HOME INVEST BELGIUM
Housing life

Interim statement by the Board of directors

ACTUALISATION ON 30 SEPTEMBER 2010 OF THE VALUATION OF THE PORTFOLIO

Occupancy rate of 95%[1]
Net current result [2] excluding IAS 39[3] rises by 10.1% [4], and
distributable result grows by 17.5%
over the first nine months of the financial year [6]

The Board of directors of Home Invest Belgium has closed the quarterly consolidated accounts over the first nine months of the financial year 2010 that will be closed next December.

1 CONSOLIDATED PROPERTY PORTFOLIO ON 30 SEPTEMBER 2010

On 30 September 2010 the fair value of the surveyed real estate portfolio amounts to € 215 million[7] compared to € 208.9 million on 30 September 2009, or a growth of 3%, explained by:

- in -, by the lot per lot sale of a number of buildings exiting the portfolio: mainly a number of apartments in the buildings Milcamps and Hottat, three retail spaces in Nieuwpoort, a building lot in Maransart and a small house (janitor pad) in ‘s Gravenwezel (Wiezelo);
- in + by the recording in the portfolio of the first phase of the building City Gardens in Leuven, of which the renovation could be completed last July (see hereafter sub 3.2);
- in + and in –, by the changes in the fair value of a number of buildings (in + mainly by the buildings Ch. Woeste, Baeck, Résidences du Quartier Européen and in - mainly Galerie de l’Ange and Clos Saint-Géry).

Should we integrate the ongoing development projects (Belliard/Industrie, the three remaining phases of the City Gardens project and the Jourdan 85 project, the global fair value would exceed € 230 million, or a rise of 9% compared to a year ago.

The average occupancy rate of the portfolio is 95.01%[1] over the first 9 months, compared to 94.42% on 30 September 2009. We need to observe that the business plan presented in the annual financial report 2009 assumed an average occupancy rate of only 93.60% for the entire year. The Sicafi succeeds thus in keeping its occupancy rate at a high level, considerably better than the one foreseen within the framework of its latest outlook and this, despite a more difficult rental market, mainly in the mid-/high-end segment and in the Eastern part of Brussels, and notwithstanding the progressive integration of the development projects that temporarily weigh on the occupancy rate.

1 Average occupancy rate over the first three quarters, calculated based on the rents, rental guarantees on unoccupied spaces, excluding the development projects and the buildings held for sale.
2 Net result minus the portfolio result.
3 Without the impact, purely latent, of the loss on the IRS callable concluded with Dexia Bank, accounted for in the results in accordance with the dispositions of the IAS 39 standard.
4 In comparison with the situation on 30 September 2009.
5 Consolidated distributable result. The progression of the distributable result, calculated on a statutory basis for the same period, amounts to 18.1%. In accordance with article 7 of the RD of 21 June 2006 the dividend is calculated based on the statutory distributable result.
6 Compared to the corresponding period in 2009.
7 The investment value on the other hand amounts to € 235.4 million. Since the recent modification of the IAS 40 standard, the development projects are recorded in the balance sheet under the investment properties; only the investment properties under operation are subject to the valuation.

2 KEY FIGURES ON 30 SEPTEMBER 2010 (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 divert 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 2010 amounts to € 149.1 million or € 52.94 per share[1], an increase of 1.9 % compared to its net asset value on 30 September 2009 (€ 51.94).
This revaluation is mainly attributable to, on the one hand, a positive change of the fair value of the investment properties (difference of € 0.8 million over 12 months) and to the increase of the item results, comprising the results carried forward as well as the accumulated profit of the first three quarters of the current financial year (+ 24.0% compared to a year ago) and, on the other hand, in a negative way, to the changes of the fair value of the hedging instruments (variation of € - 0.4 million over 12 months)[2].

The **debt** calculated according to the dispositions of the RD of 21 June 2006 amounts thus to € 84.9 million, a rise of 20% compared to a year ago. The debt ratio on the other hand amounts to 35.5% on 30 September 2010 (32% on 30 September 2009), consequently resulting in an additional investment capacity by external debt of € 200 million based on the currently authorised limit of 65%, and to nearly € 70 million to reach a debt ratio of 50%, limit determined by the Board of directors.

