

## Leasinvest Real Estate – year results financial year 2009

- Leasinvest Real Estate realizes an increase of 17% of rental income from 33.6 million euro to 39.2 million euro thanks to the investments end 2008;
- The net current result of 21.6 million euro, or 5.41 euro per share, implies an increase of 22% compared to the previous year<sup>1</sup> (17.7 million euro, or 4.43 euro per share);
- The net result, group share, amounts to 18.4 million euro or 4.6 euro per share compared to 22.8 million euro (5.71 euro per share) on 31/12/08. This decrease is the consequence of unrealized (non-cash) negative changes in the value of the real estate portfolio;
- Successful redevelopment in Luxembourg of the office buildings Bian and Montimmo;
- Occupancy rate remains high at 97.74%, despite the malaise in the real estate market;
- Decrease of the debt ratio from 52.06% (31/12/08) to 47.61% due to the sale of the office building Bian in Luxemburg with a cash realized gain of 15.2 million euro;
- To the general meeting will be proposed to pay a gross dividend of 4.00 euro (net dividend: 3.40 euro) on 24/05/10, compared to 3.8 euro<sup>2</sup> (gross – calculated on an annual basis) the previous year (+ 5%).

### a. Redevelopments in Luxembourg

Notwithstanding the economic crisis, the past financial year was characterized by the successful completion of two redevelopment projects of office buildings. The dynamic management of our real estate portfolio has led to the successful sale of the redeveloped project Bian in Luxembourg, resulting in a substantial cash realized gain of 15.2 million euro or 3.8 euro per share. Moreover the new office building Montimmo, which is fully let, produced an unrealized gain of 2.5 million euro.

### b. Developments in Belgium

On 16/12/09 the office building with storage space, built for Cegelec, was successfully completed. The real estate leasing for a fixed term of 15 years started on 01/02/10. A positive change in the value of the portfolio of 0.36 million euro was recorded on 31/12/09.

The take-over of 100% of the shares of Canal Logistics Brussels SA will probably take place before the end of the first quarter of 2010.

### c. State Archives in Bruges

At the end of 2009 the tender contract for the construction of the State Archives with underground parking in Bruges has definitively been granted to the consortium Algemene Aannemingen Van Laere-Leasinvest Real Estate. This relates to the renovation of a building (the previous Red Cross-

<sup>1</sup> As the previous financial year was an extended financial year that ran from 01/07/07-31/12/08 (18 months), comparative pro forma result figures are presented for the period 01/01/08-31/12/08 (12 months) (unaudited).

<sup>2</sup> In the extended financial year 2007/2008 of 18 months a total gross dividend of 5.70 euro was distributed, consisting of a unique interim dividend of 3.85 euro and a closing dividend of 1.85 euro. The pro rata (12 months) of the total gross dividend of 5.70 euro amounted to 3.80 euro.

building), the construction of new State Archives with a library, 29 running km of archives and a public underground parking for 200 cars. This development project (except for the parking), situated along the Predikherenrei 4 and the Langestraat in the centre of Bruges, will be rented for a fixed term of 25 years by the Belgian government (Buildings Agency). The building permit has been requested. After the provisional completion of the new State Archives, expected by 01/11/12, Leasinvest Real Estate will acquire this project.

With reference to this project, **Jean-Louis Appelmans**, CEO of Leasinvest Real Estate comments *'This transaction fits within Leasinvest Real Estate's search for long-term contracts with quality tenants. It guarantees long-term recurrent and indexed cash flows, which secure our dividend.'*

#### d. Sustainability

Leasinvest Real Estate is conscious of the growing concern for sustainability and an increased attentiveness to the energy-saving aspects of its buildings. Except for a constant monitoring of the quality of its buildings regarding their energy-saving qualities, an important step has been taken towards the 'greener' energy consumption by the conclusion of a contract with energy supplier Electrabel for the supply of green energy (AlpEnergie). Next to the take-up of green energy, generating electricity by solar energy was started in February 2010, with the installation of solar panels on the approximately 25,000 m<sup>2</sup> roof surface of our logistics centre in Wommelgem.

