

Regulatory information



ANNUAL RESULTS ON 31 DECEMBER 2012

- **Net current result excluding IAS 39¹ progresses by 4.6%**
- **Distributable result¹ rises by 7.4%²**
- **Gross dividend increases by 8.3%³ to € 3.25⁴ per share**
- **Net asset value of € 58.73, an increase by 2%⁵**
- **Debt ratio of 30.97%**
- **Withholding tax set at 15% for dividends distributed by residential Belgian REITs as from 1 January 2013 (following the program law of 27 December 2012)**
- **Home Invest Belgium now owns the buildings of the real estate certificate "Louvain La Neuve 1976"**

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

² Distributable result per share increases by 2.8%.

³ Compared with the dividend of € 3.00 distributed for the financial year 2011.

⁴ The result data per share included in this press release are calculated based on the average number of shares having full dividend rights in respect of the financial year 2012.

⁵ The net asset value per share is calculated based on the number of shares outstanding at 31 December 2012, excluding the 12,912 shares held under auto-control (IAS 33, paragraph 20).

SUMMARY OF THE CONSOLIDATED ANNUAL ACCOUNTS

At the end of its 13th financial year, Home Invest Belgium reaches an **operating result before portfolio result** of € 11 million, an increase of 5.7% compared with the financial year 2011.

The **net current result** decreases by 21% owing to the negative change in fair value of the hedging instruments (IAS 39 impact); the **net current result excluding IAS 39**, the true measure of the operating profitability of the Sicafi, increases however by 4.6 % compared with 2011.

The **portfolio result** - which includes the realized capital gains and the changes (in + and in -) in fair value of the property portfolio - amounts to € 6.7 million, a decrease of 22% compared to the financial year 2011, as latent capital gains were less important than during 2011, which was an exceptional year in this respect.

The **distributable result** - which includes distributable capital gains realized during the year - grows significantly (+7.4%) from € 10.2 million in 2011 to € 10.9 million in 2012.

These good results reflect the ability of Home Invest Belgium, despite a general economical context that remains difficult, to seize the opportunities offered by the sector of residential property held for renting (apartments and single-family homes) - its core business – allowing it to create value for its shareholders.

The Board has therefore decided to propose to the General Meeting of Shareholders to be held on 7 May 2013 a gross **dividend** of € 3.25 per share, compared to € 3.00 a year before, i.e. an increase of 8.3% per share.

This remuneration corresponds to a **pay-out ratio** of 90.24% (85.65% in 2011).

THE PROPERTY PORTFOLIO

On 31 December 2012, the real estate portfolio in operation of Home Invest Belgium comprises 73 buildings located in 42 sites in Belgium for a total area of 125,000 m².

On the balance sheet, the **fair value** of the investment properties in operation and of the development projects amounts to € 242.7 million on 31 December 2012, compared to € 256.5 million on 31 December 2011, which represents a decrease of 5%.

This decrease can be explained mainly by:

- the reclassification into properties held for sale or the actual sale of buildings for an amount of - € 19.4 million;
- the various renovation works undertaken in order to keep our buildings in line with today's rental market requirements, as well as the balance of the construction works on the "Adagio Access Brussels Europe" residential hotel for a total amount of + € 1.7 million;
- and the balance by a positive change in the fair value of the properties of the portfolio during the financial year 2012 (+ € 3.9 million).

The acquisition of the assets of the real estate certificate "Louvain La Neuve" (see above) will impact the fair value of the investment properties of Home Invest Belgium only as from the 1st quarter of 2013.

On a like-for-like basis, without taking into account the development projects, the fair value of the portfolio in operation (excluding properties held for sale) amounts to € 241.8 million in comparison with € 238.5 million a year earlier, or an increase of 1.4%.

The investment properties⁸ located in the Brussels-Capital Region now represent 72% of the portfolio, in the Walloon Region they represent 13.7% and in the Flemish Region 14.3%.

The breakdown of the portfolio⁸, calculated on the fair value of the investment properties, is as follows: 76.8% residential buildings (60.8% apartments, 10.1% furnished apartments, 3.4% single family homes and 2.5% senior homes), 11.3% commercial properties, 7.1% offices and 4.8% hotel; those figures perfectly reflect the "pure player" strategy of Home Invest Belgium.

