




# Results H1 2009

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*September 9, 2009*



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Strategy for the crisis  
Fair value: analysis and impacts  
The group's companies  
Analysis of H1 2009 accounts  
Affine on the stock exchange



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# STRATEGY FOR THE CRISIS

**Simplifying the Group**

**Sales program**

**Strict management of cash and debt**

**Tenant-focused asset management**

# Affine Group

## Simplifying the Group

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### ★ Reduce the number of subsidiaries

- Discontinue the Promaffine business
- Discontinue the Concerto Développement Iberica business
- Sale of Business Facility International (BFI) (in process)

### ★ Refocus the group's business on real estate

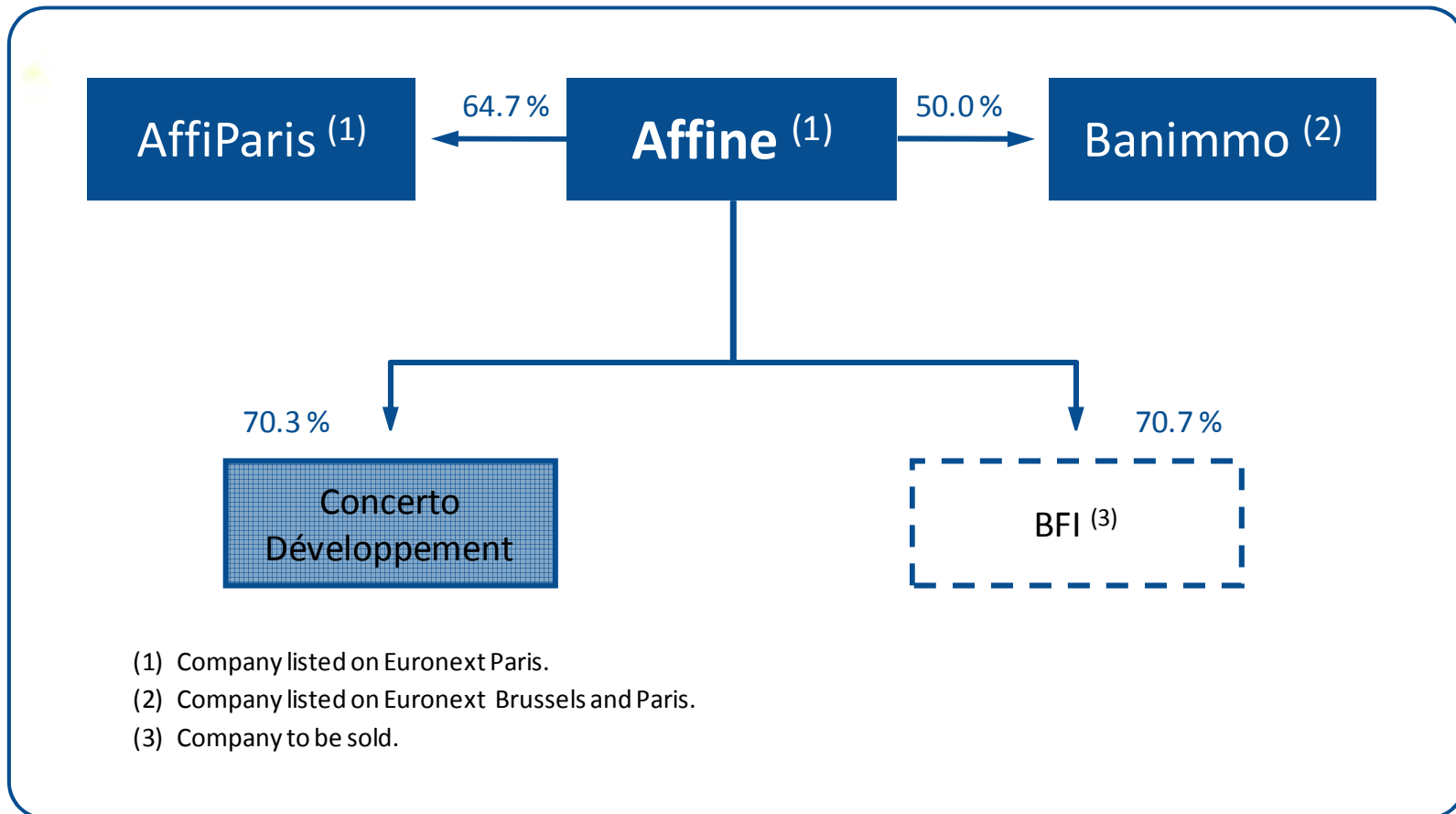
- Affine
- AffiParis
- Banimmo: the current context has led it to hold some assets for a longer time.

### ★ Changes in Concerto Développement

- Limitation of business to pre-leased or pre-sold operations
- Some buildings are kept as assets

# Affine Group

## Simplifying the Group



# Affine Group

Disposals: More than €40M out of an annual goal of €50 to €100M



Marseille: €7.6M excl. TT



Marseille: €1.5M excl. TT



St Quentin Fallavier: €1.3M excl. TT

€10.4M excl. TT disposals in the first six months...



Toulouse : €2.5M excl. TT



Atlantic House  
Antwerp, Belgium: €30.8M

**Signed commitments:**  
Bercymmo  
Bondy

... and €33.3M already completed in the second half

# Affine Group

## Cash management

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### ★ Action plan for 2009 and 2010

- Slowdown of investments: 2006: €199M  
2007: €164M  
2008: €194M (1<sup>st</sup> half = 117; 2<sup>nd</sup> half = 77)  
2009: limited to operations in process
- Disposal of assets: 2006: €145M  
2007: €66M  
2008: €26M  
2009: €50 to 100M (€41M in July)

### ★ €102M of new loans during the 1<sup>st</sup> half:

- Financing investments
- Increasing LTV on existing financing
- Substituting some credits with low LTV

