HOME INVEST BELGIUM
Housing life

INTERIM STATEMENT OF THE BOARD OF DIRECTORS

ACTUALISATION ON 31 MARCH 2011 OF THE VALUATION OF THE PORTFOLIO

Growth (+ 7.5%) of the fair value of the property portfolio[1]
Occupancy rate of 93.9%[2]
Net Asset Value reaches € 54.25, an increase by 5.5%[3]
Steady distributable result[3]

CONSOLIDATED PROPERTY PORTFOLIO

On 31 March 2011, the **fair value of the investment properties** of Home Invest Belgium am ounts to € 244.3 million[1], including the current development projects for an amount of € 11.1 million, compared to € 233.3 million at the end of December 2010 and in comparison with € 227.4 million on 31 March 2010, or a global progression by 7.5%, to be explained by:

- the investments of the Sicafi in the course of the last twelve months, and
- the positive change in fair value of the investment properties of the property portfolio for an amount of € 4.7 million compared to € 2.4 million a year before.

This growth has been curbed by the transfer of different buildings within the framework of the active arbitrage policy.

The average **occupancy rate** of Home Invest Belgium's portfolio in the course of this first quarter amounted to 93.9%, a decrease compared to 94.61% recorded for the entire financial year 2010 and compared to the occupancy rate of the first quarter of the financial year 2010 (95.22%); a little over 40% of this remaining vacancy can be attributed to the complex 'Résidences du Quartier Européen' (furnished apartments with service) on the one hand, and to the development projects Jourdan 85 and City Gardens (phase 2) recently completed and of which the commercialization is reaching its end, on the other hand.

CONSOLIDATED KEY FIGURES[4]

Equity

The total value of Home Invest Belgium's equity on 31 March 2011 amounts to € 158.3 million, or € 54.25 per share[5], compared to € 51.42 last year (+ 5.5%). These amounts do no longer comprise the dividend of the financial year 2010, or € 2.75 per share with full dividend rights, as the appropriation of the profit has become definitive since today's Ordinary general meeting.

The debt ratio of the Sicafi amounts to 35.55%[6] on 31 March 2011 compared to 36.60% a year before and to 33.98% on 31 December 2010, resulting in an additional investment capacity by external debt of +/- € 200 million based on the currently allowed ceiling of 65%, i.e. a growth potential of the portfolio of 82%. However, the Board of director's objective remains to keep the debt ratio below 50%, resulting in an additional investment capacity by external debt and without increase of the equity, of € 67 million.

[1] Excluding buildings held for sale.
[2] Average occupancy rate over the quarter, calculated based on the rents, including the rental guarantees on un-let spaces.
[3] In comparison with the situation on 31 March 2010.
[4] The figures on 31 March 2010 are restated in accordance with the provisions of annex C of the RD of 7 December 2010; some of these figures consequently diverge from those published before.
[5] Calculated excluding the 12 912 shares held in auto-control by Home Invest Management (IAS 33 paragraph 20).
[6] According to the provisions of the RD of 7 December 2010 with regard to the calculation of the debt ratio.

Quarterly results

Favourably influenced by the increase of the net rental result (+ 5.8%), the **property result** and the **operating result before the portfolio result** respectively amount to € 2.7 million and € 2.6 million, or respective increases by 5.6% and 8.7% in comparison with the situation on 31 March 2010.

The **general expenses** have been reduced, of which those directly related to the partial demerger of the SA Masada have moreover been directly imputed to equity, resulting in a substantial drop of 50% in comparison with the situation last year.

The **result on the portfolio** is once more strongly positive for an amount of € 2.07 million, in comparison with the result of € 1.5 million on 31 March 2010. We need to stress the fact that at the end of the first quarter of 2011 the realized capital gains on sales are negligible (€ 0.08 million), as the sales policy for the financial year 2011 has only been launched at the end of the quarter, through the reinforcement of the internal team. At this stage the result on the portfolio is consequently nearly exclusively composed of latent capital gains for an amount of € 2 million, in comparison with only € 1.2 million last year.

