

Financial results FY16



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01 **Company profile**

Company Profile

6th largest BE-REIT/SIR/GVV
2nd largest real estate investor in Luxembourg
listed on Euronext Brussels

Fair value portfolio 12/2016
(incl. stake in Retail Estates)
€ 930.7M

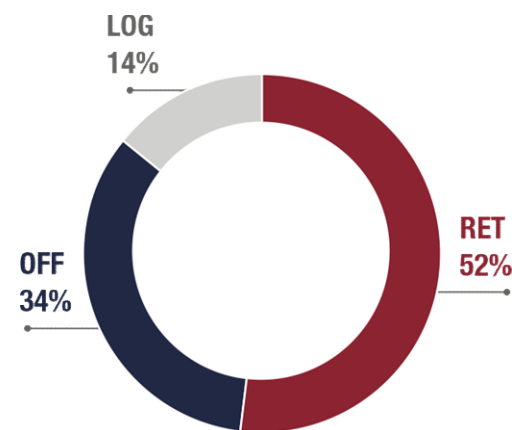
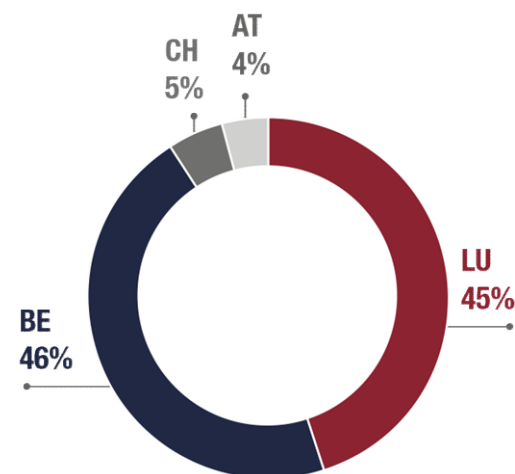
Market capitalization
➤ € 498 M

