HOME INVEST BELGIUM
Housing life

Interim statement from the Board of directors

ACTUALISATION ON 30 SEPTEMBER 2011 OF THE VALUATION OF THE PORTFOLIO

• Occupancy rate of 95.31%[1]

• Net current result per share increases by 1.86%[2], Distributable result[3] stable at € 2.47 over the first nine months of the financial year[4]

The Board of directors of Home Invest Belgium has closed the quarterly consolidated accounts over the first nine months of the financial year 2011 that runs until the end of 2011.

1 Consolidated property portfolio on 30 September 2011

On 30 September 2011, the fair value of the surveyed real estate portfolio amounts to € 241 million[5] compared to € 215 million on 30 September 2010, or a growth by 12%, explained by:

a. in -, by the lot per lot sales of a number of assets;
b. in +, by the recording in the portfolio on the one hand of the buildings of sa Masada absorbed in January of this year (through partial demerger), and on the other hand, of the last three phases of the complex City Gardens in Leuven, of which the renovation could be completed last September (see below sub 3.1);
c. in + and in –, by the changes in the fair value of a number of buildings (in + mainly the buildings Ch. Woeste, Clos Saint-Géry, Galerie de l'Ange, Résidences du Quartier Européen, Place du Jeu de Balle, Lebeau and Sippelberg, and in - mainly Bosquet-Jourdan and Cederdreef).

After completion of the current development projects (Belliard/Nijverheid) the fair value of the portfolio will amount to € +/- 253 million.

The *average occupancy rate* of the portfolio was 95.31%[6] in the course of the first 9 months, compared to 95.01% on 30 September 2010. This figure yet exceeds the outlook recorded in the business plan presented in the annual financial report 2010 assuming an average occupancy rate of 95% for the entire year. The Sicafi succeeds thus in keeping its occupancy rate at a high level, despite a more difficult rental market, mainly in the mid-/high-end segment, and notwithstanding the progressive integration of the development projects that, at each time, temporarily weigh on the occupancy rate.

[1] Average occupancy rate over the first three quarters, calculated based on the rents, including rental guarantees on unoccupied spaces, and excluding the development projects and the buildings held for sale.
[2] In comparison with the situation on 30 September 2010.
[3] Consolidated distributable result. The progression of the distributable result, calculated on a statutory basis for the same period, amounts to 1.5 %. In accordance with article 25 of the RD of 7 December 2010 the dividend is calculated based on the statutory distributable result.
[4] Compared to the corresponding period in 2010.
[5] The investment value on the other hand amounts to € 266.6 million.
[6] Average occupancy rate over the first three quarters, calculated based on the rents, including rental guarantees on unoccupied spaces, and excluding the development projects and the buildings held for sale.

2 Key figures on 30 September 2011 (consolidated)

Preliminary observation: the percentages recorded in the tables (data per share) and the comments below have been calculated based on not rounded figures of the income statement and the balance sheet. They can thus diverge from those that would be calculated based on rounded figures.

2.1 Consolidated net asset value

The total *net asset value* of Home Invest Belgium on 30 September 2011 amounts to € 164.7 million, or € 56.42 per share[1], an increase of 6.57% compared to its net asset value on 30 September 2010 (€ 52.94).
This substantial revaluation of the equity is mainly attributable to the evolution of the following items:

- the balance of the changes in fair value of the property portfolio, rising from € 68.7 million to € 79.3 million,
- the negative item “impact on fair value of estimated transfer rights”, increasing form -€ 19.5 million to -€ 23.7 million,
- the results carried forward from previous financial years, progressing from € 5.4 million to € 9 million, and
- the net result of the current financial year, also rising from € 7.3 million to 12.7 million.

The *debt* calculated according to the dispositions of the RD of 7 December 2010 amounts thus to € 85 million, a quasi status quo compared to a year ago. The debt ratio in its turn amounts to 33.4% on 30 September 2011 (35.5% on 30 September 2010) and consequently results in an additional investment capacity by external debt of € 230 million based on the currently authorised limit of 65%, and of nearly € 80 million before reaching a debt ratio of 50%, which is the limit set by the Board of directors.