The negative **financial result** fiercely drops by 78.3%, but comprises a 'non-cash item' of € + 402 290 (positive change in fair value of an IRS callable concluded in November 2009[1]). Without incorporating this amount, that after all has no impact at all on the distributable result, the financial result would have remained perfectly steady at € 0.6 million, while the total debt slightly increases from € 86.1 million to € 88.8 million.

The **net result** consequently amounts to € 4.5 million compared to € 3 million on 31 March 2010, an increase by 51.8%, following the positive impact of the substantial decrease of the financial result, for the reasons explained above.

The **net current result**, i.e. without the portfolio result, amount at its turn to € 2.4 million, or a remarkable progress by 62% in comparison with the level of twelve months ago. Expressed per share, the growth amounts to 58.1%, from € 0.53 to € 0.84. Excluding the impact of the aforementioned 'non-cash item', the net current result would still record an increase of 11.6%.

Finally, the **distributable result**[2] amounts to € 2.05 million, compared to € 2.06 million on 31 March 2010, a very slight decrease (- 0.8%) in comparison with a year ago, for which the realized capital gains on sales were very limited because of the aforementioned reasons. Because of those same reasons, the distributable result per share stands at € 0.71 compared to € 0.73 at the end of the first quarter of 2010.

The **net current result per share** as well as the **distributable result per share** are influenced by the impact of the increase by 2.43% of the average number of shares with full dividend rights, following the partial demerger of the SA Masada on 31 January 2011.

[1] IIRS callable with a duration of 10 years, considered as ineffective based on the criteria of IAS 39.
[2] Consolidated distributable result. The dividend of the financial year will be defined based on the statutory distributable result, defined according to the provisions of the RD of 7 December 2010.

MAIN RESULTS (IN €) [1]	Financial year 2011 (from 01/01/2011 to 31/03/2011 [2])	Financial year 2010 (from 01/01/2010 to 31/03/2010 [2])	Change (%)
Net rental result	3 759 548	3 554 668	+ 5.76%
Property result	2 682 191	2 540 704	+ 5.57%
Operating result before the result on the portfolio	2 615 429	2 407 134	+ 8.65%
Result on the portfolio			
- Result on sales	76 803	279 160	- 72.49%
- Changes in fair value	1 990 977	1 183 110	+ 68.28%
Financial result			
- Financial result excluding changes in fair value	-601 046	-604 192	- 0.52%
- Changes in fair value [3]	402 290	-312 577	- 228.70%
Net result	**4 481 662**	**2 952 541**	**+ 51.79%**
Net current result	2 413 882	1 490 271	+ 61.98%
Net current result per share [4]	**0.84**	**0.53**	**+ 58.13%**
Distributable result	2 047 090	2 064 278	- 0.83%
Distributable result per share [4]	**0.71**	**0.73**	**- 3.19%**

(1) IAS 34 has not been applied with regard to the contents of the accounting information recorded above.
(2) Figures checked, but unaudited by the Auditor.
(3) This relates to a change in fair value of an IRS callable of 10 years, mentioned sub footnote 1 on page 2.
(4) The average number of shares with full dividend rights on 31 March 2010 and 31 March 2011 respectively amounts to 2 815 630 and 2 884 158, after deduction of the 12 912 shares held in auto-control on 31 March 2010 and 31 March 2011.

EVENTS IN THE COURSE OF THE FIRST QUARTER

In the course of the past quarter the Sicafi could proceed to the sale of an additional commercial space in Nieuwpoort for € 0.2 million, representing a net capital gain of € 0.08 million in comparison with the last fair value, while the distributable capital gain amounts to € 0.05 million. As explained above, the planned sales policy could only be really started up at the end of the quarter, and the Board of directors is confident that a substantial acceleration of the results on sales in the course of the three coming quarters will be recorded.

With regard to the development projects, the renovation of the last two phases of the property complex City Gardens in Leuven is evolving according to planning and to the budget forecast. This last phase of this renovation should thus be completed by the end of June or beginning of July 2011, just before the summer period, a very favourable period for lettings.

