 1 January 2016

- IFRS 9 Financial instruments and consequent adjustments (applicable to financial years as of 1 January 2018, but not yet adopted by the European Union)
- IFRS 14 Regulatory Deferral Accounts with regard to price regulation (applicable to financial years as of 1 January 2016, but not yet adopted by the European Union)
- IFRS 15 Revenue from Contracts with Customers (applicable to financial years as of 1 January 2018, but not yet adopted by the European Union)
- IFRS 16 Leases (applicable to financial years as of 1 January 2019, but not yet adopted by the European Union)
- Adjustment to IFRS 2 Classification and measurement of share-based payments (applicable to financial years as of 1 January 2018, but not yet adopted by the European Union)
- Adjustment to IFRS 10, IFRS 12 and IAS 28 Investment entities: Application of the consolidation exemption (applicable to financial years as of 1 January 2016, but not yet adopted by the European Union)
- Adjustment to IFRS 10 and IAS 28 Sale or contribution of assets between an investor and the associate or of joint venture (date of entry into force delayed for an undefined term, also delaying adoption by the European Union)
- Adjustment to IAS 7 Statement of Cash Flows – Initiative with regard to disclosures (applicable to financial years as of 1 January 2017, but not yet adopted by the European Union)
- Adjustment to IAS 12 Income Taxes – Recording of deferred tax receivables for unrealized losses (applicable to financial years as of 1 January 2017, but not yet adopted by the European Union)

Etoy, Switzerland

Montimmo, Luxembourg

2 SEGMENT REPORTING

CONDENSED CONSOLIDATED INCOME STATEMENT (GEOGRAPHICAL SEGMENTATION)

	Belgium		Luxembourg		Switzerland		Corporate		TOTAL	
(in € 1,000)	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15
(+) Rental income	12,886	10,302	14,233	13,719	1,293	1,101			28,412	25,122
(+) Write-back of lease payments sold and discounted										
(+/-) Related-rental expenses	-35		-16	-30					-51	-30
NET RENTAL INCOME	12,851	10,302	14,217	13,689	1,293	1,101	0	0	28,361	25,092
(+) Recovery of property charges	53	16		34					53	50
(+) Recovery income of charges and taxes normally payable by tenants on let properties	2,032	2,550	51	28					2,083	2,578
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		0		0					0	0
(-) Charges and taxes normally payable by tenants on let properties	-2,032	-2,550	-51	-28					-2,083	-2,578
(+/-) Other rental-related income and expenditure	-1,063	-802	-248	-67	-26	-62			-1,337	-931
PROPERTY RESULT	11,841	9,516	13,969	13,656	1,267	1,039	0	0	27,077	24,211
(-) Technical costs	-847	-934	-155	-47	-12				-1,014	-981
(-) Commercial costs	-164	-74	-110	-259	-2	-10			-276	-343
(-) Charges and taxes on un-let pro-perties	-483	-354	-67	-118					-550	-472
(-) Property management costs (1)	-2,153	-1,942	-136	-179					-2,289	-2,121
(-) Other property charges	-256	-152	-167	-157	-41				-464	-309
									0	
PROPERTY CHARGES	-3,903	-3,456	-635	-760	-55	-10	0	0	-4,593	-4,226
PROPERTY OPERATING RESULT	7,938	6,060	13,334	12,896	1,212	1,029	0	0	22,484	19,985
(-) Corporate operating charges	-723	-873	-509	-365					-1,232	-1,238
(+/-) Other operating charges and income	-61	63	-31	-216					-92	-153
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	7,154	5,250	12,794	12,315	1,212	1,029	0	0	21,160	18,594

CONDENSED CONSOLIDATED INCOME STATEMENT (GEOGRAPHICAL SEGMENTATION) (CONTINUED)

	Belgium		Luxembourg		Switzerland		Corporate		TOTAL	
(in € 1,000)	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15
(+/-) Result on disposal of investment properties	18	297	4,783	159					4,801	456
(+/-) Changes in fair value of investment properties	-2,459	-3,711	-1,101	5,327	-150	6,425			-3,710	8,041
OPERATING RESULT	4,713	1,836	16,476	17,801	1,062	7,454	0	0	22,251	27,091
(+) Financial income							1,362	81	1,362	81
(-) Interest charges							-6,358	-6,855	-6,358	-6,855
(-) Other financial charges							-624	-607	-624	-607
(+/-) Changes in fair value of financial assets and liabilities							-670	-5,993	-670	-5,993
									0	
FINANCIAL RESULT	0	0	0	0	0	0	-6,290	-13,374	-6,290	-13,374
PRE-TAX RESULT	4,713	1,836	16,476	17,801	1,062	7,454	-6,290	-13,374	15,961	13,717
(+/-) Corporate taxes							-649	-274	-649	-274
(+/-) Exit tax							-97	0	-97	0
									0	
TAXES	0	0	0	0	0	0	-746	-274	-746	-274
NET RESULT	4,713	1,836	16,476	17,801	1,062	7,454	-7,036	-13,648	15,215	13,443
Attributable to:										
Minority interests									0	-1
Group share									15,215	13,444