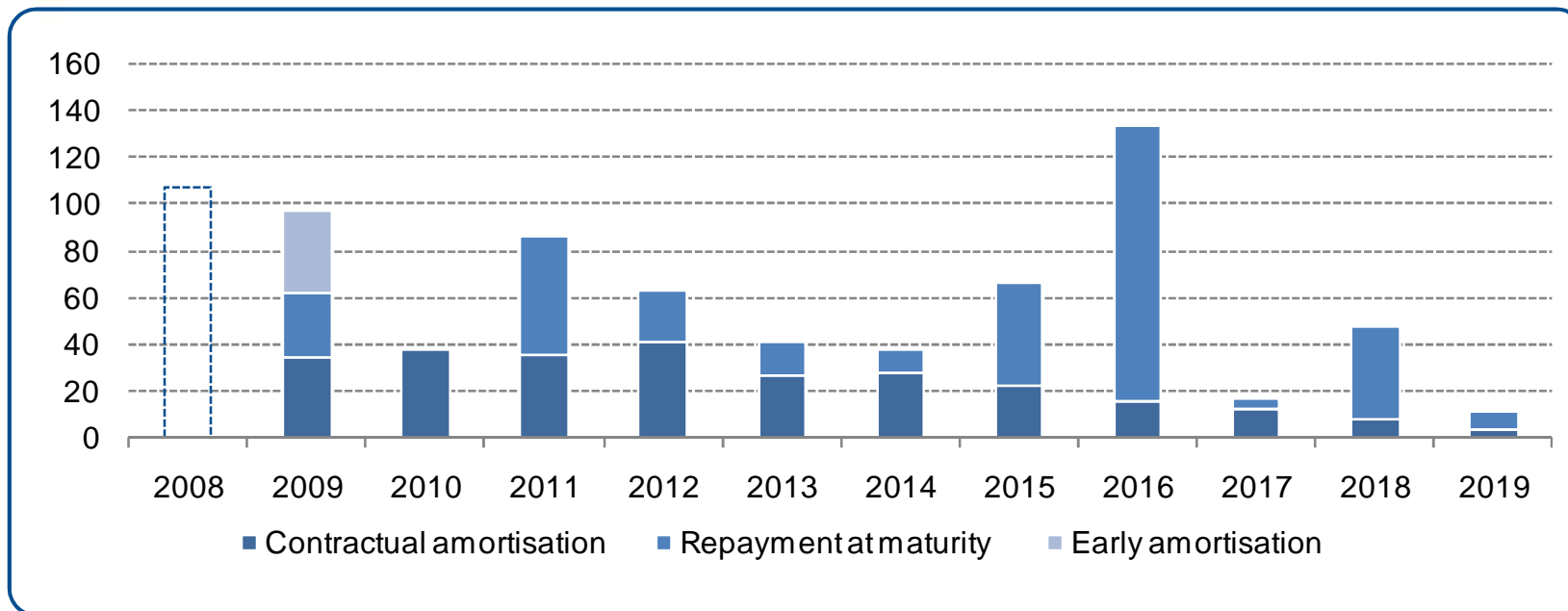
### ★ Cost of debt:

- 2.3% (excluding hedging)
- Subscription to €128M caps (5 years at 2.75%)

# Affine Group

## Cash management

### ★ Debt amortisation, excluding Banimmco (€M)



- Secured for 2009 and 2010
- Average term: 6.4 years
- No major maturities before 2016
- Amortisation: about €30M per year on average

# Affine Group

## Breakdown of the debt (consolidated)

(€M)	31/12/08	30/06/09
Net financial debt	753	767
Debt allocated to lease financing	45	42
Debt allocated to investment securities	29	21
Debt allocated to development business	22	11
<b>Debt for investment properties</b>	<b>658</b>	<b>694</b>
<b>Value of properties (transfer taxes included)</b>	<b>1,141</b>	<b>1,147</b>
<b>Equity affiliate companies</b>	<b>28</b>	<b>23</b>
<b>LTV</b>	<b>56.3%</b>	<b>59.3%</b>

# Affine Group

## Access to the credit market secured

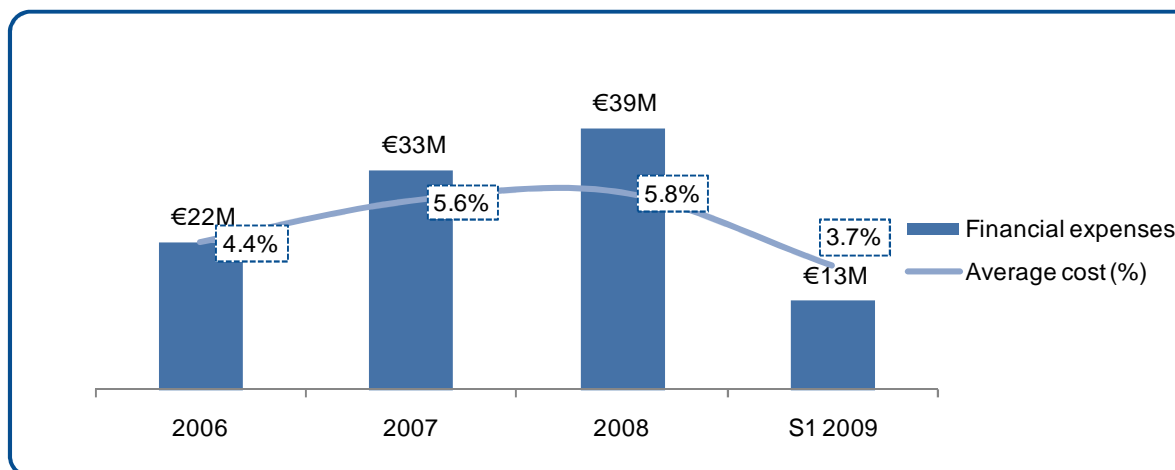
### ★ Context

- Regular relationships with the group's banks
- Strict respect of contractual schedule of repayments (no credit rescheduling)
- Mortgage financing, asset by asset
- Long-term amortised loans

### ★ An LTV group of 59.3%

- Affine and dedicated subsidiaries: 54.0%
- AffiParis: 66.7%
- Banimmo\*: 56.2% (52% since July)

### ★ Margins increase, rates decrease



# Affine Group

## Covenants

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**Two types of financial covenants (LTV, DSCR or ICR):**

- **on the assets (in most cases)**
  - **on the lender or Affine Group**
- ★ **Affine: 47% of the debt with covenants**
    - €24M of credits with covenants on assets
    - €25M of credits with corporate covenants
    - Group LTV and ICR ratios for financing in Altarea and Banimmo shares purchase (€43M)
  - ★ **AffiParis: 89% of debts are covered by covenants**
    - 2 credits with an LTV covenant on buildings
    - 2 DSCR credits on the property
    - An LTV ratio (70%) on the company for one of the credits
  - ★ **Banimmo**
    - for the syndicated credit: 65% LTV ratio, and 2 DSCR ratios
    - 2 new credit facilities for a total of €65M signed in May without covenants
  - ★ **All covenants enforceable on June 30 are complied with**

# Affine Group

## Tenant-focused asset management

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### ★ **Active search for new tenants**

In the first half of 2009, 29 new leases and 8 lease renewals (total: 27,200 sqm)

### ★ **Strengthening ties with tenants**

- Better knowledge of their needs and plans
- Improve their comfort (one Affine manager dedicated to each building or site generating more than €2M in rents: Baudry / Bordeaux / Saint Etienne)
- Control costs, including those invoiced to the tenant
- Fully internalise the management of rents and expenses

### ★ **A single technical “property” for all buildings**

# Affine Group

## Rental assets

	30/06/08	31/12/08	30/06/09
Number of assets <sup>(1)</sup>	127	125	123
Total surface area (sqm)	855,000	843,000	900,000
Investments <sup>(2)</sup>	€117M	€194M	€46M
Disposals	€2M	€26M	€10M
Appraisal value (transfer taxes included)	€1,120M	€1,141M	1,147M
Occupancy rate <sup>(3)</sup>	94.4%	94.0%	91.6%
Gross rents	€35.0M	€73.5M	€40.0M

