

PRESS RELEASE: RESULTS FIRST QUARTER 2018

- Quarterly results
 - Growth of the fair value of the portfolio to over € 460 million
 - Increase of the net rental result to € 5.9 million
 - Further decrease of the funding cost to 2.07%
 - Reception of the building The Pulse in Molenbeek
- Approval by the General Meeting of the dividend of € 4.50 for the year 2017



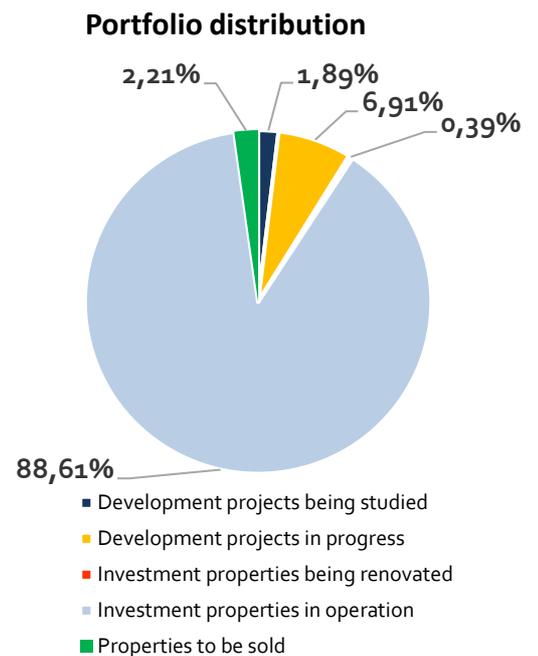
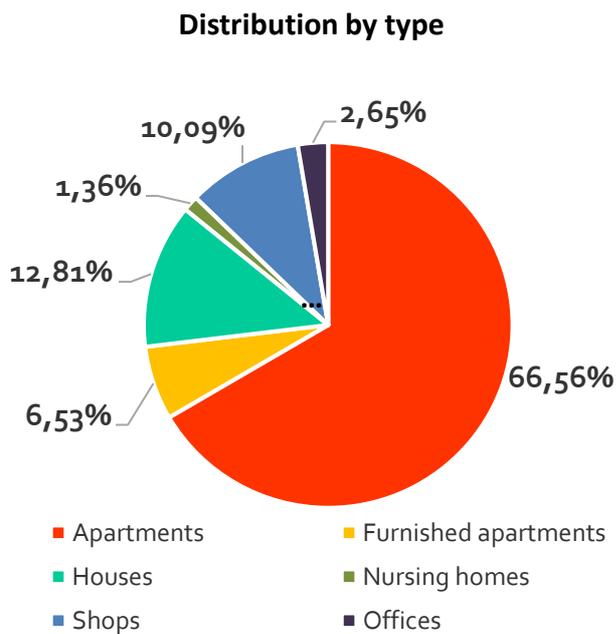
The property portfolio

The **fair value** of the investment properties⁽¹⁾ amounts to € 462.7 million on 31 March 2018 and increases by 1.1% in comparison with the situation on 31 December 2017 (€ 457.6 million).

The current **gross rents** augmented by the estimated rental value (ERV) on vacant surfaces amount to € 27.6 million.

The breakdown of this portfolio of investment properties, calculated based on the fair value of the buildings, is illustrated by the graphs below.

The investment properties located in the Brussels-Capital Region represent 64.99% of the portfolio of Home Invest Belgium, those in Wallonia 14.91%, those in Flanders 9.01% and those in the Netherlands 11.8 %.



⁽¹⁾ This fair value comprises the item "Investment properties" of the balance sheet that also includes the development projects in accordance with IAS 40.

The **occupancy rate** of the buildings in operation amounts to 88.9% in the course of the 1st quarter, a level that is slightly lower than that for the entire year 2017 (90.49%). This occupancy rate, which is lower than the historical occupancy rate, is in line with the outlook of the company, and is mainly the consequence of actively managing the RREC's portfolio:

- on the one hand, the letting of the developed projects takes a certain amount of time, which temporarily weighs on the occupancy rate. In the course of this first quarter this is for example the case for the buildings The Inside (reception 2nd quarter of 2017, and average occupancy rate of 62.32% over the 1st quarter) and The Pulse (gradual reception in the course of the 1st quarter and current occupancy rate of $\pm 10\%$). As the RREC has already proved for previous development commercialisations, this effect is temporary taking into account the success these buildings have on the rental market.
- on the other hand, the active arbitrage policy on a part of the portfolio implies that the buildings held for sale are not re-let⁽²⁾. In the course of this quarter, this relates to the buildings Mèlèzes, Birch House and Bosquet-Jourdan.

