

HALF-YEAR RESULTS

2012

Presentation of 27 July 2012



AFFINE

KEY TAKEAWAYS OF THE FIRST-HALF

Affine

Portfolio change

- €9m of acquisition: Lille
- €13m of disposals: small size assets
- Inauguration of the new Arcachon town centre

Improve rental performance

- Lowering of the administrative costs
- Increase the occupancy rate

Increase of gross rental income like-for-like: +3.5%

Slight improvement of current operating profit: +0.6%

Sharp progress of EPRA earnings: +24% to €9.7m

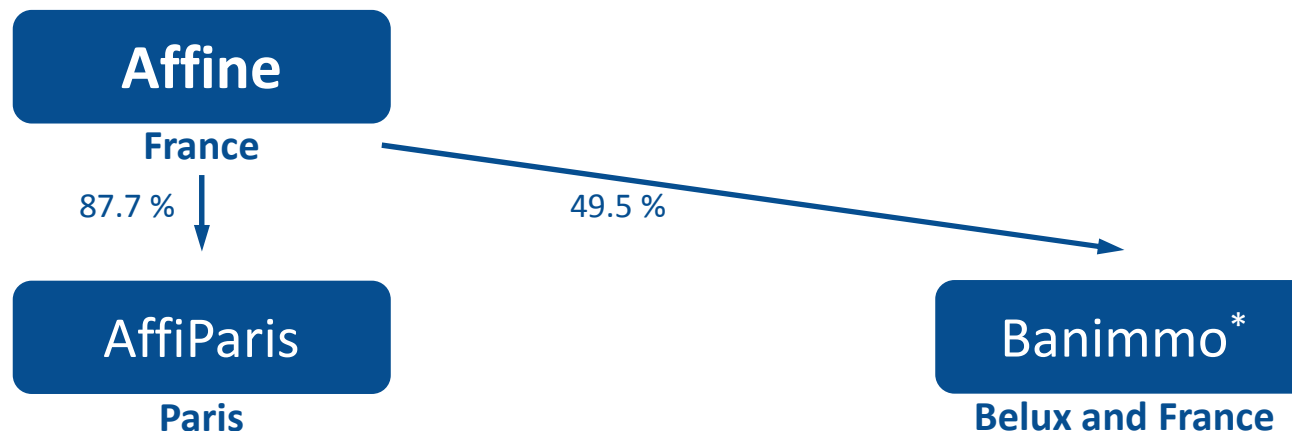


GROUP STRUCTURE

Affine

Affine group

3 listed property companies



Refurbishment

Multi-specialized property companies
In commercial real estate

- SIIC status (French REIT)
- Portfolio: €702m

Concerto European Developer

Subsidiary focusing on property development projects for distribution and production logistics

Repositioning

and redevelopment of real estate in
Belgium, France and Luxembourg

- Portfolio: €416m

* Equity method

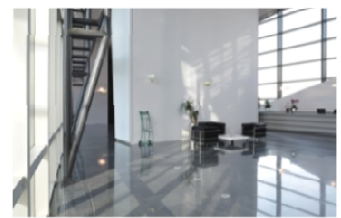
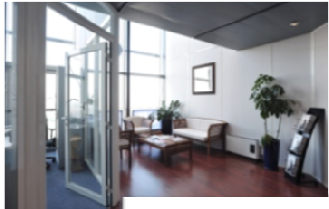


INVESTMENTS AND DISPOSALS

€10M OF INVESTMENTS

Investments and disposals

Acquisition



Lille
6,250 sqm

Development & Enhancement



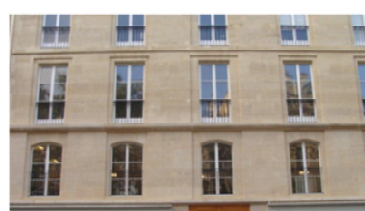
Saint Ouen



Tremblay en France



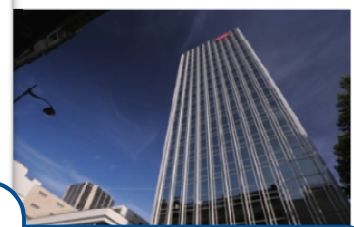
Elancourt



Paris - Réaumur



Paris - Auber



Paris 12^e (SNCF)

ARCACHON

Investments and disposals

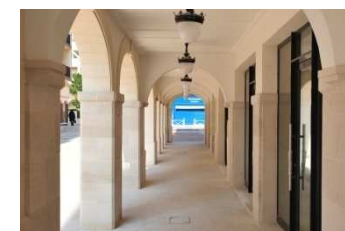
New heart of town of Arcachon, « Ville d'Été »

- Ideally located between the town hall and the sea front
- ZAC (integrated development zone) spread over 3 hectares including:
 - A new 1,500 sqm Baltard style covered market
 - 300 new private and social housing
 - 5,200 sqm of shops and restaurants
 - a cinema complex
 - 600 underground parking lots



Affine

- Investment in VEFA (buildings in anticipation of completion) on
 - 2,400 sqm of ground-floor shops
 - 800 sqm tourist resort under the Résidhome Hotel Plaza brand
- A successful marketing (OR: 89%)



