

PRESS RELEASE

**Leasinvest Real Estate – audited¹ year results financial year 2004/2005
(period from 1 July 2004 to 30 June 2005)**

**Net current profit and net profit, share of the group, per diluted² share
increase by 2,5%³ and 70,5%³ respectively**

Brussels, 26 August 2005

Key figures

	Consolidated 1/07/2004- 30/06/2005	Statutory (g) 1/07/2003- 30/06/2004	Consolidated 1/07/2002- 30/06/2003
Investment value of the portfolio (€)	275,460,000	257,488,000	266,079,000
Liquidation value of the portfolio (€) (a)	243,769,912	227,865,000	235,468,141
Number of issued shares	3,249,221	2,830,371	2,830,366
Net asset value (NAV) ex dividend (€)	176,765,750	148,944,748	151,287,586
Net asset value per share ex dividend (€)	54.40	52.62	53.45
Net asset value per share incl dividend (€)	57.89	56.35	57.55
Closing price (€)	64.40	54.10	55.50
Average price (€)	59.33	55.25	52.97
Net current result per share (€) (b)	4.16	4.06	4.50
Net result per share, share of the group (€) (b)	5.03	2.95	3.56
Occupancy rate (c) (d)	91.15%	94.13%	96.24%
Rental yield (d)	7.14%	7.70%	7.85%
Debt ratio (e)	32.23%	41.06%	41.38%
Pay out ratio (%)	92.9%	93%	93%
Dividend growth (%)	-0.27%	-9.02%	3.54%
Dividend yield (%) (f)	6.27%	6.75%	7.74%

(a) the liquidation value is the investment value, after deduction of 13% costs

(b) for 30/06/05: result per diluted share²

(c) The occupancy rate has been calculated based on the estimated rental value (all buildings of the Leasinvest Real Estate Portfolio are taken into account).

(d) The occupancy rate and the rental yield on 30/06/05 take into account the lease of Extensa Square I as from 01/07/05 and 100% of the building Square de Meeûs. Leasinvest Real Estate owns 50% + 1 share in Square de Meeûs 5-6 SA, which is fully consolidated. Excluding the lease of Extensa Square I the rental yield is 6.74% on 30/06/05.

(e) including provisions for exit tax for 30/06/03 and 30/06/04

(f) gross dividend / average share price

(g) in 2003-2004 there were no subsidiaries and thus no consolidated figures

¹ The auditor confirms that the accounting information, presented in this press release, does not give cause for any reservation on his behalf and corresponds to the annual accounts made up by the statutory manager.

² As a result of the capital increase that took place for the acquisition of Montoyer 63, 418.850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.

³ The percentages mentioned are related to consolidated figures for the current financial year and statutory figures for the previous financial year (cfr. explanation below), which means that the net current result of the current financial year also comprises the minority shares.

Balance sheet and profit and loss account

Balance sheet (x € 1,000)

	Consolidated 2004-2005 1/7/2004-30/6/2005	Statutory 2004-2005 1/7/2004-30/6/2005	Statutory (*) 2003-2004 1/7/2003-30/6/2004	Consolidated 2002-2003 1/7/2002-30/6/2003
ASSETS				
FIXED ASSETS	276,211	268,132	258,161	266,079
Tangible assets	275,532	259,942	257,488	266,079
Fixed financial assets	679	8,190	673	
CURRENT ASSETS	5,665	3,734	9,556	8,972
Amounts receivable after more than 1 year	190	190	78	131
Amounts receivable within 1 year	2,812	2,790	2,632	3,501
Investments, cash in hand and at bank	1,986	111	6,456	5,200
Deferred charges and accrued income	677	643	390	140
TOTAL ASSETS	281,876	271,866	267,717	275,051
LIABILITIES				
EQUITY	176,766	176,095	148,945	151,287
MINORITY SHARES	8,160			
PROVISIONS	0		3,573	4,173
DEBTS	96,950	95,771	115,199	119,591
Financial debts after more than 1 year	29,800	29,800	41,550	
Financial debts within 1 year	42,697	42,697	50,137	98,180
Trade debts and taxes	5,493	5,371	5,318	3,422
Other debts	12,870	12,870	12,250	12,476
Accrued charges and deferred income	6,090	5,033	5,944	5,513
TOTAL LIABILITIES	281,876	271,866	267,717	275,051

