2015

ANNUAL FINANCIAL REPORT

Leasinvest REAL ESTATE

This annual financial report is a registration document in the sense of art. 28 of the Law of 16/06/06 on the public offering of investment instruments and the admission to trading of investment instruments on a regulated market.

The Dutch version has been approved by the FSMA, in accordance with art. 23 of the aforementioned law, on 22/03/2016. Leasinvest Real Estate has chosen Dutch as its official language, and only the Dutch version of the annual financial report forms legal evidence.

The French and English versions are translations of the Dutch version of the annual financial report. The annual financial report was translated under the responsibility of Leasinvest Real Estate.

Le rapport financier annuel en français peut être obtenu au siège de la société et peut être téléchargé du site internet www.leasinvest.be.

De Nederlandstalige versie van het jaarlijks financieel verslag is beschikbaar op de zetel van de vennootschap, op eenvoudige aanvraag en kan gedownload worden van de website www.leasinvest.be.

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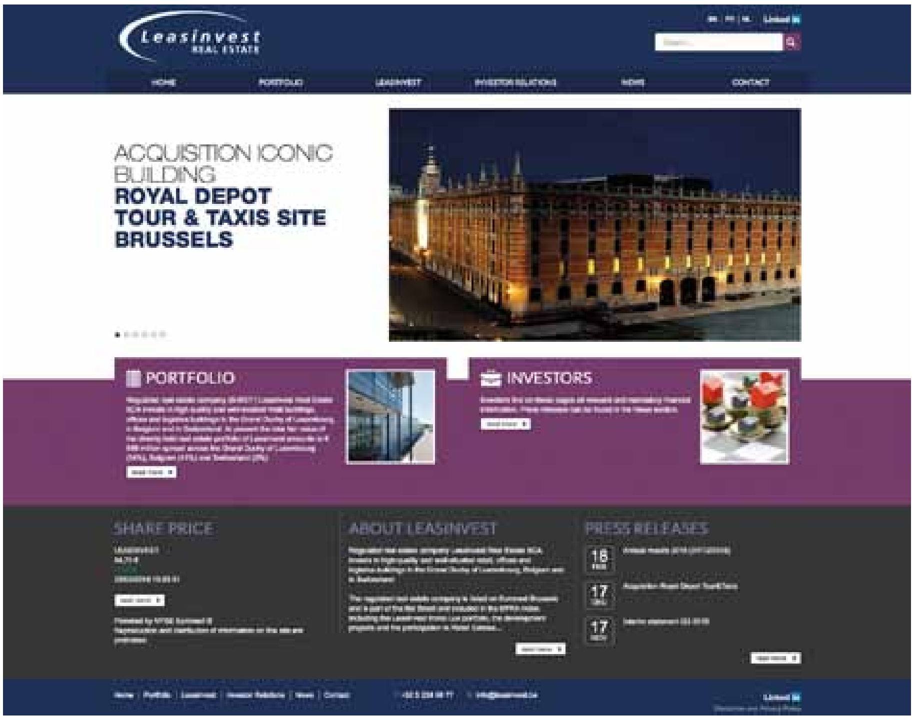

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Content

Risk factors


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In this chapter the main risks Leasinvest Real Estate is confronted with, are described. It also mentions the influence of these risks on its activities and the different elements and actions to limit their potential negative impact. These mitigating factors are commented in this chapter whereby a link is in each case created with the potential impact on the activities.

The mitigating factors and measures mentioned can possibly not entirely eliminate the potential influence of the identified risk. It is consequently possible that the impact should partially or entirely be borne by Leasinvest Real Estate and indirectly by its shareholders. The risks and mitigating factors are discussed in the audit committee that formulates an advice on the matter to the board of directors. This process is followed at least once a year, but divergences or adjustments or new risks are discussed in the audit committee on a quarterly basis.

MARKET RISK

Those who invest in real estate are looking for stability both with regard to the dividend as to long-term income streams. Besides the specific risks characteristic to managing a real estate portfolio, the evolution of the economic circumstances, described as the systematic risk, can have an impact on the real estate market, be it with a certain delay.

The main exogenous risks linked to the market risk and their possible impact on the one hand, and the mitigating factors and measures on the other hand, are commented below.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Deterioration of the economic situation compared to the current situation	1. Negative influence on the demand for space to rent 2. Higher vacancy and/or lower rents in the case of re-letting 3. Downwards adjustment of the value of the real estate portfolio and consequently a lower shareholders' equity (net asset value or "NAV")	• Diversification of the real estate portfolio, both geographically and as to asset class (1,2,3); The weight of retail in the consolidated portfolio stands at 42.2% and the offices part at 42.1%. The logistics and semi-industrial part amounts to 15.7%. The share in the portfolio of the Grand Duchy amounts to 54%, that of Belgium to 41% and that of Switzerland to 5%. • Sectorial diversification of the tenants (1,2,3). The main sectors are: retail & wholesale (47% compared to 50% on 31/12/14 and 46.6% on 31/12/13), the services sector (22.5% compared to 17% on 31/12/14 and 31/12/13), followed by non-profit organisations and international professional associations (8% compared to 10% on 31/12/14 and 31/12/13) and financial institutions (8% compared to 8% on 31/12/14 and 31/12/13). The largest sector retail & wholesale is diversified as it is based on the type of products offered (clothes, DIY, food & beverage). Besides, these are mainly part of the shopping centers, where the 'experience' aspect complements the retail aspect as to attracting customers.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
		• Weighted average duration of the rental contracts is comparable to that of the previous year and amounts to 4.84 years compared to 5.08 years end 2014 (1,2). • Accurate follow-up of tenants and an annual limited provision for doubtful receivables (1). • Active investment management (1,2,3).
Decreased demand of investors for real estate	1. Decrease of fair value of the real estate portfolio and lower shareholders' equity ("NAV") 2. Increase of debt ratio	• Active portfolio management illustrated by the transactions realized in the past and since 2013 (1), (2). • Diversification of the real estate portfolio, both geographically and as to asset class (1), (2).
A decline in economic activity resulting in a general price reduction, deflation	1. Possible decrease of the rental income 2. Decrease of the rents for current contracts 3. Relatively high opportunity funding cost following a decrease of the interest rates, taking into account the hedging policy, which leads to a lower shareholders' equity "NAV"; 4. Decrease of the capitalisation rates which could make the available offer for the acquisition of real estate relatively more expensive	• Clause in rental contracts stipulating a minimum level for the basic rent (1), (2). • Decrease of the capitalisation rates and consequently an increase of the fair value of the real estate and a higher shareholders' equity ("NAV") (3). • Active investment management (3).
Splitting-up or disappearing of the monetary union or political instability	1. Increase of the funding cost following a rise of the interest rates 2. Increase of the capitalisation rates and consequently a decrease of the fair value of the real estate portfolio and a lower shareholders' equity ("NAV")	• Increase of the fair value of the hedges concluded to cover the interest rate risk will partially mitigate the decrease of the NAV following a lower fair value of the real estate portfolio (2). • It is expected that Belgium and Luxembourg remain among the founding members of the monetary union. • The diversification to Switzerland contributes to potentially mitigating the effect of a disappearing of the monetary union. • Luxembourg, Switzerland and Belgium are politically relatively stable countries.
Extreme volatility and insecurity on the international capital markets	1. Difficult access to the stock markets to proceed to a capital increase and consequently limiting the reduction of the debt ratio and limiting the growth of activities 2. Increased volatility of the share price	• Extensive and frequent dialogue with the capital markets and financial counterparties (1,2). • Strong long-term relationships existing with current shareholders (1).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
In relation to real estate unfavourable financial markets within the scope of a/o but not exclusively new regulations	1. More difficult and more expensive access to credits 2. Limited liquidity for increasing credits	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. • Complete back-up of the commercial paper program with existing credit lines (1). • Aiming at maintaining an adequate availability margin on confirmed credit lines, however not entirely excluding this risk (2).
Volatility of the interest rates	1. Increase of the funding cost following a rise of the interest rates 2. Increase of the capitalisation rates and consequently a decrease of the fair value of the real estate portfolio and a lower shareholders' equity ("NAV" or Net Asset Value) at higher interest rates	• Increase of the fair value of the hedges will partially mitigate the decrease of the NAV following a lower fair value of the real estate portfolio (2). • Active hedging strategy (1). This hedging strategy aims at hedging approximately 75% of the forecasted debt within the first five years, through concluding credits at fixed interest rates or financial instruments through "interest rate swaps" and "interest caps". For the consequent 5-year period and till a period of ten years a ratio of 50% is aimed at. However, in executing this strategy, the evolution of the interest rates and the durations granted by the financial markets, taking into account the conditions for credits and financial instruments, are always considered.
Volatility of the exchange rate EUR/CHF	1. Decrease of the value of the acquired assets 2. Variability in net cash flows	• Hedging of the fair value risk (1) through a cross currency swap neutralizing fluctuations from the assets by fluctuations in the fair value of the de swap. • Variability in net cash flows is to a large extent compensated by natural hedging, which means that as many expenses as possible in Swiss Franc are geared to income in Swiss Franc.

OPERATIONAL RISK

The company's investment strategy is concretely translated into a diversified real estate portfolio and a limited development activity. The technical management of the real estate is partially internally (mainly Belgium) and partially externally (mainly Luxembourg) managed within the limits of the legislation on RREC.

The diversification as to assets with a limited correlation fits within the diversification of the market risks. Below the main risks relating to the real estate portfolio and the linked operational activities are reproduced, as well as their potential impact and the mitigating factors and measures.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Unsuitable policy resulting in unfit investment or development choices	1. Expected yields are not reached 2. Change in the income and risk profile of the company 3. Investment or real estate portfolio that is not adjusted to market demand and vacancy as a consequence	• Strategic and risk analysis, as well as a market, technical, administrative, legal, accounting and fiscal due diligence before each acquisition (1,2,3). • Internal and external valuation for each investment and divestment project (1,2,3). • Constant monitoring of changes in economic, real estate and regulation trends (2,3). • Management experience and formal procedure for approval by the board of directors (3).
Pipeline of developments for own account that is too large	1. Uncertainty on future income, costs and occupation	• Activity limited to one speculative development and to maximum 10% of the fair value of the total real estate portfolio in speculative development (1). • Taking a risk premium into account (1).
Risk specifically related to managing developments or redevelopments	1. Incapacity to obtain the necessary permits 2. Not respecting the budget, the timing and the intended quality 3. Long-lasting periods of vacancy 4. Not reaching the intended yield on the (re) development	• Internal specialized Project Management team with internal management system (1,2). • External specialized and carefully selected consultants for larger projects (1,2). • Commitment towards the environment in order to maintain the best possible constructive dialogue with the local decision-making levels and the environment (1). • No development is launched before being entirely funded and before there is sufficient certainty with regard to obtaining the necessary permits and lettings, should this not yet be the case at the start of the (re) development (3,4).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Negative changes in fair value of the buildings	1. The company is exposed to the risk of changes in fair value of its real estate portfolio. The quarterly valuations by independent real estate experts have an accounting impact on the net result, the net asset value per share and the company's debt ratio	• The value of the real estate portfolio is defined quarterly by independent surveyors, which allows implementing corrective measures (1), a/o by anticipating expiry dates of rental contracts or arbitrage on the portfolio. • Portfolio with different types of assets to which different compensating valuation trends apply (1). • Most important asset represents 12.5% of the balance sheet total and relates to a diversified retail and office building with a diversified tenant file. • Based on the balance sheet of end December 2015 an increase of the average yield by 0.10% would have had an impact of - € 17.3 million on the net asset value, group share and of - € 3.51 on the net asset value per share, and result in an increase of the debt ratio by 1.02% (namely from 58.03% to 59.05%.
Rental vacancy of the buildings	1. Loss of rental income 2. Downward adjustment of the rents 3. Higher commercial costs to attract new customers, which impacts the results 4. Value decrease of the buildings 5. Refurbishment costs	• Proactive commercial and property management (1,2,3,4,5). • Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to obtain a rental risk and income with an improved diversification therefore limiting the dependency of the regulated real estate company to the fall-out of one or more important tenants due to termination of the rental contract or bankruptcy (1,2,3,4). • Relatively high average duration of the rental contracts (4.84 years) following the transactions since 2013. • Close follow-up of tenants.
Maintenance costs and wear off and deterioration of buildings	1. Decrease of the results 2. Architectural or technical obsolescence and consequently reduced commercial appeal	• Periodical maintenance policy for the assets carried out by specialized firms (1,2). • Portfolio adjustment policy (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Destruction of buildings	1. Discontinuous activity and consequently loss of the tenant and reduced rental income	• Portfolio insured for a total reconstruction value of € 584.35 million (yearly indexed according to the ABEX index), excluding a loss of rent of maximum 36 months and other accessory guarantees. For buildings that are part of the global insurance policy of the regulated real estate company, the insured value is based on the 'new construction value', i.e. the cost for reconstruction of the building, including architects' fees and value-added tax (excluding the buildings that are subject to the VAT regime). With regard to buildings that are not subject to the global insurance policy (based on specific contractual provisions with the tenant and or buildings in co-ownership), similar conditions are usually negotiated. For more details on the insured value of the buildings we refer to the Real estate report on page 87.
Unforeseen non renewal or early termination of the rental contract	1. Rental vacancy 2. The regulated real estate company bearing costs itself that are, under normal circumstances, recoverable and commercial costs for re-letting 3. Decrease of income and cash flow 4. Refurbishment costs 5. Granting of higher incentives	• Internally and externally specialized teams responsible for the commercial management and the facility management (1,2,3,4,5). • Contractual compensation for the early termination of the contract and the existence of rental and bank guarantees (3). • In 2015 approximately € 199 thousand of rental incentives were granted with regard to the Belgian tenants portfolio (€ 67 thousand in 2014). The impact on the net result is usually spread and booked over 3 years. On the Luxembourg and Swiss portfolios the impact of the already granted rental incentives amounted respectively to € 216 thousand (1,3).
Decreased solvency / bankruptcy of the customer	1. Higher vacancy 2. Bearing costs that are normally recoverable and commercial costs for re-letting 3. Decrease of income and cash flow 4. Refurbishment costs	• Screening of the tenant's solvency with the assistance of an external rating agency (1,2,3). • The rent has to be prepaid (3). • Customary rental guarantee of minimum three months (3).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Concentration of the activities of the tenants	1. Loss of income if a specific sector is hit by an economic downturn	• Strong sector diversification with limited correlation of the tenants (1). • The breakdown of our tenants' portfolio according to sector remains good. The main sectors are: retail & wholesale (47% compared to 50% on 31/12/14 and 46.6% on 31/12/13), the services sector (22.5% compared to 17% on 31/12/14 and 31/12/13), followed by non-profit organisations and international professional associations (8% compared to 10% on 31/12/14 and 31/12/13) and the financial institutions (8% compared to 8% on 31/12/14 and 31/12/13). The largest sector retail & wholesale is diversified as it is based on the type of products offered (clothes, DIY, food & beverage).
Predominance of the most important tenants	1. Important negative impact on the rental income in case of departure	• Limited concentration of the most important tenants (1). The top 10 of the main tenants amounts to 30% of total rental income.
Risks related to the success of e-commerce	1. The growing market of e-commerce can lead to a decrease of the demand for the retail asset class held in portfolio by the regulated real estate company. In its turn, this can result in higher vacancy and lower rents 2. A decrease in demand for this type of property can lead to a diminution of fair value of the real estate portfolio of the regulated real estate company	• The retail asset class held by the regulated real estate company mainly relates to shopping centers with a broader perception and that also offer other services than merely shopping (1,2).
Concentration of investments in one or more buildings	1. Important negative impact on the rental income in case of departure of single tenants 2. Risk on larger negative impact on the NAV (net asset value) given the lower spread	• Limited concentration in one or more buildings (1,2). • 38% (calculated on the basis of the fair value) of the real estate portfolio is invested in buildings that represent individually more than 5% of total, of which more than half are retail buildings with different tenants (1,2).

FINANCIAL MANAGEMENT

The financial management is intended at optimising the costs of the capital and limiting the financing, liquidity, cash flow, counterparty and covenant risks.

Below the main risks related to the financial management and the linked operational activities are reproduced, as well as their possible impact and the mitigating factors and measures.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Insolvency of financial or bank counterparties (counterparty risk)	1. Termination of current credit lines (credits and hedges) and reduction of financial resources 2. Costs of restructuring and higher costs of new credits and facilities	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings and diversification of funding resources wherever necessary. The credit lines (partially used) (incl. the € 95 million bond loans) amount to € 568.7 million end 2015 compared to € 543.7 million end 2014. • Complete back-up of the commercial paper program through confirmed additional credit lines that are available. The credit lines made available by financial parties exceed the amount of the issued commercial paper (1, 2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). The margin end 2015 amounts to € 39.1 million compared to € 105 million end 2014 after deduction of the credit lines held available as back-up for the commercial paper. • Strong shareholders (1,2).
The non availability of financing or the intended duration of the financing (liquidity risk) and drying up of the commercial paper market	1. Impossibility to finance acquisitions, or only through increased costs and at a lower profitability 2. Impulse for selling assets at a value inferior to the fair value	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. The average duration of the total of credits, including the bond loans, amounts to 3.0 years (2014: 3.2 years, 2013: 3.7 years). • Complete back-up of the commercial paper program through available confirmed credit lines (1,2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). • Strong shareholders (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Insufficient cash flow to respect its financial obligations (cash flow risk)	1. No longer being able to satisfy the reimbursement of interests and capital	• Strict follow-up of the net cash flow and limiting the operational risks (1). • Financing is of the bullet type with a clear view on the maturity dates. • Aiming at maintaining an adequate availability margin on confirmed credit lines.
Combination of unfavourable interest rate changes, increased risk premium on the stock exchanges and increase of the banking margin (cost of the capital)	1. Increase of the weighted average cost of the capital of the company 2. Impact on the profitability of the company and of new investments	• Protection against the rise of the interest rates by using hedges. The policy is intended to hedge the interest rate risk for approximately 75% of the financial debt for a 5-year period and for circa 50% for the consequent 5-year period. At the end of 2014 the regulated real estate company has 31% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end 2014: 38%); 8% of current interest rate caps (with a limit on the interest rates) (end 2014: 9%), 30% of credits at fixed rates (2014: 35%) and 7% of cross currency swaps (1,2). For more details we refer to note 34 of the financial statements on page 172. • The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.27% (end 2014: 3.63%) excluding the effect of fair value adjustments on financial assets and liabilities; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 4.46% (2014: 4.01%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost. • Permanent dialogue with shareholders and bank partners for establishing solid long-term relationships (1,2).

(1) The rental income received during the financial year 2015 amply suffices to cover the potential increase of the interest charges. For the last three financial years the financial result compared to the rental income, amounts to 36.2% (2015), 27.5% (2014), 20% (2013), and the interest charges excluding the fair value adjustments, compared to the rental income, amount to 26.6% (2015), 25% (2014), 22% (2013).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
The financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. The risk of a potential loss of confidence and of not respecting the covenants exists	1. Possible termination of credits and an eroded confidence with investors and bankers 2. Sanctions and increased supervision from the regulator in the case of noncompliance with certain legal parameters	• The evolution of the debt ratio is regularly followed up and the influence of each investment project on the debt ratio is always analysed beforehand. • In accordance with art 24 of the RD of 13/07/2014 the RREC has to draw up a financial plan with an execution calendar when the consolidated debt ratio, as defined by the same RD, would amount to more than 50%. Herein are described the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. On 31/12/2015 the consolidated debt ratio amounted to 58.03% in comparison with 54.27% end 2014. The statutory debt ratio amounted to 63.79% on 31/12/2015 following the acquisition of the building T&T Royal Depot by additional bank funding in the company Leasinvest Real Estate SCA. A financial plan was consequently drawn up according to the provisions of art. 24 of the RD of 13/07/2014. This has further been commented in the financial report (note 34) at page 172.
Risk of non-compliance with the legal financial parameters to which the company is held	1. Sanctions and accrued supervision from the regulator if certain legal parameters are not met 2. Potential termination of credits and eroded confidence from banks and investors	• The evolution of the debt ratio is followed up regularly and the influence of each potential investment operation on the debt ratio is always analysed beforehand. • Cautious financial policy with constant monitoring of the figures to comply with the financial parameters. • In accordance with art. 24 of the RD of 13/07/2014 a RREC has to draw up a financial plan with an execution schedule if the consolidated debt ratio, as defined by the same RD, reaches more than 50%. In this document a description of the measures that will be taken to prevent the debt ratio from amounting to over 65% of the consolidated assets is reproduced. On 31/12/2015 the consolidated debt ratio amounted to 58.03% in comparison with 54.27% end 2014. The statutory debt ratio amounted to 63.79% on 31/12/2015 following the acquisition of the building T&T Royal Depot by additional bank funding in the company Leasinvest Real Estate SCA. A financial plan was consequently drawn up according to the provisions of art. 24 of the RD of 13/07/2014. This has further been commented in the financial report (note 34) at page 172.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Risk of divergence of the financial results from the predefined budget and legal demands	1. Untimely detection of potentially not meeting certain obligations	• Minimum quarterly updates of the financial model with checking of assumptions and the way they were set up, and continuous follow-up of parameters that could influence the result and the budget (1).
Risk of currency fluctuation relating to activities outside of the Euro zone	1. Decrease of income and cash flow	• Leasinvest Real Estate is mainly active in EURO countries and in Switzerland. With regard to the investment in Switzerland the fair value risk has been hedged. The variability of the net cash flows is to a large extent compensated by natural hedging whereby the income from Swiss francs is used to a maximum to cover local expenses in Swiss francs (1).
Risk of fair value changes of financial derivatives or a relatively higher funding cost following the selected hedges when the interest rates decrease	1. Decrease of the group's shareholders' equity 2. Lower net result and net current result	• Leasinvest Real Estate aims at an optimum funding cost taking into account the selected hedging strategy. The latter is adjusted in function of the market evolution and the conclusion of IRS or CAPS or fixed rate credits is considered (1,2).
Within the framework of art 617 of the Company Code, the distribution of dividends can be limited, also by the fact that Leasinvest Real Estate has an important subsidiary in the Grand Duchy of Luxembourg (Leasinvest Immo Lux) that only contributes dividends to the statutory results of Leasinvest Real Estate	1. Limited dividend yield for the shareholder	• Watch over sufficient income and compliance with art 617 and the distribution of dividends towards Leasinvest Real Estate.

LEGISLATION AND OTHER RISKS

Leasinvest Real Estate is a regulated real estate company and has to maintain its regulated real estate company status in order to benefit from the related favourable tax regime. Should the company loose its regulated real estate company status, it would break covenants with its banks and would have to reimburse its credits. Maintaining the regulated real estate company status is consequently primordial for the company. The company therefore takes into account all different provisions and rules of the legislation, i.e. the RREC law (the law of 12 May 2014 with regard to regulated real estate companies and the Royal Decree of 7 December 2010 with regard to regulated real estate companies. Leasinvest Immo Lux SA is a 100% subsidiary of Leasinvest Real Estate and has the status of a SICAV-SIF. It is equally important to maintain this status and to comply with the obligations imposed by the local authority, such as the FSMA for the regulated real estate company in Belgium and the CSSF for the SICAV-SIF in Luxembourg.
Besides this, the company has to comply with the company law, but also with specific regulations relating to urban development and to the environment, both in Belgium and in Luxembourg.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Non compliance with the legal regulated real estate company system	1. Loss of the regulated real estate company status and of the related transparent tax regime 2. Mandatory advanced reimbursement of certain credits	• Professionalism of the teams and the board of directors by supervision of strict compliance with legal provisions (1,2).
Non compliance with the legal SICAV-SIF system	1. Loss of the transparent tax regime for Leasinvest Immo Lux	• Professionalism of the teams and the board of directors by supervision of strict compliance with legal provisions through mediation of specialized consultants (1).
Changes in the EU-reference framework, i.e. IFRS and conversion of new initiatives in national legislation within the framework of AIFMD - Alternative Investment Fund Managers, EMIR-European Market Infrastructure Regulation	1. Influence on reporting, capital demands, the use of derivatives and the organization of the company 2. Defining the operational activities and potentially the valuation	• On-going evaluation of the changes in legal demands and their compliance, assisted by consultative meetings with professional associations (1,2). • Leasinvest Immo Lux SICAV-SIF, 100 % subsidiary of Leasinvest Real Estate in Luxembourg, is subject to AIFMD regulation as it is in principle qualified as an AIF. The company can however apply an exception rule to the applicable legislation, relating to the status of Leasinvest Real Estate and the shareholding structure, resulting in the fact that Leasinvest Immo Lux is eventually not considered to be an AIF (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Changes in regulations relating to urban development and to the environment	1. Higher costs to maintain the real estate in good condition 2. Decrease of the fair value of a building 3. Decrease of the occupancy	• Active energy performance and environmental policy for office buildings that anticipates the legislation as much as possible (1,2,3). We refer to the chapter Management report on page 123.
Change in tax legislation	1. Potential influence on acquisition and sales prices 2. As a consequence, potential impact on the valuation and consequently on the NAV (net asset value or shareholders' equity of the group) 3. Potentially higher nominal yield wanted by foreign pension funds i.e. art 95. of the RREC law 4. Besides this, new national legislations and regulations, or possible amendments to current legislation and regulations can enter into force, such as a/o the existing practices within the tax administration, recorded in the circular Ci.RH.423/567.729 of 23 October 2004 of the Belgian Ministry of Finance with regard to the calculation of the exit tax	• On-going evaluation of the changes in legal demands and their compliance, assisted by specialized external consultants (1,2,4).
Negative effect on consumer confidence	1. Negative effect on consumer confidence can lead to lower rents of retail tenants and a decrease of the fair value of retail buildings and consequently of the NAV	• Extensive analysis and due diligence of the aspects relating to the market and to the location of retail buildings (1). • Intense contact with tenants in order to closely follow-up the evolution of their turnover (1). • Diversified portfolio (1).
Complexity of acquisition or divestment files	1. Wrongly assessed risks of which the probability level and the impact have an influence on the profitability	• Extensive due diligence at different levels: property-technical, market, economic, tax, legal, accounting and administrative within the framework of each acquisition, together with specialized consultants (1).
Turnover of key personnel	1. Negative influence on current professional relationships 2. Loss of decisiveness and efficiency in the management decision-making process	• Remuneration package in line with market standards (1,2). • Working in teams, whereby individual responsibility for important and strategic tasks is avoided (1,2). • Clear and consistent procedures and internal communication (1,2).

"Leasinvest Real Estate's strategy remains focused on retail. Investments in offices are only made in case an outstanding opportunity presents itself such as the acquisition of the Royal Depot at the Tour & Taxis site in Brussels. Geographically the buildings are located in the Grand Duchy of Luxembourg, Belgium and Switzerland."

LU
54%

BE
41%

CH
5%

MISSION STATEMENT

Public Regulated Real Estate Company Leasinvest Real Estate SCA invests in high-quality and well-situated retail buildings, offices and logistics buildings, in the Grand Duchy of Luxembourg, in Belgium and in Switzerland. Through diversification of its portfolio, the company wants to achieve a rental yield in line with market performance, an acceptable dividend level and potential capital gains.

Rental income*
+297%

Net current result*
+145%

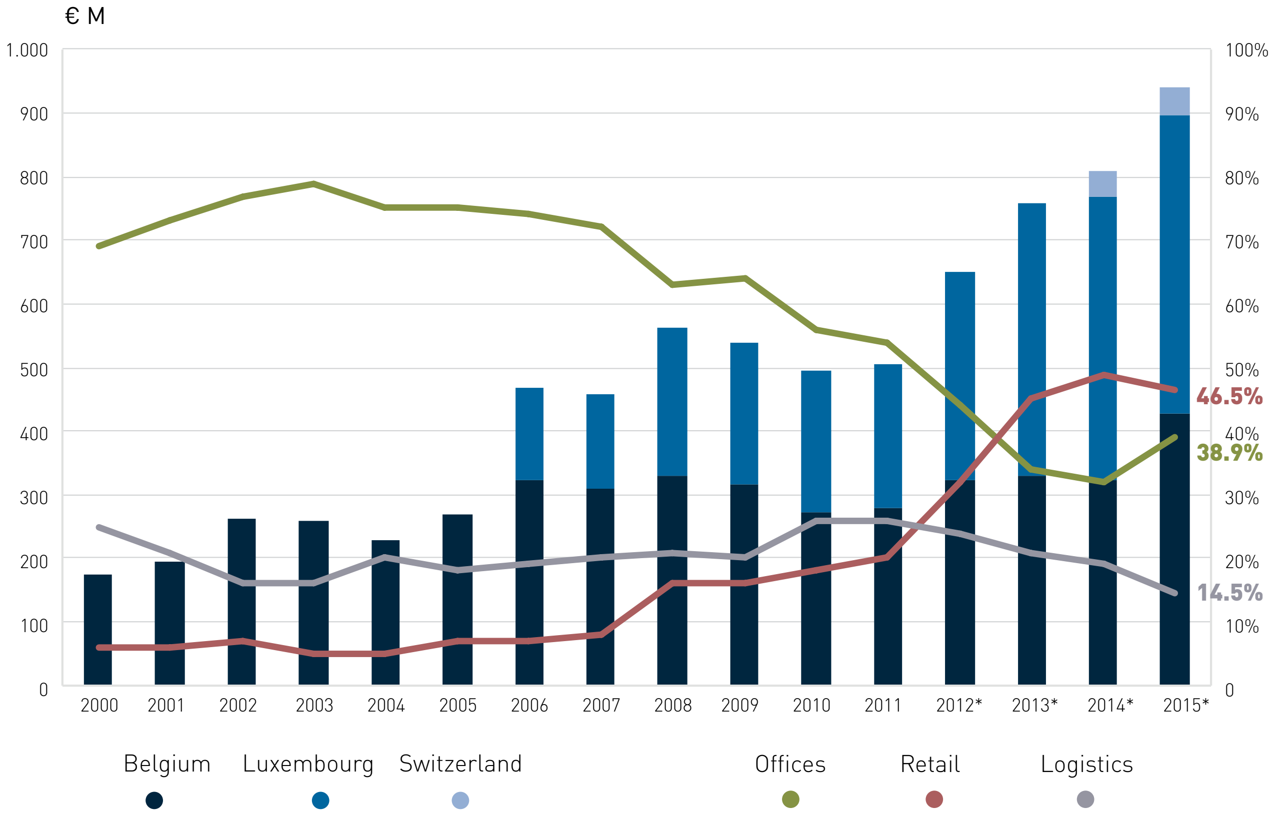
Net result*
+135%

Share price*
+92%

NAV investment value*
+170%

* Period of 01/07/1999 to 31/12/2015.

The diversification of the portfolio has evolved such as demonstrated by the graph below.



* Fair value including participation in Retail Estates at 31/12/2015. For more information we refer to the key figures of the real estate portfolio at page 32 and note 23 in the chapter financial statements.

After the successful investment in 2006 in the Grand Duchy of Luxembourg with the take over of the Leasinvest Immo Lux portfolio (ex-Dexia Immo Lux), a first step was taken in 2014 towards diversification to a 3rd country with the take over of an important retail portfolio in Switzerland.

Our focus has evolved from mainly offices to mainly retail (retail parks and medium-sized shopping centers) and offices; both asset classes should benefit from outstanding locations in the Grand Duchy of Luxembourg, Belgium and Switzerland. End 2015 the offices part – by the acquisition of the Royal Depot – has temporarily increased again. This situation will once more alter when the office building under construction Royal20 will be sold in the second quarter of 2016.

"In less than ten years Leasinvest Real Estate succeeded in reorienting its real estate portfolio from mainly offices to retail. Combined with our participation in Retail Estates this 'asset class' increases even more."

REAL ESTATE PORTFOLIO

We manage our portfolio in a proactive way and keep on pursuing intelligent investments, such as redevelopments that generate capital gains, or buildings with excellent locations.

Our commercial policy focuses on maximizing the average duration of the rental contracts (practically stable at 31/12/2015 at 4.84 years - 31/12/2014: 5.08 yeas) and the rents, and on maintaining a high occupancy rate, which amounted to 95.80% on 31/12/2015 (31/12/2014: 96.24%).

2015

Conclusion of a sales agreement for the (entirely pre-let) prestigious office project Royal20 in the Grand Duchy of Luxembourg as of its reception in 2016

Acquisition of iconic multi-tenant building Royal Depot at the Tour & Taxis site in Brussels

Start redevelopment Square de Meeûs in the Central Business District of Brussels (reception foreseen: 2017)

Further divestment of non-strategic buildings

1999

Real estate investment trust (bevak/sicafi) status granted
Listing on NYSE Euronext Brussels (previously the Brussels' Stock Exchange)

>2005

Different acquisitions of mainly office buildings in Belgium
Own management and personnel

2006

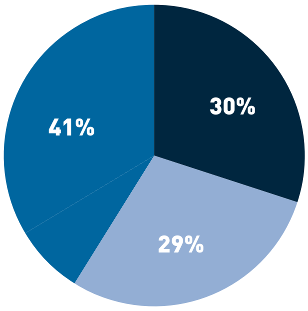
Geographical diversification towards the Grand Duchy of Luxembourg by the acquisition of the Luxembourg sicav Dexia Immo Lux (currently Leasinvest Immo Lux) for € 150 M (13 buildings)

For more information, consult www.leasinvest.be – Leasinvest – history.

INVESTOR PROFILE

Leasinvest Real Estate's investor profile consists of private investors, mainly in Belgium, and institutional investors in Belgium and abroad looking for acceptable dividend prospects in combination with limited risks in the medium term.

SHAREHOLDERS



- Ackermans & van Haaren Group
- AXA Belgium
- Free float

FINANCIAL CALENDAR

31/03/2016	Annual financial report 2015
17/05/2016	Annual meeting of shareholders
17/05/2016	Interim statement Q1 (31/03/2016) (incl. results OGM)
19/05/2016	Ex-date
20/05/2016	Record date
23/05/2016	Dividend payment
25/08/2016	Half-year financial report 2016
17/11/2016	Interim statement Q3 (30/09/2016)
16/02/2017	Year results 2016 (31/12/2016)

2007-2011

Divestment of office buildings and further diversification towards logistics in Belgium
Redevelopments of offices and storage in the Grand Duchy of Luxembourg
Focus on diversification towards retail with acquisition of top retail portfolio in Luxembourg

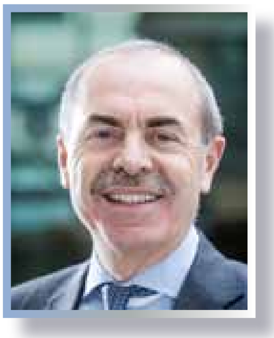
2012-2013

Investment in two shopping centers and acquisition of an important retail building in the Grand Duchy of Luxembourg
Completion & acquisition State Archives Bruges
Divestment of office buildings
Public capital increase and public and private bond issue

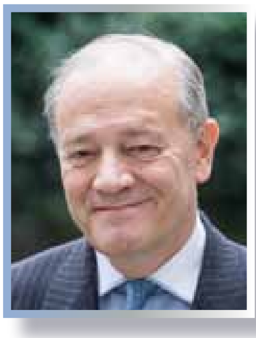
2014

Acquisition of important retail portfolio in Switzerland
Change of the status of sicafi into a public regulated real estate company (RREC)
Further divestment of smaller non-strategic buildings
Pre-letting of office project Royal20 in the Grand Duchy of Luxembourg

Letter to the shareholders



Jean-Louis Appelmans



Luc Bertrand

"The acquisition of the Royal Depot at the Tour & Taxis site in Brussels is a unique investment opportunity that perfectly fits our strategy to extend the real estate portfolio with high-quality, sustainable and 'time-proof' buildings."

Royal Depot Tour & Taxis Brussels, Belgium

THE MARKETS

The Grand Duchy of Luxembourg maintained its strong financial profile. The proactive policy of the government to keep the economy and the growth of the Grand Duchy of Luxembourg at its level has been continued. The Belgian economy remained difficult in 2015. Important structural reforms are necessary in order to improve the health of public finances and the potential growth of Belgium. Switzerland scrapped its Swiss franc euro peg in January 2015, resulting in a much stronger Swiss franc, which will probably have a temporary impact on the economy with a decrease of export, diminishing interior consumption and lower income from tourism as a consequence.

The evolution of the real estate markets knew a different evolution according to the asset class and the country. In the Grand Duchy of Luxembourg, where Leasinvest Real Estate is the most important foreign investor, a record volume in take-up in offices was realized in 2015, namely +15% with a low vacancy rate of 4.2%. The evolution in retail was comparable to that of 2014. In Belgium the office market recorded one of its lowest volumes of 300,000 m² (2014: 400,000 m²), but the rents and the vacancy rate (10.3%) remained stable. The rental volume in the retail market however evolved positively with an increase of 10%. The retail rental market in Switzerland was stable.

SUCCESSFUL FURTHER GROWTH

Notwithstanding the fact that the strategy of Leasinvest Real Estate remains focused on more retail in the real estate portfolio, an important acquisition was realized with the Royal Depot located at the Tour & Taxis site in Brussels. Consequently, the offices part of our real estate portfolio temporarily increases. With the planned sales in the second quarter of 2016 of the office building Royal 20 in Luxembourg, the offices part in our portfolio will further decrease.

On 31/12/2015 the Grand Duchy of Luxemburg, based on the fair value of the buildings, represented 54% of our global portfolio (2014: 59%), Belgium 41% (2014: 36%) and Switzerland 5%.

The retail part in our portfolio remains the main asset class in our global real estate portfolio with 42.2% (2014: 45%), where the offices part temporarily increased to 42.1% (2014: 35%) by the investment in the Royal Depot. Our real estate portfolio will continue to consist of retail and offices in the future. In the Grand Duchy of Luxembourg it will be more focused on retail and offices and in Switzerland on retail. Offices remain an interesting asset class when the situation is good, the building is, or can be made, sustainable, and a capital gain can be realized in the long term, as illustrated by our recent investment in the Royal Depot that meets these investment criteria.

Monnet, Luxembourg

THE REALIZATIONS IN 2015 AND THE OBJECTIVES FOR 2016

The direct real estate portfolio amounted to € 869 million end 2015, or a rise by 14.9% (2014: +5.3%), including the indirect investments (with the participation in Retail Estates SA) the consolidated real estate portfolio amounted to € 940 million.
The investments amounted to € 134 million, which is higher than in 2014 (€ 41 million) and mainly consisted of the acquisition of the Royal Depot (€ 108 million), the subscription of the capital increase in the public RREC Retail Estates (€ 7.6 million) and further investments (€ 19 million) such as the office project Royal20 to finalize in the city of Luxembourg. In Belgium and Luxembourg some divestments of smaller or less strategic buildings were made in 2015.
The leases in 2015 evolved well with as most important realization the 100% lease of the renovated office building Monnet (Kirchberg, city of Luxembourg), the extension of the rental contracts with some of our most important tenants respectively in the retail site in Strassen and in our retail buildings in Etoy & Villeneuve (Switzerland) and the further letting to over 90% (2014: 80%) of the office building The Crescent (Anderlecht, Brussels).
The global occupancy rate[1] remained quasi stable at 95.80% (2014: 96.2%).
In 2015 most of our objectives within the framework of the further growth and increase of the quality of our portfolio were realize.

The rental income in 2015 was comparable to that of 2014, namely € 50.5 million, whereby the like-for-like rental income decreased by 3.3% (as a consequence of the vacancy of our buildings under renovation). The net result and the net current result compared to 2014 slightly decreased by respectively 6% and 1.9%, or € 30.6 million (2014: € 32.6 million) and € 25.6 million (2014: € 26.1 million). The reasons for this are mainly the consequence of the increased technical, management and vacancy costs following the vacancy of the buildings Monnet and Square de Meeûs under renovation in 2015.

Notwithstanding the foreseen demolition and reconstruction of 2 buildings in the CBD Brussels (Square de Meeûs and Montoyer 63) that will start in 2016 and except for extraordinary circumstances, the company expects to realize - thans to the acquisition of the Royal Depot - a higher net result and net current result in 2016 than in 2015; the dividend over 2016 will at least be maintained at the same level.

Rental income
€ 50.5 million

Net result
€ 30.6 million

Net current result
€ 25.6 million

Occupancy rate
95.80%

Retail
42.2%

Grand Duchy of Luxembourg
54%

1 The occupancy rate takes into account all buildings, except for those recorded in the assets held for sale and the development projects, and is calculated in function of the estimated rent as follows: (estimated rent- estimated rent on vacancy)/ estimated rent.

THE DIVIDEND AND THE PRICE OF THE SHARE

It is proposed to distribute for the financial year 2015 a gross dividend of € 4.70 that is 3.30% higher than the gross dividend of € 4.55 over 2014. The net dividend 2015 amounts to € 3.431 (27% withholding tax) in comparison with € 3.4125 (25% withholding tax) end 2014. Given the closing price at 31/12/2015 of € 93.09 this results in a dividend yield of 5.05% gross or net 3.76% (based on 27% withholding tax). The price of the Leasinvest Real Estate share fluctuated during the financial year between € 79.40 and € 97.85. End 2015 the share was listed at € 93.09, which generated a premium of 26.8% compared to the net asset value of € 73.40 at 31/12/2015 (based on the fair value of the real estate).

SUSTAINABLE BUILDINGS

Leasinvest Real Estate is aware of the fact that its ecological footprint can be reduced, by further focusing on sustainability and treating its energy, water, electricity and waste management in a conscious way. Wherever possible we invest to make our buildings more sustainable and obtaining a 'Breaam in-use' certificate[1] for a/o the redevelopment of the office buildings The Crescent (Brussels) and Motstraat (Malines). For a potentially new construction, such as the office project Royal20 in the City of Luxembourg, we aim at obtaining a Breeam 'excellent'. In 2016/2017 a number of office buildings (Montoyer 63 and Square de Meeûs located in the City of Brussels) will be demolished and entirely reconstructed in order to better position these buildings in the market and make them more sustainable (Breeam certified).

The final purpose is to own a high-quality real estate portfolio that is well located, well performing at a technical level, sustainable and requiring less maintenance costs.

1 For more information we refer to www.breeam.org.

"We wish to thank all our tenants, suppliers, real estate agents, banks, investors and shareholders in the Grand Duchy of Luxembourg, in Belgium and in Switzerland, for their confidence in Leasinvest Real Estate. We also would like to thank our employees for their continued efforts, which have led to achieving these results."

Jean-Louis Appelmans
Managing director

Luc Bertrand
Chairman of the board of directors

Key figures


KNAUF
shopping center

THE KEY FIGURES RELATE TO IAS/IFRS KEY FIGURES

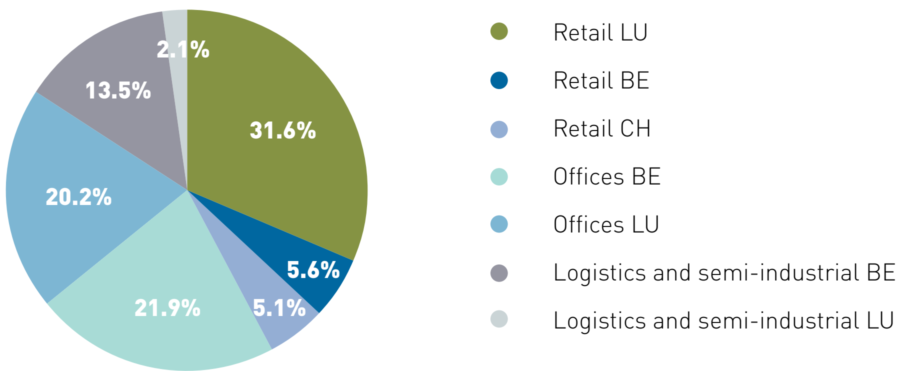
At the end of 2014 Leasinvest Real Estate (LRE) fully consolidates the following participations: the Luxembourg SICAV-SIF Leasinvest Immo Lux SA, Leasinvest Services SA, Canal Logistics Brussels SA, Orli Lux sàrl, RAB Invest SA, S. Invest I SA, Porte des Ardennes Schmiede SA, T&T Koninklijk Pakhuis NV and Haven Invest NV.

Key figures real estate portfolio (1)	31/12/2015	31/12/2014
Fair value real estate portfolio (€ 1,000) (2)	869,361	756,327
Fair value investment properties incl. participation Retail Estates (€ 1,000) (2)	939,786	808,126
Investment value investment properties (€ 1,000) (3)	886,390	770,680
Rental yield based on fair value (4) (5)	6.88%	7.23%
Rental yield based on investment value (4) (5)	6.75%	7.10%
Occupancy rate (5) (6)	95.80%	96.24%
Average duration of leases (years)	4.84	5.08

(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 31/12/2015.
(3) The investment value is the value as defined by an independent real estate expert and of which the transfer rights have not yet been deducted.
(4) Fair value and investment value estimated by real estate experts Cushman & Wakefield / DTZ Winssinger / Stadim.
(5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken into account, excluding the projects and the assets held for sale.
(6) The occupancy rate has been calculated based on the estimated rental value.

The consolidated real estate portfolio of LRE comprises, at the end of 2015, 33 sites (including the assets held for sale & the development projects) with a total surface area of 458,564 m².
16 sites are located in the Grand Duchy of Luxembourg (54% compared to 60% the previous financial year), 14 in Belgium (41% compared to 40% the previous financial year) and 3 in Switzerland (5%).

The fair value of the real estate portfolio amounts to € 869.36 million end 2015 compared to € 756.33 million end December 2014. The increase is mainly explained by the acquisition of T&T Royal Depot for € 108 million. The composition of the portfolio (fair value) is as follows:

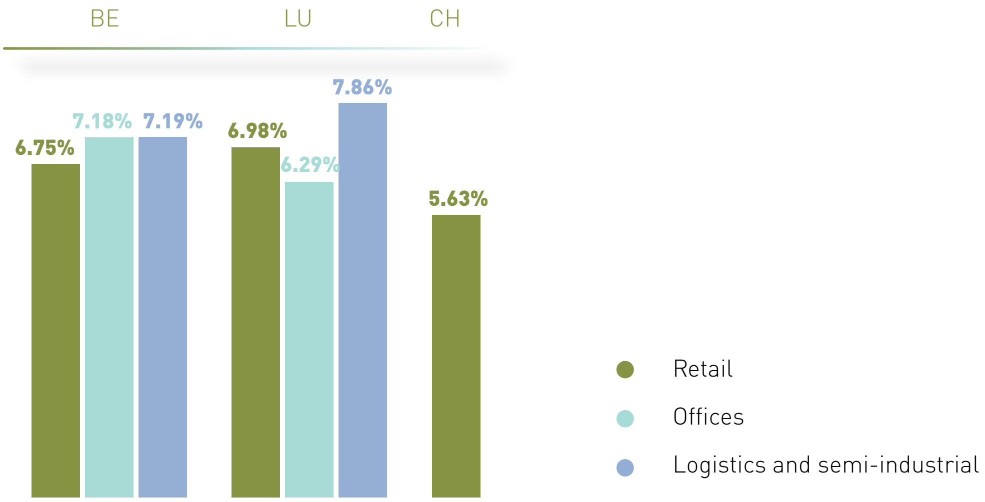


The global direct and indirect real estate portfolio (including the participation in Retail Estates SA) amounts to nearly € 940 million end 2015.

By the realized operations, the share retail amounts to 42.2% (2014: 45%), offices to 42.1% (2014: 35%), and logistics buildings to 15.7% (2014: 20%). This breakdown will again change in favour of retail as soon as the planned divestment of the completed office building Royal20 will have taken place in the second quarter of 2016.

The rental yield of the real estate portfolio in operation based on the fair value amounts to 6.88% (compared to 7.23% end 2014), and based on the investment value, to 6.75% (compared to 7.10% end 2014).

Details on yield per asset class and location (fair value) (1)



(1) There is an inverse relationship between yield and value; a higher value namely results ceteris paribus in a lower yield. These yields are calculated on the basis of the assets available for lease.

The date per share are calculated based on 4,935,478 shares entitled to dividends, or the number of registered shares at the reporting date, namely 4,938,870, minus 3,392 treasury shares, acquired within the framework of the legal procedure on the dematerialization of bearer securities in conformity with article 11 of the law of 14 December 2005.

For the comments on the balance sheet and the income statement, we refer to the management report on page 53.

Key figures balance sheet	31/12/2015	31/12/2014
Net asset value group share (€ 1,000)	362,405	336,410
Net asset value group share per share	73.4	68.1
Net asset value group share per share based on investment value	76.9	71.0
Net asset value group share per share EPRA	81.3	75.5
Total assets (€ 1,000)	976,302	836,914
Financial debt	532,249	441,155
Financial debt ratio (in accordance with legal RREC regulation)	58.03%	54.27%
Average duration credit lines (years)	2.96	3.20
Average funding cost (excl. changes in fair value fin. instruments)	3.27%	3.63%
Average duration hedges (years)	6.58	6.13

Key figures results	31/12/2015	31/12/2014
Rental income (€ 1,000)	50,455	50,175
Net rental result per share	10.22	10.16
Net current result (€ 1,000) (1)	25,564	26,062
Net current result per share	5.18	5.28
Net result group share (€ 1,000)	30,618	32,572
Net result group share per share	6.20	6.60
Comprehensive income group share (€ 1,000)	48,901	21,321
Comprehensive income group share per share	9.90	4.32

(1) The net current result consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.

Appendix: Key performance indicators according to the EPRA reference system

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

For the integral overview of the EPRA KPI's we refer to page 56 of the management report.

	Definitions	2014 (x € 1,000)	2014 (€/share)	2013 (x € 1,000)	2013 (€/share)
EPRA Result	Current result from strategic operating activities	30,618	6.20	26,062	5.28
EPRA NAV	Net Asset Value (NAV) adjusted to take into account the fair value of investment properties and excluding certain elements that do not fit into a financial model of long-term real estate investments	401,026	81.25	372,862	75.50
EPRA NNNAV	EPRA NAV adjusted to take into account the fair value of the financial instruments, the debts and deferred taxes	362,405	73.43	335,334	67.90
		(in %)		(in %)	
EPRA Net Initial Return (NIR)	Annualized gross rental income based on current rents at closing date of the annual accounts, excluding property charges, divided by the portfolio's market value increased by the estimated transfer rights and costs from hypothetical disposal of investment properties	6.06%		6.08%	
EPRA Adjusted NIR	This ratio corrects the EPRA NIR with regard to the end of gratuities and other rental incentives	6.10%		6.00%	
EPRA Vacancy	Estimated rental value (ERV) of vacant space divided by ERV of total portfolio	4.05%		3.73%	
EPRA Cost Ratio (incl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income	24.26%		23.68% (1)	
EPRA Cost Ratio (excl. directs rental vacancy costs)	Ratio of operating and general charges compared to gross rental income, excl. direct rental vacancy costs	22.51%		22.68% (1)	

(1) EPRA cost Ratio: the amounts for 2014 have been adjusted following a calculation error.

Management report

Content management report

Etoy, Switzerland

Jean-Louis Appelmans • Chief Executive Officer

"The take-over of the iconic building Royal Depot at the Tour & Taxis site in Brussels, composed of 85% of offices and 15% of retail is for Leasinvest Real Estate a unique opportunity that fits entirely within the strategy of expanding the real estate portfolio with very well located retail and office buildings. This historic building is the central pivot of the further to be developed Tour & Taxis site, due to its unique architecture and location."

Royal Depot Tour & Taxis Brussels, Belgium

Strategic focus

Creation of shareholder value resulting in a high dividend yield	by creating capital gains through	▶ active portfolio management ▶ dynamic investment and development policy ▶ divestment of non-strategic buildings
Generation of recurrent cash flow	through a dynamic commercial policy	▶ that responds to tenant's needs ▶ that is market-driven on a permanent basis ▶ striving for a high occupancy rate
Development of a high-quality real estate portfolio	by optimizing the portfolio	▶ redevelopment, enhancing sustainability and renovating of existing buildings ▶ strategic acquisitions
Limiting the risk profile	through diversification	▶ geographically: Grand Duchy of Luxembourg, Belgium and Switzerland ▶ asset classes: focus on retail and offices in the Grand Duchy of Luxembourg

INVESTMENT POLICY

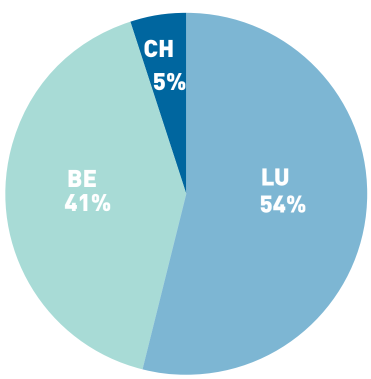
After its successful diversification in 2006 to the Grand Duchy of Luxembourg Leasinvest Real Estate has concretized its further geographical diversification with the take over, in 2014, of an important retail portfolio in the Vaud canton in the west French-speaking part of Switzerland.

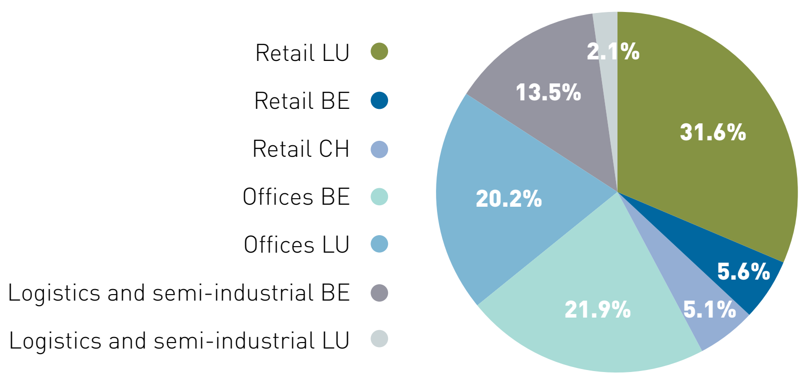
The offices part has temporarily increased end 2015 from 35% to 42.1% by the acquisition of the Royal Depot, but this share will decrease again, by the future sale of the office building Royal20. At the end of 2015, retail represents 2015 42.2% of the consolidated real estate portfolio.

INVESTMENT CRITERIA

- diversification geographically & per asset class
- countries: Luxembourg, Belgium & Switzerland
- focus on retail sector (retail parks/ medium-sized shopping centers)
- continue to look for redevelopment opportunities of office buildings in well-located CBD
- divestment of mainly non-strategic buildings

The graphs below show the breakdown of the consolidated real estate portfolio base on fair value as to asset class and location.





The text mentioned hereafter comprises an extract of the report of the statutory manager to the ordinary general meeting of shareholders of Leasinvest Real Estate which will be held on 17/05/16 with regard to the statutory and consolidated IFRS figures for the financial year 2015 and the related notes. The consolidated figures are reproduced in full hereafter.
For more information on the statutory financial statements, we refer to the statements in the Permanent document on page 202.

WHY LUXEMBOURG?

Since 2006 Leasinvest Real Estate applies a clear geographical diversification strategy, with the acquisitions in the Grand Duchy of Luxembourg and, in 2014, Switzerland. Since 2008, the focus as to asset class shifted from a preponderance of offices towards a majority of retail. The portfolio of the RREC on 31/12/2015 consists of: 42.2% retail, 42.1% offices, 15.7% logistics (incl. the State Archives in Bruges) and is located for 54% in the Grand Duchy of Luxembourg, for 41% in Belgium and for 5% in Switzerland.

The choice to invest in the Grand Duchy of Luxembourg is mainly inspired by the healthy and stable economic and political situation (AAA status) of the country that recorded in 2015 an important GDP growth of 3.2%. The country disposes of a strong financial center and is the European no 1 in private banking and worldwide no 2 in fund management. In the Grand Duchy of Luxembourg that has a population of over 500,000 inhabitants, a daily flow of 150,000 people from the neighbouring countries Belgium, France and Germany come over there to work. All these factors contribute to the Grand Duchy of Luxembourg being a very interesting country for all types of real estate investments, which is also demonstrated by the vacancy rate of our Luxembourg portfolio that amounts to only 2.15%.

WHY SWITZERLAND?

Switzerland, just as is the case for the Grand Duchy of Luxembourg, has been granted a AAA status and recorded over the entire year 2015 a growth of the gross domestic product of 0.9%, in comparison with 3.2% for the Grand Duchy of Luxembourg and 1.9% for the entire Euro zone (cf. information on the real estate market Cushman & Wakefield – see real estate report). The unemployment rate in 2015 only amounts to 3.3%, which is certainly better than both the levels in the Grand Duchy of Luxembourg and Belgium.
Switzerland also knows a very stable macro-economic environment.
The recent decision of the Swiss central bank to let go of the fixed rate compared to the euro has led to a situation of +/- parity of both currencies. The strong Swiss Franc had a temporary negative impact on the Swiss economy and its export. According to analysts, this impact will continue to have consequences over the next two years (market information SPG Intercity).
According to the Global Competitiveness Report 2015 – 2016 of the World Economic Forum Switzerland remains no 1 for the seventh consecutive year.

In the course of the past financial years Leasinvest Real Estate has further concretized its "turnaround" strategy to invest more in retail and less in offices, and more in the Grand Duchy of Luxembourg (and Switzerland).

In certain regions in Belgium the office market has lost a lot of its appeal, due to the following different factors, namely (1) the office market is under pressure due to the poor economic situation of the last years, resulting in annual take-up dropping each year since the start of the financial and economic crisis at the end of 2008; take-up was again lower than in 2014, but with a strong pipeline for 2016; there is still an important potential, but only for new or fully renovated buildings in the central business districts of Brussels that meet the strictest criteria with regard to energy efficiency and sustainability, (2) this lower take-up trend led to lower rents that have barely evolved over the last 15 years, (3) completions of new office developments over the last couple of years have unnecessarily increased the offer and although the net take-up is still negative, the total vacancy rate of the Brussels office market still amounts to just below 10%, (4) the high vacancy rate of mainly older and/or technically unadjusted buildings has risen each year and many of these buildings are transformed into residential buildings.

In the Grand Duchy of Luxembourg an absolute record take-up level was recorded in 2015 (see real estate report, market information on page 68).

WHY RETAIL?

The choice for retail property is inspired by the necessity for consumers to keep on shopping in an agreeable and pleasant atmosphere, as well as by the fact that the European population keeps growing, by the interesting rental yields, the low renovation and maintenance investments (opposed to e.g. investments for renovating offices into sustainable buildings) for Leasinvest Real Estate as the landlord, and the constancy of retail tenants with regard to good locations. With regard to sub-segments, Leasinvest Real Estate focuses on retail parks and medium-sized shopping centers, such as the Knauf shopping centers in Schmiede and Pommerloch that are market leaders in the North of the Grand Duchy of Luxembourg.

SUCCESSFUL REDEVELOPMENTS

The geographical diversification towards the Grand Duchy of Luxembourg remains a very successful move because of the good economic indicators, the relatively stable market situation, the reduced impact of the financial and economic crisis on the country, lower vacancy figures and a still attractive office rental market mainly in the Central Business District and at Kirchberg, where the rents rise due to an increase of the take-up and a lack of new quality developments. Since the end of 2013 Leasinvest Immo Lux has become the main foreign real estate investor in the country (source: Expertise/JLL Luxembourg).

For the prestigious office project Royal20 of Leasinvest Real Estate, located boulevard Royal in the center of the city of Luxembourg, that will be completed in the second quarter of 2016, a future sales agreement that will enter into force as of its reception, was concluded in 2015; end 2014, this project was already 100% pre-let to the Luxembourg branch of China Merchants Bank, one of the Chinese banks entering into the Luxembourg market over the last couple of years (more information below).

Besides direct investments in newly acquired real estate, redevelopments have also proven to be very successful these last few years.

The redevelopment projects CFM, Bian, Montimmo and Royal20 realized in Luxembourg accounted for a total of € 55 million of realized and unrealized capital gains.
In 2012 the redevelopment of the building The Crescent in Anderlecht (Brussels) into a 'green intelligent building', with extension to a business center, was completed with over 90% let on 31/12/2015. Older and/or less strategic office buildings are preferably sold if an opportunity presents itself, as was the case in 2015. A total of € 87 million was divested (see overview of divestments in the Management report). Of this total amount, € 62.5 million will only be received as of the reception the building Royal20, expected in the second quarter of 2016.

Hornbach Bertrange, Luxembourg

COMMERCIAL STRATEGY

By a sustained dynamic & proactive commercial management, Leasinvest Real Estate endeavours to keep the occupancy rate (95.80% on 31/12/2015 compared to 96.24% on 31/12/2014) at a high level and to increase as much as possible the average duration of the leases, that remained relatively stable at 4.84 years (5.08 years on 31/12/2014).

To this effect, Leasinvest Real Estate has its own property and/or project management team wherever necessary, responsible for the commercial, technical and/or project management of the buildings, or appeals to specialized external parties that remain under the final responsibility and control of Leasinvest Real Estate (for more information we refer to the operational management of the buildings in the real estate report on page 91).

Diekirch, Luxembourg

FUNDING & HEDGING STRATEGY

The board of directors of the statutory manager of Leasinvest Real Estate opts for a conservative funding policy, limiting the internal debt ratio within a spread of 50 to 55%, while the maximum allowed debt ratio according to the RD of 13/07/2014 on regulated real estate companies (RRECs), amounts to 65%. The debt ratio on 31/12/2015 temporarily amounts to 58.03% (compared to 54.27% per 31/12/2014) and thus outside of the predefined spread of 50% to 55%. Given the nearing sale in the second quarter of 2016 of the office building Royal20 in the Grand Duchy of Luxembourg finished by then, for a net sales price of € 62.5 million, the debt ratio will again decrease within the predefined spread of 50% to 55%*. Following article 24 of the RD of 13 July 2014, a public RREC has to draw up a financial plan with an execution calendar, as soon as the consolidated debt ratio amounts to more than 50%, in which it gives a description of the measures that will be taken to prevent the consolidated debt ratio from amounting to more than 65% of the consolidated assets. Over this financial plan a special report is drawn up by the auditor, in which is confirmed by the latter that he has verified the development procedure of the plan, namely with regard to its economic fundamentals, and that the figures recorded in this plan, correspond to those of the accounts of the public RREC.
The general guidelines of the financial plan are recorded in the financial statements in note 34.

In 2015 Leasinvest Real Estate has renewed € 50 million of expired credit lines and concluded € 25 million of additional credit lines. Consequently, the credit lines at the end of 2015 amount to € 568.7 million compared to € 543.7 million end 2014, (each amount incl. the € 95 million of current bond loans).
The decrease of the average funding cost in 2015 from 3.63% to 3.27% is explained, on the one hand, by refinancing expired credits at lower margins, and on the other hand, by restructuring the hedging portfolio. By the current hedging level with a hedge ratio of 76% at the end of 2015, the impact of the current negative variable interest rates on the total portfolio is relatively limited.