Shareholders
Ackermans & van Haaren (AvH) 30%
AXA Belgium 29%
Free float 41%

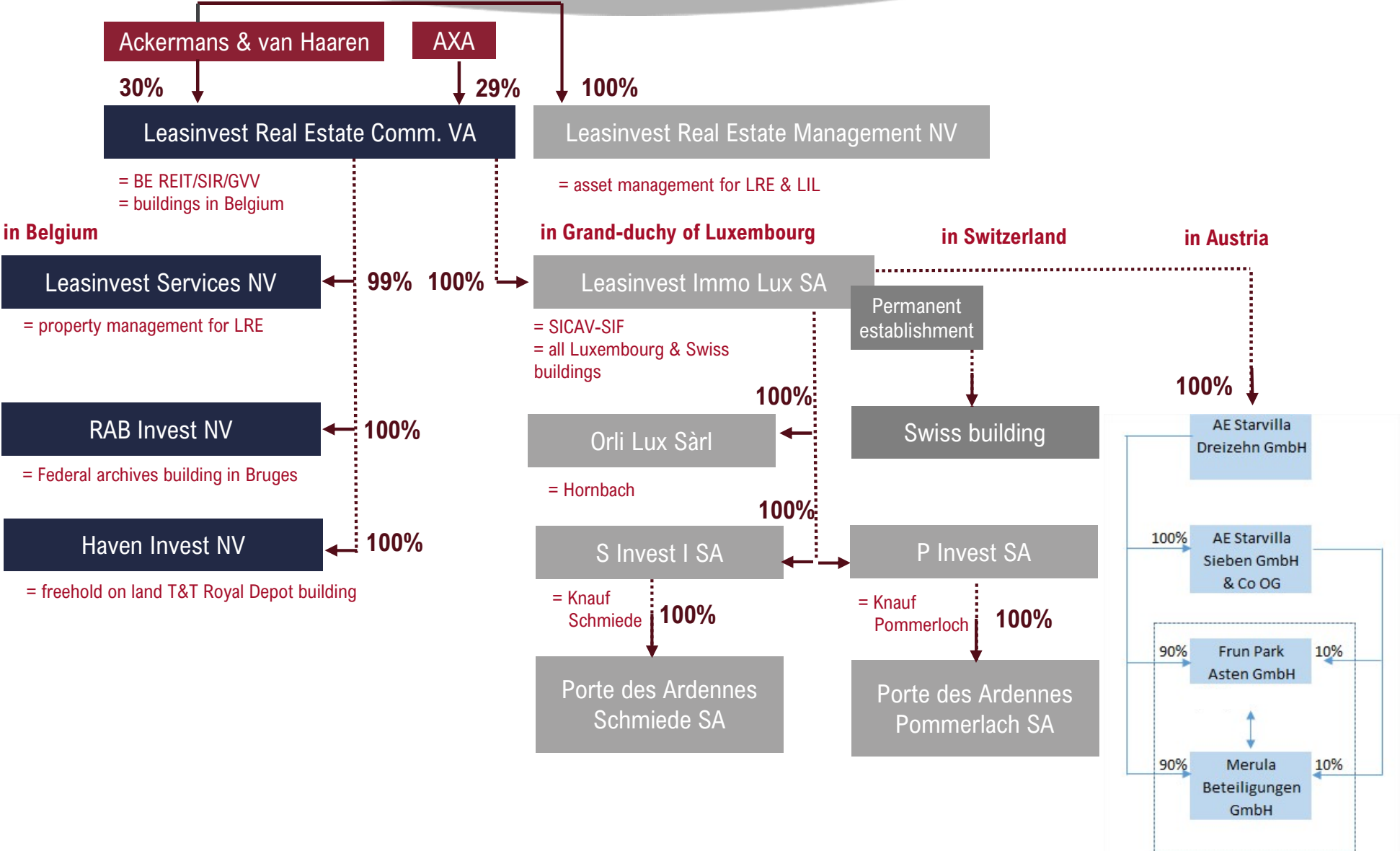
Indices: BEL MID

EPRA Belgium

EPRA Eurozone



Corporate Structure



Leasinvest at a glance

Occupancy
96.80%

Cost of debt
2.90%

Rental yield
6.78%

Average duration debt
3.94y

WALT
4.37y

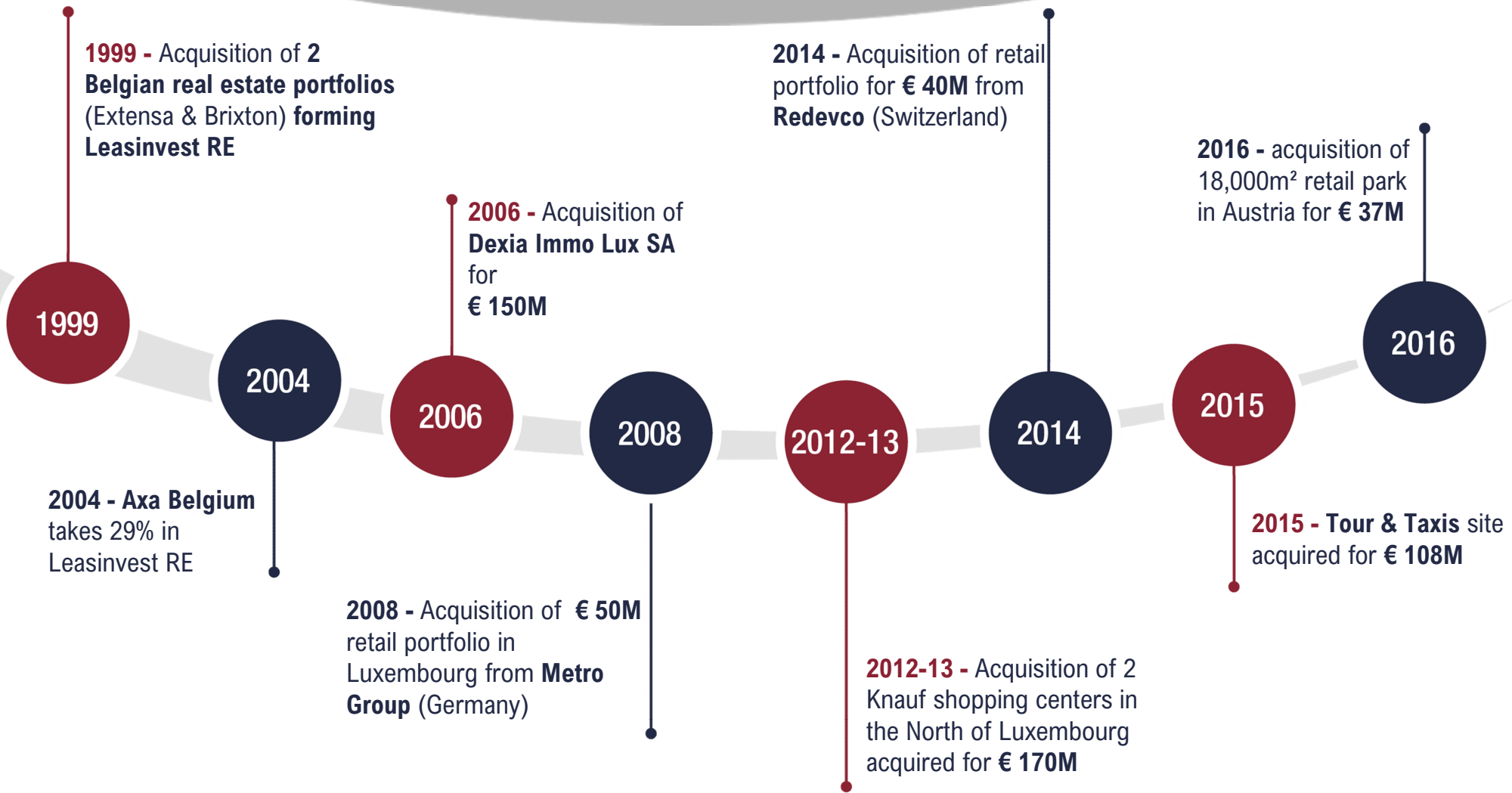
Debt ratio
58.05%

Portfolio Breakdown

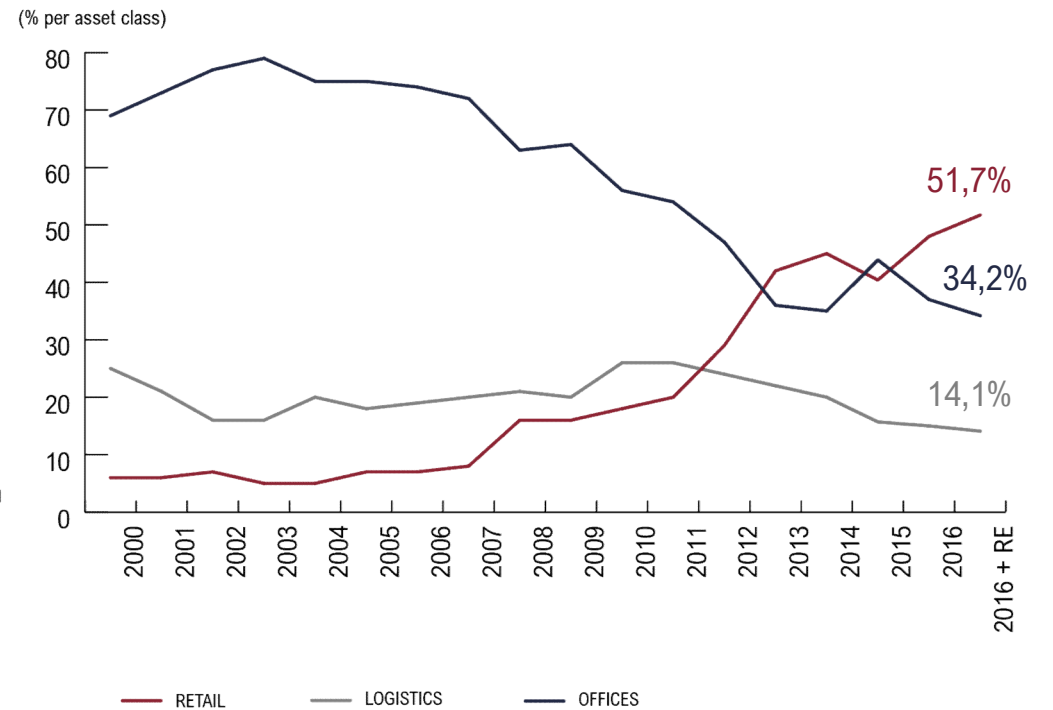
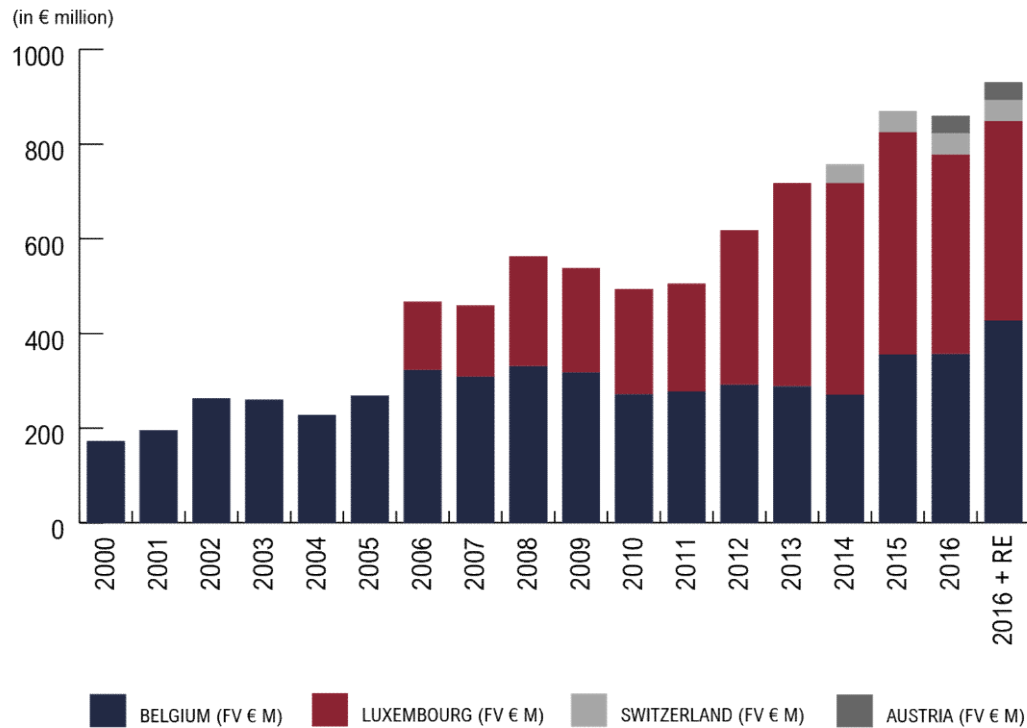
	Luxembourg	Belgium	Switzerland	Austria	Total
Fair value (million €)	421	357	44	37	859
Retail	278,5	50	44	37	410
Offices	123,5	195	-	-	319
Logistics/semi-industrial	19	112	-	-	131
Number of sites	15	13	3	1	32
Duration leases till first break	4.50y	4.08y	4.73y	1.98y	4.37y
Occupancy rate	98.30%	93.93%	100%	100%	96.77%
Rental yield	6.87%	6.90%	6.00%	5.79%	6.78%

02 History

Milestones



Milestones



03 Strategic Vision

Strategic Vision

Investment strategy

OPPORTUNITY DRIVEN

Retail LU-BE-CH-AT
Offices LU - BE

01

Shrewd acquisitions

Development strategy

ORGANIC (RE)DEVELOPMENTS

Generating capital gains
Improve quality portfolio

02

Create Value

Commercial strategy

MAXIMIZE LEASE DURATION &
OCCUPANCY RATE

Dynamic lease portfolio management

03

Recurring income

Financial strategy

MINIMIZE COST OF DEBT
SECURE EQUITY & DEBT
FINANCING

Capital recycling

04

Investment capacity

05

Recurrent dividend payments

01 Shrewd acquisitions



Montoyer Brussels CBD (BE)
reconstruction by 2018
2016: 21y usufruct with EP
capital gain expected



