

Results

FULL-YEAR

2010

Presentation of 7 March 2011



Summary

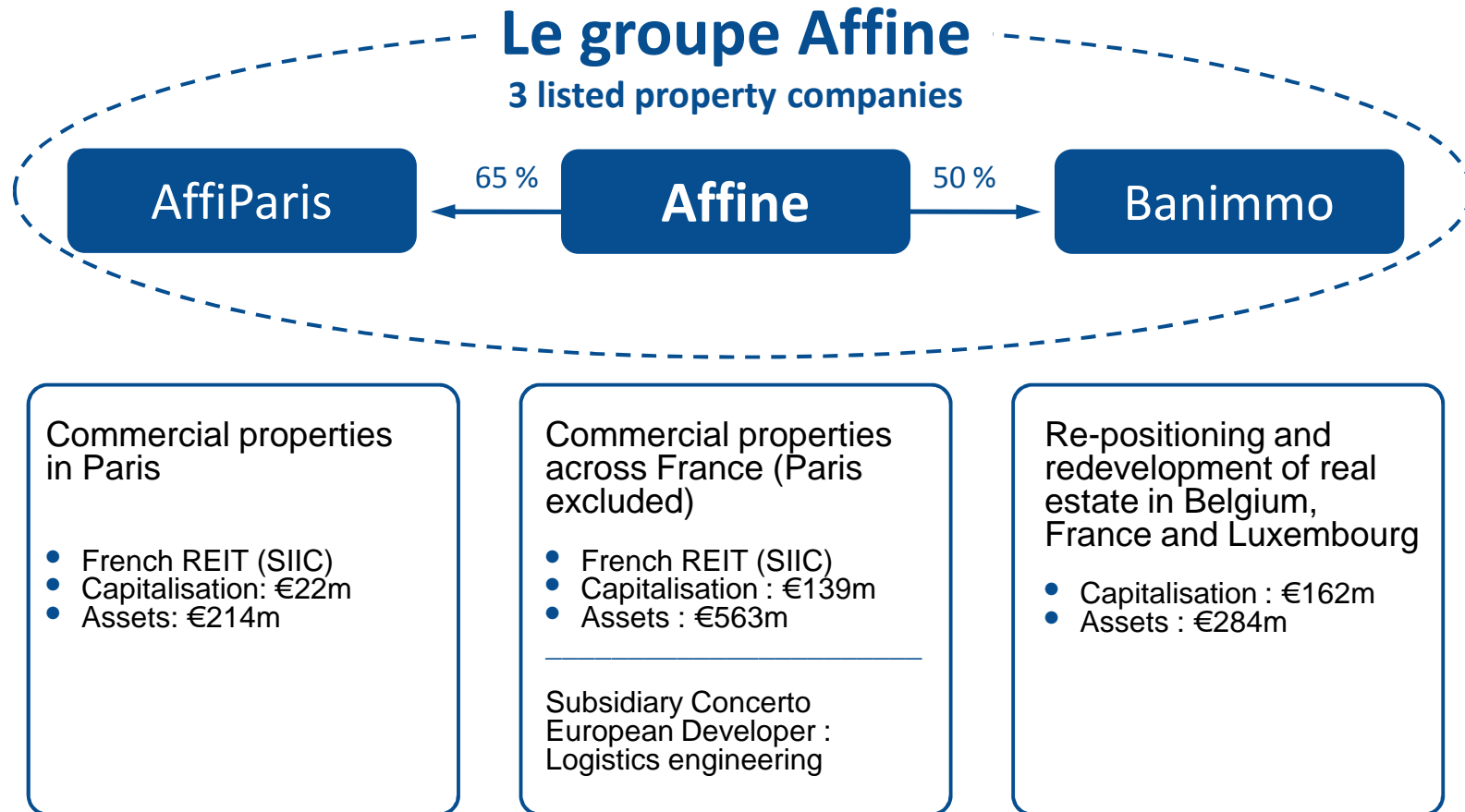
Affine Group

- ▶ **Property portfolio**
- ▶ **Development of group companies**
- ▶ **Analysis of FY10 accounts**
- ▶ **A robust financial model**
- ▶ **Affine on the stock market**
- ▶ **Strategy and outlook**



A group organised around property companies

Affine Group





»» Property portfolio

Key figures

Property portfolio

	31/12/08	31/12/09	30/06/10	31/12/10
Number of assets ⁽¹⁾	125	110	107	98
Total surface area	843 000 sqm	851 000 sqm	829 000 sqm	755 000 sqm
Investments ⁽²⁾	€194m	€131m	€28m	€97m
Disposals	€26m	€163m	€27m	€80m
Fair value (incl. TT)	€1,141m	€1,089m	1,079m	€1,060m
Occupancy rate ⁽³⁾	94,0 %	92,1%	88.4%	88,8%
Gross rental invoiced	€72.3m	€77.2m	36.1m	€70.6m

(1) Including pre-sale contracts in progress (VEFAs)

(2) Including external growth

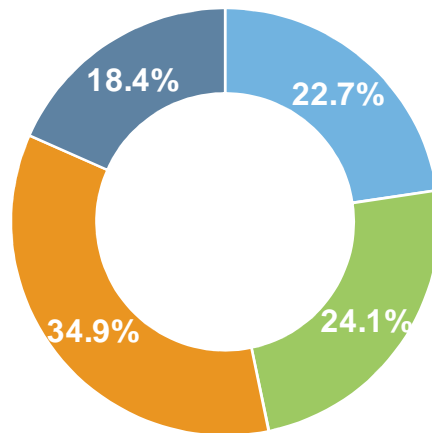
(3) Except buildings being restructured and excluding Banimmo

Diversified portfolio

Property portfolio

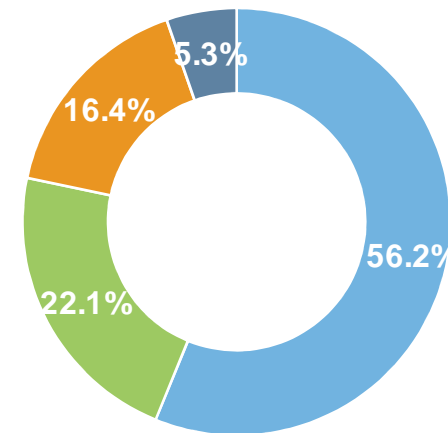
Breakdown of the portfolio in value terms

By area



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

By asset type



- Offices
- Shopping centres
- Warehouses and Industrial
- Others

€80m of disposals

Property portfolio

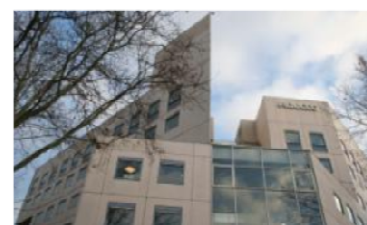
Affine (€71.3m), AffiParis (€8.7m) and Banimmo (€0,0m)



