

INTERIM STATEMENT  
OF THE BOARD OF DIRECTORS  
FOR THE PERIOD  
01.07.2014 to 30.09.2014



- ▶ The distributable result per share is equal to €3.39, which represents an increase of 14.04% compared with the same period in 2013.
  - A slight increase in net rental income (0.24%)
  - A 7% increase in net asset value
  
- ▶ The proportion of residential buildings has increased and is at a level of 76.2% (previously 74.7% at 30 June last year), which is in line with the target of 80% to be achieved at the beginning of May 2015.
  - Acquisition of a furnished residential building located on Rue Joseph II, 1000 Brussels
  - Continuation of its active divestment strategy, and signing of a private sale agreement in connection with the sale of the Belliard 205 office building
  - Start of renovation work on the Maurice Charlent building
  
- ▶ The average occupancy rate for the first three quarters of 2014 remains high, at a level of 94.67%.
  
- ▶ On 25 September 2014, Home Invest Belgium SA became the first Belgian Sicafi to obtain the RREC status of a public regulated real estate company under Belgian law (“société immobilière réglementée / gereguleerde vastgoedvennootschap”).



## ► KEY CONSOLIDATED FIGURES AT 30 SEPTEMBER 2014

The total value of Home Invest Belgium's shareholders' equity on 30 September 2014 amounts to 202 Mio EUR vs 195 Mio EUR as per 31 December 2013, representing a net asset value of €64.01 per share, vs €64.09 per share at the close of the last fiscal year.

The debt ratio remains stable and is fixed at 38.9%, vs 38.4% at the close of the 2013 fiscal year. The debt ratio therefore remains far under the legal limit of 65% applicable to RREC. Home Invest Belgium has a debt capacity of nearly 75 Mio EUR without exceeding the 50% threshold, at which point, under the terms of the Royal Decree of 16 July 2014, the RREC would be made to elaborate a financial plan, supported by an implementation schedule under the control of the FSMA.

<b>PRIMARY RESULTS (IN €) <sup>(1)(2)</sup></b>	<b>From 01/01/2014 to 30/09/2014</b>	<b>From 01/01/2013 to 30/09/2013</b>
Net rental result	14,263,216	14,229,278
Property result	13,485,810	13,306,182
Operating result before portfolio result	9,098,591	9,630,915
Portfolio result		
- Result on sales of investment properties	2,516,290	2,037,179
- Changes in fair value of investment properties	3,405,982	2,039,654
Financial result		
- Financial result, excluding changes in fair values of financial assets and liabilities	-2,966,839	-2,918,387
- Changes in fair values of financial assets and liabilities <sup>(3)</sup>	-2,746,599	1,443,175
Net result	9,284,193	12,229,235
Net current result	3,361,922	8,152,402
<b>Net current result per share <sup>(4)</sup></b>	1.09	2.68
Net current result excluding IAS 39	6,108,521	6,709,227
<b>Net current result excluding IAS 39 per share <sup>(4)</sup></b>	1.98	2.20
Distributable result	10,455,269	9,040,389
<b>Distributable result per share <sup>(4)</sup></b>	3.39	2.97
<b>Net book value per share</b>	64.01	59.90
<b>EPRA NAV<sup>(5)</sup> per share</b>	66.46	61.41

(1) This interim report does not apply the IAS 34 standard to the accounting data content reported above.

(2) Figures reviewed by the Auditor, but not audited.

(3) This corresponds to changes in the fair values of interest-rate financial hedging instruments.

(4) The total number of shares with full dividend rights on 30 September 2014 amounts to 3,086,181 excluding 12,912 own shares held by the company on the same dates.

(5) "EPRA NAV" represents the net asset value, adjusted to exclude, among other items, the fair value of financial hedging instruments.



At the end of the third quarter of 2014, the **net rental income** increased marginally by 0.24% compared to the situation last year. This marginal increase follows the integration at the end of January 2013 of the building located at Louvain-la-Neuve, having generated only partial income in the first quarter of 2014 and notwithstanding realised sales and buildings that have not been re-leased with an objective to renovate them.

The **operating result before portfolio result** amounts to is 9.1 Mio EUR as per 30 September 2014, which represents a reduction of 5.5% compared with the figure as per 30 September 2013. This reduction is explained primarily by the fact that the Company has borne exceptional one-off costs linked firstly to the transition from SICAFI to RREC, and secondly to changes that have occurred within the company's executive management and Board of Directors.

The **net current result excluding IAS 39** decreases by 9% compared with the level of the previous year, amounting to 6.1 Mio EUR, vs 6.7 Mio EUR on 30 September 2013.