► Potential value added in medium term

€13M OF DISPOSALS

Investments and disposals



Saint-Julien-les –Metz:
€5.2m



Vert-Saint-Denis:
€2.9m



Valbonne Beige:
€1.0m



Saint-Cloud:
€2.5m



Lezennes:
€0.5m



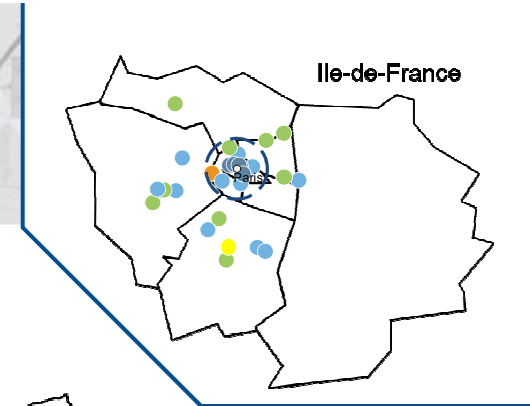
Toulouse:
€0.5m



PERFORMANCE OF THE PORTFOLIO

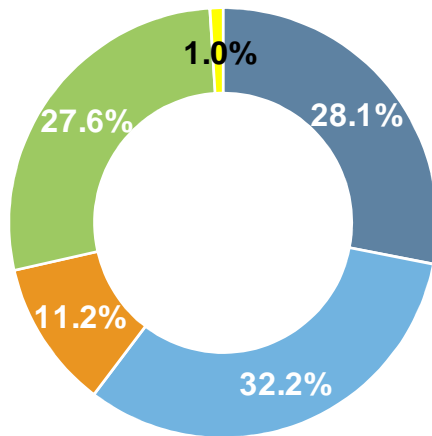
MULTI-SPECIALIZED PROPERTY COMPANY

Performance of the portfolio

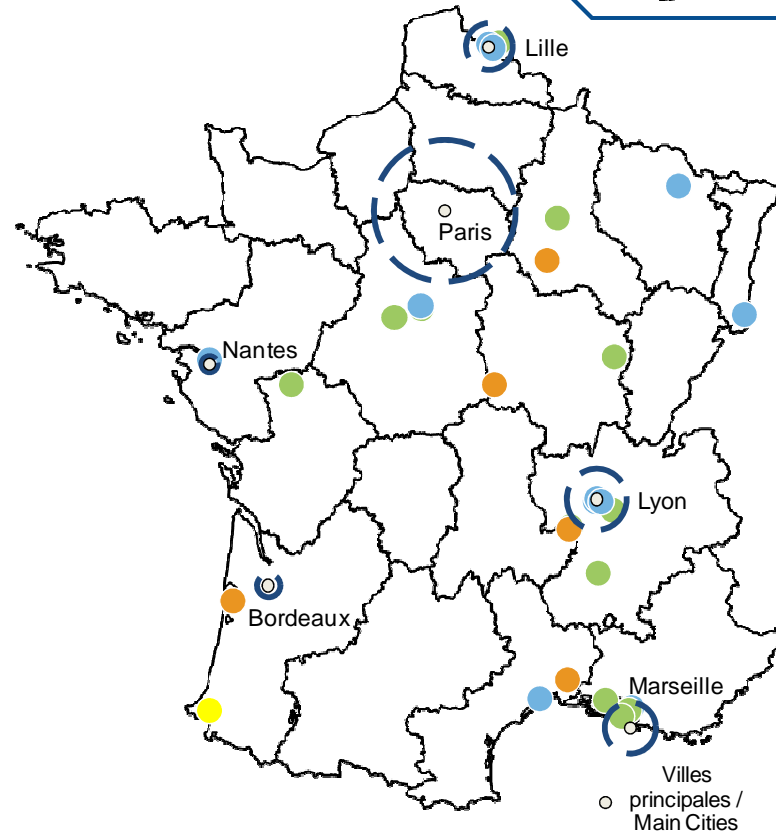