Valbonne: €3.3m



Val d'Yerres: €8.0m



Villeurbanne: €8.0m



Vilvorde: €6.3m



Buc: €3.1m



Nice: €5.5m



Mer: €32.9m

€97m of direct and indirect investments

Property portfolio

Development €5.9m



Nevers



Arcachon

Restructuration €9.6m



North Plaza



Issy-les-Moulineaux

Acquisition €24.6m



Rouen



Eragny

Stake €43.3m

City Mall

Montéa

POST CLOSURE

Acquisition €10.5m

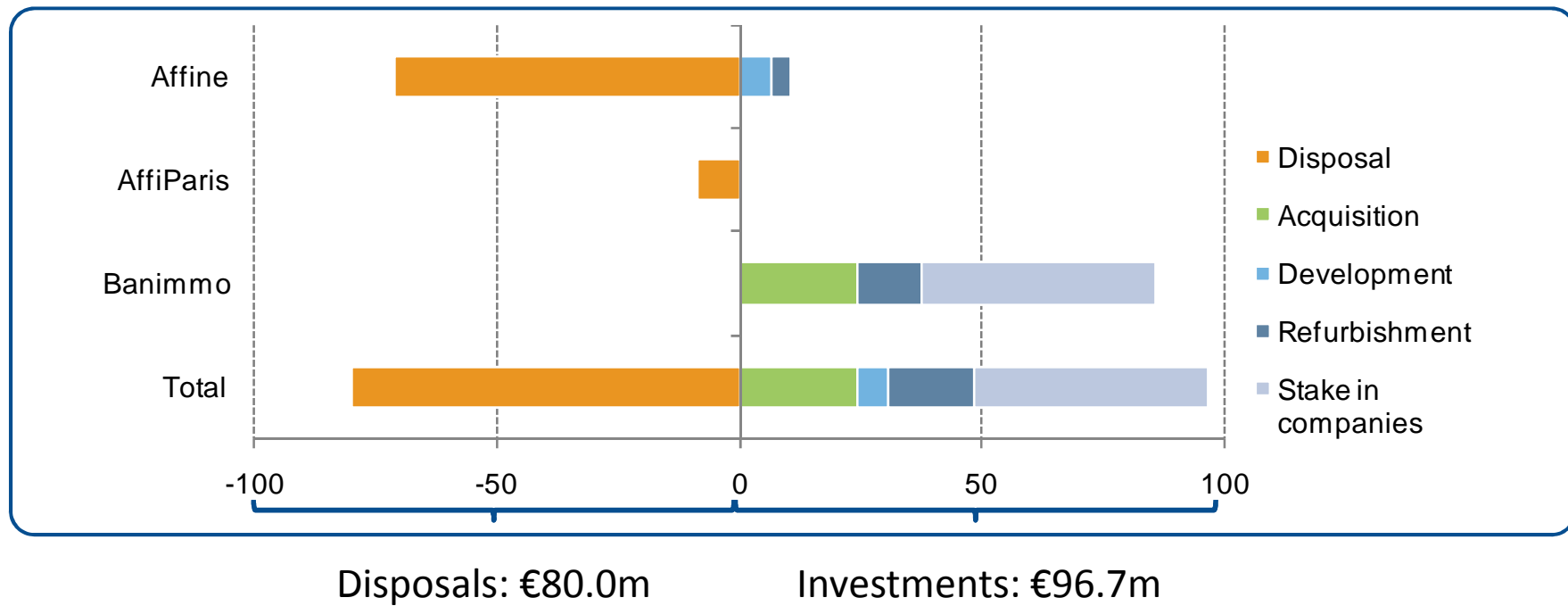


Lyon

More investments than disposals

Property portfolio

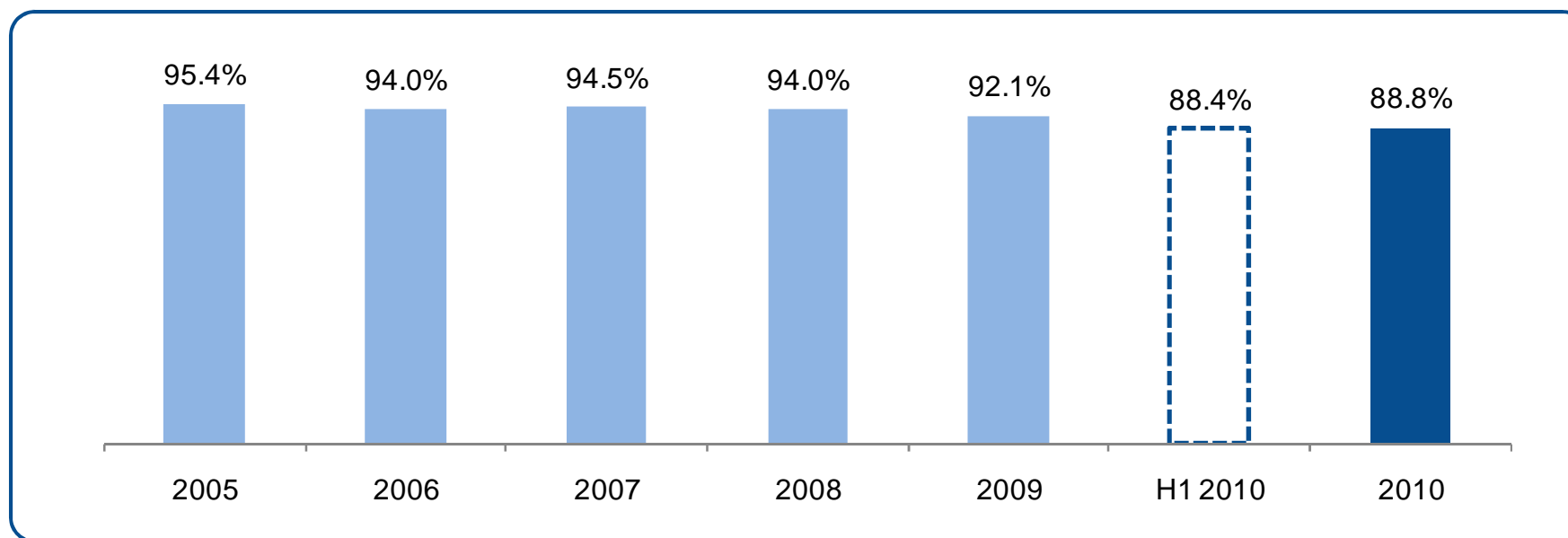
Balance between total investments and disposals (€m)



Stability of the vacancy

Property portfolio

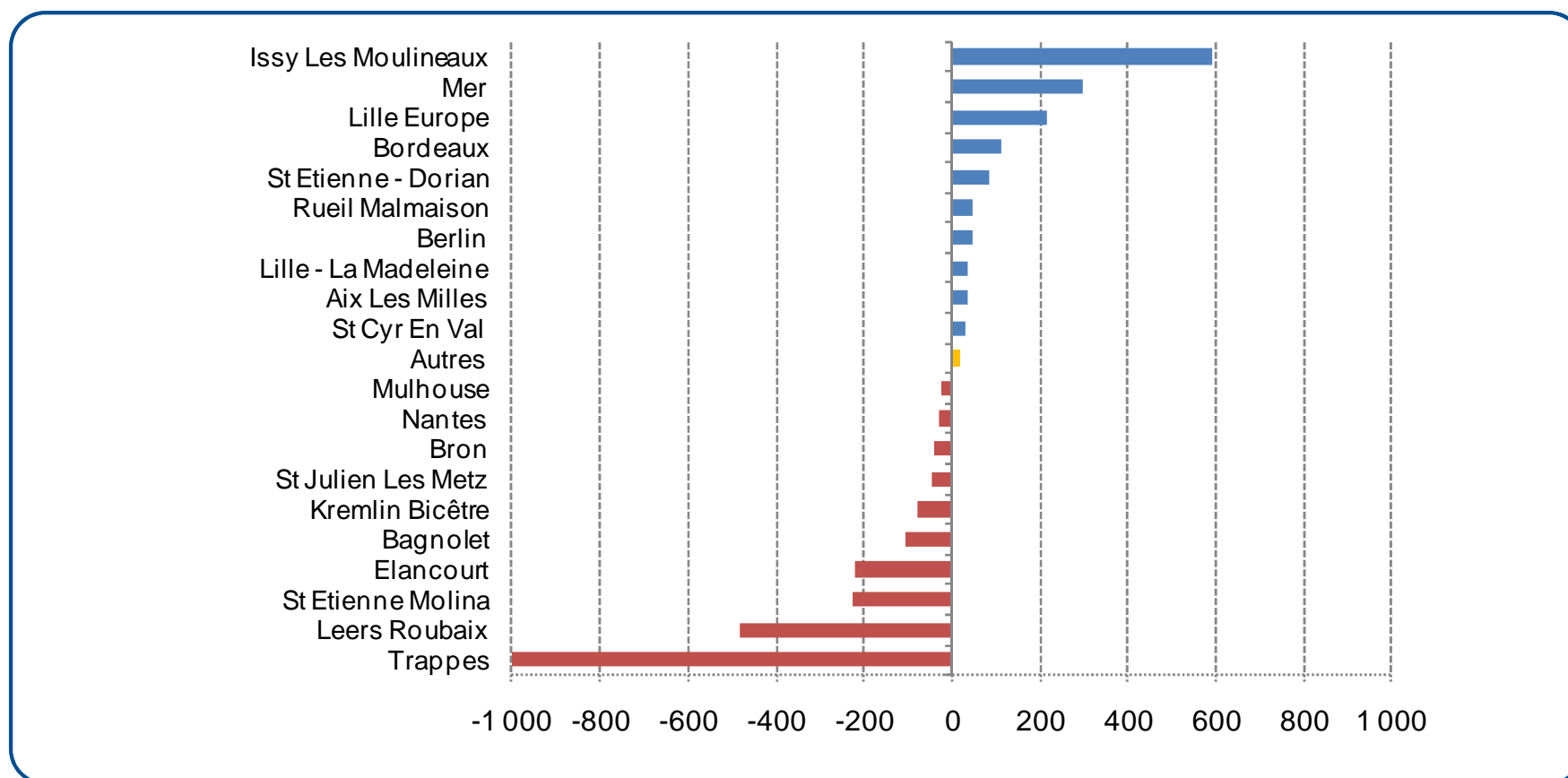
Trend in occupancy rates (ex Banimmo)



Main change on rents

Property portfolio

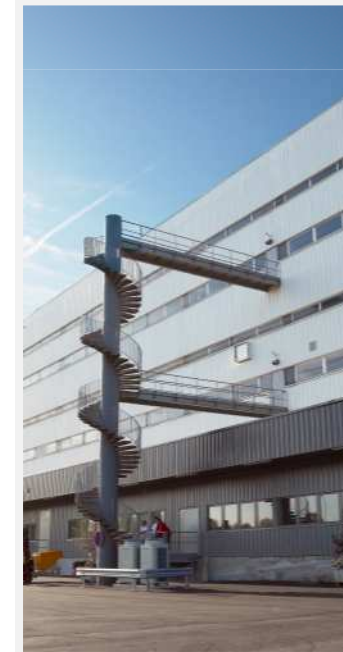
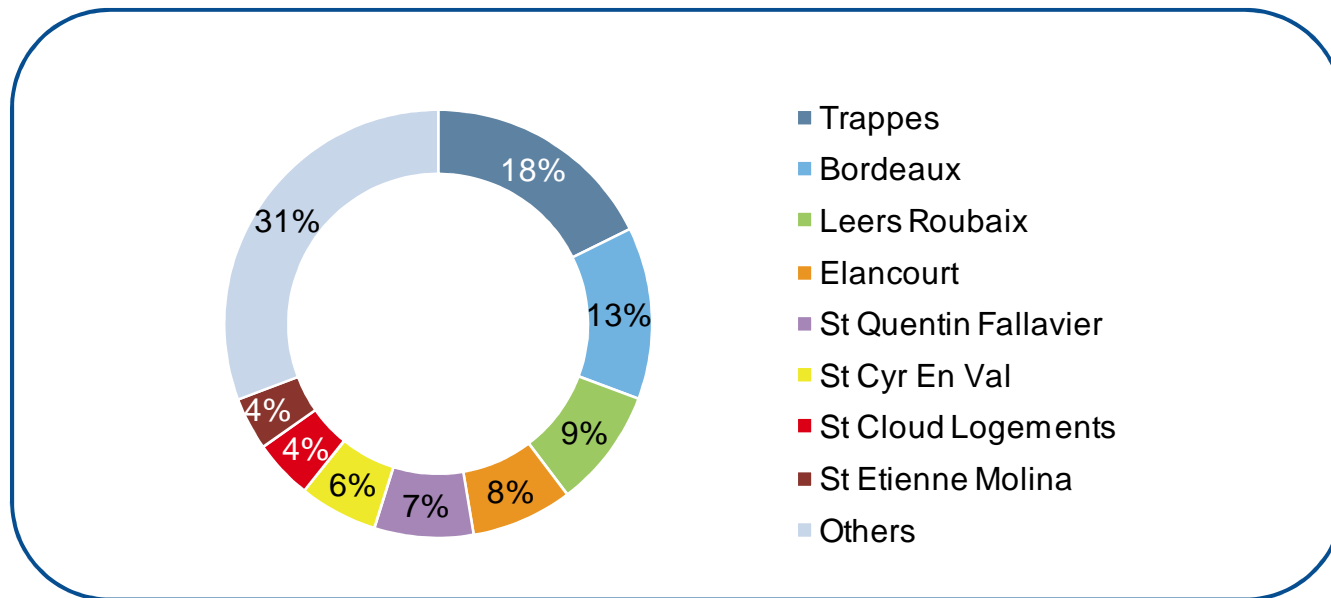
The 20 most important changes in rents (ex Banimmo) (€000')



