



*Housing life*



# HALF-YEAR FINANCIAL REPORT 2014

MAURICE CHARLENT PROJECT - ARCHITECT DSW ARCHITECTS



# 15 years

# Profile

Home Invest Belgium is a Sicafi, created in June 1999 and listed on the regulated market of the NYSE Euronext Brussels stock exchange. Last 16 June the Company celebrated its 15 years of existence. Home Invest Belgium has a market capitalisation of € 257 million.

Home Invest Belgium is specialized in residential property investments. Over the years, the Company has built up a portfolio, valued by its experts at a fair value of ± € 296 million (excluding development projects and buildings held for sale).

Besides providing attractive housing to its tenants, Home Invest Belgium pursues a coherent strategy with a view to offering its shareholders an appreciable immediate net return, together with the creation of long-term value and spreading the risk over more than 1 300 letting units.

Home Invest Belgium unites the 4 areas of the property life cycle:

- **the growth of the portfolio through acquisitions**
- **the renovation and development of buildings**
- **the administrative, commercial and technical management**
- **the divestments**

The portfolio <sup>1</sup> of Home Invest Belgium is invested for 75% in residential property and is spread over town centres in Belgium (for 66.0% in Brussels, for 21.5% in the Walloon Region and for 12.5% in the Flemish Region). As at 30 June 2014 the property portfolio in operation includes 75 buildings on 44 sites, representing a total surface of ± 148 000 m<sup>2</sup>.

The activities of Home Invest Belgium are supervised by the Financial Services and Markets Authority.

<sup>1</sup> includes real estate investments in operation and development projects

PÉPINIÈRE – BRUSSELS



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# Key figures of the half-year

Distributable result per share progresses by 4.75% <sup>1</sup>

Growth of the fair value of the investment properties of 1.8% <sup>2</sup>

Average occupancy rate stable at 95.26% <sup>3</sup>

Net asset value per share stands at € 64.03 <sup>4</sup>

Debt ratio of 38.70%

*"Home Invest Belgium is once again proud to present you its half-year figures: the stated growth is proving the accuracy of the strategy adopted by the Company, and its capacity to implement that strategy. In reading this report you will notice that the growth and the profitability of the Company not only rely on its capacity to develop the portfolio by means of acquisitions or developments, but more fundamentally, also on controlling the operational management and its funding sources.*

*While all these efforts jointly lead to a substantial growth of the distributable result per share, Home Invest Belgium is more than ever an established name for those who want to invest in residential property without having to account for its daily management."*

**Sophie Lambrighs**, Managing director - **Guillaume Botermans**, Chairman of the Board of directors

GUILLAUME BOTERMANS, CHAIRMAN OF THE BOARD OF DIRECTORS - SOPHIE LAMBRIGHES, MANAGING DIRECTOR



- <sup>1</sup> Distributable result on consolidated basis – compared to the situation on 30 June 2013. For the same period, the increase of the distributable result calculated on a statutory basis as stipulated by the RD of 7 December, 2010, amounts to 4.25%.
- <sup>2</sup> Compared to the situation on 31 December 2013, excluding development projects that amounted up to € 16 315 294 on 31 December 2013 and to € 30 770 830 on 30 June 2014.
- <sup>3</sup> The occupancy rate expresses the percentage of rents generated by the occupied properties, including the rental guarantees on the unoccupied properties, in comparison to the total rents of the occupied properties and the estimated rental value of the unoccupied properties. The calculation takes no properties held for sale into account, nor development projects.
- <sup>4</sup> As compared to € 64.09 on 31 December 2013 and to € 58.74 on 30 June 2013. These are figures calculated after the elimination of 12 912 shares bought back by the company and including the 104 666 newly issued shares with entitlement as at 11 June 2014 (or 20 days/181 days) (IAS 33, paragraph 20).

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## Interim management report

ACTIVITIES AND HIGHLIGHTS OF THE  
FIRST HALF YEAR

### ► Evolution of the property portfolio

## 01

### Acquisitions

The most significant event of the first half-year is without any doubt that the two acquisitions previously concluded by Home Invest Belgium subject to conditions precedent, have become final following their realisation. Home Invest Belgium has namely obtained the final and enforceable permits, necessary for the change in purpose and use as a residential building for two projects for own account, thanks to the work carried out by its subsidiary Home Invest Development as delegated client:

(a) the **Ariane Project**, located avenue Marcel Thiry 208 in 1200 Woluwe-Saint-Lambert. Home Invest Belgium has become the owner of this building, through a contribution in kind by AXA Belgium SA on 11 June 2014, within the framework of the authorized capital.

ARIANE PROJECT – ARCHITECT ART & BUILD



(b) the **Maurice Charlent Project**, located at the corner of the rue Maurice Charlent and the rue Jean Cockx in 1160 Auderghem.

Following the obtention of these permits, the acquisition of the shares of the SPRL Charlent 53 Leasehold and the SPRL Charlent 53 Freehold have become definitive. The project consists of the reconversion into studios (of minimum 28 m<sup>2</sup>) of an office building located in the vicinity of the VUB, the ULB and the unique future Brussels' site of Chirec.

MAURICE CHARLENT PROJECT – ARCHITECT DSW ARCHITECTS



## 02 Sales

Within the framework of the strategy of arbitrage on assets, Home Invest Belgium has sold the office building Montoyer 25 located in 1000 Brussels for an amount excluding rights of € 4.8 million to the Kairos Group. The building is located in the Leopold district in Brussels and includes ± 2 900 m<sup>2</sup> of offices.

The sale was realized at a price that is higher than the latest investment value defined by the real estate surveyor. The realization of this sale allows to generating a capital gain compared to the acquisition value.

In the first half-year, without taking into account the above-mentioned sales, Home Invest Belgium has concluded (sales agreement without conditions or authentic deeds passed) 14 sales of apartments and/or parking spaces, for a total sales amount of more than € 3.6 million (excluding costs).

The Sicafi has divested 2.19% of its portfolio in the first half-year, which is in line with achieving its annual sales objective of + 4% of the portfolio per year.

# 03

# 15 years

## Developments

In its capacity as delegated manager, Home Invest Development SA, a 100% subsidiary of Home Invest Belgium, has made a substantial progress in the first half-year of 2014 in the following development projects for own account:

(a) the **Trône project** located at the corner of the rue de la Pepinière and the rue de Brederode, close to the Royal Palace in 1000 Brussels, of which the construction works were started at the end of 2013. The structure of the building has reached the level of the 2nd floor at present. The reception of the 15 apartments and the office is foreseen for the first semester of 2015.

TRÔNE PROJECT – TRIO ARCHITECTURE



(b) the **Maurice Charlent project**, located at the corner of the rue Maurice Charlent and the rue Jean Cockx in 1160 Auderghem, of which Home Invest Belgium recently became the owner following obtaining the permits (supra). The works have started in July 2014. The 127 studios will welcome their first tenants in the second semester of 2015.

(c) the **Ariane project**, located avenue Marcel Thiry 208 in 1200 Woluwe-Saint-Lambert, of which Home Invest Belgium recently became the owner following obtaining the permits (supra). The execution file is being prepared in view of starting the works in the second half-year of 2014. Het project comprises 166 apartments.

(d) the **Marcel Thiry 204C project**, located in 1200 Woluwe-Saint-Lambert, next to the project Ariane: the project consists on the one hand of the reconversion of the office building into a residential building, and on the other hand, of requesting a permit for the realization of a new project on the adjacent land. The preliminary studies have been carried out, and the request for a town-planning permit has been submitted at the end of April 2014, and the request for a subdivision permit at the end of July 2014.

(e) the **Reine Astrid project**, located avenue Reine Astrid 278, in Kraainem, for which the planning studies and the preliminary design are on-going, in view of submitting the permit request in the second half-year of 2014.

# 04

## Administrative, commercial and technical management

In 2013 the Sicafi had gradually insourced the technical, administrative and accounting management of most of its buildings in the Brussels Region, leaving the management of the other buildings to external, carefully selected property managers. In the course of the first half-year, new management and follow-up procedures were introduced, in order to consolidate this new section within the administrative, commercial, technical and accounting management of the portfolio of the Sicafi.

Controlling the technical management usually allows for a better service to the tenants, an improved knowledge of the buildings in portfolio, and in particular, an accurate follow-up of cost management. At a commercial level, in view of optimising the occupancy rate of its buildings, Home Invest Belgium on the one hand appoints specialized property agents, and on the other hand commercialises itself its vacant spaces.

Home Invest Belgium has a permanent focus on developing the value of its existing property portfolio. In this respect, Home Invest Development also acts as delegated manager for the larger renovation projects of the Sicafi. This is among other the case for the works started in the Galerie de l'Ange in Namur (realisation of 6 additional apartments in the volume of the current roof) and for the renovation of compound of 20 houses of the Clos Saint-Géry in Ghlin.