- (1) Including VEFA or pre-sale contracts under construction  
 (2) Including external growth  
 (3) Except buildings being restructured and except Banimmco



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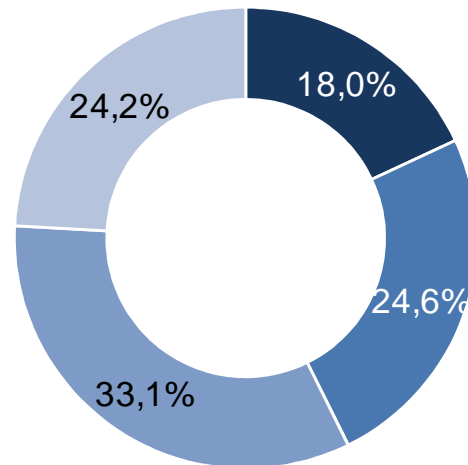
# **FAIR VALUE: ANALYSIS AND IMPACT**

# Affine Group

A diversified portfolio

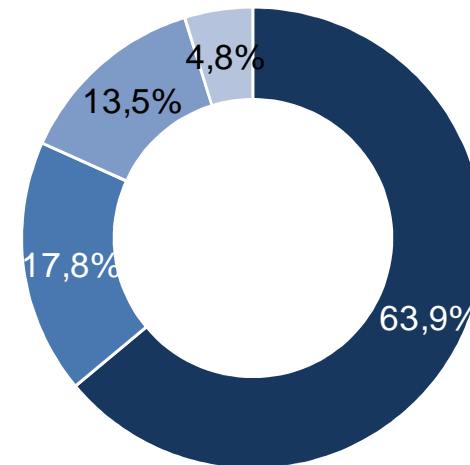
A portfolio split up by...

... geographic area



- Paris
- Paris region excl. Paris
- Other regions in France
- Euro zone excl. France

