Home Invest Belgium

Housing life

ANNUAL FINANCIAL REPORT 2012

SUMMARY

PHOTO COVER
ADAGIO ACCESS BRUSSELS EUROPE (BRUSSELS)

“For the shareholder, investing in a residential ‘sicafi’ such as Home Invest Belgium offers the advantage of liquidity, diversification and fiscal optimisation compared with a direct property investment”

PROFILE

Home Invest Belgium is a fixed capital real estate investment trust (sicafi) specialising in investments in residential housing. Its property portfolio is spread over town centres in Belgium (72% of which in Brussels and 14% both in Flanders and Wallonia).

On 31 December 2012, the property portfolio held by Home Invest Belgium includes 73 buildings on 42 sites, representing a total surface area of +/- 125 000 m². The fair value of this portfolio (excluding projects under development and assets held for sale) amounts to € 242 million[1], 77% of which consists of residential properties.

Listed on Euronext Bruxelles, its market capitalisation stands at € 217 million at the close of the 2012 financial year.

Set up 13 years ago, Home Invest Belgium pursues a coherent strategy hinged on the creation of value and the growth of the dividend in the interest of all its shareholders, while contributing to one of the basic needs of the population: access to decent housing (art. 23 of the Belgian Constitution).

Since its creation in 1999, Home Invest Belgium has succeeded in increasing by six-fold its initial property portfolio.

In €	Investment value of portfolio
31/12/2012	285 889 000
31/12/2011	272 247 567
31/12/2010	246 558 323
31/12/2009	229 001 892
31/12/2008	218 821 398
31/12/2007	179 553 208
31/12/2006	154 250 086
31/12/2005	128 939 823
31/12/2004	84 573 857
31/12/2003	66 927 850
31/12/2002	57 288 245
31/12/2001	51 361 059
31/12/2000	44 261 389
1/06/1999	43 181 416

Home Invest Belgium covers the 4 areas of the real-estate life cycle:

- Acquisition
- Development
- Administrative, commercial and technical management
- Sale

1 The fair value of the property portfolio, including projects under development, amounts to € 243 million.

Creation of Home Invest Belgium

Granted sicafi status

Stock exchange listing

1999

Merger with Les Résidences du Quartier Européen SA

Purchase of the Birch House building[1]

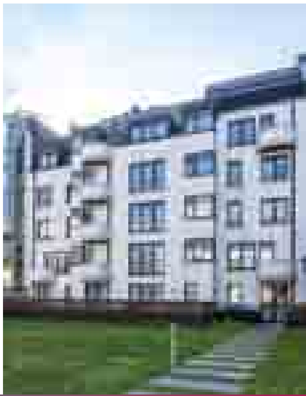
2002

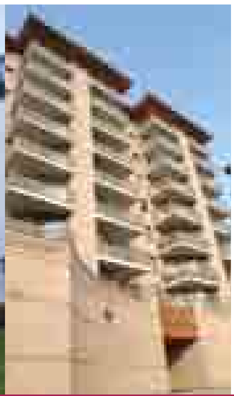
Reception of the Giotto building (turnkey acquisition)

Merger with 205 rue Belliard SA

Merger with Patroonshuis SA

2005





BACKGROUND

2001

Merger with Mons Real Estate SA

2003

Contribution of 3 buildings of AXA Belgium group

2006

Merger with Immobilière Prince d'Orange SA

Capital increase of € 31.6 million through the issue of new shares

1 The "Birch House" building is also known as "Cours Saint-Michel".

2007

Merger with Investim SA

Merger with Immobilière Van Volxem SA

Reception of the Résidence Colombus (turnkey acquisition)

2009

Merger with ERIV Mechelen SPRL

Merger with Les Erables Invest SA

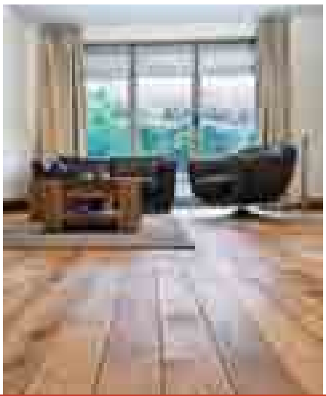
2011

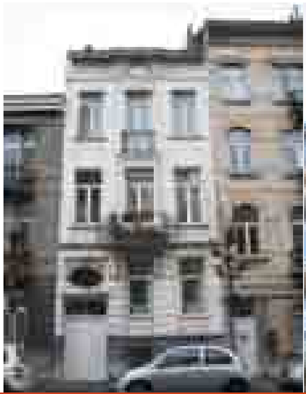
Partial demerger with Masada SA

Acquisition of Quai de Rome in Liège

Partial demerger with VOP SA

Demerger with Urbis SA





HOME INVEST BELGIUM

© Yvan Glavie

2008

Partial demerger with VOP SA

Merger with JBS SA

2010

Merger with Alltherm SA

4-phase redevelopment of the City Gardens complex over the 2010 and 2011 financial years

Reception of Jourdan 85 building

2012

Reception of the Odon Warland-Bulins building

Reception of the Adagio Access Brussels Europe hotel (turnkey acquisition)

Signing of the agreement for the acquisition of buildings held by the “Louvain-la-Neuve 1976” property certificate

1 RISK FACTORS

ODON WARLAND - BULINS (JETTE)

RISK FACTORS

Home Invest Belgium conducts its business in an environment subject to permanent change, which leads to certain risks.

Should these risks materialize, they could have an adverse effect on the company, its business, its outlook, its financial situation or its results.

These risks consequently need to be taken into account within the framework of the company's global management, its investment and divestment decisions, the funding cost of the investments and the optimum re-use of its available resources.

The objective of Home Invest Belgium is to manage these risks as well as possible in order to generate a recurrent and stable rental income on the one hand, and a capital gains potential on the other hand. The risk factors with which the sicafi is confronted are subject to regular monitoring by both the Executive Management and the Board of Directors. Cautious policies have been adopted to reduce the exposure of the sicafi and its shareholders to these factors.

The main risks are listed below, as well as the different factors and measures that make it possible to cushion the potentially negative impact of these risks.

Market risks

Description of the risk	Potential negative effects	Potential corrective factors and measures
Risk of a downturn in the economic situation	1. Negative impact on demand both on the rental market and on the acquisition market 2. Drop in the occupancy rate 3. Drop in the level of rent at which the surfaces can be re-rented 4. Increase of unpaid rents 5. Negative adjustment of the fair value of the property portfolio 6. Reduction in the sale price	Diversification of investments in different categories of buildings (top of the range, mid-range) and geographical locations (1,2,3,4,5,6) Regular evaluation of the property portfolio and of the occupancy rate by the Sicafi's Executive Management and Board of directors (1,2,3,4,5,6) Rigorous selection of tenants (4) Rigorous selection of new investments (1,2,3,5,6) Arbitrage of the disinvestment opportunities (1,2,3,5,6) Contractual indexation of rents (3,5,6)

GIOTTO (EVERE)

SIPPELBERG (MOLENBEEK-SAINT-JEAN)

Risks connected with the property portfolio

Description of the risk	Potential negative effects	Potential corrective factors and measures
Risk of obsolescence of the property portfolio	1. Reduced commercial appeal on the rental and acquisition market 2. Negative impact on the occupancy rate 3. Increase in the costs of maintaining and renovating the property portfolio	Regular upkeep and maintenance policy including the constant renovation of the property portfolio (1,2,3) Policy of systematically replacing obsolete facilities (1,2) Resale of the less attractive buildings[1] (2,3)
Inappropriate choice of investments or developments	1. Change in the company's income prospects 2. Out of step with market demand resulting in vacancy 3. Expected yields not achieved	Strategic analysis of the risk, accompanied by a technical, legal, fiscal and accounting audit/due diligence before each acquisition (1,2,3) Internal and external valuation (independent surveyor) of each property to be acquired or developed (1,2,3)

1 The strategy pursued by Home Invest Belgium is to generate an annual sales volume of at least 4% of its property portfolio in operation. For the 2012 financial year, this sales activity represents a volume of 3.9% of the fair value of the property portfolio on 31 December 2011.

Risks connected with the property portfolio (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Negative change in the fair value of buildings	Negative impact on the net result, the net assets and the debt ratio For example: a drop of 1% in the fair value of the property portfolio would lead to a reduction of € 2.6 million in the net result of the statutory accounts on 31/12/2012 without impacting however the net current result or the distributable result. The net asset value would be down by € 2.6 million, or by € 0.85 per share. The debt ratio would increase from 30.88% to 31.18%.	Property assets valued by an independent surveyor on a quarterly basis, allowing corrective measures to be taken Cautious debt policy Investment strategy targeting quality properties offering stable income Diversified portfolio, including on geographical level Main asset representing only 11.1 % of the portfolio
Improper management of the major works or development projects	1. Increase in the cost 2. Postponement of the project leading to a negative impact on the results per share	Internal development team for own account (1,2) Internal commercial and technical management team (1,2) Limits defined for the development activity (1,2): - < 12.5% of the portfolio per project - < 25% of the portfolio for all of the projects

LES ERABLES (WOLUWE-SAINT-LAMBERT)

LEBEAU (BRUSSELS)

Risks connected with the property portfolio (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Maintenance and renovation costs	1. Reduction in the appeal of the properties for rental or sale 2. Reduction in the potential rents 3. Negative impact on the vacancy rate	Regular upkeep and maintenance policy, including the constant renovation of the property portfolio (1,2,3) In-depth analysis of the investment projects requiring significant renovation work so that the acquisition value of the property in question reflects the condition of the property before its renovation (1,2,3) Gradual insourcing of the technical management of the buildings in the Brussels Region. The other buildings continue to be managed by carefully selected external managers. (1,2,3)
Total or partial destruction of buildings	1. Reduction in rental income 2. Negative impact on results	Portfolio insured for a new reconstruction value (excluding land) of a total amount of € 182 million on 31 December 2012 for the buildings held in full ownership by the Sicafi. The properties that are part of co-ownerships are insured for their reconstruction value (excluding land) by the different co-ownerships (1,2)
Risk of rental vacancy	1. Loss of rental income[1] 2. Rents adjusted downwards 3. Higher commercial costs to attract new tenants, impacting results 4. Reduction in the value of the buildings 5. Charges and taxes on the unrented buildings to be covered by the owner[2] 6. Granting of discounts and incentives[3]	Pro-active commercial and technical management policy with a view to maintaining a high occupancy rate[4] (in 2012: 94.16% compared with 95.38% in 2011) (1,2,3,4,5) In-depth analysis of the new investments and of the tenants (standard tenant, student, senior, etc.) targeted to live there, taking into account in particular the demographic prospects and market demands (1,2,3,4,5)
Excessive development programme for own account	Uncertainty surrounding future income	Activity limited to a maximum of 25% of the fair value of the property portfolio

1 A 1% reduction in the occupancy rate reduces the net rental result by € 176 851.

2 On 31 December 2012, the "charges and taxes on non-rented buildings" item amounted to € 156 258, or 0.9% of rental income.

3 On 31 December 2012, the "Rent discounts" item amounted to € 55 544, or 0.3% of rental income. These rent discounts relate almost exclusively to retail or office rentals.

4 The occupancy rate expresses the percentage of the rents generated by the occupied properties, including the rental guarantees on the unoccupied properties, compared with the total rents of the occupied properties and the estimated rental value (ERV) of the unoccupied properties.

Risks connected with the property portfolio (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Risk of legal and arbitration procedures	Impact on the net result	Strategic analysis of the risk accompanied by a technical, legal, fiscal and accounting *audit/due diligence* before each acquisition Proactive management of the property portfolio Internal and external management of disputes
Risk of hidden liabilities resulting from mergers, demergers and contributions	Impact on the net result	Strategic analysis of the risk accompanied by a technical, legal, fiscal and accounting *audit/due diligence* before each acquisition Setting up of an audit committee notwithstanding the dispensation from setting one up arising from article 526 bis of the Company Code.

Risks connected to tenants and leases

Description of the risk	Potential negative effects	Potential corrective factors and measures
Risk of reduced solvency or insolvency of tenants	1. Loss of rental income[1] 2. Unforeseen vacancy 3. Unforeseen costs incurred to re-rent 4. Re-rental at a lower price 5. Granting of frees and incentives[2]	Diversified investment policy, both from a geographical and sectoral point of view and from the point of view of the type of tenants targeted (1,2,3,4) Rigorous selection of tenants including an analysis of their capacity to regularly pay the rent due (payslips, etc.) (1,2,3,4) Bank guarantee corresponding in principle to 2 months of rent requested from each tenant (1,2,3,4) The rents are payable in advance and almost always on a monthly basis (1,2,3) The provisions for charges and taxes are payable in advance (1,2,3) A rigorous procedure for the follow up of unpaid rents (1,2,3)

1 The losses on unpaid rents, net of recovery, represent on 31 December 2012 1.19% of the company's turnover.

2 On 31 December 2012, the item "free rent" amounted to € 56 544, or 0.3% of rental revenues. This free rents deal almost exclusively with the renting of commercial spaces and offices.

Risks connected to tenants and leases (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Preponderant weight of the biggest tenants	Considerable negative impact on rental income in the event of departure.	Very diversified customer base (> 1 200 tenants) No important building in the portfolio is rented out to one single tenant. Similarly, the biggest tenant in the Sicafi portfolio only represents 2.50% of the total rents. No significant lease is coming to an end in 2013.
Risk of early termination of the main leases	1. Higher rental vacancy rate 2. Higher commercial costs due to the empty rental premises 3. Downward adjustment of rents	Proactive internal and external commercial and technical management (1,2,3) No significant building in the portfolio is rented out to one single tenant. Similarly, the biggest tenant in the Sicafi portfolio only represents 2.50% of the total rents. No significant lease is coming to an end in 2013. (1,2,3) The very large number of tenants (> 1200) is a factor that makes it possible to qualify this risk as a relatively low risk
Risk of non renewal of leases	1. Higher rental vacancy 2. Higher commercial costs due to the empty rental premises 3. Downward adjustment in the rents	Proactive internal and external commercial and technical management (1,2,3) No significant building in the portfolio is rented out to 1 single tenant. Similarly, the biggest tenant in the sicafi portfolio only represents 2.50% of the total rents. No significant lease is coming to an end in 2013. (1,2,3) The very large number of tenants (> 1200) is a factor that makes it possible to qualify this risk as a relatively low risk
Risk of high rotation[1]	1. Higher rental vacancy 2. Higher commercial costs due to the empty rental premises 3. Downward adjustment in the rents	Proactive internal and external commercial and technical management (1,2,3) Whenever possible, a priority is given to long-term leases (commercial leases, long leases) (1,2,3)

1 Taking into account mainly the legislation for main residence rental agreements that allows tenants to resign at any time from their rental contract.

Regulatory and political risks

Home Invest Belgium benefits from a favourable tax regime (Sicafi), that exonerates it from corporate tax with, in return, the obligation to distribute 80% of its profits. In addition to the obligations related to corporate law, it is also required to comply with the legislation on listed companies and collective investment undertakings. The activities of Home Invest Belgium and the results arising from them for the shareholder depend also partially on the regulatory environment in place, more specifically with regard to taxes, the environment, etc. – whether federal, regional, provincial or at city level.

Although the company makes every effort to comply with the regulations and brings in all the experts necessary in this respect, it is exposed to the risk of failure to comply with the regulatory constraints, in particular the environmental constraints.

Description of the risk	Potential negative effects	Potential corrective factors and measures
Failure to respect the sicafi status	1. Loss of the sicafi certification and of the related transparent tax regime 2. Compulsory early reimbursement of certain loans	Professionalism of the team ensuring strict compliance with obligations (1,2) Very limited debt ratio (1,2)
Failure to respect the residential sicafi status[1]	Withholding tax on the dividend increases from 15% to 25%[2]	Close monitoring of the portfolio valuation by Executive Management and the Board of Directors
Unfavourable change to the sicafi regime and the tax treatment of the dividend[3]	1. Fall in results or of the net asset value 2. Reduction in the return for the shareholder	Regular contact with the public authorities and the other sicafi (1,2) Participation in associations that represent the sector (1,2)
Unfavourable change to the sicafi regime following the EMIR[4] and AIFM[5] directives voted in the european parliament	1. New constraints and obligations that can impact the profitability of the company or the value of its assets. As regards the constraints of the AIFM directive, they mainly concern the following points: - Liquidity management; - The conditions of delegation to third parties in the field of property management in particular; - The functions of custodian; - The method of calculation of the debt ratio. 2. Risk of expensive margin calls for hedging instruments to be subscribed by the company, in the event of adoption of the EMIR	Regular contact with the public authorities and the other sicafi before transposal into Belgian internal legislation and, eventually, the application to the sicafi of the EMIR and AIFM directives (1,2) The aim of these directives is to create a uniform regulatory framework in Europe with a certain number of fundamental values and codes of conduct. These new constraints that Home Invest Belgium is investigating with the sector should to a large extent already be covered by the regulations applicable today (1)

1 Since the new programme law of 27 December 2012, at least 80% of the total value of the assets must be invested directly in properties situated in a Member State of the European Economic Area and assigned or destined exclusively to habitation. The residential sicafi (including Home Invest Belgium) have a transitional period of 2 years to comply, given that the threshold before the programme law of 27 December 2012 only stood at 60% of the total value of the assets. On 31 December 2012, Home Invest Belgium has a portfolio of 77% of buildings assigned or destined exclusively for residential housing. During the 2 year transitional period, Home Invest Belgium will consequently be particularly attentive to achieving the 80% threshold. The residential sicafi status is described in greater detail in the "Permanent Document" chapter "The Sicafi and its tax regime".

2 The tax treatment of the Home Invest Belgium dividend is described in greater detail in the "Permanent Document" chapter -"The sicafi and its tax regime"-.

3 EMIR: European Market Infrastructure Regulation.

4 AIFM: Alternative Investment Fund Managers.

Regulatory and political risks (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Change to environmental regulations	1. Increase in the costs of maintaining and renovating a building to secure its compliance 2. Reduction in the fair value of the building 3. Reduction in the company's profitability	Regular evaluation of the risks related to the environmental regulations by the Board of Directors and Executive Management (1,2,3) Rigorous selection of the new investments and development projects (1,2,3)
Frozen or regulated rents	1. Negative impact on the growth of rents 2. Negative impact on results	Regular contact with the public authorities and the other sicafi (1,2) Participation in associations that represent the sector (1,2)
Regionalisation of leases	1. No direct financial impact 2. Greater regulatory complexity	Regular contact with the public authorities and the other Sicafi (1,2) Participation in associations that represent the sector (1,2)

Financial risks

Home Invest Belgium's financing policy sets out to optimise its financing cost and to limit the company's liquidity risk and the counterparty risk.

Description of the risk	Potential negative effects	Potential corrective factors and measures
Exchange risk	Negative impact on the profit and loss account and on the net asset value.	No significant risk in the current configuration of the euro zone. Investments exclusively in Belgium as well as the realisation of the entire turnover. All the rents and charges are in euros, as well as all of the credit lines.
The counterparty bank risk	1. Non respect of commitments within the framework of hedging agreements 2. Bankrupcy of a bank-counterpart and loss of the deposited funds	Very low risk although not entirely excluded given the current context of the debt and euro crisis (1,2) Diversification of the sources of financing and of the rate hedging instruments among different reference counterparty banks on the market (1,2) The liquidities available to Home Invest Belgium are mainly used to reduce the Sicafi's debt (2)

Financial risks (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Liquidity risk and debt structure risk	1. Non-renewal of credit lines on expiry 2. Increase in interest rates and/or margins at the expiry of the credit lines	Diversification of the sources of funding among the different counterparty banks (1,2) Balanced spread of the maturities of the credit lines over time: average duration of 2 years and 10 months; final maturities spread between 2013[1] and 2019 (1,2) Nurturing of a lasting and solid relationship with solid banking partners with a good credit rating (1,2) Sufficient availabilities maintained on the credit lines to finance operational outlays (1,2) Renegotiation of credit lines several months before their final maturity (1,2) A reduced debt ratio maintained (30.88%[2] on 31 December 2012) (1,2)
Risk of inflation	Drop in the Sicafi's net result if the rise in interest rates is higher or faster than the increase in the Sicafi's income	The rents are indexed annually, generally on the basis of the health index Subscription of hedging instruments
Risk of deflation	Non-growth of rental income, offset if applicable by a reduction in financial charges in the event of a drop in interest rates	The current legislation on residential leases does not make it possible to allow for a minimum rent in the event of deflation

RÉSIDENCES DU QUARTIER EUROPÉEN (BRUSSELS)

GALERIE DE L'ANGE (NAMUR)

1 The total amount drawn on the credit lines expiring in 2013 amounts to € 15.7 million.

2 Financing by banks represents 95.8% of the sicafi's debt, calculated on the basis of the royal decree of 7 December 2010.

Financial risks (continued)

Description of the risk	Potential negative effects	Potential corrective factors and measures
Risk of interest rate changes	1. Latent and temporary variation in the fair value of the interest rate hedging instruments 2. Increase in financial charges	The eventual reduction in the fair value of the hedging instruments has no impact on the distributable income available for the shareholders (1) At the close of the 2012 financial year, the reduction in the fair value of the hedging instruments had a negative impact of € 7.3 million on the net asset value, or € 2.38 per share (1) As the entire debt is hedged[1] by hedging instruments, a rise in interest rates of 1% would not have led for the 2012 financial year to any additional interest charge (2) The company's prudent financial policy (1,2) The sicafi maintains the share of unhedged loans with a variable rate under 15% compared with the fair value of the property portfolio (1,2) Dynamic cash flow management of the company, used mainly to reduce certain credit lines, if needed (1,2) Average debt on 31 December 2012 : 3.53% (1,2)
Changes in the fair value of hedging instruments[2]	Latent and temporary changes in the fair value of hedging instruments (IAS 39)	In total, at the close of the financial year 2012, the decrease of the interest rates recorded the last couple of years, had a negative impact of € 7 260 647 (the amount that should have been paid to release the hedges on 31 December 2012) on the net asset value (NAV), or € 2.38 per share. A downward adjustment of 25 base points in the interest rates would lead to an additional latent charge on the fair value of the financial instruments of € +/- 800 000, or € 0.26 per share.
Risk of the liquidity of the share	Difficulty for the shareholders to quickly modify their position in Home Invest Belgium shares, upwards or downwards	The Sicafi works actively on its external communication (press releases, meetings with financial analysts, participation in road shows) with a view to improving its reputation among investors. The Sicafi entered into an agreement in the course of 2012 with the Banque Degroof as a second liquidity provider The annual volume of shares exchanged on the stock exchange increased from 222 912 on 31 December 2011 to 289 644 on 31 December 2012
Risk of failure to comply with the Sicafi's debt ratio	1. Loss of the Sicafi certification and the related fiscal transparency regime 2. Compulsory early reimbursement of certain loans	Prudent financial and debt policy of the Sicafi and continuous monitoring (1,2) Maintained reduced debt ratio (30.88% on 31 December 2012) (1,2)

1 As of 31 December 2012, hedging instruments accounted for € 101.75 million or 126.8% of the amount drawn (€ 80.25 millions) on the bank credit lines and 89% of the total amount of these lines (€ 114.32 million). In the event of absence of hedging, an increase of 1% of the interest rate would have led to an additional financial charge of € 802 500.

2 The decrease in fair value of financial instruments is accounted for in the equity of 31 December 2012 for the effective part and in the results for the ineffective part. See also «"Financial Statements" – "Annex 24".

LETTER TO THE SHAREHOLDERS

AS AN INTERVIEW WITH THE CHAIRMAN OF THE BOARD OF DIRECTORS AND THE MANAGING DIRECTOR

Dear shareholders,

We invite you to review with us some of the highlights of the 2012 financial year for our Sicafi and to take a closer look at the salient features of our strategy and our future prospects in the question and answer format below.

How did Home Invest Belgium fare in 2012 in the light of the rather depressed economic conditions?

Home Invest Belgium continued to grow in 2012 and once again posts very solid results. Our net income excluding IAS 39 – the true measure of the Sicafi's operational profitability - rose 4.6% to reach € 8 million, compared to € 7.7 million in 2011. Distributable earnings also increased significantly, up by 7.4% (€ 11 million at year end, compared to € 10.2 million for the year 2011).

The year 2013 also looks to be promising, as our portfolio has just jumped 14%, thanks to the acquisition of three property complexes under the "Louvain La Neuve 1976" real estate certificate, totalling a surface of approximately 23 000 m² in the centre of Louvain-la-Neuve, a city that is witnessing strong rental demand. This major acquisition will support the Sicafi's results in the coming years with an initial gross rental yield of 8.4%.

In 2012, we also took delivery of the Odon Warland-Bulins building in Jette, consisting of 34 apartments and a commercial outlet and the "Adagio Access Brussels Europe" hotel in Brussels, at the heart of the European district. The hotel is currently operated by the Pierre & Vacances group under a 15-year usufruct agreement.

What is the secret behind this sustained growth in results?

Firstly, a selective management of the growth of our portfolio, which allows a gradual and solid growth of our results. In these times of stagnating sales prices and rents, it is crucial to provide quality products to stand out from our competitors.

Then, our "pure player" investor activity, which targets mainly residential buildings, capable of producing a high initial yield on the rental market, but that also hold the promise of long-term capital growth when they are sold off individually.

Finally, the professionalism of our team. Today we ensure the in-house management of the entire life cycle of a building, from its design to its management, its rehabilitation and ultimate resale.

Two years ago, the Board of Directors decided, as a new strategic focus, to accelerate the growth of our portfolio by

+7.4%

increase of distributable result per share

developing new projects for our own account. In 2012, the company therefore appointed one person to be responsible for this activity and the development team will be gradually reinforced in line with the projects under study and the resulting needs. This synergy of skills is extremely useful to differentiate ourselves from developers who have a short time horizon, whereas our Sicafi, to the contrary, sees itself as a long-term investor, designing spaces that meet the needs of tenants, with an emphasis on the sustainability of concepts and materials.

What are the growth drivers of Home Invest Belgium?

During the first 12 years, our growth driver was the purchase of existing real estate portfolios with a real potential.
From 2013, a new growth driver is being added, i.e. the development of projects for our own account, through the reconversion of existing office buildings into housing or through land acquisition. The Board is a major player in this new strategy launched two years ago, both in terms of strategic

Xavier Mertens
MANAGING DIRECTOR

Guy Van Wymersch-Moons
CHAIRMAN OF THE BOARD OF DIRECTORS

decisions and their implementation. The design and realization of projects on behalf of Home Invest Belgium involves a greater risk than purchasing existing portfolios, but should also make it possible to generate higher yields and offer a greater potential for capital gains. The Board pays particular attention to the control of these risks and has put in place appropriate limits to regulate this activity. Development opportunities abound in Brussels, but also in other cities, both in Flanders and Wallonia.

To what extent does the arbitrage policy affect your results?

For three years, selective arbitrage via the selling off of individual properties in the portfolio has become a key and recurrent strategy for Home Invest Belgium. It makes it possible to constantly optimise the composition of our portfolio and strengthen our results significantly thanks to the capital gains generated by these sales. The target set by the Board is to sell each year a minimum of 4% (in fair value) of the buildings in operation. The buildings earmarked for sale either no longer fit into the company's strategy (too small ...), are underperforming or have reached their peak in terms of valuation. In 2012, we achieved this objective by selling 3.9% of the fair value of our portfolio, which made it possible to book a net capital gain of approximately € 2.8 million compared to the last fair value of the assets sold.

Does that go hand in hand with a sustainable development strategy?

Absolutely. Tenants are increasingly demanding about the quality of their housing in terms of finishes, energy efficiency and accessibility. More than ever, we need to think in the long term and construct buildings that will still be in a good condition and a pleasure to live in 20 or 30 years down the road. This consideration is shaping the development of concepts for the future, the choice of materials, insulation, mobility (cycling, car sharing ...), and of course the selection of districts to try to anticipate the sought-after areas of the future.

Do the good results of 2012 mean good news for the shareholders?

Indeed. We are very pleased to announce to our shareholders that the distributable earnings per share are up by 7.4%. The Board has therefore decided to propose that the annual general meeting of shareholders approve a dividend of € 3.25 per share, an increase of 8.3% over the previous dividend, which stood at € 3 per share.

More good news, the residential real estate investment trusts such as Home Invest Belgium are being spared the withholding tax of 25%. Finally, they are subject since 1 January 2013 to a withholding tax of 15%, which is undoubtedly a lesser evil compared to the imbroglio on the taxation of dividends of residential real estate investment trusts in the year 2012.

We would like to thank our shareholders for their on-going confidence in our company, but also all those who contribute day in, day out, to the success of Home Invest Belgium, and in particular our employees. Finally, we would like to give a special mention to Gaëtan Hannecart, whose third consecutive term came to an end last May and thank him for sharing with us his vision of the sector and his knowledge of real estate markets in the country ever since Home Invest Belgium's stock exchange flotation in June 1999.

Xavier Mertens,
Managing Director

Guy Van Wymersch-Moons
Chairman of the Board of Directors

LOUVAIN-LA-NEUVE

ODON WARLAND BULINS (JETTE)

GALERIE DE L'ANGE (NAMUR)

KEY FIGURES

Property portfolio in operation

	31/12/12	31/12/11	31/12/10	31/12/09
Overall figures				
Fair value	241 835 640	238 453 170	222 773 965	207 189 915
Total surface area	125 077 m²	130 048 m²	125 903 m²	118 845 m²
Number of properties	73	90	86	89
Number of sites	42	54	46	47
Number of leases	1 142	1 211	1 120	1 019
Occupancy rate	94.16%	95.38%	94.39%	94.60%

Ratios

	31/12/12	31/12/11	31/12/10	31/12/09
In %				
Gross yield on rents received or guaranteed	6.11%	6.18%	6.15%	6.29%
Operating margin[1]	71.14%	71.64%	69.85%	69.32%
Operating margin before tax[2]	32.19%	43.53%	51.79%	50.72%
Net current margin[3]	32.08%	43.47%	52.46%	50.67%
Payout ratio[4]	88.37%	85.65%	90.99%	87.28%

1 Operating result before portfolio result/Property result.
2 Result before tax and excluding portfolio result / Property result.
3 Net result excluding portfolio result/property result.
4 Dividend/ Distributable result.

Consolidated results

	31/12/12	31/12/11	31/12/10	31/12/09
In € thousand				
Net rental result	16 502.26	15 536.17	14 115.94	13 675.62
Property result	15 396.01	14 464.25	13 134.69	12 874.18
Property operating result before the portfolio result (EBIT)[1]	10 953.40	10 362.6	9 174.63	8 923.97
Portfolio result	6 692.37	8 545.80	4 917.62	1 559.01
Operating result	17 645.77	18 908.41	14 092.25	10 482.98
Result before tax	11 648.93	14 841.40	11 720.63	8 088.32
Net result	11 631.99	14 833.59	11 807.67	8 082.29
Net current result	4 939.61	6 287.79	6 890.05	6 523.29
Net current result excluding IAS 39	8 064.25	7 711.71	7 344.71	6 821.68
Distributable result	10 960.22	10 202.48[2]	8 509.34[2]	7 695.51
Dividend for the financial year[3]	9 890.5	8 738.80	7 742.98	6 716.71

1 Earnings Before Interest and Taxes.

2 Consolidated distributable result. On 31 December 2012, the statutory distributable result in accordance with the provisions of the RD of 7 December 2010 amounts to € 11 239 398.

3 The statutory dividend for the 2012 financial year amounts to € 9 932 465 compared to € 8 777 536 for 2011 and € 7 778 490 for 2010. These dividends include the dividend to be paid to the subsidiary, Home Invest Management, with regard to the 12 912 shares held under auto-control.

Consolidated balance sheets

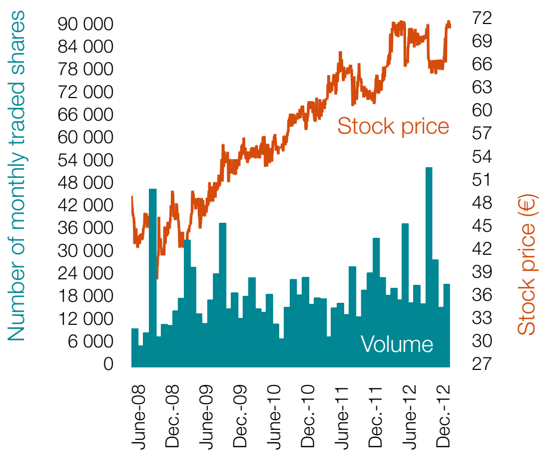
	31/12/12	31/12/11	31/12/10	31/12/09
In € thousand				
Investment properties (fair value)[1]	241 835.64	238 453.17	222 773.97	207 189.92
Investment value of the portfolio[2]	285 889.00	272 247.57	246 558.32	229 001.89
Equity	178 721.40	175 237.84	153 968.04	149 050.81
Total debt[3]	83 753.76	93 040.70	81 405.47	81 582.09
Debt ratio[3]	30.97%	34.02%	33.98%	34.82%

1 Excluding assets held for sale and development projects.

2 Investment value, including transfer costs, as estimated by the property surveyor, excluding long and short-term receivables for the long-term lease on the rue de Belgrade and the property leasing of the Résidence Lemaire (including properties for sale).

3 Total debt calculated according to the provisions of the RD of 7 december 2010, with the 2012 dividend remaining part of equity until the ordinary general meeting of 7 May 2013.

Evolution of share price
2008 – 2012



€ 241.8 million

fair value of the investment buildings, excluding projects under development and assets held for sale

31%

rate of endebtment

Data per share[1]

	31/12/12	31/12/11	31/12/10	31/12/09
In €				
Net asset value (before distribution)	58.73	57.58	54.68	52.94
Property result	5.06	4.97	4.66	4.66
Operating result before portfolio result	3.60	3.56	3.26	3.23
Portfolio result	2.20	2.93	1.75	0.56
Net result	3.82	5.09	4.19	2.92
Net current result[2]	1.62	2.16	2.45	2.36
Net current result excluding IAS 39	2.65	2.65	2.61	2.47
Growth in value[2]	1.14	2.90	1.74	0.23
Gross dividend	3.25	3.00	2.75	2.43
Net dividend[3]	2.76	3.00	2.75	2.43
Return for the shareholder	4.39	5.90	4.49	2.66
Return in %[4]	7.60	10.88	8.48	5.05

1 Calculated on the basis of the average number of shares with full rights, except with regard to the net asset value calculated while taking into account the number of shares at the end of the financial year. The 12 912 shares held by Home Invest Management have been eliminated (cf. IAS 33 § 20).

2 The difference between the net asset values at the beginning and the end of the financial year.

3 The withholding tax amounts to 15% as from the dividends paid in 2013. For more information, see the chapter “Permanent document”.

4 Return, divided by the net asset value at the beginning of the period.

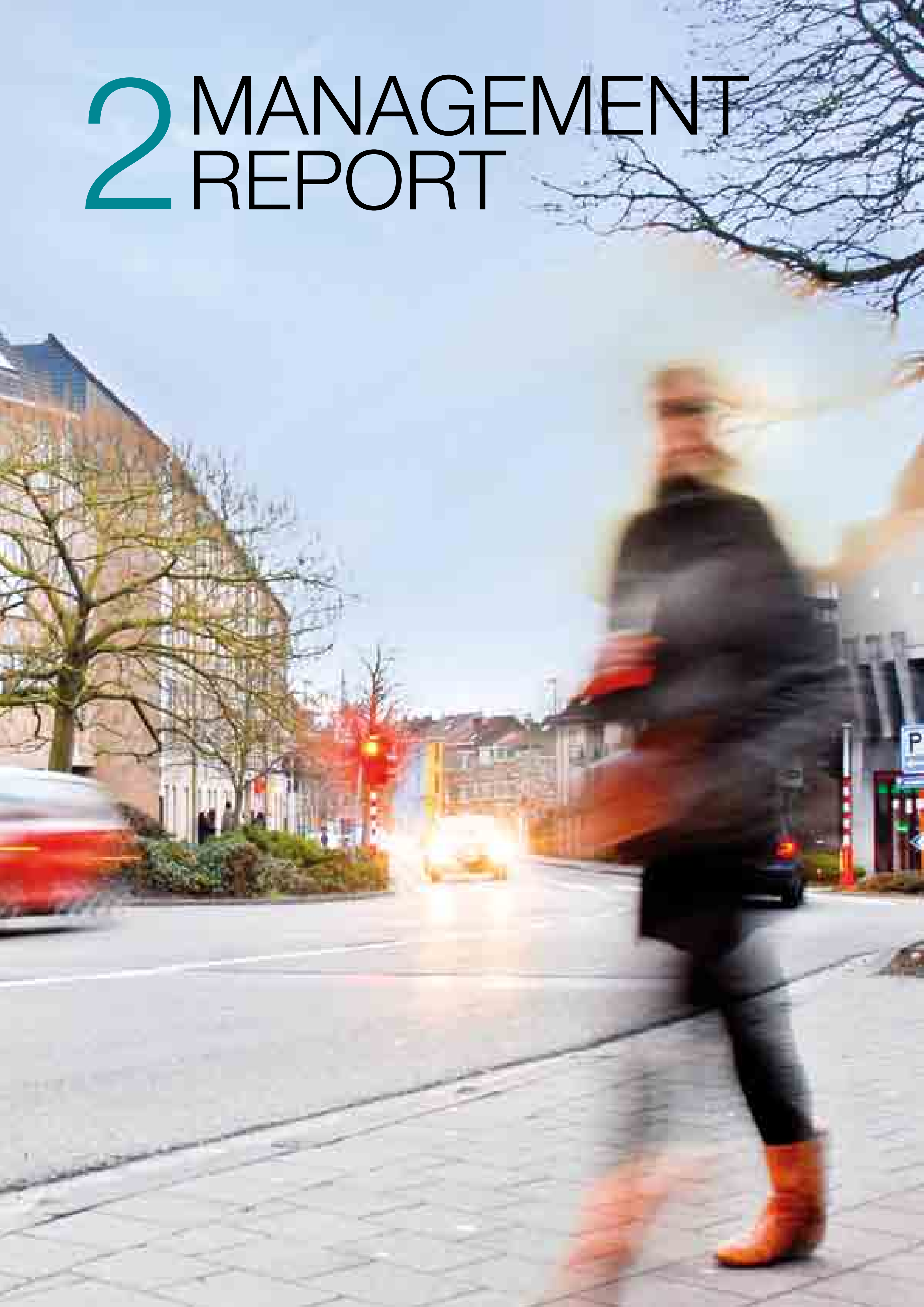
Number of shares

	31/12/12	31/12/11	31/12/10	31/12/09
Ordinary shares (excluding shares held in auto-control[1])				
At the end of the financial year	3 043 231	3 043 231	2 815 630	2 815 630
Average number of fully entitled shares	2 912 933	2 912 933	2 815 630	2 764 079

1 12 912 shares held by Home Invest Management to be excluded in accordance with IAS 33 § 20.

CITY GARDENS (LOUVAIN)

2 MANAGEMENT REPORT



MANAGEMENT REPORT [1]

STRATEGY

Acquisition

Prioritise the growth and quality of investments

Home Invest Belgium is above all a **residential sicafi** which concentrates its new investments on high-quality residential buildings. Besides the regular due diligence examinations, each building is subject to a thorough evaluation, taking into account its intrinsic qualities related to energy performance, its location, its accessibility and the local property environment.

As a "**pure player**", Home Invest Belgium invests mainly in real residential property held for letting (apartments, houses), easy to sell lot per lot and with a capital gain potential.

In the course of the financial year 2012, Home Invest Belgium has increased the rhythm of its analysis of investment opportunities in order to accelerate the growth and the rejuvenation of its portfolio by the selective acquisition of existing residential property portfolios.

Consequently, it is in the common interest of its tenants and shareholders that Home Invest Belgium explores the market for residential or mixed buildings that can generate a **maximum return**, measured in terms of net rental income, and the **creation of long-term value**, reflected in the evolution of the net asset value, within the legal framework applicable to residential Sicafi, i.e. currently and mainly:

- 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 sicafis (including Home Invest Belgium) have a transitional period of two years to comply. At 31 December 2012, as specified above, Home Invest Belgium had a portfolio of 76.8% of buildings used or intended exclusively as dwellings. Home Invest Belgium will focus accordingly, during the two-year transitional period, on attaining this 80% threshold.
- a maximum of 20% of the total value of the portfolio can be invested in a single property complex, except where a special dispensation has been obtained[2];
- a maximum debt ratio of 65% of total assets;
- in the event of profit in the financial year, the distributed dividend amounting to at least the positive difference between 80% of the amount of the *corrected result*[3] and the net decrease of the sicafi's debt in the course of the financial year under review, subject to article 617 of the Company Code.

1 This management report is based on the consolidated accounts. The full statutory accounts along with the statutory management report are available without charge on request from company headquarters. The statutory accounts are presented in the chapter "Financial statements" of this report.

2 No dispensation has been asked for up to now.

3 The corrected result is defined in article 27 of the royal Decree of 7 December 2010 and in chapter 3 of its annex C.

“Well manage a portfolio means being active as well in acquiring as in selling in order to rejuvenate and improve the portfolio at all times and to maximize the creation of value.”

Development

Prioritise rejuvenation and sustainable investments

In order to accelerate the growth and the rejuvenation of its portfolio, Home Invest Belgium takes a special interest in **projects to be developed internally**, such as the Marcel Thiry building, of which the reconversion study is well under way. Such development projects have the following advantages:

- offer the possibility to detect more easily important and complete assets, while in the meanwhile getting around the competition of lot per lot sales to private persons as do property developers and investors;
- offer a higher start yield thanks to the absence of a margin to be paid to the property developer;
- allow to control the product as to its appropriateness for the rental market and as to its technical and commercial qualities.

The increasing project development for own account is subject to the following internal limitations, defined by the Board of Directors, i.e. mainly:

- total cost of the projects in the course of the different stages of the work in progress cannot exceed 25% of the value of the buildings in operation;
- one single file cannot exceed 12.5% of the value of the buildings in operation.