(1) The property management costs consist a/o of the fee paid by Leasinvest Real Estate and its Belgian subsidiaries to the statutory manager Leasinvest Real Estate Management SA. Of the total fee paid by Leasinvest Real Estate for the first 6 months of the financial year 2016 (€ 1.96 million) € 1.1 million is related to the Luxembourg real estate portfolio. The fee is however fully recorded in the Belgian segment because Leasinvest Real Estate is the actual debtor.

CONDENSED CONSOLIDATED BALANCE SHEET (GEOGRAPHICAL SEGMENTATION)

	Belgium		Luxembourg		Switzerland		Corporate		TOTAL	
(in € 1,000)	30/06/16	31/12/15	30/06/16	31/12/15	30/06/16	31/12/15	30/06/16	31/12/15	30/06/16	31/12/15
ASSETS										
Intangible assets	7	10		0		0			7	10
Investment properties (incl. development projects, excl. financial leasing)	333,181	333,577	419,152	469,426	43,913	44,066			796,246	847,069
Assets held for sale	0	4,392							0	4,392
Other assets	107,376	103,187	35,588	20,627	737	1,016			143,701	124,831
ASSETS PER SEGMENT	440,564	441,166	454,740	490,053	44,650	45,082	0	0	939,954	976,302
LIABILITIES										
Non-current financial debts							330,876	355,722	330,876	355,722
Current financial debts							167,137	176,887	167,137	176,887
Other liabilities							101,791	81,283	101,791	81,283
LIABILITIES PER SEGMENT	0	0	0	0	0	0	599,804	613,892	599,804	613,892
SHAREHOLDERS' EQUITY									340,150	362,410

SEGMENTATION PER ASSET CLASS (MAIN KEY FIGURES)

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

	Retail		Offices		Logistics (and semi-industrial)		TOTAL	
(in € 1,000)	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15	30/06/16	30/06/15
Real estate portfolio								
Fair value of the real estate portfolio	367,570	350,660	315,257	185,120	131,320	135,100	814,147	670,880
Investment value of the real estate portfolio	372,570	355,260	323,160	189,240	134,070	137,950	829,800	682,450
Key figures								
Rental income	12,158	9,896	8,302	10,568	6,668	3,789	27,128	24,253
Rental yield (in fair value)	6.77%	6.94%	6.91%	7.67%	7.49%	7.74%	6.95%	7.26%
Rental yield (in investment value)	6.68%	6.85%	6.75%	7.49%	7.33%	7.57%	6.82%	7.13%
Occupancy rate	99.77%	100%	95.18%	98.30%	96.38%	97.27%	97.47%	99.05%
Weighted average duration till first break possibility (# years)	5.1	6.2	2.9	2.8	6.0	4.8	4.5	5.2

3 NET RENTAL RESULT

Thanks to the acquisition of T&T Royal Depot end 2015 the rental income has increased and amounts to € 28,412 thousand at the end of June 2016 in comparison with € 25,123 thousand end June 2015 (increase of 13.1%). At constant portfolio, 'like-for-like', the rental income remains stable (increase by 1.3% or € 332 thousand in comparison with the same period last year; excl. received rental guarantees and rental incentives).

(in € 1,000)	30/06/16	30/06/15
Rental income		
Rents	27,128	24,253
Guaranteed income	174	0
Rent-free periods	458	243
Rental incentives	0	0
Indemnities for early termination of the leases	15	0
Income from finance leases and comparable items	636	627
TOTAL	28,412	25,123
Write-back of lease payments sold and discounted	0	0
Rental-related expenses		
Rent payable on rented premises	0	0
Write-downs on trade receivables	-51	-31
Write-backs of write-downs on trade receivables	0	0
TOTAL	-51	-31
NET RENTAL RESULT	28,361	25,092

4 INVESTMENT PROPERTIES AND ASSETS HELD FOR SALE

The fair value[1] of the direct real estate portfolio has decreased and amounts to € 814.1 million end June 2016 compared to € 869.4 million end December 2015.

