



PRESS RELEASE

Notes of the manager on the past financial year 2018

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Notes of the manager on the past financial year 2018

For the financial year 2018 we record the following key data:

- The EPRA earnings[1] rise by 13.7% from € 27.5 million end 2017 to € 31.3 million (€ 6.03 per share vs € 5.57 per share)
- Dividend increases from € 5.00 to € 5.10 gross per share
- Debt ratio decreased from 57.14% to 53.53%
- Funding cost drops from 2.99% on 31/12/2017 to 2.59% end 2018
- Successful capital increase of € 84 million realized on 4 October 2018
- 3 important acquisitions: 2 additional EBBC buildings in the Grand Duchy of Luxembourg, Montoyer 14 in Brussels CBD and the iconic building Hangar 26-27 in Antwerp

MICHEL VAN GEYTE CEO:

"In 2018 Leasinvest Real Estate strengthened itself with the capital increase of € 84 million to further finance its growth. For the first time, the fair value of the portfolio has exceeded € 1 billion thanks to important acquisitions in the Grand Duchy of Luxembourg and in Belgium, that will contribute to a higher rental income in 2019."

[1] Alternative Performance Measures (APM) in the sense of the ESMA directive of 5 October 2015 in this press release are indicated with an asterisk (*) and are further explained in the annexes to this press release.

1. Activity report

Investments

Grand Duchy of Luxembourg

ACQUISITION IN BUSINESS PARK EBBC

On 19 December 2018 Leasinvest Real Estate has acquired 2 additional buildings in the EBBC Business park nearby Luxembourg's airport, via its 100% subsidiary Leasinvest Immo Lux. This acquisition represents an investment of € 64.1 million, with an initial yield of 6.25%. Both buildings are entirely leased and generate an annual rental income of approximately € 4 million.

European Bank & Business Center (EBBC) consists of a total of 6 office buildings with a global surface area of +/- 26,000 m² and benefits from a strategic location in the Luxembourg Airport district, at walking distance of Luxembourg airport. Given the importance of this district, it is also included in the tram expansion zone, that will make the park easily accessible by public transportation, both from the city centre and the business district "Kirchberg".

Belgium

ACQUISITION OFFICE BUILDING MONTOYER 14 IN CBD OF BRUSSELS

On 15 October 2018 Leasinvest Real Estate acquired 100% of the shares of the company NEIF Montoyer SPRL from the fund Next Estate Income Fund ("NEIF"), managed by BNP Paribas REIM Luxembourg. This company holds a leasehold with a remaining duration of 94 years on the office building Montoyer 14, situated at the angle of the rue Montoyer and rue de l'Industrie in BE-1000 Brussels. This transaction represents an investment of € 11.35 million, in line with the value estimated by the independent real estate expert.

After the departure of the current tenant (the United Nations) end 2018, Montoyer 14 will be entirely redeveloped into an office building, being the reference for newest technologies and sustainability. The project management is realized by promotor ION. The new building is expected to comprise approximately 4,000 m^2 of state-of-the-art office space and to be delivered beginning of 2022.

For Leasinvest Real Estate this is the third office project in the European district in Brussels in two years of time, after Treesquare (Square de Meeûs) and Montoyer 63 (rue Montoyer), and confirms the company's strategy to further develop its current offices portfolio with high-quality projects at top locations.

ACQUISITION HANGAR 26-27 IN ANTWERP

On 28 December 2018, Leasinvest Real Estate acquired the iconic building Hangar 26/27 in the Eilandje district in Antwerp, with on the one hand, a direct view on the river Scheldt, and on the other hand, on the MAS museum (Museum aan de Stroom).

This acquisition represents an investment of € 22.6 million, with an initial yield of 6.2%. The building has a surface area of 9,370 m^2 and is part of a concession agreement with AG Vespa. Currently, gradual renovation works are carried out to the building, that are completed for more than 50% and will be continued by Leasinvest Real estate. The building disposes of an additional development potential of 9,000 m^2 for retail and offices purposes.

The concession is acquired through the purchase of 100% of the shares of the company Carver BVBA – concession holder – that already carried out a large part of the renovation works to the existing building.

PARTICIPATION TO CAPITAL INCREASE OF BE-REIT (GVV/SIR) RETAIL ESTATES

Leasinvest Real Estate participated in April 2018 to the capital increase of Retail Estates, a BE-REIT (GVV/SIR) in which the company has a stake of a little over 10% for a while now. Leasinvest Real Estate subscribed all granted subscription rights for an amount of € 12.9 million and received 198,736 new shares of Retail Estates in exchange, that are fully entitled to dividends. The dividend amounted to € 3.60 per share end July.

Austria

ACQUISITION LAND RESERVE

On 18 December 2018, Leasinvest Real Estate has acquired a plot of land of circa 3,870 m^2 alongside the access road to the Frun Park in Asten for an amount of € 625.000, via its Austrian subsidiary Frun Park Asten GmbH. This land is expected to cover +/- 1,350 m^2 of commercial space to be developed. The acquisition of this plot of land represents a capital gain for the retail park that is already owned by the company.

Developments

Grand Duchy of Luxembourg

BOOMERANG STRASSEN SHOPPINGCENTER

The site of 22,721 m², located Route d'Arlon in Strassen, is partially redeveloped into a retail park that comprises, besides shops, also a restaurant. This site will become the largest retail park in the Luxembourg periphery at the important entrance to the city of Luxembourg.

