

2010 Consolidated Earnings

RETURN TO PROFIT

- IMPROVEMENT IN CURRENT OPERATING PROFIT (+4%)
- SHARP IN NET OPERATING PROFIT (+77%)
- SLIGHT INCREASE IN NAV (+1%)
- A €2.43 DIVIDEND

KEY FIGURES

(€m)	2008	2009	2010
Gross rental income	73.5	77.2	70.6
Net rental income	63.5	62.8	59.6
Current operating profit*	43.2	42.8	44.6
Net operating profit	7.3	20.4	36.2
Net profit (loss)	(37.3)	(2.7)	10.6
<i>Group share</i>	<i>(37.5)</i>	<i>(5.7)</i>	<i>10.3</i>
EPRA earnings	NA	16.2	17.6
Fair value of assets (incl. taxes)	1,141.2	1,088.5	1,059.8
EPRA net asset value (excl. taxes) (€)	329.1	284.3	286.0
EPRA net asset value per share (excl. taxes) (€)	34.69	31.39	30.70

* This amount excludes the depreciation on Sant Feliu (€5.2m) in 2010 and appears under the other incomes and expenses.

To be more closely aligned with best practices and particularly EPRA recommendations, the presentation of the income statement has been modified. Details of these adjustments can be found at the end of this release.

At its meeting on 3 March 2011, the Board of Directors of Affine approved the corporate and consolidated financial statements at 31 December 2010. The audit is currently being completed.

After two years of deficits caused by the decline in the fair value of the properties, the Affine Group posted a profit of €10.6m in 2010. This change is the result of a 4.3% rise in current operating profit and a 77% increase in net operating profit.

1) SIGNIFICANT INCREASE IN NET OPERATING PROFIT

Net rents were down 5.2% from 2009. The impact of lower rents on a like-for-like basis (-6.2%), coupled with property disposals and refurbishments, was more than offset by the reduction in rental charges.

The decline in rents is the result of an increase in vacancy rates during the first half of the year (11.6% at the end of June versus 7.9% at the end of 2009), followed by a slight recovery in the second half (11.2% at the end of 2010). It also reflects the advantages granted to certain tenants in exchange for lease duration extensions, plus scheduled

departures as part of property refurbishments. The impact of disposals in the second half of 2009 was in large part offset by acquisitions.

Current operating profit, up 4.3%, benefited from the upturn in the property development activity (€2.7m versus €0.0m, excluding impairment of inventories) and the 13.4% reduction in operating expenses. These items more than offset the natural erosion of revenues on finance lease transactions (€2.9m vs €3.8m).

Net operating profit of €36.2m is up significantly over 2009 (+77%), even though no capital gain was recorded, unlike 2009 (€24.8m). This improvement comes essentially from a halt in the fall of property fair values (-€2.8m vs nearly -€47m in 2009 and 2008), plus the impairment of the value of the Sant Feliu land (-€5.2m), held as stock by Concerto.

2) NET RESULT BACK TO POSITIVE

Unlike last year, 2010 benefited neither from the repayment of the carryback (€4.9m), nor from the gain on the sale of the Altaréa stake (in late 2009). The apparent increase in the cost of net debt, related to the absence of the Altaréa dividend (€1.7m in 2009), was more than offset by a smaller decrease in fair values of financial instruments than in the previous year (-€2.9m versus -€7.6m in 2009) and a significant improvement in the contribution from associates (€3.1m vs -€4.4m). Net profit thus amounted to €10.6m (€10.3m group share) versus a loss of €2.7m in 2009.

Restated for non-recurring items, such as the change in fair value and net profit or loss on disposals, EPRA earnings amounts to €17.6m against €16.2m in 2009.

3) DECLINE IN OPERATING CASH FLOW

The transfer of more than half the Banimmo portfolio to the IAS2 accounting standard resulted in its reclassification in inventories: as a result, the purchases, sales and capex relating to these buildings, which were previously integrated in cash flows from investing activities, are now included in operating cash flow, which now suffers from a greater volatility. In addition, 2009 posted an exceptional change related to the sale of a logistics platform developed by Concerto (€14.5m).

Operating cash flow thus increased from €47.7m in 2008 to €74.1m in 2009 and €20.8m in 2010. However, adjusted for the above effects, it decreased from €59.6m to €45.2m.