Debt ratio (temporary)*
58.03%

Duration hedges
6.58 years

Funding cost
3.27%

Duration credit lines
2.96 years

Total credit lines
€ 568.7 million

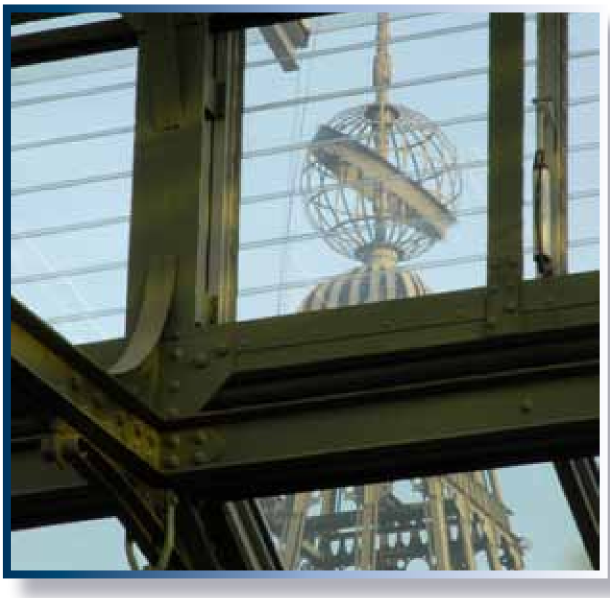
Important events

2.1 DURING THE FINANCIAL YEAR 2015

HIGHLIGHTS

- Global real estate portfolio (1) increases to € 940 million thanks to the acquisition of the Royal Depot at the Tour & Taxis site
- Net asset value (group share) per share EPRA of € 81.3 (+ 7.6%)
- The outlook for 2015 has been confirmed by the realized figures
- High occupancy rate of the real estate portfolio at 95.80%
- Rental income stable at € 50.5 million
- Net current result is in line with 2014 and amounts to € 25.6 million
- Net result amounts to € 30.6 million (2014: € 32.6 million)
- Dividend increase to € 4.70 gross per share (+ 3.2%)

(1) The global real estate portfolio consists of the direct (buildings) and indirect (mainly participation in Retail Estates) real estate portfolio.



INVESTMENTS AND DIVESTMENTS

IINVESTMENTS

Belgium

Acquisition Royal Depot at Tour & Taxis site in Brussels

On 17 December 2015 Leasinvest Real Estate (LRE) has acquired 100% of the shares of T&T Royal Depot SA from Extensa Group SA, owner of the iconic building called 'Royal Depot', on the basis of a long-term lease initially granted by the Port of Brussels[1]. This acquisition represents a fair value of € 108 million[2] with a yearly rental income of € 6.06 million resulting in an initial yield of 5.61%, in line with the market. The funding of this acquisition was entirely secured by using available credit lines.

The construction of the Royal Depot was started between 1904 and 1906 based on a design of the architect Ernest Van Humbeeck. The building dates from 1910 and was, used for long-term storage of goods under government supervisions. The Royal Depot was entirely renovated in 2000-2004 into a multifunctional and multi-tenant building with a very diversified rent risk with some 50 tenants spread across 4 floors with a total of 44,603 m² offices, commercial spaces and archives.

Ever since its renovation, the Royal Depot has been nearly fully occupied and the average rent per m² has gradually increased over this period. The Royal Depot is a niche building and an 'experience hub' for the entire Tour & Taxis site. The central location and the combination of an historic building with facilities and the event-like character of the Tour & Taxis site make the Royal Depot a very sought after and unique investment object.

As Extensa Group SA is a 100% subsidiary of Ackermans & van Haaren SA, a company related to LRE[3], this transaction was realized in accordance with art 524 of the Company Code and art 37 of the RREC Law. This acquisition is in the interest of LRE and fits within its strategy.

Royal Depot Tour & Taxis Brussels, Belgium

Occupancy rate
95.80%

Recurring rental income
€ 50.5 million

Net asset value per share EPRA
€ 81.3

Dividend (gross) per share
€ 4.70

1 A 100% subsidiary of LRE will acquire the residual rights at the beginning of 2016.
2 The value agreed upon comprises both the value of the long-term lease and the residual rights, and is not higher than the valuation by the independent real estate expert of LRE in accordance with article 49 of the law of 12 May 2014 on RREC.
3 For more information on this we refer to the corporate governance chapter 10.3 Settlement of conflicts of interest on page 110.

Public capital increase Retail Estates

In May 2015 the RREC (BE-REIT) Retail Estates SA has realized a public capital increase of € 76.2 million, of which LRE subscribed € 7.6 million. The participation of LRE in Retail Estates amounts to a little over 10%.

DIVESTMENTS

Grand Duchy of Luxembourg

Sale Kiem

On 16 March 2015 Leasinvest Real Estate, via its 100% Luxembourg subsidiary, Leasinvest Immo Lux, has sold the office building located rue Kiem in Strassen in the Grand Duchy of Luxembourg to a private investor for an amount of € 6.3 million (excluding costs) which is not lower than the fair value on 31 December 2014.

The building comprises 1,700 m^2 and 50 parking spaces. The building is located in the periphery and is part of a complex of 3 similar office buildings located between the route d'Arlon and the rue Kiem. The occupancy of the building was only 20% and due to its scale it was not considered as being strategic.

Sales agreement for the office project under construction Royal20

On 20 April 2015 LRE, via its 100% Luxembourg subsidiary, Leasinvest Immo Lux, has concluded a future sales agreement ("vente à terme "), subject to the completion of the building, that was confirmed by a notary deed dated 18 May 2015, for the office project under construction Royal20, located boulevard Royal in the center of the city of Luxembourg in the Grand Duchy of Luxembourg, for an amount of € 62.5 million (excluding VAT) which is not lower than the projected fair value at the reception of the building according to the most recent valuation of 31 December 2015.
The buyer is a family fund under Luxembourg law, directed by Banque Privée Edmond de Rothschild (Europe). The foreseen reception of the office building and the transfer of the property rights are expected to take place in the second quarter of 2016.
End 2014 a rental contract for the entire building was already concluded with China Merchants Bank for a fixed period of 10 years that will start as of the reception of the building.

Belgium

Divestment Canal Logistics Brussels Phase 2

As already mentioned in the press release on the year results 2014, on 31 December 2014 a sales agreement was signed relating to the divestment of the logistics building Canal Logistics Phase 2 in Neder-over-Heembeek for an amount of € 16.75 million net which is not lower than the fair value estimated at 31 March 2015. On 29 June 2015 this sale was recorded by a notary deed.
The building that was sold to an end user comprises 20,664 m² of storage space and 1,250 m² of offices and is very well located alongside the Brussels –Charleroi canal.

Sale warehouse Wenenstraat in Meer

On 20 October 2015 the notarial deed for the sale of a less important non-strategic storage building located Wenenstraat in Meer was recorded for a sales price of € 1.5 million which is not lower than the fair value estimated at 30 September 2015.

Royal20, Luxembourg

DEVELOPMENTS AND REDEVELOPMENTS

Grand Duchy of Luxembourg

Completion of structure of office project Royal20

In the Grand Duchy of Luxembourg the spectacular façade of the office project 'Royal20' located boulevard Royal in the centre of the city of Luxembourg was finalized. The complexity of the façade construction demands a high level of high tech engineering in order to realize the building as a unique diamond sculpture.
The reception of the office project and the transfer of property are expected to take place in the second quarter of 2016.

Monnet, Luxembourg

Renovation office building Monnet

The office building Monnet in the Grand Duchy of Luxembourg, that became vacant as of January 2015, was substantially renovated (a/o new airco system and BREEAM 'excellent' certificate expected). The renovation was finalized end September 2015 and the building of 3,866 m^2 is again entirely let to different tenants since October 2015.

Redevelopment retail site Strassen

Via its 100% subsidiary Leasinvest Immo Lux, LRE plans the redevelopment of the existing retail site called Einkaufszentrum Strassen of 22,721 m² at the route d'Arlon in Strassen into a shopping center concept that will, beside shops, a/o comprise a restaurant. The redevelopment will take place in 2 phases in order to take into account the current tenants Adler Fashion, Bâtiself and Roller. The first phase is due for reception in 2017. The reception of phase 2 is foreseen in 2020. This site will be the largest retail park in the Luxembourg periphery at the entrance of the city of Luxembourg.

Strassen, Luxembourg

Belgium

Extension of 6,800 m² for SKF Logistics Services in Tongres

At the request of the tenant SKF their logistics site in Tongres was extended with an additional warehouse of 6,800 m². SKF Logistics Services supports the global supply and distribution chain of the SKF Group, a leading global supplier of products and solutions within rolling bearings, seals, mechatronics, services and lubrication systems. The European distribution center in Tongres takes care of the distribution of spare parts in the EMEA region and plays an essential role within the strong transportation network of SKF.
The rental contract for this new building was concluded for a fixed term of 10 years starting on 04/12/2015.

SKF Tongres, Belgium

Montoyer 63 Brussels, Belgium

Redevelopment Montoyer 63 in 1000 Brussels

The office building Montoyer that would initially become vacant as of 01/01/2016, but for which the rental contract with the current tenant has in the meanwhile been extended for 6 months (see infra), is also located in the Leopold district amidst the European institutions where there is already currently a scarcity of new quality office buildings. This building will be entirely demolished and rebuilt and will comprise 6,570m2 state-of-the-art office space. The urban permit has been recently delivered and the objective is to obtain a BREEAM 'excellent' for this building by its reception, foreseen by the end of 2017.

Redevelopment Square de Meeûs in 1000 Brussels

This building of +/- 6,000 m², located in the central business district (CBD) of Brussels, will be entirely demolished and rebuilt as an AAA building that will meet the highest quality standards as to technology and sustainability (BREEAM 'excellent' certificate expected). Square de Meeûs benefits from a unique location amidst the European district. The urban permit for this project was recent delivered and the foreseen provisional reception of the new building is planned for the fourth quarter of 2017. Given the limited offer of such performing buildings in the European district, LRE is optimistic to be able to lease this building at market conditions.

Square de Meeûs Brussels, Belgium

LEASES

Grand Duchy of Luxembourg

Monnet in Luxembourg 100% let before end of renovation

For the office building Monnet of 3,866 m² located at Kirchberg in the Grand Duchy of Luxembourg all floors were already leased before the end of the renovation works, so that the building has again been 100% let since October 2015. The average rent could be increased to a higher market rent.

New rental contracts for retail site Strassen and retail building Foetz

In the Grand Duchy of Luxembourg a new long-term lease agreement for a fixed term was concluded with the current common tenant of the retail site in Strassen and of our retail building in Foetz.

Belgium

Improved occupancy rate for The Crescent Anderlecht

On 9 March 2015 an additional services contract was concluded for the building The Crescent in Anderlecht, resulting in the occupancy rate increasing to 88% in the meanwhile. Due to the higher number of users of the services offered (catering, fitness, meeting rooms) in comparison with last year, the financial occupancy rate in fact exceeds 90%.

New rental contracts for Canal Logistics Brussels Phase 1

For the logistics building Canal Logistics Phase 1 located in Neder-over-Heembeek alongside the Brussels-Charleroi canal at only 10 minutes of the center of Brussels and Brussels Airport, 2 new rental contracts were concluded replacing a rental contract that ended on 3/12/2015.
With these new rental contracts Canal Logistics Brussels Phase 1 remains nearly entirely let.

Extension rental contract Montoyer 63 in 1000 Brussels

For the building Montoyer 63 in 1000 Brussels, the rental contract with the European Parliament was extended for 6 months, resulting that the planned redevelopment will start in Q3 2016.

Switzerland

Extension rental contracts Etoy and Villeneuve

For the retail buildings located in Etoy and Villeneuve in the Vaud canton in Switzerland, both existing leases with a common tenant were extended for a fixed period of 5 that entered into force on 07/11/2015.

Villeneuve, Switzerland

SALE OF BEARER SHARES IN ACCORDANCE WITH ARTICLE 11 OF THE LAW OF 14/12/2005

On 06/10/2015 Leasinvest Real Estate proceeded to the sale of bearer securities of which the holders had not reported themselves. This sale took place on Euronext Brussels (cf. publication Belgian Official Gazette of 2/09/2015) and related to 3,392 shares, purchased by Leasinvest Real Estate itself at a share price of € 82 per share.

2.2 AFTER THE CLOSING OF THE FINANCIAL YEAR 2015

DIVESTMENT

Sales and purchase agreement concluded for Zeutestraat Malines (Belgium)

For the storage building with office space located Zeutestraat in Malines with a total surface area of 7,363 m^2 a mutual temporary sales and purchase agreement, subject to conditions precedent, was concluded on 27/01/2016 with an end user for € 4.5 million[1].

DEVELOPMENTS AND REDEVELOPMENTS

Redevelopment Square de Meeûs and Montoyer 63 in 1000 Brussels

The urban permits for these projects have been delivered in the meanwhile, respectively on 20 & 21 January 2016.

1 The value agreed upon takes into account the provisions of article 40 §1 of the RREC law.

Zeutestraat Malines, Belgium

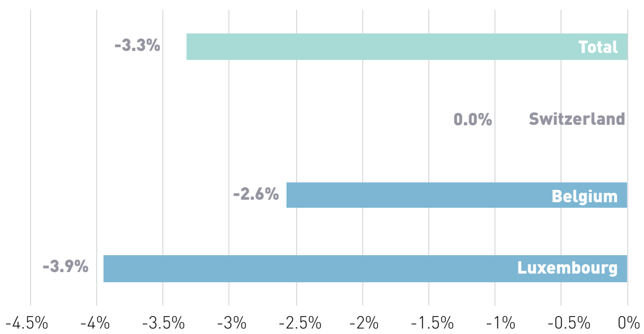
Comments on the consolidated income statement and balance sheet of the financial year 2015

INCOME STATEMENT

The rental income has increased by 0.6% (+ € 279 thousand) and amounts to € 50,455 thousand in comparison with € 50,175 thousand end 2014. This stable evolution is mainly the result of the higher rental income from the Swiss retail buildings (acquired in November 2014), that contributed a full year of rent in 2015, and that compensated, the lower rental income from the temporary vacancy in 2015 of the office buildings Monnet in the Grand Duchy of Luxembourg and Square de Meeûs in Brussels on the one hand, and the loss of rental income following the sale of Canal Logistics Phase 2, Kiem and Meer, on the other hand.

At constant portfolio (like-for-like) the rental income (excl. rental reductions) decreases with € -1.7 million or -3.32%, mainly by the vacancy of Monnet (first 9 months of 2015) and Square de Meeûs (last 8 months of 2015) in comparison with the same period last year.

EVOLUTION LIKE-FOR-LIKE RENTAL INCOME



The average duration of the rental contracts has remained relatively stable at 4.84 years in comparison with 5.08 years end 2014. The most important rental activity was listed in Luxembourg with the lease of the buildings Monnet, Kennedy, Monterey and the retail buildings in Strassen and Foetz. The average duration of the Swiss retail portfolio (6.1 years) also rose, thanks to the extension of the rental contract with a common tenant in Etoy and Villeneuve.

The gross rental yields have slightly decreased in comparison with end 2014 and amount to 6.88% (end 2014: 7.23%) based on the fair value and to 6.75% (end 2014: 7.10%) based on the investment value, which is the consequence of the acquisition of the Royal Depot at an initial yield in line with the market of 5.61%. The occupancy rate has remained nearly stable and amounts to 95.80% in comparison with 96.24% end 2014.

The operating result before the portfolio result slightly decreases by 0.9% and amounts to € 38.3 million end 2015 in comparison with € 38.6 million end 2014.

The financial result substantially increases by -€ 3.9 million and stands at -€ 17.07 million. Despite a lower average funding cost end 2015 (3.27%) in comparison with end 2014 (3.63%), the financial result mainly rises by the increase of the cross-currency-swaps EUR/CHF for -€ 4.09 million, compensated by a similar increase of the fair value of the Swiss buildings. The net dividend received from the RREC (BE-REIT) Retail Estates over the past financial year amounted to € 1.7 million.

It has to be noted that the global negative financial result could have been improved by € 0.6 million if the gross dividend (without deduction of the withholding tax) would have been received. On the contrary to previous years, the yearly dividends of Retail Estates were received gross for net thanks to the application of the parent company-subsidiary Directive. The referral to this Directive was deleted by mistake in the RREC legislation end 2014, which meant that by the change of status from a sicafi to a RREC (end 2014) LRE could no longer appeal to it. At the beginning of 2016 this situation was regularized and an appeal to the parent company-subsidiary Directive will again be possible, which means that as of 2016 the gross dividends (without deduction of the withholding tax) of Retail Estates will be received again.

The net result, group share amounts to € 30.62 million end 2015 compared to € 32.57 million end 2014. In terms of net result per share this results in € 6.20 end 2015 compared to € 6.60 end 2014. The portfolio result amounts to € 9.8 million end 2015 in comparison with € 7.5 million end 2014.

The net current result end 2015 amounts to € 25.6 million (or € 5.18 per share), in comparison with a net current result of € 26.1 million (or € 5.28 per share) end 2014.

BALANCE SHEET

The fair value of the real estate portfolio amounts to € 869.4 million end 2015 compared to € 756.3 million end December 2014. The increase is explained by the investment in Tour & Taxis Royal Depot for € 108 million and the construction works carried out for Royal20, compensated by the sale of Phase 2 of Canal Logistics (- € 16.75 million), the office building Kiem (- € 6.3 million) and the logistics building located in Meer (- € 1.5 million).

End December 2015 shareholders' equity, group share (based on the fair value of the investment properties) amounts to € 362.4 million (31/12/14: € 336.4 million) or € 73.4 per share (2014: € 68.1).

The increase of shareholders' equity in comparison with end 2014 is attributable to the evolution of the comprehensive result amounting to € 48.9 million end 2015.

End December 2015 the net asset value (based on the fair value) per share stands at € 73.4 (2014: € 68.1). The closing price of the share amounted to € 93.09 or 27% higher than the net asset value. The net asset value per share excl. the influence of fair value adjustments on financial instruments (EPRA) stands at € 81.3 end 2015 in comparison with € 75.5 end 2014.

End December 2015 the debt ratio temporarily stands at 58.03% in comparison with 54.27% end December 2014. This increase of the debt ratio is caused by the acquisition of T&T Royal Depot end December 2015, entirely financed by bank funding. In the second quarter of 2016 the planned sale of the then finalized office building Royal20 in the Grand Duchy of Luxembourg for a net sales price of € 62.5 million will again decrease the debt ratio to 53%, or entirely within the predefined range of 50%-55%.

Dividend (gross) per share
€ 4.70

Gross dividend yield
5.05%

Closing price share
€ 93.09

Average duration leases
4.84 years

Appropriation of the result – dividend payment

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay a gross dividend of € 4.70 (2014: € 4.55), and net, free of withholding tax of 27%, € 3.431 (2014: € 3.4125 free of withholding tax of 25%), to the 4,935,478 shares entitled to dividends[1].

Subject to the approval of the ordinary general shareholders' meeting of 17 May 2016 dividends will be paid out on presentation of coupon no 19 as of 23 May 2015 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.
The Ex-date is 19/05/2016 and the Record date is 20/05/2016.

Outlook financial year 2016

Notwithstanding the expected demolition and reconstruction of 2 buildings in the Brussels CBD in 2016 and except for exceptional circumstances, the company expects, thanks to the acquisition of the Royal Depot at Tour & Taxis, to realize a higher net result and net current result in 2016 than in 2015; the dividend over 2016 can be maintained at minimum the same level.

1 Excluding the 3,392 shares purchased by LRE within the framework of the procedure on dematerialization of bearer securities.

Management of financial resources

In 2015, as was the case in the previous years, Leasinvest Real Estate further worked on diversifying and spreading its credit sources. In the course of the past financial year, this diversification has mainly been achieved by refinancing € 50 million of expired credits and the conclusion of € 25 million additional credit lines spread across a same number of financial counterparties. Besides, there is a spread across the classic bank debt and public funding in order to achieve an optimal balance between the RREC's different funding sources.

By the acquisition of the Swiss buildings in 2014, Leasinvest Real Estate runs the risk that both the value of the real estate and the net cash flows fluctuate due to the fluctuation of the Swiss Franc versus the Euro.
As the transaction was funded in Euro (variable) there was no compensation between the fluctuations of the exchange rates of the assets and the liabilities.

That is why a cross currency swap was concluded for 45 million CHF, consisting of two components, an exchange rate component recognized via the results and compensated by the exchange rate fluctuation of the assets, and an interest rate component, swapping the variable euribor in CHF fixed interest rate. The latter component ensures that Leasinvest Real Estate is hedged against the appreciation of the euribor. The interest rate component is recognized via shareholders' equity (cash flow hedge accounting). The exchange rate component of this hedge influences the financial result negatively for € 4.09 million; this loss is however integrally compensated by an equivalent increase of the fair value of these buildings based on the exchange rate difference.

End 2015 Leasinvest Real Estate disposes of € 39.2 million of available credit lines (after deduction of the credit lines held to cover the commercial paper) (€ 105.7 million end 2014).

Protection against increasing interest rates (or decreasing in the case of fixed interest rate credits) is ensured through the use of financial instruments or financial derivatives.

The policy is intended to hedge the interest rate risk for approximately 75% of the financial debt for a 5-year period and for circa 50% for the consequent 5-year period; end 2015 76% of the nominal risk was hedged.

At the end of 2015 Leasinvest Real Estate has 31% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end 2014: 38%); 8% of current interest rate caps (with a limit on the interest rates) (end 2014: 9%), 30% of credits at fixed rates (2014: 35%) and 7% of currency swaps.

The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.27% (end 2014: 3.63%) excluding the effect of fair value adjustments on financial assets and liabilities; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 4.46% (2014: 4.01%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost.

Shopping center Knauf Schmiede, Luxembourg

Leasinvest Real Estate received for its annual financial reports 2012, 2013 & 2014 an EPRA Gold Award

Key performance indicators according to the EPRA reference system

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

For the report of the real estate expert we refer to the real estate report on page 90 and for more information on the real estate experts and their remuneration, we refer to corporate governance on page 121.

EPRA RESULT AND EPRA RESULT PER SHARE (X € 1,000)

	2015	2014
Net result – group share as communicated in the financial statements	30,618	32,572
Net result per share – group share as communicated in the financial statements (in €)	6.20	6.60
Adjustments to calculate the EPRA Result		-6,510
To exclude		
(i) Changes in fair value of investment properties and assets held for sale	-9,549	-5,687
(ii) Result on the sale of investment properties	-329	-1,767
(iv) Changes in fair value of financial instruments	4,824	729
(viii) Deferred taxes with regard to EPRA adjustments	0	215
(x) Minority interests with regard to EPRA adjustments	0	0
EPRA Result	30,618	26,062
Number of shares entitled to the result of the period	4,935,478	4,938,870
EPRA Result per share (in €)	6.20	5.28

EPRA NET ASSET VALUE (NAV) (X € 1,000)

	2015	2014
NAV according to the financial statements	362,405	336,414
NAV per share according to the financial statements (in €)	73.43	68.12
To exclude		
(i) Fair value of the financial instruments	38,621	36,448
EPRA NAV	401,026	372,862
Number of shares entitled to the result of the period	4,935,478	4,938,870
EPRA NAV per share (in €)	81.25	75.50

EPRA TRIPLE NET ASSET VALUE (X € 1,000)

	2015	2014
EPRA NAV	401,026	372,862
To include		
(i) Fair value of the financial instruments	-38,621	-36,448
EPRA NNNAV	362,405	336,414
Number of shares entitled to the result of the period	4,935,478	4,938,870
EPRA NNNAV per share (in €)	73.43	68.12

EPRA NET INITIAL YIELD (NIY) AND ADJUSTED NET INITIAL YIELD (ADJUSTED NIY) (X € 1,000)

		2015	2014
Investment properties and assets held for sale		869,361	756,327
To exclude			
Assets held for sale		-4,392	-17,626
Development projects		-62,020	-33,860
Real estate available for lease		802,949	704,841
To include		-332	825
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		8,723	9,055
Investment value of properties available for lease	B	811,672	713,896
Annualized gross rental income		58,710	51,200
Property charges		-9,537	-7,782
Annualized net rental income	A	49,173	43,418
Gratuities expiring within 12 months and other lease incentives		313	-601
Annualized and adjusted net rental income	C	49,486	42,817
EPRA NIY	A/B	6.06%	6.08%
EPRA adjusted NIY	C/B	6.10%	6.00%

EPRA VACANCY RATE (X € 1,000)

		2015				2014			
		Offices	Logistics	Retail	Total	Offices	Logistics	Retail	Total
Rental surface (in m^2)		116,328	170,890	144,189	431,407	87,766	201,446	144,189	433,401
Estimated Rental Value of vacant spaces	A	1.46	0.55	0.21	2.24	1.43	0.40	0.07	1.89
Estimated Rental Value of total portfolio	B	21.19	9.35	24.81	55.35	16.57	9.41	24.63	50.61
EPRA Vacancy rate	A/B	6.91%	5.88%	0.86%	4.05%	8.60%	4.10%	0.28%	3.73%

EPRA COST RATIO (X € 1,000)

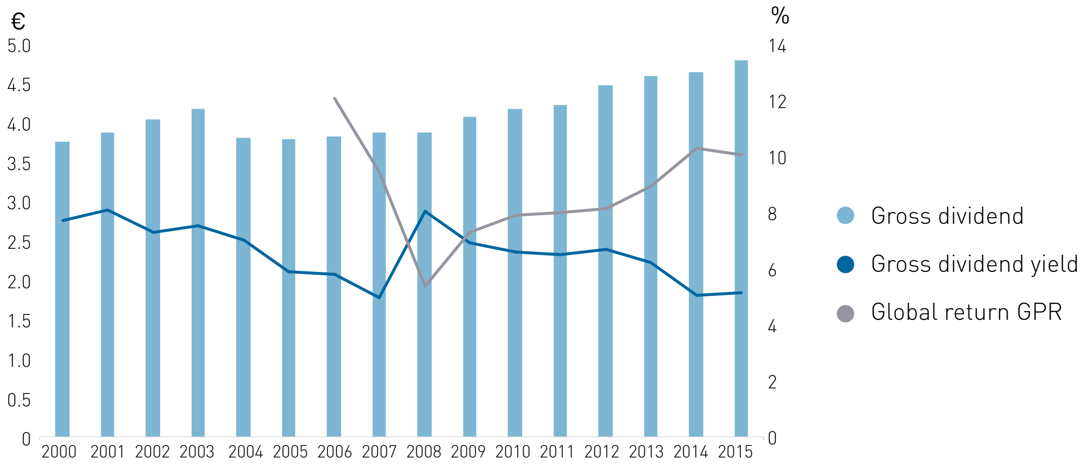
	2015	2014
Other rental-related income and expenses	-2,131	-1,637
Property charges	-8,187	-7,235
General corporate costs	-1,754	-2,704
Other operating charges and income	-169	-307
EPRA costs including rental vacancy costs	-12,241	-11,883
Direct costs of rental vacancy	885	504
EPRA costs excluding rental vacancy costs	-11,356	-11,379
Rental income	50,455	50,175
EPRA Cost ratio (including direct rental vacancy costs)	-24.26%	-23.68% (1)
EPRA Cost ratio (excluding direct rental vacancy costs)	-22.51%	-22.68% (1)

(1) EPRA cost Ratio: the amounts for 2014 have been adjusted following a calculation error.

Leasinvest real estate on the stock exchange

DIVIDEND YIELD AND SHAREHOLDERS' RETURN

The graph below reflects the evolution of the gross dividends paid and the gross dividend yield (calculated as the gross dividend divided by the closing price of the share), as well as the total return according to GPR. The gross dividend shows an increasing trend as from 2008.



Gross dividend yield = gross dividend/closing price on 31/12.
Global return: source GPR: www.globalpropertyresearch.com
The return for the shareholders based on the global return GPR, is based on the nominal total returns, including reinvestment of the dividends. Returns are presented in the local currency and are based on the closing price of each month.

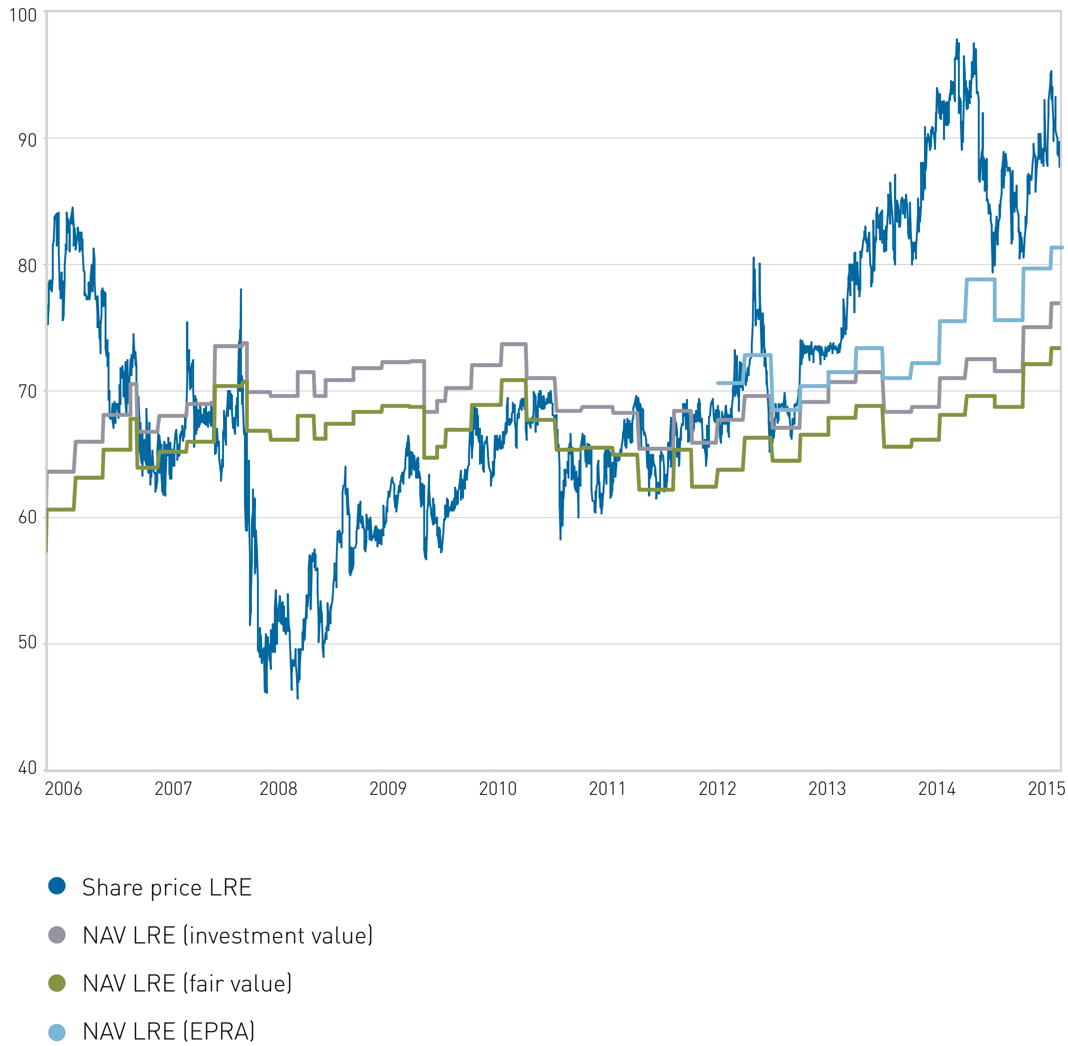
KEY FIGURES AND GRAPHS

	31/12/2015	31/12/2014
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 dividends of the period (#)	4,935,478	4,938,870
Market capitalization based on closing price (€ million)	454.00	452.45
Free float (%)	41%	41%
Closing price (€)	93.09	91.61
Highest price (€)	97.85	93.90
Lowest price (€)	79.40	73.00
Average monthly traded volume (#)	34,128	38,682
Velocity (%) (1)	8.29%	9.40%
Free float velocity (%) (2)	20.22%	22.92%
Premium based on closing price vs NAV (fair value)	26.82%	34.50%
Gross dividend (€)	4.70	4.55
Net dividend (€)	3.431	3.4125
Gross dividend yield (3)	5.05%	4.96%
Payout ratio (consolidated)	90%	86%
Payout ratio (statutory)	87%	99%

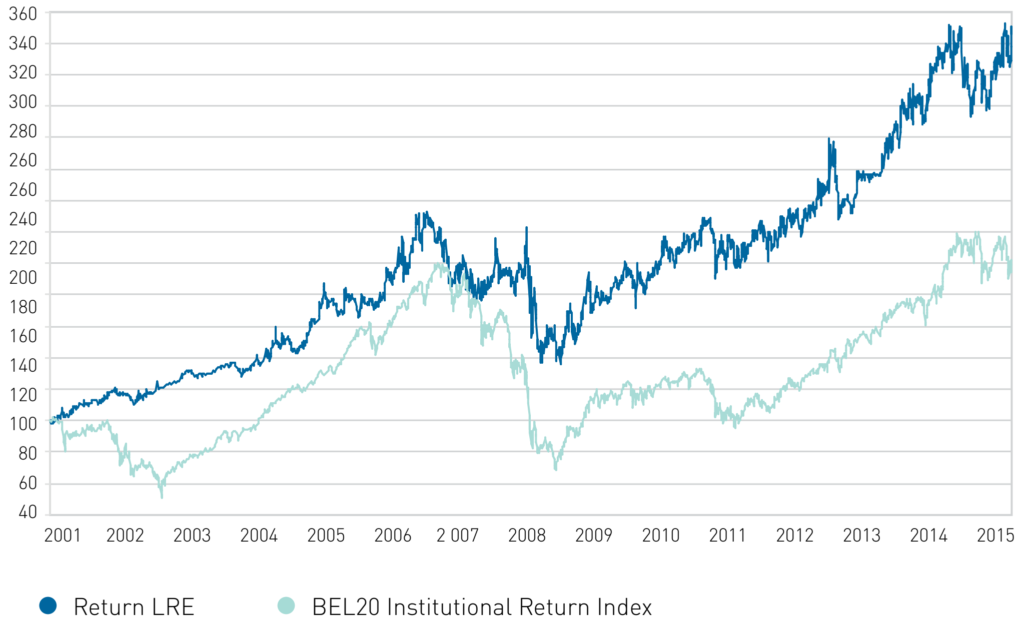
* Based on a withholding tax of 27% for the dividend over 2015 and 25% for the dividend over 2014.
1 Number of traded shares / total number of listed shares.
2 Number of traded shares / (total number of listed shares * free float).
3 Gross dividend / closing price.

"At the end of 2015 the Leasinvest Real Estate share was again listed at a higher share price of € 93.09."

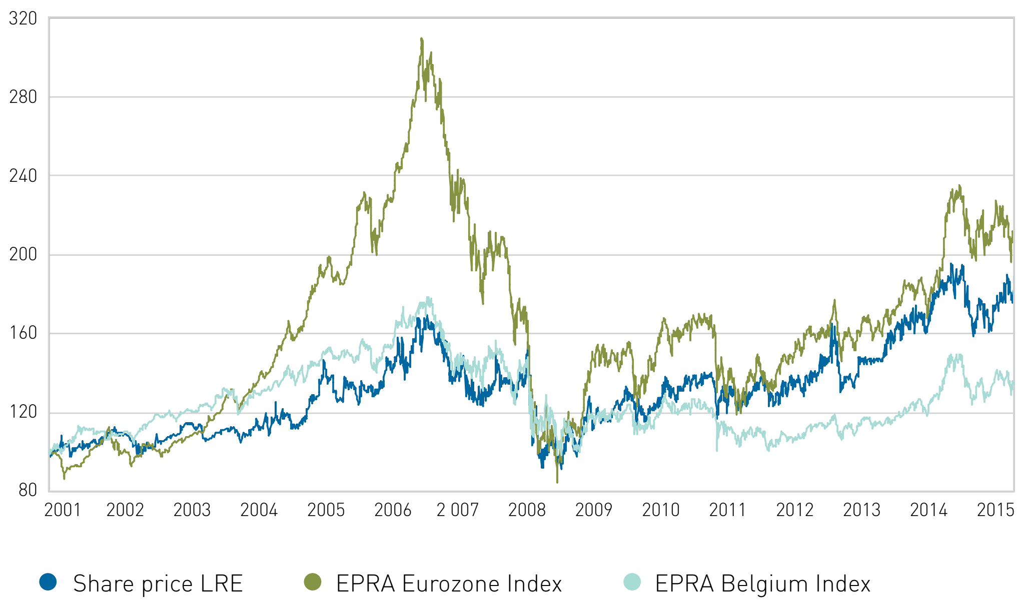
PRICE PREMIUM/DISCOUNT LEASINVEST REAL ESTATE SHARE PRICE VERSUS NET ASSET VALUES



COMPARISON OF RETURN OF LEASINVEST REAL ESTATE WITH THE RETURN ON BEL20 INDEX[1]



COMPARISON OF LEASINVEST REAL ESTATE SHARE PRICE WITH THE RETURN OF THE EPRA INDICES (WWW.EPRA.COM)[2]



1 Index to consult in the financial newspapers and on the internet.
2 Information from EPRA, not controlled by any authority.

The Leasinvest Real Estate share closed again at a higher price of € 93.09 (€ 2014: € 91.61) and recorded this year an absolute record share price of € 97.85 on 25 February 2015. The premium compared to the increased net asset value based on the fair value decreased from 34.50% to 26.82% in 2015.

The past financial year, the average monthly transaction volume of the share has slightly decreased to 34,128 shares in comparison with 38,682 in 2014. The relatively low velocity (8.29% over 2015) is mainly explained by the limited free float of the share (41%). If we only take into account the tradable shares, the free float velocity over 2015 amounts to 20.22%, or a slight decrease compared to 2014.

As shown by the graph, the Leasinvest Real Estate share records systematically a higher return than the BEL20 Index. In 2015 the Leasinvest Real Estate share again performed a lot better than the BEL20 index.

In comparison with the EPRA Belgium Index, the index of the main listed real estate companies in Belgium, the Leasinvest Real Estate share recorded a significant better evolution. The EPRA Eurozone Index, the index of the main listed real estate companies in Europe, of which the Leasinvest Real Estate share is part, recorded a trend comparable with that of the Leasinvest Real Estate share at the end of 2015.

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Real estate report

Michel Van Geyte • Chief Investment Officer

"With positions such as Square de Meeûs and Montoyer 63, both located in the Leopold district in Brussels and amidst the European Institutions, we dare to develop new office buildings that meet the demand for quality at these locations."

Square de Meeûs Brussels, Belgium

KNAUF SHOPPING CENTERS, LUXEMBOURG

Shopping center Knauf in Schmiede has been fore over tens of years an important attraction pole for shopping in the North of Luxembourg, at the border connecting Luxembourg, Belgium and Germany.
This shopping center consists of approximately 40 shops with a gross letting area of over 30,000 m².

Shopping center Knauf in Pommerloch, that is more recent and is located in the western direction, mainly attracts, besides the Luxembourg population, Belgian consumers (Bastogne region).
Here we find some 60 shops with a gross letting area of over 26,000 m². This shopping center also houses nationally and internationally renowned brands.

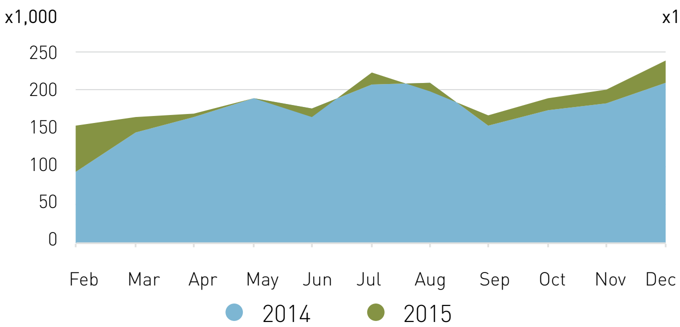
Both shopping centers could also attract important new retailers in 2015 and remain nearly entirely let.

The marketing plan developed in 2014 will be continued in the coming years. Despite a general drop in footfall in shopping centers in Belgium, for both shopping centers a slight increase was recorded, also because of the non-present terror level in Luxembourg, the favourable weather conditions and the marketing actions.

In the meanwhile, the new logo and sign were launched at the beginning of 2015 and supported by a newly developed website (www.knaufshopping.lu).

Schmiede

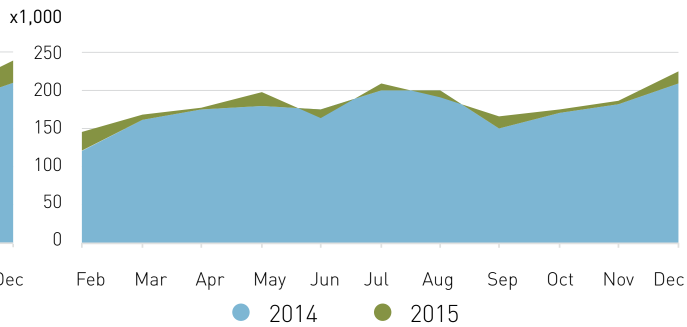
Footfall



Year of construction: 1995
32,908 m² shops – 2,776 m² offices – 1,200 parking spaces
Occupancy rate: 96.11%
Total investment: € 74.5 million
Rental yield (average): 7%

Pommerloch

Footfall



Year of construction: 2002-2011
25,096 m² shops – 2,651 m² offices – 1,013 parking spaces
Occupancy rate: 100%
Total investment: € 96.5 million
Rental yield (average): 6.64%

STRASSEN, LUXEMBOURG

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

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

Year of construction: 1988
22,721 m² shops
Occupancy rate (2016): 100%
Total investment: € 13.4 million
Rental yield: 7.15% after reception in 2020

ROYAL20, LUXEMBOURG

Royal20, the prestigious office project located Boulevard Royal in the heart of the Grand Duchy of Luxembourg, designed by the renowned French architect Christian de Portzamparc, has become very recognizable in its environment in the meanwhile.

The spectacular façade of the building has been finalized in 2015. The complexity of the construction of the façade requires a high degree of high tech engineering, expert project management and tailor-made elements in order to realize the building as a unique diamond sculpture.

Breeam certification that covers every step' of the building's lifecycle from the design, demolition, construction to the operation is foreseen. The Breeam approach goes hand in hand with an obligation to achieve ambitious performance and results having a direct influence on the work and well-being of the tenants while being economically viable by reducing energy bills, transportation, communication and structure costs.

End 2014 a rental contract for the entire building Royal20 was already concluded with China Merchants Bank for a fixed period of 10 years that will start as of the reception of the building.
On 20 April 2015 LRE, via its 100% Luxembourg subsidiary, Leasinvest Immo Lux, has concluded a future sales agreement ("vente à terme "), subject to the completion of the building, that was confirmed by a notary deed dated 18 May 2015, for an amount of € 62.5 million (excluding VAT)[1]. This amount relates to an estimated fair value of € 50.7 million at the end of 2015. The projected fair value at the reception of the building is lower than the amount of the sales agreement. The buyer is a family fund under Luxembourg law, directed by Banque Privée Edmond de Rothschild (Europe). The foreseen reception of the office building and the transfer of the property rights are expected to take place in the second quarter of 2016.

Breeam: very good or excellent (objective for 2016)
Year of construction: 2016
4,743 m² offices
Occupancy rate (2016): 100%
Total investment: € 35 million
Rental yield: 5.89%

1 The value agreed upon takes into account the provisions of article 40 §1 of the law of 12 May 2014 on RREC.

MONNET, LUXEMBOURG

The Monnet building in the Grand Duchy of Luxembourg, ideally located in the Kirchberg district, that recorded also in 2015 the highest take-up, has been substantially renovated.

The Monnet building differentiates itself from classic office buildings by its flexibility, its high degree of quality and its technical features. It comprises 5 floors, of which the large windows provide an unforgettable incidence of light, with a view on the city, the garden and the surroundings.

The renovation was completed by September 2015 and the building of 3,866 m² has again been entirely let since October 2015.


© ESTHER GUTMER

Breeam-in-use Refurbishment: file has been submitted for Excellent score
Year of construction: 1992 – partial renovation in 2011 – partial renovation in 2015
3,866 m² offices
Occupancy rate: 100% (2016)
Total investment: € 2.7 million
Rental yield: 5.66%

ROYAL DEPOT TOUR & TAXIS BRUSSELS, BELGIUM

On 17 December 2015 Leasinvest Real Estate (LRE) has acquired 100% of the shares of T&T Royal Depot SA from Extensa Group SA, owner of the iconic building called 'Royal Depot', on the basis of a long-term lease initially granted by the Port of Brussels[1].

The construction of the Royal Depot was started between 1904 and 1906 based on a design of the architect Ernest Van Humbeeck. The building dates from 1910 and was, used for long-term storage of goods under government supervisions. The Royal Depot was entirely renovated in 2000-2004 into a multifunctional and multi-tenant building with a very diversified rent risk with some 50 tenants spread across 4 floors with a total of 44,603 m² offices, commercial spaces and archives.

Ever since its renovation, the Royal Depot has been nearly fully occupied and the average rent per m² has gradually increased over this period. The Royal Depot is a niche building and an 'experience hub' for the entire Tour & Taxis site. The central location and the combination of an historic building with facilities and the event-like character of the Tour & Taxis site make the Royal Depot a very sought after and unique investment object.

Year of construction: 1910 – entire renovation in 2000-2004
31,800 m² offices etc., 7,120 m² commercial use on the ground floor and 5,683 archives
Occupancy rate: 96.10%
Total investment: € 108 million
Rental yield: 5.61%

1 A 100% subsidiary of LRE will acquire the residual rights at the beginning of 2016.

SQUARE DE MEEÛS BRUSSELS, BELGIUM

Office building Square de Meeûs that became vacant as of Q2 2015 is located in the heart of the Brussels' Leopold district, which is still the best office location in Belgium. Due to the scarcity in new quality buildings we are very optimistic about potential candidate-tenants for this building.

This building of +/- 6,000 m², located in the central business district (CBD) of Brussels, will be entirely demolished and rebuilt as an AAA building that will meet the highest quality standards as to technology and sustainability (BREEAM 'excellent' certificate expected).

Square de Meeûs benefits from a unique location amidst the European district. The urban permit for this project has been delivered in January 2016 and the foreseen provisional reception of the new building is planned for the second quarter of 2017. It is expected that the demand for such performing buildings will sustain (see real estate market report).

Breeam: excellent (objective for 2017)
Year of construction: reconstruction by 2017
5,900 m² offices
Total investment: € 17,8 million
Rental yield (2017): 5.60%

MONTOYER BRUSSELS, BELGIUM

The office building Montoyer that would initially become vacant as of 01/01/2016, but for which the rental contract with the current tenant has in the meanwhile been extended for 6 months (see infra), is also located in the heart of the Brussels district where there is still a scarcity in new buildings and where the currently completed buildings are easily let at good rents (see real estate market report).

This building will be entirely demolished and reconstructed and will comprise 6,570 m² state-of-the-art office space. The urban permit has been granted in January 2016 and the objective for this building is to obtain a BREEAM 'excellent' certificate by its completion, foreseen by end 2017.

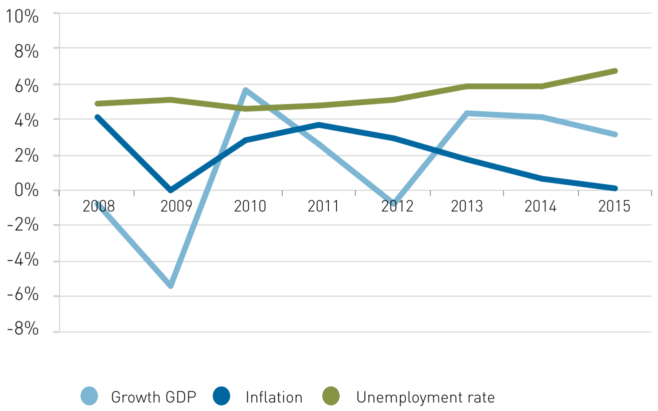
Breeam: excellent (objective for 2017)
Year of construction: reconstruction by 2017
6,570 m² offices
Occupancy rate (2015): 100%
Total investment: € 16,9 million
Rental yield (2017): 5.55%

REAL ESTATE MARKET IN 2015[1]

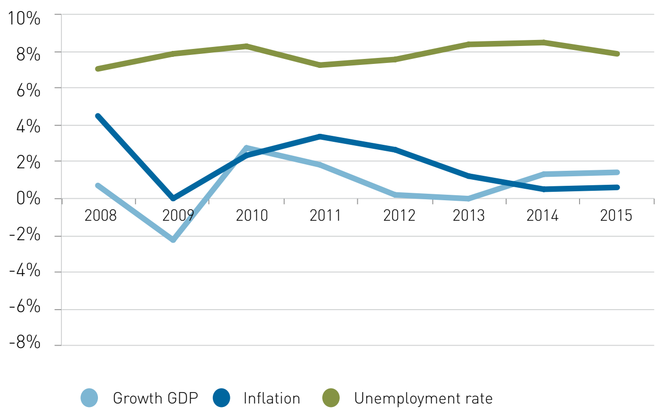
The information on the real estate market below comprises extracts from the real estate market reports of Cushman & Wakefield, for the Grand Duchy of Luxembourg and Belgium and of SPG Intercity for Switzerland, reproduced with their consent, and of which the contents have not been controlled.

MACROECONOMIC EVALUATION OF LUXEMBOURG AND BELGIUM

Luxembourg (source: Eurostat, Statec)



België (bron: Eurostat)



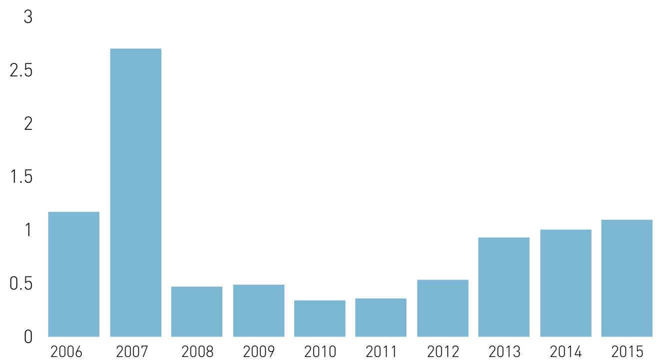
LUXEMBOURG

Investment market

Invested volumes at highest level since 2007 with a total of € 1,1 billion

Thanks to four dynamic quarters on the investment market, the total invested volume for the entire year 2015 amounts to € 1.1 billion, which represents an increase of 10% in comparison with 2014 and also the highest level recorded since 2007. The pipeline for 2016 also already reaches a high level.

TOTAL INVESTED VOLUME COMMERCIAL REAL ESTATE (€ BILLION)

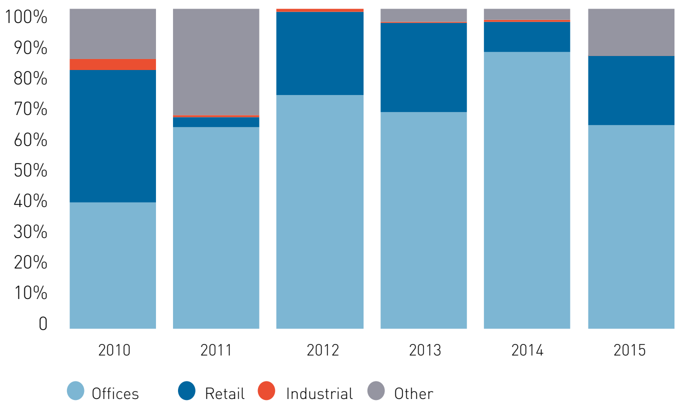


Different important transactions have increased the average size per transaction in 2015, among which the mixed-use Royal Hamilius project, acquired by investors from door Abu Dhabi and the future sale of our prestigious office project Royal20 located Boulevard Royal in the heart of the city of Luxembourg (cf. management report page 48).

The breakdown of investments per sector confirms the importance of the office sector that represents over 70% of total investments in 2015 (€ 711 million). Important volumes were recorded in the retail sector (estimated at approximately € 240 million), mainly thanks to the iconic mixed-use Royal Hamilius project in the city centre.

1 Source: Cushman & Wakefield for the Luxembourg and Belgian market + SPG Intercity for the Swiss.

BREAKDOWN INVESTMENTS PER ASSET CLASS

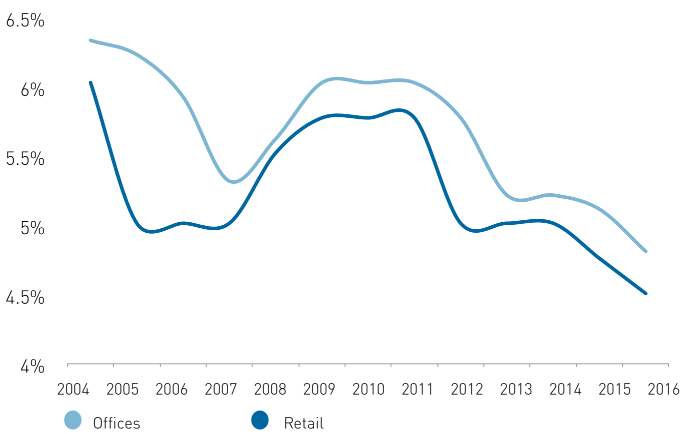


Investors become more international and are active in each market segment; they are attracted by the growth potential of the rent levels and the strong demand from tenants in Luxembourg. Investors from the Middle East (27%) entered the market and investors from the US (18%) were also active. Domestic investors represented 11% and the interest from Belgian, German and French investors remained high. It is however expected that the share from investors from the US and the Middle East will remain high and that investors from Asia will enter the Luxembourg market.

Office market: prime office yields at a record low level of 5.1%

At the end of 2015, prime office yields stand at a record low level of 5.1%. The increasing competition for prime office assets, combined with the importance of available equity and the growing appetite of foreign investors, pushed the yields downward. And this trend should continue in 2016 as we expect the prime yield to reach a new historically low level of 4.8% in 2016.

TOP YIELDS OFFICES AND RETAIL

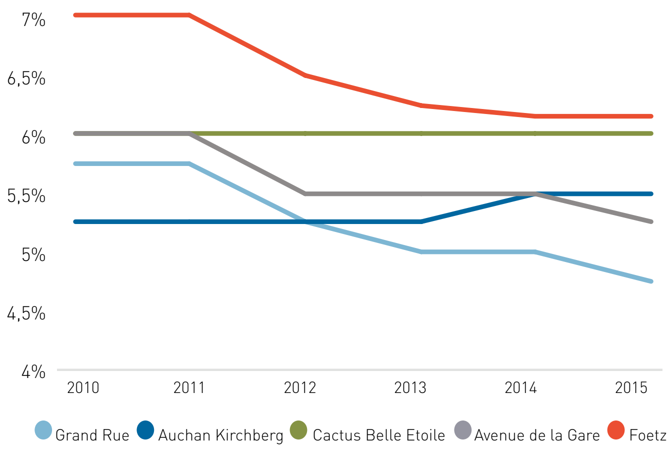


Retail market: investment volume more than doubled compared to 2014

As already mentioned above, this is mainly due to the acquisition of Royal Hamilius in the city centre of Luxembourg, but transactions such as the Sandweiler retail park (€ 20 million) and the Gare 42/44 (€ 16 million) are also to mention. As a result, the invested volumes in the retail sector represent around 20% of the total this year.

The prime yields are also sharpening in the retail segment. They stand at a low 4.75% at the end of 2015. It is also to be noted that the recorded yield for very specific retail assets are even below this level (and sometimes below 4%). Further prime retail yield compression in the coming months, down to 4.5%, is forecasted.

TOP YIELDS RETAIL PER REGION



The important development pipeline for the coming four years of some 220,000 m² is however worth mentioning. Besides Royal Hamilius in the city centre with foreseen delivery as of 2018, there is Infinity (ex-Portes de l'Europe) with 6,500 m² and a very large scale shopping center project Cloche d'Or in the Southern periphery for which final plans and permits are approved for 75,000 m², expected by 2019.

As indicated on the map below, all these new projects are concentrated in the South around the city centre of Luxembourg and hence without any competitive impact on our two Knauf shopping centers in the North of Luxembourg, where they remain the absolute market leaders.

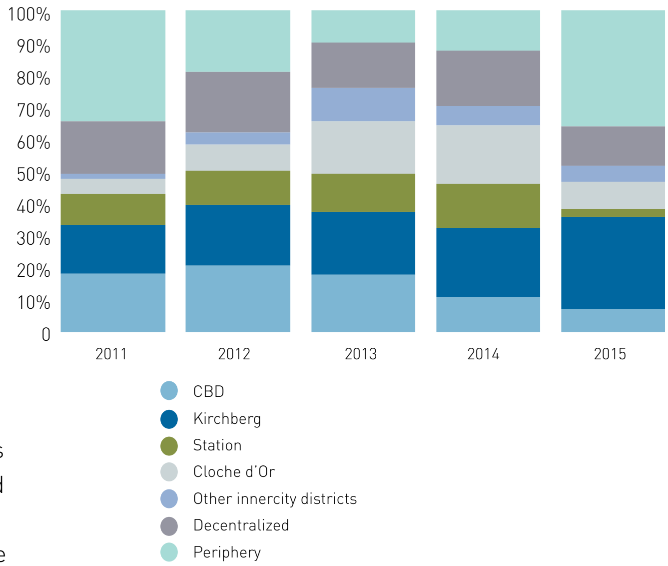
Rental market

Office market: take-up reaching a record high of 337,000 m²

Occupier activity was at record high with a total of 337,000 m² of take-up (and own use) over 2015, a growth of more than 65% compared to 2014, already a good year. This record level of take-up is mostly due to the important brand new occupations of the University in Esch-Belval (> 105,000 m²). The share of the European Institutions in the total take-up is also on the increase since 2012. In 2015, it represented more than 18%, mostly attributable to the 24,000 m² lettings of the European Commission in the Cloche d'Or district (Ariane and Laccolith office buildings) and the different occupations of the European Investment Bank in the Kirchberg (> 36,000 m²).
Though smaller in relative figures, activity remained dynamic in the banking & finance sectors which represented 14% of the total take-up, as 57,000 m². These figures are perfectly in line with the last five-year average. In the "service firms" sector, more than 83,000 m² have been observed (representing 18% of the total), mainly thanks to the occupations of Ernst & Young, Arendt & Medernach.

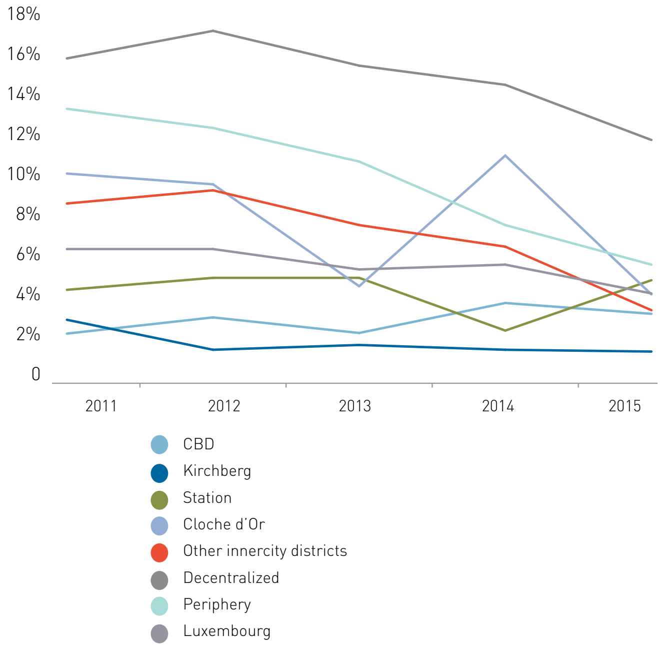
The share of the Periphery in the total take-up stands at a high 35%, mostly boosted by the 105,000 m² take-up of the University.
The Kirchberg also attracts more and more institutions or corporates. In 2015, close to 100,000 m² of take-up was recorded in this office district among which our Monnet building, renovated by September 2015, that was entirely pre-let before its reception (see management report on page 49).
If occupiers value the rent, the quality of the properties, the importance of amenities in the neighbourhood, the access to highways and the quality of the public transportation, the lack of available office spaces weighed on the activity of the CBD and the Station in 2015. These two districts recorded respectively 23,000 m² (15% below the last five-year average) and 8,500 m² (compared to 17,000 m² on average over the last five-year) of take-up.

TAKE-UP PER OFFICE DISTRICT



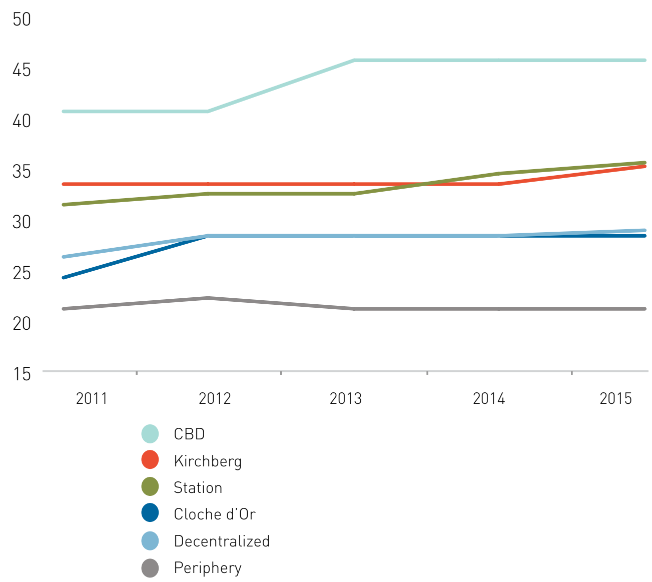
Globally, the vacancy rate in Luxembourg stands at a low 4.2% at the end of the year 2015, the lowest vacancy rate observed in Europe. Despite a global trend to the decrease, important disparities exist between districts. On the one hand, the vacancy rate in the Kirchberg stands at a very low 1.5% while the decentralised districts are globally struggling with a vacancy rate around 12%. Almost all the Central office districts witness a vacancy below 5% at the end of the year 2015. As the speculative pipeline (only 38,000 m² of 250,000 m² under construction) is limited, further decrease in the vacancy rate is awaited in the coming months.

VACANCY PER DISTRICT



The office prime rents are still to be found in the CBD districts, at € 45/m²/month (€ 540/m²/year), with new projects like our Royal20 at Boulevard Royal reaching € 50/m²/month (€ 600/m²/year) for certain floors. They would increase in the coming months up to € 48 or even € 50/m²/month, given the lack of available supply, limited speculative pipeline and pent up demand. Prime rents increased in the Kirchberg in 2015 to reach € 35/m²/month, a level similar to the Station district. The other office districts witnessed no changes in their prime rental levels, which are still to be found between € 21 and € 28/m²/month, depending on the concerned districts.

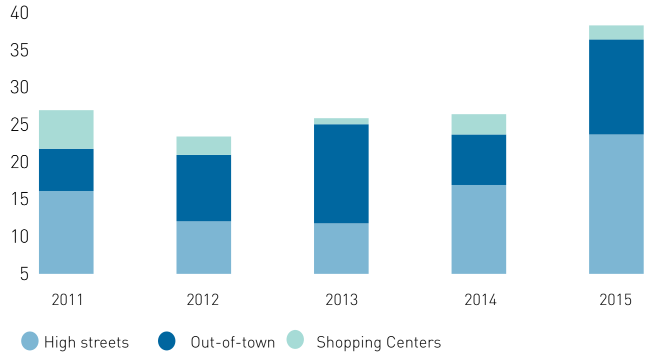
TOP RENTS PER DISTRICT IN €/M²/MONTH



Retail market: strong take-up and demand for larger shops

Luxembourg is a small but very wealthy country with a high population density in its southern regions, including the regions of Belgium, France and Germany nearby. For the third year in a row the total space leased or bought for own occupation grew in 2015 to more than 37,000 m².

TAKE-UP PER RETAIL TYPE (000 M²)



Despite these good take-up figures, the number of transactions was lower than in previous years. The average space per transaction has however increased significantly over 2015 for out of town shops as well as in main streets. Among those large transactions, there was the lease by our tenant Adler fashion of 4,100 m² at the to be redeveloped EKZ-Batiself site Route d'Arlon in Strassen, that will be redeveloped.