Metro Group retail (LU)
portfolio € 50M - 3 buildings
2011: extension Diekirch
2017-2020: redevelopment Strassen



Knauf shopping (LU North)
Schmiede & Pommerloch
€ 170M
100 shops



R20, Bd Royal (LU)
old hotel => new offices
2016: capital gain € 22M
sold for € 62.5M



Frun Park, Retail Park Asten (AU)
strengthening of geographical diversification
€ 38 M

2005

2006

2008

2009

2012-13

2013

2012-16

2015

2016

Dexia Immo Lux (LU)
portfolio € 150M
13 buildings
2016: € 474M LU + € 44M CH



Montimmo, (LU)
redevelopment
2009: capital gain € 2M



Hornbach Burmicht (LU)
€ 25M
15 y fixed lease

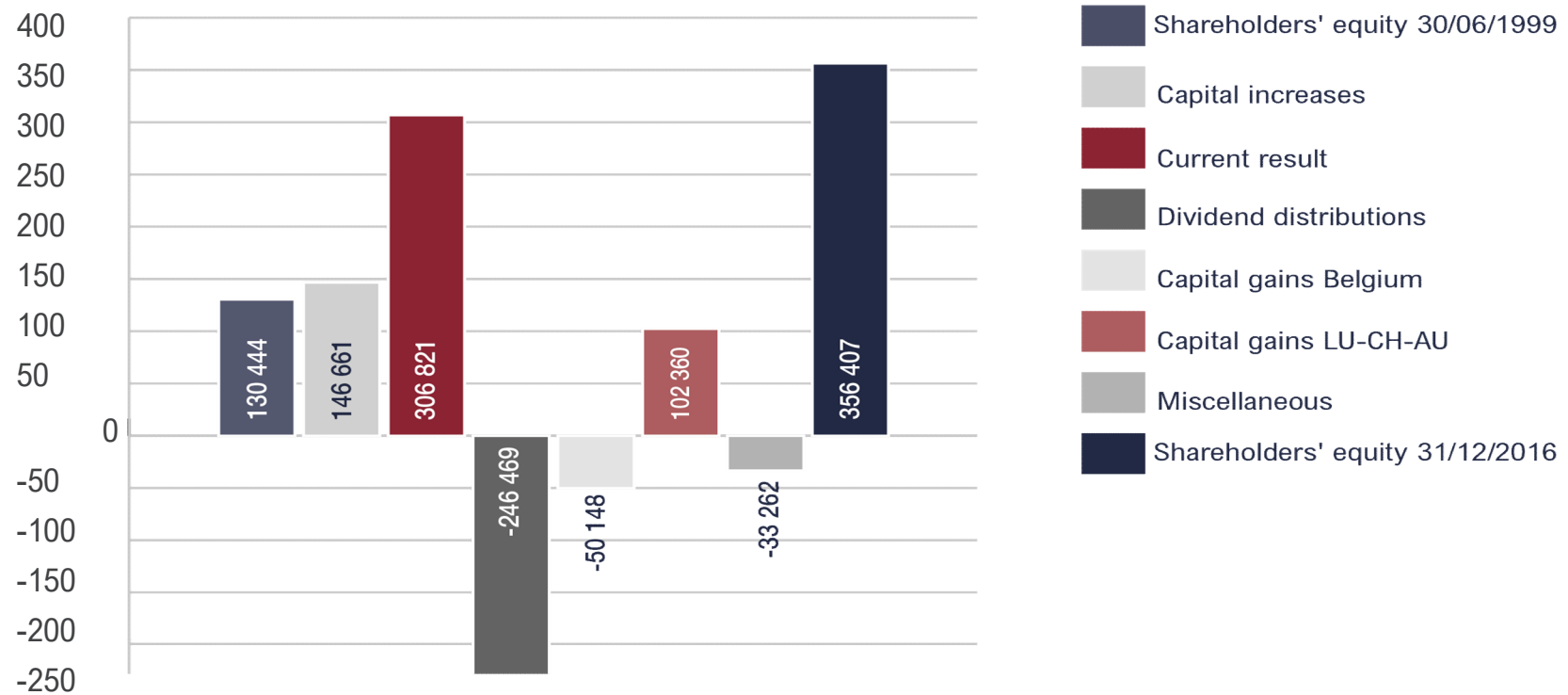


Tour&Taxis Royal Depot (BE)
€ 108M
landmark office building in Brussels

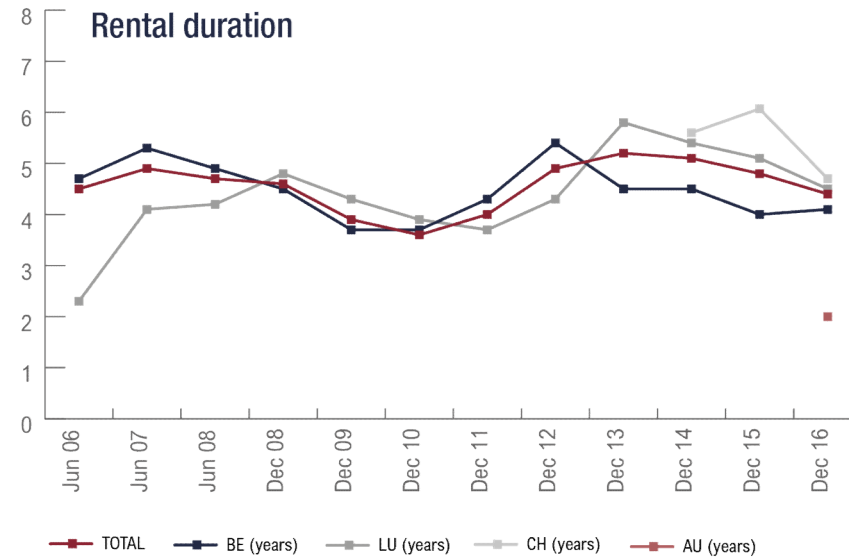
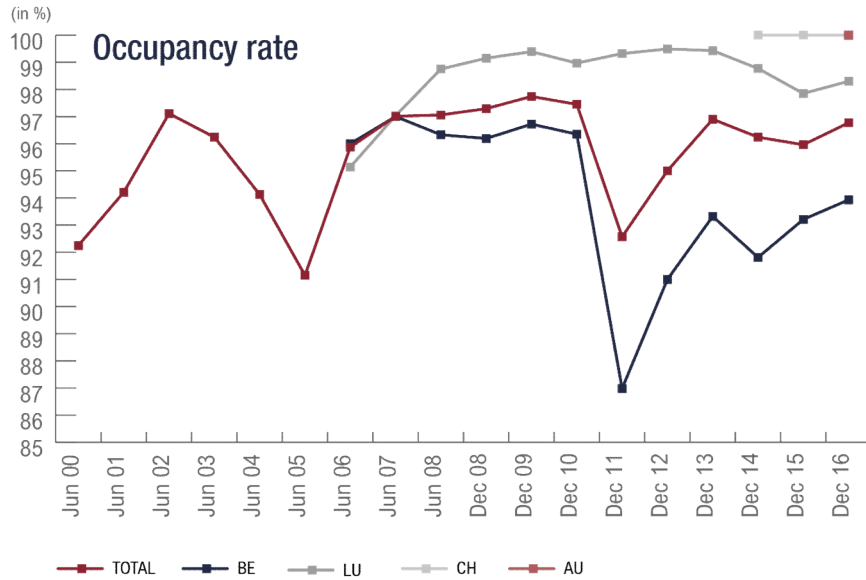


02 Creating value

(in € M)