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## ► Strengthening of the financial structure

In the course of the first half-year of 2014 Home Invest Belgium has diversified its funding sources and has increased the average duration of its credit lines.

### Capital increase

The contribution of the building Ariane was remunerated by granting 104 666 new shares with an issue price of € 79.85 per share, which represents a **capital increase** of the Company of € 2 548 072,84 and an allocation to the issue premium account of € 5 809 535,16. Following this operation, the **share capital** of the Company currently amounts to **€ 76 949 294.75**, represented by **3 160 809 shares**.

### Bond issue

Home Invest Belgium has, with success, and after the first subscription day, realized a bond issue in the form of a private placement for institutional investors, for an amount of € 40 million. This initial issue was realized with a maturity of 10 years, expiring on 18 June 2024.

These bonds generate a fixed gross annual yield of **3,7%**. The denominations of these bonds were fixed at € 100 000 and are issued at 100%. The bonds have been admitted to trading on Euronext Brussels since 18 June 2014.

The net proceeds of this placement have been allocated to sustaining the growth of the portfolio and to the diversification of the funding sources of Home Invest Belgium. Thanks to their maturity of 10 years, these bonds represent an important step in extending the average maturity of the global funding of Home Invest Belgium, and this at particularly attractive financial conditions.

18 JUNE 2014 – FROM LEFT TO RIGHT: GUILLAUME BOTERMANS (PRESIDENT OF THE BOARD OF DIRECTORS), SOPHIE LAMBRIGHS (CEO), JEAN-LUC COLSON (CFO), VINCENT VAN DESSEL (CHAIRMAN OF EURONEXT), ALEXANDER HODAC (CCO), RONNY NECKEBROECK (CHIEF TRADER BELFIUS), OLIVIER GOERENS (DCM BELFIUS), MICHEL BACQUART (CORPORATE BANKING DIRECTOR WALLONIA BELFIUS), ALAIN BAETENS (HEAD OF LISTINGS, EURONEXT)



Photo: Mathieu Paternoster

## Overview of the financial structure

Thanks to the issuance of bonds described above and as demonstrated by the table below,

- the weighted average maturity of the credit lines is now brought to **4 years and 9 months** on 30 June 2014;
- the average duration of the hedges could be maintained at 3 years and 8 months.

Funding	Amounts of confirmed credit lines (€)	Withdrawals (€)	Average maturity	Notional amounts expiring in the second half-year 2014 (€)
Bank funding	150 280 000	88 280 000	3 years and 4 months	35 280 000
Bond loans	40 000 000	40 000 000	10 years	
<b>Total</b>	<b>190 280 000</b>	<b>128 280 000</b>	<b>4 years and 9 months</b>	<b>35 280 000</b>

Hedges	Amounts of hedges (€)	Average maturity	Hedges expiring in the second half-year 2014 (€)
IRS hedges	111 750 000	3 years and 8 months	11 750 000

The average cost of the debt in the first half-year of 2014 amounts to 3.29%.

## ► Corporate responsibility

Home Invest Belgium has further continued to pay particular attention, at the level of its Board of Directors as well as at the level of its Executive Management, to the **social, environmental and ethical criteria** with regard to its decisions related to the management of financial resources as well as the exercise of its rights related to the shares in its portfolio. As a long term investor, Home Invest Belgium has the opportunity and the responsibility to integrate sustainable development in all aspects of the development of new residential projects. It is in this context that Home Invest Belgium paid particular attention to technological evolutions in the domain of construction as well as energy performances of its property portfolio and development projects, for example, for the Ariane project. The project shall be internally developed with particular attention to the present requirements in terms of sustainable development, in particular regarding the energy performances.

Home Invest Belgium considers corporate responsibility to be a strategic pillar, with the objective to improve its performance and thus create value in the medium and long term for all parties involved.

## OUTLOOK

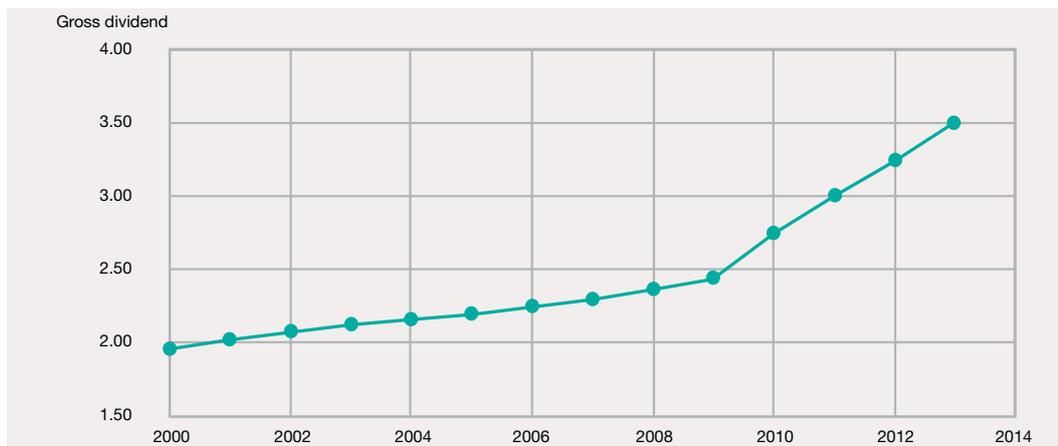
Ever since its listing on the stock exchange in June 1999, the dividend distributed by the Sicafi has increased substantially every year.

For the current financial year, and except in case of unforeseen events, nothing is likely to change this upward curve. In these conditions, the **Board of directors estimates that the dividend for the year 2014 should once again be higher than the one of previous financial year**, except in case of sudden and substantial degradation of the residential property market in respect to rentals and/or sales.

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The Board of directors explains that the dividend growth is partly due to the increase in volume of the arbitrage on the portfolio. In this regard, attention needs to be drawn to the fact that the Sicafi has no influence on the market price fluctuations and that it has no absolute control on the precise planning of sales, since the potential buyer is free to decide until the time of signature.

## Evolution of the gross dividend since the creation of the Sicafi



## MAIN RISKS AND UNCERTAINTIES

The Board of Directors considers, that the main risk factors, summarized on pages 4 to 15 of the annual financial report 2013, remain relevant to this present half year-report.

## STRATEGY

As a "Pure player" Home Invest Belgium mainly invests in real residential property for letting (apartments, houses), that generates a stable income, that can be easily sold per unit, and that generates capital gains over time.

By closely following demographic evolutions and the needs of the residential property market, the Company analyses more particularly the segment of student housing and residences for young professionals. This segment effectively answers the needs of the younger generations, in search of quality housing, responding to the current standards as to sustainability, accessibility and an attractive living environment.

Home Invest Belgium unites the 4 areas of the property life cycle:

- The growth of the portfolio through acquisitions
- The renovation and development of buildings
- The administrative, commercial and technical management
- The sales

These different functions are carried out by professional teams that are each specialists in their field.

## CORPORATE GOVERNANCE

### ► Composition of the board of directors

On 6 May 2014 the general meeting of shareholders of the Company has approved the renewal of the mandate of Non-Executive Director of Mr Liévin Van Overstraeten for a term of 4 years ending after the ordinary general meeting of 2018, and the appointment of Mr Wim Arousseau in the capacity of Non-Executive Director, representative of AXA Belgium SA, for a term of 1 year, to end after the ordinary general meeting of 2015 to complete the mandate of Mr Guy Van Wymersch-Moons.

FROM LEFT TO RIGHT: JOHAN VAN OVERSTRAETEN (DIRECTOR), WIM AROUSSEAU (DIRECTOR), GUILLAUME BOTERMANS (CHAIRMAN), KOEN DEJONCKHEERE (DIRECTOR), SOPHIE LAMBRIGHS (MANAGING DIRECTOR), ERIC SPIESSENS (DIRECTOR), LIÉVIN VAN OVERSTRAETEN (VICE-CHAIRMAN)



### ► Composition of the executive management

On 16 June 2014, Ms Sophie Lambrighs has taken up the position of Chief Executive Officer of the Company.

FROM LEFT TO RIGHT: FILIP VAN WIJNENDAELE (COO), JEAN-LUC COLSON (CFO), SOPHIE LAMBRIGHS (CEO), ALEXANDER HODAC (COO)



### ► Related parties

On 11 June 2014, AXA Belgium SA, shareholder of the Company, within the framework of the authorized capital, has contributed the building located avenue Marcel Thiry 208 in 1200 Woluwe-Saint-Lambert to the capital of Home Invest Belgium. This contribution was remunerated by granting 104 666 new shares, which resulted in a capital increase of the Company of € 2 548 072.84. Following this operation, **the registered capital of the currently amounts to € 76 949 294.75, represented by 3 160 809.**

## EVENTS AFTER THE CLOSING OF THE FIRST HALF-YEAR

### ► Portfolio

The Company keeps on actively pursuing investment or development opportunities for its own account that create value for its shareholders, by actively managing its existing portfolio, rejuvenating and improving it, with an eye on the evolutions within the letting market.

