



Press Release
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PRESS RELEASE

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Leasinvest Real Estate – Audited annual results for financial year 2003/2004 (period from 1 July 2003 to 30 June 2004)

Brussels, 27 August 2004

Key figures

In the context of the simplification of the group structure, Leasinvest Real Estate merged, during the past year, its 2 subsidiaries, Brussimmo SA and Ekiport SA by absorption. These subsidiaries have been accounted in the past via integral consolidation which makes that the statutory figures as of 30/06/2004 are fully comparable with the consolidated figures for 2002/2003 and 2001/2002.

Key figures

	Statutory 1/07/2003- 30/06/2004	Conso 1/07/2002- 30/06/2003	Conso 1/07/2001- 30/06/2002	Statutory 1/07/2000- 30/06/2001	Statutory 1/07/1999- 30/06/2000
Investment value of the portfolio (EUR)	257,488,000	266,079,000	269,519,000	200,944,970	177,288,491
Liquidation value of the portfolio (EUR) (1)	227,865,000	235,468,141	238,512,389	177,827,407	156,892,470
Number of shares	2,830,371	2,830,366	2,830,366	2,725,624	2,525,124
Net asset value (NAV) (EUR) (2)	148,944,748	151,287,586	152,819,886	145,525,712	134,161,935
Net asset value per share (EUR) (2)	52.62	53.45	53.99	53.39	53.13
Net asset value per share (EUR) (3)	56.35	57.55	57.95	57.19	56.81
Occupancy rate (4)	94.13%	96.24%	97.11%	94.20%	92.30%
Occupancy rate (5)	94.43%	97.77%	100.00%	98.50%	98.00%
Rental yield (4)	7.7%	7.85%	7.77%	7.51%	7.23%
Rental yield (5)	7.71%	7.97%	8.01%	7.86%	7.69%
Debt ratio (6)	41.06%	41.38%	44.94%	27.28%	25.65%
Pay out ratio (%)	93%	93%	93%	92%	89%
Dividend growth (%)	-9.02%	3.54%	4.21%	3.26%	
Dividend yield (%) (7)	6.75%	7.74%	7.62%	7.75%	7.07%

(1) liquidation value is the estimated value, after deduction of 13% costs

(2) ex-dividend

(3) including dividend

(4) excluding rental guarantee

(5) including rental guarantee

(6) including provisions for exit tax for 30/06/02 and 30/06/03 and 30/06/04

(7) Gross dividend / average share price

Note: for 30/06/2002 and 30/06/2003 the figures are consolidated (incl. Brussimmo SA and Ekiport SA)



Balance sheet and profit and loss account

Balance sheet (x 1,000 EUR)

	Statutory 1/07/2003- 30/06/2004	Conso 1/07/2002- 30/06/2003	Conso 1/07/2001- 30/06/2002	Statutory 1/07/2000- 30/06/2001	Statutory 1/07/1999- 30/06/2000
ASSETS					
FIXED ASSETS	258,161	266,079	269,519	200,945	177,288
Tangible assets	257,488	266,079	269,519	200,945	177,288
Fixed financial assets	673				
CURRENT ASSETS	9,443	8,972	19,254	5,353	8,277
Amounts receivable after more than 1 year	78	131	205	274	225
Amounts receivable within 1 year	2,519	3,501	6,714	2,136	2,539
Investments, cash in hand and at bank	6,456	5,200	11,947	2,729	5,450
Deferred charges and accrued income	390	140	388	214	63
TOTAL ASSETS	267,604	275,051	288,773	206,298	185,565
LIABILITIES					
CAPITAL AND RESERVES	148,945	151,287	152,820	145,526	134,162
PROVISIONS	3,573	4,173	2,476	669	543
DEBTS	115,086	119,591	133,477	60,103	50,860
Financial debts after more than 1 year	41,550		7,475	46	46
Financial debts within 1 year	50,137	98,180	89,463	44,240	34,896
Trade debts and taxes	5,205	3,422	2,464	2,240	3,197
Other debts	12,250	12,476	28,278	9,744	9,463
Accrued charges and deferred income	5,944	5,513	5,797	3,833	3,258
TOTAL LIABILITIES	267,604	275,051	288,773	206,298	185,565
Solvency (%)	55.66	55.00	52.92	70.54	72.30
Debt ratio (%) (1)	41.06	42.33	44.94	27.28	25.65

