Half-year financial report 2018

2018

Leasinvest
REAL ESTATE

Company profile

Public regulated real estate company (B-REIT) Leasinvest Real Estate SCA invests in high quality and well-located retail and office buildings in the Grand Duchy of Luxembourg, in Belgium and in Austria.

At present the total fair value of the directly held real estate portfolio of Leasinvest amounts to € 922 million spread across the Grand Duchy of Luxembourg (54%), Belgium (35%) and Austria (11%).

Moreover, Leasinvest is one of the largest real estate investors in the Grand Duchy of Luxembourg.

The real estate portfolio consists of retail (48%), offices (44%) and logistics (7%).

The public RREC is listed on Euronext Brussels and has a market capitalization of approximately € 489 million (value 21 August 2018).

Alternative Performance Measures

Following the entry into force of the 'ESMA directives on Alternative Performance Measures' of the European Securities and Market Authority (ESMA), the Alternative Performance Measures (APM) in this half-year financial report are indicated by the the symbol ◀ . For the definition and the detailed calculation of the Alternative Performance Measures used, we refer to page 42 et seq of this half-year financial report.

Statement according to article 12, § 2, 3° of the RD of 14 November 2007

Mr Michel Van Geyte, 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.

MICHEL VAN GEYTE
Permanent representative
Leasinvest Real Estate Management SA
Schermersstraat 42
BE-2000 Antwerp
Statutory manager

Key figures

Key figures real estate portfolio (1)	30/06/2018	31/12/2017
Fair value real estate portfolio (€ 1,000) (2)	921 836	902 994
Fair value investment properties, incl. participation Retail Estates (€ 1,000) (2)	1 012 818	976 338
Investment value investment properties (€ 1,000) (3)	940 484	921 141
Rental yield based on fair value (4) (5)	6.61%	6.44%
Rental yield based on investment value (4) (5)	6.48%	6.32%
Occupancy rate (5) (6)	94.44%	94.80%
Average duration of leases (years)	4.19	4.74

(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 30/06/2018.
(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, de Crombrugghe&Partners and Stadim (BeLux) and Oerag (Austria).
(5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken account of, excluding the assets held for sale and the development projects.
(6) The occupancy rate has been calculated based on the estimated rental value.

Key figures income statement	30/06/2018	30/06/2017
Rental income (€ 1,000)	27 858	28 084
Net rental result per share	5.64	5.69
EPRA Earnings (1)	13 968	13 261
EPRA Earnings per share (1)	2.83	2.69
Net result group share (€ 1,000)	19 683	15 595
Net result group share per share	3.99	3.16
Comprehensive income group share (€ 1,000)	19 082	32 243
Comprehensive income group share per share	3.86	6.53

(1) De EPRA Earnings , previously the net current result, consists of the net result excluding the portfolio result* and the changes in fair value of the ineffective hedges.

Key figures balance sheet	30/06/2018	31/12/2017
Net asset value group share (€ 1,000)	376 595	382 206
Number of issued shares	4 938 870	4 938 870
Number of shares entitled to the result of the period	4 938 870	4 938 870
Net asset value group share per share	76.3	77.4
Net asset value group share per share based on investment val-ue	80.0	81.1
Net asset value group share per share EPRA	82.8	84.0
Total assets (€ 1,000)	1 036 886	999 293
Financial debt	594 550	540 440
Financial debt ratio (in accordance with BE-REIT/GVV-SIR regulation)	59.31%	57.14%
Average duration credit lines (years)	3.00	3.34
Average funding cost (excl. fair value changes financial instru-ments)	2.79%	2.99%
Average duration hedges (years)	5.02	5.15

EPRA performance measures ◄ (1)	30/06/2018	30/06/2017
EPRA Earnings ◄ (in € per share) (2)	2.83	2.69
EPRA NAV ◄ (in € per share) (3)	82.8	81.6
EPRA NNNAV ◄ (in € per share) (4)	75.5	73.1
EPRA Net Initial Yield ◄ (in %) (5)	5.49%	5.39%
EPRA Topped up Net Initial Yield ◄ (in %) (6)	5.50%	5.41%
EPRA Vacancy ◄ (in %) (7)	5.54%	9.12%
EPRA Cost ratio ◄ (incl. direct vacancy costs) (in %) (8)	22.96%	24.26%
EPRA Cost ratio ◄ (excl. direct vacancy costs) (in %) (8)	21.09%	21.00%

(1) These figures were not audited by the auditor.

(2) The EPRA Earnings ◄ , previously net current result, consists of the net result excluding the portfolio result ◄ and the changes in fair value of the ineffective hedges.

(3) EPRA Net Asset Value ◄ (NAV) consists of the adjusted Net Asset Value ◄ , excluding certain elements that do not fit within a financial model of long-term real estate investments; see also www.epra.com.

(4) EPRA NNNAV ◄ (triple Net Asset Value ◄) consists of the EPRA NAV ◄ , adjusted to take account of the fair value of the financial instruments, the debts and the deferred taxes; see also www.epra.com.

(5) EPRA Net Initial Yield ◄ comprises the annualized gross rental income based on the current rents at the closing date of the financial statements, excluding the property charges, divided by the market value of the portfolio, increased by the estimated transfer rights and costs for hypothetical disposal of investment properties; see also www.epra.com.

(6) EPRA Topped up Net Initial Yield ◄ corrects the EPRA Net Initial Yield ◄ with regard to the ending of gratuities and other rental incentives granted; see also www.epra.com.

(7) EPRA Vacancy ◄ is calculated on the basis of the Estimated Rental Value (ERV) of vacant surfaces divided by the ERV of the total portfolio; see also www.epra.com.

(8) EPRA Cost ratio ◄ consists of the relation of the operating and general charges versus the gross rental income (including and excluding direct vacancy costs); see also www.epra.com.

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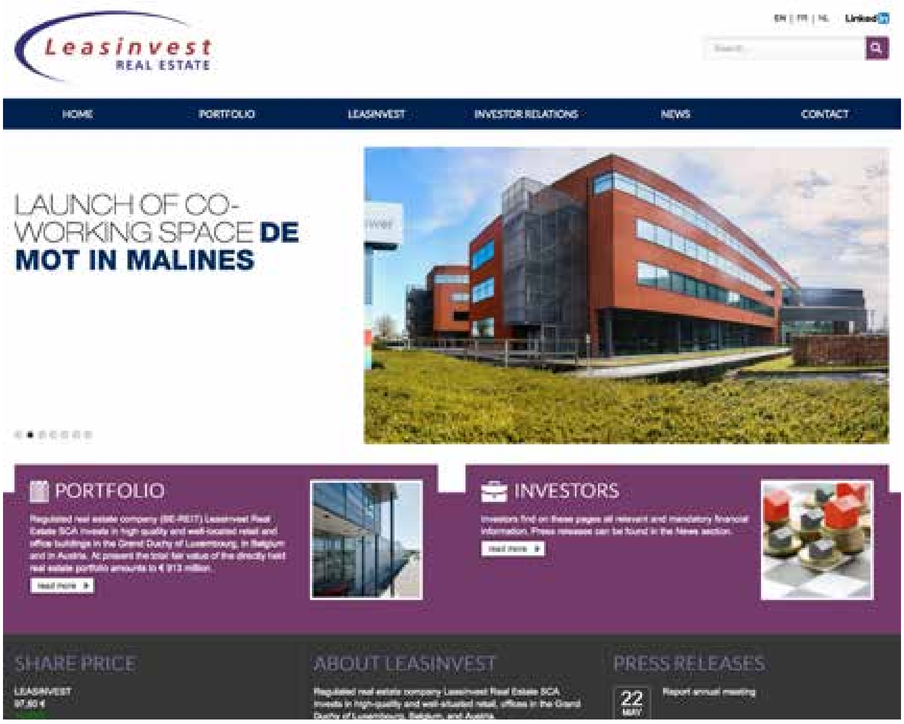

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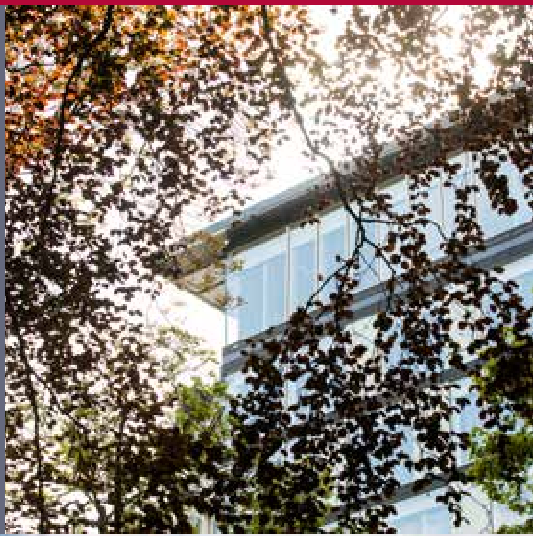
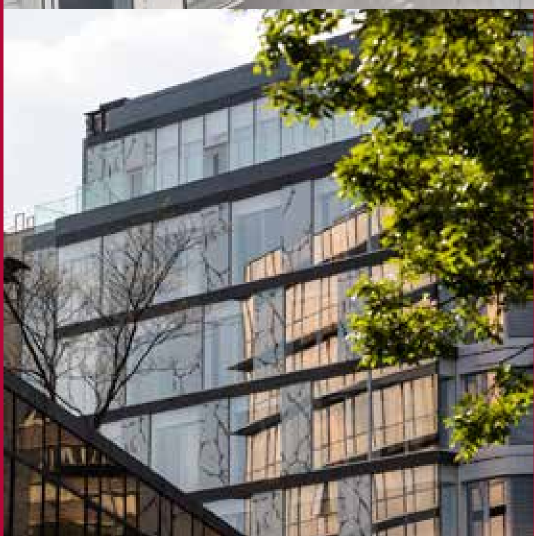




Treesquare Brussels CBD • Belgium

Highlights first half-year 2018

Michel Van Geyte, CEO: "Leasinvest Real Estate realizes half-year figures corresponding to the outlook. The redevelopments Treesquare in the CBD of Brussels (BE) and the extension of the Frun® Park in Asten (AT) were successfully delivered in the meantime, and the leases are in line with expectations."

For the first half-year of the financial year 2018 we record the following key data:

- The EPRA earnings increase by 5.3% from € 13.3 million end 1H 2017 to € 14.0 million
- Rise (+26%) of the net result from € 15.6 million end 1H 2017 to € 19.7 million or € 3.99 per share
- Rental income in line with first half-year of 2017
- The rental yield (based on fair value) increases from 6.44% end 2017 to 6.61%
- The funding costs decreases considerably from 2.99% on 31/12/2017 to 2.79%
- Treesquare in the CBD of Brussels and the extension of the Frun® Park Asten were successfully delivered
- The current developments in Belgium and Luxembourg progress as planned

Activity report for the period 01/01/2018- 30/06/2018

INVESTMENT

Belgium

Participation to capital increase of BE-REIT (GVV/SIR) Retail Estates

Leasinvest participated in April 2018 to the capital increase of Retail Estates, a BE-TEIT (GVV/SIR) in which a stake of a little over 10% is held for a while now. Leasinvest subscribed all granted subscription rights for an amount of € 12.9 million and received 198,736 new Retail Estates shares in exchange, that are fully entitled to dividends. The dividend amounted to € 3.60 per share and was received end July.