The arbitrage activity through sales per unit has been continued at a normal rhythm and different agreement could be concluded, of which some are already the object of sales agreements.

### ► Regulated real estate company (SIR / GVV)

In order to take into account the operational character of the current real estate activity of the Sicafi, a new law introducing the status of **Regulated Real Estate Company (SIR / GVV)**, allowing existing Sicafi to adopt this new status provided that certain conditions are satisfied. This specific regulatory framework is comparable to the current regulatory framework actually applicable to Sicafi (the Company refers to the information document published on its website for more information with regard to the characteristics of the SIR / GVV status).

In this perspective, Sicafi will be urged to make a choice before 16 November 2014: either requesting for their license as an AIFM and investment company, or propose to their shareholders to adopt the SIR / GVV status and request their approval as a SIR / GVV.

On 18 June 2014 the Board of Directors has decided to submit a request to adopt the status of a public SIR / GVV. Home Invest Belgium has convened an extraordinary general meeting that will take place on 25 September 2014, and in case of a lack of presences required, on 20 October 2014, for the amendment of its articles of association (subject to certain conditions precedent and the condition that the percentage of shares for which the withdrawal right was exercised is not higher than the percentage defined in the information document cited above).

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# Home Invest Belgium on the stock exchange

## EVOLUTION OF THE SHARE

In the course of the half-year under review, the closing price of the share Home Invest Belgium has fluctuated between its lowest level of € 73.50 on 13 January and its highest level of **€ 82.00** on 13 March. The share registers a **progress by 6.8%**, taking into account the closing price on 30 June 2014 (€ 81.20) in comparison with that on 31 December 2013 (€ 76.00).

This good performance of the share Home Invest Belgium in the course of the half-year stands out in comparison with the entirety of the Belgian Sicafi sector, represented by the sectorial index EPRA Belgium, characterized by a 4.2% increase during the half-year under review. While the progression of Home Invest Belgium is comparable to that of the BEL20 (7%).

### Comparison of the stock exchange evolution:

#### Home Invest Belgium – Bel 20 – EPRA Belgium index since the stock exchange listing



Globally, the first six months of the financial year 2014 were characterized by an increase of the share price in February to reach a level of +/- € 80.00 for the rest of the half-year. It has to be pointed out that the detachment of the coupon on last 16 May only slightly influenced the share price. Home Invest Belgium listed the previous day at € 80.00 (15 May) and was traded the next day at € 78.27 (16 May) to again increase swiftly the following days (€ 81.73 on 21 May).

It has to be noted that the **liquidity** of the share slightly improves with an average daily turnover of 1153 shares per trading day in comparison with an average of 810 in the course of the first half-year of 2013 and with 703 for the entire financial year 2013.

The **premium** on the share price of 30 June 2014, last listing day of the half-year (€ 81.20) compared to the net asset value of that same day (€ 64.03) amounts to 26.82% (in comparison with a premium of 27.7% on 30 June 2013 and a premium of 18.6% on 31 December 2013). This premium reflects the confidence of the shareholder in the significant performance arising from an investment in shares of Home Invest Belgium.

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## SHAREHOLDING ON 30 JUNE 2014

Mainly based on the transparency declarations of the shareholders which exceed the statutory threshold of 3% of the capital, and based on the register of registered shareholders, the shareholding of Home Invest Belgium on 30 June 2014 – compared to the situation on 31 December 2013, as recorded in the Annual Financial Report 2013 (page 77) – reflects the acquisition by the Van Overstraeten Group of the balance of the participation previously held by the CVBA Arcopar of the Arco Group, as well as the contribution in kind realized by AXA Belgium SA.

Shareholders	Number of shares	In % of capital
<b>Group Van Overstraeten *</b>	<b>867 384</b>	<b>27.44%</b>
COCKY S.A.	110	0.00%
Mr. Liévin Van Overstraeten	128 671	4.07%
Mr. Antoon Van Overstraeten	127 715	4.04%
Mr. Hans Van Overstraeten	132 346	4.19%
Mr. Johan Van Overstraeten	128 944	4.08%
Mr. Bart Van Overstraeten	128 568	4.07%
Stavos Luxembourg <sup>1</sup>	118 455	3.75%
VOP NV	102 575	3.25%
<b>AXA Belgium <sup>*2</sup></b>	<b>537 830</b>	<b>17.02%</b>
<b>Les Assurances Fédérales *</b>	<b>105 296</b>	<b>3.33%</b>
<b>Family Van Overtveldt - Henry de Frahan *</b>	<b>102 792</b>	<b>3.25%</b>
M. S. Van Overtveldt	51 396	1.63%
Mrs P. Henry de Frahan	51 396	1,63%
<b>Other registered shareholders</b>	<b>74 877</b>	<b>2.37%</b>
<b>Total known</b>	<b>1 688 179</b>	<b>53.41%</b>
<b>Free Float</b>	<b>1 472 630</b>	<b>46.59%</b>
<b>General total</b>	<b>3 160 809</b>	<b>100.00%</b>

\* Shareholders who proceeded with a notification according to the Law on Transparency of 2 May 2007.

1 Stavos Luxembourg SA is 100% controlled by the foundation "Stichting Administratiekantoor Stavos". Stichting Administratiekantoor Stavos is controlled by Liévin, Antoon, Hans, Johan and Bart Van Overstraeten. Cocky SA is controlled for 99% by the foundation Van Overstraeten, in turn controlled for 100% by the foundation "Stichting Administratiekantoor Stavos".

2 AXA Belgium is a subsidiary of AXA Holdings Belgium, in its turn a subsidiary of AXA NV.

# Property report

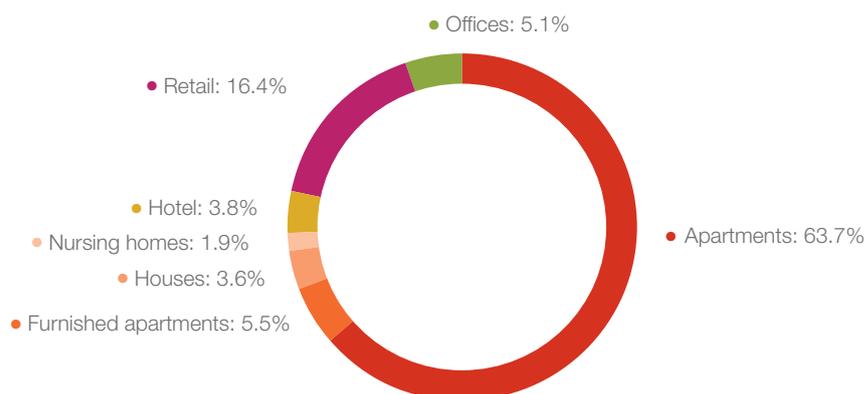
## PORTFOLIO OF INVESTMENT PROPERTIES<sup>1</sup>

On 30 June 2014, Home Invest Belgium owned 75 buildings in operation on 44 sites, with a built up surface area of ± 148 000 m<sup>2</sup> and 1 315 rental units.

The **fair value of the investment properties in operation** amounts to € 295.6 million, the investment value to € 326 million.<sup>2</sup>

### ► Breakdown according to type of buildings

According to the **purpose** of the buildings of the portfolio of the Sicafi, the breakdown of the investment properties<sup>3</sup> is established as follows:



This breakdown allows to record that at the closing date of the half-year under review, the portfolio is composed of **74.7% of buildings with an exclusive residential purpose or use.**

1 Based on the fair value of the investment properties on 30 June 2014.

2 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 residential property the fair value partially takes into account the potential capital gain in the case of sales per apartment.
- 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, and the total transfer rights if their investment value is below € 2 500 000.

3 The investment properties include the buildings in operation and the development projects.

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## ► Objective of minimum 80% of residential buildings

Since the programme law of 27 December 2012 Home Invest Belgium, in order to further benefit from the status of residential Sicafi, has to invest at least 80% of the total value of its property directly in property located in a member state of the European Economic Area, exclusively destined or used for housing. The status of residential Sicafi allows the shareholders of these Sicafi to benefit from a reduction of the withholding tax on dividends of 15% (instead of the customary 25%).

The residential Sicafi benefits from a transition period that ends in May 2015, to comply with this requirement, as the threshold before the programme law of 27 December 2012 amounted to only 60% of the total value of the portfolio.

Home Invest Belgium will consequently pay closely attention to reach the 80% threshold before the expiry of the transition period.

Notwithstanding the increase of the **investment properties** – evolving from € 306.8 million in 2013 to € 326,4 million on 30 June 2014 – this proportion remains below 80%, but represents nevertheless a progress in comparison with the level at the end of 2013 (74.7% compared to 73.7%).