The occupancy rate for residential buildings in current operation ⁽³⁾ remains at a very high level of **96.5%**.



⁽²⁾ At an accounting level these buildings have not been reclassified to the item Buildings held for sale, as they are not the object of an immediate entire sale.

⁽³⁾ This relates to the buildings in operation excluding those that

- are the object of a first commercialization during the year (The Inside, The Pulse)
- or those under renovation (Scheldevleugel, Leopold and Saint-Hubert 4)
- or those that are being sold (Mèlèzes, Birch House, Jardins de la Cambre, Bosquet-Jourdan)
- or those let based on short term rental contracts (Résidences du Quartier Européen and La Résidence)

Consolidated key figures

The total value of Home Invest Belgium's **shareholders' equity** amounts to € 218.4 million on 31 March 2018 compared to € 217.0 million on 31 December 2017, or a net value per share of € 66.42, in comparison with € 65.98 per share at the closing of the 2017 financial year.

The **debt ratio** slightly decreases in comparison with the situation on 31 December 2017 (51.47% on 31 March 2018 compared to 51.82% on 31 December 2017).

MAIN CONSOLIDATED RESULTS (IN €) ^{(1) (2)}	From 1/1/2018 to 31/03/2018	From 1/1/2017 to 31/03/2017
Net rental result	5 913 526	5 374 099
Property result	3 872 821	3 625 857
Operating result before the portfolio result	2 032 219	1 850 863
Portfolio result		
- Result on sales (distributable capital gain)	41 274	854 234
- Changes in fair value	1 949 810	912 313
Financial result		
- Financial result excluding changes in fair value of financial assets and liabilities	-1 045 146	-929 184
- Changes in fair value of financial assets and liabilities ⁽³⁾	736 425	894 873
Net result	3 528 118	2 420 734
Net result of core activities	916 780	874 473
Net result of core activities per share ⁽⁴⁾	0.28	0.28
Distributable result	1 037 844	1 747 730
Distributable result per share ⁽⁴⁾	0.32	0.56
	On 31/03/2018	On 31/12/2017
Net value per share	66.42	65.98

⁽¹⁾ IAS 34 was not applied to the content of the abovementioned accounting data.

⁽²⁾ Figures checked by the Auditor.

⁽³⁾ This relates to the fair value of the interest rate hedges.

⁽⁴⁾ The total number of shares fully entitled to dividends amounts to 3 288 146 on 31 March 2018, after excluding 11 712 shares held in auto-control at the same dates.

We remind that IFRIC21 was applied to the abovementioned figures. This standard imposes the immediate and integral recording in the accounts of the financial charges that became due in the period covered by the financial statements. For Home Invest Belgium this relates to the property tax and its potential re-invoicing, as well as to the insurance and the subscription tax. Before 2016, these amounts were booked pro rata.

This standard has a purely temporary negative impact on the property result and the results arising from it, which entails that the interim results are hard to extrapolate.

In the course of the first quarter of 2018 the **net rental result** has risen by 10% in comparison with the situation a year ago. This increase is the result of the contribution to the turnover of the acquisitions and the projects that were delivered in the meantime.

The **property result** amounts to € 3.9 million, an increase by 6.8% in comparison with last year.

Both the **property charges** and the **general corporate expenses** are steady in comparison with 2017 to € 1.8 million (compared to € 1.8 million).

Consequently, the **operating result before the portfolio result** rises by 9.8% in comparison with 2017.

The **portfolio result** is composed of the valuation of the portfolio in operation (that records an unrealized capital gain of € 1.9 million), and the result on the sales (of which the capital loss amounts to € -0.1 million).

The **financial result**, excluding the changes in fair value of the financial instruments, rises (12.5%) and is the consequence of the new acquisitions in the course of the financial year 2017. The **average funding cost** amounted to 2.07% in the first quarter (compared to 2.09% for the entire year 2017). The fair value of our financial instruments is positive for an amount of € 0.7 million, though purely latent.