Breakdown of the portfolio in value terms

By area of expertise



- Paris (Offices)
- Offices
- Retail
- Warehouses and industrial
- Others

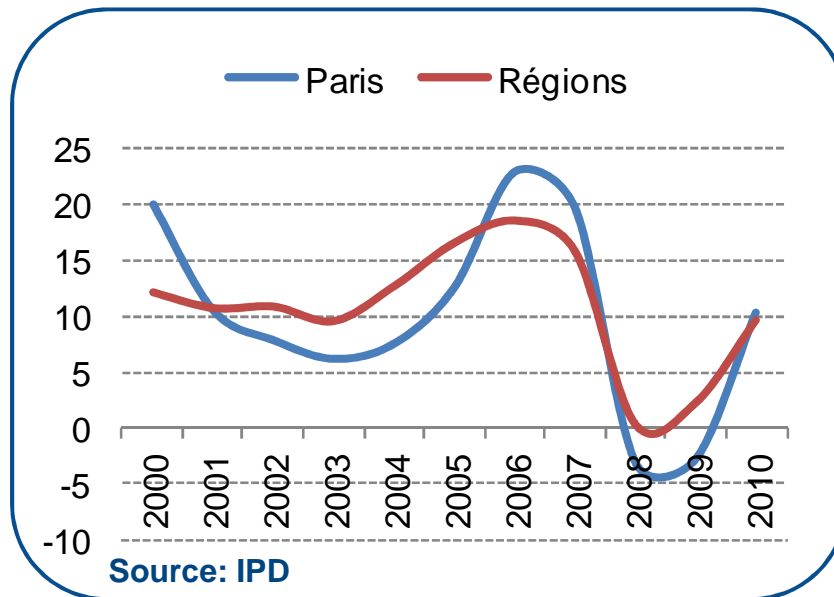


PARIS COMPARED TO REGIONS

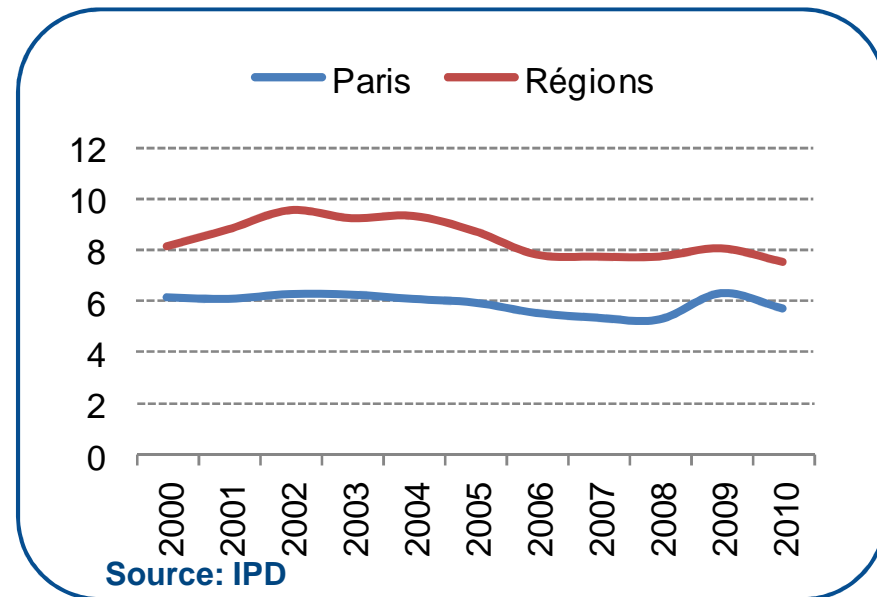
Performance of the portfolio



Capital yield (%)



Rental yield (%)



Regions present a total return more stable

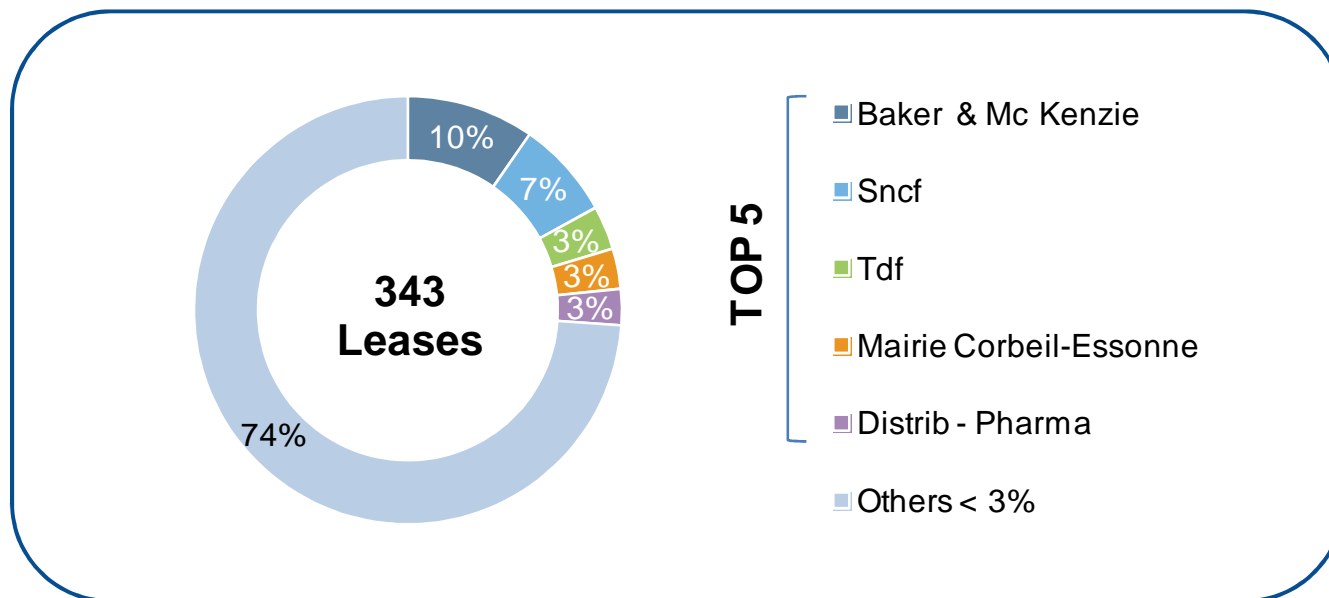
- A variability of 35 % less than the Paris one

