

ACTIVITY

- Sustained **investment activity** by the property companies (Affine, Banimmo, AffiParis): €117m (€88.9m for the 1H2007), of which €105m in rental property;
- Significant increase in **rental income**: up 10.6% to €70.0m on a yearly basis (€63.3m in 2007) and stable occupancy rate (94.5% excluding Banimmo);
- Broader **property assets portfolio**: 127 buildings, appraisal value, including transfer tax, amounts to €1,120m at the end of June (€996m at end of June 2007);
- Increase in service **revenues**: Concerto Développement (€19.1m versus €2.5m for 1H2007), Promaffine (€1.1m versus €0.9m), BFI (€4.2m versus €3.6m);
- Active **financing** policy: €122.5m in new or renewed bank loans;
- 8% drop in **replacement NAV** (excluding "TSDI" perpetual subordinated bonds and "ORA" mandatory convertible bonds): €379m at the end of June 2008 (€412m at end of 2007), due to a slight decrease (€17.8m) in the appraised value of the assets and a drop in the value of Affine's stake in Altarea.

RESULTS

- **Operating margin** up 0.6% to €38.1m (in comparison with the 1H2007);
- Significant decrease in **capital gains on disposals** which come only from sales of equity interests, as the Group did not make any significant sales of buildings (€16.9m in capital gains in the 1H2007);
- Consequently, **operating profit** is down to €8.8m (€19.0m for the 1H2007);
- Negative impact of the change in **the buildings fair value**: -€17.8m (i.e. 1.9% of the value of the assets) compared with an increase of €20.8m for the 1H2007;
- Increase in the operating **cash flow**: €29.0m (€22.4m for 1H2007);
- 1.6% increase in Affine's **corporate net profit** to €20.1m.

AFFINE STOCK PERFORMANCE

- 14.7% drop in **share price**, in line with the French SIIC index;
- 40% increase in the **liquidity** of the stock in comparison with 2007;
- **Discount** to replacement NAV (€46.7 per share) of 30% as of end of June 2008;
- Payment of **interim dividend** of €0.45 per share next November.

OUTLOOK

Despite the magnitude of the financial crisis and its consequences on the property market, recurring operating profit for 2008 should remain close to that achieved in 2007. However, a more restrictive property disposal policy will significantly reduce capital gains and therefore operating profit. This change will not affect Affine's dividend policy.

Consolidated results (€ m)	1H2007 (restated)	Year 2007	1H2008
Operating margin	37.9	86.5	38.1
Financial income (loss)	(13.9)	(31.6)	(16.2)
Operating and misc. expenses	(20.0)	(39.8)	(18.1)
Corporate tax	(1.9)	(4.2)	(0.5)
Recurring operating profit	2.1	11.0	3.2
Capital gains on disposals	16.9	29.7	5.6
Operating profit	19.0	40.7	8.8
Change in fair value of buildings	20.8	27.8	(17.8)
Dilution profit	12.5	12.5	-
Miscellaneous, non-operational	1.7	2.3	2.7
Deferred tax	9.5	8.3	(1.1)
Net accounting income (loss)	63.5	91.6	(7.4)
Of which Group share	49.8	78.2	(9.9)

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