... type of asset

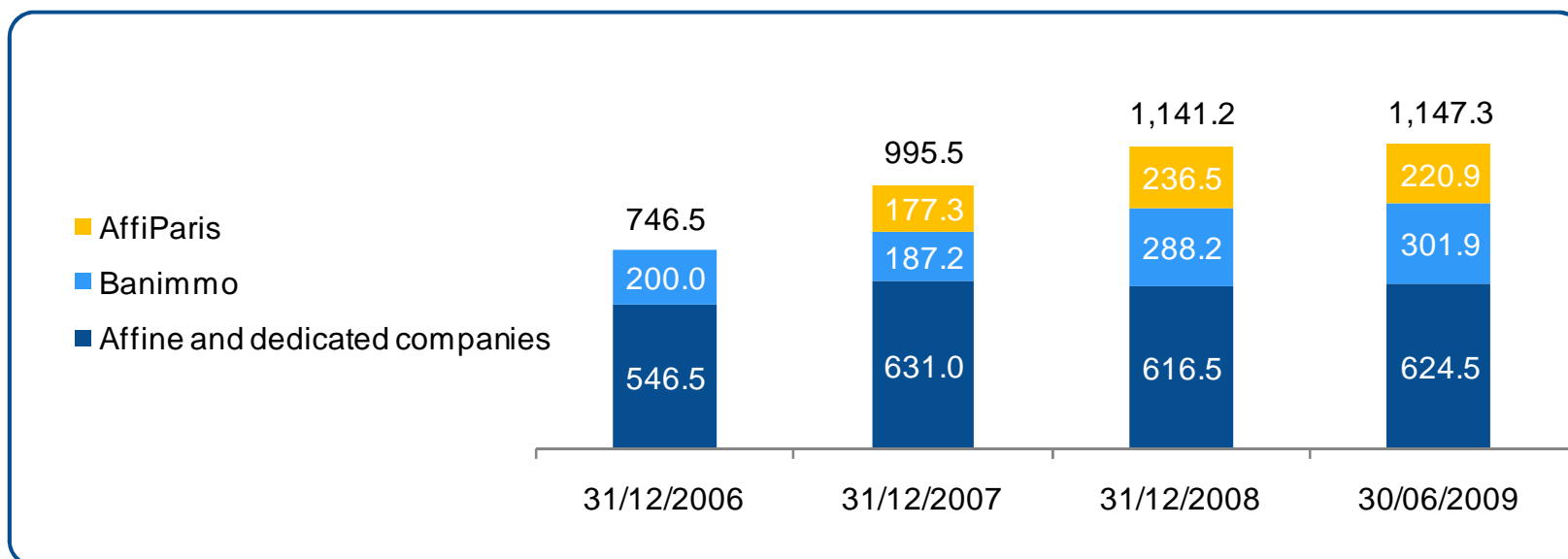


- Offices
- Warehouses and industrial
- Shopping centres
- Others

# Affine Group

## Rental assets

### ★ Appraisal value, including transfer taxes (€M)

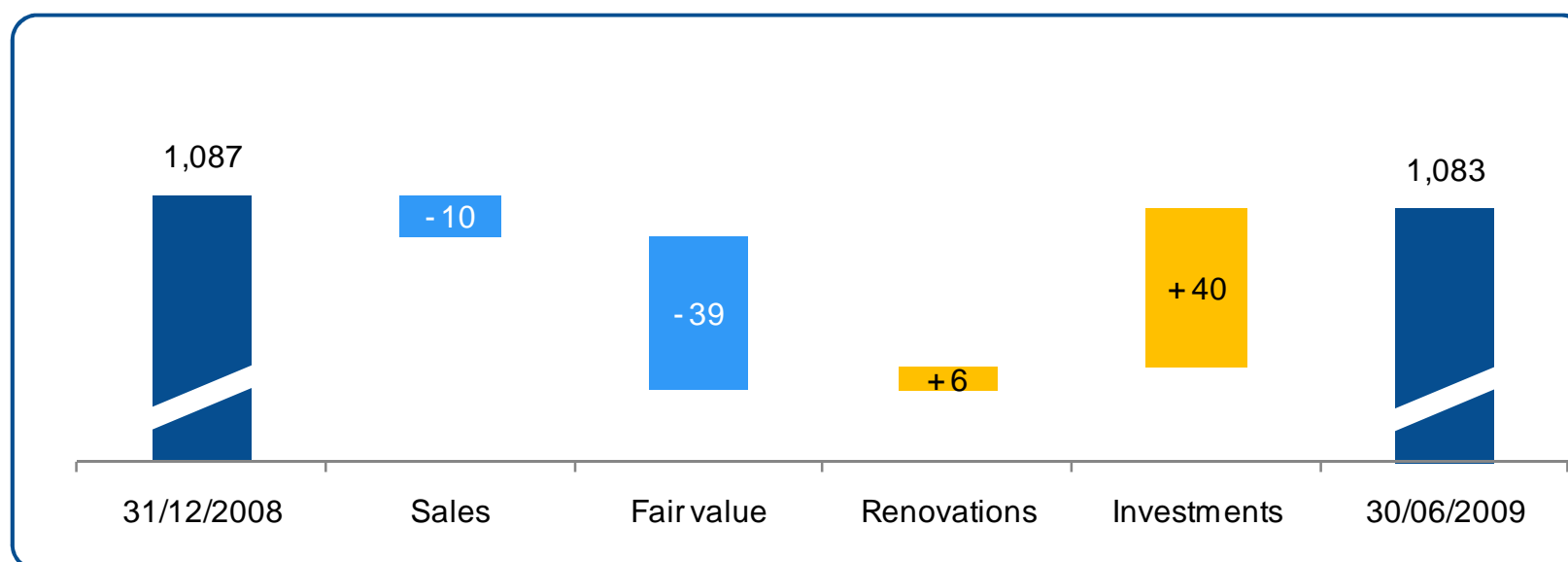


- +0.5 % change over 6 months
- And -3.6% on a like-for-like basis

# Affine Group

## Rental assets

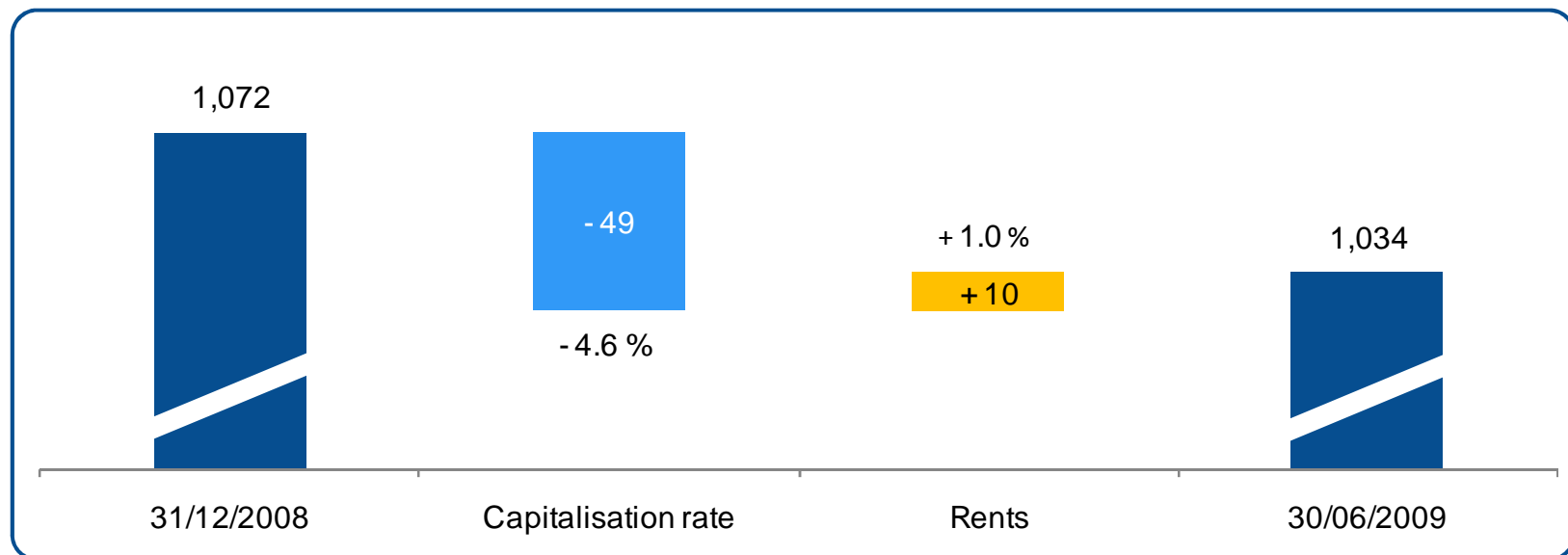
### ★ Change in fair value, excluding transfer taxes (€M)



# Affine Group

## Rental assets

- ★ **Components of change in fair value excl. transfer taxes (€M):**  
-3,6% on a like-for-like basis over 6 months



# Affine Group

## Our “sustainable development” projects

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- ★ **Low Consumption Building (LCB):**
  - Issy les Moulineaux: 2,300 m<sup>2</sup> of office space
  - Dreux: 18 individual houses
  - Paris Bréguet: 28,000 m<sup>2</sup> of office space, businesses, stores
  
- ★ **Very High Energy Performance (VHEP):**
  - Nanterre Seine Arche: 16,000 m<sup>2</sup> housing and stores
  
- ★ **Photovoltaic installation on warehouses in Spain**



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# THE GROUP'S COMPANIES

**Affine**

**Banimmo**

**AffiParis**

**Concerto Développement**

**Promaffine**

# Affine and dedicated real estate subsidiaries

## Rental assets

### ★ Changes in rents

- Contractual rents from current leases at 30 June, 2009, on annual basis

(€M)	31/12/2008	30/06/2009	Change
Rents like-for-like	44.6	44.3	- 0.7%
Rents from new acquisitions		-	
Rents from sold assets	0.8		
<b>Total rents</b>	<b>45.4</b>	<b>44.3</b>	<b>- 2.4%</b>

### ★ Return by type of asset at 30 June, 2009

	Breakdown of Portfolio	Current Rental Yield	Potential Rental Yield
Offices	48.3%	9.2%	9.6%
Warehouses	27.8%	8.2%	9.8%
Retail	15.0%	6.4%	10.0%
Other	9.0%	3.9%	4.7%
<b>Total</b>	<b>100.0%</b>	<b>8.0%</b>	<b>9.3%</b>

# Affine and dedicated real estate subsidiaries

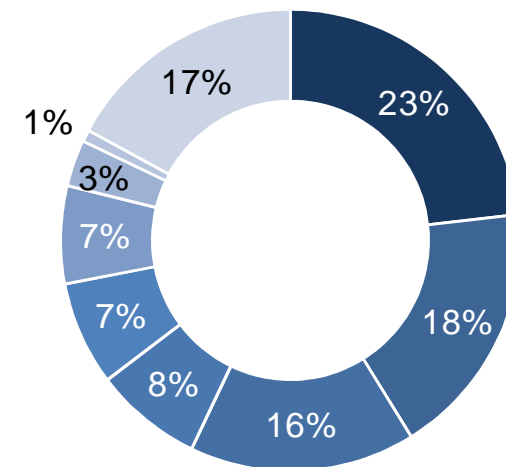
## Rental assets

- ★ 82 buildings
- ★ 234 leases
- ★ Estimated value: €624m (incl. TT)

★ **Top 10 tenants account for 28% of rents** (Amadeus, Nissan, TDF, Mairie Corbeil-Essonnes, Heidelberg, Wincanton, Armée de Terre, etc)