REDEVELOPMENTS

Grand Duchy of Luxembourg

Boomerang Strassen shopping center

The retail site of 22,721 m², located Route d'Arlon in Strassen, is partially redeveloped into a retail park that will, besides shops, also comprise a restaurant. This site will become the largest retail park in the Luxembourg periphery at the entrance of the city of Luxembourg.

After the redevelopment of the first phase delivered end 2017, the renovation of the parking and the office space (470 m^2) have nearly been finalized. The office space has in the meantime been occupied by different tenants.

The delivery of the second phase, comprising the construction of an additional 10.000 m², spread across six commercial units, is foreseen in the course of 2020 after the departure of Bâtiself.

Boomerang Strassen shopping center • Luxembourg

Shopping center Pommerloch

For the shopping center Pommerloch located in the North of the Grand Duchy of Luxembourg, nearby the Belgian border, the building permit was granted for the extension of the parking, in order to respond to the growing number of visitors.

Pommerloch • Luxembourg


Schmiede • Luxembourg

Shopping center Schmiede

With the objective of aligning the Knauf shopping center to consumers' current expectations, the revamping and renovation works of the shopping center will start in September. In the course of the first quarter of 2019 will subsequently start the profound renovation works including an extension of 8,000 m² in order to offer more catering opportunities, shops and room for events.

Belgium

Current developments in Brussels CBD - Treesquare and Montoyer 63

The office buildings Treesquare and Montoyer 63, both located in the Brussels CBD, are entirely reconstructed. Due to their location in the European district, these office buildings need to perfectly meet the high demands of the occupiers in this district.

Therefore, an original architecture was chosen for **Treesquare** based on modularity and great attention for interior design. Within the building grows a real tree, symbolizing Europe's growth, and the different spaces and high-end finishing have attracted prime tenants for this building. An occupation rate of 64% before its final delivery and the current negotiations demonstrate the success of this development.

Treesquare Brussels • Belgium

Montoyer 63 Brussels • Belgium

The **Montoyer 63** office building will be occupied end Q3 2018 by the European Parliament, as announced previously[1]. This building was constructed in accordance with the tender issued by the European Parliament to realize its training center at walking distance of the parliament. This means that this building has to perfectly comply with the demands relating to technical performance, such as cooling and ventilation, and equipment, and this, within a strict timing. The construction works evolve as planned.

1 For more information on this, we refer to the press release of 16/02/2017 on the website www.leasinvest.be.

Business center The Crescent and co-working space Motstraat Malines

In the course of the first half-year of 2018 different new agreements could be concluded for the business center The Crescent in the building Motstraat Malines

The Crescent is a co-working & business center concept that was developed years ago by Leasinvest in Anderlecht, focusing on community building, professional support and quality service.

The co-working space "De Mot" is declined from that concept, and was inaugurated in the meanwhile by the mayor of Malines, Bart Somers, and is highly appreciated by the tenants of the building and other users.

The total occupancy rate consequently amounts to 86.4% at present.

This concept fits within the policy of renovation and redevelopment of buildings, permitting us to create value.

Motstraat Malines • Belgium

OCCUPANCY RATE AND LEASES

Evolution occupancy rate and rental renewals

Over the last couple of years, the total occupancy rate remained constantly high and has slightly decreased on 30/06/2018 to 94.44% coming from 94.80% end 2017, mainly due to the transfer of Treesquare from development projects, not recorded in the calculation of the occupancy rate, to investment properties in operation. The leases in Treesquare have again increased after 30/06/2018, which will also slightly increase the occupancy rate.

Leases

Grand Duchy of Luxembourg

The rental agreement with international retailer Carrefour for 1,715 m^2 in the **Boomerang Shopping Center** in Strassen started on 2 April 2018, as of when the refurbishment works started in view of opening the store in December 2018.

Shopping center Pommerloch in the North of Luxembourg is still very appreciated by national and international retailers, with the opening of a new SportsDirect shop and the conclusion of an agreement with H&M for realizing the largest H&M shop in the North of Luxembourg by 2019. The occupancy rate of the shopping center remains very high.

For the office building **Mercator** a new rental contract could be concluded for 2,770 m², for a 6.5-year period, the building consequently maintaining its 100% occupancy.

Belgium

Treesquare, that was delivered in the meantime (see 'Redevelopments' above), could welcome over the first half-year 3 additional new tenants for a total of 1,500 m^2 and an average duration of over 6 years, at prime rents, the occupancy rate currently standing at 64% (see 'Redevelopments' above).

For **Tour & Taxis Royal Depot** a number of renegotiations and extensions could be concluded, the occupancy rate of this building remaining at a very high level.

Austria

The extension of over 1,000 m^2 of Frun® Park Asten, gradually delivered as of April, is in the meantime fully let, and could recently attract the Wok King restaurant, contributing to the global experience of the rising number of shoppers in this successful retail park that recorded a footfall rate of 1.2 million end 2017.

All rental contracts with sitting tenants in the Frun® Park Asten that would have expired in 2018, were successfully renewed, the occupancy rate of this retail park maintaining its 100% occupancy rate.

Consolidated results period 01/01/2018- 30/06/2018

In the course of the first 6 months, results corresponding to the outlook were recorded. Despite the number of important divestments in the second half of 2017 (4 Belgian logistics buildings and 3 Swiss retail buildings), the rental income remained nearly constant compared to mid-2017, the proceeds of last year's divestments being reinvested (Mercator in Luxembourg and 2 Stadlau buildings in Austria).

The **rental income** has slightly decreased in comparison with the first half-year of the previous year: € 27.9 million in 1H 2018 vs € 28.1 million in 1H 2017; the decrease of the rental income following the sales of different logistics buildings and the Swiss portfolio in 2017 is to a large extent compensated by the rental income of the newly acquired buildings in Austria and Luxembourg in the course of that same year, and following the fact that the coupon received on the real estate certificate "Lux Airport" (€ 1.3 million) can be considered as rental income.
Like-for-like the rental income is steady (- 0.05%): the decrease by € 0.5 million in Belgium, mainly linked to De Mot, is compensated by an increase of € 0.5 million in Luxembourg (higher income from CFM and Esch).

The **gross rental yields** have increased in comparison with end 2017 and amount to 6.61% (6.44% end 2017) based on the fair value, and to 6.48% (6.32% end 2017) based on the investment value; the occupancy rate has slightly decreased from 94.8% end 2017 to 94.4% at 30/06/2018, mainly due to the transfer of the building Treesquare (64% occupied) from projects to leased buildings.

The **property charges** have decreased (- € 0.4 million) from - € 4.6 million in 1H 2017 to - € 4.2 million in 1H 2018, mainly because of lower technical costs (- € 0.2 million) and lower vacancy costs (- € 0.4 million), partially compensated by higher property management costs (+ € 0.2 million). The management costs are calculated in function of the size of the real estate portfolio, that was larger in 1H 2018 than in 1H 2017. The **general costs** reach the same level as last year. The **operating margin** (operating result before the portfolio result/rental income) rises from 75.8% in 1H 2017 to 77.3% in 1H 2018.

The **changes in fair value of investment properties** amount to + € 25 thousand (30/06/2017: € 3.7 million) (or - € 3.7 million) on 30/06/2018. Capital gains were a/o recognized on the project Montoyer, Frun® Park Asten and Boomerang Strassen. On the other hand, losses were recorded on a/o CFM and Riverside.

The **financial result** amounts to € -1.6 million on 30/06/2018 in comparison with € -7.3 million for 1H 2017. The net interest charges dropped by € 0.5 million despite more credits withdrawn on average than in 1H 2017, following the recent restructuring of the derivatives portfolio.
The changes in fair value of the financial assets and liabilities (€ 5.7 million) comprises for the first time the revaluation of the participation in Retail Estates (€ 4.7 million). Until in 2017 it was indeed directly revalued in shareholders' equity (IFRS 9 entered into force since 1/1/2018). The revaluation of the derivatives in the income statement amounts to € 0.8 million in 1H 2018 vs € 0.6 million in 1H 2017.

The **net result** over 1H 2018 reaches € 19.7 million compared to € 15.6 million on 30/06/2017. In terms of net result per share, this results in € 3.99 per share on 30/06/2018 compared to € 3.16 on 30/06/2017.

The **EPRA earnings** amount to € 14.0 million (€ 2.83 per share) end June 2018, which represents an important rise compared to 30/06/17 (€ 13.3 million or € 2.69 per share). The slightly lower rental income compared to the first half-year of 2017 (- € 0.2 million) is largely compensated by the combined effect of lower property charges (€ 0.4 million) and lower funding costs (€ 0.5 million).

At the end of the second quarter of the financial year 2018 **shareholders' equity**, group share (based on the fair value of the investment properties) amounts to € 376.6 million (year-end 2017 € 382.2 million). On 30 June 2018 a decrease of the shareholders' equity of € 5.6 million is recorded because of the dividend distributed, for an amount of € 24.7 million, partially compensated by the positive net result over the first half-year 2018 of € 19.7 million. Furthermore, there was a negative revaluation of the derivatives for an amount of € -0.6 million, directly booked in shareholders' equity.

The **net asset value per share** excluding the impact of fair value adjustments on financial instruments (EPRA NAV) reaches € 82.8 end June 2018 in comparison with € 84.0 end 2017.
End June 2018 the net asset value including the impact of fair value adjustments on financial instruments (IAS 39) amounts to € 76.3 per share (31/12/17: € 77.4). The closing price of the Leasinvest Real Estate share on 30 June 2018 amounted to € 95.80.

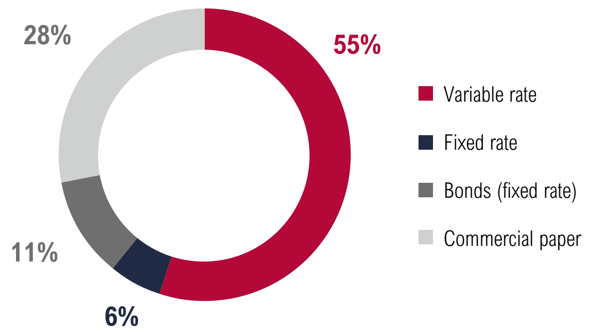
End June 2018 the **debt ratio** had increased to 59.31% in comparison with 57.14% end 2017, mainly due to a combination of the dividend distribution and the additional investment in Retail Estates and in the projects Treesquare and Montoyer 63.

