

# press release

Regulated information  
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## Leasinvest Real Estate acquires the iconic building Royal Depot on the Tour & Taxis site in Brussels

On 17 December 2015 Leasinvest Real Estate acquires the **Royal Depot** on the **Tour & Taxis** site in Brussels.

### **Structure**

On 17 December 2015 Leasinvest Real Estate (Leasinvest) has acquired the entirety of the shares of T&T Royal Depot SA (TTRD) from Extensa Group SA, owner of the emblematic building called 'Royal Depot', on the basis of a long-term lease initially granted by the Port of Brussels<sup>1</sup>.

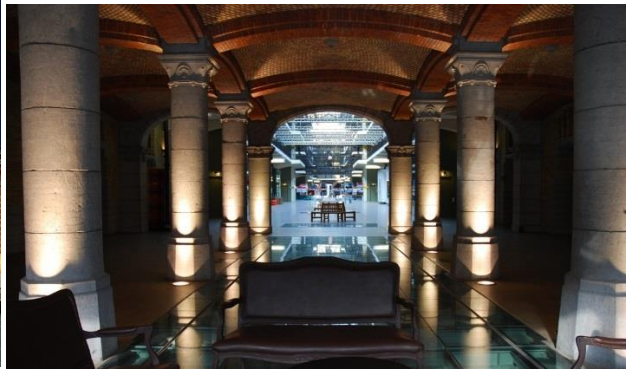
The Royal Depot was built between 1904 and 1906 based on a design of the architect Ernest Van Humbeek. It was inaugurated in 1910 by King Leopold II and was used for long-term storage of goods under government supervisions. The Royal Depot was entirely renovated in 2000 into a multifunctional and multi-tenant building on 4 floors and commercial activities and horeca on the ground floor.

Ever since its renovation, the Royal Depot has been fully occupied and the average rent per m<sup>2</sup> 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 Leasinvest, 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 Leasinvest and fits within its strategy.

**Jean-Louis Appelmans**, CEO of Leasinvest Real Estate: *"The take-over of this iconic building is a unique opportunity for Leasinvest to acquire a real sustainable building that fits entirely within our strategy of expanding its real estate portfolio with well-located retail and office buildings. The acquisition of this historic building that comprises approximately 44,000 m<sup>2</sup> of offices, commercial spaces and archives, is the central pivot of the further to be developed Tour & Taxis site, due to its unique architecture and location. The € 6.1 million of annual rental income, spread over some 50 tenants, will therefore have a positive impact on the general profitability of Leasinvest as from 2016."*

<sup>1</sup> A subsidiary of Leasinvest will acquire the residual rights in 2016.



### ***Impact on the portfolio***

This acquisition represents a fair value of **€ 108 million<sup>2</sup>**, increasing the total fair value of the direct real estate portfolio of Leasinvest (excluding indirect real estate assets) to over **€ 865 million** by end 2015, spread over 42.5% retail, 41.7% offices and 15.8% logistics, located for 54% in the Grand Duchy of Luxembourg, 41% in Belgium and 5% in Switzerland. With the indirect real estate portfolio (mainly the stake in Retail Estates), the global direct and indirect real estate portfolio will amount to € 933 million.

This investment represents an initial yield of 5.61%, in line with market standards.

The Royal Depot has an **occupancy rate of 95.83%** with a very diversified rental risk profile of some **50 tenants**, among which law firms and media companies. The average duration of the rental contracts stands at 3.09 years.

The building consists of a total of **44,603 m<sup>2</sup>**, spread over offices, commercial spaces and archives.

### ***Funding***

The funding of this acquisition will entirely be secured by using undrawn available credit lines. The debt ratio will therefore temporarily increase to just above 58%, till after the planned divestment of the office project Royal20 in the Grand Duchy of Luxembourg, sold for future sale, immediately after its reception<sup>3</sup> foreseen by mid-2016, decreasing the debt ratio again below 55%, or in line with the level withheld by the board of directors of the statutory manager.

### ***Profitability of the operation***

This acquisition will contribute significantly to the profitability of Leasinvest and will more than compensate the expected decrease in rental income – due to the vacancy of the buildings Square de Meeûs (vacant since mid-2015) and Montoyer 63 (vacant as of July 2016), that will be entirely rebuilt as sustainable and well performing new buildings.

Except for extraordinary circumstances the net current result for 2016 will significantly increase by this acquisition, which will benefit the forecasted dividend over the financial year 2016.

#### **For more information, contact:**

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<sup>2</sup> 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 Leasinvest in accordance with article 49 of the law of 12 May 2014 on RREC.

<sup>3</sup> For more information on this, we refer to the press release of 18/05/2015 on the results over the first quarter of the financial year 2015 ([www.leasinvest.be](http://www.leasinvest.be)).

**Leasinvest Real Estate SCA**

*Public regulated real estate company (B-REIT) Leasinvest Real Estate SCA invests in high quality and well-located retail buildings, offices and logistics buildings in the Grand Duchy of Luxembourg, in Belgium and in Switzerland.*

*At present the total fair value of the directly held real estate portfolio of Leasinvest amounts to over € 865 million spread across the Grand Duchy of Luxembourg (54%), Belgium (41%) and Switzerland (5%). Moreover, Leasinvest is the largest real estate investor in Luxembourg.*

*The total portfolio is invested in retail (42.5%), offices (41.7%) and logistics (15.8%).*

*The RREC is listed on Euronext Brussels and has a market capitalization of approximately € 436 million (value 16 December 2015).*