

Results on 31 December 2011

Net current result excluding IAS 39¹ progresses by 5%²

Distributable result¹ rises by 19.9%²

Dividend of € 3³ per share, i.e. another significant increase by 9%⁴

Net asset value of € 57.58, an increase by 5.3%⁵

Average occupancy rate grows to 95.4%⁶

Debt ratio of 34.02%

1. SUMMARY OF THE CONSOLIDATED ANNUAL ACCOUNTS

At the end of its 12th financial year Home Invest Belgium reaches an **operating result** (after taking into account the portfolio result) of € 18.9 million, which represents a progression by 34.2%, thanks to, on the one hand, a new increase of the operating profitability of the company and, on the other hand, the excellent portfolio results. The increase of the latter is based on the positive change of the fair value of the investment properties, as well as on realized capital gains. This double positive evolution allows the company again to record a spectacular rise of the **distributable result**.

- The **portfolio** of investment properties, including the current development projects, increases by nearly 10% to € 256.6 million, essentially thanks to the new investments of the financial year and the strongly positive change in the fair value of the investment properties in the course of the financial year 2011;
- The **net current result³** decreases by 8.7% due to the negative change in fair value of the hedges (impact IAS 39); the **net current result excluding IAS 39**, the real operational profitability indicator of the Sicafi, however progresses by 5% in comparison with 2010;
- The **portfolio result**, comprising the realized capital gains and the changes (in + and in -) in fair value of the investment properties, reaches a new high of € 8.5 million, nearly doubling the result of 2010;
- The **distributable result**, encompassing the distributable capital gains realized during the financial year, grows significantly (+ 20%).

These excellent results show Home Invest Belgium's capacity to seize, despite a still difficult general context, the opportunities offered by the sector of residential property held for renting (apartments and single-family homes), its core business, allowing it to create added value in the interest of its shareholders.

The Board of directors has therefore decided to propose a gross **dividend** of € 3 per share to the general meeting of shareholders to be held next 2 May, compared to € 2.75 a year before. This remuneration, growing by 9% in comparison with 2010, relates to an average number of shares for the period increasing by 3.5%, resulting in a total profit distribution rising by 12.9%.

This remuneration corresponds to a **pay out ratio** of 85.65% (91% in 2010) and allows to carry forward a result of € 0.22 per share, to be added to the reserves.

¹ See the definition in the table of the consolidated results hereafter.

² Calculated per share, the net current result excluding IAS 39 and the distributable result respectively increase by 1.5% and 15.9%.

³ The result data per share recorded in this press release are calculated based on the average number of shares with full dividend rights for the financial year 2011.

⁴ In comparison with 2010.

⁵ The net asset value per share is calculated based on the number of shares issued at the end of December 2011, excluding the 12 912 shares held under auto-control (IAS 33, paragraph 20) by Home Invest Management, subsidiary of the Sicafi.

⁶ Average rate over the financial year, calculated based on the rents, possible rental guarantees on vacant spaces included, with the exception of the development projects and the buildings held for sale.

2. ACTIVITIES AND IMPORTANT EVENTS OF THE FINANCIAL YEAR 2011

2.1 New investments

2.1.1 The extraordinary general meeting of Home Invest Belgium of 31 January 2011 has approved the partial demerger of a large part of the property assets of the SA **MASADA**. The properties acquired in that way comprises a number of very well located buildings in different Brussels municipalities, amongst which Ixelles, Brussels City and Uccle.

2.1.2 With regard to the project **Belliard/Industrie**, of which the construction got behind due to a problem of faulty concrete, the provisional acceptance of the building can now be expected during the first half-year of 2012. As a reminder, this relates to the development of a hotel residence with 109 rooms by Nexity IG for the account of Belliard 21, a 100% subsidiary of the Sicafi, and the renovation into six apartments of an old mansion; the project is located at the corner of the rue Belliard and the rue de l'Industrie, in the heart of the Brussels European quarter.

2.1.3 The fourth and last phase of the renovation of the property complex **City Gardens**, located at Riddersstraat/ Petermannenstraat and Fonteinstraat in Leuven, acquired at the end of 2009, could be successfully completed. Globally, the commercialization of this complex ran very favourably, as well with regard to the rhythm by which the lettings were concluded, as to the level of the rents. The gross start yield on this global operation indeed reaches +/- 6.8% of the total amount invested, compared to the 6.29%, initially forecasted.