Management of financial resources

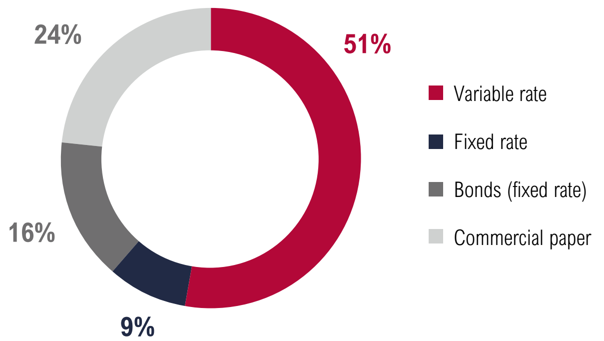
Per 30/06/2018 the nominal financial debts recorded in the balance sheet amount to € 594.6 million compared to € 540.4 million on 31/12/2017. This increase is attributable to the distribution of the dividend over the past financial year 2017 in combination with the investments in the projects Treesquare and Montoyer 63, and the participation to the capital increase of Retail Estates in April 2018.
On 30/06/2018 these financial debts for an amount of € 594.6 million comprise € 302.8 million of bank credits at variable rate, € 55.0 million of bank credits at fixed rate, € 95,0 million of bonds and € 141.8 million of commercial paper issues.

The spread of the credit portfolio according to the type of funding sources and to the number of credit institutions (currently spread across 8 different credit institutions) is an important element to be able to count on a continuous funding base limiting to a maximum concentrations and counterparty risks. The withdrawals mentioned below are reproduced in a graph in combination with a reproduction of the maturity dates of the credit lines.

Credit lines 30/06/2018



Drawn credits 30/06/2018

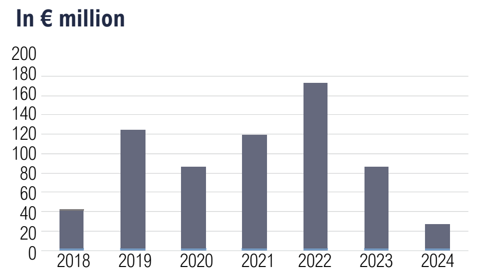


The commercial paper issues usually fluctuate around € 165 million, but given the highs and lows, the issues vary between € 140 and € 190 million. Given the short-term nature of this funding source, available, undrawn bank credits are at all time foreseen to cover the issued amount in the commercial paper programme. After deduction of this buffer, Leasinvest Real Estate disposes of over € 56.2 million of available undrawn credit lines on 30/06/2018.

In August a credit line of € 15 million was already extended till in 2023. Furthermore, a fixed-rate credit with initial maturity in 2020 was extended by 3 more years, decreasing the fixed interest rate.

The non-expired maturity dates of credit lines in 2018 fall due around year-end; the negotiations for refunding have already started and will lead to a further spread of the maturity profile below.
The weighted average duration of the granted credit lines amounts to 3.0 years per 30/06/2018; this duration will increase after refunding the lines that fall due at the end of 2018.

Maturities credit lines



The hedge ratio on 30/06/2018 amounts to 71% and is calculated based on the total nominal withdrawn hedge amount of the Interest Rate Swaps and Interest caps (€ 272.5 million), augmented by the credits at fixed rate including the bonds (€ 150.0 million) over the total withdrawn amount of financial debts per 30 June 2018 (€ 594.6 million). The ratio is slightly lower than the 75%-target, although we have to take account of the fact that 2 more Interest Rate Swaps with a global notional amount of € 20 million become active as of 15 July 2018. As of that date, the hedge ratio stands at 74%. The weighted average duration of the hedges amounts to 5.0 years on 30/06/2018.

The weighted average funding cost has significantly dropper per 30 June 2018 to 2.79%, in comparison with 2.94% over the first half-year of 2017, following an early sale of the Cross Currency Swaps end 2017 in combination with the current restructuring program of the Interest Rate Swaps. These restructurings will reach their full effect on the results as of Q3 2018.

Important events after the closing of the period 01/01/2018-30/06/2018

In the course of July and August 2018 2 credits were extended:

- A variable rate credit line of € 15 million with initial maturity in August 2018 was extended till August 2023 at interesting conditions;
- A fixed rate credit of € 10 million with initial maturity in August 2020 was extended till August 2023 at a lower fixed interest rate.

Both extensions will lead to a further drop in funding costs.

Corporate Governance

COMPOSITION OF THE BOARD OF DIRECTORS OF THE STATUTORY MANAGER OF LRE

At the general meeting of Leasinvest Real Estate Management SA, statutory manager of Leasinvest Real Estate SCA, held on 22 May 2018, the following amendments to the board of directors were approved:

- The directors' mandates of Jan Suykens, Piet Dejonghe, Michel Van Geyte, Sonja Rottiers and Eric Van Dyck were extended for a period of 4 years, i.e. till the general meeting of May 2022 that will decide on the approval of the financial statements closed at 31 December 2021;
- Dirk Adriaenssen was nominated director for a period of 4 years, i.e. till the general meeting of May 2022 that will decide on the approval of the financial statements closed at 31 December 2021.

The director's mandate of Jean-Louis Appelmans also ended on 22 May, but he was again nominated director as of 1 June 2018, this time as a non-executive director. His mandate ends at the general meeting of May 2019 that will decide on the approval of the financial statements closed at 31 December 2018.

A number of the abovementioned extensions of mandates and nominations are still subject to approval by FSMA.

That same general meeting also ratified the director's mandate of Nicolas Renders who was previously co-opted as director, to replace Guy van Wymersch-Moons, who resigned as a director end October 2017. Following the end of the mandate for which he was co-opted, Nicolas Renders was again nominated director at that same general meeting for a period of 4 years, till the general meeting of May 2022 that will decide on the approval of the financial statements closed at 31 December 2021.

The mandates of Michel Eeckhout and Mark Leysen ended at that general meeting and were not extended.

The abovementioned nominations also lead to amendments to the composition of the different committees of the board of directors. These changes are also still subject to approval by FSMA.

The audit committee is still chaired by Sonja Rottiers, henceforth acting as an independent director. The other members are Dirk Adriaenssen and Piet Dejonghe.

The nomination and remuneration committee is still chaired by Jan Suykens. The other members are Eric Van Dyck and Sonja Rottiers.

The committee of independent directors is composed of Eric Van Dyck, Sonja Rottiers and Dirk Adriaenssen.

AMENDMENTS TO THE MANAGEMENT TEAM

Till 22 May 2018 Jean-Louis Appelmans was permanent representative of the statutory manager of LRE. He was also co-CEO until his retirement end May 2018. As of 22 May 2018, Michel Van Geyte is permanent representative of the statutory manager and also CEO. He also remains an effective officer of LRE.

Since his retirement, Jean-Louis Appelmans is no longer an effective officer, and he is replaced by Tim Rens, CFO of LRE. Unlike what was previously stated in the annual report 2017, Sven Janssens will not be an effective officer.

Since June, the executive committee consists of 3 people: Michel Van Geyte (CEO), Sven Janssens[1] (COO) and Tim Rens (CFO).

Since 1 June 2018, Michel Van Geyte takes over the internal audit function from Tim Rens. The latter becomes in his turn responsible for risk management of the BE-REIT (GVV/SIR), a function previously exercised by Jean-Louis Appelmans. The compliance officer is Paul Van Lierde since 1 June 2018, taking over this task from Jean-Louis Appelmans.

Some of the amendments to the management team are still subject to approval by FSMA.

RENEWAL OF THE AUDITOR'S MANDATE

The ordinary general meeting of 22/05/2018 approved the renewal of the mandate of Ernst & Young bedrijfsrevisoren, represented by Mr Joeri Klaykens, and this for a term of 3 financial years, i.e. till after the general meeting of May 2021 that will decide on the approval of the financial statements closed at 31 December 2020.

Overview of main related-party transactions

In the period 01/01/2018-30/06/2018 no transactions with related parties, which had material consequences with regard to the financial position or the results of Leasinvest Real Estate, took place.

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.

Outlook financial year 2018

As already mentioned in the annual financial report 2017, Leasinvest Real Estate expects for 2018, on the one hand, a rental income in line with 2017. The funding costs, on the other hand, will decrease, also by restructuring the hedges portfolio. Except for extraordinary and unexpected events, this should result in the possibility to maintain the dividend at least at the same level.

1 Acting as representative of Okimono SPRL.

Leasinvest on the stock exchange

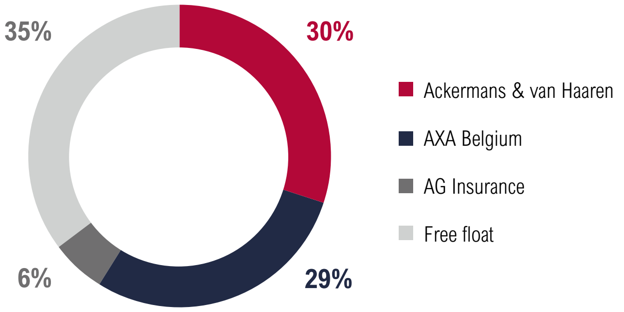
The Crescent - De Mot Malines • Belgium

Shareholder structure

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

Extensa Group SA (Ackermans & van Haaren Group) was the founder and promoter of the public BE-REIT (GVV/SIR). Ackermans & van Haaren SA holds 100% of the shares of the statutory manager, Leasinvest Real Estate Management SA.

Number of listed shares (4,938,870)



Notes to the key figures and graphs

In the first half-year of 2018 the price of the Leasinvest Real Estate share increased to € 101.5, followed by a decrease after payment of the dividend over the 2017 financial year in May 2018. The premium compared to the net asset value (based on fair value) amounted to +26% on 30/06/2018.

The average monthly traded volume of the share over the first half of 2018 decreased and amounted to 26,857 shares (31/12/2017: 28,728). The velocity for 6 months (6.53% over the first half of 2018) also decreased but is relatively limited due to the limited free float of the share (35%). If we only take account of the freely traded shares, the free float velocity for six months amounts to 18.64% over the first half-year of 2018.