Another interesting fact is that the majority of the notable retail transactions consist of newcomers for the Luxembourg market, reflecting its dynamics: Galeria Inno, Tesla, Action, Pull & Bear, etc, almost all international players.

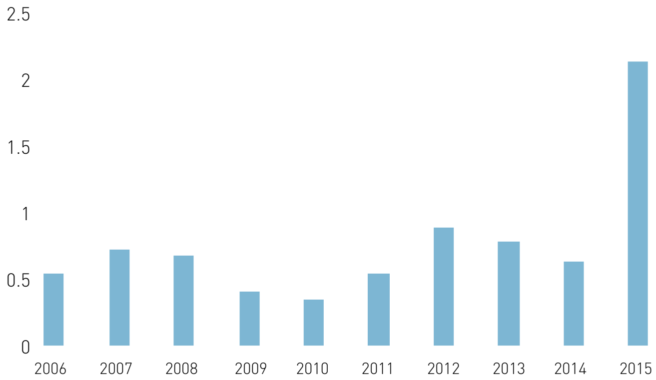
In most out of town and shopping centre locations, prime rents are stable. In many countries prime shopping centre rents are only a fraction of top main street rents; in Luxembourg the top shopping centres like Auchan Kirchberg € 110 /m²/month) or Belle Etoile (€ 85 /m2/month) have prime rents that come relatively close to the high street rents. It is expected that the upward pressure on rents will ease given the relatively large pipeline for shopping development over the coming years.
The Knauf Shopping centers, because of their particularities, should rather be considered as shopping centers with stable rents that vary, depending on the sector and the surface, between € 14 and 36/m²/month.

BELGIUM

Investment market

Investment volumes are back to their pre-crisis level, with more than € 4.3 billion (+40% compared to 2014) invested in Belgian commercial real estate in 2015, of which an exceptional € 2.15 billion in retail property.

INVESTMENT VOLUME RETAIL (€ BILLION)



As available equities remain important and the pipeline is impressive for 2016, invested volumes should be similar in 2016.

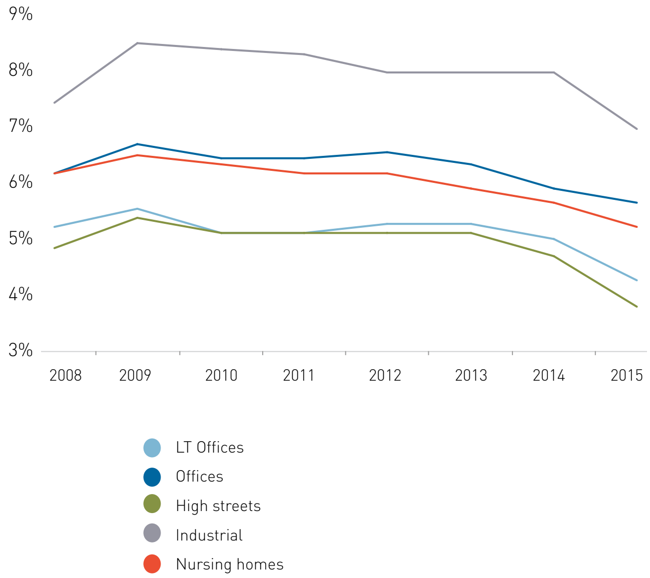
The average size of deals at its highest level since 2008 and the Acquisition of the iconic Royal Depot at the Tour & Taxis site in Brussels by Leasinvest Real Estate at the end of 2015 is among the largest deals recorded.

Different factors seem to indicate there will be no return to the issues of 2007 as investors are far more selective and more conscious of risk regarding their real estate investment strategy. Market fundamentals and location are key drivers in their strategies. The large availability of funds to invest and the low interest rates result in most investors looking for the same type of assets, leading to a flight to the most secured office assets, the LT Core segment, and record low yields as a result.

Also in Belgium foreign investors are on the rise with newcomer China International Company which purchased the Celsius portfolio (largest retail transaction in 2015), US investors representing 25% of total and the share of Belgian investors on the Brussels office market still dominant, dropping from 55% in 2014 to 45% in 2015. In 2016, Asian investors will represent an important share of the total.

Sharp yield compression is observed in every sector. Historically low interest rates and new investors (mainly from the US and Asia) entering the Belgian market increase the level of competition and leading to this compression.

TOP YIELDS FOR SELECTION OF SECTORS

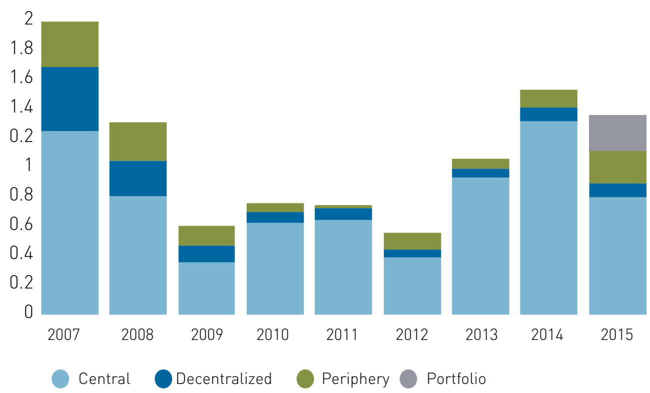


Office market: slight decrease of 8% to € 1.5 billion

Investments volumes in the office sector were slightly lower than in 2014, mainly due to a slip of huge deals in the beginning of 2016. However the number of deals grew by around 50%.

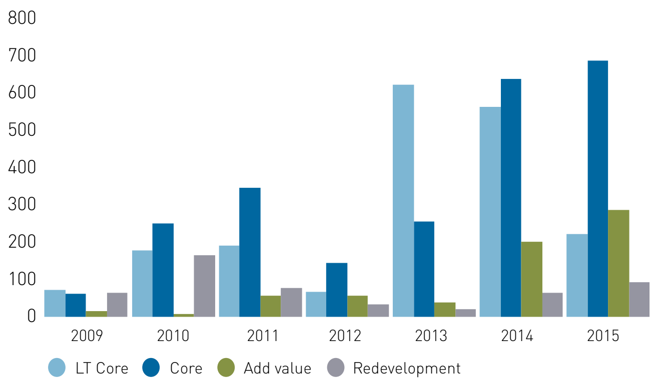
The distribution of deals by district reveals a decrease of the total invested volumes in the Central Districts (Centre, Louise, Midi, North and Leopold district) in 2015 as € 750 million were recorded, representing 60% of the total. Important activity has been observed in the Decentralised and Periphery districts.

INVESTMENT ACTIVITY PER DISTRICT (€ BILLION)



The focus remains nevertheless on the Central Districts but we observe a lack of opportunities. Two of these opportunities are the redevelopment projects of Leasinvest Real Estate, Square de Meeûs and Montoyer 63, both with expected delivery in 2017.

INVESTMENT ACTIVITY PER LEVEL OF QUALITY (€ M)

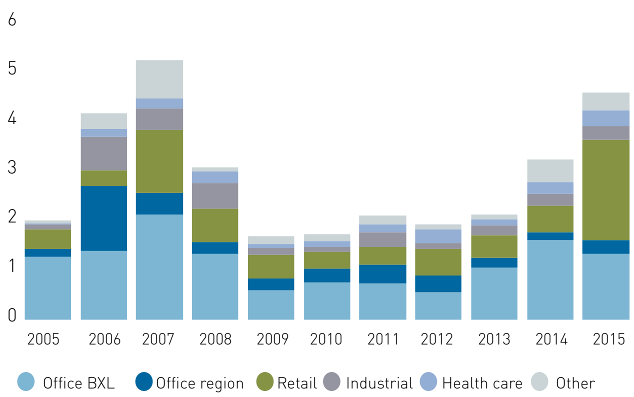


Yield compression is also observed in the office sector where prime assets (6/9 year leases) are purchased at 5.7% (5.61% on our Royal Depot at the Tour & Taxis site in Brussels) and long-term let schemes below 4.5%. These compressions will continue in 2016 to reach respectively 5.5% and 4% (or just below).

Retail market: exceptional year thanks to the sale of Waasland and Wijnegem shopping centers

Investments in the retail sector reach new summits in 2015, with more than € 2 billion invested, mainly driven by the € 875 million Celsius portfolio (Waaslad en Wijnegem shopping centers acquired by AEW on behalf of Asian investors). Investments in retail were furthermore evenly spread between shopping centres, retail parks and warehouses and in main streets.

INVESTMENTS PER TYPE OF REAL ESTATE (€ BILLION)



Rental market

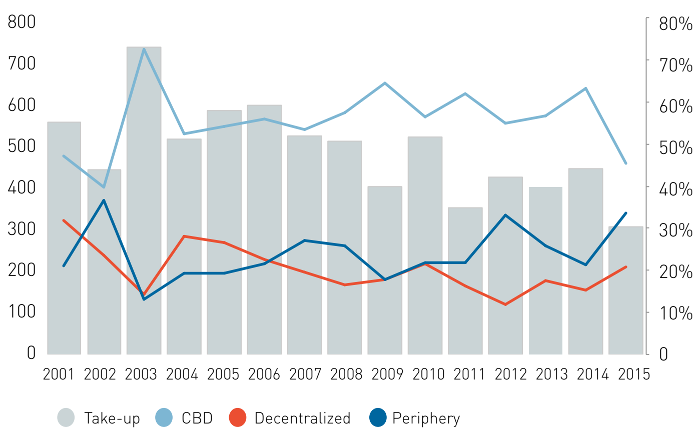
Office market: take-up at record low in 2015 ahead of strong start in 2016

Take-up is at a record low in 2015, with only 304,000 m² recorded over the year. This represents a 30% dive compared to 2014 and 25% below the average of the last five years. However, the start of 2016 is expected to boom with more than 150,000 m² of take-up in the pipeline.

Thanks to significant deals and available spaces, the share of decentralized districts, where Leasinvest Real Estate own the business center The Crescent and the Riverside business park, and the periphery stands respectively around 20% and 35% at the end of the year. This is expected to change in 2016 as several new developments will undoubtedly find occupiers in the central districts, where our two redevelopment projects Square de Meeûs and Montoyer 63 are located, both with reception dates in 2017. The central districts represent less than 45% (138,000 m²) of the total, while the airport amounts for 15% of the take-up.

Considering the current lack of qualitative and recent office spaces available (less than 100,000 m²), occupiers are constrained to (re-)locating in grade B and grade C buildings. Only 60,000 m² of take-up is recorded in grade A buildings. There is an important opportunity to develop new office schemes, which are well located and offer the highest efficiency and environmental performances criteria, criteria both our redevelopments in the Brussels' CBD will meet.

ANNUAL TAKE-UP AND SHARE OF DISTRICTS (000 M²)



The vacancy rate is still on a continuous and slight decrease, below 10% at the end of the year. This should nevertheless increase in 2016 as the pipeline (both committed and speculative) is high. The vacancy rate in the Central districts stands at 6.9% at the end of 2015, slightly above the level observed at the end of 2014 (6.6%). The low level of activity, the delay in some important relocation decisions and the delivery of some speculative office projects push this level upward. The vacancy rate in the North district, where Leasinvest Real Estate is the new owner of the Royal Depot at the Tour & Taxis site, continues to decrease to stand at 5% at the end of Q4 2015. The vacancy rate in the Centre, Leopold and Midi districts remained relatively stable in 2015, between 6% and 7% depending on the concerned district. As a whole, the vacancy should decrease in the Leopold district, mainly in grade A buildings. At the end of 2015, the vacancy in the decentralized districts stands at 15%, coming from 16.3% two years ago.

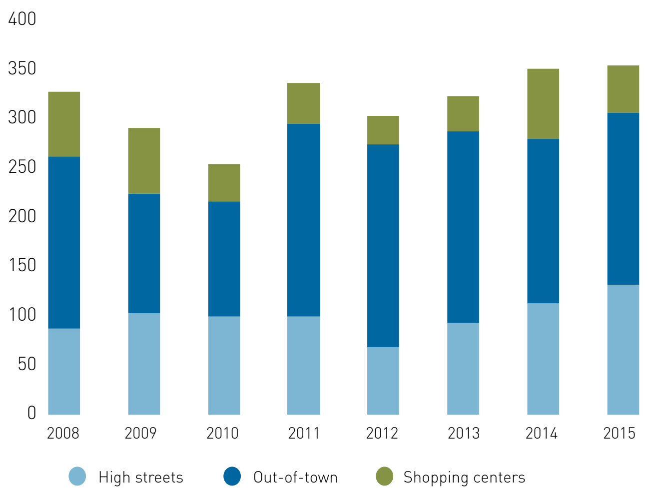
Prime rents show a strong stability, around € 275/m²/year in the Leopold district. So do the weighted average rents, at € 144/m²/year at the end of 2015, with a slight upward movement expected in 2016.

Retail market: strong activity in second half 2015 driven by international brands

Macro-economic figures remain good for the Belgian retail market, thanks to nearly 50,000 extra inhabitants per year forecasted and Brussels remaining among the fastest growing cities in Europe. Disposable income is forecasted to be picking up again over 2016 to go over the 3% bar in the 2017-2018 period, exceeding the equivalent figures for the Eurozone. This will obviously contribute to retail sales growth.

Overall retail take-up in Belgium was almost 340,000 m² less or more at the same level as previous years. A whole series of transactions that were published half January 2016 will be counted in the 2016 take-up. Retailers were rather hesitating to take decisions during the first half of the year of 2015, but activity seemed to be picking up, especially during Q4 when more than 112,000 m² transactions were published.

TAKE-UP (000 m²)



Rents are picking up again on AAA-locations as there is good demand for flagship stores: with e-commerce progressing these high visibility shops have more and more an additional marketing and showroom function. For example Toison d'Or in Brussels uptown has attracted tenants such as Apple and Marks & Spencer.

Out of town retail schemes benefited from the upgrading of architecture and clusters of greater quality, with classical inner town brands like H&M progressing into the periphery.

Prime rents for top retail parks across Belgium vary from € 100/m²/year in locations such as Mons to € 160/m²/year in Zaventem (where our Brixton business park is located) and have varied very little over the past year.

SWITZERLAND

Retail investment market

Stable yields thanks to scarcity of available buildings and strong demand

Due to specific legal restrictions (prohibiting the acquisition of residential investment properties by foreign buyers) for the acquisition in real estate, the Swiss real estate investment market is divided into two defined sub-markets: residential and commercial (i.e. office, retail, hotel, industrial and logistics).
On the commercial side, the market is still dominated by Swiss investment funds and Swiss pension funds, focusing on prime office and retail properties. For this type of real estate, net yields of 3 à 4% are recorded in the course of the last years reflecting the lack of available properties and strong demand. In 2015 this phenomenon was especially recorded in Geneva, where different very large transactions were realized. In the periphery the situation has changed over the last 18 months, with a more cautious approach by investors, more concerned about the remaining duration of the rental contracts, even for new buildings. In general, the yields remained relatively stable, more specifically because of the very low interest rates and the limited availability of buildings on offer. Moreover, financial institutions apply more restrictive funding conditions, more specifically as to the valuation of buildings. This, together with the will of the Swiss authorities to adopt new rules with regard to the funding of real estate, could impact the market yields over the coming years.

For the retail sector and because of the small size of the Swiss real estate market, the investment activity remains rather low. The most important sites are mainly held and occupied by retailers, such as Coop and Migros, not inclined to sell their assets and preferring to remain the owners of their buildings. Historically, foreign investors have been important actors on the investment market, more specifically for well-located sites in the periphery and for out-of-town shops. They have strongly contributed to the development of the retail market in Switzerland in specific zones.
The yield levels recorded in the retail sector have widened over the last 18 months; this mainly indicates anticipating the rental risk for commercial buildings. For top buildings, low yields of less than 4% are still recorded. In the periphery, the latest transactions indicate the more cautious approach of investors. The transactions in 2014 and 2015 in the Léman lake arch demonstrate e.g. net yields between 5.5% and 6.5%.

Retail rental market

Out-of-town shops still benefit from a sustained demand

One of the most remarkable phenomena recorded in Switzerland over the past 10 years, is the development of out-of-town shops in a large number of sectors in the country. The major part of the retailers focuses on specific zones in the periphery of the cities that are easily accessible by car. The majority concerns furniture (Ikea, Pfister, Top Tip, Conforama, Interio, Micasa) and D-I-Y (Hornbach, Coop Bau+Hobby, Jumbo, Migros Do It + Garden, Obi) that record the most important expansion, followed by pet stores (Fressnapf, Qualipet), sports (Ochsner Sport, Decathlon, SportXX, Athleticum) and electronics (Media Markt, Interdiscount, M-Electronics). These retailers are present in approximately 2/3 of the developments. There is also a growing presence of 'hard discounters', such as Lidl and Aldi, and fastfood chains. This sector keeps on benefiting from a relatively sustained demand, more specifically in the most appealing locations such as Geneva and Vaud, where Leasinvest Real Estate became the owner of 3 excellently located retail buildings at the end of 2014 (see real estate report at page p 80).
The current developments are very limited and slowed down by the cantonal and communal limitations with regard to traffic and nuisance from those types of activities.

E-commerce has definitively become the main challenge for traditional retailers. The most important change in consumer behaviour has a direct impact op sales, and the brands had to adjust to this new commercial environment.
The consequence is a decrease in the demand for commercial space. As this trend will continue the coming years, new models for shopping centers are developed, with also a strong demand for logistics spaces and showrooms with the main objective to create consumer experiences.

REAL ESTATE PORTFOLIO

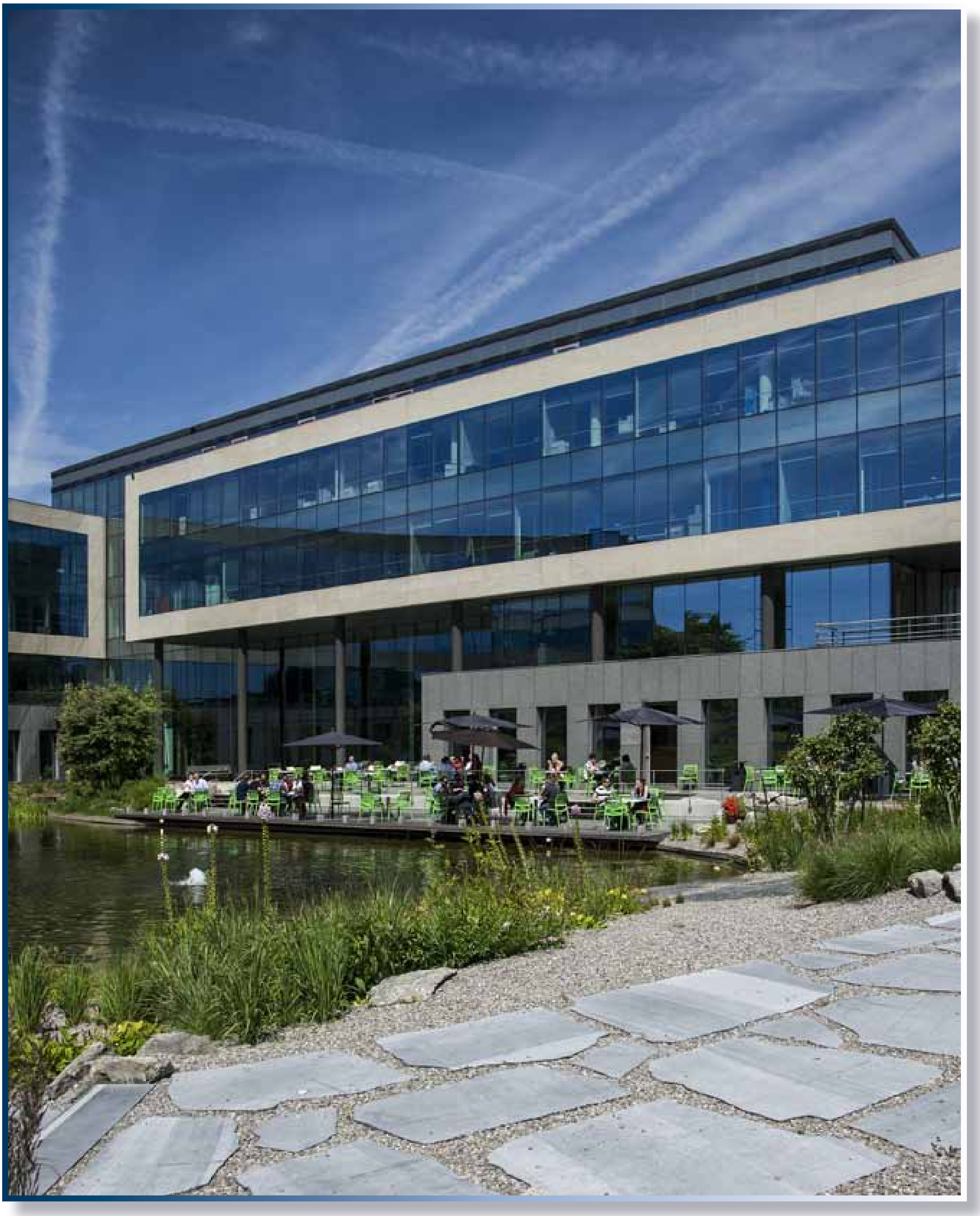
Montimmo, Luxembourg

GRAND DUCHY OF LUXEMBOURG

All investment properties are held directly and indirectly by Leasinvest Immo Lux, a 100% subsidiary of Leasinvest Real Estate.

LOCATION	DESCRIPTION	CON-STRUC-TION	SURFACE
Shopping center Knauf, Schmiede	Shopping center with 40 shops, located in the North of the Grand Duchy of Luxembourg, on the border of the 3 countries Luxembourg, Belgium and Germany	1995	35,684 m²
Shopping center Knauf, Pommerloch	Shopping center with 60 shops, located in the North of the Grand Duchy of Luxembourg, near Bastogne in Belgium	2002	26,251 m²
Route d'Arlon 2, Strassen	Retail site located at an important entrance to the City of Luxembourg, namely the Route d'Arlon	1988	22,721 m²
Hornbach, 31, Rue du Puits Romain, Bertrange	Retail site situated in Bertrange, Bourmicht	2008	12,153 m²
Rue du Cimetière/An der N7, Diekirch	Retail building situated at the N7 in Diekirch • Construction additional retail building of 1,356 m² in 2011	1996	9,059 m²
Rue du Brill, Foetz	Retail building situated next to Cora	1987	4,219 m²
Place Schwarzenweg, Dudelange	Commercial building consisting of galleries, commercial spaces, bakeries, reserves, sales points, offices and a cafeteria	1991	3,759 m²
Rue du Curé, Diekirch Co-ownership	Shop on ground floor with amenities limited to the 1st and 2nd floors and underground parking, part of a mixed building (commercial/residential)	1994	3,100 m²
Royal20, Boulevard Royal 20, Luxembourg	Prestigious office project designed by Agences Elizabeth et Christian de Portzamparc located in the heart of the city of Luxembourg	2016	4,936 m²
EBBC (building d), Route de Trèves 6, Senningerberg Co-ownership parking and parking zone	Is part of an office complex of six buildings at walking distance of Luxembourg airport	1988	3,665 m²
Rue Jean Monnet 4, Luxembourg	Flagship of the portfolio due to its location, architecture and excellent finishing • Partial renovation in 2011 • Partial renovation in 2015	1992	3,866 m²
Avenue J.F. Kennedy 43, Luxembourg Co-ownership	Exceptional location at the heart of Kirchberg, next to the Auchan shopping center • Rental surface offices 1st and 3rd floors	1999	2,270 m²
Route d'Esch 25, Luxembourg	Situated nearby Banque Internationale du Luxembourg's head offices at the route d'Esch	1992	1,839 m²
Montimmo, Avenue Monterey 35, Luxembourg	Situated in one of the most important streets of the Central Business District of the City of Luxembourg	2009	1,760 m²
Avenue Monterey 20, Luxembourg	Office building with standing, situated at the Boulevard Monterey, one of the most prestigious locations in Luxembourg	2001	1,555 m²
CFM, Rue Guillaume Kroll, Luxembourg	Industrial complex which serves as service center, distributor, wholesale in sanitary fittings, on the one hand, and an office complex on the other hand • Renovated and extended in 2008	1990	19,987 m²

The Crescent Anderlecht, Belgium



BELGIUM

All investment properties recorded in the statutory accounts of Leasinvest Real Estate are indicated with an *.

LOCATION	DESCRIPTION	CON-STRUC-TION	SURFACE
Brixton Business Park / Brixtonlaan 1-30, Zaventem*	Business park alongside the E40 motorway, consisting of 6 semi-industrial buildings and 1 large retail site • Renovations executed in function of new tenants	1975/88	36,122 m²
Royal Depot Tour & Taxis Brussels	Multi-functional and 'multi-tenant' building with 4 floors, spread across offices (32,076 m²), commercial spaces (7,293 m²) and archives (5,835 m²)	1910	44,603 m²
Riverside Business Park, Boulevard International 55, Anderlecht*	Business park in a verdant setting consisting of 12 buildings, 9 of which are office buildings and 3 are semi-industrial units • Different partial renovations 2005-2010	1992/96	26,826 m²
The Crescent, Route de Lennik 451, Anderlecht*	Office building in the Erasmus Science Park in Anderlecht • Renovated into a 'green intelligent building' in 2010/2011	2002	15,132 m²
Motstraat, Malines*	Office complex	2002	14,174 m²
Montoyerstraat 63, Brussels*	Extremely well located office building • Partially renovated in 2003 • renovation entrance hall and sanitary fittings 2009-2010 • Reconstruction by end 2017	1974	6,745 m²
Square de Meeûs 5-6 Brussels*	Very well located office building • Renovated to a large extent in different phases (period 1996-2002) • Entire reconstruction with reception foreseen in Q2 2017	1974	5,965 m²
Canal Logistics, Neder-over-Heembeek Phase 1*	State-of-the-art logistics center with 1,250 m² offices	2010	27,682 m²
Prins Boudewijnlaan 7, Kontich*	Distribution center • Extension in 2000	1989	27,589 m²
Nijverheidsstraat 96, Wommelgem*	Storage and distribution site with offices • Equipped with solar panels and extended with 500 m² of extra office space in 2010	1992/93	26,590 m²
SKF, Tongres*	Distribution center consisting of storage halls and offices • Extension by 6,800 m² of logistics space in 2015	1993/03	32,672 m²
Zeutestraat, Malines*	Warehouse with offices	2002	7,362 m²
Vierwinden Business Park/ Leuvensesteenweg 532, Zaventem*	Semi-industrial business park • Renovated in 1994 and 1998 (sale Units A and B front part in January 2013 – 6,526 m²)	1973	7,098 m²
State Archives Bruges, Predikherenrei 4, Bruges	Building with 29 linear kilometers of archives	2012	6,097 m²

Yverdon-les-Bains, Switzerland

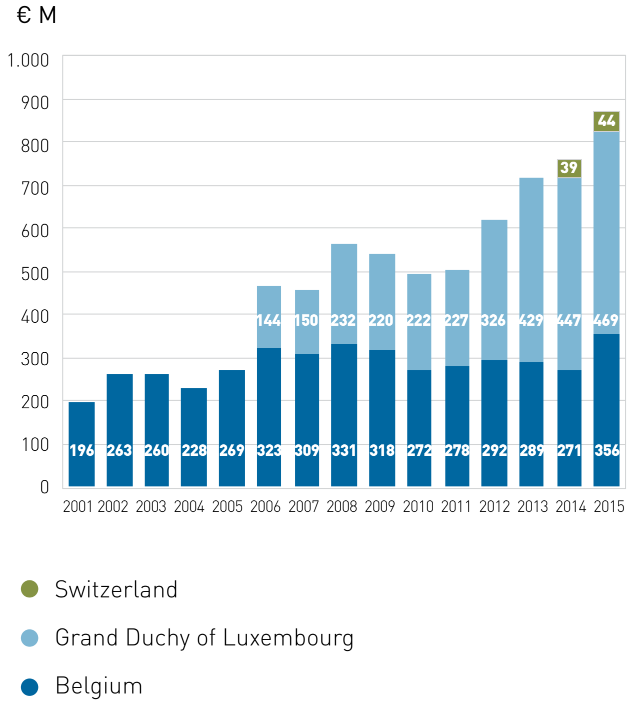
SWITZERLAND

All investment properties in Switzerland are directly held via Leasinvest Immo Lux, of which Leasinvest Real Estate is the 100% shareholder.

LOCATION	DESCRIPTION	CONSTRUCTION	SURFACE
Route de Buchillon 2, Etoy	Retail building located in retail park Littoral	2005	5,126 m²
Route des Paquays, Villeneuve	Retail building located in retail park Pré Neuf	2005	3,505 m²
Rue du lac 12, Yverdon-les-Bains	City shop located in the main street	1990	3,018 m²

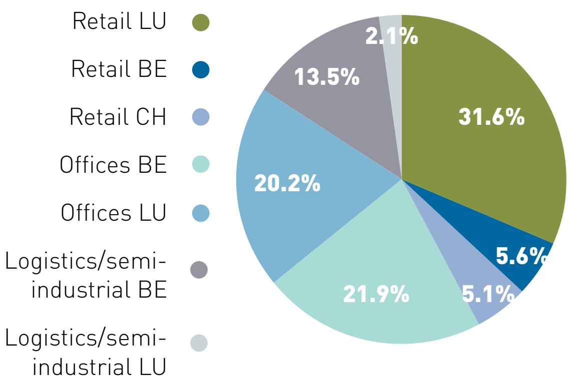
ANALYSIS OF THE REAL ESTATE PORTFOLIO BASED ON FAIR VALUE

EVOLUTION OF FAIR VALUE



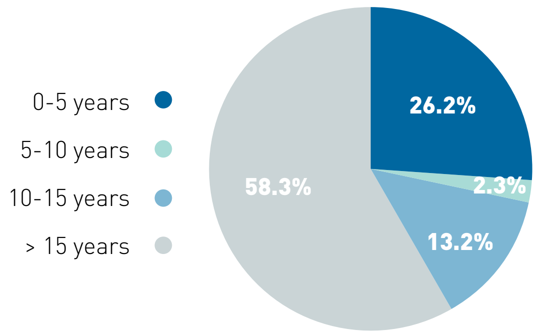
The fair value increases to € 870 million thanks to the acquisition of the Royal Depot at the Tour & Taxis site in Brussels in Belgium. Despite a strong increase of the Belgian segment, le portfolio in the Grand Duchy of Luxembourg remains the most important with a share of 54%, followed by Belgium with 41% and Switzerland with 5%.

ASSET CLASSES



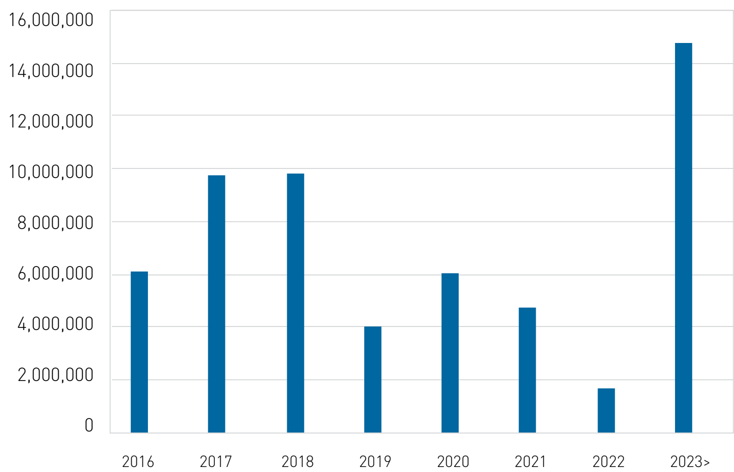
Retail remains the main asset class with 42.2%, while the offices part temporarily amounts to 42.1% by the acquisition of the Royal Depot at the Tour & Taxis site. This balance will however again shift in favour of retail as soon as the planned sale of the completed office building Royal20 has taken place in the second quarter of 2016 (see management report).

AVERAGE AGE



29% of the buildings have less than 10 years, 58.3% of the buildings have more than 15 years (of which an important part is retail). In this percentage the building Montoyer 63 is still recorded, let till mid-2016 that will be entirely reconstructed by end 2017, which will decrease the average age of the real estate portfolio as of its reception in 2017. Moreover, this graph has been drawn up excluding the buildings held for sale and the development projects (a/o Square de Meeûs in the CBD of Brussels).

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



	2016	2017	2018	2019	2020	2021	2022	2023>
Annual rent	6,087,422	9,750,898	9,818,717	4,052,291	6,007,134	4,758,432	1,675,891	14,777,382
Share	10.69%	17.13%	17.25%	7.12%	10.55%	8.36%	2.94%	25.96%

The graph is based on the first break date of the current rental contracts and on the contractual rents.

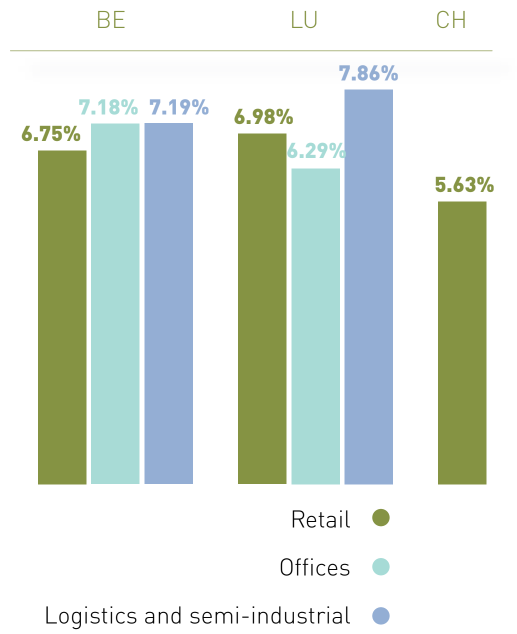
The average remaining duration of the rental contracts amounts to 4.84 years (31/12/2014: 5.08 years).

45% of the annual contractual rents expire within 3 years. In 2015 19% of the annual contractual rents expired. The contracts were for the largest part all renewed or filled-in by other tenants, at competitive conditions.

The breaks in the coming years amount to, respectively 10.69% in 2016, 17.13% in 2017 and 17.25% in 2018.

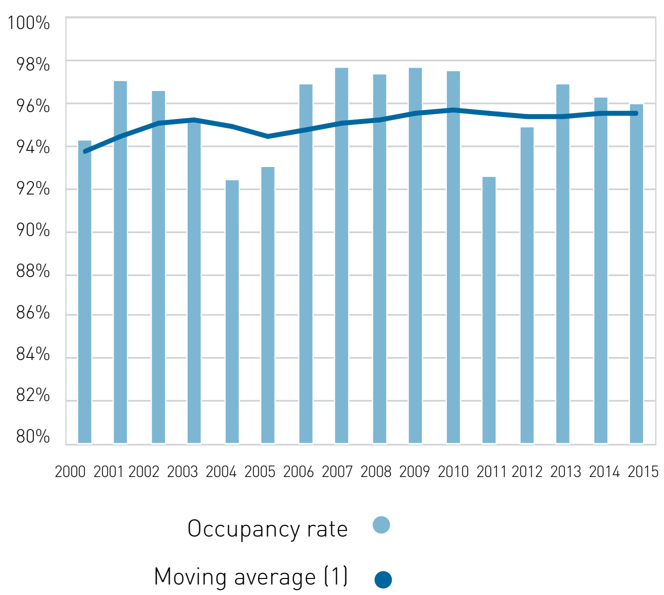
For more information we refer to note 4 of the financial statements.

DETAILS ON YIELD PER ASSET CLASS AND LOCATION (FAIR VALUE) (1)



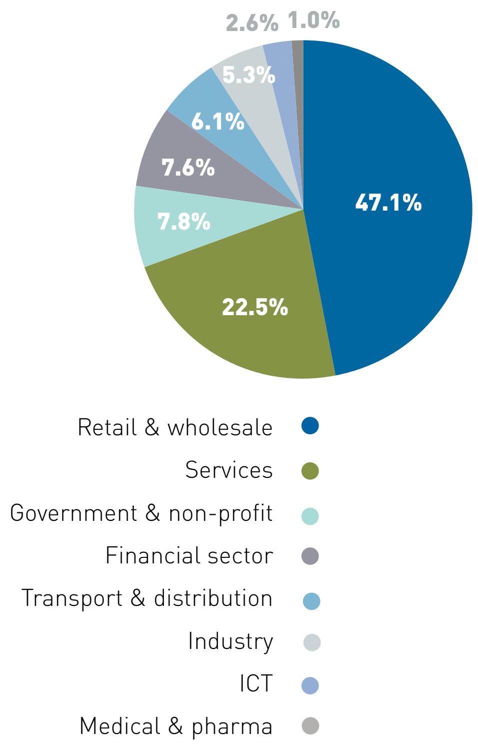
(1) There is an inverse relationship between yield and value; a higher value namely results ceteris paribus in a lower yield. These yields are calculated on the basis of the assets available for lease.

OCCUPANCY RATE REMAINS NEARLY STABLE AT 95.80%



(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 BASED ON RENTAL INCOME



Retail and wholesale and services account for nearly 70% of the portfolio.

COMPOSITION OF THE REAL ESTATE PORTFOLIO BASED ON FAIR VALUE

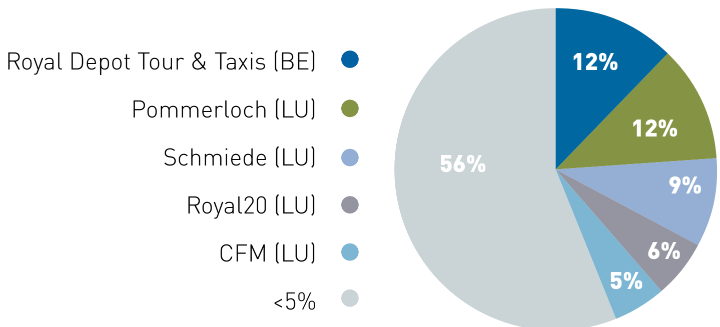
For more information with regard to the segment information we refer to note 3 of the financial statements.

GEOGRAPHICAL CLASSIFICATION BELGIUM – GRAND DUCHY OF LUXEMBOURG - SWITZERLAND

	Fair value (€ M)	Investment value (€ M)	Share in portfolio (%) based on fair value	Contractual rent (€ M/year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occupancy rate (%)	Duration
Grand Duchy of Luxembourg	418.69	424.98	48.16	28.55	6.82	6.72	97.85	5.10
Belgium	340.21	348.17	39.13	24.21	7.12	6.95	92.83	4.03
Switzerland	44.07	45.17	5.07	2.48	5.63	5.49	100.00	6.07
Real estate available for lease	802.97	818.32	92.36	55.24	6.88	6.75	95.80	4.84
Belgium	4.39	4.50	0.50	0.37				
Assets held for sale	4.39	4.50	0.50	0.37				
Projects Luxembourg	50.75	52.02	5.84	2.99				
Projects Belgium	11.27	11.55	1.30	0.00				
Total investment properties	869.38	886.39	100.00	58.60				

The contractual rent mentioned is higher than the rental income recognized in the income statement, as the contractual rent annualizes the rental income of the acquisitions (the acquisition of the Royal Depot Tour & Taxis was only recorded in the financial statements since half of December).

OVERVIEW OF BUILDINGS WITH A SHARE OF MORE THAN 5% IN THE TOTAL REAL ESTATE PORTFOLIO



SEGMENTATION BASED ON ASSET CLASS

	Fair value (€ M)	Invest-ment value (€ M)	Share in portfo-lio (%) based on fair value	Contrac-tual rent (€ M/ year)	Rental yield based on FV (%)	Rental yield based on IV (%)	Occu-pancy rate (%)	Duration	Acqui-sition value (€ M)	Insured value (€ M)
Retail										
Retail Grand Duchy of Luxembourg	274.41	277.08	31.56	19.17	6.98	6.92	98.88	6.10	257.20	158.94
Retail Switzerland	44.07	45.17	5.07	2.48	5.63	5.49	100.00	6.10	37.00	20.10
Retail Belgium	48.27	49.47	5.55	3.26	6.75	6.58	97.08	2.40	35.07	17.97
Total retail	366.75	371.72	42.18	24.91	6.79	6.70	98.79	5.66	329.27	197.01
Offices										
Offices Grand Duchy of Luxembourg	124.81	127.94	14.36	7.85	6.29	6.13	94.83	4.10	103.59	73.43
Offices Brussels	158.76	162.72	18.26	10.50	6.62	6.46	90.14	2.40	199.23	134.53
Offices rest of Bel-gium	20.44	20.95	2.35	2.34	11.47	11.19	100.00	1.40	47.70	31.45
Total offices	304.01	311.61	34.97	20.69	6.80	6.64	92.77	2.99	350.52	239.41
Logistics/Semi-industrial										
Logistics/Semi-industrial Belgium	112.74	115.03	12.97	8.11	7.19	7.05	93.99	7.12	80.61	121.55
Logistics/Semi-in-dustrial Grand Duchy of Luxembourg	19.47	19.96	2.24	1.53	7.86	7.67	100.00	2.00	13.40	5.55
Total Logistics/Semi-industrial	132.21	134.99	15.21	9.64	7.29	7.14	94.91	6.30	94.01	127.10
Investment proper-ties	802.97	818.32	92.36	55.24	6.88	6.75	95.80	4.84	680.33	563.52
Assets held for sale	4.39	4.50	0.50	0.37					4.36	5.54
Real estate available for lease	807.36	822.82	92.86	55.61					684.69	569.06
Projects Belgium	11.27	11.55	1.30	0.00					14.75	15.29
Projects Grand Duchy of Luxembourg	50.75	52.02	5.84	2.99					31.61	0
Total investment properties	869.38	886.39	100	58.60					731.05	584.35

	Total surface (in m²)	Contractual rent (M EUR/y) (1)	Occupancy rate (%) (2)	Contr. Rent + ERV on vacancy (M EUR/y) (3)	Estimated rental value (M EUR/y) (3)
PART I: Retail					
Diekirch	3,100	0.67	100%	0.67	0.42
Dudelange	3,759	0.38	100%	0.38	0.38
Foetz - Adler	4,219	0.56	100%	0.56	0.56
Diekirch - Batiself	8,843	0.90	100%	0.90	0.91
Diekirch - Siemes	1,356	0.23	100%	0.23	0.23
Strassen	22,721	2.50	100%	2.50	2.48
Hornbach	12,153	1.73	100%	1.73	1.74
Schmiede	35,684	5.54	96%	5.77	5.76
Pommerloch	26,251	6.65	100%	6.65	7.52
Total retail Luxembourg	118,086	19.17	99%	19.39	19.99
Littoral Parc - Etoy	5,126	1.18	100%	1.18	1.26
Pré-Neuf - Villeneuve	3,505	0.76	100%	0.76	0.79
Yverdon-les-Bains	3,018	0.54	100%	0.54	0.66
Total retail Switzerland	11,649	2.48	100%	2.48	2.71
Brixton BP - Unit 4/5/6	14,454	2.17	100%	2.17	2.11
Avenue du Port 86c (Royal Depot)	7,293	1.09	90%	1.18	0.91
Total Retail Belgium	21,747	3.26	97%	3.34	3.02
Total Retail	151,482	24.90	99%	25.22	25.72
PART II: OFFICES					
Montimmo	1,760	1.00	100%	1.00	0.84
EBBC	4,473	1.52	98%	1.56	1.45
CFM offices	5,559	1.39	100%	1.39	1.56
ESCH	1,839	0.64	100%	0.64	0.58
Kennedy	2,270	0.95	100%	0.95	0.86
Monterey	1,555	0.71	100%	0.71	0.69
Monnet	3,866	1.64	79%	2.00	1.70
Total offices Luxembourg	21,322	7.85	95%	8.25	7.68
Rue Montoyer 63	6,745	1.52	100%	1.52	1.17
Riverside BP	21,645	2.30	75%	2.89	2.40
Lenniksebaan, Anderlecht	15,132	1.77	88%	2.00	1.94
Avenue du Port 86c (Royal Depot)	37,911	4.92	95%	5.16	5.35
Total offices Brussels (Belgium)	81,433	10.50	90%	11.57	10.86
WKB offices Motstraat	14,174	2.34	100%	2.34	1.75
Total offices Malines (Belgium)	14,174	2.34	100%	2.34	1.75
Total offices	116,929	20.69	93%	22.16	20.28
PART III: LOGISTICS					
CFM warehouse	14,428	1.53	100%	1.53	1.17
Total logistics Luxembourg	14,428	1.53	100%	1.53	1.17
SKF, Tongres	32,672	1.36	100%	1.36	1.35
Wommelgem - Nijverheidsstraat	26,590	1.39	99%	1.41	1.24
Canal Logistics - Phase 1	29,520	1.20	90%	1.34	1.36
Prins Boudewijnlaan 7	27,589	1.33	100%	1.33	1.09
Archives, Predikherenrei 3 - Bruges	6,097	1.18	100%	1.18	1.18
Total logistics Belgium	122,468	6.47	97%	6.63	6.22
Total logistics	136,896	8.00	98%	8.16	7.39
PART IV: INDUSTRIAL					
Riverside BP	5,181	0.37	91%	0.40	0.36
Brixton BP	21,668	1.09	81%	1.33	1.29
Vierwinden BP	7,145	0.18	62%	0.30	0.30
Total industrial Belgium	33,994	1.64	80%	2.03	1.96
Total Industrial	33,994	1.64	80%	2.03	1.96
General total without projects	**439,301**	**55.24**	**96%**	**57.57**	**55.36**
PART V: PROJECTS					
R20 - Boulevard royal	5,936	2.99	100%	2.99	2.68
Total Projects Luxembourg	5,936	2.99	100%	2.99	2.68
Square de Meeûs 5-6	5,965	0.00	0%	1.58	1.58
Total Projects Belgium	5,965	0.00	0%	1.58	1.58
Total Projects	**11,901**	**2.99**	**100%**	**4.57**	**4.26**
PART VI : ASSETS HELD FOR SALE					
WKB Warehouses, Zeutestraat	7,362	0.37	100%	0.37	0.32
Total assets held for sale Belgium	7,362	0.37	0%	0.37	0.32
General total with projects and assets held for sale	**458,564**	**58.60**	**94%**	**62.51**	**59.94**

(1) The difference between the contractual rent and the rental income as presented in the financial statements is mainly attributable to the fact that the investments in 2015 have only contributed to the rental income as from 17 December, and that those in the table above are annualized.
(2) For the definition of the occupancy rate, we refer to the lexicon at page 205.
(3) The real estate experts (Cushman & Wakefield, Stadim, DTZ and SPG Innercity) base the definition of the estimated rent on their knowledge of the real estate market and recently realized transactions. The rental value is a/o influenced by: the situation, the suitability of the site, the qualities of the building and the market circumstances. The unit price granted is multiplied by the surface of the commercial building in order to obtain the total estimated rental value.

INSURED VALUE (SITUATION ON 31/12/2015)

In order to avoid a multitude of recourse claims and to benefit from favourable premiums, the standard rental contracts (and service agreements within the framework of the business center activities) of both Leasinvest Real Estate (LRE) and Leasinvest Immo Lux (LIL), define that the insurance contract of the specific building is concluded by the lessor for its total reconstruction value (its 'insured value'), including the tenant risk and similar risks, mutually waived, and additionnally a loss of rent of 36 months ('the global insurance policy LRE/LIL').

In Belgium the insurance risk of this global insurance policy LRE ("Alle risico's behalve") is subscribed by three insurance companies, namely ACE European Group Ltd. (60%), Bâloise SA (20%) and BDM NV (20%). In the Grand Duchy of Luxembourg the global insurance policy LIL ("Tous risques sauf") is entirely subscribed by Allianz Insurance Luxembourg SA.

In Belgium the management of the insurance portfolio is exercised by (largest Belgian independent) agent, Vanbreda Risk & Benefits SA. In view of a further optimization of this management, a collaboration was started with its Luxembourg branch as of 01/01/2015, the agent Vanbreda & Lang SA.

The insured value of the buildings in the global insurance policies LRE/LIL is based on an external 'new construction' valuation executed by an authorized real estate expert. These insured values are yearly automatically indexed. For Belgium the Association of Belgian Experts (ABEX) decided not to adjust the index figure per 31/12/2015 and to keep this at 744. For the Grand Duchy of Luxembourg the 'Indice semestriel des prix de la construction' was on the contrary effectively adjusted and amounts currently to 753.63 compared to 745.85 per 31/12/2014.

For a number of buildings the owner's risk is insured individually by the tenant (via their own global insurance policy) or by the co-ownership. In Belgium this relates to the buildings rue Montoyer 63 (insured via the global insurance policy of the European Parliament), the SKF building at Heesterveldweg 16 (Tongres) (insured via the global insurance policy of the SKF group), the building at Prins Boudewijnlaan (via the All Risk insurance of Federal Mogul Corporation). Just as it is the case for the global insurance policy of LRE/LIL, the insured value of these buildings is based on the aforementioned external 'new construction' value of 2009 and is in principle indexed automatically every year.

Besides the building complex of the State Archives in Bruges, that is owned by a 100% subsidiary of the company, namely RAB Invest SA, the LRE policy also covers the insured value of the underground parking, within the framework of a co-ownership situation.

For Luxembourg this relates to the following buildings (all insured through the (syndic of the) respective co-ownerships): Kennedy (global insurance policy of € 328.35 million of which € 7.01 million (excluding loss of rent) relates to the LIL part), EBBC (total insured value of the buildings of € 89.77 million with a LIL share of € 14.41 million), Monterey 20 (global insured value LIL € 4.86 million, of which € 4.17 million for the building Monterey 20 (100% LIL) and € 0.69 million for the Central Parc co-ownership owned by LIL, with regard to the adjacent building located at 31-33 Blvd. du Prince Henri with a global insured value of € 22.77 million), Diekirch (Match) (€ 20.70 million of which € 5.42 million for LIL). Both the owner's risk and the tenant risk of the 'Hornbach Baumarkt' site in Bertrange (property of 100% subsidiary Orly Lux SARL) are insured by that tenant. Its insured value currently amounts to € 9.02 million and also comprises a loss of rent in favour of the landlord.

The buildings divested in the course of 2015 Wenenstraat (B - Meer), Phase II of Canal Logistics (B - Neder-over-Heembeek) and the Kiem building (L - Strassen) have been deleted from the insurance policies.

Also the building complex 'Axxes Business Park' and the business center 'The Crescent Ghent' (before Torenhove) in Merelbeke are part of the LRE policy within the framework of the management and syndic activities (exercised by subsidiary Services SA). Besides all the furniture of the business centers, the tenant risk of rented offices of the administrative office in Antwerp, all ICT equipment has been incorporated in the LRE policy, with retention of the more favourable conditions of the prior All Risks Electronics policy. The solar panels installed on the roof of Canal Logistics in Neder-over-Heembeek are separately insured by the owner of the building and planting rights. A mutual renunciation of redress has been negotiated between parties and is incorporated in the LRE policy.

End 2015 LRE acquired T&T Koninklijk Pakhuis NV, owner of the leasehold of the building with the same name at the Tour & Taxis site in Brussels. The insured value of the building currently amounts to € 44.95 million (or pro rate € 38.21 million for the offices part and € 6.74 million for the retail part, excluding a loss of rent of 18 months) and is part of a group policy for the entire site. Also taking into account the interesting commercial conditions and the use of a joint policy for the entire T&T site, it has been decided to keep the building part of the existing insurance contract. The insurance contract is managed by the same agent Risk & Benefits SA.

Taking into account the demolition of the hotel Rix (20, Bld Royal) in Luxembourg and the conclusion of a construction all risk policy (with first rank coverage) for the duration of the new construction, its insured value was temporarily reduced to zero in the LIL policy. As is habitual in the Grand Duchy of Luxembourg, a certified control body, the firm Secolux SA, was appointed for the control of the works in view of concluding insurance for the (two- and) ten-year liability ("Assurance biënnale et décennale"). The conditions for this decennial insurance have been determined in the meanwhile. Until the notary deed, the building will again be incorporated in the LIL policy as of its provisional reception.

For both Luxembourg shopping centers Knauf, respectively in Schmiede (owned by the 100% subsidiary of LIL Porte des Ardennes Schmiede SA) and Pommerloch (owned by Porte des Ardennes Pommerlach SA) the existing leases define that the lessor, respectively the tenants should each insure their own risks against fire and similar risks. In the new rental contracts a classic insurance clause of LIL is included (whereby the lessor also insures the tenant risk) and with a mutual waiver of recourse. The existing insurance contracts have been adapted in that sense.
Within the framework of the subscription of the real estate certificates by LIL, the incorporation of a special clause in the respective insurance contracts of the owner (with Lalux for Schmiede and Foyer for Pommerloch) was negotiated, in particular stating that priority is given to the certificate holders for the distribution of potential indemnities within the framework of these insurances in order to compensate each possible loss of rental income.

The take-over of the shares of Porte des Ardennes Schmiede SA and of Porte des Ardennes Pommerlach SA by Leasinvest Immo Lux had no influence on the insurance contract for the respective buildings. The insured amounts for Knauf Schmiede amount to € 64.80 million per 31/12/2015, of which € 47.61 million for the building (and for the rest for accessory cover, among which the loss of rent). For Knauf Pommerloch the insured value amounts to € 54.53 million (including the petrol station, excluding the loss of rent).

With regard to the 3 Swiss retail buildings of LIL, located in Villeneuve, Etoy and Yverdon-les-Bains, the underlying rental contracts stipulate that the lessor guarantees the insurance of fire and related risks, including the loss of rent.

In virtue of the current legislation, the insurance policy "Police d'Assurance contre l'Incendie et les Eléments Naturels – Bâtiment" of those buildings was (mandatorily) entrusted to the insurer of the canton ECA (l'Etablissement Cantonal d'Assurance). The current insured value of the buildings amounts to € 20.10 million in total (Index value 125, currency value CHF per 31/12/2015). The related risks (such as water damages, theft and the loss of rent of 36 months) are covered via a separate insurance with the insurance company Schweizerische Mobiliar Versicherungsgesellschaft AG.

End 2015 the company Galtier SA has been entrusted with the mission of assessing the reconstruction value of most of the recently acquired buildings. This valuation report is expected by the spring of 2016 and will possibly lead to an adjustment of the insured amounts.

The total insured value for the buildings owned by Leasinvest Real Estate, amounts to € 319.59 million, of which € 217.03 million is part of the global LRE insurance policy.

The total insured value for the buildings owned by Leasinvest Immo Lux, amounts to € 258.02 million (i.e. including Knauf Schmiede and Pommerloch and the Swiss properties), of which € 99.23 million is part of the global LIL insurance policy (i.e. excluding the insurances for Knauf Schmiede and Pommerloch and the Swiss properties that are separately insured in the name of LIL).

A number of buildings to which a full VAT deduction applies, are insured at their new construction value excluding VAT.

Belgium (in € million)	
Offices	181.27 (95% of the FV)
Logistics	127.09 (109% of the FV)
Retail	17.97 (37% of the FV)
TOTAL	326.33 (92 of the FV)

Luxembourg (in € million)	
Offices	73.43 (59% of the FV)
Logistics	5.55 (29% of the FV)
Retail	158.94 (58% of the FV)
Project Royal20	-
TOTAL	237.92 (57% of the FV)

Switzerland (in € million)	
Retail	20.10 (46% of the FV)
TOTAL	20.10 (46% of the FV)

General total (in € million)	**€ 584.35 (67.21% of the FV)**

The premiums paid for 2015 within the framework of the global LRE/LIL insurance policies, incl. taxes, amount respectively to € 140,071.20 for Belgium and to € 41,391.41 for Luxembourg.

VALUATION REPORT[1][2]

VALUATION UPDATE AS AT 31 DECEMBER 2015 OF THE LEASINVEST REAL ESTATE SCA PORTFOLIO

REPORT BY THE EXTERNAL VALUER CUSHMAN & WAKEFIELD

Our valuation has been prepared on the basis of the information provided by Leasinvest Real Estate CVA. We assume this information is correct and complete, and that there are no undisclosed matters which could affect our valuation.

Our valuation methodology is the capitalisation of the market rent with corrections to take into account for the difference between the current rent and the market rent. We have also based ourselves on comparables that were available at the date of valuation.

The values were determined taking current market parameters into account

We would like to draw your attention on the following points:

1. The portfolio consists of business parks, offices and semi-industrial buildings or distribution centres and shops, located in Belgium, in the Grand Duchy of Luxembourg and in Switzerland.

2. The total (including de projects and assets 'to be sold) effective rental income (including the market rent on vacant space) is 4.58% higher than the market rent (respectively 9.63%, 2.05% and -8.36% for the Belgian, the Luxembourg and the Swiss portfolios).
   The total (excluding de projects and assets 'to be sold) effective rental income (including the market rent on vacant space) is 4,17% higher than the market rent (respectively 9.57%, 1.15% and -8.36% for the Belgian, the Luxembourg and the Swiss portfolio).

3. The total occupancy rate[3] of the portfolio (including the projects) is 93.49% (respectively 87.23%, 98.03% and 100% for the Belgian, the Luxembourg and the Swiss portfolio).
   The total occupancy rate of the portfolio (excluding the projects) is 95.80% (respectively 92.83%, 97.85% en 100% for the Belgian, the Luxembourg and the Swiss portfolio.

4. The remaining weighted average duration of the current leases for the whole portfolio equals to 19.4 quarters or 4.84 years. The projects and assets 'to be sold' were not taken into account in this parameter.

5. The acquisition of the property T&T (Tour & Taxis), located Havenlaan 86c in Brussels, was completed during Q4 2015: this property is a multifunctional and multi-tenant office building with commercial and horeca activities on the ground floor. The acquisition has an investment value of € 110,700,000 and a fair value of € 108,000,000.

6. The project Monnet in Luxemburg (Rue Jean Monnet 4 – 2180 Luxembourg) was finalized in Q4 2015 and has been reclassified from 'Projects' to 'Offices'.

7. Adler has signed a lease renewal for 5 additional years (with no break option until 31/12/2021) in the Metrolux asset in Luxembourg (Rue du Brill – 3898 Foetz).

8. A total investment value of € 886,390,000 (eight hundred eighty-six million three hundred and ninety thousand euros) has been determined, with respectively € 364,220,000, € 477,000,000 and € 45,170,000 as investment values for the Belgian, Luxembourg and Swiss portfolio.

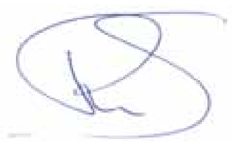
9. A total fair value of € 869,390,000 (eight hundred sixty-nine million three hundred and ninety thousand euro) has been determined, with respectively € 355,880,000, € 469,440,000 and € 44,070,000 as fair values for the Belgian, Luxembourg and Swiss portfolio.

1 The valuation report has been reproduced with the agreement of Cushman & Wakefield and DTZ Winssinger.
2 The conclusions of the valuation report concern, unless mentioned otherwise, the real estate portfolio of Leasinvest Real Estate, including the development projects and the assets held for sale.

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

On this basis, the initial yield of the complete portfolio (including the Projects and assets 'to be sold') in terms of investment value is 6.61% (with respectively 6.75%, 6.61% and 5.49% for the Belgian, Luxembourg and Swiss portfolios) and the initial yield of the complete portfolio in terms of fair value is 6.74% (respectively 6.91%, 6.72% and 5.63% for the Belgian, Luxembourg and Swiss portfolio).

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



Koen NEVENS MRICS
Managing Partner
For Cushman & Wakefield

OPERATIONAL MANAGEMENT OF THE BUILDINGS – ACTIVE MANAGEMENT

The company aims at actively developing and managing its real estate, which implies that the company itself organizes the daily management of the real estate. To that effect, the company disposes, in accordance with the RREC legislation, over an operational team that is directed and managed by the effective officers in accordance with the decisions of the board of directors. That way, the company maintains direct relationships with its clients and suppliers.

Within the framework of its active management, the company also provides different supplementary services that constitute an added value to providing its real estate or to its users. The supplementary services comprise – except for collecting the rents and re-invoicing of common charges to the tenants – different services such as among other things the property management (with or without an available own helpdesk to rapidly solve the problems of clients-tenants), project management (such as the presence of engineers and/or architects to coordinate, with the contractors and/or subcontractors, the necessary renovation or adjustment works for new lettings) and facility management (such as providing extra services, e.g. catering, meeting rooms, computer systems, telecom, etc.).

These supplementary services are means to exercise its activities and constitute an added value, both for the real estate provided and its users. These services fit within the company strategy to answer to the needs of its clients and to be able to offer, in that way, tailor-made real estate solutions in the long term.

These supplementary services are provided by own staff or by third-party specialized companies, acting under the responsibility, control and coordination of the effective officers of the company.

The income from the other supplementary services (except for those for the technical and commercial management of the "Axxes Business Park" and "Torenhof"), are included in the rental income of the company. The "supplementary services" the company offers within the framework of its activities, are indeed inherent to the activities of the company, and cannot be presented by separate figures. These supplementary services have to be considered from a qualitative point of view, in which the "fee" (and thus income) for the supplementary services is translated in the fee the company receives in fine within the framework of providing the buildings.

The company Leasinvest Real Estate has no own personnel. The personnel is employed by the subsidiaries Leasinvest Services SA, Leasinvest Immo Lux SA and Porte des Ardennes Schmiede SA, as well as by the statutory manager Leasinvest Real Estate Management SA.

The entire operational team, responsible for general management, commercial contacts with tenants and real estate agents, accounting, legal counsel, administration and technical management of the buildings, consists of some 20 persons end 2015.

The company also appeals to subcontractors or external suppliers that effectively operate under the responsibility, the control and the coordination of the effective officers of the company.

Following article 19 of the RREC law, the company and its subsidiaries can entrust the management of their portfolio to a related company specialized in property management.

BELGIUM

For the buildings in Belgium, the technical management of the buildings is executed since 2007 by Leasinvest Services SA, (company number 0826.919.159), with registered office in 2000 Antwerp, Schermersstraat 42, a 100% subsidiary of the company.

The decision in 2007 to fully internally manage the Belgian portfolio was mainly inspired by the company's concern then to strengthen direct communication with its tenants. Leasinvest Services SA is dedicated to the property management and the project management of the company's buildings located in Belgium. Since 2015 a number of tasks are outsourced within the framework of the RREC legislation on the matter, for which the responsibility, coordination and control remain with the effective officers of the company.

The property management comprises administrative, financial and technical activities, for which the company disposes of an adequate accounting and technical organization.

The administrative and financial management consists of:

- verification of compliance with the leases and the internal regulations
- updating of rental tenancy schedules
- calculating, requesting and monitoring the payments of rents due and each tenant's share of common charges, property tax and insurance premiums and drawing up the annual final accounts of rent and charges, and if necessary, charging against the rental guarantees provided
- calculating and monitoring the establishment and updating of rental guarantees
- management of any overdue rent and charges
- arranging for reports on the state of the premises to be drawn up and monitoring them at the start and end of leases; recovery of any damage recorded from the tenant or the party liable
- managing the insurance portfolio

The technical management implies a/o:

- regular inspection of the buildings to maintain them in good rental condition
- maintenance of the common areas and the technical facilities
- taking the necessary protective measures
- handling claims with the insurance companies
- evaluating sustainability aspects

The managers of Leasinvest Services SA are the same persons as the managers of the company and the statutory manager, and dispose of adequate experience and the required professional reliability, namely Mr Jean-Louis Appelmans and Mr Michel Van Geyte, the effective officers of the company and OKIMONO SPRL, represented by its permanent representative Sven Janssens, COO of the company.