(1) Excluding accrued charges and deferred income
for 30/06/2002, 30/06/2003 and 30/06/2004: including provisions for exit tax for € 2,108,040, 2,364,978 € and 734,352 € respectively

Results (x 1,000 EUR)	Statutory 1/07/2003- 30/06/2004	Conso 1/07/2002- 30/06/2003	Conso 1/07/2001- 30/06/2002	Statutory 1/7/2000- 30/06/2001	Statutory 1/7/1999- 30/06/2000
NET CURRENT RESULT					
Operating income	22,689	23,955	20,265	15,822	15,424
Operating charges	-7,262	-7,007	-5,015	-4,342	-3,929
Operating result	15,427	16,948	15,250	11,480	11,495
Financial income	1,384	1,363	1,471	819	121
Financial charges	-5,117	-5,427	-4,316	-2,504	-1,249
Taxation	-209	-142	-10	646	48
Net current result	11,485	12,742	12,395	10,441	10,415
PORTFOLIO RESULT					
Gain or loss on disposal of elements of the portfolio	-140	109			
Reversal of changes in market value previously recorded on elements of the portfolio disposed of during the financial year		-84			
Change in market value of elements of the portfolio	-3,000	-2,702	429	613	2,598
Real estate in portfolio at the end of the financial year	-2,793	-2,702	429	613	2,598
Reversal of changes in market value previously recorded on elements of the portfolio disposed of during the financial year (1)	-207				
Portfolio result	-3,140	-2,677	429	613	2,598
EXTRAORDINARY RESULT					
Extraordinary income		7			
Extraordinary charges			-19		
Profit of the financial year	8,345	10,072	12,806	11,054	13,013

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

Notes to the balance sheet and profit and loss account for the financial year 2003/2004

The operating income (excluding re-invoicing of costs for an amount of € 2.10 million) amounted to € 20.6 million.

During the financial year, an amount of € 20.4 million was collected in rent (excluding rental guarantees¹), or 2.26% less than last year. This decrease is mainly a consequence of the slightly higher vacancy rate compared with last year and the loss of rental income as a result of sales of buildings during this and the last financial year.

The occupancy rate amounted to 94.13% (excluding rental guarantees) compared with 96.24% during the past financial year and the rental yield was 7.70% (7.85% on 30/06/2003).

The operating result is € 15.4 million compared with € 16.9 million on 30/06/2003, or a fall of 8.97%, due to the lower income mentioned above, due to more maintenance and renovation work carried out and one-off costs². Per share, this is an operating result of € 5.45 (€ 5.99 on 30/06/2003).

The net financial result improved and amounted to € -3.7 million, (8.12% lower than last year), mainly due to the effect of lower interest rates, good interest rate risk management and slightly lower debt.

The financial year ended with a net current result of € 11.5 million or € 4.06 per share (€ 4.50 on 30/06/2003) and a net profit of € 8.3 million, which results in a net profit per share on 30 June 2004 of € 2.95 compared to € 3.56 the previous year. The difference between the two is the negative contribution of the fluctuations in the value of the portfolio, amounting to € 3 million. The downward correction on the portfolio reflects the state of the overall real estate market. Values were written down on the buildings Extensa Square (Evere), Riverside Business Park (Anderlecht) and Axxes Business Park (Ghent), which could not be offset by a substantial revaluation of the building rue de Trèves, let for 27 years to the Committee of the Regions of the European Union.

The net cash flow³ per share (CFS) was € 4.45 compared with € 5.04 on 30/06/2003.

Capital and reserves ended the financial year at € 148.9 million, which represents a net asset value per share (excluding dividend) on 30 June 2004 of € 52.62, compared with € 53.45 the

¹ The rental guarantees, of which the term has expired in the meanwhile, amounted to € 8,364.91 during the past financial year.

² One-off costs concern real estate agents' costs for the transaction with the Committee of the Regions of the European Union and costs connected to the merger of Leasinvest Real Estate with its two subsidiaries.