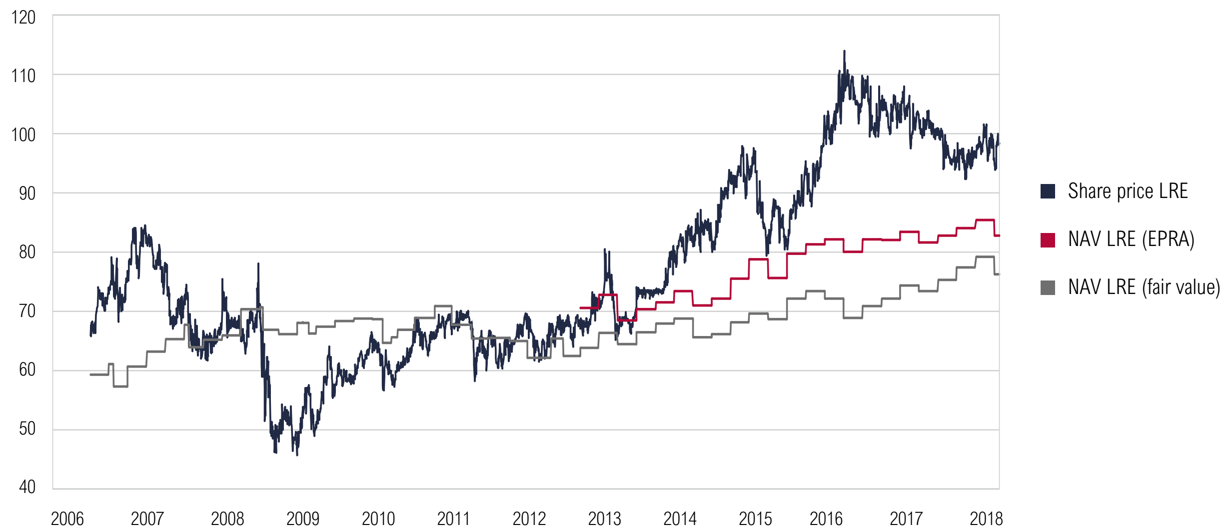
Since the beginning of 2016 (31/03/2016: inclusion of the Leasinvest Real Estate share in the BEL MID index), we record a permanently higher return of the share in comparison with the index, till end 2017. Since then, the BEL MID records a higher return than the Leasinvest Real Estate share.
In comparison with the EPRA Belgium index the Leasinvest Real Estate share still records a noticeably higher return. The return of the EPRA Eurozone Index showed an important rise in the first half-year of 2017 en records a substantially higher return than the Leasinvest Real Estate share.

Key figures

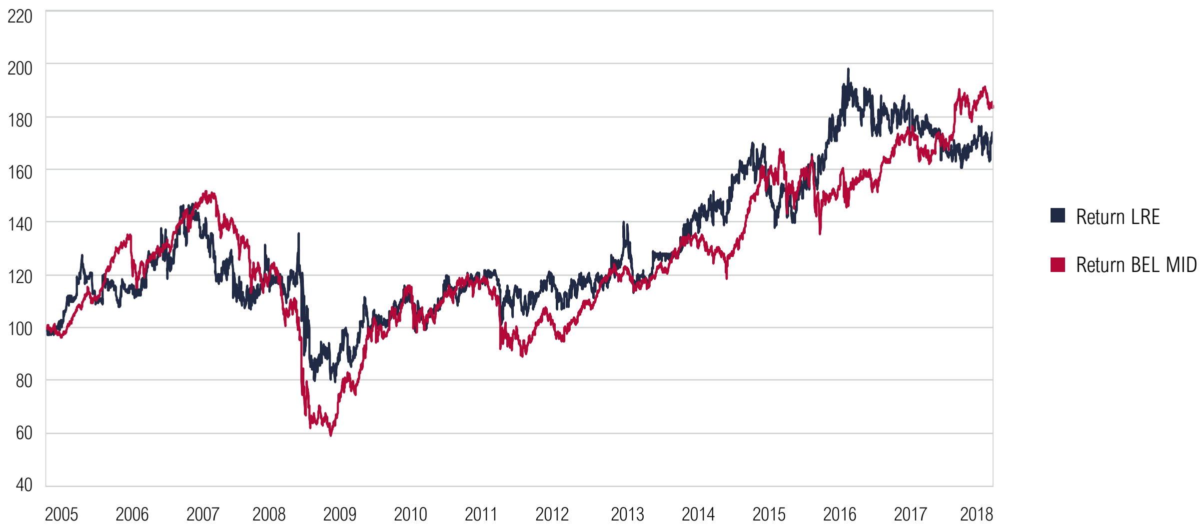
	30/06/2018	31/12/2017
Number of listed shares (#)	4,938,870	4,938,870
Number of issued shares (#)	4,938,870	4,938,870
Number of shares entitled to the result of the period (#)	4,938,870	4,938,870
Market capitalisation based on closing price (€ million)	473	474
Free float (%)	35%	35%
Closing price (€) (1)	95.80	96.0
Highest price (€) (1)	101.50	107.95
Lowest price (€) (1)	92.40	93.99
Average monthly volume (#) (1)	26,857	28,728
Velocity (%) (1) (2)	6.53%	6.98%
Free float velocity (%) (1) (3)	18.64%	19.94%
Premium based on closing price vs NAV (fair value)	26%	24%

(1) For the financial year 31/12/2017 the data are calculated over a period of 12 months and for 30/06/2018 over a period of 6 months.
(2) Number of traded shares / total number of listed shares.
(3) Number of traded shares / (total number of listed shares * free float).

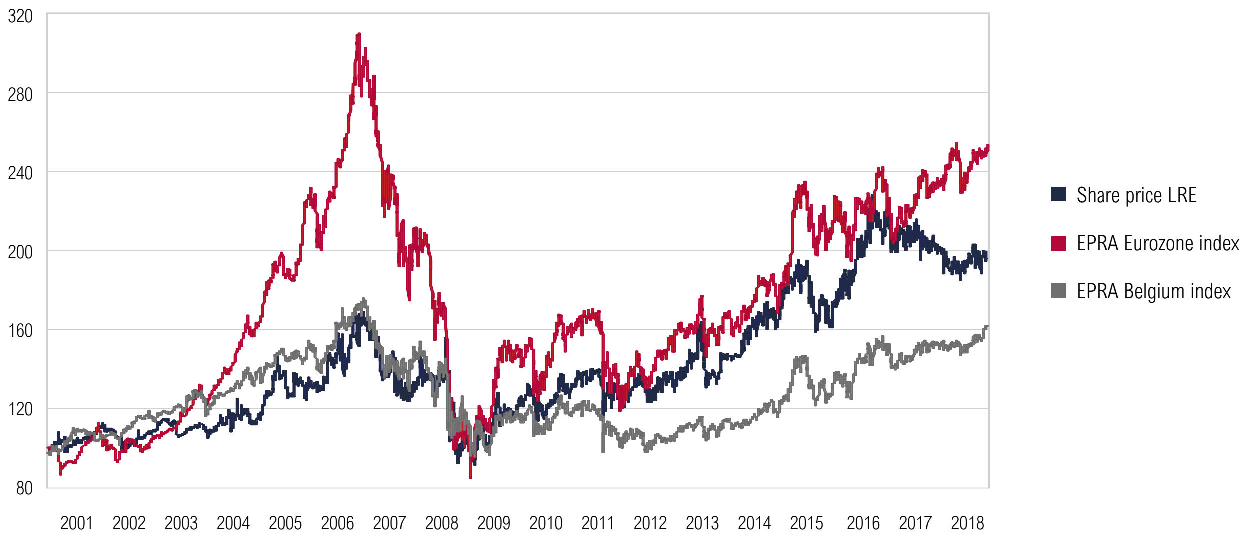
Price premium/discount Leasinvest Real Estate share price versus net asset values



Comparison of return on the Leasinvest Real Estate share versus return BEL MID[1]



Comparison of return on the Leasinvest Real Estate share versus the return on the EPRA indices (www.epra.com)[2]



1 Indices to consult in the financial papers or on the internet.
2 Information from EPRA, not verified by any authority.

Real estate report

Montoyer 63 Brussels CBD • Belgium

Real estate market over the first half-year of 2018

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

Grand Duchy of Luxembourg

Office market

Rental market: record number of transactions

The total take-up for 1H 2018 amounts to a solid 102,000 m², which is however lower than in 1H 2017. Despite slightly lower than 2016 and 2017 in terms of surfaces, the number of deals observed stands at a record 156 transactions since January.
As a result of steady performances and a very limited speculative pipeline, the vacancy rate is still to be found around 3.3%, amongst the lowest rates in Europe. Important disparities exist between districts, with a vacancy rate around 1% in the CBD and close to 20% in some peripheral locations.

Prime rents increased from € 46 to € 50/m²/month in 2017 in the CBD and they should remain stable in the coming months.

Investment market: historic low yields

Invested volumes stand to a high € 723 million since the start of the year.

Prime yields currently stand at a historically low 4.2% in the CBD and the trend is on the stabilization for the coming months.

Retail market

Rental market: take-up nearly reached total for 2017

After reaching a stable 28,000 m² in 2017, retail take-up already stands around 27,000 m² (44 transactions) since January 2018.

Rents are stable compared to the previous quarter, at € 180/m²/month in the Grand Rue, around € 115/m²/month in the prime shopping centers and at € 21/m²/month for prime out-of-town locations.

Investment market: low volumes due to a lack of opportunities

The invested volumes are still at a low € 11 million with only one transaction observed. Appetite remains strong though few opportunities currently exist in the market.

Belgium

Office market

Rental market: low activity on the Brussels office market

Activity is at a very low level with 144,000 m² recorded in 1H 2018 as a result of a lack of significant transactions and a decrease in the number of deals recorded. Year-to-date, co-working operators confirm their expansion and represent close to 20% of the total take-up.

The vacancy rate continues its slow decrease to stand at 8.2%, its lowest since 2007. In the CBD, the vacancy rate is recorded at 5.3%, while it is around 13% and 14% respectively in the decentralized areas and in the periphery. Furthermore, the vacant spaces in grade A buildings post a new decrease and reach a low 33,000 m² currently available.
As the speculative pipeline is important, the vacancy rate could witness a first slight uptick before the end of the year.

No changes are to mention regarding the prime rental levels which remained unchanged at € 305/m²/year in the Leopold district. The average rents are also stable, around € 170/m²/year on the Brussels office market.

As to regional markets, every market apart from Mechelen (10,000 m²), where Leasinvest launched its successful business & co-working concept, declined in Q2. Indeed, Mechelen has recently been buoyed by co-working operators looking to benefit from its central location in Flanders and on the Brussels-Antwerp axis as well as occupiers expanding their presence on this market.

Investment market: high volumes

Year-to-date, € 994 million have been invested in Brussels, a high volume mainly helped by some significant transactions. As appetite remains buoyant and the competition between investors fierce, 2018 should overtake the € 1.4 billion recorded in 2017 as significant transactions are in the pipeline.

Prime yields remained unchanged in Q2 at 4.40% and 3.65% for long-term prime office yields. They are however forecasted to compress further to 4.25% given the abovementioned strong appetite and competition.

Retail market

Rental market: weak demand

After a disappointing first quarter, occupier activity was relatively strong over Q2 2018 with 113,000 m^2 of take-up registered. Still, demand is weak overall and there is vacancy, especially in smaller towns and shopping galleries.

Investment market: boosted by sale of shopping centers

A total of € 360 million was transacted in the retail market in Q2 bringing the half-year volume to € 1.300 million. This volume was boosted to an exceptional level because of the sales of three important shopping centers: W Shopping Centre (Woluwe Brussels), Rive Gauche in Charleroi, and Docks Bruxsel in Brussels. These centers were acquired by international institutional investors. The volume of purchases in other asset classes is lower than in the previous years.