2.1.4 On 23 December 2011 the extraordinary general meeting of Home Invest Belgium approved a new partial demerger of the SA V.O.P.; this real estate company belongs to the Van Overstraeten group, directly and indirectly, part of the stable shareholders of the Sicafi. Following this operation, Home Invest Belgium has become the owner of the leasehold rights of 60 years on 4 investment properties, located in the Brussels-Capital Region, as well as the full owner of a development project in Jette, at the corner of the **avenue Odon Warland** and the **rue Bulins**. This project comprises 34 apartments and 1 commercial space on the ground floor, with a total rentable surface of +/- 3 123 m² and 34 indoor parking spaces. This building will be equipped with state-of-the-art 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 118 491 new shares have been issued.

2.1.5 The same extraordinary general meeting of 23 December 2011 approved the demerger operation of the SA URBIS, which has allowed to acquire a residential complex of 18 apartments on the Wilsonplein in Ghent, above the shopping center 'Gent-Zuid'. This residential complex with a net rentable surface of +/- 2 346 m² has been acquired for € 3 200 000 including costs; taking into account the fact that a debt of € 2 800 000 was also taken over, the total contribution has been remunerated by the issue of 6 318 new shares.

2.1.6 Finally, the Sicafi was able to acquire an apartment building on 14 November 2011, very well located in Liège, Quai de Rome 45-46; it comprises 25 apartments, 2 offices and twenty-four parking spaces; the price of this acquisition amounted to € 2 787 000, costs included. This relates to a classical building held for lease in one of the best locations in Liège.

2.2 The sales

In accordance with the second strategic axis of the company, sales of assets have been extended in 2011; the main objective was the lot per lot sale of residential complexes, i.e. mostly apartment buildings. The Sicafi has thus grosso modo doubled its arbitrage volume in comparison with the previous financial year. The number of buildings concerned by this arbitrage-program has evolved to eleven compared to five in 2010; in the same way the net total amount of the sales (after deduction of the sale costs) has evolved from € 3 956 293 in 2010 to € 7 802 862 in 2011.

The different sales of the financial year 2011 have allowed to book a net realized capital gain of € 2.1 million in total, compared to their latest fair value (on 31/12/2010); this results also in a distributable capital gain of € 2.35 million, compared to the acquisition value augmented by the investments, that substantially reinforces the consolidated distributable result to the shareholders for the period.

For the seventh year in a row, the effectively realized sales show the importance of the capital gains which can be generated by investing in high-quality residential property, at the right moment, in combination with a professionally and selectively driven arbitrage.

2.3 Occupancy rate

The average occupancy rate for the entire financial year 2011 amounted to 95.38%, an improvement compared to 2010 (94.61%). It has to be noted that this occupancy rate is higher than the 95% taken into consideration in the outlook for the financial year 2011. It also has to be pointed out that it undergoes the negative influence, purely temporarily, of the developments at their provisional acceptance.

2.4 Profound revision of the articles of association

The extraordinary general meeting of 23 December 2011 has approved a profound revision of the articles of association, that became necessary mainly in order to take into consideration the provisions of the royal decree of 7 December 2010 with regard to Sicafi, as well as to the law of 20 December 2010 on the exercise of certain rights of shareholders of listed companies.

The new coordination of the articles of association can be consulted on the website www.homeinvestbelgium.be.

