

A FRUITFUL GROWTH



Affine

The first half of 2006 was marked by a large external growth transaction: the acquisition of around 75% of the capital of the Belgian property company Banimmco, which has pushed the group's consolidated balance sheet over the 1 billion euro threshold for the first time. At the same time, Affine has continued its property investments (€15 M) and its subsidiaries have developed their activities in France and abroad (particularly in Spain). Alongside Concerto Développement (logistics platforms development), Promaffine (office and residential property development) and BFI (business centres), the group created Affine building construction & design (Abcd), which specialises in construction engineering, at the beginning of the year. In addition to Banimmco's entry into the group, the financial statements for the first half of the year also reflect the Affine group's adoption of "fair value", as defined in the IFRS accounting standards, as from 1 January 2006.

> Operating profits:

Outstanding growth +270%

Consolidated operating profits were €23.1 M, to be compared to €6.2M for the first half of 2005. This exceptional increase of €16.9 M includes:

- the effect of the accounting in "fair value" of assets held as at 30 June 2005, in the amount of €2.7 M.
- the €10 M contribution made by Banimmco (over 4 months), resulting largely from revaluations of assets in the course of being sold.
- €4.2M from Affine own activity.

Net profits also increased fourfold compared to last year to €22.0 M (of which group share €19.2 M).

Affine's company operating profits increased to €9.3 M (+19.7%) and net profits to €8.4 M (+11.6%).

> Rents: +75%

The sustained increase in rents received from the Affine group's property assets (excluding Banimmco) (+28%) and the contribution made by rents received by Banimmco (over 4 months) resulted in significant growth in the group's rental income (+75%).

Excluding development operations, the operational cash-flow from the rental portfolio and lease finance of the group was €36.2 M, up by 5.6% from the corresponding period of previous financial year (€34.3 M).

The occupancy rate (by value) of the group's property portfolio (excluding Banimmco) remains slightly over 95%.

> Net asset value: +11%

The value of the group's rental assets (98 buildings) was €702 M as at 30 June 2006. The increase of 76% compared to 31 December 2005 (at fair value) is the result of the inclusion of Banimmco's property assets (€278 M) and the growth in the value of Affine's assets (+2%), after deducting sales of €14.8 M.

Replacement NAV therefore stood at €323 M at 30 June 2006 compared to €291 M at the end of 2005, and NAV by shares at €119 (on the basis of the shares in circulation as at 30 June 2006) or €108 (after neutralisation of the mandatory convertible bonds (ORA) issued).

> Share price: + 22%

After an increase of 47% in 2004, and 32% in 2005, the group's share price has continued to show steady growth to reach €108.5 at the end of June (an increase of 22% compared to the beginning of the year), lifting the company's market capitalisation close to €300 M; this increase includes the creation in June 2006 of 15,280 new shares as the partial payment of dividend payment for 2005, which took the free float to 46.2% of capital. The stock's liquidity has again shown a marked improvement: the average volume of trades over the first half of the year was over 50% higher than for the year 2005.

> Interim dividend: €1.20

As in previous years, Affine has decided to pay its shareholders part of the dividend due for 2006 in November. The amount of the interim dividend has been set at €1.20, a total of €3.2 M.

> Prospects

In addition to the acquisition of Banimmco, Affine has continued to manage an active investment policy, the total of which should be close to €100 M for the full year. At the same time, its subsidiaries are pursuing their own growth, and the improvement of the rental situation and arbitrage decisions should bring outstanding new profits for Banimmco in the second half. It thus appear that the marked external growth at the beginning of the year gives way to a long-standing stronger financial wealth to the group compared to its previous structure ; as a result, consolidated profits for the year should also show a significant increase over 2005.

€M	1st half 2005	1st half 2005 pro forma in fair value	1st half 2006
Consolidated financial statements			
Rental properties	12.6	15.3	37.1
Lease finance	5.1	5.1	4.2
Development operations	1.1	1.1	2.7
Financial income and expenses	(6.2)	(6.2)	(10.4)
Miscellaneous expenses	(6.4)	(6.4)	(10.6)
Operating profit	6.2	8.9	23.1
Taxes and miscellaneous	(0.7)	(1.0)	(1.1)
Net profit	5.5	7.9	22.0
Of which group share	5.7	8.1	19.2

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