The hardening of yields for prime products seems to have bottomed out as bond interest rates are expected to pick up again. Prime yields for the out of town segment remain stable at 5.25%.

Austria

Investment market: retail on the rise

In the first half-year 2018 total investment volume in Austrian institutional real estate achieved around € 2.3 billion (-9% compared to 1H 2017). Almost 62% of the transaction volume was registered in Vienna, where Leasinvest invested in two major retail parks in 2017, in the Stadlau district. Investments in Austrian retail properties represented a substantially high 38% of total investments, compared to only 12% and ca. 11% in 2016 and 2017 respectively.

In 1H 2018 the prime yields for retail parks remained stable at 5.60%.

Composition & analysis of the real estate portfolio

GEOGRAPHICAL BREAKDOWN GRAND DUCHY OF LUXEMBOURG – BELGIUM - AUSTRIA

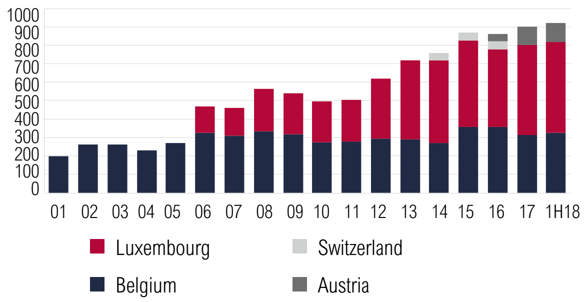
	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) based on FV	Contractual rent (€ M/year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occupancy rate (%)	Duration
Grand Duchy of Luxembourg	492.14	500.31	53	34.56	7.02	6.91	96.18	3.75
Belgium	290.86	297.87	32	18.53	6.37	6.22	89.63	4.32
Austria	104.16	106.76	11	5.52	5.30	5.17	100.00	6.61
Real estate available for lease	**887.16**	**904.94**	**96**	**58.61**	**6.61**	**6.48**	**94.44**	**4.19**
Assets held for sale	**0**	**0**	**0**	**0**				
Projects Belgium	**34.68**	**35.55**	**4**	**0.00**				
Total investment properties	**921.84**	**940.49**	**100**	**58.61**				

BREAKDOWN ACCORDING TO ASSET CLASSES

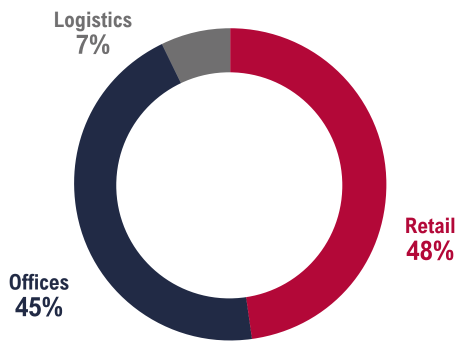
	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) based on FV	Contractual rent (€ M/year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occupancy rate (%)	Duration
Retail								
Retail Grand Duchy of Luxembourg	287.36	290.39	31	19.84	6.90%	6.83%	96.58	3.86
Retail Belgium	50.44	51.71	5	3.48	6.90%	6.73%	99.43	2.47
Retail Austria	104.16	106.76	11	5.52	5.30%	5.17%	100.00	6.61
Total retail	**441.96**	**448.86**	**48**	**28.84**	**6.53**	**6.43**	**97.53**	**4.35**
Offices								
Offices Grand Duchy of Luxembourg	184.77	189.41	20	13.40	7.25%	7.07%	95.86	3.53
Offices Brussels	176.71	181.14	19	10.49	5.94%	5.79%	86.19	3.41
Offices rest of Belgium	21.28	21.81	2	1.66	7.80%	7.61%	86.40	4.80
Total offices	**382.76**	**392.36**	**42**	**25.55**	**6.68**	**6.51**	**91.08**	**3.55**
Logistics/Semi-industrial								
Logistics/Semi-industrial Belgium	42.43	43.21	5	2.90	6.83	6.71	95.29	11.32
Logistics/Semi-industrial Grand Duchy of Luxembourg	20.01	20.51	2	1.32	6.60	6.44	93.29	4.51
Total Logistics/Semi-industrial	**62.44**	**63.72**	**7**	**4.22**	**6.76**	**6.62**	**93.51**	**9.13**
Investment properties	**887.16**	**904.94**	**96**	**58.61**	**6.61**	**6.48**	**94.44**	**4.19**
Assets held for sale	**0**	**0**	**0**	**0**				
Real estate available for lease	**887.16**	**904.94**	**96**					
Projects Belgium	34.68	35.55	4					
Total investment properties	**921.84**	**940.49**	**100**					

EVOLUTION OF THE FAIR VALUE

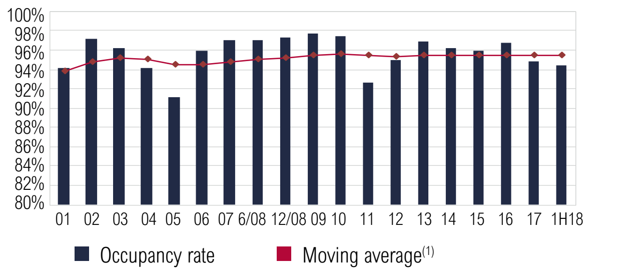
In € million



ASSET CLASSES

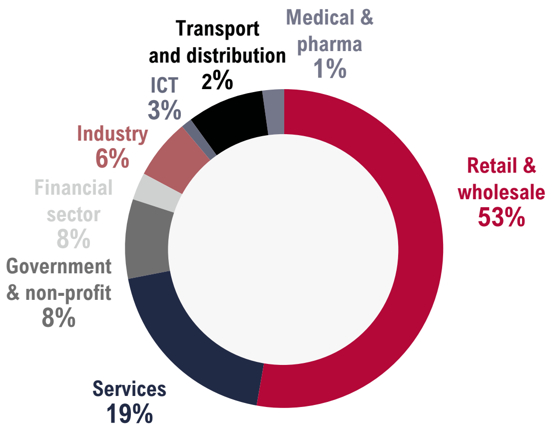


OCCUPANCY RATE



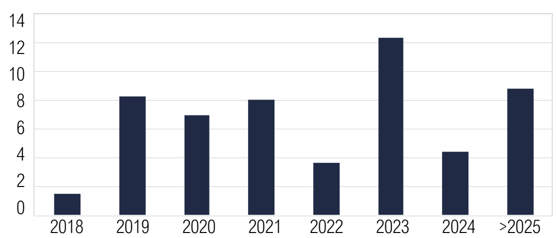
(1) A moving average is a type of average value based on a weight of the current occupancy rate and the previous occupancy rates.

TYPE OF TENANTS



RENTAL BREAKS (FIRST BREAK DATE) AND CONTRACTUALLY GUARANTEED RENTAL INCOME

In € million



Conclusions of the real estate expert[1]

VALUATION UPDATE AS AT 30 JUNE 2018 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 2018.

Our valuation has been prepared on the basis of the information provided by Leasinvest Real Estate SCA. 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 account of 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 Austria.

2. The total occupancy rate[2] of the portfolio (**including the projects**) is 92.06% (respectively 82.94%, 96.18% and 100% for the Belgian, the Luxembourg and the Austrian portfolios.

3. The total occupancy rate of the portfolio (**excluding the projects**) is 94.44% (respectively 89.63%, 96.18% and 100% for the Belgian, the Luxembourg and the Austrian portfolios.

4. The remaining weighted average duration of the current leases for the whole portfolio equals to 16.74 quarters or 4.19 years. The projects and assets 'to be sold' were not taken into account in this parameter.

5. A total **investment value** of € 940.484.000 (nine hundred and forty million four hundred eighty-four thousand euro) has been determined, with respectively € 333,411,000, € 500,313,000 and € 106,760,000 as investment values for the Belgian, Luxembourg and Austrian portfolios.

6. A total **fair value** of € 921.836.000 (nine hundred and twenty-one million eight hundred and thirty-six thousand euro) has been determined, with respectively € 325,537,000, € 492,142,000 and € 104,157,000 as fair values for the Belgian, Luxembourg and Austrian portfolios.

On this basis, the initial yield of the complete portfolio (including the Projects and assets 'to be sold') in terms of investment value is 6.23% (respectively 5.56%, 6.91% and 5.18% for the Belgian, Luxembourg and Austrian portfolios) and the initial yield of the complete portfolio in terms of fair value is 6.36% (respectively 5.69%, 7.02% and 5.30% for the Belgian, Luxembourg and Austrian portfolios).

GREGORY LAMARCHE
Associate
Valuation & Advisory
For Cushman & Wakefield

KOEN NEVENS MRICS
Managing Partner
For Cushman & Wakefield

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

Condensed financial statements

The condensed consolidated financial statements of Leasinvest Real Estate have been approved for publication by the board of directors on 21 August 2018.

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.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € 1,000)	30/06/2018	30/06/2017
Rental income	27 858	28 084
Write-back of lease payments sold and discounted	0	0
Related-rental expenses	0	0
NET RENTAL INCOME	27 858	28 084
Recovery of property charges	76	21
Recovery income of charges and taxes normally payable by tenants on let properties	1 524	1 184
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	0
Charges and taxes normally payable by tenants on let properties	-1 524	-1 184
Other rental-related income and expenditure	-903	-992
PROPERTY RESULT	27 031	27 113
Technical costs	-508	-750
Commercial costs	-371	-386
Charges and taxes on un-let properties	-520	-915
Property management costs	-2 555	-2 321
Other property charges	-222	-208
PROPERTY CHARGES	-4 176	-4 580
PROPERTY OPERATING RESULT	22 855	22 533
Corporate operating charges	-1 438	-1 515
Other operating charges and income	122	275
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	21 539	21 293
Result on disposal of investment properties	0	-1 924
Changes in fair value of investment properties	25	3 693
OPERATING RESULT	21 564	23 062
Financial income	59	59
Net interest charges	-6 803	-7 348
Other financial charges	-563	-539
Changes in fair value of financial assets and liabilities	5 690	565
FINANCIAL RESULT	-1 617	-7 263
PRE-TAX RESULT	19 947	15 799
Corporate taxes	-264	-204
Exit tax	0	0
TAXES	-264	-204
NET RESULT	19 683	15 595
Attributable to:		
Minority interests	0	0
Net result - Group share	19 683	15 595

OTHER ELEMENTS OF COMPREHENSIVE INCOME

(in € 1,000)	30/06/2018	30/06/2017
Reserve for treasury shares	0	281
Other	0	71
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-601	8 624
Changes in the effective part of the fair value of financial assets available for sale	0	7 672
Other elements of comprehensive income	-601	16 648
Minority interests		
Other elements of comprehensive income – Group share	-601	16 648
COMPREHENSIVE INCOME	19 082	32 243
Attributable to:		
Minority interests	0	0
Comprehensive income – Group share	19 082	32 243
NET RESULT	19 683	15 595
To be eliminated		
- Result on disposal of investment properties	0	-1 924
- Changes in fair value of investment properties	25	3 693
- Changes in fair value of financial assets and liabilities	5 690	565
EPRA earnings	13 968	13 261

RESULTATEN PER AANDEEL (1) (in €)	30/06/2018 (6 months)	30/06/2017 (6 months)
Comprehensive income per share, group share (1)	3.86	6.53
Comprehensive income per share entitled to dividends	3.86	6.53
Net result per share, group share (1)	3.99	3.16
Net result per share entitled to dividends	3.99	3.16
EPRA earnings per share	2.83	2.69

(1) Based on the number of shares at closing date (30/06/2018).