3. CONSOLIDATED BALANCE SHEET ON 31 DECEMBER 2011

		2011	2010
ASSETS			
I. Non-current assets		257 986 342	234 721 489
B. Intangible assets		7 623	8 349
C. Investment properties		256 558 090	233 344 258
D. Other tangible assets		200 744	41 094
E. Non-current financial assets		37 755	46 767
F. Finance lease receivables		1 182 131	1 281 021
II. Current assets		15 492 597	4 825 437
A. Assets held for sale		7 522 808	0
C. Finance lease receivables		98 890	92 752
D. Trade receivables		4 118 361	684 851
E. Tax receivables and other current assets		1 928 583	2 989 647
F. Cash and cash equivalents		1 701 118	1 036 510
G. Deferred charges and accrued income		122 836	21 678
TOTAL ASSETS		273 478 939	239 546 926
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY			
A. Capital		73 469 670	70 946 880
B. Share premium account		19 093 664	19 093 664
C. Reserves			
a. Legal reserve (+)		98 778	97 827
b. Reserve from the balance of changes in fair value of investment properties (+/-)		85 457 148	68 696 370
c. Reserve from estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)		-23 441 309	-19 497 399
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)		-2 549 147	-2 974 112
h. Reserve for treasury shares (-)		-757 323	-757 323
m. Other reserves (+/-)		1 259 467	1 138 120
n. Result carried forward from previous financial years (+/-)		7 773 304	5 416 341
D. Net result of the financial year		14 833 588	11 807 670
SHAREHOLDERS' EQUITY		175 237 840	153 968 037
LIABILITIES			
I. Non-current liabilities		64 115 189	82 171 517
B. Non-current financial debts		59 388 750	78 433 750
C. Other non-current financial liabilities		4 726 439	3 737 767
II. Current liabilities		34 125 911	3 407 373
B. Current financial debts		24 926 363	465 055
D. Trade debts and other current debts		8 206 419	2 029 317
E. Other current liabilities		519 171	477 347
F. Accrued charges and deferred income		473 957	435 653
LIABILITIES		98 241 099	85 578 890
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		273 478 939	239 546 926
Number of shares at end of period		3 043 231	2 815 630
Net asset value		175 237 840	153 968 037
Net asset value per share		57.58	54.68
Indebtedness		93 040 703	81 405 470
Debt ratio		34.02%	33.98%

4. FAIR VALUE OF INVESTMENT PROPERTIES – NET ASSET VALUE

On 31 December 2011 the **fair value** of the investment properties of Home Invest Belgium, determined on the basis of the report of Winssinger & Associates, independent surveyor of the Sicafi, amounted to € 256.6 million compared to € 233.3 million on 31 December 2010, or an increase by nearly 10% in the course of the past financial year. It has to be pointed out that these amounts also comprise the value of the development projects Belliard/Industrie in Brussels and Odon Warland in Jette.

Without these development projects the fair value of the portfolio amounts to € 238 million compared to € 222.8 million a year before, or an increase by 7%. The **gross rental yield** calculated on this basis reaches 6.84%.

The breakdown of this portfolio¹, calculated on the basis of the fair value of the investment properties, is as follows: 80.9% residential buildings (of which 63.3% apartments, 10.4% furnished apartments, 4.8% single-family homes and 2.4% nursing homes), 11.8% commercial space and 7.3% office space, perfectly reflecting the 'pure player' strategy of Home Invest Belgium.

The investment properties located in the Brussels-Capital Region currently represent 69.4% of the portfolio, those in the Walloon Region 15.1% and those in the Flemish Region 15.4%.

Based on the fair value of the property portfolio and the results accumulated in the course of the financial year, the **net asset value per share** amounts to € 57.58, an increase by 5.3%, considerably higher than the average inflation over the past financial year.

On 30 December 2011, last listing day of the financial year, the closing price of the Home Invest Belgium share on Euronext Brussels amounted to € 64.05, again a growth by 5% compared to a year before, and consequently a premium of 11.1% in comparison with the net asset value at the end of the financial year.

5. DEBT RATIO

The consolidated debt ratio keeps up at a very reasonable level of 34.02%, leaving Home Invest Belgium thus with an additional debt capacity of nearly € 87.5 million without exceeding the 50% level as from which, according to the dispositions of the new Royal Decree of 7 December 2010 (article 54), the Sicafi would have to develop a financial plan under the supervision of the FSMA.

¹ Excluding development projects and buildings held for sale.