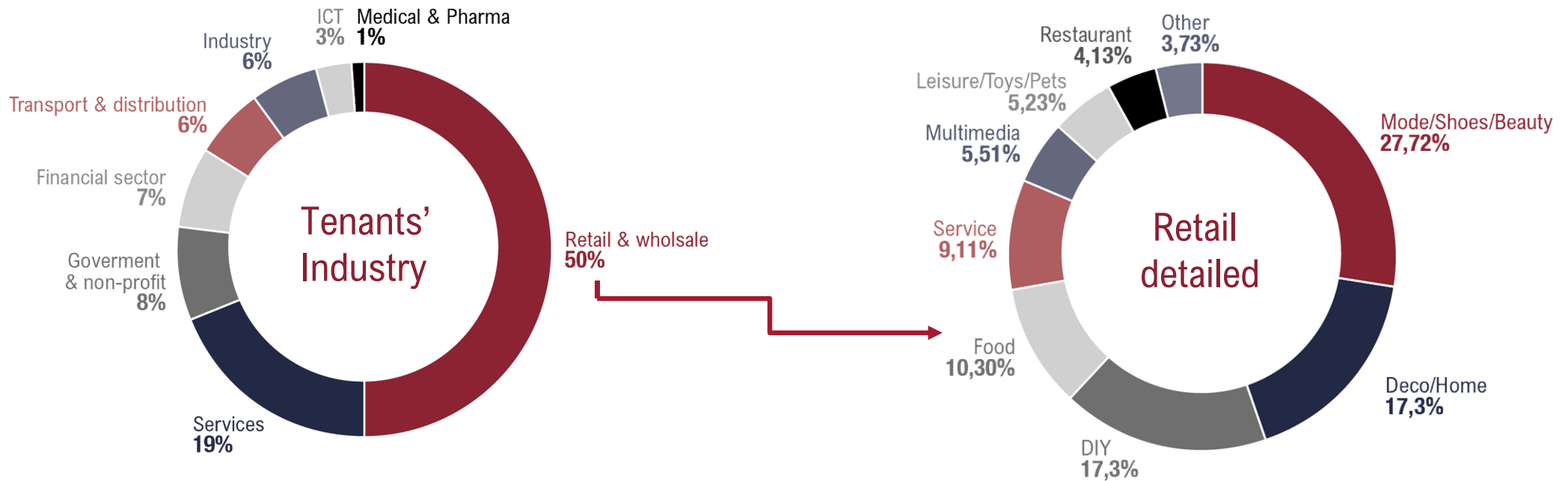


03 Steady occupancy rate & rental duration



	Luxembourg	Belgium	Switzerland	Austria	Total 2016	Total 2015
Occupancy (%)	Retail	98.9%	100%	100%	100%	98.8%
	Offices	96.4%	91,2%			92.8%
	Logistics	100%	96.3%			94.9%
	Country	98.3%	93.9%	100%	100%	96.8%
Duration (years)	Retail	5.2	4.7	4.7	2.0	5.7
	Offices	3.0	2.8			3
	Logistics	1.0	7.9			6.3
	Country	4.5	4.1	4.7	2.0	4.4

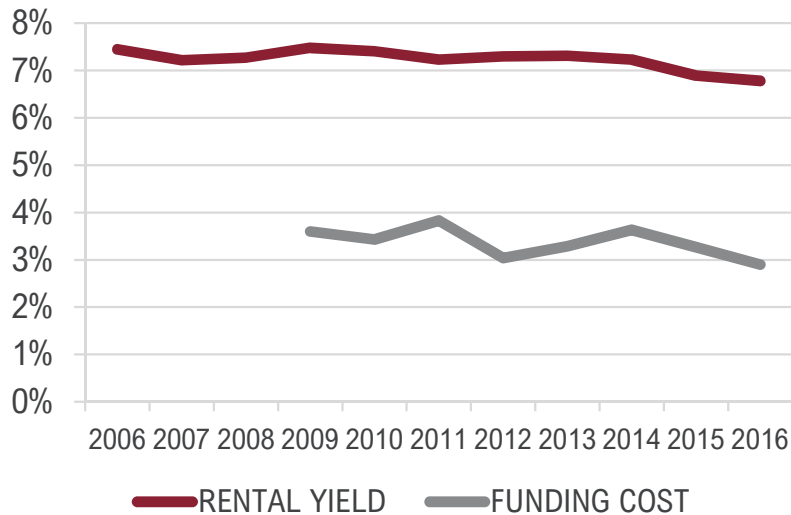
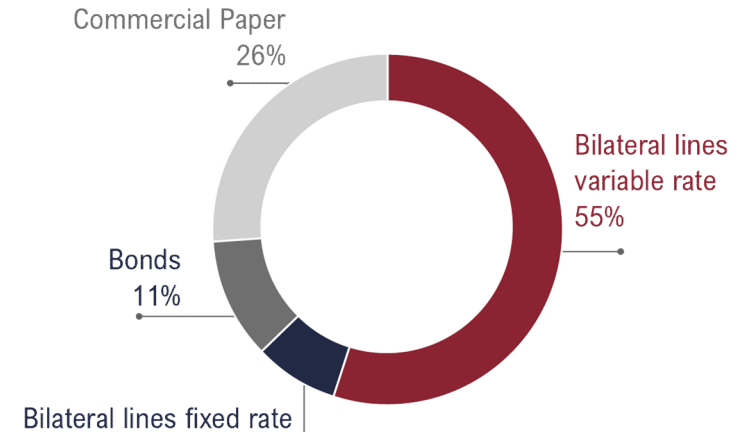
► Diversified tenant base



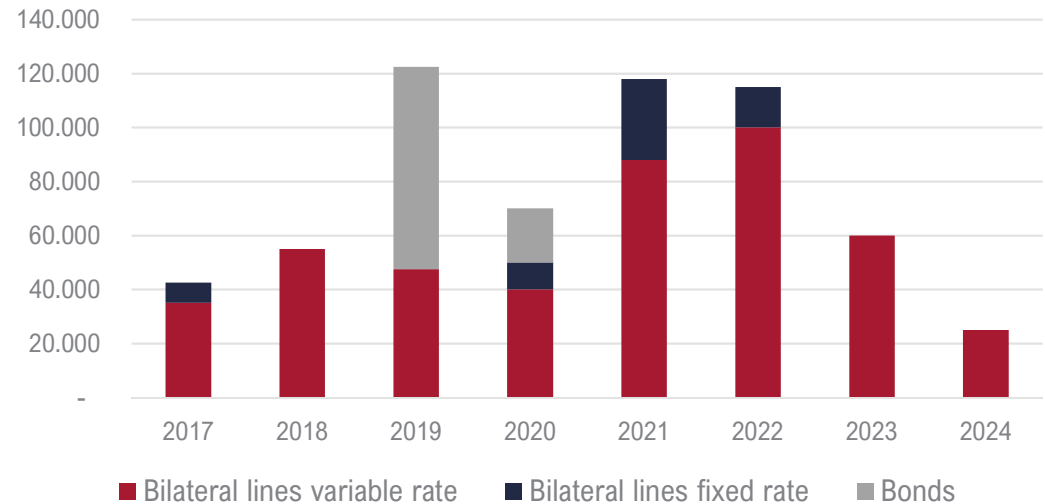
04 Funding characteristics

- **Cost of debt at 2.90%** (2015: 3.38%) decreased through lower banking margins & extension existing hedging contracts
- **Total committed lines incl. bonds: €608M** (2015: €568,7M)
- **Duration credit facilities: 3,94y** 2016 (2015: 2,96)
- Available **headroom** credit facilities €90,5M

