HOME INVEST BELGIUM
Housing life

Interim statement of the Board of directors

ACTUALISATION ON 31 MARCH 2010 OF THE VALUATION OF THE PORTFOLIO

Stabilisation (+0.8%) of the fair value of the real estate portfolio in comparison with end-2009
Occupancy rate of 95.22%[1], an improvement compared to the end of March 2009
Increase of the net asset value by 1.7% to € 51.42[2]
Continuance of sales with capital gains
Further increase of the distributable result[3]

CONSOLIDATED REAL ESTATE PORTFOLIO

On 31 March 2010 the **fair value of the investment properties** of Home Invest Belgium amounts to € 227.4 million[4], including the current development projects for an amount of € 19 million, compared to € 225.6 million at the end of December 2009, and to € 208.3 million on 31 March 2009, or an increase of 9.2%, mainly thanks to:

- the investments of the Sicafi during the three last quarters of the previous financial year[5] and during the first quarter of the present financial year,
- a positive change in the fair value of the investment properties of € 1.18 million compared to a value decrease of € 0.99 million a year before.

This rise was influenced by the sale of different assets previously defined as being non-strategic. On 31 March 2010 the **fair value of the assets held for sale** still represented an amount of € 1.5 million.

The **average occupancy rate** of the portfolio of Home Invest Belgium in the course of the first quarter amounted to 95.22%, an increase compared to 94.64%, recorded for the entire financial year 2009, and to the occupancy rate for the first quarter of the financial year 2009 (94.18%); almost half of the remaining rental vacancy is due to the buildings 'Résidences du Quartier Européen' (furnished apartments with service) and 'Léopold', due to the imposed vacancy commanded by the local authorities of the city of Liège, following the explosion of a building situated nearby, on 27 January 2010. Despite these two unfavourable elements, we are satisfied to find out that the average occupancy rate of the portfolio of the Sicafi records a new improvement and reaches, as from now, a higher level than the budget for the entire year (93.6%) (see the Annual financial report 2009 in the chapter 'Outlook' on page118).

CONSOLIDATED KEY FIGURES

Shareholders' equity

The total value of the shareholders' equity of Home Invest Belgium on 31 March 2010 amounts to € 144.8 million, or € 51.42 per share[6] compared to € 50.55 a year before (+ 1.7%). These amounts are excluding the dividend of the financial year 2009 (€ 2.43 per share with full dividend rights), as the profit appropriation is definitively acquired as from the Ordinary General Meeting of today.

The debt ratio of the Sicafi amounts to 36.60%[7] on 31 March 2010 compared to 32.52% a year before and to 34.82% on 31 December 2009, which leaves an additional investment capacity by debt of almost € 180 million based on the current maximum allowed debt ratio of 65%, or a growth potential of 79% of the portfolio. However, the objective of the Board of directors is to remain below 50%, still resulting in an additional investment capacity by debt and without addition of equity, of € 54 million, in this hypothesis.

1 Average occupancy rate over the entire quarter, based on the rents, including rental guarantees on unoccupied spaces.
2 Ex-dividend 2009.
3 In comparison with the situation on 31 March 2009.
4 Excluding buildings held for sale.
5 For more details, see point 2 of chapter IV 'Consolidated management report' of the annual financial report 2009 on page 21 and following.
6 Calculated with the exclusion of the 12 912 shares in auto-control, held by Home Invest Management (IAS 33 paragraph 20).
7 According to the provisions of the RD of 21 June 2006 with regard to the calculation of the debt ratio.

Quarterly results

Given the favourable impact of the increase of the net rental income (+7,2%), the **property operating result** and the **operating result before the portfolio result** respectively amount to € 2.5 million and € 2.4 million, or a respective rise of 7.7% and 8.4% in comparison with the situation on 31 March 2009.

The increase of the **general corporate expenses** has been limited to 4% over the period, compared to the first quarter of 2009.