4) SLIGHT INCREASE IN NET ASSET VALUE

After a slight decline (-0.9%) over the first half, the fair value on a like-for-like basis began to recover over the second half (+0.8%). Over the full year, this decline was 0.2%. The fair value of property assets amounted to €1.060bn (including taxes), down slightly (-2.6%) compared with the end of 2009, with disposals (-€80.0m) only partially offset by investments (€48.5m).

As a result, the EPRA Net Asset Value (excluding taxes), after deducting the quasi-equity represented by the perpetual subordinated loan notes, and after restatement of the fair value of derivatives and deferred taxes, increased by €1.7m (+0.6%) from the end of 2009, and amounted to €286.0m at the end of 2010, or €30.70 per share (excluding treasury shares and after dilutions from the convertible bonds). Including taxes, the EPRA NAV amounted to €335.9m, or €36.06 per share.

5) FINANCIAL DEBT CONTROLLED

During the year the Group set up new financing arrangements amounting to almost €120m and on terms that will allow it to sustain its growth. The average cost of net debt in 2010 was 2.7%, or 3.9% including hedging costs. Excluding Banimmo, the average debt maturity was 5.8 years. No major maturity requires refinancing before 2016.

At 31 December 2010, the Group's net financial debt amounted to €718m (versus €693m at the end of 2009), representing 1.7 times equity capital. With respect to the property activity only, the LTV ratio (net bank debt/market value of property, including taxes and excluding buildings sold before completion, plus the value of equity associates) remains relatively high at 58.5%, mainly due to investments made by Banimmo (acquisition of retail buildings and stakes in City Mall and Montéa). For Affine itself (excluding AffiParis and Banimmo), the LTV fell from 57.4% at the end of 2009 to 52.0% at the end of 2010.

6) PAYMENT OF AN EXCEPTIONALLY HIGH DIVIDEND

The Annual General Meeting will be asked to vote on a dividend resulting from distribution obligations relating to capital gains from previous years. This dividend will amount to €19.7m (or €2.43 per share), versus €14.5m last year, and can be paid either in cash or in new shares. Based on the share price at 31 December 2010 (€17.10), this dividend represents a 14.2% yield on the Affine stock.

7) OUTLOOK

The slight improvement in the rental situation and property values registered in the second half of the year is expected to continue in 2011.

Continuation of the disposal of non-strategic assets should strengthen the financial structure, while the Group will work to increase its investments based on opportunities.

The Group will continue its strategy focused on improving the quality and profitability of its portfolio, particularly through major refurbishment and redevelopment projects.

8) SCHEDULE

- 28 April 2011: Annual General Meeting
- 16 May 2011: Dividend payment in shares or cash (€2.43)
- 16 May 2011: First quarter revenues
- September 2011: 2011 half-year revenues and results

NB: Henceforth, the Affine Group will present its financial statements in accordance with EPRA recommendations. In addition to the income statement prepared in accordance with IFRS standards (first table), this presentation includes earnings calculated according to EPRA recommendations (second table) and which represent the current net profit from the property activity exclusively (i.e. net profit – group share excluding changes in fair value, gains or losses on sales and other non-current items). For comparative purposes, the classification previously used by the Affine Group, which was based on the operating margin of the businesses, is provided pro forma for 2010 in the last table.

CONSOLIDATED EARNINGS – NEW PRESENTATION

(€m) ⁽¹⁾	2008 ⁽⁶⁾	2009 ⁽⁶⁾	2010
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
Operating expenses	(27.8)	(23.5)	(20.3)
Current EBITDA ⁽²⁾	43.9	43.2	44.9
Current operating profit	43.2	42.8	44.6
Other incomes and expenses	4.0	0.0	(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 ⁽³⁾	(46.8)	(47.2)	(2.8)
Net operating profit ⁽⁴⁾	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 ⁽⁵⁾	(0.2)	(2.1)	4.4
Net profit	(37.3)	(2.7)	10.6
Net profit – group share	(37.5)	(5.7)	10.3

(1) Based on IFRS standards for corporate accounting and EPRA recommendations.

(2) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. This amount does not include in 2010 the depreciation of Sant Feliu (€5.2m) and appears under the other incomes and expenses.

(3) Including a depreciation of goodwill of €3.5m in 2009.

(4) Net operating profit represents the operating profit after the change in value, including the change in goodwill, unlike previous years.

(5) Share in companies consolidated using the equity method, net profit from activities that have been discontinued or are being sold, other financial income.