Since the new program law of 27 December 2012, *at least 80%* of the total value of Home Invest Belgium's assets must be invested directly in real property located in a Member State of the European Economic Area and used or intended *exclusively as housing*. Prior to the program law, the threshold was only 60% of total asset value. Residential Belgian REITs (including Home Invest Belgium) have a transitional period of two years to comply. At 31 December 2012, as specified above, Home Invest Belgium disposes of a portfolio of 76.8% of buildings used or intended exclusively as housing. Home Invest Belgium will therefore focus accordingly, during the two-year transitional period, on attaining this 80% threshold.

Based on the fair value of the property portfolio and the results accumulated during the financial year, the **net asset value per share** amounts to € **58.73**, or an increase of 2%.

The average **occupancy rate** for the full financial year 2012 amounts to 94.16%, a slight decrease of -1.2% compared with the financial year 2011 (95.38%). This decrease can be partly explained by the integration in the portfolio during the year of the Odon Warland-Bulins project during the year, with a temporary negative impact on the vacancy level. It also reflects a market that remains difficult because of the weakness of economic activity.

Finally, on 30 December 2012, the last trading day of the financial year, the **closing price** of the Home Invest Belgium share on Euronext Brussels amounts € 71.00, an increase of 11% (compared to € 64.05 at the end of 2011), giving a premium of 20.9% in comparison to the net asset value at the end of the financial year.

⁸ Excluding development projects and properties for sale

KEY EVENTS DURING THE FINANCIAL YEAR 2012

Evolution of the property portfolio

Growth of 14% of the portfolio following the acquisition of the buildings of the real estate certificate "Louvain La Neuve 1976"

In December 2012, Home Invest Belgium announced the signing of a sales agreement for the acquisition of three buildings ("CV9", "CV10" and "CV18") located in the heart of Louvain-la-Neuve, the property rights being previously held by the real estate certificate "Louvain La Neuve 1976".

The final deed of purchase was signed on 25 January 2013, enacting the transfer of ownership and risks. The results of this major investment will therefore be visible and included in the accounts from the first quarter of 2013.

This operation has the peculiarity of transferring building and planting rights ("droit de superficie") on the corresponding parcels of land, granted by the UCL for a term of 50 years expiring in 2026, and the transfer of the buildings erected on these parcels of land on the basis of this building and planting right. In 2026, UCL will become the owner of the buildings with the obligation:

- either to pay the market value of the buildings;
- or to grant a long lease right of 49 years, for which, upon expiry, UCL will freely become the full owner of the buildings.

This important acquisition includes a total surface of +/- 23 000 m², of which 40% residential, 36% retail space and the remaining consisting of offices and auditoria. The "CV9" building and the related parcel of land are part of a co-ownership so that Home Invest Belgium is the owner of 447.75/1 000 ratio of the common areas of the building and of the private areas involved, herein comprised the building and planting rights.

The rights in rem of the certificate have been acquired for € 34.4 million⁶, all transfer costs inclusive, and generate a gross initial rental yield of 8.4%.

Thanks to this transaction, the fair value of the investment properties in operation on a consolidated level increases by 14%, from € 241 million to +/- € 270 million.

Development projects for own account

1 June 2012 - Provisional acceptance of the "Odon Warland-Bulins" building

Provisional acceptance of the Odon Warland-Bulins building, located at the corner of Avenue Odon Warland and Rue Bulins in Jette, took place on 1 June 2012. This is a mainly residential building composed of 34 apartments, a ground-floor shop and 34 interior parking spaces with a lettable area of +/- 3,123 m². On 31 December 2012, 92% of the building was rented.