After the redevelopment of the first phase delivered end 2017, the renovation of the parking and the office space (470 m²) have also been finalized and are occupied by different tenants.

The start of the following phase is foreseen in the course of 2021 after the departure of Bâtiself at the end of March of that same year. After the publication of a masterplan by the municipality in October 2018, a new general development plan is expected in the course of 2019, based on which a phased redevelopment plan will be prepared as of 2021 allowing Leasinvest Real Estate to offer an even better mix at the entrance to the city of Luxembourg.

SHOPPING CENTER POMMERLOCH

For the shopping center Pommerloch located in the North of the Grand Duchy of Luxembourg, nearby the Belgian border, the works for the new parking (Bastogne entrance) have started in January 2019.

Furthermore, some extensions (terraces/veranda) were built for current tenants (total of 240 m²), that will be occupied in the course of Q1 2019.

SHOPPING CENTER SCHMIEDE

The revamping and the renovation works of the shopping center Schmiede have started in September 2018. The renovation of the entrances to the parking was finalized mid-December 2018.

The profound renovation works start in the course of the first quarter of 2019, including an extension of 8,000 m² in order to offer more catering opportunities, shops and space for events. The delivery of this extension is foreseen in Q3 2021. In the meanwhile, the urban planning permit for these renovation works has been granted.

Belgium

OFFICE BUILDING TREESQUARE CBD BRUSSELS

The office building Treesquare located in the Brussels CBD, was entirely reconstructed.

An original architecture was chosen for Treesquare based on modularity and great attention for interior design. The different spaces and high-end finishing have contributed to attracting prime tenants for this building. A current occupation rate of 82% and the ongoing negotiations demonstrate the success of this development.

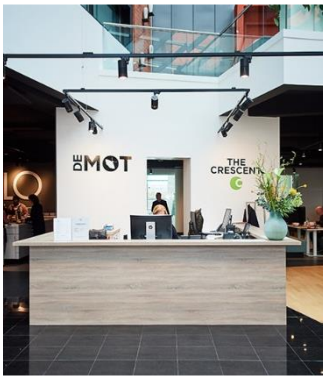
OFFICE BUILDING MONTOYER 63 CBD BRUSSELS

The Montoyer 63 office building was provisionally accepted end September 2018 by the European Parliament. The provisional acceptance represents the start of the 21-years usufruct period.

This building was constructed tailor-made according to the specifications of the European Parliament to realize a training center at walking distance of the Parliament.

The European Parliament currently conducts fitting out works in order to have the building operational in the spring of 2019.

BUSINESS CENTER THE CRESCENT EN CO-WORKING SPACE MOTSTRAAT MECHELEN



In the course of 2018 different new agreements could be concluded for the business center The Crescent in the building Motstraat at Malines.

The Crescent is a co-working & business center concept, focusing on community building, professional support and quality service.

The co-working space "De Mot" is based on this concept and was inaugurated by the mayor of Malines, Bart Somers, and is highly appreciated by the tenants of the building and other users.

The global occupancy rate consequently amounts at present to 92%.

This concept fits within the policy of renovation and redevelopment of buildings, that creates value.

Leases

Evolution occupancy rate

The occupancy rate remained stable (94.26%) on 31/12/2018.

Leases

GRAND DUCHY OF LUXEMBOURG

For the office building Mercator a new rental contract could be concluded for 2,770 m², for a 6.5-year period, the building consequently maintaining its 100% occupancy.

For the building located Rue Guillaume J. Kroll in the Cloche d'Or district, of which the tenant has left the building at the end of December 2018, a new rental agreement was concluded with Mazars Luxembourg SA for a fixed 9-year term, starting on 1 May 2019. This rental contract relates to 2,200 m² of office space and 69 parking spaces, and also comprises an option on the lease of the remaining office space (approximately 1,400 m²), of which 350 m² was already taken in Q4. The planned renovation works to the façade and the restaurant as well as the refurbishment of the outdoor space will be carried out in Q1 2019.

Shopping center Knauf Pommerloch in the North of the Grand Duchy of Luxembourg is still very appreciated by national and international retailers, with the opening of five new shops (SportsDirect, Cecil, Post shop, Okaïdi, Tendances). The shopping center keeps on attracting new brands and its occupancy rate remains high.

In Shopping center Knauf Schmiede the H&M store is extended by over 1,000 m² to 2,464 m² spread across 2 floors (end of the works Q1 2020) - i.e. the largest H&M store in the North of Luxembourg - and Delhaize will realize the largest supermarket in the Belux with an extension of 500 m² (end of the works Q4 2019).

In the EBBC buildings different extensions of rental contracts for nearly 1,000 m² could be concluded.

Finally, different requests for rental extensions are in an advanced stage of negotiation.

BELGIUM

For the Riverside Business Park in Anderlecht, a couple of important new rental contracts were concluded, resulting in a higher occupancy rate.

The Crescent business center with co-working space De Mot in Malines remains a success story. The occupancy rate increased again in the course of Q4 2018 and progresses from 87.22% on 30/09/2018 to 92% following the conclusion of a number of new services agreements.

The new-built project Treesquare in the CBD of Brussels, delivered earlier this year, is 82% leased on 31 December 2018. Furthermore, advanced negotiations with a number of potential tenants are ongoing.