- An average yield of 200 bps above Paris one

A DIVERSIFIED RISK ON TENANTS

Performance of the portfolio

A diversified portfolio of customer – Breakdown of rents



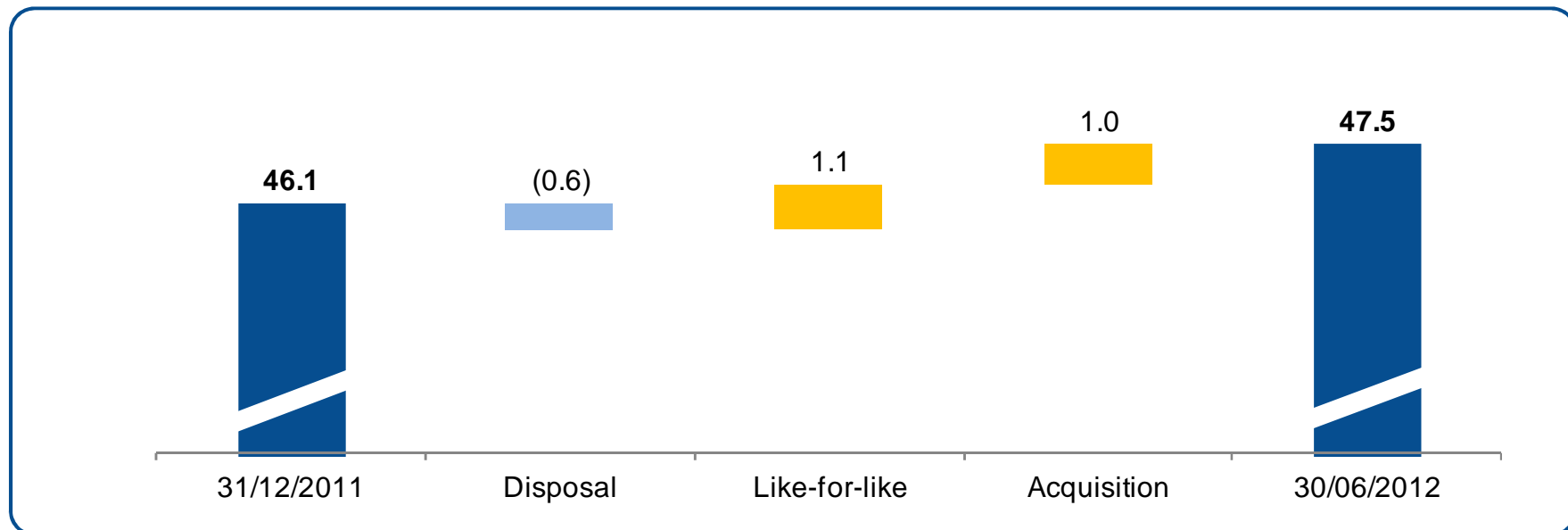
- Overall, the group has 343 leases corresponding to an average rental income of €139,000 by tenant or €104,000 excluding the TOP 5



HEADLINE RENTS: +2.4% LIKE-FOR-LIKE

Performance of the portfolio

Trend in headline rents annualized (€m)

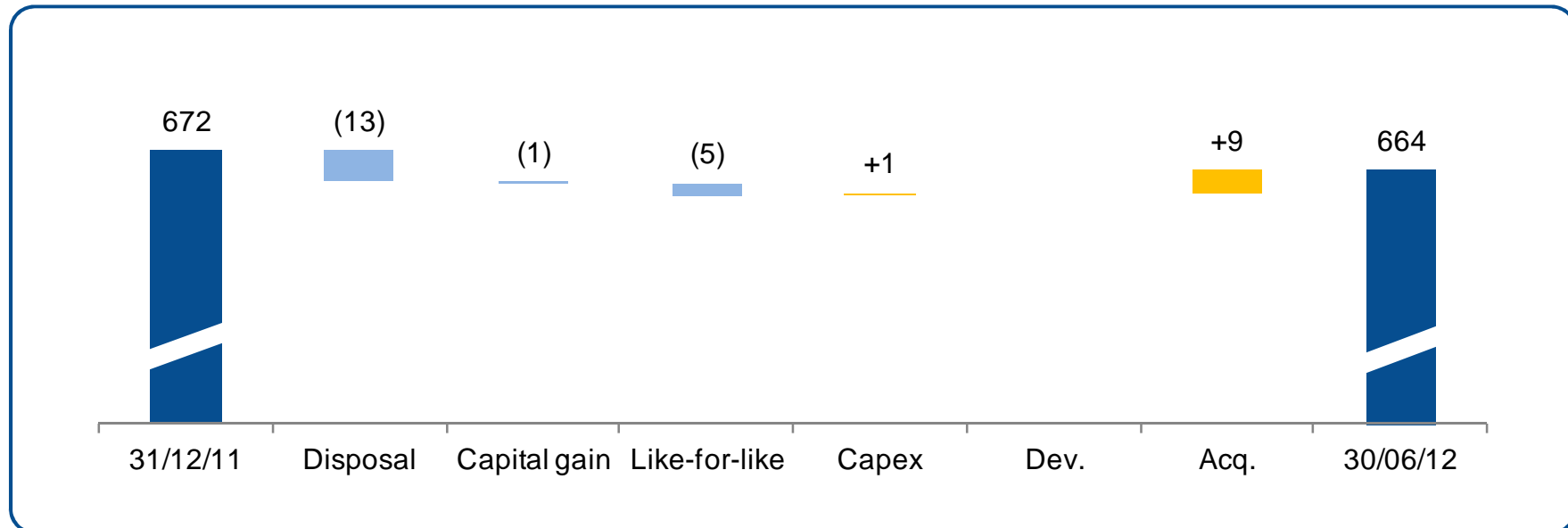


Headline rents change: +3.1%

STABLE PORTFOLIO

Performance of the portfolio

Change in fair value excluding TT (€m)