6. CONSOLIDATED INCOME STATEMENT ON 31 DECEMBER 2011

	31/12/2011	31/12/2010
I. Rental income	15 724 617	14 253 402
III. Rental-related expenses	-188 448	-137 465
NET RENTAL RESULT (= I +II +III)	15 536 169	14 115 937
IV. Recovery of property charges (+)	83 656	106 657
V. Recovery of charges and taxes normally payable by the tenant on let properties (+)	400 830	370 467
VII. Charges and taxes normally payable by the tenant on let properties (-)	-1 556 402	-1 458 373
PROPERTY RESULT (= I +II +III +IV +V +VI +VII +VIII)	14 464 254	13 134 688
IX. Technical costs (-)	-923 309	-1 097 433
X. Commercial costs (-)	-541 340	-535 683
XI. Taxes and charges on un-let properties (-)	-358 203	-265 738
XII. Property management costs (-)	-1 739 400	-1 419 884
PROPERTY COSTS (= IX +X +XI +XII +XIII)	-3 562 253	-3 318 738
PROPERTY OPERATING RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV)	10 902 000	9 815 950
XIV. General corporate expenses (-)	-539 388	-641 319
OPERATING RESULT BEFORE PORTFOLIO RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX)	10 362 613	9 174 630
XVI. Result on the sale of investment properties (+/-)	2 096 549	1 041 163
XVIII. Changes in fair value of investment properties (+/-)	6 449 248	3 876 459
OPERATING RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX)	18 908 409	14 092 253
XX. Financial income (+)	188 741	412 723
XXI. Net interest charges (-)	-2 797 080	-2 201 999
XXII. Other financial charges (-)	-34 754	-127 420
XXIII. Changes in fair value of financial assets and liabilities	-1 423 915	-454 930
FINANCIAL RESULT (XX +XXI +XXII +XXIII)	-4 067 008	-2 371 625
PRE-TAX RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX +XX +XXI +XXII +XXIII)	14 841 402	11 720 628
XXIV. Corporation tax (-)	-7 814	87 042
TAXES (XXIV +XXV)	-7 814	87 042
NET RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX +XX +XXI +XXII +XXIII +XXIV +XXV)	14 833 588	11 807 670
NET RESULT PER SHARE	5.09	4.19
Average number of shares	2 912 933	2 815 630
NET CURRENT RESULT (excluding the items XVI. XVII. XVIII and XIX.)	6 287 791	6 890 047
NET CURRENT RESULT PER SHARE (excluding the items XVI. XVII. XVIII and XIX.)	2.16	2.45
NET CURRENT RESULT EXCLUDING IAS 39 (excluding the items XVI. XVII. XVIII XIX. and XXIII.)	7 711 706	7 344 977
NET CURRENT RESULT EXCLUDING IAS 39 PER SHARE (excluding the items XVI. XVII. XVIII XIX. and XXIII.)	2.65	2.61
PORTFOLIO RESULT (XVI. to XIX.)	8 545 797	4 917 622
PORTFOLIO RESULT PER SHARE (XVI. to XIX.)	2.93	1.75
DISTRIBUTABLE RESULT	10 202 475	8 509 343
DISTRIBUTABLE RESULT PER SHARE	3.50	3.02
Operating margin (Operating result before the portfolio result) / Property result	71.64%	69.85%
Operating margin before tax (Pre-tax result – portfolio result) / Property result	43.53%	51.79%
Net current margin (Net result – portfolio result) / Property result	43.47%	52.46%
Proposed dividend	3.00	2.75
Pay out ratio	85.65%	90.99%

The net rental result

The net rental result in total amounts to € 15.5 million compared to € 14.1 million in 2010, or an increase by 10.1%, remarkably higher than the increase of the 'health index' (+ 3.2%) during the period, thanks to the constant growth of the portfolio of investment properties (City Gardens phases 1 and 2 and Jourdan 85 having generated rental income for the entire year in 2011, City Gardens phases 3 and 4 completed in 2011, the Masada buildings incorporated in January 2011), and despite the aforementioned lot per lot sales, frequently entailing the premature departure of tenants, not interested in acquiring their premises.

The property result

After deduction of the rental-related charges and taxes, mainly consisting of the property tax and the recovery of property costs and taxes, the property result stands at € 14.5 million in comparison with € 13.1 million, or an increase by 10.1% in comparison with 2010.

The property operating result

After taking into account the total amount of costs related to the technical management, the commercial management, the internal and external management, and the maintenance of the buildings, the property operating result amounts to € 10.9 million compared to € 9.8 million the previous year, or an increase by 11.1%.

The property operating result before the portfolio result

After deduction of the general corporate expenses, a/o related to its listing and its Sicafi status, the property operating result before the portfolio result reaches € 10.4 million in comparison with € 9.2 million in 2010, a rise by 12.9%. The operating margin also progresses from 69.9% to 71.6%.

The portfolio result

The portfolio result nearly doubles: from € 4.9 million in 2010 to € 8.5 million, under the influence of a positive change in fair value of the portfolio, for an amount of € 6.4 million, and realized capital gains on the sales for a total amount of € 2.1 million.

The net result – The net current result – The distributable result

After taking into consideration the financial charges and taxes, the net result of Home Invest Belgium leaps from € 11.8 million in 2010 to € 14.8 million in 2011, i.e. a rise by 25.6%. The net current result has decreased from € 6.9 million to € 6.3 million (- 8.7%) due to the effect of the negative change in fair value of the hedges (impact IAS 39); the net current result excluding IAS 39 grows by 5% in comparison with its level in 2010, while the distributable result substantially rises from € 8.5 million to € 10.2 million (+ 19.9%).