70% of the vacancy rate concentrated on 8 assets

Property portfolio

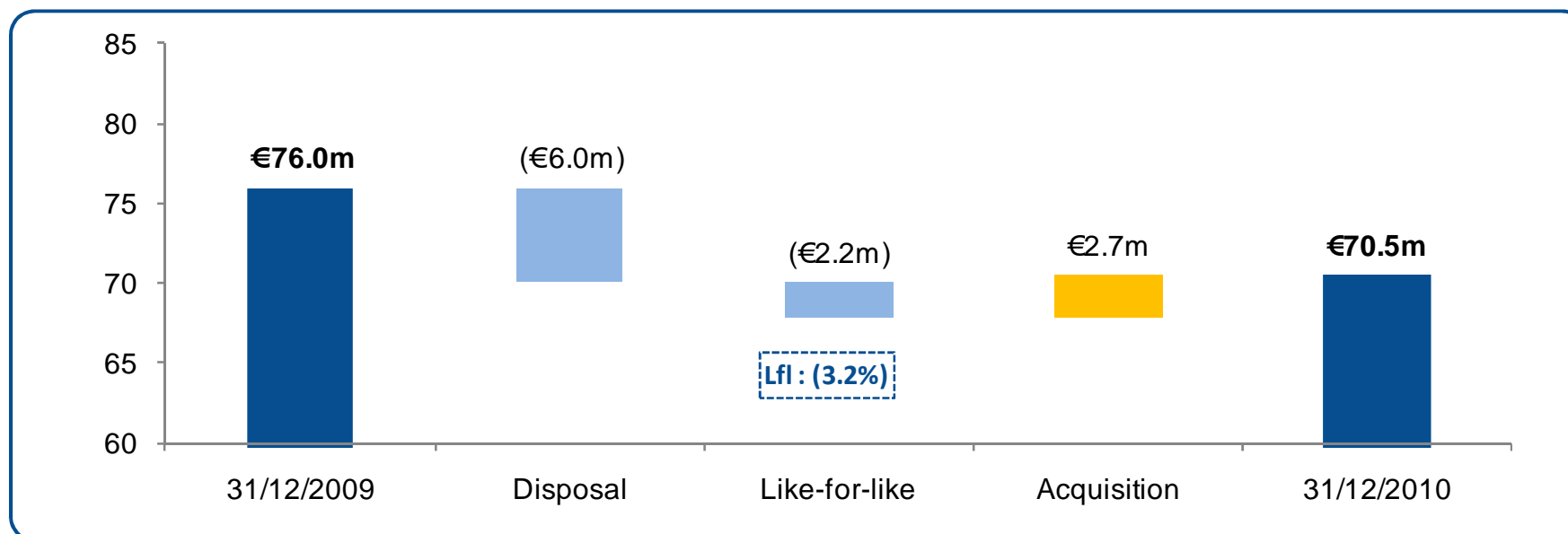
Breakdown of the vacancy rate by asset



3.2% drop in rental income like-for-like

Property portfolio

Trend in headline rents



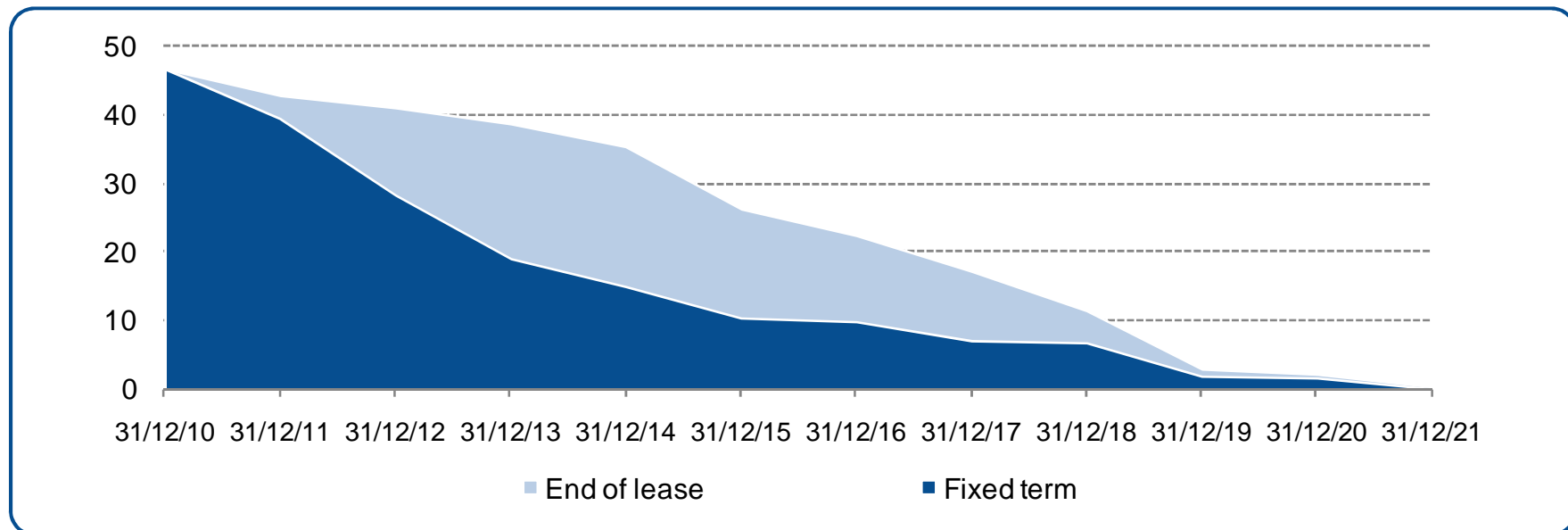
On a like-for-like basis, it integrates:

- Re-negotiations allowing lease extensions of fixed term
- Stability of indexation
- Decrease of occupancy rate

Extension of the average lease duration to 5.8y

Property portfolio

Schedule of rents according to lease duration (ex Banimmo) (€m)

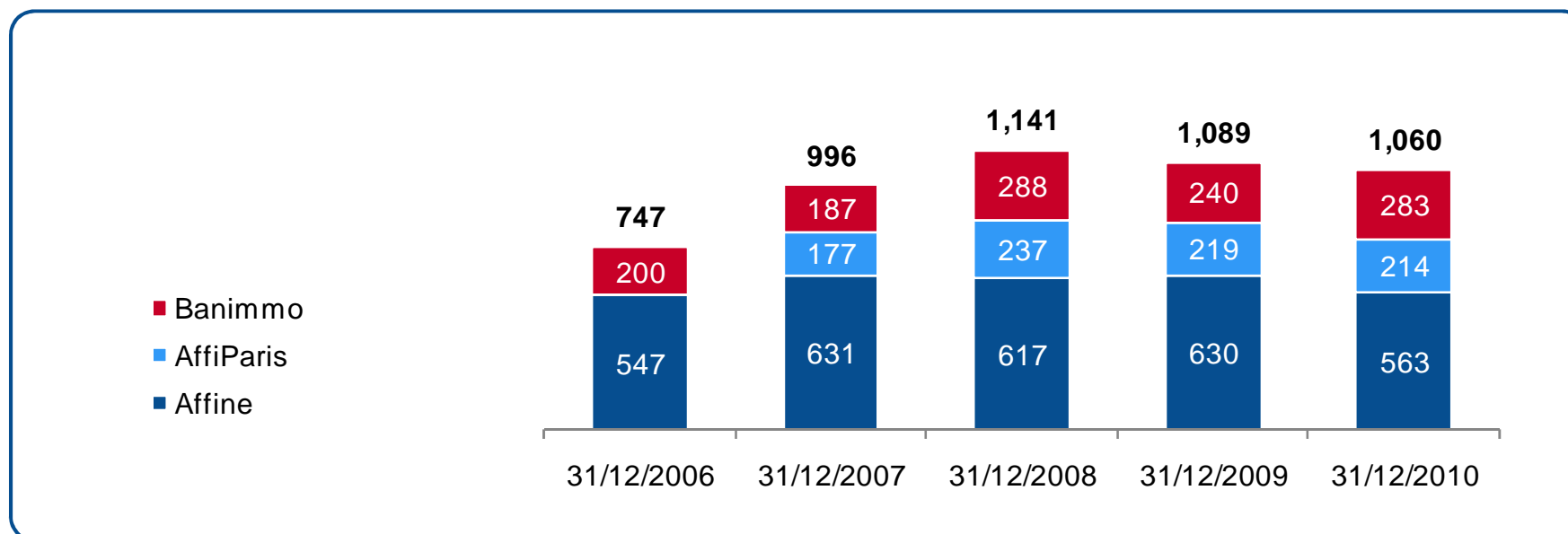


- Average fixed term: 3.7 years (vs 2.9 years in 2009)
- Average time until lease expired: 5.8 years (vs 5.1 years in 2009)

