

INTERIM STATEMENT OF THE BOARD OF DIRECTORS

Actualisation on 31 March 2012 of the valuation of the portfolio

Growth [+ 4,17 %] of the fair value of the property portfolio¹

Occupancy rate of 95.20%²

Net Asset Value reaches € 55.80, an increase by 2.86%³

Increasing distributable result

CONSOLIDATED PROPERTY PORTFOLIO

On 31 March 2012, the **fair value of the investment properties** of Home Invest Belgium amounts to € 254.5 million¹, including the current development projects, compared to € 256.5 million at the end of December 2011 and € 244.3 million on 31 March 2011, or a global progression by 4.17% over the period of 12 months under review, mainly to be explained by:

- the investments realized by the Sicafi in the course of the last twelve months,
- and the positive change in fair value of the investment properties over that same period.

This growth has been contained by the transfer of different buildings within the scope of the active arbitrage policy. The current development projects relate to a total amount of +/- € 18 million compared to € 11.1 million on 31 March 2011; on the one hand they concern a hotel project and the renovation of a mansion located at the corner of the rue Belliard and the rue de l'Industrie in 1000 Brussels, and on the other hand the construction of an apartment building located at the corner of the avenue Odon Warland and the rue Bulins in 1090 Jette. Taking into account the current state of progress of the works, the completion of both projects is foreseen by the end of the second quarter of this year.

The average **occupancy rate** of Home Invest Belgium's portfolio in the course of this first quarter amounted to 95.20%, a very slight decline compared to the 95.38% recorded for the entire financial year 2011, but a nice progression compared to the occupancy rate of the first quarter of the financial year 2011 (93.34%); a little more than 22% of this remaining rental vacancy can be attributed to the complex "Résidences du Quartier Européen" (furnished apartments with services) though the occupancy rate of this complex improves thanks to the different steps taken. Another special component of this global vacancy comes from the vacancy of a commercial space of +/- 650 m² in the complex Haverwerf in Mechelen.

CONSOLIDATED KEY FIGURES

Equity

The total value of Home Invest Belgium's equity on 31 March 2012 amounts to € 169.8 million, or € 55.80 per share⁴, compared to € 54.25 last year [+ 2.86%]. These amounts do no longer comprise the dividend of the financial year 2011, or € 3 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 35.42% on 31 March 2012 compared to 35.55% a year before and to 34.02% on 31 December 2011, thus resulting in an additional investment capacity by external debt of +/- € 230 million based on the currently allowed ceiling of 65%, i.e. a growth potential of the portfolio of 90 %. 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 a supplementary increase of the equity, of some € 80 million taking into account this hypothesis.

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 2011.

⁴ Calculated excluding the 12 912 shares held in auto-control by Home Invest Management (IAS 33 paragraph 20).

Quarterly results

Favourably influenced by the increase of the net rental result (+ 5.4 %), the **property result** and the **operating result before the portfolio result** respectively amount to € 2.8 million and € 2.7 million, or respective increases by 5.4% and 3.5% in comparison with the situation on 31 March 2011.

The **general expenses** amount to € 121 076, an increase by 81.35% in comparison with 31 March 2011, mainly related to the extension of the portfolio.

The **result on the portfolio** remains clearly positive, for an amount of € 1.5 million, in comparison with the result of € 2.1 million on 31 March 2011. We need to mention the fact that at the end of the first quarter of 2012 the capital gains realized on sales amount to € 186 584 compared to € 76 803 on 31 March 2011 which is substantially higher, but remains lower than the amount budgeted for the first quarter of 2012, as this depends on the precariousness that is characteristic to the sale of property. The latent capital gains amount to € 1.3 million in comparison with € 2 million last year.

The **negative financial result** fiercely increases to € - 0.8 million compared to € - 0.2 million; this evolution is essentially explained by the negative valuation of non cash items (negative change in fair value of hedges); without this negative element, which has no impact on the distributable result, the financial result remained perfectly stable.

The **net result** amounts to € 3.3 million compared to € 4.5 million on 31 March 2011, a decrease by 25.6%; this represents thus the impact of the non cash items (Hedges) commented before, as well as the impact of the slighter increase of the fair value of the investment properties.

The **net current result**, i.e. without the portfolio result, amounts at its turn to € 1.86 million, or a decrease by 23.3% in comparison with the level of twelve months ago. Expressed per share, the decline amounts to 27.32%, from € 0.84 to € 0.61. The **net current result excluding IAS 39**, i.e. excluding the impact of the non cash items mentioned above, amounts to € 2.1 million compared to € 2 million last year (+ 4%).

The **distributable result**⁵ amounts to € 2.3 million, compared to € 2 million on 31 March 2011, an important increase by 14 % in comparison with a year ago, namely thanks to the capital gains realized on sales. Consequently, the distributable result per share amounts to € 0.77 compared to € 0.71 at the end of the first quarter of 2011.

It has to be pointed out that the **net current result per share** as well as the **distributable result per share** are at present impacted by the increase by 5.52% of the average number of shares with full dividend rights, while the Odon Warland project that mainly relates thereto will only be completed in the course of the second quarter of this year and will only contribute to the results after its provisional acceptance, and this on a gradual basis.