14 September 2012 - Provisional acceptance of the "Adagio Access Brussels Europe" hotel

The "Adagio Access Brussels Europe" hotel, located in the European quarter at Rue de l'Industrie 12, 1000 Brussels, was provisionally accepted on 14 September 2012 and has been operating since 17 September 2012. It has 110 rooms and is operated by the Pierre & Vacances group under

⁶ This value is not less than that determined by the expert

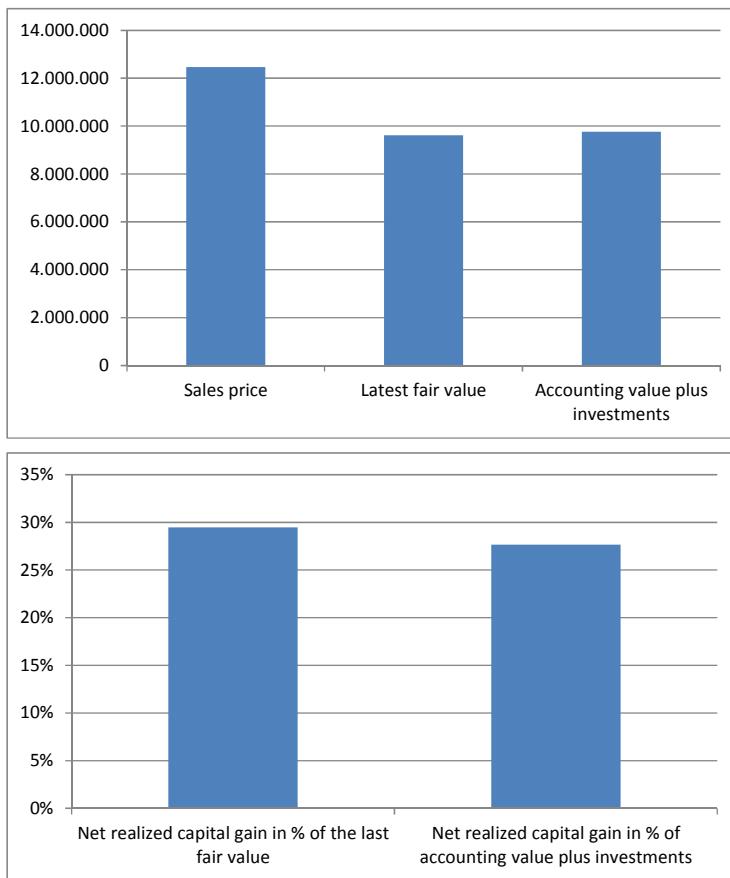
a 15-year usufruct agreement. The positive effects of this investment on the results have been felt from the last quarter of 2012, whereas the usufruct rent is payable from 17 September 2012.

Sales

In line with the 4th strategic axis of the company consisting in the selective arbitrage of its portfolio, Home Invest Belgium continued its activities of individual resale of its obsolete or non-strategic residential assets at an accelerated rate compared to previous years.

	2012	2011	2010
Number of sites involved in sales	17	11	5
Net sales price (excl. transaction costs)	€ 12.5 million	€ 7.8 million	€ 4.0 million

The various sales during the financial year 2012 enabled Home Invest Belgium to record a net realized capital gain of € 2.8 million compared to the most recently assessed fair value of the assets sold.



This significant capital gain strengthens the distributable result to shareholders for the financial year 2012 and confirms the importance of arbitrage as key strategic axis of Home Invest Belgium, notwithstanding a still weak economy.

Strengthening of the financial structure and interest rate hedging - Significant restructuring of the portfolio of credit lines and hedges

During the financial year 2012, Home Invest Belgium pursued a policy of increasing the number of its funding sources and extending the average maturity of its credit lines and interest rate hedges. As such, the company contracted two new credit lines:

- a new variable rate credit line for € 25 million, with BNP Paribas Fortis for a duration of 6 years;
- a new credit line for € 15 million, with Banque LBLux SA, for a duration of 5 years.

Meanwhile, the company renegotiated the final maturity of a € 20 million IRS concluded with ING, which is now set at 2018 instead of 2013, and concluded a new IRS with BNP Paribas Fortis for an amount of € 25 million, also expiring in 2018.

Thanks to these agreements the average interest rate paid was reduced to 3.53% on 31 December 2012, against 3.88% on 31 December 2011, while the weighted average term of the credit lines was extended to 2 years and 10 months at the end of the financial year, as against 2 years at 31 December 2011. The average duration of the interest rate hedges was maintained at +/- 3 years and 8 months. New hedges will take effect during the summer of 2013 (€ 20 million IRS forward until 10 July 2019).

All this contributes substantially to the increased securing of the credit and hedges portfolio of Home Invest Belgium.

Other initiatives with regard to the restructuring of the credit lines and hedges are foreseen during the financial year 2013.