Stability of the fair value, like-for-like

Property portfolio

Value including transfer taxes (€m)

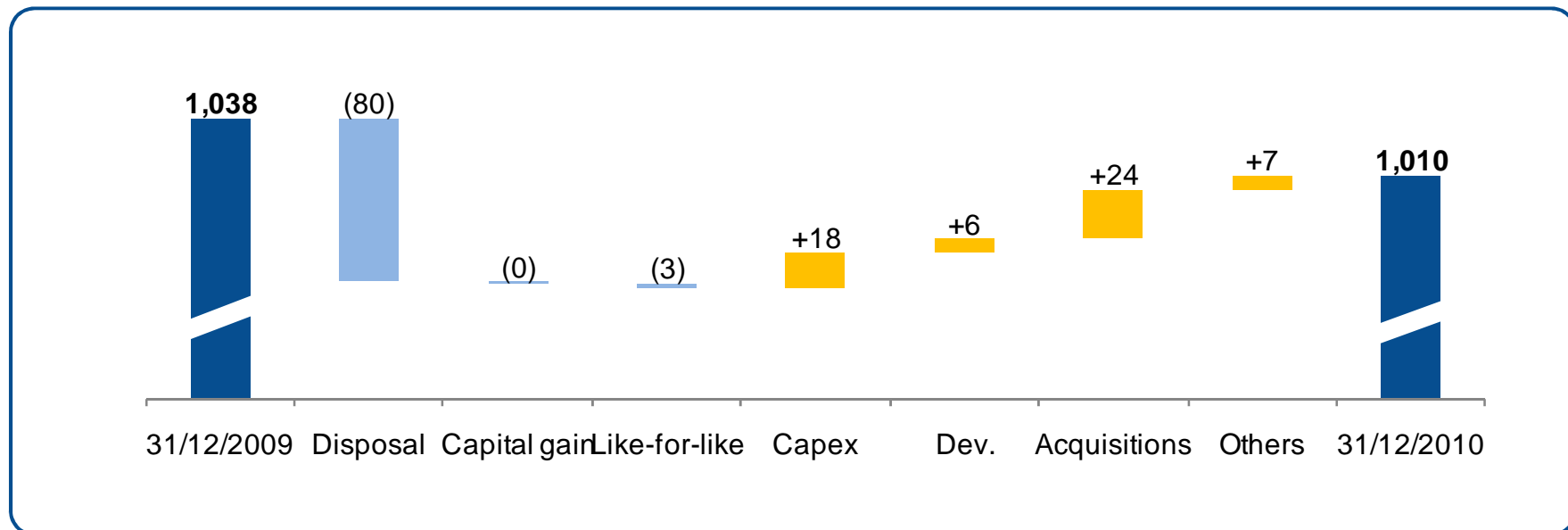


- A fair value down 0.2% on a like-for-like basis, or down 2.6% on a global basis

Favourable effect of cap rates

Property portfolio

Change in fair value excluding TT (€m)



Breakdown of the 0.2% fall in fair value on a like-for-like basis

- Market rent effect (ERV): 0.4%
- Rate effect: 3.2%
- Other (including vacancy): -3.8%

High yield portfolio

Property portfolio

Return by asset type, at 31 December 2010

	Portfolio split	Headline yield	Potential yield
Offices	56.2%	6.7%	7.4%
Retail property	22.1%	6.3%	7.9%
Warehouses	16.4%	7.5%	9.1%
Other	5.3%	8.1%	8.3%
Total	100.0%	6.9%	7.8%

Analysis of value sensitivity to a 25bp change in yield

(€m)	Value Excl. TT	Yield	Impact
Offices	567	6.9%	17.7
Retail property	223	7.5%	4.8
Warehouses	166	8.7%	4.7
Other	53	6.9%	1.4
Total	1 010	7.3%	28.6



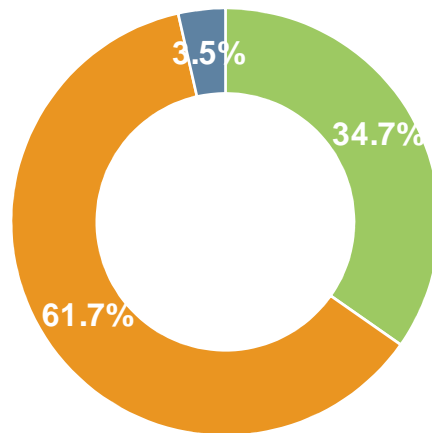
»» Development of group companies

Affine | A diversified portfolio in French regions

Development of group companies

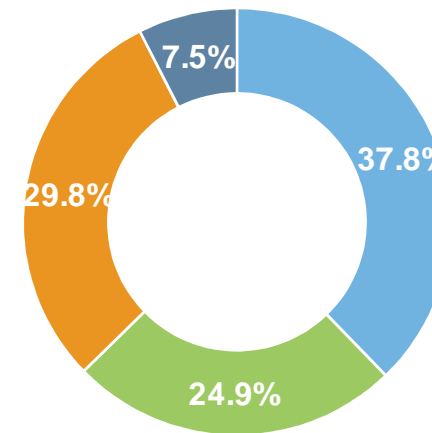
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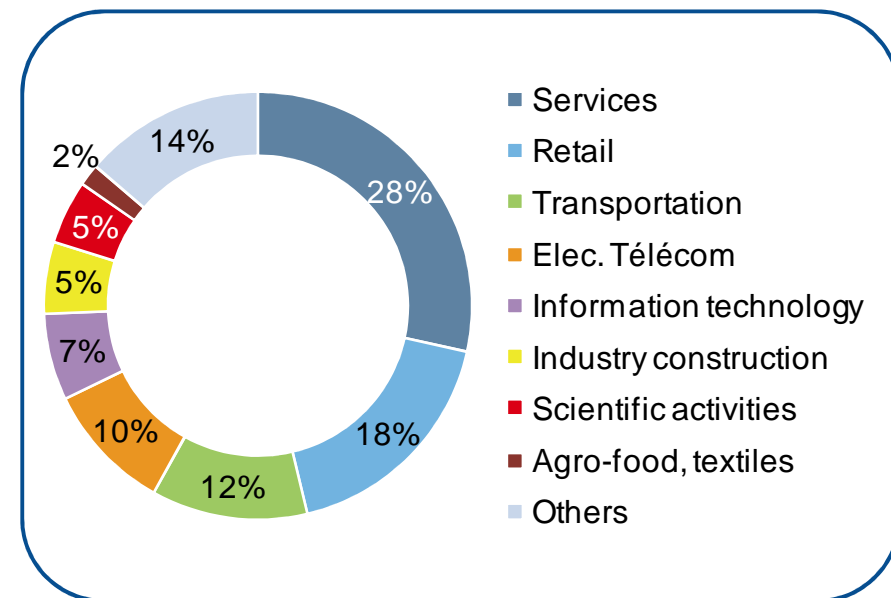
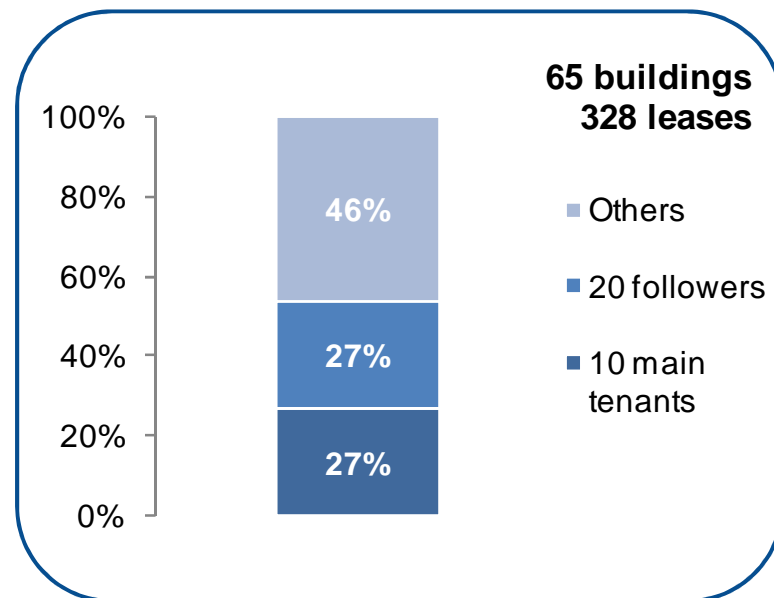