[1] Taking into account 2 815 630 shares in circulation on 30 September 2010 (excluding 12 912 shares held under auto-control), figure unchanged compared to a year earlier.
[2] The changes in the fair value of the hedging instruments comprise those of the hedging instruments corresponding to the hedge accounting principles accounted for directly in shareholders' equity, as well as those hedging instruments accounted for in the results and allocated afterwards to shareholders' equity.

2.2 Consolidated periodical results of the third quarter of 2010

Main results (IFRS standards)[1]	From 01.07.2010 to 30.09.2010[2]	From 01.07.2009 to 30.09.2009[2]	Variation (%)
In €			
Net rental result	3 546 344	3 546 100	+ 0.01%
Property result	3 364 443	3 364 830	- 0.01%
Operating result before portfolio result	2 460 976	2 552 322	- 3.58%
Portfolio result	872 444	208 104	+ 319.23%
• *Result on the sale of investment properties*	1 056 182	457 525	+ 130.85%
• *Variation of fair value of investment properties*	- 183 738	-249 421	- 26.33%[4]
Financial result and taxes	- 753 275	-734 346	+ 2.58%[6]
Net result	2 580 030	2 025 913	+ 27.35%
Net current result[3]	1 707 585	1 817 810	- 6.06%
Net current result excluding IAS 39	1 949 289	2 031 311	- 4.04%
Distributable result[7]	2 727 381	2 174 502	+ 25.43%
Per share [5]. in €			
Operating result before portfolio result	0.87	0.91	- 3.58%
Portfolio result	0.31	0.07	+ 319.24%
Net result	0.92	0.72	+ 27.35%
Net current result[3]	0.61	0.65	- 6.06%
Net current result excluding IAS 39	0.69	0.72	- 4.04%
Distributable result[6]	0.97	0.77	+ 25.97%

(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) It should be noted that this is a decrease of a negative result.

(5) The average number of shares with full dividend rights in the 3rd quarters of 2010 and 2009 amounted to 2 815 630.

(6) It should be noted that this is an increase of a negative result.

(7) The distributable result is defined on a consolidated basis. According to article 7 of the RD of 21 June 2006, the dividend is calculated based on the statutory distributable result.

The **net rental result** and the **property result** present a status quo in the 3rd quarter of 2010, compared to the 3rd quarter of 2009, which indicates more difficult conditions in the rental market.

We record a slight degradation, attributable to technical factors, of the **operating result before the portfolio result**, with however a very limited impact on the operating margin[1] that remains at a high level (73.15%) for the sector.

The **portfolio result** presents a substantial rise thanks to, on the one hand, a significant growth of the realized capital gains on the transfers within the framework of the arbitrage strategy defined by the Board, and on the other hand, to a more feeble negative variation of the fair value of the investment properties, also attributable to technical factors.

That way the **net result** progresses substantially compared to the net result of the 3rd quarter of 2009, also sustained by a limited increase of the net financial charges under the beneficial effect of the decrease of the interest rates.

The **net current result** falls back by 6% following a rise of the corporate charges, preceded by a decrease of 20% of the latter at the end of the 1st half-year. This apparently erratic evolution of the corporate charges is mainly explained by the occasional appeal to external advisors in the case of the examination of acquisition files. Per share, the net result goes from € 0.65 to € 0.61.

The **net current result** excluding the impact of the IAS 39 standard evolves from € 0.72 to € 0.69 per share.

The **distributable result** however rises by 25% compared to that of the 3rd quarter of 2009, thanks to the distributable part (53.8%) of the realized capital gains on sales. Per share, the distributable result increases from € 0.77 to € 0.97.

[1] Operating result before the portfolio result divided by the property result.