The **net result of the core activities** amounts to € 0.92 million, compared to € 0.87 million on 31 March 2017, or a progress by 4.8%.

The **distributable result** – comprising the distributable capital gains realized in the course of the quarter – goes from € 1.75 million on 31 March 2017 to € 1.04 million on 31 March 2018 and is the consequence of the changes in the IFRS standards since 1 January 2018.

The changes in the IFRS standards, which have been adopted since the beginning of 2018, require to keep count of the sales when the effective act of sale has been signed. Previously, sales were counted during the preliminary sale agreement or during the conditions precedent, if applied. Therefore, the “necessary” period of sales is three months shorter this year (usual period between the preliminary sale agreement and the act of sale). Most of the acts of sale signed during the past quarter applied to preliminary sales agreements signed in 2017 which had already been entered into the accounts of the distributable capital gains. The company therefore foresees that the shares of sales in the distributable result of 2018 will be lower than in 2017. This effect is temporary and limited to 2018.

We also point out that the **operating margin** improves from 51.1% to 52.5% on 31 March 2018.

Important events in the course of the 1st quarter of 2018

Developments for own account

The works carried out on the building **The Pulse** have been delivered in phases in the course of the first quarter and the apartments have been commercialised progressively. In addition to 93 apartments, 3 houses, and a space which will be dedicated to a nursery, the building has a lovely inner court with garden and a pétanque strip. This can only increase the connection between tenants by offering them an unusual living environment. www.the-pulse.be

Works have also continued at a normal rhythm on the **Reine Astrid** project in Kraainem. Structural works are now completely finished and the bricks of the façade unveil little by little to the passers-by. Inside, technical equipments are being installed, as well as the frames. The delivery of the works is expected during the last quarter of 2018. Leases have already been closed with two tenants for spaces on the ground floor (a nursery and a bank branch).

Works have also continued on the Brunfaut site in Molenbeek. The foundations are ongoing. The delivery of the project is expected at the end of 2019.

The refurbishments of the projects Léopold and Saint-Hubert 4 in Liège and Scheldevleugel in Oudenaarde are also ongoing.

Administrative, commercial and technical management

The letting activity continued at a normal pace in the course of the quarter, with the renewal of 74 leases and the signature of 23 new ones. The Haverwerf building (commercial ground floor in Mechelen) is also completely let again, after a long period of vacancy.

Sales

In the course of the first quarter of 2018, Home Invest Belgium has proceeded to the sale by unit of a number of residential assets. We kindly refer to the comments above related to the accounting of sales.

Important events after the closing

Outlook

The Board considers it premature at the end of this quarter to express itself on the outlook for the current financial year, namely taking into account the insecurities related to the evolution of the interest rates, the overall economic situation or the progress of the sales.

Different new investment files (both with regard to existing buildings as to development projects) are at an advanced research stage. It is the opinion of the Board that one or the other should concretize between now and the end of the financial year.

On the other hand, the Board of Directors has indicated as of now several assets that could generate interesting capital gains for the shareholders, and this, without prejudice to the growth of the results of the company.

Dividend payment

The dividend over the financial year 2017 amounts to € 4.50 gross per share. Taking into account the advance payment of € 3.75 (coupon n° 23) in December 2017, the balance amounts to € 0.75 (coupon n° 24), amount that is payable as of Friday 18 May 2018 by automatic deposit for the nominative shareholders and the holders of dematerialized shares. The record date is 17 May 2018 and the ex-date is 16 May 2018.

Taking into account the withholding tax of 30 %, the net dividend will globally amount to € 3.15.

Corporate Governance

Following the renewal of the mandate of Mr. Liévin Van Overstraeten by the General Assembly of May 2nd, the Board of Directors has renewed the function of Mr. Van Overstraeten as chairman of the Board of Directors.



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ABOUT HOME INVEST BELGIUM

Since its creation in 1999, Home Invest Belgium has been a Belgian real estate company listed on the stock market and specialised in residential real estate. As the owner of a portfolio of over € 460 million, it makes quality residential real estate available to its tenants and provides them with professional management services. Home Invest Belgium also develops its own projects to ensure the growth of its portfolio and also conducts regular arbitration on a fraction of said portfolio. The portfolio of the company is spread over Belgium and The Netherlands.

Home Invest Belgium is listed on the Euronext Brussels continuous market (HOMI) and enjoys the Belgian tax status of an SIR (regulated real estate company).