The **portfolio result** is positive by € 1.94 million, compared to a negative result of € 0.83 million on 31 March 2009. This amount comprises € 0.75 million of realized capital gains, of which € 0.27 million is distributable to the shareholders[1], compared to € 0.16 million on 31 March 2009. On the other hand, it is noteworthy that the changes of the fair value of the real estate portfolio have again turned positive, for a considerable amount of € 1.2 million, compared to a negative change of - € 1 million a year ago.

The **negative financial result** increases by 96%, but includes a 'non cash item' of € 312 577 (negative change of the fair value of an IRS callable concluded in November 2009[2]). Without this amount, which has no impact on the distributable result anyway, the increase would have been limited to 29%, mainly caused, on the one hand, by the final completion of blocs C and D of the Lambermont project in the course of the 2nd quarter of the financial year 2009, element which triggers the interest charges on the credit having allowed to finish the construction, and on the other hand, the conclusion of hedging instruments under the form of IRS's in the course of the 2nd and 4th quarter of 2009.

The **net result** amounts thus to € 3.4 million compared to € 0.92 million on 31 March 2009.

The **net current result**, this is without the portfolio result, amounts to € 1.49 million, i.e. a decrease by 14.9% in comparison with twelve months ago. Expressed per share the decrease amounts to 19.3%, from € 0.66 to € 0.53. But, after exclusion of the negative impact of the aforementioned 'non cash item', the net current result would have increased by 3%.

The **distributable result**[3] finally amounts to € 2.06 million, compared to € 1.91 million on 31 March 2009, or an increase by 7.9%. Expressed per share, the distributable result amounts to € 0.73, compared to € 0.72 at the end of the first quarter of 2009, a slight increase by 2.3%.
The net **current result per share**, as well as the **distributable result per share** both undergo the impact of the increase by 5.5% of the number of shares with full dividend rights.

[1] In the case of the integration of a building through a merger or a partial demerger, the existing net book value of this building is recorded in the accounts of the Sicafi, while the agreed acquisition value is usually higher. In the case of a later sale, the realized capital gain is calculated based on the recorded net book value. The distributable part of this capital gain however is defined in comparison with the agreed acquisition value (see also the Annual financial report 2009, page 100).
[2] IRS callable of a duration of 10 years, considered as ineffective based on the criteria of IAS 39.
[3] Consolidated distributable result. The dividend of the financial year will be fixed based on the statutory distributable result, defined on the basis of article 7 of the RD of 21 June 2006.

Main results (IFRS standards)[1]	Financial year 2010 (from 01/01/2010 to 31/03/2010[2])	Financial year 2009 (from 01/01/2009 to 31/03/2009[2])	Change (%)
In €			
Net rental result	3 354 668	3 315 264	+7.22 %
Property operating result	2 540 704	2 358 469	+7.73 %
Operating result before the portfolio result	2 407 134	2 219 918	+8.43 %
Portfolio result			
-Result on sales	753 780	159 706	+371.98%
-Changes in fair value	1 183 110	-990 323	-219.47%
Financial result			
-Financial result without changes in fair value	-604 192	-468 942	+28.84%
-Changes in fair value[3]	-312 577	0	na
Net result	3 427 161	920 120	+272.47%
Net current result	1 490 271	1 750 738	-14.88%
Net current result per share[4]	**0.53**	**0.66**	**-19.31%**
Distributable result	2 064 278	1 912 859	+7.92%
Distributable result per share[4]	**0.73**	**0.72**	**+2.30%**

(1) The IAS 34 standard has not been applied on the level of the content of the accounting data produced above.

(2) Figures verified by the auditor, but unaudited.

(3) This relates to a change in the fair value of the IRS callable of 10 years.

(4) The shares with full dividend rights on 31 March 2009 and on 31 March 2010 respectively amount to 2 669 177 and 2 815 630, after neutralisation of the 12 912 shares held in auto-control on 31 March 2009 and on 31 March 2010.