Common criteria for **acquisition** and **development**

The **investment criteria** applicable both to new acquisitions – including existing property portfolios – and to the development of newly built property for own account are the following:

- an appreciable immediate net yield, combined with the existence of a potential for capital gains;
- the minimum size of a transaction: € 3 million for a building and € 5 million for a portfolio;
- the security from a technical point of view (no risk of any major renovation work in the short term if the building is older than 10 years) and a commercial point of view (no risk of structural vacancy);
- the liquidity, both with regard to the local rental market, and with regard to the possibility of wholesale or lot per lot resale;
- the location, in principle strictly limited to Belgium; priority is given to cities with more than 50 000 inhabitants in a healthy economic state, a favourable demographic evolution and having recorded an appreciable increase in property value;
- the energy performance of the properties in question;
- the sustainability of the construction and the materials;
- the aesthetics and the quality of the architecture of the properties in question (timeless style).

Administrative, commercial and technical management

Optimisation of rental management and occupancy rate

Home Invest Belgium actually manages a very large number of tenants – at present **over 1 200** – and the quality of the service, at the levels of administration, technical and commercial management, is an essential part of the company's success, benefiting to tenants as well as shareholders.

Continuous efforts are being made to uniformise and automate this management, always taking into account a strict control of the operating expenses, more specifically with regard to personnel.

On the **commercial** level, Home Invest Belgium calls on specialised property managers for rental of its buildings and optimise the occupancy rate, while self looking after the rental of specific surfaces on ad hoc basis.

For the fiscal year 2013, the sicafi has decided to gradually insource the **technical management** of the majority of its buildings in the Brussels region, while leaving the management of other real estate to external managers and syndics, who are carefully selected. Insourcing the technical management has the advantage of providing a better service to tenants, linked to a better knowledge of the buildings in portfolio.

An effective IT-system allows to obtain economies of scale and consequently to differentiate from the multitude of private investors operating in the same residential market.

LEBEAU (BRUSSELS)

LEBEAU (BRUSSELS)

Sales

Selective arbitrage via lot per lot sales of the buildings in portfolio

All the buildings in the portfolio are subjected to a thorough examination taking into account a precise and well-documented study of the local property environment. On these bases, the **Executive Management** of the company proposes – in the context of preparing the annual budget – the buildings for sale, subject to the approval of the **Board of Directors**.

The selective arbitrage of the buildings in portfolio contributes in a significant and regular way to the **growth of the return on investment**, through the substantial capital gains realised in the interest of the shareholders.

For 2012 this arbitrage represented a volume of 3.9% of the fair value of the portfolio of buildings in operation on 31 December 2012 allowing for a distributable result of € 2 698 320.

The Board has fixed a target to reach an annual volume of sales of minimum 4% of the portfolio of buildings in operation, as from 2012.

Within this context, these sales mainly relate to:

- buildings with an insufficient net return estimated to be too small taking into account the related management costs, or those with an inadequate energy performance;
- assets that do not match anymore its strategy and are consequently, in principle, destined to be sold;
- buildings having reached their peak in terms of valuation.

ADAGIO ACCESS BRUSSELS EUROPE (BRUSSELS)

ADAGIO ACCESS BRUSSELS EUROPE (BRUSSELS)

HIGHLIGHTS OF THE FINANCIAL YEAR

Valuation 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 preliminary agreement for the acquisition of three buildings ("CV9", "CV10" and "CV18") located in the heart of Louvain-la-Neuve, the property rights to which were previously held by the real estate certificate "Louvain-la-Neuve 1976".

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

This transaction has the particular feature of transferring a leasehold on the related plots, granted by the UCL for a term of 50 years expiring in 2026, and the sale of the buildings built on these plots based on this leasehold. 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 49 year long lease after which the UCL becomes full owner of the constructions free of charge.

This important acquisition includes +/- 23 000 m² of floor surfaces, of which 40% housing, 36% commercial, the balance being made up of offices and auditoria. The "CV9" building is part of a co-ownership, with Home Invest Belgium owning 447.75/1 000ths of the common parts, in addition to the private areas involved, including the leasehold.

The real rights of the certificate were acquired for € 34.4 million[1], including legal fees, and provide an initial gross rental yield of 8.4%.

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

Own account development projects

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. At 31 December 2012, 92% of the building was rented.

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

The "Adagio Access Brussels Europe" apartment 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 a 15-year usufruct agreement. The positive effects of this investment on the income statement have been felt since the last quarter of 2012, the usufructuary fee being payable from 17 September 2012.

1 The acquisition price is not higher than the investment value determined by the real estate surveyor.

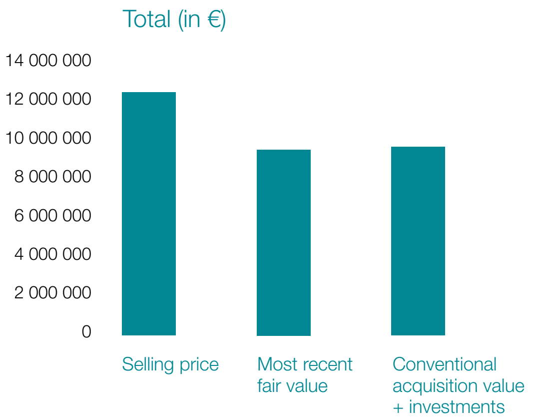
Sales

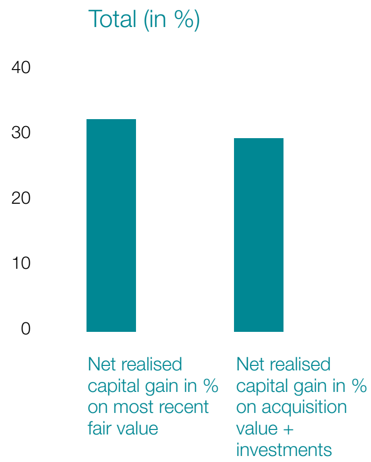
In accordance with the 4th strategic axis of the company, the lot per lot sale of residential complexes has been continued at an **accelarated rate** in comparison to previous financial years. It relates mainly to the sale of apartment blocks.

	Fiscal year 2012	Fiscal year 2011	Fiscal year 2010
Number of buildings concerned for sale	17	11	5
Net selling price (excl. transaction costs)	€ 12.5 million	€ 7.8 million	€ 4 million

The different sales of the financial year 2012 have allowed to book a net realised capital gain of € 2 835 426 compared to the latest fair value of the buildings sold.

This amount allows to reinforce the distributable result to sharehoders for the financial year 2012 and confirms the importance of the arbitrage as a strategic axis of Home Invest Belgium, notwithstanding a persisting weak economy.





Occupancy rate[1]

The average occupancy rate for the entire financial year 2012 amounted to 94.16%, a slight decrease of -1.2% compared to 2011 (95.38%), in a rental market that stays difficult, mainly in the top quality segment. It also has to be pointed out that it undergoes the negative influence, purely temporarily, at their provisional acceptance of the development project Odon Warland-Bulins in the context of its progressive renting. It is also marginally inferior to the forecasts expressed at the beginning of the financial year (94.6%).

1 The occupancy rate expresses the percentage of the rents generated by the occupied buildings, increased by the rental guarantees of the non occupied buildings, in relation to the total amount of the rents of the occupied buildings and the estimated rental value (ERV) of the non occupied buildings.

Strengthening of the financial structure and interest rate hedging

Significant restructuring of the portfolio of credit lines and hedges[1]

During 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. In this way the company contracted two new credit lines:

- a new € 25 million, 6 year, variable rate credit line from BNP Paribas Fortis;
- a new € 15 million, 5 year, credit line from Bank LB Lux SA.

Parallel with this, 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 in an amount € 25 million, also maturing in 2018.

Thanks to these agreements the average interest rate paid was reduced to 3.53% at 31 December 2012, against 3.88% at 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 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 summer 2013 (€ 20 million IRS forward until 10 July 2019).

At the end of the financial year 2012, we note that the total of the hedgings being € 101 750 000 surpassed temporarily the total amount drawn on the credit lines, i.e. € 80 250 000. The acquisition of the previously mentioned real estate certificate “Louvain-la-Neuve 1976” - of which the financial disbursement has taken place on 25 January 2013- results in the fact that as from that date the total amount drawn on the credit lines becomes superior to the amount of the hedgings.

All this contributes significantly to increased security of the loan and hedges portfolio of Home Invest Belgium.

Other credit line and hedge restructuring initiatives are planned during 2013.

Merger of SA Belliard 21

The merger into Home Invest Belgium SA of Belliard 21 took place by notarial deed of 9 October. 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 located at rue de l’Industrie 12, 1000 Brussels, provisionally accepted on 14 September 2012, and a mansion located at rue Belliard 19, 1000 Brussels, used as multiple dwellings recently renovated, and provisionally accepted on 18 February 2013.

1 All bank debts are financed at a variable rate. The real value of the financial instruments on 31 December 2012 was € 7 260 645. For more information, see chapter “Financial statements” – Note 24.

OVERVIEW OF THE CONSOLIDATED FINANCIAL STATEMENTS (See also the "Financial statements" chapter)

Consolidated balance sheet

In €	31/12/12	31/12/11
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 Number of shares at end of period is calculated with the exclusion of 12 912 treasury shares.

2 "EPRA NAV" corresponds to the net asset value, adjusted in order to exclude, among others, the fair value of the financial hedging instruments.

Comments in the 2012 balance sheet

Assets

The intangible assets relate to the Winris software.

In the course of the financial year the fair value of the *investment properties* has gone from € 256.5 million on 31 December 2011 to € 242.7 million on 31 December 2012, including the development projects, or a decrease of 5%, mainly due to:

- the reclassification or the effective sale of buildings for an amount of € 19.4 million;
- the finalisation of the hotel residence "Adagio Access Brussels Europe" for € 1.1 million;
- different renovations carried out in our buildings in order to adapt them to the demands of the current rental market, for an amount of € 0.6 million;
- the balance coming from a strongly positive change in fair value of the investment properties in the course of the financial year 2011 (+ € 3.9 million).

It has to be pointed out that the acquisition of the assets of the real estate certificate "Louvain-la-Neuve 1976" is not included in these figures.

The current development projects amount to a total of € 0.9 million compared to € 18.1 million on 31 December 2011.

The *non-current financial assets* amount to € 0.05 million, an increase of 36.5% compared to the previous year, following the increase of the fair value of the hedges by the application of the accounting standard IAS 39.

The *finance lease receivables* of € 1.2 million represent the current value of the receivables from the property leasing for the building rue Belgrade and for the Residence Lemaire, the long-term part of this being accounted for under non-current assets, while the short-term part (less than a year) is accounted for under current assets.

The item *assets held for sale* amounts to € 17.3 million; it represents the fair value at closing date of the buildings for which the sales procedure has already been started up at that date.

The *trade receivables*, strongly increasing to € 4.7 million compared to € 4.1 million the previous year, correspond for the largest part to the amounts to be received within the framework of provisional sales agreements signed at the end of the financial year 2011 (€ 2.3 million), and advance payments to the acquisition of the Louvimmo site, and for the balance (€ 0.9 million) to rent receivables on investment properties, representing 5.6% of the rents earned in 2012.

The *tax receivables* and *other current assets* drop to an important degree by 32.2% in comparison with the level at closing date of the financial year 2011 (€ 1.3 million compared to € 1.9 million in 2011). They comprise almost exclusively the advance payments to the different co-ownerships.

The *cash and cash equivalents* amount to € 2.6 million compared to € 1.7 million the previous year. We need to remind that the sicafi's cash is primarily used to temporarily reduce certain short-term credit lines rather than invested in deposits or cash.

Deferred charges and accrued income are at € 0.2 million.

Shareholders' equity and liabilities

On 31 December 2012, Home Invest Belgium's capital of € 73.5 million is represented by 3 056 143 shares, of which 12 912 are held as treasury shares and are excluded from the calculations per share.

The reserves significantly progress by 9.9% to € 74.5 million compared to € 67.8 million a year before, explained by the appropriation of the 2011 result. We need to point out that the result carried forward from previous financial years currently stands at € 11.4 million, or € 3.76 per share, in comparison with € 7.8 million the previous year (+ 47.0%).

Finally, the *net result of the financial year* amounts to € 11.6 million, or a decrease by 21.6% in comparison with 2011. This corresponds to the net result of the financial year, before appropriation of the result. It has to be noted that this figure comprises a/o the net balance of the changes in fair value of the investment properties in the course of the financial year, amount that will be booked under the reserves within the scope of the appropriation of the result

The *reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied* corresponds to the evolution of the fair value of the effective interest rate hedges in the sense of IAS 39, concluded by the sicafi. This negative item slightly decreases to € 2 million, compared to € 2.5 million the previous year. This item thus influences in a negative, though latent way, Home Invest Belgium's shareholders' equity and consequently the net asset value per share, for an amount of exactly € 0.64.

The *non-current financial debts* increase to € 64.6 million, in comparison with € 59.4 million a year before (8.7%), four credit lines expiring in 2013[1], and consequently recorded in current financial debts for a total of € 15.7 million.

The *current financial debts* decrease to € 16.2 million compared to € 25 million in 2011. It has to be pointed out that this item also comprises the received rental warranties.

The *trade debts and other current debts* amount to € 2.5 million compared to € 8.2 million the previous year. This evolution can be explained by the provision of € 6.2 million for the completion of the building located at the angle of the rue Belliard and the rue de l'Industrie in Brussels – invoice received and paid in 2012. They also comprise debts to suppliers for € 1.5 million, rents received in advance for an amount of € 0.5 million, and finally, corporate tax debts of € 0.5 million.

The *other current liabilities* amount to € 0.6 million, amount that is quasi unchanged compared to the previous year, and comprise the dividends of previous financial years, not claimed by shareholders, of € 0.04 million.

The *deferred charges* and accrued income remained stable at € 0.7 million.

Finally, the net asset value per share[2] amounts to € 58.73 compared to € 57.58 on 31 December 2012, or an increase by 2.0%. The net inventory value per share, calculated according to EPRA (i.e. without impact of hedging instruments) amounts to € 60.40 compared to € 58.89 a year earlier (increase of 2.5%).

GIOTTO (EVERE)

GIOTTO (EVERE)

1 The four credit lines that expire in 2013 represent 18.7% of the total debt of the sicafi. Home Invest Belgium implements the renegotiation of these credit lines before their expiry date and tries to obtain a balanced spread in time of the credit lines'expiration dates.

2 Calculated after elimination of the 12 912 treasury shares (IAS 39, paragraph 20).

Consolidated results 2012

In €	31/12/12	31/12/11
I. Rental income (+)	16 814 467	15 724 617
III.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 borne by the tenant on let properties (+)	404 700	400 830
VII. Charges and taxes normally borne by the tenant on let properties (-)	-1 628 894	-1 556 402
VIII. Other revenues and expenditures related to the renting (+/-)	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 on sale of 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 Calculated excluding the 12 912 Home Invest Belgium treasury shares (IAS 33, paragraph 20).

Comments on the results 2012

The net rental result

The *rental income* amounts to € 16.8 million compared to € 15.7 million in 2010 (+ 6.9%), following the positive influence of the new acquisitions at the end of 2011, already generating full year revenue in 2012, and the acceptance of the hotel “Adagio Access Brussels Europe” at the end of the third trimester 2012 and this notwithstanding the erosion of the rents caused by the the sales during the financial year.

The *rental-related* expenses have increased to € 0.3 million compared to € 0.2 million in 2011, namely under the influence of reductions in value on trade receivables with an increasing trend in a more difficult economic context.

The *net rental result* consequently stands at € 16.5 million compared to € 15.5 million a year before, representing a nice performance of +6.2%.

The property result

The *rental charges and taxes* normally payable by the tenant mainly consist of the property tax paid by the sicafi and remain quasi invariable at € 1.6 million. A part of these taxes (€ 0.4 million) could however be re-invoiced to certain tenants, in accordance with the applicable legislation (commercial spaces, offices, nursing homes). Consequently, the property result amounts to € 15.4 million compared to € 14.5 million a year before, representing a growth of 6.4%.

The property charges

The *technical costs* involve maintenance costs for the owner and renovation costs. They amount to a total of € 1.2 million, or an increase of 25.4%, in comparison with € 0.9 million in 2011.

The *commercial costs* remain quasi unchanged at € 0.5 million. These costs include commissions paid to estate agents for the conclusion of new leases, the shared cost of inventories and the fees of lawyers engaged in the context of strict rental management of the portfolio.

The *taxes and charges on unlet properties* amount to € 0.2 million, or a decrease of 56.4%, and cover the charges the sicafi has to bear in case of rental vacancy. They are therefore a direct consequence of the occupancy rate of the buildings in portfolio. Their increase in 2011 is explained by the new arbitrage policy on the portfolio, entailing an important vacancy in the buildings selected for sale.

The *property management costs* represent staff and operating expenses, the remuneration of the Executive Management and the fees paid to the SA Estate & Concept for the management of the complex Résidences du Quartier Européen.

JOURDAN 85 (SAINT-GILLES)

JOURDAN 85 (SAINT-GILLES)

They amount to € 2.0 million compared to € 1.7 million a year before, or an increase by 14.9%. The increase of this item is simply explained by the the reinforcement of the internal teams for sales, analysis and administrative support, with new employees.

In total the property charges slightly increase by 6.5% to € 3.8 million in comparison with € 3.6 million the previous year; taking into account the conscious increase of the property management costs, as aforementioned, the growth of the portfolio, and the number of leases under management, this cost finally perfectly relates to the growth and arbitrage strategy of the sicafi.

The property operating result

The property operating result thus amounts to € 11.6 million, or a very nice progress by 6.4 % in comparison with the result of € 10.9 million recorded in 2011.

The operating result before the portfolio result

The sicafi's *general expenses* encompass all charges not directly connected with the direct exploitation of the properties and managing the sicafi. They consist mainly of fees associated with the sicafi's stock exchange listing and with its special legal status (NYSE Euronext Brussels, supervisory authority, subscription tax to the SPF Finances, etc.), the fees due to the Auditor, to advisors and to the sicafi's approved property surveyor. They have increased by 20.2% in comparison with 2011, namely following the negative influence of external costs linked to the study of new investment files.

This results in an *operating result before the portfolio result* of € 11.0 million, an important improvement of nearly 5.7% in comparison with the result recorded at the end of 2011 (€ 10.4 million).

The operating result

The *result on the portfolio* is again largely positive with € 6.7 million, compared to an excellent result of € 8.5 million in 2011. This good result of 2012 can be explained, on the one hand, by the very positive change in fair value of the investment properties for an amount of € 3.9 million (€ 6.5 million in 2011), but also by the important realized capital gains going from € 2.1 million in 2011 to € 2.8 million in 2012, or a new increase by 35.2% (+ 101 % in 2011). This substantial result shows, for the seventh year in a row, that Home Invest Belgium succeeds in creating capital gains to the benefit of its shareholders.

The *operating result* (after taking into account the portfolio result) thus amounts to € 17.6 million compared to € 18.9 million in 2011.

The financial result

The *financial revenues* of € 0.1 million comprise the interest received and the finance lease receivables.

The *interest charges* slightly clearly increase (+ 5%), notwithstanding the debt remaining stable in a market where rates are extremely low, but margins on credit significantly on the rise.

The *changes in fair value of financial assets and liabilities* represent the purely latent cost resulting from the evolution of the fair value of the non-effective hedges in the sense of IFRS. They evolve from € - 1.4 million to € - 3.1 million (+ 119%).

In total *the financial result* (negative) increases by 47.5% to € - 6.0 million.

The net result – The net current result – The net current result excluding IAS 39 - The distributable result

After taking into account the financial charges and taxes, the net result of Home Invest Belgium, under influence of purely latent elements, shows a drop of 21.6%, from € 14.8 million in 2011 to € 11.6 million in 2012. The net current result increases to € 4.9 million (- 21.4%), influenced by the negative change in fair value of the hedges (impact IAS 39).

The net current result excluding IAS 39 reflects the improvement of the operational profitability of the company, without purely latent factors. It increases substantially (+ 4.6% in comparison with 2011).

The distributable result also rises from € 10.2 million in 2011 to € 11.0 million for 2012.

The evolution of the margins

The realized margins have evolved as follows:
- the operating margin: 71.14% compared to 71.64%;
- the operating margin before tax: 32.19% compared to 43.53%;
- the net current margin: 32.08% compared to 43.47%.

The apparent diverging evolution of these margins originates from the increase of the financial charges under the negative, though purely latent influence of IAS 39 on the accounting of the non-effective hedges.

Appropriation of the result

The consolidated distributable result[1] amounts to € 11.0 million compared to € 10.2 million last year. It corresponds to a weighted average of shares with full dividend rights of 3 043 231 units.

No amount has been transferred to the legal reserve.

During the financial year, no event occurred which would have justified the formation of provisions as defined by IFRS standards.

Consequently, at the level of the statutory accounts, the Board of Directors proposes to the Ordinary general meeting of shareholders of Home Invest Belgium:
- to carry forward a total amount of € 1 363 613.44;
- to distribute in respect of return on capital **a dividend of € 3.25 per share** or € 9 932 464.75[2].

The proposed dividend abides by the provision in article 27 of the royal decree of 7 December 2010 on sicafi accounting, being above the 80% minimum distribution requirement of the sum of corrected profits and net capital gains from the sale of properties provided they are not exempt from the obligation of being distributed, (€ 8 991 518.43) reduced by the net reduction in the company's debt during the course of the financial year (€ - 2 999 861.09), as stated in the statutory annual accounts. This required minimum amounts to € 5 991 657.34.

In accordance with current legislation, this dividend is subject to a withholding tax of 15%. The fiscal treatment of the dividend since 1 January 2013 is described in detail in the chapter "Permanent document".

If approved by the General meeting, the dividend will be paid from 17 May 2012 by automatic transfer to holders of registered or dematerialised shares, and at branches of BNP Paribas Fortis, in return for coupon Nr. 16 detached from the current balance of the bearer shares.

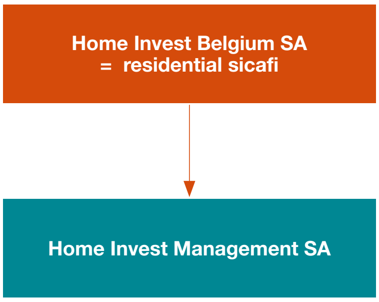
CITY GARDENS (LOUVAIN)

COLOMBUS (JAMBES)

1 The statutory distributable result, calculated in accordance with the RD of 7/12/2010, amounts to € 11 239 398.

2 This dividend is determined on the basis of the statutory accounts.

Structure – participations – treasury shares



Home Invest Belgium declares to possess all the shares of the "société anonyme" Home Invest Management (HIM), being its 100% affiliate since 27 February 2004.

At the closing of the financial year, Home Invest Management SA has 12 912 shares of Home Invest Belgium.

The sicafi has entrusted its affiliate Home Invest Management with the development of new internal projects under the direction of its Director Toon Haverals (as the permanent representative of the SPRL HIRES Consult).

Auditor's fees (at consolidated level)

The Auditor received fees amounting to a total of € 34 566.16 VAT excluded (on a consolidated basis), broken down as follows:

- Remuneration of the auditor: € 27 107.50
- Remuneration for special services or particular assignments accomplished within the company by the auditor:
  1. Other attestation assignments: none
  2. Other non-audit assignments: € 5 741.25
- Remuneration for special services or particular assignments undertaken within the company by persons linked to the auditor:
  1.Tax advice: € 1 707.41

Risk factors

The risk factors are described in the chapter "Risk factors" of this annual financial report.

Information pursuant to article 119, item 6 of the Company Code

Mr. Guillaume Botermans, independent director and Chairman of the Audit Committee has the independence and competence required by the above-mentioned item 6 of Article 119 of the Company Code, with regard to accounting and auditing. He has a specific academic background in finance together with proven experience in the management of property certificates (see "Corporate Governance declaration").

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 transaction, 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 further period of three years, expiring at the end of the Ordinary General meeting to be held in 2016.

No other significant event has taken place since the closing of the financial year.

OUTLOOK 2013

Working hypotheses

Perimeter:

The outlook for the financial year 2012 has been established on a consolidated level, while taking into account:

- the incorporation of the buildings of the portfolio of the real estate certificate "Louvain-la-Neuve 1976" on 25 January 2013;
- the incorporation of new buildings in the portfolio coming from different acquisitions, for a total of € 15 million during the financial year;
- the progressive lot per lot sale of different buildings clearly selected as no longer fitting within the investment strategy of the sicafi in the medium term, but the sale of which should lead to important capital gains.

Evolution of the rents – Occupancy rate

Taking into account the economic context, a careful hypothesis of 0.83% growth of the rents (inflation included) has been taken into consideration, while the occupancy rate has been forecasted at 94.5%.

Maintenance and repair – Management and agent's fees

The outlook has been established per building, based on the experience acquired in the past, and the thorough knowledge of the buildings by the management team, more specifically with regard to their occupancy rate, tenant turnover, rent level and operational maintenance and renovation cost.

Interest rate

With regard to the funding cost[1], the outlook takes into account the latest forecasts of interest rates on the money and capital markets, as well as the current situation of bank margins. That way, the supposition is that the 3-month interest rates (excluding margin) would amount to 0.5%, while the 5-year interest rates (IRS 5 years ex-margin) would reach 1%.

The Board of Directors and Executive Management can to a certain extent influence the following scenarios: the size of the portfolio, the level of rents, the occupancy rate and funding cost (margin). On the other hand, inflation speculations are completely outside their control.

Given the uncertainty due to the current economic situation, especially with regard to the development of the values of the property and those of the hedges, the forecasts published below will be limited to a couple of key figures for the financial year 2013, without making any forecasts regarding changes in the fair value of investment properties or hedges or forecasted balance sheets.

Key figures for 2013

	Realized in 2012	Outlook for 2013
Net rental result	16 502 255	18 984 279
Property result	15 396 011	17 788 979
Operating result before the portfolio result	10 953 396	12 330 737
Net result	11 631 985	12 641 169
Net result excluding IAS 39	8 064 248	8 359 519
Net current result excluding IAS 39 per share	2.65	2.73
Distributable result	10 960 219	11 849 077
Distributable result per share	3.60	3.87

1 The cost of funding corresponds to the financial charges on the bank credit lines.

CORPORATE GOVERNANCE STATEMENT

Reference code

This Corporate Governance Statement is based on the provisions of the Belgian Corporate Governance Code 2009 (“**Code 2009**”) and on those of the law of 6 April 2010 on the amendments to the Company Code.

The royal decree of 6 June 2010 has indicated the Belgian Corporate Governance Code, 2009 edition, as the sole applicable code. The Code is available on the website www.corporategovernancecommittee.be.

Home Invest Belgium adheres to the principles of the Code 2009, without losing sight of the specific nature of the company. Home Invest Belgium believes itself to be in compliance with all provisions of the aforementioned Code, except with regard to the following points (application of the principle “comply or explain”):

- certain directors have been elected for a term of more than four years, in order to ensure an appropriate spread of the mandates over the years (derogation to disposition 4.6);
- the evaluation of the individual contribution of each director and member of the specialized committees (‘assessment’) takes place on an ongoing basis (and not periodically), taking into account the frequency of the Board meetings, and also when renewing mandates (derogation to disposition 4.11);
- the Audit Committee, composed of four directors, does not consist of a majority of independent directors, but of two out of the four members. This composition derogates from the Belgian Corporate Governance Code, but is in conformity with the provision of article 526 bis of the Company Code (derogation to point 5.2./4 of annex B);
- the provisions with regard to remuneration of Executive Management could derogate from the recommendations of the Belgian Corporate Governance Code (see below: ‘Remuneration report’ (derogation to point 7.18).

The **Corporate Governance Charter** was established by the Board of Directors of Home Invest Belgium and aims at providing complete information on the governance rules applicable to the company. The integral version of the charter can be consulted on the website www.homeinvestbelgium.be.

Internal control and risk management

In accordance with the regulation in force, Home Invest Belgium has put in place internal control and risk management systems within the framework of the publication of financial information.

The Board of Directors of Home Invest Belgium and the different specialized Committees are responsible for the identification and the evaluation of the risks inherent to the company and for monitoring the efficiency of internal control.

In its turn, Home Invest Belgium’s Executive Management is responsible for organizing a risk management system and an efficient internal control environment , adapted to its functioning and its operational environment.

The **internal control** represents a sequence of actions that allow the company to realize its activities. The internal control is integrated in the planning of activities.

The methodology for describing and analyse the established internal control is organised around the following components:

1) Internal control environment

The main elements of the internal control environment are:

- a clear definition of the role of the respective management bodies: Board of Directors, Special Committees, Executive Management;
- an ongoing verification by each management body, within the scope of its respective role, of the conformity of each decision and/or action with company strategy;
- risk culture: Home Invest Belgium has a due diligence attitude in order to strive for a stable and recurrent income;
- the strict application of integrity and ethical standards via the Corporate Governance Charter and the Code of Conduct dealing with conflicts of interest, the buying and selling of shares, and the prevention of abuse of company goods, as well as the existence of a Compliance Officer.

The external actors also participate to this internal control environment, meaning the FSMA, the auditor, the certified real estate expert, the legal counsels, the banks, the financial analysts and the shareholders.

2) Risk analysis

There is a half-yearly identification and evaluation of the principal risks by the Board of Directors, published in the annual and half- yearly financial reports. The risks are also closely monitored outside the periodical closings at which occasions the Board of Directors identifies and evaluates the risks, during its periodical meetings and when evaluating the periodical financial information. This risk analysis results in actions that should limit the exposure to possible identified weaknesses. For more details on the risks, see the chapter "Risk factors" of this annual financial report.

3) Control activities

The controls are implemented as follows:

- the follow-up of the key performance indicators (occupancy rate, debt rate, etc.);
- derogations to the outlook in comparison with the effective realisations, are regularly reviewed by Executive Management based on Key Performance Indicators (KPIs) and quarterly by the Audit committee and the Board of Directors;
- all investment decisions are taken by the Board of Directors;
- power of representation: in all cases of an act of disposal with regard to property (as defined in article 2, 20° of the royal decree of 7 December 2010 on sicafi), the company is represented by two directors acting jointly, except with regard to operations on a building of which the value is inferior to the smallest amount between 1% of the company's consolidated assets and € 2.5 million, in which case the company will be legally represented by one director only. In case of exceeding these value thresholds, a special power of attorney can be granted to one director providing that the conditions of article 12 of the articles of association of the sicafi be respected;
- in accordance with the law of 3 August 2012 on certain forms of collective management of investment portfolios, each acquisition or sale of property can be reconstructed as to its origin, parties involved, type, time and place, based on the agreements between parties or the deeds, and is part of a control as to its conformity with the articles of association of the sicafi and the legal and regulatory provisions in force, prior to the conclusion of the agreement.

Moreover, the sicafi has developed specific control measures in order to deal with its principal financial risks (see the chapter "Risk factors").

4) Information and communication

The information and communication allow the company to manage, follow-up and control the current transactions.

The management information system of the sicafi provides reliable and complete information in a timely manner. Communication is adapted to the size of the company. In essence it is based on daily internal communication between management and staff, meetings and email exchanges.

Saving of IT-records is ensured by a continuous back-up system on hard disk and daily on tape, of which the storage is consigned to an external company.

Board of Directors - Special Committees - Executive Management

Board of Directors

Composition and evolution

The directors are chosen for their competence and the contribution they can bring to the management of the company.

At the beginning of the financial year, the Board of Directors of Home Invest Belgium consisted of 9 directors. As the mandate of Gaëtan Hannecart ended after the Ordinary General meeting of 2 May 2012, after this date, the Board of Directors was composed of 8 directors, of which 7 non-executive and 1 executive, i.e. the managing director. Of the seven non-executive directors, four are independent according to the meaning of article 526 ter of the Company Code.

Commitments have been taken to the sicafi's two largest shareholders, the Van Overstraeten group and AXA Belgium, with respect to their representation on the Board of Directors (two mandates for the Van Overstraeten group, one mandate for AXA Belgium). Currently, the directors covered by these commitments are Liévin and Johan Van Overstraeten for the Van Overstraeten group and Mr. Guy Van Wymersch-Moons for AXA Belgium.

The Board has taken notice of the recommendations by the Corporate governance commission of 11 January 2011 about female directors. The Board will stay attentive to comply, notably when director mandates fall vacant in the future.

① **Eric Spiessens**
Independent Director

② **Koen Dejonckheere**
Independent Director

③ **Guillaume Botermans**
Independent Director

④ **Liévin Van Overstraeten**
Director

⑤ **Xavier Mertens**
Managing Director

⑥ **Guy Van Wymersch-Moons**
Chairman of the Board of Directors

⑦ **Luc Delfosse**
Independent Director

⑧ **Johan Van Overstraeten**
Director

DIRECTORS

			
Xavier Mertens	**Guy Van Wymersch-Moons**	**Luc Delfosse**	**Johan Van Overstraeten**
Managing Director	Chairman and Director	Independent Director	Director

	Xavier Mertens	Guy Van Wymersch-Moons	Luc Delfosse	Johan Van Overstraeten
Start of first mandate	17 December 2002	6 May 2009	19 September 2007	18 August 2010
Business address	Home Invest Belgium SA, boulevard de la Woluwe 60, 1200 Brussels	AXA Belgium SA, boulevard du Souverain 25, 1170 Brussels	Delficom, Kapucijnendreef 62, 3090 Overijse	VOP SA, avenue du Sippelberg 3, 1080 Brussels
Other functions	none	General Manager of Real Estate at AXA Belgium SA	none	Director of VOP SA group
Attendance rate at Board meetings during the financial year	100 %	100 %	90 %	100 %
Remuneration and benefits in the financial year	see below	attendance fees of € 5 000 (Board meetings) and € 1 200 (Committee meetings)	attendance fees of € 4 500 (Board meetings) and € 600 (Committee meetings)	attendance fees of € 5 000 (Board meetings) and € 3 000 (Committee meetings)
Number of Home Invest Belgium shares held	920	none	none	128 569
Expiry date of mandate	Ordinary General Meeting of 2015	Ordinary General Meeting of 2015	Ordinary General Meeting of 2014	Ordinary General Meeting of 2015
Education/experience	Degree in law (KUL), Master in Business Administration (Lancaster); he has held a variety of management positions, in particular, at Banque Anhyp and at Fortis Real Estate	Degree in law (UCL), Notary degree (UCL), "DES" degree in environmental law (Facultés Universitaires Saint-Louis); he has held a variety of management positions within the AXA Belgium group.	Degree in Economics and Finance (ICHEC); he has held a variety of management positions, in particular at the Codic, CDP, IVG and Wilma groups	Jan-van-Ruusbroeckollege, Laeken (1973) with a/o a broad experience in managing companies, more specifically in property development
Other mandates[1]	Home Invest Management SA, Belliard 21 SA, UPSI-BVS, ULI Belgium, Emix SPRL	Blauwe Toren SA, Brustar One SA, Cabesa SA, Cornaline House SA, Evers Freehold SA, Immo Instruction SA, Immo Jean Jacobs SA, Immobilière du Parc Hôtel SA, Immo Zellik SA, Instruction SA La Tourmaline SA, Leasinvest Real Estate SCA, Leg II Meer 15 SA, Leg II Meer 22-23 SA, Leg II Meer 42-48 SA, Lex 65 SA, Marina Building SA, Messancy Réalisation SA, MUCC SA, Parc Louise SA, QB19 SA, Immo RAC Hasselt SA, Royaner SA, Royawyn SA, Sodimco SA, The Bridge Logistics SA, Transga SA, Trèves Freehold SA, Trèves Leasehold SA, Vepar SA, WaterLeau SA, Zaventem Properties SA, Zaventem Properties II SA, Upar SA, Beran SA, Immo Jean Jacobs SA, WOM, UPSI SA, Leasinvest Immo LUX, Froissart Léopold SA, Parc Léopold SA, Maison de l'Assurance SCRL, Wetinvest III SA, Parc de l'Alliance SA	IVG Real Estate Belgium SA*, Property Security Belgium SA*, Batipromo SA*, Asticus Europe GIE*, Opus II SARL Lxbg*, Stodiek Beteiligung I Lxbg, Stodiek Beteiligung II Lxbg, Wertkonzept Holland IV Berlin*, Wertkonzept Holland V Berlin*, Organisation Immobilière SA*, ASBL Jazz Station, ASBL FCM Brussels Strombeek*, Régie Communale Autonome de Saint-Josse-ten-Noode, Centre Mommens SA*, BECI*, Promenades Vertes SA*, SA Simazone, NV Crommelynck, Galerie des Carmes SA	VOP SA, Immovo SA, Sippelberg SA, Rolem Belgium SA, Cocky SA, Stavos Luxembourg SA (G.D. of Luxembourg), Stichting Administratiekantoor Stavos NV (Netherlands)

1 This relates to mandates executed by the directors in other companies in the course of the last 5 years. Expired mandates are indicated by an asterisk

ON 31 DECEMBER 2012:

			
Eric Spiessens	**Koen Dejonckheere**	**Guillaume Botermans**	**Liévin Van Overstraeten**
Independent Director	Independent Director	Independent Director	Director
3 May 2011	3 May 2011	2 May 2007	23 May 2008
ACW, Chaussée de Haecht 579, 1030 Brussels	Gimv NV, Karel Oomsstraat 37, 2018 Antwerp	Arm-Stones Partnership SPRL, Avenue Louise 505, 1050 Brussels	VOP SA, avenue du Sippelberg 3, 1080 Brussels
Member of the Executive Committee of Auxipar NV	CEO of Gimv NV	Managing partner of Arm-Stones Partnership SPRL, Director of Pro Materia ASBL	Administrateur délégué de VOP SA
70 %	80 %	100%	100 %
attendance fees of € 3 500 (Board meetings) and € 600 (Committee meetings)	attendance fees of € 4 000 (Board meetings)	attendance fees of € 5 000 (Board meetings) and € 5 100 (Committee meetings)	attendance fees of € 5 000 (Board meetings) and € 900 (Committee meetings)
none	none	none	128 671
Ordinary General Meeting of 2015	Ordinary General Meeting of 2015	Ordinary General Meeting of 2016	Ordinary General Meeting of 2014
Degree in Sociology (KU Leuven), teaching qualification for highschool, Engineer in Social Sciences (KU Leuven); he has held various management positions, namely at ARCO group and GIMV	Civil engineer (Ghent) and MBA (IEFSI, France)	Bachelor's Degree and Post-Graduate Teaching Degree in Business Consultancy and Finance (Jury ICHEC and Saint-Louis Examination Board), degree in European Economics (ULB); he held various management positions within the Paribas group, in particular in managing real estate certificates	Degree in law (KUL 1982) and a "PUB" degree in management (Vlerick 1983), with a/o a broad experience in leading and managing companies, in particular, real estate companies, sports centres and in the wood-processing industry, in Belgium and in Romania.
Gimv NV, Auxipar NV, VEH CVBA, Publigas CVBA, Aspiravi NV, DG Infra+ NV, EPC CVBA, Sint-Jozefskredietmaatschappij NV, Livingstones CVBA	Capman Plc (Finlande), DG Infra, Biotechfonds Vlaanderen NV, Voka-VEV, Fusieziekenhuis Roeselare-Menen, Member du the Executivbe Committee VBO-FBE	Paribacert I*, Paribacert II*, Paribacert III*, Immorente*, Artesimmo*, Arm-Stones Partnership SPRL, Pro Materia ASBL, M2 SA.	VOP SA, Immovo SA, Sippelberg SA, Rolem Belgium SA, Cocky SA, Stichting Administratiekantoor Stavos, Stavos Luxembourg SA, Robelproduct SRL* (Romania), Robeldoors SRL* (Romania), Belconstruct SRL* (Romania), Immorobel SRL* (Romania), C&C SRL* (Romania)

Activity report of the Board of Directors

The Board of Directors acts in the exclusive interest of the shareholders. Its role consists of:

- determining the strategy of the company and taking the final decisions as regard to investments and divestments;
- preparing the half-year and annual accounts of the sicafi, as well as the annual and half-year financial report, and the interim statements;
- carefully and closely examining the precision, accuracy and transparency of the communication addressed to shareholders, financials analysts and the public;
- approving merger reports, deciding on the use of authorised capital and convenes the Ordinary and Extraordinary general meetings of shareholders;
- delegating day-to-day management to the Executive Management, which reports back to it on a regular basis on its management, and submits to it an annual budget, as well as a quarterly statement.

In the financial year under review, the Board of Directors, duly performed all of its duties on a regular basis, and decided on several issues, namely:

- the analysis and approval with respect to investment and divestment files; as such, the Board approved the acquisition of all real rights of the real estate certificate "Louvain-la-Neuve 1967";
- the study and the selection of the directions for the development, the diversification and strategy of Home Invest Belgium (namely, the internal development projects, the insourcing of the technical management of the sicafi's portfolio in the Brussels region);
- it carefully and closely examined the company's funding and interest-rate hedging policy;
- the merger by absorption of the SA Belliard 21;
- the internal organisation of the sicafi.

The Board of Directors meets at least seven times a year and whenever required by a specific or one-time transaction. During the financial year 2012, the Board of Directors convened 10 times.

The rules of the quorum and decision taking are specified in the articles 16 and 17 of the articles of association.

In accordance with article 16 of the articles of association "except in cases of force majeure, the Board of Directors may validly deliberate and take decisions only if half its members are present or represented. If this condition is not fulfilled, a new meeting may be convened, which will deliberate and make decisions validly on the items of the agenda of the previous meeting, providing that at least two directors are present or represented."

Article 17 stipulates that "other than in exceptional cases, deliberations and voting may cover only the items contained in the agenda. Any board decision is taken by an absolute majority of directors present or represented, and, in the event of abstention by one or more of them, by the majority of the other voting directors. In the event of a tied vote, the person chairing the meeting has the casting vote. In exceptional cases, pursuant to article 521 of the Company Law, and where the urgency and interest of the company so demand, board decisions may be taken by unanimous written agreement of the directors and/or in the context of a teleconference.This procedure may not, however, be followed for establishing the annual accounts and using the authorised capital."

Special Committees

The responsibilities and functioning of the Special Committees, created within the Board of Directors, are explained in detail in the Corporate Governance Charter of Home Invest Belgium, which can be downloaded on the sicafi's website www.homeinvestbelgium.be.