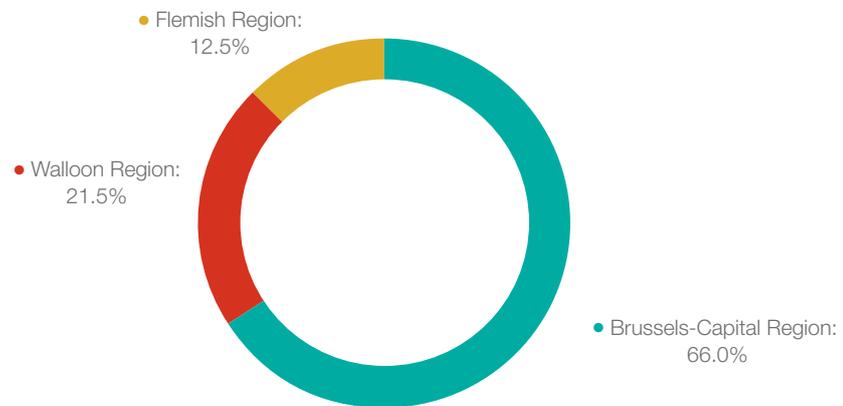
The Board of directors of Home Invest Belgium takes all necessary measures in order to reach the 80% threshold by May 2015. This objective will be reached on the one hand by the phased advancement of the project developments of which the major residential part will strengthen this proportion, and on the other hand by the acquisition of existing residential portfolios, and finally by a selective arbitrage on non-residential buildings or parts. The low debt ratio will allow the Company to finance its expansion and to reach the objective of 80% of residential buildings without having to make a call for new funds.

## ► Risk diversification

The regulation applicable to the sector requests Sicafi to diversify their risks. Thus, Home Invest Belgium, in its capacity as Sicafi, can invest no more than 20% of its assets in one property whole.

Given that the main site – composed of 3 buildings located in Louvain-la-Neuve – only represents 11.5% of the total portfolio of buildings, followed by the Lambermont complex in Schaerbeek with 9.7%, the diversification is fully guaranteed.

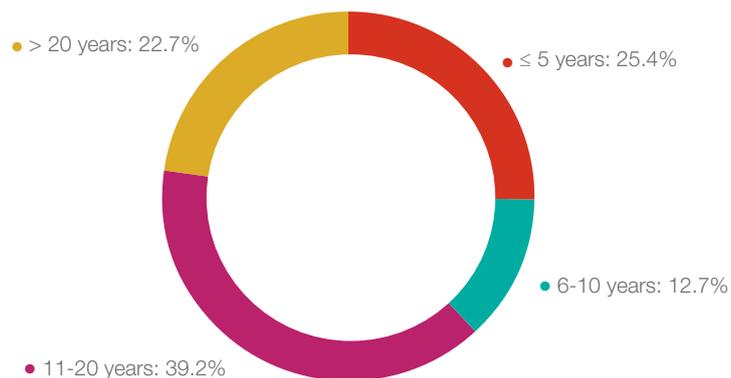
## ► Geographical spread



In terms of **geographical spread**, the portfolio of buildings is located for 66.0% in the Brussels-Capital Region, this region being regarded by the Sicafi as the prime region for investment, the reason for this being the high liquidity of its market as well as the prospect for capital gains in mid-term to long-term basis. The presence of the Company in the Walloon region amounts to 21.5% and in the Flemish Region to 12.5%.

## ► Spread according to the age of the buildings

Broken down by age category, the buildings of 10 years or less represent 38.1% of the portfolio, of which more than half less than 5 years at the closing date of the half-year.



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## OCCUPANCY RATE

The average **occupancy rate**<sup>1</sup> of the property portfolio for the entire first half-year of the current financial year remains stable at 95.26%, a level that is slightly higher than that of 95.0% recorded for the entire financial year 2013. In a market that remains difficult because of the poor economic activity, this stability stems from the dynamic commercialization policy of the buildings in portfolio and from the continuous focus on optimising their rental condition.

1 The occupancy rate expresses the percentage of the rents generated by the occupied properties, including the rental guarantees on the unoccupied properties, in respect to the sum of rents of the occupied properties and of the estimated rental value of the vacant properties. The calculation does not take properties held for sale nor development projects into account.

GIOTTO (EVERE)



## DETAILS OF THE PROPERTY PORTFOLIO <sup>7</sup>

### Situation of the investment properties

Situation of the property on 30 June 2014 (1)		Address	Main destination	Year (2)	Units	Surface	Gross rents (3)	ERV (4)	Effective rents (5)	Occupancy rate (6)
Name	City				Nbr	m <sup>2</sup>	€	€	€	%
<b>Brussels-Capital Region</b>					<b>773</b>	<b>87 789</b>	<b>11 776 896</b>	<b>10 686 512</b>	<b>11 252 177</b>	<b>94.6%</b>
Adagio Access Brussels Europe	Brussels	Rue de l'Industrie, 12	Hotel Residential	2012	1	3 840	769 786	663 913	769 786	100.0%
Belliard 205	Brussels	Rue Belliard, 205	Offices	1937	18	2 256	373 456	318 780	368 456	98.0%
Belliard 21	Brussels	Rue Belliard, 21	Residential	2013	6	278	47 160	47 875	47 160	100.0%
Clos de la Pépinière	Brussels	Rue de la Pépinière, 6-14 - Avenue Thérésienne, 5-9	Residential-Offices	1993	25	3 275	458 367	434 353	446 367	97.4%
Lebeau	Brussels	Rue Lebeau, 55-57	Residential	1998	12	1 153	251 659	187 015	251 659	100.0%
Résidences du Quartier Européen	Brussels	Rue Joseph II, 82-84 - Rue Lebon, 6-10 - Rue Stevin, 21	Residential	1997	50	4 290	747 326	554 985	747 326	78.4%
Birch House	Etterbeek	Cours Saint Michel, 96	Residential	2001	32	3 438	499 931	476 490	495 131	97.9%
Erainn	Etterbeek	Rue des Ménapiens, 29	Residential	2001	12	1 252	214 523	201 725	209 523	97.4%
Yser	Etterbeek	Avenue de l'Yser, 13	Residential	1974	15	1 961	297 584	273 690	225 547	78.9%
Giotto	Evere	Avenue du Frioul, 2-10	Residential	2005	85	8 647	1 188 039	1 123 668	1 149 568	95.8%
Belgrade	Forest	Rue de Belgrade, 78-84	Residential	1999	1	1 368	-	-	-	100.0%
Les Jardins de la Cambre	Ixelles	Av. de l'Hippodrome, 96 - Rue des Echevins, 75	Residential	1992	28	3 552	466 911	455 341	456 911	97.6%
Charles Woeste (appartements)	Jette	Avenue Charles Woeste, 296-306	Residential	1998	92	5 091	590 678	552 920	536 378	94.5%
Charles Woeste (commerces)	Jette	Avenue Charles Woeste, 290	Retail	1996	14	2 995	390 416	344 693	323 235	92.5%
Odon Warland - Bulins	Jette	Rue Odon Warland, 205 - Rue Bulins, 2-4	Residential	2012	35	3 123	376 996	366 538	353 881	94.8%
Baeck	Molenbeek St Jean	Rue Joseph Baeck, 22-46	Residential	2001	28	2 652	238 247	230 724	223 717	95.7%
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 Kalcoq, 30-32	Nursing home	1990	1	1 618	202 839	160 465	202 839	100.0%
Sippelberg	Molenbeek St Jean	Avenue du Sippelberg, 3-5	Residential	2003	33	3 290	394 730	369 765	372 735	96.1%
Bosquet - Jourdan	Saint-Gilles	Rue Bosquet, 72 - Rue Jourdan, 71	Residential	1997	27	2 326	291 934	282 937	291 934	99.1%
Jourdan - Monnaies	Saint-Gilles	Rue Jourdan, 121-125	Residential	2002	26	2 814	314 542	350 012	319 987	94.8%
Jourdan 85	Saint-Gilles	Rue Jourdan, 85	Residential	2010	24	2 430	370 312	361 998	360 592	97.6%
Lambermont	Schaerbeek	Bd du Lambermont, 210-222 - Rue Desenfans 13-15,	Residential	2008	131	14 110	1 692 200	1 581 355	1 630 597	96.6%
Melkriek	Uccle	Rue du Melkriek, 100	Nursing home	1998	1	1 971	302 770	210 578	302 770	100.0%
Ryckmans	Uccle	Avenue Rijkmans, 5-19	Residential	1990	8	2 196	277 243	263 520	277 243	100.0%
Les Erables	Woluwé St Lambert	Avenue de Calabre, 30-32	Residential	2001	24	2 202	298 733	270 239	261 291	92.7%
Les Mélèzes	Woluwé St Lambert	Avenue de Calabre, 34-38	Residential	1995	34	3 984	576 830	465 312	484 088	91.5%
Voisin	Woluwé St Pierre	Rue Montagne au Chaudron, 13	Residential	1996	9	923	143 684	137 621	143 454	91.9%
<b>Flemish Region</b>					<b>146</b>	<b>14 029</b>	<b>2 135 131</b>	<b>2 137 640</b>	<b>2 040 004</b>	<b>97.2%</b>
Nieuwpoort (commerces)	Nieuport	Albert I-laan, 136	Retail	1997	1	296	29 603	64 000	29 603	100.0%
Grote Markt	Saint Nicolas	Grote Markt, 32	Residential - Offices	2004	17	2 752	392 973	368 541	378 918	95.5%
City Gardens	Louvain	Petermannenstraat, 2A-2B - Ridderstraat, 112-120	Residential	2010	106	5 236	1 058 152	1 058 589	1 025 981	97.3%
Haverwerf	Malines	Haverwerf, 1-10	Retail	2002	4	3 399	430 050	424 450	418 800	98.3%
Gent Zuid	Gand	Woodrow Wilsonplein, 4	Residential	2000	18	2 346	224 353	222 060	186 703	97.7%