★ **Next 20 tenants: 28%**

### By business sector (surface area: 627,000 sqm)



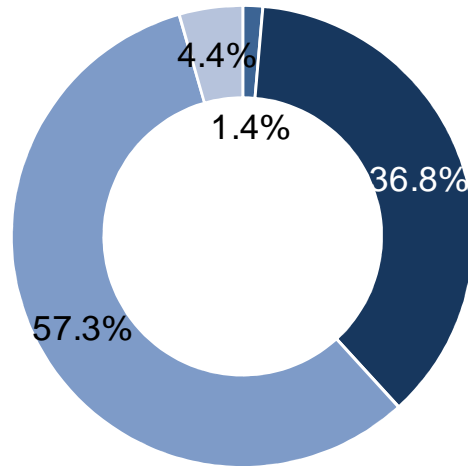
- Services
- Retail
- Industry construction
- Scientific activities
- Others
- Transportation
- Information technology
- Elec. Télécom
- Agro-food, textiles

# Affine and dedicated property subsidiaries

## Rental assets

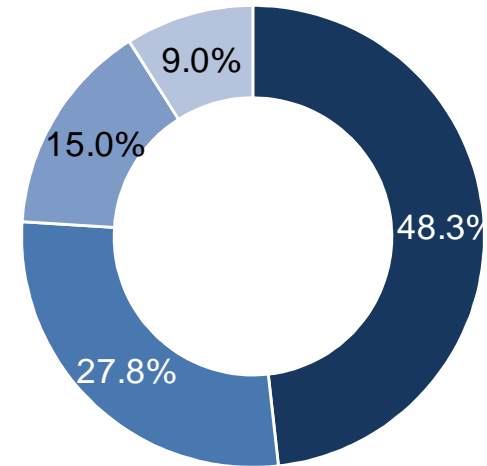
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- Paris
- Paris region excl. Paris
- Other regions in France
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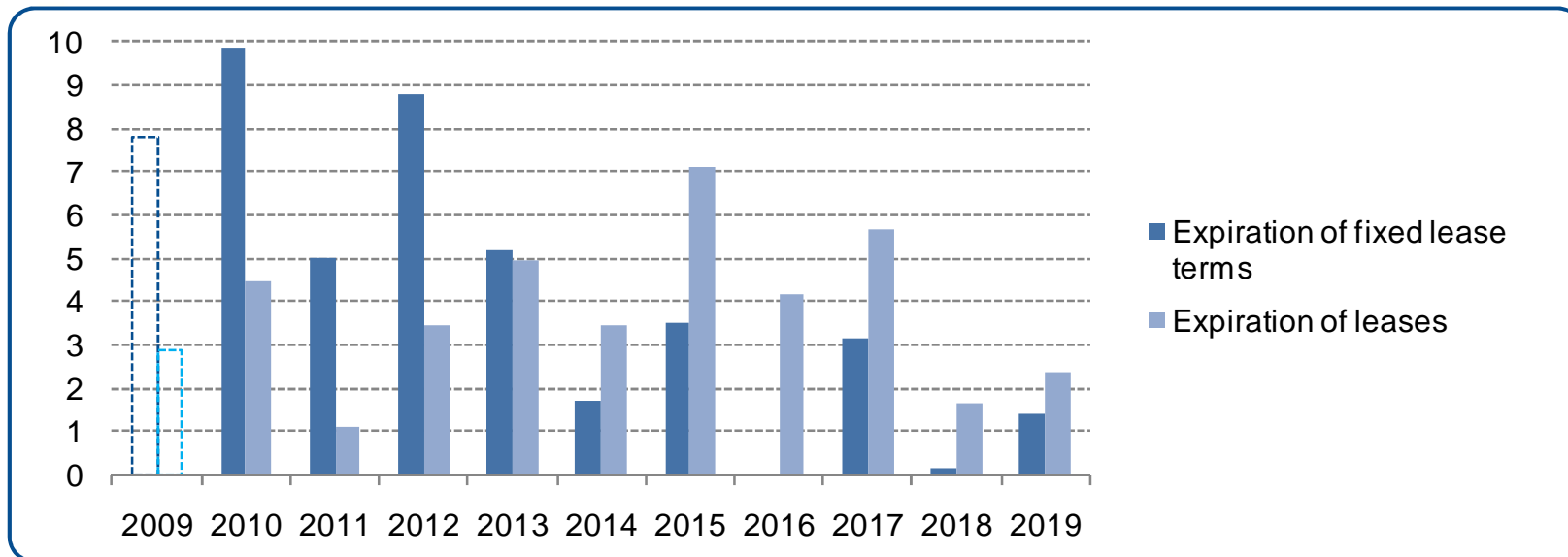


- Offices
- Warehouses and industrial
- Shopping centres
- Others

# Affine and dedicated property subsidiaries

## Rental assets

### ★ Schedule of leases in effect as at 30 June 2009



★ in H1 2009: cancellation of 7 leases (41,000 sqm; €2.4M)

★ in H1 2009: signing of 17 new leases and 9 renewals (26,000 sqm; € 2.7M)

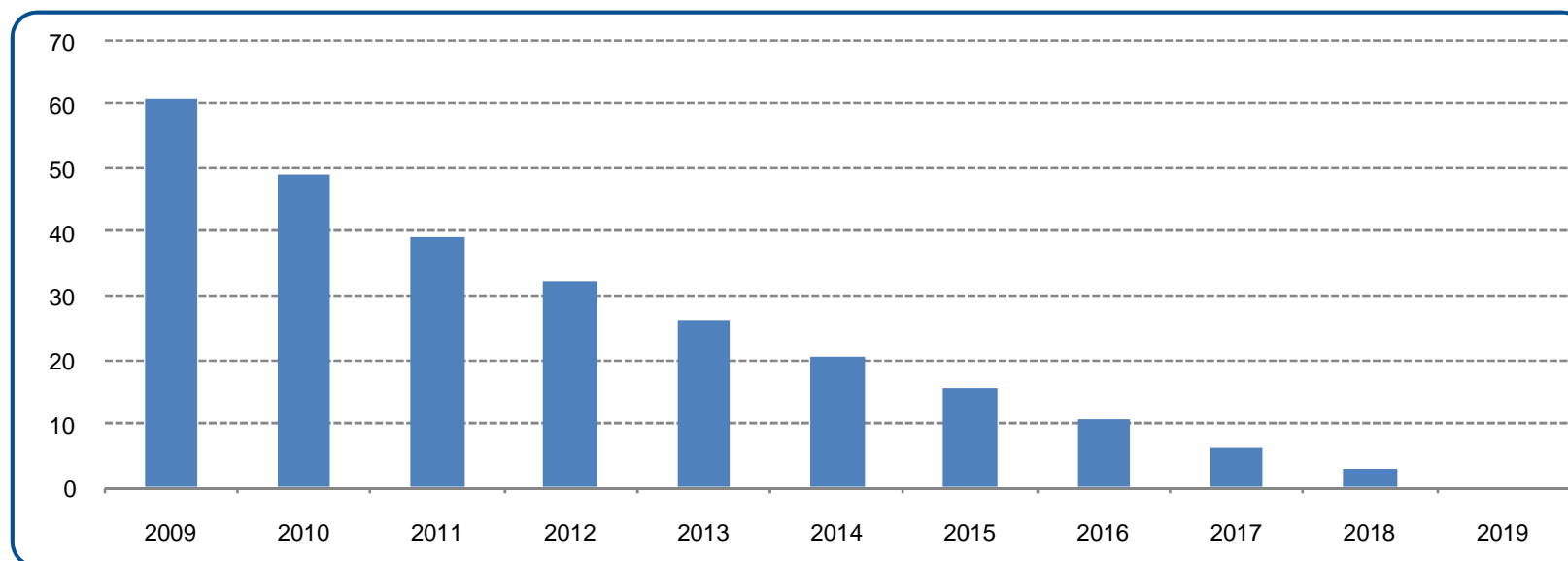
# Affine and dedicated property subsidiaries