[1] Taking into account 2 918 422 shares in circulation on 30 September 2011 (excluding 12 912 shares held under auto-control, figure unchanged compared to a year earlier).

2.2 Consolidated periodical results of the first nine months of the financial year 2011

Main results (IFRS standards) (1)	From 1.01.2011 to 30.09.2011(2)	From 1.01.2010 to 30.09.2010(2)	Variation (%)
In €			
Net rental result	11 532 292	10 558 817	+ 9.22%
Property result	10 693 918	9 890 531	+ 8.12%
Operating result before portfolio result	7 732 770	7 239 648	+ 6.81%
Portfolio result	7 422 322	2 347 854	+ 216.13%
Result on the sale of investment properties	*1 233 910*	*1 059 065*	*+ 16.51%*
Variation of fair value of investment properties	*6 188 412*	*1 288 789*	*+ 380.17%*
Financial result and taxes	- 2 475 996	- 2 352 855	+ 5.23% (5)
Net result	12 673 487	7 341 249	+ 72.63%
Net current result (3)	5 251 165	4 993 394	+ 5.16%
Net current result excluding IAS 39	5 705 662	5 832 124	-2.17%
Distributable result (6)	7 193 930	7 036 593	+ 2.24%
Per share (4), in €			
Operating result before portfolio result	2.66	2.57	+ 3.45%
Portfolio result	2.55	0.83	+ 206.20%
Net result	4.36	2.61	+ 67.21%
Net current result (3)	1.81	1.77	+ 1.86%
Net current result excluding IAS 39	1.96	2.07	-5.24%
Distributable result (6)	2.47	2.50	-0.98%

(1) IAS 34 was not applied for the content of the information on the accounts recorded above.
(2) Un-audited figures.
(3) Net result minus the portfolio result.
(4) The average number of shares with full dividend rights over the first 9 months of the financial year 2011 amounts to 2 907 001 and to 2 815 630 on 30 September 2010, or an increase by 3.25%.
(5) It should be noted that this is an increase of a negative result.
(6) The distributable result is defined on a consolidated basis. The dividend will be calculated based on the statutory distributable result.

In general, the results at the end of the first nine months of the financial year show a positive evolution of the activity and rental income in comparison with those published at the end of the 1st half-year. Moreover, the results of the sale of less important and older buildings, with capital gains, show an increasing trend, in accordance with the outlook on this matter presented halfway the year.

That way, the *net rental result* rises by 9.22% (compared to + 7.80% after 6 months), while the property result increases by 8.12% (compared to + 6.75% after 6 months), both increasing percentages in line with the outlook.

The *operating result before the portfolio* result progresses by 6.81%, resulting in an operating margin of 72.31%.

The *net current* result grows by 5.16%. Per share, this amounts to € 1.81 compared to € 1.77 following an increase of 3.25% of the average number of shares over the period.

The *net current result excluding the impact of the IAS 39* decreases slightly (-2.17% in comparison with the situation a year before). Per share, the decrease is -5.24%.

The *portfolio result* strongly rises (+216%). It comprises, on the one hand, an unrealized rise of the value of the property portfolio for an amount of € 6.2 million compared to € 1.3 million a year before, and on the other hand, effectively realized capital gains of € 1.2 million in comparison with € 1.1 million a year earlier. This favourable evolution is also the logical consequence of the decision of the Board of directors taken in the course of 2009 to gradually speed up the arbitrage policy on the buildings of the portfolio, to +/- 4% of the portfolio annually, aiming for the realization of important capital gains. We need to remind here that this policy was launched in 2005 and that it generated substantial capital gains every year.

The *distributable result* slightly increases to € 7.2 million, including € 1.4 million of distributable capital gains on sales.
Per share, the distributable result currently amounts to € 2.47, showing that the Sicafi is well on its way to realize the further increase of the dividend presented in the half-year financial report.

3 Events during the third quarter

3.1 The substantial renovation of the residential property complex City Gardens in Leuven has been completed and the commercialization of the last phase is ongoing. This evolves as successfully as was the case for the previous phases, resulting in only 3 apartments not yet being let in the whole complex totaling 138 apartments.