³ 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.

previous year. The negative fluctuation in the market value of the portfolio explains this decrease.

The investment value of the real estate portfolio was estimated by the real estate valuers at € 257.5 million, after sales of the buildings mentioned hereafter. This means that the value of the portfolio on a comparable basis is € 1,719,000 or 0.66% less than the investment value on 30/06/2003. The liquidation value⁴ of the portfolio is € 227.9 million EUR. The debt level fell from 41.38%⁵ to 41.06%⁵.

Major events in financial year 2003/2004

During the financial year, Leasinvest Real Estate entered into a 27 year longterm lease with purchase option with the Committee of the Regions of the European Union for the building located on the corner of rue de Trèves and rue Belliard in Brussels. This lease comes into effect on 1 February 2005. As a result of this, the building has been substantially revalued.

In the past financial year 2003/2004, no investments were made.

A number of smaller properties in the portfolio were sold with a slight loss. This concerned the properties at Britselei 3-9 and Mechelsesteenweg 30-34 in Antwerp and Kontichsesteenweg 17 & 38 in Aartselaar. These sales are the result of a dynamic portfolio management.

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, with the exception of what is stated below.

On 16 July 2004, a framework agreement was entered into between Leasinvest Real Estate, its statutory manager Leasinvest Real Estate Management SA, Leasinvest SA and AXA Belgium SA in order to support the growth of the real estate portfolio of Leasinvest Real Estate.

This framework agreement provides that AXA Belgium 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 made in full, Leasinvest SA and AXA Belgium will each own a stake of approximately 29% in Leasinvest Real Estate.

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

⁴ Liquidation value is the estimated value after deduction of 13% charges.

⁵ including provisions for exit tax.

This Head of Terms has been signed subject to the approval by the the Banking, Finance and Insurance Commission of the successive steps of the investment project.

Appropriation of the result – dividend payment

The total profit for appropriation from the current financial year 2003/2004 is € 14,545,925.58, including the profit brought forward from the previous financial year of € 3,201,125.59.

Leasinvest Real Estate will propose to the general meeting of shareholders on 18 October 2004 to carry forward € 3,988,641.75 to next year and to pay out € 10,557,283.83 as dividends.

The proposed dividend represents a payout ratio of 93.06%, just like last year (93%), and is considerably higher than the minimum 80% as imposed by the Royal Decree of 10 April 1995 on real estate closed-end funds (sicafi/bevak).

Subject to approval, the dividend will be € 3.73 gross (compared with € 4.10 gross last year) and € 3.17 net, free of withholding tax (compared with € 3.49 net last year) for all 2,830,371 shares.

Dividends will be paid out on presentation of coupon No. 5 from 25 October 2004 onward at branches of ING Bank, Dexia Bank, Fortis Bank and Bank Degroof.

Outlook

During the last financial year, the company resisted well to the difficult market conditions. Thanks to the framework agreement signed recently with AXA Belgium SA, the Company will have the capacity to start a major investment programme that will have an impact in the next two years and will further improve its financial ratios.

Shareholder structure

The shareholder structure has been unchanged since 31/03/2004

	Number of shares	%
Leasinvest Group	1,154,047	40.77
Free float	1,676,324	59.23
Total	2,830,371	100.00



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Annual report (brochure)

The annual report (brochure) comprising the annual accounts, the annual report and the auditor's report, will be available from 30/09/2004 and can be obtained on request from the following address:

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Visit our **new site**: www.leasinvest-realestate.com (brochure download in investors, financial reports)

Leasinvest Real Estate

Real estate fund Leasinvest Real Estate SCA invests in high-quality office buildings located in the triangle **Brussels / Ghent / Antwerp**, as well as in high-quality, well-situated logistic buildings and retail premises.

The **investment value** on 30 June 2004 was € 257.5 million. The portfolio represents an area of more than 180,000 m², in 14 different locations and spread across 35 buildings.

The real estate fund is listed on the Euronext and was included in January 2002 in the Next Prime segment. Leasinvest Real Estate Comm. VA has a **market capitalisation** of € 162.5 million (value on 18 August 2004).