2.3 Consolidated periodical results of the first nine months of the financial year 2010

Main results (IFRS standards)[1]	From 01.01.2010 to 30.09.2010[2]	From 01.01.2009 to 30.09.2009[2]	Variation (%)
In €			
Net rental result	10 558 817	10 199 988	+ 3.52%
Property result	9 890 531	9 627 200	+ 2.74%
Operating result before the portfolio result	7 239 648	6 814 099	+ 6.25%
Portfolio result	3 450 476	330 100	+ 945.28%
• *Result on the sale of investment properties*	2 161 687	905 298	+ 138.78%
• *Variation of fair value of investment properties*	1 288 789	-575 198	+ 324.06%
Financial result and taxes	- 2 246 254	- 1 898 618	+ 18.31%[5]
Net result	8 443 871	5 245 580	+ 60.97%
Net current result[3]	4 993 394	4 915 481	+ 1.59%
Net current result excluding IAS 39	5 832 124	5 297 048	+ 10.10%
Distributable result[6]	7 036 593	5 987 712	+ 17.52%
Per share[4], in €			
Operating result before portfolio result	2.57	2.48	+ 3.65%
Portfolio result	1.23	0.12	+ 919.77%
Net result	3.00	1.91	+ 57.04%
Net current result[3]	1.77	1.79	- 0.89%
Net current result excluding IAS 39	2.07	1.93	+ 7.41%
Distributable result[6]	2.50	2.18	+ 14.65%

(1) IAS34 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 2010 amounts to 2 815 630 and to 2 746 895 on 30 September 2009, i.e. a rise of 2.5%.

(5) It should be noted that this is an increase of a negative result.

(6) This distributable result is defined on a consolidated basis. According to article 7 of the RD of 21 June 2006, the dividend is calculated based on the statutory distributable result.

In a general way and as underlined in point 2.2, the results recorded at the end of the first nine months of the financial year show a stabilization of the activities and of the rental income compared to the results published at the end of the 1st half year. On the contrary, the results from the lot per lot sale of secondary and older buildings with capital gains progress significantly.

That way, the **net rental result** progresses by 3.5% (against + 5.4% after 6 months), but remains however superior to the budget of 1.5%.

The same applies to the **property result** that increases by 2.7% (against + 4.2% after 6 months), but remains higher than the growth outlook of 1.7%.

The **operating result before the portfolio result** rises by an appreciable 6.25%, resulting in a record-operating margin[1] of 73.20%.

The **net current result** has increased by 1.6% notwithstanding the negative, though purely latent, impact of the accounting of an IRS callable (€ - 838 730) in accordance with the IAS 39 standard. Per share, it amounts to € 1.77 against € 1.79 due to an increase of 2.5% of the average number of shares over the period.

The **net current result excluding IAS 39** reflects thus much better the evolution of the operating profitability of the company. It progresses in a significant way (+10.1% compared to the situation a year ago). Per share, the rise is 7.41%.

The **portfolio result**, rising very strongly (in fact multiplied by more than 10) compared to the result for the first nine months of the previous financial year, is the consequence of the decision of the Board of directors taken in the course of 2009 to accelerate steadily the arbitrage on the buildings of the portfolio, up to +/- 4% every year, in order to realize substantial capital gains. Let's recall that this strategy has been started up in 2005 and that every year substantial capital gains have been recorded. This item also reflects the positive variation of € 1.3 million of the fair value against a negative variation of € - 0.6 million a year earlier.

For the same reason, the **distributable result** evolves from € 6 million to € 7 million, a rise of 17.5%, thanks to the distributable part (€ 1.2 million on a total of € 2.2 million) of the capital gains on realized sales. Per share, it amounts at present to € 2.50 against € 2.18 and already represents after 9 months of the financial year the minimum dividend announced[2] for the entire year.

[1] See page 4
[2] See page 119 of the Annual financial report 2009 and page 5 of the Half-year financial report 2010.

3 EVENTS DURING THE THIRD QUARTER

3.1 In accordance with article 9 paragraph 3 of the articles of incorporation of the Sicafi, the Board of directors has proceeded during its meeting of last 15 September to the replacement of Mrs. Ghislaine Darquennes by co-optation of Mr. Johan Van Overstraeten till the next General meeting, subject to the approval of the CBFA. Mr. Guillaume Botermans also succeeds Mrs. Ghislaine Darquennes as President of the Audit committee.

3.2 The renovation in 4 phases of the residential property complex City Gardens in Leuven proceeds according to planning: the 1st phase of this heavy renovation programme could be completed last July. The 41 apartments could be let very rapidly and this at a rent level exceeding the outlook. On last 31 October, this first phase was 100% let (except for the show apartment). The works of the 2nd phase will be completed at the end of November 2010 and its commercialization has already been launched.