The **distributable result**, which includes distributable capital gains realised during the fiscal year – increases substantially (+15.7%), rising from 9 Mio EUR on 30 September 2013 to 10.5 Mio EUR on 30 September 2014, thanks to the pursuit of an active portfolio divestment strategy which led, among other things, to the sale of two office buildings (Montoyer and Belliard 205) which generated subsequent capital gains. The **distributable result per share** increases by 14%, attributable to the capital increase that took place in June and the issue of 104,666 new shares, with dividend rights since June 2014 ; it therefore increases to €3.39, versus €2.97 as at 30 September 2013.



► **THE PROPERTY PORTFOLIO**

On 30 September 2014, the **fair value** of Home Invest Belgium's investment properties<sup>1</sup> amounted to 326 Mio EUR vs 285 Mio EUR on 30 September 2013, which represents an increase of 14.3%. Should the portfolio remain constant, this annual increase would amount to 5.8 %, above the average values recorded for the Belgian residential market.



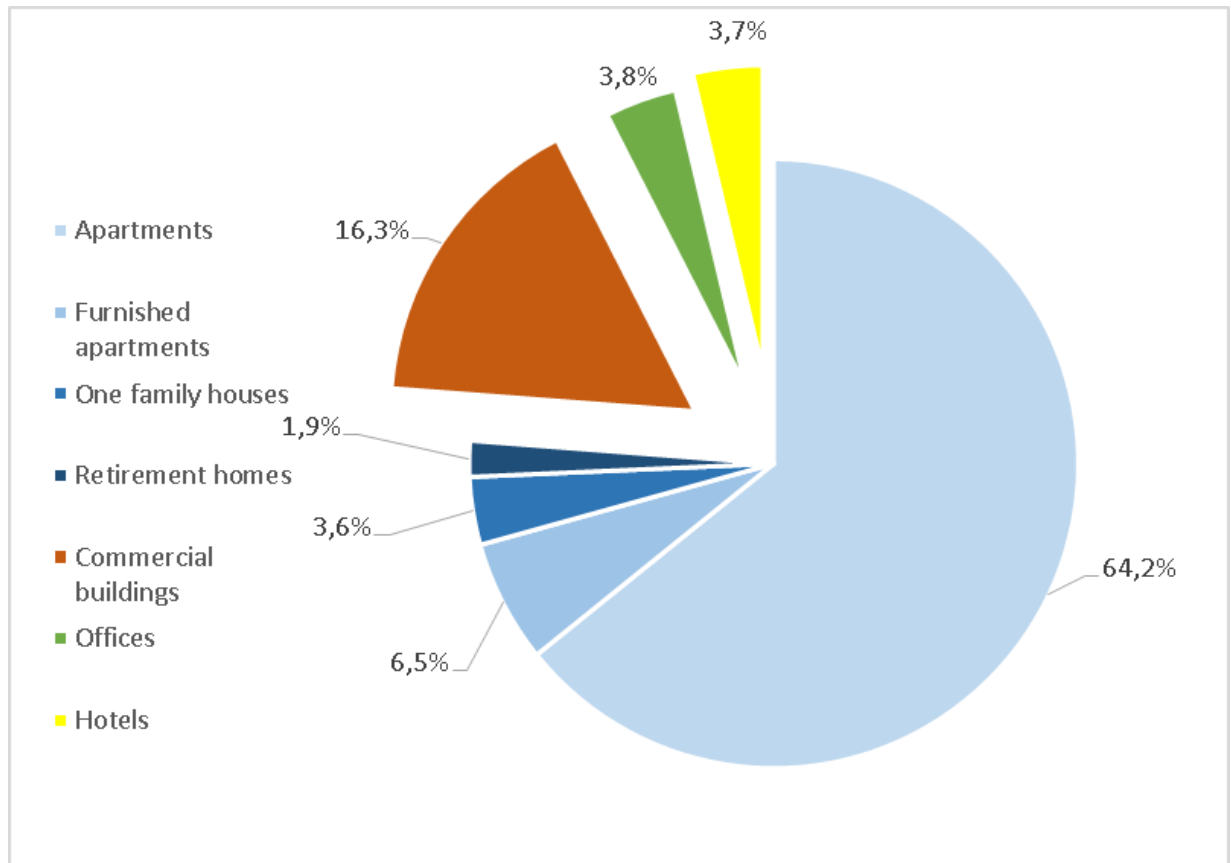
<sup>1</sup> This fair value corresponds to the statement heading "Investment Properties", which also includes development projects in accordance with the IAS 40 standard, but does not account for buildings intended for sale.



## *Housing life*

The breakdown of the investment properties according to their function is illustrated below.