EVENTS OF THE FIRST QUARTER

During the past quarter the lot per lot sales of the the long leases of a remaining term of +/- 63 years, regarding the buildings Hottat and Milcamps were continued, as these rights are not considered to be strategic to Home Invest Belgium in the middle term. This way, the long leases for four additional apartments situated in the building Avenue Milcamps 23-25-27 in Schaerbeek and for three apartments and an additional garage situated in the building rue Hottat 22-24 in Ixelles could be sold in the course of the quarter. This still leaves two apartments in Milcamps, eight apartments and three garages in Hottat.
The Board of directors of the Sicafi is hopeful to be able to sell the long leases on the remaining units at good financial conditions by the end of this financial year.

Moreover, a sales agreement could be concluded for the sale of one of the shops in Nieuwpoort, with the tenant. This single transaction generates a capital gain of € 0.23 million for the Sicafi, also booked during the 1st quarter.

Regarding the development projects, the Jourdan 85 and Belliard-Industrie sites follow the planning. The first building should be completed at the end of the 3rd quarter of 2010 and the second around the end of the 1st quarter of 2011. The phased renovation of the building situated in Leuven, at the intersection of the Riddersstraat and Petermannenstraat and along the Fonteinstraat, has started last February, and the first apartments of the complex should, in principle, be ready for renting as from the beginning of next summer.

Finally we remind the fierce explosion of last 27 January in the building nr. 18 rue Léopold in Liège. The Léopold building owned by Home Invest Belgium at the numbers 2 to 8 in that same street has been taken up in the safety perimeter imposed by the local authorities, perimeter gradually lifted as from last 4 February. This building, let for +/- 80% before this event, and only having suffered minor damage, has since been the object of different thorough supervisions by an accredited body and is gradually availabe for letting again. The rental vacancy for this building during the 1st quarter amounts to € 0.05 million, entirely in accordance with the outlook drawn up in the beginning of the financial year. It is noteworthy that this building only represents 1.6% of the total investment value of the real estate portfolio of the Sicafi.

EVENTS AFTER THE CLOSING OF THE FIRST QUARTER

No important event with a significant influence on the financial situation of the Sicafi took place after the closing of the first quarter.

OUTLOOK FOR THE CURRENT FINANCIAL YEAR

In its outlook for 2010-2012, the Board of directors has selected some smaller assets that could produce important capital gains for the shareholders, in addition to those that are currently for sale (see above), and this, without harming the fundamental growth of the portfolio. A number of new files are under examination, of which one might be finalized by the end of the financial year.

On the financial level we need to mention that one single credit line of € 2.5 million, concluded previously, expires in the course of the financial year 2010.

Home Invest Belgium continues its strategy of specialized investor in residential real estate, with full attention, in the still difficult economic context, for an *optimal return of the current real estate portfolio* and the *careful selection of investment opportunities* able to produce real capital gains for the shareholders.

Except for unforeseen elements, the Board of directors confirms the outlook for the results of the current financial year, as published in the Annual financial report 2009, or a net dividend per share of € 2.50, or an increase of nearly 3% compared to the dividend distributed for the financial year 2009, i.e. +/- twice the expected inflation rate over the period, and divided among an average number of shares with dividend rights, also increased by 1.9% over the entire period[1].

FINANCIAL SERVICE - PAYMENT OF THE DIVIDEND

The dividend of the financial year 2009, or € 2.43 per share, is payable at the branches of BNP Paribas Fortis as from 14 May 2010, in return for coupon nr. 13, detached from the bearer shares, and by automatic transfer for the registered shareholders and the holders of dematerialized shares.

The Board of directors.

HOME INVEST BELGIUM

Home Invest Belgium is a residential Sicafi, created in June 1999 and listed on the continuous market of NYSE Euronext Brussels. On 31/03/2010 the real estate portfolio in operation consisted of 89 buildings spread across 47 sites, with a total surface of 118,845 m² and a fair value of € 208.5 million, excluding the development projects.

INVESTOR RELATIONS

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[1] Except in case of increase of the number of shares before the end of the current financial year, the average number of shares with dividend rights, for the financial year 2010 should amount to 2 815 630, while this number amounted to 2 764 079 the previous financial year 2009.