- 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 30/06/2014, including rental guarantees and the estimated rental value on unoccupied surfaces.
- 4 Estimated rental value as defined by the real estate surveyor.
- 5 Annualized gross rents on 30/06/2014.
- 6 Average rate over the first half-year of 2014, including rental guarantees.
- 7 On a statutory basis only.

# 15 years

Situation of the property on 30 June 2014 (1)		Address	Main destination	Year (2)	Units	Surface	Gross rents (3)	ERV (4)	Effective rents (5)	Occupancy rate (6)
Name	City				Nbr	m <sup>2</sup>	€	€	€	%
<b>Walloon Region</b>					<b>396</b>	<b>45 744</b>	<b>5 659 565</b>	<b>5 166 959</b>	<b>5 303 554</b>	<b>96.0%</b>
Clos Saint-Géry	Ghlin	Rue de Tournai, 4	Residential	1993	1	4 140	296 431	190 000	229 931	60.1%
Place du Jeu de Balle	Lasne	Place du Jeu de Balle, 1	Residential	1999	7	1 198	166 838	162 568	165 038	96.9%
Quai de Compiègne	Huy	Quai de Compiègne, 55	Offices	1971	1	2 479	252 520	161 135	252 520	100.0%
Galerie de l'Ange (appartements)	Namur	Rue de la Monnaie, 4-14	Residential	1995	50	1 880	263 106	256 820	248 293	96.7%
Galerie de l'Ange (commerces)	Namur	Rue de l'Ange, 16-20	Retail	2002	12	2 552	690 480	592 556	690 480	99.7%
Léopold	Liège	Rue Leopold, 2-8	Residential	1988	53	3 080	313 826	300 885	287 452	92.9%
Mont Saint Martin	Liège	Mont Saint Martin, 1	Residential	1988	6	335	30 627	29 600	30 627	100.0%
Saint Hubert 4	Liège	Rue Saint Hubert, 4	Residential	1988	14	910	80 267	80 800	43 216	64.6%
Saint Hubert 51	Liège	Rue Saint Hubert, 51	Residential	1988	4	360	26 826	32 280	26 826	100.0%
Florida	Waterloo	Avenue Florida 75 -79	Residential	1998	5	1 460	105 600	115 040	105 600	86.0%
Louvain La Neuve CV9	Louvain La Neuve	Angle des Rues des Wallons et Grand Rue	Offices - Retail	1977	16	7 091	747 899	719 900	747 900	100.0%
Louvain La Neuve CV10&18	Louvain La Neuve	Rues Charlemagne, Grand Rue, Robelais, Grand Place, Agora	Residential - Offices - Retail	1977	176	16 519	2 258 947	2 117 400	2 106 882	99.9%
Colombus	Jambes	Rue de l'Orjo, 52-56	Residential	2007	51	3 740	426 198	407 975	368 791	91.6%
<b>Total</b>					<b>1 315</b>	<b>147 562</b>	<b>19 571 592</b>	<b>17 991 111</b>	<b>18 595 735</b>	<b>95.3%</b>

## On-going project developments

Name	City	Address	Total estimated investment	Investments on 30/06/2014
			€	€
Ariane	Woluwé St Lambert	Avenue Marcel Thiry, 208	22 027 712	8 759 111
Trone	Brussels	Angle de la rue de la Pépinière et Brederode	6 834 375	4 044 718
Maurice Charlent	Auderghem	Rue Maurice Charlent, 51-53	11 154 600	225 663
Marcel Thiry 204C	Woluwé St Lambert	Avenue Marcel Thiry, 204C	17 720 847	9 271 405
Reine Astrid	Kraainem	Avenue Reine Astrid, 278	8 861 383	3 351 806
<b>Total</b>			<b>66 598 917</b>	<b>25 652 702</b>



## 4 REPORT OF THE REAL ESTATE EXPERT<sup>1</sup>

Ladies and Gentlemen,

**Re: Valuation on 30 June 2014**

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 30 June 2014.

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 elements are well known by HOME INVEST BELGIUM which manages its assets in a professional manner and proceeds with due-diligence in technical as well as legal respect before the purchase of 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 residential property the fair value partially takes into account the potential capital gain in the case of sales per apartment.
- 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, and the total transfer rights if their 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 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 the property portfolio, we have arrived at the following findings:

- 1) the portfolio consists of 74.14% residential buildings of which 1.87% nursing homes, 3.73% hotels, 16.63% commercial spaces and 5.50% office space <sup>2</sup>.
- 2) the rate of occupancy of the property portfolio on **30 June 2014** amounts to 93.36% <sup>3</sup>.
- 3) the average level of collected or guaranteed rents is 6.01% higher compared to the currently estimated value for the property.

1 Letter from the real estate expert, dated 4 July 2014 literally reproduced with his approval.

2 These calculations were made based on parameters that differ from those used by Home Invest Belgium; that way, they are based on the investment value of the buildings of the portfolio and comprise the buildings held for sale and exclude the development projects..

3 The occupancy rate differs from the one published by Home Invest Belgium, which is an average occupancy rate over the entire half-year of the financial year, excluding the buildings held for sale.

# 15 years

Based on the remarks made in the previous paragraphs, we hereby confirm that the **Investment Value** of HOME INVEST BELGIUM's property portfolio on **30 June 2014** amounts to **€ 331 889 000.00** (three hundred thirty-one million eight hundred and eighty nine thousand Euro).

The likely realisable value of HOME INVEST BELGIUM's property portfolio on **30 June 2014** corresponding to its **Fair value** in the sense of IAS/IFRS, is set at **€ 302 694 000 00** (three hundred and two million six hundred and ninety-four thousand Euro).

Yours faithfully,

Brussels, 04 July 2014

**WINSSINGER & ASSOCIES S.A.**

**Geoffroy REGOUT \***

**Director**

JOURDAN – MONNAIES (SAINT-GILLES)



# Abridged consolidated financial statements

The accounting and valuation criteria used for the interim financial statements, as recorded in the current half-year report, are identical to those used for the yearly financial statements closed on 31 December 2013.

This half-year report applies the IAS 34 standard, which prescribes the minimum content of this interim financial statement, as well as the applicable accounting and evaluation principles.

Taking into account the Company's activities, the figures presented hereafter do not have a cyclic or seasonal nature.

Finally, the percentages quoted in the comments below, are calculated on the basis of non-rounded figures from the income statement or from the balance sheet and can therefore deviate from those which were calculated on the basis of the rounded figures recorded hereafter.

The Company has not applied any new standards or any amendments to existing standards in an anticipatory manner; consequently, these have no impact on the following financial statements.