Compared with 30 June 2014, there has been a significant increase of 1.5% from the proportion of residential buildings in the portfolio, rising from 74.7% to 76.2%.



By way of reminder, since the entry into force of the Programme Law of 27 December 2012, at least 80% of the total value of Home Invest Belgium's assets must be invested directly in real estate allocated for, or exclusively intended for residential purposes in order for HIB to continue to enjoy its status as a residential RREC.

Consequently, Home Invest Belgium is determined to reach the 80% threshold no later than the end of April 2015, as illustrated by the graph below.



► **SIGNIFICANT EVENTS OCCURRING DURING THE THIRD QUARTER OF 2014**

**Acquisitions**

Home Invest Belgium purchased a residential property located on Rue Joseph II, 1000 Brussels.

The building is in very good condition and includes 15 furnished flats with certain services, with a total surface of 1,341 m<sup>2</sup>. The ground floor is occupied by two retail spaces. The purchase price excluding expenses amounts to 3.5 Mio EUR and the gross rental yield is over 8%. The building is close to Résidences Quartier Européen, which is also owned by Home Invest Belgium. The proximity of these two buildings will allow their management to be optimised.

This acquisition is part of Home Invest Belgium's "pure player" investment strategy in residential or mixed-use buildings, and as such fits in perfectly with the development lines set by the RREC. It also enables the company to increase the proportion of residential properties in its total portfolio.

**Sales**

Within the framework of its divestment strategy and during the third quarter of 2014, Home Invest Belgium continued to sell separately residential assets and buildings that no longer fitted in with the company strategy.

In particular, during the third quarter, HIB entered into a private sale agreement with respect to the sale of the Belliard 205 office building in Brussels.

At the end of the first three quarters, the realised sales enabled HIB to record capital gains in the order of 2.5 Mio EUR in relation to the last fair value of goods sold. The distributable increase in value amounted to 4.3 Mio EUR.



## Proprietary Developments

In its capacity as delegated manager for its parent company (Home Invest Belgium), Home Invest Development SA has actively continued to work on current development projects:

- Trône project, located at the corner of Rue de la Pépinière and Rue de Brederode, 1000 Brussels: the shell is complete, and the handover of 15 flats and office is scheduled for the first quarter of 2015;
- Maurice Charlent project, located on the corner of Rue Maurice Charlent and Rue Jean Cockx, 1160 Brussels: work began in July 2014. The 127 studios will be ready to welcome their first tenants as of the second semester of 2015.





- Ariane project, located on Avenue Marcel Thiry 208, 1200 Woluwé-Saint-Lambert: continuation of preparation of the implementation file allowed a start on dismantling work at the end of September 2014.
- Marcel Thiry C project, located on Avenue Marcel Thiry 204 C, 1200 Woluwé-Saint-Lambert: the administrative permit-application process is proceeding normally, and it is hoped the permit will be granted during either the last quarter of 2014 or at the start of 2015.
- Reine Astrid project, located on Avenue Reine Astrid 278 in Kraainem: the studies leading to the filing of the permit application have been undertaken, and this application will be filed during the last quarter of 2014.

## Administrative, Retail and Technical Management

The average occupancy rate<sup>(2)</sup> for the three first quarters of 2014 remains at a high level of 94.67%. This performance was achieved despite, firstly, a relatively difficult rental market, especially in the high-end sector and, secondly, the decision taken by HIB to refrain from renting two buildings that will shortly undergo full renovation. This relates to 15 of the 20 houses at Clos Saint-Géry in Ghlin (work has begun under the direction of Home Invest Development) and the apartment building on Avenue de l'Yser in Brussels (start of the works during the first quarter of 2015 after the last tenants had moved out).

This decision forms part of HIB's proactive technical and retail management of its property portfolio.

Within this same framework, Home Invest Development is building six new flats in the attic of the Galerie de l'Ange in Namur. This work was still under progress on 30 September 2014. These new flats will be placed on the rental market during the last quarter of 2014 and will therefore contribute to the rental result as of the first quarter of 2015.

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<sup>2</sup> Average rate over the first three quarters of 2014 – excluding properties intended for sale and development projects –, expressed as a percentage of rents generated by occupied properties, increased by rental guarantees on unoccupied properties, in relation to the sum of the rents of occupied properties and the estimated rental value (ERV) of vacant properties.



## Home Invest Belgium SA was the first Belgian Sicafi to obtain the status of a RREC ('regulated real-estate company')

The extraordinary general shareholders' meeting held on 25 September 2014 unanimously approved the change in the company's legal status from a Sicafi to a publical regulated real-estate company, or RREC (in accordance with the Act of 12 May 2014 on regulated real-estate companies). As no right of withdrawal has been exercised, Home Invest Belgium has immediately benefited from the RREC status. Home Invest Belgium is the first Belgian Sicafi to obtain the RREC status.