Profit and loss account (x € 1,000)

	Consolidated 1/07/2004- 30/06/2005	Statutory 1/07/2004- 30/06/2005	Statutory (*) 1/07/2003- 30/06/2004	Consolidated 1/07/2002- 30/06/2003
NET CURRENT RESULT				
Operating income	22,942	21,887	22,689	23,955
Operating charges	-5,835	-5,432	-7,262	-7,007
Operating result	17,107	16,455	15,427	16,948
Financial income	1,825	1,816	1,384	1,363
Financial charges	-6,568	-6,568	-5,117	-5,427
Taxation	304	468	-209	-142
Net current result	12,668	12,171	11,485	12,742
PORTFOLIO RESULT				
Gain or loss on disposal of elements of the portfolio	5,847	5,847	-140	109
Reversal of changes in market value previously recorded on elements of the portfolio disposed of during the FY				-84
Changes in the market value of elements of the portfolio	-2,516	-3,360	-3,000	-2,702
Real estate in portfolio at the end of the year	2,205	1,361	-2,793	-2,702
Reversal of changes in market value previously recorded on elements of the portfolio disposed of during the FY (a)	-4,721	-4,721	-207	
Portfolio result	3,331	2,487	-3,140	-2,677
EXTRAORDINARY RESULT				
Extraordinary income				7
Extraordinary charges				
Profit of the financial year	15,999	14,658	8,345	10,072
Share of the group	15,329			
Minority shares	670			

(a) Cfr. Advice of the Commission on Accounting Standards of 9 February 2004.

(*) in 2003-2004 there were no subsidiaries and thus no consolidated figures

Notes to the consolidated balance sheet and profit and loss account for the financial year 2004/2005

Following the acquisition of the majority of the shares in Square de Meeûs 5-6 SA and the integral consolidation of this company, consolidated annual accounts are again issued on 30/06/05. These consolidated annual accounts and the notes concerning the financial year 2004/2005 comprise, unless mentioned otherwise, next to the share of the group, also the minority shares.

a. Profit and loss account

The operating income (excluding re-invoicing of costs for an amount of € 2.7 million) for the financial year amounted to € 20.2 million.

During the financial year € 19.8 million of rental income was collected, or 3.13% less than last year. This decrease is due to divestments of the previous financial year and the vacancy. The acquisitions of the financial year, i.e. Montoyer 63 and Square de Meeûs 5-6 SA, have only contributed to the rental income for slightly more than 6 months.

The occupancy rate amounted to 91.15%⁴ compared to 94.13% the previous financial year and the rental yield is 7.14%⁴ (7.70% on 30/06/04). This drop of the rental yield is the result of, among other things, the lower occupancy rate.

The operating result amounts to € 17.1 million compared to € 15.4 million per 30/06/04, which results in an increase of 10.9%. This rise is, despite the higher maintenance and renovation costs, explained by the withdrawal of provisions for an amount of € 2.84 million for maintenance and renovation costs. Per diluted⁵ share this results in an operating result of € 5.61 compared to € 5.45 on 30/06/04, or an increase of 2.9 % per diluted share.

The net financial result is € - 4.74 million and is lower than the € - 3.73 million of the previous financial year, exclusively due to one-off costs.

At the end of 2004, the Minister of Finance has communicated, in a circular letter, his decision on the calculation method of the exit tax. This allowed the withdrawal of provisions, formerly made for the exit tax, of € 0.73 million.

The important rise of the net profit is mainly due to the positive portfolio result of € 3.33 million (compared to a negative portfolio result of € 3.14 million the previous financial year), and is composed of realised gains on the one hand, and changes in the value of the portfolio, on the other hand.

⁴ The occupancy rate and the rental yield on 30/06/05 take into account the lease of Extensa Square I as from 01/07/05 and 100% of the building Square de Meeûs. Leasinvest Real Estate owns 50% + 1 share in Square de Meeûs 5-6 SA, which is fully consolidated. Excluding the lease of Extensa Square I the rental yield on 30/06/05 amounts to 6.74%.