Leasinvest Services SA receives a remuneration of 3% (excluding 21% VAT) of the rental income of the buildings managed. For unlet premises a management fee of 1.5% (excluding 21% VAT) on the estimated rental income as defined by the real estate expert, is charged. This remuneration is included in the rental charges paid by the tenants.

Extra performances and/or services (e.g. facility management in case of moving) that are not included in the normal management may be charged by the property manager based on the scales produced by the Professional Institution.

Leasinvest Services SA also has the required professional competences to offer project management services exclusively to Leasinvest Real Estate.

The project management consists of technical assistance to the client (i.e. the company or one of its subsidiaries) within the framework of important renovations during the construction/renovation process, with activities going from the preparation of the specifications over the comparison of offers, the follow-up and planning of the construction, including managing the budgets.
This project management is remunerated separately in function of the specific project.

During the past financial year the company has paid a total remuneration of € 311,347 (excl. VAT), to Leasinvest Services, including the project management fee with regard to the extension of the SKF site in Tongres.

In all cases, the ultimate responsibility, control and coordination of the real estate portfolios of offices and the shopping centers remain in the hands of the technical and/or commercial staff members of Leasinvest Services SA and/or the statutory manager of the company, and this takes place under the responsibility, coordination and control of the effective officers of the company. The investment decisions, risk analyses and target-setting and performance measurement are also organized from the administrative office of the company in Belgium.

The past financial year, Leasinvest Immo Lux paid a fee of € 120,000,00 (excl. VAT) to Cushman & Wakefield for both shopping centers.

GRAND DUCHY OF LUXEMBOURG

For technical assistance with regard to the technical management and project management of the offices portfolio in Luxembourg a management contract was concluded with an external property manager, Inowai SA (previously Property Partners SA) for the Luxembourg office portfolio.

The technical management and project management are supervised by a technical staff member of Leasinvest Immo Lux SA (100% subsidiary of the company), and is controlled by the technical services in Belgium and by the commercial staff member in Luxembourg. Decisions on important matters are prepared by the property manager, but are only taken by the company. Regular reporting and discussion are organized.
Moreover, the financial, accounting, administrative and legal aspects of the activities of Leasinvest Immo Lux SA are treated from the administrative office of the company, where it has an implicit "shared service" organization. The investment decisions, risk analyses, and target setting and performance meeting are also organized from the administrative office of the company.

The past financial year, Leasinvest Immo Lux paid a fee of € 19,867.28 (excl. VAT) to Inowai.

For a number of tasks of the property management and technical and commercial management of both shopping centers in the North of Luxembourg a management contract on a temporary basis was concluded with an external property manager, Cushman & Wakefield. Besides this, a dedicated shopping center manager was hired by Leasinvest Immo Lux.
All tasks that are outsourced are followed up and/or supervised by staff members of Leasinvest Services SA and/or Leasinvest Real Estate Management SA and/or Porte des Ardennes Schmiede SA.

SWITZERLAND

For the technical management and local assistance within the framework of the property management of the retail portfolio in Switzerland a management contract was concluded at the beginning of 2015 with an external property manager, PSM Center Management AG.

This management is supervised by an internal technical staff member of Leasinvest Services and by the managers of Leasinvest Services SAdie who dispose of an adequate experience and the required professional reliability, namely Mr Jean-Louis Appelmans and Mr Michel Van Geyte, the effective officers of the company.

Potential decisions on important matters are prepared by the property manager, but only taken by the company. Regular reporting and discussion are organized.

Moreover, the financial, accounting and administrative aspects of the activities with regard to Switzerland are treated from the administrative office of the company, where it has an implicit "shared service" organization. The investment decisions, risk analyses, and target setting and performance meeting are also organized from the administrative office of the company.

The past financial year, Leasinvest Immo Lux paid a fee of approximately € 97,566.63 (excl. VAT) to PSM Center Management AG.

Corporate Governance Statement

10.1 CORPORATE GOVERNANCE CHARTER

The Belgian Corporate Governance Code (the "Code"), communicated on 12/03/09 by the Corporate Governance Committee, on the initiative of the FSMA, Euronext Brussels and the FEB, is applied as the reference code by Leasinvest Real Estate (hereafter the "Company").

The Corporate Governance Charter of the company, established as an implementation of this Code, aims to lay down the rules for efficient internal functioning and organization of the management structure of the company, without infringing the legal provisions regarding the functioning and powers of the board of directors of the statutory manager (including the legal oversight and management powers of each member of the board of directors) and the provisions of the legislation on regulated real estate companies (the "RREC"), (the "RREC legislation" among which the "RREC law[1]" and the "RREC RD[2]").

The Charter is updated to reflect changes in corporate governance policies so that a correct view on the management structure of the company is provided at any given time. The Charter was updated on 30 March 2016 and can be found on the website (www.leasinvest.be).

De corporate governance principles, because of the specific management structure of the company, are mainly implemented in the management structure of the statutory manager.

COMPLY OR EXPLAIN - DEROGATIONS OF THE CORPORATE GOVERNANCE CHARTER COMPARED TO THE BELGIAN CORPORATE GOVERNANCE CODE

The company's Charter differs from the recommendations of the Code, only for a limited number of items, as illustrated by the list hereafter.

Composition of the audit committee

In accordance with article 526bis of the Company Law, the audit committee has to be composed of non-executive members of the board of directors, of which at least one member is an independent director in the sense of article 526ter of the Company Law and should dispose of the necessary competences in matters of accounting and audit.
De Code, which is more stringent than the Company Code, requires that at least the majority of the members of the audit committee are independent (point 5.2./4 of Annex C of the Code).
The board of directors has chosen not to follow this recommendation by the Code, in that sense, that the audit committee is composed of 4 persons of which (only) half are independent directors, which is in accordance with the provisions of the Company Code, but not with the Code.

This is justified by the small structure of the board of directors, which does not impede an efficient deliberation and decision-making. The board of directors is moreover convinced that it is in the interest of the company that, besides the two independent directors, not one, but two experts in matters of accounting and audit are part of the audit committee that are not independent directors in the sense of article 526ter C. Code, even if this entails that the Code is not followed at this point. The board of directors is convinced that this composition strengthens the efficiency of functioning of the audit committee.

Composition of the board of directors – gender diversity

In accordance with provision 2.1. of the Code the board of directors has to be composed based on gender diversity and diversity in general.
Based on article 518bis of the Company Code, and taking into account the exception with regard to free float which is lower than 50% for the company, the board of directors will ultimately on 1 January 2019 have to be composed of at least one third of female directors.
Since 18 May 2015 the board of directors is composed of 8 men and 1 woman with various though complementary knowledge and experience. The board of directors is aware of the recommendation of the Commission Corporate Governance with regard to the representation of women in boards of directors of listed companies and is also aware of article 518bis of the Company Code.

The board of directors will take all necessary efforts to present female candidate-directors for nomination when mandates expire, in order to comply with the provisions of article 518bis of the Company Code at latest on 1 January 2019.

1 The law of 12 May 2014 with regard to regulated real estate companies.
2 The Royal Decree of 13 July 2014 with regard to regulated real estate companies.

Qualified majority

The qualified majority required for certain important decisions makes that the agreement of the directors nominated on the proposal of Ackermans & van Haaren SA is demanded. Broadly interpreted, this could be seen as derogation from the principle of section 2.2. of the Code, which prescribes that the decision-making process within the board of directors may not be dominated by an individual, nor by a group of directors.

Remuneration report

There is a derogation from principle 9.3/2 of the Code in the sense that a compensation for leaving of 24 months was granted to Jean-Louis Appelmans, which has been approved by the general meeting of shareholders of the company on 16/05/11, on the advice of the nomination and remuneration committee.

10.2 GOVERNANCE STRUCTURE AND DECISION-MAKING BODIES

The company is managed by a statutory manager, having the capacity of a limited (managing) partner and who moreover permanently complies with the articles 14 and 15 of the RREC law.

Extensa Group SA is the founder and promoter of the company. Extensa Group SA is active in real estate investment and development for the corporate and residential market and is a 100% subsidiary of the listed investment group Ackermans & van Haaren SA.

STATUTORY MANAGER

The company is being managed by its limited (managing) partner and sole statutory manager, Leasinvest Real Estate Management SA, with its registered office at 2000 Antwerp, Schermersstraat 42 (register of legal persons 0466.164.776), a 100% subsidiary of Extensa Group SA[1], in its turn a 100% subsidiary of Ackermans & van Haaren SA[2].

The main activity of the statutory manager is (and always has been) the management of the company.

On 31/12/15 Leasinvest Real Estate Management NV had a shareholder's equity of € 4,507,471.74.

Term of the mandate

Leasinvest Real Estate Management SA was appointed in 1999 as the sole statutory manager for an indefinite term, knowing that the minimum term of its mandate is defined at twenty-seven (27) years, which makes that its mandate is irrevocable until the annual general meeting of the company that will be held in 2026.
After that date, the mandate of the statutory manager-legal person may be revoked provided that the attendance and majority conditions necessary to amend the articles of association are fulfilled, without the statutory manager-legal person having a right of veto on this point.
The manager may resign at any time.
The mandate of the manager may also be withdrawn under a court order as a result of a petition on lawful grounds, initiated by the general meeting of shareholders.

Authority

The statutory manager is empowered to perform all management operations that are necessary or useful to fulfill the company's objective, except for those operations for which only the general meeting of shareholders is competent in virtue of the law or the articles of association.

The statutory manager manages the company through its collegial board of directors, which has appointed a managing director and a representative for the daily management (see further 'daily management-effective leadership').

Remuneration of the manager

Besides entitlement to reimbursement of expenses directly associated with its mission of running the company, the statutory manager is entitled to receive a fixed-rate remuneration pursuant to the articles of association of 0.415% of the consolidated assets of the company. For the past financial year, this remuneration was € 3,428,629. No other remuneration is granted to the statutory manager.

1 Extensa Group SA (previously Leasinvest SA), with registered office in 1000 Brussels, Avenue du Port 86C Box 316 and company number (Register of legal persons Brussels) 0425.459.618.
2 Ackermans & van Haaren SA, with registered office in 2000 Antwerp, Begijnenvest 113 and company number (Register of legal persons Antwerp) 0404.616.494.

BOARD OF DIRECTORS OF THE STATUTORY MANAGER[1]

Composition of the board of directors[2]

At present, the board of directors of the statutory manager-legal person, Leasinvest Real Estate Management SA, is exclusively composed of physical persons and in that way, that the public RREC can be managed in accordance with article 4 of the RREC law. The composition of the board of directors also guarantees that the company is managed in the interest of the company.

All directors, the effective leadership, and the members of the executive committee dispose permanently of the required professional reliability and experience adequate for those functions, required within the RREC, taking into account their previous and current functions, their director's mandates and education.

The statutory manager is managed since 19/05/14 by a board of directors of nine directors, of which four directors were nominated on the proposal of Ackermans & van Haaren SA.

The articles of association of the statutory manager also comprise specific provisions regarding the special majorities within the board of directors of the statutory manager, which relate, inter alia, to decisions regarding the strategy (see below) and in that way, confirm the exclusive control of Ackermans & van Haaren SA over the company.

The board of directors of the statutory manager consists of at least three independent directors, as foreseen by article 526ter of the Company Code.
Based on the Corporate Governance Charter of the PRREC, the independent directors have the special mission to watch over the interests of all shareholders of Leasinvest Real Estate and ensure them an equal treatment.

In conformity with the Corporate Governance Charter the non-executive directors do not occupy more than 5 director's mandates in listed companies.

The directors may not find themselves in on the cases defined in article 20 of the law of 25 April 2014 on the status of supervision on credit institutions.

The independent directors are:

Michel Eeckhout

Director of companies, Zikkelstraat 44, 1970 Wezembeek-Oppem.
Mandates in other companies, currently and during the 5 previous financial years:
Aniserco SA*, Comeos VZW*, Delhome SA*, GS1 Global VZW*, Points Plus Punten - PPP SA*, Union Wallonne des Entreprises SA*, VOKA NV*, Internationale Muziekwedstrijd Koningin Elisabeth van België VZW, Michel Eeckhout Management BVBA, Middelheim Promotors VZW, Syndicat d'Initiative de Bruxelles ASBL, Goods to Give VZW, and of Michel Eeckhout Management SPRL, with registered office in 1970 Wezembeek-Oppem, Zikkelstraat 44: Alcopa NV, Moteo NV, Puratos Groep NV, Van Genechten Packaging NV, Etilux SA.

Mark Leysen

Executive Chairman of VanBreda Risk & Benefits SA, with registered office at Plantin en Moretuslei 297, 2140 Antwerp.
Mandates in other companies, currently and during the 5 previous financial years:
Bank Delen & De Schaetzen NV, Vanbreda Services NV, Econopolis NV, EOS RISQ NV, Justitia NV, Unibreda NV, Vanbreda Ausloos NV*, Vanbreda Credinco NV*, Vanbreda Fryns NV*, Vanbreda Informatica NV*, Vanbreda International NV*, Vanbreda & Lang SA*, Vanbreda Risk & Benefits Nederland BV, Zinner NV, De Warande vzw.

1 For statements by the directors, the effective leadership and the executive committee, please refer to chapter 6 Permanent document.
2 For the mandates in other companies terminated mandates are indicated with an '*'; listed companies are indicated in bold.

Eric Van Dyck

Managing Director of Redevco Belgium, with registered office in 1000 Brussels, Place du samedi 1 and CIO of Redevco B.V. with registered office in 1097 DN Amsterdam, Wibautstraat 224.

Mandates in other companies, currently and during the 5 previous financial years:

Redevco Retail Belgium Comm. V, Redevco Offices Belgium Comm. V, Redevco B.V., Arioso Investments Belgium N.V., Bengali NV, Mons Revitalisation, Redevco France Développement Eurl, Redevco France Sasu, Starboard BVBA, Portside Property Investment BVBA.

Beëindigde mandaten : ARIOSO MH77 Liegenschafts-verwaltungs-GmbH*, "V" Prime Properties Korlátolt Felelösségü Társaság*, Immoca Wirtschaftsgütervermietungsgesellschaft m.b.H.*, Jotta Wirtschaftsgütervermietungsgesellschaft m.b.H.*, MITI Wirtschaftsgüter Vermietungsgesellschaft m.b.H.*, Redevco France Services*, Redevco Holding France B.V.*, Redevco Holding France II B.V.*, Redevco Iroda Ingatlanhasznosító Korlátolt Felelösségü Társaság (Redevco Kft.)*, Redevco Liegenschaftsverwaltungs-GmbH*, Redevco MH77 Liegenschaftsverwaltungs-GmbH*, Redevco Nederland B.V.*, Redevco Polska Delta Spolka Z Ograniczona Odpowiedzialnoscia*, Redevco Polska Spólka z ograniczona odpowiedzalnoscia*, Redevco Prime SPPICAV*.

Messrs Eeckhout, Leysen and Van Dyck satisfy the criteria of independent directors in the sense of article 526ter of the Company Code.

They also satisfy the criteria of independence as defined in the Corporate Governance Charter of the company.

The directors proposed by Ackermans & van Haaren SA are:

Luc Bertrand

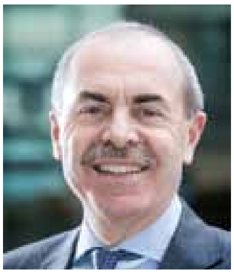
Chairman of the executive committee of Ackermans & van Haaren SA, chairman of the board of directors of Leasinvest Real Estate Management SA (non-executive director), with registered office at Begijnenvest 113, 2000 Antwerp.
Mandates in other companies, currently and during the 5 previous financial years:
Ackermans & van Haaren Coordination Center NV, Ackermans & van Haaren NV, Agidens International NV, Algemene Aannemingen Van Laere NV, Anfima NV, Atenor Group NV, Axe Investments NV, Baarbeek BV, Bank Delen & De Schaetzen NV, Bank J.Van Breda & Co NV, Belfimas NV, Bos NV, Brinvest NV, CFE Aannemingsmaatschappij nv, Delen Investments CVA, Deme Coordination Center NV, "Dredging, Environmental & Marine Engineering" NV, Dredging International NV, Extensa Group NV, Finaxis NV, Gemini Natural Resources NV*, Groupe Financière Duval SA, Groupe Flo SA, Holding Group Duval, I.C.P. (Instituut Christian De Duve), ING België NV, JM Finn & Co Ltd., Leasinvest Immo Lux SICAV-FIS SA, Manuchar NV, Nationale Investeringsmaatschappij NV*, Nationale Maatschappij Der Pijpleidingen NV*, NMC NV*, Profimolux NV, Project T&T NV, Protalux NV*, Rent-A-Port Energy NV, Rent-a-port NV, IBF NV*, Scaldis Invest NV, Schroders Ltd. (London), Sipef NV, Sofinim NV, T&T Koninklijk Pakhuis NV*, T&T Openbaar Pakhuis NV, T&T Parking NV, Thornton & C° NV*, Vlaamse Beleggingen BV*

Charity mandates: Guberna (chairman) Belgian governance institute, VOKA (vice chairman), Tropical institute Antwerp, ICP (cancer research), Middelheim Promotors vzw, Mayer v. den Berghe, Insead Belgian Council, Vlerick Leuven Gent School, Katholieke Universiteit Leuven, VKW Synergia.

Jan Suykens

Member of the executive committee of Ackermans & van Haaren SA (non-executive director), with registered office at Begijnenvest 113, 2000 Antwerp.
Mandates in other companies, currently and during the 5 previous financial years:

Ackermans & van Haaren Coordination Center NV, Ackermans & van Haaren NV, Algemene Aannemingen Van Laere NV, Anfima NV, Anima Care NV, ABK Bank CVBA, Baloise Belgium NV*, Bank Delen & De Schaetzen NV, Bank J.Van Breda & C° NV, Banque Delen Luxembourg NV, Batipont Immobilier (BPI), CFE Aannemingsmaatschappij NV, Cobelguard NV*, Corelio NV, Dredging, Environmental & Marine Engineering NV, D&S Holding NV*, Extensa Group NV, Extensa NV, Finaxis NV, Gemini Natural Resources NV*, Groupe Financière Duval SA*, Holding Groupe Duval*, JM Finn & C° Ltd., Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, Mabeco NV*, Media Core NV, Nateus Life NV*, Nateus NV*, Nationale Investeringsmaatschappij NV*, Profimolux NV, Project T&T NV, Protalux NV*, Residalya, Sofinim NV, T&T Koninklijk Pakhuis NV*, T&T Openbaar pakhuis NV*, T&T Parking NV.



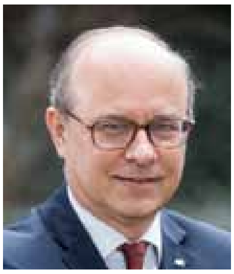
Jean-Louis Appelmans

CEO and managing director of Leasinvest Real Estate Management SA (member of the executive committee), with registered office at Schermersstraat 42, 2000 Antwerp.
Mandates in other companies, currently and during the 5 previous financial years:
Alm Distri NV*, Canal Logistics Brussels NV*, Extensa Group NV, Foncière des Eperons d'Or NV, Granvelle Consultants & Co BVBA, Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, RAB Invest NV, Retail Estates NV openbare GVV, Zebra Trading NV*, Orli Lux S.à.r.l. And as permanent representative of Granvelle Consultants & C° SPRL, with registered office in Antwerp, Van Schoonbekestraat 36 bus 401: Haven Invest NV, Leasinvest Services NV, P. Invest SA, Porte des Ardennes Pommerlach SA, Porte des Ardennes Schmiede S.à.r.l., S.Invest I SA, T&T Koninklijk Pakhuis NV.

Michel Van Geyte

CIO of Leasinvest Real Estate Management SA (member of the executive committee), with registered office at Schermersstraat 42, 2000 Antwerp
Mandates in other companies, currently and during the 5 previous financial years:
Alm Distri NV*, Canal Logistics Brussels NV*, Foncière des Eperons d'Or NV*, IFMA VZW*, Leasinvest Immo Lux Conseil SA*, Leasinvest Immo Lux SICAV-FIS SA, Leasinvest Services NV, Midhan BVBA, RAB Invest NV, Zebra Trading NV*, KUL Alumni, Belgian Luxembourg Council of Shopping Centers (BLSC), Orli Lux S.à.r.l.
And as permanent representative of Midhan SPRL, with registered office in 8670 Koksijde, Duinenkranslaan 62: Haven Invest NV, Leasinvest Services NV, P. Invest SA, Porte des Ardennes Pommerlach SA, Porte des Ardennes Schmiede S.à.r.l., S.Invest I SA, T&T Koninklijk Pakhuis NV.

The other directors are:



Guy Van Wymersch-Moons

CEO of AXA REIM Belgium SA, with registered office at boulevard du Souverain 25, 1170 Brussels.
Mandates in other companies, currently and during the 5 previous financial years:
AISELA 10 SPRL, AXA REIM Belgium NV, AXA Real Estate Investment Managers Nederland BV, Befimmo NV openbare GVV, Beran SA, Bishop's Tower, Blauwe Toren NV, Brustar One NV, Bull's Eye Property Lux II SA (Luxembourg), Cabesa NV, Calar-Cabesa Partners SCI, Cordelière 4 NV, Cornaline House NV, Europese wijk Fonds, Evere Square NV, EVERS NV*, Freehold NV*, Froissart Léopold NV, Galaxy Properties NV, Home Invest Belgium NV openbare GVV*, Immo Foire SA, Immo du Parc Hotel NV, Immo Instruction NV*, Immo Jean Jacobs NV, Immo RAC HASSELT NV, Instruction NV, Jouron BVBA, La Tourmaline NV, Leasinvest Immo Lux SICAV-FIS SA, LEG II MEER 15 NV, LEG II MEER 22-23 NV, LEG II MEER 42-48 NV, Lex 65 NV, Ligne Invest NV, L-Park NV, Maison de l'assurance NV, Marina Building NV*, Messancy Réalisation NV, MUCC NV, Parc de l'Alliance NV, Parc Léopold NV, Parc Louise NV, Poppy Caesar SA, QB19 NV, Quartier des arts vzw, Royaner NV, Royawyn NV, Sodimco NV, The Bridge Logistics NV, Transga NV, Treves Freehold NV*, Trèves Leasehold NV, Vepar NV, Water Leau NV, Wetinvest III NV, Wijnegem Ontwikkelingsmaatschappij NV, Zaventem Properties NV, member of the management board of BVS-UPSI.

Sonja Rottiers

CFO of AXA Belgium NV, with registered office at boulevard du Souverain 25, 1170 Brussels.
Mandates in other companies, currently and during the 5 previous financial years:
AXA Holdings Belgium*, AXA Belgium, Belgian Finance Club, Servis*, Touring Assurances, Women on Board.

Mandate ended on 18/05/2015:

Thierry Rousselle

Managing director of the company SiriusConsult SPRL (non-executive director), with registered office at Avenue Paul Hymans 101 box 21, 1200 Woluwe-Saint-Lambert.
Mandates in other companies, currently and during the 5 previous financial years:
SiriusConsult BVBA, MG Real Estate NV.

Term of the director's mandates

All directors' mandates are limited to a maximum of four years, as foreseen by the Belgian Corporate Governance Code.

Michel Eeckhout, Mark Leysen and Eric Van Dyck were appointed directors as of 16/05/11; as of 20/12/12 Michel Eeckhout Management SPRL, with permanent representative of the legal person-independent director Michel Eeckhout, was appointed director till 19/05/14; on 19/05/14 Michel Eeckhout, Eric Van Dyck and Mark Leysen were (re) appointed independent directors for a term of 4 years, i.e. till the annual meeting that will be held in 2018.

Jean-Louis Appelmans and Jan Suykens were appointed directors as of 03/06/99; Luc Bertrand was appointed director as of 18/06/99; Michel Van Geyte was appointed director as of 19/03/2013; on 19/05/14 there mandates were renewed for 4 years, i.e. till the annual meeting of shareholders of the statutory manager, Leasinvest Real Estate Management SA, that will be held in 2018.

Guy Van Wymersch-Moons was appointed director as of 21/01/06; and his mandate was renewed till the annual meeting that will be held in 2017.

Mrs Sonja Rottiers was appointed on 18/05/15 for a period of two years, i.e. till the date of the annual meeting that will be held in 2017.

Thierry Rousselle was appointed director as of 21/01/06. As of 17/05/10 SiriusConsult SPRL, with permanent representative of the legal person-independent director Thierry Rousselle, was appointed director till the annual meeting in 2014. On 19/05/14 the mandate as director of Mr Rousselle was renewed till the annual meeting held on 18/05/2015, when his mandate ended.

Meetings of the board of directors

The articles of association provide that the board of directors should meet, at least four times a year. Major transactions can require several meetings of the board of directors.

The board of directors is chaired by Luc Bertrand, Chairman of the executive committee of Ackermans & van Haaren SA.

The board of directors met five times during the financial year 2015. The attendance quotient was 88.33%. The attendance quotient of individual members is mentioned in the table below.

Director	Start mandate	End mandate	Attendance quotient board of directors
Michel Eeckhout (1) (2)	16/05/11	22/05/18	100%
Eric Van Dyck (2)	16/05/11	22/05/18	60%
Mark Leysen (1) (2)	16/05/11	22/05/18	80%
Luc Bertrand (2)	18/06/99	22/05/18	100%
Jean-Louis Appelmans	03/06/99	22/05/18	100%
Jan Suykens (1)	03/06/99	22/05/18	100%
Michel Van Geyte	19/03/13	22/05/18	100%
Guy van Wymersch-Moons (2)	21/01/06	15/05/17	100%
Thierry Rousselle/Sirius Consult SPRL (3)	21/01/06	18/05/15	100%
Sonja Rottiers (4)	18/05/15	15/05/17	66.66%

(1) Member of the audit committee
(2) Member of the nomination and remuneration committee
(3) Member of the audit committee till 18/05/15
(4) Member of the audit committee as of 18/05/15

Competences of the board of directors and activity report of the meetings of the board of directors

In accordance with the articles of association, the board of directors has the power to perform all acts which are useful or necessary to fulfill the objective of the statutory manager, in particular, the management of the company, and to perform all acts which are not subject to the authority of the general meeting, according to the law or the articles of association.

It is a general rule that the board of directors is responsible for the general policy of the company and for controlling day-to-day management.

Without prejudice to the competences that are granted to the board of directors in virtue of the Company Code and the RREC legislation, the essential tasks of the board of directors can be summarized as follows:

- approval of the goals of the company in the long term and of its strategy and evaluation of the realization of that strategy;
- approval of the most important investments/divestments;
- approval and dismissal of the members of the consultative committees, as well as defining their remuneration and defining the responsibilities of each committee;
- exercising supervision on the policy and functioning of the effective officers, granting sufficient autonomy to the effective officers to be able to fulfill their tasks adequately;
- defining the respective responsibilities of the chairman and of the chairman of each committee;
- approval of the composition, remuneration, responsibilities, functioning, deliberation and decision-making of the consultative committees;
- taking the necessary measures so that a faithful image and the timely publication of the financial statements, half-year results and other material financial and non-financial information of the company to the shareholders and potential shareholders can be ensured;
- approval of a framework for internal control and risk management, established by the effective officers;
- description and publication of the main characteristics of the internal control and risk management systems of the company in this corporate governance statement;
- evaluation of the implementation of this framework, taking into account the evaluation of the audit committee;
- supervising the existence and good functioning of the internal control systems, on an operational, financial and legal level;
- supervising the activities of the auditor and the internal audit function, taking into account the evaluation of the audit committee;
- supervising the consultative committees established within the board of directors.

In 2015 the following specific agenda items were treated by the board of directors:

- further development of the strategy of the company towards a greater diversification to retail and the geographic extension in Belgium, the Grand Duchy of Luxembourg and Switzerland, and the divestment of a number of smaller and/or non-strategic office and logistics buildings;
- the extension of the maturities of the current bank credits.

Prior to the meeting, the directors receive an agenda with the items to be discussed and a documentation bundle, in order to prepare the meetings of the board of directors.

The subjects dealt with by the board of directors are also explained comprehensively by the members of the executive committee before the deliberation by the Board.

In the process of preparing certain decisions, the board of directors is advised by the audit committee, the nomination and remuneration committee or the committee of independent directors. The directors can request prior advice from an (or more) independent expert(s), at the company's expenses.

The minutes of the meetings present a summary of the deliberations, specify the decisions taken and mention any reservations of certain directors. The minutes are held at the offices of the statutory manager.

Simple majority

The board can validly decide if the majority of its members are present or represented.

The board always endeavors to take decisions unanimously. If for a certain decision, no consensus can be reached, the decision of the board of directors is taken by a simple majority of votes of the directors present or represented, and in the case of abstention by one or more directors, by a simple majority of votes of the other directors present or represented, except in those cases that require a special or qualified majority.

Special or qualified majorities

a) Decisions with regard to defining the strategy of the company and decisions with regard to proposals to amend the articles of association can only be taken with a simple majority, always including a positive vote from
   (i) at least the majority of the independent directors and
   (ii) at least the majority of the directors nominated on the proposal of the limited company Ackermans & van Haaren SA or one of its associated companies, providing that those directors have no conflict of interest with the company in the sense of article 523 of the Company Code.
   This qualified majority is also due to the exclusive control by Ackermans & van Haaren SA over the company as a consequence of the exclusive control over the statutory manager-legal person.

b) decisions with regard to each proposal for appropriation of the result of the company can only be taken by a special majority of 80% of the votes of the directors present or represented.

The directors have to treat all non-public information with regard to the company in a confidential way and cannot use this information for any other purpose than within the scope of exercising their mandate.

Evaluation

On the initiative of the chairman, the directors are regularly evaluated within the scope of the requirement that directors of a public RREC have to dispose of the professional reliability and adequate competence for the exercise of their function. Their education, prior and current functions and directors' mandates in other companies are therefore taken into account.

A periodical assessment is made of whether the directors keep on meeting the requirements and of their contribution to the further development of the company based on their presence and input during the deliberation and decision-making process within the committees they may be part of, and within the board of directors.
Preliminary to the possible re-nomination of a director, his individual contribution is assessed in function of the (new) composition of the board of directors.

The evaluation of the composition and functioning of the board of directors and its consultative committees takes place every two to three years, as foreseen by the Code.

For this evaluation or actualization of the evaluation external advice can be asked. In the past, the Guberna institute was always appealed to; at the end of 2014 this institute was asked again to assist the board of directors in the evaluation of the composition and functioning of the board of directors, a/o in view of the (re-)nomination of directors. The size, the composition and the efficient functioning of the board of directors and its consultative committees are also taken into account in the case of an evaluation.

Once per year, the non-executive directors, meeting without the presence of the CEO and the CIO, shall evaluate the relationship between the board of directors on the one hand, and the effective leadership and executive committee, on the other hand.

If the aforementioned evaluation procedures reveal specific weaknesses, the board of directors shall adopt the appropriate solutions. This may lead to amendments to the composition of the board of directors, or proposals to nominate new directors or not to re-nominate current directors.

CONSULTATIVE COMMITTEES

In accordance with the articles 522, 526bis and 526quater of the Company Code, the board of directors has currently three consultative committees as defined in the Code and further explained in the Corporate Governance Charter[1].

The consultative committees have a pure advisory function. They are in charge of examining specific matters and formulating advice to the board of directors.

The board oversees the consultative committees and grants them all means and powers necessary to carry out their task effectively.

After notifying the chairman, each consultative committee can, as far as it considers it useful, appoint one or more external advisers or experts, at the company's expenses, to support the performance of its mission.

A meeting of a consultative committee can only be held validly, if the majority of its members is present or represented, and if at least half of de members are physically present.

A member of a consultative committee that is prevented from assisting to a meeting can give a special mandate to another member of this committee. A member of a consultative committee can only represent one other member of the committee.

The committees endeavor to take decisions unanimously. If for a certain decision, no consensus can be reached, the decision on the advice is taken by a simple majority of votes.

Audit Committee

The oversight mission of the audit committee and the related reporting duty concerns the company and its subsidiaries.

The audit committee sees to it that the financial reporting of the company presents a truthful, sincere and clear view of the situation and prospects of the company. The audit committee checks in particular the annual and periodic financial statements before they are published and ensures correct and consistent application of the accounting standards and valuation rules of the company.

Furthermore, the audit committee evaluates, at least once a year, the systems of internal control and risk management established by the effective officers, to ensure itself that the main risks (including risks related to respecting the current legislation and regulation) have been properly identified, notified and managed in conformity with the framework approved by the board of directors.

The audit committee also evaluates the independence of the auditor and makes recommendations about the internal and external audit.

The audit committee is also empowered, with regard to the statutory manager, as well as to the company, to decide that the auditor can perform activities, other than those assigned to it by law and of which the remunerations exceed that for the audit mission (i.e. it may grant derogations from the prohibition of article 133, §5 of the Company Code.

The tasks of the audit committee are carried out pursuant to article 526bis, §4 of the Company Code.

Half of the audit committee consists of independent directors. The composition of the audit committee has been adapted to the requirements of article 526bis §2 of the Company Code, namely exclusively non-executive directors of which at least one independent director in the sense of article 526ter of the Company Code.
As explained above (Comply or explain) the recommendations of the Code, which are more stringent than the Company Code, and require that at least the majority of the members of the audit committee are independent (point 5.2./4 of Annex C of the Code), have not been followed, which is justified, as commented above.

1 The integral text of the last version of the Corporate Governance Charter can be found on the website www.leasinvest.be.

The audit committee was composed as follows during the past year:
1. Jan Suykens, (Ackermans & van Haaren SA), director and chairman of the audit committee (non-executive director)
2. Mark Leysen, independent director
3. Michel Eeckhout, independent director
4. Sirius Consult SPRL/Thierry Rousselle, director of companies (non-executive director) (till 18/05/15)
5. Sonja Rottiers, director of companies (as of 18/05/15) (non-executive director)

Messrs Suykens, Leysen, Eeckhout, Rousselle and Mrs Rottiers have the necessary experience in the field of audit and accounting as defined in in article 526bis §2 of the Company Code and in appendix C, point 5.2.4. of the Code, taking into account their education, their prior and current functions and director's mandates in other companies.

The audit committee met four times during the past financial year.
For Messrs Suykens, Leysen and Eeckhout the attendance quotient was 100%. For Mr Rousselle (in function till 18/05/15) it was 100%. For Mrs Rottiers (in function as of 18/05/15) it was also 100%.
The attendance quotient of the members of the committee was 100% globally.

The following points were among those discussed by the audit committee:
- quarterly financial reporting;
- possible amendment to the valuation rules;
- functioning of the internal control system and the results of the internal audit (executed by BDO); see also below on internal control page 119);
- adjustment of risk factors.

The auditor is invited to the meetings of the audit committee, and certainly for discussing the half-yearly and annual figures. Unless the audit committee decides otherwise, the effective officers have the right to attend the meetings of the audit committee.

Nomination and remuneration committee

The nomination and remuneration committee ensures objective and professional development of the nomination procedure and assists the board regarding the remuneration of the members of the board of directors and of the executive committee and makes recommendations regarding the remuneration policy.

The nomination and remuneration committee consists exclusively of non-executive directors and the majority of its members are independent directors.

The composition of the nomination and remuneration committee has been adapted to the requirements of article 526quater of the Company Code that, inter alia, foresees that the remuneration committee must consist of a majority of independent directors. The independent directors in this committee dispose of the necessary expertise in remuneration policies.

The members of the nomination and remuneration committee during the pas financial year are:
1. Luc Bertrand (Ackermans & van Haaren SA), non-executive director and chairman of the nomination and remuneration committee
2. Guy van Wymersch-Moons, non-executive director
3 Mark Leysen, independent director
4. Eric Van Dyck, independent director
5. Michel Eeckhout, independent director

The nomination and remuneration committee met twice during the past financial year. The attendance quotient of the members individually amounted to 100%.

The frequency of the meetings of the remuneration committee has been adapted to the requirements of article 526quater of the Company Code.

Unless the nomination and remuneration committee decides otherwise, the chairman of the board of directors and the effective officers are entitled to attend the meetings of the nomination and remuneration committee.

Among other things, the following agenda items were considered to by the nomination and remuneration committee during the past financial year:
- the proposals for the remuneration of the executive committee, of the effective officers, i.e. the managing director (CEO) and the CIO, and the personnel, and development of the remuneration report;

- the amendments to the Corporate Governance Charter;
- the positive advice on the nomination of a new director;
- the positive advice on the change of the person responsible for the internal audit;
- the positive advice on the change of the composition of the executive committee.

Committee of independent directors

The committee of independent directors is composed of all independent directors on the board of directors. The committee is chaired by one of its members, in principle, the member having most seniority in his function.

The committee of independent directors disposes of the competences defined in article 524 §2 of the Company Code. This mission has been defined in article 9.5 of the articles of association of the statutory manager.

The committee is assisted by one (or more) independent expert(s) and draws up a reasoned report in writing to the board of directors on all matters for which it is competent. If the case arises, the board of directors shall record in the minutes, the grounds on which it deviated from the advice of the committee. The written advice shall remain appended to the minutes of the board of directors meeting.

In the course of the past financial year 2015 the committee of independent directors has a/o worked on drawing up a written and motivated advice to the board of directors in conformity with the provisions of art. 524 of the Company Code within the framework of the investment in the Royal Depot (see below on page 111).

DAILY MANAGEMENT – EFFECTIVE OFFICERS[1]

Effective officers

The daily management during the past financial year was entrusted to two members of the executive committee, who have exercised the effective leadership since 13/02/07, namely the managing director (CEO), Mr Jean-Louis Appelmans, and Mr Michel Van Geyte, CIO, both executive directors.

Jean-Louis Appelmans (Chief Executive Officer), effective officer
Since it was established in 1999, Jean-Louis Appelmans (62), has been managing director of Leasinvest Real Estate Management SA and, since the end of 2002, also its permanent representative. He is also managing director of Leasinvest Immo Lux. He was CEO of Extensa Group SA (ex-Leasinvest SA) from 1989 until 2005. He fulfills a number of other director's mandates, including at the listed public real estate investment trust Retail Estates. Previously he worked in corporate banking at Chase Manhattan Bank (now JPMorgan Chase) from 1979 until 1986 and Crédit Lyonnais Belgium (1986-1989).
For the other mandates of Mr Appelmans we refer to the composition of the board of directors above.

Michel Van Geyte (Chief Investment Officer), effective officer
Michel Van Geyte (50) was appointed as commercial manager of Leasinvest Real Estate Management SA in August 2004. He is currently an executive director of Leasinvest Real Estate Management SA and also a director of a/o Leasinvest Immo Lux SA. Previously he worked at Knight Frank SA as a managing partner and has more than 21 years of experience in real estate.
For the other mandates of Michel Van Geyte we refer to the composition of the board of directors above.

Both persons have been appointed as effective officers in accordance with the legal provisions in force and are responsible as effective directors towards the board of directors and third parties, with regard to leading the daily management of the company.

1 For the mandates in other companies terminated mandates are indicated with an '*'.

Jean-Louis Appelmans and Michel Van Geyte, effective officers, are assisted in their daily management by Piet Vervinckt, CFO, and by OKIMONO SPRL, represented by its permanent representative, Sven Janssens, COO, who are not part of the effective leadership of the statutory manager, but with whom they jointly constitute the executive committee.

Executive committee

The executive committee consists of 4 people, namely:

Jean-Louis Appelmans, Chief Executive Officer, effective officer

Michel Van Geyte, Chief Investment Officer, effective officer

Piet Vervinckt, Chief Fiancial Officer (43), who started with Leasinvest Real Estate Management SA since 1 November 2015. He has more than 20 years of experience in financial management and previously worked for 18 years for BNP Paribas Fortis of which almost 10 years with BNP Paribas Real Estate Finance where he gained an extensive experience in bank financing of real estate investors and developers.

Mandates in other companies, currently and during the 5 previous financial years: Care Property Invest openbare GVV* , Hexaten NV and Prestibel Left Village NV.

OKIMONO BVBA, represented by its permanent representative, Sven Janssens, Chief Operating Officer (43), who started with Leasinvest Real Estate Management SA over 10 years ago and who has more than 20 years of experience in property management and previously worked at Immobel.

Mandates in other companies, currently and during the 5 previous financial years: Haven Invest NV, Leasinvest Services NV, P. Invest SA, Porte des Ardennes Pommerlach SA, Porte des Ardennes Schmiede S.à.r.l., S.Invest I SA, T&T Koninklijk Pakhuis NV.

The executive committee is chaired by Jean-Louis Appelmans.

The Permanent Committee

The permanent committee meets regularly to discuss the current affairs of the company, to ensure appropriate communication and to monitor the implementation of the decisions of the board of directors. The permanent committee consists of the COO, a commercial manager, a legal counsel, a senior accountant and the property manager or one or more representatives of the technical management of the buildings.

The investment committee

The investment committee meets as the schedule requires, in function of the preparation of specific investment and divestment decisions, mandatorily taken by the board of directors. The investment committee is composed ad hoc in function of the agenda items and consists of one or more directors, the effective officers and the CFO, possibly assisted by external consultants for specific matters.

External representation – permanent representative

The statutory manager, Leasinvest Real Estate Management SA, represents the company in all judicial and extra-judicial affairs.

The statutory manager can appoint authorized representatives of the company. Only special and limited proxies for a certain or a number of well-defined legal acts are authorized. These authorized representatives commit the company within the boundaries of their proxy, without prejudice to the responsibility of the statutory manager in the case of excessive proxies.

Pursuant to the provisions of article 61, §2, of the Company Code and article 14.6 of the articles of association of the company, the statutory manager has appointed a permanent representative among its directors, charged with the mandate of statutory manager of the public RREC, in the name and on behalf of Leasinvest Real Estate Management SA, and who is authorized to represent and legally bind the public RREC in relation to third parties, acting solely, but without infringing the RREC legislation.

Since the end of 2002, Jean-Louis Appelmans has been appointed as permanent representative of Leasinvest Real Estate Management SA within the framework of its mandate as statutory manager of the company.

REMUNERATION REPORT

The remuneration policy for directors, the other leaders and persons in charge of daily management has been developed already a couple of years ago, and is based on the following components, namely:

- as to the directors, a fixed remuneration is granted to the independent directors (see below), but they do not receive any other financial benefits, and for the two executive directors, fixed and variable remunerations have been defined (see below).

- for the effective officers (also executive directors) and other leaders, fixed and variable remunerations are defined in function of comparable remuneration packages within the RREC sector. The fixed remunerations mainly consist of a fixed remuneration with potentially additional group and hospitalization insurances and a company car as a benefit in kind. The variable remunerations are related to reaching the predefined annual objectives, both qualitative and quantitative (see below).

The remuneration of individual directors, the other leaders and persons in charge of daily management of the company is defined as follows:

- for independent directors the remuneration is individually defined on a fixed basis, taking into account which of the three committees (audit committee, nomination and remuneration committee and committee of independent directors) the independent director is a member.

- for the effective officers (also executive directors) and other leaders the remuneration (fixed and variable part) is individually defined in function of general satisfaction on annual performance and objectives..

The criteria for evaluating performance compared to objectives consist of, on the one hand, quantifiable criteria, such as a/o reaching the financial key figures, predefined projects (e.g. obtaining an urban permit, realizing a renovation project, etc.) and, on the other hand, of qualitative criteria, such as cooperation with the rest of the personnel/team, integration in the team, feedback from personnel the manager is responsible for, timely treatment of internal and external deadlines in dossiers, etc.
Reaching the predefined annual objectives is discussed, at least 1 a year, mostly at the end of the financial year, with the person concerned, on the basis of an evaluation/functioning meeting of which the outcome is presented to the nomination and remuneration committee and to the board of directors.

In relation to the past financial year, the executive and non-executive directors of the statutory manager of the company received, directly and/or indirectly, for all services rendered, remuneration amounting to a total of € 1,018,134 (excluding VAT).

The remuneration policy and the remuneration level for the non-executive directors and the members of the executive committee, among whom the effective officers, were developed during the past financial year in accordance with the procedures laid down by the nomination and remuneration committee, in accordance with the remuneration policy applicable to the financial year under review in the annual report.

Account was taken of the provisions of article 96 §3, second sub-paragraph, 2° and 3° of the Company Code.

The remuneration policy was approved by the board of directors of the statutory manager. Remunerations granted in the past and a limited benchmark for the same functions in comparable companies were a/o taken into account.

The nomination and remuneration committee will pronounce itself further in the course of the year on the form of distribution of the variable remunerations, within the framework of the practical development of the remuneration policy.

The remuneration policy did not undergo any significant changes in the course of the past financial year. The board also expects not to significantly adjust the remuneration policy in the course of the financial years 2016 and 2017
.

Non-executive directors

The remunerations paid to the independent directors as members of the consultative committees are fixed, irrespective of the number of meetings of each committee held during the financial year.
No benefits in kind are granted to the independent directors.

In the course of the past financial year, the mandate of the other non-executive directors was unpaid.

The following remunerations were granted, on an individual basis, to the non-executive directors, during the past financial year:

	Fixed remuneration BoD	Fixed remuneration AC	Fixed remuneration NRC	Fixed remuneration committee independent directors	Total
Michel Eeckhout	15,000	4,000	4,000	2,000	25,000
Mark Leysen	15,000	4,000	4,000	2,000	25,000
Eric Van Dyck	15,000	-	4,000	2,000	21,000
Luc Bertrand	-	-	-	-	-
Jan Suykens	-	-	-	-	-
Guy van Wymersch-Moons	-	-	-	-	-
Thierry Rousselle	-	-	-	-	-
Sonja Rottiers	-	-	-	-	-
Total non-executive directors	45,000	8,000	12,000	6,000	71,000

To Messrs Michel Eeckhout and Mark Leysen, independent directors, for the 2015 financial year a total amount of € 25,000 was paid as follows:
- a fixed-rate remuneration of € 15,000 per financial year;
- a fixed remuneration of € 4,000 as a member of the audit committee;
- a fixed-rate remuneration of € 4,000 per financial year as a member of the nomination and remuneration committee;
- an additional fixed remuneration of € 2,000 per financial year as a member of the committee of independent directors.

To Mr Van Dyck, independent director, for the 2015 financial year a total amount of € 21,000 was paid as follows:
- a fixed-rate remuneration of € 15,000 per financial year;
- an additional fixed-rate remuneration of € 4,000 per financial year as a member of the nomination and remuneration committee;
- an additional fixed remuneration of € 2,000 per financial year as a member of the committee of independent directors.

Executive directors and 'other leaders' - effective officers – executive committee

Since 2011 the objectives for the effective officers are based on four important criteria with the following degree of importance (adjusted in the course of the years), namely

a) financial criteria (30%) a/o net current result, EPS, control of debt ratio, funding, hedging and funding of further growth;
b) portfolio criteria (40%) a/o control of occupancy rate, duration of leases, re-lettings of vacant buildings and responding to important lease breaks, elaborating (re) development projects;
c) execution of the strategy (15%) a/o divestment of less qualitative buildings, mainly (older) (office and logistics) buildings in Belgium and non-strategically located buildings in the Grand Duchy of Luxembourg, investments in new buildings, diversification to retail, etc.;
d) management capacities (15%) a/o leadership, personnel management and investor relations.

With regard to the past financial year, the executive directors and 'other leaders' of the statutory manager of the company[1]' (in the sense of article 96 §3, 7° of the Company Code), i.e. the effective officers and the other members of the executive committee, i.e. the CFO (Vincent Macharis from 01/01/2015 to 26/08/2015 and Piet Vervinckt from 01/11/2015 to 31/12/2015) and the COO, OKIMONO SPRL represented by its permanent representative, Sven Janssens, received, directly and/or indirectly, for all services rendered on behalf of the statutory manager, remunerations for a global amount of € 1,307,256, among which:

- fixed remuneration[2]: € 1,061,540
- variable remuneration: € 188,000
- group insurance (type defined contribution and hospitalization insurance): € 42,733
- benefits in kind (company car): € 14,983 as other components of remuneration

A reproduction of the remuneration on an individual basis of the CIO, COO and the CFO, all members of the executive committee, is not reproduced in the remuneration report, as this demand only applies to the 'main representative of the other leaders' (article 96 §3, 6° of the Company Code) or the CEO (principle 7.14 of the Code). For that reason, only the remuneration of the CEO is presented on an individual basis in the remuneration report below, but not that of the other members of the executive committee.

Remuneration of the CEO

Mr. Appelmans has fixed and variable remunerations covering his functions as a member of the board of directors and CEO, as well as a Defined Contribution pension plan, providing in the build up of a capital in function of the paid premiums.

The following remuneration mentioned in the table below was granted, for the past financial year, to the CEO on an individual basis, directly and indirectly[3]. He does not receive any specific benefits in kind.

fixed	insurance	variable	Total
371,397	42,733	98,000	512,130

Global remuneration of the other members of the executive committee

The executive committee consists of Mr Jean-Louis Appelmans, CEO, managing director and effective officers, Mr Michel Van Geyte, CIO and effective officer, Mr Vincent Macharis, CFO from 01/01/2015 to 26/08/2015, Mr Piet Vervinckt, CFO since 01/11/2015 and OKIMONO SPRL/Mr Sven Janssens, COO.

The members of the executive committee, among which the effective officers, have no stock options, nor other share-related remunerations, in accordance with the remuneration policy of the company.

The global gross amount of the remuneration and other benefits, directly or indirectly, granted by the company or its subsidiaries in 2015 to the other members of the executive committee, totals € 795,126 (excluding VAT) and can be broken down as follows:

fixed	beneftis in kind	variable	Total
690,143	14,983	90,000	795,126

1 Also intending a/o the members of each committee in which general management of the company is discussed, and organized a part from the regulation of article 524bis of the Company Code, i.e. the executive committee
2 This amount comprises for € 222,100 of remunerations paid in the capacity of director to "certain other leaders or persons charged with daily management" as foreseen by article 96, §3, 4° of the Company Code.

3 A/o via Granvelle Consultants & Co SPRL, respectively Midhan SPRL respectively OKIMONO SPRL.

The fixed remuneration of the members of the executive committee, among which the effective officers, is based on their capabilities and experience in various fields such as commercial, real estate-technical, legal, tax, financial, accounting and general policy.

The variable remuneration of the members of the executive committee, among which the effective officers, relates to exceptional performance related to factors including improvement and optimization of the criteria mentioned above. The nomination and remuneration committee yearly defines the form of the variable remuneration granted to the effective officers and members of the executive committee, which were mainly bonuses ("tantièmes") in the financial year 2015.

Important contractual clauses

A compensation for leaving of 24 months has been agreed on for Jean-Louis Appelmans. As this compensation exceeds the provisions of article 554 of the Company Code, namely a maximum of 12 months, or – providing a special motivation by the remuneration committee – of maximum 18 months, this provision in the management contract with Mr Appelmans, after the advice of the nomination and remuneration committee, has been approved separately by the general meeting of shareholders of the company held on 16/05/11.

The contracts with the other members of the executive committee contain the usual provisions with regard to remuneration (fixed and variable), non-competition and confidentiality. The contracts are valid for an unspecified term. No other contracts were concluded after 1 July 2009, except for the contracts with Vincent Macharis, Piet Vervinckt and OKIMONO SPRL represented by Mr Sven Janssens.

Except with regard to the CEO (see above), for the other members of the executive committee, no specific compensations for leaving were recorded in the management or employment contracts concluded, which makes that article 554 of the Company Code does not apply.

10.3 SETTLEMENT OF CONFLICTS OF INTEREST

Article 523 and 524 of the Company Law

During the past financial year, no other situations occurred in which the provisions of the articles 523 and 524 of the Company Code had to be applied, than those mentioned hereafter.

Article 524 of the Company Code had to be applied within the framework of the investment in the Royal Depot decided in the course of the past year, whereby the company took over, on 17 December 2015, 100% of the shares of T&T Koninklijk Pakhuis SA, from Extensa Group SA, a 100% subsidiary of Ackermans & van Haaren and whereby the company will take over, at the beginning of the financial year 2016, the "tréfonds" or residual property rights from Beekbaarimo SA, an other company related to Ackermans & van Haaren.

This point was discussed as only agenda item on the board of directors of 7 December 2015:

1. Written and motivated advice of the Committee of independent directors

At the request of Luc Bertrand, chairman of the board of directors, more information is given by Mark Leysen, Eric Van Dyck and Michel Eeckhout, the three independent directors of LRE who constitute, together, the Committee of independent directors (hereafter "CID"), on the written and motivated advice they have drawn up for the board of directors according to article 524 of the Company Code, text that has been handed over to all directors.

This advice comprises a) a description of the nature of the operation, b) an evaluation of the economic advantage or disadvantage of the operation for the company and its shareholders, c) the estimate of the consequences of the operation as to property rights and d) definition of whether the operation could cause a damage to the company or not, that would in the light of the company policy be manifestly unlawful. Should the case arise, the committee of independent directors has to clarify which advantages the operation represents to compensate its potential disadvantages.

The committee was assisted by Jones Lang LaSalle as independent expert in accordance with art. 524 of the Company Code, in order to verify the market conformity of the proposed conditions for acquisition. Jones Lang LaSalle has confirmed the market conformity of the proposed value of € 108 million, as the sales price would remain within the spread defined by Jones Lang LaSalle for the valuation.

The conclusion of the advice of the CID is: *"the operation fits within the normally followed company strategy; it is realized at normal market conditions; the proposed acquisition price, based on the fair value of the real estate by DTZ Winssinger, independent real estate expert of the company, defined at € 108 million, is in conformity with market standards; market conformity has been confirmed by the independent real estate expert of LRE, DTZ Winssinger as well as by the independent expert JLL appointed by the committee of independent directors in conformity with art. 524 of the Company Code; the operation is not of a nature to cause the company any damage that would be manifestly unlawful in the light of the company policy. Consequently, the committee expresses a favourable advice to the board of directors with regard to the proposed operation."*

The decision of the report of the auditor Ernst & Young is:

"Within the scope of our mission, our work is the following:

- *Check if the financial data as mentioned in the advice of the committee of independent directors of 7 December 2015 correspond to the underlying supporting documents;*
- *Check if the financial data as mentioned in the minutes of the board of directors of 7 December 2015 correspond to the underlying supporting documents;*
- *Check if the data as recorded in the advice of the committee of independent directors correspond to the provisions of 524 of the Company Code.*

Based on our work we have no findings to report."

In this file, articles 37 and 49 §2 of the RREC Law were also applied.

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 523 of the Company Code occurred during the past financial year between the directors of the statutory manager or members of the effective leadership or executive committee and the company, except for the fact, that in application of article 523 § 1 last paragraph of the Company Code, with regard to the procedure for the prevention of conflicts of interest in listed companies, Messrs Appelmans and Van Geyte did not take part in the deliberation and decision-making of the proposals with regard to the remuneration of the managing director and the executive officers.

As regards the consequences in terms of the assets of the company, please refer to the aforementioned details about remuneration[1].

As described above in the section "Decision-making bodies – Consultative committees – Committee of independent directors" no related-party transactions for which the applicability of article 524 of the Company Code had to be examined took place in the course of the past financial year.

Articles 37 and 38 of the RREC law

Article 37 of the RREC law foresees a preliminary notification to the FSMA when in the case of an operation with the public RREC one of its subsidiaries, some people mentioned in the article, directly or indirectly are a counterparty or get a patrimonial benefit. In its notification to the FSMA the company has to demonstrate the interest of the planned operation for the company, and also that the planned operation fits within the normal course of the company strategy.

These notifications are not applicable to:

a) operations relating to a sum lower than the lowest amount of 1% of the public RREC's consolidated assets and € 2,500,000;
b) the acquisition of securities by the public RREC or one of its subsidiaries within the framework of a public issue by a third party, for which a promoter or intermediaries in the sense of article 37 of the RREC law act;
c) the acquisition of or the subscription to, following a decision of the general meeting, shares issued by the public RREC by the persons intended by article 37 of the RREC law.

During the past financial year no notifications had to be made to the FSMA within that framework, except for that within the framework of the investment in the Royal Depot commented above.

1 Messrs Appelmans and Van Geyte were not present during the deliberation and decision-making about the agenda item relating to remuneration. The board of directors approved the proposals relating to remuneration.

Corporate Governance Charter

In its Corporate Governance Charter, the company has subscribed to the policy that a director, the effective officers or members of the executive committee (or their closest relatives) who, directly or indirectly, (i) have an interest non-related to the patrimony, that is opposed to, or, has a parallel interest, related or not to the patrimony, to a decision or operation of the company or (ii) has an interest of a patrimonial nature that is opposed to a decision or operation of the company but that is in principle not subject to the competences of the board of directors, that person should immediately inform the chairman of the board of directors. The chairman shall assess whether to report the matter to the board of directors.

During the past financial year the chairman received no notification requiring the application of this policy.

On the proposal of the nomination and remuneration committee the Corporate Governance Charter of the company has been adapted to the applicable provisions of the RREC legislation.

The last version of the Corporate Governance Charter can be consulted on the website www.leasinvest.be.

General comments regarding potential conflicts of interest of the directors and the effective directors

The possibility that potential conflicts of interest could arise between the directors of the statutory manager or members of the executive committee and the company, due to, among other things, the functions they hold in other companies in the real estate sector, is estimated as being small.

A functional conflict of interest (to which the legal rules on conflicts of interest contained in article 523 of the Company Code do not apply) could arise with directors appointed on the proposal of Ackermans & van Haaren SA, if operations are carried out between the companies related to Ackermans & van Haaren SA and/or the statutory manager and the company or an other company from the Leasinvest Real Estate Group (in the past financial year no transactions have occurred between Leasinvest Real Estate Group and companies related to Ackermans & van Haaren SA).

Leasinvest Services SA is a 100% subsidiary of the company, to which the operational property management for the buildings in Belgium is outsourced (see Real estate report, page 91). RAB Invest is a 100% subsidiary of the company and the owner of the State Archives in Bruges.
T&T Koninklijk Pakhuis NV, Haven Invest NV are 100% subsidiaries of the company, Leasinvest Immo Lux SA is a 100% subsidiary of the company and the owner of the Luxembourg real estate portfolio and the buildings located in Switzerland. Orli Lux Sàrl is a 100% subsidiary of Leasinvest Immo Lux S.Invest I SA en P. Invest SA are 100% subsidiaries of Leasinvest Immo Lux SA, in their turn respectively holder of 100% of the shares of Porte des Ardennes Schmiede SA, legal owner of the Knauf Shopping center in Schmiede and Porte des Ardennes Pommerlach SA, legal owner of the Knauf Shopping center in Pommerloch.

A potential conflict of interest could occur between the company and the statutory manager or between the company and Leasinvest Services SA or between the company or Leasinvest Immo Lux SA within the framework of a potential further restructuring of the property management and/or amendment to the organization structure. In the past year no specific restructurings took place, nor was the organization structure amended in a way that a conflict of interest could have occurred.

A potential conflict of interest could finally potentially arise by reason of the director's function exercised by the managing director, Jean-Louis Appelmans, in Retail Estates SA or on account of the function of independent director exercised by Eric Van Dyck within the framework of the investment in Switzerland via a Swiss subsidiary of Redevco.

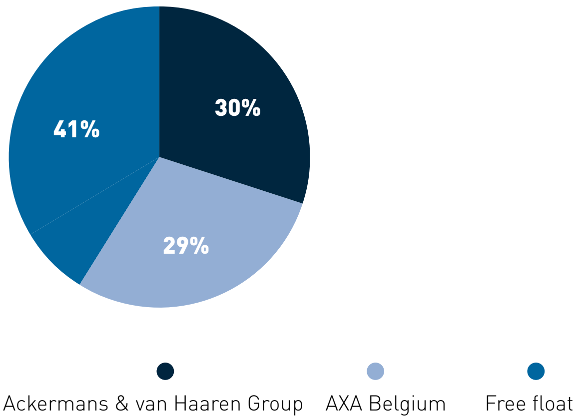
In the past financial year, no conflict of interest on the account of the function of director took place.

10.4 RELEVANT INFORMATION IN ACCORDANCE WITH ARTICLE 34 OF THE RD OF 14 NOVEMBER 2007 REGARDING THE OBLIGATIONS OF ISSUERS OF FINANCIAL INSTRUMENTS ADMITTED TO TRADING ON A REGULATED MARKET

The company is a partnership limited by shares (SCA) with one statutory manager, Leasinvest Real Estate Management SA. Its registered capital is divided in 4,938,870 shares, with no-par value, which represent each 1/4,938,870 of the capital.

In the course of the financial year 2015, the company purchased 3,392 shares resulting in the number of shares entitled to dividends amounting to 4,935,478.

Shareholder structure



Number of listed shares (4,938,870).

The company's main shareholders are on the one hand, Ackermans & van Haaren SA (i.e. the reference shareholder that exclusively controls, via Extensa Group SA, the company via the statutory manager) that holds a stake of 30.0% in the company, and AXA Belgium SA (29.0%), on the other hand.

For more information on the transparency notices by Ackermans & van Haaren Group, AXA Belgium SA and AG Insurance SA including the relevant chains of control (see also page 115), we refer to the transparency notices and related press releases on the website www.leasinvest.be.

The thresholds that result in a mandatory notification if exceeded, following the legislation on disclosing important participations and/or the articles of association, are fixed at (cf. articles of association) 3%, (cf. legal provisions) 5% and multiples of 5% of the total number of existing voting rights.

The total number of shares in circulation consequently equals the number of issued shares, or 4,938,870. Leasinvest Real Estate Management SA has 6 Leasinvest Real Estate shares.

The shares in Leasinvest Real Estate Management NV are held by Extensa Group SA for 100%, a 100% subsidiary of Ackermans & van Haaren SA.

Legal or statutory limitations as to the transfer of shares
There are no legal or statutory limitations as to the transfer of shares.

The statutory manager has a statutory right of veto according to article 29.1 of the articles of association (according to article 659 of the Company Code) for decisions of the general meeting relating to actions regarding the interests of the company versus third parties, such as dividend distribution and each decision affecting the assets of the company (for amendments to the articles of association: see below).

Legal or statutory limitations as to exercising the voting right
Each share entitles to one voting right.

No other securities granting voting rights have been issued.

There are no legal and statutory limitations on the execution of the voting rights.

Stock option plan for employees
Nor is there a stock option plan for the employees.

Shareholder's agreements
No shareholder's agreements were concluded.

The competences of the managing body, namely with regard to the possibility of issuing or redeeming shares
As to the authorization granted to the statutory manager to proceed to the issue of shares, we refer to article 7 of the articles of association of the company.

As to the authorization granted to the statutory manager to proceed to acquiring (or alienating) treasury securities, we refer to Chapter 6 Permanent Document, referring to article 11 of the articles of association of the company.

The rules for nominating and replacing members of the management body and for amendments to the articles of association
As to the current agreements regarding the composition of the board of directors of the statutory manager and the majority rules in force within the board of directors, we refer to page 96.

The general meeting of the company can only lawfully deliberate and decide upon an amendment to the articles of association, if those attending the meeting represent at least half of the registered capital and given the presence of the statutory manager, without prejudice to more stringent legal dispositions.

An amendment to the articles of association is only adopted if previously approved by the FSMA and with ¾ of the votes attached to the present or represented shares and with the approval of the present or represented manager without prejudice to more stringent legal provisions.

