

EXCEPTIONAL LEVEL OF PROFIT IN THE FIRST HALF OF 2007



The first half of 2007 was marked by two key events that helped drive the company's growth.

- Affine acquired a controlling interest in Fideimur, now AffiParis, a new French Real Estate Investment Trust (REIT) specialised in commercial property in Paris. Affine owns a 54% stake following AffiParis' IPO.
- Banimmco completed a successful new share issue; Banimmco's shares are now listed on Eurolist Brussels.

> Tripled profit

The company's consolidated net profit soared to €66.2m in the first half of 2007, up from €24.0m during the same period last year, thanks to:

- A jump in margins in the property business from gains on the sale of assets at Banimmco, and to a lesser extent an increase in net rental income at Affine;
- A positive €20.8m fair value adjustment of the rental portfolio, compared with €15.7m in the first half of 2006; and
- Non-recurring accounting profit of €14.8m from Banimmco's share issue, and €9.6m from AffiParis's adoption of French REIT status.

Affine's net profit rose to €19.7m in the first half of 2007 (from €8.4m in the first half of 2006) mainly as a result of sizeable dividend payments from its subsidiaries.

> Sustained pace of investments

In addition to the acquisition of a controlling interest in AffiParis, the company made over €70m of direct investments in France and Belgium in the first half. The market value of the company's rental portfolio at June 30, 2007 was €969m (including transfer taxes), based on sales completed at that date, compared with €746m at the end of 2006. The occupancy rate (excluding Banimmco and properties being renovated) remained unchanged at 94%.

Cash flow from operations (before general expenses and borrowing costs) climbed to €41.3m, up 5.4% from the first half of 2006. The company's net cash flow amounted to €15.6m, versus €6.0m in the same period last year.

> Resilient share price

In order to improve the Affine share's liquidity, following the significant increase in its price over the last few years, a share split was carried out in July 2 which tripled the number of

shares.

Affine's share price demonstrated reassuring strength this summer amid the turbulence that affected property stocks, and, more generally, the financial markets. The share price leapt 2.4% in the first six months, and was not impacted by the equity market weakness in March and April. The share price was €140 on June 30, for a market capitalisation of €378.4m. The share price has held relatively steady since then, apart from occasional wide daily fluctuations, and by August 31 had slipped modestly to €43.6 (€130.7 before the split).

> Interim dividend increase

The Affine Board of Directors decided to issue an interim dividend in 2007, as it has done in previous years. The interim dividend will be €0.45 per share, or €1.35 before the split, compared with €1.20 in 2006.

> Outlook for the year

Notwithstanding this summer's turmoil in the US property market – and its contagion into the global financial markets – the business outlook remains good for Affine, as it has a portfolio of quality properties which are not speculative in nature. The money raised during AffiParis' and Banimmco's IPOs, along with the €75m of perpetual subordinated notes issued in July, give the company the financial resources needed to continue growing. Profit in the second half should be more in line with recurring profits due to the exceptional nature of some items that occurred in the first half, and the net profit for the full year 2007 should be markedly higher than in 2006.

€ million	June 2006	Dec. 2006	June 2007
Consolidated financial statements			
Investment properties of w:	35.8	91.1	60.6
<i>Fair value adjustment</i>	15.7	36.2	20.8
<i>Gains on sales</i>	0.0	12.3	15.7
Lease finance	4.2	10.0	5.6
Property development	2.7	10.7	2.7
Other operations	2.4	3.0	5.4
Financial income and expenses	(10.4)	(22.6)	(10.9)
Operating and other exp of w:	(9.6)	(24.6)	(4.8)
<i>Gain from dilution</i>			14.8
Pre-tax profit	25.1	67.8	58.6
Taxes and other expenses	(1.1)	(4.7)	7.6
Consolidated net profit	24.0	63.1	66.2
<i>Group share</i>	20.9	58.2	52.4

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