⁵ As a result of the capital increase that took place for the acquisition of Montoyer 63, 418.850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.

- The realised gains amount to € 1.126 million and are the result of the sale of the long term lease receivables on the Committee of the Regions for the building situated rue de Trèves and the sale of the building situated Kontichsesteenweg 38A.

- The changes in the value of the portfolio are € 2.2 million, which is mainly the result of gains on the retail portfolio on the one hand, and losses on office buildings in the decentralised zone and in Ghent, on the other hand. The increase in value of the buildings Avenue Louise 250, Avenue Louise 66 and the Prins Boudewijnlaan were compensated by the activated costs for value creating investments.

The financial year closed on a net current profit of € 12.67 million, or 10.3 % higher than the previous financial year and a net profit, share of the group, of € 15.3, million, which results in a rise of 83.7%. Per diluted⁶ share the net current profit is € 4.16 (compared to € 4.06 the previous financial year), or an increase of 2.5% and the net profit, share of the group, € 5.03 (compared to € 2.95 on 30/06/04) or a rise of 70.5%.

Thanks to important realised gains, the net cashflow⁷ amounts to € 15 million, or an increase of 19%. The net cashflow per diluted⁶ share is € 4.92 compared to € 4.45 on 30/06/04.

Equity excluding dividend ended at € 176.8 million, which results in a net asset value per share (excluding dividend) of € 54.40 on 30/06/05, compared to € 52.62 the previous year.

The investment value of the real estate portfolio was estimated by the real estate experts at € 275.46 million, after acquisition of the building Montoyer 63 and Square de Meeûs 5-6 and after the sale of a building and the long term lease receivables. The debt ratio fell from 41.06% to 32.23% due to the sale of the long term lease receivables at the end of the financial year.

Major events in financial year 2004/2005

a. Conclusion of a framework agreement with AXA Belgium SA

On 16/07/04, a framework agreement was entered into between Leasinvest Real Estate, Leasinvest Real Estate Management SA, Leasinvest SA and AXA Belgium SA (hereafter 'AXA') in order to support the growth of the real estate portfolio of Leasinvest Real Estate.

⁶ As a result of the capital increase that took place for the acquisition of Montoyer 63, 418,850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.

⁷ Net cash flow = net current result plus additions to losses on commercial amounts receivable and the additions to and withdrawals on provisions, plus the gains or losses realised on the portfolio, plus the extraordinary result.

This framework agreement provides that AXA will participate in the capital of Leasinvest Real Estate by future contributions of real estate against the creation of new shares of Leasinvest Real Estate. If the planned investment is fully realised, Leasinvest SA and AXA will each own a stake of approximately 29% in Leasinvest Real Estate. In the meantime AXA has a participation of 9.23% in Leasinvest Real Estate following the acquisition of 300,000 shares created as a result of the partial splitting-up mentioned hereafter, which is considered as part of the execution of the committed investment program by AXA, resulting in the fact that AXA does not have to make contributions in real estate anymore for the amount of the acquired shares.

The shareholder structure of the statutory manager will remain unchanged as a 100% subsidiary of Leasinvest SA. However, AXA will be represented on the Board of Directors of the statutory manager.

b. Acquisition of the building Montoyer 63

On 23/12/04 Leasinvest Real Estate has acquired a second office building in the Lepold District, i.e. the building situated Rue Montoyer 63 in 1000 Brussels, which is entirely let to the European Parliament. The building has been acquired by Leasinvest Real Estate as the result of the partial splitting-up of Leasinvest SA. As a result, the registered capital of Leasinvest Real Estate has been increased by € 4,605,696.08, to bring it to € 35,728,606.29, represented by 3,249,221 shares.

The 418,850 new shares have been issued to the shareholders of Leasinvest SA: the Société Nationale d'investissement SA and Urbaninfra, and they entitle to a participation in the profit as from 23/12/04.

c. Take-over of the majority of the shares in Square de Meeûs 5-6 SA

Leasinvest Real Estate has acquired, on 19/11/04, through the take-over of the majority of the shares of the 'Société Anonyme' Square de Meeûs 5-6, the control over a very well situated office building in the Leopold District. The building is entirely let to a diplomatic Representation with the European Union and an international association.