Important agreements by which the issuer is a party and that enter into force, undergo amendments or end in the case of a change of control over the issuer after a public take over bid

The conditions of the bonds that were issued on 9 October 2013 by the company, define that, in the case of a change in control of the company, each bondholder has the right to oblige the company to refund all of a part of his bonds. For the objective of this provision, a change in control is defined as follows:

(A) in the hypothesis that the company has the legal form of an SCA and that Leasinvest Real Estate Management SA is the sole statutory manager (i.e. the current situation):
  - a person or a group of persons acting in mutual consent acquire the control of the statutory manager; or
  - Leasinvest Real Estate Management SA is replaced as the statutory manager of the company by one or more new managers (unless Ackermans & van Haaren SA or a person related to Ackermans & van Haaren exercises the control over this (these) new manager (s);

(B) in the hypothesis that the company takes on the legal form of a limited company (SA) (or any other legal form besides its current legal form): a person or a group of persons acting in mutual consent acquires the control over the company;

for which "Control" is defined as follows:

- in the hypothesis (A) above:
  - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of the manager of the company;
  - the right in virtue of the articles of association of the manager of the company or based on agreements known by the manager to nominate or dismiss the majority of the directors; and
- in the hypothesis (B) above:
  - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of the company;
  - the right in virtue of the articles of association of the company or based on agreements known by the company to nominate or dismiss the majority of the directors; or
  - the acquisition or possession of voting rights in the company, even if this amounts to less than 50% of the voting rights linked to the total number of shares following the acquisition that has led to a mandatory public take over bid on the shares with voting rights.

Issue condition 6.3. of the bond loan issued by the company on 4 December 2013 and the rights of the bondholders, as recorded in the placement memorandum for the private placement of bonds of 19 November 2013, contains the possibility for the bond holders to demand the early refund of the bonds, in the case of a change of control.
For the application of this provision, a change of control is supposed to have take place if:

(A) in the hypothesis that Leasinvest Real Estate has the legal form of an SCA and that Leasinvest Real Estate Management is the sole statutory manager (i.e. the current situation):
  - a person or a group of persons acting in mutual consent acquire the control of the manager; or;
  - Leasinvest Real Estate Management SA is replaced as the manager of Leasinvest Real Estate by one or more new managers (unless Ackermans & van Haaren SA or a person related to Ackermans & van Haaren exercises the control over this (these) new manager (s);

(B) in the hypothesis that Leasinvest Real Estate takes on the legal form of a limited company (SA) (or any other legal form besides its current legal form): a person or a group of persons acting in mutual consent acquires the control over Leasinvest Real Estate;

for which "Control" is defined as follows:

- in the hypothesis (A) above:
  - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of the manager of Leasinvest Real Estate;
  - the right in virtue of the articles of association of the manager of Leasinvest Real Estate or based on agreements known by the manager to nominate or dismiss the majority of the directors; and
- in the hypothesis (B) above:
  - the possession, directly or indirectly, of the majority of the voting rights linked to the total number of shares of Leasinvest Real Estate;
  - the right in virtue of the articles of association of Leasinvest Real Estate or based on agreements known by Leasinvest Real Estate to nominate or dismiss the majority of the directors; or
  - the acquisition or possession of voting rights in Leasinvest Real Estate, even if this amounts to less than

50% of the voting rights linked to the total number of shares following the acquisition that has led to a mandatory public take over bid on the shares with voting rights.

Besides the aforementioned clauses in the case of a change in control, there are no other important agreements concluded by the company that enter into force, change or end in case of a change in the control over the company after a public take over bid.

Agreements between the company and its statutory manager, directors or employees that foresee compensations for leaving in the case of a public take over bid

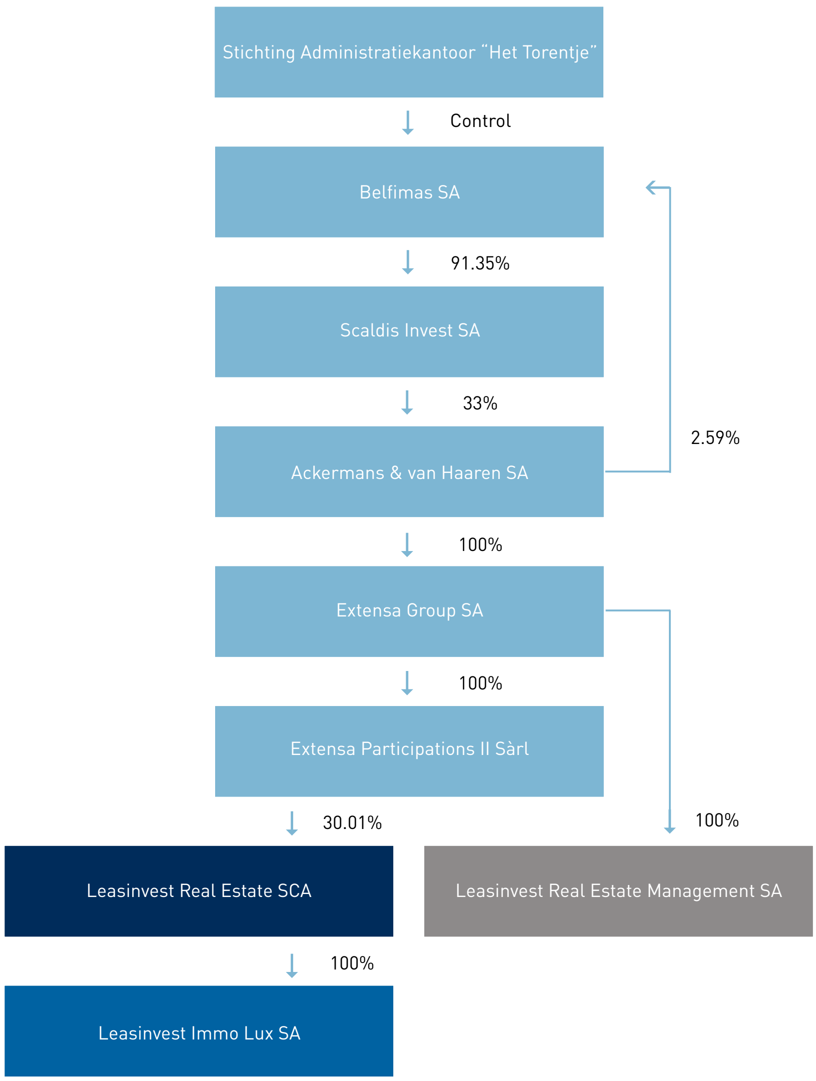
Furthermore, no agreements are concluded between the company, its statutory manager or employees providing in compensations when, following a public take over bid, the directors resign or have to leave without any valid reason or the contract of employees is terminated.

10.5 RELEVANT INFORMATION IN ACCORDANCE WITH THE LEGISLATION ON PUBLIC TAKE OVER BIDS

The company is controlled by Ackermans & van Haaren SA through its indirect subsidiary Extensa Participations II sàrl (Extensa Group SA)[1].

In application of article 74 §7 of the law of 1 April 2007 on public take over bids, Ackermans & van Haaren SA has declared holding more than 30% of the shares with voting rights of the company.

1 Ackermans & van Haaren SA, with registered office at Begijnenvest 113, 2000 Antwerp – Extensa Group NV, with registered office at avenue du Port 86c Box 316 • 1000 Brussels and Extensa Participations II Sàrl, with registered office at 6D route de Trèves L- 2633 Senningerberg-Luxembourg.



10.6 DIVIDEND POLICY

In accordance with article 13 of the RD on RREC, in case a profit is recorded for the financial year, at least the positive difference between the following amounts has to be paid out:

(i) 80% of the sum of the corrected result and the net realized gains on real estate not exempt of the mandatory distribution (always calculated according to the aforementioned RD) and

(ii) the net decrease of financial debt in the course of the financial year of the public RREC.

Furthermore, article 617 of the Company Code also has to be taken into account.

The company aims to offer an acceptable dividend return to its shareholders, in combination with limited risks in the medium term.

The past financial years, and this without any future guarantees, it has always been the objective to distribute a dividend that exceeds the legal minima.

For the concrete figures we refer to page 169 et seq of the Financial statements.

10.7 STATEMENT WITH REGARD TO RESEARCH AND DEVELOPMENT

During the past financial year, no specific research and development activities were carried out, nor by the company, nor by the companies that are part of the consolidation scope of the company.

10.8 CODE OF CONDUCT FOR FINANCIAL TRANSACTIONS – NOTIFICATION THRESHOLDS

The board of directors has published its policy regarding the prevention of market abuse in its Charter.

A procedure has been developed regarding transactions in Leasinvest Real Estate shares by the directors, the members of the executive committee or personnel. During the past financial year this procedure did not have to be followed.

A notification was made to the FSMA by Mr Van Geyte on 30 January 2013 in conformity with article 25bis §2 of the law of 2 August 2002 on the supervision of the financial sector and on financial services and the articles 13 and 14 of the RD of 5 March 2006 on market abuse.

The Corporate Governance Charter takes into account the rules imposed by the RD of 5 March 2006 on market abuse. Each shareholder exceeding a threshold of three per cent (3%) (statutory threshold) and/or exceeding (the legal) threshold of five per cent (5%) and multiples of five per cent (5%) of the total number of shares has to communicate to the company and the FSMA the number of shares he possesses in accordance with article 6 of the law of 2 May 2007 on disclosure of major holdings in issuers whose shares are admitted to trading on a regulated market.

10.9 GENERAL MEETING

The company guarantees equal treatment of all shareholders and respects their rights. The statutory manager encourages the shareholders to attend to the meeting in person and develops a publication and communication policy that improves an effective dialogue with shareholders and potential shareholders. To this effect, the shareholders can consult all information and all documents with regard to general meetings on the website of the company as soon as the convocation to the general meeting has been published.

The company facilitates assisting the meetings by making a model proxy document available to the shareholders that cannot assist to a certain meeting, made timely available by the company on the website that it also sends to shareholders requesting it. The shareholder can only appoint one person as a proxy for a certain general meeting. The company has to receive the proxy at latest on the sixth day preceding the date of the meeting.

At the general meeting the directors reply to shareholders' questions, asked during the meeting or in writing, in relation to their report or the agenda items, as far as the communication of data or facts is not harmful to the company's business interests or to the principle of confidentiality to which the company or its directors have committed. The auditor also replies to shareholders' questions, asked during the meeting or in writing, in relation to his report, as far as the communication of data or facts is not harmful to the company's business interests or to the principle of confidentiality to which the company, its directors or the auditor have committed. The shareholders can ask these questions in writing directly after the convocation and at latest on the sixth day preceding the meeting.

The annual meeting is held, each year, the 3rd Monday of the month of May at 16.00h or, should this be a legal holiday, the following working day at the same hour.

When one or more shareholders representing individually or jointly 1/5 of the registered capital of the company ask, the statutory manager is held, cf. article 23.1 of the articles of association of the company, to convene a special or extraordinary general meeting.

The convocations to the general meeting mention the agenda and the proposals for decision and are made by an announcement in the Official Belgian Gazette and one national newspaper, as well s by a publication on the website of the company, at least 30 days prior to the meeting. The convocations comprise the data as prescribed by article 533bis of the Company Code. To the holders of nominative shares, the convocations are also communicated 30 days prior to the meeting by ordinary letter, unless the recipient has explicitly and in writing agreed to receive the convocation through any other communication tool.

In accordance with article 23.3. of the articles of association, each shareholder representing at least three percent (3%) of the shares, has the possibility to add himself items to the agenda and proposals for decision with regard to the agenda items listed or to be added. Such a request has to be communicated at latest the twenty-second (22nd) day before the date of the general meeting.
The added items and related proposals for decision are published at latest on the fifteenth day before the date of the meeting. At the same time, new proxy forms, adapted to the new agenda, are made available on the website of the company.

The minutes of the general meeting and the results of the votes are published as soon as possible after the meeting on the website of the company, and at latest, within fifteen days following the meeting.

In order to participate validly to the general meeting and to vote, each holder of securities has to, at latest on the fourteenth (14th) day before the general meeting, at twenty-four hours, have his securities registered (registration date),
- or by the inscription in the register of nominative shares of the company;
- or by the inscription in the accounts of a recognized account holder or settlement institution.
Only the securities at the registration date are taken into account, no matter the number of securities the shareholder detains at the date of the general meeting.

The owners of dematerialized shares wishing to participate to the meeting, have to send, at latest on the sixth (6th) prior to the date of the general meeting, a certificate to the company, delivered by their financial intermediary or recognized account holder, stating the number of dematerialized shares inscribed in the name of the shareholder at the registration date and for which the shareholder has indicated wishing to participate to the general meeting.

Amendments to the rights of shareholders have to be approved by an extraordinary general meeting of shareholders of the company according to the legal provisions, taking into account an attendance quorum of at least 50% of the registered capital, the presence of the manager and an approval by at least ¾ of the votes. Moreover, an amendment to the rights of the shareholders is an amendment to the articles of association that requires a preliminary approval by the FSMA.

10.10 COMPOSITION OF THE BOARD OF DIRECTORS OF LEASINVEST IMMO LUX SA

The board of directors of Leasinvest Immo Lux SA, a 100% subsidiary of the company currently holding the Luxembourg portfolio and the Swiss buildings, is at present composed of six directors, five of whom are directors of Leasinvest Real Estate Management SA, and the Secretary-general of the company:

- Luc Bertrand, chairman of the executive committee of Ackermans & van Haaren SA, chairman of the board of directors of Leasinvest Real Estate Management SA;
- Jean-Louis Appelmans, CEO and managing director of Leasinvest Real Estate Management SA and chairman of the executive committee of the company;
- Jan Suykens, member of the executive committee of Ackermans & van Haaren SA;
- Guy Van Wymersch-Moons, general manager of real estate of AXA Belgium SA;
- Michel Van Geyte, CIO and effective officer of Leasinvest Real Estate Management SA;
- Micheline Paredis, secretary general of the company.

The board of directors is chaired by Luc Bertrand, chairman of the executive committee of Ackermans & van Haaren SA.

To the annual meeting of the shareholders of Leasinvest Immo Lux SA that will be held in April 2016 will be asked to re-appoint the directors of Leasinvest Immo Lux SA, each time appointed for one year, till the annual meeting that will be held in April 2017.

10.11 AUDIT OF THE ANNUAL ACCOUNTS – AUDITOR

The auditor, appointed by the general meeting of shareholders, audits the annual accounts and the half-year reports.
Ernst & Young Bedrijfsrevisoren, member of the 'Instituut der Bedrijfsrevisoren' (Institute of Company Auditors), De Kleetlaan 2, 1831 Diegem, were reappointed in May 2015 for a term of three years (financial years 2015, 2016 and 2017) to fulfill the function of auditor of the company.
Ernst & Young Bedrijfsrevisoren is represented to that effect by Pierre Vanderbeek, bank auditor.

The remuneration of the auditor for auditing the financial statements of the company and its Belgian subsidiaries for the past financial year was estimated at € 38,878 (excl. VAT), or € 32,907 for the company and € 5,971 for the audit of its subsidiaries Leasinvest Services SA and RAB Invest SA.

Next to that, remunerations of € 33,300 (excl. VAT) were paid to the auditor for extraordinary missions (namely auditor's reports for FSMA, debt ratio, report within the framework of the application of art 524 of the Company Code, report within the framework of the dematerialization of bearer securities cf. art. 11 of the Law of 14 December 2005, due diligence investment in T&T Koninklijk Pakhuis NV) after approval by the audit committee in accordance with the procedure intended in article 133 § 6, 1 of the Company Code.

To the annual general meeting of shareholders of Leasinvest Immo Lux SA which will be held in April 2016, a request is made to renew the mandate of the auditor Ernst & Young (Luxembourg), with its registered office at 35 E, avenue J.F. Kennedy 2, L-1855- Luxembourg, represented by René Esch for a further period of one year (which is usual practice for Leasinvest Immo Lux SA).

The remuneration of the auditor for auditing the financial statements of Leasinvest Immo Lux SA and its subsidiaries for the past financial year was estimated at € 68,000 (excl. VAT), or € 50,000 for Leasinvest Immo Lux and € 18,000 for Porte des Ardennes Schmiede SA.

Agreements relating to the (fixed) remuneration of the auditor of the company are contractually defined with the auditor and are, for the remuneration relating to the audit mission, approved by the general meeting of shareholders.

10.12 INTERNAL CONTROL, INDEPENDENT CONTROL FUNCTIONS AND RISK MANAGEMENT

Internal control

In accordance with article of the RREC law the company pursues an active management for exercising its activities, which implies that the company itself ensures the development and the daily management of the real estate.

In view of exercising its activities, in accordance with article 17 of the RREC law, the company disposes of over a management structure and an administrative, accounting, financial and technical organization allowing it to exercise its activities in conformity with article article 4 of the RREC law.

The company has, subject to the supervision of the effective officers, also arranged appropriate internal control, whose operation is checked at least annually. The internal control system ensures with a reasonable degree of certainty the realization of namely the following: management is well organized and cautious as to defined objectives; the resources are used economically and efficiently. These procedures must guarantee, among other things, that each of the company's transactions can be reconstructed with regard to the origin and the nature of the transaction, the parties involved and the time and place where it occurred, and that the assets of the company are invested in accordance with its articles of association and the prevailing legal and regulatory provisions, as well as the reliability of financial communciation.

Administrative and accounting organization

As regards its administrative and accounting organization, the company has established a system of internal audit which creates a reasonable degree of certainty about the reliability of its financial reporting process, so that in particular, the yearly and half-yearly accounts, as well as the annual report and half-yearly report are in accordance with the prevailing accounting regulations.

Integrity policy

In addition, the company has established an appropriate integrity policy that is updated regularly, and takes the necessary measures to be able to have at its disposal an appropriate, independent compliance function, as described below, supervising the integrity policy.

The integrity policy comprises different aspects, among which preventing insider trading, conflicts of interest and the incompatibility of mandates, non-corruption and professional confidentiality. The effective officers examine regularly which other domains and activities should be part of the scope of the compliance function.

Independent control functions

Independent internal audit function

The company disposes of an adequate independent internal audit function. The responsible for this internal audit function is held to an independent and permanent evaluation of the activities of the company and examines the quality and efficiency of existing procedures and methods for internal control.
The independent person responsible for the internal audit function is since 1 November 2015 Mr Piet Vervinckt, CFO of the company.
In the period of 01/01/15 to 15/08/15 this function was exercised by Mr Vincent Macharis.

Independent risk management function

The company disposes of a risk management policy as described below.

The board of directors of the statutory manager of the company has decided to appoint Mr Jean-Louis Appelmans as the person responsible for the risk management position (the risk manager) as a large number of risk are of a financial nature and are mainly situated in the acquisition activities of the company rather than in managing the real estate portfolio. Jean-Louis Appelmans is also an effective officer and director. The risk manager was appointed for a term of 3 years.

Independent compliance function

The company disposes of an adequate independent compliance function that can, with a reasonable certainty, ensure the compliance by the public RREC, its statutory managers, directors, effective officers, members of the executive committee, employees and mandatories of the legal provisions relative to the integrity of the company of the public RREC and, more specifically, of the rules related to the integrity of the activities of the company, by following up the different risks that the company runs from its status and activities. The compliance officer is more particularly responsible for respecting the rules with regard to the integrity policy.

The board of directors has appointed Mrs Micheline Paredis, Secretary-general of the company, as compliance officer, for an indefinite term.

Micheline Paredis (48) is secretary general of the company and has over 20 years of experience in corporate and real estate law, of which more than 16 years as legal counsel at Leasinvest Real Estate Management SA. Previously she was a candidate-notary (public).
Mandates in other companies, currently and during the 5 previous financial years:
Alm Distri*, Canal Logistics Brussels NV*, Foncière des Eperons d'Or NV*, Leasinvest Immo Lux SICAV-FIS, Leasinvest Immo Lux Conseil SA*, Leasinvest Services NV, RAB Invest NV, Zebra Trading NV*, Autonoom Gemeentebedrijf Boom Plus, Middelheim Promotors VZW.

Risk management policy

The company disposes of an adequate risk management policy.

A(n) (dis)investment decision is taken by the board of directors of the statutory manager, based on a proposal elaborated by the management and after ample deliberation in the board of directors. Should the case arise, a prior advice is given to the board of directors by one or more committees (e.g. the committee of independent directors within the framework of applying the procedure for preventing conflicts of interest, that can be assisted by external experts to that end).
Prior to each decision for investment – or divestment of property, a (technical, legal and fiscal) due diligence is carried out, of which the scope is defined in function of the object under review and the possible related risks. In most cases, external specialized consultants are appealed to.

Each acquisition or alienation can perfectly be reconstructed as to the parties involved, the time, the acquisition mode (asset deal or share deal, notarial deed, contribution in kind) or divestment (split sale leasehold/bare ownership, etc.).

The company is organized in such a way that if requested, besides the information that is published in the prospectus and the yearly and half-yearly reports, it can provide shareholders with additional information about the quantitative limits that apply to is risk management, about the methods used to enforce compliance with these limits and about the recent developments in relation to risks and returns on its assets.

A regular (and at least once per quarter) assessment of the main risks for the company is made (with regard to a detailed analysis of the risks the company could be exposed to, we refer to page 4 of Risk factors). For each of the risk enumerated in this annual report, measures and procedures have been established to identify the risks and monitor them, and to avoid that the risks would materialize, and/or to limit the impact of these risk (should the case arise) and assess their consequences as far as possible, and control and follow them up.
This evaluation is carried out within the audit committee – at least four times a year (e.g. analysis of possible derogations to the outlook, related to the hedging policy) as well as by the board of directors of the statutory manager, and by the person responsible for the risk management function as described above.

Compliance with internal procedures relating to investments is regularly checked by an independent external party. During the previous financial years this was done by a/o BDO (part of the BDO international network that consists of auditors, accountants, tax and legal counsel and counsel to the public sector – www.bdo.be), drawing up a report on the matter, discussed in the audit committee.

Possible identified problems can result in amendments to the internal procedures or in other appropriate measures to prevent the repetition of such problems in the future.

10.13 VALUATION OF THE PORTFOLIO

In the past financial year 2014, the quarterly valuations of the real estate portfolio were conducted by four independent valuers, Cushman & Wakefield VOF/DTZ Winssinger, Stadim and SPG (related to Cushman). In the event of a conflict arising between the real estate agent's activity and that of the property surveyor, the other expert shall make the valuation.

The valuation of the Luxembourg portfolio is made by Cushman, that of Belgium respectively by Cushman/DTZ Winssinger and Stadim and that of the buildings located in Switzerland by SPG.

For the past financial year, the value of the property was defined by Cushman & Wakefield, Winssinger & Associates and Stadim, and for the valuation of the portfolio in Luxembourg, Belgium and Switzerland, a total remuneration of € 135,519 (excl. VAT) was provided for, of which

- € 59,776 for the valuation of the Belgian portfolio to Cushman/DTZ (€ 35,689) and Stadim (€ 24,087) for Leasinvest Real Estate;
- € 59,000 to Cushman for the valuation of the Luxembourg portfolio, and
- € 16,743 to SPG for the valuation of the real estate in Switzerland for Leasinvest Immo Lux SA.

An expert can be charged with the valuation of a certain property for only a maximum of three years. After this term of three years, the same expert can only value the aforementioned property, till after the end of a term of three years after the previous term. Should the expert be a legal person, these rules are exclusively applicable to the natural persons representing the legal person, providing that the expert proves that an adequate functional independence exists between these natural persons.

In accordance with article 24 § 1 of the RREC law the remuneration of the surveyor shall not be linked, either directly or indirectly, to the value of the real estate subject to his valuation. The remuneration mentioned above has been defined based on a fixed amount per m2. The remuneration is contractually defined with the real estate expert.

The physical persons representing the real estate expert as experts in the sense of article 24 §1 of the RREC law, have to define their valuation in complete independence. This is also valid when these physical persons follow each other up within or after the maximum term of three years defined in article 24 §1 of the RREC law, in which an expert can value a certain real estate.

Valuation of the real estate in Belgium/Luxembourg
Cushman & Wakefield VOF is a subsidiary of the offices in The Netherlands ('General partnership existing under the laws of The Netherlands'), with its registered office at Amstelveenseweg 760, 1081 JK Amsterdam, The Netherlands. The administrative and registered offices of Cushman & Wakefield VOF are established at Avenue des Arts 58 boîte 7, 1000 Brussels (the company is registered in Brussels, under the number 416 303). Since the foundation on 04/12/1978 of the office in Belgium, there has always been a valuation department.

In Luxembourg the registered office of Cushman & Wakefield S.a.r.l. is situated in the 'Serenity Building', Route d'Arlon 19-21, L-8008 Strassen.

The company values offices, retail and industrial properties in Belgium and Luxembourg.
Cushman & Wakefield is not supervised by any official authority but is regulated by the RICS (Royal Institute of Chartered Surveyors). Both Cushman & Wakefield Belgium and Luxembourg are represented by Koen Nevens, MRICS. The valuation is carried out by Gregory Lamarche, Account Manager - Surveyor.

Valuation of the real estate in Belgium
DTZ Winssinger Tie Leung (company number 0422.118.165), with its registered office at Chaussée de le Hulpe 166, 1170 Brussels, was incorporated on 20/11/1981 for an unspecified term and is subject to Belgian legislation. Today DTZ Winssinger is, among other things, the most important surveyor of listed real estate funds and of properties of insurance groups.

DTZ Winssinger is not supervised by any official authority. Since 31/03/2013 and in principle until 31/03/2016 the valuation is done by Hervé Biebuyck, Director.

Stadim CVBA (company number 0458.797.033), with registered office in 2600 Berchem-Antwerp, Uitbreidingstraat 10-16. Stadim is represented by Philippe Janssens. The company values both residential and professional real estate (offices, retail, logistics and nursing homes) all over Belgium and Luxembourg. Stadim is not supervised by any official authority, but is regulated by the RICS (Royal Institute of Chartered Surveyors).

The valuation of the logistics real estate in Belgium is done by Yannick Stolk.

Valuation of the real estate in Switzerland

SPG Intercity Geneva SA (company number CH-660.2.618.000-9), with registered office at CH-1207 Genève, 41A, route de Frontenex, is a joint venture of the "Société Privée de Gérance" (Geneva) and the Intercity Group (Zurich), two independent real estate services companies with offices in the main Swiss cities, under Swiss legislation. SPG is not supervised by any official authority.

The valuation of the real estate in Switzerland is done by Martin Dunning and Bertrand Maag.

10.14 DEPOSITARY

The company has no depositary. Leasinvest Immo Lux SA does.

Since 01/01/2015 SGG S.A. (company number B 65.906, with its registered office at L-2086 Luxembourg, 412F, route d'Esch, subject to the supervision of the 'Commission de Surveillance du Secteur Financier', was appointed as depositary of Leasinvest Immo Lux SA in accordance with the applicable Luxembourg legislation (RCS Luxembourg B47192).

In its capacity of depositary, SGG is bound to comply with the provisions imposed, including the Luxembourg law of 13 February 2007 on specialized investment funds. In that capacity the depositary is put in possession of, among other things, all official documents and deeds relating to changes in the assets of the company and of a number of documents according to corporate law.

For the past financial year a remuneration of circa € 120,000 (excl. VAT) was paid to SGG by Leasinvest Immo Lux.

10.15 LIQUIDITY PROVIDER

Bank Degroof rendered services as liquidity provider of the company during the past financial year and receives a fixed remuneration of € 12,000 (excl. VAT) on an annual basis.

10.16 FINANCIAL SERVICE PROVIDERS

The financial service during the past financial year was entrusted to Bank Delen SA as the main paying agent in the context of the introduction of ESES (Euroclear Settlement for Euronext-zone Securities). A remuneration of € 32,000 (excl. VAT) was foreseen for this.

Corporate social responsibility

Corporate social responsibility is an integral part of the daily management of Leasinvest Real Estate and is part of its on-going striving for quality.

Leasinvest Real Estate is aware of the fact that its ecological footprint can be reduced, by focusing on sustainability and treating its energy, water, electricity and waste management in a conscious way.

Where possible the following energy-saving measures have already been taken in the past in order to make the buildings more sustainable and energy-efficient:
In 2009 an agreement was concluded with Electrabel for the supply of green power for all tenants and solar panels were installed on the roof of the logistics centre in Wommelgem; in 2011 this generated 291.000 kWh.
In 2013 Leasinvest Real Estate has also installed solar panels on the roof of Canal Logistics in collaboration with ORKA SA. With a surface of 49,775 m² and 14,220 solar panels, this installation has a production capacity of 3.15 GWh/year, which corresponds to the average energy consumption of 920 households and also reduces the annual $CO2$ emission by no less than 640 tons. Currently, this production is still injected on the net.
This reduces Leasinvest Real Estate's ecological footprint with regard to electricity to 0: 97% through purchasing green power, and 3% produced by solar panels.

AUDIT

In 2010 a global sustainability audit was carried out on behalf of Leasinvest Real Estate in order to define the areas in which the company could operate in a more sustainable way.
Within this integral approach it has become clear that Leasinvest Real Estate's major impact on the environment comes from actions taken on the level of its portfolio of buildings. The concrete actions are reproduced below.

STRATEGIC APPROACH

Leasinvest Real Estate has opted for an inclusive and solution-driven direction, translated into a clear-cut step-by-step plan. Unique about this approach is that it is based on a far-reaching cooperation with customers (tenants) and suppliers, and thus goes beyond initiatives taken by the company itself, and that building-specific interventions with the biggest impact are sought after, opposite to taking general measures (solution-driven).

STEP-BY-STEP PLAN

1. Analysis of the portfolio of buildings and detecting its potential for improvement
2. Development of a building-specific plan
3. Defining the correct measurement or appropriate technology for defining a zero point that will be the basis for assessing the improvements; Leasinvest Real Estate has chosen the Breeam in-use (www.breeam.org) certification, based on an annual audit by an accredited organization
4. Execution of the improvement action plan
5. Measuring results and informing (company, tenants, stakeholders); these procedures are operational since 2012

SELECTIVE ARBITRAGE ON THE PORTFOLIO

Because Leasinvest Real Estate's investments, as a listed company, first of all have to be justifiable from the viewpoint of shareholders' return, a number of buildings have been selected for (partial) redevelopment. It concerns buildings, vacant because of their lease ending, or those where improvements can be made, without hindering the tenant (e.g. installation of solar panels).
Older, less strategic buildings qualify for sale should an opportunity present itself. In 2015, € 87 million were divested within this scope (see Management report page 48 – Overview of activities). Of this total amount, € 62.5 million will only be received at the reception of the building Royal20, expected in the second quarter of 2016.

REALIZED AND PLANNED ACTIONS

GENERAL

In the course of 2012 intelligent electricity meters were installed in the following buildings of the Belgian real estate portfolio:
- Riverside Business Park, Anderlecht
- The Crescent, Anderlecht
- Nijverheidsstraat, Wommelgem
- Canal Logisticis, Neder-over Heembeek (also intelligent water and gas meters)

The advantage of this type of meters is that they can be read at a distance and the data can be processed, basis for the distribution of electricity to the tenants. That way, both the owner and the tenant have real-time information on electricity consumption, which enables them to draw conclusions. Peaks in consumption can be detected and lead to corrective measures resulting in energy savings.

BELGIUM

Office building The Crescent Anderlecht: BREEAM In-use score was improved from 'Very good' to 'excellent' (2015)
Office building Motstraat Malines: BREEAM In-Use (2013), score 'Good'
Logistics building Tongres: energy study executed in 2012
Logistics building Canal Logistics Neder-over-Heembeek: installation of solar panels (2013)
Redevelopment office building Square de Meeûs: objective is BREEAM Excellent (2017)
Redevelopment office building Montoyer 63: objective is BREEAM Excellent (2017)

LUXEMBOURG

Office building Royal20 (new construction): objective is BREEAM 'Excellent' (2016)
Office building Monnet: BREEAM Refurbishment Excellent expected based on file submitted in February 2016

CULTURE

Sponsoring of cultural organisations such as Stichting Conservatorium Antwerpen (www.stichtingconservatorium.be), the open-air museum for sculpture Middelheim/Middelheim Promotors vzw (www.middelheimmuseum.be) and the Royal Museum of Fine Arts in Antwerp (www.kmska.be) reflect Leasinvest Real Estate's involvement in the social and cultural society.

Each year new opportunities are assessed and new initiatives are taken. In 2015 this was Quartier des Arts ASBL / Kunstwijk VZW.

Risk factors

All risk factors specific to Leasinvest Real Estate are mentioned in the separate chapter 1 Risk factors in the front of this annual financial report on page 4.

Discharge to the manager and to the auditor

It is proposed to the general shareholders' meeting to discharge the statutory manager and the auditor for the execution of their mandates during the financial year closed on 31/12/2015.

Drawn up in Antwerp on 11/02/2016

Jean-Louis Appelmans	Luc Bertrand
Managing director	Chairman of the board of directors

Financial statements

CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements and notes

The consolidated financial statements of Leasinvest Real Estate have been approved for publication by the board of directors on 11 February 2016.
The annual report of the board of directors should be read jointly with the financial statements of Leasinvest Real Estate.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(in € 1,000)	Note	31/12/15 (12 months)	31/12/14 (12 months)
Rental income	4	50,455	50,175
Rental-related expenses	4	-42	-31
NET RENTAL INCOME	4	50,413	50,145
Recovery of property charges	5	108	367
Recovery income of charges and taxes normally payable by tenants on let properties	6	3,579	4,008
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease	5		0
Charges and taxes normally payable by tenants on let properties	6	-3,579	-4,008
Other rental-related income and expenditure	5	-2,131	-1,637
PROPERTY RESULT		48,390	48,875
Technical costs	7	-1,563	-1,307
Commercial costs	8	-781	-1,059
Charges and taxes on un-let properties	9	-885	-504
Property management costs	10	-4,187	-3,893
Other property charges	10	-771	-472
PROPERTY CHARGES		-8,187	-7,235
PROPERTY OPERATING RESULT		40,203	41,640
Corporate operating charges	11	-1,754	-2,704
Other operating charges and income	11	-169	-307
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		38,280	38,629
Result on disposal of investment properties	12	329	1,767
Changes in fair value of investment properties	13	9,549	5,687
OPERATING RESULT		48,158	46,083
Financial income	14	2,327	3,111
Net interest charges	15	-13,082	-13,811
Other financial charges	16	-1,490	-1,728
Changes in fair value of financial assets and liabilities	17	-4,824	-729
FINANCIAL RESULT		-17,069	-13,157
PRE-TAX RESULT		31,089	32,926
Corporate taxes	18	-468	-353
Exit tax		-3	0
TAXES		-471	-353
NET RESULT		30,618	32,572
Attributable to:			
Minority interests		0	1
Comprehensive income – Group share		30,618	32,571

(in € 1,000)	Note	31/12/15	31/12/14
OTHER ELEMENTS OF COMPREHENSIVE INCOME			
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties		332	-825
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS		3,002	-21,890
Changes in fair value of financial assets available for sale	23	14,941	11,465
Translation differences following the conversion of a foreign activity		8	0
Other elements of comprehensive income that will be reclassified later to the net result		18,283	-11,251
COMPREHENSIVE INCOME			
Attributable to:			
Minority interests		0	1
Comprehensive income – Group share		48,901	21,322
NET CURRENT RESULT			
Net result		30,618	32,572
To be eliminated			
- Result on disposal of investment properties		-329	1,767
- Changes in fair value of investment properties		-9,549	5,687
- Changes in fair value of financial assets and liabilities		4,824	-729
- Deferred taxes			-214
NET CURRENT RESULT		25,565	26,061

RESULTS PER SHARE (in €)	31/12/15 (12 months)	31/12/14 (12 months)
Comprehensive income per share, group share (1)	9.90	4.32
Comprehensive income per share entitled to dividends	9.90	4.32
Result per share, group share (1)	6.20	6.60
Result per share entitled to dividends	6.20	6.60
Net current result per share (1)	5.18	5.28

1 Based on the number of shares at closing date (31/12/15).

CONSOLIDATED BALANCE SHEET

(in € 1,000)	Note	Period 31/12/15	Period 31/12/14
ASSETS			
I. NON-CURRENT ASSETS		954,243	804,789
Intangible assets	19	10	80
Investment properties	20	847,069	720,801
Other tangible assets	22	1,163	1,266
Non-current financial assets	23	88,101	64,743
Finance lease receivables	24	17,900	17,900
II. CURRENT ASSETS		22,059	32,125
Assets held for sale	25	4,392	17,626
Current financial assets	26	0	0
Trade receivables	27	7,967	8,207
Tax receivables and other current assets	28	2,885	1,010
Cash and cash equivalents	29	4,531	3,654
Deferred charges and accrued income	30	2,284	1,627
TOTAL ASSETS		976,302	836,914
LIABILITIES			
TOTAL SHAREHOLDERS' EQUITY		362,410	336,414
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY		362,405	336,410
Capital	31	54,315	54,315
Share premium account	31	121,091	121,091
Translation differences		8	
Reserves	31	156,666	128,432
Purchase of treasury shares		-293	0
Net result of the financial year	31	30,618	32,572
II. MINORITY INTERESTS	33	5	4
LIABILITIES		613,892	500,500
I. NON-CURRENT LIABILITIES		395,948	357,650
Provisions		9	0
Non-current financial debts	34	355,722	319,423
- Credit institutions		258,538	222,029
- Other		97,184	97,394
Other non-current financial liabilities	34	40,217	38,227
Other non-current liabilities		0	0
II. CURRENT LIABILITIES		217,944	142,850
Provisions			0
Current financial debts	34	176,887	121,910
- Credit institutions		89,191	32,919
- Other		87,696	88,991
Trade debts and other current debts	35	24,810	8,631
- Exit tax		12,299	0
- Other		12,511	8,631
Other current liabilities	36	8,200	3,250
Accrued charges and deferred income	37	8,047	9,059
TOTAL EQUITY AND LIABILITIES		976,302	836,914

CONSOLIDATED CASH FLOW STATEMENT[1]

(in € 1,000)	Note	31/12/15 (12 months)	31/12/14 (12 months)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE FINANCIAL YEAR	**29**	**3,655**	**2,254**
1. Cash flow from operating activities		**56,262**	**40,511**
Net result		30,618	32,573
Adjustment of the profit for non-cash and non-operating elements		7,415	6,687
Depreciations, write-downs and taxes		*522*	*383*
- Depreciations and write-downs on intangible and other tangible assets (+/-)		129	100
- Write-downs on current assets (-)	27	41	31
- Taxes	18	471	353
- Taxes paid		-120	-100
Other non-cash elements		*-5021*	*-4,357*
- Changes in fair value of investment properties (+/-)	13	-9,549	-5,687
- Movements in provisions (+/-)		8	0
- Phasing of gratuities (+/-)	4	-313	601
- Increase (+) / Decrease (-) in fair value of financial assets and liabilities (1)	17	4,824	729
- Other non-current transactions		8	
Non-operating elements		*11,915*	*10,660*
Gains on disposals of non-current assets	12	-329	-1,767
Dividends received (1)	14	-1,777	-2,187
Write-back of financial income and financial charges (1)		14,020	14,615
Change in working capital requirements		18,228	1,251
Movements in asset items		*-2,334*	*-2,463*
- Other long-term assets			
- Current financial assets			
- Trade receivables		197	-2,809
- Tax receivables and other current assets		-1,875	187
- Deferred charges and accrued income		657	159
Movements in liability items		*20,562*	*3,714*
- Other non-current debts			0
- Trade debts and other current debts		3,880	2,554
- Taxes		11,948	-253
- Other current liabilities		4,951	1,047
- Accrued charges and deferred income		-216	366

1 The sum of the decrease of the fair value of financial assets and liabilities (€ - 4,824 thousand), dividends received (€ 1,777 thousand) and the reversal of financial income and charges (€ -14,022 thousand) in cash flow amounts to € - 17,1069 thousand, which is the financial result end-2015.

CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(in € 1,000)	Note	31/12/15 (12 months)	31/12/14 (12 months)
2. Cash flow from investment activities		**-109,775**	**-34,432**
Investments			
Investment properties in operation	20	-116,217	-40,458
Development projects	20	-10,601	-3,513
Intangible and other tangible assets		-20	-305
Non-current financial assets	23	-8,754	-4,323
Assets held for sale		0	0
Effect in consolidation of new participations		-257	0
Divestments			
Investment properties in operation	20	6,178	1,598
Intangible and other tangible assets		64	
Non-current financial assets	23	102	74
Assets held for sale	25	17,953	10,308
Dividends received	14	1,777	2,187
3. Cash flow from financing activities		**54,389**	**-4,678**
Change in financial liabilities and financial debts			
Increase (+) / Decrease (-) of financial debts		91,667	32,095
Increase (+) / Decrease (-) of other financial liabilities		0	-2,809
Financial income received		560	1,019
Financial charges paid		-15,367	-14,742
Change in shareholders' equity			
Change of capital and share premium account (+/-)			
Changes in reserves			
Increase (+) / Decrease (-) of treasury shares			
Dividend of the previous financial year	31	-22,471	-20,242
CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR	**29**	**4,531**	**3,655**

CONSOLIDATED STATEMENT OF CHANGES IN CAPITAL AND RESERVES

(in € 1,000)	Capital	Share premium account	Reserves
Balance sheet under IFRS on 31/12/12	44,128	70,622	120,746
- Issue of shares through capital increase in cash	10,187	50,469	-979
- Distribution closing dividend of the previous financial year			-17,656
- Transfer net result 2012 to reserves			20,508
- Comprehensive income of the financial year 2013 (12 months)			10,377
- Various			
Balance sheet under IFRS on 31/12/13	54,315	121 091	132,997
- Distribution closing dividend of the previous financial year			-20,243
- Transfer net result 2013 to reserves			26,928
- Comprehensive income of the financial year 2014 (12 months)			-11,251
- Various			
Balance sheet under IFRS on 31/12/14	54,315	121,091	128,431
- Distribution closing dividend of the previous financial year			-22,471
- Transfer net result 2014 to reserves			32,572
- Comprehensive income of the financial year 2015 (12 months)			18,283
- Various			-436
Balance sheet under IFRS on 31/12/15	54,315	121,091	156,380

Net result of the financial year	Impact on fair value of estimated transfer costs resulting from hypothetical disposal of investment properties	Changes in fair value of financial assets and liabilities	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
20,508	0	0	256,005	5	256,010
			59,676		59,676
			-17,656		-17,656
-20,508			0		0
26,928			37,305	-2	37,303
26,928	0	0	335,331	3	335,334
			-20,243		-20,243
-26,928			0		0
32,572			21,321	1	21,321
32,572	0	0	336,409	4	336,414
			-22,471		-22,471
-32,572			0		0
30,618			48,901	1	48,902
			-436		-436
30,618	0	0	362,404	5	362,409

PRESENTED ACCORDING TO THE ITEMS DEFINED IN THE RD OF 13/07/2014

(in € 1,000)	Capital	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	Reserve from translation differences following the conversion of a foreign activity (+/-)
IFRS Balance sheet on 31/12/10	44,128	70,622	602	62,268	-6,358	
Comprehensive income for the period and transfers				-22,431		
Dividends to shareholders						
IFRS Balance sheet on 31/12/11	44,128	70,622	602	39,837	-6,358	
Transfers				-6,566		
Comprehensive income for the period					-645	
Sale of treasury shares						
Dividends to shareholders						
				(1)		
IFRS Balance sheet on 31/12/12	44,128	70,622	602	33,271	-7,003	
Issue of shares through capital increase in cash	10,187	50,469				
Transfers			4,829	1,342		
Comprehensive income for the period					-338	
Dividends to shareholders						
IFRS Balance sheet on 31/12/13	54,315	121,091	5,431	34,613	-7,341	
Transfers				1,978		
Comprehensive income for the period					-825	
Dividends to shareholders						
IFRS Balance sheet on 31/12/14	54,315	121,091	5,431	36,591	-8,166	
Transfers				5,687	-889	
Comprehensive income for the period					332	8
Dividends to shareholders						
Miscellaneous						
IFRS Balance sheet on 31/12/15	54,315	121,091	5,431	42,278	-8,723	8

1 In 2013 € 1,031 thousand is recognized on ineffective financial instruments, i.e. authorized hedges not subject to hedge accounting. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS" after result appropriation. In 2013 € 1,978 thousand is recorded as changes in fair value of investment properties. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of investment properties" after result appropriation.

In 2014 € 720 thousand is recognized on ineffective financial instruments, i.e. authorized hedges not subject to hedge accounting. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS" after result appropriation. In 2014 € 5,687 thousand is recorded as changes in fair value of investment properties. This impact

Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Shareholders' equity attributable to the shareholders of the parent company	Minority interests	Total shareholders' equity
-642	-1,121	-1,046	497	92,192	14,267	275,407	3	275,410
-10,187			392	36,697	-1,678	2,793	2	2,795
				-16,385		-16,385		-16,385
-10,829	-1,121	-1,046	889	112,504	12,589	261,815	5	261,821
	-449			19,604	-12,589	0		0
-12,898			2,780		20,508	9,745		9,745
		1,035		63		1,098		1,098
				-16,653		-16,653		-16,653
	(1)							
-23,727	-1,570	-11	3,669	115,518	20,508	256,005	5	256,010
				-979		59,676		59,676
	-2,101			16,438	-20,508	0		0
8,427			2,288		26,928	37,305	-2	37,303
				-17,656		-17,656		-17,656
-15,300	-3,671	-11	5,957	113,321	26,928	335,331	3	335,334
	1,031			23,919	-26,928	0		0
-21,890			11,465		32,572	21,321	1	21,322
				-20,243		-20,243		-20,243
-37,191	-2,640	-11	17,422	116,997	32,572	336,410	4	336,414
	720	-282		27,336	-32,572	0		0
3,002			14,941		30,618	48,901	1	48,901
				-22,472		-22,471		-22,471
				-435		-435		-435
-34,189	-1,920	-293	32,363	121,426	30,618	362,404	4	362,409

will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of investment properties" after result appropriation.

In 2015 is € -5,215 is recognized on ineffective financial instruments, i.e. authorized hedges not subject to hedge accounting. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS" after result appropriation. In 2015 is € 9,549 thousand is recorded as changes in fair value of investment properties. This impact will be booked in shareholders' equity under the item "Reserve from the balance of changes in fair value of investment properties" after result appropriation.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS CLOSED 31 DECEMBER 2015

NOTE 1
GENERAL INFORMATION

Leasinvest Real Estate SCA ('LRE') is a public regulated real estate company under Belgian Law and subject to the law of 12 May 2014 (RREC law) and the RD of 13 July 2014, with its administrative offices in Antwerp.

The consolidated financial statements of LRE for the financial year ending on 31 December 2015 comprise LRE and its subsidiaries. The statutory and consolidated financial statements were authorized for issue by the board of directors of 11 February 2016 and will be proposed to the annual general meeting of shareholders for approval on 17 May 2016. The statutory financial statements as well as the consolidated financial statements are prepared according to IFRS.
Leasinvest Real Estate is included in the consolidation of Extensa Group SA, in its turn included in Ackermans & van Haaren SA.

NOTE 2
SIGNIFICANT ACCOUNTING PRINCIPLES

2.1 IFRS valuation rules consolidated financial statements Leasinvest Real Estate SCA

A. STATEMENT OF COMPLIANCE

The consolidated annual accounts are prepared in accordance with International Reporting Standards and IFRIC interpretations, entering into force as of 31/12/15, as adopted by the European Commission.

In the course of the past financial year, different new or modified standards and interpretations entered into force.

The applied accounting principles are consistent with those of the previous financial year, except for the following modifications.

The nature and the impact of each of the following new accounting rules, changes and/or interpretations, are described below:

New and amended standards and interpretations, effective for financial years starting on 1 January 2015

The Group applied certain standards and amendments for the first time in 2015.

The nature and the impact of each of the following new standards, amendments and/or interpretations have been described below:
- IFRIC 21 Levies, effective 17 June 2014
- Annual Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013), effective 1 January 2015

IFRIC 21 Levies
IFRIC 21 clarifies that an entity recognises a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached. Retrospective application is required. The interpretation became effective for financial years beginning on or after 17 June 2014.

Improvements to IFRSs - 2011-2013 Cycle (Issued December 2013)
The improvements to IFRS – Cycle 2011-2013 have already been published in December 2013 and were already commented in the past.

New and amended standards and Interpretations, effective for financial years starting after 1 January 2015

Standards and interpretations issued but not yet effective up to the date of issuance of the Group's financial statements are listed below. The listing of standards and interpretations issued are those that the Group reasonably expects to have an impact on disclosures, financial position or performance when applied at a future date. The Group intends to adopt these standards and interpretations when they become effective.

- IFRS 9 Financial Instruments, effective 1 January 2018
- Amendments to IFRS 10, IFRS 12 and IAS 28 – Investment Entities: Applying the Consolidation Exception (not yet endorsed by the EU as per 1 January 2015), effective 1 January 2016
- Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective 1 January 2016
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January 2016
- IFRS 14 Regulatory Deferral Accounts, effective 1 January 2016
- IFRS 15 Revenue from Contracts with Customers, effective 1 January 2018
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative1, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, effective 1 January 2016
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 February 2015
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements1, effective 1 January 2016
- Annual Improvements to IFRSs - 2010-2012 Cycle (Issued December 2013), effective 1 February 2015
- Annual Improvements to IFRSs - 2012-2014 Cycle (Issued September 2014), effective 1 January 2016

IFRS 9 Financial Instruments
The IASB issued the final version of IFRS 9 which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. The adoption of IFRS 9 will have a limited effect on the classification and measurement of the Group's financial assets and on hedge accounting, but will not have an impact on the classification and measurement of the Group's financial liabilities. The Group is currently assessing the impact of this standard. The standard becomes effective for financial years beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory.

Amendments to IFRS 10, IFRS 12 and IAS 28 - Investment Entities: Applying the Consolidation Exception

The narrow-scope amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investments in Associates and Joint Ventures introduce clarifications to the requirements when accounting for investment entities. The amendments also provide relief in particular circumstances. The impact of this amendment for the Group is assessed in function of the consolidation principles that are currently applied. The amendments become effective for annual periods beginning on or after 1 January 2016.

Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments are applied prospectively and address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011), in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognised when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. The impact of these amendments on the Group is assessed in function of the consolidation principles currently applied. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations

The amendments are applied prospectively and require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business must apply the relevant IFRS 3 Business Combinations principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party. The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation. The amendments will have no impact on the Group's financial position and performance. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

IFRS 14 Regulatory Deferral Accounts

IFRS 14 is an optional standard that allows an entity, whose activities are subject to rate-regulation, to continue applying most of its existing accounting policies for regulatory deferral account balances upon its first-time adoption of IFRS. Entities that adopt IFRS 14 must present the regulatory deferral accounts as separate line items on the statement of financial position and present movements in these account balances as separate line items in the statement of profit or loss and other comprehensive income. The standard requires disclosures on the nature of, and risks associated with, the entity's rate-regulation and the effects of that rate-regulation on its financial statements. Since the Group is an existing IFRS preparer, this standard will not apply. The standard becomes effective for financial years beginning on or after 1 January 2016.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. The Group is currently assessing the impact of this standard. The standard becomes effective for financial years beginning on or after 1 January 2017. Full or modified retrospective application is required.

Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative

The amendments mark the completion of the five, narrow-focus improvements to disclosure requirements. They are designed to further encourage companies to apply professional judgement in determining what information to disclose in their financial statements. The amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. The amendments will have nom impact on the financial statements and performance of the. The amendments become effective for annual periods beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation

The amendments are applied prospectively and clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based methods cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets. The amendments will have no impact on the Group's financial position and performance. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants

The amendments are applied retrospectively and change the accounting requirements for biological assets that meet the definition of bearer plants. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of IAS 41. Instead, IAS 16 will apply. After initial recognition, bearer plants will be measured under IAS 16 at accumulated cost (before maturity) and using either the cost model or revaluation model (after maturity). The amendments also require that produce that grows on bearer plants will remain in the scope of IAS 41 measured at fair value less costs to sell. For government grants related to bearer plants, IAS 20 Accounting for Government

Grants and Disclosure of Government Assistance will apply. These amendments are not expected to have any impact to the Group as the Group does not have any bearer plants. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions

IAS 19 requires an entity to consider contributions from employees or third parties when accounting for defined benefit plans. Where the contributions are linked to service, they should be attributed to periods of service as a negative benefit. These amendments clarify that, if the amount of the contributions is independent of the number of years of service, an entity is permitted to recognise such contributions as a reduction in the service cost in the period in which the service is rendered, instead of allocating the contributions to the periods of service. This amendment is not relevant to the Group, since none of the entities within the Group has defined benefit plans with contributions from employees or third parties. The amendments become effective for financial years beginning on or after 1 February 2015.

Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements

The amendments will allow entities to use the equity method to account for investments in subsidiaries, joint ventures and associates in their separate financial statements. Entities already applying IFRS and electing to change to the equity method in its separate financial statements will have to apply that change retrospectively. These amendments will not have any impact on the Group's consolidated financial statements. The amendments become effective for financial years beginning on or after 1 January 2016. Early adoption is permitted.

IMPROVEMENTS TO IFRSS - 2010-2012 CYCLE (ISSUED DECEMBER 2013)

The IASB issued the 2010-2012 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. The improvements become effective for financial years beginning on or after 1 February 2015.

IFRS 2 Share-based Payment

This improvement is applied prospectively and clarifies various issues relating to the definitions of performance and service conditions which are vesting conditions, including:

- A performance condition must contain a service condition
- A performance target must be met while the counterparty is rendering service
- A performance target may relate to the operations or activities of an entity, or to those of another entity in the same group
- A performance condition may be a market or non-market condition
- If the counterparty, regardless of the reason, ceases to provide service during the vesting period, the service condition is not satisfied.

The above definitions are consistent with how the Group has identified any performance and service conditions which are vesting conditions in previous periods, and thus these amendments do not impact the Group's accounting policies.

IFRS 3 Business Combinations

This improvement is applied prospectively and clarifies that all contingent consideration arrangements classified as liabilities (or assets) arising from a business combination should be subsequently measured at fair value through profit or loss whether or not they fall within the scope of IAS 39 Financial Instruments: Recognition and Measurement (or IFRS 9 Financial Instruments, as applicable). This is consistent with the Group's current accounting policy, and thus this amendment does not impact the Group's accounting policy.

IFRS 8 Operating Segments

These improvements are applied retrospectively and clarify that:

- An entity must disclose the judgements made by management in applying the aggregation criteria in IFRS 8.12, including a brief description of operating segments that have been aggregated and the economic characteristics (e.g., sales and gross margins) used to assess whether the segments are 'similar'
- The reconciliation of segment assets to total assets is only required to be disclosed if this reconciliation is reported to the chief operating decision maker, similar to the required disclosure for segment liabilities.
- The Group has not applied the aggregation criteria in IFRS 8.12. The Group has presented the reconciliation of segment assets to total assets in previous periods and continues to disclose the same in Note 3 in these financial statements as the reconciliation is reported to the chief operating decision maker for the purpose of her decision making.

IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets

This improvement is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either adjusting the gross carrying amount of the asset to market value or by determining the market value of the carrying amount and adjusting the gross carrying amount proportionately so that the resulting carrying amount equals the market value. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset. The Group did not record any revaluation adjustments during the current period.

IAS 24 Related Party Disclosures

This improvement is applied retrospectively and clarifies that a management entity - an entity that provides key management personnel services - is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The definitions above are consistent with the way in which the Group has identified all performance and service conditions that were conditions for unconditional grants in previous periods; consequently these changes have no impact on the Group's accounting rules.

IMPROVEMENTS TO IFRSS - 2012-2014 CYCLE (ISSUED SEPTEMBER 2014)

The IASB issued the 2012-2014 cycle improvements to its standards and interpretations, primarily with a view to removing inconsistencies and clarifying wording. These improvements cover the following standards and subjects. The improvements become effective for financial years beginning on or after 1 January 2016.

IFRS 5 Non-Current Assets Held for Sale and Discontinued Operations - Changes in methods of disposal

Assets (or disposal groups) are generally disposed of either through sale or distribution to owners. This improvement is applied prospectively and clarifies that changing from one of these disposal methods to the other would not be considered a new plan of disposal, rather it is a continuation of the original plan. There is, therefore, no interruption of the application of the requirements in IFRS 5.

IFRS 7 Financial Instruments

These improvements are applied retrospectively and clarify that:
- Disclosures - Servicing contracts: A servicing contract that includes a fee can constitute continuing involvement in a financial asset. An entity must assess the nature of the fee and the arrangement against the guidance for continuing involvement in IFRS 7 to assess whether the disclosures are required. The assessment of which servicing contracts constitute continuing involvement must be done retrospectively. However, the required disclosures would not need to be provided for any period beginning before the annual period in which the entity first applies the amendments.
- Disclosures - Applicability of the amendments to IFRS 7 to condensed interim financial statements: The offsetting disclosure requirements do not apply to condensed interim financial statements, unless such disclosures provide a significant update to the information reported in the most recent annual report.

IAS 19 Employee Benefits - Regional market issue

This improvement is applied prospectively and clarifies that market depth of high quality corporate bonds is assessed based on the currency in which the obligation is denominated, rather than the country where the obligation is located. When there is no deep market for high quality corporate bonds in that currency, government bond rates must be used.

IAS 34 Interim Financial Reporting - Disclosure of information "elsewhere in the interim financial report"

This improvement is applied retrospectively and clarifies that the required interim disclosures must either be in the interim financial statements or incorporated by cross-reference between the interim financial statements and wherever they are included within the interim financial report (e.g., in the management commentary or risk report). The other information within the interim financial report must be available to users on the same terms as the interim financial statements and at the same time.

The Group is currently assessing the impact of these improvements. From first analysis these improvements seem to have no material impact.

B. BASIS OF PREPARATION

The financial statements are presented in €, rounded to the nearest thousand. They have been prepared on the historical cost basis, except for investment properties, derivative financial instruments, investments held for sale and investments available for sale, stated at fair value.

Equity instruments or derivative financial instruments are stated on a historical cost basis when the instrument concerned has no market price in an active market and when other methods for defining its fair value in a reasonable way are unsuitable or unfeasible.

Hedged assets and liabilities are stated at fair value, taking into account the risk hedged.

The accounting principles have been consistently applied.

The consolidated financial statements are established before profit appropriation by the parent company, as proposed to the general meeting of shareholders.

The presentation of the financial statements according to IFRS standards requires estimates and assumptions which influence the amounts presented in the financial statements, namely:

- the measurement of investment properties at fair value;
- the amortization rhythm of non-current assets;
- the measurement of provisions and employee benefits;
- the measurement selected for impairment tests;
- the measurement of financial instruments at market value.

These estimates are based on a 'going-concern' principle and are defined in function of the information available at that moment. The estimates can be reviewed if the circumstances they were based on change or if new information became available. The final outcome can differ from the estimate.

More specifically, within the framework of the sale of the buildings in the Axxes Business Park in 2010 and Torenhove in 2012, LRE stands surety for a maximum term of 9 years (respectively till July 2019 and till December 2021), mainly with regard to possible vacancy. Per closing date, an assessment of the probability of the surety is made, taking into account the vacancy, the expected vacancy and the commercial success in order to find sufficient tenants or users. Commercial management is executed by a subsidiary of LRE, i.e. Leasinvest Services, and is remunerated. When Leasinvest Services does not succeed, or it becomes probable that it will not succeed in successfully concluding sufficient rental contracts or service contracts to compensate potential vacancy, this can entail the recognition of an additional provision on the account of LRE.

C. CONSOLIDATION PRINCIPLES

The consolidated financial statements comprise the financial statements of LRE and its subsidiaries.

I Subsidiaries

Subsidiaries are entities over which the company exercises control. There is control when the company, directly or indirectly, has the power to direct the financial and operational policy of an entity, in order to benefit from its activities. The financial statements of the subsidiaries are recorded in the consolidated financial statements as of the start date till the end date of the control.
If necessary, the valuation rules for subsidiaries are amended in order to guarantee coherence with the principles adopted by the Group. The financial statements of the subsidiaries recorded in the consolidation cover the same accounting period as that of the company.
Changes in interests of the Group in subsidiaries that do not lead to a loss of control are treated as transactions in shareholders' equity.
The book value of the interests of the Group or of third parties in subsidiaries is adjusted to take into account the changes of the respective interest levels. Each difference between the amount by which the minority interests are adjusted and the fair value of the paid or received remuneration is immediately recorded in shareholders' equity.

II Jointly controlled entities

Jointly controlled entities are associates and joint ventures over which the Group exercises a joint control, defined by contract of as a consequence of a distribution of the shares among a limited number of shareholders. The consolidated income statements comprise the Group share in the results of the associates and joint ventures according to the equity method. This share is calculated as of the start date till the end date of the joint control. The financial statements of the jointly controlled entities comprise the same accounting period as that of the company.

III Transactions eliminated in consolidation

Intra-group balances and transactions, and all profits from intragroup transactions, are eliminated when preparing the consolidated financial statements.
Profits from transactions with jointly controlled entities are eliminated in relation to the interest of the Group in those entities. Losses are eliminated in the same way as profits, but only if there is no indication of depreciation.
A list of the Group companies is recorded in the notes to the consolidated financial statements.
The financial statements of subsidiaries are fully consolidated as from the date of acquisition until the date that such control ceases.

New acquisitions are accounted for by applying the purchase method, in accordance with IFRS 3. The cost of a business combination consists of the acquisition price, the minority interests and the fair value of the previously held interests (shares) in the party acquired. The transfer rights have to be passed through the income statement.

D. GOODWILL

Goodwill is the excess of the cost of the business combination over the group's interest in the fair value of the identifiable acquired assets, liabilities and contingent liabilities of the subsidiaries at the time of the acquisition. The cost of the business combination includes the price of acquisition and all directly attributable transaction costs.

Goodwill is not amortized, but has to be tested for impairment annually or more frequently if events or changes in circumstances indicate that it might be impaired.

Negative goodwill (badwill):
Negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction. This negative goodwill has to be recorded in the results, immediately, by the party acquiring.

E. INTANGIBLE ASSETS

Intangible assets with a finite useful life are carried at cost less any accumulated depreciation and any possible impairment losses.

Intangible assets are depreciated over their estimated useful life, i.e. 3 years, using the straight-line method.
The estimated useful life, as well as the residual value is reviewed annually.

Intangible assets with an indefinite useful life also carried at cost, are not depreciated but are tested for impairment annually or more frequently if events or changes in circumstances indicate that they might be impaired.

Formation expenses are recognized as expense when incurred.

F. OTHER TANGIBLE FIXED ASSETS

The other tangible fixed assets, excluding real estate, are carried at acquisition value less any accumulated depreciation and any possible impairment losses.
Other tangible fixed assets are depreciated using the straight-line method over their economic useful life. The estimated economic useful life, as well as the residual value is reviewed annually.
The useful life of assets amounts to 20 years for solar panels, 5 years for furniture and 3 years for IT-equipment.

G. INVESTMENT PROPERTIES

Investment properties are properties held to earn rental income for the long term. Investment properties comprise the buildings ready for letting (investment properties in operation), as well as the buildings under construction or development for future use as an investment property in operation (development projects).

Investment properties are stated at fair value in accordance with IAS 40. After the acquisition of a building, every gain or loss arising from a change in fair value is recognized in profit or loss.

An external independent real estate valuer determines, upon request of management, every quarter, the investment value of the property, (this term corresponds to the previously used term 'investment value'), i.e. costs, transfer taxes and fees included. The valuers carry out their valuation on the basis of the following methods to define the fair value according to IFRS 13:

- Net present value of estimated rental income
The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.
- Discounted cash flow method
The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.
- Residual valuation
Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

In accordance with the opinion of the working group of the Belgian Association of Asset Managers 'BEAMA', LRE applies the following principles to the investment value to determine the fair value:
(i) For transactions relating to buildings in Belgium with an overall value lower than € 2.5 million, transfer taxes of 10% need to be taken into account (Flemish Region) or 12.5% (Brussels-Capital and Walloon Region).
(ii)For transactions relating to buildings in Belgium with an overall value higher or equal to € 2.5 million, and considering the range of methods of property transfer that are used, the estimated transaction cost percentage for hypothetical disposal of investment properties is 2.5%.