For Tour & Taxis Royal Depot, the occupancy rate remains at a high level, thanks to a number of renegotiations and extensions.

AUSTRIA

The last units of the extension of over 1,000 m^2 of Frun® Park Asten were opened in the meantime and are fully leased. All rental contracts with existing tenants in the Frun® Park Asten that were to expire in 2018, have already been successfully extended in the first half-year, the occupancy rate of this retail park remaining 100%. The footfall has once again risen by 4% compared to the previous year.

Successful capital increase of € 83,960,790

In the course of September/October 2018 Leasinvest launched a capital increase of € 84 million, that was fully subscribed and led to an increase from 4,938,870 shares before the capital increase to 5,926,644 shares after the transaction.

In the meantime, the proceeds were already fully reinvested in new investments such as Montoyer 14, EBBC buildings A and C, Hangar 26/27, etc.

Corporate Governance

Composition of the board of directors of the statutory manager and its subcommittees

At the general meeting of Leasinvest Real Estate Management SA, statutory manager of Leasinvest Real Estate SCA, held on 22 May 2018, the following amendments to the board of directors were approved:

- The directors' mandates of Jan Suykens, Piet Dejonghe, Michel Van Geyte, Sonja Rottiers and Eric Van Dyck were extended for a period of 4 years, i.e. till the general meeting of May 2022 that will decide on the approval of the financial statements closed at 31 December 2021;
- The directors' mandate of Nicolas Renders – previously co-opted as director, to replace Guy Van Wymersch-Moons, who resigned as a director end October 2017 and whose mandate ended on 22 May 2018 – was also extended for a same 4-year period;
- Dirk Adriaenssen was nominated as a new director for an identical period.

Different mandates ended at that same general meeting, namely those of Michel Eeckhout, Mark Leysen and Jean-Louis Appelmans. Subsequently it was decided to nominate Jean-Louis Appelmans director again as of 1 June 2018, this time as a non-executive director, for a 1-year period, i.e. till the general meeting of May 2019.

The abovementioned changes also lead to amendments to the composition of the different subcommittees of the board of directors:

- The audit committee is still chaired by Sonja Rottiers, henceforth acting as an independent director. The other members are Dirk Adriaenssen and Piet Dejonghe.

- The nomination and remuneration committee is still chaired by Jan Suykens. The other members are Eric Van Dyck and Sonja Rottiers.

- The committee of independent directors is composed of Eric Van Dyck, Sonja Rottiers and Dirk Adriaenssen.

Changes in management and in the persons responsible for the internal control functions

Since 22 May 2018, Michel Van Geyte is permanent representative of the statutory manager and also CEO. He also remains an effective officer of Leasinvest Real Estate. Till 22 May 2018 Jean-Louis Appelmans was permanent representative of the statutory manager of Leasinvest Real Estate. He was also co-CEO until his retirement end May 2018.

Since his retirement, Jean-Louis Appelmans is no longer an effective officer, and he is replaced by Tim Rens, CFO of Leasinvest Real Estate.

Since 1 June 2018, Michel Van Geyte has taken over the internal audit function from Tim Rens. The latter became in his turn responsible for risk management of the BE-REIT (GVV/SIR), a function previously exercised by Jean-Louis Appelmans. The compliance officer is Paul Van Lierde since 1 June 2018, who took over this task from Jean-Louis Appelmans.

Since the departure of Sven Janssens[2], COO, end November 2018, the executive committee is composed of 2 persons: Michel Van Geyte, CEO, and Tim Rens, CFO.

Renewal of the auditor's mandate

The ordinary general meeting of 22/05/2018 approved the renewal of the mandate of Ernst & Young Réviseurs d'entreprises, represented by Mr Joeri Klaykens, and this for a term of 3 financial years, i.e. till the general meeting of May 2021.

Miscellaneous

EPRA Gold Award for Annual financial report 2017

For the 6th time in a row, Leasinvest Real Estate has been granted an EPRA Gold Award for its Annual financial report 2017. The award is granted to listed real estate companies that follow the EPRA Best Practices Recommendations, in view of improving transparency and comparability of data.

[2] Permanent representative of BVBA Okimono.

2. Consolidated Key figures

Key figures real estate portfolio (1)	31/12/2018	31/12/2017
Fair value real estate portfolio (€ 1,000) (2)	1 037 083	902 994
Fair value investment properties, incl. participation Retail Estates (€ 1,000) (2)	1 128 899	976 338
Investment value investment properties (€ 1,000) (3)	1 058 509	921 141
Rental yield based on fair value (4) (5)	6.45%	6.44%
Rental yield based on investment value (4) (5)	6.32%	6.32%
Occupancy rate (5) (6)	94.26%	94.80%
Average duration of leases (years)	4.34	4.74

(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 31/12/2018.

(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, de Crombrugghe & Partners, Stadim (BeLux) and Oerag (Austria).

(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 and the development projects.

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

The consolidated direct real estate portfolio of Leasinvest Real Estate end 2018 comprises 29 sites (including the development projects) with a total lettable surface area of 456,749 m². The real estate portfolio is geographically spread across the Grand Duchy of Luxembourg (54%), Belgium (36%) and Austria (10%).