- Offices
- Shopping centres
- Warehouses and Industrial
- Others

Affine | Tenants

Development of group companies

Breakdown of leases by tenant and type of activity

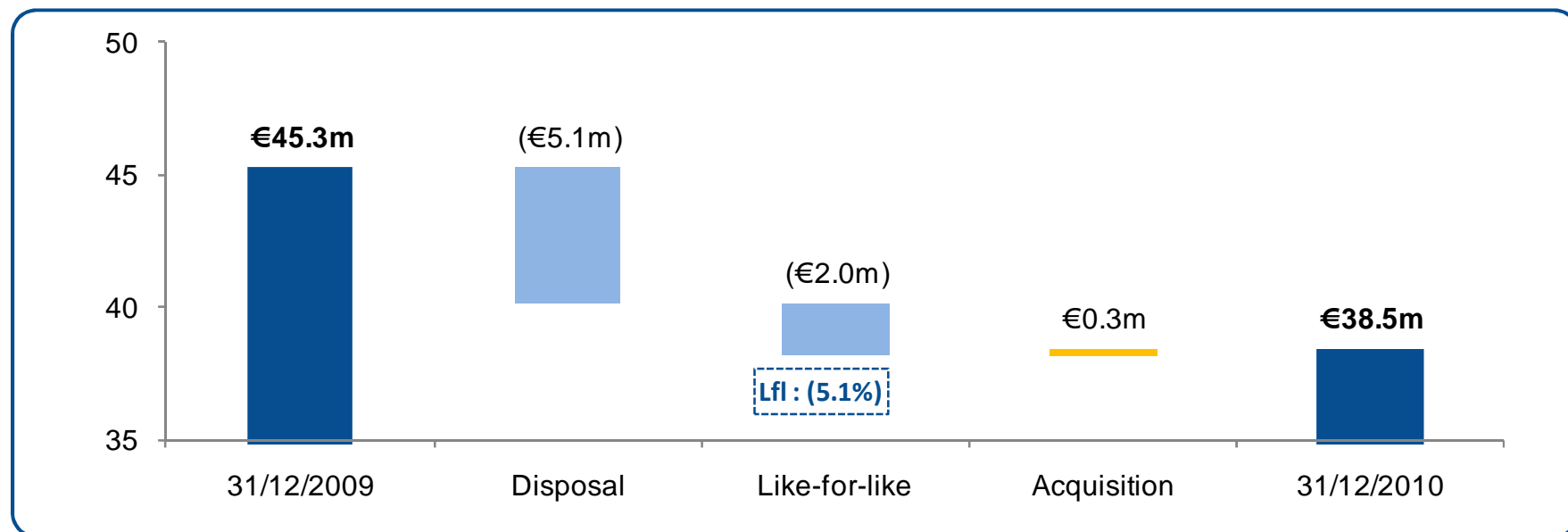


- 10 main tenants make up for 27% of rents (TDF, Corbeil-Essonnes town council, Heidelberg, French Armed Forces, ...)

Affine | 5.1% drop in rental income, like-for-like

Development of group companies

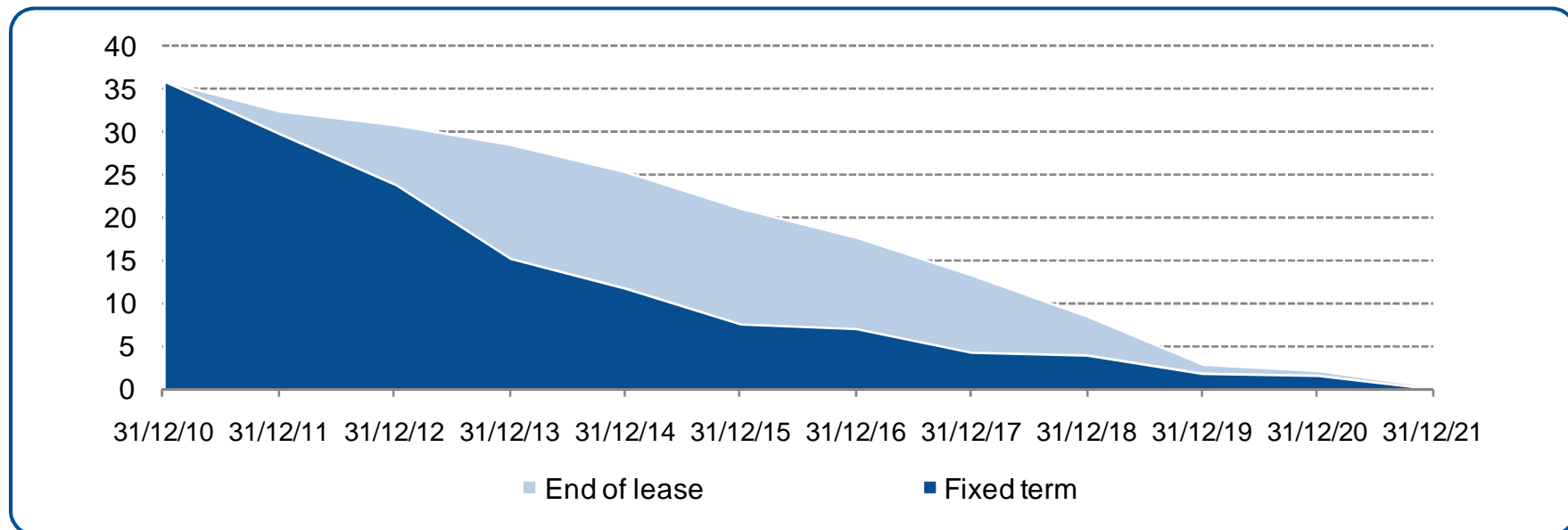
Trend in headline rents



Affine | Average duration 5.7 years

Development of group companies

Schedule in rents according to lease duration



- Average time up to next break option: 3.7 years
- Average time up to lease expiry: 5.7 years
- 28 new leases signed and 12 re-negotiations : 101,100 sqm, i.e. €5.3m
- 8 leases terminated: 5,300 sqm, i.e. €1.0m

Banimmo

Development of group companies

More information on
www.banimmo.be

Portfolio

- 20 buildings totalling 175,000 sqm and €20.9m in rents in full year
- Market value of portfolio: €284m including TT, down 2.6% like-for-like

Results

- Gross rental income: €17.5m vs €19.2m, fall linked to disposals and restructuring with an OR of 88.1%
- Recurring operating result : €12.4m vs €6.6m, thanks to the favourable progression of associates (mainly Montea and Jardin des Quais)
- Operating result: €12.6m vs €24.6m; no disposal occurred
- Net profit: -€0.5m vs -€16.9m, benefiting from a small fair value change



Banimmo

Development of group companies

More information on
www.banimmo.be

Main disposals and acquisitions

- Acquisition of a retail complex in Rouen (€12m) and Eragny (€12.6m)
- Signature of a strategic agreement with City Mall, group specialized in the development of shopping malls in city centers. Amount: €54.2m

Reinforcement of financial structure

- Bond issue with warrant for €75m
- Debt / Total balance sheet: 59.1%



AffiParis

Development of group companies

More information on
www.affiparis.fr

Portfolio

- 13 buildings totalling 45,800 sqm and €11.2m in rents in a full year
- Market value of assets: €213.8m incl. TT, up +1.8% on a like-for-like basis

Results

- Gross rental income: €12.2m; -1.5% on like-for-like, with an overall OR of 95.0%
- Current operating profit: €8.4m (vs 10.5%), with rental charges affected by the settlements of charges of the last three years.
- Net profit: €5.1m vs -€11.0m, fed by the fair value increase
- EPRA earnings : €1.9m (vs €3.2m)





»» Analysis of FY10 consolidated accounts

Consolidated earnings – Back to profit

Analysis of FY10 consolidated accounts

(€m)	31/12/08	31/12/09	31/12/10
Gross rental income	73.5	77.2	70.6
Net rental income	63.5	62.8	59.6
Other income	8.2	3.8	5.6
Corporate expenses	(27.8)	(23.5)	(20.3)
Current EBITDA⁽¹⁾	43.9	43.2	44.9
Current operating profit	43.2	42.8	44.6
Other incomes and expenses	4.0	-	(5.1)
Net profit or loss on disposal	7.0	24.8	(0.4)
Operating profit (before value adj.)	54.1	67.6	39.0
Net balance of value adjustments	(46.8)	(47.2)	(2.8)
Net operating profit⁽²⁾	7.3	20.4	36.2
Net financial cost	(35.8)	(25.3)	(27.6)
Fair value adjustments of hedging instr.	(12.6)	(7.6)	(2.9)
Taxes	4.1	12.0	0.6
Miscellaneous	(0.2)	(2.1)	4.4
Net profit	(37.3)	(2.7)	10.6
Net profit – group share	(37.5)	(5.7)	10.3
EPRA earnings – Net recurring profit	NA	16.2	17.6

(1) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. This amount excludes the depreciation on Sant Feliu (€5.2m) in 2010 and appears under the other incomes and expenses. (2) Operating profit after value adjustments.

Sub-group earnings

Analysis of FY10 consolidated accounts

(M€)	Affine	AffiParis	Banimmo	Total
Gross rental income	41.1	12.2	17.3	70.6
Net rental income	34.7	9.9	14.9	59.6
Other income	5.2	-	0.4	5.6
Corporate expenses	(12.1)	(1.6)	(6.6)	(20.3)
Current EBITDA⁽¹⁾	27.8	8.4	8.7	44.9
Current operating profit	27.7	8.4	8.5	44.6
Other incomes and expenses	(4.4)	-	(0.7)	(5.1)
Net profit or loss on disposal	(0.3)	(0.3)	0.1	(0.4)
Operating profit (before value adj.)	22.9	8.1	7.9	39.0
Net balance of value adjustments	(3.3)	3.5	(3.0)	(2.8)
Net operating profit⁽²⁾	19.6	11.6	5.0	36.2
Net financial cost	(14.0)	(6.5)	(7.1)	(27.6)
Fair value adjustments of hedging instr.	0.1	0.1	(3.1)	(2.9)
Taxes	0.3	-	0.3	0.6
Miscellaneous	1.8	(0.1)	2.6	4.3
Net profit	7.8	5.1	(2.4)	10.5
Net profit – group share	6.3	5.1	(1.1)	10.3
EPRA earnings – Net recurring profit	15.1	1.9	0.6	17.6

(1) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. This amount excludes the depreciation on Sant Feliu (€5.2m) in 2010 and appears under the other incomes and expenses. (2) Operating profit after value adjustments.