Merger of SA Belliard 21

The merger by Home Invest Belgium SA of Belliard 21 took place by notarial deed of 9 October 2012. As the entire capital of the company was already owned by Home Invest Belgium, the merger did not result in the issuance of new Home Invest Belgium shares.

Following this transaction, the two assets held by Belliard 21 are now part of the assets of Home Invest Belgium. These are the "Adagio Access Brussels Europe" apartment hotel at 12 rue de l'Industrie, 1000 Brussels, provisionally accepted on 14 September 2012, and a mansion - located at Rue Belliard 19, 1000 Brussels - used as multiple housing and provisionally accepted on 18 February 2013.

CONSOLIDATED INCOME STATEMENT ON 31 DECEMBER 2012

		31/12/2012	31/12/2011
I. Rental Income		16.814.467	15.724.617
II. Rental-related expenses		-312.211	-188.448
NET RENTAL RESULT		16.502.255	15.536.169
IV. Recovery of property charges		116.604	83.656
V. Recovery of charges and taxes normally payable by the tenant on let properties		404.700	400.830
VII. Charges and taxes normally payable by the tenant on let properties		-1.628.894	-1.556.402
VIII. Other incomes and expenses related to letting		1.346	0
PROPERTY RESULT		15.396.011	14.464.254
IX. Technical costs		-1.157.926	-923.309
X. Commercial costs		-482.542	-541.340
XI. Taxes and charges on unlet properties		-156.258	-358.203
XII. Property management costs		-1.997.825	-1.739.400
PROPERTY COSTS		-3.794.551	-3.562.253
PROPERTY OPERATING RESULT		11.601.461	10.902.000
XIV. General corporate expenses		-648.065	-539.388
OPERATING RESULT BEFORE PORTFOLIO RESULT		10.953.396	10.362.613
XVI. Result sale investment properties		2.835.426	2.096.549
XVIII. Changes in fair value of investment properties		3.856.947	6.449.248
OPERATING RESULT		17.645.768	18.908.409
XX. Financial income		114.348	188.741
XXI. Net interest charges		-2.935.804	-2.797.080
XXII. Other financial charges		-50.747	-34.754
XXIII. Changes in fair value of financial assets and liabilities		-3.124.636	-1.423.915
FINANCIAL RESULT		-5.996.839	-4.067.008
PRE-TAX RESULT		11.648.929	14.841.402
XXIV. Corporation tax		-16.944	-7.814
TAXES		-16.944	-7.814
NET RESULT		11.631.985	14.833.588
NET RESULT PER SHARE		3,82	5,09
Average number of shares (1)		3.043.231	2.912.933
NET CURRENT RESULT (excluding the items XVI. XVII. XVIII and XIX.)		4.939.612	6.287.791
NET CURRENT RESULT PER SHARE (excluding the items XVI. XVII. XVIII and XIX.)		1,62	2,16
NET CURRENT RESULT EXCLUDING IAS 39 (excluding the items XVI. XVII. XVIII XIX. and XXIII.)		8.064.248	7.711.706
NET CURRENT RESULT EXCLUDING IAS 39 PER SHARE (excluding the items XVI. XVII. XVIII XIX. and XXIII.)		2,65	2,65
PORTFOLIO RESULT (XVI. to XIX.)		6.692.372	8.545.797
PORTFOLIO RESULT PER SHARE (XVI. to XIX.)		2,20	2,93
DISTRIBUTABLE RESULT		10.960.219	10.202.475
DISTRIBUTABLE RESULT PER SHARE		3,60	3,50
Operating margin (Operating result before the portfolio result) / Property result		71,14%	71,64%
Operating margin before tax (Pre-tax result – portfolio result) / Property result		32,19%	43,53%
Net current margin (Net result – portfolio result) / Property result		32,08%	43,47%
Proposed dividend per share		3,25	3,00
Pay out ratio		90,24%	85,65%
(1) The number of shares at the end of period was calculated without the 12.912 shares held in auto-control			

Net rental result

The net rental result amounts to **€ 16.5 million** on 31 December 2012 against € 15.5 million in 2011, an increase of 6.2%, thanks to the growth of the scope of the buildings in operation and notwithstanding the above-mentioned lot per lot sales, often resulting in the early departure of tenants.