Breakdown of the 0.7% decrease in fair value on a like-for-like basis

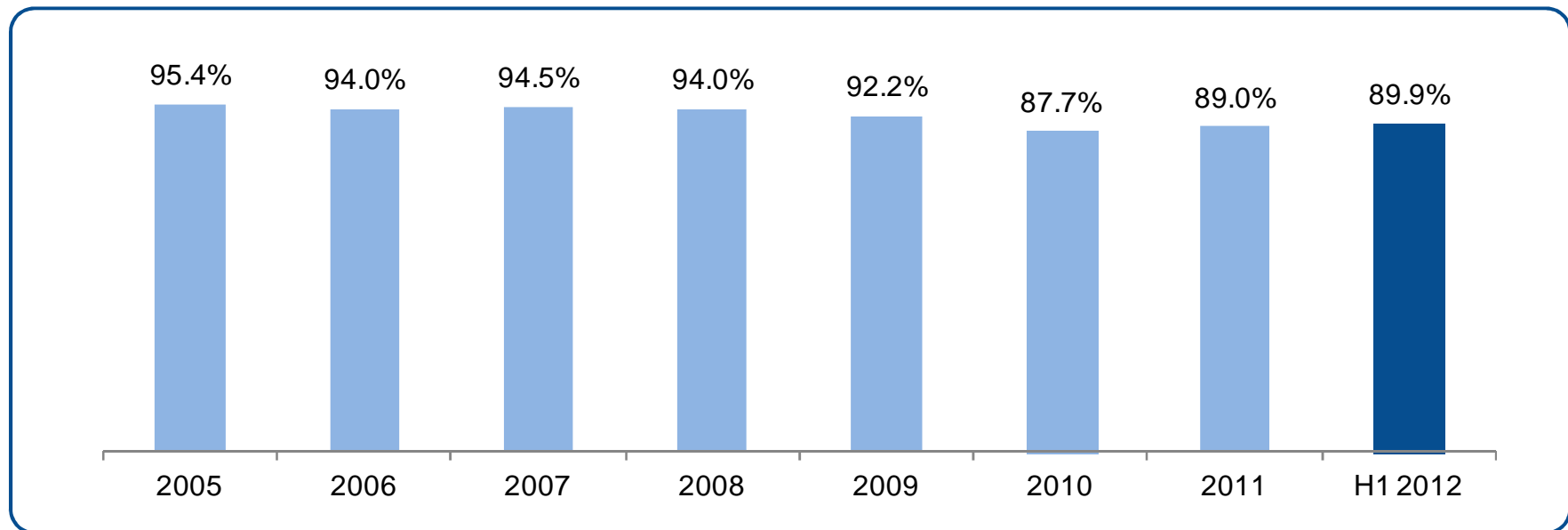
- Market rent effect (ERV): (3.1%)
- Cap rate effect: (0.4%)
- Miscellaneous: 2.8% (works, reversion, ...)

DECREASE OF THE VACANCY

Performance of the portfolio



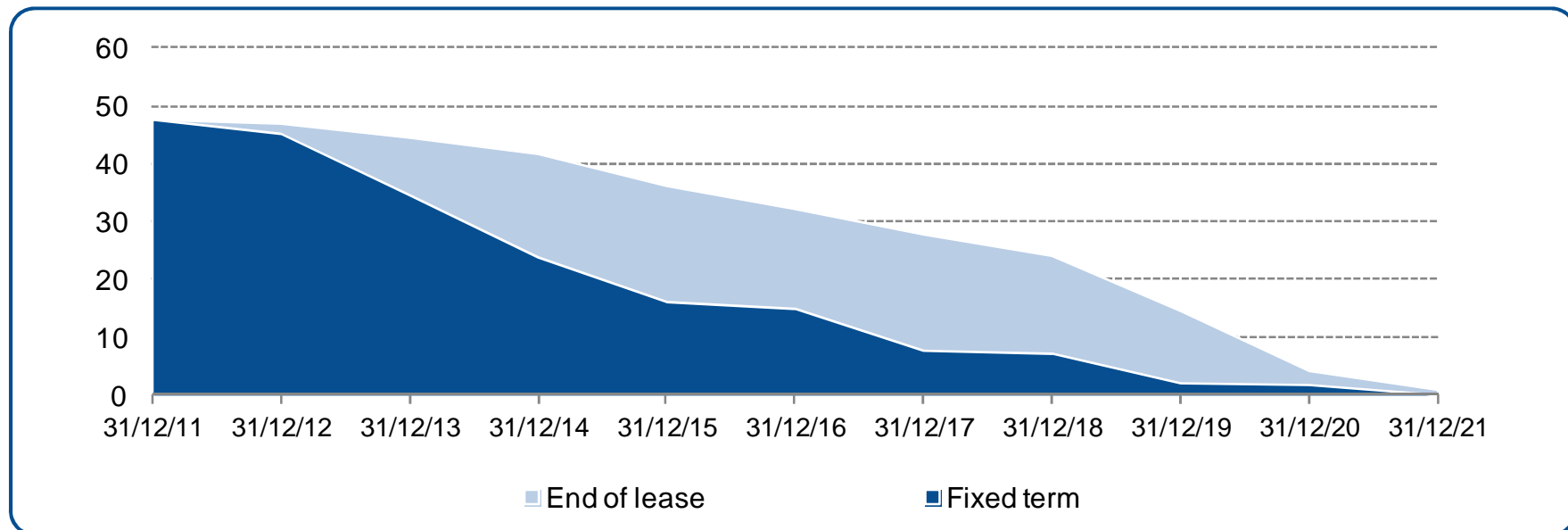
Financial occupancy rates (EPRA)



LEASE AVERAGE DURATION 5.8 YEARS

Performance of the portfolio

Schedule in rents (€m) according to lease duration



- Average time up to next break option: 3.3 years
- Average time up to lease expiry: 5.8 years
- 22 new leases (6,000 sqm ; €0.9m)
- 6 renegotiated leases (7,800 sqm ; €1.1m)
- 6 terminated leases (6,300 sqm ; €0.6m)

PORTFOLIO YIELD

Performance of the portfolio



Return by asset type

	Portfolio Split in value	Headline yield	Potential yield
Paris (Offices)	28.1%	5.0%	5.0%
Offices (other regions)	32.2%	7.6%	8.2%
Retail	11.2%	5.6%	7.8%
Warehouses & Industrials	27.6%	7.7%	8.9%
Others	1.0%	11.4%	11.4%
Total	100.0%	6.7%	7.5%

- Rental income in ligne with the estimated rental value (ERV)

BANIMMO

Performance of the portfolio

More details on
www.banimmo.be

Repositioning property company

- Portfolio: 22 buildings; Gross rental income: €7.4m; value: €416m.