⁵ Consolidated distributable result. The dividend of the financial year will be calculated based on the statutory result, defined in accordance with the provisions of the RD of 7 December 2010.

MAIN RESULTS (IN €)⁽¹⁾⁽²⁾

	Financial year 2012 (from 01/01/2012 to 31/03/2012)	Financial year 2011 (from 01/01/2011 to 31/03/2011)	Change [%]
Net rental result	3 961 625	3 759 548	+ 5.38 %
Property result	2 827 143	2 682 191	+ 5.40 %
Operating result before the result on the portfolio	2 706 067	2 615 429	+ 3.47 %
Result on the portfolio			
- Result on sales	186 584	76 803	+ 142.94 %
- Changes in fair value	1 297 081	1 990 977	- 34.85 %
Financial result			
- Financial result excluding changes in fair value	-608 491	-601 046	+ 1.24 %
- Changes in fair value ⁽³⁾	-241 427	402 290	- 160.01 %
Net result	3 334 751	4 481 662	- 25.59 %
Net current result	1 851 085	2 413 882	- 23.32 %
Net current result per share⁽⁴⁾	0.61	0.84	- 27.32 %
Net current result excluding IAS 39	2 092 512	2 011 592	+ 4.02 %
Net current result excluding IAS 39 per share⁽⁴⁾	0.69	0.70	- 1.41 %
Distributable result	2 336 114	2 047 090	+ 14.12 %
Distributable result per share⁽⁴⁾	0.77	0.71	+ 8.15 %

(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 the hedges.

(4) The average number of shares with full dividend rights on 31 March 2011 and 31 March 2012 respectively amounts to 2 884 158 and 3 043 231, after deduction of the 12 912 shares held in auto-control on those same dates.

EVENTS IN THE COURSE OF THE QUARTER

In the course of the past quarter the Sicafi could proceed to some sales that generated capital gains for an amount of € 0.2 million; this relates to two apartments, a studio and a villa located in the Brussels' agglomeration. As explained before, the number of sales turned out to be lower than the outlook, due to the precariousness that is characteristic for the sale of property.

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.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

It is the Board's opinion that at the end of this first quarter – notwithstanding the solid realized results – it would be premature to give an opinion on the outlook for the current financial year, taking into account namely the insecurities with regard to the evolution of the interest rates, the international financial situation or the rhythm of the sales.

At this stage the Board of directors has selected different assets that could yield important capital gains for the shareholders, and this, without jeopardizing the fundamental growth of the portfolio. On the other hand, different new investment files or development projects for own account have been examined, of which one or more should become concrete between now and the end of the financial year.

Home Invest Belgium holds on to its métier of investor specialized in residential property, giving special attention, in the current, 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.

FISCAL TREATMENT OF THE DIVIDEND

Since the law of 28 December 2011, as amended by the program act of 29 March 2012, we understand that the tax system for the dividends distributed by Home Invest Belgium is as follows:

- The exemption of withholding tax foreseen in article 106, § 8 ARE/CIR, from which the residential Sicafi benefit, has not been modified.
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 as amended by the program act of 29 March 2012, 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 residing in Belgium, who receive dividends and interests for a net total amount of over € 20 020. The dividends paid by Home Invest Belgium thus a priori have to be taken into account for the calculation of this amount;
 - The special contribution of 4% seems to have to be applied to the dividends paid by Home Invest Belgium to physical persons;
 - The contribution of 4% will be due at the moment of collection of the personal income tax, except if the beneficiary 'opts' for the withholding at the source, of the additional 4%;
 - The debtor of the withholding tax (for registered securities), or the paying agent (in the other cases), will have to declare the data with regard to the interests and distributed dividends to the administration by identifying the beneficiaries, except if they opt for a contribution at the source of 4%;
 - 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 withholding at the source of the additional contribution of 4%. In the latter case, Home Invest Belgium or the paying agent has to withhold the additional contribution of 4% at the source and has to pass it on to the Public Treasury.
- 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 withholding tax. In the absence of a corrective legislation, the shareholders who did not opt for the withholding at the source of the additional contribution of 4 %, will have to declare the dividend exempt from withholding tax in their tax declaration (personal income tax), where this dividend could be subject to the tax rate of 21 % (+ 4% of 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.
- The aforementioned information is provided with all reservation, taking into account the fact that no single clear guideline has been communicated by the tax administration with regard to the fiscal consequences of the laws of 28 December 2011 and 29 March 2012 relating to dividends distributed by residential sicafi's.

FINANCIAL SERVICE – DIVIDEND PAYMENT

The dividend of the financial year 2011, i.e. € 3 per share, is payable at the branches of BNP Paribas Fortis as from 15 May 2012, in exchange of coupon nr. 15, detached from the bearer shares, and by automatic deposit to the registered shareholders and the holders of dematerialized securities.

The Board of directors.

Home Invest Belgium is a residential Sicafi, created in 1999 and listed on the continuous market of NYSE Euronext Brussels.

On 31 March 2012 its portfolio of investment properties in operation was composed of 86 buildings at 50 sites, with a total surface of 128,458 m², and a fair value of € 254 million, excluding the development projects.

INVESTOR RELATIONS

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