(6) The profit of Abcd has been included until the date of its deconsolidation in 2008, and totalled €0.17m. In addition, to more clearly reflect the components of the profit and changes, the contribution of BFI appears under the heading "After-tax profit from discontinued operations or operations held for sale", i.e. "Miscellaneous" in this presentation.

EPRA EARNINGS

(€m)	2008	2009	2010
Net profit – group share		(5.7)	10.3
Value adjustments for investment properties		43.7	2.8
Net profit or loss on disposal		(24.8)	0.4
Goodwill adjustment		3.5	-
Fair value adjustments of hedging instr.		7.6	2.9
Associates		4.4	(3.1)
Net profit from discontinued operations		0.8	(1.2)
Non-current, deferred and exit tax		(11.7)	(1.0)
Other non-recurring items		(3.1)	5.0
Minority interests in items above		1.5	1.4
EPRA earnings⁽⁷⁾		16.2	17.6

(7) The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in October 2010, which give guidelines for performance measures. As detailed in the EPRA adjustments note, the EPRA earnings measure excludes the effects of changes in fair value, gains or losses on sales and other non-recurring items.

CONSOLIDATED EARNINGS – PREVIOUS PRÉSENTATION

(€m) ⁽¹⁾	2008 ⁽⁷⁾⁽⁸⁾	2009 ⁽⁸⁾	2010
Investment properties	63.5	62.8	59.6
Finance lease	5.9	3.8	2.9
Property development ⁽²⁾	2.2	(0.0)	(2.8)
Miscellaneous	1.1	0.6	1.0
Operating margin ⁽³⁾	72.9	67.3	60.7
Financial income ⁽⁴⁾	(35.5)	(31.2)	(27.5)
Operating and miscellaneous expenses	(25.7)	(24.5)	(21.3)
Corporate income tax	(2.8)	5.1	0.3
Current profit	8.8	16.7	12.2
Net capital gains on property sales	7.0	24.8	(0.4)
Current profit after property sales	15.8	41.5	11.8
Change in fair value of properties ⁽⁵⁾	(46.9)	(43.7)	(2.8)
Change in fair value of financial instruments	(12.6)	(7.6)	(2.9)
Miscellaneous ⁽⁶⁾	(0.4)	0.2	4.3
Deferred tax net of exit tax	6.8	6.9	0.3
Net income (loss) after tax	(37.3)	(2.7)	10.6
Of which Group share	(37.5)	(5.7)	10.3

(1) Based on IFRS accounting standards for corporate accounting. (2) Excluding change in value of Sant Feliu. (3) Excluding changes in fair value. (4) Excluding profit from dilution and change in fair value. (5) Including change in value of Sant Feliu (-€5.2m). (6) Share in companies consolidated using the equity method, changes in goodwill, net profit from activities that have been discontinued or are being sold, profit dilution related to the Banimmo IPO in 2007 and net capital gain of €9.0m for the sale of Altaréa shares in 2009. (7) The profit of Abcd has been included until the date of its disposal in 2008 from the scope of consolidation, and totalled €0.17m. (8) To more clearly reflect the components of the profit and its changes, the contribution of BFI appears under the heading "After-tax profit from discontinued operations or operations held for sale", i.e. "Miscellaneous" in this presentation.

About the Affine Group

The Affine Group is a diversified property company specialised in commercial property. At the end of 2010, it held assets composed of 98 buildings valued at €1,060m, with a total surface area of 755,000 sqm. The Group primarily owns office properties (56%), commercial properties (22%) and warehouses (16%).

Its activity is split between Affine (53%), active in French regions outside Paris, AffiParis (20%), an SIIC – French listed real estate investment trust – specialised in Paris properties, and Banimmo (27%), a Belgian property development company located in Belgium, France and Luxembourg.

The Affine Group also includes Concerto Développement, a subsidiary specialised in arranging development and investment transactions for logistics properties in Europe.

In 2003, Affine adopted the special tax treatment applicable to French real estate investment trusts (SIIC). The Affine share is listed on NYSE Euronext Paris (Ticker: IML FP / BTTP.PA; ISIN code: FR0000036105) and admitted to the deferred settlement system (long only). The Affine share is included in the SBF 250 (CAC Small 90), SIIC IEIF and EPRA indices. AffiParis and Banimmo are also listed on NYSE Euronext. www.affine.fr

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