Consolidated cash flow – Impact of IAS2

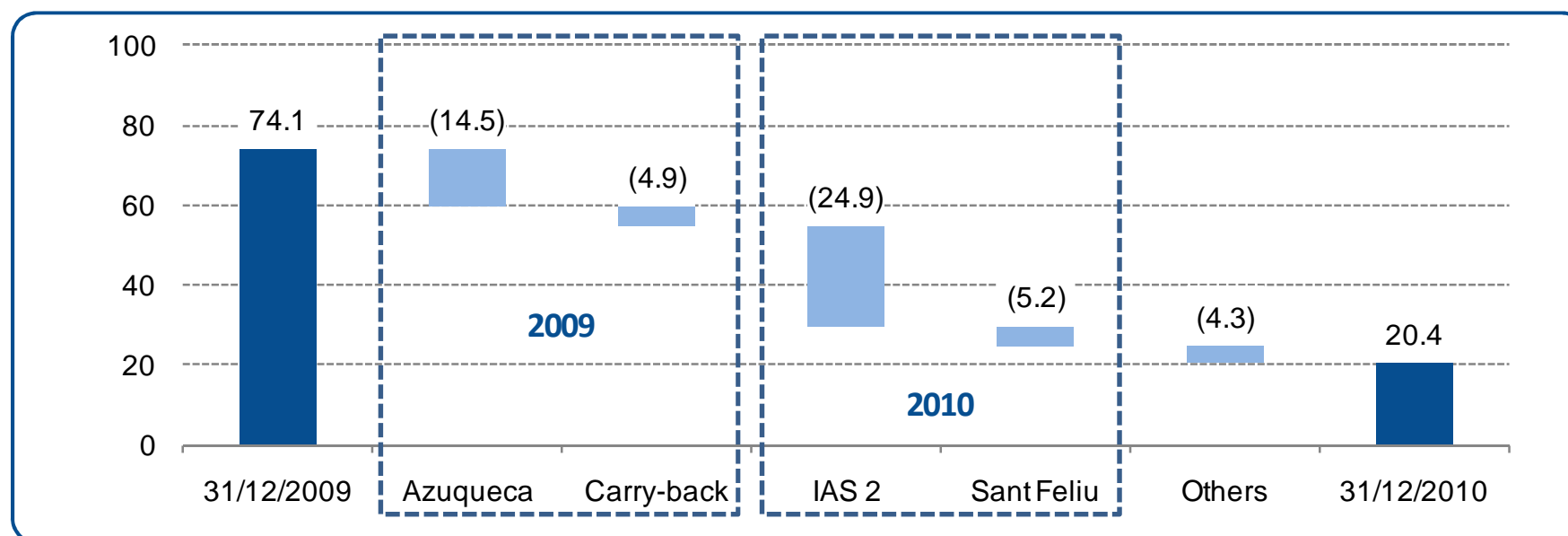
Analysis of FY10 consolidated accounts

(€m)	31/12/08	31/12/09	31/12/10
Funds from operation (excluding cost of debt)	50.0	54.3	51.7
Change in WCR	(1.4)	18.0	(27.4)
Taxes	(3.6)	1.5	(3.9)
Other (business held for sale)	(2.7)	0.3	-
Operating cash flow	47.7	74.1	20.4
<i>Operating cash flow (excluding Azuqueca & IAS2)</i>	<i>47.7</i>	<i>59.6</i>	<i>45.2</i>
Acquisitions & Investments	(233.4)	(109.4)	(88.7)
Disposals	56.5	178.2	97.7
Others	(4.2)	0.4	(0.2)
Investment cash flow	(171.1)	69.2	8.8
New loans	272.8	153.0	117.7
Loan repayments	(107.8)	(234.2)	(96.6)
Interest	(41.6)	(31.0)	(29.1)
Others	(21.5)	(26.0)	(23.0)
Financing cash flow	101.1	(138.2)	(31.0)
Change in cash position	(21.5)	5.2	(1.8)

Consolidated cash flow – Impact of IAS2

Analysis of FY10 consolidated accounts

Change in operating cash flow (€m)



Disappearance of:

- Disposal of Azuqueca hold in inventories
- Carry-back reimbursement

New elements:

- Adoption of the IAS 2 norm by Banimmo
- Depreciation on Sant Feliu

Consolidated balance sheet – Impact of IAS2

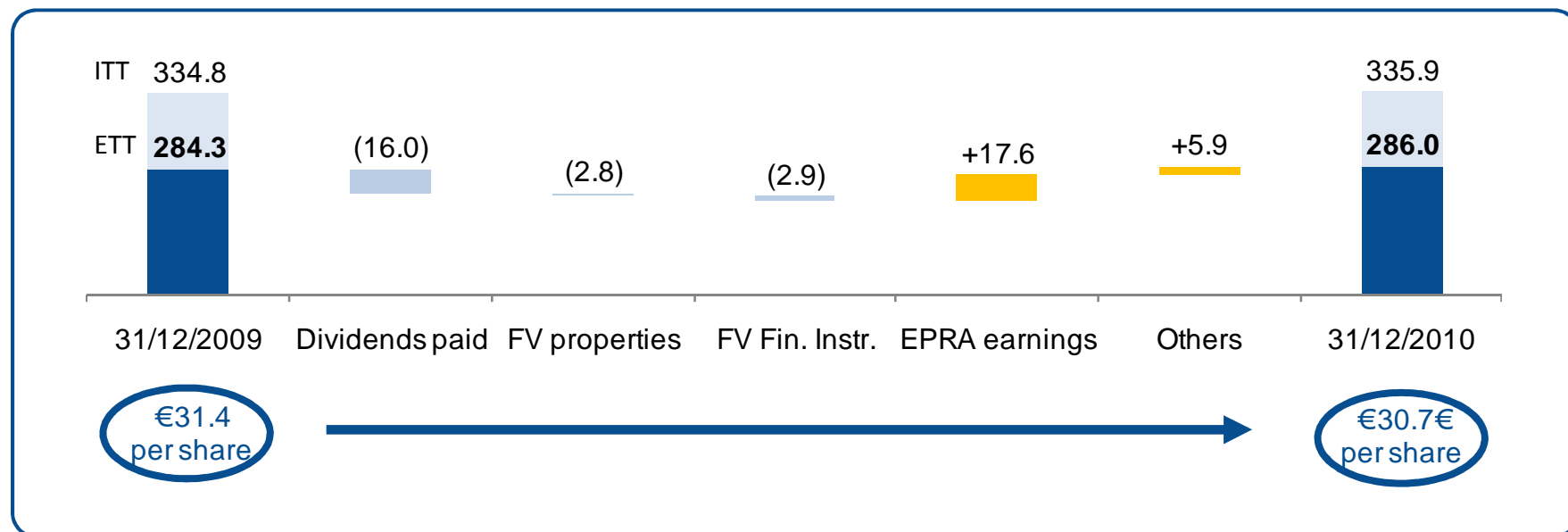
Analysis of FY10 consolidated accounts

(€m)	31/12/08	31/12/09	31/12/10
Properties	1,086.7	1,038.0	1,009.9
<i>of which investment properties</i>	982.5	950.6	772.5
<i>of which property held for sale</i>	104.2	87.4	75.4
<i>of which property in IAS2</i>	-	-	162.0
Equity holdings	33.8	5.1	15.6
Equity affiliates	28.1	22.1	41.9
Cash	27.1	34.8	27.9
Other assets (Finance lease ...)	217.8	182.3	187.2
Shareholders equity (before allocation)	475.5	431.4	430.1
<i>of which convertibles</i>	30.7	31.0	31.7
<i>of which PSL</i>	74.1	73.3	73.3
Bank debt	773.8	701.9	742.4
Other liabilities	144.1	149.0	110.0
Total balance sheet	1,393.4	1,282.3	1,282.5

EPRA Net asset value

Analysis of FY10 consolidated accounts

Change of the EPRA NAV (€m)



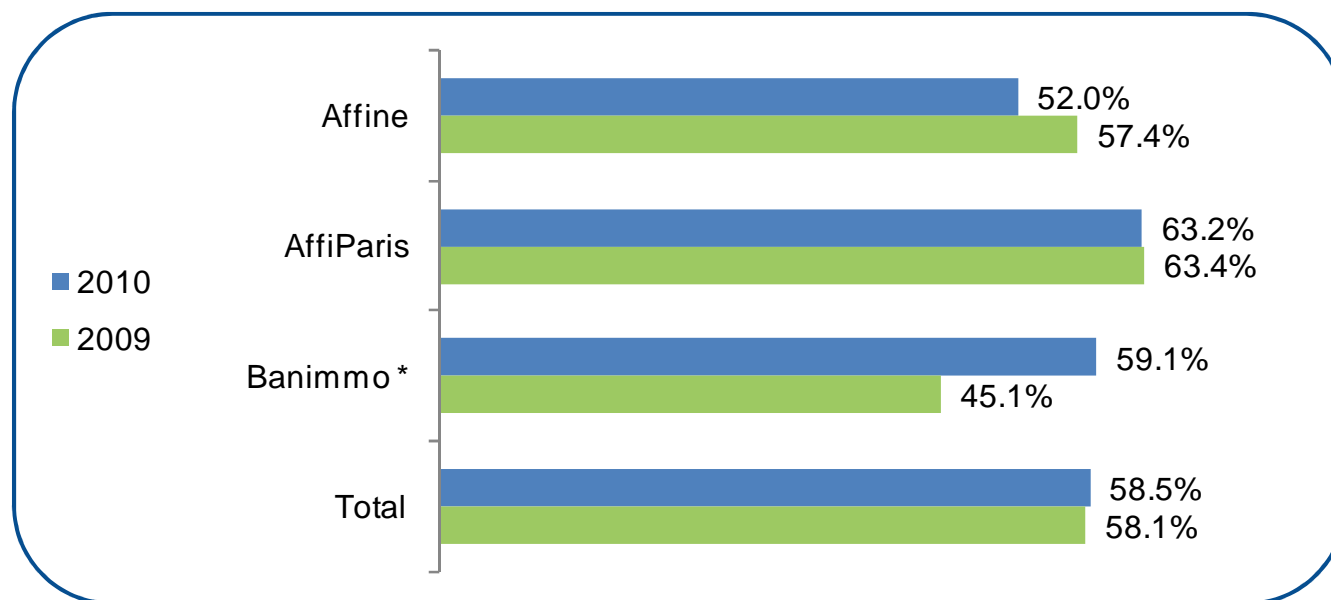


»» Financing

A high LTV...