Investment Committee

The Investment Committee selects, analyses and prepares investment files, although the final approval of these files is entrusted to the Board of Directors.
The Investment Committee met on 11 occasions during the past financial year, and is comprised of the following members:

- **Xavier Mertens**, Chief Executive Officer and Chairman of the Investment Committee
  Presence during 2012: 11/11
- **Guillaume Botermans**, Independent Director
  Presence during 2012: 11/11
- **Sophie Lambrighs (until 10 October 2012)**, representative of AXA Belgium group
  Presence during 2012: 10/10

- **Alain Verheulpen (from 21 November 2012)**, representative of AXA Belgium group
  Presence during 2012: 1/1
- **Johan Van Overstraeten**, Director, representative of VOP group
  Presence during 2012: 10/11

Audit Committee

Although Home Invest Belgium satisfies two of the three exclusion criteria reproduced in article 526 bis § 3 of the Company Code and is therefore not required to set up such a Committee, the sicafi's Board of Directors nevertheless decided to set up an Audit Committee.

The Audit Committee met on 4 occasions during the past financial year, and is comprised of the following members:

- **Guillaume Botermans**, independent Director and Chairman of the Audit Committee
  Presence during 2012: 4/4
- **Guy Van Wymersch-Moons**, Director and Chairman of the Board
  Presence during 2012: 4/4
- **Liévin Van Overstraeten**, Director
  Presence during 2012: 3/4
- **Eric Spiessens**, independent director
  Presence during 2012: 2/4

The Auditor of the sicafi has been present at each meeting of the Audit Committee in 2012.

The tasks of the Audit Committee consist mainly of:

- financial reporting: monitoring the integrity and accuracy of the figures and the relevancy of the accounting standards applied;
- internal control and risk management: assessment of the internal control systems and risk management;
- follow-up of the legal audit of the annual financial statements and consolidated statements, including the follow-up of the questions and recommendations formulated by the auditor.

Activity report

In the course of the financial year 2012, the following items were discussed:

- quarterly reporting;
- refinancing of the debt and interest rate hedging policy;
- evolution of the rental vacancy rate;
- follow-up of the recommendations of the Auditor;
- informatisation of the development activity.

Overview of the composition of the Board of Directors and the Committees:

	Board of Directors	Investment committee	Audit Committee	Appointment and Remuneration Committee
Guy Van Wymersch – Moons	Chairman	-	Member	Chairman
Xavier Mertens	Managing Director	Chairman	-	-
Guillaume Botermans	Independent director	Member	Chairman	Member
Luc Delfosse	Independent director	-	-	Member
Gaëtan Hannecart	Director (until the OGM of 2 May 2012)	-	-	-
Johan Van Overstraeten	Director	Member	-	-
Liévin Van Overstraeten	Director	-	Member	-
Eric Spiessens	Independent director	-	Member	-
Koen Dejonckheere	Independent director	-	-	-
Sophie Lambrighs	-	Member (until 10 October 2012)	-	-
Alain Verheulpen	-	Member (as from 21 november 2012)	-	-
Michel Pleeck	Honorary Chairman			

1 I.e. the number of employees which is inferior to the treshold of 250 people and the net annual turnover which is inferior to € 50 000 000.

Appointment and Remuneration Committee

Home Invest Belgium has decided to combine the remuneration and appointment functions in a single committee.

The Appointment and Remuneration Committee met twice during the previous financial year and is composed of the following members:

- **Guy Van Wymersch-Moons**, Director, Chairman of the Board and Chairman of the Appointment and Remuneration Committee
  Presence during 2012: 2/2
- **Guillaume Botermans**, independent Director
  Presence during 2012: 2/2
- **Luc Delfosse**, independent Director
  Presence during 2012: 2/2

Home Invest Belgium's Appointment and Remuneration Committee reports to the Board of Directors on a regular basis on the performance of its duties. The Committee assists the Board in all matters dealing with the composition of the Board of Directors (number, competences, gender diversification), the special Committees and the remuneration of the directors and the members of the Executive Management of the sicafi.

It is authorised to decide on following matters:

- draw up the profiles for the directors' positions or positions of the members of the Executive Management and advise on and recommend candidates;
- make proposals to the Board of Directors on the remuneration policy and the individual remuneration of the directors and members of the Executive Management;
- evaluate the performance objectives linked to the individual remuneration of the CEO and the members of the Executive Management;
- prepare the remuneration report, in accordance with the article 96§3 of the Company Code, which will be included in the Corporate Governance statement, and comment on this report at the annual General meeting of the shareholders.

Activity report

In the course of the financial year 2012, the committee met mainly to discuss the following items:

- evolution of the composition of the Board of Directors;
- assessment of the individual targets of the members of Executive Management set for the year ended on 31 December 2011 and definition of their variable remuneration for said year;
- definition of the individual targets of the members of Executive Management for the financial year 2012;
- the conditions for hiring Mr. Toon Haverals as Head of Project Development (as representative of the SPRL Hires Consult).

ALLIÉS - VAN HAELEN (FOREST)

VOISIN (WOLUWÉ-SAINT-PIERRE)

Executive Management

Home Invest Belgium has opted for an Executive Management, as defined in article 39 of the law of 3 August 2012.

The responsibilities and the functioning of the Executive Management are detailed in the Governance Charter of Home Invest Belgium. This charter can be consulted on the site of the company www.homeinvestbelgium.be.

The Executive Management's composition:

	Jean-Luc Colson Chief Financial Officer[2] of Home Invest Belgium	Xavier Mertens Chief Executive Officer of Home Invest Belgium	Filip Van Wijnendaele Chief Operating Officer[3] of Home Invest Belgium
Beginning of mandate	21 January 2010	17 December 2002	16 June 2011
Business address	Home Invest Belgium SA, boulevard de la Woluwe 60, 1200 Brussels	Home Invest Belgium SA, boulevard de la Woluwe 60, 1200 Brussels	Home Invest Belgium SA, boulevard de la Woluwe 60, 1200 Brussels
Other functions	Director of Home Invest Management SA and Belliard 21 SA	none	none
Remuneration and benefits	see below	see below	see below
Number of Home Invest Belgium shares held	none	920	none
Education/experience	Degree in accounting (HEMES SAINTE MARIE), having held a variety of financial positions, with AXA Belgium, ING Real Estate and Home Invest Belgium	Degree in law (KUL), Master in Business Administration (Lancaster); he has held a variety of management positions, in particular, at Banque Anhyp and at Fortis Real Estate	Degree in Business Consultancy; held different functions with responsibility, a/o at Immobiliën Hugo Ceusters and the Société des Centres Commerciaux de Belgique (SCCB)
Other mandates[1]	Ylkatt SPRLU has no directorships. Its permanent representative, Jean-Luc Colson, is (managing) director of the following companies: Home Invest Management SA, Belliard 21 SA, Ylkatt SPRLU	Home Invest Management SA, Belliard 21 SA, UPSI-BVS, ULI Belgium, Emix SPRL	FVW Consult SPRLU has no directorships Its permanent representative, Filip Van Wijnendaele had a mandate as a member of the Executive Committee of NV Immobiliën Hugo Ceusters

1 This relates to mandates executed by the directors in other companies in the course of the last 5 years. Expired mandates are indicated by an asterisk

2 As the permanent representative of the SPRLU Ylkatt.

3 As the permanent representative of the SPRLU FVW Consult.

The Executive Management assures the day-to-day management of the company, deploys the strategy set out by the Board of Directors and reports about this to the Board.

Its multiple responsibilities and duties are the following:

- the management of the real estate portfolio of the company: presentation of investment and divestment files to the Investment Committee and to the Board of Directors, as well as the negotiations and conclusion of contracts; leasing and renewal of contracts covering the leasing of buildings, including the determination of the rental value and other useful provisions in rental contracts; handling and resolution of disputes concerning rent collection and other subjects directly linked to the management of buildings; follow-up and coordination of development projects for own account, including planning, awarding and carrying out of the work, etc.;
- the optimisation of the company financing: leading discussions with financial institutions as regard to applications for credit facilities, long-term financing and hedges, etc.;
- personnel management: appointment and dismissal of employees who are not part of Executive Management, the determination of their remuneration and the conditions of their contract; presentation of the employee budget and the organisational chart and its monitoring;
- supply of financial and other information necessary for the Board of Directors, the shareholders and the competent authorities in accordance with the accounting norms applicable within the company, etc.:
- external representation of the sicafi towards the shareholders, the competent authorities or the other market authorities.

The members of the Executive Management are assessed on an annual basis by the Appointment and Remuneration Committee, as part of the determination of their variable fees, based on the objectives and criteria determined at the beginning of the year.

Remuneration report

The remuneration report below was approved by the Board of Directors of 27 March 2013 and takes into account the recommendations of the Nomination and Remuneration Committee.

It comprises the provisions of the Belgian Corporate Governance Code (edition 2009) and in the article 96§3 alinea 2 of the Company Code, as introduced by the law of 6 April 2010.

Remuneration of the non-executive directors

No non-executive director receives any fixed or variable remuneration of any type whatsoever. However, said non-executive directors can submit expense forms for expenses incurred while performing their duties.

The non-executive directors benefit from a system of attendance fees for the Board meetings and the specialised committees, with € 500 per board meeting and € 300 per meeting of a special committee.

Members of Executive Management who attend these meetings do not benefit from this system.

Remuneration policy of the executive managers in the course of the financial year 2012

- Basic principle: a basic remuneration in accordance with market standards, taking into account the importance of the function, the required knowledge, the importance of the company, augmented by a limited variable remuneration, depending on the results in comparison with the defined targets. The variable remuneration is determined according to evaluation criteria, measurable if possible, established at the beginning of the financial year by the Board of Directors, advised by the Appointment and Remuneration Committee. Assessing to which degree the evaluation criteria have been implemented, is the task of the Board of Directors advised by the Appointment and Remuneration Committee, in the light of financial statements of the just ended financial year.

- Relative importance of the different remuneration items:
  The Board did want to limit the variable remunerations as follows:
- for the Chief Executive Officer: a maximum of 28% of his basic remuneration;
- for the SPRLU YLKATT: a maximum of 16% of the basic remuneration;
- for the SPRLU FVW Consult: a maximum of 16% of the basic remuneration.
- There are no performance bonuses in shares, options or other rights to acquire shares.

Remuneration of the Chief Executive Officer (CEO), Xavier Mertens,
(pursuant to an agreement concluded in May 2002, together with amendments)

Taking into account the applicable contractual provisions, the indexed annual basic remuneration, payable monthly, will amount to € 270 000 (value 1/1/2009), while the variable remuneration can be anywhere between 0% and 28% of the annual basic remuneration of the financial year concerned.

He is also eligible for a mobile phone and for reimbursement of his mobile communications expenses, and is reimbursed for the expenses incurred on behalf of the sicafi (restaurants, travel, etc.).

Financial year 2012

Remuneration of the Chief Executive Officer, Xavier Mertens, for the financial year 2012 amounted to € 310 242.76 (fixed remuneration of € 285 242.76, variable remuneration of € 25 000 granted in 2012 for the financial year 2011).

His variable remuneration is determined on the basis of the five following assessment criteria:
- management of the occupancy rate of the buildings;
- acceleration of the sales policy of buildings/land;
- implementation of the other strategic areas decided by the Board;
- Corporate Management in general;
- the external communication.

Pension plan, supplementary insurance or other benefits: none.

Performance bonuses in the form of shares, options or other rights to acquire shares: none.


ERAINN (ETTERBEEK)


ERAINN (ETTERBEEK)

Contractual provisions concerning notice and severance pay: the agreement concluded with the Managing director provides, in the event of termination by the sicafi, notice of at least six months, plus a termination compensation of at least 1 month per year of services, without exceeding a total of twelve months. It will be calculated based on both the fixed remuneration and the variable remuneration.These contractual provisions can possibly diverge[1] from the relevant recommendations, as contained in the Belgian Corporate Governance Code (2009 edition). However, the Board of Directors believes that these provisions are balanced given the CEO's level of remuneration and his acquired experience.

Remuneration of the Chief Financial Officer (CFO), Jean-Luc Colson

(pursuant to an agreement dated 21 January 2010 with the SPRLU Ylkatt)

The agreement provides for an indexed annual base remuneration, payable in monthly instalments, of € 140 000 (value 1/3/2012) and a variable remuneration that can vary between 5% and 16% of the basis annual remuneration for the year in question.

He is also eligible for a mobile phone, reimbursement of mobile communications expenses, and is reimbursed for the expenses incurred on behalf of the sicafi.

Financial year 2012

The remuneration of Chief Financial Officer, Jean-Luc Colson, on the financial year 2012 amounted to € 154 362.70 (fixed remuneration of € 138 737.70 variable remuneration of € 15 625 granted in 2012 for the financial year 2011).

His variable remuneration is determined on the basis of the application of the five following assessment criteria, during the year in question:
- the acceleration of the sales policy;
- the management of outstanding payments;
- administrative, human resources and IT management, internal reporting and to the Board;
- monitoring of operating margin;
- the implementation of the other strategic areas approved by the Board.

Pension plan, supplementary insurance or other benefits: none.

Performance bonuses in the form of shares, options or other rights to acquire shares: none.

Contractual provisions concerning notice and severance pay: the agreement concluded with SPRLU YLKATT provides, if the sicafi terminates the contract, notice of nine months, plus a three-month termination compensation. The notice period can be replaced by a compensation of an amount corresponding proportionally to the remainder of the notice period.

The three-months termination compensation shall be increased by half a month per year of services, but cannot exceed a total of nine months. This compensation shall be calculated based on both the fixed remuneration and the variable remuneration. These contractual provisions can potentially diverge[1] from the relevant recommendations, as contained in the Belgian Corporate Governance Code. However, the Board of Directors believes that these provisions are balanced, given the level of remuneration and the acquired experience.

Remuneration of the Chief Operating Officer (COO), Filip Van Wijnendaele

(pursuant to an agreement dated 5 March 2011 with the SPRLU FVW Consult)

The agreement provides for an indexed annual base remuneration, payable in monthly instalments, of € 144 000 (value 1/3/2011) and a variable remuneration that lies between 5% and 16% of the basis annual remuneration for the financial year in question.

He is also eligible for a mobile phone and for reimbursement of his mobile communications expenses, and is reimbursed for up to € 10 000 per year for the expenses incurred on behalf of the sicafi.

Financial year 2012

The remuneration of the Chief Operating Officer, Filip Van Wijnendaele, amounts to € 155 971.16 for 2012 (fixed remuneration of € 147 953.16, variable remuneration of € 8 018 granted in 2012 for the financial year 2011).

1 If all or part of the notice period is converted into a termination compensation, the maximum 12-month compensation recommended by the Belgian Corporate Governance Code (2009 edition) could be exceeded.

His variable remuneration is determined on the basis of the application of the seven following assessment criteria, during the year in question:

- managing occupancy rate;
- control of operating margin;
- control of technical costs;
- management of outstanding payments;
- realization of the sales policy;
- visiting the buildings of the portfolio;
- managing his team and implementing the strategy laid down by the Board of Directors.

Pension plan, supplemental insurance or other benefits: none.

Performance bonuses in the form of shares, options or other rights to acquire shares: none.

Contractual provisions concerning notice and severance pay: the agreement concluded with SPRLU FVW Consult, if the sicafi terminates the contract, provides for three months notice, plus one month per service year, totalling a maximum of six months, and a compensation of four months, to augment by one month per year of service, totalling a maximum of six months.

The notice period can be replaced by a compensation of an amount corresponding proportionally to the remainder of the notice period.

These contractual dispositions are in accordance with the Belgian Corporate Governance Code.

***

The company has no intention to significantly modify its remuneration policy in the two following years.

PLACE DU JEU DE BALLE (LASNE)

PLACE DU JEU DE BALLE (LASNE)

The team

The Executive Management is assisted by a team 13 people on 31 December 2012.

The sicafi appeals to specialised property managers to rent out or sell its buildings as effectively as possible. The property managers, the company calls upon, are selected carefully, based on the location of the building, its positioning, and the type of clientele sought.

However, this does not withhold the company to take on itself the letting and selling of specific buidings on a ad hoc basis.

For the financial year 2013, Home Invest Belgium has decided to progressively insource the technical management of most of its buildings in the Brussels region. The buildings which technical installations are not internally managed stay under the management of external managers and property managers.

Special attention is paid to the reputation for professionalism and integrity of these various service providers, in accordance with the ethical values respected by the sicafi in the framework of its corporate responsibility.

Other interveners

Statutory Auditor

The Statutory Auditor of Home Invest Belgium is Mr Karel Nijs, company auditor, related to SCCRL PKF, a firm of corporate auditors, located at Potvlietlaan 6, 2600 Antwerp. He is accredited by the FSMA and certifies the financial statements of the sicafi and reviews the half-year statements.

His mandate expires after the Ordinary General Assembly of 7 May 2013. Subject to the approval of the FSMA, the renewal of his mandate will be proposed at this General Assembly for another 3 years.

(In € - VAT included)	2012	2011
Statutory Auditor's fees broken down as:		
Statutory Auditor's fees	29 040	29 040
Fees for exceptional work or specific assignments performed at the company by the Statutory Auditor		
Other auditory mandates		13 310
Other non-audit work	4 359	6 159
Fees for exceptional work or specific assignments carried out at the company by persons with whom the statutory Auditor is linked		
Tax advice	1 571	622
TOTAL	34 970	49 131

The Auditor has examined the management report and confirms that the information provided does not present manifest inconsistencies in relation to the information in his possession in the framework of his mandate.

This report is integrated in the report dealing with the consolidated results 2012 in the chapter "Financial statments"

Real Estate Surveyor

SA Winssinger & Associates (registered at the Brussels RPM: 0422.118.165), having its registered office at Chaussée de La Hulpe 166, 1170 Brussels, Belgium (tel.: +32 (0)2 629 02 90), represented by Mr. Geoffroy Regout, is the sicafi's independent real estate surveyor. It values the property on a quarterly basis, and also in case of acquisition, contribution in kind, sale of property, or merger/demerger of real estate companies with the sicafi, and when buildings are incorporated in the consolidation scope of the company in any other way.

Annual fee is calculated as follows:

appraisal of surfaces	per m² appraised
≤ 125 000 m²	€ 0.40
> 125 000 et ≤ 175 000 m²	€ 0.35
> 175 000 m²	€ 0.30

Financial service

BNP Paribas Fortis (registred at the Brussels RPM: 0403.199.702), having its registered office at Montagne du Parc 3 in 1000 Brussels (tel: +32 (0)2 565 11 11), acts as centralising bank responsible for the financial service of the shares of Home Invest Belgium (payment of dividends, subscription of capital increases, convening to General meetings).

The remuneration is fixed as follows and subject to VAT:

Dematerialized securities	0.2% of the net value of the coupon paid
Bearer shares	2% of the net coupon, plus € 0.1 per collected sub-share

Custodian bank

The obligation to have a custodian bank has been deleted by the royal decree of 7 December 2010 and the sicafi has terminated its contract with Fortis Bank as from 1 July 2011.

Liquidity provider

Bank Degroof and ING Equity Markets act as "liquidity provider" of the Home Invest Belgium share.

Rules and procedures

Prevention of conflicts of interest

Laws governing the prevention of conflicts of interest that apply to Home Invest Belgium are contained in articles 523 and 524 of the Company Code, as well as in article 17, 18 and 19 of the Royal Decree of 7 December 2010.

In the course of the financial year 2012, no operation has resulted in a conflict of interest in the sense of **article 523 and 524 of the Company Code**.

Article 18 of the royal decree of 7 December 2010 can be considered as being applicable to one transaction during the fiscal year 2012. This article foresees the specific dispositions when people targeted by this article (directors or shareholders of an affiliate of the sicafi) intervenes as counter party in an operation with the sicafi or a company it controls. In accordance with this article, the signing of a convention on contribution with the SA AXA Belgium, dated 5 July 2012, dealing with an office building, situated Avenue Marcel Thiry 208 at 1200 Woluwe Saint-Lambert, taking into account that the SA AXA Belgium could have been qualified as the person that controls, or has a participation in Home Invest Belgium, in the sense of article 18 of the above mentioned royal decree.

Other rules preventing conflicts of interest are foreseen in the **Corporate Governance Charter** of Home Invest Belgium[1] to which all directors of the sicafi have adhered. This charter foresees in article 4.8

" (…) If Home Invest Belgium offers to conclude with a director or with a company linked to the latter a transaction that is not covered by article 523 of the Company Code (for example, because it is a customary transaction concluded under arms length conditions and guarantees), Home Invest Belgium nevertheless deems it necessary for this director to point this out to the other directors prior to the deliberation of the Board of Directors and for him to refrain from attending the Board of director's deliberation on this transaction, and to take part in the vote. (…)"

The cumulation of mandates can also be subject of a conflict of interest. As such, Mr. Guy Van Wymersch-Moons, Chairman of the Board of Directors of Home Invest Belgium, is also director of another sicafi, Leasinvest Real Estate. However, given the fact that latter sicafi invests almost exclusively in real estate market sectors in which Home Invest Belgium does not invest, the likelihood of conflicts of interest is very limited.

The Executive Management is subject to the same rules, as regards conflicts of interest as the Board of Directors. The company implements a rigorous policy to avoid conflicts of interest amongst its service providers. Accordingly, the principal service providers are asked to adhere to, and sign their consent for the Corporate Governance Charter, especially with respect to conflicts of interest and the prevention of insider trading. As regards more specifically the real estate surveyor, the agreement concluded with the sicafi provides that in the event of a conflict of interest, the initial valuation of the property will be entrusted to a different authorised real estate surveyor.

Prevention of insider trading

Given Home Invest Belgium's reputation for integrity, the Board of Directors has set up a Code of Conduct[1] applicable to transactions involving the sicafi's shares and other financial instruments by directors and employees of the sicafi or its subsidiaries.

The Corporate Governance Charter is available on the website of the company: www.homeinvestbelgium.be

This code provides a/o for:

- the implementation of a schedule of periods during which trading on the sicafi's shares is not authorised: for example, between the moment directors become aware of the financial figures and the second working day following the date of their publication ("closed periods");
- the obligation to notify the compliance officer in writing, prior to any transaction involving the sicafi's shares.

During the previous financial year, the functions of "Compliance Officer" have been taken up by Mr. Guy Van Wymersch-Moons, Chairman of the Board of Directors. For the transaction which Mr. Guy Van Wymersch-Moons might want to fulfil, Mr. Xavier Mertens, CEO, would intervene in the quality of "Compliance Officer".

1 The Corporate Governance Charter is available on the website www.homeinvestbelgium.be of the sicafi.

2 The Code of Conduct is presented in the Attachment 1 of the Governance Charter of the sicafi and is available on the website www.homeinvestbelgium.be.

Research and development

Home Invest Belgium has not undertaken any activity in the field of research and development in the financial year 2012.

Informations on the existence of circumstances which might have a notable influence on the development of the sicafi

The Board of Directors has no indication on the existence of circumstances which might have a notable influence on the development of the sicafi in the sense of article 119, 3° of the Company Code.

The objectives and the policy of the company on the management of financial risks, the exposure of the company to credit, price, liquidity and treasury risks as well as the financial instruments and their utilisation, are described in the chapter "Risk factors" in the present financial report.

Information in accordance with article 34 of the Royal Decree of 14 November 2007 on the obligations of issuers of financial instruments admitted to trading on a regulated market[1]

Set forth below is the information explaining the elements likely to have an effect, should a public takeover bid be made for the acquisition of the shares of Home Invest Belgium, in accordance with article 34 of the Royal Decree of 14 November 2007:

- On 31 December 2011, the registered capital of Home Invest Belgium was represented by 3 056 143 fully paid-up ordinary shares[2], without designation of face value;
- There are no restrictions imposed by law or set down in the articles of association on the transfer of securities;
- There are no holders of securities with special control rights;
- There is no share plan for the employees;
- There is no restriction imposed by law or set down in the articles of association on the right to vote;
- Home Invest Belgium is not aware of any agreements made between its shareholders that may result in restrictions on the transfer of securities or the exercise of voting rights;

LÉOPOLD (LIÈGE)

JOURDAN 85 (SAINT-GILLES)

ALLIÉS-VAN HAELEN (FOREST)

1 See also the law of 1 April 2007 on public takeover bids and item 21.2.6 in annex I of the Prospectus regulation 809/2004.

2 Of which 12 912 treasury shares, held by Home Invest Management SA, a 100% subsidiary of Home Invest Belgium.

- The rules applicable to the appointment and replacement of Board members and to the amendment of the articles of association of Home Invest Belgium are those set forth in the applicable legislation – in particular the Company Code –, the law of 3 August 2012 relating to certain forms of collective management of investment portfolios, the Royal Decree of 7 December 2010 on sicafi;

- In accordance with article 6 of the articles of association, the Board of Directors is authorised to:

- increase the registered capital of the company in one or more instalments in the context of the authorised capital up to a maximum of € 74 401 221.91. This authorisation is valid for a five-year period beginning on 17 January 2012. There was no use of this authorised capital during the 2011 financial year. The authorised capital still remaining on 31 December 2011 was € 74 401 221.91;

- acquire shares of the company or take them in pledge within the limits foreseen in article 6.3 of the articles of association which provides for:

a) on the one hand, the possibility to acquire shares of the company at a price per share equal to at least 80% of the most recent net asset value published prior to the transaction date, and to no more than 105% of the said value, for a period of five years from 17 January 2012, on the understanding that the company may not at any time hold more than 10% of all issued shares, and;

b) on the other hand, the possibility, for a period of three years commencing on 17 January 2012, to purchase shares of the company, should such acquisition be necessary to avoid serious and imminent damage to the company.

- Home Invest Belgium is not party to any important agreements, which would come into effect, alter or terminate upon a change of control resulting from a public takeover bid, with the exception of an expressed clause of "change of control" in the credit convention of € 15 000 000, concluded with the LB Lux Bank, allowing the LB Lux Bank to terminate the credit convention in advance, in case of change of control;

- There are no agreements between Home Invest Belgium and the members of its Board of Directors or employees, which provide for compensation, when, following a public takeover bid, there are resignations or a cessation of activities.

ERAINN (ETTERBEEK)

LOUVAIN-LA-NEUVE 1976 (LOUVAIN-LA-NEUVE)

CORPORATE RESPONSIBILITY

Home Invest Belgium's mission – as exposed in the introduction of this report– consists of providing the population with decent housing, while paying attention to the interest of its shareholders. In order to reach this, the sicafi recognises its responsibilities in **environmental** and **human** matters for fulfilling its purpose. By this recognition, the company takes into account the social, environmental and ethical criteria prescribed by article 88 of the law of 3 August 2012.

Environmental context

Home Invest Belgium's responsibility is mainly perceived at the level of *managing its property in operation and its investment decisions*. As the owner of an important portfolio of buildings composed of buildings with a variable life, the company has developed a pragmatic policy matching a rational though permanent renovation program to financial imperatives; that way, it can sometimes be recommended to sell an older building instead of spending large sums to improve its inadequate energy performance. This well-grounded policy with regard to investments and an active arbitrage on the portfolio relies on a detailed periodical portfolio evaluation. When deciding to invest in new assets, the quality of the new acquisition, which has to generate a rental income over a long period, is taken into account within the scope of complying with the best current environmental standards.

With regard to environmental respect the sicafi wishes to apply that same sense of responsibility to the *use of its own offices*. As each company and/or employer, in close communication with its staff, it pays attention to the different aspects of its own functioning, such as energy consumption (heating- lighting -transportation), waste management (selective waste disposal-paper consumption cleaning). The application of these good management practices – however limited as to their impact – should make Home Invest Belgium's staff aware of the values the company respects in its operations.

Human context

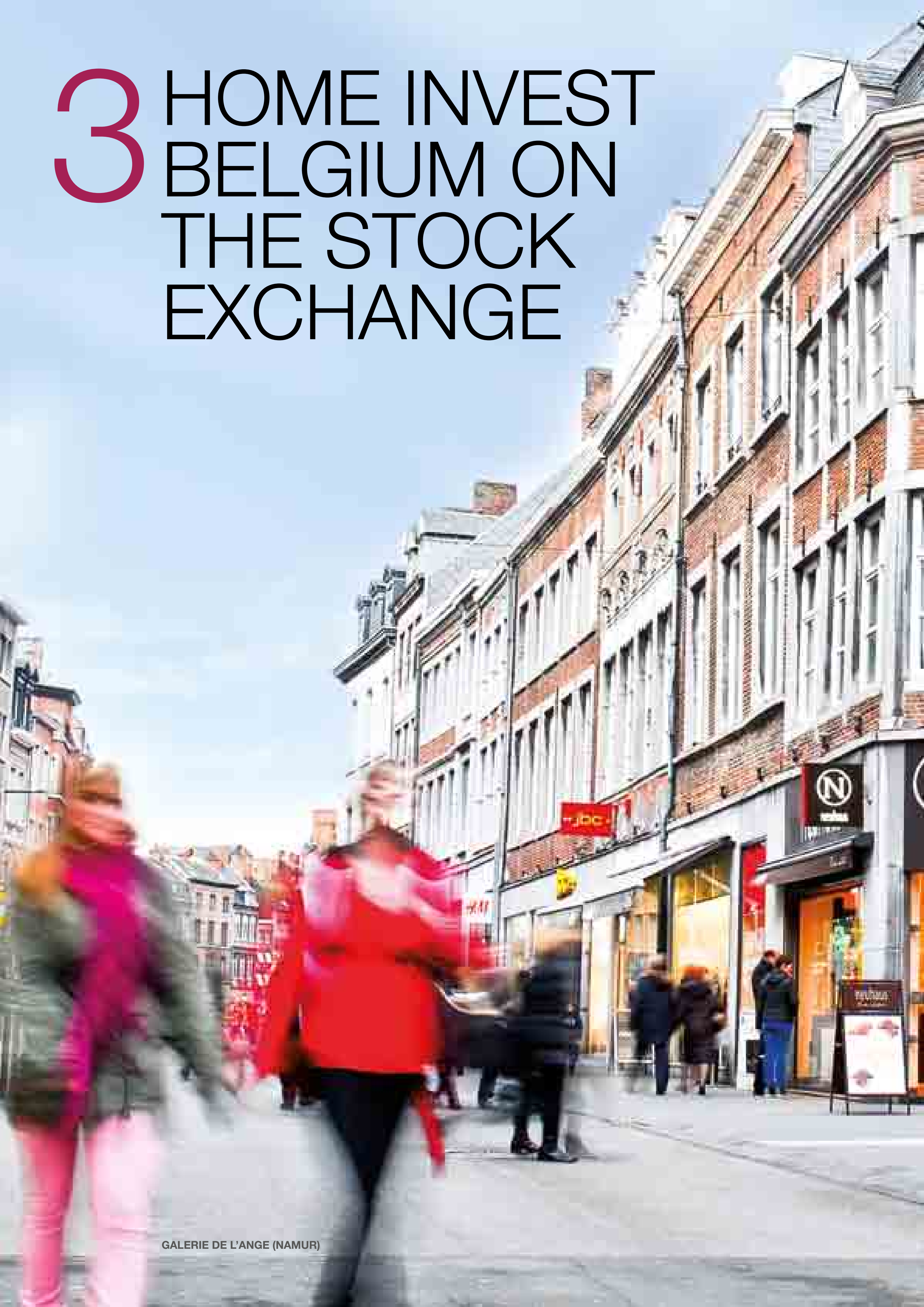
The sicafi recognises in essence two groups of individuals it is closely connected to and towards whom it is responsible: its tenants and its staff.

- *Towards its tenants:* based on the relatively important number of tenants the company has, i.e. more than 1200 families, Home Invest Belgium is in a privileged position to convey to them a number of values it adheres to, evidently within the limits of a correct lessor-tenant relationship. Within that same mindset, we recall the participation of the sicafi to the 'green' mobility project launched by D'Ieteren Auto (www.mymove.eu) in the course of 2011 in the building "Birch House" aiming at inciting the inhabitants at organising their common transportation by means of electric or 'green' vehicles.

- *Towards its staff:* the sicafi is very much aware of the fact that its housing mission can only be efficiently executed thanks to the daily and motivated efforts of its staff; it is surely its most valuable capital and the only one allowing it to excel in the market it operates in. It is therefore very concerned in providing all necessary means for the personal development of its employees. As the team is limited (13 employees without the Executive Management on 31 December 2012), focus is on short communication lines and an interactive and dynamic teamwork; besides, each team member is subject to an annual evaluation by the Executive Management based on previously assigned jobs and targets for the next year.

Within this large human context Home Invest Belgium wishes to communicate a number of essential ethical values, as to all aspects of its functioning, namely honesty, integrity and equality. To its opinion, respecting these values is essential in order to correctly fulfil its mission to the benefit of all its "stakeholders". They are recognized and lived by, both at the level of the Board of Directors and the Executive Management and its entire staff, and consequently expressed in all the sicafi's operation.

3 HOME INVEST BELGIUM ON THE STOCK EXCHANGE



GALERIE DE L'ANGE (NAMUR)


neuhaus
neuhaus
La Cava

HOME INVEST BELGIUM ON THE STOCK EXCHANGE[1]

LISTING

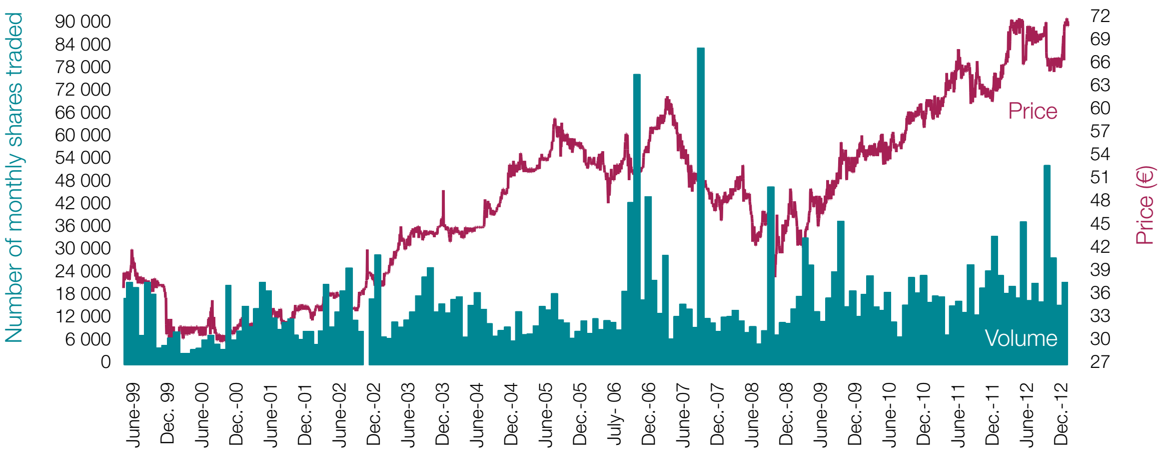
Share price up 13%

The Home Invest Belgium share witnessed a **significant jump of 13% in 2012**, between 2 January 2012 (closing price of € 63.03) and 31 December 2012 (closing price of € 71), without taking into account the dividend distributed in May 2012 .

Despite the international economic crisis, the year 2012 will have been marked by a gradual return of confidence among stock exchange operators, mainly in the first half of the year. The Home Invest Belgium share kept pace with the general favourable trend by notching up an almost constant price increase until the end of May before then faltering, mainly under the influence of uncertainties regarding the tax treatment of the dividend. December was marked by a significant recovery of the share price.

The closing price of the Home Invest Belgium share therefore fluctuated between a low of € 62.90 on 4 January 2012 and a high of € 72 on 19 December 2012, which is also a historical high. The closing price for the year thus amounted to € 71 on 31 December 2012 and compares well to the annual average of € 68.59.

Evolution of the share price since the IPO, 1999-2012



1 Additional information on the EPRA Belgium and BEL 20 indices is available from NYSE Euronext Brussels for the BEL 20 index and by consulting the www.epra.com website for the EPRA Belgium index.

2 The ex-dividend date of 15 May 2012 will have had almost no impact on the price as, having fallen on this date to € 66.51, it was already being traded at € 67 on 16 May and at € 70 on 30 May 2012.

+13%

Share progress in 2012

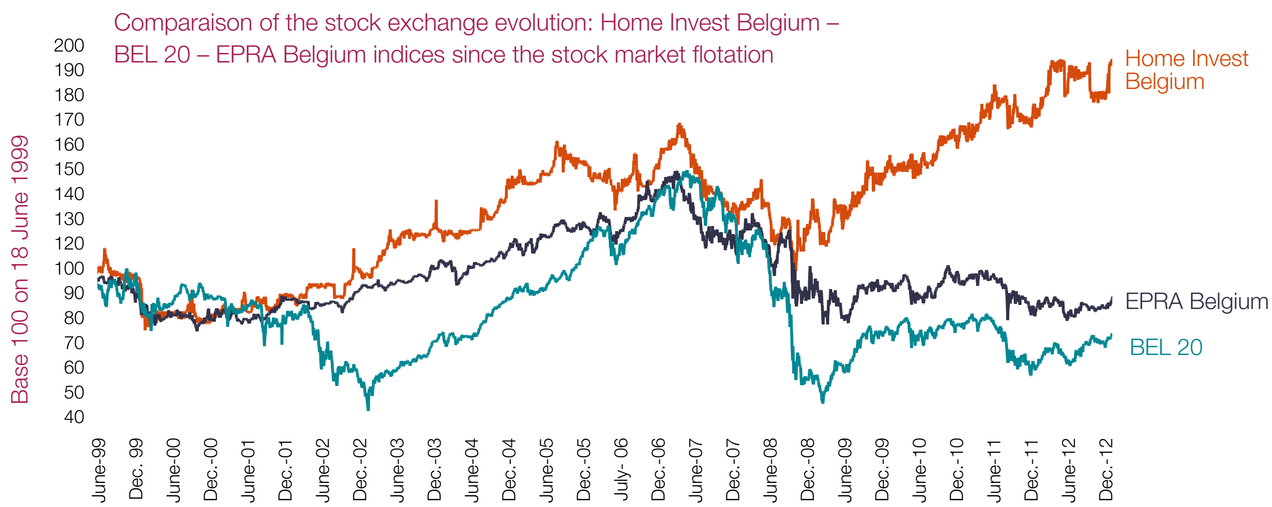
Based on the last closing price of the year 2012 (€ 71), the proposed dividend represents a **return of 4.58%** (compared with a net return of 4.68% in 2011), while the rate of OLO at 5 years was 0.9% at 31 December 2012.

The share's **liquidity** has also increased significantly, with a daily average of 1 136 shares per trading session over the year 2012 as a whole (compared with a daily average of 902 shares during the financial year 2011).

Evolution compared to the BEL 20 - EPRA Belgium indices

The very good performance of the Home Invest Belgium share during the financial year 2012 (increase of 13%) can be compared to the evolution of the BEL20 index (up 17%) and the overall evolution of the Belgian sicafi sector, reflected by the EPRA Belgium sectoral index (up 1%) during the same period.

The graph below illustrates the excellent stock performance of the Home Invest Belgium share compared to the EPRA Belgium or the BEL 20 indices, and this since June 1999.



Evolution of the share price compared to the net asset value

During the 2012 financial year, the net asset value grew by 2% compared to its level at the beginning of the year, rising from € 57.58 to € 58.73 on 31 December 2012.

This positive trend - which was more pronounced during the second half year – can essentially be explained by the good results generated by two of the sicafi's core businesses, namely, property letting, on the one hand, and the arbitrage of certain buildings on the other.

It is worth noting that the net asset value per share is currently 70.4% higher than its level of € 34.46 on its stock market debut in June 1999. This evolution reflects the quality of the property investments made by Home Invest Belgium and its asset management, both in terms of maintenance, renovation and in terms of the timing of sales.

The Home Invest Belgium share has been traded at a premium on the published net asset value during the entire financial year 2012. On 31 December 2012 the closing price amounted to € 71 which represents a premium of 20.9% in comparison with the net asset value at the end of the financial year. This premium once again illustrates the confidence of shareholders in the strong performances that can be expected by investing in Home Invest Belgium shares.

RÉSIDENCES DU QUARTIER EUROPÉEN
(BRUSSELS)

RÉSIDENCES DU QUARTIER EUROPÉEN
(BRUSSELS)

KEY FIGURES OF THE SHARE ON 31 DECEMBER 2012

ISIN BE0003760742	2012	2011	2010
Share price (in €)			
Highest	€ 72	€ 67.99	€ 61.50
Lowest	€ 62.90	€ 58.87	€ 53
On the last day of the financial year	€ 71	€ 64.05	€ 60.50
Average price	€ 68.59	€ 62.99	€ 56.60
Return of the gross dividend[1]	4.51%	4.65%	4.55%
Dividend (in €)			
Gross	€ 3.25	€ 3	€ 2.75
Net[2]	€ 2.76	€ 3	€ 2.75
Volume			
Average daily volume	1 136	902	833
Annual volume	289 644	222 912	201 493
Total number of shares on 31 December	3 056 143	3 056 143	2 931 334
Market capitalisation on 31 December	€ 217 million	€ 197 million	€ 171 million
Free float	47.01%	46.83%	49.65%
Velocity[3]	20.16%	15.40%	13.85%
Payout ratio (statutory)	88.37%	84.61%	89.06%

DIVIDEND

Home Invest Belgium is committed to offering its shareholders an increasing dividend at least equal to or above the rate of inflation in the long run. Between 2000 and 2012, the net dividend rose from € 1.96 to € 3.25 per share, or an increase of 65.8% in the space of thirteen and a half years, or also an average annual increase of 4.9%. Over the same period, the "health index" rose by only 31.9%, or 2.36% on an annual basis.

For the 2012 financial year, the proposed dividend of € 3.25 represents again a remarkable growth of 8.3% compared to the dividend of € 3 paid for the year 2011, while the pay out ratio remains at a reasonable or even prudent level of 88.4%.

The dividend growth, significantly stronger over the last three years, is made possible by the reinforcement of the arbitrage volume on the portfolio, for which the Board has fixed an objective of at least 4% per annum.

Under the new legislation in force since 1 January 2013 (Programme law of 27 December 2012), the proposed dividend of € 3.25 is subject to a withholding tax of 15%, so that the proposed net dividend will amount to € 2.76. For more information on the tax treatment of dividends from 1 January 2013, see the chapter "Permanent document" - "The sicafi and its tax regime."

It has to be pointed out that since the creation of the sicafi, quite a sizeable portion of the profits has been carried forward each year which, after distribution of the 2012 profits and on a consolidated level, now amounts to € 4.36 per share. This should enable the company to maintain dividends in the future, should conditions on the property market become more difficult.