It is the opinion of the statutory manager, Leasinvest Real Estate Management SA, that for the definition of the fair value of the real estate situated in the Grand Duchy of Luxembourg and in Switzerland with a value higher than € 2.5 million, the fixed transfer taxes of 2.5% applicable on real estate in Belgium, can be applied.

For an acquisition the transfer rights, in the case of a later hypothetical sale, are directly recorded in shareholders' equity; each subsequent adjustment is booked in the income statement.

Investment properties are no longer recorded on the balance sheet when the investment property is disposed of or permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses arising from the retirement or disposal of investment property are recognized in profit or loss in the year during which the retirement or disposal occurs.

Real estate certificates
The valuation of the real estate certificates depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 2/3)
If the holder of the certificates does not possess a substantial interest (less than 2/3) in the real estate certificate, the certificates are booked at closing date at the weighted average share price of the last 30 days, under the item Non-Current Financial Assets.

B. Possession of a substantial interest (more than 2/3) in the issued certificates
If these certificates are not listed, or if the share price, as reflected by the price tables, cannot be considered as a reliable reference because of the limited liquidity of this real estate certificate, Leasinvest Real Estate wishes to revalue, at each closing of it accounts, its certificates in function of:

a) the fair value of the real estate of which the issuer is the owner and this, and this by analogy with the valuation of its own real estate. This occurs on the basis of a periodical valuation by its real estate expert.

If one or more buildings are sold by the issuer of the real estate certificate, the sales price will be taken into account for the valuation, till the distribution of the sales proceeds.

b) the contractual rights of the holder of the real estate certificate according to the initial prospectus issued by the real estate certificate.
Although Leasinvest Real Estate is not the legal owner of this real estate, it considers itself to be its economic beneficiary, and this pro rata of its contractual rights as the owner of the real estate certificates. Moreover, an investment in real estate certificates, in application of the RD on RRECs, is considered as real estate. Taking these considerations into account, the certificates are booked under the investment properties at their acquisition value including additional costs. Profit or loss, resulting from changes in the fair value of an investment property, are recorded in the income statement in the period in which they originated and are attributed to the available reserves when the result is appropriated.

The treatment of the coupon also depends on whether there is a substantial interest or not in the issued certificates:

A. Possession of no substantial interest in the issued certificates (or less than 2/3)
The fee received comprises a part for the capital reimbursement and a part for the interest. The latter is presented in the financial result when there is certainty on the fee, and this falls due.

B. Possession of a substantial interest (more than 2/3) in the issued certificates

As holder of the real estate certificates, Leasinvest Real Estate has a contractual right pro rata of the real estate certificates in its possession, on a part of the operating balance realized by the issuer through the collection of the rents and payments for the operating and maintenance costs.

As the entire depreciation or value increase is treated via the revaluation of the real estate certificate, no part of the coupon relating to the operating balance should be considered to be a fee for the depreciation of the buildings of the issuer.

Consequently, the entire coupon (pro rata) is treated as net rental income and as operating income (turnover).

When a certain building from the issuer's portfolio is sold, it is treated as follows:

- the net revenue, potentially after deduction of withholding taxes due, is only booked as a realized capital gain at Leasinvest Real Estate for the difference between the book value of the real estate certificate at closing date, augmented by the net liquidation coupon, and the book value at the previous closing date.

Subsequent expenditure

The expenditure incurred by the owner to refurbish a property in operation is accounted for in two different manners, depending on their nature.

The expenses relating to repair and maintenance that do not add additional functions, nor raise the level of comfort of the building, are accounted for as expenses of the ordinary activities of the financial year and are therefore deducted from the operational result.

On the other hand, charges related to renovations and significant improvements adding a function to the investment property in operation or raising its level of comfort, in order to allow a raise of the rent and consequently of the estimated rental value, are capitalized and consequently recorded in the accounting value of the concerned asset as far as an independent real estate valuer acknowledges a corresponding increase in value of the building.

Regarding the development projects, all directly attributable costs including additional expenses such as registration charges and non-deductible VAT are capitalized.

Interest costs related to the financing of the project shall also be capitalized, as far as they relate to the period prior to the accomplishment of the asset.

H. ASSETS HELD FOR SALE

The assets held for sale (investment properties) are presented separately in the balance sheet at a value corresponding to the fair value, decreased by the transfer rights.

I. IMPAIRMENT OF FIXED ASSETS (EXCL. INVESTMENT PROPERTIES)

Leasinvest Real Estate assesses at each reporting date whether there is any indication that an asset may be impaired. If such indication exists, an estimate will be made as to the recoverable amount of the asset.

An asset is impaired when the book value is higher than the recoverable value by reducing its book value with an exceptional depreciation amount to the respective recoverable value.

The recoverable value of an asset is defined as the highest of its fair value less sales costs (supposing a non-forced sale) or its value in use (based on the current value of the estimated future cash flows). The resulting impairment losses are recognized immediately in profit or loss.

The company value is the market value of the expected future cash flows. In order to define the company value, the expected future cash flows are discounted at an interest rate before taxes that reproduces both the current market interest rate and the specific risks with regard to the asset.

For assets that do not generate cash flows the recoverable value of the cash-generating entity they belong to, is defined.

Earlier booked impairment losses, except for goodwill and shares available for sale, are reversed through profit or loss if there has been a change in the valuation used to determine the recoverable value of the asset since the recognition of the last impairment loss. Earlier booked impairment losses for goodwill cannot be reversed, earlier booked impairment losses for shares available for sale can, depending on the type of instrument, be reversed through shareholder's equity or profit or loss.

J. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities at fair value
The fair value changes of the financial assets and liabilities recorded at fair value through the results, are taken into the income statement, unless they were founded by 'hedge accounting' documentation (see K).

Financial assets available for sale
Financial assets available for sale and securities are recorded at fair value. The fair value changes are recognized in equity until the time of the sale or the impairment loss, whereby the cumulated revaluation is taken into profit or loss.

When a decline in fair value of a financial asset available for sale is recognized in equity and there is objective evidence that the asset is impaired, cumulative loss previously recognized in equity, has to be removed from equity and recognized in profit or loss.

Financial assets held to maturity
Financial assets held to maturity are measured at amortized cost.

Interest-bearing loans and receivables
Interest-bearing loans are measured at amortized cost using the effective interest method whereby the difference between acquisition cost and the reimbursement value is recognized pro rata temporis in profit or loss based on the effective interest rate.

Long-term receivables are valued based on their discounted value according to the current interest rate at the time of their emission.

Trade payables and receivables/ Other debts and receivables
These accounts are measured at par value, less impairment loss for uncollectible receivables.

Cash and cash equivalents
Cash and cash equivalents, consisting of cash at banks, cash in hand and short-term investments (< 3 months) are recognized at par value in the balance sheet.

K. DERIVATIVE FINANCIAL INSTRUMENTS

Leasinvest Real Estate uses financial instruments in order to hedge its exposure to the interest rate and exchange rate risks arising from the operational, financial and investment activities.

Derivative financial instruments are recognized initially at cost and are revaluated to fair value at the subsequent reporting date.

Changes in fair value of derivative financial instruments, which are not formally attributed as derivative financial instrument or do not qualify for hedge accounting or are fair value hedges, are taken into profit or loss.

IFRS 13 mentions an element in measurement, namely the obligation to record the own credit risk and that of the counterparty in the calculation. The correction of the fair value as a consequence of the application of the credit risk to the counterparty is called Credit Valuation Adjustment (CVA). Quantifying the own credit risk is called Debit Valuation Adjustment or DVA.

Cash flow hedges

The effective portion of gains or losses from fair value changes of derivative financial instruments (payer interest rate swaps and cross currency swaps), specifically attributed to hedge the exposure to variability in cash flows associated with a recognized asset or liability or a highly probable forecasted transaction, is recognized directly in equity. The ineffective portion is recognized in profit or loss.
The fair value of the 'swap' interest rates is the estimated value the company would receive or pay when exercising the swap at the balance sheet date, taking into account the current interest rates and the expected interest rates and the solvency of the counterparty of the swap.

The moment the forecasted transaction occurs, the cumulative gain or loss on the derivative financial instrument is taken out of equity and is reclassified into profit or loss.

Cumulative gains or losses related to expired derivative financial instruments remain included in equity, for as long as it is probable that the forecasted transaction will occur. Such transactions are accounted for as explained in the above paragraph. When the hedged transaction is no longer probable, all cumulative unrealized gains or losses at that time, are transferred from equity to profit or loss.

Fair value hedging

For each financial derivative covering the potential changes in fair value of a recorded receivable or debt, the profit or loss resulting from the revaluation of the hedge is recorded in the income statement. The value of the hedged element is also measured at the fair value attributable to the hedged risk. The related profits or losses are recorded in the income statement. The fair value of the hedged elements related to the hedged risk are the book values at the balance sheet date, calculated in euro at the exchange rate effective at the balance sheet date.

L. ISSUED CAPITAL AND RESERVES

Shares
The costs relating to a capital transaction with the issue of new shares are deducted from capital.

Redeeming of treasury shares
Redeemed treasury shares are deducted from equity at acquisition cost. A subsequent sale or disposal does not have an impact on result; gains and losses related to treasury shares are recognized directly in equity.

Dividends
Dividends are recognized as a liability when approved by the general meeting of shareholders.

M. PROVISIONS

If LRE or a subsidiary has a (legal or indirect) obligation as a result of a past event, and it is probable that the settlement of this obligation will require an outflow of resources, and the amount of the obligation can be reliably estimated, a provision is recognized on balance sheet date.

In case the difference between par value and present value is material, a provision is recognized for the present value of the estimated expenses based on the discount rate, and taking into account the current market assessments of the time value of money and the risks specific to the liability.

If LRE expects that (some or all of) a provision will be reimbursed, for example under an insurance contract, the reimbursement is only recognized as a separate asset when it is virtually certain that it will be received.

The expense relating to any provision is presented in the income statement, net of any reimbursement.

N. CONTINGENT ASSETS AND LIABILITIES

Contingent assets and liabilities are disclosed in the notes, if their impact is material.

O. TAXES

Income tax

Income tax on the profit or loss for the financial year comprises current and deferred tax. Both taxes are recognized in the income statement and under liabilities in the balance sheet, except to the extent that they relate to items recognized directly in equity, in which case they are recognized in equity. The tax amount is calculated based on the legal tax rates and tax legislation in force.

Deferred taxes are calculated using the balance sheet liability method, applied on the temporary differences between the book value of the recognized assets and liabilities and their fiscal value. Deferred taxes are recorded based on the expected taxes rates.

Deferred tax liabilities are recognized for all taxable temporary differences:

- except to the extent that the deferred tax liability arises from the original recognition of goodwill or the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction neither affects the accounting profit nor the taxable profit;
- except in respect to taxable temporary differences associated to investments in subsidiaries, branches and associates, where the group is able to control the timing of the reversal of temporary difference and it is probable that temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry-forwards of unused tax credits or tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be offset. The book value of the deferred income tax assets is assessed at each balance sheet date and deducted to the extent that is no longer probable that sufficient taxable profit is available against which all or some of the deferred taxes can be offset.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply to the year when the temporary differences will be realized or settled, based on tax rates that have been enacted or substantively enacted at balance sheet date.

Exit tax

The exit tax is the tax on gains arising upon the merger of an RREC with an entity that is not an RREC. When the latter first enters in the scope of consolidation, the exit tax is recorded as a liability. Every subsequent adjustment, following the evolution of the fair value and the accounting value between the moment of the incorporation in the consolidated accounts of the acquired companies and the moment of the merger between the RREC and those companies, to the exit tax liability is recognized in the income statement.

P. DISCONTINUED OPERATIONS

The assets, liabilities and net results of discontinued operations are separately reported under one heading in the consolidated balance sheet and the consolidated income statement. The same reporting is also valid for assets and liabilities held-for-sale.

Q. EVENTS AFTER THE BALANCE SHEET DATE

It is possible that certain events that occur after balance sheet date provide additional evidence over the financial position of an entity (adjusting events). This information permits the improvement of estimates and allows to better reflect the current situation on balance sheet date. These events require an adjustment of the balance sheet and the result. Other events after balance sheet data are disclosed in the notes if their impact is potentially important.

R. EARNINGS PER SHARE

The group calculates both basic and diluted earnings per share in accordance with IAS 33. Basic earning per share is calculated based on the weighted average number of outstanding shares during the period. For the calculation of the diluted profit per share, the profit or the loss that can be attributed and the holders of ordinary shares and the weighted average number of issued shares are corrected for the effects of all potential ordinary shares that will lead to dilution.

S. REVENUE

Rental income comprises the gross rental income. Costs of gratuities and advantages granted to tenants are recorded as deduction of the rental income (through 'rent free periods') for the duration of the lease, defined as the period between the start and the first break.

T. FINANCIAL RESULT

Financial income

Financial income comprises the interest received on investments, dividends, exchange rate income and income relating to hedges that is recorded in the income statement (excluding fair value adjustments).
Interests and dividends that originate from the use by third parties of company resources, are recorded when it is probable that the economic benefits related to the transaction will flow back to the company and the income can be defined in a reliable way.
Interests received are recorded when collected (taking into account the time elapsed and the effective return of the asset), unless there is any doubt on the collection.
Dividends are recorded in the income statement at the date of payment or when they were granted.

Net funding costs

The net funding costs comprise the interest payable on loans, calculated using the effective interest rate method, as well as the net interest due on derivative financial instruments that are recognized in the income statement (excluding fair value adjustments). Interest income is recognized in the income statement as it accrues, taking into account the effective yield of the asset.

Other financial charges

The other financial charges mainly comprise reservation fees due on unused confirmed credit lines.

U. SEGMENT REPORTING

The segment information is prepared taking into account the operating segments and the information used internally in order to take decisions. The "chief operating decision makers" (high-ranking officers) are the Effective officers of the company. The operational segments are defined, as there is evidence, in the long term, of similar financial performance as they have comparable economic characteristics, based on the estimated rental value, investment potential and residual value.

The segment information comprises the results, assets and liabilities that can, directly, or on a reasonable basis, be attributed to a segment. LRE is split up in three geographic segments, namely Belgium, the Grand Duchy of Luxembourg and Switzerland. The Luxembourg and Swiss segment correspond to the Leasinvest Immo Lux SICAV-SIF portfolio. The "corporate" category comprises all unallocated fixed costs carried at group level, and the financing costs.

NOTE 3
SEGMENT INFORMATION

3.1 Segment information - geographical

3.1.1 Consolidated statement of comprehensive income

(in € 1,000)	Belgium		Luxembourg		Switzerland		Corporate		TOTAL	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
(+) Rental income (1)	20,421	21,552	27,444	28,258	2,589	365			50,454	50,175
(+) Write-back of lease payments sold and discounted										
(+/-) Related-rental expenses	-11	-31	-30						-41	-31
NET RENTAL INCOME	20,410	21,522	27,414	28,258	2,589	365			50,413	50,145
(+) Recovery of property charges	72	254	36	113					108	367
(+) Recovery income of charges and taxes normally payable by tenants on let properties	3,515	3,971	64	37					3,579	4,008
(-) 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	-3,515	-3,971	-64	-37					-3,579	-4,008
(+/-) Other rental related income and expenditure	-1,726	-1,467	-294	-161	-111	-8			-2,131	-1,637
PROPERTY RESULT	18,756	20,309	27,156	28,210	2,478	357			48,390	48,875
(-) Technical costs	-1,332	-1,076	-193	-231	-39				-1,564	-1,307
(-) Commercial costs	-136	-172	-645	-888					-781	-1,059
(-) Charges and taxes on un-let properties	-714	-460	-171	-45					-885	-504
(-) Property management costs (2)	-3,803	-3,556	-384	-337					-4,187	-3,893
(-) Other property charges	-326	-219	-340	-238	-105	-15			-771	-472
PROPERTY CHARGES	-6,311	-5,482	-1,733	-1,738	-144	-15			-8,188	-7,235
PROPERTY OPERATING RESULT	12,445	14,826	25,423	26,472	2,334	342			40,202	41,640
(-) Corporate operating charges	-621		-1,114		-19			-2,704	-1,754	-2,704
(+/-) Other operating charges and income	1,124		-1,293					-307	-169	-307
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	12,948	14,826	23,016	26,472	2,315	342		-3,010	38,279	38,629
(+/-) Result on disposal of investment properties	170	1,767	159						329	1,767
(+/-) Changes in fair value of investment properties	-11,576	-9,413	16,324	13,035	4,801	2,065			9,549	5,687
OPERATING RESULT	1,543	7,180	39,499	39,507	7,115	2,407		-3,010	48,157	46,083
(+) Financial income							2,327	3,111	2,327	3,111
(-) Net interest charges							-13,082	-13,811	-13,081	-13,811
(-) Other financial charges							-1,489	-1,728	-1,489	-1,728
(+/-) Changes in fair value of financial assets and liabilities							-4,824	-729	-4,824	-729
FINANCIAL RESULT							-17,068	-13,157		-13,157
PRE-TAX RESULT	1,543	7,180	39,499	39,507	7,115	2,407	-17,068	-16,167	31,089	32,926
(+/-) Corporate taxes							-467	-353	-467	-353
(+/-) Exit tax							-4		-4	
TAXES							-471	-353	-471	-353
NET RESULT	1,543	7,180	39,499	39,507	7,115	2,407	-17,539	-16,521	30,618	32,572
Attributable to:										
Minority interests									0	0
Group share									30,618	32,572

(1) There is no rental income from transactions with other operational segments.

(2) The property management costs consist a/o of the fee paid by Leasinvest Real Estate to the statutory manager Leasinvest Real Estate Management SA. This fee is calculated based on the consolidated real estate portfolio, i.e. including the portfolio situated in Luxembourg, the participation in Retail Estates & the real estate certificates held. Of the total fee paid by Leasinvest Real Estate during the financial year 2015 (12 months) € 2.1 million is related to the Luxembourg real estate portfolio (including the Swiss buildings).

3.1.2 Consolidated balance sheet (geographical segmentation)

(in € 1,000)	Belgium		Luxembourg		Switzerland		Corporate		TOTAL	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
ASSETS										
Intangible assets	10	80				0			10	80
Investment properties (incl. development projects, excl. financial leasing)	333,577	235,345	469,426	446,767	44,066	38,689			847,069	720,801
Assets held for sale	4,392	17,626							4,392	17,626
Other assets	103,187	83,058	20,627	14,302	1,016	1,047			124,831	98,407
ASSETS PER SEGMENT	441,166	336,109	490,053	461,069	45,082	39,736			976,302	836,914
LIABILITIES										
Non-current financial debts							355,722	319,423	355,722	319,423
Current financial debts							176,887	121,910	176,887	121,910
Other liabilities							81,283	59,167	81,283	59,167
LIABILITIES PER SEGMENT							613,892	500,500	613,892	500,500
SHAREHOLDERS' EQUITY									362,410	336,414

Other segment information

The investment properties consist of the property available for letting as well as of the development projects.

(in € 1,000)	Belgium		Luxembourg		Switzerland		TOTAL	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Investment properties								
investments	114,399	368	12,423	4,416	-4	37,964	126,818	42,748
divestments								
Finance lease receivables								
investments								
divestments								
Assets held for sale								
investments								
divestments	-17,626	-10,139	-6,019				-23,645	-10,139
Other tangible assets (other)								
investments	3	8	17	213			20	221
divestments	0	-1	0				0	-1
depreciations	-72	-82	-50	-13			-122	-95
Net book value at the end of the financial year	1,002	1,066	161	200			1,163	1,266

The investments in and divestments of investment properties, the finance lease receivables and the assets held for sale are commented in respectively note 20, 24 and 25.

The other tangible assets are mainly not for own use (note 22).

3.1.3 Main key figures

REAL ESTATE PORTFOLIO	Belgium		Luxembourg		Switzerland		TOTAL	
(in € 1.000)	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Fair value of the real estate portfolio (1)	355,880	270,860	469,440	446 410	44,070	39,057	869,390	756,327
Investment value of the real estate portfolio	364,220	277,220	477,000	453 430	45,170	40,030	886,390	770,680
Gross yield (in fair value) of the segment	7.12%	7.74%	6.82%	7.02%	5.63%	6.09%	6.88%	7.23%
Gross yield (in investment value) of the segment	6.96%	7.56%	6.72%	6.92%	5.49%	5.95%	6.75%	7.10%
Total letting area (m²)	266,619	156,619	164,313	265,133	11,694	11,649	442,626	433,401
Occupancy rate (2)	92.83%	91.81%	97.85%	98.77%	100%	100%	95.80%	96.24%
Weighted average duration till first break possibility (# years)	4.03	4.46	5.10	5.41	6.07	5.60	4.84	5.08

(1) The fair value of the real estate portfolio end 2014 consists of the investment properties (€ 847,098 duizend thousand), the finance lease receivables (€ 17,900 thousand) and the assets held for sale (€ 4,392 thousand), or € 869,390 thousand in total.

The fair value of the real estate portfolio end 2014 consists of the investment properties (€ 720,801 thousand), the finance lease receivables (€ 17,900 thousand) and the assets held for sale (€ 17,626 thousand), or € 756,327 thousand in total.

(2) The occupancy rate takes into account all buildings, except for those recorded under 'assets held for sale' and 'development projects', and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy)/ estimated rent.

The fair value and the investment value of the real estate portfolio comprise the buildings in operation, i.e. the buildings available for letting and the assets held for sale, as well as the development projects. For the calculation of the other key figures (the yield, the total letting area, the occupancy rate and the weighted average duration) only the buildings in operation are taken into account, excluding the assets held for sale. The yields concern gross yields.

3.2 Segment information – Key figures per asset class

(in € 1,000)	Retail		Offices		Logistics (and semi-industrial)		TOTAL	
	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14	31/12/15	31/12/14
Rental income (incl. lease receivables and excl. compensation for termination and incentives)	24,105	21,395	16,532	18,315	9,789	9,166	50,426	50,130
Fair value of the real estate portfolio	366,740	343,380	366,048	259,507	136,602	153,440	869,390	756,327
Investment value of the real estate portfolio	371,720	347,840	375,178	265,970	139,492	156,870	886,390	770,680
Occupancy rate	98.79%	100%	92.77%	90.1%	94.91%	95.7%	95.80%	96.24%
Rental yield (in fair value) of the segment	6.79%	6.97%	6.80%	7.57%	7.29%	7.32%	6.88%	7.23%
Rental yield (in investment value) of the segment	6.70%	6.88%	6.64%	7.38%	7.14%	7.17%	6.75%	7.10%
Weighted average duration till first break possibility (# years)	5.66	6.2	2.99	2.4	6.3	6.4	4.84	5.08

	2015		2014	
	Fair value (€ M)	Acquisition value (€ M)	Fair value (€ M)	Acquisition value (€ M)
Offices				
Offices Grand Duchy of Luxembourg	124.81	103.59	120.92	105.93
Offices Brussels	174.53	199.23	79.20	107
Offices rest of Belgium	20.44	47.70	25.52	47.7
Total offices	319.78	350.52	225.64	260.63
Logistics/semi-industrial				
Logistics/semi-industrial Grand Duchy of Luxembourg	19.47	13.40	19.85	13.4
Logistics/semi-industrial Belgium	91.09	60.81	94.5	73
Other	21.65	19.80	21.5	19.8
Total Logistics/Semi-industrial	132.21	94.01	135.84	106.2
Retail				
Retail Grand Duchy of Luxembourg	274.41	257.20	271.78	257.2
Retail Belgium	32.50	35.07	32.55	19.3
Retail Switzerland	44.07	37.00	39.05	37
Total retail	350.98	329.27	343.35	313.5
Investment properties	802.97	680.33	704.86	680.3
Assets held for sale	4.39	4.36	17.60	17.6
Buildings in operation	807.36	684.69	722.46	698
Projects Grand Duchy of Luxembourg	50.75	31.61	33.86	21.5
Projects Belgium	11.27	14.75	0	
General total with projects and assets held for sale	869.38	731.05	756.32	719.5

The rental income does not take into account the indemnities received for early termination of leases of 28 thousand (end 2015).

The real estate portfolio comprises the buildings in operation and the assets held for sale, as well as the development projects. For the calculation of the occupancy rate and the rental yield, only the buildings in operation are taken into account, excluding the assets held for sale and the development projects. The yields concern gross yields.

With regard to the other assets, other than the real estate portfolio, it is irrelevant to apply the segmentation per type.

Leasinvest Real Estate does not depend on major clients representing each more than 10% of the rental income.

COMPREHENSIVE INCOME

NOTE 4
NET RENTAL RESULT

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Rental income	50,454	50,175
Rents	48,853	49,477
Guaranteed income		0
Rent-free periods (1)	313	-601
Rental incentives		0
Indemnities for early termination of the leases	28	45
Income from finance leases and comparable items	1,260	1,254
Write-back of lease payments sold and discounted		0
Rental-related expenses	-41	-31
Rent payable on rented premises		
Write-downs on trade receivables	-41	-31
Write-backs of write-downs on trade receivables		
NET RENTAL RESULT	50,413	50,144

(1) Under the IFRS referential, the rent-free period is spread over the duration of the lease resulting in an annual recognition of the real rent. This implies a positive amount at the start of the rent-free period in the item 'rent-free periods' as no rental income is recognized following that rent-free period. However, in the following periods after the expiry of the rent-free period, the item 'rent-free periods' will be negatively influenced because rental income is then received. The table below presents a schematic overview of this principle taking into account a 2-year rent-free period:

	year 1	year 2	year 3	year 4	year 5	year 6	Total
Rental income	0	0	120	120	120	120	480
Rental incentives	80	80	-40	-40	-40	-40	0
Total	80	80	80	80	80	80	480

Leasinvest Real Estate rents its investment properties on the basis of customary rental contracts.

The rental income has remained stable (+ € 279 thousand) and amounts to € 50,454 thousand in comparison with € 50,176 thousand end 2014. At constant portfolio, the rental income decreases by € -1.7 million or -3.32% in comparison with last year (excl. rental discounts). This slight decrease is explained by the temporary vacancy in the building Monnet (in renovation till 09/2015) and Square de Meeus (vacant in the course of the last 8 months of 2015 within the framework of the redevelopment of the building).

Costs of rent-free periods and rental incentives to tenants are deducted from the rental income (in the item "rent-free periods") over the duration of the lease, defined as the period between the start and the first break. The rental incentives that were not yet recognized in the result are deducted from the fair value of the assets.
This implies, when entering a new rental period (after a break possibility or after the conclusion of a new rental contract) and in the case a rent-free period has been granted, no rent will be collected during that period, but rent will be recorded in this item. Consequently, ceteris paribus, this item has a positive balance. In the course of the rental period the rent received will be higher than the rented corrected with the rent-free period. This correction is recorded in this item and will, ceteris paribus, consequently have a negative balance, unless another rent-free period, exceeding this balance, is again granted in that period.

The table below indicates how much of the annual rental income could potentially be lost. If each tenant having a break possibility would actually leave the building and there would be no re-letting, this table show the loss of rental income.

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Within one year	6,087	10,230
Between one and five years	29,629	24,730
More than five years	21,211	17,622
TOTAL	56,927	52,582

Leasinvest Real Estate's portfolio mainly comprises players from the private sector and, to a lessor extent, of the public sector. Consequently, there are relatively more rental contracts with shorter fixed durations (type 3/6/9 years).

Total amount of future minimal rental income related to ordinary rental contracts that cannot be terminated (including finance lease receivables):

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Within one year	55,508	52,582
Between one and five years	172,678	121,346
More than five years	154,715	94,593
TOTAL	382,901	268,521

The increase in comparison with end 2014 is explained by indexed rental contracts, and a full year of rental income linked to the retail properties in Switzerland that were only acquired at the end of 2014.

Excluding finance lease receivables, the total amount of the future rental income is:

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Within one year	54,235	51,312
Between one and five years	165,587	114,487
More than five years	131,802	56,745
TOTAL	353,625	222,544

NOTE 5
COSTS PAYABLE BY TENANTS AND BORNE BY THE LANDLORD AND OTHER RENTAL-RELATED INCOME AND EXPENSES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Costs payable by tenants and borne by the landlord for rental damage and refurbishment at end of lease		0
Recovery of property charges	108	367
Compensations received for rental damage	108	367
Recovery of refurbishment costs at end of lease		
TOTAL	108	367
Other rental-related income and expenses	-2,131	-1,637
TOTAL	-2,131	-1,637

The recovery of property charges only comprises the compensations received for rental damage.
The item "other rental-related income and expenses" amounts to € -2,131 thousand at the end of 2015 in comparison with € -1,637 thousand at the end of 2014. This item mainly comprises the operational costs related to the business center "The Crescent".

The increase of the latter costs is also due to accrued costs for the owner, namely costs for the Swiss portfolio and costs linked to the integration of Porte des Ardennes Schmiede.
Besides this, this item also comprises the management fee, in accordance with market standards, paid to Leasinvest Services by third parties (€ 344 thousand), compensated by other costs borne by Leasinvest Real Estate (€ -729 thousand). The contribution of the business center "The Crescent" to the property result is positive. It is expected that additional lettings will increase the contribution to the property result.

NOTE 6
CHARGES BORNE BY THE LANDLORD ON LET PROPERTIES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Recovery income of charges and taxes normally payable by tenants on let properties	3,579	4,008
Rebilling of rental charges paid by the landlord	1,502	1,604
Rebilling of taxes on let properties	2,077	2,404
Rental charges and taxes normally payable by tenants on let properties	-3,579	-4,008
Rental charges paid by the landlord	-1,502	-1,604
Taxes on let properties	-2,077	-2,404
Rental charges borne by the landlord on let properties	0	0

Under usual lease terms these charges and taxes are borne by the tenants through rebilling by the landlord. This concerns, among other things, the property taxes and other taxes. In 2015 and 2014 all charges and taxes, for the account of the tenant, have been rebilled.

NOTE 7
TECHNICAL COSTS

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Recurring technical costs	-1,553	-1,309
Maintenance	-1,335	-1,242
Compensation for total guarantees	-202	-47
Insurance premiums	-16	-20
Non-recurring technical costs	-10	2
Major repairs (building contractors, architects, engineering, ...)	0	0
Claims	-10	0
TOTAL	-1,563	-1,307

To ensure that the buildings keep responding to the increasing demands of comfort, image and sustainability maintenance and renovation works are regularly carried out.

NOTE 8
COMMERCIAL COSTS

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Letting fees paid to real estate agents	-539	-840
Marketing expenses	-69	-132
Lawyer fees and legal expenses	-173	-87
TOTAL	-781	-1,059

NOTE 9
CHARGES AND TAXES ON UN-LET PROPERTIES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Charges on un-let properties of the financial year	-410	-347
Property taxes on un-let properties	-475	-157
TOTAL	-885	-504

The charges on un-let properties are the charges related to vacant spaces, which cannot be recovered and are consequently to be borne by the owner.

NOTE 10
PROPERTY MANAGEMENT COSTS AND OTHER PROPERTY COSTS

10.1 Property management costs

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
External management costs	-3,429	-3,220
Costs of the internal management of the property	-757	-673
TOTAL	-4,186	-3,893

Leasinvest Real Estate SCA (on a statutory basis) has no own personnel. The statutory manager, Leasinvest Real Estate Management SA ('LREM'), is in charge of the management of the RREC and had a staff of ten persons at the end of 2015 under the direction of the permanent representative (eleven in total). The external management costs consist of the remuneration of the manager, which is defined at 0.415% of the investment value of the consolidated real estate portfolio, including the buildings of Leasinvest Immo Lux, the participation in Retail Estates and the real estate certificates subscribed to, according to the articles of association. The costs of the internal management of the property consist of the personnel costs of mainly Leasinvest Services, which takes care of the technical management of the buildings of the RREC (personnel: 4 employees).

10.2 Other property costs

The other property costs amount to € -0.8 million at the end of 2015 and mainly comprise the valuers' fee (€ 177 thousand) and the fee paid within the framework of the external management (o/a Inowai & CBRE-PSM) and other diverse property costs.

NOTE 11
GENERAL CORPORATE CHARGES AND OTHER OPERATING INCOME AND CHARGES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
UCI tax	548	-445
Depositary	-123	-233
Auditor fees	-144	-136
Liquidity provider	-17	-18
Other expenses	-2,018	-1,872
TOTAL	-1,754	-2,704
Other operating income and charges	-169	-307

The general corporate charges regroup the overhead costs of the company, which have as such nothing to do with the actual activity, namely generating rental income. These are, among other things, the costs carried by the RREC as a legal, listed entity and are mainly related to all kinds of prescriptions/obligations regarding transparency, liquidity of the share and financial communication.

As a consequence of the one-off recuperation of UCI taxes paid in excess over the past financial years (based on a faulty calculation basis) the company received a net amount of € 548 thousand resulting in a decrease of the general costs of € -2,704 thousand in 2014 to € -1,754 thousand in 2015.

The other charges comprise a/o the fee for the effective officers and the bonuses ("tantièmes" (€ - 694 thousand; 2014: € -733 thousand)), communication costs (€ -173 thousand; 2014: € -203 thousand), fees for lawyers and notaries (€ -153 thousand; 2014: € -336 thousand). This item comprises for approximately € -205 thousand of costs related to the acquisition of business combinations.
The costs of the depositary only relate to Leasinvest Immo Lux SICAV-SIF.

The other operating income and charges (€ -169 thousand) mainly comprise the rental guarantee within the framework of the buildings sold for € -459 thousand in comparison with € -456 thousand in 2014 (as elaborated in the Basis for preparation).

NOTE 12
RESULT OF DISPOSAL OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Net gains on investment properties (sales price – transfer rights)	24,131	11,906
Book value of real estate sold (fair value)	-23,646	-9,988
Write-back of impact on fair value of estimated transaction costs resulting from hypothetical disposal of investment properties	-156	-151
TOTAL	329	1,767

In the course of 2015 some buildings were sold, namely the building Canal Logistics phase 2, a logistics building located in Meer en and the office building Kiem in Luxembourg.

NOTE 13
CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Positive changes in fair value of investment properties	24,247	17,977
Negative changes in fair value of investment properties	-14,698	-12,290
TOTAL	9,549	5,687

The net portfolio result shows a total unrealized capital gain of € 9.5 million in 2015, compared to € 5.7 million at the end of 2014, or an increase of 67.91% of changes in fair value of the real estate portfolio.

The main unrealized changes in fair value of the investment properties of € 9.5 million are explained by:

1. By the conclusion of the rental contract for a development project in Luxembourg an unrealized capital gain of approximately € 7.5 million was recognized. The other latent capital gains for approximately € 13.7 million were also mainly recognized in Luxembourg and in Switzerland. It has to be noted that the capital gain on the Swiss retail portfolio (€ 4.3 million) is mainly due to the evolution of the exchange rate CHF/EUR. This capital gain has to be seen in the scope of the loss on the Cross Currency Swap commented in note 17 Changes in fair value of the financial assets and liabilities.
2. In the Logistics segment in Belgium approximately € 2.1 million of unrealized losses were recognized on different buildings.
3. In the Offices segment in Belgium € 9.6 million of unrealized losses were recognized. These unrealized losses mainly relate to three buildings of which for two buildings we proceeded to redevelopment or substantial renovation.

The changes in transfer rights are recorded in the item "Addition to/ Withdrawal from the reserves from estimated transfer rights and costs resulting from hypothetical disposal of investment properties".

NOTE 14
FINANCIAL INCOME

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Interests and dividends received	1,798	2,225
Income from finance leases and comparable items		0
Income from authorized hedges	529	886
Authorized hedges subject to hedge accounting as defined by IFRS	529	886
Authorized hedges not subject to hedge accounting as defined by IFRS		0
TOTAL	2,327	3,111

The 'interests and dividends received' consist of the dividends received of € 1.8 million (for the financial year 2015) on the Retail Estates shares on the one hand, and of interests from temporary, short term deposits of cash surpluses on the other hand. It has to be noted that the received interests and dividends could have been improved by € 0.6 million if the gross dividend (without deduction of the withholding tax) would have been received from Retail Estates. On the contrary to previous years, the yearly dividends of Retail Estates were received gross for net thanks to the application of the parent company-subsidiary Directive. The referral to this Directive was deleted by mistake in the RREC legislation end 2014, which meant that by the change of status from a sicafi to a RREC (end 2014) LRE could no longer appeal to it.

The income from derivative financial instruments (€ 0.5 million) consists of floating interests received from interest rate receiver swaps, for which Leasinvest Real Estate always pays a fixed interest rate and receives the floating rate. This fixed payer interest rate can be found under the section 'Costs of financial instruments held for hedging' of the Net interest charges (see note 15).

NOTE 15
NET INTEREST CHARGES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Nominal interest charges on loans	-8,995	-8,753
Interest charges on non-current financial debts	-5,133	-4,612
Interest charges on bond loans	-3,518	-3,518
Interest charges on current financial debts	-344	-624
Re-composition of the nominal amount of the financial debts		0
Costs of authorized hedges	-5,257	-5,780
Authorized hedges subject to hedge accounting as defined by IFRS	-5,255	-5,357
Authorized hedges not subject to hedge accounting as defined by IFRS	-2	-423
Other interest charges		
Activated interest charges	1,170	722
TOTAL	-13,082	-13,811

The costs of financial instruments for hedging comprise the fixed interest rate settlements paid by Leasinvest Real Estate within the framework of the interest rate payer swaps concluded.

The decrease of the nominal interest charges on loans (mainly current financial debt) originates from the lower interest rates.

The average funding cost (excluding the marked to market of the hedges) after hedging amounts to 3.27% (end 2014: 3.63%) end 2015; before hedging it amounts to 1.9% (end 2014: 2%).
Taking into account these non-cash elements and potential premiums for options, the funding cost after hedging amounts to 4.46% (2014: 4.01%). The decrease of the average funding cost is mainly explained by the renegotiation of the interest rates with the different banks.

End-2015 € 1,170 thousand funding costs were activated mainly with regard to the project Royal 20, based on an internal funding rate of approximately 3.4%.

NOTE 16
OTHER FINANCIAL CHARGES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Bank costs and other commissions	-1,489	-1,727
Net realized losses on the sale of non-current financial assets		
Net realized losses on the sale of finance lease receivables and similar		
Other		
Costs of financial instruments for hedging		
TOTAL	-1,489	-1,727

NOTE 17
CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Authorized hedges not subject to hedge accounting as defined by IFRS	-5,215	720
Fair value adjustments bond loans	391	-1,449
TOTAL	-4,824	-729

The item "Authorized hedges not subject to hedge accounting as defined by IFRS" for € -5,215 thousand comprises € -11 thousand the influence of the floors that were sold in the meanwhile, for € -1,033 thousand of inefficiency, for € -4,330 thousand the impact of the exchange rate component of the cross currency swap and for € 391 thousand of fair value changes in the framework of the fair value hedge of the bond loan (by means of an IRS receiver).

NOTE 18
CORPORATE TAXES

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
Parent company LRE	-397	-148
Pre-tax result	11,274	14,869
Result exempt from income tax due to the RREC regime	11,274	14,869
Taxable result based on non-deductible costs	519	435
Tax rate of 33.99%	-177	-148
Corporate tax provision	0	0
Withholding tax	0	0
Previous tax year adjustment	0	0
Subsidiaries	-294	-205
TOTAL	-471	-353

RREC enjoy a special tax regime, which makes that corporate taxes are only applicable to non-deductible expenses (regional taxes) and, on abnormal and benevolent advantages and special amounts. Leasinvest Immo Lux, 100% subsidiary of Leasinvest Real Estate, enjoys, as a sicav, a special tax regime in Luxembourg. The other subsidiaries or the permanent establishment in Switzerland, on the contrary, are subject to corporate taxes.

BALANCE SHEET

NOTE 19
INTANGIBLE ASSETS

(in € 1,000)	31/12/15	31/12/14
Software	10	80
Other intangible assets	10	0
Movements in intangible assets		
Balance at the end of the previous financial year	80	1
Gross amount	89	5
Accumulated depreciation (-)	-9	-4
Accumulated impairment		0
Investments	-63	84
Acquisitions through business combinations		
Disposals through retirement (-)		
Disposals through splitting-up (-)		
Depreciations	-7	-5
Balance at the end of the financial year	10	80

End 2014 licenses for new transaction software were acquired; these were amortized for -63 thousand euro in the course of the financial year 2015.

NOTE 20
INVESTMENT PROPERTIES (FAIR VALUE METHOD)

	Real estate available for lease		Development projects	
(in € 1,000)	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Balance at the end of the previous financial year	686,942	669,511	33,860	20,680
Investments	8,217	38,259	10,601	3,513
Divestments	4,269			
Translation differences		-1,783		0
Acquisitions of property	108,000	0		0
Transfer from/(to) other items	-22,534	-16,024	12,156	0
Spreading of gratuities	314	-591		0
Increase/(decrease) in fair value	-157	-2,430	-5,401	9,667
Balance at the end of the financial year	785,051	686,942	62,018	33,860

Real estate portfolio	869,362	756,328

Items in the balance sheet:

Investment properties	847,070	(1)
Finance lease receivables	17,900	(2)
Assets held for sale	4,392	(3)
	869,362	

	Total investment properties (1)		Finance lease receivables (2)		Total		Assets held for sale (3)	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	720,802	690,191	17,900	17,900	738,702	708,091	17,626	10,144
	18,818	41,772	0	0	18,818	41,772	0	1,222
	4,269							
		-1,783		0		-1,783	-23,646	-8,205
	108,000	0		0	108,000	0		
	-10,378	-17,807	0	0	-10,378	-16,024	10,378	16,024
	314	-591		0	314	-591	0	-10
	5,245	7,236		0	5,245	7,236	34	-1,550
	847,070	720,802	17,900	17,900	864,969	738,702	4,392	17,626

Investment capex 2015 in € 1,000	LRE	Belgium	Luxembourg	Switzerland
(1) Acquisition capex	108,000	108,000	0	0
(2) Capex (incl. (re)development related to development projects	10,601	1,168	9,433	0
(3) Capex recurrent real estate portfolio	8,217	5,231	2,991	-5
(4) Other	-	-	-	-
TOTAL CAPEX	126,818	114,400	12,423	-5

Based on the fair value model according to IAS 40, investment properties are accounted for at fair value. This fair value corresponds to the amount for which a building could be sold between well-informed and ready parties acting under normal competitive circumstances. The fair value corresponds to the investment value as defined by an independent real estate expert, minus the transfer rights, the so-called 'mutation costs'. For more information on this matter we refer to the valuation rules. The investment value is the value as defined by an independent real estate expert, of which the transfer rights have not been deducted. This value corresponds to the price which a third party investor (or hypothetical buyer) would pay to acquire the real estate in order to benefit from the rental income and realize a return on his investment. The values have been defined by independent real estate experts.

The following methods were used to define the fair value according to IFRS 13:

- Net present value of estimated rental income
  The investment value is the result of the yield applied on the estimated rental value (capitalisation method or market approach) corrected by the net present value of the difference between the current rent and the estimated rental value at the valuation date, and this, for the period till the next break possibility of the current rental contracts.

- Discounted cash flow method
  The DCF method consists in defining the present value of the future cash flows. The future rental income is estimated on the basis of the existing contractual rents and the real estate market outlook for each building in the following periods. Moreover, the future maintenance costs are also estimated and taken into account. The actualisation rate applied takes into account the risk premium for the object defined by the market. The obtained value is also compared to the market on the basis of the definition of the residual land value.

- Residual valuation
  Buildings to renovate or in the course of renovation, or planned projects are valued based on the value after renovation, valued based on the value after renovation under deduction of the amount for the remainder of the work to be carried out, including costs, interests, vacancy and risk premium.

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 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.

The investment properties come under level 3.

For the total Leasinvest Real Estate SCA property, including the part of the portfolio estimated by the companies DTZ Winssinger and Stadim, Cushman & Wakefield has defined at 31 December 2015,

1. an investment value of € 886,390,000 (eight hundred and sixty eight million three hundred and ninety thousand euro), with respectively investment values of € 364,220,000, € 477,000,000 and € 45,170,000 for the Belgian, the Luxembourg and the Swiss portfolios; and
2. a fair value of € 869.390.000 (eight hundred and sixty-nine million three hundred and ninety thousand euro), with respectively fair values of € 355,880,000, € 469,440,000 en € 44,070,000 for the Belgian, the Luxembourg and the Swiss portfolios.

The property consists of business parks, offices, semi-industrial buildings, distribution centers and shops, spread across the Grand Duchy of Luxembourg, Belgium and Switzerland.
For more details, we also refer to the note Main key figures - (Other segment information).

The fair value of the real estate portfolio amounts to € 869.39 million end 2015 compared to € 756.33 million end December 2014. The increase is mainly the consequence of the acquisition of TTRD (1) and the latent recognized capital gains.
In 2015 approximately € 23.80 million (accounting value) of some less strategic buildings were sold, among which the building Canal Logistics phase 2, Kiem and the building located in Meer were divested.

(1) Concerns the building Tour & Taxis Royal Depot.

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

Asset class	Fair value 2015 (€ 000)	Valuation technique	Important input data	Spread (ERV per month)
Retail (Grand Duchy of Luxembourg & Belgium)	322,680	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [14.70 €/m²] b. [6.6% -> 7.41%]
Retail Zwitzerland	44,070	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [19 €/m²->23€/m²] b. [5.1% -> 6.31%]
Offices Grand Duchy of Luxembourg	124,810	Actualization of estimated rental income	a. Weighted average ERV b. Capitalization rate	a. [28.43 €/m²] b. [5.50% -> 7.42%]
Offices Belgium	194,870	Actualization of estimated rental income	a. ERV b. Capitalization rate	a. [14 €/m²->20 €/m²] b. [5.3% -> 11.4%]
		Residual valuation	a. ERV b. Capitalization rate c. Construction cost	a. [20 €/m²-> 20.5 €/m²] b. [5.6%->5.7%] c. 1,650 €/m²
Logistics	132,210	DCF	a. Average discount rate b. Economic life	a. 6.15% b. 20 years
Projects Grand Duchy of Luxembourg	50,750	DCF	a. Average rental value b. Capitalization rate c. Construction period	a. 34.82 €/m² b. 5.89% c. 15 à 18 months
Total investment properties	869,390			

The forecasted inflation applied to the valuation techniques amounts to 1%.

Based on the balance sheet at the end of December 2015, an increase of the average yield by 0.10% would have had an impact of - € 17.3 million on the net result and of € - 3.51 on the net asset value per share, and an increase of the debt ratio by 1.02% (namely from van 58.03% to 59.05%).

Based on that same balance sheet, a decrease of the average ERV (1) by 10% would have an impact of approximately € - 86.94 million on the net result. The possible influence of the construction cost on the fair value and the net result is considered to be less significant.

(1) ERV = Estimated Rental Value, or the estimated rental value of the real estate portfolio.

NOTE 21
ACQUISITIONS OF SUBSIDIARIES

On 17 December Leasinvest Real Estate has acquired 100% of the shares of the NV Koninklijk Pakhuis. The latter is the owner of an offices and retail complex located avenue du Port in Brussels. The acquisition price of the Royal Depot amounted to € 108,000,000. By this transaction the company wishes to stress even more the strategic interest of the management of the shopping & office center and also develop it. Control was acquired by the acquisition of all shares entitled to voting and by the majority in the board of directors and full control over the management.

(in € 1,000 sub-consolidation)	Book value	Fair value
ASSETS		
I. NON-CURRENT ASSETS		
Investment properties	27,459	108,000
II. CURRENT ASSETS		
Taxes and other current assets	15,389	14,902
Cash and cash equivalents	5,325	5,325
TOTAL ASSETS	48,172	128,227
LIABILITIES		
SHAREHOLDERS' EQUITY	8,370	69,923
Non-current financial debts		
- Other	35,000	35,000
II. CURRENT LIABILITIES		
Trade debts and other current debts		
- Exit tax		12,295
- Other	4,802	11,009
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	48,172	128,227
Net assets	8,370	69,923
Goodwill		
Acquisition price		
Net investment cash-out		69,923

This entity comprises the building T&T Royal Depot.
The first administrative treatment of the period has been defined provisionally. Consequently, the fair value attributed to the assets and liabilities can still be adjusted within 12 months after the acquisition date.
The rental income on 17/12/2015 of this entity amounts to € 5,908 thousand and the net result to € 4,601 thousand. This entity has contributed for € 121 thousand to the result in 2015 (excluding fair value adjustments).
The transfer rights relating to this business combination amounted to approximately € 205 thousand.

NOTE 22
OTHER TANGIBLE ASSETS

(in € 1,000)	31/12/15	31/12/14
Installations, machines and equipment	1,036	1,099
Furniture, office equipment and rolling stock	127	167
Other		
Other tangible assets	1,163	1,266
Changes in other tangible assets		
Balance at the end of the previous financial year	1,266	1,140
Gross amount	1,707	1,486
Accumulated depreciation (-)	-442	-347
Accumulated impairments		
Investments	20	221
Acquisitions through business combinations		
Transfers and disposals (-)		
Transfers through splitting-up		
Depreciations (-)	-122	-95
Balance at the end of the financial year		1,266
Of which:		
Tangible assets for own use	127	166
Other	1,036	1,100

The other tangible assets are recorded at cost minus accumulated depreciation and possible impairments (in accordance with IAS 16).

These are written off in a linear way in function of their economical life cycle. In 2011 an investment was made in solar panels on the storage building in Wommelgem, for an amount of € 1.13 million, written off over a 20-year period. The tangible assets for own use of € 127 thousand mainly comprise the decoration of the offices.

NOTE 23
NON-CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/15	31/12/14
Participations in other RREC	70,425	51,799
Loans and receivables	0	0
Other	132	160
Real estate certificates	15,947	10,955
Derivative financial instruments	1,597	1,829
Participations in associates		
TOTAL	88,101	64,743

The increase of the non-current financial assets is mainly explained by the participation in Retail Estates (participations in other RREC). The share in the participation remained stable at op 10.11% end 2015. The fair value increased, which was recorded in the global result, for € 10,921 thousand in 2015.

The company also holds real estate certificates with regard to office buildings. On the one hand, additional certificates were acquired for € 972 thousand in 2015, and on the other hand, the fair value rose, recognized in the comprehensive income, by € 4,020 thousand in 2015.

The total changes in fair value amount to € 14,941 thousand and were presented under the item "changes in fair value of non-current financial assets available for sale" in the comprehensive income.

NOTE 24
LEASING

The item finance lease receivables for € 17.9 million comprises the State Archives in Bruges that are presented as a financial leasing in conformity with IFRS. The initial duration was 25 years, of which already three years have passed. The implicit interest rate amounts to 3.7% for 2015 and 3.6% for 2014.

(in € 1,000)	31/12/15				31/12/14			
	< 1 year	1 year < > 5 years	> 5 years	TOTAL	< 1 year	1 year < > 5 years	> 5 years	TOTAL
	remaining duration							
1. Gross lease investments	1,322	7,687	35,689	44,698	1,295	6,946	34,949	43,190
2. Present value of minimum lease payments		356	17,543	17,899		281	17,618	17,899
3. Unearned finance income				26,799				25,291
4. Contingent rent recognised in income								
5. Unguaranteed residual values for the lessor								
6. Accumulated allowance for uncollectible lease payments receivable								

NOTE 25
ASSETS HELD FOR SALE

(in € 1,000)	31/12/15	31/12/14
Balance at the end of the previous financial year	17,626	10,144
Investments		1,222
Divestments	-23,645	-8,205
Transfer from/(to) other items	10,377	16,024
Spreading of gratuities		-10
Increase/(decrease) of fair value	34	-1,550
Balance at the end of the financial year	4,392	17,626

All assets held for sale are investment properties.

As the asset is an investment property accounted for according to the fair value model, it is valued at fair value, i.e. the accounting value minus the transfer rights, based on the valuation by the independent external real estate expert.

At the end of 2015 this item comprises Zeutestraat in Malines (€ 4.40 million). It concerns a building immediately available for sale and only subject to provisions that are customary for the sale of those kinds of assets. The sale is also expected to be highly probable, and this according to the criteria defined in IFRS 5 § 8.

The investment property, presented as an asset held for sale end 2014, i.e. the office building located at rue Kiem in Strassen (Luxembourg), the storage building Canal Logistics phase 2 located in Brussels and the storage building located Wenenstraat in Meer were sold mid-2015.

The building Zeutestraat located in Malines is presented in the segment Belgium and under logistics. The contribution to the rental income in 2015 was approximately € 364 thousand.

NOTE 26
CURRENT FINANCIAL ASSETS

(in € 1,000)	31/12/15	31/12/14
Assets held to maturity		
Assets available for sale	0	0
Assets at fair value through profit or loss		
Loans and receivables		
Other		
TOTAL	0	0

NOTE 27
TRADE RECEIVABLES

(in € 1,000)	31/12/15	31/12/14
Trade receivables	6,952	8,332
To be invoiced	1,181	
Doubtful receivables	-166	-125
TOTAL	7,967	8,207

Leasinvest Real Estate estimates that the accounting value of the trade receivables comes close to their fair value.

(in € 1,000)	31/12/15					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	6,620	5,243	203	47	912	215
To be invoiced	1,181	1,181				0
Doubtful receivables	166					166
TOTAL	7,967	6,424	203	47	912	381

(in € 1,000)	31/12/14					
	Total	not expired	expired < 30 d	expired < 60 d	expired < 120 d	expired > 120 d
Trade receivables	8,082	6,821	391	295	180	395
To be invoiced						
Doubtful receivables	125					125
TOTAL	8,207	6,821	391	295	180	520

Receivables and debts	31/12/15	31/12/14
Accumulated depreciation – opening balance	-125	-94
Impairment booked during the financial year	-41	-31
Write-back of impairment during the financial year		
Write off of impairment during the financial year		
Accumulated depreciation – ending balance	-166	-125

The part of the trade receivables that was not foreseen, is either covered by a bank guarantee on first request or is the object of an installment plan.

NOTE 28
TAX RECEIVABLES AND OTHER CURRENT ASSETS

(in € 1,000)	31/12/15	31/12/14
Taxes	350	193
Salaries and social security		0
Other	2,535	817
TOTAL	2,885	1,010

The increase of the item Other is mainly explained by property tax to be recovered on a building and the UCI tax to recuperate discussed in note 11 of these financial statements.

NOTE 29
CASH AND CASH EQUIVALENTS

(in € 1,000)	31/12/15	31/12/14
Cash	4,531	3,655
Cash equivalents		
TOTAL	4,531	3,655

The cash and cash equivalents consist exclusively of bank accounts at financial institutions.
For the evolution of the cash and cash equivalents we refer to the cash flow statement.

NOTE 30
DEFERRED CHARGES AND ACCRUED INCOME – ASSETS

(in € 1,000)	31/12/15	31/12/14
Accrued and not due rental income		
Rent-free periods and incentives for appropriation		
Prepaid property charges	1,265	825
Prepaid interests and other financial charges	568	383
Other	451	420
TOTAL	2,284	1,628

The increase of the prepaid property charges of € 825 thousand to € 1.265 thousand is mainly due to the charges within the framework of the Strassen redevelopment project that have not yet been activated. Moreover, the acquisition of the building Tour & Taxis Royal Depot led to a slight increase of the prepaid property charges.

NOTE 31
SHARE CAPITAL, SHARE PREMIUM, TREASURY SHARES AND NET RESULT

31.1 Subscribed capital

a) Evolution subscribed capital since the creation of the RREC

Date		Issued capital (in € 1,000)	Number of shares
31/12/1998	Initial capital Brixton Zaventem	2,922	61,250
4/05/1999	New number of shares (1)		864,808
7/05/1999	Acquisition of treasury shares and annulment of the acquired shares		-24,603
8/06/1999	Contribution in kind of the 'Extensa buildings'	2,788	727,818
8/06/1999	Contribution in kind of the Vierwinden Business Park	9,370	191,574
	Total before the offering	15,080	1,759,597
1/07/1999	Capital increase	20,334	370,851
1/07/1999	Merger with Brixton Louise	7,561	394,672
1/07/1999	Merger with Kapex		4
1/07/1999	Decrease of the capital	-15,209	
	Capital and number of shares after the offering	27,765	2,525,124
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	2,206	200,500
14/12/2001	Contribution in kind D2 of the Axxes Business Park	1,152	104,742
28/11/2003	Merger with Brussimmo		2
28/11/2003	Merger with Ekiport		3
	Issued capital and number of issued shares on 30/06/04	31,123	2,830,371
23/12/2004	Partial splitting-up (Montoyer 63)	4,606	418,850
	Issued capital and number of issued shares on 30/06/05	35,729	3,249,221
29/05/2006	Contribution in kind of buildings Extensa-portfolio	8,397	763,407
	Issued capital and number of issued shares on 30/06/06	44,126	4,012,628
29/12/2006	Merger with Square de Meeûs 5-6 SA	2	204
	Issued capital and number of issued shares on 30/06/07 & 31/12/11 & 2012	44,128	4,012,832
25/06/2013	Capital increase	10,187	926,038
	Issued capital and number of issued shares on 31/12/2013 & 31/12/2014 & 31/12/2015	54,315	4,938,870

1 On 31/12/98 the registered capital of Brixton Zaventem amounted to € 2,921,652, represented by 61,250 shares. On 04/05/99 it has been decided to divide the capital of Brixton Zaventem into 864,808 shares.

b) Categories of shares:

Leasinvest Real Estate has only one category of shares, namely ordinary shares. Holders of ordinary shares are entitled to receive the declared dividend and to one vote per share at the annual general meetings of shareholders of Leasinvest Real Estate. All shares are fully paid. The shares are bearer shares or registered shares or dematerialized shares. For more information on the nature of the shares, see articles of association.

c) Authorized capital:

The statutory manager is authorized to increase the registered capital on the dates and subject to the conditions he will define, in one or more instalments, for a total amount of € 44,128,326.64. This authorization is valid for a term of five (5) years as of the publication of the minutes of the extraordinary general meeting of 16 May 2011. It is renewable. The manager already used the aforementioned authorization for a total amount of € 10,186,418.00, with a consequent balance of € 33,941,908. For more information on the authorized capital, we refer to the articles of association (article 7).

d) Costs related to capital increases:

Over the financial year 2013 € 979 thousand of costs related to the above mentioned capital transaction, and consequently to the issue of new shares, were deducted from the reserves.

31.2 Share premium accounts (in € 1,000)

Date	Transaction	
28/06/2001	Contribution in kind buildings D4 and D5 of the Axxes Business Park	7,710
14/12/2001	Contribution in kind D2 of the Axxes Business Park	4,356
23/12/2004	Partial splitting-up (Montoyer 63)	19,214
	Share premium account on 30/06/05	31,280
29/05/2006	Contribution in kind of buildings Extensa-portfolio	39,331
	Share premium account on 30/06/06	70,611
29/12/2006	Merger with Square de Meeûs 5-6 SA	11
	Share premium account on 31/12/2012	70,622
25/06/2013	Public capital increase	50,469
	Share premium account on 31/12/2013 & 31/12/2014 & 31/12/2015	121,091

31.3 Result

(in € 1,000)	31/12/15	31/12/14
Result to be carried forward	7,421	10,100
Proposed dividend	23,197	22,472
TOTAL	30,618	32,572

The consolidated net result, group share, of the past financial year 2015 amounted to € 30.6 million.

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting of 17 May 2016 to pay a gross dividend of € 4.70, and net, free of withholding tax of 27%, € 3.431. Consequently, the dividend amounts to € 23.20 million.

Subject to the approval of the ordinary general shareholders' meeting of 17 May 2016, dividends will be paid out on presentation of coupon no 19.

31.4 Treasury shares purchased

3,392 treasury shares were purchased within the framework of the finalization of the legal procedure with regard to the dematerialization of bearer securities according to article 11 of the law of 14 December 2005, and this for € 282 thousand.

31.5 Reserves

(in € 1,000)	31/12/15	31/12/14	31/12/13
Legal reserve	5,431	5,431	5,431
Reserves for the balance of the changes in fair value of property (+/-)	42,278	36,591	34,613
Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-)	-8,723	-8,166	-7,341
Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS	-34,189	-37,191	-15,300
Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-1,920	-2,640	-3,671
Reserves from translation differences coming from conversion of foreign activity (+/-)	8		
Reserve for treasury shares	-293	-11	-11
Reserve for the balance of changes in fair value of financial assets held for sale	32,363	17,422	5,957
Result carried forward	121,426	116,997	113,321
Net result of the financial year	30,618	32,572	26,928

NOTE 32
COMMENTS ON THE NUMBER OF SHARES, DIVIDENDS AND PROFIT PER SHARE

32.1 Changes in the number of shares

	31/12/15 Number of shares	31/12/14 Number of shares
Number of shares at the beginning of the financial year	4,938,870	4,938,870
Changes in the number of shares		
Number of shares at the end of the financial year	4,938,870	4,938,870
Number of shares entitled to dividends	4,938,870	4,938,870
Number of treasury shares (on a consolidated basis)	0	0
Number of shares entitled to the result of the period	4,935,478	4,938,870
Number of shares entitled to a full dividend	4,935,478	4,937,870
Number of shares entitled to a pro rata dividend (creation capital increase)	0	0

The difference between the shares entitled to dividends and the shares entitled to dividends of the result of the period relate to the 3,392 purchased shares within the framework of the finalization of the legal procedure with regard to the dematerialization of bearer securities according to article 11 of the law of 14 December 2005.

32.2. Calculation of the amount of the mandatory dividend distribution (according to the statutory annual accounts) - (RD 13/07/2014)

(in € 1,000)	31/12/15 (12 months)	31/12/14 (12 months)
A. Corrected result		
Net result according to the statutory accounts	10,877	14,721
+ Amortization	72	70
+ Depreciation	15	31
+/- Write-back of depreciation	0	
+/- Write-back of lease payments sold and discounted	0	
+/- Other non-monetary elements	4,824	738
+/- Result sale of property	-327	-1,767
+/- Changes in fair value of property	11,209	8,932
Corrected result (A)	26,670	22,726
Realized capital gains and losses on investment property versus acquisition cost, in the course of the financial year, augmented by capitalized renovation costs		
Realized capital gains on investment property in the course of the financial year, exempt from mandatory distribution subject to their reinvestment within 4 years (-)		
Realized capital gains on investment property previously exempt from mandatory distribution that were not reinvested within 4 years (+)		
Net capital gains on the sale of property not exempt from mandatory distribution (B)		
TOTAL (A) + (B)	26,670	22,726
Mandatory distributable result 80%	21,336	18,180

The minimum mandatory distribution is calculated according to the RD of 13/07/2014 and established based on the statutory annual accounts, according to IFRS standards.

