



press release

Regulated information

Under embargo till 14/05/2014 – 7.30h (AM)

Leasinvest
REAL ESTATE

Leasinvest Real Estate – Interim statement of the manager over the first quarter of the financial year 2014 (01/01/14-31/03/14)

1. Activity report period 01/01/14- 31/03/14

Sale office building avenue Louise 66 in Brussels

On 27 January 2014 Leasinvest Real Estate sold the office building located Avenue Louise 66 in Brussels to Immo Graanmarkt sprl for a net amount of 10,350,000 euro, which exceeds the fair value end 2013. This office complex located opposite the Steigenberger (ex-Conrad) hotel consists of 2 connected buildings and 1 commercial space (ground floor). It has a total rental surface of 3,398 m² and is entirely let.

This sale fits the strategy of Leasinvest Real Estate to divest smaller, less strategic buildings. As a consequence of this divestment, the offices part in Belgium slightly decreased to 16%.

Lettings

SKF, of which the real estate leasing contract would expire at the end of 2016, has opted for a further extension till end 2025. The site comprises a logistics building of 25,000 m² in Tongres, and is used as a European logistics hub for the Swedish multinational.

The tenant Caterpillar has cancelled its rental contract that expires on 30/10/2014, at our site Canal Logistics site in Neder-over-Heenbeek (Brussels). The tenant Sal. Oppenheim has also cancelled its rental contract for the office building located at Kirchberg (Luxembourg) that expires on 31/12/2014. Given the very good situation of both buildings and the low vacancy rate at both locations, re-letting is expected to take place within a normal term frame.



2. Key figures

Key figures real estate portfolio (1)	31/03/2014	31/03/2013
Fair value real estate portfolio (€ 1,000) (2)	710,674	596,938
Fair value real estate portfolio, incl. participation Retail Estates (€ 1,000) (2)	753,633	630,749
Investment value real estate portfolio (€ 1,000) (3)	724,070	610,200
Rental yield based on fair value (4) (5)	7.33%	7.34%
Rental yield based on investment value (4) (5)	7.20%	7.18%
Occupancy rate (5) (6)	96.81%	95.45%
Average duration of leases (years)	4.96	4.45

(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 31/03/2014.

(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 / Winssinger and Associates / Stadim.

(5) For the calculation of the rental yield and the occupancy rate only the buildings in operation are taken into account, excluding the assets held for sale.

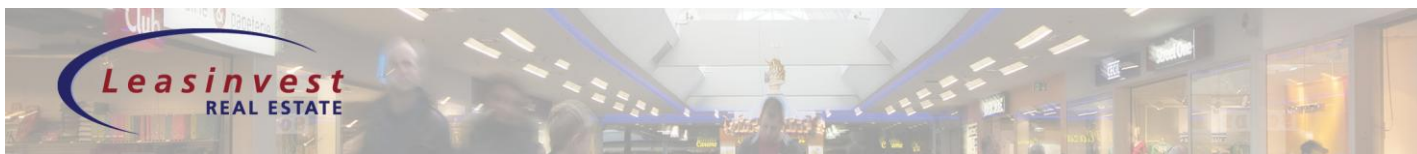
(6) The occupancy rate has been calculated based on the estimated rental value.

	31/03/2014	31/03/2013
Net asset value group share (€ 1,000)	339,830	266,112
Net asset value group share per share	68.8	66.3
Net asset value group share per share based on investment value	71.5	69.6
Net asset value group share per share EPRA	73.4	72.8
Total assets (€ 1,000)	782,411	648,244
Financial debt	402,863	339,301
Financial debt ratio (pursuant RD 7/12/2010)	52.66%	53.69%
Average duration credit lines (years)	3.44	3.13
Average funding cost (excl. fair value changes hedges)	3.66%	3.01%
Average duration hedges (years)	5.59	5.66

	31/03/2014	31/03/2013
Rental income (€ 1,000)	12,523	10,500
Net rental result per share (€)	2.54	2.62
Net current result (€ 1,000) (1)	5,857	5,503
Net current result per share (€) (1)	1.19	1.37
Net result group share (€ 1,000)	7,508	6,542
Net result group share per share (€)	1.52	1.63
Global result group share (€ 1,000)	4,499	10,108
Global result group share per share (€)	0.91	2.52

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





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3. Consolidated results period 01/01/14- 31/03/14

The first quarter of 2014 is in line with the outlook for Leasinvest Real Estate.

The **rental income** of Leasinvest Real Estate over the first quarter of 2014 has risen by 19.3% (+ 2,022 thousand euro) and amounts to 12,523 thousand euro in comparison with 10,500 thousand euro for the first quarter of 2013.

This evolution is mainly the consequence of the investments realised at the end of the previous year, i.e. the contribution of 3 months of rental income from the Knauf Shopping Center in Pommerloch and from the building located in Bertrange, let to Hornbach.

At constant portfolio, the rental income increases by 3.8% or 410 thousand euro in comparison with the same period last year.

The average duration of the rental contracts has slightly decreased to 4.96 years in comparison with 5.23 years end 2013.

The gross rental yields have increased in comparison with end 2013 and amount to 7.33% (end 2013: 7.31%) based on the fair value and to 7.20% (end 2013: 7.18%) based on the investment value.