1 Gross dividend of the financial year divided by the last share price of the financial year.

2 The withholding tax stands at 15% as from 1 January 2013.

3 Number of shares traded / free float.

RETURN

The profitability of an investment is to be measured both with regard to the immediate yield that can be derived, and to the increase in net asset value that such investment may present in the long term. The addition of these two components constitutes the annual return on investment.

In the case of a sicafi, the weight of the immediate return may be high, but the capacity to generate capital gains is the true seal of quality in the long term.

Thus, for shareholders who took part in the June 1999 IPO (Initial Public Offering) and who have since reinvested all dividends in Home Invest Belgium shares each year, the internal rate of return (IRR) calculated over this 13 and a half year period, would be 13.67%, and this in spite of the sluggish performance in the course of the financial years 2008 and 2009.

In the same way, the return for Home Invest Belgium shareholders not having reinvested dividends every year, nonetheless stands at a remarkable average of 11.45% per year over the 1999/2012 period.

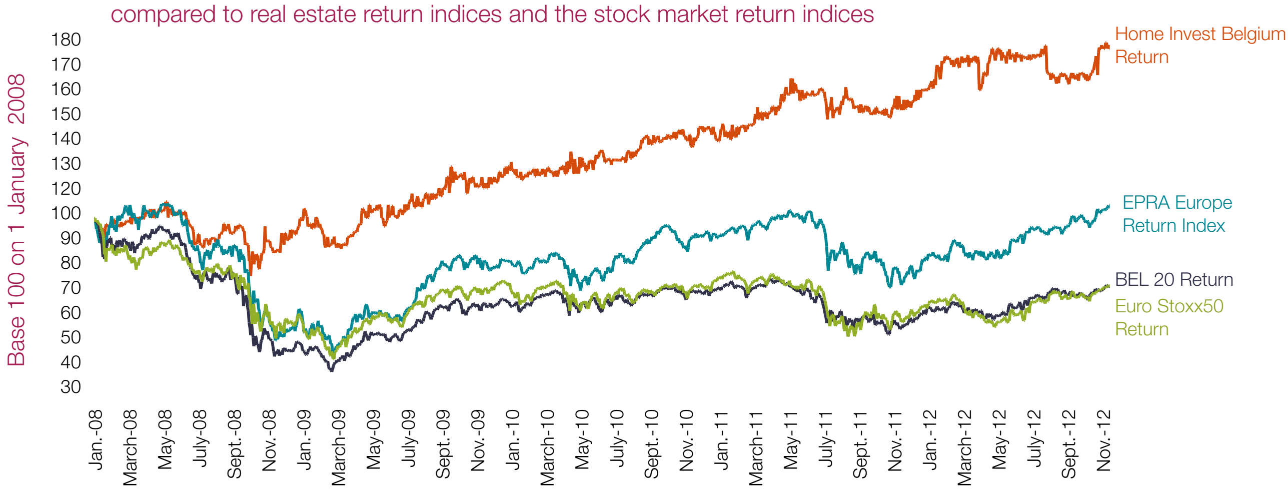
This return cannot be compared as such with that of the majority of other sicafi, due to the fact that their return is calculated before deduction of the withholding tax on dividends, whereas until the end of 2012, the Home Invest Belgium dividend was exempt from withholding tax (15% from 1 January 2013).

LOUVAIN-LA-NEUVE

LOUVAIN-LA-NEUVE

	Return (€)[1]	Net asset value excluding dividend	Value growth	Gross/net dividend	Return per share[2]	Return in % for the shareholder[3]
Consolidated accounts in IFRS	31/12/12	55.48	0.9	3.25	4.15	7.60%
	31/12/11	54.58	2.65	3	5.65	10.88%
	31/12/10	51.93	1.42	2.75	4.17	8.26%
	31/12/09	50.51	0.16	2.43	2.59	5.14%
	31/12/08	50.35	-2.17	2.36	0.19	0.36%
	31/12/07	52.52	3.21	2.3	5.51	11.17%
	31/12/06	49.31	3.35	2.24	5.59	12.16%
	31/12/05	45.96	4.17	2.19	6.36	14.47%
Statutory accounts in Belgian GAAP	31/12/05	46.91	4.24	3.47	7.71	11.41%[4]
	31/05/04	42.67	4.13	2.16	6.29	16.32%
	31/05/03	38.54	1.15	2.13	3.28	8.77%
	31/05/02	37.39	0.44	2.07	2.51	6.79%
	31/05/01	36.95	1.19	2.02	3.21	8.98%
	31/05/00	35.76	1.3	1.96	3.26	9.46%
	1/06/1999	34.46				

Comparaison of the evolution of the return of Home Invest Belgium compared to real estate return indices and the stock market return indices



1 Based on consolidated figures as from 2005.

2 Dividend of the financial year plus net asset value growth during the financial year.

3 Idem, divided by the net asset value at the beginning of the financial year.

4 Rebased to twelve months.

SHAREHOLDING STRUCTURE ON 31 DECEMBER 2012

Shareholders	Number of shares	In % of capital
Van Overstraeten Group	**777 692**	**25.45%**
COCKY S.A.	110	0.00%
Mr Liévin Van Overstraeten	128 671	4.21%
Mr Antoon Van Overstraeten	127 714	4.18%
Mr Hans Van Overstraeten	130 605	4.27%
Mr Johan Van Overstraeten	128 569	4.21%
Mr Bart Van Overstraeten	128 568	4.21%
Stavos Luxembourg	118 455	3.88%
VOP NV	15 000	0.49%
AXA Belgium	**433 164**	**14.17%**
Federal Insurance	**105 296**	**3.45%**
Van Overtveldt - Henry de Frahan	**102 792**	**3.36%**
Mr S. Van Overtveldt	51 396	1.68%
Mrs P. Henry de Frahan	51 396	1.68%
ARCO group	**87 575**	**2.87%**
Arcopar S.C.R.L.	62 575	2.05%
Auxipar S.A.	25 000	0.82%
Other registered shareholders	**112 953**	**3.70%**
Total known		**52.99%**
Free Float	**1 436 671**	**47.01%**
General total	**3 056 143**	**100.00%**

It should be noted that:

- All shares have the same voting rights.
- Home Invest Management SA, a fully-owned subsidiary of the sicafi, holds 12 912 Home Invest Belgium shares.

FLORIDA (WATERLOO)

VOISIN (WOLUWÉ-SAINT-LAMBERT)

1 Situation on the basis of the transparency statements received by Home Invest Belgium SA.

PROFILE OF HOME INVEST BELGIUM SHAREHOLDERS

Given the favourable legal set-up of the sicafi in general, and of residential sicafi in particular, shareholdings in Home Invest Belgium can make **interesting investments** for private and institutional investors alike.

In comparison with the direct ownership of residential property, an investment in Home Invest Belgium shares has a **number of advantages**; it makes it possible to:

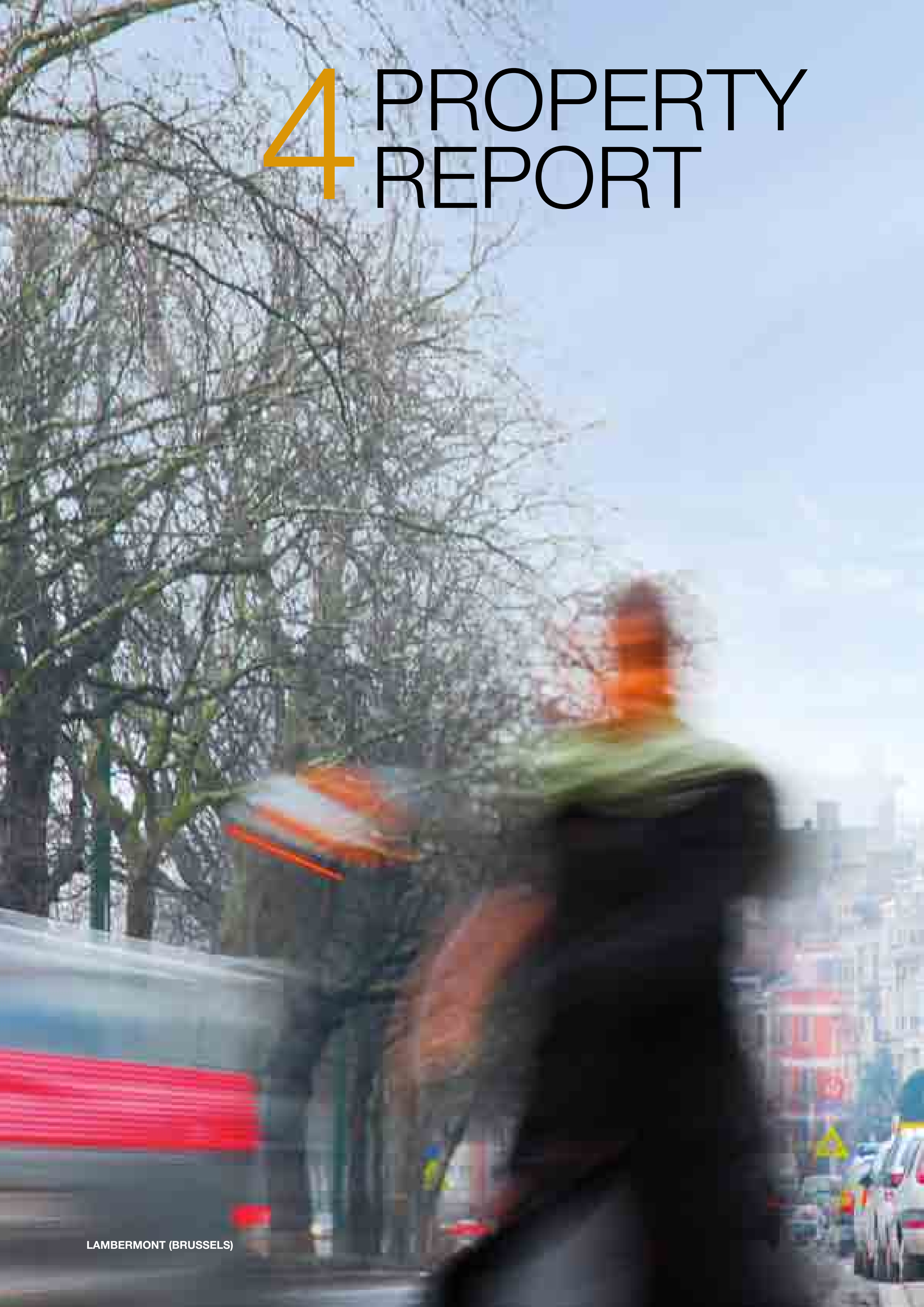
- be free of the constraints related to direct residential property management; this becomes more and more burdensome by the increasing administrative and technical obligations; the same applies to the increasing risks of vacancy and non-payment;
- benefit from the advantages offered by this type of investment: a good spread of investment risk, the professionalism of the management, high transparency in the management of the sicafi through its Corporate Governance and favourable legal and tax provisions (for more details: see the "Permanent Document" chapter of this annual report);
- benefit from an evident improved liquidity of its portfolio taking into account the sicafi's stock exchange listing.

SHAREHOLDERS' CALENDAR

	2013
Annual statement for the 2012 financial year	Friday 1 March 2013
Posting of the annual report on the website	Tuesday 2 April 2013
Ordinary General Meeting of the 2012 financial year	**Tuesday 7 May 2013**
Interim statement: results on 31 March 2013	Tuesday 7 May 2013
Payment of the dividend for the 2012 financial year	Friday 17 May 2013
Half-yearly report: results on 30 June 2013	Friday 30 August 2013
Interim statement: results on 30 September 2013	Friday 15 November 2013

	2014
Annual statement for the 2013 financial year	Friday 28 February 2014
Posting of the annual report on the website	Thursday 3 April 2014
Ordinary General Meeting of the 2013 financial year	**Tuesday 6 May 2014**
Interim statement: results on 31 March 2014	Tuesday 6 May 2014
Payment of the dividend for the 2013 financial year	Friday 16 May 2014

4 PROPERTY REPORT



LAMBERMONT (BRUSSELS)

PROPERTY REPORT

STATUS OF THE RESIDENTIAL REAL ESTATE MARKET IN BELGIUM[1]

Independent surveyor's report of Winssinger & Associates SA

Economic context

The uncertain **economic environment** with which Europe and Belgium currently have to contend continues to weigh on consumer confidence, which deteriorated throughout the year 2012. Private household consumption fell by 0.7% in 2012. compared to a slight increase of 0.2% in 2011. 2013 should see a return to positive growth, although still close to 0 (0.2% forecast). In addition. after a 2012 marked by a downturn in GDP (- 0.2%), which is expected to continue in 2013, a slight recovery of the Belgian economy is expected in 2014.

There are, however, a few glimpses of hope in this rather gloomy economic climate.

First of all, the **financial markets** are making an encouraging headway. After a significant increase due to the country's instability and lack of Government in late 2011, the rate of the 5-year government bonds of the Belgian State has been shrinking since the beginning of 2012 and, in late September, stood at a level of 1.2%, reflecting greater investor confidence in the country. With the fall in the rates of government bonds and the stable outlook for performance levels in the property sector, investors have renewed their interest in real estate since early 2012.

In 2012, **inflation** averaged a level of 2.85% (compared with 3.53% in 2011). The forecasts of the Federal Planning Bureau speak of a reduction in inflation until late 2013, when it is expected to reach 1.4%. The **health index** is following the same trends as inflation. It is interesting to note however that this could exceed the consumer price index in the second half of 2013, which could potentially have an impact on the residential rental market given that rent indexation is calculated on this basis.

Key economic indicators for Belgium

	2011	2012	2013	2014	2015
Increase of GDP	1.8%	- 0. 2%	- 0.1%	0.9%	1.2%
Private consumption	0.2%	- 0.7%	0.2%	1.4%	1.6%
Inflation	3.53%	2.85%	2.1%	1.9%	2%

Source: Oxford Economics, December 2012

1 The status of the residential real estate market in Belgium takes over the text of the report of the chartered surveyor, reproduced with its agreement.

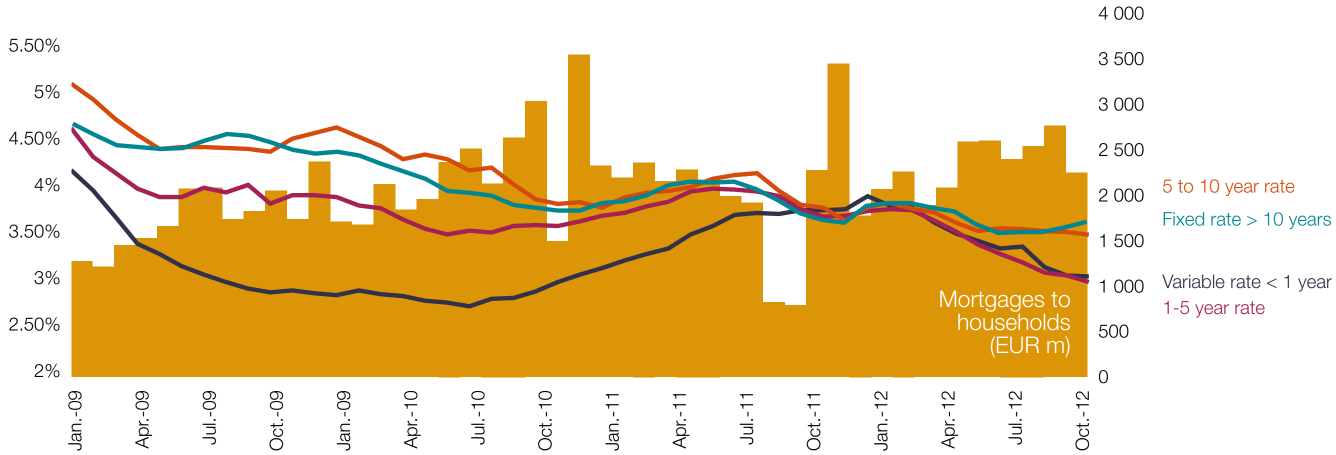
As regards the evolution in interest rates applicable to mortgages and the total amounts granted to households, two trends can be pinpointed:

1. As far as **interest rates** are concerned: after a surge in early 2012, interest rates have been revised downward.
   In November 2012:
- the interest rate for loans with a duration of <5 years were close to 3%;
- the interest rates for loans with a duration of > 10 years stood at 3.7%.

These low levels may give a kick start to the housing market.

2. As far as the **total amount of loans granted to households** is concerned: this came, on average, to € 2 280 million per month in 2012 (against € 2 055 million per month in 2011). This higher average level compared to 2011 does not hide the fact that the loans granted to households recorded an overall downward trend since July.

Evolution of the interest rates on new property contracts and the total amounts granted to households



Source: National Bank of Belgium

Note: the right hand axis covers the total of the monthly amounts of credits granted to households and is expressed in million of euros.

ADAGIO ACCESS BRUSSELS EUROPE (BRUSSELS)

YSER (ETTERBEEK)

Investments on the Belgian residential market in 2012

Comment

The Federal Public Service for the Economy figures underlying this report are communicated with a delay of one quarter. This means that in January 2013, we have data only for the first 9 months of 2012. However, based on information gathered and figures from the Barometer of Notaries, we have estimated the volumes invested in residential real estate for the last quarter of 2012 along with the average prices for the different categories of properties included in the light of current market conditions.

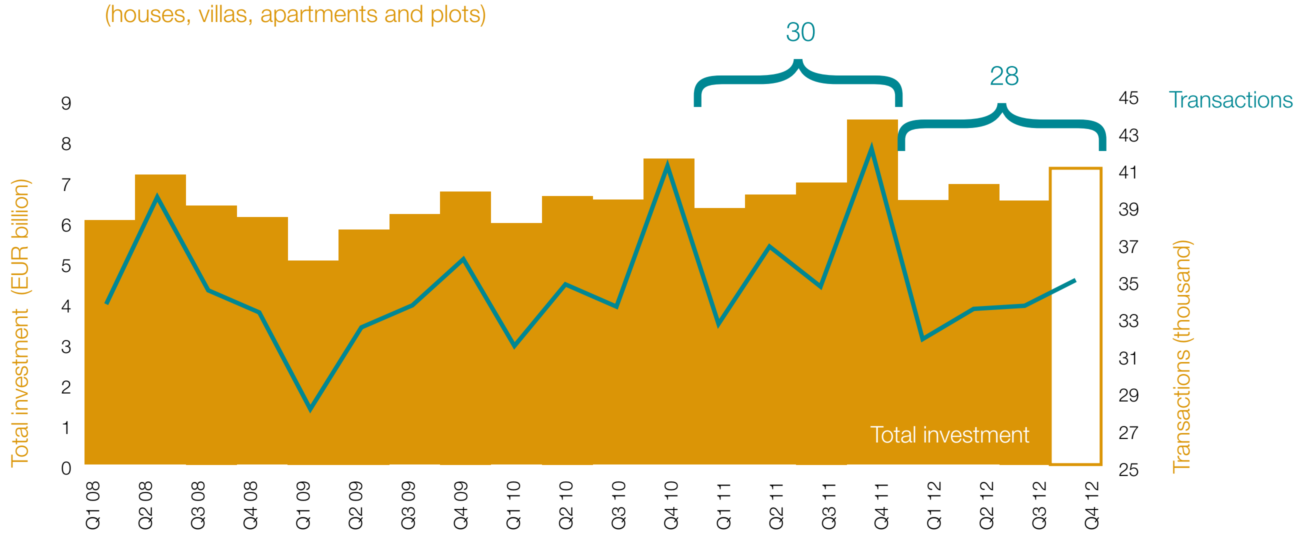
According to figures of FPS Economy published for the first 9 months of the year and the estimates made for the last quarter of 2012, **investment volumes** in the residential market (in houses, villas, apartments and building plots) in the year 2012 were down slightly for Belgium as a whole. At the end of 2012, these are estimated at around € 28 billion (against nearly € 30 billion in 2011).

Unlike the figures from the Barometer of Notaries, the FPS Economy figures should show a decrease in the number of transactions in 2012, with around 135 000 transactions recorded in 2012 against nearly 145 000 in 2011 (mainly due to an exceptional performance at the end of 2011).

The slight decline in investment volumes could therefore be explained by a further drop in the **number of transactions** rather than by a fall in the sale prices of residential property. The last quarter of 2012, however, should mark an upward movement in the number of transactions compared to the first 3 quarters of the year.

The fall in **interest rates** recorded since early 2012 has helped to hold up the residential real estate activity in Belgium. It should however be borne in mind that banks are becoming more cautious in granting **mortgages** exceeding 80% of the property value and that credit defaults are at record levels in Belgium.
In view of the economic outlook for 2013, the activity recorded on the residential market should not undergo any major changes compared to 2012.

Investments in Belgian residential real estate (houses, villas, apartments and plots)



Source: FPS Economy; Q4 2012: estimations DTZ

Evolution in prices per property type

According to the figures for the first 9 months of the year and forecasts drawn up for the fourth quarter of 2012, the average price of **ordinary houses** and the average price of **apartments** increased by about 3 % compared to the year 2011 in Belgium.

In contrast, the price of **luxury homes** has remained broadly stable (+ 0.16%) compared to 2011.

The price of **building plots** has witnessed the largest increase over the year 2012 in Belgium: the average price increased by 3.69% to reach € 106.9/m² on average in 2012.

Evolution of the average prices per category for Belgium, €

	Average price Q4 2012	Average price year 2012	Variation 2012 – 2011
Ordinary houses	198 744	194 403	3.21%
Luxury homes	331 821	331 114	0.16%
Apartments	202 271	201 835	3.45%
Building plots (€/m²)	109.94	106.89	3.69%

Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research

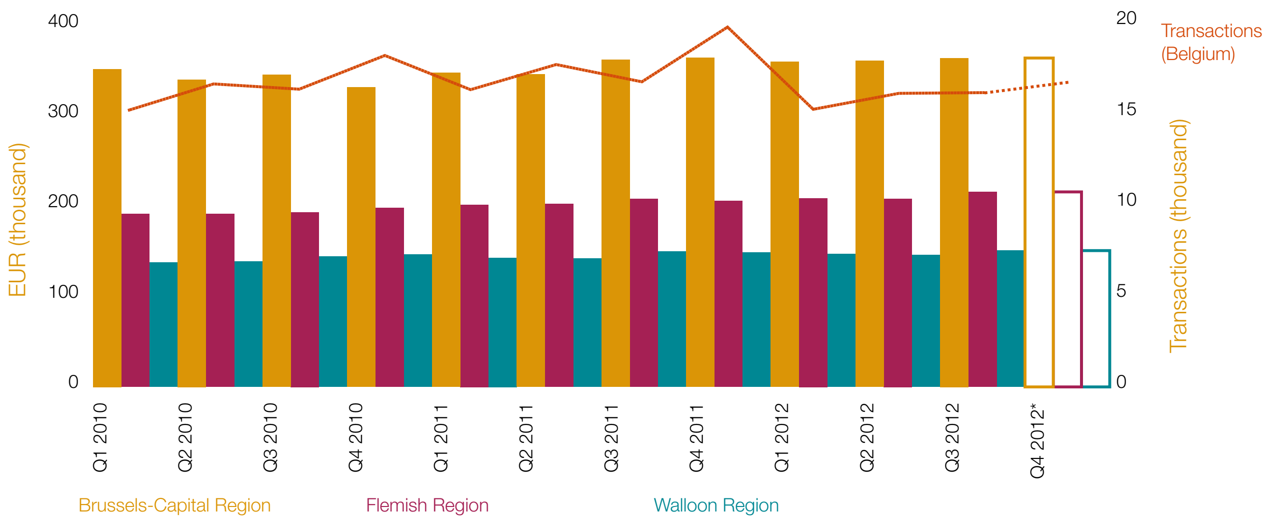
YSER (ETTERBEEK)

YSER (ETTERBEEK)

Ordinary houses

The average price of an ordinary house increased on average by 3.2% in Belgium compared to the year 2011. On average in 2012, an ordinary house costs € 194 000 against € 189 000 in 2011. The total number of transactions is estimated at around **62 000** in 2012, i.e. a slight decrease compared to 2011.

Average price and number of transactions for ordinary houses



Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research

According to figures of FPS Economy and our estimates for the fourth quarter, the price of an ordinary house varies on average from one Belgian region to another in 2012 between:

- € 147 thousand in the Walloon Region;
- € 360 thousand in the Brussels-Capital and;
- € 209 thousand in the Flemish Region.

The regional differences in average prices are significant and tend to be growing over the years, with an ordinary house in Brussels costing 2.5 times the price of a house in Wallonia.

The increase in the average prices of an ordinary house seems to be slowing down in 2012. An ordinary house costs on average 3.2% more than a year ago.

The Brussels-Capital Region and the Walloon Region recorded an increase in average prices of around 2.5% compared to 2011. Flanders witnessed the highest increase with a rise in average prices estimated at a little more than 4% over the year 2012.

Generally speaking, areas where population pressure is most tangible and where the land is beginning to become scarce are those feeling the hike in house prices.

Evolution in the average price of an ordinary house per region, €

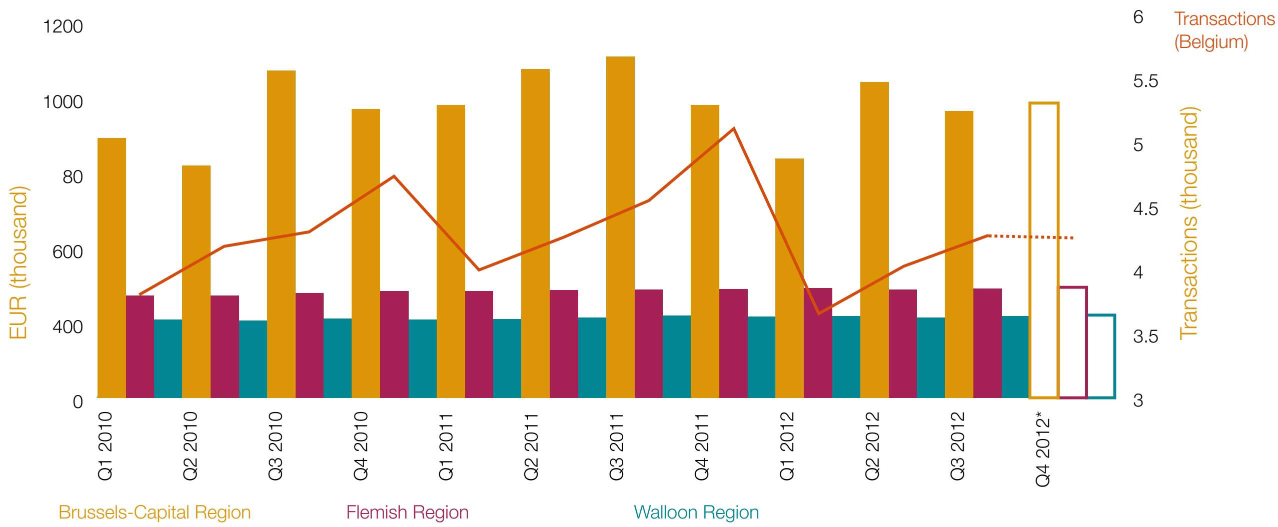
	Average price Q4 2012	Average price year 2012	Variation 2012 – 2011
Brussels-Capital Region	365 000	358 000	2.6%
Flemish Region	216 000	209 000	4.2%
Walloon Region	150 000	147 000	2.4%

Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

Villas, luxury homes

The average price of a luxury home in Belgium is generally stable **(+0.16%)** in 2012 compared to 2011. The average price at national level stands at € 331 000 against € 330 000 in 2011. After dropping sharply in early 2012 to only 3 600 transactions in the first quarter, the number of transactions has seen successive increases reaching **16 000** transactions over the whole of the year 2012, a decrease of about 2 700 transactions compared to 2011.

Average price and number of transactions for villas and luxury homes



Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

While the average price of a luxury home remained stable at Belgian level, the differences between the Brussels-Capital Region and the other two regions, however, are significant:

- Indeed, the Brussels-Capital Region records a significant decrease in the average price compared to 2011 (- 9%) while
- The Walloon Region and the Flemish Region recorded a moderate increase of about 1.2% over the previous year.

Average prices in 2012 vary between the three regions between a low of € 266 000 in the Walloon Region and a high of € 928 000 in the Brussels-Capital Region, which translates as a ratio of 1 to 3.5. The decrease in prices observed in the Brussels-Capital Region can be attributed to difficulties in acquiring this type of property and the rather gloomy economic climate, with banks being more cautious about lending and buyers probably more hesitant about making such an investment.

Evolution of the average price of a villa and luxury home per region, €

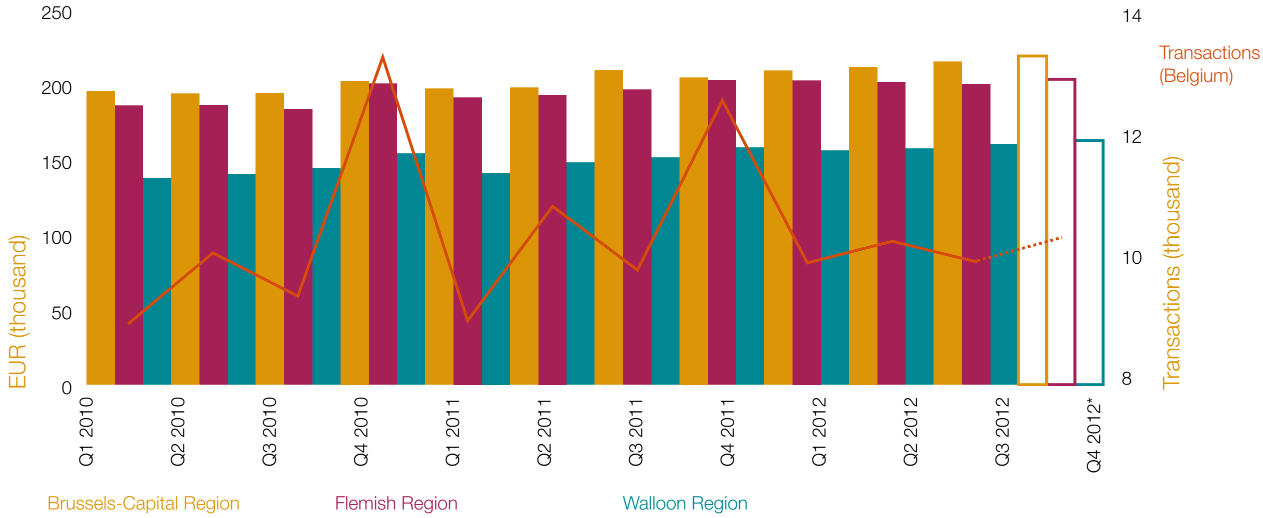
	Average price Q4 2012	Average price year 2012	Variation 2012 – 2011
Brussels-Capital Region	963 000	928 000	- 9%
Flemish Region	361 000	357 000	1.29%
Walloon Region	270 000	266 000	1.19%

Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

Apartments

The average price of an apartment in Belgium grew on average by **3.45%** compared to 2011 to reach an average level of € 201 000. The number of transactions was estimated at **40 000** for the year 2012, a decrease of **2 000** transactions recorded compared to 2011.

Average price and number of transactions for apartments



Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

The three regions recorded an increase in the price of apartments that varies between 5.1% and 7%.

Quite surprisingly, the increase is the largest in the Walloon Region (about 7%). Not surprisingly, the Brussels-Capital Region is the most expensive with an average price that amounted to € 218 000 in 2012.

Evolution of the average price of an apartment per region, €

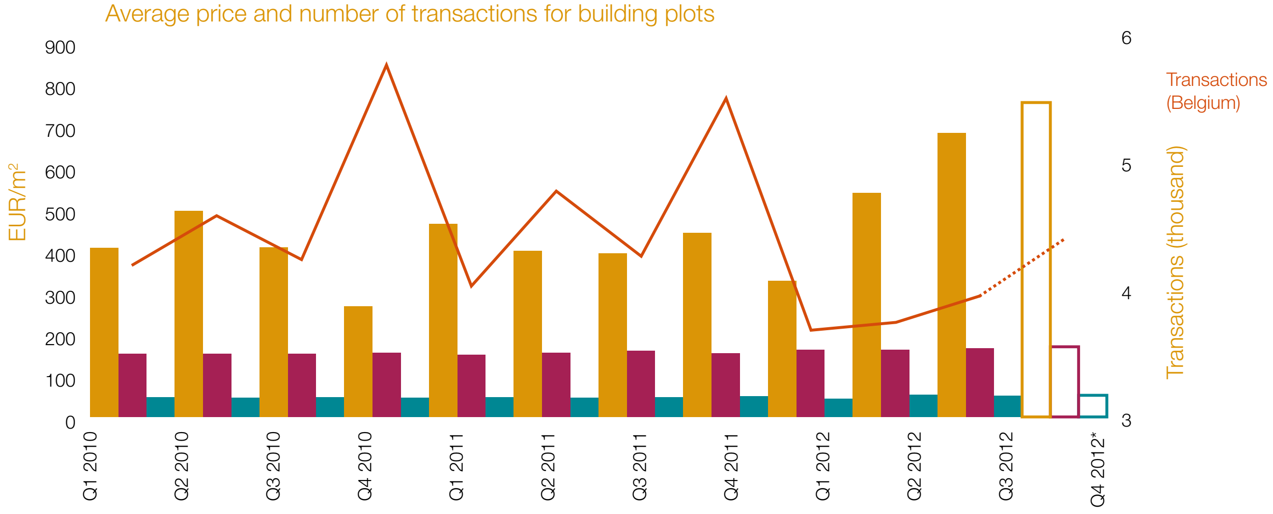
	Average price Q4 2012	Average price year 2012	Variation 2012 – 2011
Brussels-Capital Region	224 000	218 000	5.6%
Flemish Region	208 000	206 000	3.1%
Walloon Region	166 000	162 000	7%

Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

Building plots

The average price of building plots has increased by about **3.7%** on average in Belgium compared to the year 2011. Average prices came to around € 106 per m² in 2012 (against € 103 per square meter last year). The total number of transactions has decreased: around **15 700** transactions were recorded in 2012 against 18 500 in 2011. The price variations translate as a ratio of 1 to 11 according to the region considered for the year 2012.

Average price and number of transactions for building plots



Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

Each of the three regions of the country recorded an increase in the average price of building plots:

- The 36% increase in land prices in the Brussels-Capital Region compared to 2011 is to be taken with caution since the FPS Economy figures relate to transactions that have actually occurred. Differences in location, quality of building land in the Brussels-Capital Region have a huge influence on the price level, which can vary by more than 50% according to their characteristics. Nevertheless, the Brussels-Capital Region is by far the most expensive of the three regions given the limited availability of building plots and the fact that land tenure is much higher than in other regions.
- The Flemish Region recorded an increase of 6.6%. Due to the shortage of building plots announced in 2012 and the recent announcement by the Flemish Region that it is considering introducing new forms of habitat to cope with the population growth expected in the coming years, the price of building land in the Flemish Region should continue to increase in the coming years, as is the case for Brussels.
- The Walloon Region was subject to the least significant increase in the average price of building plots, of around 4.7% compared to 2011. The price level remains well below that of other regions (land 3 times cheaper than in Flanders and 11 times cheaper than in Brussels).

Evolution of the average price of building plots per region, €/m²

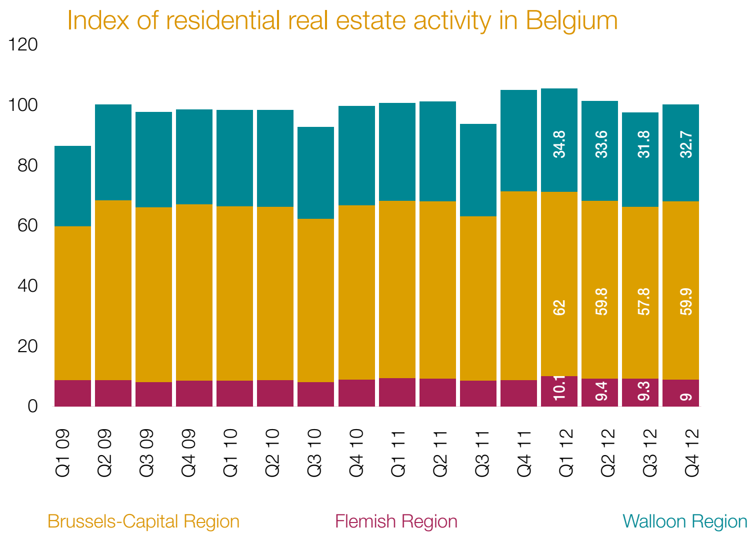
	Average price Q4 2012	Average price year 2012	Variation 2012 – 2011
Brussels-Capital Region	770	590	36%
Flemish Region	172	167	6.6%
Walloon Region	53	51	4.7%

Source: FPS Economy; Figures Q4 2012 and Year 2012: forecasts DTZ Research.

The index of residential real estate activity

The index of residential real estate activity as defined by the barometer of Notaries and its evolution are shown below. The cyclical nature of real estate market is generally visible with the last quarter of the year always performing better than others.

The index stood at 101.7 in the last quarter of 2012 with an annual average of 102.6.



Source: Barometer of Notaries, July – December 2012 forecasts DTZ Research.

The breakdown of the activity by region reveals different trends between the Brussels-Capital Region and the other two regions. Indeed, these last two are experiencing an increase in the index, reflecting greater activity, while the Brussels-Capital Region recorded a slight decline.

LEBEAU (BRUSSELS)

GIOTTO (EVERE)

The student housing market

Parallel to the growth of the population with a university degree in Belgium, the number of university students has grown significantly in recent years. In 2011, the number of university students in French and Dutch-language universities in the country reached 84 000 and 80 000 students respectively, a total of more than 160 000 students in Belgium. In 2004, there were a total of 120 000.

The growth in the number of students registered from 2004 to 2011 comes to more than 4.6% per year on average (4% per year on average in French-language universities compared to 5.3% in Flemish-language universities).

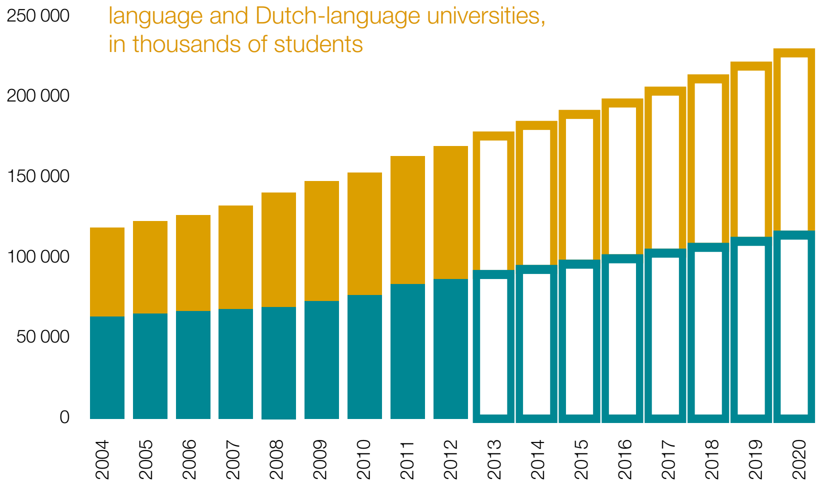
Taking into account the rather conservative growth assumptions (3.5% annual growth in French-language universities and 4% in the Dutch-language universities), the Belgian university population is set to reach 200 000 students in 2017.

It should also be noted that an increasing number of Erasmus students are coming to study in Belgium. They were 3 700 in 2001 and are more than 7 500 today. They therefore represent about 5% of the university population.

Compared to this **significant growth of the university population, the lack of housing provided by the universities** - as shown - is blatant and the gap is growing. For example, of the five universities analyzed, representing nearly 118 000 students, the housing provided to students by universities stands at barely 11 000, less than 10% the number of students. The student housing offering is logically higher in Louvain-La-Neuve, given that it is a city primarily developed to accommodate students.

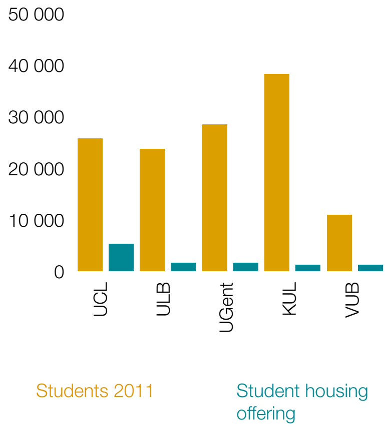
It should however be borne in mind that all university students do not necessarily need student accommodation. Based on the information gathered, the demand for student housing outside the family unit is believed to be one in every 3 students at the ULB, i.e. a demand for some 8 000 student housing units. However, the ULB only has a student housing stock of around 1 700 units, which means that 6 000 students housing units are still necessary. Extrapolating these figures to other universities, the demand for student housing could reach more than 30 000 places against an offering of 11 000 student accommodation provided by universities today. Many projects are under study or being implemented to overcome this lack of student housing. University finances will not allow them to bridge this gap. The private sector is therefore tending to replace the universities offering student housing on the open market.

Evolution of the number of students in French-language and Dutch-language universities, in thousands of students



Source: CREF, Vlaamse Overheid; Forecasts: DTZ Research.

Number of students and number of housing units made available by the university



Source:
websites of the universities UCL, ULB, UGent, KUL, VUB.

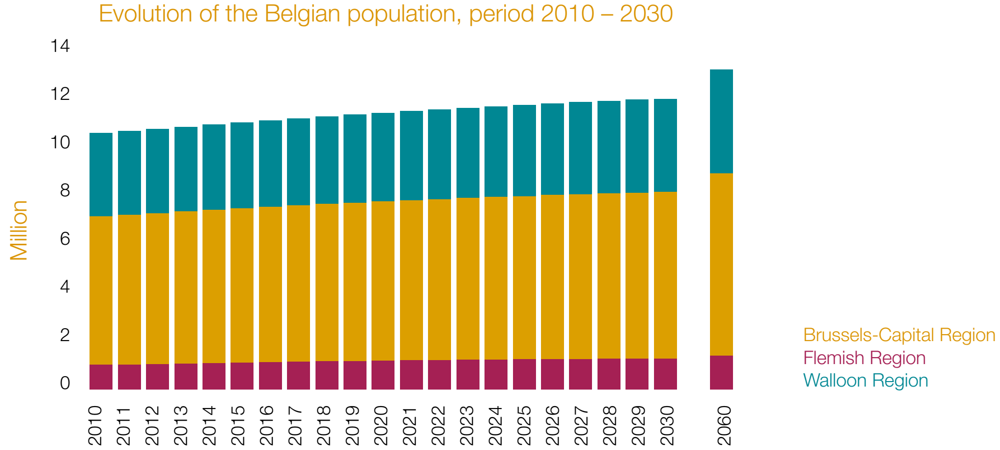
How is the residential market set to evolve in 2013?