### 1. Consolidated key figures

Key figures real estate portfolio (a)	31/12/09	31/12/08
Fair value (1,000 euro) (b)	537,518	563,234
Investment value (1,000 euro) (c)	551,400	578,300
Occupancy rate (d)	97.74%	97.29%
Rental yield based on fair value (d)	7.48%	7.27%
Rental yield based on investment value (d)	7.29%	7.09%

(a) The real estate portfolio comprises as well the buildings in operation, as the development projects.

(b) 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.

(c) 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.

(d) For the calculation of the rental yield and the occupancy rate, only the buildings in operation are taken into account.

The consolidated real estate portfolio of Leasinvest Real Estate on 31/12/09 consists of 58 buildings with a total surface of 353,000 m<sup>2</sup>, of which 43 buildings are situated in Belgium (59.2% of the fair value) and 15 in Luxembourg (40.8%). The breakdown according to asset class has not changed compared to 31/12/08: 63% offices, 21% logistics and 16% retail.

The decrease of the **value of the buildings** since 31/12/08 is the consequence of the sale of the office building 'Bian' in Luxembourg on the one hand, and negative changes in the value of the portfolio (non-cash) on the other hand. These negative changes in the value of the portfolio (-17.8 million euro or 3.2% of the portfolio) mainly relate to the Belgian portfolio and are due to higher market capitalization rates, applied by the independent real estate expert, following the general real estate market trend.

Notwithstanding the relatively unfavorable rental market, the average **occupancy rate** of the buildings remained stable and amounted to 97.74% on 31/12/09, compared to 97.29% on 31/12/08.

At the end of 2009, our tenant L'Oréal announced that they will stop renting the building situated at the Erasmus Campus in Anderlecht, as from the end of May 2011. This resulted in an exceptional (non-cash) unrealized loss of - 5 million euro on 31/12/09 (comprised in the total losses of -17.8 million euro, mentioned above). The cash flow impact of the move of L'Oréal will be nil in 2010, and only have a moderate impact as from the last month of 2011, due to rental compensations, as far as no new tenants would have been found by then. Notwithstanding the more difficult rental market, the opportunities for re-letting are estimated to be positive. Next to the very good location and the already existing congress and catering facilities, this building will be further optimized to a real 'green intelligent building'.

The **rental yield** of the real estate portfolio in operation, based on the fair value, amounts to 7.48% (compared to 7.27% on 31/12/08), and, based on the investment value, to 7.29% (compared to 7.09% on 31/12/08).

<b>Key results</b>	<b>31/12/09</b>	<b>31/12/08 (1)</b>
Net current result, group share (1,000 euro)	21,610	17,714
Net current result, group share, per share (euro) (2) (3)	5.41	4.43
Net result, group share (1,000 euro)	18,380	22,833
Net result, group share, per share (euro) (3)	4.60	5.71

(1) As the previous financial year ran from 01/07/07 - 31/12/08 (18 months), comparative pro forma figures are presented for the period 01/01/08 - 31/12/08 (12 months) (unaudited).

(2) The net current result consists of the net result excluding the portfolio result and the changes in the fair value of the non-effective hedges.

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

Thanks to, on the one hand, the positive contribution of the retail sites in Luxembourg, acquired at the end of 2008, and on the other hand, the lower average financing cost, Leasinvest Real Estate has succeeded in increasing its **net current result** by 22% from 17.7 million euro (or 4.43 euro per share) on 31/12/08 to 21.6 million euro, or 5.41 euro per share.

Taken into account the impact of the economic and financial crisis on the real estate market, the independent real estate expert has decreased the fair value of the real estate portfolio by 17.8 million euro (non-cash). Together with the realized gain (cash) on the sale of the office building Bian (15.2 million euro) the total portfolio result amounted to -2.6 million euro compared to 9.2 million euro in 2008. This explains to a large extent the decrease of the **net result** of Leasinvest Real Estate from 22.8 million euro on 31/12/08 to 18.4 million euro in 2009.