The fair value of the real estate portfolio amounts to € 1.04 billion end 2018 compared to € 903 million end 2017. This increase is explained by the acquisitions of the EBBC buildings in the Grand Duchy of Luxembourg, the Montoyer 14 building in the CBD of Brussels and the iconic building Hangar 26-27 in Antwerp.

End 2018, the company disposes, after those transactions, of 51% offices in portfolio, 43% retail and 6% logistics (vs 45% offices, 48% retail and 7% logistics end 2017).

The global direct and indirect real estate portfolio (including the participation in BE-REIT (SIR/GVV) Retail Estates NV) reached a fair value of € 1.13 billion at the end of 2018.

The rental yield of the real estate portfolio in operation, based on the fair value, amounts to 6.45% (compared to 6.44% end 2017), and based on the investment value, to 6.32% (compared to 6.32% at the end of the previous year).

Key figures balance sheet	31/12/2018	31/12/2017
Net asset value group share (€ 1,000)	475 811	382 206
Weighted average number of shares after the capital increase on 04/10/2018	5 179 724	4 938 870
Net asset value group share per share	80.3	77.4
Net asset value group share per share based on investment value	83.9	81.1
Net asset value group share per share EPRA	88.7	84.0
Total assets (€ 1,000)	1 156 107	999 293
Financial debt	595 400	540 440
Financial debt ratio (in accordance with RD 13/07/2014)	53.53%	57.14%
Average duration credit lines (years)	3.11	3.34
Average funding cost (excl. fair value changes financial instruments)	2.59%	2.99%
Average duration hedges (years)	5.35	5.15

The figures per share mentioned have been calculated based on the weighted average number of shares after the capital increase on 04/10/2018 as of the results; as to balance sheet data (such as the net asset value per share) the total number of shares of 5,926,644 has been applied.

Key figures income statement	31/12/2018	31/12/2017
Rental income (€ 1,000)	56 209	56 892
Net rental result per share	10.81	11.52
EPRA Earnings* (1)	31 259	27 503
EPRA Earnings* per share (1)	6.03	5.57
Net result group share (€ 1,000)	38 194	47 545
Net result group share per share	7.37	9.63
Comprehensive income group share (€ 1,000)	34 338	49 983
Comprehensive income group share per share	6.63	10.12

(1) EPRA Earnings*, previously the net current result, consists of the net result excluding the portfolio result* and the changes in fair value of the ineffective hedges.

The net result, group share, amounts to € 38.2 million end 2018 compared to € 47.55 million end 2017. In terms of net result per share* this results in € 7.37 end 2018 compared to € 9.63 end 2017 (-23%).

The rental income has slightly decreased to € 56.2 million (- € 0.7 million) due to the sale of the Swiss portfolio and 5 logistics buildings in Belgium in the course of 2017, that was not entirely compensated by rental income from the buildings acquired in Luxembourg and in Austria in 2017. Moreover, most of the acquisitions of buildings in 2018 only took place at the end of the year, barely contributing to the results 2018. More important is the fact that the like-for-like rental income does increase, by € 1.7 million.

The property charges are € 1.2 million lower than in 2017, mainly because of less technical and vacancy costs.

The portfolio result* amounts to € 1.6 million end 2018 (2017: € 19.6 million), and mainly comprises capital gains on the Luxembourg and Austrian portfolios.

The financial result is significantly better than that of the previous year, also due to a higher dividend received from Retail Estates (+€ 1 million), lower interest charges (-€ 1.4 million) and the positive reevaluation of the participation in Retail Estates for an amount of € 5.6 million, that had to be booked via other comprehensive income according to IFRS, the previous financial year.

The comprehensive income group share* has decreased from € 50.0 million to € 34.3 million by a combination of a lower net result (-€ 9.4 million) and a lower amount (-€ 6.3 million) of other elements of comprehensive income.

The EPRA earnings* (previously the net current result) amount to € 31.3 million (or € 6.03 per share) end 2018, in comparison with € 27.5 million (or € 5.57 per share) end 2017.

EPRA performance measures	31/12/2018	31/12/2017
EPRA Earnings* (in € per share) (1)	6.03	5.57
EPRA NAV* (in € per share) (2)	88.69	83.99
EPRA NNNAV* (in € per share) (3)	82.27	77.14
EPRA Net Initial Yield* (in %) (4)	5.25%	5.22%
EPRA Topped up Net Initial Yield* (in %) (5)	5.23%	5.25%
EPRA Vacancy* (in %) (6)	5.73%	5.20%
EPRA Cost ratio* (incl. direct vacancy costs) (in %) (7)	26.06%	29.00%
EPRA Cost ratio* (excl. direct vacancy costs) (in %) (7)	24.45%	26.85%

(1) The EPRA Earnings*, previously net current result, consist of the net result excluding the portfolio result* and the changes in fair value of the ineffective hedges.

(2) EPRA Net Asset Value* (NAV) consists of the adjusted Net Asset Value*, excluding certain elements that do not fit within a financial model of long-term real estate investments; see also www.epra.com.

(3) EPRA NNNAV* (triple Net Asset Value*): consists of the EPRA NAV*, adjusted to take into account the fair value of the financial instruments, the debts and the deferred taxes; see also www.epra.com.

(4) EPRA Net Initial Yield* comprises the annualized gross rental income based on the current rents at the closing date of the financial statements, excluding the property charges, divided by the market value of the portfolio, increased by the estimated transfer rights and costs for hypothetical disposal of investment properties; see also www.epra.com.