LES MÊLÈZES (WOLUWE-SAINT-LAMBERT)



# INCOME STATEMENT

# 15 years

Compte de résultat consolidé	30/06/2014	30/06/2013
I. Rental income (+)	9 631 516	9 582 481
III. Rental-related expenses (+/-)	-69 282	-95 594
<b>NET RENTAL RESULT</b>	<b>9 562 234</b>	<b>9 486 887</b>
IV. Recovery of property charges (+)	52 028	39 543
V. Recovery of charges and taxes normally borne by the tenant on let properties (+)	406 699	33 905
VII. Charges and taxes normally borne by the tenant on let properties (-)	-1 069 063	-731 878
VIII. Other revenues and expenditures related to the renting (+/-)	29	-662
<b>PROPERTY RESULT</b>	<b>8 951 926</b>	<b>8 827 796</b>
IX. Technical costs (-)	-593 298	-633 842
X. Commercial costs (-)	-105 156	-251 662
XI. Taxes and charges on un-let properties (-)	-116 772	-229 046
XII. Property management costs (-)	-1 503 068	-1 182 625
XIII. Other property costs (-)	-56 309	0
<b>PROPERTY COSTS</b>	<b>-2 374 603</b>	<b>-2 297 175</b>
<b>PROPERTY OPERATING RESULT</b>	<b>6 577 322</b>	<b>6 530 620</b>
XIV. Result on sale of investment properties (-)	-454 132	-307 425
XV. Other income and operating charges (+/-)	-23 223	-114 080
<b>OPERATING RESULT BEFORE PORTFOLIO RESULT</b>	<b>6 099 967</b>	<b>6 109 116</b>
XVI. Résultat sur vente d'immeubles de placement (+/-)	1 838 333	1 807 814
XVIII. Changes in fair value of investment properties (+/-)	5 342 200	1 499 483
<b>OPERATING RESULT</b>	<b>13 280 501</b>	<b>9 416 413</b>
XX. Financial income (+)	31 574	42 123
XXI. Net interest charges (-)	-1 829 458	-1 999 827
XXII. Other financial charges (-)	-38 528	-44 427
XXIII. Changes in fair value of financial assets and liabilities(+/-)	-2 167 190	1 692 780
<b>FINANCIAL RESULT</b>	<b>-4 003 601</b>	<b>-309 351</b>
<b>PRE-TAX RESULT</b>	<b>9 276 900</b>	<b>9 107 062</b>
XXIV. Corporation tax (-)	-15 665	2 208
<b>TAXES</b>	<b>-15 665</b>	<b>2 208</b>
<b>NET RESULT</b>	<b>9 261 234</b>	<b>9 109 271</b>
<b>NET RESULT ATTRIBUTABLE TO THE OWNERS OF THE PARENT COMPANY</b>	<b>9 261 234</b>	<b>9 109 271</b>
<b>NET RESULT PER SHARE</b>	<b>3.03</b>	<b>2.99</b>
Average number of shares <sup>(1)</sup>	3 054 796	3 043 231
NET CURRENT RESULT (excluding the items XVI. XVII. XVIII and XIX.)	2 080 701	5 801 973
<b>NET CURRENT RESULT PER SHARE</b> (excluding the items XVI. XVII. XVIII and XIX.)	<b>0.68</b>	<b>1.91</b>
NET CURRENT RESULT EXCLUDING IAS 39 (excluding the items XVI. XVII. XVIII. XIX. and XXIII.)	4 247 891	4 109 194
<b>NET CURRENT RESULT EXCLUDING IAS 39 PER SHARE</b> (excluding the items XVI. XVII. XVIII. XIX. and XXIII.)	<b>1.39</b>	<b>1.35</b>
PORTFOLIO RESULT (XVI. to XIX.)	7 180 533	3 307 297
<b>PORTFOLIO RESULT PER SHARE</b> (XVI. to XIX.)	<b>2.35</b>	<b>1.09</b>
DISTRIBUTABLE RESULT	6 327 621	6 018 084
<b>DISTRIBUTABLE RESULT PER SHARE</b>	<b>2.07</b>	<b>1.98</b>
Operating margin (Operating result before the portfolio result) / Property result	68.14%	69.20%
Operating margin before tax (Pre-tax result – portfolio result) / Property result	23.42%	65.70%
Net current margin (Net result – portfolio result) / Property result	23.24%	65.72%

(1) The number of shares at the end of the period is calculated excluding the 12 912 shares held under auto-control and includes 104.666 new actions entitled on June 11 2014 (or 20 days/181 days)

Statement of global result	30/06/2014	30/06/2013
I. Net result	9 261 234	9 109 271
II. Other items of global result:		
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 authorized as cash flow as defined in IFRS	-425 958	824 360
1. Effective hedging instruments	-508 808	515 598
2. Requalification according to IAS 39 § 101	82 851	308 762
<b>GLOBAL RESULT (I + II)</b>	<b>26 194 912</b>	<b>12 222 357</b>

The **net rental result** progresses by 0.79% in comparison with that of the first half-year of 2013, while the property result increased by 1.41%.

The **property charges** record an increase of 3.37% in comparison with the first half-year of 2013.

The **general costs** strongly rise by 47.72% in comparison with the first half-year of 2013, and this, on the one hand, due to the subscription tax of with both the level and the calculation basis increase, and, on the other hand, due to external consultancy fees related to new files, a/o the SIR / GVV.

The **operating result before the portfolio result** marginally decreases by 0.15% and amounts to € 6.1 million.

The **operating margin<sup>1</sup>** thus stands at 68.14%, or a decrease in comparison with that of 69.2% in the first half-year of 2013 and that of 69.53% on 31 December 2013, following the increase of the general costs mentioned above.

The **result on the sale of investment properties**, calculated in comparison with the latest fair value, minus the investments of the current year, amount to € 1.8 million, and records a slight increase of 1.69% in comparison with the first half-year of 2013; the distributable capital gain on these sales stands at € 2.1 million.

The **changes in fair value of the investment properties** are positive and amount to € 5.3 million in comparison with € 1.5 million in the first half-year of 2013.

The **operating result** consequently amounts to € 13.3 million compared to € 9.4 million on 30 June 2013, or a rise by +41.04%.

The **financial result** records a significant decrease. It amounts to € - 4.0 million in comparison with € - 0.3 million on 30 June 2013, explained by latent negative changes in fair value of the hedges, after a year of positive change in 2013.

The **net result** amounts to € 9.3 million, or a growth (+1.67%) in comparison with that of € 9.1 million on 30 June 2013.

The **net current result** excluding IAS 39 increases by 3.38%, and evolves from € 4.1 million to € 4.2 million at the end of the 1st half-year of 2014. Per share this stands at € 1.39 compared to € 1.35 a year ago (+2.99%).

The **distributable result** substantially progresses and amounts to € 6.3 million compared to € 6.0 million a year ago. Per share this amounts to € 2.07 compared to € 1.98 on 30 June 2013 (+4.75%).

1 The Operating margin is the operating result before the portfolio result /property result.

## BALANCE SHEET

# 15 years

ASSETS	30/06/2014	31/12/2013
<b>I. Non-current assets</b>	<b>327 638 399</b>	<b>307 933 429</b>
B. Intangible assets	13 970	16 049
C. Investment properties	326 395 153	306 753 952
D. Other tangible assets	191 640	122 902
E. Non-current financial assets	73 122	76 012
F. Finance lease receivables	964 515	964 515
<b>II. Current assets</b>	<b>14 223 891</b>	<b>17 166 414</b>
A. Assets held for sale	7 069 192	9 402 061
C. Finance lease receivables	78 666	112 237
D. Trade receivables	3 412 460	3 199 473
E. Tax receivables and other current assets	365 512	296 970
F. Cash and cash equivalents	2 752 338	3 882 740
G. Deferred charges and accrued income	545 723	272 933
<b>TOTAL ASSETS</b>	<b>341 862 290</b>	<b>325 099 843</b>
<b>SHAREHOLDERS' EQUITY</b>		
A. Capital	75 999 055	73 469 670
B. Share premium account	24 903 199	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 (+/-)	105 832 012	90 909 201
c. Reserve from estimated transfer costs and rights resulting from hypothetical disposal of investment properties (-)	-28 488 588	-25 730 630
d. Reserve from the balance of changes in fair value of allowed hedges to which hedge accounting according to IFRS is applied (+/-)	-1 097 156	-671 198
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 (+/-)	14 538 017	12 446 842
D. Net result of the financial year	9 261 234	24 907 336
<b>SHAREHOLDERS' EQUITY</b>	<b>201 548 697</b>	<b>195 025 808</b>
<b>LIABILITIES</b>		
<b>I. Non-current liabilities</b>	<b>113 663 376</b>	<b>79 471 529</b>
B. Non-current financial debts	106 598 700	75 000 000
C. Other non-current financial liabilities	7 064 676	4 471 529
<b>II. Current liabilities</b>	<b>26 650 217</b>	<b>50 602 505</b>
B. Current financial debts	21 866 855	47 382 687
D. Trade debts and other current debts	3 608 439	2 290 190
E. Other current liabilities	211 524	120 734
F. Accrued charges and deferred income	963 399	808 895
<b>LIABILITIES</b>	<b>140 313 594</b>	<b>130 074 035</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>341 862 290</b>	<b>325 099 843</b>
Number of shares at end of period <sup>(1)</sup>	3 147 897	3 043 231
Net asset value	201 548 697	195 025 808
<b>Net asset value per share</b>	<b>64.03</b>	<b>64.09</b>
<b>EPRA NAV <sup>(2)</sup></b>	<b>66.27</b>	<b>65.55</b>
Indebtedness	132 285 518	124 793 611
<b>Debt ratio</b>	<b>38.70%</b>	<b>38.39%</b>

(1) The number of shares at the end of the period is calculated with the exclusion of 12 912 shares bought by the Company and includes the 104 666 new shares issued in June 2014.