Funding diversification

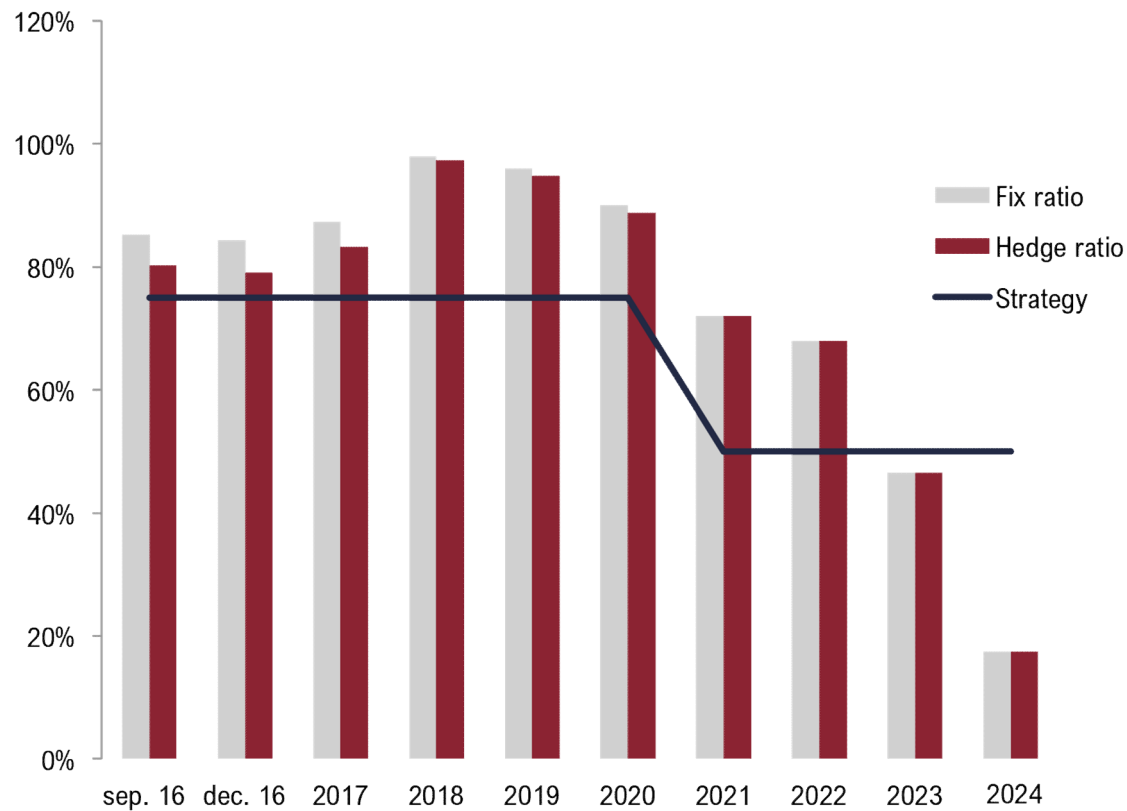


Credit Maturity table



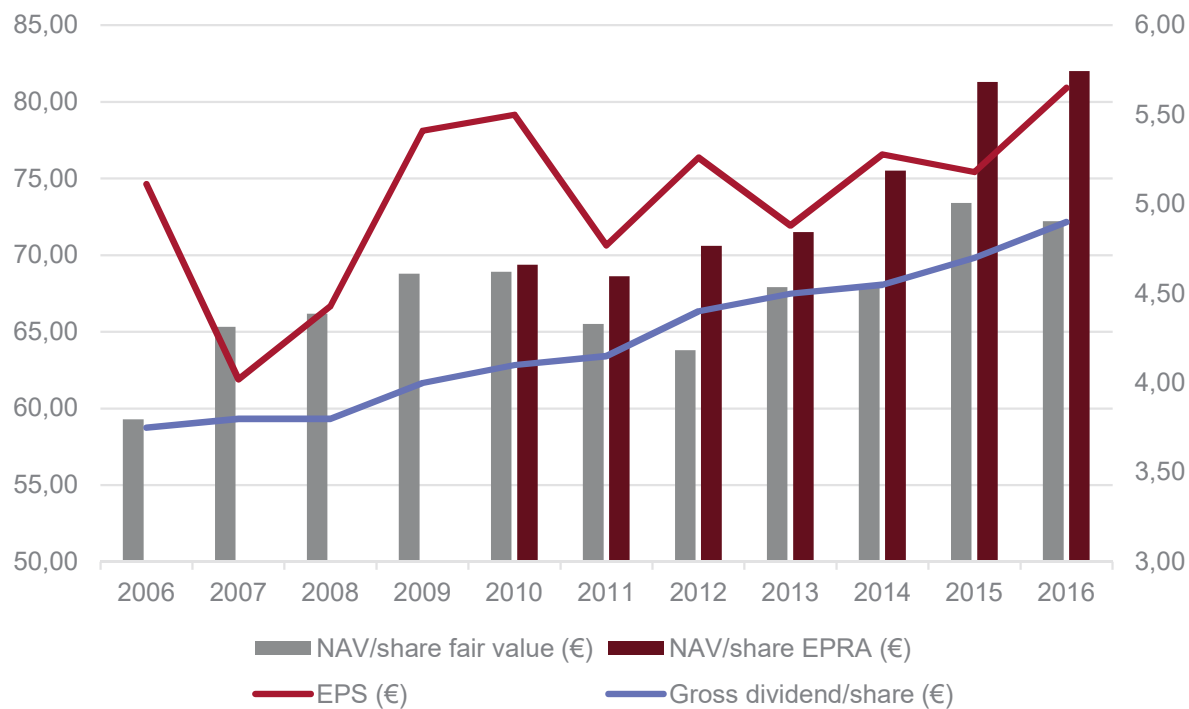
► 04 Hedging strategy

- Debt financing at end 2016 – 78% hedged (fixed ratio below)
- Fixed rate debt (29%), interest rate swaps (41%) and cross currency swaps EUR/CHF (8%)
- Duration: 6.30y (2015: 6.58y)



► 05 Proposed dividend

- Gross dividend 2016 increased +4.26% to €4.90 over 2016 (2015: €4.70)
- Net dividend amounted to €3.43 (excl. 30% WHT), equaling 2015 €3.43 (excl. 27% WHT)
- Gross dividend yield of 4.64% (31/12/2016)
- Consolidated pay-out ratio 2016: 86.90% (2015: 90.00%)



04 Activity overview FY 2016

Highlights FY16

KEY FIGURES

- Increase rental income from €50.5M to €56.6M (+12%) – like-for-like stable increase of 1%
- Higher net result from €30,6M to €31,1M (+2%)
- Increase of EPRA Earnings to €27.9M or €5.65 per share (+ 9%)

INVESTMENTS

- Acquisition important retail park in Austria and strengthening of geographical diversification

DIVESTMENTS

- Finalizing sale of completed office building Royal20 in Luxembourg city
- Sale of the building Zeutestraat in Malines

DEVELOPMENT & REDEVELOPMENT

- Redevelopment retail park Strassen
- Redevelopment office building Montoyer 63
- Redevelopment Treesquare (Square de Meeûs)

LEASES

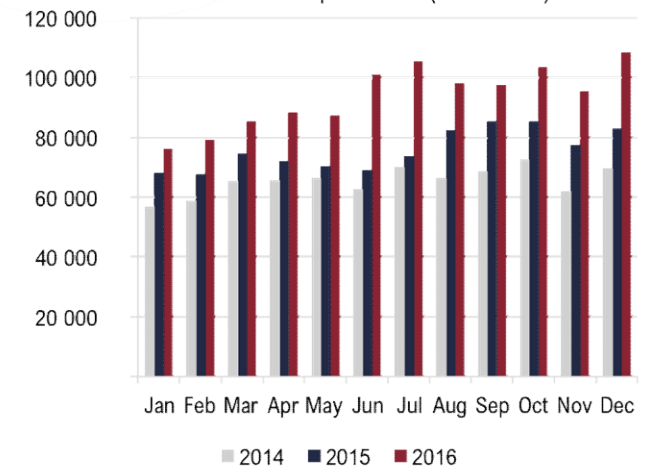
- Usufruct agreement, for a fixed term of 21 years conducted with the European Parliament for the Montoyer 63
- Partial extension of rental contract office building Malines
- Extension of different rental contracts a.o. in Strassen & on CFM site

Acquisition retail park in Austria

- Acquisition on 8/11/2016 of retail park Frun® Park Asten located in Asten/Linz in Austria for **€37M**
- Annual **rental income of €2.3M** or **gross starting yield of 6%**
- The retail park was developed by De Vlier, a Belgian retail developer active in Belgium, France & Austria and opened 11/2013
- **18,300 m²**, U shaped built, located alongside the exit of the motorway, with **26 shops** and 600 parking spaces; main international and local tenants are a/o Zeeman, Spar, C&A, NewYorker
- A total of **1,126 million visitors** were registered in 2016 which means an increase of 24% from the previous year.