On 31 January 2011 the Extraordinary general meetings of Home Invest Belgium and the SA Masada have approved the partial demerger of the latter, consisting of a contribution in kind into Home Invest Belgium of residential property for a value of € 8.5 million; opposite that, equity has increased by € 6.1 million, following the issue of 102 792 new share, at an issue price of € 59.7146 per share, and having full dividend rights as from 1 February 2011. It is the Board of director's opinion that this operation will substantially contribute to the results of the coming three financial years, thanks to the expected capital gains on the lot per lot sales programme of a certain number of the contributed buildings. On the other hand, this reinforces equity, and consequently the future growth potential.

Finally, the Executive management was once again extended by Filip Van Wijnendaele, joining the effective direction of Home Invest Belgium as the COO, in the capacity of permanent representative of the sprlu FVW Consult, as from 16 June 2011. Home Invest Belgium will consequently dispose of three effective managers and amply corresponds to the provisions of the Law of 20 July 2004, and more specifically its article 38 (effective direction).

EVENTS AFTER THE CLOSING OF THE QUARTER

No significant event took place after the closing of the quarter under review that could have a significant influence on the financial situation of the Sicafi.

CORPORATE GOVERNANCE

We remind the fact that during the meeting of the Board of directors of 19 January 2011, Mr Michel Pleeck, director and chairman of the Board of directors, expressed the wish to end his director's mandate at the end of the present Ordinary general meeting, as his mandate has reached the 12-year limit.
The Board thanks him expressively for his substantial contribution to the stock exchange listing of Home Invest Belgium in June 1999 and for his frequent and unremitting contribution in the course of its twelve years of existence, and has decided to grant him the title of Honorary chairman.
On 25 February 2011 the Board of directors had appointed in its midst Mr Guy Van Wymersch-Moons as the new President of the Board of directors[1]. His mandate will start after the present Ordinary general meeting.
Finally, wishing to extend the shareholders' representation, as well as the number of independent directors in its midst, the Board of directors has proposed the appointment of two new independent directors[1] to today's Ordinary general meeting:

- Mr Eric Spiessens, member of the Executive committee of ARCO group (shareholder with 3.5% of the capital), and
- Mr Koen Dejonckheere, CEO of GIMV SA.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

In its outlook for the years 2011 to 2013, recorded in the annual financial report 2010 (pages 128 et seq), the Board of directors has put forward different assets that could yield important capital gains for the shareholders, and this, without jeopardizing the growth of the portfolio. Different new investment or development for own account files have been examined, of which one or more should become concrete between now an the end of the financial year.

From a financial point of view, it has to be pointed out that no single credit line expires in the course of the financial year 2011.

Home Invest Belgium continues its métier of investor specialized in residential property, giving special attention, in a still difficult economic context, to achieving an *optimal profitability of its current property portfolio* and a *stringent selection of investment opportunities* with the potential to generate genuine capital gains for the shareholders.

All things remaining the same, the Board of directors confirms the results outlook for the current financial year, as published in the Annual financial report 2010. Except in the case of unforeseen events – namely with regard to the evolution of the interest rates or the property market – this outlook shows a real growth margin in comparison with the dividend of € 2.75 distributed for the financial year 2010, that already represented an increase by 13.2% in comparison with the dividend per share of € 2.43 distributed for the financial year 2009.

[1] Subject to the approval of the FSMA.

FINANCIAL SERVICE – DIVIDEND PAYMENT

The dividend of the financial year 2010, i.e. € 2.75 per share, is payable at the branches of BNP Paribas Fortis as from 15 May 2011, in exchange of coupon nr. 14, detached from the bearer shares, and by automatic deposit to the registered shareholders and the holders of dematerialized securities.

The Board of directors.

ON HOME INVEST BELGIUM

Home Invest Belgium is a residential Sicafi, created in 1999 and listed on the continuous market (HOMI) of NYSE Euronext Brussels. On 31/03/2011 its portfolio of investment properties in operation was composed of 89 buildings at 47 sites, with a total surface of 118,845 m², and a fair value of € 244 million, including the development projects.

INVESTOR RELATIONS

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