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

Under the **assets** on the balance sheet we mainly note, under the item *non-current assets*, the item Investment properties, reflecting the fair value of the property portfolio of Home Invest Belgium (including the development projects). On 30 June 2014 the fair value reaches € 326.4 million, compared with € 306.8 million on 31 December 2013.

The *current assets* include, under the item assets held for sale, the investment properties of which the arbitrage has been decided by the Board, and of which the fair value stands at € 7.1 million.

The **shareholders' equity** increases (+ 3.34%) in comparison with the situation on 31 December 2013 and still includes the entirety of the results of the financial year 2013, including the dividends, in accordance with the IAS-IFRS standards.

On 30 June 2014, the **debt ratio** of Home Invest Belgium amounted to 38.7% compared to 38.4% on 31 December 2013, which is thus considerably lower than the legal limit of 65%, which constitutes a precious advantage in the currently still unstable context of the financial and capital markets. Moreover, on this basis, the Company's additional debt capacity amounts to € 255 million; it stands at € 78 million for a debt ratio no higher than 50%, which is the threshold determined by the Board of Directors.

Based on the fair value of the investment properties, as defined in the report of the real estate expert, and taking into account the cumulative result in the course of the past half-year, the **net asset value** of the Home Invest Belgium share <sup>1</sup> on 30 June 2014 amounts to € 64.03, which is stable in comparison with that of 31 December 2013 (€ 64.09), this last figure still including the total result of the financial year of 2013.

<sup>1</sup> After elimination of the 12 912 shares in auto-control.

COLOMBUS (JAMBES)



LAMBERMONT (SCHAERBEEK)



## CASH FLOW STATEMENT

# 15 years

En €	30/06/2014	30/06/2013
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>	<b>3 882 740</b>	<b>2 634 188</b>
<b>1 Cash flow from operating activities</b>	<b>71 959</b>	<b>3 786 147</b>
<b>Result for the financial year</b>	9 261 234	9 109 271
Result for the financial year before interest and taxes	13 280 501	9 416 413
Interest received	31 574	42 123
Interest paid	-4 035 175	-351 474
Taxes	-15 665	2.208
<b>Adjustment of profit for non-current transactions</b>	<b>-4 960 523</b>	<b>-4 962 301</b>
Depreciation and write-downs	52 820	37 158
- Depreciation and write-downs on non-current assets	52 820	37 158
Other non-monetary elements	-3 175 010	-3 191 645
- Changes in fair value of investment properties (+/-)	-5 342 200	-1 499 483
- Other non-current transactions	2 167 190	-1 692 162
Gain on realization of assets	-1 838 333	-1 807 814
- Capital gains realized on the sale of non-current assets	-1 838 333	-1 807 814
<b>Change in working capital needs</b>	<b>-4 228 752</b>	<b>-360 823</b>
Movements in asset items :	-5 257 060	-895 428
- Current financial assets	-4 719 900	31 120
- Trade receivables	-212 987	-693 344
- Tax receivables and other short-term assets	-68 541	325 194
- Deferred charges and accrued incomes	-255 633	-558 398
Movements of liabilities items :	1 028 308	534 605
- Trade and other current debts	1 263 509	446 427
- Other current liabilities	-292 467	8 417
- Accrued charges and deferred income	57 267	79 761
<b>2 Cash flow from investment activities</b>	<b>3 343 978</b>	<b>-28 019 421</b>
Investment properties - capitalized investments	-540 145	-261 652
Investment properties - new acquisitions		-34 375 000
Acquisition des filiales (net moins trésorerie acquise)	112 630	
Divestments	8 403 033	6 663 710
Development projects	-4 514 951	-2 422
Other tangible assets	-119 479	-31 200
Other non-current financial assets	2 890	-12 857
<b>3 Cash flow from financing activities</b>	<b>-4 546 338</b>	<b>26 923 180</b>
Changes in financial liabilities and debts	6 128 700	37 000 000
Increase (+) / Decrease (-) in financial debts	6 128 700	37 000 000
Variation of capital (+/-)	-18 688	
Dividend of the previous financial year	-10 656 350	-10 076 820
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<b>2 752 338</b>	<b>5 324 093</b>

	Charlent Leasehold	Charlent Freehold
<b>Note A Acquisition of subsidiaries</b>		
Cash and cash equivalents	86 895	77 898
Investment properties	3 649 244	263 153
Deferred charges and accrued income - assets	17 158	
Non-current financial debts	-3.527 859	-288 371
Trade debts	-43 999	-517
Other non-current liabilities	-84 000	
Accrued charges and deferred income - liabilities	-97 440	
<b>Total acquisitions</b>	<b>0</b>	<b>52 163</b>
<b>Cash-flow of subsidiaries</b>	<b>-86 895</b>	<b>-77 898</b>
<b>Cash-flow on acquisition of subsidiaries</b>	<b>-86 895</b>	<b>-25 735</b>

## CHANGES IN SHAREHOLDERS' EQUITY

€	Capital	Capital increase expenses	Share premium	Legal reserve	Reserve from the balance of changes in fair value of investment properties
Balance on 31/12/2012	74 401 222	-931 552	19 093 664	98 778	89 588 625
Transfer					5 427 646
Changes resulting from the sale of a building					-663 340
Dividend distribution					
Result of the financial year					
VChanges in fair value of hedges					
Balance on 30/06/2013	74 401 222	-931 552	19 093 664	98 778	94 352 931
Balance on 31/12/2013	74 401 222	-931 552	19 093 664	98 778	90 909 201
Transfer					15 524 054
Changes resulting from the sale of a building					-601 243
Dividend distribution					
Result of the financial year					
Changes in fair value of hedges					
Other increase/(decrease)	2 548 073	-18 688	5 809 535		
Balance on 30/06/2014	76 949 295	-950 240	24 903 199	98 778	105 832 012

## SEGMENT INFORMATION

As a residential Sicafi, Home Invest Belgium has chosen to focus its investment strategy entirely on residential property (apartment buildings, other residential complexes and houses). Its investment strategy is thus largely determined by the geographical location of the buildings concerned.

As a consequence, the segmentation below is based on these **geographical locations**.

Segment of activity	€	Total	
		30/06/2014	30/06/2013
Rental income		9 631 516	9 582 481
OPERATING RESULT BEFORE THE PORTFOLIO RESULT		6 099 967	6 109 116
Result on sale of investment properties		1 838 333	1 807 814
Changes in fair value of investment properties		5 342 200	1 499 483
Financial result		-4 003 601	-309 351
<b>Segment of activity of the investment properties in operation</b>		<b>Total</b>	
<b>Key figures <sup>1</sup></b>		<b>30/06/2014</b>	<b>30/06/2013</b>
Fair value		295 624 323	278 617 698
Rental surface		147 562	148 965
Number of units		1 315	1 340
Occupancy rate		95.3%	94.8%

<sup>1</sup> Excluding buildings held for sale and development projects.

# 15 years

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
-25 133 105	-1 958 774	-757 323	1 259 467	11 428 410	11 631 985	<b>178 721 397</b>
-1 570 699				-2 059 109	-1 797 837	<b>0</b>
606 987					56 353	<b>0</b>
					-9 890 501	<b>-9 890 501</b>
					9 109 271	<b>9 109 271</b>
	824 360					<b>824 360</b>
-26 096 817	-1 134 415	-757 323	1 259 467	9 369 300	9 109 270	<b>178 764 526</b>
-25 730 630	-671 198	-757 323	1 259 467	12 446 842	24 907 336	<b>195 025 808</b>
-3 136 652				2 091 175	-14 478 577	<b>0</b>
378 694					222 549	<b>0</b>
					-10 651 309	<b>-10 651 309</b>
					9 261 234	<b>9 261 234</b>
	-425 958					<b>-425 958</b>
						<b>8 338 920</b>
-28 488 588	-1 097 156	-757 323	1 259 467	14 538 017	9 261 234	<b>201 548 697</b>

Brussels-Capital Region		Flemish Region		Walloon Region		Unallocated	
30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
5 870 141	6 070 290	1 063 137	1 054 454	2 698 238	2 457 738		
5 456 090	5 104 572	1 012 853	978 568	2 591 959	2 282 030	-2 960 935	-2 256 054
1 715 869	1 710 235			156 646		-34 182	97 580
5 101 793	1 320 069	277 808	407 840	-37 401	-228 426		
						-4 003 601	-309 351

Brussels-Capital Region		Flemish Region		Walloon Region	
30/06/2014	30/06/2013	30/06/2014	30/06/2013	30/06/2014	30/06/2013
189 621 344	176 275 805	36 880 089	35 023 237	69 122 890	67 318 656
87 789	88 162	14 029	14 029	45 744	46 774
773	776	146	146	396	418
94.6%	94.7%	97.2%	93.2%	96.0%	94.9%

## NOTES

### ► Investment properties – item I.C. of the assets (in €)

	30/06/2014	30/06/2013
<b>Investment properties, balance at the beginning of the period</b>	<b>306 753 952</b>	<b>242 718 208</b>
<b>Development projects</b>		
<i>Balance at the beginning of the period</i>	<i>16 315 294</i>	<i>882 568</i>
Investments – development projects	9 633 079	2 422
Contributions	8 357 608	
Sales	-3 535 151	
Completion of development projects (-)		-884 990
<i>Balance at the end of the period</i>	<i>30 770 830</i>	
<b>Investment properties</b>		
<i>Balance at the beginning of the period</i>	<i>290 438 658</i>	<i>241 835 640</i>
Completion of buildings under construction		884 990
Acquisition of buildings		34 375 000
Capitalized subsequent expenses	540 145	261 652
Changes in fair value	5 342 200	1 499 483
Disposals (-)	-3 029 549	-4 855 896
Transfer to assets held for sale	2 332 869	4 616 828
<i>Balance at the end of the period</i>	<i>295 624 323</i>	<i>278 617 698</i>
<b>Investment properties, balance at the end of the period</b>	<b>326 395 153</b>	<b>278 617 698</b>

### ► Financial liabilities

The financial debts are booked at amortized cost, which corresponds to the fair value. The table below shows the credit lines of credit opened with each bank (contracted and withdrawn amounts), the average maturity and the credit lines maturing in 2014 the second half-year of 2014.