The demographic growth forecasts for Belgium

The 2010-2060 demographic projections of the Federal Planning Bureau forecast a relatively sustained growth of the population in the years to come. By 2060, Belgium should have around 13.5 million inhabitants compared to 11 million today.

Given the uncertainties associated with such long-term forecasts, our analysis is limited to a shorter timeframe taking us up to the year 2030. On this date, Belgium should have 12 280 000 inhabitants, an increase of nearly 11.6% in 18 years.

Evolution of the Belgian population, period 2010 – 2030



Source: Federal Planning Bureau

RÉSIDENCES DU QUARTIER EUROPÉEN (BRUSSELS)

RÉSIDENCES DU QUARTIER EUROPÉEN (BRUSSELS)

Growth should be most sustained in Brussels, where it should stand at 1.04% per annum between 2012 and 2030. Table 7 breaks down this demographic growth per region:

Demographic growth per region, period 2012 – 2030

	Population in 2012	Population in 2020	Population in 2030	Annual growth 2012 – 2020	Annual growth 2020 – 2030
Brussels Region	1 130 000	1 270 000	1 350 000	1.52%	0.66%
Flemish Region	6 345 000	6 690 000	7 008 000	0.67%	0.48%
Walloon Region	3 542 000	3 726 000	3 928 000	0.63%	0.53%

Source: Federal Planning Bureau.

The population explosion expected in the **Brussels-Capital Region** is one of the major challenges for the coming years for the capital, as it will imply the annual arrival of 7 000 households and therefore require as much additional housing to accommodate them. However, the annual production of housing in the Brussels Region stands at 4 500 housing units on an annual basis, which means a significant discrepancy between the supply and the current and future demand. The political authorities are looking for ways to promote the creation of a greater number of housing to meet expected population growth. The options, however, are difficult because the city is already densely built and land reserves are limited. In total, the various initiatives adopted (revised sector plan and conversion of office buildings into housing in particular) should allow the accommodation of nearly 100 000 people, about 50 000 additional households within the territory of Brussels.

In view of the budgetary constraints of the Brussels-Capital Region, a key role will be played by private actors to produce the necessary additional housing.

The challenge is quite different in the **Walloon Region** and the **Flemish Region** given that the population growth is weaker and that the annual supply of housing makes it possible to absorb this growth. It should however be noted that Flanders is starting to run out of building plots which could have different implications for the future. On the one hand, an increase in the price of building plots is to be expected in the Flemish region. On the other hand, it is probably time to consider creating another form of habitat in this region, based on a more collective type of housing rather than single family homes with large plots, in order to absorb a part of the expected population growth.

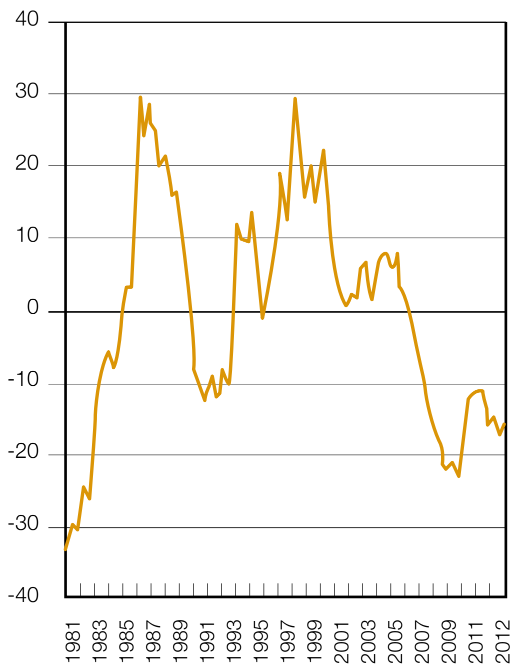
The Belgian residential market: risk of overvaluation?

In recent years, a string of studies have been published that report a more or less overvalued housing market in Belgium. According to the studies concerned, the overvaluation ranges from 15% (study of the National Bank of Belgium, 2012) to 60% (Going for Growth report of the OECD 2011) with the Economist Magazine of April 2012 putting the overvaluation at 55%. Conversely, the consultancy firm Deloitte announced that Belgium was actually just in the middle group of Western Europe. According to Deloitte, Belgium is in actual fact merely catching up with other European countries rather than experiencing a real estate bubble.

Study by the National Bank of Belgium

In 2012, the National Bank of Belgium published a study into the mortgage situation on the Belgian residential market. In addition to various considerations relating to mortgage situation and the factors influencing the demand for mortgages for the purchase or renovation of a house, the National Bank of Belgium has developed an affordability index for the housing market in Belgium. This index is the ratio between disposable household income and the average level of debt related to mortgages, which itself depends on house prices and interest rates. A negative index indicates an overvalued price.

Interest-Adjusted affordability in Belgium



Source: National Bank of Belgium.

Thus, according to the NBB, residential property prices have experienced different periods of overvaluation, particularly in the early 1980s and early 1990s. Since 2005, it considers that residential property prices have been the subject of a new overvaluation, amounting to 20% in 2007 - 2008. In 2011, this overvaluation was considered to be at around 15%. The NBB stipulates that, in late 2011, the overvaluation of the housing market was further exacerbated due to price increases but also due to the inverse movement of the other determinants, namely an increase in interest rates and weak growth in the disposable income of households.

Index of the study drawn up by The Economist

"The Economist" magazine uses two ratios to conclude as to an overvaluation of twenty residential real estate markets around the world. The first index is the ratio between residential property prices and the average level of income per person, which makes it possible to judge the affordability of real estate in the country in question. The second index is a ratio between the sale price and rent levels (comparable to the price/earnings ratio used to assess the health of companies). The Economist reports that if these two ratios are above their long-term average, residential real estate is overvalued in the country.

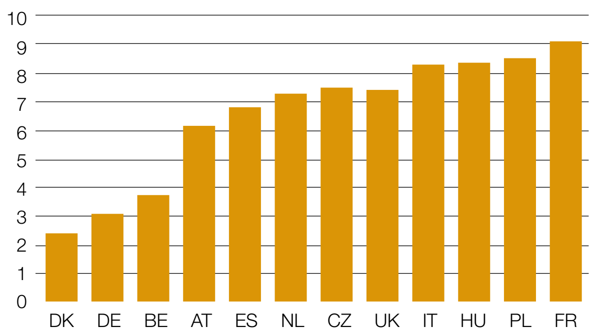
For Belgium, based on an average of these two ratios, The Economist magazine suggests an overvaluation of the real estate market of up 56% in March 2012. The theories put forward to try to understand this overvaluation include population growth and lower interest rates that make it possible to justify higher market prices. The magazine states, however, that population pressure should have an upward impact on both purchase prices and rents.

The affordability of own housing according to Deloitte

Deloitte measures the affordability of residential real estate by calculating how many years of gross annual salary are required to purchase a new dwelling of 70 m². According to Deloitte, it takes on average a little less than four years to purchase a dwelling of 70m² in Belgium, which is much less than in countries like the Netherlands, the United Kingdom, Italy and France, for example.

Affordability of own housing (2010)

Gross annual salaries for the standardized new dwelling (70m²)

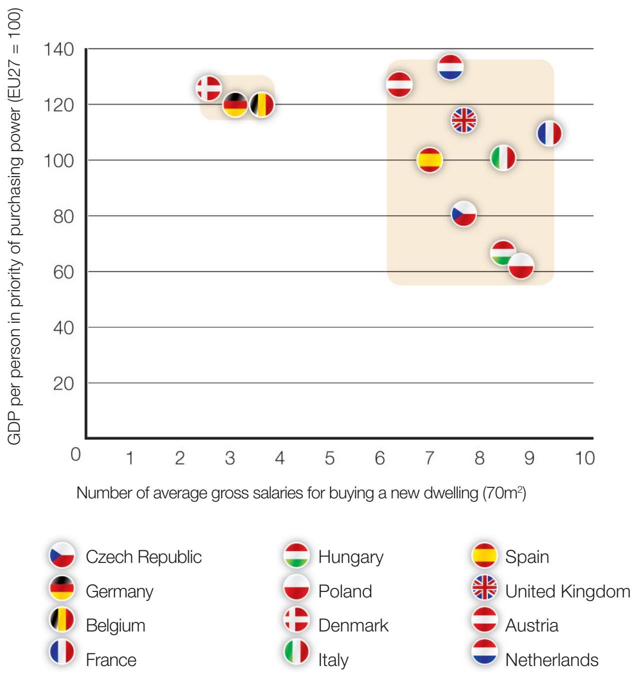


Source: National Statistical Authorities, data and calculations: Deloitte.

1 National Bank of Belgium, "Review of the Belgian residential mortgage loan market", NBB Financial Stability Review 2012.

Deloitte further notes that there is no correlation between the affordability of the housing and the economic level of the country. Indeed, the company points out that two groups of countries emerge. On the one hand, a group of countries with a high level of GDP/inhabitant where housing is cheaper. On the other hand, you have both countries with a relatively high level of GDP/inhabitant, which is the case for the countries of Eastern Europe where between 7.5 and 9 years of gross salary are necessary to purchase a dwelling of 70m².

Affordability of the own housing and the economic level

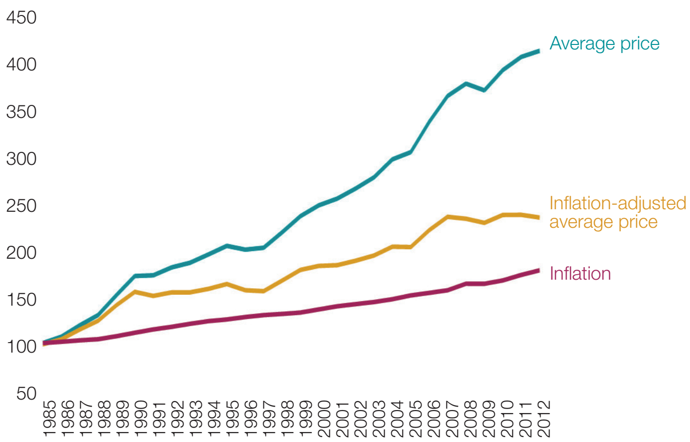


Source: INS, data and calculations: Deloitte.

and 2010, the average price of a home rose again the following year, however, less dramatically. Overall, over the period from 1985 to 2012, the average price of a dwelling rose by 5.5% per year. In 2012, the average price of a dwelling grew by 1.6% compared to 2011.

The analysis of the evolution of actual average prices (that is to say, the inflation adjusted prices) makes it possible to better reflect the growth in the average cost of a home. Thus, the curve that emerges has a profile quite similar to that of inflation. However, a downturn set in between 1998 and 2007, the year when the gap between the two reached its highest level. When the economic crisis began in 2008, the trend reversed and the gap is today narrowing. Thus, after adjusting for inflation, the average price of a house is considered to have fallen in 2012 by around 1.2% (inflation being estimated by the FPS Economy at 2.85% for the year 2012).

Evolution of the average price of residential real estate in Belgium, period 1985 – 2012



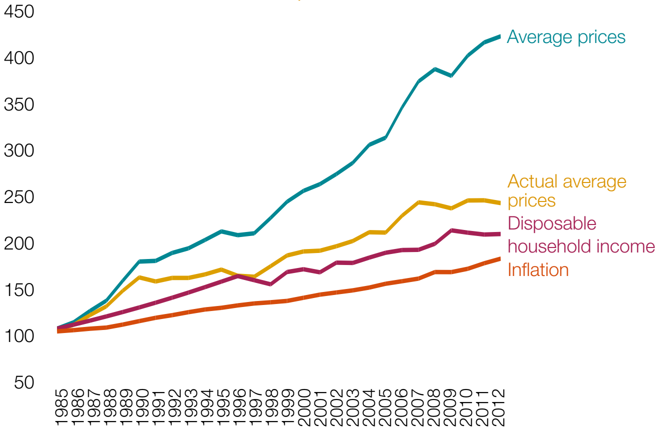
Source : FPS Economy.

Analysis of DTZ

The graph below shows that the average prices of residential property (analysis of the evolution of the average annual price of an ordinary house, a luxury home and an apartment) in Belgium rose significantly since 1985. The sharpest increase took place between 1998 and 2008, between the introduction of the single European monetary system and the outbreak of the crisis that hit Europe in late 2008. Brought down to base 100 in 1985, the index reached a level of 413 in 2012, the highest level ever recorded in Belgium. After falling quite sharply between 2009

Moreover, the comparison of the evolution of prices with that of disposable household income seems to confirm this trend towards a slight overvaluation of residential real estate in Belgium. It is interesting to note however that the comparison of the evolution of actual average prices and actual disposable income suggests a later downturn, since the difference between the two curves increases from 2004 to a peak in 2007. Since the crisis of late 2008, the gap between the two is starting to stabilise.

Evolution of the average price of residential real estate and comparison with the disposable income of households, period 1985 – 2012



Source : FPS Economy.

The overvaluation of real estate prices is mainly measured on the basis of the income of the population, changes in interest rates and population growth. Thus, the price increases seen in recent years is partly due to lower borrowing rates, a situation that allows people to borrow more and thus contribute somewhat to the increase in property prices.

An econometric analysis paralleling the evolution of real estate prices, population growth, changes in household's disposable income and changes in interest rates for mortgages could usefully be conducted to confirm this trend and to identify potential future developments for the residential property market.

A slightly overvalued housing market seems to exist in Belgium. It is deemed to have started in the late 1990s and peaked around 2007 to 2008. Since then, the housing market seems to have entered a period of stagnation, with an implicit correction in real terms. A correction of market prices cannot therefore be excluded in the long term. If it occurs, however, it should probably be reduced in scope and without causing dramatic consequences as in Spain or Ireland, given the fact that the construction market has not grown to same extent as in other countries and that the mortgage market is holding up quite well in Belgium, despite the recent increase in credit defaults.

However, it seems likely that – barring any significant increase in mortgage interest rates - rather than undergoing a correction, the Belgian real estate market will be characterized by the continued stagnation it is currently witnessing, with an implicit correction, until a gradual recovery in economic activity.

YSER (ETTERBEEK)

BOSQUET-JOURDAN (SAINT-GILLES)

Conclusions

While the residential sector as a whole is holding up well to the current period of economic uncertainty, the soaring prices recorded until 2010, has significantly reduced over the past two years.

The interest rates recorded at historically low levels contribute to the good momentum of the market.

However, it must be borne in mind that banks are more cautious when it comes to granting mortgage loans exceeding 80% of the purchase value of the property and that credit defaults have increased in recent months.

In this uncertain economic climate, our estimates show a slight **price increase** for all categories of goods analyzed, with the fastest growth being observed for ordinary houses and apartments while the average prices of luxury homes remained stable compared to 2011.

In addition, the **number of transactions** recorded decreased slightly compared to 2011, mainly because of the banks' caution in granting new loans but also because buyers are taking more time to consider before committing themselves to an acquisition. Thus, the figures of the FPS Economy and our expectations for the last quarter of 2012 are inconsistent with the figures that emerge from the barometer of Notaries, which announced an increase in the number of transactions compared to 2011. Note however that of the volume recorded, the differences are marginal.

Little change is expected in the year **2013**, and the trends observed so far should continue. It is interesting to point out the arrival of investors in the residential market, purchasing projects en bloc with a view to rental.

The expected **population growth** in Belgium and especially in Brussels offers positive prospects for residential property. Brussels is getting ready to welcome 7 000 new households per year until 2020, which implies the creation of many new homes. However, the housing production stands at around 4 500 units per year at present. New ways must be found to meet this major challenge. Student housing is also an interesting avenue to be explored by investors given the importance of the student population growth expected in the coming years, not only in Brussels but also in Wallonia and Flanders.

RYCKMANS (UCCLE)

LÉOPOLD (LIÈGE)

SURVEYOR'S REPORT FOR THE 2012 FINANCIAL YEAR[1]

Ladies and Gentlemen,

Regarding: Evaluation on 31 December 2012

In compliance with legal and statutory provisions, we are proud to provide you with our opinion on the Investment Value of the portfolio belonging to the Sicafi HOME INVEST BELGIUM as of 31 December 2012.

We have carried out our valuations using the NPV-method of the rental income and in compliance with International Valuation Standards (IVS) and RICS ('Royal Institution of Chartered Surveyors').

As is customary, our mission is executed on the basis of information provided by HOME INVEST BELGIUM regarding the rental status, charges and taxes to be paid by the lessor, the works to be done, together with any other factors influencing property values. We presume this information to be exact and complete.

As stated explicitly in our valuation reports, these do not include any structural or technical examination of properties or any analysis of the possible presence of harmful materials. These factors are well known to HOME INVEST BELGIUM which manages its portfolio in a professional manner, and is well aware of possible risk factors, and therefore proceeds with the necessary technical and legal due diligence before acquiring any property.

The investment value is defined as the value most likely to be reasonably obtained under normal selling conditions between consenting and well-informed parties, before deduction of transfer costs.

The **fair value** can be obtained as follows:

- for residential or mixed-purpose properties which are by nature and conception appropriate for resale by separate units: by deducting from the investment value the transfer rights (amounting to 10% in Flanders and 12.5% in the Brussels-Capital Region and Wallonia);
- for the other properties contained in the portfolio: by deducting from the investment value a rate of 2.5% when this value exceeds € 2 500 000, or the total transfer rights, set at the above-mentioned rates of 10% and 12.5%, if the investment value is below € 2 500 000.

An analysis of sales realised on the Belgian market in the 2003 – 2005 period shows an average rate of 2.5% for transfer rights for properties sold 'en bloc' with an investment value exceeding € 2 500 000.

This 2.5% rate will be reviewed periodically and adjusted insofar as the gap shown for the institutional market exceeds +/- 0.5%.

In our analysis of Home Invest Belgium's portfolio, we have arrived at the following findings:

1) The portfolio consists of 85.26% residential buildings, of which 2.55% nursing homes, 4.93% hotels and 12.66% commercial spaces and 2.08% office spaces[2].

2) The occupancy rate of the property portfolio on 31 December 2012 amounts to 94.40%[3].

3) The average level of collected or guaranteed rents is 9.47% higher than the currently estimated value for the property.

On the basis of the remarks made in the previous paragraphs, we confirm that the investment value of Home Invest Belgium's property portfolio on 31 December 2012 amounts to **€ 285 889 000.00** (two hundred and eighty five million, eight hundred and eighty nine thousand euro).

The likely realisable value of Home Invest Belgium's property portfolio on 31 December 2012 corresponding to its fair value in the sense of IAS/IFRS is set at **€ 259 185 000.00** (two hundred and fifty nine million, one hundred and eighty five thousand euro).

Yours faithfully,

Brussels, 22 January 2013

Bruxelles, le 22 janvier 2013
WINSSINGER & ASSOCIES S.A.
Geoffroy REGOUT[4] - Director

1 Letter by the surveyor of 22 January 2013 reproduced word for word with its agreement.

2 These calculations are drawn up on the basis of parameters that are different to those used by Home Invest Belgium. They are based on the investment value of the buildings in the portfolio and include the buildings held for sale.

3 The occupancy rate is calculated as at 31 December 2012 and therefore diverges from that published by Home Invest Belgium, which represents an average occupancy rate over the entire financial year, excluding buildings held for sale.

4 SPRL.

THE CONSOLIDATED PROPERTY PORTFOLIO OF HOME INVEST BELGIUM

Evolution of the portfolio – Return per segment

In €	Fair value	Investment value of the portfolio	Gross current rent + vacancy guarantee (annualised)	ERV (Estimated rental value)	Occupancy rate	Gross yield
31/12/12	258 143 765	285 889 000	17 475 851	15 550 675	94.16%	6.11%
31/12/11	245 975 978	272 247 567	16 826 762	15 072 907	95.38%	6.18%
31/12/10	222 773 965	246 558 323	15 173 976	13 643 207	94.61%	6.15%
31/12/09	209 363 518	229 001 892	14 400 972	12 742 494	94.60%	6.29%
31/12/08	199 144 677	218 821 398	13 279 535	12 068 321	96.00%	6.07%
31/12/07	162 189 760	179 553 208	10 921 718	9 688 010	96.99%	6.08%
31/12/06	140 931 777	154 250 086	9 635 516	8 537 563	96.77%	6.22%
31/12/05	118 106 816	128 939 823	8 348 966	7 516 226	91.26%	6.48%
31/05/04	N/A	84 573 857	6 310 785	5 788 461	97.79%	7.46%
31/05/03	N/A	66 927 850	5 249 790	4 861 780	97.34%	7.84%
31/05/02	N/A	57 288 245	4 654 442	4 218 134	97.35%	8.12%
31/05/01	N/A	51 361 059	4 176 994	3 839 018	97.67%	8.13%
31/05/00	N/A	44 261 389	3 586 592	3 407 872	99.01%	8.10%
01/06/99	N/A	43 181 416	3 393 792	3 401 772	99.45%	7.86%

SIPPELBERG
(MOLENBEEK-SAINT-JEAN)

SIPPELBERG
(MOLENBEEK-SAINT-JEAN)

On 31 December 2012, the fair value of the consolidated portfolio (investment properties and assets held for sale) was therefore € 258 million, while the investment value stood at € 286 million.

As for the average occupancy rate[1] for the financial year as a whole, it stood at 94.16% against 95.38% in 2011. This trend is partly due to the inclusion in the portfolio of the Odon Warland-Bulins project during the year, with a temporary negative impact on vacancy. It is also a reflection of a market that remains difficult because of the sluggish economic activity.

At the end of the year, the remaining duration of leases stands at 5 years and 5 months. This information is based on the theoretical end date of the signed leases although in the residential sector, the legislation in force allows tenants to terminate their lease prematurely or extend their lease at maturity. The remaining period is therefore entirely theoretical.

It should be noted that the three segments of the portfolio of Home Invest Belgium are characterised by the following gross yields on the investment value:

- Properties that can be sold to «per unit» generate a gross yield of 5.88 (5.97% in 2011 and 5.97% in 2010);

- Properties that can be sold «en bloc», with an investment value of more than € 2.5 million, generate a gross yield of 7.15% (7.51% in 2011 and 7.22% in 2010);

- Properties that can be sold "en bloc", with an investment value of less than € 2.5 million, generate a gross yield of 7.98% (7.95% in 2011 and 8.11% in 2010).

Situation of the property portfolio on 31 December 2012 (1)	Fair value	Acquisition price	Insured value(2)
Brussels Region	174 027 927	149 118 166	133 632 999
Flemish Region	34 605 654	31 820 790	20 711 753
Walloon Region	33 202 060	29 663 164	28 933 661
Total	**241 835 640**	**210 602 120**	**183 278 413**

1 Not including buildings currently being sold and development projects.
2 The insured value is only known for fully owned properties as in fact the co-ownerships are insured by the external property managers.

CLOS DE LA PÉPINIÈRE (BRUSSELS)

GIOTTO (EVERE)

1 The occupancy rate expresses the percentage of rents generated by occupied buildings, including rental guarantees on unoccupied properties, compared to the total rents of the occupied properties and of the estimated rental value (ERV) of the unoccupied properties.

Situation of the property portfolio on 31 December 2012[1]

Situation of the property portfolio on 31 December 2012[1]		Address	Main destination	Year[2]	Units	Surface	Gross rents[3]	ERV[4]	Effective rents[5]	Occupancy rate[6]
Name	**Commune**				**N°**	**m²**	**€**	**€**	**€**	**%**
Brussels-Capital Region					770	87 884	11 670 859	10 145 326	11 207 376	94.3%
Adagio Access Brussels Europe	Brussels	Rue de l'Industrie, 12	Hotel	2012	1	3 840	757 000	663 913	757 000	100.0%
Belliard 205	Brussels	Rue Belliard, 205	Office	1937	18	2 256	365 442	289 452	355 942	97.4%
Clos de la Pépinière	Brussels	Rue de la Pépinière, 6-14 Avenue Thérésienne, 5-9	Residential - Office	1993	25	3 275	445 311	407 217	431 511	94.9%
Lebeau	Brussels	Rue Lebeau, 55-57	Residential	1998	12	1 153	242 360	182 740	212 200	98.4%
Résidences du Quartier Européen	Brussels	Rue Joseph II, 82-84 Rue Lebon, 6-10 Rue Stevin, 21	Residential	1997	50	4 290	747 326	524 906	747 326	81.6%
Birch House	Etterbeek	Cours Saint Michel, 96	Residential	2001	32	3 438	500 322	431 414	488 322	95.7%
Erainn	Etterbeek	Rue des Ménapiens, 29	Residential	2001	12	1 252	205 591	176 695	186 415	97.1%
Yser	Etterbeek	Avenue de l'Yser, 13	Residential	1974	15	1 961	298 412	250 738	278 832	99.0%
Giotto	Evere	Avenue du Frioul, 2-10	Residential	2005	85	8 647	1 209 707	1 064 687	1 129 814	96.1%
Belgrade	Forest	Rue de Belgrade, 78-84	Residential	1999	1	1 368	-	-	-	100.0%
Les Jardins de la Cambre	Ixelles	Avenue de l'Hippodrome, 96 Rue des Echevins, 75	Residential	1992	28	3 552	470 847	404 166	448 108	96.6%
Charles Woeste (apartments)	Jette	Avenue Charles Woeste, 296-306	Residential	1998	92	5 091	557 385	465 464	540 541	97.4%
Charles Woeste (retail)	Jette	Avenue Charles Woeste, 290	Retail	1996	14	2 995	410 797	329 717	410 797	99.0%
Odon Warland - Bulins	Jette	Rue Odon Warland, 205 Rue Bulins, 2-4	Residential	2012	35	3 123	381 001	366 596	301 500	55.6%
Baeck	Molenbeek St Jean	Rue Joseph Baeck, 22-46	Residential	2001	28	2 652	226 085	231 420	220 730	95.9%
Lemaire	Molenbeek St Jean	Rue joseph Lemaire, 13-15	Nursing home	1990	1	754	-	-	-	100.0%
La Toque d'Argent	Molenbeek St Jean	Rue Van Kalcq, 30-32	Nursing home	1990	1	1 618	195 155	154 608	195 155	100.0%
Sippelberg	Molenbeek St Jean	Avenue du Sippelberg, 3-5	Residential	2003	33	3 290	387 121	349 250	375 871	95.2%
Bosquet - Jourdan	Saint-Gilles	Rue Bosquet, 72 Rue Jourdan, 71	Residential	1997	27	2 326	296 775	266 055	296 775	99.4%
Jourdan - Monnaies	Saint-Gilles	Rue Jourdan, 121-125	Residential	2002	26	2 814	357 769	320 034	355 069	93.9%
Jourdan 85	Saint-Gilles	Rue Jourdan, 85	Residential	2010	24	2 430	363 968	347 524	336 167	97.4%
Lambermont	Schaerbeek	Boulevard du Lambermont, 210-222 - Rue Desenfans 13-15	Residential	2008	131	14 110	1 667 934	1 581 355	1 651 534	97.4%
Melkriek	Uccle	Rue du Melkriek, 100	Nursing home	1998	1	1 971	298 610	210 578	298 610	100.0%
Ryckmans	Uccle	Avenue Rykmans, 5-19	Residential	1990	8	2 196	274 581	241 560	274 581	97.2%
Les Erables	Woluwé St Lambert	Avenue de Calabre, 30-32	Residential	2001	24	2 202	291 619	263 838	245 599	84.7%
Les Mélèzes	Woluwé St Lambert	Avenue de Calabre, 34-38	Residential	1995	37	4 357	571 187	497 616	523 663	90.0%
Voisin	Woluwé St Pierre	Rue Montagne au Chaudron, 13	Residential	1996	9	923	148 554	123 783	145 314	97.1%
Flemish Region					146	14 029	2 129 371	2 044 856	2 031 892	96.6%
Nieuwpoort (retail)	Nieuport	Albert I-laan, 136	Retail	1997	1	296	29 196	59 200	29 196	100.0%
Grote Markt	Saint Nicolas	Grote Markt, 32	Residential - Office	2004	17	2 752	386 935	352 441	381 935	95.3%
City Gardens	Louvain	Petermannenstraat, 2A-2B Ridderstraat, 112-120	Residential	2010	106	5 236	1 047 824	1 020 352	995 605	95.5%
Haverwerf	Malines	Haverwerf, 1-10	Retail	2002	4	3 399	449 301	414 263	409 041	86.5%
Gent Zuid	Gand	Woodrow Wilsonplein, 4	Residential	2000	18	2 346	216 115	198 600	216 115	98.2%
Walloon Region					226	23 164	2 663 854	2 310 924	2 448 020	93.6%
Clos Saint-Géry	Ghlin	Rue de Tournai, 4	Residential	1993	1	4 140	296 938	188 400	296 938	97.8%
Place du Jeu de Balle	Lasne	Place du Jeu de Balle, 1	Residential	1999	7	1 198	166 842	153 329	165 042	97.9%
Quai de Compiègne	Huy	Quai de Compiègne, 55	Office	1971	1	2 479	196 234	168 572	196 234	100.0%
Galerie de l'Ange (apartments)	Namur	Rue de la Monnaie, 4-14	Residential	1995	50	1 880	251 564	220 647	251 564	96.2%
Galerie de l'Ange (retail)	Namur	Rue de la Monnaie, 4-14	Retail	2002	12	2 552	650 973	543 095	650 973	99.2%
Léopold	Liège	Rue Leopold, 2-8	Residential	1988	53	3 080	321 947	303 580	288 837	94.6%
Mont Saint Martin	Liège	Mont Saint Martin, 1	Residential	1988	6	335	37 624	35 635	21 624	53.4%
Quai de Rome	Liège	Quai de Rome, 46	Residential	1953	27	2 490	184 439	202 340	138 199	86.2%
Saint Hubert 4	Liège	Rue Saint Hubert, 4	Residential	1988	14	910	85 541	89 750	44 301	49.2%
Saint Hubert 51	Liège	Rue Saint Hubert, 51	Residential	1988	4	360	42 550	42 480	9 310	73.2%
Colombus	Jambes	Rue de l'Orjo, 52-56	Residential	2007	51	3 740	429 202	363 096	384 998	93.8%
Total					**1 142**	**125 077**	**16 464 084**	**14 501 106**	**15 687 288**	**94.2%**

1 Not including buildings currently being sold and development projects.

2 Year of construction or last complete renovation.

3 Annual gross rents in force on 31/12/2012, including rental guarantees and the estimated rental value on unoccupied surfaces.

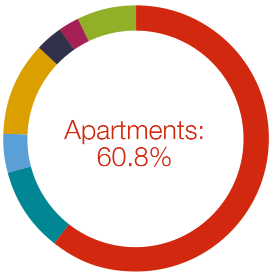
5 Gross rents in force on 31/12/2012, annualised.

6 Average rent over the year 2012, including rental guarantees.

Analysis of the breakdown of the property portfolio[1]

Breakdown according to property type

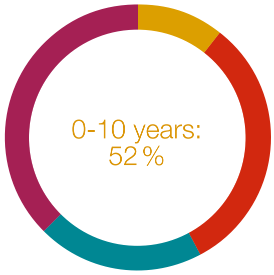
On 31 December 2012, the property portfolio of Home Invest Belgium consisted of 76.8% of residential property located in Belgium, a percentage largely superior to the 60% required at such date by the tax legislation to be considered as a residential Sicafi. This percentage includes nearly 74.2% of apartments and single-family homes, the main investment target group of the sicafi.



- Apartments: 60.8%
- Furnished apartments: 10.1%
- Hotels: 4.8%
- Commercial spaces: 11.3%
- Houses: 3.4%
- Nursing homes: 2.5%
- Offices: 7.1%

Breakdown by age of property

Broken down per age category, buildings that are 10 years of age or less represent 52% of the portfolio, and more than half of them are under 5 years. This portfolio breakdown demonstrates the company's objective of investing mainly in new or recent buildings.

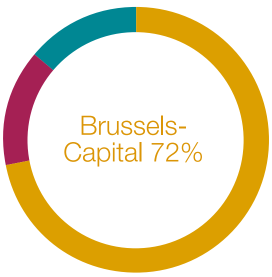


- >20 years: 10.8%
- ≤5 years: 31.5%
- 6-10 years: 20.2%
- 11-20 years: 37.4%

It is noteworthy that since the new law of 27 December 2012, at least 80% of the total value of the assets of Home Invest Belgium must be invested directly in real estate located in a Member State of the European Economic Area and used or intended exclusively for habitation. The residential Sicafi (including Home Invest Belgium) have a transitional period of two years to comply, given that the threshold before the programme law was only 60% of the total asset value. On 31 December 2012, as specified above, Home Invest Belgium has a portfolio of 76.8% of buildings used or intended exclusively for habitation. Home Invest Belgium will therefore strive, during the transitional period of two years, to reach this threshold of 80%.

Geographical breakdown

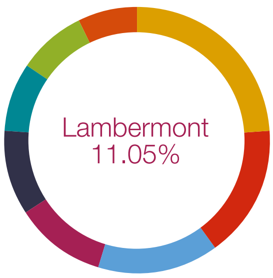
At the same date, the portfolio was located for 72% in the Brussels-Capital Region, which reflects the investment strategy of the Sicafi, primarily focused on this region. The presence of the Sicafi in the Flemish region stands at 14.3% and the share of the portfolio in the Walloon Region stands at a slightly lower 13.7%.



- Brussels Capital Region: 72%
- Flemish Region: 14.3%
- Walloon Region: 13.7%

Breakdown per property

No building nor property complex reaches the maximum 20% ceiling as single part of the portfolio, whereas The Lambermont complex is, since mid 2009, the main part of the property portfolio of Home Invest Belgium, with nearly 11% of the portfolio, followed by the City Gardens complex in Louvain with a stake of slightly more than 7%. The eight main sites represent 46% of the total portfolio.



- Lambermont: 11.05%
- City Gardens: 7.41%
- Giotto: 6.72%
- Galerie de l'Ange: 5.14%
- Charles Woeste: 4.74%
- Les Mélèzes: 3.86%
- Résidences du Quartier Européen: 3.73%
- Birch House: 3.32%

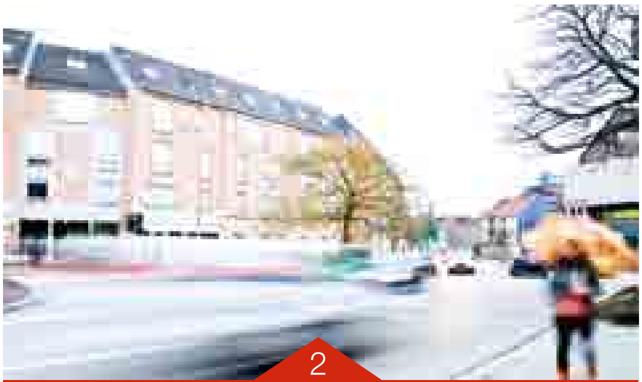
1 Calculations made on the basis of the fair value of the investment buildings excluding buildings held for sale and excluding development projects.

The top properties in the portfolio

The properties below are those having a fair value exceeding € 5 million on 31 December 2012.

Main destinations:

- Apartments
- Furnished apartments
- Retail
- Hotels



2

CITY GARDENS

Riddersstraat 112-120, Petermannenstraat 2A and 2B and Fonteinstraat 98-100, 3000 Leuven

The property complex comprises two wings around an indoor garden; it is located in the immediate surroundings of the city centre of Leuven.
The building consists of 108 1-bedroom apartments, 30 2-bedroom apartments, 2 retail spaces and 92 underground parking spaces.

ODON WARLAND – BULINS

At the angle of the avenue Odon Warland and of the Rue Bulins, Jette

A building situated in a residential district at the heart of Jette.
The provisional reception of the construction work on this building took place on 1 June 2012. It comprises 34 apartments, 1 retail space and 34 parking spaces.

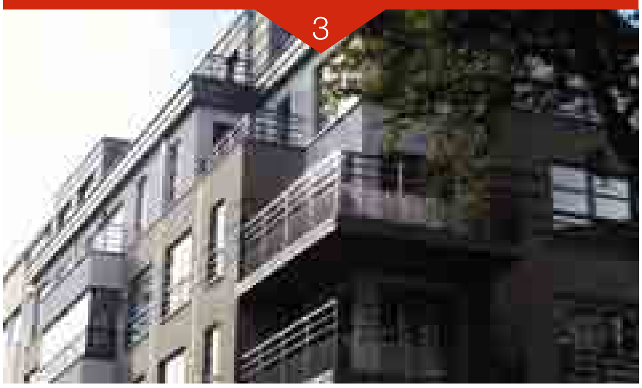
1

JOURDAN 85

Rue Jourdan 85, 1060 Brussels (Saint-Gilles)

The building has a very central location, nearby the avenue Louise and place Stéphanie.
It consists of 23 apartments, 1 office space and 24 underground parking spaces.

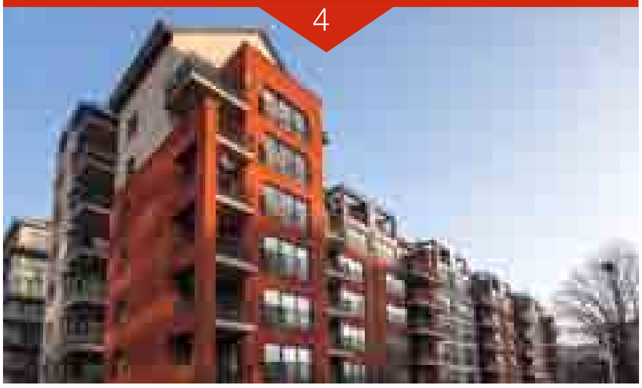
3

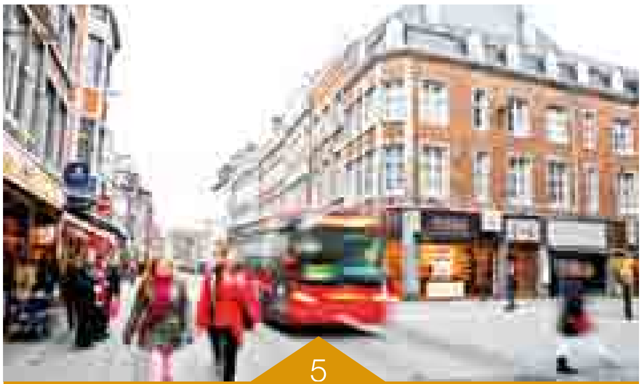


GIOTTO
Avenue du Frioul, 2-10, 1140 Brussels (Evere)

The property is located at the corner of the avenue du Frioul and the rue de Genève, in a quiet area, looking out in the rear on a new public park.
It comprises 85 apartments and 85 underground parking spaces.

4





5

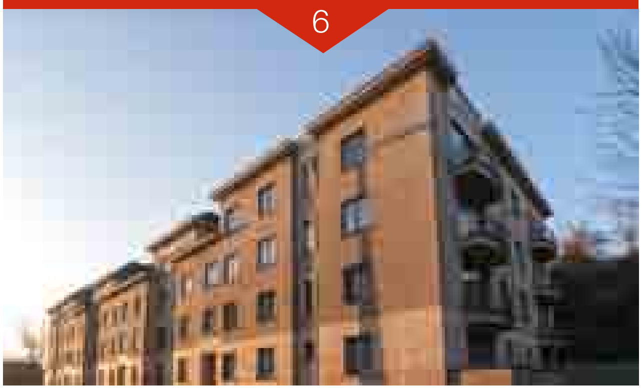
GALERIE DE L'ANGE
Rue de l'Ange 16-20 and rue de la Monnaie 4-14, 5000 Namur

The complex is ideally located for both its retail and residential function in the city centre, nearby the Place d'Armes.
It consists of a retail ground floor, subdivided into 10 shops, and 50 apartments and studios and 2 office spaces on the floors.

LES MÉLÈZES
Avenue de Calabre 34, 36, 38, 1200 Brussels (Woluwe-Saint-Lambert)

The property complex is located in a small quiet street parallel to the avenue Marcel Thiry and comprises 40 apartments; 37 apartments and 38 parking spaces are owned by Home Invest Belgium.

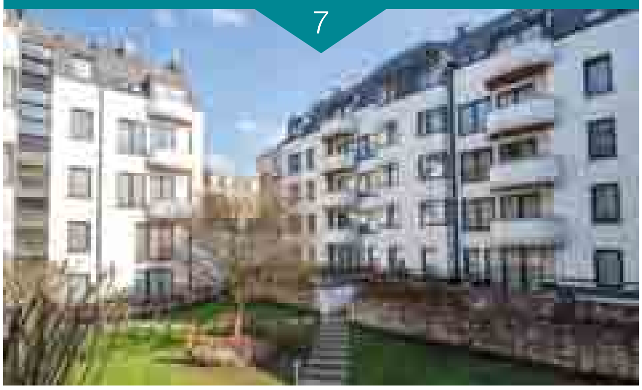
6



LES RÉSIDENCES DU QUARTIER EUROPÉEN
Rue Joseph II, 82–84, rue Philippe Le Bon, 6-10 and rue Stévin, 19-23, 1000 Brussels

The property complex is located in the heart of the Leopold District, in the immediate proximity of the European Union's main buildings. It consists of three buildings comprising a total of 48 apartments, of which 45 are furnished, 2 small office spaces and 50 underground parking spaces.