Key events

- Development of an 8,000 sqm office in Charleroi (Belgium)
- Acquisition of a 27,000 sqm building in Rocquencourt (78) to be converted into a hotel / conference center
- Acquisition of a 4,660 retail gallery inactive in Suresnes (92)
- Delivery of a 7,200 building in Ghent (Belgium)

Results

- Operational result: €2.7m (vs €7.4m)
- Net result: €0m (vs €6.0m)



DEVELOPMENT

Performance of the portfolio


Concerto European Developer

- In the Paris region, development of a logistics platform with a surface area of 21,000 sqm, let to Sunclear through a 9-year fixed lease, to be completed by the end of 2012;
- Finalization of an agreement for the construction of a 25,000 sqm logistics building in the Champagne Ardenne regions, to be delivered in the first quarter of 2013;
- Honfleur: agreement with Shema for the development of the logistic activities on the port (Seine axis)
- Sant Feliu de Buixalleu (Spain): The first let building (3,700 sqm), under construction for delivery at the end of 2012. Marketing of a second building in progress

Promaffine

- Completion of 2 residential joint development in Nanterre and Marseilles





CONSOLIDATED ACCOUNTS PROFORMA*

* Proforma for the 30/06/2011 and the 31/12/2011 with the consolidation of Banimmo and Jardin des Quais through the equity method over the full period.

CONSOLIDATED EARNINGS - PROFORMA

Consolidated accounts

(€m)	30/06/11	31/12/11	30/06/12
Gross rental income	24.7	48.3	23.1
Net rental income	22.0	43.1	20.3
Other income	1.3	3.6	2.4
Corporate expenses	(6.0)	(12.0)	(5.3)
Current EBITDA⁽¹⁾	17.3	34.7	17.4
Current operating profit	17.3	34.6	17.4
Other incomes and expenses	(1.5)	(2.6)	(2.2)
Net profit or loss on disposal	0.9	2.9	(0.7)
Operating profit (before value adj.)	16.6	34.9	14.5
Net balance of value adjustments	10.7	1.7	(4.8)
Net operating profit⁽²⁾	27.3	36.6	9.7
Net financial cost	(9.0)	(18.2)	(8.9)
Fair value adjustments of hedging instr.	3.0	(2.3)	(1.3)
Taxes	(1.3)	(0.4)	0.2
Associates	3.1	1.3	0.4
Miscellaneous	0.3	(0.4)	0.8
Net profit	23.4	16.6	0.9
Net profit – group share	21.8	15.3	1.7
EPRA earnings – Net recurring profit	7.8	18.5	9.7

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

CONSOLIDATED CASH FLOW - PROFORMA

Consolidated accounts

(€m)	30/06/11	31/12/11	30/06/12
Funds from operation	11.0	19.7	10.8
Funds from operation (excluding cost of debt and tax)	21.2	38.8	18.5
Change in WCR	(5.0)	10.1	(8.9)
Taxes paid	0.1	(0.6)	(0.0)
Operating cash flow	16.2	48.3	9.6
Acquisitions & Investments	(15.4)	(25.5)	(13.2)
Disposals	14.5	47.2	16.6
Others	1.2	1.6	0.8
Investment cash flow	0.2	23.3	4.3
New loans	22.2	24.2	24.0
Loan repayments	(18.5)	(59.6)	(33.2)
Interest	(9.4)	(19.4)	(9.0)
Others	(13.1)	(18.4)	(10.9)
Financing cash flow	(18.8)	(73.0)	(29.2)
Change in cash position	(2.3)	(1.4)	(15.3)