We also recall the bond issue realized on 18/06/2014 for € 40 million, which has substantially increased the average maturity of the funding.

Funding	Amount confirmed credit lines (€)	Withdrawals (€)	Average maturity	Notional amounts expiring in the second half-year of 2014 (€)
<b>Bank funding</b>	<b>150 280 000</b>	<b>88 280 000</b>	<b>3 years and 4 months</b>	<b>35 280 000</b>
BELFIUS	45 750 000	45 750 000	2 years and 9 months	20 750 000
BNP	39 530 000	530 000	2 years and 8 months	14 530 000
ING	40 000 000	17 000 000	4 years and 9 months	
LBLUX	15 000 000	15 000 000	3 years and 11 months	
DEGROOF	10 000 000	10 000 000	4 years and 4 months	
<b>Bond loans</b>	<b>40 000 000</b>	<b>40 000 000</b>	<b>10 years</b>	
Issue of 18/06/2014	40 000 000	40 000 000	10 years	
<b>Total</b>	<b>190 280 000</b>	<b>128 280 000</b>	<b>4 years and 9 months</b>	<b>35 280 000</b>

The debt ratio at 30/06/2014 amounts to 38.70% in comparison with 38,39% on 31/12/2013.

# 15 years

Interest rate hedging instruments are exclusively IRS (Interest Rate Swaps), which exchange floating interest rates for fixed rates. On 30 June 2014, the total amount of subscribed IRS hedges amounted to € 111 750 000, as recorded in the table below.

Hedges	Amount of the hedges (€)	Average maturity	Hedges expiring in the second half-year of 2014 (€)
BELFIUS	46 750 000	2 years and 3 months	11 750 000
BNP	25 000 000	3 years and 11 months	
ING	40 000 000	5 years and 2 months	
<b>IRS hedges</b>	<b>111 750 000</b>	<b>3 years and 8 months</b>	<b>11 750 000</b>

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.

Accounting:

In accordance with IAS39, the negative value of financial instruments as at 30 June 2014 is recognised in liabilities under heading I.C. "Other non-current financial liabilities" at a total amount of - € 7 064 676. The counterpart is recognised as follows:

Fair value of financial instruments as at 30/06/2014 (€)	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	-1 014 305		
Ineffective instruments (change in 2014)		-1 871 837	
Ineffective instruments at previous year end (1)			-3 800 331
IRS declared effective in 2011 and:			
- previously reclassified as ineffective		-212 503	
- to be reclassified as ineffective in 2014	-82 851		
- variation in 2014 (2)		-82 851	
<b>Total:</b>	<b>-1 097 156</b>	<b>-2 167 190</b>	<b>-3 800 331</b>
<b>Overall total:</b>		<b>-7 064 676</b>	

(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 IRS in question having been declared ineffective, the change in fair value during the second half-year of 2014 is recognised in full in the income statement.

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

IFRS 13 is applied to IFRS standards that demand or allow fair value measurements or disclosures on fair value and, consequently, IAS 39. IFRS 13 foresees a hierarchy in fair values under 3 data input levels (levels 1, 2 et 3). With regard to financial instruments, all these fair values are level 2. As Home Invest Belgium has no other level than level 2, it has not developed a follow-up policy for transfers in hierarchy levels.

The valuation is made by banks based on the present value of estimated future cash flows.

## ► Consolidation scope

The consolidation scope on 30 June 2014 has changed in respect to that of 30 June 2013. It now includes the SA Home Invest Belgium (0420.767.885), the SA Home Invest Development <sup>1</sup> (0466.151.118), the SPRL Charlent 53 Freehold (0536.280.237) and the SPRL Charlent 53 Leasehold (0880.805.431).

## ► Distributed dividends

The general meeting of 6 May 2014 approved the appropriation of results proposed by the Board of Directors. A gross dividend of € 3.50 per share<sup>2</sup> has since then been paid on 16 May 2014 (against coupon n°17) for a total amount of € 10 696 500.50<sup>3</sup>.

As a reminder, since 1 January 2013, the distributed dividends by the residential Sicafi (which includes Home Invest Belgium) are subject to a 15% withholding tax.

## ► Conditional assets and liabilities on 30 June 2014

On 30 June 2014 Home Invest Belgium had no conditional assets or liabilities.

- 1 Previously known as "Home Invest Management".
- 2 Corresponds to a net dividend of € 2.9750, after deduction of the withholding tax of 15%.
- 3 Dividend calculated on statutory basis, in conformity with the RD of December 7, 2010, and thus without the elimination of the shares held in auto-control by Home Invest Development SA (previously known as 'Home Invest Management').

LES ERABLES (WOLUWE-SAINT-LAMBERT)



## AUDITOR'S REPORT

### ► Report on the limited review of interim consolidated financial information for the six-months period ended on 30 June 2014

#### Introduction

We have reviewed the related interim consolidated balance sheet of Home Invest Belgium as of 30 June 30 2014 and the related consolidated statements of income, changes in equity and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with the International Financial Reporting Standards as approved by the European Union, applicable to the communication of interim financial information ("IAS 34"). Our responsibility is to express a conclusion on this interim financial information based on our limited review.

#### Scope of the limited review

We conducted our review in accordance with International Standards on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A limited review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures of limited review. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information does not present fairly, in all material respects the consolidated financial position of the entity as at 30 June 30 2014, and of its financial performance and its cash flows for the six-month period then ended in accordance with the International Financial Reporting Standards as approved by the European Union.

Antwerp, 28 August 2014

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



# Shareholders' 15 years calendar

## 2014

Extraordinary general meeting in view of changing the status of the company into a regulated real estate company (SIR / GVV) where the presence quorum has not been reached	Thursday 25 September 2014
As the case may be, extraordinary general meeting in view of changing the status of the company into a regulated real estate company (SIR / GVV)	Monday 20 October 2014
Interim statement: results on 30 September 2014	Friday 14 November 2014

## 2015

Annual statement for the 2014 financial year	Friday 27 February 2015
Posting of the annual report on the website	Thursday 2 April 2015
Ordinary General Meeting of the 2014 financial year	Tuesday 5 May 2015
Interim statement: results on 31 March 2015	Tuesday 5 May 2015
Payment of the dividend for the 2014 financial year	Friday 15 May 2015

TEAM HOME INVEST



# Statement of responsible persons

in accordance with article 13§2 of the Royal Decree of 14 November 2007

Sophie Lambrighs, Managing Director of the Sicafi, states that to her knowledge:

- a) The summary financial statements, established in accordance with the applicable accounting principles, present a fair view of the assets, financial situation and results of the Sicafi and the companies included in the consolidation;
- b) The interim management report contains a fair presentation of the mandatory information, and particularly the information recorded in §5 and §6 of article 13 of the Royal Decree of 14 November 2007.

29 August 2014  
The Board of Directors

LEBEAU (BRUSSELS)



# Investor relations 15 years

The present half-year financial report is available on the website of the Company or can be sent by mail on simple request to the registered office.

LES JARDINS DE LA CAMBRE (BRUSSELS)



[www.homeinvestbelgium.be](http://www.homeinvestbelgium.be)



LOUVAIN-LA-NEUVE

PHOTO: TOM FREDERIX



Home Invest Belgium SA

Belgian Sicafi  
Boulevard de la Woluwe 60, Bte 4,  
B -1200 Brussels

T +32 2 740 14 50 - F +32 2 740 14 59  
[info@homeinvest.be](mailto:info@homeinvest.be)  
[www.homeinvestbelgium.be](http://www.homeinvestbelgium.be)  
RPM : 0420.767.885. ISIN BE 003760742