Property result

After deducting rental-related expenses and taxes, mainly consisting of property tax, and recovery of property charges and taxes, the property result stands at **€ 15.4 million** versus € 14.5 million in 2011, an increase of 6.4%.

Property operating result

After deducting all the expenses related to the technical management, commercial exploitation, internal and external management and maintenance of the buildings, the property operating result amounts to **€ 11.6 million** against € 10.9 million the previous year, an increase of 6.42%.

Property operating result before portfolio result

After deducting the general corporate expenses related in particular to the company's stock exchange listing and its Sicafi status, the operating result before portfolio result amounts to **€ 11.0 million** compared with € 10.4 million in 2011, up 5.7%. The operating margin decreases marginally from 71.6% to 71.1%.

Portfolio result

The portfolio result decreases from € 8.5 million in 2011 to € 6.7 million in 2012, owing to a significant decrease (-40%) of the unrealized gains on investments, compared with a very high 2011 result in this respect.

Net result - Net current result - Distributable result

After payment of the financial charges and taxes, the net result of Home Invest Belgium decreases from € 14.8 million in 2011 to € 11.6 million in 2012, a decrease of -22%. The net current result decreases at € 6.3 million from € 4.9 million (-21.4%) due to the negative variation in the fair value of hedging instruments (IAS 39 impact). The net current result excluding IAS 39 rises by 4.6%, while distributable income increases significantly from € 10.2 million to € 11.0 million (+ 7.43%).

CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2012

		31/12/2012	31/12/2011
ASSETS			
I. Non-current assets		244.014.260	257.986.342
B. Intangible assets		5.808	7.623
C. Investment properties		242.718.208	256.558.090
D. Other tangible assets		161.975	200.744
E. Non-current financial assets		51.517	37.755
F. Finance lease receivables		1.076.752	1.182.131
II. Current assets		26.378.591	15.492.597
A. Assets held for sale		17.349.556	7.522.808
C. Finance lease receivables		105.379	98.890
D. Trade receivables		4.779.961	4.118.361
E. Tax receivables and other current assets		1.306.827	1.928.583
F. Cash and cash equivalents		2.634.188	1.701.118
G. Deferred charges and accrued income		202.681	122.836
TOTAL ASSETS		270.392.851	273.478.939
SHAREHOLDERS' EQUITY			
A. Capital		73.469.670	73.469.670
B. Share premium account		19.093.664	19.093.664
C. Reserves			
a. Legal reserve (+)		98.778	98.778
b. Reserve from the balance of changes in fair value of investment properties (+/-)		89.588.625	85.457.148
c. Reserve from estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)		-25.133.105	-23.441.309
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)		-1.958.774	-2.549.147
h. Reserve for treasury shares (-)		-757.323	-757.323
m. Other reserves (+/-)		1.259.467	1.259.467
n. Result carried forward from previous financial years (+/-)		11.428.410	7.773.304
D. Net result of the financial year		11.631.985	14.833.588
SHAREHOLDERS' EQUITY		178.721.397	175.237.840
LIABILITIES			
I. Non-current liabilities		71.810.647	64.115.189
B. Non-current financial debts		64.550.000	59.388.750
C. Other non-current financial liabilities		7.260.647	4.726.439
II. Current liabilities		19.860.808	34.125.911
B. Current financial debts		16.162.666	24.926.363
D. Trade debts and other current debts		2.486.593	8.206.419
E. Other current liabilities		554.506	519.171
F. Accrued charges and deferred income		657.043	473.957
LIABILITIES		91.671.455	98.241.099
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		270.392.851	273.478.939
Number of shares at end of period (1)		3.043.231	3.043.231
Net asset value		178.721.397	175.237.840
Net asset value per share		58,73	57,58
EPRA NAV (2)		60,40	58,89
Indebtedness		83.753.765	93.040.703
Debt ratio		30,97%	34,02%
(1) The number of shares at the end of period was calculated without the 12.912 shares held in auto-control			
(2) « EPRA NAV » corresponds to the Net Asset Value adjusted to exclude, amongst others, the fair value of the hedging instruments.			