CONSOLIDATED BALANCE SHEET - PROFORMA

Consolidated accounts

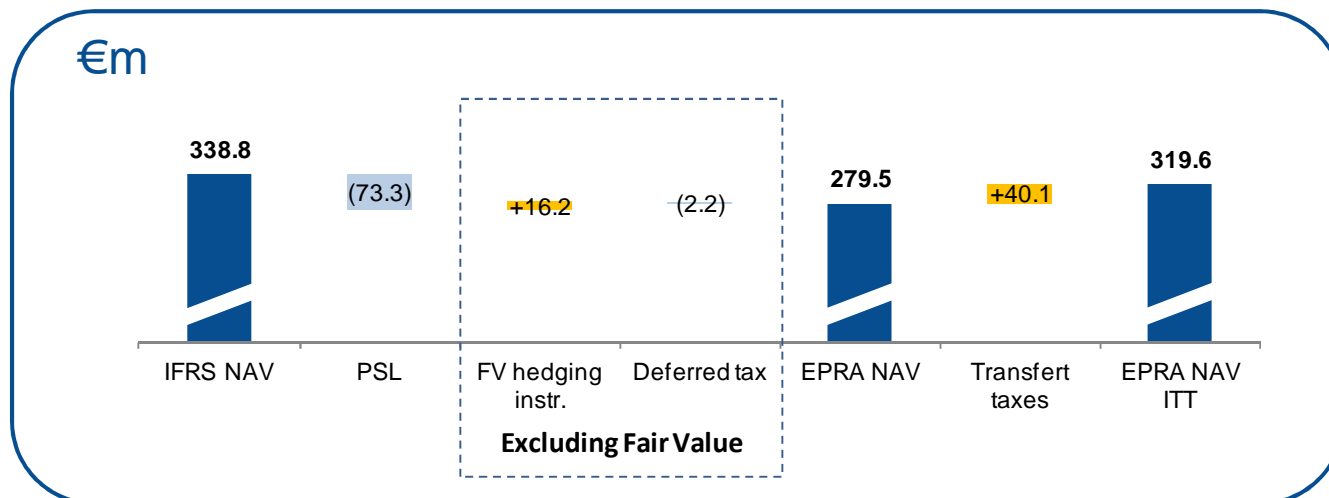
(€m)	30/06/11	31/12/11	30/06/12
Properties	702.1	672.2	664.3
<i>of which investment properties</i>	635.5	520.8	552.1
<i>of which property held for sale</i>	66.6	151.4	112.1
Equity holdings	0.2	0.3	0.3
Equity affiliates	85.6	85.8	85.5
Cash	22.6	23.3	6.2
Other assets	115.3	99.4	96.7
Shareholders equity (before allocation)	371.6	362.2	349.8
<i>of which convertibles</i>	20.7	20.8	20.7
<i>of which PSL</i>	73.4	73.4	73.3
Bank debt	488.1	453.6	442.2
Other liabilities	66.1	65.2	61.0
Total balance sheet	925.8	881.0	853.0

NET ASSET VALUE - PROFORMA

Consolidated accounts

(€m)	30/06/11	31/12/11	30/06/12
Shareholders' equity (before allocation)	359.4	348.4	338.8
PSL adjustment	(73.4)	(73.4)	(73.3)
Fair value adjustments to hedging instr.	6.1	14.3	16.2
Net deferred tax	(0.8)	(1.7)	(2.2)
EPRA NAV (excluding transfer tax)	291.4	287.6	279.5
EPRA NAV (including transfer tax)	333.7	326.5	319.6

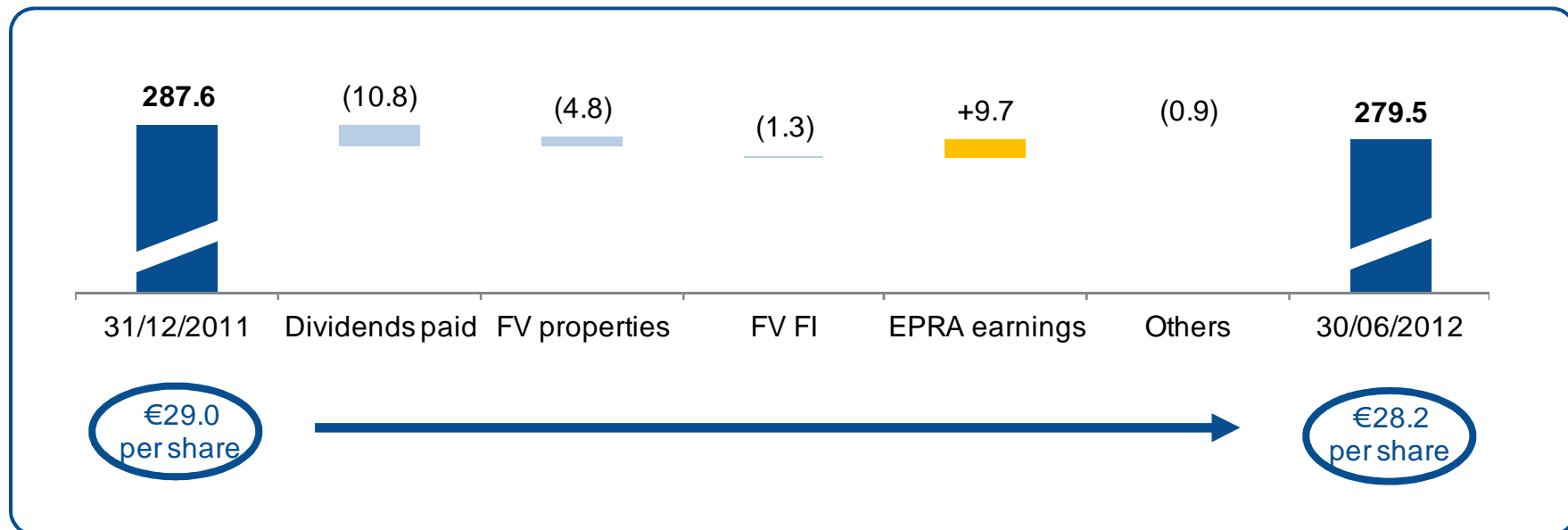
EPRA NAV (excluding transfer tax) per share (€)	29.3	29.0	28.2
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EPRA NET ASSET VALUE - PROFORMA

Consolidated accounts

EPRA NAV change (€m)