Financing

Group LTV of 58.5 %



Average financing cost of 3.9% (Hedging included)

* Net debt on balance sheet



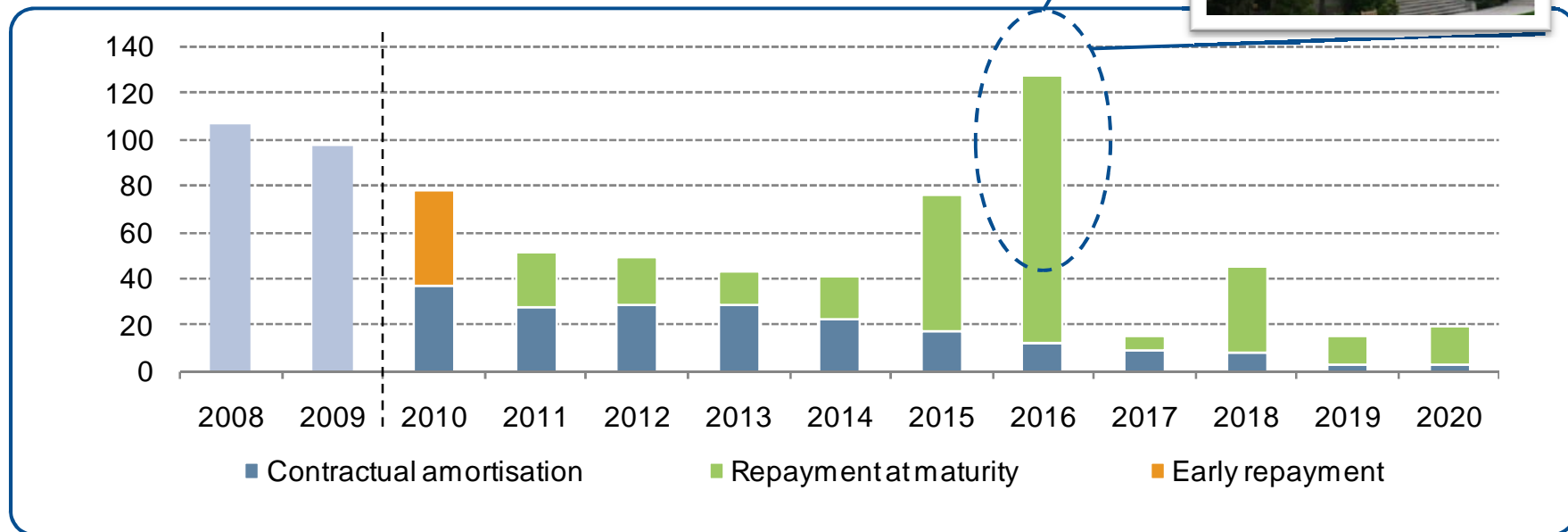
... but a secured debt profile

Financing

Baudry



Amortisation of debt (ex Banimmo) (in €m)



- Secured for 2011
- Average duration: 5.4 years
- No major repayment date before 2016
- Amortisable: around €30m p.a. on average



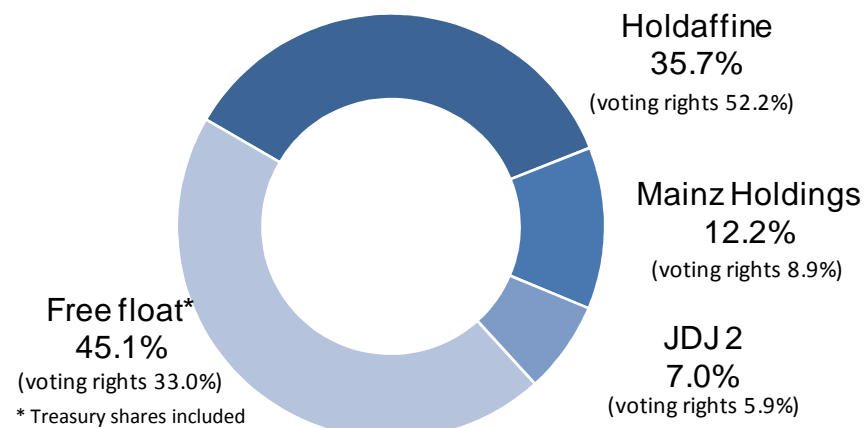
» Affine on the stock market

Shareholding

Affine on the stock market

Shareholding

- Annualised capital turnover rate of 23%
- Annualised capital turnover rate of 56% based on the float



Affine is listed on NYSE Euronext Paris

31 Dec 10

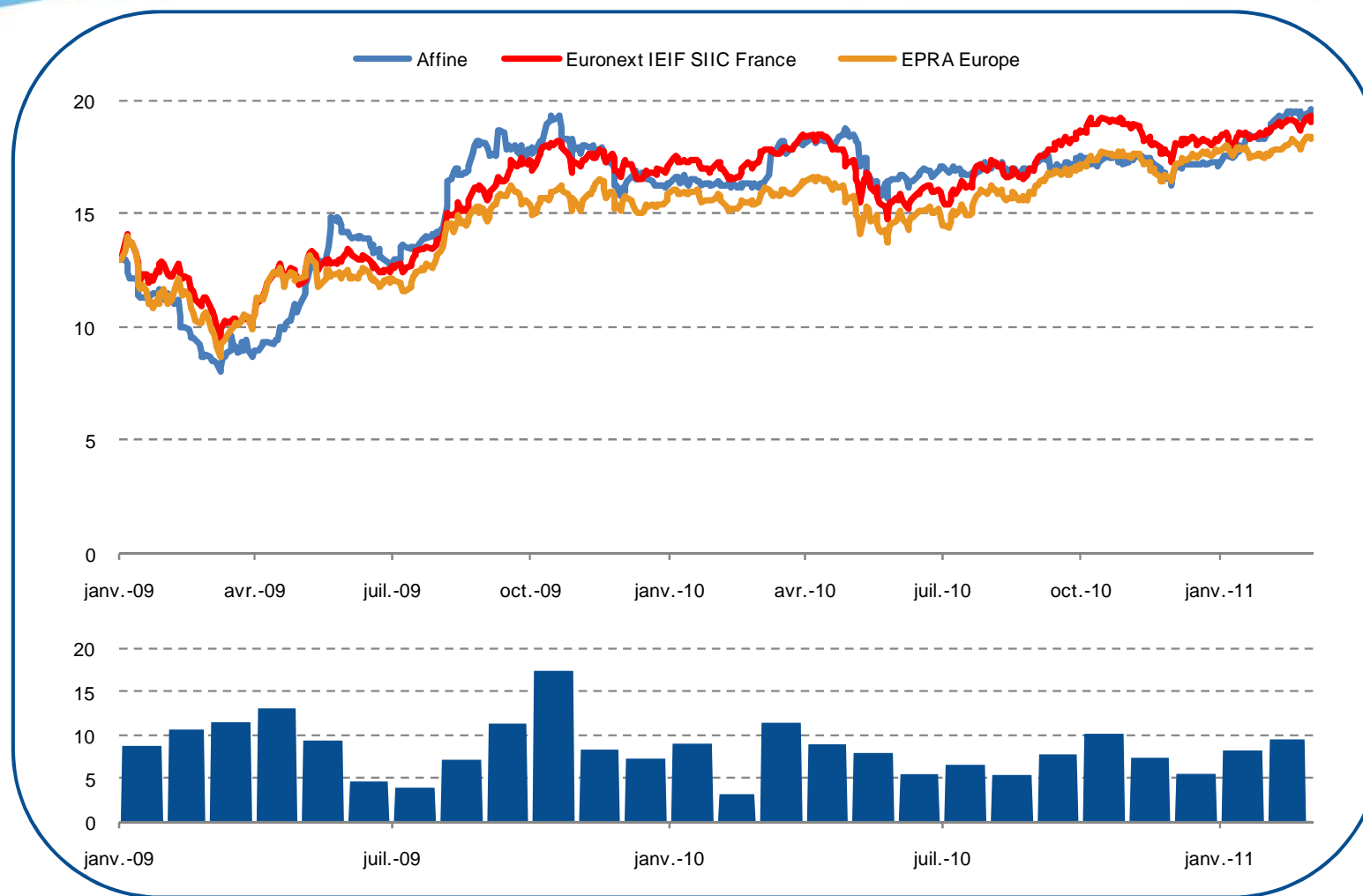
Number of shares	8 113 566
Share price	€17.10
Market capitalisation	€138.7m
Change in FY 2010	+5.2%
EPRA earnings per share	€1.62
Funds from operation per share	€2.5
Bonus dividend per share (GM of 28 September)	€2.43
Net return (2009 dividend / share price at 30 June, 2010)	14.3%

Ticker (Bloomberg / Reuters)

IML FP / BTTP.PA

Share price (€) and average transaction volumes (000)