Visitors per month (2014-2016)



Disposal of Royal 20

- Successful completion of development project Royal 20.
- 30/06/2016: Royal20 sold for €62.5M at reception of the building according to agreement concluded in 1H 2015.
- Sale was opportunity-driven
 - 100% pre-let to China Merchants Bank (€3M rent, 10y)
 - important capital gain of €20,4M spread over development period 9.7M (2014), €7.4M (2015) & €3.1M (2016)
 - high average rent of > € 45/m², higher than average in CBD
- Perfect example of calculated entrepreneurship to turn the old 'Hôtel Rix' into a reference office building on Boulevard Royal in Luxembourg CBD.
- Royal20, designed by the renowned French architectural firm 'Etablissements Elizabeth et Christian de Portzamparc' is a strong architectural reference in Luxembourg.



Possible disposals in 2017

- NDA signed with international investment fund for acquiring 3 logistic buildings in Wommelgem, Canal Logistics (phase 1) and SKF site in Tongres
- Closing foreseen in Q2 2017
- Results of negotiations about other non strategic buildings & warehouses will be communicated in due course



Redevelopment Retail Park Strassen

- Existing Einkaufszentrum Strassen (Route d'Arlon) being renovated into Retail Park Strassen with shops & restaurant
- Retail project of 22,721 m² redevelopment in 2 phases (1st phase finished Q2 2017 & 2nd phase starts in 2020)
- 1st phase: started & to be finalized in Q2 2017 with renewal of rental contracts with sitting tenants in 2015/2016: Bâtiself (5y), Adler Mode (15y fixed), and Roller (15y fixed)
- Largest retail park in the Luxembourg periphery at entrance of the city of Luxembourg
- Foreseen capex: €13.4M
- Average rental price to be increased from €96/m² to €180/m²



Redevelopment Montoyer 63

- Sitting tenant European Parliament signed 21y fixed usufruct contract
- Building vacant: 12/2016
- Demolish as of Q1 2017 & fully reconstructed by Q3 2018
- Office project of 6,052 m²
- BREEAM 'excellent' expected
- One of few new buildings in CBD Brussels
- Design SVR Architects (Antwerp)
- Expected rental income of €1.6M or €250/m²
- Foreseen capex: €16.9M



Redevelopment Treesquare

- Building at Square de Meeûs vacant as of 07/2015
- Office project of 5,936 m²
- Reconstruction works started in September 2016 to be finished Q4 2017
- BREEAM 'excellent' expected
- Design: Assar Architects (Brussels)
- One of few new buildings in Brussels CBD
- Foreseen capex: €17.8M



05

Financial results

FY 2016

Key consolidated financials FY16

Key figures balance sheet	31/12/2016	31/12/2015
Net asset value group share (€ 1,000)	356 407	362 405
Net asset value group share per share	72.2	73.4
Net asset value group share per share based on investment value	75.6	76.9
Net asset value group share per share EPRA	82.0	81.3
Total assets (€ 1,000)	988 441	976 302
Financial debt	541 064	532 249
Financial debt ratio (according to legal regulation on BE-REIT (SIR/GVV))	58.05%	58.03%
Average duration credit lines (years)	3.94	2.96
Average funding cost	2.90%	3.38%
Average duration hedges (years)	6.30	6.58

Key figures income statement	31/12/2016	31/12/2015
Rental income (€ 1,000)	56 647	50 455
Net rental result per share	11.48	10.22
EPRA Earnings (€ 1,000) (1)	27 875	25 564
EPRA Earnings per share	5.65	5.18
Net result group share (€ 1,000)	31 118	30 618
Net result group share per share	6.30	6.20
Comprehensive income group share (€ 1,000)	18 126	48 901
Comprehensive income group share per share	3.67	9.90

EPRA KPI's FY2016

EPRA PERFORMANCE MEASURES	31/12/2016	31/12/2015
EPRA Earnings (in € per share)	5.65	5.18
EPRA NAV (in € per share)	82.0	81.2
EPRA NNAV (in € per share)	72.2	73.4
EPRA Net Initial Yield (in %)	5.82%	6.06%
EPRA Topped up Net Initial Yield (in %)	5.86%	6.10%
EPRA Vacancy (in %)	2.87%	4.05%
EPRA Cost ratio (incl. direct vacancy costs)(in %)	26.85%	24.26%
EPRA Cost ratio (excl. direct vacancy costs)(in %)	24.95%	22.51%

Consolidated income statement

Consolidated statement of realized and unrealized results (in 1,000 €)		31/12/2016	31/12/2015
(+)	Rental income	56.647	50,455
(+)	Write-back of lease payments sold and discounted	0	0
(+/-)	Related-rental expenses	-179	-42
NET RENTAL INCOME		56,468	50,413
(+)	Recovery of property charges	73	108
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	5,482	3,579
(-)	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	-5,482	-3,579
(+/-)	Other rental related income and expenditure	-2,554	-2,131
PROPERTY RESULT		53,987	48,390
(-)	Technical costs	-2,050	-1,563
(-)	Commercial costs	-1,059	-781
(-)	Charges and taxes on un-let properties	-1,080	-885
(-)	Property management costs	-4,533	-4,187
(-)	Other property charges	-716	-771
PROPERTY CHARGES		-9,438	-8,187
PROPERTY OPERATING RESULT		44,549	40,203
(-)	Corporate operating charges	-3,220	-1,754
(+/-)	Other operating charges and income	1	-169
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		41,330	38,280
(+/-)	Result on disposal of investment properties	3,093	329
(+/-)	Changes in fair value of investment properties	-528	9,549
OPERATING RESULT		43,895	48,158
(+)	Financial income	3,993	2,327
(-)	Net interest charges	-13,400	-13,082
(-)	Other financial charges	-1,459	-1,490
(+/-)	Changes in fair value of financial assets and liabilities	678	-4,824
FINANCIAL RESULT		-10,188	-17,069
PRE-TAX RESULT		33,707	31,089
(+/-)	Corporate taxes	-1,981	-468
(+/-)	Exit tax	-608	-3
TAXES		-2,589	-471
NET RESULT		31,118	30,618



Consolidated balance sheet

ASSETS (in 1,000 euro)	31/12/2016	31/12/2015
I. NON-CURRENT ASSETS	896,179	954,243
Intangible assets	4	10
Investment properties	787,065	847,069
Other tangible assets	1,250	1,163
Non-current financial assets	89,960	88,101
Finance lease receivables	17,900	17,900
II. CURRENT ASSETS	92,261	22,059
Assets held for sale	54,966	4,392
Current financial assets	0	0
Trade receivables	12,085	7,967
Tax receivables and other current assets	3,264	2,885
Cash and cash equivalents	20,768	4,531
Deferred charges and accrued income	1,178	2,284
TOTAL ASSETS	988,441	976,302