7

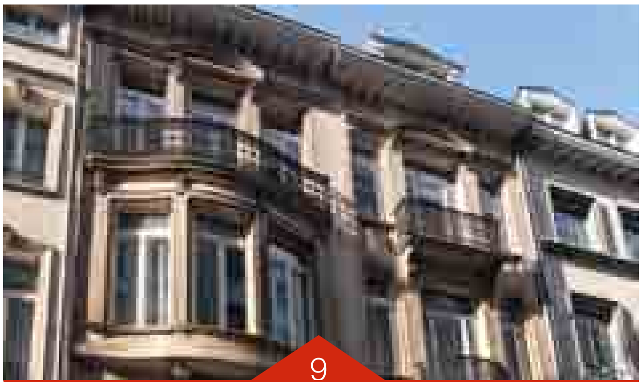


BIRCH HOUSE

Rue de la Grande Haie 96, 1040 Brussels (Etterbeek)

The building is located on rue de la Grande Haie, in the Cours Saint Michel area, near the avenue de Tervueren. It comprises 32 2-bedroom apartments and 32 underground parking spaces.

8



9

CLOS DE LA PÉPINIÈRE

Rue de la Pépinière 6 to 14 and rue Thérésienne 5 to 9, 1000 Brussels

The property complex is located behind the Royal Palace, between the rue de Bréderode and the rue de Namur, close to the Porte de Namur.
It comprises 18 luxury apartments, 7 office spaces on the ground floor and 31 underground parking spaces.

LES JARDINS DE LA CAMBRE

Rue des Echevins 75 and avenue de l'Hippodrome 96, 1050 Brussels (Ixelles)

The complex is situated in a much sought after area, close to the Etangs d'Ixelles (the Ixelles Ponds), the Abbaye de la Cambre and the Place Flagey (Flagey Square).
It consists of 2 apartment buildings, connected by a green area. It comprises 24 apartments, 4 office units and 31 underground parking spaces.

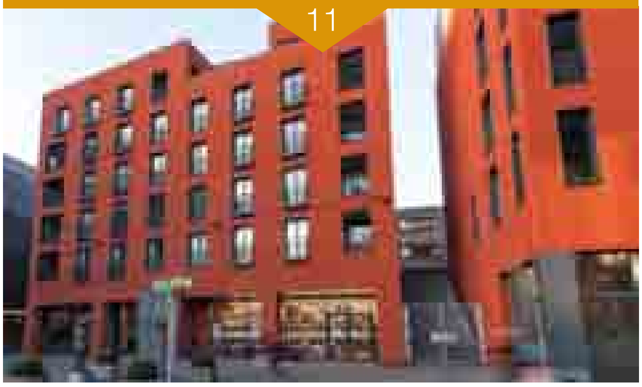
10

HAVERWERF

Haverwerf, 1-10, 2800 Malines

This retail complex is located nearby the city centre, on the former Lamot brewery site, alongside the "Dijle" river. It consists of 4 retail units.

11

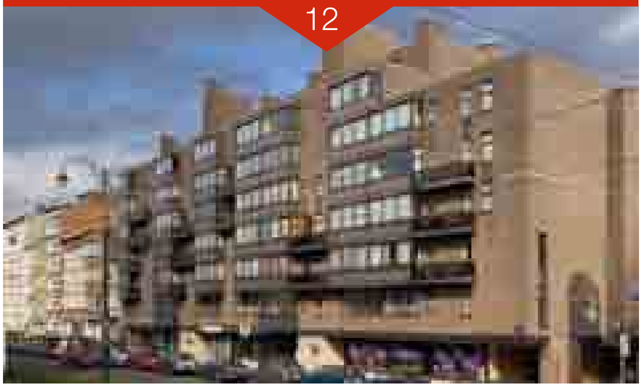


CHARLES WOESTE

Avenue Charles Woeste 290-312, 1090 Brussels (Jette)

The property is situated close to the Place Werrie (Werrie Square), in a mixed, though mainly residential area. It is part of a mixed residential and retail complex and consists of 92 apartments or studios, 10 boxes and 20 parking spaces.

12



13

COLOMBUS

Rue de l'Orjo, 52-54-56, 5000 Namur (Jambes)

The complex is situated in a small quiet street in the green periphery of Jambes. It is composed of 33 1-bedroom apartments, 18 2-bedroom apartments and 51 outdoor parking spaces

GROTE MARKT

Grote Markt 31-32, 9100 Saint-Nicolas

The building is located on the Grand Place in Saint-Nicolas. It comprises a retail and office space on the ground floor, 16 apartments on the upper floors as well as 37 outside parking spaces.

14

JOURDAN – MONNAIES

Rue Hôtel des Monnaies 24 to 34 and rue Jourdan 115 to 121 and 125, 1060 Brussels (Saint-Gilles)

The property is situated between the rue Jourdan and the rue Hôtel des Monnaies, close to the narrow section of the avenue Louise leading into the avenue de la Toison d'Or. It comprises 26 apartments and 15 underground parking spaces.

15

ADAGIO ACCESS BRUSSELS EUROPE

Rue de l'Industrie 12, 1000 Brussels

The "Adagio Access Brussels Europe" hotel is situated right in the heart of the European district. The provisional reception of the hotel's construction works took place on 14 September 2012.
It consists of 110 rooms and is operated since 17 September 2012 by the Pierre & Vacances group on the basis of a 15-year usufruct agreement.

16

17

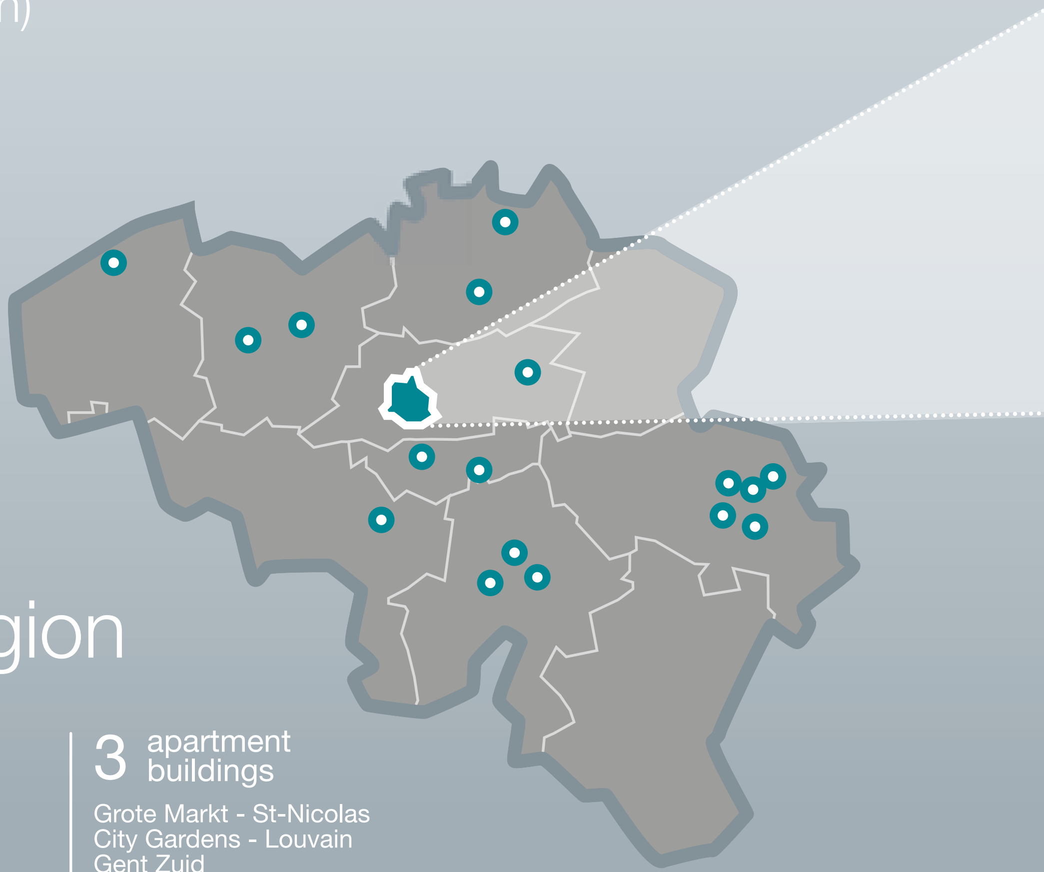
LAMBERMONT

Boulevard Lambermont, 198-224 and avenue A. Desenfans 13-15, 1030 Brussels (Schaerbeek)

This complex consists of four buildings and is located on boulevard Lambermont next to the Kinetix sport centre; it comprises a total of 127 apartments, two public libraries (French and Dutch), a children's daycare center and 109 underground parking spaces.

CONSOLIDATED PROPERTY PORTFOLIO OF HOME INVEST BELGIUM

(by main destination)



Flemish Region

2 retail buildings

Nieuwport
Haverwerf - Malines

3 apartment buildings

Grote Markt - St-Nicolas
City Gardens - Louvain
Gent Zuid

Walloon Region

1 retail building

Galerie de l'Ange - Namur

1 office building

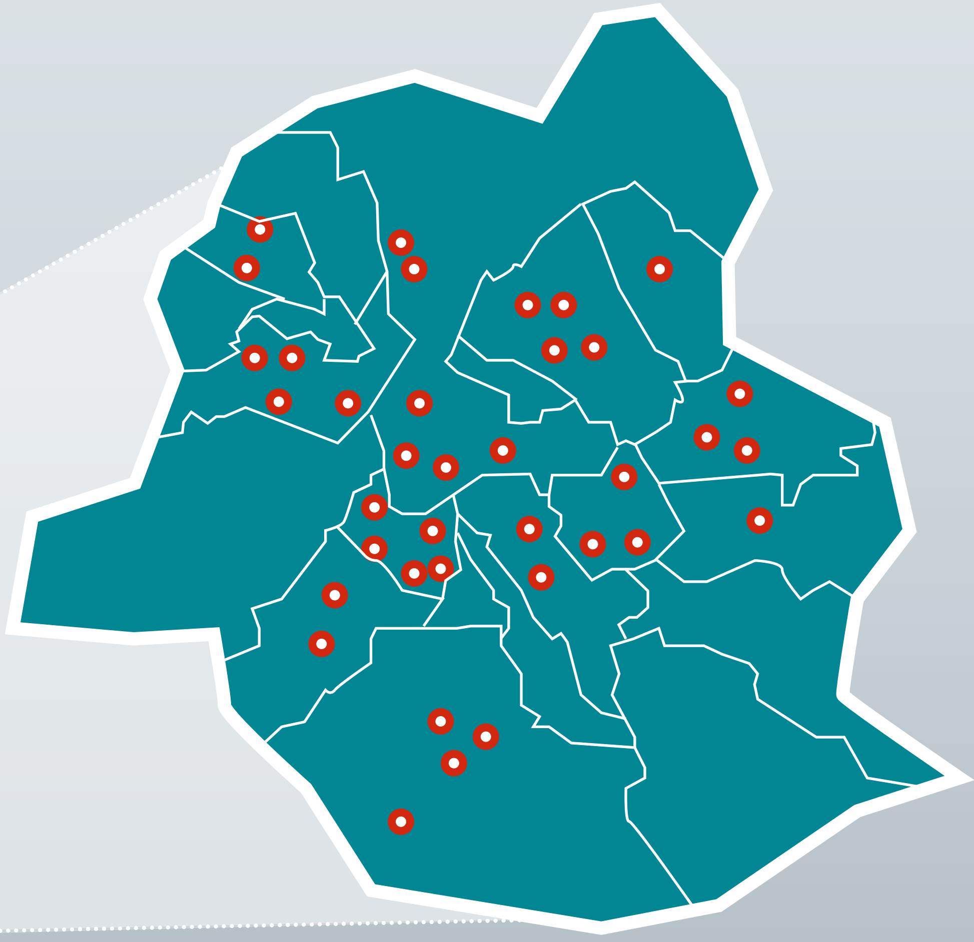
Quai de Compiègne - Huy

1 housing complex

Clos Saint Géry - Ghlin

8 apartment buildings

Place du Jeu de Balle - Lasne
Galerie de l'Ange - Namur
Léopold - Liège
Mont Saint Martin - Liège
Quai de Rome - Liège
Saint Hubert 4 - Liège
Saint Hubert 51 - Liège
Colombus - Jambes



Brussels Capital Region

1 retail building

Charles Woeste

2 furnished apartment buildings

Lebeau
Résidences du Quartier Européen

1 housing complex

Ryckmans

18 apartment buildings

Clos de la Pépinière
Birch House
Erainn
Yser
Giotto
Belgrade
Odon-Warland-Bulins
Les Jardins de la Cambre
Charles Woeste
Baeck
Sippelberg
Bosquet - Jourdan
Jourdan - Monnaies
Jourdan 85
Lambermont
Les Erables
Les Mélèzes
Voisin

3 nursing houses

Lemaire
La Toque d'Argent
Melkriek

1 office building

Belliard 205

1 hotel

Adagio Access
Brussels Europe

5 FINANCIAL STATEMENTS

The 2012 consolidated annual accounts of Home Invest Belgium include those of its subsidiaries, Home Invest Management SA (100%) and are presented in €, unless mentioned otherwise.

The accounting and valuation criteria set out in the "International Financial Reporting Standards" ("IFRS") have been applied since the annual accounts for the 2006 financial year. The annual financial reports 2012 (including the consolidated financial statements, with a shortened version of the statutory balance, the consolidated management reports, the reports of the Auditor and the Surveyor), the interim statements, the half-year financial reports, the description of the financial situation, the information concerning the related parties and the historical financial information concerning the affiliates of the sicafi, are included by reference in the present financial annual report.

ADAGIO ACCESS BRUSSELS EUROPE (BRUSSELS)

FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

BALANCE SHEET

	Note	31/12/2012	31/12/2011
ASSETS			
I. Non-current assets		**244 014 260**	**257 986 342**
B. Intangible assets	15	5 808	7 623
C. Investment properties	16	242 718 208	256 558 090
D. Other tangible assets	18	161 975	200 744
E. Non-current financial assets	24	51 517	37 755
F. Finance lease receivables	19	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	19	105 379	98 890
D. Trade receivables	21	4 779 961	4 118 361
E. Tax receivables and other current assets	21	1 306 827	1 928 583
F. Cash and cash equivalents	22	2 634 188	1 701 118
G. Deferred charges and accrued income	23	202 681	122 836
TOTAL ASSETS		270 392 851	273 478 939
SHAREHOLDERS' EQUITY AND LIABILITIES			
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	24	64 550 000	59 388 750
C. Other non-current financial liabilities	24	7 260 647	4 726 439
II. Current liabilities		**19 860 808**	**34 125 911**
B. Current financial debts	24	16 162 666	24 926 363
D. Trade debts and other current debts	25	2 486 593	8 206 419
E. Other current liabilities	25	554 506	519 171
F. Accrued charges and deferred income	23	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 the period is calculated excluding the 12 912 treasury shares.

(2) "EPRA NAV" corresponds to the Net Asset Value adjusted to exclude, inter alia, the fair value of financial hedging instruments.

INCOME STATEMENT

	Note	12/31/2012	12/31/2011
I. Rental income (+)	4	16 814 467	15 724 617
III. Rental-related expenses (+/-)	4	-312 211	-188 448
NET RENTAL RESULT		**16 502 255**	**15 536 169**
V. Recovery of property charges (+)	5	116 604	83 656
V. Recovery of charges and taxes normally borne by the tenant on let properties (+)	5	404 700	400 830
VII. Charges and taxes normally borne by the tenant on let properties (-)	5	-1 628 894	-1 556 402
VIII. Other rental income and expenses (+/-)	5	1 346	0
PROPERTY RESULT		**15 396 011**	**14 464 254**
IX. Technical costs (-)	6	-1 157 926	-923 309
X. Commercial costs (-)	7	-482 542	-541 340
XI. Taxes and charges on unlet properties (-)	8	-156 258	-358 203
XII. Property management costs (-)	8	-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 (-)	9	-648 065	-539 388
OPERATING RESULT BEFORE PORTFOLIO RESULT		**10 953 396**	**10 362 613**
XVI. Result on sale of investment properties (+/-)	10-20	2 835 426	2 096 549
XVIII. Changes in fair value of investment properties (+/-)	10	3 856 947	6 449 248
OPERATING RESULT		**17 645 768**	**18 908 409**
XX. Financial income (+)	11	114 348	188 741
XXI. Net interest charges (-)	12	-2 935 804	-2 797 080
XXII. Other financial charges (-)	13	-50 747	-34 754
XXIII. Changes in fair value of financial assets and liabilities (+/-)	13	-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 (-)	14	-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 items XVI. XVII. XVIII and XIX.)		4 939 612	6 287 791
NET CURRENT RESULT PER SHARE (excluding items XVI. XVII. XVIII and XIX.)		**1.62**	**2.16**
NET CURRENT RESULT EXCLUDING IAS 39 (excluding items XVI. XVII. XVIII XIX. and XXIII.)		8 064 248	7 711 706
NET CURRENT RESULT EXCLUDING IAS 39 PER SHARE (excluding 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
Consolidated distribution rate		90.24%	85.65%

(1) The number of shares at the end of the period is calculated excluding the 12 912 treasury shares.

STATEMENT OF COMPREHENSIVE INCOME

	31/12/12	31/12/11
Statement of comprehensive income		
I. Net result	11 631 985	**14 833 588**
II. Other items of comprehensive income:		
A. Impact on the fair value of transfer rights and costs estimated to arise on the hypothetical disposal of investment properties		
B. Changes in the efficient part of the fair value of hedging instruments authorised as cash flow as defined in IFRS	590 372	424 965
1. Effective hedging instruments	-961 793	424 965
2. Requalification according to IAS 39 para. 101	1 552 165	
COMPREHENSIVE INCOME (I + II)	12 222 357	**15 258 553**

APPROPRIATION AND WITHDRAWALS

	Consolidated		Statutory	
	31/12/12	31/12/11	31/12/12	31/12/11
Appropriation and withdrawals				
A. Net result	11 631 985	**14 833 588**	11 296 078	**15 005 663**
B. Transfer to/from reserves (-/+)				
1. Transfer to/from reserves of the balance (positive or negative) of changes in fair value of investment property (-/+)				
- financial year	-5 427 646	-9 279 527	-4 812 560	-9 279 527
- previous financial years				
- realization of real estate	280 244	983 127	280 244	983 127
2. Transfer to/from reserves of estimated transfer rights and costs resulting from hypothetical disposal of investment properties (-/+)	1 570 699	2 830 280	1 570 699	2 830 280
11. Transfer to/from result from previous financial years carried forward (-/+)	1 835 219	-628 667	1 598 004	-762 007
C. Remuneration of capital according to art.27, § 1, § 1 of the RD of 7/12/10	0	**-8 161 980**	-5 991 657	**-8 299 640**
D. Remuneration of capital – other than C	-9 890 501	**-576 821**	-3 940 807	**-477 896**

SCHEME FOR CALCULATION OF RESULT according to art. 27, § 1, § 1 of the RD of 7/12/2010

	Consolidated		Statutory	
	31/12/12	31/12/11	31/12/12	31/12/11
Scheme for calculation of result according to art. 27, § 1, § 1 of the RD of 7/12/10				
Corrected result (A)				
Net result	11 631 985	14 833 588	11 296 078	15 005 663
+ Depreciations	274 708	195 722	274 708	195 722
- Write-back of depreciations	-77 057	-54 501	-77 057	-54 501
+/- Other non monetary items	3 124 636	1 423 915	3 124 636	1 423 915
+/- Result on sale of property	-2 835 426	-2 096 549	-2 835 426	-2 096 549
+/- Changes in fair value of property	-3 856 947	-6 449 248	-3 241 861	-6 449 248
Corrected result (A)	8 261 899	**7 852 928**	8 541 079	**8 025 003**
Net capital gains on the sale of property not exempt from distribution (B)				
+/- Capital gains and losses on property realized during the financial year (capital gains or losses compared with the acquisition value plus capitalised investment expenses)	2 698 320	2 349 547	2 698 320	2 349 547
= Net capital gains on the sale of property not exempt from distribution (B)	2 698 320	**2 349 547**	2 698 320	**2 349 547**
Total (A + B)	10 960 219	**10 202 475**	11 239 398	**10 374 550**
80 % according to art. 27, § 1, § 1	8 768 175	**8 161 980**	8 991 518	**8 299 640**
Net reduction in debt	-9 286 939	0	-2 999 861	0
Minimum distribution required by art. 27	0	8 161 980	5 991 657	8 299 640

In accordance with art. 617 of the Belgian Company Code, the net assets, after distribution of the proposed dividend, must not be less than the called-up capital, plus all reserves which the law or the articles of association do not permit to be distributed. The margin remaining after distribution is € 14.7 million.

Net statutory assets after distribution of the dividend:		**169 695 802**
Method of calculation of the amount referred to in art. 27 para. 1 subpara. 6 of the RD of 7/12/10		
Paid-up capital or, if greater, called-up capital (+)	73 469 670	
Share premiums not available pursuant to the articles of association (+)	19 093 664	
Reserve from the positive balance from changes in the fair value of real estate assets (+)	89 451 446	
Reserve for transfer rights and costs estimated to arise on the hypothetical disposal of investment properties (-)	-25 133 105	
Reserve from the balance from change in the fair value of authorised hedging instruments to which hedge accounting according to IFRS is applied (+/-)	-1 958 774	
Legal reserve (+)	98 778	
Total :		**155 021 678**
Difference:		**14 674 124**

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Capital	Capital increase expenses	Share premium	Legal reserve
BALANCE ON 31/12/2010	**71 639 409**	**-692 530**	**19 093 664**	**97 827**
Transfer				
Changes resulting from the sale of a building				
Dividend distribution				
Partial demerger Masada	122 709	-83 596		
Partial demerger VOP	2 633 519	-70 448		951
Mixed demerger URBIS	5 585	-84 978		
Result of the financial year				
Changes in fair value of hedges				
Changes in fair value of property				
BALANCE ON 31/12/2011	**74 401 222**	**-931 552**	**19 093 664**	**98 778**
BALANCE ON 31/12/2011	**74 401 222**	**-931 552**	**19 093 664**	**98 778**
Transfer				
Changes resulting from the sale of a building				
Dividend distribution				
Result of the financial year				
Changes in fair value of hedges				
Changes in fair value of property				
Other increase (decrease)				
BALANCE ON 31/12/2012	74 401 222	-931 552	19 093 664	98 778

Reserve from the balance of changes in fair value of investment properties	Reserve from estimated transfer costs and rights	Reserve from the balance of changes in fair value of hedges	Reserve for treasury shares	Other reserves	Result carried forward from previous financial years	Net result of the financial year	Total
68 696 370	**-19 497 399**	**-2 974 112**	**-757 323**	**1 138 120**	**5 416 341**	**11 807 670**	**153 968 037**
-1 398 441					1 586 668	-188 228	0
-1 326 176	343 049				983 127		0
						-7 742 983	-7 742 983
4 241 754				67 496	1 707 297		6 055 659
6 672 317				52 286	-1 905 072		7 383 552
407 906				1 567	-15 058		315 022
						14 833 588	14 833 588
		424 965					424 965
8 163 418	-4 286 958					-3 876 459	0
85 457 148	**-23 441 309**	**-2 549 147**	**-757 323**	**1 259 467**	**7 773 304**	**14 833 588**	**175 237 840**
85 457 148	**-23 441 309**	**-2 549 147**	**-757 323**	**1 259 467**	**7 773 304**	**14 833 588**	**175 237 840**
					-354 460	354 460	0
-5 148 050	1 138 484				4 009 566		0
						-8 738 800	-8 738 800
						11 631 985	11 631 985
		590 372					590 372
9 279 527	-2 830 280					-6 449 248	0
							0
89 588 625	-25 133 105	-1 958 774	-757 323	1 259 467	11 428 410	11 631 985	178 721 397

CASH FLOW STATEMENT

	2012	2011
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	**1 701 118**	**1 036 510**
1. Cash flow from operating activities	**2 660 210**	**11 333 469**
Result for the financial year before interest and taxes	17 645 768	18 908 409
Interest received	114 348	188 741
Interest paid	-2 986 551	-2 901 852
Taxes	-16 944	-7 814
Adjustment of profit for non-current transactions	**-6 625 509**	**-8 519 202**
Depreciation and write-downs	**66 863**	**26 595**
- Depreciation and write-downs on non-current assets	66 863	26 595
Other non-monetary elements	**-3 856 947**	**-6 449 248**
- Changes in fair value of investment properties (+/-)	-3 856 947	-6 449 248
Gain on realization of assets	**-2 835 426**	**-2 096 549**
- Capital gains realized on the sale of non-current assets	-2 835 426	-2 096 549
Change in working capital needs	**-5 470 901**	**3 665 186**
Movements in asset items:	**-20 798**	**-2 380 854**
- Current financial assets	-6 488	-6 138
- Trade receivables	-556 222	-3 433 510
- Tax receivables and other short-term assets	621 757	1 061 063
- Deferred charges and accrued income	-79 845	-2 269
Movements of liabilities items:	**-5 450 103**	**6 046 040**
- Trade and other current debts	-5 668 523	5 965 912
- Other current liabilities	35 335	41 824
- Accrued charges and deferred income	183 086	38 304
2. Cash flow from investment activities	**10 665 410**	**-3 173 984**
Investment properties - capitalized investments	-664 629	-644 628
Investment properties - new acquisitions		-2 787 200
Divestments	12 492 547	7 802 862
Development projects	-1 122 412	-7 358 234
Other tangible assets	-26 279	-185 519
Other non-current financial assets	-13 817	-1 266
3. Cash flow from financing activities	**-12 392 550**	**-7 494 876**
Changes in financial liabilities and debts		
Increase (+) / Decrease (-) in financial debts	-3 653 750	487 129
Changes in capital (+/-)		-239 023
Dividend of the previous financial year	-8 738 800	-7 742 983
CASH AND CASH EQUIVALENTS AT END OF PERIOD	**2 634 188**	**1 701 118**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Note 1 : GENERAL INFORMATION ON THE COMPANY

Home Invest Belgium SA is a Sicafi (Société d'Investissement à Capital Fixe en Immobilier - Fixed Capital Real Estate Investment Trust). It is constituted in the form of a Belgian société anonyme (public limited liability company). Its registered office is at 60 Boulevard de la Woluwe, 1200 Brussels (Belgium).

The company is listed on NYSE Euronext Brussels. The consolidated annual financial statements encompass those of Home Invest Belgium and its subsidiary the public limited liability company Home Invest Management (100%).

Note 2 : ACCOUNTING POLICIES

Declaration of conformity

The financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union.

In accordance with article 2 of the Royal Decree of 21 June 2006 with regard to the bookkeeping, annual financial statements and consolidated financial statements of real estate Sicafis (fixed capital investment trusts), amending the Royal Decrees of 10 April 1995 and seq. relating to real estate Sicafis, Home Invest Belgium has made use of the option to draw up its annual financial statements in accordance with IFRS standards, starting from the 2006 financial year which ended on 31 December 2006. The company drew up its opening IFRS balance sheet on 1 January 2005 (date of transition to IFRS). In accordance with IFRS 1 - First-time adoption of IFRS, the company decided not to restate acquisitions made prior to the IFRS transition date, in accordance with IFRS 3 - Business combinations.

Preparation basis

The financial statements are presented in euros unless otherwise stated. They are prepared on a historical cost basis, with the exception of investment properties and certain financial instruments, which are assessed at their fair value. The accounting policies have been applied consistently for the financial years presented.

Consolidation basis

The consolidated annual financial statements comprise the annual financial statements of Home Invest Belgium and its subsidiaries. Subsidiaries are entities controlled by the group. Control exists where Home Invest Belgium holds, directly or indirectly, via subsidiaries, more than half the voting rights of a particular entity.

The annual financial statements of subsidiaries are fully consolidated from the acquisition date until date on which control ends.

Subsidiaries' financial statements are prepared for the same accounting year as that of Home Invest Belgium. Uniform IFRS valuation rules are applied to the subsidiaries in question.

All intra-group transactions, as well as unrealised intra-group gains and losses on transactions between group companies are eliminated. Unrealised losses are eliminated except in the case of extraordinary capital losses.

Goodwill - Badwill

Goodwill is the positive difference between the price of the business combination and the group's share in the fair value of the acquired assets and liabilities of the acquired subsidiary, at the time of takeover. The price of the business combination consists of the acquisition price plus all directly attributable transaction costs.

Negative goodwill (badwill) is the negative difference between the price of the business combination and the group's share in the fair value of the acquired assets, and liabilities of the acquired subsidiary, at the time of takeover. This negative goodwill is immediately recognised in the acquirer's income statement.

Intangible assets

Intangible assets having a limited life are initially valued at cost. After initial recognition, they are valued at cost less accumulated amortisation and any impairment losses.

Intangible assets are amortised on a straight-line basis based on a best estimate of their useful lives. The useful life and amortisation method of intangible assets are reviewed at least at the end of every financial year.

Investment properties

Investment properties in operation are investments in real estate assets held for long-term rental and/or to increase capital.

Investment properties are initially recognised at cost, including transfer rights and non-deductible VAT. Where buildings are acquired through mergers, demergers and contribution of a business segment, the taxes owed on the potential capital gains of the assets integrated in this way are included in the cost of the assets in question.

At the end of the first accounting period after their initial recognition, investment properties are valued at fair value.

Every quarter an independent external real estate expert values the property portfolio, including costs, registration duty and fees (i.e. in terms of their «investment» value). The expert values properties on the basis of three methods:

- capitalisation of their estimated rental value,
- valuation per unit, and
- the DCF method.

In order to determine the fair value of the real estate assets so valued, Home Invest Belgium makes the following adjustments:

- for residential or mixed properties, the design and structure of which make them suitable for resale in separate units, Home Invest Belgium deducts from this investment value the full amount of registration duties, depending on the applicable regional regulations (10% or 12.5%);
- for the other portfolio properties, the Sicafi corrects the investment value assessed by the expert by -2.5%, for properties with an investment value in excess of € 2 500 000; this correction has been defined at sector level, based on a wide sample of transactions, and corresponds to the average transaction costs effectively paid in Belgium on transactions of this kind between 2003 and 2005;
- however, where the investment value of these other properties is less than this amount of € 2 500 000, the full amount of the registration duties, depending on the applicable regional regulation, will be deducted from the valuation amount.

As long as the investment buildings are new according to the VAT Code, the above restatements are limited to the investment value of the plots of land on which they are built.

Accounting treatment of the valuation of investment properties in operation

Any gain or loss deriving from a change in fair value is recognised in the income statement under the item «XVIII. Changes in fair value of investment properties» before being allocated to shareholders' equity under the item «C. Reserves – b. Reserve of the balance of changes in fair value of investment properties».

Works undertaken in investment properties in operation

Building works which are the owner's responsibility are recognised in the financial statements in three different ways, depending on the type of work in question:

- The cost of maintenance and repair work which does not add any additional functionality or which does not increase the level of comfort of the building is considered as current expenses of the period and as property charges.
- Improvement work: that is work undertaken on an occasional basis to increase the functionality of the building or dwelling concerned, or to significantly increase the standard of comfort, and so increasing the estimated rental value. The cost of this work is capitalised in so far and to the extent that the expert recognises, in the normal course of things, an appropriate appreciation in the estimated rental value. Examples: in-depth renovation of a dwelling, laying of parquet flooring, refurbishment of an entrance hall.
- Major renovation works: these are normally undertaken every 20 or 30 years and involve the waterproofing, structure or essential functions of the building (replacement of lifts, heating installation, window frames, etc.).

This type of renovation work is also capitalised.

The buildings where the costs are to be capitalised are identified according to the preceding criteria at the budget preparation stage. The costs that can potentially be capitalised relate to materials, contracting works, technical studies, fees (architects, engineers, project management), VAT, taxes, internal costs and interest charges during the construction period.

Development projects

Property that is being constructed or developed is recognised under investment properties at cost till the end of the construction or the development. At that time, the asset is transferred to investment properties in operation. The costs that can potentially be capitalised relate to materials, contracting works, technical studies, fees (architects, engineers, project management), VAT, taxes, internal costs and interest charges during the construction period.

Other tangible assets

Other tangible assets are recorded at cost less accumulate depreciation and any impairment losses. Depreciation is recorded on a straight-line basis over the estimated useful life of the asset. The useful life and form of depreciation are reviewed at least at each year end.

The useful life is as follows for each asset category:

- IT hardware: 3 years;
- IT software: 5 years;
- furniture and office equipment: 10 years;
- office improvements: depending on the length of the lease, up to a maximum of 6 years.

Financial assets

Financial assets are presented in the balance sheet under current or non-current financial assets depending on the intention or the probability of realisation during the twelve months following the closing date.

A distinction can be made between:

- financial assets valued at fair value: the changes in fair value of these assets are recognised in the income statement;
- financial assets held for sale:
  shares and securities held for sale are valued at their fair value. Changes in fair value are recorded in shareholders' equity until sale or extraordinary impairment loss, at which time the accumulated revaluations are recognised in the income statement;
- financial assets held to maturity: financial assets held to maturity are recognised at amortised cost.

Financial derivatives

Home Invest Belgium uses financial derivatives to cover its exposure to the risk of interest rate changes in the context of the financing of its activities.

Financial derivatives are initially recorded at cost and then marked to fair value at the following period closing dates.

Changes in the fair value of financial derivatives which do not meet the conditions for hedge accounting under IAS 39 are recognised in the income statement.

The effective portion of the profits or losses from changes in the fair value of financial derivatives which meet the conditions of hedge accounting under IAS 39, specifically designated and qualified as cash flow hedges of an asset or liability or planned transaction which is recorded in the balance sheet, is recognised in shareholders' equity. The non-effective part is recognised in the income statement. When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any accumulated profit or loss shown at that time in shareholders' equity is recognised in the income statement.

Investment properties held for sale

An investment property is considered as held for sale if it can be sold immediately in its present state and such a sale is highly likely.

An investment property held for sale is valued in the same way as any other investment property.

Trade receivables

Trade receivables are stated at their nominal value less estimated non-recoverable amounts. This reduction in value is recognised in the income statement.

Cash and cash equivalents

Cash and cash equivalents consists of cash and current accounts. Cash equivalents are short term and highly liquid investments, which can be easily convertible into a known cash amount, have a maturity of no more than three months, and present no major risk of change in value.

These items are recognised in the balance sheet at nominal value or cost.

Capital - Dividends

Ordinary shares are recognised in shareholders' equity. Costs directly linked to the issue of new shares or options are recognised in shareholders' equity, net of tax, as a deduction from the amount collected.

Treasury shares repurchased are presented at purchase price and deducted from shareholders' equity. A sale or cancellation of repurchased shares does not affect the income statement; gains and losses on treasury shares are recognised directly in shareholders' equity.

Dividends are recognised as liabilities only when approved by the General Meeting of shareholders. Any interim dividend is recorded as a liability as soon as the Board of Directors has taken the decision to proceed to pay such a dividend.

Provisions

A provision is recognised in the balance sheet when:

- an obligation (legal or implicit) exists resulting from a past event, and
- it is probable that resources will need to be spent in order to meet this obligation, and
- the amount of the obligation can be reliably estimated

Taxes

Taxes on the earnings for the period consist of both current taxes and deferred taxes. These are recognised in the income statement except where they relate to items recognised directly in shareholders' equity, in which case they too are recognised in shareholders' equity.

Current taxes are the taxes payable on the taxable income of the past year as well as any adjustment to taxes paid (or recoverable) relating to past years. These taxes are calculated at the tax rate applicable at the closing date.

Deferred taxes are calculated using the liability method on temporary differences between the tax basis of an asset or a liability and its accounting value as stated in the financial statements. These taxes are determined according to the tax rates expected at the time the asset will be realised or the obligation ends.

Deferred tax receivables are recognised for deductible temporary differences and on recoverable tax credits carried forward and tax losses, to the extent that it is probable that taxable profits will exist in the near future with which to use the tax benefit. The accounting value of deferred tax receivables is reviewed at every balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to absorb all or part of the deferred taxes.

Deferred tax debts and receivables are defined using the tax rates expected to apply in the years during which these temporary differences will be realised or settled, based on tax rates in effect or confirmed on the balance sheet date.

Exit tax is the tax on the capital gain resulting from the merger of a non-Sicafi company with a Sicafi. When a company without Sicafi status enters into the group's consolidation scope for the first time, a provision for exit tax is recorded simultaneously as an amount corresponding to the difference between the marked-to-market value of the property and the carrying value of the asset to be acquired in the merger, taking into account the planned merger date.

Income

Rental income from simple rental contracts is recorded as income on a straight-line basis over the life of the rental contract. Rent-free periods and other benefits granted to customers are recorded on a straight-line basis over the first firm rental period.

Gain or loss on the sale of investment properties

The gain or loss on the sale of an investment property represents the difference between the sales income, net of transaction costs, and the latest fair value of the sold property on 31 December of the past financial year. That result is presented in item XVI «Income from sale of investment properties» of the income statement.

In the calculation scheme of article 27, para. 1, subpara. 1 of the RD of 7 December 2010, the distributable result comprises the item «+/- Capital gains or losses realised on property during the financial year (capital gains or losses compared with the acquisition value plus by capitalised investment expenses)», which thus allows the initial acquisition value to be taken into account.

The accounting policies have been applied consistently for the financial periods presented here

Home Invest Belgium has not anticipated the application of the new or amended standards and interpretations issued prior to the date of authorisation of publication of the consolidated financial statements, but which come into effect after the financial period closed on 31 December 2012, namely:

- IFRS 9 Financial instruments: recognition and measurement effective as from the financial year starting on 1 January 2015.

- IFRS 10 Consolidated financial statements effective as from the financial year starting on 1 January 2014.

- IFRS 11 Joint arrangements effective as from the financial year starting on 1 January 2014.

- IFRS 12 Disclosure of interests in other entities effective as from the financial year starting on 1 January 2014.

- IFRS 13 Fair value measurement effective as from the financial year starting on 1 January 2013.

- IAS 27 Separate financial statements effective as from the financial year starting on 1 January 2014.

- IAS 28 Investments in associates and joint ventures effective as from the financial year starting on 1 January 2014.

The future application of these standards and interpretations will have no material impact on the annual financial statements.

Note 3 : SEGMENT INFORMATION (CONSOLIDATED)

The investment properties held by Home Invest Belgium comprise three categories:

- properties valued by individual units;
- properties valued “en bloc” with individual values in excess of € 2 500 000;
- properties valued “en bloc” with individual values below € 2 500 000.

In terms of geographic breakdown, the majority of Home Invest Belgium’s investment properties are situated in Brussels, with the Flemish Region representing 14.4% of the portfolio and the Walloon Region 13.8% (calculations based on fair value).

The “unattributed” columns contain the amounts which cannot be attributed to any of these three categories.

- heading XII. covers primarily personnel and internal office costs,
- headings XXI., XXII., and XXIII relate to unattributable credits and financial income specific to a property.