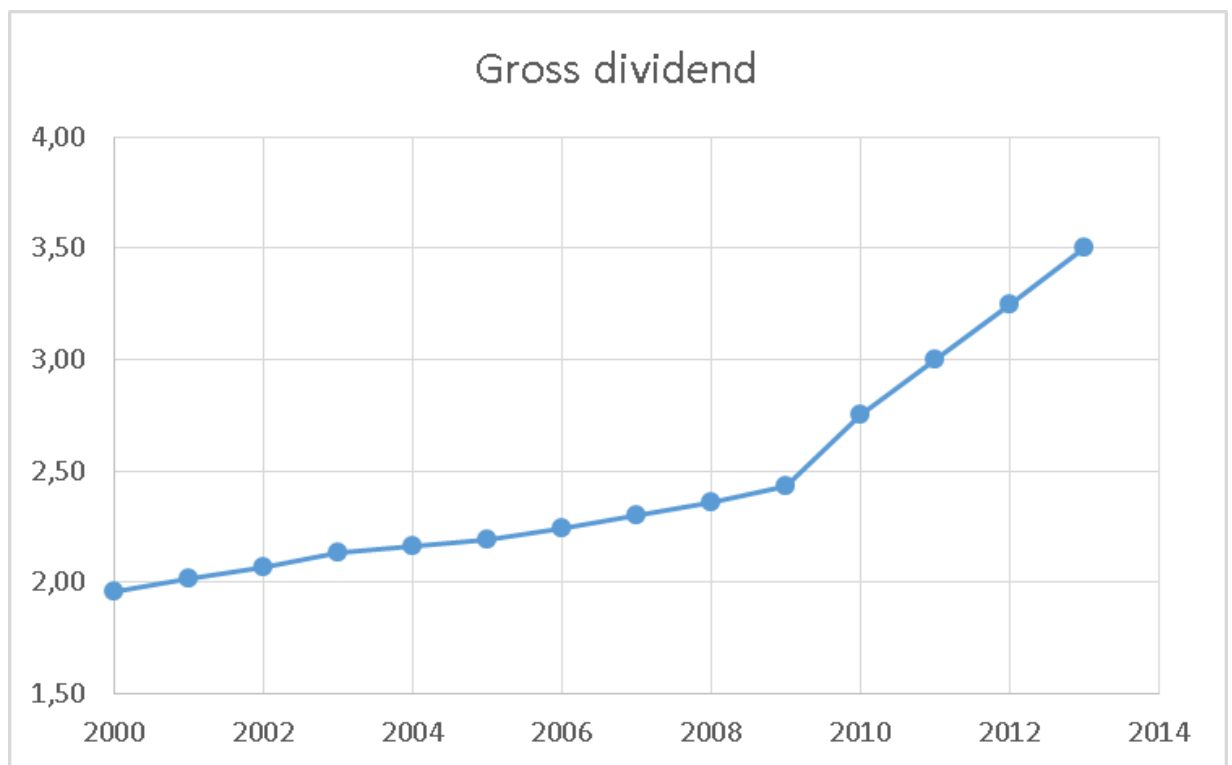
Home Invest Belgium is delighted to have obtained its new status, which will enable it to continue to exercise its residential property investment business activity in the interests of the company and its shareholders. The company also thanks its shareholders for their support during the status change process.



► **PROSPECTS FOR THE CURRENT FINANCIAL YEAR**

Since the Company's stock-exchange listing in June 1999, the dividend distributed by the SIR has significantly increased each year.

For the current financial year, and barring any unforeseen events, nothing is likely to cause this rising curve to change its trajectory. In these circumstances, the Board of Directors considers that the dividend for 2014 should again be higher than that for the previous financial year, barring any sudden, serious deterioration in the residential property market for sale and/or for rental, which the Board of Directors does not foresee as at the date this press release was prepared.



For additional information:

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Home Invest Belgium is a residential public regulated real estate company under Belgian law, founded in June 1999 and listed on the NYSE Euronext Brussels (HOMI) continuous market.

On 30 September 2014, the fair value of its operative real estate portfolio amounted to 293.5 Mio EUR.  
The portfolio comprises 76 buildings spread across 45 sites and with a total surface area of  $\pm$  148,000 sqm  
(excluding development projects and properties held for sale).

HIB's business activities are supervised by the Financial Services and Markets Authority (FSMA).

As per 30 September 2014, Home Invest Belgium's total market capitalisation was 254 Mio EUR.