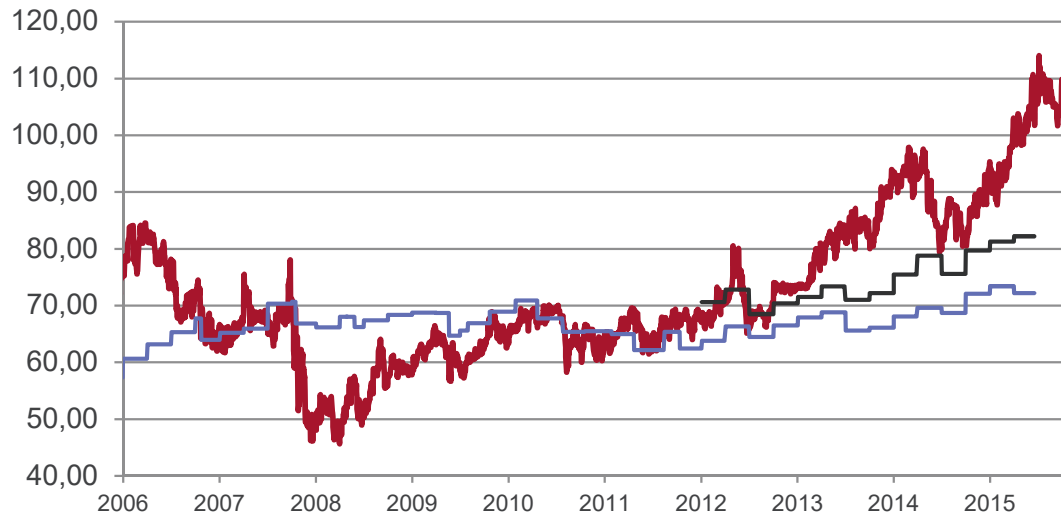
LIABILITIES (in 1,000 euro)	31/12/2016	31/12/2015
TOTAL SHAREHOLDERS' EQUITY	356,407	362,410
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	356,407	362,405
Capital	54,315	54,315
Share premium account	121,091	121,091
Purchase of treasury shares	-293	-293
Reserves	150,168	156,666
Translation differences	8	8
Net result of the financial year	31,118	30,618
II. MINORITY INTERESTS	0	5
LIABILITIES	632,033	613,892
I. NON-CURRENT LIABILITIES	444,362	395,948
Provisions - other	11	9
Non-current financial debts	394,615	355,722
- Credit institutions	297,395	258,538
- Other	97,220	97,184
Other non-current financial liabilities	49,736	40,217
Other non-current liabilities		
II. CURRENT LIABILITIES	187,671	217,944
Provisions		
Current financial debts	146,856	176,887
- Credit institutions	0	89,191
- Other	146,856	87,696
Trade debts and other current debts	28,985	24,810
- Exit tax	12,907	12,299
- Other	16,078	12,511
Other current liabilities	2,361	8,200
Accrued charges and deferred income	9,469	8,047
TOTAL EQUITY AND LIABILITIES	988,441	976,302

Outlook financial year 2017

- After the extraordinary good results of 2016 the company expects for 2017 EPRA Earnings in line with the previous years. Consequently, the company foresees to maintain the dividend over 2017 at the same level.

06 **Share performance & reporting**

Share performance

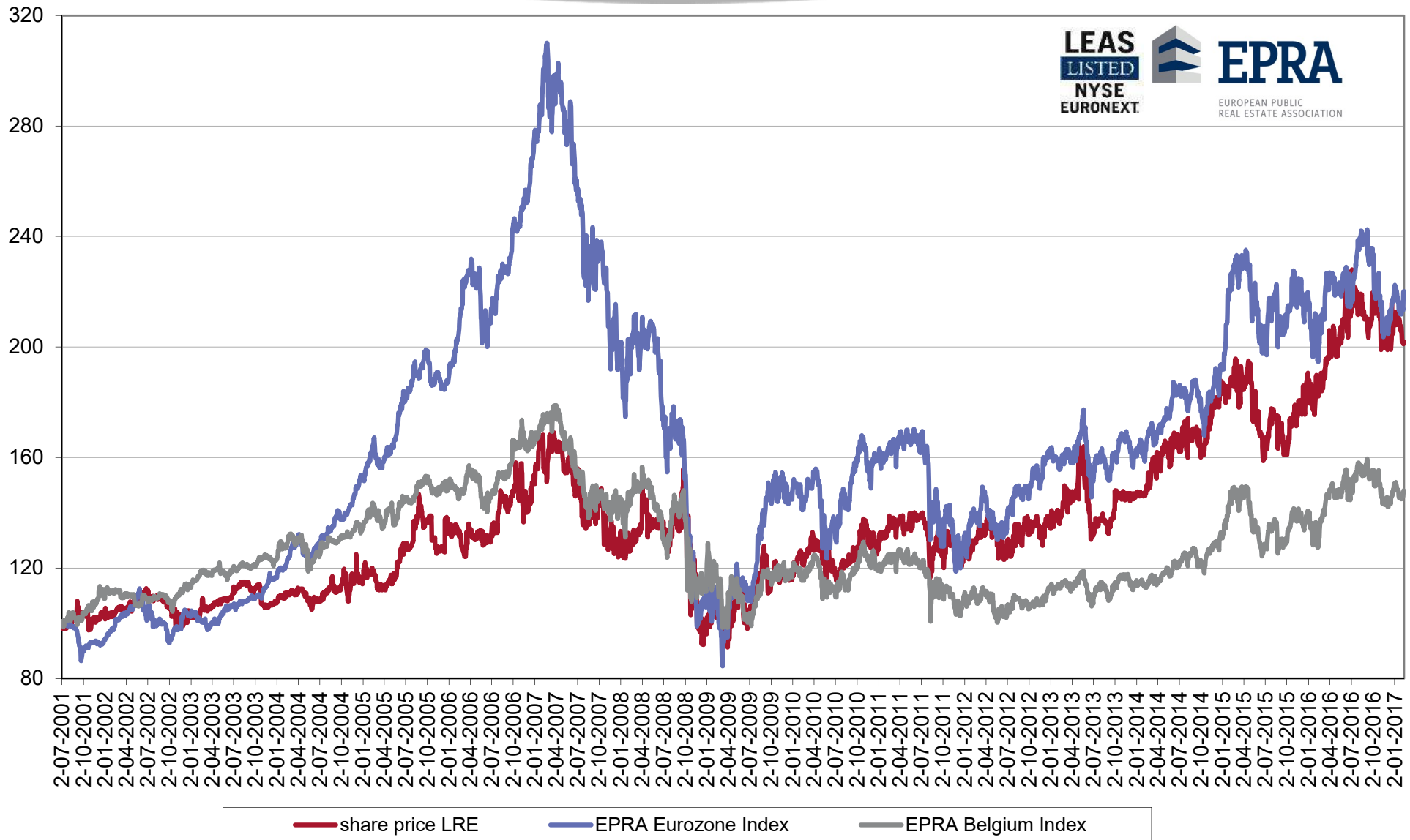


— Share price LRE — NAV LRE (fair value) — NAV LRE (EPRA)