The statutory appropriation of the result is presented as follows:

RESULT APPROPRIATION (in € 1,000)	31/12/15	31/12/14
A. Net result	10,877	14,721
B. Addition to/withdrawals from reserves (-/+)	12,320	7,751
1. Addition to/withdrawals from the reserves from the (positive or negative) balance of the changes in fair value of the property (-/+)	11,209	8,933
- financial year	11,209	8,933
- previous financial years		
- sale of property		
2. Addition to/withdrawals from the reserves from estimated transfer rights and costs from hypothetical disposal of investment properties (-/+)	0	-151
3. Addition to the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (-)	0	0
- financial year	0	0
- previous financial years		
4. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined by IFRS (+)	0	0
- financial year		
- previous financial years		
5. Addition to the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (-)		
- financial year		
- previous financial years		
6. Withdrawals from the reserves for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined by IFRS (+)	4,824	738
- financial year	4,824	738
- previous financial years		
7. Addition to/withdrawals from the reserves for the balance of exchange rate differences on monetary assets and liabilities (-/+)		
8. Addition to/withdrawals from de reserves for tax latencies with regard to property located abroad (-/+)		
9. Addition to/withdrawals from de reserves for dividends received, intended for the reimbursement of financial debts (-/+)		
10. Addition to/withdrawals from other reserves (-/+)	-3,714	-1,769
11. Addition to/withdrawals from results carried forward from previous financial years (-/+)		
C. Remuneration of the capital according to article 27, § 1, subparagraph 1	21,336	18,181
D. Remuneration of the capital – other than C	1,861	4,291
Dividend for distribution	23,197	22,472

According to the obligation mentioned in the RREC law within the scope of the mandatory dividend distribution it cannot derogate from the provisions of art. 617 of the Company Law. This article states that no distribution can take place if, at closing date of the last financial year, the net asset value has decreased or would decrease below the amount of the paid up, or should this be higher, the called up share capital, augmented by all reserves unavailable for distribution according to the law or the articles of association (in €).

(in € 1,000)	Statutory 31/12/15	Statutory 31/12/14
- Paid up capital or should this be higher, the called-up capital	54,315	54,315
- Share premium account non-distributable according to the articles of association	121,091	121,091
- Reserves for the positive balance of the changes in fair value of property (+)	3,852	15,061
- Reserve for the impact on fair value of the estimated transfer rights and costs resulting from hypothetical disposal of investment properties	-3,857	-3,857
- Reserve for the balance of the changes in fair value of authorized hedges subject to hedge accounting as defined in IFRS (+/-)	-34,188	-37,190
- Reserve for the balance of the changes in fair value of authorized hedges not subject to hedge accounting as defined in IFRS (+/-)	-7,201	-1,986
- Reserve for the balance of exchange rate differences on monetary assets and liabilities (+)	0	
- Reserve from translation differences resulting from the conversion of a foreign activity (+/-)	0	
- Reserve for the balance of changes in fair value of financial assets held for sale (+/-)	25,532	14,610
- Reserve for the actuarial gains and losses on defined benefit pension plans (+)		
- Reserve for tax latencies with regard to property located abroad (+)		
- Reserve for dividends received aimed at reimbursing financial debts (+)		
- Other reserves declared unavailable by the general meeting (+)	281	
- Legal reserve (+)	5,431	5,431
Total un-distributable	165,256	167,475
Net assets of the company	218,209	216,160
Proposed dividend	23,197	22,472
Net assets after distribution	195,013	193,689
Balance of the margin after distribution	29,757	26,213

Calculation of the profit and dividend per share:

	31/12/15 (12 months)	31/12/14 (12 months)
Net result, group share (€ 1,000)	30,618	32,572
Number of shares entitled to the result of the period	4,935,478	4,938,870
Net result, group share, per share (€) (1)	6.20	6.60
Distributable result per share (€) (2)	5.40	3.68

	proposal 2015	proposal 2014
Gross dividend attributable to ordinary shareholders (€)	23,196,747	22,471,859
Gross dividend per share (€)	4.70	4.55
Net dividend per share (€)	3.4310	3.4125

(1) The net profit per share is the net result, group share, as stated in the income statement, divided by the number of shares entitled to the result of the period.
(2) The distributable profit per share is the amount taken into account to calculate the mandatory distribution, divided by the number of shares entitled to the result of the period, but without taking into account the net decrease of the debts.

NOTE 33
MINORITY INTERESTS

(in € 1,000)	Percentage of participation	31/12/15	31/12/14
Company			
Leasinvest Services SA (0826.919.159)	99%	4	4
Total minority interests		4	4
TOTAL SHAREHOLDERS' EQUITY		282,720	68,268

NOTE 34
INFORMATION WITH REGARD TO FINANCIAL DEBT

34.1 Financial debt

(in € 1,000)	31/12/15	31/12/14
Non-current financial debts	355,722	319,423
Credit institutions	258,538	222,029
Other	97,184	97,394
Other loans	96,824	97,215
Rental guarantees received	360	179
Current financial debts	176,887	121,910
Credit institutions	89,191	32,919
Other (1)	87,696	88,991
Other loans	87,696	88,991
TOTAL	532,609	441,333

The total financial debts increased by € 91,276 thousand in comparison with end 2014 and amount to € 532,609 thousand (1).

The increase is due to the net investments realized in 2015 (mainly credit withdrawal for the acquisition of the building TTRD).

The item other non-current loans comprises for € 96,824 thousand the bond loans issued by Leasinvest in 2013.

The credit lines (excl. the € 97.2 million bond loans and rental guarantees received) amount to € 473.7 million end 2015.

The 'other current financial debts' only comprise the commercial paper issued at less than one year.

Taking into account the hedging policy of the company as described in the risk factors, for which the company strives at a hedging ratio of 75%, i.e. the relation between the fixed rate-debt augmented by the variable interest rate-debt swapped against a fixed-rate debt through interest rate swaps, compared to the total debt, for a part, namely € 35 million of the public bond loan, a fair value hedge was concluded through an IRS receiver in 2013. The corresponding part, € 35 million of the public bond loan was not treated at amortized cost, but at faire value, and recognized in the financial result as a positive change for € 0.40 million (2014: € -1.40 million).

The bond loans, except for the part for which a fair value hedge was concluded, were treated at amortized cost.

The fair value of the public and private bon loans amounts to € 97.2 million end 2015 in comparison with € 97.4 million end 2014.

End 2015 the part of the fixed-rate credits amounts to 29.60% or € 158 million of the total outstanding debt of € 532.25 million, in comparison with 35% end 2014.

34.2 Financial conditions (covenants)

Financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. Not respecting these covenants can entail the premature termination of these credits. The concluded credits hold classic covenants mainly related to maintaining the RREC status and the related maximum debt ratio.

Within the framework of the issue of the public and private bond loans, covenants were concluded that mainly relate to maintaining the RREC status and the related maximum debt ratio.

The company complies with all its covenants with banks.

Besides, in accordance with the RD of 13/07/2014 on RRECs Leasinvest Real Estate establishes internally a financial plan with an execution calendar whenever the consolidated debt ratio, as defined by the same RD, exceeds 50%. Herein it describes the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets.

The consolidated debt ratio of Leasinvest Real Estate is under control and amounted to 58.03% end 2015 (2014: 54.27%), which is lower than the legally admitted maximum debt ratio of 65% as defined by the RD of 13/07/2014.

34.3 Information on financial risk management

34.3.1 Financing, liquidity and cash flow risk

Financial management

The financial management is intended at optimising the costs of the capital and limiting the financing, liquidity, cash flow, counterparty and covenant risks. Below are reproduced the main risks related to the financial management and the linked operational activities, as well as their possible impact and the mitigating factors and measures.
We also refer to the other risks, such as a/o the risks relating to the valuation of the real estate portfolio, such as described in the Risk factors, recorded in the registration document on page 4.

Description of the risk	Potential impact on the activities	Mitigating factors and measures
Insolvency of financial or bank counterparties (counterparty risk)	1. Termination of current credit lines (credits and hedges) and reduction of financial resources 2. Costs of restructuring and higher costs of new credits and facilities	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings and diversification of funding resources wherever necessary. The credit lines (partially used) (incl. the € 95 million bond loans) amount to € 568.7 million end 2015 compared to € 543.7 million end 2014. • Complete back-up of the commercial paper program through confirmed additional credit lines that are available. The credit lines made available by financial parties exceed the amount of the issued commercial paper (1, 2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). The margin end 2015 amounts to € 39.1 million compared to € 105 million end 2014 after deduction of the credit lines held available as back-up for the commercial paper. • Strong shareholders (1,2).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
The non availability of financing or the intended duration of the financing (liquidity risk) and drying up of the commercial paper market	1. Impossibility to finance acquisitions, or only through increased costs and at a lower profitability 2. Impulse for selling assets at a value inferior to the fair value	• Strict funding policy and follow-up (1,2) by a continuous search for a balanced spread of the maturity dates, stable and extensive pool of banks with good financial ratings, possible diversification of funding resources wherever necessary. The average duration of the total of credits, including the bond loans, amounts to 3.0 years (2014: 3.2 years, 2013: 3.7 years). • Complete back-up of the commercial paper program through available confirmed credit lines (1,2). • Aiming at maintaining an adequate availability margin on confirmed credit lines (1,2). • Strong shareholders (1,2).
Insufficient cash flow to respect its financial obligations (cash flow risk)	1. No longer being able to satisfy the reimbursement of interests and capital	• Strict follow-up of the net cash flow and limiting the operational risks (1). • Financing is of the bullet type with a clear view on the maturity dates. • Aiming at maintaining an adequate availability margin on confirmed credit lines.
Combination of unfavourable interest rate changes, increased risk premium on the stock exchanges and increase of the banking margin (cost of the capital)	1. Increase of the weighted average cost of the capital of the company 2. Impact on the profitability of the company and of new investments	• Protection against the rise of the interest rates by using hedges. The policy is intended to hedge the interest rate risk for approximately 75% of the financial debt for a 5-year period and for circa 50% for the consequent 5-year period. At the end of 2014 the regulated real estate company has 31% of current net payer interest rate swaps (IRS) (hedging at a fixed interest rate) (end 2014: 38%); 8% of current interest rate caps (with a limit on the interest rates) (end 2014: 9%), 30% of credits at fixed rates (2014: 35%) and 7% of cross currency swaps (1,2). For more details we refer to note 34 of the financial statements on page 172. • The policy further consists of reaching an optimum funding cost, taking the hedges into account. This cost amounts to 3.27% (end 2014: 3.63%) excluding the effect of fair value adjustments on financial assets and liabilities; taking these non-cash elements into account as well as potential premiums for options, the all-in funding cost amounts to 4.46% (2014: 4.01%). Next to that, fixed rate credits are concluded in order to reach an optimum funding cost. • Permanent dialogue with shareholders and bank partners for establishing solid long-term relationships (1,2).

(1) The rental income received during the financial year 2015 amply suffices to cover the potential increase of the interest charges. For the last three financial years the financial result compared to the rental income, amounts to 36.2% (2015), 27.5% (2014), 20% (2013), and the interest charges excluding the fair value adjustments, compared to the rental income, amount to 26.6% (2015), 25% (2014), 22% (2013).

Description of the risk	Potential impact on the activities	Mitigating factors and measures
The financial institutions grant credits to Leasinvest Real Estate based on the company's notoriety and different financial and other covenants. The risk of a potential loss of confidence and of not respecting the covenants exists	1. Possible termination of credits and an eroded confidence with investors and bankers 2. Sanctions and increased supervision from the regulator in the case of noncompliance with certain legal parameters	• The evolution of the debt ratio is regularly followed up and the influence of each investment project on the debt ratio is always analysed beforehand. • In accordance with art 24 of the RD of 13/07/2014 the RREC has to draw up a financial plan with an execution calendar when the consolidated debt ratio, as defined by the same RD, would amount to more than 50%. Herein are described the measures that will be taken to prevent the consolidated debt ratio from exceeding 65% of the consolidated assets. On 31/12/2015 the consolidated debt ratio amounted to 58.03% in comparison with 54.27% end 2014. The statutory debt ratio amounted to 63.79% on 31/12/2015 following the acquisition of the building T&T Royal Depot by additional bank funding in the company Leasinvest Real Estate SCA. A financial plan was consequently drawn up according to the provisions of art. 24 of the RD of 13/07/2014. This has further been commented in the financial report (note 34) at page 172.
Risk of divergence of the financial results from the predefined budget and legal demands	1. Untimely detection of potentially not meeting certain obligations	• Minimum quarterly updates of the financial model with checking of assumptions and the way they were set up, and continuous follow-up of parameters that could influence the result and the budget (1).
Risk of currency fluctuation relating to activities outside of the Euro zone	1. Decrease of income and cash flow	• Leasinvest Real Estate is mainly active in EURO countries and in Switzerland. With regard to the investment in Switzerland the fair value risk has been hedged. The variability of the net cash flows is to a large extent compensated by natural hedging whereby the income from Swiss francs is used to a maximum to cover local expenses in Swiss francs (1).
Risk of fair value changes of financial derivatives or a relatively higher funding cost following the selected hedges when the interest rates decrease	1. Decrease of the group's shareholders' equity 2. Lower net result and net current result	• Leasinvest Real Estate aims at an optimum funding cost taking into account the selected hedging strategy. The latter is adjusted in function of the market evolution and the conclusion of IRS or CAPS or fixed rate credits is considered (1,2).
Within the framework of art 617 of the Company Code, the distribution of dividends can be limited, also by the fact that Leasinvest Real Estate has an important subsidiary in the Grand Duchy of Luxembourg (Leasinvest Immo Lux) that only contributes dividends to the statutory results of Leasinvest Real Estate	1. Limited dividend yield for the shareholder	• Watch over sufficient income and compliance with art 617 and the distribution of dividends towards Leasinvest Real Estate.

Breakdown according to the expiry date of financial debts and credit lines

(in € 1,000)	31/12/15				31/12/14			
	Debts with a residual duration of				Debts with a residual duration of			
	< 1 year	> 1 year < 5 years	> 5 years	Total	< 1 year	> 1 year < 5 years	> 5 years	Total
Financial debts – credit institutions								
Credit lines	126,200	262,500	85,000	473,700	50,000	387,700	20,000	448,700
Credit draw-downs	89,169	172,900	85,000	347,069	32,900	201,351	20,000	254,251
Interests	660			660	697			697
% share (credit draw-downs/ credit lines)	71.2%	65.9%	100%	73.40%	94%	51%	100%	57%
Bond loans	**701**	**76,123**	**20,000**	**96,824**	**701**	**76,514**	**20,000**	**97,215**
Commercial paper								
Commercial Paper program (CP)			210,000	210,000				210,000
Commercial Paper draw-downs	87,625			87,625	88,991			88,991
% share CP / credit lines				18.50%				19.8%
% share (credit draw-downs & CP / credit lines)				91.90%				76.8%
% Credit lines balance after CP hedging				8.20%				23.2%

As shown by the table above Leasinvest disposes of € 39 million (or 8.24%) of unused credit lines after hedging of the commercial paper at the end of 2015, in comparison with € 105.50 million in 2014.

The average funding cost (excluding the marked to market of the hedges) after hedging amounts to 3.27% at the end of 2015 (end 2014: 3.63%); before hedging it stands at 1.89% at the end of 2015 (end 2014: 2.08%).
Taking into account these non-cash elements and potential premiums for options, the funding cost after hedging amounts to 4.46% (2014: 4.01%).
End 2015 € 1,171 thousand funding costs were activated, at an internal funding rate of approximately 3.4%.

Calculation and further comments on the debt ratio

		Statutory balance sheet	Consolidated balance sheet
Total of the items 'Liabilities' of the balance sheet	→	502,832	613,892
I. Non-current liabilities			
A. Provisions	-		9
C. Other non-current financial liabilities – Authorized hedges	-	40,218	40,218
F. Deferred taxes	-		
II. Current liabilities			
A. Provisions	-		
C. Other current financial liabilities – Authorized hedges	-		
F. Deferred charges and accrued income	-	3,661	8,047
Total liabilities taken into account for the calculation of the debt ratio (numerator):	=	458,954	565,619
Total 'Assets' of the balance sheet	→	721,042	976,302
Authorized hedges recorded in the assets	-	1,597	1,597
Total assets taken into account for the calculation of the debt ratio (denominator):	=	719,445	974,706
Debt ratio	:	63.79%	58.03%

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.

Historically, Leasinvest Real Estate's debt ratio has remained below 50%, as demonstrated by the table hereafter, with crossings in 2008, 2012, 2013, 2014 and 2015, within the framework of the development and later sale of the Bian office building in Luxembourg and 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 center Knauf located in Schmiede and in Pommerlach.

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

(*) Closing per 30/6

Leasinvest Real Estate's debt ratio has exceeded 50% since September 2012 and amounted to 58.03% at the end of 2015.
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.

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. 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.
Based on these elements, a projection is made per end 2015. This forecast also takes into account possible divestment and/or investment transactions.

At the end of December 2015 the consolidated debt ratio temporarily amounts to 58.03% in comparison with 54.27% end December 2014. This increase of the debt ratio is caused by the acquisition of T&T Royal Depot end December 2015, entirely funded by bank credits. In the second quarter of 2016 the planned sales of the then completed office building Royal20 in the Grand Duchy of Luxembourg for a net sales price of € 62.5 million will again decrease the debt ratio to 53%, or entirely within the defined range of 50%-55%.
It has to be noted that the statutory debt ratio increases to 63.79% as a consequence of the acquisition of the building T&T Royal Depot by bank funding from the company. It will be examined to distribute a dividend from Leasinvest Immo Lux to Leasinvest Real Estate SCA following the sale of the building Royal20 in order to prevent the statutory debt ratio to exceed 65%.

Based on the debt ratio of 58.03% end December 2015 Leasinvest Real Estate has an investment potential based on debt financing of € 190 million without exceeding the 65%-debt ratio and an investment potential of € 47 million without exceeding the 60%-debt ratio; the company had indeed concluded a maximum loan-to-value covenant of 60% with a number of banks.

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. As mentioned before, the board of directors estimates a debt ratio of maximum 50%-55% to be optimal.
Based on these elements, a projection is made till end 2016. This projection also takes into account the possible investment or divestment transactions for which sales agreements were concluded and/or projects for which permits have been obtained and were contracted.

Taking into account these assumptions, and the realization or not of possible investment or divestment transactions as mentioned above, the debt ratio will reach the maximum debt ratio range of 50%-55% defined by the board of directors.

A further increase of the debt ratio based on a decrease in value of the portfolio is not expected in the meanwhile, 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 a certain asset class or in Belgium, with the risk that the debt ratio would exceed 65%, Leasinvest Real Estate can proceed to the sale of a number of its buildings.
It is the opinion of the board of directors that no additional measures are necessary to avoid the debt ratio from exceeding 65%.

Hedges

Leasinvest Real Estate's risk policy is set out in Note 34.3.
In order to limit the risks of a rise of the variable interest rates, Leasinvest Real Estate has partially hedged its loans by the conclusion of the financial products below:

Type of hedge	Notional amount	Maturity	Interest rate
Current hedges			
SWAPS			
IRS-payer	10,000,000	2016	1.75%
IRS-payer	10,000,000	2018	2.85%
IRS-payer	10,000,000	2021	2.38%
IRS payer	20,000,000	2021	2.68%
IRS payer	15,000,000	2021	3.97%
IRS-payer	40,000,000	2023	1.13%
IRS payer	10,000,000	2023	1.81%
IRS payer	15,000,000	2023	1.76%
IRS-payer	30,000,000	2023	2.29%
IRS payer	10,000,000	2023	2.82%
IRS payer	12,500,000	2023	2.00%
IRS payer	20,000,000	2023	1.95%
IRS payer	30,000,000	2025	2.71%
Total Notional amount	232,500,000		
IRS-receiver	25,000,000	2019	1.27%
IRS-receiver	10,000,000	2019	1.29%
Total Notional amount	35,000,000		
Currency Swap	18,686,156	2024	0.57%
Currency Swap	18,676,849	2024	0.60%
Total Notional amount	37,363,005		
Start in the future			
Forward IRS payer	10,000,000	2021	4.20%
Forward IRS payer	10,000,000	2023	2.21%
Forward IRS payer	20,000,000	2023	2.02%
Forward IRS payer	10,000,000	2023	2.20%
Forward IRS payer	10,000,000	2023	1.99%
Forward IRS payer	10,000,000	2024	1.32%
Forward IRS payer	10,000,000	2024	1.33%
Forward IRS payer	10,000,000	2024	1.895%
Forward IRS payer	15,000,000	2024	1.79%
Forward IRS payer	10,000,000	2024	1.81%
Forward IRS payer	10,000,000	2024	1.81%
Forward IRS payer	20,000,000	2025	2.00%
Total Notional amount	145,000,000		
Active options			
purchase CAP	20,000,000	2018	4.50%
purchase CAP	20,000,000	2018	4.00%
Total Notional amount	40,000,000		

The notional amount of the current net payer IRS contracts (€ 145 million), future (€ 232.5 million) IRS contracts, caps (€ 40 million) and cross currency swaps (€ 37.3 million) amounted to € 489.8 million end 2015 (end 2014: € 470 miljoen).

In 2013 en 2014, as mentioned in the annual financial report 2012, some operations were sold (caps, floors and future caps) in order to anticipate the time value of the caps and taking into account the hedging policy. As the company had concluded several fixed-rate credits at the beginning of 2013, the ratio fixed-rate debt versus total debt exceeded the fixed limit.
Consequently, the company owns at the end of 2015 two caps of € 20 million each.

By the acquisition of some buildings in Switzerland Leasinvest runs the risk that both the value of the real estate and the net cash flows fluctuate due to a fluctuation of the CHF compared to the EUR.
As this transaction was funded in EUR (variable) there was no match between the exchange rate fluctuations of the asset and the liability.

Therefore, a cross currency swap was concluded for 45 million CHF with two components, an exchange rate component recognized via the result and compensated by the exchange rate fluctuation of the asset, and an interest rate component swapping the variable euribor in a CHF fixed interest rate of +/- 0,58%. The latter component ensures that Leasinvest is hedged against appreciation of the euribor. The interest rate component is recognized via shareholders' equity (cash flow hedge accounting).

The hedge position was 76% (fix ratio 68%) (1) at the end of 2015, in comparison with 92% at the end of 2014.

The relation between the financial debt € 532,249 thousand on the one hand and the fixed-rate debt (€ 157,569 thousand), and on the other hand, the corresponding IRS hedge (€ 167,500 thousand), the current CAPS (€ 40,000 thousand) and the CCS (€ 37,363 thousand), is the hedge position, which is calculated on the basis of the notional amount of the hedges running at that moment. For this calculation future financial derivatives are thus not taken into account, as they do not yet offer 'protection' against rising interest rates at that specific moment.

It is assumed that buildings owned by the RREC will in principle be held in portfolio in order to generate rental income and allow to paying the mandatory dividend. This creates the presumption that it is highly probable that certain cash flows will be realized (rents & dividend) and as a consequence can be deducted what debt financing we will withdraw and what we wish to hedge. Consequently, the concluded operations cannot be called speculative to Leasinvest's opinion.
Derivative financial instruments are valued at fair value, which corresponds to the marked-to-market calculated by financial institutions based on the Black & Scholes model (category 3 according to IFRS 13). With regard to interest rate swaps, hedge accounting is applied and the efficiency of the hedges has been proven. They relate to cash flow hedges, hedging commercial paper issued at floating interest rates, with price adjustments at short-term intervals (typically three months or less). On the contrary, the caps have not been qualified as effective hedges, due to which the changes in fair value are passed through the income statement.

(1) De fix ratio is defined as the relation between the fixed-rate debt, augmented by the variable-rate debt converted into a fixed-rate debt through the use of financial derivatives, compared to the total debt. The hedge ratio is the fix ratio, for which the numerator is augmented by the notional value of the concluded CAPs.

The fair value of the hedges at closing date is composed as follows:

(in € 1,000)	31/12/15		31/12/14	
	Assets	Liabilities	Assets	Liabilities
Caps purchased	1		11	
IRS Receiver Swaps	1,596		1,819	
Interest Rate Swaps (incl. Cross Currency Swap)		-40,218		-38,227
	1,597	-40,218	1,829	-38,227

The balance of the liabilities of € -40.2 million is presented in the item "Other non-current liabilities" and the balance of the assets of € +1.6 million is presented in "Non-current financial assets" (note 23).

The changes in fair value of the hedges:

Efficient part of fair value presented in Reserves for the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS.

Effective part of the fair value (cf. Item in reserves) (see note 32)	
Balance on 31/12/2012	-23,727
Change in the effective part of the fair value of derivative financial instruments	8,427
Balance on 31/12/2013	-15,300
Change in the effective part of the fair value of derivative financial instruments	-21,890
Balance on 31/12/2014	-37,191
Change in the effective part of the fair value of derivative financial instruments	3,003
Balance on 31/12/2015	-34,188

Ineffective part of the fair value	
Balance on 31/12/2012	-3,671
Change in the ineffective part of the fair value of derivative financial instruments	1,031
Balance on 31/12/2013	-2,640
Change in the ineffective part of the fair value of derivative financial instruments	720
Balance on 31/12/2014	-1,920
Change in the ineffective part of the fair value of derivative financial instruments	-5,215
Balance on 31/12/2015	-7,135

The changes in the ineffective part of the fair value of derivative financial instruments of € 5.2 million (end 2014: € 0.7 million) is passed through the results (note 17).

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

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

With regard to the financial derivatives, the valuations of the different counterparty banks have been recorded, meaning that a detailed description of these data, as required by level 3, is not possible. However, these instruments were classified under level 3 as we calculate a CVA or a DVA on these received valuations, and this on the basis of data that are an approximation of the credit risk. The valuation of the private bond is based on an approximation of an observable CDS spread and the evolution of the Euribor 6M.

The financial leasing is valued based on a discounted cash flow that takes into account an indexed rental value (2% index on a rental value of approximately € 1.2 million), an effective interest rate (3.7%) and the period (25 years).

For the valuation techniques with regard to investment properties and assets held for sale, we refer to note 20 and note 25.

There are no transfers between items in 2015 in comparison with 2014.

Fair value disclosures:

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

(in € 1,000) per end 2014	Level 1	Level 2	Level 3	book value
Investment properties			720,801	720,801
Non-current financial assets				64,743
- Financial assets	51,859	10,955		62,814
- Other derivative instruments non-qualified as cash flow hedge			11	11
- Derivative instruments qualified as cash flow hedge			1,819	1,819
Finance-lease receivables			17,899	17,899
Assets held for sale			17,626	17,626
Current financial assets				
Trade receivables		8,206		8,206
Tax receivables and other current assets		1,010		1,010
Cash and cash equivalents	3,655			3,655
Deferred charges and accrued income		1,627		1,627
Non-current financial debts				
- Credit institutions			229,697	222,029
- Other	79,875		21,511	97,394
Other non-current financial liabilities				
- Financial derivatives through the income statement			1,780	1,780
- Financial derivatives through other equity components			36,447	36,447
Current financial debts				
- Credit institutions			33,116	32,919
- Other			88,991	88,991
Trade debts and other current debts				
- Exit tax		8,631		8,631
- Other		3,250		3,250
Other current liabilities				
Accrued charges and deferred income		9,059		9,059

The non-current financial assets comprise, at the end of 2015, the participations in other public RREC (€ 70.43 million) and real estate certificates (€ 15.95 million).

34.3.2 Tenant and credit risk

Efforts are being made to reduce the relative importance of the largest tenants and obtain a better spread both in terms of the number of tenants and the sectors in which these tenants are active in order to obtain a rental risk and income with an improved diversification therefore limiting the dependency of the RREC to the fall-out of one or more important tenants due to termination of the rental contract or bankruptcy.
The top 10 of the most important tenants amounts to approximately 30%. The breakdown per sector of our tenant portfolio remains good. The creditworthiness of our tenants' portfolio is still very good, which is proven by the fact that barely any write-downs of doubtful receivables were booked by Leasinvest Real Estate over the last couple of years, not in Belgium, nor in the Grand Duchy of Luxembourg.
For an analysis of the trade receivables we refer to note 27.

NOTE 35
TRADE DEBTS AND OTHER CURRENT DEBTS

(in € 1,000)	31/12/15	31/12/14
Exit tax	12,299	
Other		
Suppliers	9,834	7,197
Tenants		0
Taxes, salaries and social security	2,676	1,434
TOTAL	24,809	8,631

The amount of the exit tax of € 12.2 million refers to a future tax liability related to the acquisition of the building Tour & Taxis Royal Depot.

NOTE 36
OTHER CURRENT LIABILITIES

(in € 1,000)	31/12/15	31/12/14
Other current liabilities	8,200	3,250
Total	8,200	3,250

The item comprises the dividends to be paid, provisions relating to rental guarantees and rental guarantees received in cash. The increase is explained by an increase of those components, as well as by a deferred tax liability for the acquisition of the building Tour & Taxis Royal Depot.

NOTE 37
ACCRUED CHARGES AND DEFERRED INCOME – LIABILITIES

(in € 1,000)	31/12/15	31/12/14
Property income received in advance	7,589	7,711
Interests and other charges accrued and not due	202	998
Other	256	350
TOTAL	8,047	9,059

NOTE 38
CONTINGENT ASSETS AND LIABILITIES

According to the available information we have no knowledge of unexpressed assets and liabilities between the closing date and the date of approval of the financial statements by the board of directors.

NOTE 39
OTHER LIABILITIES

The tenants of the following buildings dispose of a call option at market value at the end of their leases, from Leasinvest Real Estate: the office building located at Motstraat 30-32 in Malines and the distribution centre situated in Tongres (SKF).
Within the framework of the alienation of the buildings in the Axxes Business Park in 2010 and Torenhove in 2012, LRE stands surety for a maximum term of 9 years (respectively till July 2019 and till December 2021), mainly with regard to possible vacancy. Per closing date, an assessment of the probability of the surety is made, taking into account the vacancy, the expected vacancy and the commercial success in order to find sufficient tenants or users. Commercial management is executed by a subsidiary of LRE, i.e. Leasinvest Services, and is remunerated.
Within the framework of the alienation of the building Satenrozen a rental guarantee of 3 years was granted in 2013 with a maximum risk of € 261 thousand. Per closing date, an assessment of the probability of the surety is made, taking into account the vacancy, the expected vacancy and the commercial success in order to find sufficient tenants or users, and a provision of € 174 thousand was created.

NOTE 40
RELATED-PARTY TRANSACTIONS

The statutory manager Leasinvest Real Estate Management SA employs the personnel and receives an annual management fee of 0.415% on the consolidated investment value of the portfolio, including the real estate portfolio of Leasinvest Immo Lux. The remuneration for the financial year 2015 (12 months) amounted to € 3.4 million.

The past financial year, Leasinvest Real Estate has paid a total remuneration of € 355,735.64 (excl. VAT) to Leasinvest Services, among which the project management fee with regard to the redevelopment projects Montoyer 63 and Square de Meeûs, as well as the management of the business center The Crescent in Anderlecht.

As in the remuneration report below only the remuneration of the two effective officers on a global basis is reproduced, but not that of the other members of the executive committee assisting the effective officers in their day-to-day management.
As explained above, effective leadership consists of Mr Jean-Louis Appelmans, managing director, and Mr Michel Van Geyte, COO of Leasinvest Real Estate Management and director.
During the past financial year the remuneration in the table below was granted to him, on an individual basis, directly and indirectly.
In accordance with the company's remuneration policy, the members of the effective leadership do not receive any stock options or other share-based payments.

For the past financial year they received the following amounts:

In €

effective officers	fixed	insurance	variable	total
Jean-Louis Appelmans	371,397	42,733	98,000	512,130
Michel Van Geyte	385,004		50,000	435,004
TOTAL	756,401	42,733	148,000	947,134

Besides their remuneration package, there are not other transactions with the effective direction.

Article 523 and 524 of the Company Law
During the past financial year, no other situations occurred in which the provisions of the articles 523 and 524 of the Company Code had to be applied, than those mentioned hereafter.

Article 524 of the Company Code had to be applied within the framework of the investment in the Royal Depot decided in the course of the past year, whereby the company took over, on 17 December 2015, 100% of the shares of T&T Koninklijk Pakhuis SA, from Extensa Group SA, a 100% subsidiary of Ackermans & van Haaren and whereby the company will take over, at the beginning of the financial year 2016, the "tréfonds" or residual property rights from Beekbaarimo SA, an other company related to Ackermans & van Haaren.
This point was discussed as only agenda item on the board of directors of 7 December 2015:
1. Written and motivated advice of the Committee of independent directors
At the request of Luc Bertrand, chairman of the board of directors, more information is given by Mark Leysen, Eric Van Dyck and Michel Eeckhout, the three independent directors of LRE who constitute, together, the Committee of independent directors (hereafter "CID"), on the written and motivated advice they have drawn up for the board of directors according to article 524 of the Company Code, text that has been handed over to all directors.

This advice comprises a) a description of the nature of the operation, b) an evaluation of the economic advantage or disadvantage of the operation for the company and its shareholders, c) the estimate of the consequences of the operation as to property rights and d) definition of whether the operation could cause a damage to the company or not, that would in the light of the company policy be manifestly unlawful. Should the case arise, the committee of independent directors has to clarify which advantages the operation represents to compensate its potential disadvantages.

The committee was assisted by Jones Lang LaSalle as independent expert in accordance with art. 524 of the Company Code, in order to verify the market conformity of the proposed conditions for acquisition. Jones Lang LaSalle has confirmed the market conformity of the proposed value of € 108 million, as the sales price would remain within the spread defined by Jones Lang LaSalle for the valuation.

The conclusion of the advice of the CID is: *"the operation fits within the normally followed company strategy; it is realized at normal market conditions; the proposed acquisition price, based on the fair value of the real estate by DTZ Winssinger, independent real estate expert of the company, defined at € 108 million, is in conformity with market standards; market conformity has been confirmed by the independent real estate expert of LRE, DTZ Winssinger as well as by the independent expert JLL appointed by the committee of independent directors in conformity with art. 524 of the Company Code; the operation is not of a nature to cause the company any damage that would be manifestly unlawful in the light of the company policy. Consequently, the committee expresses a favourable advice to the board of directors with regard to the proposed operation."*

The decision of the report of the auditor Ernst & Young is:

"Within the scope of our mission, our work is the following:

- *Check if the financial data as mentioned in the advice of the committee of independent directors of 7 December 2015 correspond to the underlying supporting documents;*
- *Check if the financial data as mentioned in the minutes of the board of directors of 7 December 2015 correspond to the underlying supporting documents;*
- *Check if the data as recorded in the advice of the committee of independent directors correspond to the provisions of 524 of the Company Code.*

Based on our work we have no findings to report."

In this file, articles 37 and 49 §2 of the RREC Law were also applied.

The board of directors declares that, to its knowledge, no situations of conflicts of interest as defined by article 523 of the Company Code occurred during the past financial year between the directors of the statutory manager or members of the effective leadership or executive committee and the company, except for the fact, that in application of article 523 § 1 last paragraph of the Company Code, with regard to the procedure for the prevention of conflicts of interest in listed companies, Messrs Appelmans and Van Geyte did not take part in the deliberation and decision-making of the proposals with regard to the remuneration of the managing director and the executive officers.

As regards the consequences in terms of the assets of the company, please refer to the aforementioned details about remuneration (1).

As described above in the section "Decision-making bodies – Consultative committees – Committee of independent directors" no related-party transactions for which the applicability of article 524 of the Company Code had to be examined by the board of directors took place in the course of the past financial year.

(1) Messrs Appelmans and Van Geyte were not present during the deliberation and decision-making about the agenda item relating to remuneration. The board of directors approved the proposals relating to remuneration.

NOTE 41
CONSOLIDATION SCOPE

The subsidiaries mentioned below are all part of the consolidation scope using the full consolidation method. This consists in incorporating the entire assets and liabilities, as well as the results of the subsidiaries. The minority interests are recorded under a separate caption in the balance sheet and the income statement. The consolidated financial statements are established at the same date as the date on which the subsidiaries establish their financial statements.

Name & address of the administrative office	Country of origin/branch	VAT or national number	Direct or indirect part of the capital held and voting rights (in%)	
			31/12/15	31/12/14
Leasinvest Services SA Schermersstraat 42 - BE-2000 Antwerp	Belgium	BE 0826.919.159	99%	99%
Leasinvest Immo Lux SA 6D route de Trèves - LU-2633 Senningerberg	Grand Duchy of Luxembourg	LU 16372655	100%	100%
RAB Invest SA Schermersstraat 42 - BE-2000 Antwerp	Belgium	BE 0820.897.736	100%	100%
Haven Invest SA Schermersstraat 42 -BE-2000 Antwerp	Belgium	BE 0644.563.317	100%	0%
T & T Koninklijk Pakhuis SA Schermersstraat 42 - BE-2000 Antwerp	Belgium	BE 0863.090.162	100%	0%
Orli Lux sàrl	Grand Duchy of Luxembourg	LU B136357	100%	100%
S INVEST SA	Grand Duchy of Luxembourg	B 174218	100%	100%
PDA Schmiede SA	Grand Duchy of Luxembourg	B 171588	100%	100%

Leasinvest Services SA, RAB Invest SA, Haven Invest NV and T&T Koninklijk Pakhuis NV were established in Belgium, while Leasinvest Immo Lux SA, Orli Lux sàrl , S Invest SA and PDA Schmiede SA were created in Luxembourg. The group structure and Leasinvest Real Estate's position in it are commented at page 115.

NOTE 42
IMPORTANT EVENTS AFTER BALANCE SHEET DATE

No important event took place after the balance sheet date.

STATUTORY AUDITOR'S REPORT TO THE GENERAL MEETING OF THE COMPANY LEASINVEST REAL ESTATE COMM VA FOR THE YEAR ENDED 31 DECEMBER 2015

In accordance with the legal requirements, we report to you in the context of our statutory auditor's mandate. This report includes our opinion on the consolidated balance sheet as at 31 December 2015, the consolidated statement of comprehensive income, the consolidated statement of changes in capital and reserves and the consolidated cash flow statement for the year ended 31 December 2015 and the notes (all elements together "the Consolidated Financial Statements"), and includes as well our report on other legal and regulatory requirements.

Report on the Consolidated Financial Statements - Unqualified opinion

We have audited the Consolidated Financial Statements of Leasinvest Real Estate Comm VA ("the Company") and its subsidiaries (together "the Group") as of and for the year ended 31 December 2015, prepared in accordance with the International Financial Reporting Standards as adopted by the European Union, which show a consolidated balance sheet total of € 976,302 thousand and of which the consolidated income statement shows a profit for the year of € 30,618 thousand.

Responsibility of the Board of Directors for the preparation of the Consolidated Financial Statements

The Board of Directors is responsible for the preparation of Consolidated Financial Statements that give a true and fair view in accordance with the International Financial Reporting Standards as adopted by the European Union. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation of Consolidated Financial Statements that give a true and fair view and that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the given circumstances.

Responsibility of the statutory auditor

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Those standards require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Consolidated Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the statutory auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the statutory auditor considers internal control relevant to the Group's preparation and presentation of the Consolidated Financial Statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used, the reasonableness of accounting estimates made by the Board of Directors, as well as evaluating the overall presentation of the Consolidated Financial Statements.

We have obtained from the Board of Directors and the Company's officials the explanations and information necessary for performing our audit and we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Unqualified opinion

In our opinion, the Consolidated Financial Statements of the Group as at 31 December 2015 give a true and fair view of the consolidated net equity and financial position, as well as its consolidated results and its consolidated cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory requirements

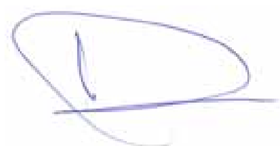
The Board of Directors is responsible for the preparation and the content of the Board of Director's report on the Consolidated Financial Statements, in accordance with article 119 of the Belgian Company Code.

In the context of our mandate and in accordance with the additional standard issued by the 'Instituut van de Bedrijfsrevisoren/Institut des Réviseurs d'Entreprises' as published in the Belgian Gazette on 28 August 2013 (the "Additional Standard"), it is our responsibility to perform certain procedures to verify, in all material respects, compliance with certain legal and regulatory requirements, as defined in the Additional Standard. On this basis, we make the following additional statement, which does not modify the scope of our opinion on the Consolidated Financial Statements:

- The Board of Director's report to the Consolidated Financial Statements includes the information required by law, is consistent with the Consolidated Financial Statements and does not present any material inconsistencies with the information that we became aware of during the performance of our mandate.

Brussels, 31 March 2016

Ernst & Young Bedrijfsrevisoren BCVBA
Statutory auditor
represented by



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

STATUTORY FINANCIAL STATEMENTS

STATEMENT OF COMPREHENSIVE INCOME AND BALANCE SHEET

Hereafter an abbreviated version of the statutory financial statements of Leasinvest Real Estate is presented. The complete financial statements together with the annual report and the report of the auditor are filed with the National Bank of Belgium and these documents may be consulted at the company's office and can be obtained for free, upon simple request.
The auditor has approved the statutory annual accounts without reservations.

STATUTORY INCOME STATEMENT

(in € 1,000)	Period 31/12/15 IFRS	Period 31/12/14 IFRS
Rental income (+)	18,913	20,298
Write-back of lease payments sold and discounted (+)	0	0
Related-rental expenses (+/-)	-15	-31
NET RENTAL RESULT	18,898	20,268
Recovery of property charges (+)	72	254
Recovery income of charges and taxes normally payable by tenants on let properties (+)	2,107	2,454
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 (+)	-2,107	-2,454
Other rental-related income and expenditure (+/-)	-2,141	-1,950
PROPERTY RESULT	16,829	18,572
Technical costs (-)	-1,324	-1,069
Commercial costs (-)	-136	-171
Charges and taxes on un-let properties (-)	-714	-460
Property management costs (-)	-3,339	-3,129
Other property charges (-)	-610	-394
PROPERTY CHARGES	-6,123	-5,224
PROPERTY OPERATING RESULT	10,706	13,348
Corporate operating charges (-)	-228	-1,083
Other operating charges and income (-)	2,212	1,997
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO	12,690	14,263
Result on disposal of investment properties (+/-)	327	1,767
Changes in fair value of non-financial assets (+/-)	0	0
Changes in fair value of investment properties (+/-)	-11,209	-8,933
Other portfolio result (+/-)	0	0
OPERATING RESULT	1,808	7,097
Financial income (+)	28,108	22,548
Net interest charges (-)	-12,531	-12,615
Other financial charges (-)	-1,287	-1,423
Changes in fair value of financial assets and liabilities (+/-)	-4,824	-738
FINANCIAL RESULT	9,466	7,772
PRE-TAX RESULT	11,274	14,869
Corporate taxes	-397	-148
Exit tax	0	0
TAXES	-397	-148
NET RESULT	10,877	14,721

COMPREHENSIVE INCOME STATEMENT (in € 1,000)	31/12/15	31/12/14
Net result	10,877	14,721
Other elements of comprehensive income	13,924	-13,167
Impact on fair value of estimated transfer rights and costs resulting from hypothetical disposal of investment properties	0	151
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	3,003	-21,969
Changes in fair value of financial assets available for sale	10,922	8,652
Comprehensive income	24,802	1,554

(in € 1,000)	Period 31/12/15 IFRS	Period 31/12/14 IFRS
ASSETS	688,373	594,463
NON-CURRENT ASSETS	7	12
Investment properties	221,826	231,375
Other tangible assets	992	1,058
Non-current financial assets	465,548	362,019
CURRENT ASSETS	32,669	30,386
Assets held for sale	4,392	17,626
Current financial assets	19,501	2,266
Trade receivables	3,834	4,420
Tax receivables and other current assets	2,585	4,008
Cash and cash equivalents	1,276	849
Deferred charges and accrued income	1,080	1,217
TOTAL ASSETS	721,042	624,850
LIABILITIES		
TOTAL SHAREHOLDERS' EQUITY	218,209	216,161
Capital	54,315	54,315
Share premium account	121,091	121,091
Reserves	31,926	26,033
- Legal reserve	5,431	5,431
- Reserve from the balance of changes in fair value of investment properties	15,061	23,994
- Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties	-3,857	-3,857
- Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	-34,188	-37,190
- Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	-1,977	-2,696
- Reserve for treasury shares	-281	0
- Reserve from the balance of changes in fair value of financial assets available for sale	25,532	14,610
- Other reserves	26,203	25,741
Net result of the financial year	10,877	14,721
LIABILITIES	502,832	408,689
NON-CURRENT LIABILITIES	370,526	274,683
Provisions	0	0
Non-current financial debts	330,309	236,456
Other non-current financial liabilities	40,218	38,227
Other non-current liabilities		
CURRENT LIABILITIES	132,306	134,006
Provisions	0	0
Current financial debts	118,105	121,910
Other current financial liabilities	0	0
Trade debts and other current debts	8,806	4,541
Other current liabilities	1,734	3,036
Accrued charges and deferred income	3,661	4,519
TOTAL EQUITY AND LIABILITIES	721,042	624,850

RESERVES

(in € 1,000)	Capital	Share premium account	Legal reserve	Reserve from the balance of changes in fair value of investment properties (+/-)	Reserve from the impact on fair value of estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)
Balance sheet under IFRS on 31/12/12	44,128	70,622	602	37,012	-4,405
Comprehensive income for the period					397
Transfers				-13,018	
Changes in reserve					
Changes in legal reserve			4,829		
Transfers and sale of treasury shares					
Issue of shares through capital increase in cash	10,186	50,469			
Dividends to shareholders					
Balance sheet under IFRS on 31/12/13	54,315	121,091	5,431	23,994	-4,008
Comprehensive income for the period					151
Transfers					
Changes in reserve					
Changes in legal reserve					
Transfers and sale of treasury shares					
Issue of shares through capital increase in cash					
Dividends to shareholders					
Balance sheet under IFRS on 31/12/14	54,315	121,091	5,431	23,994	-3,857
Comprehensive income for the period					
Transfers				-8,933	
Changes in reserve					
Changes in legal reserve					
Transfers and sale of treasury shares					
Issue of shares through capital increase in cash					
Dividends to shareholders					
Balance sheet under IFRS on 31/12/15	54,315	121,091	5,431	15,061	-3,857

Reserve from the balance of changes in fair value of authorized hedges subject to hedge accounting under IFRS	Reserve from the balance of changes in fair value of authorized hedges not subject to hedge accounting under IFRS (+/-)	Reserve for treasury shares	Reserve from the balance of changes in fair value of financial assets available for sale	Result carried forward	Net result of the financial year	Total shareholders' equity
-23,257	-1,570	0	3,669	41,780	3,769	172,351
8,036	915		2,289	-915	9,756	20,478
	-2,041			18,829	-3,769	0
				-979		-979
				-4,829		0
		0				0
						60,655
				-17,656		-17,656
-15,221	-2,696	0	5,958	36,228	9,756	234,849
-21,969	0		8,652	0	14,721	1,554
				9,756	-9,756	0
						0
				-20,243		-20,243
-37,190	-2,696	0	14,610	25,741	14,721	216,161
3,003	0		10,922	0	10,877	24,802
	720			22,934	-14,721	0
						0
						0
		-281		0		-281
						0
				-22,472		-22,472
-34,188	-1,976	-281	25,532	26,203	10,877	218,210

Permanent document

GENERAL INFORMATION • COMPANY PROFILE

Leasinvest Real Estate is a public regulated real estate company that invests in high quality and well-situated retail, office and logistics buildings in the Grand Duchy of Luxembourg, Belgium and Switzerland.

The fair value of the real estate portfolio on 31/12/2015 amounts to € 869 million, or including the participation in Retail Estates to nearly € 940 million.

The consolidated real estate portfolio represents at the end of 2015 (including assets held for sale and development projects) a surface of 457,963 m2, with 33 sites, of which 16 in the Grand Duchy of Luxembourg, 14 in Belgium and 3 in Switzerland.

Geographically, the real estate portfolio is situated for 54% in the Grand Duchy of Luxembourg (through its 100% subsidiary Leasinvest Immo Lux), for 41% in Belgium and for 5% in Switzerland.

The company is listed on Euronext Brussels (Bel Mid) and is part of the EPRA Eurozone Total Return Index.

INVESTMENT POLICY

The company has not the intention, except for its participation in Leasinvest Immo Lux, to invest more than 20% of its assets in an UCI.

IDENTIFICATION LEASINVEST REAL ESTATE

Name

Leasinvest Real Estate, 'public regulated real estate company under Belgian law', or abbreviated 'public RREC under Belgian law' or 'PRREC under Belgian law'.

Legal entity

Leasinvest Real Estate adopted the legal form of a partnership limited by shares (SCA).

Registered office

Leasinvest Real Estate has its registered office at Route de Lennik 451, in 1070 Brussels. The registered office may be transferred within Belgium by a decision of the statutory manager, without prejudice to the specific legislation on the use of language.

Administrative office

Leasinvest Real Estate has its administrative office at Schermersstraat 42 in 2000 Antwerp.

Constitution and term

Leasinvest Real Estate was founded as an "Aktiengesellschaft" under Swiss Law on 21/11/1973, after which the registered office has been moved (17/11/1988) to Belgium where it was established that the company assumed the legal status of a public limited company (SA) and is a legal person under Belgian law, subject to the Belgian law.
On 8/06/1999 the company name was modified into Leasinvest Real Estate and the company was transformed into a public real estate investment trust (sicafi/bevak) under Belgian law with the legal form of a partnership limited by shares (SCA), for an unspecified term, under a deed recorded by notary public Frank Celis in Antwerp, and announced in the appendices to the Official Belgian Gazette on 26/06/99, under number 990626-330.
On 06/11/2014 the status of the company was changed into a public regulated real estate company under Belgian law, recorded by a deed by notary public Frank Liesse in Antwerp, and published in the Appendices to the Official Belgian Gazette on 03/12/2014 under number 20141203-14216372.

Register of legal entities (RPR) and company number

Leasinvest Real Estate is registered in the register of legal entities in Brussels and has been allocated the company number 0436.323.915.

Listing

The shares of Leasinvest Real Estate are listed on Euronext Brussels (Bel Mid).

Purpose of the company / activities

Article 4 of the coordinated articles of association dated 06/11/2014:
"ARTICLE 4. PURPOSE
4.1. The exclusive purpose of the Company is:
(a) to make real estate available to users, directly or via a company in which it holds a participation, in accordance with the provisions of the RREC legislation; and
(b) to, within the limits of the RREC legislation, posses real estate as mentioned in article 2, 5°, i till x of the RREC law.
"Real estate" is defined as follows:
i. real estate as defined in article 517 et seq of the Civil Code, and the rights in rem on real estate, excluding real estate of forestry, agricultural or mining nature;
ii. the shares with voting rights issued by real estate companies, die exclusively or jointly controlled by the Company;
iii. pre-emptive rights to real estate;
iv. the shares of public or institutional regulated real estate companies, providing that, in the latter case, a joint or exclusive control is exercised by the Company;
v. rights arising from contracts giving the company leasehold of one or several real estate assets or other similar rights of use;
vi. the shares of public real estate investment trusts;
vii. the participation rights in foreign undertakings for collective investment in real estate registered in the list intended by article 260 of the law of 19 April 2014 with regard to alternative undertakings for collective investment and their managers;
viii. the participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area and that are not registered in the list intended by article 260 of the aforementioned law of 19 April 2014, as far as they are subject to an equivalent supervision as public sicafi;
ix. the shares issued by companies (i) that are legal entities; (ii) governed by the law of another member state of the European Economic Area; (iii) of which the shares are admitted to trading on a regulated market and/or are subject to a regime of prudential supervision; (iv) of which the main activity is acquiring or constructing real estate in view of making it available to users, or the direct or indirect possession of participations in companies with a similar activity; and (v) that are

exempt from tax on income from the profits resulting from the activity referred to in clause (iv) above, subject to compliance with certain legal obligations, and that are at least required to distribute part of their income to their shareholders (the "Real Estate Investment Trusts" (abbreviated "REIT's"));
x. real estate certificates, as intended by article 5, § 4, of the law of 16 June 2006 on public offers of investment instruments and on the admission of investment instruments to trading on regulated markets.
xi. and all other assets, shares or rights defined as real estate by the RREC legislation.
4.2. Within the framework of making real estate available, the Company can exercise all activities related to the foundation, the construction (without prejudice to the prohibition of acting as a property developer, except for occasional operations), the alteration, the design, the renovation, the development, the alienation, the lease, the sub-lease, the exchange, the contribution, the transfer, the allotment, the bringing of real estate assets into a system of co-ownership or joint ownership, granting or receiving the right of superficies, usufruct, long-term lease or other real or personal rights on real estate, management and running of real estate assets.
4.3. Providing conformity with the RREC legislation, the Company can also invest additionally or temporarily in securities that are not real estate in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified, so that they ensure an adequate risk diversification. The Company can also posses unallocated cash in all currencies in the form of deposits on demand, term deposits, or any money-market instrument that can be easily traded.
4.4. Providing conformity with the RREC legislation, the Company is authorized to subscribe authorized hedges, except for speculative operations. The acquisitions and disposals have to fit within the financial risk hedging policy of the Company.
4.5. Providing conformity with the RREC legislation, the Company is authorized to grant mortgages or other sureties or grant guarantees within the framework of funding the real estate activities of the Company or its group, within the limits defined by the RREC legislation to that effect.
4.6. Providing conformity with the RREC legislation, the Company is authorized to take or give in lease one or more properties. The activity of giving in lease with purchase option of real estate assets can only be exercised as an accessory activity, unless these real estate assets are destined for a purpose of general interest, including social housing and education (in this case, the activity can be exercised as main activity).
4.7. Providing conformity with the RREC legislation, the Company is authorized to grant credits within the limits defined by the RREC legislation to that effect.
4.8 Providing conformity with the RREC legislation, the Company can, through a contribution in cash or in kind, a merger, splitting-up or any other restructuring, subscription, participation, financial or other intervention, according to Company Law, acquire a share and any possible form of participation or membership in all existing or to be founded companies, associations or enterprises, in Belgium or abroad, of which the purpose is similar to its own, or that fits within the realization of, or facilitates, its purpose. Providing conformity with the RREC legislation, the Company can, in general, acquire, rent, lease, transfer or exchange all moveable or real estate assets, all materials and necessities, and in general, take all civil, commercial or financial actions that are, directly or indirectly, related to its purpose and exercising all related intellectual rights and commercial properties. Next to that, the Company may, providing conformity with the RREC legislation, do anything relevant or necessary to realize its purpose, also including all activities relating to, directly or indirectly the development and daily management of its real estate assets and all other activities with an added value to its real estate assets and to its users, such as offering services that are complementary to making the related real estate available."

The procedure for amending the articles of association mainly consists in a proposal for amending the articles of association being formulated by the board of directors of the statutory manager, potentially taking into account special majorities. Consequently a proposal for amendments to the articles of association is communicated to the general meeting of shareholders that takes a decision with regard to the approval of the proposed changes, also requiring the agreement of the statutory manager. Decisions to amend the articles of association of the company can only be taken if the required attendance and majority conditions are respected.

Financial year

The financial year of Leasinvest Real Estate starts on 1 January and ends on 31 December as from the change decided by the extraordinary general meeting held on 27/06/08, resulting in the fact that at that time, the current financial year was extended by 6 months and thus relates to a period of 18 months.
Previously the financial year started on 1 July and ended on 30 June, with the exception of the first financial year that ran from 01/01/1999 to 30/06/2000.

Registered capital

Issued capital

On 31/12/15 the registered capital amounted to € 54,314,744.64. The total number of shares was 4,938,870, and have a no-par value.

Authorised capital

Article 7 of the coordinated articles of association dated 06/11/2014:
"ARTICLE 7. AUTHORISED CAPITAL
The manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more instalments, by a maximum amount of forty-four million one hundred and twenty-eight thousand three hundred and twenty-six euro sixty-four cent (44,128,326.64 EUR) in the cases foreseen in the relevant report of the statutory manager and, if the statutory manager is a legal person, in compliance with the rules for deliberation and decision-making as defined in the articles of association of the statutory manager-legal person.
This authorization is valid for a term of (5) five years as from the publication of the minutes of the extraordinary general meeting of 16 May 2011.
It is renewable.
These capital increases can be carried out by a contribution in cash, by a contribution in kind, or by the conversion of reserves including profits carried forward and issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, the RREC legislation, and the Articles of Association.
If the case arises, in the event of a capital increase decided by the statutory manager, possibly after deduction of charges, the issue premiums shall be transferred by the statutory manager to a blocked account and treated in the same way as the capital which guarantees the interests of third parties, and may not under any circumstances be reduced or disposed of unless otherwise decided by the general meeting, voting under the conditions required by Article 612 of the Company Law, except for the conversion into capital as foreseen above.

Without prejudice to the application of the articles 592 to 598 and 606 of the Company Law, the manager is authorized to limit or abolish the preferential right of shareholders, also when this occurs in favour of one or more persons that are no personnel of the company or its subsidiaries, as far as an irreducible right of attribution is granted to the current shareholders in the case of attribution of new securities. This irreducible right of attribution will at least have to meet the requirements of the RREC legislation and of article 8.2 of the articles of association of the company. Without prejudice to the articles 595 to 599 of the Company Law, the aforementioned limits in the context of the abolition or limits to the preferential right will not be applicable in the case of a contribution in cash within the framework of the distribution of an optional dividend, in the cases foreseen by article 8.2 of the articles of association.
Capital increases in kind are realized in accordance with the RREC legislation and in accordance with the conditions recorded in article 8.3 of the articles of association. Such contributions in kind can also relate to the dividend rights in the context of the distribution of an optional dividend.
The manager already used the aforementioned authorization for a total amount of ten million one hundred and eighty-six thousand four hundred eighteen euro (€ 10,186,418.00)."

The extraordinary general meeting of shareholders that will be held on 17 May 2016 is asked to renew the authorisation within the framework of the registered capital for a period of 5 years in accordance with the modalities recorded in the special report of the manager drawn up in conformity with art. 604 of the Company Code.

Redemption of treasury shares
Article 11 of the coordinated articles of association dated 06/11/2014:
"ARTICLE 11. REDEMPTION, HOLDING IN PLEDGE AND ALIENATION OF TREASURY SHARES
11.1. The Company can acquire its own shares and hold them in pledge in virtue of a decision of the general meeting taken in accordance with article 620 et seq of the Company Code.
That same meeting can define the conditions for alienation of those shares.
11.2. The manager is also authorized to proceed to acquiring treasury shares without a decision of the general meeting when that acquisition is necessary to safeguard the Company against serious and threatening disadvantage. This authorization is valid for three years (3) as of the publication of the amendments to the articles of association of 19 May 2014 and is renewable for a similar period.
11.3. The conditions for alienation of treasury shares by the Company are defined, depending on the case, in accordance with article 622, §2, of the Company Code by the general meeting or by the manager. The manager is authorized to alienate treasury shares as foreseen in article 622, §2, 1°, of the Company Code and, for a period of three (3) years as of the publication of the amendments to the articles of association of 19 May 2014, in article 622, §2, 2°, of the Company Code."

IDENTIFICATION LEASINVEST IMMO LUX

Since the extraordinary general meeting of Leasinvest Immo Lux of 18/12/2008 Leasinvest Immo Lux is a SICAV-specialised investment fund ('SICAV-FIS'), subject to the Luxembourg law of 13 February 2007 regarding specialised investment funds.
Leasinvest Real Estate is, directly and indirectly, the 100% shareholder of Leasinvest Immo Lux.

On 31/12/2015, the investment properties of Leasinvest Immo Lux represent 59% of the consolidated real estate portfolio of Leasinvest Real Estate.

On 31/12/2015 Leasinvest Immo Lux owned 16 buildings in ownership or co-ownership, with a total surface of 159,229 m^2, mainly situated in the Grand Duchy of Luxembourg. 3 buildings are located in Switzerland (11,649 m^2).

On 31/12/2015 Leasinvest Immo Lux has two subsidiaries, namely S. Invest I SA, in its turn 100% owner of Porte des Ardennes Schmiede SA, the legal owner of the shopping center Schmiede and Orli Lux Sàrl the owner of the property in Hornbach.

At the beginning of 2016 Leasinvest Immo Lux has a third subsidiary, namely P Invest SA, in its turn 100% owner of Porte des Ardennes Pommerlach SA, the legal owner of the shopping center Pommerloch.

4 buildings represent each more than 5% of the consolidated Leasinvest Real Estate portfolio, namely shopping center Pommerloch (11.5%), shopping center Schmiede (9.1%), the office project Royal20 (5.8%) and CFM (5.0%).

The buildings in Luxembourg and Switzerland are mostly multi-tenant. The portfolio consists of retail (58.4%), offices (37.4%), and one logistics building (4.2%).

Name
Leasinvest Immo Lux, 'real estate investment trust with variable capital-specialised investment fund under Luxembourg Law' or 'a SICAV-SIF' under Luxembourg Law ("Société d'Investissement à Capital Variable (SICAV immobilière) - Fonds d'Investissement Spécialisé (FIS) de droit luxembourgeois").

Legal entity
Leasinvest Immo Lux adopted the legal form of a 'société anonyme' (SA) under Luxembourg Law.

Registered office
Leasinvest Immo Lux has its registered office at 6D route de Trèves, LU- 2633 Senningerberg.

Constitution and term
Leasinvest Immo Lux has been established on 14/01/1991 under the form of a public limited company (SA). It is subject to the Luxembourg Law of 10 August 1915 on commercial companies ("loi du 10 août 1915 relative aux sociétés commerciales"), as amended thereafter, and the Luxembourg Law of 13 Februari 2007 on specialized investment funds, as amended therafter ("loi du 13 février 2007 concernant les fonds d'investissement spécialisés").
The articles of association have been modified on 10/11/1999, 27/12/2005, 18/09/2006, 18/12/2008, 18/04/2011 and for the last

time on 28/09/2012 (published in the Mémorial C, Reueil des Sociétés et Associations du Grand-Duché de Luxembourg" on 23/11/2012).

'Registre de commerce et des sociétés'
Leasinvest Immo Lux is listed in the "Registre de Commerce et des Sociétés du Luxembourg" under the number B 35.768.

Listing
Following the decision of the extraordinary general meeting of Leasinvest Immo Lux of 18/12/08 the listing of the shares on the Luxemburg stock exchange has been deleted at the beginning of 2009. The shares of Leasinvest Immo Lux were also listed on Euronext Brussels until 15/09/2006.

Purpose of the company / activities
ARTICLE 3 OF THE ARTICLES OF ASSOCIATION:
'Purpose of the company. The main purpose of the company is the direct or indirect investment in buildings in the Grand Duchy of Luxembourg, in Belgium and abroad, aiming at the diversification of its investment risks and to let its shareholders benefit from the results of its assets management. The company can furthermore take on participations, subscribe to real estate certificates, own all moveable assets that can be traded on a stock exchange or on a regulated market, invest its cash and execute all actions, necessary to fulfil or develop its purpose within the limits imposed by the law of 13 February 2007 on specialised investment funds.'

Investment advice Luxembourg
At the end of December 2010 the investment advice agreement, that existed since 14/01/1999 between Leasinvest Immo Lux SICAV-FIS and Leasinvest Immo Lux Conseil SA under Luxembourg law (since mid-2006 a 100% subsidiary of Leasinvest Real Estate) has been terminated by mutual consent.
This termination took place within the framework of the settlement project of Leasinvest Immo Lux Conseil SA and a new investment advice agreement under the same conditions and after approval by the CSSF, was concluded between Leasinvest Immo Lux and Leasinvest Real Estate directly. The agreement has been concluded for an unspecified term and can be terminated by each party provided that a notice of six months is given.

Based on this agreement, Leasinvest Real Estate has to submit an investment plan for real estate and other values, to Leasinvest Immo Lux, in accordance with the investment policy defined by the board of directors of Leasinvest Immo Lux. The mission includes proposing real estate that fits within the defined investment policy, as well as making divestment proposals for buildings. Furthermore, Leasinvest Immo Lux has to be kept informed of the developments on the financial markets and the company is assisted by means of advice and recommendations with regard to managing its investment properties, including the definition of its investment policy.

For these services Leasinvest Immo Lux pays an annual remuneration of:
- 0.75%, payable in four parts, at the end of each quarter, and calculated on the gross value of the real estate assets of Leasinvest Immo Lux, as estimated, at the end of each year, by the independent real estate experts;
- a maximum of 0.50%, payable in four parts, at the end of each quarter, calculated on the average net value of the other assets of Leasinvest Immo Lux at the end of each year;
- besides that, a premium is due, equal to 5% of the net gain on buildings sold by Leasinvest Immo Lux.