CONSOLIDATED BALANCE SHEET

(in € 1,000)	30/06/2018	31/12/2017
ASSETS		
I. NON-CURRENT ASSETS	1 015 949	979 104
Intangible assets	1	2
Investment properties	903 996	885 151
Other tangible assets	922	354
Non-current financial assets	93 190	75 757
Finance lease receivables	17 840	17 840
Trade receivables and other non-current assets	0	0
Deferred taxes - assets	0	0
II. CURRENT ASSETS	20 937	20 189
Assets held for sale	0	0
Current financial assets	0	0
Finance lease receivables	0	0
Trade receivables	12 859	11 471
Tax receivables and other current assets	2 566	2 533
Cash and cash equivalents	4 298	5 702
Deferred charges and accrued income	1 214	483
TOTAL ASSETS	1 036 886	999 293
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	376 595	382 206
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	376 595	382 206
Capital	54 315	54 315
Share premium account	121 091	121 091
Purchase of treasury shares	-12	-12
Reserves	181 518	159 267
Net result of the financial year	19 683	47 545
Translation differences	0	0
II. MINORITY INTERESTS	0	0
LIABILITIES	660 291	617 088
I. NON-CURRENT LIABILITIES	463 560	384 626
Provisions	11	11
Non-current financial debts	427 413	348 156
- Credit institutions	328 693	251 168
- Other	98 720	96 988
Other non-current financial liabilities	33 364	33 696
Deferred taxes - liabilities	2 772	2 763
II. CURRENT LIABILITIES	196 730	232 461
Provisions	0	0
- Pensions	0	0
- Other	0	0
Current financial debts	171 761	192 284
- Credit institutions	30 061	24 053
- Other	141 700	168 231
Other current financial liabilities	0	160
Trade debts and other current debts	13 290	28 193
- Exit tax	0	12 907
- Other	13 290	15 286
Other current liabilities	2 030	1 716
Accrued charges and deferred income	9 650	10 108
TOTAL EQUITY AND LIABILITIES	1 036 886	999 293

CONSOLIDATED CASH FLOW STATEMENT

(in € 1,000)	30/06/2018 (6 months)	30/06/2017 (6 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	5 702	20 768
1. Cash flow from operating activities	3 757	21 242
Net result	19 683	15 595
Adjustment of the profit for non-cash and non-operating elements	1 397	5 527
Depreciations, write-downs and taxes	*-195*	*33*
- Depreciations and write-downs on intangible and other tangible assets (+/-)	70	83
- Taxes	-215	0
- Taxes paid	-50	-50
Other non-cash elements	*-5 715*	*-4 258*
- Changes in fair value of investment properties (+/-)	-25	-3 693
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities	-5 690	-565
Non-operating elements	*7 307*	*9 752*
Gains on disposals of non-current assets	0	1 924
Dividends received	0	0
Write-back of financial income and financial charges	7 307	7 828
Change in working capital requirements	-17 323	120
Movements in asset items	*-2 153*	*1 355*
Movements in liability items	*-15 170*	*-1 235*
2. Cash flow from investment activities	-31 711	-44 490
Investments	-31 711	-47 746
Investment properties in operation	-6 343	-40 834
Development projects	-11 793	-6 374
Intangible and other tangible assets	-637	-91
Non-current financial assets	-12 938	-447
Divestments	0	3 256
3. Cash flow from financing activities	26 550	12 878
Change in financial liabilities and financial debts	*58 734*	*45 012*
Increase (+) / Decrease (-) of financial debts	58 734	45 012
Increase (+) / Decrease (-) of other financial liabilities	0	0
Financial income received	59	59
Financial charges paid	-7 550	-7 887
Change in shareholders' equity	*-24 693*	*-24 306*
Changes in reserves	0	-388
Increase (+) / Decrease (-) of treasury shares	0	281
Dividend of the previous financial year	-24 693	-24 199
CASH AND CASH EQUIVALENTS AT END OF PERIOD	4 298	10 398

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES

			Reserves			
(in € 1,000)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve for translation differences from the conversion of a foreign activity (+/-)
IFRS BALANCE SHEET 31/12/17	54 315	121 091	5 431	27 956	-31 888	8
Distribution closing dividend of previous financial year						
Transfer net result 2017 to reserves				22 348		
Transfer historic revaluation of sold buildings				5 782		
Global result financial year 2018 (6 months)					-601	
IFRS BALANCE SHEET 30/06/18	54 315	121 091	5 431	56 086	-32 489	8

End June 2018 shareholders' equity, group share (based on the fair value of the investment properties) amounts to € 376.60 million (31/12/2017: € 382.21 million) or € 76.3 per share (31/12/2017: € 77.4).
The decrease in shareholders' equity in comparison with end 2017 is attributable to the dividend distribution over 2017, in May 2018, for an amount of € 24.69 million. On the other hand, there was a positive net result over the first half of 2018 of € 19.68 million. Furthermore, there was a negative revaluation of the derivatives held within the framework of effective hedging, of € 0.60 million. That revaluation is booked directly in shareholders' equity in conformity with IAS 39.

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 2017, as described in note 2 to the financial statements in the Annual financial report 2017, to be consulted on the website www.leasinvest.be.
Since 1 January 2018 two new standards entered into force: IFRS 9 (Financial Instruments) and IFRS 15 (Revenue from Contracts with Customers). The latter standard has no impact on the financial statements, unlike IFRS 9, where a (limited) impact is recorded:

- The financial assets available for sale will no longer be booked in shareholders' equity, but in the income statement. On 30 June 2018 an amount of € 4.7 million was consequently recorded in the income statement under the item "Changes in fair value of financial assets and liabilities". This concerns the revaluation of the participation in Retail Estates. The historic revaluation reserve of € 20.4 million accumulated till 31 December 2017, is now part of the result carried forward, and will be considered as a non-distributable reserve in accordance with the RD on BE-REIT (GVV/SIR).
- There are no material depreciations recorded on financial assets valued at amortized cost. Consequently, no credit losses were yet anticipatively recognized in the income statement per 30 June 2018.

Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Other reserves	Result carried forward	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
-7 706	-11	20 379	145 087	47 545	382 206	0	382 206
			-24 694		-24 694		-24 694
492			24 705	-47 545	0		0
			-5 782		0		0
				19 683	19 082		19 082
-7 214	-11	20 379	139 316	19 683	376 595	0	376 595

2 Segment reporting

CONDENSED CONSOLIDATED INCOME STATEMENT (GEOGRAPHICAL SEGMENTATION)

(in € 1,000)	Belgium	
	30/06/2018	30/06/2017
(+) Rental income	8 363	11 518
(+) Write-back of lease payments sold and discounted		
(+/-) Related-rental expenses		0
NET RENTAL INCOME	8 363	11 518
(+) Recovery of property charges	76	
(+) Recovery income of charges and taxes normally payable by tenants on let properties	1 071	555
(-) Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		
(-) Charges and taxes normally payable by tenants on let properties	-1 071	-555
(+/-) Other rental-related income and expenditure	-597	-507
PROPERTY RESULT	7 842	11 011
(-) Technical costs	-229	-406
(-) Commercial costs	-178	-75
(-) Charges and taxes on un-let properties	-409	-819
(-) Property management costs (1)	-2 298	-2 136
(-) Other property charges	-177	-106
PROPERTY CHARGES	-3 291	-3 542
PROPERTY OPERATING RESULT	4 551	7 469
(-) Corporate operating charges	-777	-797
(+/-) Other operating charges and income	-314	29
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	3 460	6 701
(+/-) Result on disposal of investment properties		-1 924
(+/-) Changes in fair value of investment properties	52	4 176
OPERATING RESULT	3 512	8 953
(+) Financial income		
(-) Interest charges		
(-) Other financial charges		
(+/-) Changes in fair value of financial assets and liabilities		
FINANCIAL RESULT	0	0
PRE-TAX RESULT	3 512	8 953
(+/-) Corporate taxes		
(+/-) Exit tax		
TAXES	0	0
NET RESULT	3 512	8 953
Attributable to:		
Minority interests		
Group share		

(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 2018 (€ 2.1 million) € 0.9 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.

Luxembourg		Switzerland		Austria		Corporate		TOTAL	
30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018 (6 months)	30/06/2017 (6 months)
16 558	13 938		1 323	2 937	1 305			27 858	28 084
								0	0
16 558	13 938	0	1 323	2 937	1 305	0	0	27 858	28 084
	21							76	21
170	629			283				1 524	1 184
								0	0
-170	-629			-283				-1 524	-1 184
-220	-207		-26	-86	-252			-903	-992
16 338	13 752	0	1 297	2 851	1 053	0	0	27 031	27 113
-212	-338		-6	-67				-508	-750
-100	-245			-92	-66			-370	-386
-112	-97							-521	-916
-257	-184							-2 555	-2 320
-45	-60		-42					-222	-208
-726	-924	0	-48	-159	-66	0	0	-4 176	-4 580
15 612	12 828	0	1 249	2 692	987	0	0	22 855	22 533
-422	-502		-9	-240	-207			-1 439	-1 515
12	240			425	6			123	275
15 202	12 566	0	1 240	2 877	786	0	0	21 539	21 293
								0	-1 924
-451	-502			424	19			25	3 693
14 751	12 064	0	1 240	3 301	805	0	0	21 564	23 062
						59	59	59	59
						-6 803	-7 348	-6 803	-7 348
						-563	-539	-563	-539
						5 690	565	5 690	565
0	0	0	0	0	0	-1 617	-7 263	-1 617	-7 263
14 751	12 064	0	1 240	3 301	805	-1 617	-7 263	19 947	15 799
						-264	-204	-264	-204
							0	0	0
0	0	0	0	0	0	-264	-204	-264	-204
14 751	12 064	0	1 240	3 301	805	-1 881	-7 467	19 683	15 595
								0	0
								19 683	15 595

CONDENSED CONSOLIDATED BALANCE SHEET (GEOGRAPHICAL SEGMENTATION)

(in € 1,000)	Belgium	
	30/06/2018	31/12/2017
ASSETS		
Intangible assets	1	2
Investment properties (incl. devel-opment projects, excl. financial leasing)	307 696	293 404
Assets held for sale		0
Other assets	116 877	105 200
ASSETS PER SEGMENT	424 574	398 606
LIABILITIES		
Non-current financial debts		
Current financial debts		
Other liabilities		
LIABILITIES PER SEGMENT		
SHAREHOLDERS' EQUITY		

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.