## Lease finance

### ★ Key figures

(€m)	30/06/08	31/12/08	30/06/09
Number of properties	128	115	100
New operations (in €m)	-	-	-
Outstanding (in €m)	96	87	78
Operating margin	2.3	5.9	2.1

### ★ Lease finance outstanding (year-end)



# Banimmo

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## ★ Portfolio

- 20 properties extending to 200,000 sqm and €21m rents for the full year
- Market value of the assets: €399m including transfer taxes with a 3.0% decrease in fair value on a like-for-like basis

## ★ Results

- Rental income: +31.7% to €10.2m, with an occupancy rate of 90% (in surface area)
- Operating margin: €5.7m, down 19.6% due primarily to equity affiliates (-€3.1m)
- No acquisitions or sales in the first half
- Operating income: €0.3m vs -€1.3m (H1 2008)

# Banimmo

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## ★ Financial structure strengthened

- Renewal and extension of a syndicated credit
- Signature of two new credit facilities for a total amount of €65m
- LTV: 56.2% down to 52 % in July due to the disposal of Atlantic House (€31m)

## ★ Stratégie et perspectives

- Negotiations underway for several sales and acquisitions in the second half
- The realisation before the end of year of two operations of ongoing cession would allow to the group to go back to the level of operating profits of the previous years

# AffiParis

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## ★ As at 30 June 2009

- 20 properties extending to 72,000 sqm and €12.6m rents for the full year
- Market value of the assets: €220.9m including transfer taxes (-7.5%) with a 7.3% decrease in fair value on a like-for-like basis
- Operating margin: €5.8m, increased by more than 30%
- Operating cash flow: unchanged at €4.3m
- Operating income: €1.2m, increased by 70%

## ★ Strategy for 2009

- Continue with disposal of assets in the regions to strengthen Paris focus
- Ensure improvement in occupancy rate and rents

# Concerto Développement

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## ★ Continuation of projects

- In France: building in Mer of 62,000 sqm (leased to BUT and delivered in September), signature of three leases for 30,000 sqm split between Hem and Montéléger,
- Abroad: disposal of a 20,000 sqm building in Spain to LIM, delivery to Affine of a 10,500 sqm warehouse in Vilvoorde, development of a plot of land in Spain for construction of a 39,000 sqm warehouse.

## ★ Concentration of business on turnkey projects in France.

## ★ Net consolidated profit: €0.2 m.

# Promaffine

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- ★ **Three operations underway (joint development with Unimmo):**
  - Rue Bréguet (Paris 11th district): 28,000 sqm of offices, activities and businesses
  - Nanterre-Seine Arche (92): 156 apartments (including 70 which are subsidised housing) and 1,200 sqm of businesses
  - Marseilles (10th district): 200 apartments (including 61 which are subsidised housing)
  
- ★ **Delegated contracting for Foncière Logement:**
  - Work started in June in Dreux (18) to complete 18 private low energy houses
  
- ★ **Net consolidated profit: -€0.7 m.**



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# **ANALYSIS OF H1 2009 ACCOUNTS**

**Operating margin**  
**Consolidated earnings**  
**Consolidated cash flow**  
**Consolidated balance sheet**

# Affine Group

## Operating margin

(€m)	30/06/09	31/12/08	30/06/09
Investment properties	28.9	63.5	34.0
Lease finance	2.3	5.9	2.1
Property development	2.5	2.2	(0.1)
Business centres	2.0	4.1	1.6
Miscellaneous	0.8	1.2	0.4
<b>Total</b>	<b>36.6</b>	<b>77.0</b>	<b>38.0</b>

# Affine Group

## Consolidated earnings

(€m) <sup>(1)</sup>	30/06/08 (4)	31/12/08 (4)(5)	30/06/09
<b>Operating margin</b> <sup>(2)</sup>	<b>36.6</b>	<b>77.0</b>	<b>38.0</b>
Financial income <sup>(2)</sup>	(13.6)	(35.5)	(12.6)
Operating expenses and miscellaneous	(16.6)	(30.4)	(13.9)
Corporate income tax	(0.5)	(1.3)	-
<b>Operating income (loss)</b>	<b>5.9</b>	<b>9.7</b>	<b>11.5</b>
Net capital gains on sales	0.8	7.0	1.7
<b>Operating income (loss) after sales</b>	<b>6.7</b>	<b>16.7</b>	<b>13.2</b>
Change in fair value of buildings	(17.9)	(46.9)	(38.9)
Change in fair value of financial instruments	3.2	(12.6)	(5.5)
Miscellaneous <sup>(3)</sup>	1.7	0.1	(3.8)
Deferred taxes net of exit tax	(1.1)	5.4	7.4
<b>Net profit (loss)</b>	<b>(7.4)</b>	<b>(37.3)</b>	<b>(27.6)</b>
of which Group share profit	(9.9)	(37.5)	(18.9)
<b>Net book income excluding FV change</b>	<b>7.3</b>	<b>22.2</b>	<b>16.8</b>

(1) Based on IFRS commercial accounting policies.

(2) Excluding fair value changes.

(3) Share of equity affiliates, changes in goodwill, net income (loss) from discontinued activities or activities being sold.

(4) The results of Abcd were included until it ceased to be consolidated, and amounted to €0.17 m.

(5) To improve presentation of earnings and variations, BFI 's results have been included for each item, while in the accounts published as at 30 June 2009 in the financial report they only appear under the heading "Income net of tax of discontinued activities or activities being sold."