3.2 With regard to the hotel and renovation project in Brussels, located at the angle of the Belliardstraat and the Nijverheidsstraat, developed by Nexity IG for the account of Belliard 21, subsidiary of the Sicafi, the current outlook with regard to its completion by the end of the 1st half-year of 2012 is maintained.

3.3 In execution of the lot per lot sale program, the sales of the following assets were realized in the course of the third quarter: Floréal (1 apartment), Stevin (1 commercial space), Clos St Georges (1 house), Montana-Tamaris (1 apartment), Coningham (2 apartments), Marie José (1 parking), totalling a sale price of € 2 131 500 and a realized capital gain of € 0.6 million.

4 Events after last 30 September

In the course of October the Board of directors has approved two transactions in view of the expansion of the property portfolio.

4.1 Thus, on last 5 October the operation of partial demerger of the sa V.O.P. was approved in the Board of directors; this property company is part of the Van Overstraeten group who, directly and indirectly, is one of the stable shareholders of Home Invest Belgium. As a consequence of this partial demerger Home Invest Belgium becomes the owner of 60-year leasehold rights on 4 investment properties located in the Brussels-Capital Region, and of the freehold of a project under construction in Jette at the angle of the Odon Warlandlaan and the Bulinsstraat. This project consists of 34 apartments and 1 retail unit on the ground floor, for a total lettable space of +/-3 123 m² - and 34 covered parking spaces. The building will be equipped with the latest techniques with regard to energy performance. The total valuation of these acquisitions amounts to € 7 454 000 including costs. For the remuneration of this contribution new shares will be issued at an issue price equal to the average closing price of the Home Invest Belgium share during the last 30 calendar days before the approval of the transaction by the Extraordinary General Meeting, with a minimum equal to the latest published net asset value (€56.42).

4.2 In the Board of directors of last 24 August the operation has been approved, thanks to which, through the splitting of URBIS nv, a residential complex located at Wilsonplein in Ghent, above shopping center Gent Zuid, is acquired. This complex is part of a larger entity, owned by URBIS nv, part of the AG Insurance group. The residential part acquired has a net lettable surface of +/- 2 346 m² and is acquired at € 3 200 000 including costs; taking into account the contribution of a debt of € 2 800 000, the resulting capital increase will be limited to € 400 000; as a remuneration, 6 318 new shares will be issued at an issue price of € 63,30, based on the average closing price during the last 30 calender days before signing the splitting project.

4.3 In view of the approval of both aforementioned operations, an Extraordinary General Meeting is convened by next 5 December. Moreover, during this meeting a fundamental amendment to the articles of association will be presented for approval, mainly in order to comply with the new legal provisions, namely the RD of 7 December 2010 with regard to Sicafis and the Law of 20 December 2010 on the exercise of certain rights of shareholders of listed companies.

5 Outlook for the current financial year

Taking into account the level of the distributable results after only 9 months of the current financial year, the Board of directors examines the distribution of a dividend per unit that would be higher than € 2.75 per share as distributed the previous financial year, also to be distributed among an average number of shares with full dividend rights that increases by 3.25%.

Finally it should be noted that the current uncertainties related to the evolution of the economic situation, to the financial markets and, to a lesser extent, to the property markets, the availability of financing and the solvency of counterparties could impose the assessment of new risks, or risks that are currently improbable, as well as the fast development of corrective measures currently not yet defined. Home Invest Belgium continues to pay attention to identifying and describing these new risks and will take the necessary steps to limit their unfavourable effect on the company and its shareholders.

17 November 2011

The Board of directors.

About Home Invest Belgium:

Home Invest Belgium is a residential Sicafi, established in June 1999 and listed on the continuous market (HOMI) of NYSE Euronext Brussels.

Its property portfolio consists of buildings with a total surface of over 134 708 m² on 30/09/2011 and amounts to € 241 million (fair value). The buildings in portfolio are mainly located (80%) in the Brussels-Capital Region.

INVESTOR RELATIONS

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