7. DIVIDEND – FISCAL TREATMENT OF THE DIVIDEND – FINANCIAL SERVICE

7.1 Dividend: considering the distributable result per share amounting to € 3,50 in total, the Board of directors of last 27 February has decided to propose to the General meeting of shareholders of next 2 May to distribute a **dividend** (gross) of € 3 to the shares with full dividend rights on 1 January 2011.

This dividend globally corresponds to 85.7% of the consolidated distributable result of the financial year. At a statutory level it corresponds to 84.6% of the distributable result of the financial year.

7.2 Fiscal treatment of the dividend:

Since the Law of 28 December 2011, we understand that the situation is as follows for the dividends distributed by Home Invest Belgium:

- The **withholding tax [WT]** on dividends and interests has been brought to 21% (except for the WT of 10% on liquidation boni, the WT of 15% on the 'Leterme' State bonds and on the savings income and the WT that already stood at 25%).

The WT exemption foreseen in article 106, § 8 ARE/CIR, from which residential Sicafi benefit, has not been modified at this stage.

The dividends distributed by Home Invest Belgium thus remain exempt from the WT of 21%.

- For Belgian residents-physical persons, the law of 28 December 2011 introduces an **additional contribution on income from movable assets of 4%**:

- It consists of a contribution assimilated to the personal income tax, to be charged to physical taxpayers, who receive dividends and interests for a net total amount of over € 20 020. The dividends paid by Home Invest Belgium have to be taken into account for the calculation of this threshold;
- The special contribution might be applicable to the dividends paid by Home Invest Belgium;
- The contribution of 4% will be due at the moment of collection of the personal income tax, except if the beneficiary 'opts' for the additional withholding at the source of 4%. The practicalities still have to be elaborated by a royal decree;
- Home Invest Belgium or the paying agent thus has to declare the distributed dividends and the beneficiaries (physical persons) to the administration, except for those who opt for the additional withholding of 4% at the source. In the latter case, Home Invest Belgium or the paying agent automatically has to withhold the contribution of 4%.

- All of this evidently has to be confirmed by the royal decrees that should follow.
- Moreover, a coordination error occurred in the drafting of the text of the revised article 313 of the Belgian Income tax Code by the law of 28 December 2011, that currently not takes into account the dividends exempt from WT. This error will have to be corrected in order to allow the breakdown of dividends exempt from WT, adjacent to the dividends subject to the withholding taxes of 10%, 21% or 25%, in the income tax declaration of the 2012 income (financial year 2013). In the absence of such a correction, the dividend exempt from WT could be subject to a tax calculated at the tax rate of 21% (+ 4% additional contribution), issue that by no means has been the intention of the legislator, if we refer to the content of the parliamentary documents with regard to the Law of 28 December 2011.

7.3 Financial service:

The dividend will be payable as from 15 May 2012 by automatic transfer to the nominative shareholders and the holders of dematerialized shares, and at the branches of BNP Paribas Fortis, upon presentation of coupon nr. 15, detached from the balance of existing bearer shares.

8. EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

Different new investment files are examined and the Board of directors hopes to close one or more of those in the course of the first semester of the current financial year.

9. OUTLOOK

Based on the outlook drawn up for the financial year 2012, of which the main key figures will be included in the Annual financial report 2011, the Board of directors of Home Invest Belgium remains confident in the continuance of the growth of the results of the company, taking into account, on the one hand, the residential rental market maintaining its stable level and, on the other hand, the continuation of a reasonable increasing trend of the prices in the investment market, a/o in Brussels.

10. AUDITOR'S MANDATE

The Auditor has confirmed that his completed audit has not shown any grounds for a substantial correction that should be applied to the accounting data recorded in this press release¹ and that he will deliver an unqualified report.

Brussels, 2 March 2012

*Home Invest Belgium is a residential Sicafi, created in June 1999,
and listed on the continuous market of Euronext Brussels.
Its portfolio of investment properties, composed of 90 buildings
on a total surface of 130 048 m², amounts to € 238.5 million (fair value) on 31/12/2011
and is mainly located in the Brussels-Capital Region.*

INVESTOR RELATIONS

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¹ This statement may however not be considered as an opinion on the completeness or sufficiency of the information published in this press release.