# Affine Group

## Consolidated cash flow

(€m)	30/06/08	30/12/08	30/06/09
Cash flow (excluding cost of debt and taxes)	21.8	50.0	30.3
Change in working capital requirement	4.2	(1.3)	9.7
Tax	1.2	(3.6)	(0.3)
Miscellaneous (business branch to be sold)	1.8	2.7	(0.2)
<b>Operating cash flow</b>	<b>29.0</b>	<b>47.7</b>	<b>39.5</b>
Acquisitions	(148.4)	(223.4)	(40.5)
Disposals	16.8	56.5	13.5
Miscellaneous	(5.8)	(4.2)	2.6
<b>Investment cash flow</b>	<b>(137.4)</b>	<b>(171.1)</b>	<b>(24.4)</b>
New loans	198.4	272.8	104.3
Loan repayments	(55.9)	(107.8)	(104.2)
Interest	(18.5)	(41.6)	(15.7)
Miscellaneous	(19.1)	(21.5)	(14.5)
<b>Financing cash flow</b>	<b>104.9</b>	<b>101.9</b>	<b>(30.1)</b>
<b>Change in cash</b>	<b>(3.5)</b>	<b>(21.5)</b>	<b>(15.0)</b>

# Affine Group

## Consolidated balance sheet

(€m)	31/12/09	30/06/09
Properties	1,088.3	1,085.2
<i>of which investment properties</i>	984.0	935.5
<i>of which properties for sale</i>	104.2	149.7
Equity holdings	33.8	30.5
Equity affiliates	28.1	23.2
Cash	27.1	12.6
Other	216.2	198.2
Shareholders' equity (before allocation)	475.5	422.6
Financial debt	779.6	779.9
Other	138.3	147.3
<b>Balance sheet total</b>	<b>1,393.4</b>	<b>1,349.8</b>

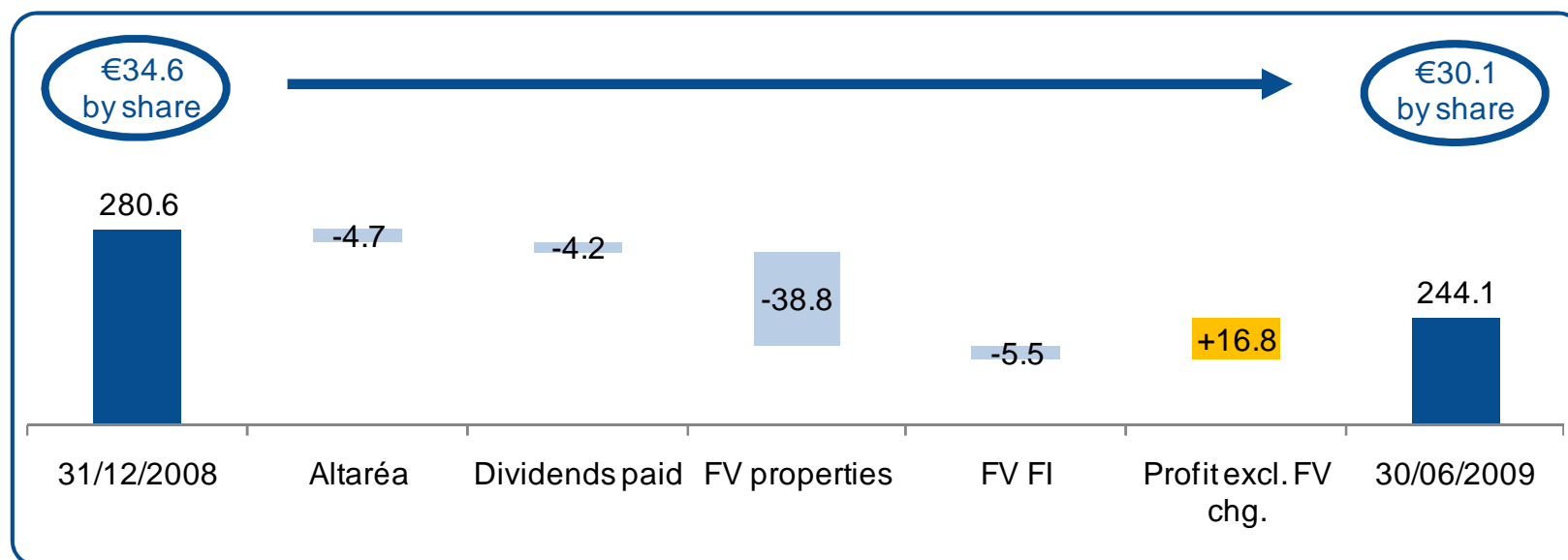


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# AFFINE ON THE STOCK EXCHANGE