(in € 1,000)	Retail		Offices		Logistics (and semi-industrial)		TOTAL	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017	30/06/2018	30/06/2017
Rental income (incl. fee and leasing and excl. compensation for termination and incentives)	15 099	13 686	10 714	9 712	1 978	4 602	27 791	28 000
Fair value of the real estate portfolio	441 960	412 200	417 439	364 860	62 437	129 921	921 836	906 981
Investment value of the real estate portfolio	448 858	418 340	427 910	373 970	63 717	132 915	940 485	925 225
Occupancy rate	97.53%	98.00%	91.08%	84.00%	93.51%	95.50%	94.44%	91.80%
Rental yield (in fair value) of the seg-ment	6.53%	6.65%	6.68%	5.98%	6.76%	7.60%	6.61%	6.41%
Rental yield (in investment value) of the segment	6.43%	6.55%	6.51%	5.83%	6.62%	7.45%	6.48%	6.29%
Weighted average duration till first break (# years)	4.35	4.80	3.56	3.20	9.13	7.70	4.19	4.50

Luxembourg		Austria		Corporate		TOTAL	
30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
						1	2
492 142	489 098	104 157	102 650			903 995	885 152
						0	0
14 171	8 247	1 841	692			132 889	114 139
506 313	497 345	105 998	103 342	0	0	1 036 885	999 293
				427 412	348 156	427 412	348 156
				171 761	192 283	171 761	192 283
				61 117	76 648	61 117	76 648
				660 290	617 087	660 290	617 088
						376 595	382 205

3 Net rental result

The rental income has slightly decreased to € 27.9 million compared to € 28.1 million on 30 June 2017. In 2017 an important part of the logistics portfolio was sold, and also the Swiss buildings. The lack of this rental income in 2018 was nearly entirely compensated by the acquisition in 2017 of the buildings Mercator (Luxembourg) and both retail buildings in Stadlau (Austria). The coupon received from the real estate certificate “Lux Airport” could also be recognized as rental income, as more than two-thirds of the certificates are held by LRE. Like-for-like the rental income is nearly identical (- 0.05%).

(in € 1,000)	30/06/2018	30/06/2017
Rental income		
Rents	27 248	27 192
Guaranteed income	0	0
Rent-free periods	-119	159
Rental incentives	0	0
Indemnities for early termination of the leases	67	83
Income from finance leases and comparable items	662	650
TOTAL	27 858	28 084
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	0	0
Write-backs of write-downs on trade receivables	0	0
TOTAL	0	0
NET RENTAL RESULT	27 858	28 084

4 Investment properties and assets held for sale

The fair value(1) of the directly held real estate portfolio has increased and amounts to € 921.8 million end June 2018 compared to € 903.0 million end December 2017.

	Real estate available for lease		Development projects		Total Investment properties	
(in € 1,000)	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
BALANCE AT THE END OF THE PREVIOUS FINANCIAL YEAR	830 751	756 402	54 400	30 663	885 151	787 065
Investments	6 518	13 068	12 186	15 528	18 704	28 596
Divestments		0			0	0
Translation effects		0			0	0
Acquisitions of real estate		112 118			0	112 118
Transfer from/(to) other items	32 744	-60 833	-32 744		0	-60 833
Increase/(decrease) in fair value	-702	9 996	842	8 209	140	18 205
BALANCE AT THE END OF THE PERIOD	869 311	830 751	34 684	54 400	903 995	885 151

(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.

Finance lease receivables		Total investment properties and finance lease receivables		Assets held for sale		Total investment properties, finance lease receivables and assets held for sale	
30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
17 841	17 900	902 992	804 965	0	54 966	902 992	859 931
		18 704	28 596		1 441	18 704	30 037
		0	0		-115 641	0	-115 641
		0	0			0	0
		0	112 118			0	112 118
	-59	0	-60 892		60 892	0	0
		140	18 205		-1 658	140	16 547
17 841	17 841	921 836	902 992	0	0	921 836	902 992

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

Asset class	Fair value 30/06/2018 (€ 1000)	Valuation technique	Important input data	30/06/2018 Min-Max (weighted average)
Retail (Grand Duchy of Luxembourg & Belgium)	337 800	Actualization of estimated rental income	a) Spread ERV b) Weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate	a) [8.35 €/m² - 19.93 €/m²] b) [13.17 € /m²] c) [5.60% - 7.15%] d) [6.22%]
Retail Switzerland	0	Actualization of estimated rental income	a) Spread ERV b) Weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate	a) [19 €/m² -> 23€/m²] b) [5.8% -> 6.4%]
Retail Austria	104 160	DCF (discounted cash flow)	a) Weighted average estimated rental value b) Capitalization rate spread c) Capitalization rate calculation end value after 10y	a) [9.88 €/m²] b) [5.02% - 5.72%] c) [5.36%]
Offices Grand Duchy of Luxembourg	184 770	Actualization of estimated rental income	a) Spread ERV b) Weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate	a) [23.42 €/m² - 39.99 €/m²] b) [29.93 €/m²] c) [5.15% - 8.65%] d) [6.6%]
Offices Belgium	197 990	Actualization of estimated rental income	a) Spread ERV b) Weighted average estimated rental value c) Capitalization rate spread d) Weighted average capitalization rate	a) [9.77 €/m² - 11.76 €/m²] b) [10.83 €/m²] c) [5.60% - 9.00%] d) [7.22%]
Logistics	62 440	DCF (discounted cash flow or actualization of cash flows at discount rate)	a) Spread ERV b) Weighted average estimated rental value c) Average discount rate d) Economic life	a) [3.35 €/m² - 16.88 €/m²] b) [4.82 € /m²] c) 7.32% d) 30 years
Projects Belgium	34 680	DCF (discounted cash flow or actualization of cash flows at discount rate)	a) Weighted average estimated rental value b) Capitalization rate c) Estimated construction period	a) 20.75 €/m²] b) 5.15% c) 15 to 18 months
Total investment properties	921 840			

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

Based on the balance sheet at 30 June 2018, an increase of the average yield by 0.10% would have had an impact of € - 14.3 million on the net result and of € - 2.89 on the net asset value per share, in combination with an increase of the debt ratio by 0.83% (namely from 59.31% to 60.14%) at a constant credit drawdown.

Based on that same balance sheet, a decrease of the average ERV by 10% would have an impact of approximately € - 92.2 million on the net result, which corresponds to € - 18.7 on the net asset value per share. At a constant level of credit drawdown this would lead to an increase of the debt ratio by 4.42% (namely from 59.31% to 63.73%).

5 Information on the financial debt

On 30/06/2018 the financial debts of € 58.7 million have increased in comparison with end 2017. This increase can be explained by the dividend distribution in May 2018 (€ 24.7 million), the investment in the capital increase of Retail Estates in April 2018 (€ 12.9 million) and the payment of the exit tax that was due on the merger of T&T Koninklijk Pakhuis SA with LRE end 2016 (€ 12.9 million). Besides this, there were the current investments in the projects (Montoyer 63 and Treesquare) leading to a higher level of drawn credits.

The item other loans comprises for € 98.7 million the bond loans issued by Leasinvest in 2013.

The confirmed credit lines (excl. the € 98.7 million bond loans and € 141.7 million of commercial paper) amount to € 552 million (end 2017: € 552 million) at the end of June 2018.

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, the development of the completed project Royal20, the acquisition of the Mercator building, the acquisition of the buildings in Stadlau and the additional investment in the BE-REIT (GVV/SIR) Retail Estates.

H1 2018	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
59.31%	57.14%	58.05%	58.03%	54.27%	53.53%	56.19%	47.29%	44.13%	47.61%	52.06%	40.93% (•)	44.15% (•)	32.23% (•)	41.06% (•)

(•) Closing per 30/06

In the course of the first half of the financial year 2018 the debt ratio has increased from 57.14% per end 2017 to 59.31% on 30 June 2018. This is mainly due to the dividend distribution of € 24,7 million in May 2018, the balance sheet always presenting a higher debt ratio on 30 June, merely due to timing. To a lesser extent, the further investment in Retail Estates in April 2018 and the current investments in the projects Montoyer 63 and Treesquare also contributed to a higher debt ratio.

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 59.31% end June 2018 Leasinvest Real Estate has a proportional investment potential based on debt financing of € 168.5 million without exceeding the 65%-debt ratio, and an investment potential of € 20.3 million without exceeding the 60%-debt ratio.

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 2018. Taking account of the current investment program (e.g. the project Montoyer 63, but also the planned renovation works to other buildings listed under the item “investment properties”) and the result forecasted over the second half-year of 2018, the debt ratio is expected to slightly decrease compared to its level at the end of June 2018.

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%.

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 2 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 2018 in comparison with 31/12/2017.

per 30 June 2018 (in € 1,000)	Level 1	Level 2	Level 3	Fair value	Book value
Non-current financial assets					
- Participations in other BE-REIT (GVV/SIR)/real estate certificates	90 982	1 203		92 185	92 185
- Other derivative instruments non-qualified as cash flow hedge			0	0	0
- Other derivative instruments qualified as fair value hedge		841		841	841
Finance-lease receivables			17 841	17 841	17 841
Current financial assets					
Trade receivables		12 859		12 859	12 859
Tax receivables and other current assets		2 566		2 566	2 566
Cash and cash equivalents	4 298			4 298	4 298
Deferred charges and accrued income		1 214		1 214	1 214
Non-current financial debts					
- Credit institutions		330 859		330 859	328 391
- Other	77 728	21 221		98 949	97 857
Other non-current financial liabilities					
- Other financial derivatives through the income statement					
- Other financial derivatives through other equity components		33 364		33 364	33 364
Current financial debts					
- Credit institutions		30 061		30 061	30 061
- Other		141 700		141 700	141 700
Other current financial liabilities					
- Other financial derivatives through other equity components					
Trade debts and other current debts					
- Exit tax					
- Other		13 290		13 290	13 290
Other current liabilities		2 031		2 031	2 031

per end 2017 (in € 1,000)	Level 1	Level 2	Level 3	Fair value	Book value
Non-current financial assets					
- Participations in other BE-REIT (GVV/SIR)/real estate certificates	73 344	1 203		74 547	74 547
- Other derivative instruments non-qualified as cash flow hedge					
- Other derivative instruments qualified as fair value hedge		1 584		1 584	1 584
Finance-lease receivables			17 841	17 841	17 841
Current financial assets					
Trade receivables		11 471		11 471	11 471
Tax receivables and other current assets		2 533		2 533	2 533
Cash and cash equivalents	5 702			5 702	5 702
Deferred charges and accrued income		482		482	482
Non-current financial debts					
- Credit institutions		252 569		252 569	251 168
- Other	77 535	20 374		97 909	96 266
Other non-current financial liabilities					
- Other financial derivatives through the income statement					
- Other financial derivatives through other equity components		33 696		33 696	33 696
Current financial debts					
- Credit institutions		24 322		24 322	24 503
- Other		168 231		168 231	168 231
Other current financial liabilities					
- Other financial derivatives through other equity components		160		160	160
Trade debts and other current debts					
- Exit tax					
- Other		15 286		15 286	15 286
Other current liabilities		1 716		1 716	1 716

8 Important events after the closing of the period 01/01/2018-30/06/2018

In the course of July and August 2018 2 credits were extended:

- A variable rate credit line of € 15 million with initial maturity in August 2018 was extended till August 2023 at interesting conditions;
- A fixed rate credit of € 10 million with initial maturity in August 2020 was extended till August 2023 at a lower fixed interest rate.