Within the framework of the aforementioned settlement of Leasinvest Immo Lux Conseil the personnel on the payroll has been transferred to Leasinvest Immo Lux.

The past year, Leasinvest Real Estate received a remuneration of € 2,495,931 from Leasinvest Immo Lux.
In case of termination of the investment advice agreement, Leasinvest Immo Lux needs to pay a cancellation fee of 3% of the sales price of the buildings at market value.

Financial year
The financial year of Leasinvest Immo Lux starts on 1 January and ends on 31 December (with the exception of the first financial year that ran from 14/01/91 to 31/12/91).

Registered capital
The capital of Leasinvest Immo Lux is at any moment equal to the value of the net assets, as calculated in accordance with article 18 of the articles of association of the company. The minimum capital of Leasinvest Immo Lux amounts to € 1,250,000.

ARTICLES OF ASSOCIATION

Coordinated articles of association dated 06/11/2014
"LEASINVEST REAL ESTATE"
Partnership limited by shares
Public regulated real estate company under Belgian law
which makes a public appeal to savings
at 1070 Brussels (Anderlecht), route de Lennik 451
Register of legal persons Brussels 0436.323.915

The Company was established as an "Aktiengesellschaft" under Swiss law with the name "Zanos Estate Company A.G." from Zug (Switzerland) on 21 November 1973 and first registered in Zug (Switzerland) on 30 November thereafter.
It was decided at the general meeting of 17 November 1988, amongst other things, to move the registered office from Switzerland to Belgium.
Under a deed recorded by notary public Hans Berquin in Brussels on 16 December 1988, announced in the appendices to the Belgian Official Gazette on 12 January thereafter under number 890112-044, the aforementioned office move to Belgium was ratified, it was established that the company is subject to the Belgian law conforming to article 197 (at that time) of the Company Law and that the company is a legal person under Belgian law and has assumed the legal status of a public limited company, and the Articles of Association were integrally re-established under Belgian law.
The Articles of Association of the Company were changed several times, as follows:
- under a deed recorded by notary public Frank Celis in Antwerp on 8 June 1999, announced in the appendices to the Belgian Official Gazette on 26 June thereafter under number 990626-330 stipulating, amongst other things, the name change into 'LEASINVEST REAL ESTATE' and the transformation of the company into a sicafi under Belgian law under the legal form of a partnership limited by shares, and of which establishment of the fulfillment of the suspending condition in the aforementioned deed of the amendments to the articles of association, including the legal form of "sicafi ", recorded by notary public Erik Celis in Antwerp on 1 July 1999, announced in the appendices to the Belgian Official Gazette on 20 July thereafter under number 990720-618.
- under a deed recorded by notary public Erik Celis in Antwerp on 28 June 2001, announced in the appendices to the Belgian Official Gazette on 26 July thereafter under number 20010726-264, by which the capital was increased within the framework of the authorized capital.
- under a deed recorded by notary public Erik Celis in Antwerp on 14 December 2001, announced in the appendices to the Belgian Official Gazette on 3 January thereafter under number 20020103-16.
- under a deed recorded by notary public Erik Celis in Antwerp on 28 November 2003, announced in the appendices to the Belgian Official Gazette on 12 December thereafter under number 20031212-31932, including the merger by absorption of the public companies 'EKIPORT' and 'BRUSSIMMO'.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 23 December 2004, announced in the appendices to the Belgian Official Gazette on 17 January thereafter under number 20050117-9802;
- under a deed recorded by notary public Frank Liesse in Antwerp, on 23 December 2004, announced in the appendices to the Belgian Official Gazette on 17 January thereafter under number 20050117-9803, by which the capital was increased by the bringing in of a part of the assets of the "société anonyme Leasinvest", split-up following a decision to partial splitting-up by take-over;
- under a deed recorded by notary public Frank Liesse in Antwerp, on 29 May 2006, announced in the appendices to the Belgian Official Gazette on 19 June thereafter under number 20060619-98546.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 29 December two thousand and six, announced in the appendices to the Belgian Official Gazette on 22 January thereafter under number 20070122-12628, including a merger by take over of the 'Société Anonyme Square de Meeûs 5-6' by The Company, of which a rectification was announced in the appendices to the Belgian Official Gazette on 30 March thereafter under number 20070330-48139.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 15 October 2007, announced in the appendices to the Belgian Official Gazette on 5 November thereafter under the number 20071105-159299, including the merge by take over of the Sociétés Anonymes "De Leewe", "Warehouse Finance" and "Logistics Finance I" by The Company, followed by a deed of conclusion of the fulfillment of the condition precedent under which the decisions to change the articles of association were taken, recorded by notary public Frank Liesse in Antwerp, on 27 June 2008, announced in the appendices to the Belgian Official Gazette on 17 July thereafter under number 20080717-119053.
- under a deed recorded by notary public Frank Liesse in Antwerp, on 27 June 2008, announced in the appendices to the Belgian Official Gazette on 17 July thereafter under number 20080717-119054, in which the financial year, as well as the date of the annual meeting was modified;
- under a deed recorded by notary public Frank Liesse in Antwerp on 17 December 2009, announced in the appendices to the Belgian Official Gazette on 8 January thereafter under number 20100108-4101, including the silent merger by take over (following the joining of all shares in one hand) of the Sociétés Anonymes "Zebra Trading" and "Alm Distri";
- under a deed recorded by notary public Frank Liesse in Antwerp on 16 May 2011, announced in the appendices to the Belgian Official Gazette on 15 June thereafter under number 20110615-88483;
- under a deed recorded by notary public Frank Liesse in Antwerp on 25 June 2013, announced in the appendices to the Belgian Official Gazette on 16 July thereafter under number 20130716-109614, stating the increase of the capital within the framework of the authorized capital;
- under a deed recorded by notary public Frank Liesse in Antwerp on 19 December 2013, announced in the appendices to the Belgian Official Gazette on 14 January thereafter under number 20140114-13718, stating the silent merger by take over (following the joining of all shares in one hand) of the Société Anonyme "Canal Logistics Brussels" (RPR Antwerp 0888.064.001) however without an actual amendment to the articles of association as a consequence;
- under a deed recorded by notary public Frank Liesse in Antwerp on 19 May 2014, announced in the appendices to the Belgian Official Gazette on 16 June thereafter under number 20140616-116768;
- under a deed – stating a/o an amendment to the purpose of the company and the change into the status of a public regulated real estate company – recorded by notary public Frank Liesse on 6 November 2014, to be filed for publication in the appendices to the Belgian Official Gazette.

CHAPTER I – NAME – LEGAL FORM– OFFICE – PURPOSE OF THE COMPANY – TERM

ARTICLE 1. NAME - LEGAL FORM

1.1 The company has the legal form of a partnership limited by shares (hereafter "the Company").
It has the name "LEASINVEST REAL ESTATE".
1.2. The Company is a public regulated real estate company under Belgian law (abbreviated "public RREC under Belgian law" or "PRREC under Belgian law") as intended by article 2, 2° of the law of 12 May 2014 with regard to regulated real estate companies (hereafter the "RREC law") of which the shares are admitted to trading on a regulated market and that attracts is financial resources in Belgium or abroad via a public offer of shares.
The name of the Company is always immediately followed by the words "public regulated real estate company under Belgian law" or "public RREC under Belgian law" or "PRREC under Belgian law"; those same words are mentioned in all documents issued by the Company.
The Company is subject to the RREC law an to the Royal Decree of 13 July 2014 on regulated real estate companies (herafter the "RREC RD") as well as to all other potential executory decrees and regulations of the RREC law, at any given time, (this law and its executory decrees and regulations together with any other regulation, at any given time, applicable to PRRECs under Belgian law are referred to hereafter as the "RREC legislation").
The Company is moreover subject to the provisions of these articles of association (hereafter the "Articles of association"). Each project to modify the Articles of association has to be preliminary submitted to the "Financial Services and Markets Authority", abbreviated "FSMA", hereafter always referred to by its abbreviation "FSMA").
1.3. The Company attracts its financial resources in Belgium or abroad via a public offer of shares, and appeals to public savings in the sense of article 438 of the Company Code (abbeviated "C.Code.").

ARTICLE 2. MANAGING AND LIMITED PARTNERS

2.1. By reason of its legal form, the Company always has, mandatorily, one or more jointly responsible partners, called managing partners, and one or more limited partners, having the capacity of shareholder.
2.2. The Company has namely one (1) managing partner, severally and unlimitedly liable for all agreements of the Company and that also acts as the manager of the Company; this manager/managing partner is indicated in article 13 of the Articles of association.
2.3. The limited partners (also referred to as "shareholders") are responsible for the debts and losses of the Company, only proportionally to their contribution, providing that they do not exercise any management activity. They can however act in the capacity of mandatory of the Company, following a special proxy.

ARTICLE 3. OFFICE

3.1. The registered office of the Company is situated in Brussels (Anderlecht), Route de Lennik 451.
The registered office and the general board always have to be established in Belgium. They can be moved by a simple decision by the manager, as far as this decision has no influence on the applicable language regime in accordance with the legislation on the use of languages. The manager has full authority, following that kind of move, to have every modification of the Articles of association certified, as well as to have every move of the registered office, and consequently amended text of the Articles of association, filed for publication.
3.2. By a simple decision of the manager, the Company can establish branches or agencies, both in Belgium and abroad.

ARTICLE 4. PURPOSE

4.1. The exclusive purpose of the Company is:
(a) to make real estate available to users, directly or via a company in which it holds a participation, in accordance with the provisions of the RREC legislation; and
(b) to, within the limits of the RREC legislation, posses real estate as mentioned in article 2, 5°, i till x of the RREC law.
"Real estate" is defined as follows:
i. real estate as defined in article 517 et seq of the Civil Code, and the rights in rem on real estate, excluding real estate of forestry, agricultural or mining nature;
ii. the shares with voting rights issued by real estate companies, die exclusively or jointly controlled by the Company;
iii. pre-emptive rights to real estate;
iv. the shares of public or institutional regulated real estate companies, providing that, in the latter case, a joint or exclusive control is exercised by the Company;
v. rights arising from contracts giving the company leasehold of one or several real estate assets or other similar rights of use;
vi. the shares of public real estate investment trusts;
vii. the participation rights in foreign undertakings for collective investment in real estate registered in the list intended by article 260 of the law of 19 April 2014 with regard to alternative undertakings for collective investment and their managers;
viii. the participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area and that are not registered in the list intended by article 260 of the aforementioned law of 19 April 2014, as far as they are subject to an equivalent supervision as public sicafi;
ix. the shares issued by companies (i) that are legal entities; (ii) governed by the law of another member state of the European Economic Area; (iii) of which the shares are admitted to trading on a regulated market and/or are subject to a regime of prudential supervision; (iv) of which the main activity is acquiring or constructing real estate in view of making it available to users, or the direct or indirect possession of participations in companies with a similar activity; and (v) that are exempt from tax on income from the profits resulting from the activity referred to in clause (iv) above, subject to compliance with certain legal obligations, and that are at least required to distribute part of their income to their shareholders (the "Real Estate Investment Trusts" (abbreviated "REIT's"));
x. real estate certificates, as intended by article 5, § 4, of the law of 16 June 2006 on public offers of investment instruments and on the admission of investment instruments to trading on regulated markets.
xi. and all other assets, shares or rights defined as real estate by the RREC legislation.
4.2. Within the framework of making real estate available, the Company can exercise all activities related to the foundation, the construction (without prejudice to the prohibition of acting as a property developer, except for occasional operations), the alteration, the design, the renovation, the development, the alienation, the lease, the sub-lease, the exchange, the contribution, the transfer, the allotment, the bringing of real estate assets into a system of co-ownership or joint ownership, granting or receiving the right of superficies, usufruct, long-term lease or other real or personal rights on real estate, management and running of real estate assets.
4.3. Providing conformity with the RREC legislation, the Company can also invest additionally or temporarily in securities that are not real estate in the sense of the RREC legislation. These investments will be made in accordance with the risk management policy adopted by the Company and will be diversified, so that they ensure an adequate risk diversification. The Company can also posses unallocated cash in all currencies in the form of deposits on demand, term deposits, or any money-market instrument that can be easily traded.
4.4. Providing conformity with the RREC legislation, the Company is authorized to subscribe authorized hedges, except for speculative operations. The acquisitions and disposals have to fit within the financial risk hedging policy of the Company.
4.5. Providing conformity with the RREC legislation, the Company is authorized to grant mortgages or other sureties or grant guarantees within the framework of funding the real estate activities of the Company or its group, within the limits defined by the RREC legislation to that effect.
4.6. Providing conformity with the RREC legislation, the Company is authorized to take or give in lease one or more properties. The activity of giving in lease with purchase option of real estate assets can only be exercised as an accessory activity, unless these real estate assets are destined for a purpose of general interest, including social housing and education (in this case, the activity can be exercised as main activity).
4.7. Providing conformity with the RREC legislation, the Company is authorized to grant credits within the limits defined by the RREC legislation to that effect.
4.8 Providing conformity with the RREC legislation, the Company can, through a contribution in cash or in kind, a merger, splitting-up or any other restructuring, subscription, participation, financial or other intervention, according to Company Law, acquire a share and any possible form of participation or membership in all existing or to be founded companies, associations or enterprises, in Belgium or abroad, of which the purpose is similar to its own, or that fits within the realization of, or facilitates, its purpose. Providing conformity with the RREC legislation, the Company can, in general, acquire, rent, lease, transfer or exchange all moveable or real estate assets, all materials and necessities, and in general, take all civil, commercial or financial actions that are, directly or indirectly, related to its purpose and exercising all related intellectual rights and commercial properties. Next to that, the Company may, providing conformity with the RREC legislation, do anything relevant or necessary to realize its purpose, also including all activities relating to, directly or indirectly the development and daily management of its real estate assets and all other activities with an added value to its real estate assets and to its users, such as offering services that are complementary to making the related real estate available.

ARTICLE 5. TERM

5.1. The term of the Company is unspecified. It can be dissolved by a resolution of the general meeting deliberating in accordance with the conditions and forms required for amending the articles of association, without prejudice to the application of other more stringent legal provisions.
5.2. The Company shall not be dissolved as a result of the dismissal, expulsion, revocation, withdrawal, purchase, declaration of incompetence, prevention, dissolution or declaration of bankruptcy of the managing partner.

CHAPTER II – CAPITAL – SHARES – OTHER SECURITIES

ARTICLE 6. CAPITAL

6.1 The company's registered capital amounts to fifty-four million three hundred and fourteen thousand seven hundred and forty-four euros and sixty-four cents (54,314,744.64). It is paid up in full.
6.2 It is divided into four million nine hundred and thirty-eight thousand eight hundred and seventy (4,938,870) shares, of no-par value, each one representing 1 / 4,938,870 of the capital.

ARTICLE 7. AUTHORISED CAPITAL

The manager is empowered to increase the registered capital on dates and under conditions specified by him, in one or more instalments, by a maximum amount of forty-four million one hundred and twenty-eight thousand three hundred and twenty-six euro sixty-four cent (44,128,326.64 EUR) in the cases foreseen in the relevant report of the statutory manager and, if the statutory manager is a legal person, in compliance with the rules for deliberation and decision-making as defined in the articles of association of the statutory manager-legal person.

This authorization is valid for a term of (5) five years as from the publication of the minutes of the extraordinary general meeting of 16 May 2011.

It is renewable.

These capital increases can be carried out by a contribution in cash, by a contribution in kind, or by the conversion of reserves including profits carried forward and issue premiums or the issue of convertible bonds and warrants in accordance with the rules laid down in the Company Law, the RREC legislation, and the Articles of Association. If the case arises, in the event of a capital increase decided by the statutory manager, possibly after deduction of charges, the issue premiums shall be transferred by the statutory manager to a blocked account and treated in the same way as the capital which guarantees the interests of third parties, and may not under any circumstances be reduced or disposed of unless otherwise decided by the general meeting, voting under the conditions required by Article 612 of the Company Law, except for the conversion into capital as foreseen above. Without prejudice to the application of the articles 592 to 598 and 606 of the Company Law, the manager is authorized to limit or abolish the preferential right of shareholders, also when this occurs in favour of one or more persons that are no personnel of the company or its subsidiaries, as far as an irreducible right of attribution is granted to the current shareholders in the case of attribution of new securities. This irreducible right of attribution will at least have to meet the requirements of the RREC legislation and of article 8.2 of the articles of association of the company. Without prejudice to the articles 595 to 599 of the Company Law, the aforementioned limits in the context of the abolition or limits to the preferential right will not be applicable in the case of a contribution in cash within the framework of the distribution of an optional dividend, in the cases foreseen by article 8.2 of the articles of association.

Capital increases in kind are realized in accordance with the RREC legislation and in accordance with the conditions recorded in article 8.3 of the articles of association. Such contributions in kind can also relate to the dividend rights in the context of the distribution of an optional dividend.

The manager already used the aforementioned authorization for a total amount of ten million one hundred and eighty-six thousand four hundred eighteen euro (€ 10,186,418.00).

ARTICLE 8. CHANGE OF THE REGISTERED CAPITAL

8. 1 Except for the possibility to increase the capital using the authorized capital by a decision of the statutory manager, an increase or decrease in the registered capital can only be decided at an extraordinary general meeting of the shareholders in the presence of a notary public and with the approval of the manager. Furthermore the company will always have to take the RREC legislation into account in this context.

Should the general meeting decide to ask for the payment of an issue premium within the framework of a capital increase, this has to be booked on an unavailable account which constitutes a third-party guarantee at the same level as the capital and which can in no possible way be reduced or lifted than by a decision of the general meeting deliberating in accordance with the provisions required for an amendment to the articles of association.

8.2. In the case of a capital increase by a contribution in cash following a decision of the general meeting or within the framework of the authorized capital as defined in article 7 of the articles of association, and without prejudice to the articles 592 to 598 of the Company Law, the preferential right of the shareholder can only be limited or lifted as far as the current shareholder is granted an irreducible right of attribution when granting new securities. That irreducible right of attribution at least meets the following conditions of the RREC legislation:

1° it is related to all newly issued securities;

2° it is granted to the shareholders in correspondence with the share of the capital represented by their shares at the moment of the operation;

3° at latest the eve of the opening of the public subscription period a maximum price per share is announced; and

4° the public subscription period has to last at least three (3) listing days.

That irreducible right of attribution is applicable to the issue of shares, convertible bonds and warrants.

Without prejudice to the articles 595 to 599 of the Company Law, the irreducible right of attribution does not have to be granted in the case of a contribution in cash where the preferential right is limited or lifted, complementary to a contribution in kind within the framework of the distribution of an optional dividend, as far as the distribution of that optional dividend is effectively made payable to all shareholders.

8.3. The capital increases by a contribution in kind are subject to the provisions of articles 601 and 602 of the Company Law. Furthermore, in accordance with the RREC legislation, the following conditions have to be met in the case of a contribution in kind:

1° the identity of the contributor has to be mentioned in the report as defined by article 602 of the Company Law and, if necessary, in the invitation to the general meeting convened for the capital increase;

2° the issue price cannot be less than the lowest value of (a) a net value per share dated no more than four (4) months prior to the date of the contribution agreement or, up to the choice of the company, prior to the date of the capital increase deed, and (b) the average closing price during thirty (30) calendar days prior to that same date. For the application of what is mentioned above sub point 2°, it is allowed to deduct an amount that corresponds to the part of the non-distributed gross dividend to which the new shares would eventually not entitle, from the amount defined sub point (b) of point 2°, provided that the manager specifically motivates the amount to be deducted from the cumulated dividend in his special report and explains the financial conditions of the operation in his annual financial report;

3° except if the issue price, or, in the case defined in article 8.4 hereafter, the exchange rate, and the related modalities are defined and communicated to the public at latest the working day following the conclusion of the contribution agreement, mentioning the term in which the capital increase will effectively take place, the capital increase deed is recorded within a maximum term of four (4) months; and

4° the report mentioned in point 1° must also explain the impact of the proposed contribution on the situation of the former shareholders, more specifically with regard to their share in the profit, in the net value per share and in the capital, including the impact at the level of the voting rights.

The special conditions described above, in accordance with the RREC legislation, are not applicable in the case of a contribution of the right to dividends within the framework of the distribution of an optional dividend, as far as the distribution of that dividend if effectively made payable to all shareholders.

8.4. The special rules with regard to capital increases by contribution kind recorded in article 8.3 above are mutatis mutandis applicable to mergers, split-ups and similar operations as defined in the articles 671 to 677, 681 to 758 and 772/1 of the Company Law. In that case, the "date of the contribution agreement" refers to the date the merger or split-up proposal is filed.

8.5. In accordance with the RREC legislation the manager of the company, in the case of a capital increase by a contribution in cash to a subsidiary that has the status of an institutional regulated real estate company (or abbreviated "institutional RREC") for an issue price that is ten per cent (10%) or more lower than the lowest value of (a) a net value per share dated no more than four (4) months prior to the start of the issue, and (b) the average closing price during thirty (30) calendar days prior to the start of the issue, draws up a report in which he explains the economic justification of the applied discount, the financial consequences of the operation for the shareholders of the company and the interest of that capital increase for the company. This report and the applied valuation criteria and methods are commented by the auditor of the company in a separate report. The reports of the manager and the auditor are published according to article 35 et seq of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market, at latest the day the issue starts and in any case as soon as the price is proposed, should this be earlier.

For the application of what is mentioned above in the first paragraph of this article 8.5, it is allowed to deduct from the amount defined in point (b) of the first paragraph an amount that corresponds to part of the non-distributed gross dividend to which the new shares would eventually not entitle, provided that the manager of the company

specifically motivates the amount to be deducted from the cumulated dividend and explains the financial conditions of the operation in the annual financial report of the company.
In case the subsidiary mentioned in the first paragraph of this article 8.5 is not listed, the discount defined in the first paragraph of this article 8.5 is only calculated based on the net value per share that is dated no more than four (4) months.
This article 8.5 is not applicable to capital increases fully subscribed by the company or its subsidiaries of which the capital is entirely held by the company, either directly or indirectly.

ARTICLE 9. NATURE OF THE SHARES

9.1. The Company has only one type of shares, that all have the same rights.
9.2. The shares of the Company are nominative or dematerialized, and this according to the choice of their owner or holder (hereafter the "Holder") and in accordance with legal limitations. Each Holder of shares can at any given time, and at his own expenses, ask for the conversion of his nominative shares into dematerialized shares, or vice versa.
9.3. For nominative shares, ownership is exclusively proven by inscription in the register of shares of the Company held at its office; the register of shares may potentially be held in an electronic form.
9.4. Dematerialized shares are represented by booking into an account, at the name of the owner or holder, with a clearing institution.

ARTICLE 10. OTHER SECURITIES

With the exception of profit-sharing certificates and similar securities and subject to the specific provisions of the RREC legislation, the Company may issue the securities intended by article 460 of the Company Code in accordance with the rules prescribed by the Company Code, the RREC legislation and these Articles of association.

ARTICLE 11. REDEMPTION, HOLDING IN PLEDGE AND ALIENATION OF TREASURY SHARES

11.1. The Company can acquire its own shares and hold them in pledge in virtue of a decision of the general meeting taken in accordance with article 620 et seq of the Company Code.
That same meeting can define the conditions for alienation of those shares.
11.2. The manager is also authorized to proceed to acquiring treasury shares without a decision of the general meeting when that acquisition is necessary to safeguard the Company against serious and threatening disadvantage. This authorization is valid for three years (3) as of the publication of the amendments to the articles of association of 19 May 2014 and is renewable for a similar period.
11.3. The conditions for alienation of treasury shares by the Company are defined, depending on the case, in accordance with article 622, §2, of the Company Code by the general meeting or by the manager. The manager is authorized to alienate treasury shares as foreseen in article 622, §2, 1°, of the Company Code and, for a period of three (3) years as of the publication of the amendments to the articles of association of 19 May 2014, in article 622, §2, 2°, of the Company Code.

ARTICLE 12. LISTING ON THE STOCK EXCHANGE AND NOTIFICATION OF IMPORTANT PARTICIPATIONS

12.1 The shares of the company must be admitted to trading on a Belgian regulated market, in accordance with the RREC legislation.
12.2 Each holder of shares must notify the company and the FSMA of the number of securities with voting rights, voting rights or similar financial instruments of the company he owns, in accordance with the legislation on the disclosure of important participations in issuers of which the shares are admitted for trading on a regulated market.
The thresholds of which exceeding results in a mandatory notification following the special aforementioned legislation of the disclosure of important participations are fixed at three per cent (3%), five per cent (5%) and multiples of five per cent (5%) of the total number of voting rights.
12.3 Except for exceptions foreseen by the Company Law, nobody can participate to a voting at a general meeting of shareholders of the company with a number of votes that is higher than the number of votes related to the securities he has reported holding, at least twenty (20) days prior to the date of that general meeting.

CHAPTER III – MANAGEMENT AND REPRESENTATION - CONTROL

ARTICLE 13. NOMINATIONS – DISMISSALS – VACANCIES

14.1 The company is directed by a statutory manager, who must have the capacity of a limited (managing) partner and who must permanently comply with the articles 14 and 15 of the RREC legislation.
14.2 The public limited company "LEASINVEST REAL ESTATE MANAGEMENT", (register of legal persons Antwerp, section Antwerp 0466.164.776), with registered office in 2000 Antwerp, Schermersstraat 42, is the (only) managing partner intended by article 2.2 of the Articles of association and is in virtue of this article appointed as the first and sole statutory manager of the Company (hereafter the "Manager-Legal person"). It is appointed for an indefinite period, in the understanding that the minimal duration of its mandate has been fixed at twenty-seven (27) years, which makes that its mandate is irrevocable until the date of the annual meeting, which will be held in 2026. After this date the mandate of the Manager-Legal person is revocable under the attendance and majority conditions required for a change of the Articles of Association, without any right of veto for the manager on this point.
The board of directors of the Manager-Legal person has to be composed as prescribed by the RREC legislation and as settled in article 14 of the Articles of association below.
13.3 Despite the aforementioned (article 13.2) concerning the first manager, the manager is appointed for a definite or indefinite period at the general meeting of shareholders, which decides under the attendance and majority conditions required for a change of the Articles of Association.
13.4 The statutory manager's tasks can only be revoked by a judicial decision after a claim submitted by the general meeting on lawful grounds. The general meeting of shareholders must make this decision with a majority equal to the majority for the amendment of the Articles of Association and the statutory manager cannot participate in the vote. The statutory manager will continue to carry out his tasks until his removal is passed by a peremptory decree.
13.5 The statutory manager can resign at any time.
The statutory manager is obliged, after his resignation, to further fulfill his task until a replacement can reasonably be provided for him. In view of that a general meeting has to be convened within one (1) months after his resignation with the nomination of a new manager on the agenda; that general meeting has to take place in any case within two (2) months after the resignation.
13.6 The decease, the declaration of incompetence, the dissolution, the bankruptcy or any similar procedure, the dismissal, the deposition of the manager by judicial decision for whatever reason, will not have the consequence of the company being dissolved, but he will be succeeded by the newly appointed manager, by a decision of the extraordinary shareholders general meeting, that also accepts to become a limited (managing) partner of the company. If a manager is a legal person, the merger, the split up, the conversion or any other form of company reorganization whereby the legal personality of the manager is continued according to the applicable law, does not lead to the dismissal or the replacement of the manager.

ARTICLE 14. SPECIAL PROVISIONS WITH REGARD TO THE MANAGER-LEGAL PERSON AND THE EFFECTIVE OFFICERS OF THE COMPANY

14.1. The provisions of this article 14 below are valid for the Manager-Legal person as long as it manages the Company as a public RREC. The Manager-Legal person acts to that effect via its board of directors, its permanent representative and the persons it appointed for the effective leadership of the Company. The directors of the Manager-Legal person and the persons it appointed for the effective leadership of the Company cannot personally be manager nor managing partner of the Company. Moreover, they have to comply, on a permanent basis, with the articles 14 and 15 of the RREC law.
14.2. The board of directors of the Manager-Legal person is always composed in that way, that the Company can be managed in accordance with article 4 of the RREC law.
14.3. The board of directors of the Manager-Legal person consists at least of three (3) independent members in the sense of article 526ter of the Company Code, for which the respect of the criteria intended by the aforementioned article is also evaluated as if the concerned independent member of the board of directors of the Manager-Legal person would be a director in the Company.
14.4. The members of the board of directors of the Manager-Legal person and the persons it appointed for the effective leadership of the

Company are exclusively physical persons and have to dispose, on a permanent basis, of the required professional reliability and adequate competences, required for exercising their function. They cannot find themselves in one of the cases foreseen by article 20 of the law of 25 April 2014 on the status of supervision on credit institutions.
14.5. The effective leadership of the Company has to be entrusted to at least two (2) physical persons, of which at least one (1) has to be a member of the board of directors of the Manager-Legal person.
14.6. One of the persons intended by article 14.5 above that is also a member of the board of directors of the Manager-Legal person, is appointed as permanent representative of the Manager-Legal person in the sense of article 61, §2, of the Company Code, that is entrusted with exercising the mandate of manager in the Company in the name of and for the account of the Manager-Legal person and that is more specifically authorized to, acting alone, represent and commit the Company versus third parties, but without prejudice to the applicable provisions of the RREC legislation. The Manager-Legal person cannot dismiss its permanent representative without appointing a successor at the same time.
14.7. Within the framework of and specifically in view of the internal management of the Company intended by article 16 of the Articles of association, the board of directors of the Manager-Legal person can, among his members and under his responsibility, in accordance with the articles 522, 526bis en 526quater of the Company Law, establish one or more consultative committees, such as e.g. a remuneration committee and an audit committee. These committees, established within the board of directors of the Manager-Legal person, also function if the case arises, as a remuneration committee, if any, audit committee for the Company with mutatis mutandis the same powers that those committees respectively have within the Manager-Legal person. The conditions for the appointment of the members of the consultative committees, their dismissal, their remuneration, the term of their mandate and the procedure of these committees as well as the description of their tasks, are defined by the board of directors of the Manager-Legal person at the moment of their creation and they can also be modified afterwards by that same board of directors of the Manager-Legal person in compliance with the applicable regulations.

ARTICLE 15. SALARY
15.1. The manager will carry out his mandate with remuneration.
15.2. The remuneration is equal to zero point four hundred fifteen per cent (0.415%) of the consolidated assets of the Company. The remuneration is due during the financial year, but only payable after the approval of the financial statements.
15.3. The manager is entitled to the repayment of the costs that are directly related to his assignment.

ARTICLE 16. COMPETENCES OF THE MANAGER – INTERNAL MANAGEMENT
16.1. The manager has the most extended powers to perform all acts of internal management necessary or useful for realizing the purpose of the Company, except for those acts for which only the general meeting is competent, in virtue of the law or the Articles of association. The manager takes all decisions it deems appropriate.
16.2. The manager draws up the half-year reports, as well as the annual report project in accordance with the RREC legislation. The manager appoints the real estate experts in accordance with the RREC legislation.
16.3. The deliberations and decisions of the manager – should the case arise, taken at the level of the board of directors of the Manager-Legal person in accordance with the rules for deliberation and decision-making as defined in the articles of association of the Manager-Legal person – are reproduced in the minutes that are signed by the manager or the acting directors of the Manager-Legal person. These minutes are recorded in a special register.
The copies of or the extracts of those minutes, that have to be presented lawfully or elsewhere, are signed by the manager in accordance with its external representation power, except for copies and extracts of the minutes that were registered in an authentic deed and that are signed by the notary public.

ARTICLE 17. EXTERNAL REPRESENTATIVE POWER
17.1 The manager represents the company in all judicial and extra-judicial affairs.
17.2 The Manager-Legal person acts externally towards third parties via its permanent representative, all this, in accordance with the RREC legislation.
17.3 In all deeds committing the Company, the capacity in which the person representing the Company acts has to be stated, immediately before of after his signature.

ARTICLE 18. EXCEPTIONAL AUTHORITIES
The statutory manager can appoint proxies for the company. Only special and limited powers for specific or for a series of specific legal acts are permitted. The proxies legally bind the company within the bounds of their conferred mandate, without diminishing the responsibility of the statutory manager in the case of an excessive power.
The manager defines the remuneration of each representative who was granted special powers, all of this in conformity with the RREC legislation.

ARTICLE 19. RESPONSIBILITY OF THE STATUTORY MANAGER
19.1 The statutory manager is personally, severally and unlimitedly bound to the obligations of the company.
19.2 The permanent representative of the Manager-Legal person is however not personally liable for the undertakings made by the Company.

ARTICLE 20. CONTROL
20.1. The audit of the Company is entrusted to a company auditor or auditor's company certified by the FSMA, that exercises the mission of auditor as defined in the Company Code and in the RREC legislation. In the case of the appointment of a certified auditor's company as auditor, this company will appeal to a certified company auditor that it appoints, for the exercise of its mission as auditor; it can eventually also appoint a substitute among its members that comply with the appointment conditions.
20.2. Moreover, the Company is subject to supervision by the FSMA in accordance with the RREC legislation.

CHAPTER IV – GENERAL MEETING

ARTICLE 21. POWER OF THE GENERAL MEETING
21.1 The lawfully composed general meeting of the shareholders of the Company represents the entirety of the shareholders. The decisions of the general meeting that were validly taken are binding upon all shareholders, even for those who were absent or for those who voted against a proposal.
21.2 The general meeting has the power a/o to deliberate and to decide on the following matters, namely:
- the conclusion of the annual accounts;
- the appropriation of the result;
- the nomination and the dismissal of the auditor;
- the determination of the auditor's salary;
- the filing of the company action or the giving discharge to the manager and to the auditor.
The general meeting is also authorized to make changes to the Articles of Association, namely to decide to the nomination of a manager, to the increase or decrease of the capital, to powers with regard to the authorized capital by decision of the manager, to conversion of the company into a company with a different legal status, to decide to an early dissolution of the company, to the distribution of interim dividends of optional dividends, to the issue of convertible (or not) bonds or warrants, to the merger or an equal operation with one or more companies.

ARTICLE 22. ORDINARY GENERAL MEETING
22.1. The general meeting is held at the registered office or at the address indicated in the convening notice.
22.2. The ordinary general meeting, also called annual meeting, is held each year the third Monday of the month of May at sixteen hours or, should this day be a legal holiday, the next working day at the same hour.

ARTICLE 23. CONVENING

23.1 The manager and every auditor can convene both an ordinary general meeting (annual meeting) and an exceptional or extraordinary general meeting. They have to convene the annual meeting on the day as determined by the articles of association.

The manager and every auditor are obliged to convene an exceptional or extraordinary meeting when one or more shareholders who represent, individually or collectively, a fifth (1/5th) of the registered capital request for it.

23.2 The convocations to the general meeting take place in accordance with the formalities and other provisions of the Company Law. The convocations mention the agenda, listing the subjects to be treated and the proposals for decision, and all other date that are mandatory to be included in virtue of the law.

23.3 One or more shareholders representing together at least three per cent (3%) of the registered capital of the company, in accordance with the provisions of the Company Law, can have subjects to treat added to the agenda of the general meeting and introduce proposals for decision with regard to items on the agenda or those that were added. The company should receive these requests at latest the twenty-second (22nd) day prior to the date of the general meeting. The subjects to be treated and the related proposals for decision that could be added to the agenda, should the case arise, will be published according to the modalities prescribed by the Company Law. The subjects to be treated and proposals for decision that were added to the agenda in application of the previous paragraph are only discussed if all related provisions of the Company Law were respected.

ARTICLE 24. CONDITIONS FOR ADMITTANCE TO THE GENERAL MEETINGS

24.1 A shareholder can only participate to the general meeting and exercise his voting right based on the recording of his shares in book-entry form in his name, at the registration date, or by inscription in the register of nominative shares of the company, or by inscription in the accounts of an authorized account holder or clearing organisation, or upon presentation of the bearer shares to a financial intermediary, regardless of the number of shares the shareholder owns at the general meeting. The fourteenth (14th) day prior to the general meeting, at twenty-four hours (24h00 CET) applies as the registration date.

24.2 Holders of dematerialized shares who want to participate to the general meeting, must present a certificate issued by an authorized account holder or the settlement body, stating how many dematerialized shares are registered in their accounts at the registration date, in the name of the shareholders, and for which the shareholder has indicated wanting to participate to the general meeting. This filing has to take place at latest the sixth (6th) day prior to the date of the general meeting at the registered office or at the institutions mentioned in the convocation.

Holders of registered shares who wish to participate to the meeting, must inform the company by ordinary mail, fax or e-mail at latest the sixth (6th) day prior to the meeting date of their intention to participate to the meeting.

24.3 The manager will keep a register for each shareholder having communicated his wish to participate to the general meeting, stating his name and address or registered office, the number of shares he owned at the registration date and for which he has indicated wishing to participate to the general meeting, and a description of the documents that prove that he was holder of the shares at that registration date.

ARTICLE 25. PARTICIPATION IN THE MEETING – REPRESENTATION

25.1 A shareholder of the company may only appoint (1) one proxy for a specific general meeting. Derogation to this principle is only possible in accordance with the related rules of the Company Law.

A person acting as an authorized representative can have proxies of more than one shareholder. In the case an authorized representative has proxies from several shareholders, he can vote differently in the name of one shareholder than in the name of another shareholder.

The appointment of a proxy by a shareholder is done in writing or via an electronic form and has to be signed by the shareholder, should the case arise, with an advanced electronic signature in the sense of article 4, §4, of the Law of 9 July 2001 with respect to certain rules regarding the legal framework for electronic signatures and certification services, or with an electronic signature that meets the conditions of article 1322 of the Civil Law.

5.2 The notification of the proxy has to be done in writing to the company. This notification can also take place electronically, at the address mentioned in the convocation.

The company has to receive the proxy at latest the sixth (6th) day prior to the meeting date.

25.3 Without prejudice to the possibility, in accordance with article 549, second paragraph, of the Company Law to derogate from the instructions under certain circumstances, the authorized representative expresses his vote in accordance with the potential instructions of the shareholder. The authorized representative has to hold a register for at least (1) year of the voting instructions and confirm, at the request of the shareholder, that he respected the voting instructions.

In the case of a potential conflict of interest as defined in article 547bis, §4, of the Company Law between the shareholder and the authorized representative he has appointed, the authorized representative has to disclose the precise facts that are of interest to the shareholder to judge if the danger exists that the authorized representative promotes any other interest than that of the shareholder. Moreover, the authorized representative can only vote in the name of the shareholder provided that he has specific voting instructions for each agenda item.

25.4 In the case of an addition to the agenda, in accordance with article 23.3 of the articles of association, and if a proxy has already been communicated to the company before the publication of the amended agenda, the authorized representative has to respect the related provisions of the Company Law.

ARTICLE 26. CHAIRMANSHIP – BUREAU

26.1 Every general meeting is in general presided by manager of the Company. For as long as the Manager-Legal person manages the Company, the chairman of its Board of Directors or, in case the chairman is unable to attend, another director of the Manager-Legal person presides the general meeting.

26.2 The chairman of the meeting appoints a secretary and one or more vote counters, who do not need to be (a) shareholder(s). The chairman, the secretary and the vote counters altogether form the bureau.

ARTICLE 27. MEETING PROCEDURE

27.1 The deliberation and voting at the general meeting are directed by the chairman of the meeting and take place in accordance with the habitual rules of proper meeting techniques.

27.2 The manager answers the questions of the shareholders asked during the meeting or in writing, with regard to his report or the agenda items, as far as the communication of data or facts is not detrimental to het company's business interests or to confidentiality rules the company or the manager have committed to.

The auditors answer the questions of the shareholders that are asked during the meeting or in writing, with regard to their report, as far as the communication of data or facts is not detrimental to het company's business interests or to confidentiality rules the company, the manager or the auditors have committed to. They have the right to speak at the general meeting with regard to the fulfillment of their mission.

If different questions are related to the same subject, the manager and the auditors are allowed to respond to these with one answer. As soon as the convocation is published, the shareholders can ask the aforementioned questions in writing, in accordance with the related provisions of the Company Law.

27.3 The manager is entitled to adjourn each ordinary, exceptional or extraordinary general meeting one single time for five (5) weeks, unless the meeting has been convened at the request of one or more shareholders, representing at least one fifth (1/5th) of the capital, or by the auditor. Such adjournment does not prejudice the other decisions that were taken, except if the general meeting decides otherwise on this matter.

27.4 The general meeting can only validly deliberate or decide on the items recorded or implicitly stated in the agenda. There can only be a deliberation on items that were not included in the agenda if all persons that are to be invited according to the Company Law are present or represented by their body or permanent representative and nobody objects to extending the agenda. The required agreement is definite if no protest has been recorded in the minutes of the meeting.

ARTICLE 28. VOTING RIGHT

28.1. Every share gives the right to one vote.
28.2. When one or more shares belong to several people in joint ownership or to a legal person with a collegial body of representation, the connected rights to it can only be exercised towards the company by one single person who has been appointed in writing by all entitled persons, respectively those who can represent the legal persons externally. As long as such an appointment has not been delivered, all the rights connected to the shares remain suspended.
28.3. If a share is encumbered with a usufruct, the exercise of the connected voting rights is reserved for the usufructuary, unless the nude owner has previously opposed to it in writing. The execution of the pre-emptive right in the case of a capital increase belongs to the nude owner.

ARTICLE 29. DECISION-MAKING – RIGHT OF VETO FOR THE STATUTORY MANAGER

29.1 The normal and the exceptional general meeting's deliberations and decisions are valid irrespective of the number of present or represented shares, yet in the presence of the statutory manager.
If he is not at present, then a second meeting can be convened to deliberate and decide, even if the statutory manager is absent. The decisions are taken by a simple majority of votes, but with the approval of the present or represented statutory manager regarding proceedings, which deal with the interests of the company towards third parties, such as the payment of dividends as well as each decision whereby the company assets are affected. Abstinence or blank votes and invalid votes are neglected in the calculation of the majority. In the case of equality of votes, the proposal is rejected.
29.2 At each general meeting minutes are taken during the meeting.
29.3 The extraordinary general meeting must be held in the presence of a notary public who draws up an authentic official report. The general meeting can only then lawfully deliberate and decide on a change in the Articles of Association, when those who participate in the meeting represent at least half (1/2) of the companies' capital and when the statutory manager is at present, notwithstanding more stringent legal stipulations. If the aforementioned quorum is not reached or if the statutory manager is not at present, then a new summons in virtue of Article 558 of the Company Law is required; the second meeting deliberates and decides validly, irrespective of the present or represented part of the capital and irrespective of the potential absence of the statutory manager.
29.4 An amendment to the Articles of Association is only then accepted if it has previously been approved by the FSMA and if it they have got three quarters (3/4) of the votes bound to the shareholders that are present or represented and with approval of the present or represented statutory manager notwithstanding more stringent legal stipulations.
The votes of those who abstain, or the blank or invalid votes, are considered to be votes against the proposal in the calculation of the required majority.

CHAPTER V – FINANCIAL YEAR – APPROPRIATION OF THE RESULT

ARTICLE 30. FINANCIAL YEAR – ANNUAL ACCOUNTS – ANNUAL REPORT

30.1 The financial year of the company always commences on the first of January and ends on the thirty first of December. At the end of each financial year the accounts and records are closed and the statutory manager draws up the inventory, including the annual accounts, and is further proceeded as specified in Article 92 and following of the Company Law and of the applicable provisions of the RREC legislation. Furthermore, the statutory manager draws up an annual report in which he renders account for his policy, as prescribed by the Company code and the RREC legislation.
The annual report also comprises a corporate governance statement that is a specific part of it and which comprises a remuneration report.
30. After the approval of the balance sheet the general meeting decides on the discharge to be given, by separate vote, to the manager and to the auditor(s).
30. 3The annual and half-year financial reports of the company, comprising the statutory and consolidated annual and half-year accounts of the company and the report of the auditor(s), are made available to the shareholders according to the provisions that are applicable to issuers of financial instruments admitted to trading on a regulated market and the RREC legislation.
The annual and half-year reports of the company, the report of the auditor(s) and the articles of association of the company are published on the website of the company. The shareholders can obtain a copy of the aforementioned documents for free at the registered office of the manager.

ARTICLE 31. APPROPRIATION OF THE PROFIT

It is mandatory for the company, within the limits of the Company Law and the RREC legislation, to distribute a dividend as a remuneration of the capital to its shareholders, of which the minimum amount is defined in accordance with article 13 of the RREC RD.

ARTICLE 32. INTERIM DIVIDENDS

The statutory manager has the power to pay out interim dividends on the results of the financial year. This payment can only be taken from the profit of the current financial year, as when the occasion arises decreased by the transferred loss or increased by the transferred profit, without any withdrawal from the reserves which are or must be build up by means of a legal or statutory decree. Further action is made by reference to the requirements of Article 618 of the Company Law and the relevant provisions of the RREC legislation.

CHAPTER VI – DISSOLUTION – LIQUIDATION

ARTICLE 33. NOMINATION AND CAPACITY OF LIQUIDATORS

33.1 In case of dissolution of the company for whatever reason and at whatever time, the liquidation is being carried out by a liquidator or a board of liquidators appointed by the general meeting in accordance with the legal provisions on the matter. The liquidators only take up their mission after the confirmation of their appointment by a competent commercial court.
If no liquidator is appointed, the manager in function is considered to be the liquidator towards third parties.
33.2 The liquidators have the most extended powers in accordance with the Articles 186, 187 and 188 of the Company Law, unless the general meeting decides otherwise by a normal majority of votes.
33. 3 The liquidation of the company is settled in accordance with the provisions of the Company Law.

ARTICLE 34. LIQUIDATION BALANCE

The balance after liquidation is distributed to the shareholders in proportion to their rights in the Company.

CHAPTER VII – MISCELLANEA - CHOICE OF LOCATION

ARTICLE 35. CHOICE OF LOCATION

35. 1 The manager and the liquidators, whose place of residence is unknown, are supposed to have chosen their address at the registered office of the company, where all subpoenas, services and notifications concerning the companies' affairs can be delivered.
35.2. The regulation in article 35.1 above is mutatis mutandis also valid for the directors of the Manager-Legal person and the persons in charge of effective direction of the Company and the persons responsible for the internal control functions of the Company.

ARTICLE 36. JURISDICTION

36.1 Exclusive jurisdiction is given to the courts of the company seat for all disputes between the company on the one hand, and its manager, its holders of securities and/or its liquidators on the other hand, regarding the company matters and the implementation of the current Articles of Association, unless the company expressly renounces to it.
36.2 The regulation in article 36.1 above is mutatis mutandis also valid for all disputes between the Company, on the one hand, and the directors of the Manager-Legal person, the persons in charge of effective direction of the Company and the people responsible for the internal control functions of the Company.

ARTICLE 37. APPLICABLE LAW

For everything that is not explicitly defined in these articles of association, or with regard to the legal provisions that were not validly derogated from in these articles of association, the provisions of (a) the Company Law and its executory decrees and regulations, (b) the RREC legislation and (c) the other legal provisions, decrees and regulations under Belgian law are applicable, as far as they apply to the Company due to its status as a public RREC.

Moreover, the provisions of these articles of association that would unlawfully have derogated from the provisions of the laws, decrees and regulations mentioned in the previous paragraph, are considered not to be recorded in the current articles of association and the clauses that would be opposed to the mandatory provisions of these laws, decrees and regulations shall be deemed as not written.

STATEMENTS

Forward-looking statements – third-party information - responsible persons

This annual financial report 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 different from any future results, financial conditions, performance or achievements expressed or implied by such forward-looking statements. Given these uncertain factors forward-looking statements do not include guarantees.

The statutory manager of the company is responsible for the information provided in this annual financial report and has made all reasonable efforts to check all information presented in this annual financial report and states accordingly that, as far as is known to him, all data in this annual financial report correspond to the reality and that no data have been omitted which could affect the tenor of this annual financial report.

The information obtained from third parties has furthermore been precisely reproduced, and as far as is known to him, and based on information published by those third parties, the statutory manager declares that no facts have been omitted which could result in the reproduced information from third parties being inaccurate or misleading.

The statutory manager confirms that the auditor of the company granted his permission to reproduce the auditor's report on the consolidated statements for the financial year closed on 31 December 2015 in this report.

General statements – statements with regard to legal procedures or arbitrages

The statutory manager of the company declares that no government interventions, proceedings or other arbitration procedures exist, which could (or) have influence(d), in a recent past, the financial position or the profitability of the company or its subsidiaries and that, to the best of his knowledge, there are no situations or facts which could give rise to such government interventions, proceedings or arbitration procedures.

Statements concerning the directors and the management

The statutory manager of the company declares that, to the best of his knowledge:

- nor himself, nor one of the directors, not the effective leaders, nor members of the executive committee have ever been convicted for a fraud-related offence during, at least, the five previous years, that they have never been subject to official and public accusations and/or sanctions by legal or supervisory authorities or that they have never been declared incapable to act as a member of a decision-making entity of a listed company during at least the five previous years, and that he himself, the directors mentioned above, the effective leaders and the members of the executive committee, in their capacity as a director, founder since less than 5 years or members of the executive management have never been associated with any bankruptcy or judicial annulment during at least the five previous years;
- that until now no (employment) contracts have been concluded with the directors, nor with the company or its subsidiaries, nor with the statutory manager, which provide for the payment of indemnities upon the termination of the employment, that exceed 12 months as intended by article 554 of the Company Code (adopted by the law of 6 April 2010 on Corporate Governance), except for the compensation for leaving of 24 months approved by the general meeting of shareholders of Leasinvest Real Estate on 16/05/11, in derogation of article 554 of the Company Code, granted to the executive director, Jean-Louis Appelmans, or his management company;
- that the (employment) contracts concluded between the statutory manager, the company or its subsidiaries, and the members of the executive committee do not provide in special payment of indemnities upon the termination of the employment, except for the usual cancellation clauses with the members of the effective direction, in which case an indemnity is due in case the usual term for notice is not respected;
- that the directors Luc Bertrand, Jan Suykens, Jean-Louis Appelmans, Michel Van Geyte, Guy Van Wymersch-Moons, Michel Eeckhout, Mark Leysen, Eric Van Dyck and Sonja Rottiers do not own shares in Leasinvest Real Estate;
- that the members of the executive committee do not own Leasinvest Real Estate shares, except for Michel Van Geyte (as mentioned above);
- that until now no options on the company shares have been granted, nor to the directors, nor to the members of the executive committee;
- that there are no mutual family ties between the directors and the members of the executive committee.

Financial communication to the shareholders

Places where documents are accessible for the public

The articles of association of Leasinvest Real Estate may be consulted at the Registry of the Commercial Court in Brussels and at the registered office.

The financial statements are filed with the National Bank of Belgium. Each year the financial statements together with the reports thereto are sent to the registered shareholders and to anyone who requests it.

The annual brochures (annual financial reports), which comprise the consolidated financial statements, the annual report and the report of the auditor concerning the financial years 2013 and 2014 and the conclusion of the valuation report and the half-year reports (half-yearly financial reports) including the report of the auditor for the financial years 2013, 2014 and 2015 can be consulted on the Leasinvest Real Estate website (www.leasinvest.be) and may be consulted at the administrative office of the company.

The current annual financial report 2015[1] can also be consulted on the website www.leasinvest.be.

1 The statutory annual accounts of the statutory manager, the annual report and the report of the auditor, and the valuation rules regarding the statutory annual accounts for the financial year 2015 can be obtained for free, and by anyone who asks, upon simple request at the office of the company.

The historical financial information for the previous financial years 2013 and 2014 (as far as applicable) of all subsidiaries of Leasinvest Real Estate (Warehouse Finance SA, De Leewe SA, Logistics Finance I SA, Zebra SA, Alm Distri SA, Leasinvest Immo Lux SA, Leasinvest Immo Lux Conseil SA, Montimmo SA, Leasinvest Services SA, Canal Logistics Brussels SA, Orli Lux Sàrl, RAB Invest SA, Haven Invest SA and T&T Koninklijk Pakhuis SA) can be consulted at the administrative office of Leasinvest Real Estate.

Financial reporting and notices to the shareholders for general meetings of shareholders are published, as far as mandatory, in the financial press and can be consulted on www.leasinvest.be.
Leasinvest Real Estate pursues the guidelines of the FSMA in this regard.

The decisions about the nomination or dismissal of members of the board of directors are published in the appendices to the Belgian Official Gazette.

The last update of the Corporate Governance Charter can be found on the website www.leasinvest.be.

Anyone interested can freely subscribe at www.leasinvest.be to receive all press releases and mandatory financial information per e-mail.

List of reference information

Historical financial information and the description of the financial situation of the previous financial years 2012, 2013 and 2014 and related party transactions in the previous financial years 2012, 2013 and 2014

For this information we refer to the annual brochures (annual financial reports), which comprise the consolidated financial statements, the annual report and the report of the auditor concerning the financial years 2012, 2013 and 2014, and the half-year reports (half-yearly financial reports) including the report of the auditor drawn up in the financial years 2013, 2014 and 2015, and the interim statements for the financial years 2013, 2014 and 2015, that can be consulted on the Leasinvest Real Estate website (www.leasinvest.be).

Statement according to the RD on RREC

Mr. J.L. Appelmans, managing director of the statutory manager of Leasinvest Real Estate, declares, on behalf and for the account of the statutory manager, that, to his knowledge:
(i) the annual accounts, established in accordance with the applicable accounting standards, 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 annual financial report presents a fair overview of the development and the results of Leasinvest Real Estate and of the position of the company and the companies included in the consolidation, and also comprises a description of the main risks and uncertainties which the company is confronted with.

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

Information to shareholders

Regulated real estate company (RREC) – characteristics and tax regime

The main characteristics of a regulated real estate company (RREC) are as follows (RD of 13/07/2014):

- stock exchange listing
- activity limited to real estate investment
- risk diversification: no more than 20% of the consolidated assets may be invested in a single property. In certain cases a derogation can be obtained by the FSMA; such a derogation has until present not been granted to Leasinvest Real Estate.
- the consolidated debt ratio of the regulated real estate company and its subsidiaries, and the statutory debt ratio of the regulated real estate company is limited to 65% of the consolidated or statutory assets, after deduction of the authorized hedges
- quarterly valuation of the real estate portfolio by an independent real estate expert (fair value)
- properties carried at fair value - no depreciation
- distribution, in the case of profit, of at least the positive difference between 80% of the corrected result and the net decrease of the debts during the financial year, as defined in the RD of 13/07/2014, with regard to the limitations provided by article 617 of the Company Code
- taxable basis for corporate taxes consists of the sum of the disallowed expenses and abnormal and benevolent advantages; otherwise, there are no company taxes on results and capital gains
- withholding tax of 27% on dividend
- no withholding tax for non-residents who are not engaged in a profit-making activity
- a regulated real estate company cannot grant loans unless to subsidiaries
- supervision by the FSMA

SICAV-Specialized investment fund (Leasinvest Immo Lux, Grand Duchy of Luxembourg)

- open-ended real estate investment fund with variable capital
- only well informed investors ('investisseurs avertis'), in the sense of article 2 of the law of 13/02/07 regarding specialised investment funds are admitted as shareholders
- no mandatory stock exchange listing
- mainly real estate investments
- Risk diversification: maximum 30% of the consolidated assets can be invested in one building/complex, or in securities issued by one same company. In certain cases derogation can be granted by the CSSF
- debt ratio of maximum 50% except for derogations grated by the CSSF in certain cases
- annual valuation by an independent real estate expert
- real estate assets carried at fair value – no amortizations
- no minimum distribution of the operating result
- no corporate taxes on result nor gains
- no withholding tax on dividends (in case the dividends are paid in favour of the RREC)
- supervision by the "Commission de Surveillance du Secteur Financier"

For the choice of an investment, Leasinvest Real Estate is subject to limitations with regard to the diversification of investments and participation in companies.

DIVIDEND 2015

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay, to the 4,935,478 shares entitled to dividends[1] a gross dividend of € 4.70 (2014: € 4.55), and net, free of withholding tax of 27%, € 3.431 (2014: € 3.4125 free of withholding tax of 25%).

Subject to the approval of the ordinary general shareholders' meeting of 17 May 2016 dividends will be paid out on presentation of coupon no 19 as of 23 May 2016 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.
The Ex-date is 19/05/2016 and the Record date is 20/05/2016.

With regard to practical formalities to attend the annual meeting of shareholders that will be held on 17/05/2016 we refer to page 116 of this annual financial report and to the website www.leasinvest.be, where all documents to participate are published on the day indicated in the convocation published in the Official Belgian Gazette and in a national newspaper.

WEBSITE

www.leasinvest.be

With regard to its communication Leasinvest Real Estate pursues the guidelines of the FSMA.

The website has free access and comprises all mandatory financial information.

Anyone interested can freely subscribe at www.leasinvest.be (investor relations – IR contact) to receive all press releases and mandatory financial information per email.

INVESTOR RELATIONS CONTACT

Leasinvest Real Estate Management SA
Jean-Louis Appelmans
CEO
T +32 3 238 98 77
E investor.relations@leasinvest.be

1 Excluding the 3,392 shares purchased by LRE within the framework of the procedure for dematerialization of bearer securities.

Lexicon

BADWILL
Badwill or negative goodwill equals the amount by which the stake of the party acquiring, in the fair value of the acquired identifiable assets, liabilities and contingent liabilities, exceeds the price of the business combination on the date of the transaction.

BULLET LOAN
A loan which is reimbursed in one time at the end of the duration.

CAP
Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short term interest rate. As a buyer, Leasinvest Real Estate has acquired the right, within a predefined period, to exercise its option. At that moment Leasinvest Real Estate pays the capped interest rate (= CAP) instead of the (higher) short term interest rate. For the acquisition of this right, the buyer pays a premium to the seller. Via this interest rate hedging, Leasinvest Real Estate hedges against unfavourable interest rate increases.

COLLAR
Combination of a purchased cap and a sold floor. As well the minimum as the maximum interest rate are in this case determined in advance.

CONTRACTUAL ANNUAL RENTS
The indexed basis rents as contractually defined in the leases in force per 31/12/2015.

CORPORATE GOVERNANCE
Sustainable management of the company. These principles, such as transparency, integrity and balance between the responsible parties, are based on the recommendations of the Belgian Corporate Governance Code as published by the Corporate Governance Committee on 12/03/09 (www.corporategovernancecomittee.be).

DEBT RATIO
All items of the "Liabilities" in the balance sheet, except for the items: "I. Non-current liabilites – A. Provisions", "I. Non-current liabilites – C. Other non-current financial liabilities – Derivative financial instruments", "I. Non-current liabilites – F. Deferred taxes – Liabilities", "II. Short term liabilities – A. Provisions", "II. Current liabilities – C. Other current financial liabilities – Derivative financial instruments" and "II. Current liabilities – F. Accrued charges and deferred income", divided by the balance sheet total.

DIVIDEND YIELD
Gross dividend / closing price of the financial year concerned.

DURATION
Weighted average duration of the leases, for which the weight is equal to the relation of the rental income to the total rental income of the portfolio.

EXIT TAX
Companies applying for approved Regulated real estate company status, or which merge with a Regulated real estate company are subject to what is known as an exit tax. This tax is equivalent to a liquidation tax on net unrealized gains and on tax-exempt reserves, and amounts to 16.5% (increased by an additional crisis tax uplift of 3%, amounting to a total of 16.995%).

FAIR VALUE
The fair value is the investment value as defined by an independent real estate expert, from which, the transfer rights have been deducted; the fair value is the accounting value under IFRS.

FLOOR
Financial instrument of the option-type, for which the underlying, in the case of Leasinvest Real Estate, is the short-term interest rate. As a seller, Leasinvest Real Estate has the obligation to, within a predefined period, deliver the floor (minimum interest rate). In exchange for this, Leasinvest Real Estate, as the seller, receives a premium from the buyer. The received premium on the floor limits in this way the premium paid on the CAP.

FREE FLOAT
The free float is the number of shares freely tradable on the stock exchange.

GOODWILL
Goodwill equals the amount by which the cost of the business combination exceeds, at the transaction date, the interest in the fair value of the identifiable assets, liabilities and conditional liabilities taken over from the acquiring party.

IAS-STANDARDS
The international accounting standards (IAS, International Accounting Standards/IFRS, International Financial Reporting Standards) have been drawn up by the International Accounting Standards Board (IASB), which develops the international standards for preparing the annual accounts. The listed companies in Europe must apply these rules to their consolidated accounts for the financial years starting as from 01/01/05. In accordance with the RD of 21/06/06, substituted by the RD of 07/12/10, Leasinvest Real Estate applies these rules to its statutory annual accounts, already as from the financial year beginning on 01/07/06.

INTEREST RATE SWAP
Financial instrument by which parties agree contractually to swap interest payments over a defined term. This allows parties to swap fixed interest rates for floating interest rates and vice versa.

INVESTMENT VALUE
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.

LIQUIDITY PROVIDER
Liquidity providers are members of Euronext who signed an agreement with Euronext in which they, amongst other things, agree to, continually, make a bilateral market, composed of buy and sell rates, to guarantee a minimum turnover and furthermore to make the market within a maximum 'spread'.

NET ASSET VALUE PER SHARE

NAV (Net Asset Value): shareholder's equity attributable to the shareholders of the parent company, divided by the number of shares (excluding the consolidated number of treasury shares).

NET CASH FLOW

Net cash flow = net result plus additions to amortizations, depreciations on trade debtors and the additions to and withdrawals on provisions minus negative and positive changes in the fair value of investment properties minus the other non-cash elements.

OCCUPANCY RATE

The occupancy rate takes into account all buildings, except those carried under 'assets held for sale' and 'development projects' and is calculated in function of the estimated rent as follows: (estimated rent – estimated rent on vacancy) / estimated rent.

REGULATED REAL ESTATE COMPANY

Is an ordinary operational company that has to act according to its purpose (which includes taking into account other interests than the exclusive interest of the shareholders, such as the interests of its clients, users of the buildings). It has a general commercial purpose: offering real estate to users.
This company pursues a company strategy and not an investment policy; it can make a public appeal to savings, but to use those funds for its company purpose in general, in function of the needs arising from its strategy, and not to invest them in accordance with a statutory investment policy with regard to managing those funds in view of generating a "pooled return" for investors.

SWAPTION

A swaption is an option on an interest rate swap. There are 2 types: a payer swaption and a receiver swaption. A payer swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the fixed interest rate and receives the variable interest rate. A receiver swaption grants a right to the buyer to conclude an interest rate swap in the future, for which the buyer pays the variable interest rate and receives the fixed interest rate.

TAKE-UP

The total number of square meters which are rented in the real estate market.

VELOCITY

Represents how many shares are traded on an annual basis, or in other words, the annual traded volume of shares divided by the total number of listed shares.

Identity card
Leasinvest Real Estate

Public regulated real estate company 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) (nr. 990626-330) 6 November, publication Official Belgian Gazette 3 December 2014 (change into a regulated real estate company) (no 20141203-14216372)
Term	Unspecified
Financial year	1 January – 31 December
Listing	Euronext Brussels, BEL Mid
Liquidity provider	Bank Degroof
Financial service	Main paying agent Bank Delen
Auditor	Ernst & Young Réviseurs d'entreprises, represented by Pierre Vanderbeek, certified auditor
Real estate experts	Cushman & Wakefield - DTZ Winssinger – Stadim – SPG Intercity Geneva
Supervision	FSMA

This annual financial report is available on www.leasinvest.be.

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

Concept and design: www.theimagecompany.be

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