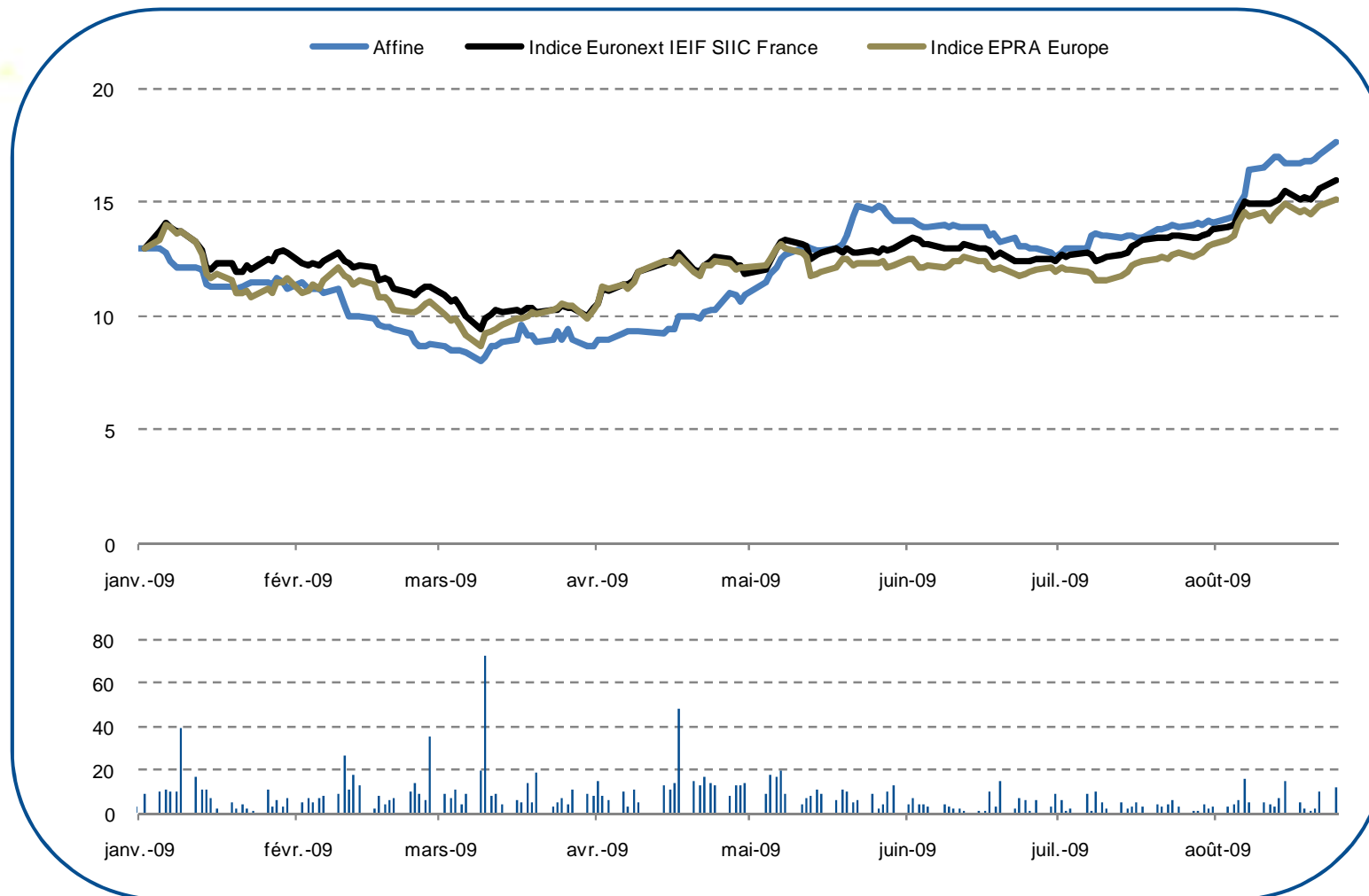
# Affine on the stock exchange

## Net Asset Value (excluding transfer taxes)



# Affine on the stock exchange

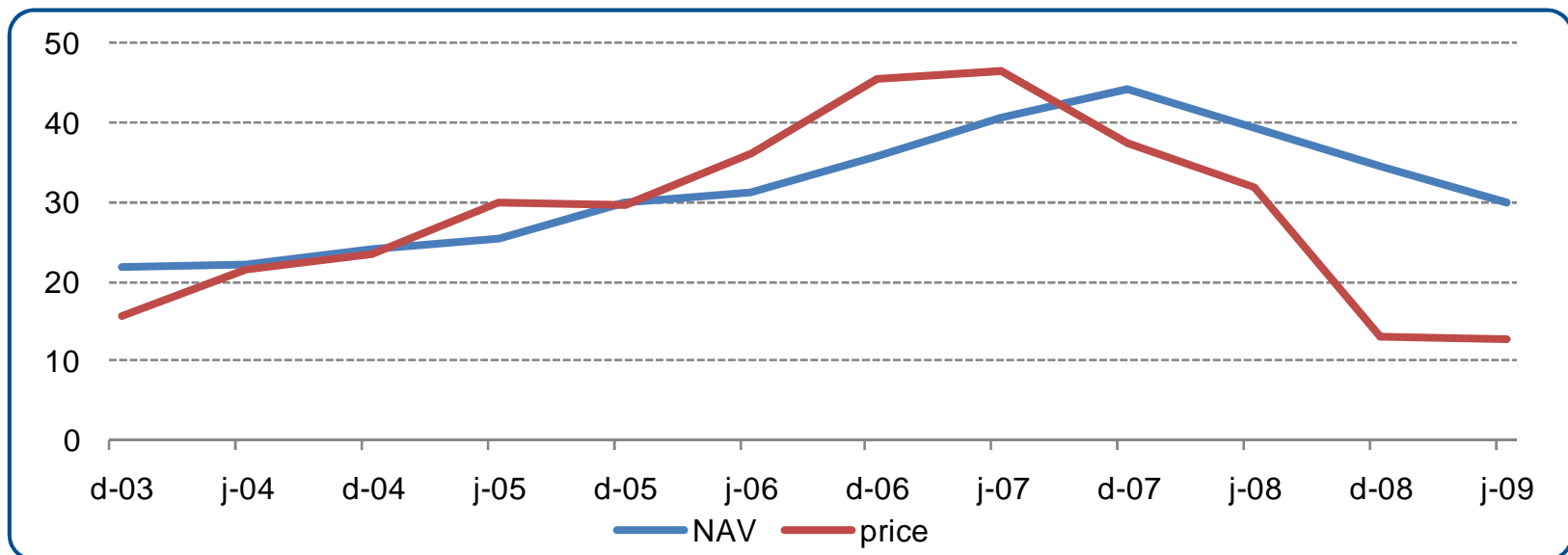
## Share price evolution



# Affine on the stock exchange

## Discount on NAV

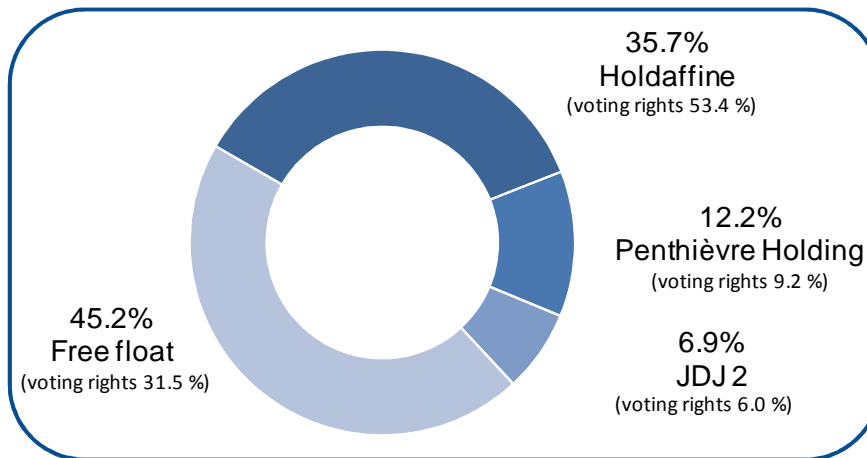
- ★ NAV (excluding transfer taxes) per share excluding bonds redeemable in shares [ORA] and subordinated perpetual bonds [TSDI] /stock exchange price



# Affine on the stock exchange

## Shareholding

### ★ Shareholding



- Holdaffine is an unlisted company whose sole activity is to hold control of Affine
- It has no debt
- 85% of its capital is owned by the group executives

- 9.3% increase in liquidity
- Capital turnover rate 30.0%, annualised

### ★ Affine is listed on NYSE Euronext Paris

	30 June 09
Number of shares	8,113,566
Share price at 30 June 2009	€12.6
Market capitalisation at 30 June 2009	€102.2M
Change since beginning of the year	-3.0%
Ticker (Bloomberg / Reuters)	IML FP / BTPP.PA
Consolidated operating income per share	€1.4
Operating cash flow per share	€3.7
Dividend per share (GM of 29 April)	€1.0
Net return (2008 dividend / share price at 30 June 2009)	7.9%

# Affine Group

## Strategy and outlook

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- ★ **Continue to simplify the Group**
- ★ **Continue with sale of assets**
- ★ **Return to active monitoring of investments**
- ★ **Continue distribution policy:**  
**Payment of a €0.3 interim dividend in November 2009**

# Contacts

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