	Real estate available for letting excl. finance lease receivables		Development projects	
(in € 1,000)	30/06/16	31/12/15	30/06/16	31/12/15
Balance at the end of the previous financial year	785,051	686,942	62,019	33,860
Investments	3,174	8,217	5	10,601
Divestments		4,269	-50,750	
Translation effects	-129			
Acquisitions of real estate		108,000		
Transfer from/(to) other items		-22,534		12,156
Spreading of gratuities	458	314		
Increase/(decrease) in fair value	-3,644	-157	63	5,402
Balance at the end of the period	784,910	785,051	11,337	62,019

(1) Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS.

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

Asset class	Fair value 06/2016 (€ 000)	Valuation technique	Important input data	Spread (ERV per month)
Retail (Grand Duchy of Luxembourg & Belgium)	323,660	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [14.73 €/m²] b. [6.40% -> 7.15%]
Retail Switzerland	43,910	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [19 €/m² -> 23€/m²] b. [5.8% -> 6.4%]
Offices Grand Duchy of Luxembourg	124,540	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [28.86 €/m²] b. [5.6% -> 7.5%]
Offices Belgium	179,380	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [12 €/m²] b. [5% -> 8.25%]
Logistics	131,320	DCF (discounted cash flow)	a. Weighted average discount rate b. Weighted average economic life	a. [6.22%] b. [22 years]
Projects Belgium	11,340	DCF (discounted cash flow)	a. Average rental value b. Capitalization rate c. Construction period	a. [20.42 €/m²] b. [5.50%] c. [15 to 18 months]
Total investment properties	814,150			

	Total Investment properties		Finance lease receivables		Total investment properties and finance lease receivables		Assets held for sale	
	30/06/16	31/12/15	30/06/16	31/12/15	30/06/16	31/12/15	30/06/16	31/12/15
	847,070	720,802	17,900	17,900	864,970	738,702	4,392	17,626
	3,179	18,818			3,179	18,818		0
	-50,750	4,269			-50,750	4,269	-4,392	-23,646
	-129	0			-129	0		
	0	108,000			0	108,000		
	0	-10,378			0	-10,378		10,378
	458	314			458	314		
	-3,581	5,245			-3,581	5,245		34
	796,247	847,070	17,900	17,900	814,147	864,970	0	4,392

The forecasted long-term inflation rate applied to the valuation techniques amounts to 1.25%.

Based on the balance sheet at 30 June 2016, an increase of the average yield by 0.10% would have had an impact of € - 11.5 million on the net result and of € - 2.33 on the net asset value per share, and an increase of the debt ratio by 0.70% (namely from 56.68% to 57.38%) at a constant credit draw-down.
Based on that same balance sheet, a decrease of the average ERV by 10% would have an impact of approximately € - 81.4 million on the net result, which corresponds to € - 16.5 on the net asset value per share. At a constant level of credit draw-downs this would lead to an increase of the debt ratio by 5.39% (namely from 56.68% to 62.07%).

5 INFORMATION ON THE FINANCIAL DEBT

On 30/06/2016 the financial debts of € 497,596 thousand have decreased by € 34,653 thousand in comparison with end 2015 following the sales of the completed project Royal20 in Luxembourg and the logistics building Zeutestraat in Malines. As the notarial deed for the sale of the project Royal20 was only passed at the closing date 30/06/2016 the cash and cash equivalents of € 17,244 thousand are exceptionally high end June 2016. These cash and cash equivalents have been used after the balance sheet date to further reduce the outstanding financial debts.

The item other loans comprises for € 98,969 thousand the bond loans issued by Leasinvest in 2013.

The confirmed credit lines (excl. the € 99.4 million bond loans and € 108.4 million commercial paper) amount to € 598.7 million (end 2015: € 473.7 million) end June 2016.

6 CALCULATION AND FURTHER COMMENTS ON THE DEBT RATIO

In accordance with art 24 of the RD of 13 July 2014, the public RREC has to establish a financial plan with an execution calendar, whenever the consolidated debt ratio exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.
On the financial plan, a special report is drawn up by the auditor, in which is confirmed that the latter has verified the way the plan has been drawn up, namely with regard to its economic fundamentals, and that the figures comprised in this plan correspond to those of the accounts of the public RREC.
The general guidelines of the financial plan are recorded in the annual and half-year financial reports. In the annual and half-year financial reports is described and justified how the financial plan was executed in the course of the relevant period and how the public RREC will execute the plan in the future.