The **occupancy rate**¹ end March 2014 (96.81%) is almost identical to end 2013 (96.9%).

The fair value² of the direct real estate portfolio amounts to 711 million euro end March 2014 compared to 718 million euro end December 2013.

The decrease is explained by the sale of the building located Avenue Louise 66 (Brussels) in the first quarter of 2013 (- 8.2 million euro).

The **net current result**³ of the first quarter amounts to 5.9 million euro (or 1.19 euro per share⁴), in comparison with the net current result of 5.5 million euro (or 1.37 euro per share) for the comparable period of last year. The decrease can mainly be explained by the full recognition of the increased subscription tax in the first quarter following the amended legislation of end June 2013. In 2013 this amount was entirely recognized in the second quarter of 2013.

The **net result**, group share, amounts to 7.5 million euro end March 2014 compared to 6.5 million euro in comparison with the same period last year.

In terms of net result per share, this gives 1.52 euro end March 2014 compared to 1.63 euro end March 2013. This increase is mainly the consequence of the aforementioned higher rental income and a positive capital gain in comparison with the same period last year.

The **financial result** over the first quarter of 2014 amounts to -3.9 million euro in comparison with -2.1 million euro for the same period in 2013, and was also negatively impacted by fair value adjustments on financial assets and liabilities of -300 thousand euro in comparison with 327 thousand euro for the same period last year. The funding cost has increased to 3.66% as a consequence of more fixed rate outstanding credits and public and private bond loans issued last year.

At the end of the first quarter of the financial year 2014 shareholders' equity, group share (based on the fair value of the investment properties) amounts to 339.9 million euro (2013: 335.3 million euro).

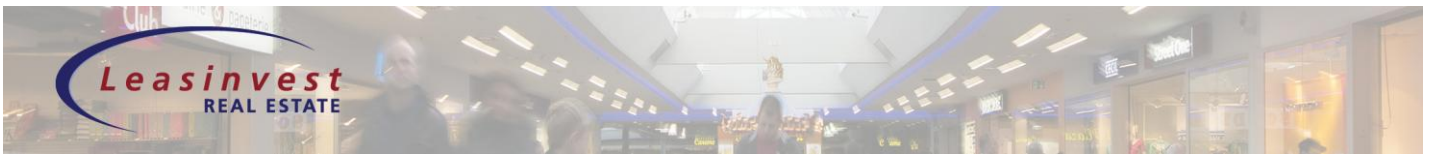
¹ The occupancy rate has been calculated based on the estimated rental value. All buildings of the Leasinvest Real Estate portfolio are taken into account, including those for which a rental guarantee is received, excluding the development projects.

² Fair value: the investment value as defined by an independent real estate expert and of which the transfer rights have been deducted. The fair value is the accounting value under IFRS.

³ The net current result consists of the net result excluding the portfolio result and the changes in fair value of the ineffective hedges.

⁴ The data per share are calculated based on the number of shares entitled to the result of the period, i.e. the number of issued shares: 4,012,832 for 31/03/2013 and 4,938,870 for 31/03/2014





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End March 2014 the net asset value per share stands at 68.8 euro (31/12/13: 67.9 euro). End March 2014 the closing price of the Leasinvest Real Estate share amounted to 80.17 euro, or 16.5% higher than the net asset value. The net asset value per share excl. the influence of the fair value adjustments on financial derivatives (EPRA) also increases and stands at 73.4 euro end March 2014 in comparison with 71.5 euro end 2013.

Following the divestment, the debt ratio has decreased and stands at 52.66% (53.53% end 2013).

The board of directors of the statutory manager has proposed to the ordinary general shareholders' meeting of Leasinvest Real Estate, that will be held on 19 May 2013, to distribute over the financial year 2013 a dividend of 4.50 euro gross and net, free of withholding tax, 3.375 euro (based on 25% withholding tax).

Subject to the approval of the ordinary general shareholders' meeting of 19 May 2014, dividends will be paid out on presentation of coupon no 16, or 2.14 euro gross, on 4 June 2013 (after closing of the Stock Exchange), detached from the shares existing before the capital increase, representing the pro rata dividend for the financial year 2013, calculated pro rata for the period between 1 January 2013 and the issue date of the new shares, i.e. 25 June 2013, and coupon no 17, or 2.36 euro gross, representing the dividend for the period after the issue date of the new shares and 31 December 2013, as of 26 May 2014 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

4. Outlook

It is expected that unless exceptional circumstances and unforeseen capital losses on the existing real estate portfolio and interest rate hedges a better net result and better net current result will be achieved than in 2013.

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Leasinvest Real Estate Comm.VA

Real estate investment trust (sicafi) Leasinvest Real Estate SCA invests in high quality and well-located retail buildings, offices and logistics buildings in the Grand Duchy of Luxembourg and in Belgium. At present the real estate portfolio of Leasinvest comprises 33 sites of which 18 are located in the Grand Duchy of Luxembourg and 15 in Belgium, with a total real estate value of 711 million euro. The sicafi is listed on Euronext Brussels and has a market capitalization of approximately 407 million euro (value 13 May 2014).