(5) EPRA Topped up Net Initial Yield* corrects the EPRA Net Initial Yield* with regard to the ending of gratuities and other rental incentives granted; see also www.epra.com.

(6) EPRA Vacancy* is calculated on the basis of the Estimated Rental Value (ERV) of vacant surfaces divided by the ERV of the total portfolio; see also www.epra.com.

(7) EPRA Cost ratio* consists of the relation of the operating and general charges versus the gross rental income (including and excluding direct vacancy costs); see also www.epra.com.

3. Financial overview

Consolidated income statement (in € 1 000)

		31/12/2018	31/12/2017
(+)	Rental income	56 209	56 892
(+)	Write-back of lease payments sold and discounted	0	0
(+/-)	Related-rental expenses	-212	0
NET RENTAL INCOME		55 997	56 892
(+)	Recovery of property charges	172	174
(+)	Recovery income of charges and taxes normally payable by tenants on let properties	5 421	3 578
(-)	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	-5 421	-3 578
(+/-)	Other rental-related income and expenditure	-2 492	-3 214
PROPERTY RESULT		53 677	53 853
(-)	Technical costs	-1 147	-2 442
(-)	Commercial costs	-1 032	-882
(-)	Charges and taxes on un-let properties	-907	-1 226
(-)	Property management costs	-5 365	-4 935
(-)	Other property charges	-298	-438
PROPERTY CHARGES		-8 749	-9 922
PROPERTY OPERATING RESULT		44 928	43 931
(-)	Corporate operating charges	-2 798	-2 914
(+/-)	Other operating charges and income	-610	-453
OPERATING RESULT BEFORE RESULT ON THE PORTFOLIO		41 520	40 565
(+/-)	Result on disposal of investment properties	0	-2 798
(+/-)	Changes in fair value of investment properties	1 627	22 348
OPERATING RESULT		43 147	60 114
(+)	Financial income	4 918	3 887
(-)	Net interest charges	-13 565	-14 978
(-)	Other financial charges	-1 415	-1 364
(+/-)	Changes in fair value of financial assets and liabilities	5 428	492
FINANCIAL RESULT		-4 634	-11 963
PRE-TAX RESULT		38 513	48 152
(+/-)	Corporate taxes	-319	-607
(+/-)	Exit tax	0	0
TAXES		-319	-607
NET RESULT		38 194	47 545

The EPRA earnings* (previously the net current result) amount to € 31.3 million (€ 6.03 per share) end 2018 and have substantially risen in comparison with the previous year (€ 27.5 million or € 5.57 per share). Despite the slightly lower rental income, the EPRA Earnings increase, mainly due to lower property charges (- € 1.2 million), higher financial income (+ € 1.0 million) and lower financial charges (- € 1.4 million). It is also important to note that the EPRA Earnings per share are calculated based on the weighted average number of shares in 2018, which was higher in 2018, following the capital increase of October 2018 (5.2 million shares), than in 2017 (4.9 million shares).

The rental income has slightly decreased compared to the previous year: € 56.2 million in 2018 vs € 56.9 million in 2017. In the course of 2017, an important part of the portfolio was indeed sold, implying a lower income of € 6.4 million. On the other hand, there were also acquisitions in 2017 and 2018, but these only represented a rental volume of € 4.4 million. The provisional reception of the projects Treesquare and Montoyer allowed, to a large extent, for a compensation of this difference.

Like-for-like* the rental income has however increased by € 1.7 million (+ 2.94%), mainly in Belgium (+ € 1.0 million) and Luxembourg (+ € 0.6 million).

The gross rental yields remain nearly equal to those of end 2017 and amount to 6.45% (6.44% end 2017) based on the fair value, and to 6.32% (6.32% end 2017) based on the investment value; the occupancy rate has decreased from 94.8% end 2017 to 94.3% on 31/12/2018.

The property charges dropped (- € 1.2 million) from € -9.9 million end 2017 to € -8.7 million end 2018, mainly because of lower technical and vacancy costs. The property management costs and commercial costs, on the other hand, slightly rise. The corporate overheads are € 0.1 million lower than the previous year, mainly due to lower fees for consultants. The operating margin (operating result before the portfolio result/rental income) increases from 71.3% on 31/12/2017 to 73.9% on 31/12/2018.

The changes in fair value of the investment properties on 31/12/2018 amount to € +1.6 million (31/12/2017: € + 22.4 million) (or € -20.8 million). In 2017 this result was exceptionally high because of 2 positive one-off effects, namely the recycled capital gain from other comprehensive income on Lux Airport and the positive impact of the deferred taxes on the acquisition of the 2 Austrian retail buildings in Stadlau (Vienna).

The **financial result** amounts to € -4.6 million on 31/12/2018 in comparison with € -12.0 million for 2017. This result is composed as follows:

- Financial income of € 4.9 million on 31/12/2018 vs. € 3.9 million on 31/12/2017, entirely due to the higher dividend received from Retail Estates.
- Interests and other charges related to funding for € -15.0 million on 31/12/2018 vs € -16.3 million on 31/12/2017. Leasinvest could extend or renegotiate a number of credits at better conditions. On the other hand, the restructuring of the derivatives portfolio allows for an important drop of the related charges.
- Changes in fair value of the financial assets and liabilities: € + 5.4 million on 31/12/2018 vs € + 0.5 million on 31/12/2017. The reevaluation of the participation in Retail Estates (€ 5.6 million) has to be passed through the income statement as of 2018 in accordance with IFRS 9, while it was previously directly passed through equity.