3.3 Regarding the project situated in Brussels at the corner of the rue Belliard and the rue de l'Industrie, developed by Nexity IG for the account of Belliard 21, subsidiary of the Sicafi, the works had to be interrupted in the middle of the summer following a contamination problem by lime of the concrete used for the realization of the project. It concerns one of the 93 construction sites registered as contaminated, due to a manipulation error that took place in a stone pit of the limited liability company Carmeuse.
According to the latest news a settlement has been concluded between all parties concerned with this problem.
The contaminated concrete will be removed and will be replaced by sound elements, and according to the current outlook, the completion of this project, initially foreseen for the first quarter of 2011 is postponed till the second quarter of 2012.
As a reminder, the SA Belliard 21 receives a pre-rent during the entire duration of the construction, paid by Nexity IG, allowing it to cover the interim interests on the progressively invested capital.

3.4 The transfer of the leasehold rights for a remaining term of +/- 63 years on the 10 apartments situated in the building Milcamps and on the 13 apartments situated in the building Hottat comes to an end: all apartments, or two more than on last 30 June, are at present sold in the 1st building and the only remaining rights to be transferred refer to 3 apartments and 1 garage in the second building, following the transfer of the rights on 2 other units in the course of the 3rd quarter.

3.5 The Sicafi has also sold the janitor pad, adjacent to its building in 's Gravenwezel, resulting in an entirely distributable capital gain of € 64,000.

3.6 Two additional retail spaces could be sold in Nieuwpoort during the 3rd quarter, resulting in a distributable capital gain of € 592,000. At the coast only one retail space, 2 garages and 1 parking space are left.

3.7 Regarding the buildings nr. 2 to 8 in the rue Léopold in Liège, street in which a violent explosion took place last 27 January at nr. 18, the necessary repair work realized in the 1st semester and accompanied by renovations of a number of installations, have allowed a progressive rise of the occupancy rate from an average of 27.6% for the first quarter of 2010 to 60.1% in the second, and to 70.1% in the third quarter.

4 EVENTS AFTER LAST 30 SEPTEMBER

4.1 The construction for own account of the building situated Rue Jourdan 85 in Saint-Gilles could be completed at the beginning of October. As a reminder, the building comprises 23 apartments on the floors and 1 small office space and 15 parking spaces on the ground floor as well as 14 existing parking spaces at -1. On the 4th of November fifteen apartments were already let, at a rent level slightly above the outlook.
It should be noted that the total cost of this new building including the building lot, the VAT, fees and interim interests, equals € 3.8 million, lower than the estimated and previously announced € 4.2 million. The expected gross rental yield, after full letting, should consequently exceed 8%.

4.2 On the other hand, Home Invest Belgium has been put in its right by court orders of last 6 October in two lawsuits against the Belgian government. Consequently, the exit tax paid in 2006 following the mergers with SA Belliard 205 and Patroonshuis in 2005, erroneously taxed on these two companies, while they were liquidated following their merger, will be refunded (€ 0.8 million), to be augmented by interests (€ 0.2 million). The first of these amounts will be accounted for as a deduction of the acquisition price of the buildings concerned, that way increasing their latent capital gain, while the second one will be accounted for in the revenue, in the accounts of the last quarter of the financial year.

5 OUTLOOK FOR THE CURRENT FINANCIAL YEAR

Among the files examined at the end of the 1st semester, the Sicafi has entered into a due diligence for one of them after the signature of a binding letter of intent.

Taking into account the level of the distributable results after only 9 months of the financial year, the Board of directors is examining the distribution of a dividend per unit higher than € 2.50 per share, and divided among an average number of shares with full dividend rights of + 2.5%.

It should be noted that the current uncertainties related to the evolution of the economic situation, to the stock exchanges 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.

18 November 2010

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 84 buildings with a total surface of over 120 000 m² on 30/09/2010 and amounts to € 215 million (fair value).
The buildings in portfolio are mainly located (75%) in the Brussels-Capital Region.

INVESTOR RELATIONS

Xavier Mertens, Chief Executive Officer
T +32 2 740 14 51 - F +32 2 740 14 59
E xavier.mertens@homeinvest.be
www.homeinvestbelgium.be