Leasinvest Real Estate acquired, jointly with partner AXA, 80% of the shares in Square de Meeûs 5-6 (50.07% for Leasinvest Real Estate and 29.93% for AXA).

d. Sale of the long term lease receivables of Rue de Trèves

During the financial year 2003–2004, Leasinvest Real Estate has entered into a long term lease with purchase option, with the Committee of the Regions of the European Union, for a duration of 27 years, concerning the building situated rue de Trèves in the Leopold District. The long term lease has started on 01/02/2005.

Leasinvest Real Estate has sold, on 23/06/2005, without recourse, the long term lease receivables to ING Belgium SA. At the same time, the relative interest hedging contract concluded at the time has been sold. The net impact of these operations has positively influenced the portfolio result and consequently the net result on 30/06/2005 for an amount of € 0.95 million.

e. Sale of Kontichsesteenweg 38A in Aartselaar

Leasinvest Real Estate has sold the building situated Kontichsesteenweg 38A in Aartselaar on 15/04/05 resulting in the realisation of a small gain.

f. Extensa Square I entirely let after the departure of Mobistar

Leasinvest Real Estate has entirely let the building Extensa Square I, rue Colonel Bourg 153-155, as from 1 July 2005, to a financial institution and a professional federation. This letting is an important commercial achievement for Leasinvest Real Estate, taking into account the difficult market conditions in the decentralized zone of Brussels. The building, which accounted for 7.9% of annual rental income, was previously let to Mobistar.

Important events that have occurred after the end of the financial year

After the accounts were closed, no exceptional events or circumstances arose which might have a fundamental influence on the results or the further development of Leasinvest Real Estate.

Appropriation of the result – dividend payment

The profit for appropriation from the current financial year 2004/2005 is € 13,296,830.68. Taking into account the profit brought forward from the previous financial year of € 3,988,641.75 and a withdrawal from the equity (on the reserves) of € 4,720,699.99, this results in a profit for appropriation of € 22,006,172.42

The Board of Directors of the Statutory Manager proposes to the ordinary general meeting of shareholders to appropriate the profit of € 22,006,172.42 as follows:

- € 10,677,697.23 to be carried forward to the next year and
- € 11,328,475.19 to pay out as dividends.

The proposed dividend represents a payout ratio of 92.9% of the result for distribution (compared to 93.06% last year) and is considerably higher than the minimum 80% as imposed by the Royal Decree of 10 April 1995 on Belgian real estate closed-end funds (sicafi/bevak).

Consequently, the gross dividend is € 3.72 (compared to € 3.73 gross last year) and € 3.16 net, free of withholding tax (compared with € 3.17 net last year), amounts according to the participation in the dividends of all 3,249,221 shares⁸.

Subject to the approval of the ordinary general meeting, dividends will be paid out on presentation of coupon n° 6 as from 24/10/05 at branches of ING Bank, Dexia Bank, Fortis Bank and Bank Degroof.

Outlook

Due to the important present debt capacity, Leasinvest Real Estate will look into further acquisitions. Future investments will aim at improving its financial ratios and compensate partially the dilution, resulting from the capital increase from the Montoyer 63 acquisition.

International Financial Reporting Standards (IFRS)

As from the financial year starting 01/07/2005 and ending 30/06/2006, Leasinvest Real Estate will draw-up its figures and report according to IFRS.

Annual brochure

The annual brochure, comprising the annual accounts, the annual report and the auditor's report, will be available from 30/09/2005 and can be obtained on request from the following address:

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Leasinvest Real Estate

Real estate fund Leasinvest Real Estate SCA invests mainly in high-quality and well-situated office buildings (75%) in and around Brussels (78%).

The **investment value** on 30/06/05 was € 275.46 million. The portfolio represents an area of more than 180,000 m², in 13 different locations and spread across 37 buildings.

The real estate fund is listed on the Euronext in the Next Prime segment and was included, in January 2005, in the EPRA Eurozone Total Return Index.

⁸ As a result of the capital increase that took place for the acquisition of Montoyer 63, 418.850 shares were created. These will participate in the dividends as from 23/12/2004. The results per diluted share are calculated taking into account the pro rata of the number of shares.



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