Debt ratio overview

As commented in the table below, historically, Leasinvest Real Estate's debt ratio has in general remained below 50% till 2011, but crossed the 50%-threshold as of 2012 as a consequence of the investment programme that was executed over the past years (more specifically within the framework of the development and later sale of the Bian office building in Luxembourg, the investment in the real estate certificates issued by Porte des Ardennes Schmiede SA and Porte des Ardennes Pommerlach SA for the refinancing of the shopping centers Knauf located in Schmiede and in Pommerloch, the acquisition of the building Tour & Taxis Royal Depot and the development of the completed project Royal20).

1H2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
56.68%	58.03%	54.27%	53.53%	56.19%	47.29%	44.13%	47.61%	52.06%	40.93% (*)	44.15% (*)	32.23% (*)	41.06% (*)	41.38% (*)	44.94% (*)

(*) Closing at 30/6

At the end of December 2015 Leasinvest Real Estate's debt ratio still amounted to 58.03% and has decreased thanks to the sale of the completed project Royal20 per 30 June 2016 to 56.68%. As the date of the notarial deed for the sale coincided with the closing date of the half-year, the total proceeds of the sale could not yet be fully used at the closing date to reimburse existing credits and consequently reduce the debt ratio. An available cash position of € 17.2 million is thus recorded in the balance sheet of 30 June 2016; this cash position allows intrinsically to further reduce the debt ratio to 55.8%.

1.Evolution of the debt ratio in the long term

The board of directors considers a debt ratio of maximum 50%-55% as being optimal for, and in the interest of the shareholders of Leasinvest Real Estate, and this both with regard to return, net result per share and to mitigating the liquidity and solvency risks.
For each investment the impact on the debt ratio is analysed, and the investment is potentially not selected should it unilaterally influence the debt ratio in a too negative way.
Based on the debt ratio of 56.68% end June 2016 Leasinvest Real Estate has an investment potential based on debt financing of € 223.3 million without exceeding the 65%-debt ratio, and an investment potential of € 84.5 million without exceeding the 60%-debt ratio.

2.Evolution of the debt ratio in the short term

Each quarter a projection of the debt ratio is presented to the board of directors in the scope of the presentation of the budget, in function of the forecasted results and the planned acquisitions and sales. Based on these elements, a projection is made per end 2016. This forecast also takes into account possible divestment and/or investment transactions.
Taking into account these assumptions, and the realization or not of possible divestment and/or investment transactions as mentioned above, the debt ratio will be situated between 55% and 59% at the end of December 2016, i.e. slightly above the predefined 50%-55% range.

3.Other elements influencing the debt ratio

The valuation of the real estate portfolio has a direct impact on the debt ratio.
As of today there are no indications in the market of strong negative evolutions. Through the diversification of the portfolio of Leasinvest Real Estate, both in terms of assets as geographically, the risk is also mitigated.
Should substantial value decreases take place in the real estate portfolio, with the risk that the debt ratio would exceed 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings to solve that issue.

It is the opinion of the board of directors that no additional measures are necessary to avoid the debt ratio from exceeding 65%. The debt ratio will in the short term stabilize between 55% and 59%, or slightly above the predefined range of 50%-55%.

7 DEFINITION OF THE FAIR VALUE OF ASSETS AND LIABILITIES PER LEVEL

Assets and liabilities valued at fair value after their initial booking can be presented in three levels (1-3), that each correspond to a different input level to observe the fair value:

- Level 1 inputs are (non-adjusted) quoted prices in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted market prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. deducted from prices);
- Level 3 inputs are unobservable inputs for the asset or liability based on valuations techniques comprising data for the asset or liability.

Concretely, the company appeals to comparable market data for the valuation of the credits, such as an approximation of the applied reference rate and an approximation of the evolution of the credit margin based on recent comparable observations.

With regard to the financial derivatives, the valuations of the different counterparty banks have been recorded, meaning that a detailed description of these data, as required by level 3, is not possible. However, these instruments were classified under level 3 as we calculate a CVA or a DVA on these received valuations, and this on the basis of data that are an approximation of the underlying credit risk. The valuation of the private bond is based on an approximation of an observable CDS spread and the evolution of the corresponding Euribor rate.

The financial leasing is valued based on a discounted cash flow principle.