INCOME STATEMENT

	Consolidated total	
	2012	**2011**
I. Rental income (-)	16 814 467	15 724 617
III. Rental-related expenses (+/-)	-312 211	-188 448
NET RENTAL INCOME (= I +II +III)	**16 502 255**	**15 536 169**
IV. Recovery of property charges (+)	116 604	83 656
V. Recovery of rental charges	404 700	400 830
VII. Recovery of charges and taxes normally borne by the tenant	-1 628 894	-1 556 402
VIII. Other rental income and expenses (+/-)	1 346	
PROPERTY RESULT (= I +II +III +IV +V +VI +VII +VIII)	**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 un-let properties (-)	-156 258	-358 203
XII. Property management costs (-)	-1 997 825	-1 739 400
PROPERTY COSTS (= IX +X +XI +XII +XIII)	***-3 794 551***	***-3 562 253***
PROPERTY OPERATING RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII)	**11 601 461**	**10 902 000**
XIV. General corporate expenses (-)	-648 065	-539 388
OPERATING RESULT BEFORE PORTFOLIO RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV)	**10 953 396**	**10 362 613**
VI. Result on sale of investment properties (+/-)	2 835 426	2 096 549
XVIII. Changes in fair value of investment properties (+/-)	3 856 947	6 449 248
OPERATING RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX)	**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 liabilites (+/-)	-3 124 636	-1 423 915
FINANCIAL RESULT (XX +XXI +XXII +XXIII)	***-5 996 839***	***-4 067 008***
PRE-TAX RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX +XX +XXI +XXII +XXIII)	**11 648 929**	**14 841 402**
XXIV. Corporation tax (-)	-16 944	-7 814
TAXES (XXIV + XXV)	***-16 944***	***-7 814***
NET RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX +XX +XXI +XXII +XXIII +XXIV +XXV)	11 631 985	14 833 588

	Properties valued by individual units		Properties valued “en bloc” > € 2 500 000		Properties valued “en bloc” < € 2 500 000		Unattributed	
	2012	2011	2012	2011	2012	2011	2012	2011
	13 887 165	13 223 611	2 629 688	2 176 287	297 614	324 720		
	-208 693	-119 593	20 753	-5 543	-9 711	-16 086	-114 560	-47 226
	13 678 471	**13 104 018**	**2 650 441**	**2 170 744**	**287 903**	**308 634**	**-114 560**	**-47 226**
	99 092	81 984	17 562	1 622	-50	50		
	183 513	145 471	211 546	239 400	9 640	15 959		
	-1 330 199	-1 308 800	-245 445	-170 021	-53 251	-58 041		-19 539
	1 346							
	12 632 224	**12 022 673**	**2 634 105**	**2 241 744**	**244 242**	**266 602**	**-114 560**	**-66 766**
	-973 208	-930 022	-40 690	-13 198	-12 283	-30 459	-131 745	50 369
	-417 032	-472 244	-7 901	-5 248	-4 617	-15 636	-52 992	-48 213
	-49 973	-140 426	-6 650	-2 894	-1 011	-483	-98 624	-214 402
	-57 269	-86 027					-1 940 556	-1 653 373
	-1 497 482	***-1 628 718***	***-55 241***	***-21 339***	***-17 910***	***-46 577***	***-2 223 917***	***-1 865 618***
	11 134 742	**10 393 955**	**2 578 864**	**2 220 405**	**226 332**	**220 025**	**-2 338 477**	**-1 932 384**
							-648 065	-539 388
	11 134 742	**10 393 955**	**2 578 864**	**2 220 405**	**226 332**	**220 025**	**-2 986 542**	**-2 471 772**
	2 733 769	2 004 185			118 742	117 208	-17 085	-24 845
	3 582 572	5 313 818	264 501	1 084 743	9 873	50 687		
	17 451 083	**17 711 958**	**2 843 365**	**3 305 147**	**354 947**	**387 920**	**-3 003 628**	**-2 496 617**
					94 468	97 220	19 880	91 521
							-2 935 804	-2 797 080
							-50 747	-34 754
							-3 124 636	-1 423 915
					94 468	***97 220***	***-6 091 307***	***-4 164 228***
	17 451 083	**17 711 958**	**2 843 365**	**3 305 147**	**449 415**	**485 140**	**-9 094 935**	**-6 660 844**
							-16 944	-7 814
							-16 944	***-7 814***
	17 451 083	17 711 958	2 843 365	3 305 147	449 415	485 140	-9 111 879	-6 668 658

INCOME STATEMENT BY REGION

	Consolidated total	
	2012	2011
I. Rental income (-)	16 814 467	15 724 617
III. Rental-related expenses (+/-)	-312 211	-188 448
NET RENTAL INCOME (= I +II +III)	**16 502 255**	**15 536 169**
IV. Recovery of property charges (+)	116 604	83 656
V. Recovery of rental charges	404 700	400 830
VII. Recovery of charges and taxes normally borne by the tenant	-1 628 894	-1 556 402
VIII. Other rental income and expenses (+/-)	1 346	
PROPERTY RESULT (= I +II +III +IV +V +VI +VII +VIII)	**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 un-let properties (-)	-156 258	-358 203
XII. Property management costs (-)	-1 997 825	-1 739 400
PROPERTY COSTS (= IX +X +XI +XII +XIII)	***-3 794 551***	***-3 562 253***
PROPERTY OPERATING RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII)	**11 601 461**	**10 902 000**
XIV. General corporate expenses (-)	-648 065	-539 388
OPERATING RESULT BEFORE PORTFOLIO RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV)	**10 953 396**	**10 362 613**
VI. Result on sale of investment properties (+/-)	2 835 426	2 096 549
XVIII. Changes in fair value of investment properties (+/-)	3 856 947	6 449 248
OPERATING RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX)	**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 liabilites (+/-)	-3 124 636	-1 423 915
FINANCIAL RESULT (XX +XXI +XXII +XXIII)	***-5 996 839***	***-4 067 008***
PRE-TAX RESULT (I +II +III +IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX +XX +XXI +XXII +XXIII)	**11 648 929**	**14 841 402**
XXIV. Corporation tax (-)	-16 944	-7 814
TAXES (XXIV + XXV)	***-16 944***	***-7 814***
NET RESULT (I+II+III+IV +V +VI +VII +VIII +IX +X +XI +XII +XIII +XIV +XV +XVI +XVII +XVIII +XIX +XX +XXI +XXII +XXIII +XXIV +XXV)	11 631 985	14 833 588

	Brussels Capital Region		Flemish Region		Walloon Region		Unattributed	
	2012	2011	2012	2011	2012	2011	2012	2011
	11 932 467	11 441 263	2 186 235	1 724 882	2 695 765	2 558 472		
	-120 193	-92 336	-16 056	-6 787	-61 403	-42 098	-114 560	-47 226
	11 812 274	**11 348 927**	**2 170 179**	**1 718 095**	**2 634 362**	**2 516 374**	**-114 560**	**-47 226**
	89 280	76 517	20 598	1 165	6 726	5 973		
	265 537	241 526	32 421	54 295	106 741	105 008		
	-1 149 851	-1 104 916	-160 791	-151 063	-318 252	-280 884		-19 539
	1 282				65			
	11 018 523	**10 562 055**	**2 062 407**	**1 622 493**	**2 429 642**	**2 346 471**	**-114 560**	**-66 766**
	-908 190	-843 908	-46 241	-31 571	-71 750	-98 200	-131 745	50 369
	-325 746	-327 077	-33 368	-76 295	-70 436	-89 755	-52 992	-48 213
	-56 961	-67 166	11 543	-72 462	-12 216	-4 174	-98 624	-214 402
	-96 446	-86 027					-1 901 379	-1 653 373
	-1 387 343	***-1 324 178***	***-68 066***	***-180 328***	***-154 401***	***-192 129***	***-2 184 740***	***-1 865 618***
	9 631 179	**9 237 877**	**1 994 341**	**1 442 165**	**2 275 241**	**2 154 342**	**-2 299 300**	**-1 932 384**
							-648 065	-539 388
	9 631 179	**9 237 877**	**1 994 341**	**1 442 165**	**2 275 241**	**2 154 342**	**-2 947 365**	**-2 471 772**
	2 165 113	2 004 897	622 334	116 722	65 064	-225	-17 085	-24 845
	3 033 653	3 149 249	274 732	2 088 348	548 561	1 211 650		
	14 829 945	**14 392 024**	**2 891 408**	**3 647 235**	**2 888 866**	**3 365 768**	**-2 964 451**	**-2 496 617**
	94 468	97 220					19 880	91 521
							-2 935 804	-2 797 080
							-50 747	-34 754
							-3 124 636	-1 423 915
	94 468	***97 220***					***-6 091 307***	***-4 164 228***
	14 924 414	**14 489 244**	**2 891 408**	**3 647 235**	**2 888 866**	**3 365 768**	**-9 055 758**	**-6 660 844**
							-16 944	-7 814
							-16 944	***-7 814***
	14 924 414	14 489 244	2 891 408	3 647 235	2 888 866	3 365 768	-9 072 702	-6 668 658

BALANCE SHEET BY ASSET TYPE

	Total Consolidé	
	2012	2011
Investment properties in operation	241 835 640	238 453 170
Investment properties - Development projects	882 568	18 104 920
Assets held for sale	17 349 556	7 522 808
Lease financing receivables	1 182 131	1 281 021
Other assets	9 142 956	8 117 020
Total assets	**270 392 851**	**273 478 939**
Percentage by sector	100.00%	100.00%
Shareholders' equity	178 721 397	175 237 840
Liabilities	91 671 455	98 241 099
Total shareholders' equity and liabilities	**270 392 851**	**273 478 939**

OTHER INFORMATION BY ASSET TYPE

	Consolidated total	
	2012	2011
Investment properties		
Investments	664 629	624 064
Other tangible assets		
Investments	275 879	249 599
Depreciation	-113 904	-48 856
Intangible assets		
Investments	30 250	30 250
Depreciation	-24 442	-22 627

BALANCE SHEET BY REGION

	Consolidated total	
	2012	2011
Investment properties in operation	241 835 640	238 453 170
Investment properties - Development projects	882 568	18 104 920
Assets held for sale	17 349 556	7 522 808
Lease financing receivables	1 182 131	1 281 021
Other assets	9 142 956	8 117 020
Total assets	**270 392 851**	**273 478 939**
Percentage by sector	100.00%	100.00%
Shareholders' equity	178 721 397	175 237 840
Liabilities	91 671 455	98 241 099
Total shareholders' equity and liabilities	**270 392 851**	**273 478 939**

	Properties valued by individual units		Properties valued “en bloc” > € 2 500 000		Properties valued “en bloc” < € 2 500 000		Unattributed	
	2012	2011	2012	2011	2012	2011	2012	2011
	199 793 899	204 148 333	41 097 317	29 948 293	944 424	4 356 544		
	882 568	5 845 000		12 259 920				
	17 349 556	7 522 808						
					1 182 131	1 281 021		
							9 142 956	8 117 020
	218 026 023	**217 516 141**	**41 097 317**	**42 208 212**	**2 126 555**	**5 637 566**	**9 142 956**	**8 117 020**
	80.63%	79.54%	15.20%	15.43%	0.79%	2.06%	3.38%	2.97%
							178 721 397	175 237 840
							91 671 455	98 241 099
							270 392 851	**273 478 939**

	Properties valued by individual units		Properties valued “en bloc” > € 2 500 000		Properties valued “en bloc” < € 2 500 000		Unattributed	
	2012	2011	2012	2011	2012	2011	2012	2011
	653 546	579 657	11 083	40 732		3 674		
							275 879	249 599
							-113 904	-48 856
							30 250	30 250
							-24 442	-22 627

	Brussels Region		Flemish Region		Walloon Region		Unattributed	
	2012	2011	2012	2011	2012	2011	2012	2011
	174 027 927	165 536 616	34 605 654	36 803 969	33 202 060	36 112 585		
	882 568	18 074 920				30 000		
	12 351 111	5 505 778	1 570 000	1 566 364	3 428 444	450 667		
	1 182 131	1 281 021						
							9 142 956	8 117 020
	188 443 737	**190 398 335**	**36 175 654**	**38 370 333**	**36 630 504**	**36 593 252**	**9 142 956**	**8 117 020**
	69.69%	69.62%	13.38%	14.03%	13.55%	13.38%	3.38%	2.97%
							178 721 397	175 237 840
							91 671 455	98 241 099
							270 392 851	**273 478 939**

Note 4: RENTAL INCOME AND CHARGES

	2012	2011
I. Rental income (+)		
A. Rent	16 707 803	15 679 623
C. Rent-free periods	-55 544	-71 420
E. Early lease termination indemnities	162 207	116 414
III. Rental-related expenses (+/-)		
A. Rent payable on leased premises	-114 560	-47 226
B. Impairments on trade receivables	-274 708	-195 722
C. Reversal of impairments on trade receivables	77 057	54 501

The increase in rental income (+6.6%) is due to the increase in the portfolio of properties in operation during the 2011 and 2012 financial years.

Note 5: PROPERTY RESULT

	2012	2011
IV. Recovery of property charges (+)		
A. Indemnities for tenant damage	116 604	83 656
V. Recovery of charges and taxes normally paid by the tenant on let properties (+)		
A. Re-invoicing of rental-related charges paid by the owner	42 863	41 440
B. Re-invoicing of property and other taxes on let properties	361 837	359 390
VII. Rental-related charges and taxes normally paid by the tenant on let properties (-)		
B. Property and other taxes on leased buildings	-1 628 894	-1 556 402
VIII. Other rental income and expenses (+/-)	1 346	0

The recovery of rental-related charges relates mainly to the invoicing of insurance premiums concerning the abandonment of recourse which are contained in most of the fire policies of the buildings, as well as certain expenses related to the supply of telephone lines.
In the residential sector, the property tax is paid by the lessor for all main place of residence leases. Invoicing of property tax and taxes relates therefore mainly to commercial spaces and offices.

Note 6: TECHNICAL COSTS

	2012	2011
IX. Technical costs (-)		
A. Recurrent technical costs		
1. Repairs	**-873 485**	**-705 734**
3. Insurance premiums	**-103 571**	**-94 327**
B. Non-recurrent technical costs		
1. Major repairs (companies, architects, engineering,...)	**-218 951**	**-138 532**
2. Indemnification of accidents by insurers	**38 081**	**15 283**

In its provisional annual budget, Home Invest Belgium defines a specific maintenance and renovation policy for each of its buildings, to keep them in line with the demands of the rental market. Technical costs occur most often upon tenant departures.

Note 7: COMMERCIAL COSTS

	2012	2011
X. Commercial costs (-)		
A. Agency and experts' fees	-314 983	-404 319
C. Lawyers' fees, legal costs	-167 559	-137 022

Home Invest Belgium's usual policy is to use specialised estate agents in order to market its property portfolio to the best advantage. As part of its decision to insource base activities, the company successfully undertook during 2012 the marketing of its Odon Warland-Bulins project, with its in-house team. This situation explains a substantial part of the decrease in this item in 2012.

Note 8: TAXES AND CHARGES ON UNLET PROPERTIES - MANAGEMENT COSTS

	2012	2011
XI. Taxes and charges on un-let properties (-)	**-156 258**	**-358 203**
XII. Property management costs (-)		
A. Managers' fees	-57 269	-85 645
B. (Internal) property management costs	-1 940 556	-1 653 755

The reduction in expenses and taxes relating to unlet properties compared with the 2011 level is the result on the one hand of exceptional adjustments for earlier years recognised in 2011 and on the other hand of the careful, strict management of costs when an apartment becomes empty.

Internal property management expenses comprise primarily personnel costs incurred during the year.

Note 9: GENERAL CORPORATE EXPENSES

	2012	2011
XIV. General corporate expenses (-)	**-648 065**	**-539 388**

General corporate expenses mainly relate to cost for publications, the valuation of the portfolio, technical assessments and the subscription tax.

Note 10: RESULT ON SALE OF INVESTMENT PROPERTIES - CHANGES IN FAIR VALUE OF INVESTMENT PROPERTIES IN OPERATION

	2012	2011
XVI. Result on sale of investment properties (+/-)		
A. Net sales of properties (sales price – selling costs)	12 462 547	7 802 862
B. Accounting values of the properties sold	-9 627 122	-5 706 313
XVIII. Changes in fair value of investment properties (+/-)		
A. Positive changes in the fair value of investment properties	7 444 387	9 586 939
B. Negative changes in the fair value of investment properties	-2 016 741	-307 412
C. Positive changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	107 234	19 585
D. Negative changes in the estimated transfer costs and rights intervening in case of hypothetical alienation of investment property	-1 677 933	-2 849 864

The result on the sale of investment properties results from the sale of buildings. Complete details on the sales and the realized capital gains are presented in the Management report.
We remind that the result on the sale of investment properties is accounted for as the difference between the sales price minus the expenses related to the conclusion of these sales (heading XVI.A.) and the latest fair value recorded for the asset in question (heading XVI.B.)

In accordance with article 27 §1 - § 1 of the Royal Decree of 7 December 2010 and annex C, the distributable capital gains realized on property during the financial year are calculated in comparison with the acquisition value increased by the capitalized investment expenses. On 31/12/2012, the realized distributable capital gain thus amounted to € 2 698 320 (compared to the acquisition value), while the realized capital gain compared to the latest fair value amounted to € 2 835 426.

Note 11: FINANCIAL INCOME

	2012	2011
XX. Financial income (+)		
A. Interest and dividends received	19 880	91 521
B. Lease-financing and similar payments	94 468	97 220

Interest and dividends received come exclusively from the short-term deposit of cash surpluses. The Lease-financing payments relate to the leasings described in Note 19.

Note 12: INTEREST CHARGES

	2012	2011
XXI. Net interest charges (-)		
A. Nominal interest on borrowings	-1 120 296	-1 385 575
C. Income from allowed hedges		
1. Allowed hedges to which hedge accounting as defined by IFRS is applied	-1 815 507	-1 411 502

The charges resulting from hedging instruments relate to the difference between the fixed interest rate paid for the IRS purchased subsequently and the variable interest rates in effect during the course of the financial year. For more detail on the financial debt structure, please refer to Note 24.

Note 13: OTHER FINANCIAL CHARGES

	2012	2011
XXII. Other financial charges (-)		
A. Bank charges and other fees	-50 747	-34 754
XXIII. Changes in fair value of financial assets and liabilities (+/-)		
A. Allowed hedges		
1. Allowed hedges to which hedge accounting as defined by IFRS is applied	-3 124 636	-1 423 915

The changes in fair value of financial assets relate to hedges considered as ineffective according to the application of IAS 39, and are consequently accounted for in the income statement. This purely latent charge is excluded in the calculation of the distributable result.

Note 14: INCOME TAXES

	2012	2011
XXIV. Income taxes (-)	**-16 944**	**-7 814**

Note 15: INTANGIBLE ASSETS

	2012	2011
Intangible assets, beginning of the financial year	**7 623**	**8 349**
1. Gross value	30 250	30 250
2. Accumulated amortization (-)	-22 627	-21 901
Investments (-)	-1 815	-726
Intangible assets, end of the financial year	**5 808**	**7 623**
1. Gross value	30 250	30 250
2. Accumulated amortization (-)	-24 442	-22 627

Intangible assets consist solely of the WinIris real estate software. This asset is amortized on a straight-line basis over a 5-year useful life. The amortization is accounted for under heading XII "Property management costs" of the income statement.

Note 16: INVESTMENT PROPERTIES

	2012	2011
Investment properties, balance at the beginning of the financial year	**256 558 091**	**233 344 258**
Development projects		
Investments – development projects	1 122 412	13 263 818
Other withdrawals	-30 000	
Completion of development projects	-18 314 764	-5 729 191
Acquisitions by the regrouping of companies		
Investment properties		
Transfers to development projects (-)		
Completion of buildings under construction (-)	18 314 764	5 729 191
Acquisition of buildings	0	16 105 824
Capitalized subsequent expenses	664 629	624 064
Gains (losses) from fair value adjustments	3 856 947	6 449 248
Other increase (decrease)		
Disposals (-)	-9.627.122	-5.706.313
Transfer to assets held for sale (-)	-9.826.748	-7.522.808
Investment properties, closing balance at the end of the financial year	**242 718 209**	**256 558 091**

The above table shows the changes in investment properties during the year under review. The balance under each heading at year end is as follows:

	2012	2011
Development projects	241 835 640	238 453 170
Investment properties	882 568	18 104 920
Investment properties, balance at year end	**242 718 208**	**256 558 090**

The only development project at the 2012 year end is the property comprising 6 apartments being renovated at 21 rue Belliard, Brussels. Development projects handed over during 2012 were the Adagio Access Brussels Europe and Odon Warland/Bulins buildings; detailed notes on these projects are contained in the Management report.

The Board of Directors has chosen a number of properties to sell as part of its investment management policy; these are recognised in assets held for sale.

Note 17: DEVELOPMENT PROJECTS

We remind that the development projects are included among the investment properties in Note 16.

Note 18: OTHER TANGIBLE ASSETS

	2012	2011
Other tangible assets, balance beginning of period	**200 744**	**41 094**
1. Gross value	249 599	190 683
2. Accumulated depreciation (-)	-48 856	-149 589
Investments	26 279	185 519
Sales (-)	0	-126 602
Depreciation (-)	-65 048	-25 869
Transfer depreciation (+)	0	126 602
Other tangible assets, closing balance end of period	**161 975**	**200 744**
1. Gross value	275 879	249 599
2. Accumulated depreciation (-)	-113 904	-48 856

The other tangible assets relate exclusively to the operating assets.

Note 19: FINANCE LEASE RECEIVABLES

	2012	2011
Receivables after 5 years	446 887	582 639
Receivables after one year and within 5 years	629 865	599 492
Receivables within one year	105 379	98 890
Total	1 182 131	1 281 021

The finance lease receivables relate to the Rue de Belgrade building in Forest and Résidence Lemaire in Molenbeek.

Brief description of the contracts:

- Rue de Belgrade: long-term lease (Sept. 1999-Aug. 2026);
  operation treated for accounting purposes as a real estate leasing contract;
  valuation on 31/12/2012 :
  - short and long-term receivables: € 734 025.72
  - purchase option: € 273 777.78 (fair value)

- Résidence Lemaire: real estate leasing contract (Dec. 2003-Nov. 2018);
  valuation on 31/12/2012 :
  - short and long-term receivables: € 448 105.30
  - purchase option: € 91 555.56 (fair value)

Note 20: ASSETS SOLD

	2012	2011
Sale prices (excl. costs)	12 462 547	7 802 862
Latest fair value	-9 627 122	-5 706 313
Realized capital gain	2 835 426	2 096 549
Distributable realized capital gain	2 698 320	2 349 547

Note 21: AMOUNTS RECEIVABLE

	2012	2011
Tenants	847 147	520 940
Other	1 592 814	102 547
Realized sales	2 340 000	3 494 874
Total	4 779 961	4 118 361

Trade receivables consist of rental payments still receivable from tenants. These rents are payable in advance. Furthermore, following the signing of different sales agreements at the end of 2012; on 31/12/2012 Home Invest Belgium had receivables of € 2 340 000 that will be paid beginning of 2013, upon enactment of the notarized deeds of sale.

Other receivables comprise primarily an instalment of € 1 500 000 paid in the context of the acquisition of the property portfolio at Louvain-la-Neuve (see “Management report”).

	2012	2011
Recoverable property and other taxes	6 843	710 903
Working capital payments	1 299 984	1 189 089
Other	0	28 592
Total	1 306 827	1 928 583

Working capital payments are the funds made available to building managers and agents (syndics) to enable them to financially assume the management of the common expenses of the investment properties.

Note 22: CASH AND CASH EQUIVALENTS

	2012	2011
Cash in hand	6	161
Bank balances	2 634 182	1 700 958
TOTAL	2 634 188	1 701 118

Note 23: DEFERRALS AND ACCRUALS

	2012	2011
Accrued property income	11 051	11 666
Prepaid property charges	58 854	9 423
Other	132 776	101 747
TOTAL	202 681	122 836
Property income received in advance	354 738	342 633
Interest and other accrued charges	302 305	130 943
Other	0	381
TOTAL	657 043	473 957

Note 24: FINANCIAL ASSETS AND LIABILITIES

	2012	2011
Hedging instruments	0	55
Other financial assets	51 517	37 700
Total	51 517	37 755

The figures in the table below relate solely to debts to financial institutions:

	2012	2011
Current financial liabilities at up to 1 year	15 700 000	21 715 000
Non-current financial liabilities at 1 to 5 years	39 550 000	58 690 000
Non-current financial liabilities at more than 5 years	25 000 000	698 750
Total	80 250 000	78 536 293

The table below shows the credit lines of credit opened with each bank, the average maturity and the credit lines maturing in 2013.

Credit lines

Bank	Amount of credit line (€)	Amount drawn (€)	Average duration	Lines maturing in 2013 (€)
BELFIUS	20 750 000	20 750 000	1 year, 349 days	0
BNP	54 030 000	41 200 000	3 years, 125 days	12 500 000
ING	24 540 000	3 300 000	1 year, 84 days	12 540 000
LBLUX	15 000 000	15 000 000	4 years, 320 days	0
Total	**114 320 000**	**80 250 000**	**2 years and 306 days**	**25 040 000**

Interest rate hedging instruments are mainly IRS (Interest Rate Swaps), which exchange floating interest rates for fixed rates. As at 31 December 2012, total IRS hedges amounted to € 91 750 000. Home Invest Belgium also has a tunnel comprising a Floor and a double Cap, for an amount of € 10 000 000.

Hedging instruments

Bank	Amount	Type	Interest rate	Maturity
BELFIUS	10 000 000	Collar	Floor 3.85% - Cap 4.85% - Cap 5.50%	10/07/13
BELFIUS	15 000 000	IRS Collable	2.82%	17/06/14
BELFIUS	11 750 000	IRS	2.635%	30/10/14
BNP	25 000 000	IRS	1.37%	20/05/18
ING	20 000 000	IRS	2.37%	16/12/15
ING	20 000 000	IRS	2.33%	29/06/18
Total	101 750 000		Average duration	3 years, 169 days

Home Invest Belgium's prudent hedging policy enabled it to obtain an average interest rate of 3.53% for the year, including bank margin and hedging costs, compared with 3.88% for the previous year.
Given the prudent financial structuring of its debt, combined with its very low debt ratio, Home Invest Belgium has only a limited exposure to fluctuations in market interest rates.

In accordance with IAS39, the negative value of financial instruments as at 31 December 2012 is recognised in liabilities under heading I.C. "Other non-current financial liabilities" at a total amount of - € 7 260 647. The counter-part is recognised as follows:

Fair value of financial instruments as at 31/12/2012	In shareholders' equity under the heading "d. Reserve from the balance of changes in fair value of authorised hedges to which hedge accounting according to IFRS is applied (+/-)"	In the income statement under heading XXIII "Changes in fair value of financial assets and liabilities (+/-)"	In shareholders' equity under the heading "n. Income brought forward from previous years (+/-)"
Effective instruments	-961 793		
Ineffective instruments (change in 2012)		-1 392 658	
Ineffective instruments at previous year end (1)			-2 177 237
3 IRS declared effective in 2011 and			
- reclassified as ineffective in 2012		-1 552 163	
- to be reclassified as ineffective in 2013 and 2014	-996 982		
- variation in 2012 (2)		-179 812	
Total	-1 958 774	-3 124 634	-2 177 237
Overall total	-7 260 645		

(1) The changes in fair value in previous financial years recognised in the income statement have since been assigned to Earnings brought forward from previous years.

(2) The 3 IRS in question having been declared ineffective, the change in fair value during the 2012 financial year is recognised in full in the income statement.

Accounting:

Credit lines are recognised in "Non-current and current financial debts".

Note 25: TRADE DEBTS AND OTHER CURRENT DEBTS

	2012	2011
TRADE DEBTS AND OTHER CURRENT DEBTS		
Suppliers	1 470 048	7 332 277
Tenants	482 924	358 551
Tax, salary, social security	533 621	450 169
Exit Tax	0	65 423
Total	2 486 593	8 206 419
OTHER CURRENT LIABILITIES		
Dividends	34 981	116 910
Other	519 525	402 262
Total	554 506	519 171

Trade payables as at 31 December 2011 included an invoice to be received for progress on the Rue de l'Industrie construction site (Hotel Adagio Access Brussels Europe); this invoice was received and paid in 2012, which explains the net decrease in this item in 2012.

Dividends relate solely to earlier dividends not yet claimed by shareholders.

The other current liabilities relate to the provisions for charges paid by tenants.

Note 26: CAPITAL, SHARE PREMIUM ACCOUNT AND RESERVES

Evolution of Issued Capital:

Date	Evolution of company capital	Nature of the operation	Issue price	Number of shares issued / existing
4/07/1980	1 250 000 BEF	Constitution of SA Philadelphia	BEF 1 000	1 250
1983	6 000 000 BEF	Capital increase	BEF 1 000	6 000
13/04/1999	-	New representation of capital (by division)	-	26 115
1/06/1999	1 373 650.000 BEF	Contribution of properties and ...	-	-
1/06/1999	10 931 BEF	Iincrease of capital in cash (rounded)	BEF 1 411.89	972 919
1/06/1999	1 500 000 BEF	Merger of SA Socinvest	-	97 078
1/06/1999	-71 632 706 BEF	Capital reduction to discharge debts	-	-
Total at 01/06/1999	**€ 32 493 343.44**			**1 103 362**
09/04/2001	€ 62 000.00	Merger SA Mons Real Estate	€ 32.00	35 304
Total at 31/05/2001	**€ 32 555 343.44**			**1 138 666**
31/05/2002	€ 151 743.90	Merger of SA Les Résidences du Quartier Européen	€ 34.78	4 471
Total at 31/05/2002 at 31/05/2003	**€ 32 707 087.34**			**1 143 137**
15/12/2003	€ 5 118 338.36	Contribution of properties by AXA Belgium	€ 44.13	178 890
15/12/2003	€ 4 116 712.93	Contribution of properties by TRANSGA	€ 44.13	143 882
15/12/2003	€ 7 861.37	Incorporation of part of the Share Premium account	-	-
Total at 31/05/2004	**€ 41 950 000.00**			**1 465 909**
12/05/2005	€ 3 472.00	Merger with SA 205 Rue Belliard	€ 51.01	3 220
12/05/2005	€ 4 737.66	Merger with SA Patroonshuis	€ 51.01	3 324
Total at 31/12/2005	**€ 41 958 209.66**			**1 472 453**
22/05/2006	€ 915 214.47	Merger with SA Immobilière du Prince d'Orange	€ 50.32	76 000
5/10/2006	€ 9 978 110.03	1st capital increase	€ 51.00	360 378
13/10/2006	€ 7 171 221.48	2nd capital increase	€ 51.00	259 002
Total at 31/12/2006	**€ 60 022 755.64**			**2 167 833**
24/05/2007	€ 275 043.48	Merger with SA Immobilière Van Volxem	€ 57.90	5 000
24/05/2007	€ 3 185.77	Merger with SA Investim	€ 57.90	5 824
Total at 31/12/2007	**€ 60 300 984.89**			**2 178 657**
23/05/2008	€ 10 062 486.49	Partial demerger of SA VOP	€ 50.00	622 632
23/05/2008	€ 29 000.00	Merger with SA JBS	€ 50.00	2 088
Total at 31/12/2008	**€ 70 392 471.38**			**2 803 377**
29/05/2009	€ 1 246 937.97	Merger with SA Les Erables Invest	€ 49.55	25 165
Total at 31/12/2009	**€ 71 639 409.35**			**2 828 542**
Total at 31/12/2010	**€ 71 639 409.35**			**2 828 542**
31/01/2011	€ 122 708.91	Partial demerger of SA Masada	€ 59.72	102 792
23/12/2011	€ 5 584.90	Mixed demerger of SA Urbis	€ 63.32	6 318
23/12/2011	€ 2 633 518.75	Partial demerger of SA VOP	€ 62.91	118 491
Total at 31/12/2011	**€ 74 401 221.91**			**3 056 143**
Total at 31/12/2012	€ 74 401 221.91			3 056 143

On 31/12/2012, 12 912 treasury shares were held by Home Invest Management and these shares were accounted for at € 757 322.67 or € 58.65 per share, i.e. at the same level as their acquisition value.

Note 27: CONSOLIDATION SCOPE

Name	Enterprise nr.	Country of origin	Direct or indirect shareholding	Annual accounts dd.
In 2012				
Home Invest Belgium SA	0420.767.885	Belgium	-	31/12/2012
Home Invest Management SA	0466.151.118	Belgium	100%	31/12/2012
In 2011				
Home Invest Belgium SA	0420.767.885	Belgium	-	31/12/2011
Home Invest Management SA	0466.151.118	Belgium	100%	31/12/2011
Belliard 21 SA	0807.568.451	Belgium	100%	31/12/2011

For information, the public limited liability company Belliard 21 was merged by absorption on 9 October 2012.
All the companies that are part of the consolidation scope are domiciled in Belgium at Bd. de la Woluwe, 60, 1200 Brussels.

With the exception of the remuneration of the Managing director (see “Management report” - “Corporate Governance Statement”) there have been no transactions with related parties within the meaning of IAS 24.

STATUTORY ACCOUNTS[1]

Statutory balance sheet (IFRS)

	31/12/2012	31/12/2011
Assets		
I. Non-current assets	**244 012 261**	**252 072 559**
B. Intangible assets	5 808	7 623
C. Investment properties	242 718 208	244 298 170
D. Other tangible assets	161 975	200 744
E. Non-current financial assets	49 518	392 180
F. Finance lease receivables	1 076 752	1 182 131
G. Trade receivables and other non-current assets	0	5 991 711
II. Current assets	**27 323 460**	**16 436 816**
A. Assets held for sale	17 349 556	7 522 808
C. Finance lease receivables	105 379	98 890
D. Trade receivables	4 797 783	4 270 783
E. Tax receivables and other current assets	2 294 723	2 922 527
F. Cash and cash equivalents	2 573 339	1 498 972
G. Deferred charges and accrued income	202 681	122 836
TOTAL ASSETS	271 335 721	268 509 374
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 (+/-)	89 451 446	85 319 968
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
m. Other reserves (+/-)	1 781 255	1 781 255
n. Result carried forward from previous financial years (+/-)	11 529 255	7 740 810
D. Net result of the financial year	11 296 078	15 005 663
SHAREHOLDERS' EQUITY	**179 628 267**	**176 519 353**
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	**19 896 808**	**27 874 833**
B. Current financial debts	16 162 666	24 926 363
D. Trade debts and other current debts	2 522 593	1 955 342
E. Other current liabilities	554 506	519 171
F. Accrued charges and deferred income	657 043	473 957
Liabilities	91 707 455	91 990 022
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	271 335 721	268 509 374
Number of shares at end of period	3 056 143	3 056 143
Net asset value	179 628 267	176 519 353
Net asset value per share	**58.78**	**57.76**
EPRA NAV[2]	60.44	59.06
Indebtedness	83 789 765	86 789 626
Debt ratio	**30.88%**	**32.32%**

(1) Home Invest Belgium's statutory annual financial statements have been prepared in accordance with IFRS standards since 1 January 2005. They are presented in an abridged version, in accordance with article 105 of the Belgian Companies Act. The detailed statutory financial statements will be lodged with National Bank following the Ordinary General Meeting. They are also available upon request from the company's registered office.

(2) "EPRA NAV" corresponds to the Net Asset Value adjusted to exclude, inter alia, the fair value of financial hedging instruments.

Statutory income statement (IFRS)

	31/12/2012	31/12/2011
I. Rental income (+)	16 785 431	15 724 617
III. Rental-related expenses (+/-)	-312 211	-188 448
NET RENTAL RESULT	**16 473 220**	**15 536 169**
IV. Recovery of property charges (+)	116 604	83 656
V. Recovery of charges and taxes normally borne by the tenant on let properties (+)	404 700	400 830
VII. Charges and taxes normally borne by the tenant on let properties (-)	-1 614 627	-1 539 045
VIII. Other rental income and expenses (+/-)	1 346	0
PROPERTY RESULT	**15 381 243**	**14 481 610**
IX. Technical costs (-)	-1 153 603	-920 327
X. Commercial costs (-)	-482 542	-541 340
XI. Taxes and charges on unlet properties (-)	-156 258	-358 203
XII. Property management costs (-)	-1 958 648	-1 662 064
PROPERTY COSTS	***-3 751 050***	***-3 481 934***
PROPERTY OPERATING RESULT	**11 630 192**	**10 999 676**
XIV. General corporate expenses (-)	-648 065	-538 859
OPERATING RESULT BEFORE PORTFOLIO RESULT	**10 982 127**	**10 460 817**
XVI. Result sale investment properties (+/-)	2 835 426	2 096 549
XVIII. Changes in fair value of investment properties (+/-)	3 241 861	6 449 248
OPERATING RESULT	**17 059 414**	**19 006 614**
XX. Financial income (+)	624 539	526 347
XXI. Net interest charges (-)	-3 196 367	-3 067 817
XXII. Other financial charges (-)	-49 940	-27 752
XXIII. Changes in fair value of financial assets and liabilities (+/-)	-3 124 636	-1 423 915
FINANCIAL RESULT	***-5 746 403***	***-3 993 137***
PRE-TAX RESULT	**11 313 011**	**15 013 477**
XXIV. Corporation tax (-)	-16 932	-7 814
TAXES	***-16 932***	***-7 814***
NET RESULT	**11 296 078**	**15 005 663**
NET RESULT PER SHARE	**3.70**	**5.13**
Average number of shares	3 056 143	2 925 845
NET CURRENT RESULT (excluding the items XVI. XVII. XVIII and XIX.)	5 218 791	6 459 867
NET CURRENT RESULT PER SHARE (excluding the items XVI. XVII. XVIII and XIX.)	**1.71**	**2.21**
NET CURRENT RESULT EXCLUDING IAS 39 (excluding the items XVI. XVII. XVIII XIX. and XXIII.)	8 343 427	7 883 782
NET CURRENT RESULT EXCLUDING IAS 39 PER SHARE (excluding the items XVI. XVII. XVIII XIX. and XXIII.)	**2.73**	**2.69**
PORTFOLIO RESULT (XVI. to XIX.)	6 077 287	8 545 797
PORTFOLIO RESULT PER SHARE (XVI. to XIX.)	**1.99**	**2.92**
DISTRIBUTABLE RESULT	11 239 398	10 374 550
DISTRIBUTABLE RESULT PER SHARE	**3.68**	**3.55**
Operating margin (Operating result before the portfolio result) / Property result	71.40%	72.24%
Operating margin before tax (Pre-tax result – portfolio result) / Property result	34.04%	44.66%
Net current margin (Net result – portfolio result) / Property result	33.93%	44.61%
Proposed dividend	3.25	3.00
Payout ratio	88.37%	84.61%

AUDITOR'S REPORTS

1. ON THE CONSOLIDATED FINANCIAL STATEMENTS

HOME INVEST BELGIUM SA
60 Boulevard de la Woluwe bte 4
1200 BRUXELLES
Registration no.: BE 0420.767.885

AUDITOR'S REPORT TO THE GENERAL MEETING OF THE SHAREHOLDERS OF HOME INVEST BELGIUM SA ON THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2012

As required by law, we provide you with this report pursuant to our appointment as auditor. The report includes our opinion on the financial position of the consolidated entity as at 31 December 2012, the comprehensive income of the consolidated entity, the changes in the shareholders' equity in the consolidated entity and the cash flow of the consolidated entity for the financial year ending on 31 December 2012 and the notes to the financial statements, as well as the required supplementary statement.

Report on the consolidated financial statements – unqualified audit opinion

We have audited the consolidated financial statements for the financial year ending on 31 December 2012, prepared on the basis of International Financial Reporting Standards as adopted by the European Union and in which the balance sheet total is € 270 392 851 and the income statement for the financial year shows earnings of € 11 631 985.

Responsibility of the management board in relation to the preparation of the consolidated financial statements

The management board is responsible for the preparation of consolidated financial statements presenting a true picture in accordance with International Financial Reporting Standards, and for establishing the internal control procedures which it considers necessary for the preparation of consolidated financial statements that are free from significant anomalies, whether resulting from fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on the consolidated financial statements based on our audit. We conducted our audit in accordance with international standards on auditing (ISA). These standards require us to comply with ethical requirements and to plan and perform the audit with a view to obtaining reasonable assurance that the consolidated financial statements do not contain significant anomalies. An audit involves implementing procedures designed to gather items of proof relating to the figures and information provided in the consolidated financial statements. The auditor is responsible for the choice of procedures implemented, including the assessment of the risks that the consolidated financial statements contain significant anomalies, whether resulting from fraud or error. In making this risk assessment, the auditor takes into account the entity's internal controls in relation to the preparation of consolidated financial statements presenting a true picture, in order to identify appropriate control procedures depending on the circumstances, and not with the aim of expressing an opinion on the effectiveness of the entity's internal controls. An audit also involves assessing the appropriateness of the accounting policies adopted, the reasonableness of the accounting assumptions made by the management board and the overall presentation of the consolidated financial statements. The management board and executive officers of the entity provided us with the explanations and information necessary for our audit.

We believe that the items of proof gathered are sufficient and appropriate to provide a basis for our opinion.

Unqualified audit opinion

In our opinion, the consolidated financial statements of the company Home Invest Belgium SA as at 31 December 2012 give a true picture of the assets and financial position of the consolidated entity, and of its earnings and cash flow for the financial year ending on that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory obligations

The management board is responsible for the preparation and content of the management commentary on the consolidated financial statements.

Our responsibility pursuant to our appointment is to check compliance with all significant aspects of certain legal and regulatory obligations. Based on this, we make the following supplementary statement, which does not alter the scope of our opinion on the consolidated financial statements:

The management commentary on the consolidated financial statements and sections 1 and 7 of the 2012 annual financial report, which form part of the management commentary on the consolidated financial statements, deal with the information required by law, are in agreement with the consolidated financial statements and do not contain any significant inconsistencies with the information which we have found pursuant to our appointment.

Antwerp, 27 March 2013

Karel Nijs
Company auditor and auditor certified by the FSMA for the UCI's
Auditor

AUDITOR'S REPORTS

2. ON THE STATUTORY FINANCIAL STATEMENTS

HOME INVEST BELGIUM SA
60 Boulevard de la Woluwe bte 4
1200 BRUXELLES
Registration no.: BE 0420.767.885

AUDITOR'S REPORT TO THE GENERAL MEETING OF THE SHAREHOLDERS OF HOME INVEST BELGIUM SA ON THE ANNUAL FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDING ON 31 DECEMBER 2012

As required by law and by the articles of association, we provide you with this report pursuant to our appointment as auditor. The report includes our opinion on the financial position of the company as at 31 December 2012, the comprehensive income of the company, the changes in the shareholders' equity in the company and the cash flow of the company for the financial year ending on 31 December 2012 and the notes thereto, as well as the required supplementary statements.

Report on the annual financial statements – unqualified audit opinion

We have audited the annual financial statements for the financial year ending on 31 December 2012, prepared on the basis of International Financial Reporting Standards as adopted by the European Union and in which the balance sheet total is € 271 335 721 and the income statement for the financial year shows a profit of € 11 296 078.

Responsibility of the management board in relation to the preparation of the annual financial statements

The management board is responsible for the preparation of annual financial statements presenting a true picture in accordance with International Financial Reporting Standards, and for establishing the internal control procedures which it considers necessary for the preparation of annual financial statements that are free from significant anomalies, whether resulting from fraud or error.

Responsibility of the auditor

Our responsibility is to express an opinion on the annual financial statements based on our audit. We conducted our audit in accordance with international standards on auditing (ISA). These standards require us to comply with ethical requirements and to plan and perform the audit with a view to obtaining reasonable assurance that the annual financial statements do not contain significant anomalies.

An audit involves implementing procedures designed to gather items of proof relating to the figures and information provided in the annual financial statements. The auditor is responsible for the choice of procedures implemented, including the assessment of the risks that the annual financial statements contain significant anomalies, whether resulting from fraud or error. In making this risk assessment, the auditor takes into account the entity's internal controls in relation to the preparation of annual financial statements presenting a true picture, in order to identify appropriate audit procedures depending on the circumstances, and not with the aim of expressing an opinion on the effectiveness of the entity's internal controls. An audit also involves assessing the appropriateness of the valuation rules adopted, the reasonableness of the accounting assumptions made by the management board and the overall presentation of the annual financial statements.

The management board and executive officers of the entity provided us with the explanations and information necessary for our audit.

We believe that the items of proof gathered are sufficient and appropriate to provide a basis for our opinion.

Unqualified audit opinion

In our opinion, the annual financial statements give a true picture of the assets and financial position of the company as at 31 December 2012 and of its earnings and cash flow for the financial year ending on that date, in accordance with International Financial Reporting Standards as adopted by the European Union.

Report on other legal and regulatory obligations

The management board is responsible for the preparation and content of the management commentary, compliance with the legal and regulatory requirements applicable to book-keeping and compliance with the Belgian Companies Act and the company's articles of association.

Our responsibility pursuant to our appointment is to check compliance with all significant aspects of certain legal and regulatory provisions. Based on this, we make the following supplementary statements, which do not alter the scope of our opinion on the annual financial statements:

- The management commentary and sections 1 and 7 of the 2012 annual financial statements, which form part of the management commentary deal with the information required by law, are in agreement with the consolidated financial statements and do not contain any significant inconsistencies with the information which we have found pursuant to our appointment.
- Without prejudice to formal aspects of minor importance, the books are kept in accordance with the legal and regulatory provisions applicable in Belgium.
- The appropriation of the earnings proposed to the General Meeting is in accordance with the legal provisions and the articles of association.
- We have found nothing to report in terms of transactions concluded or decisions taken in contravention of the articles of association or the Belgian Companies Act.