The **corporate taxes** have decreased from € -0.6 million to € -0.3 million.

The **net result** over 2018 amounts to € 38.2 million compared to € 45.5 million on 31/12/2017. In terms of net result per share this results in € 7.37 per share on 31/12/2018 compared to € 9.63 on 31/12/2017.

Consolidated Balance sheet (in € 1 000)

ASSETS	31/12/2018	31/12/2017
I. NON-CURRENT ASSETS	1 116 270	979 104
Intangible assets	0	2
Investment properties	1 004 237	885 151
Other tangible assets	1 263	354
Non-current financial assets	92 974	75 757
Finance lease receivables	17 796	17 841
II. CURRENT ASSETS	39 837	20 188
Assets held for sale	15 050	0
Trade receivables	13 166	11 471
Tax receivables and other current assets	3 303	2 533
Cash and cash equivalents	7 403	5 702
Deferred charges and accrued income	915	482
TOTAL ASSETS	1 156 107	999 293

LIABILITIES	31/12/2018	31/12/2017
TOTAL SHAREHOLDERS' EQUITY	475 811	382 206
I. SHAREHOLDERS' EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT COMPANY	475 811	382 206
Capital	65 178	54 315
Share premium account	194 189	121 091
Purchase of treasury shares	-12	-12
Reserves	178 262	159 267
Translation differences	0	0
Net result of the financial year	38 194	47 545
II. MINORITY INTERESTS	0	0
LIABILITIES	680 296	617 086
I. NON-CURRENT LIABILITIES	385 013	384 626
Provisions - other	11	11
Non-current financial debts	334 509	348 156
- Credit institutions	312 359	251 168
- Other	22 150	96 988
Other non-current financial liabilities	35 625	33 696
Other non-current liabilities		
Deferred taxes	14 868	2 763
II. CURRENT LIABILITIES	295 283	232 460
Provisions		
Current financial debts	264 198	192 283
- Credit institutions	47 533	24 053
- Other	216 665	168 231
Other current financial liabilities	0	160
Trade debts and other current debts	17 698	28 193
- Exit tax	0	12 907
- Other	17 698	15 286
Other current liabilities	2 048	1 716
Accrued charges and deferred income	11 339	10 108
TOTAL EQUITY AND LIABILITIES VERPLICHTINGEN	1 156 107	999 293

At the end of the financial year 2018 **shareholders' equity**, group share (based on the fair value of the investment properties) amounts to € 475.8 million (year-end 2017 € 382.2 million). The net asset value per share excl. the influence of fair value adjustments to financial instruments and deferred taxes (EPRA)* stands at € 88.7 end 2018 in comparison with € 84.0 end 2017.

The **changes in fair value of the financial assets and liabilities** (IAS 39) passed through equity have dropped by € 2.2 million following a lower swap curve at the end of 2018. The negative market value of the hedges passed through equity amounts to - € 34.1 million end 2018 compared to - € 31.9 million at the end of the previous financial year.

The costs of the capital increase (€ 1.6 million) were also directly passed through equity in accordance with IFRS.

End 2018 the net asset value per share stands at € 80.3 (31/12/17: € 77.4). The EPRA NAW on the other hand, amounts to € 88.7 (2017: € 84.0), and the closing price of the Leasinvest Real Estate share on 31 December 2018 amounted to € 87.40, or a discount of 1.5%.

End 2018 the debt ratio after the capital increase of October 2018 and the different investments of Q4 2018 amount to 53.5% (57.1% per end 2017).

This means that the nominal **financial debts** recorded in the balance sheet per 31/12/2018 amount to € 595.4 million, which represents an increase of € 55.0 million compared to € 540.4 million at the end of the previous financial year.

4. Management of financial resources

In 2018 3 credit lines for a total amount of € 55 million expired. 2 of these credit lines were extended at better conditions. A third credit line (€ 25 million) was not extended but was replaced in January 2019 by a new credit line of € 30 million at better conditions. The average duration consequently stands at 3.11 years.

In the course of 2018 an important restructuring of the derivatives portfolio also took place. This resulted in a significant drop in the average funding cost from 2.99% per end 2017 to 2.59% end 2018. In the last quarter 2018 a number of new *forward starting* derivatives were bought, allowing Leasinvest to secure the current low interest rates for a longer term. The average duration of the derivatives consequently amounts to 5.35 years at present.

5. Important events after the closing of the financial year 2018

LUXEMBOURG – SALE OF 2 FLOORS IN THE BUILDING KENNEDY (KIRCHBERG)

On 17 January 2019, 2 floors in the office building Kennedy in the Grand Duchy of Luxembourg were sold to Ceetrus for a total amount of € 15.9 million, which is higher than the fair value estimated by the independent real estate expert.

These buildings were already recorded in the item 'assets held for sale' on 31 December 2018.

6. Outlook for the financial year 2019

Subject to extraordinary circumstances, Leasinvest expects that the rental income in 2019 will be higher than in 2018, while the financial costs remain at a level comparable to that of 2018. However, after the capital increase of 2018, the results are divided over 5,9 million shares in 2019 rather than over 5,2 million shares, being the weighted average number in 2018.