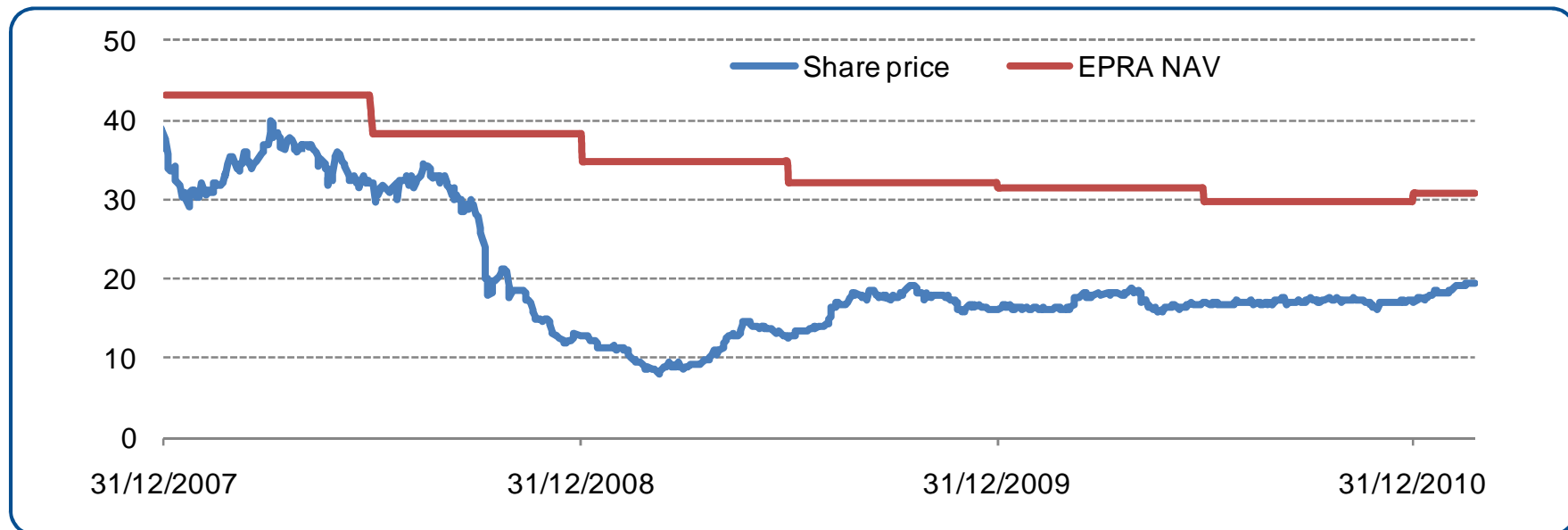
Affine on the stock market



High potential of the share price

Affine on the stock market

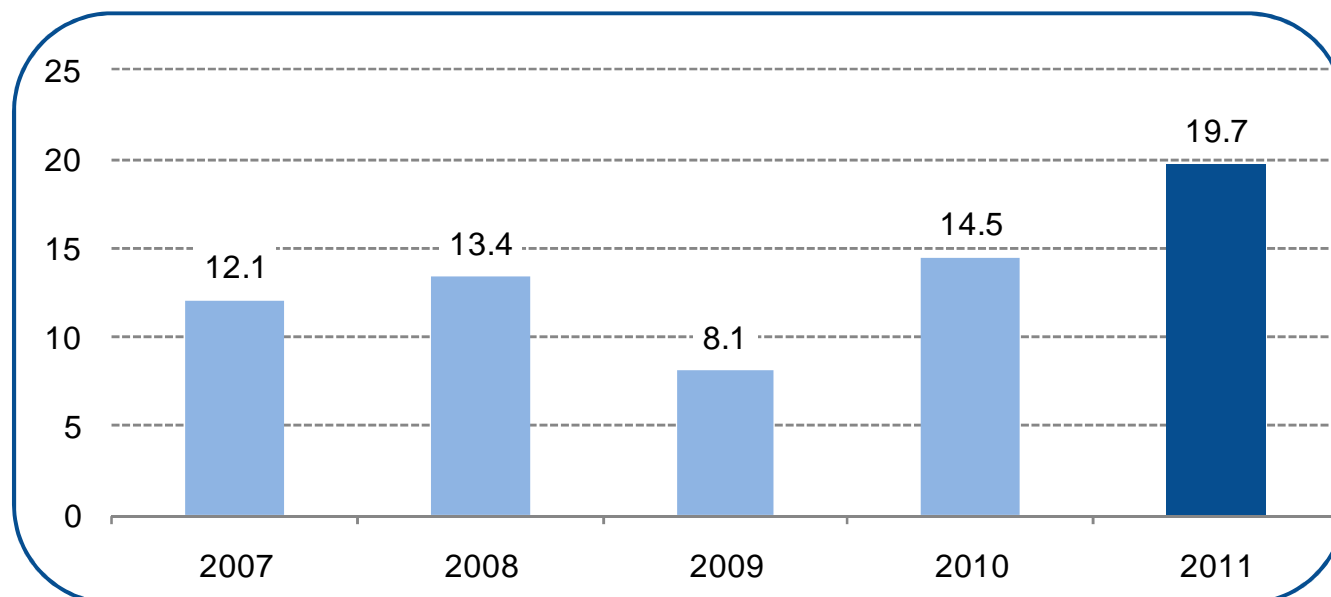
EPRA NAV per share and share price (€)



Dividend payment

Affine on the stock market

Affine, high yield property company



For 2010, an exceptionally high dividend

- As a result of compulsory distributions attached to 2008 and 2009
- High dividend distributed in 2010 by a subsidiary, SIPEC (French REIT)

Option of distribution in share or cash





»» Strategy and outlooks

Accompany the upturn

Strategy and outlooks

Operational priority : decrease the vacancy rate

- Maintaining tight relationship with tenants
 - Anticipate their needs and accommodate them
 - Improve their comfort (Reactive facility management, Capex)
 - Extend the leases firm period
- Tight control on rental expenses
- Intensify new tenants search
- Incentive fees for brokers

Portfolio : continued refocusing

- Disposals of non-core and mature assets (around €80m)
- Investment budget of around €100m
 - Active research of new projects
 - Renovation and refurbishment of buildings
 - Improvement of buildings environmental performances



Contact



Affine

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Société Générale

Website:

www.affine.fr



» Appendix

Calculation of net debt to asset value ratio (LTV)

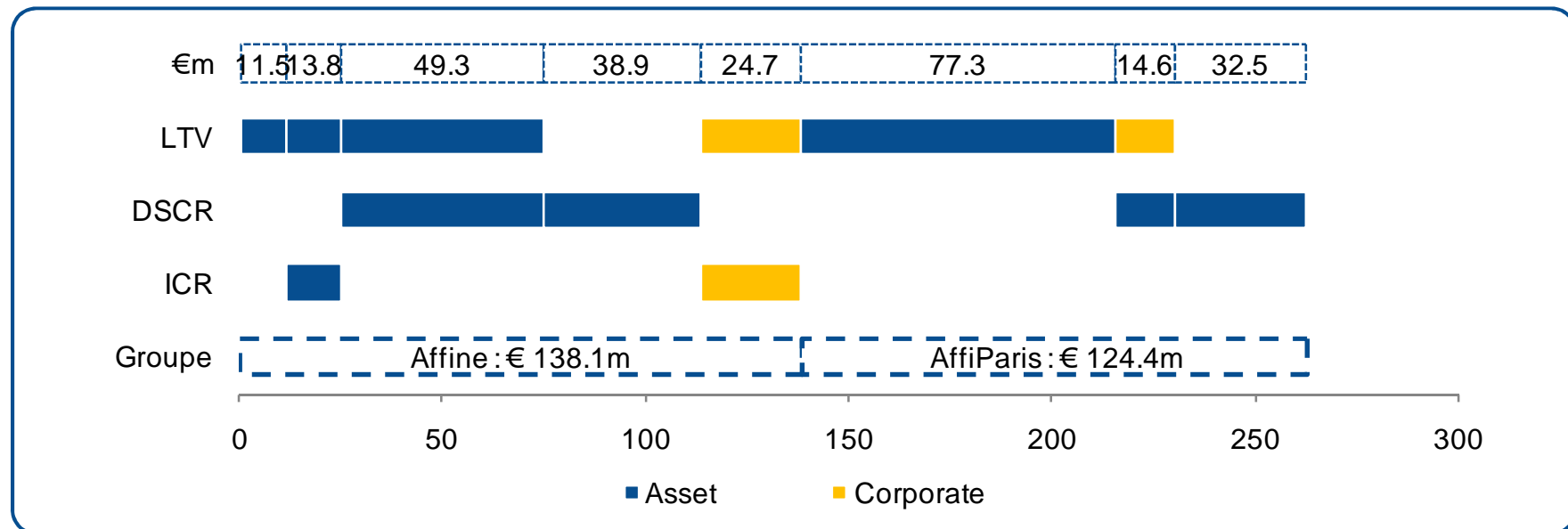
Appendix

	(M€)	31/12/08	31/12/09	31/12/10
LOAN	Net financial debt	754	693	718
	Debt allocated to lease financing	(45)	(51)	(42)
	Debt allocated to investment securities	(29)	-	-
	Debt allocated to development business	(22)	-	-
	Debt for investment properties	659	643	676
VALUE	Value of properties (incl. TT)	1,141	1,108	1,060
	Property companies on equity basis	28	22	82
	VEFA & Fixed assets adjustments	(4)	(25)	15
	Adjusted portfolio value incl. taxes	1,165	1,106	1,156
LTV (net debt on portfolio value)		56.6%	58.1%	58.5%

Covenants

Appendix

Breakdown of covenants (ex Banimmo)



Banimmo

- For syndicated loan: LTV ratio and 2 DSCR ratios

Finance lease

Appendix

Key figures

	31/12/08	31/12/09	31/12/10
Number of buildings	115	100	52
New transactions (in €m)	-	0,3	-
Financial outstandings (in €m)	87	69	52
Revenue on finance lease transactions	5,9	3,8	2,9

Lease purchase outstandings (at year-end) (€m)