Antwerp, 27 March 2013

Karel Nijs
Company auditor and auditor certified by the FSMA for the UCI's
Auditor

LOUVAIN-LA-NEUVE

6 PERMANENT DOCUMENT

PERMANENT DOCUMENT

GENERAL INFORMATION

Company name	Home Invest Belgium SA, a Belgian "Société d'Investissement à Capital Fixe en Immobilier" (closed-end REIT) or Belgian "Sicaf Immobilière" (Belgian "Sicafi").
Legal type	A Belgian public limited liability company ("Société anonyme" - SA)
Register of Legal entities (RPM)	The company is registered at the Registry of Legal Entities ("RPM") under No. 0420.767.885.
Registered office	B – 1200 Bruxelles, boulevard de la Woluwe 60 – Boîte n°4
Telephone number	0032 (0)2 740 14 50
Website	www.homeinvestbelgium.be
Incorporation	The company was incorporated on 4 July 1980 under the name of "Philadelphia SA", via a deed executed before notary Daniel Pauporté in Brussels, published in the annex of the Belgian Official Gazette on 12 July 1980 under No. 1435-3. The articles of association were amended on several occasions, most recently, by minutes drawn up by notary Louis-Philippe Marcelis on 23 December 2011, published in the annex of the Belgian Official Gazette on 17 January 2012 under Nos. 0014318 and 0014319.
Duration	The company is incorporated for an unlimited period of time
Company purpose	The company purpose is reproduced hereafter in full, in article 3 of the Coordinated articles of association. It essentially consists of any collective investment of the public's financial resources in real estate
Changes of the company purpose and investment policy	The company can only make any changes to its company purpose or to its investment policy, as reproduced in article 4 of the articles of association, in conformity with its articles of association and provided that said changes are consistent with the laws and regulations applicable to Sicafi.
Financial year	The financial year begins on 1 January and ends on 31 December
Places where the documents accessible to the public can be consulted	• The company's articles of association can be consulted at the registry of the Brussels commercial court and on the company's website. • The company's deed of constitution can be consulted at the registry of the Brussels commercial court and at the company's registered office. • The annual financial statements are filed at the National Bank of Belgium and can be consulted at the registry of the Brussels commercial court. • Decisions concerning the appointment and revocation of the members of the Board of directors are published in the annexes to the Belgian Official Gazette. • The annual financial reports are available at the registered office or can be consulted on the website. These reports include the real estate expert's report and the auditor's report and are sent every year to the nominative shareholders and to anyone who requests them. Other publications can be obtained at the registered office or by consulting the company's website. Whoever wishes to do so can register free of charge on the website www.homeinvestbelgium.be in order to receive press releases and mandatory financial information by e-mail.

COMPANY CAPITAL

Issued share capital	The company capital on 31 December 2012 stands at € 74 401 221.91. It is represented by 3 056 143 shares without designation of nominal value. The company capital is fully paid-up.
Authorised capital	The Board of Directors is authorised to increase, on one or more occasions, the company capital for an amount of € 74 401 221.91. Under the same conditions the board of directors is authorized to issue convertible bonds or subscription rights. This authorization has been conferred for a duration of five years, beginning on 17 January 2012. These capital increases can be made by subscriptions in cash, contributions in kind or via the incorporation of reserves or issue premiums. On 31 December 2012, the balance of the authorised capital is € 74 401 221.91.

CO-ORDINATED ARTICLES OF ASSOCIATION – EXCERPTS

The complete coordinated articles of association of Home Invest Belgium can be consulted at the Registry of the Brussels commercial court, at the company's registered office and on the website www.homeinvestbelgium.be.

Company purpose (article 3)

I. The main purpose of the company is the collective investment of financial resources obtained from the public in real estate as defined in article 7, 1st paragraph, 5° of the Law of 20 July 2004 and article 2, 20° of the Royal Decree of 7 December 2010.

Real estate is defined as:

i. real estate as defined in articles 517 ff. of the Civil Code as well as real rights exercised on immovable assets;
ii. voting shares issued by real estate companies, exclusively or jointly controlled by the Sicafi;
iii. option rights on real estate;
iv. shares from public or institutional Sicafi, provided that in the latter case, a joint of exclusive control is executed;
v. participation rights in foreign undertakings for collective investment in real estate registered with the list foreseen in article 129 of the law;
vi. participation rights in undertakings for collective investment in real estate established in another member state of the European Economic Area, and not registered with the list foreseen in article 129 of the law, as far as they are subject to a similar supervision as the public Sicafi;
vii. real estate certificates, as foreseen in article 5, § 4, of the Law of 16 June 2006;
viii. the rights deriving from contracts granting one or more assets to the company in the form of financial leasing, or similar rights of use;
ix. along with all other assets, shares or rights as included in the definition given to real estate by the Legislation applicable to Sicafi.

Within the limits of the investment policy as described in article 4 of the articles of association and in accordance with the legislation applicable to Sicafi, the company may, directly, or through a subsidiary:

1. purchase, renovate, develop, let, sub-let, manage, exchange, sell, parcel out and submit to co-ownership immovable assets as described above;
2. acquire and lend financial instruments in accordance with the legislation on Sicafi, and taking into account the provisions of article 4.0 iii b & c of the present articles of association;
3. lease in property, with or without purchase options, in accordance with article 36 of the Royal Decree of 7 December 2010 on Sicafi;
4. lease out property; in accordance with article 37 of the Royal Decree of 7 December 2010 on Sicafi, leasing out property with a purchase option is only allowed as an accessory activity, except if the property's purpose is of public interest, including social housing and education.

II. The company may also, in accordance with the legislation applicable to Sicafi:

1. in accessory fashion or on a temporary basis, invest in securities other than real estate in accordance with the Royal Decree of 7 December 2010 on Sicafi, and own unallocated cash. Such investments and the holding of the aforementioned cash must be the subject of a special decision of the board of directors, justifying their accessory or temporary nature. The ownership of movable assets must be reconcilable with the pursuit, in the short or medium term, of the investment policy as described in article 4 of the articles of association. Said securities must be admitted to listing on a Belgian or foreign regulated market, as foreseen in article 2, 3°, 5° or 6° of the Law of 2 August 2002. Liquid assets may be held in any currency in the form of sight and term deposits, or any money market instrument which can be easily converted into cash;
2. grant mortgages or other sureties or guarantees within the framework of the financing of its real estate activities or those of the group, within the limits and in accordance with the Legislation on Sicafi and taking into account the provisions of article 4.2 iv of these articles of association;
3. grant credit facilities and issue guarantees in favour of a company subsidiary, in accordance with the Legislation on Sicafi and taking into account the provisions of article 4.2 ii of these articles of association.
4. conclude hedges, as far as their only purpose is to cover the interest rate or exchange rate risk, excluding any speculative operation.

The company may acquire, lease in or out, transfer or exchange and, in general, undertake all commercial or financial activities relating to all movable and immovable assets, which relate directly or indirectly to its company purpose, as well as exploit any intellectual rights relating to these assets and activities.
In so far as is compatible with the status of Sicafi, the company may, by means of contributions in cash or in kind, merger, registration, participation, financial intervention or in any other way, acquire shares in companies or enterprises of any kind, existing or to be constituted, in Belgium or abroad, the company purpose of which is identical to its own, or which is such as to promote the achievement of its own company purpose.

Investment policy (article 4.1)

The assets of the company and its potential subsidiaries are invested in property as defined by article 3 of the articles of association.
Collective investments in property are made,

- primarily, in residential buildings designed for housing of people, located in Belgium;
- in an accessory fashion, in residential buildings and health care institutions in the broadest sense, located in member states of the European Union; furthermore, in all other buildings intended for use as, offices, commercial spaces, semi-industrial spaces, storage spaces, located in Belgium and in member states of the European Union;
- finally, in all types of property, such as land, woods and the like, without this list being limitative, provided that these investments contribute to the realization of a primary and/or accessory investment.

Investments in securities, not in accordance with the aforementioned definition of real estate, are valued and executed in accordance with article 35 § 1 of the Royal Decree of 7 December 2010, in accordance with the articles 47 and 51 of the Royal Decree of 4 March 2005 with regard to certain public undertakings for collective investment.

Authorised capital (article 6.2)

The board of directors is expressly authorized to increase the capital of the company, in one or more instalments, up to a maximum of € 74 401 221.91 at dates and according to arrangements to be set by itself, pursuant to article 603 of the Company Law. Under the same conditions the board of directors is authorized to issue convertible bonds or subscription rights.
This authorization is conferred for a period of five years from the date of publication in the annexes to the Official Belgian Gazette of the minutes of the extraordinary general meeting of 23 December 2011.
Whenever capital is increased, the board of directors will set the price, any issue premium and the issue conditions of the new shares, unless the general meeting decides otherwise.
The preferential right of the shareholders can either be limited or lifted in accordance with article 6.4 of the articles of association.
The capital increases decided in this way by the board of directors may be undertaken by subscription in cash or by contributions in kind or by incorporation of reserves or issue premiums, with or without the creation of new shares, or following the distribution of an optional dividend, in each case with due respect for the legal provisions, such increases being able to lead to the issue of voting or non-voting shares. Such capital increases may also take the form of the conversion of convertible bonds or the exercise of subscription rights – attached or not to another security – which can lead to the creation of voting or non-voting shares.
Where the capital increases decided by virtue of this authorization include an issue premium, the amount of such premium, after imputation of any expenses, will be placed in an unavailable account named "issued premium". This will constitute, in the same way as capital, the guarantee towards third parties and may be reduced or abolished only a decision of the general meeting under the conditions for quorum and majority as required for a capital reduction, except if incorporated into capital.

Acquisition of own shares (article 6.3)	The company may acquire its own shares by purchase or take them in pledge under the conditions provided for by law. By decision of the extraordinary general meeting of 23 December 2011, the board of directors is authorized to acquire shares of the company on behalf of Home Invest Belgium, at a price per share equal to at least 80% of the most recent Net Asset Value published prior to the transaction date, and to no more than 105% of said Value, for a period of 5 years from the date of the publication in the annexes to the Official Belgian Gazette of the minutes of the extraordinary general meeting of 23 December 2011, on the understanding that the company may not at any time hold more than 10% of all issued shares. The company is also authorized, with no requirement for any additional prior approval of the general meeting, to acquire by purchase the shares of the company, should such acquisition be necessary to avoid serious and imminent damage to the company. This authorization is granted for a period of three years from the date of publication in the annexes to the Official Belgian Gazette of the minutes of the general meeting of 23 December 2011, and may be extended for equal periods. It is authorized to dispose of the shares acquired by the company, on or off the stock exchange, at conditions set by the board of directors, without prior authorization of the general meeting. The above authorizations extend to acquisitions and disposals of shares in the company by one or more of its direct subsidiaries, within the meaning of the legal provisions relating to the acquisition by subsidiaries of the shares of their parent companies.
Capital increase (article 6.4. – 6.5. – 6.6.)	<u>Article 6.4. – Capital increases by contribution in cash</u> Without prejudice to the articles 592 till 598 of the Company Law, the company's capital may be increased by a decision of the general meeting, or by a decision of the board of directors, within the framework of the authorized capital, taking into account that the rights of preference shareholders can only be limited or lifted as far as an irreducible allocation right is given to the current shareholders when granting new securities. This irreducible allocation right meets the following conditions: 1. it is related to all new securities issued; 2. it is granted to shareholders in relation to their share in the capital at the moment of the capital increase; 3. at latest on the eve of the opening of the public subscription period that has to last for at least three exchange days, the maximum price per share is announced. Without prejudice to the articles 595 till 599 of the Company Law, the aforementioned irreducible allocation right has not to be granted in the case of a contribution in cash with limitation or lifting of the preferential right, as an accessory of a contribution in kind within the framework of the distribution of an optional dividend, as far as the distribution of this dividend is effective to all shareholders. The company may not, directly or indirectly subscribe to its own capital. The general meeting can decide to issue shares without mentioning the par value below the fractional value of the old shares. The convocation to the general meeting should explicitly mention this. With reference to this, in application of article 582 of the Company Law, special reports have to be issued by the board of directors and the auditor, which should also be mentioned in the convocation. In the case of a capital increase with the creation of issue premiums, the total amount of this premium has to be fully paid up at the subscription. After deduction of potential charges, this amount will be transferred to a blocked account, called "issue premium", that will, as it is the case for capital, constitute a third party warranty and can only be reduced or lifted by a decision of the general meeting respecting the quorum and majority conditions required for a capital decrease, subject to its incorporation in capital. <u>Article 6.5. – Capital increase by contribution in kind.</u> The issue of shares against a contribution in kind has to meet the conditions of the articles 601 and 602 of the Company Law. 6.5.1. Furthermore, the following conditions have to be respected according to the Legislation on Sicafi: 1° the contributor's identity must be mentioned in the report referred to in article 602 of the Company Law, and in the notice convening the general meeting called for the increase of capital; 2° The issue price cannot amount to less than the lowest value of (a) a net asset value of at the very most four months prior to the date of the contribution agreement or, depending on the Sicafi's choice, prior to the date of the capital increase deed, and (b) the average closing price during thirty calendar days prior to that same date. If necessary, it can be decided to deduct from the aforementioned amount under 2 (b), an amount that corresponds to the part of the undistributed gross dividend the new shares are potentially not entitled to, providing that the board of directors specifically motivates the amount to be deducted from the accumulated dividend in its special report, and explains the financial conditions of the operation in its annual financial report; 3° Except if the issue price, or in the case of the situation foreseen in article 6.5.3, the exchange rate, as well as the applicable modalities are, at latest on the working day following the conclusion of the contribution agreement, are defined and communicated to the public, mentioning the period during which the capital increase will effectively take place, the capital increase deed will be recorded within a maximum term of four months; 4° The report mentioned in 1° should also mention the impact of the proposed contribution on the situation of existing shareholders, more specifically with regard to their share in the profit, in the net asset value and in the capital, as well as the impact with regard to voting rights; 6.5.2. The conditions of art. 6.5.1. do not apply in the case of a contribution of the right to a dividend within the framework of the distribution of an optional dividend, as far as this is effectively payable to all shareholders. 6.5.3. Article 6.5.1 of these articles of association applies mutatis mutandis to the mergers, demergers and similar operations mentioned in the articles 671 till 677, 681 till 758 and 772/1 of the Company Law. In that case the "date of the contribution agreement" refers to the filing date of the merger or demerger proposal.

Article 6.6. – Capital increase of a subsidiary having the status of an institutional sicafi
In the case of a capital increase of a subsidiary having the status of a listed institutional Sicafi, through a contribution in cash for a price of 10% or more below the lowest value of (a) a net asset value of at the very most four months prior to the start of the issue, or (b) the average closing price during thirty calendar days prior to the start date of the issue, the board of directors establishes a special report; in this report he elaborates on the economic justification of the applied discount, the financial consequences of the operation for the shareholders and the importance of the capital increase for the company. This report, and the valuation rules and methods, are explained by the auditor in a separate report.
For the calculation of the contribution price it is allowed to deduct an amount from the amount mentioned in point (b) of the aforementioned paragraph, that corresponds to the part of the undistributed gross dividend to which the new shares are potentially not entitled, providing that the board of directors specifically motivates the amount to be deducted from the accumulated dividend and explains the financial conditions of the operation in the annual financial report.
In the case of a capital increase of a subsidiary having the status of an unlisted institutional Sicafi, the discount mentioned in subparagraph 1 is only calculated based on a net asset value of at latest four months; all other obligations apply.
This article does not apply to capital increases fully subscribed by the company or its subsidiaries, whose capital is, directly or indirectly, entirely held by the company.

Shares (article 7.1)

The shares are registered shares, bearer shares or dematerialized shares. They are all fully paid up and without nominal value.
The company could issue dematerialized shares by capital increase or by exchange of existing bearer or registered shares. Each shareholder can, at his costs, ask for an exchange into registered or dematerialized shares.
In accordance with the Law of 14 December 2005 annulling bearer shares:

- the bearer shares in bank accounts on 1 January 2008 will automatically be converted into dematerialized shares as from that date;
- the bearer shares held in physical form on 1 January 2008, and listed on an account at a later date, will automatically be converted into dematerialized shares as from their registration date.
- Bearer shares not registered on a bank account as from 31 December 2013 will automatically be converted into dematerialized shares as from 1 January 2014.

In accordance with article 8, § 2, 4° of the Law of 20 July 2004 on certain forms of collective management of investment portfolios, different categories of shares can be created; such a decision will lead to an amendment to these articles of association.
The registered shares are listed in the shareholders' register held at the registered office of the company. Ownership of these shares is exclusively proven by registration to the shareholders' register. Each transfer of these shares can only have an effect after registration of the transfer of these shares in the shareholders' register, dated and signed by the seller and buyer or their proxies, or after having fulfilled the formalities required by law for the transfer of these receivables. Registered registration certificates are delivered to the shareholders.
The shares are indivisible and the company only recognizes one owner per security. If different persons have rights with regard to the same share, the execution of the related rights will be suspended until one single person is indicated as the owner of the security with regard to the company.

Other securities (article 7.2)

At the exception of profit-sharing bonds and similar securities, and subject to specific related legal provisions, the company can issue other securities in accordance with article 460 of the Company Law.

Declaration of transparency (article 8)

Pursuant to the provisions of the law of 2 May 2007 on the publication of important participations in issuers of shares admitted to trading on the stock exchange, any legal or physical person acquiring shares or other financial instruments giving entitlement to a vote, whether or not these represent capital, is required to communicate to the company and to the Financial Services and Markets Authority (FSMA), the number of financial instruments held by it, every time that the voting rights attached to these financial instruments reach either 3% or 5% or a multiple of 5% of the total number of voting rights existing at such time or at the time that circumstances making such communication mandatory present themselves.
This declaration is also mandatory in the event of disposal of securities when, as a result of this disposal, the number of voting rights falls below the thresholds referred to in sub-paragraphs one and two.

Composition of the Board of Directors (article 9)

The company is governed by a Board, composed to the effect of ensuring an autonomous management, in the exclusive interest of the shareholders; it consists of at least 3 and no more than 9 directors, who may or may not be shareholders, and who are appointed for a term of, in principle, four years, by the general shareholders' meeting; the duration of the mandate may never exceed six years; the mandate is revocable at any given moment.
Among the members of the Board of directors the general meeting must appoint at least 3 independent directors. An independent director is defined as one meeting the criteria set out in article 526 ter of the Company Law.
In the event that one or more directorships become vacant, the remaining directors are entitled to fill the vacancy until the next general meeting which will proceed to the definitive appointment. This right becomes an obligation whenever the number of directors effectively in function no longer reaches the statutory minimum.
In the event that a legal person is appointed as director, this person is required to designate a physical person who will represent it in the exercise of its directorship.
All directors and their representatives must possess the professional competence and experience required for this function, and are answerable for the autonomous management of the company.

Representation of the company (article 12)	The company is validly represented in deeds and in law, including deeds requiring the intervention of a public official or a notary public, either by two directors acting jointly or, in the context of day- to-day management, by a person mandated to such management, or, where an executive committee exists, and within the limits of the powers conferred on such executive committee, by two members of the same acting jointly. For all deeds of disposition involving an item of real estate, two directors must always act jointly pursuant to article 9 § 2 of the Royal Decree of 7 December 2010 on Sicafi, except when the operation relates to a building whose value amounts to less than the lowest amount of 1% of the consolidated company assets and € 2.500.000, in which case the company will be validly represented by one single director. In the case the aforementioned values are exceeded, special powers can also be granted to one director; such a power delegation has to take place under the direct supervision, during and after the operation, of the board of directors, and taking into account the fulfilment of the following cumulative conditions: • the board of directors has to effectively control the deeds/ documents signed by the special mandated agent(s) and establish hereto an internal procedure with regard to both the content and the periodicity of the control; • the proxy may only relate to a specific operation or a well- defined number of operations (the mere fact that the operations or number of operations 'can be defined' is not sufficient). General proxies are not authorized; • the relevant limits (e.g. with regard to the price) are specified in the proxy document, and the proxy is given for a specific term, i.e. the period necessary to deal with the operation. The company is also validly bound by two special mandated agents acting within the framework of their mission. The company may be represented abroad by any person expressly appointed by the board of directors. Copies or extracts of the minutes of the general meetings of shareholders and of meetings of the board of directors, including extracts intended for publication in the annexes to the Belgian Official Gazette, are validly signed either by one director, or by a person charged with day-today management or who has been expressly mandated by the board of directors.
General meeting (article 22)	A general meeting, known as the "annual meeting" will be held every year on the first Tuesday of May at 15.00. Where this date falls on a legal holiday, the annual meeting will take place on the next working day, at the same time. An extraordinary general meeting may be convened every time that the interest of the company demands. General meetings may be convened by the board of directors or by the statutory auditor(s), and must be convened when requested by shareholders representing one fifth of the capital of the company. General meetings are held at the company's registered office or at any other place indicated in the letter convening the meeting or in any other way.
General meeting invitation and participation (article 23)	General meetings and extraordinary general meetings are convened by means of an announcement published a single time in the Belgian Official Gazette at least 30 days before the meeting. Except for the annual general meetings taking place at the place, date and time indicated in the articles of association and the agendas of which are limited to the customary subjects, the notice convening the meeting must appear 30 days prior to the meeting in a nationally distributed newspaper and on the company website within the same term. Where a second convening notice is required, and in so far as the date of the second meeting has been indicated in the first convening notice, the deadline for this second meeting is reduced to 17 days before the meeting. The convening notice will mention the agenda of the meeting and the proposed resolutions. Registered shareholders will receive convening notices by recorded delivery mail thirty days prior to the meeting. One or more shareholders representing jointly at least 3% of the registered capital of the company can, in accordance with art. 533 ter of the Company Law, introduce items to be added to the agenda of the meeting, and proposals for decision with regard to items on, or to be added to the agenda. A shareholder taking part in or represented at the meeting is deemed to having been regularly invited. A shareholder may also, before and after the general meeting that he has not attended, renounce invoking the absence or irregularity of the calling of the meeting. To be admitted to the meeting and expressing their votes, shareholders need to register their shares at latest the 14th day prior to the general meeting, at midnight (Belgian time), of by subscription to the register of nominative shareholders, or by subscription by an authorized account holder or a settlement body, or by filing the bearer shares with a financial intermediary, regardless of the amount of shares held by the shareholder on the day of the general meeting. At latest the 6th day prior to the meeting date, the shareholder has to inform the company of his wish to attend. To that end, the financial intermediary, authorized account holder or settlement body provides a certificate to the shareholder proving the number of bearer or dematerialized shares that have been respectively filed, or registered in the name of the shareholder at the registration date, and with which the shareholder wants to participate to the meeting. Owners of nominative shares communicate their wish to participate within the same term to the company, by ordinary mail, fax or e-mail. The company ensures that a register is kept at its office, listing all identified shareholders, by name, address or registered office, the number of shares in their possession at the registration date, and with which they have indicated wanting to participate in the meeting, accompanied by the related proof.

Voting by proxy – voting by mail (article 24)	Any shareholder may have himself represented at a general meeting by a mandated agent, shareholder or not. Mandates have to be communicated to the company in writing, at latest the 6th day prior to the meeting; the notification can be made electronically, within the same term, at the address mentioned in the convocation. Co-owners, usufructuaries and bare owners, pledgors and pledgees must be represented respectively by one and the same person. The company can provide for the possibility to vote in writing or electronically, according to forms and methods that it has established; in any case, the vote expressed in such a way needs to reach the meeting at latest the 6th day prior to it.
Number of votes – abstention (article 28)	A share entitles its holder to one vote. An abstention is considered as a vote against.
Dissolution – liquidation (article 36)	Where the company is dissolved, for whatever reason or at whatever point in time, one or more liquidators appointed by the general meeting or, in the absence of such appointment, the directors in function at that time and acting jointly, are charged with liquidating it. The liquidator(s) only take(s) up office after the confirmation of his (their) appointment by the commercial court. In the absence of other stipulations in the deed of appointment, the persons charged with the liquidation enjoy the widest possible powers to this end, in accordance with the Company Law. The shareholders' meeting determines the form of liquidation and the remuneration of the liquidator(s). The liquidation is concluded according to the provisions of the Company Law..

CHARLES WOESTE (JETTE)

CHARLES WOESTE (JETTE)

SICAFI: TAX REGIME

The information provided below is based on tax legislation and tax practices in force at the time of the drafting of this annual report. It is therefore subject to modification in the future, including with retroactive effect, and is communicated for purely information purposes.

Each shareholder and each potential investor is invited to obtain information on their tax situation from their advisers concerning the tax implications in Belgium and abroad with respect to acquiring, owning and disposing of shares in Home Invest Belgium, and with respect to receiving dividends and proceeds from the company's shares.

Sicafi

The Sicafi (Société d'Investissement à Capital Fixe en Immobilier) is a real estate collective investment body created in 1995, which has a similar status to that of organizations present in other countries: "Real Estate Investment Trusts (REITs)" in the United States, "Fiscale Beleggingsinstellingen (FBI)" in the Netherlands, "Grundwertpapiere" in Germany, and "Sociétés d'Investissements Immobiliers Cotées (SIICs)" in France.
Sicafi was set up by the legislator to ensure that real estate investments would be characterized by unparalleled transparency and to make it possible to distribute as much profit as possible while benefiting from numerous advantages, in particular, from tax advantages.

Its status is currently governed by the Act of 3 August 2012 on certain forms of collective management of investment portfolios and by the Royal Decree of 7 December 2010 on Real Estate Investment Trusts.

Supervised by the Financial Services and Markets Authority (FSMA), the Sicafi is governed by a specific regulation, the main characteristics of which are as follows:

- a fixed capital company;
- Stock Exchange listing with 30% of its shares traded on the market;
- activity limited to real estate investment;
- debt ratio limited to 65% of the market value of the company's assets;
- property portfolios carried at their fair value, without any deprecation;
- diversified portfolio: no more than 20% of total consolidated assets invested in a single property, unless FSMA grants a derogation;
- very strict rules governing conflicts of interest;
- quarterly assessment of assets by an independent expert;
- exempt from corporate tax ("ISOC") – except in the case of non-deductible expenses and exceptional or gratuitous advantages – provided that the Sicafi performs the minimum distribution obligation, as defined in article 27 of the Royal Decree of 7 December 2010;
- specific dispositions with respect to withholding tax for dividends distributed by residential Sicafi such as Home Invest Belgium. Since the new Program law of 27 December 2012, residential Sicafi must have invested at least 80% of their portfolio in residential property situated in a Member State of the European Economic Area, in order to be entitled to the special rate of 15% withholding tax on dividends paid to their shareholders (instead of 25% for the other Sicafi; for further details see below). They have a two-year transition period to comply with this rule, which takes into account the fact that, until the law of 27 December 2012, the threshold was only 60% of the total asset value.

Those companies that apply to the FSMA for their accreditation as a Sicafi or that merge with a Sicafi are subject to a tax (exit-tax[1]), which is treated as a liquidation tax to be paid on the net unrealised gains and on tax-free reserves at the rate of 16.5%, plus the 3% supplementary crisis contribution, totalling 16.995%.

Home Invest Belgium became an accredited Sicafi on 16 June 1999.

1 The method for calculating the exit tax is described in the administrative circular of 23 December 2004 (Reference: AFER No. 43/2004).

DIVIDENDS – tax regime effective as of 1 January 2013[1]

Belgian physical persons	For Belgian physical persons who act in a private capacity and are subject to personal income tax, dividends distributed by Home Invest Belgium are subject to a 15% withholding tax. For Belgian physical persons who act in a professional capacity, received dividends are taxable at the normal tax rate of the personal income tax.
Belgian legal entities	For taxpayers subject to corporate tax, dividends distributed by Home Invest Belgium are subject to a 15% withholding tax.
Belgian tax-resident companies or permanent establishments of non-resident companies	Dividends distributed are subject to a 15% withholding tax. Belgian tax-resident companies or permanent establishments of non-resident companies in Belgium are, in principle, taxed on the dividends of a Sicafi at the corporate tax rate, without applying the “RDT” or revenues already taxed and benefiting from a deduction regime. Thus, the dividend will be taxable in accordance with the corporate tax regime or the tax on non-residents, at the rate of 33.99% (corresponding to the base rate, plus the additional 3% crisis contribution). A reduced rate could be applicable under certain conditions. The 15% withholding tax levied at source can give rise to a tax credit that can be refunded via the tax returns if the amount exceeds the tax due.
Belgian tax-resident companies or permanent establishments of non-resident companies	The dividends distributed by Home Invest Belgium will be levied at source (15% withholding tax) in Belgium, except in cases where a reduced rate is provided for in the double taxation agreement.

1 As of 1 January 2013, there is a 15% withholding tax on dividends from Residential Sicafi (including Home Invest Belgium), whereas they were previously exempt from withholding tax.

Capital gains and losses

Belgian physical persons	In Belgium, the capital gains made by a physical person from the sale of shares as part of the normal management of his private assets are not taxable, and capital losses are not tax-deductible. However, Belgian physical persons can be subject to taxation of 33%, plus additional community taxes, the rate of which depends on the district of residence, if the capital gains made are deemed to fall outside the “normal management of a private estate”. They can also be subject to taxation of 16.5%, plus additional community tax, the rate of which depends on the district of residence, if the shares are sold to a company that has its registered office and its principal place of business or headquarters or central office in a member state of the European Economic Area and the selling shareholder has held more than 25% of the rights over the past five years in the company whose shares have been sold. Belgian physical persons holding these shares within the scope of a professional activity are taxed on the capital gains they make on the sale of shares at the ordinary progressive rates of personal income tax, or at 16.5%, if the shares are held for more than five years.
Belgian legal entities	For Belgian legal entities subject to tax on legal entities, the capital gains made on the sale of Home Invest Belgium shares are not, in principle, taxable in Belgium. Capital losses on shares are not tax- deductible.
Belgian tax-resident companies or permanent establishments of non-resident companies	Capital gains made on a Belgian company’s Home Invest Belgium shares, or on a foreign company’s shares that are allocated to its permanent establishment in Belgium, are fully taxable in Belgium. Capital losses (expressed or realised) are not tax deductible.
Belgian tax-resident companies or permanent establishments of non-resident companies	The citizens of the countries with which Belgium has concluded a double taxation convention are not, in principle, subject to taxation on such capital gains in Belgium. Capital gains made by non-resident physical persons or companies on Home Invest Belgium shares are not taxable in Belgium, in principle. In exceptional cases, a non-resident physical person may be liable to taxation on capital gains made on a family participation of 25% and over, when the shares are sold to a company established outside the European Economic Area. Capital losses are not tax deductible in Belgium.

Tax on stock market transactions

The subscription of new shares (primary market) is not subject to the Tax on Stock Market Transactions ("TOB").

However, the purchase and sale and any other acquisition and sale for valuable consideration in Belgium, via a "professional intermediary", of existing shares (secondary market) is subject to a tax on stock market transactions, since 1 January 2013, it amounts to 0.22% of the transaction price. The amount of the TOB is limited to € 650 per transaction and per party.

The following persons, regardless of the circumstances, are exempted from TOB:

- the professional intermediaries referred to in Article 2, 9° and 10° of the Law of 2 August 2002 concerning the supervision of the financial sector and financial services, acting for their own account;
- the insurance firms referred to in Article 2 § 1, of the Law of 9 July 1975, on the supervision of insurance companies, acting for their own account;
- the pension funds referred to in Article 2 § 3, 6°, of the Law of 9 July 1975 concerning the supervision of insurance firms, acting for their own account;
- the collective investment bodies referred to by the Law of 4 December 1990, acting for their own account; or
- non-residents (provided that they submit an affidavit certifying that they do not reside in Belgium).

Tax on physical delivery of bearer securities

Starting on 1 January 2008, in accordance with the law of 14 December 2005, Home Invest Belgium shares can no longer be physically delivered.

LES ERABLES (WOLUWÉ-SAINT-LAMBERT)

ALLIÉS - VAN HAELEN (FOREST)

STATEMENTS

Financial forecast

This annual financial report contains financial forecasts that are based on estimations and forecasts of the company and on reasonable expectations related to outside events and factors. Financial forecasts are subject to risks and uncertainties that could cause the results, financial position, performance and current achievements to differ from the results, financial position, performance and achievements expressed or implicitly communicated by these forecasts. In view of these uncertain factors, the forward-looking statements are not subject to any guarantee.

Persons in charge

The Chief Executive Officer of Home Invest Belgium SA, Xavier Mertens, is responsible for the information communicated in this annual financial report. He did everything in his power to verify the information contained in the report and declares that after having taken all reasonable measures in this connection, the information contained herein reflects, to the best of his knowledge, the actual situation and that no information likely to alter the scope of this annual financial report has been omitted.

To the best of his knowledge:
- the annual financial statements, drawn up in accordance with applicable accounting standards, provide a faithful image of the assets, financial position and results of Home Invest Belgium and of the companies included in the consolidation;
- the management report contains an accurate description of the business developments, results and the position of Home Invest Belgium and of the companies included in the consolidation, as well as a description of the principal risks and uncertainties facing them.

JOURDAN - MONNAIES (SAINT-GILLES)

GHENT - SOUTH (GHENT)

Statement concerning third-party information

The third-party information published in this annual financial report, such as the real estate expert's report and the auditor's report, have been included with their consent. Home Invest Belgium declares that third-party information has been faithfully reproduced in this annual financial report and provided that the sicafi is aware of it and is able to assure it based on the information published by these third parties, no fact has been omitted that would cause the information reproduced to be inaccurate or misleading.

Historical financial information

The annual financial reports from 2001 onwards (which include the consolidated financial statements, with an abbreviated version of the statutory financial statements, the consolidated management reports, the auditor and surveyor reports) and the half-year reports can be consulted on the website www.homeinvestbelgium.be.

Governmental or other strategy or factor

As regards any governmental, economic, budgetary, monetary or political strategy or factor having had a significant impact or that could have a significant impact, whether directly or indirectly, on the operations of Home Invest Belgium, see the "Risk factors" chapter.

Judicial proceedings and arbitration proceedings in progress

No proceedings have taken place recently, or that could have significant effects on the financial position or profitability of the company.

Statements with regard to the directors and Executive Management

The Board of Directors of Home Invest Belgium declares that to the best of its knowledge:

- during the past five years, none of its directors or members of Executive Management has been found guilty of fraud, or has been the subject of any official offence and/or public penalty and no penalty has been levied by a legal authority or supervisory authority and that, in their capacity as director, they were not involved in a bankruptcy, or placed under compulsory administration or liquidation and that none of its directors and members of the Executive Management have been prohibited by a court from acting as a member of the Board of directors or Executive board, or from participating in the management or administration of Home Invest Belgium's affairs ;
- no employment contract has been concluded with the directors that provides for the payment of compensation at the end of the contract. However, services agreements concluded with the Executive Management contain provisions governing notice and termination compensation (see "Management Report - Corporate Governance Statement" chapter);
- to date, no options have been granted on Home Invest Belgium shares ;
- there are no family ties between the directors, with the only exception of those between Johan and Liévin Van Overstraeten (brothers).

Pro forma financial information

During the year under review no transaction was executed that had an impact of more than 25% on the company's activity indicators, according to the meaning of paragraphs 91 and 92 of the CESR's recommendation on the implementation of European Commission Directive No. 809/2004 on prospectuses.
Thus, the publication of pro forma financial information is not required.

JOURDAN 85 (SAINT-GILLES)

JOURDAN 85 (SAINT-GILLES)

Significant changes since the end of the financial year

Apart from the acquisition of the real estate certificate “Louvain-la-Neuve 1976”, described in the “Management report” above, no significant changes of the financial or commercial position of Home Invest Belgium have taken place since the end of the financial year 2012.

Additional information communicated pursuant to Annex I to Commission Regulation (EC) No. 809/2004:

No restriction needs to be pointed out concerning the use of capital, that has had a significant effect or that could have a significant effect, whether directly or indirectly, on the company’s operations.

Except for the contracts concluded with the members of the Executive Management (see “Management report” – “Corporate Governance Statement”), there are no other services contracts binding the members of the administrative, management or supervisory bodies to the company or to any one of its subsidiaries and providing for the granting of benefits at the end of such a contract.

There have not been any operations with affiliated companies according to the meaning of article 19 of the Commission Regulation (EC) No. 809/2004, except for the signing of a contribution agreement with SA AXA Belgium, relating to a building located Avenue Marcel Thiry at Woluwe Saint Lambert, subject to a number of conditions precedent on 5 July 2012 (see the Management report above).

The significant contracts concluded during the past two financial years of the sicafi are identified in the Management report of this annual financial report, or in that of the year 2011, which can be consulted on the company’s website www.homeinvestbelgium.be

PLACE DU JEU DE BALLE (LASNE)

GIOTTO (EVERE)

GLOSSARY

Effective rent
Is the rent applying on 31 December 2012, on an annual basis, excluding rental guarantees and the estimated rental value on unoccupied spaces.

EPRA
"European Public Real Estate Association". This is an association that brings together stock-listed European real estate companies with the aim of promoting the industry and making it more attractive compared with direct real estate investment thanks by enhancing the liquidity, accessibility and transparency of the companies (www.epra.com).

EPRA NAV
"EPRA NAV" corresponds to the Net Asset Value (NAV) adjusted to exclude, among others, the fair value of hedging financial instruments.

Estimated rental value (ERV)
Is the rental value which the real estate surveyor sees as corresponding to a market rent.

Fair value
The fair value of a building or a portfolio of buildings is equal to its investment value, after deduction of transfer costs, calculated as follows:
- 10 or 12.5%, depending on the Region where the building is situated, for all buildings with the potential of being sold as individual units, based on their type or design.
- 10 or 12.5%, depending on the Region where the building is situated, for all buildings which do not have the potential of being sold as individual units, based on their type or design, and have an investment value of less than € 2.5 million;
- 2.5% for all buildings which do not have the potential of being sold as individual units, based on their type or design, and have an investment value of more than € 2.5 million.

Floor-Double Cap
Floor and Cap are financial products protecting the client from respectively a decrease and an increase of the interest rates.

Gross passing rent
The gross passing rent represents the last gross rental income, paid either monthly or quarterly, on 31 December 2012, converted into an annual total and including where necessary rental guarantees and the estimated rental value of unoccupied premises. It takes into account furniture if available. It can therefore differ from the rent received during the financial year and inserted into the income statement, e.g. if there was a vacant period or if there has been an index-linked change in the meantime.

IRS
An 'Interest rate swap' is an exchange of interest rates between two parties in view of the exchange of their exposure to the risk of changes in interest rates.

Net asset value
The net asset value or intrinsic value, in total or per share, is the value of the net assets, in total or per share, taking into account the latest fair value of the property portfolio, as defined by the real estate surveyor of the sicafi. In IFRS, the net asset value comprises the year-end dividend, awaiting the approval by the ordinary general meeting of shareholders.

Net current margin
(Net result – portfolio result) / property result.

Net current result
The net current result is equal to the net result minus the portfolio result.

Net current result excluding the impact of IAS 39

The net current result excluding the capital gains or losses on hedges that are ineffective according to IAS 39.

Occupancy rate

The occupancy rate is the percentage of the rents generated by the occupied properties, including the rental guarantees on the unoccupied properties, compared with the total rents of the occupied properties and the estimated rental value (ERV) of the unoccupied properties. All investment properties of the portfolio are taken into account for the calculation, excluding the development projects and the assets held for sale.

Operating margin

(Operating result before the portfolio result) / property result.

Operating margin before tax

(Pre-tax result – portfolio result) / property result.

Payout ratio

The pay out ratio corresponds to the appropriated dividend in comparison with the distributable result, calculated on a consolidated basis.

Rental surfaces

The surfaces are those taken into account by the sicafi's real estate surveyor. They include 50% of terraces and 10% of private gardens.

Return

Shareholders' return is equal to the dividend of the financial year plus the growth of the net asset value during the financial year.

Roll -over credit

Credit in the medium or long term that can be withdrawn under the form of one or more advances that can or can't be renewed in the short term. The duration of the advances is spread out over consecutive interest rate periods, each with their defined interest rate. That way, investments in the medium or long term can be financed with interest rates that are variable in the short term, and consequently more favourable.

Straight loan

Advance with a fixed term. Credit under the form of cash advances of a fixed amount and for a fixed duration that have to be integrally reimbursed at their expiry date.

Velocity

Velocity is the ratio between the yearly traded volume and the total number of shares comprised in the free float.

Year of construction

The year the property was built or of its last major renovation.

NOTES

NOTES

NOTES

SHAREHOLDERS' CALENDAR

	2013
Annual statement for the 2012 financial year	Friday 1 March 2013
Posting of the annual report on the website	Tuesday 2 April 2013
Ordinary General Meeting of the 2012 financial year	**Tuesday 7 May 2013**
Interim statement: results on 31 March 2013	Tuesday 7 May 2013
Payment of the dividend for the 2012 financial year	Friday 17 May 2013
Half-yearly report: results on 30 June 2013	Friday 30 August 2013
Interim statement: results on 30 September 2013	Friday 15 November 2013

	2014
Annual statement for the 2013 financial year	Friday 28 February 2014
Posting of the annual report on the website	Thursday 3 April 2014
Ordinary General Meeting of the 2013 financial year	**Tuesday 6 May 2014**
Interim statement: results on 31 March 2014	Tuesday 6 May 2014
Payment of the dividend for the 2013 financial year	Friday 16 May 2014

GIOTTO (EVERE)

This annual report is a registered document in the sense of article 28 of the law of 16 June 2006 on public offers of investment instruments and on the admission of investment instruments to trading on regulated markets.

It has been approved by the FSMA, in accordance with article 23 of the above-mentioned law on 18 March 2013.

Home Invest Belgium having opted for the French as official language, the annual financial report in French is the sole official version.

The Dutch and English versions are translations established under Home Invest Belgium's responsibility.

Le rapport financier annuel en français est disponible au siège de la société.

Het financieel jaarverslag in het Nederlands is beschikbaar op de zetel van de vennootschap.

The annual financial report in English is available at the head office of the company.

Design and layout: www.comfi.be

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

At 31 December 2012, its operating 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).

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

www.homeinvestbelgium.be

Home Invest Belgium SA

Belgian Sicafi
Boulevard de la Woluwe 60/4,
B -1200 Brussels

T +32 2 740 14 50 - F +32 2 740 14 59
info@homeinvest.be
www.homeinvestbelgium.be
RPM : 0420.767.885 | ISIN BE 003760742

HOMI LISTED NYSE EURONEXT