Both extensions will lead to a further drop in funding costs.

9 Overview of the main related-party transactions

In the period 01/01/2018-30/06/2018 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 2017, and more specifically to pages 5-17.

REPORT OF THE STATUTORY AUDITOR TO THE SHAREHOLDERS OF LEASINVEST REAL ESTATE SCA ON THE REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS AS OF 30 JUNE 2018 AND FOR THE SIX-MONTH PERIOD THEN ENDED

Introduction

We have reviewed the accompanying interim condensed consolidated balance sheet of Leasinvest Real Estate SCA (the "Company"), and its subsidiaries (collectively referred to as "the Group") as at 30 June 2018 and the related interim condensed consolidated income statement, the statement of comprehensive income, the statement of changes in shareholders' equity and the 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 € 1,036,886 thousand and a consolidated profit for the six-month period of € 19,683 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, 21 August 2018
Ernst & Young Bedrijfsrevisoren bcvba/Ernst & Young Réviseurs d'Entreprises sccrl
Statutory auditor
represented by

Joeri Klaykens*
Partner
* Acting on behalf of a bvba/sprl

ANNEX I: Reconciliation tables EPRA APMs per 30/06/2018[1]

EPRA Earnings (€ 1 000)	30/06/2018	30/06/2017
Net Result – Group share as mentioned in the financial statements	19 683	15.595
Net Result per share - Group share as mentioned in the financial statements (in €)	3.99	3.16
Adjustments to calculate the EPRA Earnings	-5 715	-2.334
To exclude:		
(i) Changes in fair value of investment properties and assets held for sale	-25	-3.693
(ii) Result on the sale of investment properties	0	1.924
(vi) Changes in fair value of financial instruments	-5 690	-565
EPRA Earnings	13 968	13.261
Number of registered shares in the result of the period	4 938 870	4.938.870
EPRA Earnings per share (in €)	2.83	2.69

EPRA NAV (€ 1 000)	30/06/2018	31/12/2017
NAV according to the financial statements	376 595	382 206
NAV per share according to the financial statements (in €)	76.3	77.4
To exclude		
(i) Fair value of the financial instruments	32 523	32 630
EPRA NAV	409 118	414 836
Number of registered shares in the result of the period	4 938 870	4 938 870
EPRA NAV per share (in €)	82.8	84.0

EPRA Triple Net Asset Value (€ 1 000)	30/06/2018	31/12/2017
EPRA NAV	409 118	414 836
Corrections:		
(i) Fair value of the financial instruments	-32 523	-32 630
(ii) Revaluation of debts at FV	-3 893	-1 245
EPRA NNNAV	372 702	380 961
Number of registered shares in the result of the period	4 938 870	4 938 870
EPRA NNNAV per share (in €)	75,5	77,1

1 These figures were not subject to a review by the auditor.

EPRA Net Initial Yield (NIY) and Topped up Net Initial Yield (topped up NIY) (€ 1 000)		30/06/2018	31/12/2017
Investment properties and assets held for sale		921 836	902 994
To exclude:			
Development projects		-34 683	-54 400
Real estate available for lease		887 153	848 594
Impact FV of estimated transfer rights and costs resulting from hypothetical disposal of investment properties		-	-518
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		18 648	7 598
Investment value of properties available for lease	B	905 801	855 674
Annualized gross rental income		58 620	56 892
Annualized property charges		-8 896	-12 253
Annualized net rental income	A	49 724	44 639
Gratuities expiring within 12 months and other lease incentives		129	293
Annualized and adjusted net rental income	C	49 853	44 932
EPRA NIY	A/B	5.49%	5.22%
EPRA Topped up NIY	C/B	5.50%	5.25%

EPRA Vacancy (€ 1 000)		30/06/2018			
		Offices	Logistics	Retail	Total
Rental surface (in m²)		163 581	132 831	188 733	485 145
Estimated Rental Value of vacant spaces	A	2.41	0.22	0.71	3.34
Estimated Rental Value of total portfolio	B	27.06	4.18	29.07	60.31
EPRA Vacancy	A/B	8.91%	5.26%	2.44%	5.54%

EPRA Vacancy (€ 1 000)		31/12/2017			
		Offices	Logistics	Retail	Total
Rental surface (in m²)		163 581	132 831	188 733	485 145
Estimated Rental Value of vacant spaces	A	1.90	0.26	0.53	2.69
Estimated Rental Value of total portfolio	B	24.03	4.13	23.57	51.73
EPRA Vacancy	A/B	7.91%	6.30%	2.25%	5.20%

EPRA cost ratio (€ 1 000)		30/06/2018	31/12/2017
Other rental-related income and expenses		-903	-3 213
Property charges		-4 176	-9 922
General corporate overhead		-1 438	-2 913
Other operating charges and income		122	-453
EPRA costs including rental vacancy costs	A	-6 395	-16 501
Direct costs of rental vacancy		520	1 226
EPRA costs excluding rental vacancy costs	B	-5 875	-15 275
Rental income	C	27 858	56 892
EPRA Cost ratio (including direct vacancy)	A/C	-22.96%	-29.00%
EPRA Cost ratio (excluding direct vacancy)	B/C	-21.09%	-26.85%

ANNEX II: Reconciliation tables other APMs per 30/06/2018[1]

Result on the portfolio (€ 1 000)	30/06/2018	30/06/2017
Result on sale of investment properties	-	-1 924
Changes in fair value of investment properties	268	3 693
Latent taxes on portfolio result	-243	0
Result on the Portfolio	25	1 769

Net result – group share (amount per share)	30/06/2018	30/06/2017
Net Result - group share (€ 1000)	19 683	15.595
Number of registered shares in circulation	4 938 870	4.938.870
Net Result - group share per share	3.99	3.16

Net Asset value based on fair value (amount per share)	30/06/2018	31/12/2017
Shareholders' equity attributable to the shareholders of the parent company (€ 1 000)	376 595	382 206
Number of registered shares in circulation	4 938 870	4 938 870
Net Asset Value (FV) group share per share	76.3	77.4

Net Asset Value based on investment value (amount per share)	30/06/2018	31/12/2017
Shareholders' equity attributable to the shareholders of the parent company (€ 1 000)	376 595	382 206
Investment value of the investment properties per 31/12 (€ 1 000)	940 484	921 141
Fair value of the investment properties per 31/12 (€ 1 000)	921 836	902 994
Difference Investment value – Fair value per 31/12 (€ 1 000)	18 648	18 147
TOTAL	395 243	400 353
Number of registered shares in circulation	4 938 870	4 938 870
Net Asset Value group share per share	80.0	81.1

1 These figures were not subject to a review by the auditor.

Changes in gross rental income at constant portfolio (like-for-like) ◄	30/06/2018 vs. 30/06/2017	30/06/2017 vs. 30/06/2016
Gross rental income at the end of the previous reporting period (€ 1 000)	27 842	28 170
2016 – 2017 changes to be excluded	83	1 230
- Changes following acquisitions	3 878	1 410
- Changes following divestments	-3 795	-180
Gross rental income at closing date reporting period (€ 1 000)	27 911	27 842
Change like for like ◄ (€ 1 000)	-14	-1 558
Change like for like ◄ (%)	-0.1%	-5.5%

Average funding cost ◄ in %	30/06/2018	31/12/2017
Interest charges on an annual basis (€ 1 000)	-14 616	-14 905
Commitment fees on an annual basis (€ 1 000)	-976	-1 127
Interest paid incl. commitment fees on an annual basis (€ 1 000)	-15 592	-16 032
Weighted average drawn debt (€ 1 000)	559 500	536 071
Average funding cost ◄ in %	2.79%	2.99%

Comprehensive income – group share ◄ (amount per share)	30/06/2018	30/06/2017
Net Result – group share (€ 1 000)	19 683	15.595
Other elements of realized and unrealized results	-601	16.648
Changes in the effective part of the fair value of authorized hedges in cash-flow hedging as defined IFRS	-601	8.624
Changes in the effective part of the fair value of financial assets available for sale	0	7.672
Changes in the reserve for treasury shares	0	281
Other	0	71
Comprehensive income – group share ◄	19 083	32.243
Number of registered shares in circulation	4 938 870	4.938.870
Comprehensive income – group share per share ◄	3.86	6.53

Identity card Leasinvest Real Estate

Public REIT (SIR/GVV) under Belgian Law	Leasinvest Real Estate SCA
Legal entity	Limited partnership by shares
Registered office	Route de Lennik 451, 1070 Brussels, Belgium
Administrative office	Schermersstraat 42, 2000 Antwerp, Belgium
Contact	T +32 3 238 98 77 – F +32 3 237 52 99
E-mail	investor.relations@leasinvest.be
Web	http://www.leasinvest.be
Register of legal entities	Brussels
VAT	BE 0436.323.915
Established	8 June 1999, publication MB 26 June 1999 (conversion into real estate investment trust) (no 990626-330) 6 November, publication Official Belgian Gazette 3 December 2014 (change into a BE-REIT (SIR/GVV)) (no 20141203-14216372)
Term	Unspecified
Financial year	1 January – 31 December
Listing	Euronext Brussels, BEL MID
Liquidity provider	Bank Degroof Petercam
Financial service	Main paying agent Bank Delen
Auditor	Ernst & Young Réviseurs d'entreprises, represented by company auditor **Joeri Klaykens**
Real estate experts	Cushman & Wakefield – Stadim – Oerag – de Crombrugghe & Partners
Supervision	FSMA

Financial calendar

22/08/2018	Half-year financial report 2018
19/11/2018	Interim statement Q3 (30/09/2018)
20/02/2019	Annual results 2018 (31/12/2018)
29/03/2019	Annual financial report 2018
20/05/2019	Interim statement Q1 (31/03/2019)
20/05/2019	Annual meeting of shareholders
27/05/2019	Dividend payment
21/08/2019	Half-year financial report 2019

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This half-year financial report is available on www.leasinvest.be:
www.leasinvest.be - investor relations - reports - half-year results.

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

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