<b>General key figures</b>	<b>31/12/09</b>	<b>31/12/08</b>
Net asset value, group share (NAV) (1,000 euro)	274,924	264,438
Number of issued shares	4,012,832	4,012,832
Number of shares participating in the result of the period (1)	3,996,294	3,996,294
Debt ratio RD 21/06/06 (%)	47.61%	52.06%
Net asset value, group share, per share (euro) (2) (3)		
- based on fair value	68.79	66.17
- based on investment value	72.27	69.59
Closing price (euro)	58.97	48.05
Discount closing price compared to net asset value per share (fair value)	-14%	-27%
Gross dividend (euro) (4)	4.00	3.80
Gross dividend yield (%)	6.78%	7.91%

(1) The number of shares participating in the result of the period corresponds to the number of issued shares minus the number of treasury shares (including LRE shares held by subsidiaries). This way, on 31/12/09 LRE held a consolidated total of 16,538 treasury shares in portfolio, or 0.41% (idem 31/12/08).

(2) The net asset value on 31/12/08 is before distribution of the closing dividend. On 25/05/09 a gross closing dividend of 1.85 euro per share was distributed. The net asset value, group share, ex-coupon amounted to 64.32 euro per share based on the fair value and to 67.74 euro per share based on the investment value, as of 31/12/08.

(3) The net asset value per share is calculated based on the number of shares participating in the result of the period.

(4) In the extended financial year 2007/2008 of 18 months a total gross dividend of 5.70 euro was distributed, consisting of a unique interim dividend of 3.85 euro and a closing dividend of 1.85 euro. In the table above the pro rata (12 months) of the total gross dividend of 5.70 euro is presented (3.80 euro).

## **2. Outlook financial year 2010**

Thanks to our constant proactive commercial approach towards our tenants, the occupancy rate should keep up relatively well in 2010. The net current result of Leasinvest Real Estate for the financial year 2010 should be comparable to the net current result of the past financial year. The impact of the financial and economic crisis can however lead to further negative changes in the fair value of the investment properties and the financial assets. Leasinvest Real Estate will continue its dynamic management of the real estate portfolio in 2010, within the framework of investment and divestment opportunities.

### 3. Financial review

#### CONSOLIDATED RESULTS

(in 1,000 euro)

	31/12/09 (12 months)	31/12/08 (a) (12 months)	31/12/08 (18 months)
Rental income	39,196	33,559	49,058
Writeback of lease payments sold and discounted	0	0	0
Related rental expenses	42	-117	-117
<b>NET RENTAL INCOME</b>	<b>39,238</b>	<b>33,442</b>	<b>48,941</b>
Recovery of property charges	65	876	952
Recovery income of charges and taxes normally payable by tenants on let properties	3,446	2,583	3,910
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	0	-483	-483
Charges and taxes normally payable by tenants on let properties	-3,446	-2,581	-3,910
Other related rental expenses and income	-56	14	-176
<b>PROPERTY RESULT</b>	<b>39,247</b>	<b>33,851</b>	<b>49,234</b>
Technical costs	-1,090	-1,192	-1,784
Commercial costs	-778	-399	-810
Charges and taxes on unlet properties	-255	-432	-581
Property management costs	-2,996	-2,841	-3,808
Other property charges	-278	-324	-497
<b>PROPERTY CHARGES</b>	<b>-5,397</b>	<b>-5,188</b>	<b>-7,480</b>
<b>PROPERTY OPERATING RESULT</b>	<b>33,850</b>	<b>28,663</b>	<b>41,754</b>
Corporate operating charges	-1,646	-1,940	-2,796
Other operating charges and income	-245	277	260
<b>OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO</b>	<b>31,959</b>	<b>27,000</b>	<b>39,218</b>
Result on disposal of investment properties	15,175	3	3,600
Changes in fair value of investment properties	-17,804	9,166	13,371
<b>OPERATING RESULT</b>	<b>29,330</b>	<b>36,169</b>	<b>56,189</b>
Financial income	1,048	2,891	4,936
Interest charges	-8,946	-11,421	-16,331
Other financial charges	-3,020	-3,812	-4,939
<b>FINANCIAL RESULT</b>	<b>-10,918</b>	<b>-12,342</b>	<b>-16,334</b>
<b>PRE-TAX RESULT</b>	<b>18,412</b>	<b>23,827</b>	<b>39,855</b>
Corporate taxes	-395	-135	-294
Exit tax	364	1	1
<b>TAXES</b>	<b>-31</b>	<b>-134</b>	<b>-293</b>
<b>NET RESULT</b>	<b>18,381</b>	<b>23,693</b>	<b>39,562</b>
Attributable to:			
Minority interests	1	860	1,240
<b>Group shares</b>	<b>18,380</b>	<b>22,833</b>	<b>38,322</b>

(a) As the previous financial year ran from 01/07/07 - 31/12/08 (18 months), comparative pro forma figures are presented for the period 01/01/08 - 31/12/2008 (12 months) (unaudited). For more details, we refer to note 47 of the financial statements, recorded in the annual financial report 07/08.