DEBT RATIO

The consolidated debt ratio remains at a very reasonable 30.97% on 31 December 2012, against 34.02% on 31 December 2011. This gives Home Invest Belgium an additional debt capacity of nearly € 100 million without exceeding the 50% level as from which, under the terms of the Royal Decree of 7 December 2010 (Article 54), the Sicafi would be required to draw up a financial plan under the control of the FSMA.

DIVIDEND

The Board of Directors will propose to the Annual General Meeting of 7 May 2013 the payment of a **gross dividend of € 3.25 per share** (versus € 3.00 in 2011), corresponding to 90.24% of the consolidated distributable profit of the financial year and, at the statutory level, to 88.37% of the distributable profit for the year.

Since 1 January 2013, following the prevailing legislation, this dividend is subject to a **withholding tax of 15%**, giving a net dividend of € 2.76.

The dividend will be **payable as from 17 May 2013** by automatic transfer to registered shareholders and holders of dematerialized shares against coupon no. 16 at the offices of BNP Paribas Fortis.

EVENTS AFTER THE CLOSING OF THE FINANCIAL YEAR

Acquisition of the buildings of the real estate certificate "Louvain La Neuve 1976"

The beginning of the year 2013 saw the completion of the Louvain la Neuve project, with the signing of the final deed of acquisition of the assets dated 25 January 2013 (see above).

Provisional acceptance of the rue Belliard apartments in the 1st quarter of 2013

Provisional acceptance of the six apartments at Rue Belliard 21, 1000 Brussels took place on 18 February 2013. This marks the completion of the "Belliard/Industrie" development project carried out by the Nexity group on behalf of Home Invest Belgium.

New credit line

Finally, a new € 25 million credit line was signed at the beginning of January 2013 with BELFIUS bank with a final maturity on 31 January 2019.

Reappointment of the Statutory Auditor

Owing to the expiration of his mandate at the end of the next Annual General Meeting and subject to the approval of the FMSA, a proposal will be put to the Annual General Meeting of 7 May 2013 to renew the mandate of the current statutory auditor, Mr. Karel Nijs, for a new period of three years, expiring at the end of the Ordinary General Meeting to be held in 2016.

OUTLOOK

Based on its forecasts for 2013 – the main key figures of which will be included in the 2012 annual financial report to be available on the website www.homeinvestbelgium.be from 2 April 2013 – the Board of Directors of Home Invest Belgium confirms its confidence in the continued growth of the results of the company, through actively seeking investment and development opportunities that generate value for its shareholders, while actively managing its existing portfolio, rejuvenating and improving it, and at the same time remaining attentive to the needs of its tenants.

STATEMENT BY THE STATUTORY AUDITOR

The statutory auditor, Karel Nijs, has completed his audit and confirmed that the accounting information contained in this press release⁸ calls for no reservation on his part and that he will deliver a statement without reservations.

SHAREHOLDER'S CALENDAR

2013	
Annual press release with regards to the results on 31 December 2012	Friday 1 March 2013
Publication of the annual financial report 2012 on the website	Tuesday 2 April 2013
Ordinary General Meeting for 2012	Tuesday, 7 May 2013
Interim statement: results on 31 March 2013	Tuesday 7 May 2013
Payment of dividend for 2012	Friday 17 May 2013
Half-yearly financial report: results on 30 June 2013	Friday 30 August 2013
Interim statement: results on 30 September 2013	Friday 15 November 2013
2014	
Annual press release with regards to the results on 31 December 2013	Friday 28 February 2014
Publication of the annual financial report 2013 on the website	Friday 3 April 2014
Ordinary General Meeting for 2013	Tuesday 6 May 2014
Interim statement: results on 31 March 2014	Friday 6 May 2014
Payment of dividend for 2013	Friday 16 May 2014

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⁸ This statement cannot, however, be considered as an opinion on the completeness or adequacy of the information published in this press release.

For all further information, please contact

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

On 31 December 2012, its operating real estate portfolio consisted of 73 buildings on 42 sites with a total surface area of +/- 125 000 m² and a fair value of € 242 million, excluding development projects and properties for sale.

Its activities are controlled by the Financial Services and Markets Authority (FSMA).

On 31 December 2012, the total market capitalization of Home Invest Belgium amounted to € 217 million.

www.homeinvestbelgium.be