— RETURN LRE — RETURN BEL MID

Share performance



Share performance

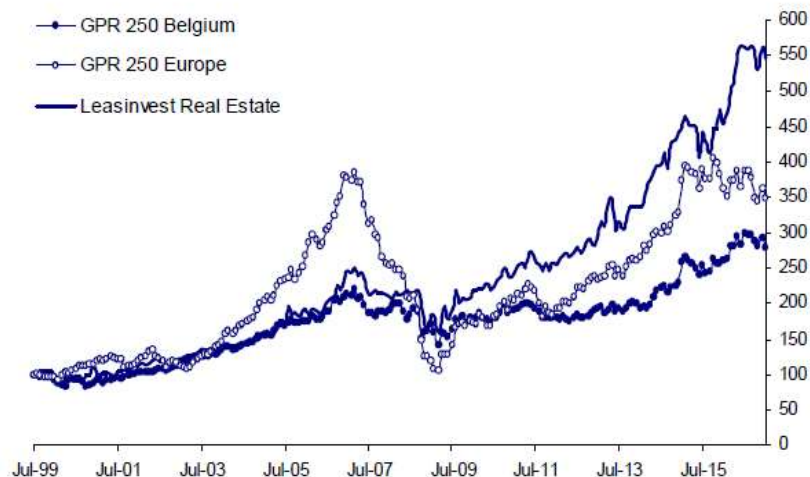
Global property research

Leasinvest Real Estate

Performance Report - January 31, 2017

Performance Comparison	Companies	1 month	3 month	6 month	Y-T-D	1 year	3 year	5 year	Inception	Volatility	Sharpe
	Leasinvest Real Estate	-2.56%	-2.10%	-2.88%	-2.56%	20.66%	17.66%	16.55%	10.14%	15.55%	1.09
	Befimmo	-4.85%	-4.33%	-11.80%	-4.85%	2.85%	6.45%	6.28%	5.38%	15.90%	0.42
	Cofinimmo	-4.42%	-2.72%	-6.99%	-4.42%	6.89%	12.99%	9.97%	6.28%	11.55%	0.90
	Intervest Offices & Warehouses	-2.93%	-3.95%	-8.82%	-2.93%	6.75%	12.54%	11.51%		18.28%	0.65
	Retail Estates	-0.94%	-2.12%	-8.55%	-0.94%	-0.15%	16.46%	15.25%	11.47%	11.05%	1.41
	Warehouses De Pauw	-1.05%	0.90%	-8.23%	-1.05%	18.92%	23.16%	24.68%	15.53%	14.14%	1.77
	Indices										
	GPR 250 Europe	-3.88%	-0.05%	-10.01%	-3.88%	-3.82%	9.69%	12.50%	7.39%	14.14%	0.91
	GPR 250 Belgium	-4.42%	-2.72%	-6.99%	-4.42%	6.97%	12.96%	9.07%	5.98%	11.83%	0.80

Performance Graph



The table above presents returns for different time horizons up to January 31. All calculations are based on nominal total returns with reinvestment of dividends. Returns are denominated in local currency and based on the closing price of each month. The returns over the past 3 years, 5 years and since inception date are compounded. Inception date is the start date of Leasinvest Real Estate, which is 7/31/99. Volatility is calculated as the 5-year annualized standard deviation of monthly returns. The Sharpe ratio is calculated with the 5-year annualized return, the volatility and the 1-month Euribor.

Analyst recommendations

Bank	Analyst	Recommendation	Target price	Date
Bank Degroof Petercam	Herman van der Loos	Add	€ 111.00	18/11/2016
KBC Securities	Koen Overlaet-Michiels	Hold	€ 100.00	16/02//2017
ING Securities	Jaap Kuin	Hold	€ 96.00	16/02/2017

Financial calendar

31/03/2017	Annual financial report 2016
15/05/2017	Annual meeting of shareholders
15/05/2017	Interim statement Q1 (31/03/2017) (incl. results OGM)
18/05/2017	Ex-date
19/05/2017	Record date
22/05/2017	Dividend payment
24/08/2017	Half-year financial report 2017
17/11/2017	Interim statement Q3 (30/09/2017)
22/02/2018	Year results 2017 (31/12/2017)



Appendices

Our main Luxembourg buildings



RETAIL - Shopping center Knauf Pommerloch

North of Luxembourg
Acquisition: 2013



RETAIL - Strassen
2 phase renovation 2017-2020
Route d'Arlon
Acquisition: 2008 (Metro Lux)



OFFICE - Montimmo
Avenue Monterey, CBD
Acquisition: 2008



RETAIL - Shopping center Knauf Schmiede

North of Luxembourg
Acquisition: 2012



OFFICE - Monnet
Kirchberg
Acquisition: part of initial portfolio 2006



OFFICE - Kennedy
Kirchberg
Acquisition: part of initial portfolio 2006



RETAIL - Hornbach
Bertrange
Acquisition: 2013



RETAIL - Batiself
Diekirch
Acquisition: 2008



OFFICE - Monterey
Avenue Monterey, CBD
Acquisition: part of initial portfolio 2006

Our main Belgian buildings



OFFICE RETAIL

- Tour & Taxis
Avenue du Port 86C - Brussels
Acquisition: 2015



OFFICE - **The Crescent Anderlecht**

Lenniksebaan 451 - Anderlecht
Acquisition: 2004



OFFICE - **Motstraat**

Motstraat 30 - Mechelen
Acquisition: 2002



RETAIL LOGISTIC

- Brixton Business Park
Brixtonlaan 1-30 - Zaventem
Acquisition: 1999



OFFICE - **Riverside Business Park**

Internationalelaan 55 - Anderlecht
Acquisition: 1992-96



OFFICE - **Treesquare**

Square de Meeûs 5-6 - Brussels
Acquisition: 2005



OFFICE - **Montoyer**

Rue Montoyer 63 - Brussels
Acquisition: 2005

Our main Swiss and Austrian buildings



RETAIL - Etoy - CH

Route de Buchillon 2
Acquisition: 2014



RETAIL - Yverdon-les-Bains - CH

Rue du lac 12
Acquisition: 2014



RETAIL - Villeneuve - CH

Route des Paquays
Acquisition: 2014



RETAIL - Frun Park Asten - AU

Handelsring 8-10 Asten
Acquisition: 2016

Ackermans & Van Haaren www.avh.be



Ackermans & van Haaren (AvH) with a market cap in excess of € 4.2 billion (11/2016) is a diversified group active in 5 key sectors:

- *Infrastructure & Marine Engineering* (DEME, one of the largest dredging companies in the world, CFE and Van Laere, two Belgian construction groups),
- *Private Banking* (Delen Private Bank, one of the largest independent private asset managers in Belgium, and asset manager JM Finn in the UK, Bank J. Van Breda & C^o, niche bank for entrepreneurs and liberal professions in Belgium),
- *Real Estate & Senior Care* (Leasinvest Real Estate, a listed BE REIT, Extensa, important land and real estate developer focused on Belgium, Luxembourg and Central Europe),
- *Energy & Resources* (Sipef, an agro-industrial group in tropical agriculture) and
- *Development Capital* (Sofinim and GIB).

AvH group (through its participations) represented a turnover of € 5.3 billion and employed 22,077 people. The group concentrates on a limited number of strategic participations with significant potential for growth. AvH is part of the BEL20 index, the Private Equity NXT index of Euronext Brussels and the European DJ Stoxx.

Board of Directors Leasinvest

Directors nominated by AvH	
Jan Suykens	chairman LRE, CEO & chairman Executive Committee Ackermans & van Haaren
Piet Dejonghe	member Executive Committee Ackermans & van Haaren
Jean-Louis Appelmans	executive director - CEO Leasinvest Real Estate
Michel Van Geyte	executive director - COO & CIO Leasinvest Real Estate
Other non-executive directors	
Guy van Wymeersch-Moons	CEO AXA REIM Belgium
Sonja Rottiers	ex CFO AXA Belgium, different other director mandates
Independent directors	
Michel Eeckhout	ex-CEO Delhaize Belgium & Luxemburg, different other director mandates
Mark Leysen	Executive Chairman of vanBreda Risk & Benefits
Eric Van Dyck	CIO Redevco B.V.
Executive committee	
Jean-Louis Appelmans	CEO: 11 years corporate banking experience (JP MorganChase & Crédit Lyonnais) and 25 years general, financial & real estate management experience of which 17 years as CEO with LRE
Michel Van Geyte	COO/CIO: 25 years of real estate experience of which 3 years as managing partner at Knight Frank Belgium and of which 12 years as COO/CIO with LRE
Piet Vervinckt	CFO: 18 years of experience in the financial sector with BNP Paribas Fortis of which almost 10 years with BNP Paribas Real Estate Finance. Joined LRE in 11/2015.

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About Leasinvest

Regulated real estate company BE REIT Leasinvest Real Estate SCA invests in high quality and well-located retail buildings, offices and logistics buildings in the Grand Duchy of Luxembourg, in Belgium, in Switzerland and in Austria. At present the total fair value of the directly held real estate portfolio of Leasinvest amounts to € 860 million.

DISCLAIMER

This presentation contains forward-looking statements. Such forward-looking statements involve unknown risks, uncertainties and other factors which may cause the actual results, financial conditions, performance or achievements of the company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Given these uncertainties you are cautioned not to place any undue reliance on such forward-looking statements, which can not be guaranteed. These forward -looking statements speak only as of the date of this presentation. The company expressly disclaims any obligation to update such forward-looking statements, except to the extent and in the manner required by Belgian law.