Fair value disclosures:

There were no transfers between items in 2016 in comparison with 31/12/2015.

(in € 1,000) per end June 2016	Level 1	Level 2	Level 3	book value
Investment properties			796,247	796,247
Non-current financial assets				
- Financial assets	70,960	17,041		88,001
- Other derivative instruments non-qualified as cash flow hedge			0	0
- Other derivative instruments qualified as cash flow hedge			1,833	1,833
Finance-lease receivables			17,900	17,900
Assets held for sale			0	0
Current financial assets				0
Trade receivables		12,465		12,465
Tax receivables and other current assets		3,717		3,717
Cash and cash equivalents	17,243			17,243
Deferred charges and accrued income		1,219		1,219
Non-current financial debts				
- Credit institutions			233,341	231,489
- Other	78,690		21,518	98,969
Other non-current financial liabilities				
- Other financial derivatives through the income statement			6,435	6,435
- Other financial derivatives through other equity components			50,065	50,065
Current financial debts				
- Credit institutions			58,820	58,742
- Other			108,395	108,395
Trade debts and other current debts				
- Exit tax		12,396		12,396
- Other		19,055		19,055
Other current liabilities		2,273		2,273
Accrued charges and deferred income		11,558		11,558

(in € 1,000) per end 2015	Level 1	Level 2	Level 3	book value
Investment properties			847,069	847,069
Non-current financial assets				88,101
- Financial assets	70,425	15,947		86,372
- Other derivative instruments non-qualified as cash flow hedge			1	1
- Other derivative instruments qualified as cash flow hedge			1,596	1,596
Finance-lease receivables			17,899	17,899
Assets held for sale			4,392	4,392
Current financial assets			0	0
Trade receivables		7,967		7,967
Tax receivables and other current assets	2,885			2,885
Cash and cash equivalents	4,531			4,531
Deferred charges and accrued income		2,284		2,284
Non-current financial debts				
- Credit institutions			265,356	258,538
- Other	78,750		21,123	96,824
Other non-current financial liabilities				
- Other financial derivatives through the income statement			1,646	1,646
- Other financial derivatives through other equity components			38,572	38,572
Current financial debts				
- Credit institutions			89,689	89,191
- Other			87,625	87,625
Trade debts and other current debts				
- Exit tax				
- Other		12,511		12,511
Other current liabilities		8,200		8,200
Accrued charges and deferred income		8,047		8,047

8 IMPORTANT EVENTS AFTER THE CLOSING OF THE PERIOD 01/01/2016-30/06/2016

No important events occurred after the closing of the first half-year of 2016.

9 OVERVIEW OF THE MAIN RELATED-PARTY TRANSACTIONS

In the period 01/01/2016-30/06/2016 no transactions with related parties, which had material consequences with regard to the financial position or the results of Leasinvest Real Estate, took place.

10 RISKS AND UNCERTAINTIES

With regard to the risks and uncertainties, management refers to the Annual Financial Report 2015, and more specifically to pages 4-18.

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 2016 AND FOR HE SIX-MONTH PERIOD THEN ENDED

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Leasinvest Real Estate Comm VA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2016 and the related interim condensed consolidated statement of realized and unrealized results, the other elements of realized and unrealized results, the consolidated statement of changes in equity and reserves and the consolidated cash flow statement for the six-month period then ended, and explanatory notes, collectively, the "Interim Condensed Consolidated Financial Statements". These statements show a consolidated balance sheet total of € 939.954 thousand and a consolidated profit for the six-month period of € 15.215 thousand. The board of directors 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 by 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 in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". 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 International Standards on Auditing 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 aspects, in accordance with IAS 34 Interim Financial Reporting as adopted by the European Union.

Brussels, 19 August 2016
Ernst & Young Réviseurs d'Entreprises SCCRL
Statutory auditor
represented by

Pierre Vanderbeek*
Partner
* Acting on behalf of a BVBA/SPRL

Financial calendar

25/08/2016	Half-year financial report 2016
17/11/2016	Interim statement Q3 (30/09/2016)
16/02/2017	Year-results 2016 (31/12/2016)
31/03/2017	Annual financial report 2016
15/05/2017	Interim statement Q1 (31/03/2017)
15/05/2017	Annual meeting of shareholders
22/05/2017	Dividend payment
24/08/2017	Half-year financial report 2017
17/11/2017	Interim statement Q3 (30/09/2017)

This half-year financial report is available on www.leasinvest.be.

You can request a printed copy through registration on www.leasinvest.be.

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