In these circumstances, a dividend is forecasted that will at least be equal to the dividend over the financial year 2018, namely € 5.10 per share.

7. Appropriation of the result – dividend payment

The board of directors of the statutory manager proposes to the ordinary general shareholders' meeting to pay the following dividends[3]:

- To the existing shareholders before the capital increase of 2018 (holding coupon no 23 detached on 19 September 2018), a proportional dividend of € 3.78 gross per share;
- To all shareholders holding coupon 24 (currently still attached to all shares), a dividend of € 1.32 gross per share.

That way, a dividend of € 5.10 gross per share is distributed to all existing shareholders before the capital increase of 2018, which implies an increase of 2% compared to the dividend of last year.

Subject to the approval of the ordinary general shareholders' meeting of 20 May 2019, dividends will be paid out on presentation of coupons no 23 and 24 as of 27 May 2019 at the financial institutions Bank Delen (main paying agent), ING Bank, Belfius Bank, BNP Paribas Fortis Bank and Bank Degroof.

8. Statement without reservation of the auditor

The auditor Ernst & Young Réviseurs d'entreprises, represented by Mr Joeri Klaykens, has confirmed that his audit of the consolidated financial statements, established according to the International Financial Reporting Standards as adopted by the European Union, has been fully completed and has not shown any important corrections, which should be made to the accounting data, adopted from the consolidated financial statements, and presented in this press release.

[3] Subject to 30% withholding tax.

9. Financial calendar

29/03/2019	Annual financial report 2018
20/05/2019	Interim statement Q1 (31/03/2019)
20/05/2019	Annual meeting of shareholders
27/05/2019	Dividend payment
23/05/2019	Ex-date
24/05/2019	Record date
21/08/2019	Half-year financial report 2019
14/11/2019	Interim statement Q3 (30/09/2019)
19/02/2020	Annual results 2019 (31/12/2019)

10. Annual financial report

The annual financial report regarding the financial year 2018 in the form of a brochure, which comprises the annual financial statements, the annual report and the report of the auditor, is available as from 29/03/2019 (PDF online on the website) and can be obtained, on simple demand, at the following address:

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On LEASINVEST REAL ESTATE SCA

Leasinvest Real Estate SCA is a Public BE-REIT (SIR/GVV) that invests in high quality and well-located retail buildings and offices in the Grand Duchy of Luxembourg, Belgium and Austria.

At present, the total fair value of the directly held real estate portfolio of Leasinvest amounts to € 1.04 billion, spread across the Grand Duchy of Luxembourg (54%), Belgium (36%) and Austria (10%).

Moreover, Leasinvest is one of the most important real estate investors in Luxembourg.

The public BE-REIT is listed on Euronext Brussels and has a market capitalization of € 561 million (value on 19 February 2019).

ANNEX 1:
Detail of the calculations
of the EPRA performance indicators

EPRA earnings

EPRA earnings (€ 1 000)	31/12/2018	31/12/2017
Net Result – Group share as mentioned in the financial statements	38 194	47 545
Net Result per share - Group share as mentioned in the financial statements (in €)	7.37	9.63
Adjustments to calculate the EPRA Earnings	-6 935	-20 042
To exclude:		
(i) Changes in fair value of investment properties and assets held for sale	-1 627	-22 348
(ii) Result on the sale of investment properties	0	2 798
(iii) Result on the sale of other real estate	120	
(vi) Changes in fair value of financial instruments and non-current financial assets	-5 428	-492
EPRA Earnings	31 259	27 503
Number of registered shares result of the period	5 179 724	4 938 870
EPRA Earnings per share (in €)	6.03	5.57

EPRA NAV

EPRA NAV (€ 1 000)	31/12/2018	31/12/2017
NAV according to the financial statements	475 811	382 206
NAV per share according to the financial statements (in €)	80.3	77.4
To exclude		
(i) Fair value of the financial instruments	34 929	32 630
(v.a) Deferred tax	14 868	-
EPRA NAV	525 608	414 836
Number of registered shares result of the period	5 926 644	4 938 870
EPRA NAV per share (in €)	88.7	84.0

EPRA Triple Net Asset Value

EPRA Triple Net Asset Value (€ 1 000)	31/12/2018	31/12/2017
EPRA NAV	525 608	414 836
Adjustments:		
(i) Fair value of the financial instruments	-34 929	-32 630
(ii) Revaluation of debts at FV	-3 087	-1 245
EPRA NNNAV	487 592	380 961
Number of registered shares result of the period	5 926 644	4 938 870
EPRA NNNAV per share (in €)	82.3	77.1

EPRA NIY & EPRA Topped up NIY

EPRA Net Initial Yield (NIY) and Topped up Net Initial Yield (topped up NIY) (€ 1 000)		31/12/2018	31/12/2017
Investment properties and assets held for sale		1 037 083	902 994
To exclude:			
Development projects		-11 727	-54 400
Real estate available for lease		1 025 356	848 594
Impact FV of estimated transfer rights and costs from hypothetical disposal of investment properties		-	-518
Estimated transfer rights and costs resulting from hypothetical disposal of investment properties		21 426	7 598
Investment value of properties available for lease	B	1 046 782	855 674
Annualized gross rental income		65 170	56 892
Annualized property charges		-10 209	-12 253
Annualized net rental income	A	54 961	44 639
Gratuities expiring within 12 months and other lease incentives		-257	293
Annualized and adjusted net rental income	C	54 704	44 932
EPRA NIY	A/B	5.25%	5.22%
EPRA Topped up NIY	C/B	5.23%	5.25%