#### Comments on the results

The **rental income** amounted to 39.2 million euro compared to 33.6 million euro the previous year. The rents of the retail sites in Luxembourg, acquired at the end of 2008, explain to a large extent this increase by 17%.

The **property charges** have slightly increased due to higher real estate agent's fees, mainly for the successful letting of the redeveloped office building Montimmo in Luxembourg. The management costs comprise as well the management fee paid to the statutory manager of the real estate investment trust (Leasinvest Real Estate Management SA), as the costs of the personnel of Leasinvest Services SA, a 100% subsidiary of Leasinvest Real Estate, responsible for the technical management of the buildings.

The **corporate operating charges** amounted to 1.6 million euro compared to 1.9 million euro in 2008.

The **result on the disposal of investment properties** (15.2 million euro or 3.80 euro per share) consists of a realized gain on the sale of the office building 'Bian' in Luxembourg at the end of June 2009.

The **changes in the fair value of the real estate portfolio** of -17.8 million euro (9.2 million euro on 31/12/08) is the consequence of a lower evaluation of the buildings by the independent real estate expert. The decrease of the value (non-cash) mainly relates to the Belgian portfolio (-19.1 million euro). In Luxembourg a slight decrease (-1.2 million euro) was entirely compensated by the increase of the evaluation at the completion of the finished and fully let office building Montimmo (2.5 million euro).

In the **financial result** are recorded, on the one hand, the negative changes in the fair value (non-cash) of the non-effective hedges (according to IAS 39) of 0.6 million euro (31/12/08: 3.5 million euro), and on the other hand, the paid premiums of 1.6 million euro for new hedges.

Making abstraction of the impact of IAS 39 and the paid premiums, the total financing cost of Leasinvest Real Estate amounted to 8.7 million euro compared to 8.9 million euro in 2008 (12 months). Thanks to the lower market interest rate, the average financing cost (taking into account an amortization cost of the premiums of the hedges) has decreased from 4.7% to 3.7%.

The **net current result**, or the net result excluding the portfolio result and the changes in the fair value of the non-effective hedges, increased by 22% from 17.7 million euro (or 4.43 euro per share) on 31/12/08 to 21.6 million euro (or 5.41 euro per share).

The **net result**, group share, amounted to 18.4 million euro compared to 22.8 million euro in 2008. In terms of net result per share this results in 4.6 euro for 31/12/09 compared to 5.71 euro on 31/12/08 (12 months). This decrease is mainly due to the aforementioned negative changes in fair value of the real estate portfolio compared to a positive variation last year.

**CONSOLIDATED BALANCE SHEET**  
(in 1,000 euro)

	31/12/09	31/12/08
	IFRS	IFRS
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>	<b>538,987</b>	<b>564,222</b>
Intangible assets	2	2
Investment properties, including development projects	537,518	563,234
Other tangible assets	31	33
Non-current financial assets	1,436	953
<b>CURRENT ASSETS</b>	<b>13,158</b>	<b>12,662</b>
Assets held for sale	0	0
Current financial assets	3,528	2,887
Trade receivables	5,782	4,762
Tax receivables and other current assets	746	1,659
Cash and cash equivalents	2,767	2,580
Deferred charges and accrued income	335	774
<b>TOTAL ASSETS</b>	<b>552,145</b>	<b>576,884</b>
<b>LIABILITIES</b>		
<b>TOTAL SHAREHOLDER'S EQUITY</b>	<b>274,918</b>	<b>264,431</b>
<b>SHAREHOLDER'S EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY</b>	<b>274,924</b>	<b>264,438</b>
Capital	44,128	44,128
Share premium account	70,622	70,622
Treasury shares (-)	-1,046	-1,046
Reserves	152,435	121,506
Result	18,380	38,322
Impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-8,129	-8,120
Change in fair value of financial assets and liabilities on financial assets available for sale	12	-630
on derivatives	-1,478	-344
<b>MINORITY INTERESTS</b>	<b>-6</b>	<b>-7</b>
<b>LIABILITIES</b>	<b>277,227</b>	<b>312,453</b>
<b>NON-CURRENT LIABILITIES</b>	<b>198,782</b>	<b>176,688</b>
Provisions	386	1,105
Non-current financial debts	193,050	172,460
Other non-current financial liabilities	4,943	2,704
Other non-current liabilities	403	419
<b>CURRENT LIABILITIES</b>	<b>78,445</b>	<b>135,765</b>
Provisions	0	0
Current financial debts	62,001	92,021
Trade debts and other current debts	6,141	11,141
Other current liabilities	1,267	24,298
Accrued charges and deferred income	9,036	8,305
<b>TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES</b>	<b>552,145</b>	<b>576,884</b>

### **Comments on the balance sheet**

The decrease of the **investment properties** valued at their fair value is the consequence of the negative changes of the estimated value by the independent real estate expert on the one hand, and of the sale of the office project 'Bian' on the other hand. For more details on the investment properties, we refer to the comments on the key figures (point 1.).

The **shareholders' equity**, group share (based on the fair value of the investment properties) stands at 274.9 million euro, or 68.79 euro per share, compared to 264.4 million euro per 31/12/08, or 66.17 euro per share.

Thanks to the sale of the building Bian the **financial debts** have decreased from 264.5 million euro on 31/12/08 to 255 million euro on 31/12/09, resulting in a decrease of the **debt ratio** from 52.06% (on 31/12/08) to 47.61%.

### **4. Important events after the closing of the financial year 2009**

No important events took place after the closing of the financial year 2009.

### **5. Appropriation of the result – dividend payment**

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to pay a gross dividend of 4.00 euro, and net, free of withholding tax, 3.40 euro, on 24/05/10.

The profit for appropriation of the current financial year 2009, based on the statutory accounts, amounts to 16,756,589 euro. Taking into account the profit carried forward from the previous financial year of 4,388,995 euro, this results in a profit for appropriation of 21,145,584 euro.

The board of directors of the statutory manager proposes to the ordinary general meeting of shareholders to appropriate the profit of 21,145,584 euro as follows:

- 5,159,592 euro to be carried forward to the next year
- 15,985,992 euro to be paid out as dividend.

Subject to the approval of the ordinary general meeting of 17/05/10, dividends will be paid out on presentation of coupon nr. 11 as from 24/05/10 at the financial institutions Bank Delen (main paying agent), ING Bank, Dexia Bank, BNP Paribas Fortis Bank and Bank Degroof.

### **6. Statement without reservation of the auditor**

The auditor has confirmed that his audit of the consolidated annual accounts has been fully completed and has not shown any important corrections, which should be made to the accounting data, presented in this press release.

## 7. Financial calendar

Annual financial report 2009 (online on website – official Dutch version)	19/04/10
Interim statement Q1 (31/03/10)	11/05/10
Annual meeting of shareholders	17/05/10
Dividend payment	24/05/10
Half-year results (30/06/10)	20/08/10
Half-year financial report according to IAS 34	31/08/10
Interim statement Q3 (30/09/10)	09/11/10

## 8. Annual financial report

The annual financial report (brochure) regarding the financial year 2009, which comprises the annual accounts, the annual report and the report of the auditor, is available as from 19/04/10 (online on website – official Dutch version) and can be obtained, on simple demand, at the following address:

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E [investor.relations@leasinvest.be](mailto:investor.relations@leasinvest.be)  
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*Real estate investment trust (sicafi) Leasinvest Real Estate SCA is listed on NYSE Euronext Brussels and invests in high quality and well-located offices, logistics and retail buildings in Belgium and the Grand Duchy of Luxembourg. At present the real estate portfolio of Leasinvest comprises 58 buildings, of which 43 are situated in Belgium and 15 in the Grand Duchy of Luxembourg, with a total real estate value of nearly 540 million euros.*