EPRA Vacancy 2018

EPRA Vacancy (€ 1 000)		31/12/2018			
		Offices	Logistics	Retail	Total
Rental surface (in m^2)		167 070	108 931	184 605	460 606
Estimated Rental Value of vacant spaces	A	2.93	0.20	0.70	3.83
ERV of total portfolio	B	33.33	4.18	29.30	66.81
EPRA Vacancy	A/B	8.79%	4.78%	2.39%	5.73%

EPRA Vacancy 2017

EPRA Vacancy (€ 1 000)		31/12/2017			
		Offices	Logistics	Retail	Total
Rental surface (in m^2)		163 581	132 831	188 733	485 145
Estimated Rental Value of vacant spaces	A	1.90	0.26	0.53	2.69
ERV of total portfolio	B	24.03	4.13	23.57	51.73
EPRA Vacancy	A/B	7.91%	6.30%	2.25%	5.20%

EPRA cost ratio

EPRA cost ratio (€ 1 000)		31/12/2018	31/12/2017
Other rental-related income and expenses		-2 492	-3 213
Property charges		-8 749	-9 922
General corporate overhead		-2 798	-2 913
Other operating charges and income		-610	-453
EPRA costs including rental vacancy costs	A	-14 649	-16 501
Direct costs of rental vacancy		907	1 226
EPRA costs excluding rental vacancy costs	B	-13 742	-15 275
Rental income	C	56 209	56 892
EPRA Cost ratio (including direct vacancy)	A/C	-26.06%	-29.00%
EPRA Cost ratio (excluding direct vacancy)	B/C	-24.45%	-26.85%

ANNEX 2:
Detail of the calculations of the Alternative Performance Measures[4] (APMs) used by Leasinvest Real Estate

Result on the portfolio

Result on the portfolio (€ 1 000)	31/12/2018	31/12/2017
Result on sale of investment properties	-	-2 798
Changes in fair value of investment properties	6 498	24 594
Latent taxes on portfolio result	-4 871	-2 246
Result on the Portfolio	1 627	19 550

Net result – group share (amount per share)

Net result – group share (amount per share)	31/12/2018	31/12/2017
Net Result - group share (€ 1000)	38 194	47 545
Number of registered shares in circulation	5 179 724	4 938 870
Net Result - group share per share	7.37	9.63

Net Asset value based on fair value (amount per share)

Net Asset value based on fair value (amount per share)	31/12/2018	31/12/2017
Shareholders' equity attributable to the shareholders of the parent company (€ 1000)	475 811	382 206
Number of registered shares in circulation	5 926 644	4 938 870
Net Asset Value (FV) group share per share	80.3	77.4

[4] Excluding the EPRA performance measures that are also considered as APM and are reconciled in Annex 1 Detail of the calculations of the EPRA performance measures above.

Net Asset Value based on investment value (amount per share)

Net Asset Value based on investment value (amount per share)	31/12/2018	31/12/2017
Shareholders' equity attributable to the shareholders of the parent company (€ 1000)	475 811	382 206
Investment value of the investment properties per 31/12 (€ 1000)	1 058 509	921 141
Fair value of the investment properties per 31/12 (€ 1000)	1 037 083	902 994
Difference Investment value – Fair value per 31/12 (€ 1000)	21 426	18 147
TOTAL	497 237	400 353
Number of registered shares in circulation	5 926 644	4 938 870
Net Asset Value (IV) group share per share	83.9	81.1

Changes in gross rental income at constant portfolio (like-for-like)

Changes in gross rental income at constant portfolio (like-for-like)	31/12/2018 vs 31/12/2017	31/12/2017 vs. 31/12/2016
Gross rental income at the end of the previous reporting period (€ 1000)	56 892	56 468
Changes 2017 – 2018 to be excluded	-2 035	1 962
- Changes following acquisitions	4 371	3 579
- Changes following divestments	-6 406	-1 617
Gross rental income at closing date reporting period (€ 1000)	56 513	56 892
Change like for like (€ 1000)	1 656	-1 538
Change like for like (%)	2.9%	-2.7%

Average funding cost in %

Average funding cost in %	31/12/2018	31/12/2017
Interest charges on an annual basis (€ 1000)	-13 545	-14 905
Commitment fees on an annual basis (€ 1000)	-1 095	-1 127
Interest paid incl. commitment fees on an annual basis (€ 1000)	-14 640	-16 032
Weighted average drawn debt (€ 1000)	564 746	536 071
Average funding cost in %	2.59%	2.99%

Comprehensive income – Group share (amount per share)

Comprehensive income – Group share (amount per share)	31/12/2018	31/12/2017
Net result - Group share (€ 1000)	38 194	47 545
Other elements of comprehensive income	-3 856	2 437
Changes in the effective part of the fair value of authorized cash flow hedges according to IFRS	-2 212	11 367
Changes in the effective part of the fair value of financial assets available for sale	0	-9 211
Changes in the reserve for treasury shares	0	281
Other	-1644	0
Comprehensive income – Group share	34 338	49 983
Number of registered shares in circulation	5 179 724	4 938 870
Comprehensive income – Group share per share	6.63	10.12