- Based on the Net Asset of Banimmco

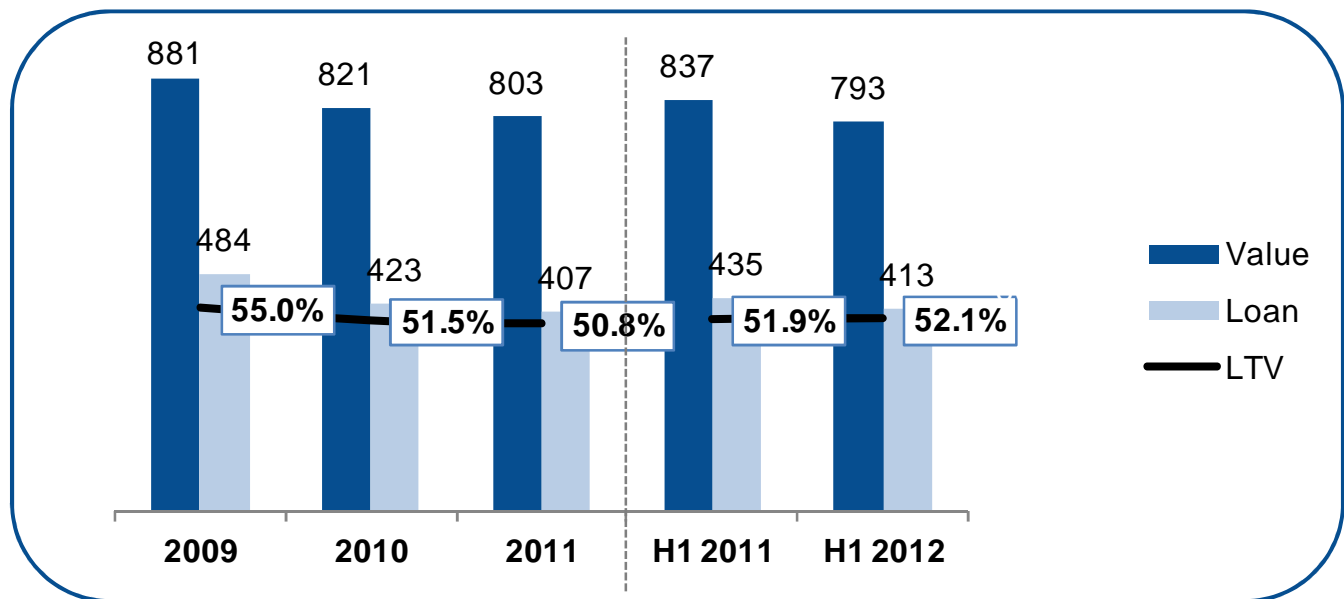


FINANCING

STABLE LTV

Financing

LTV of 52 % (€m)



- Average financing cost of 2.7%, or 3.9% hedging included
- Hedged against interest rate risk above 90%



FAVOURABLE CREDIT ACCESS

Financement

Diversification of banks relationship

- 6 main banks and an average outstanding of €30m by bank
- An average loan of €7m
- Average duration of 5.7 years
- Financing asset by asset with mortgages
- Amortizable over long term

Financing in H1 2012

- 5 credits for an amount of €24m
 - Acquisition in Lille (€7m)
 - Refinancing of existing assets (€17m)

Renegotiation in completion for 2012



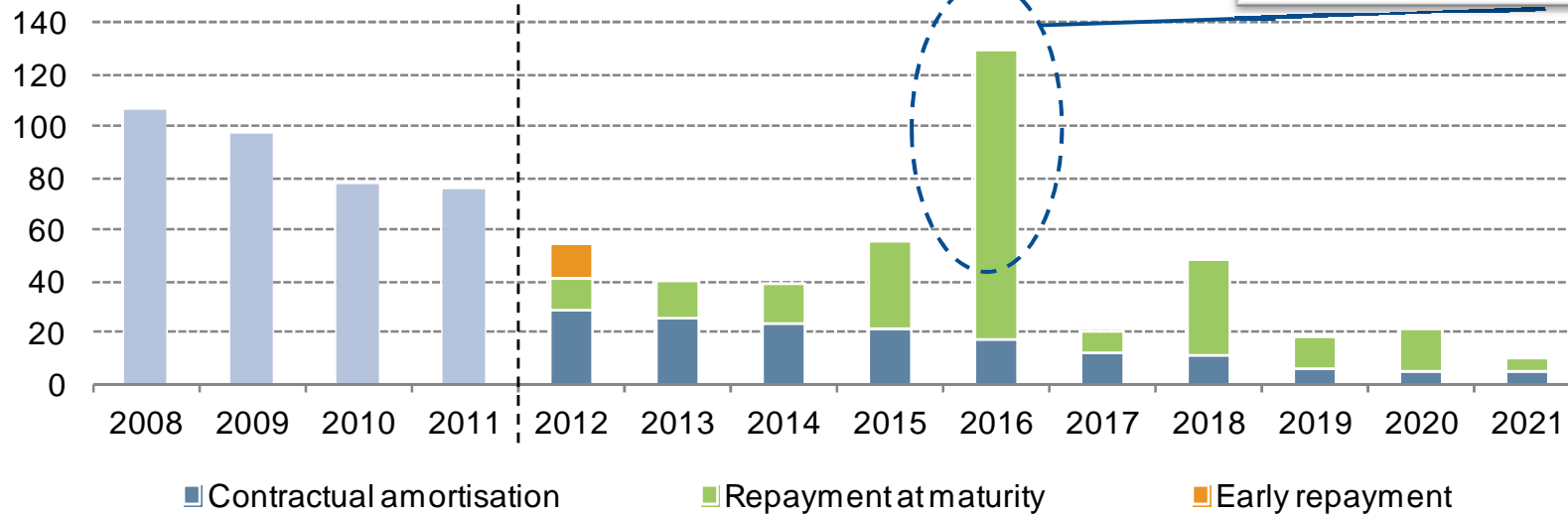
A SMOOTHED DEBT PROFILE

Financing

Baudry



Amortisation of debt (€m)



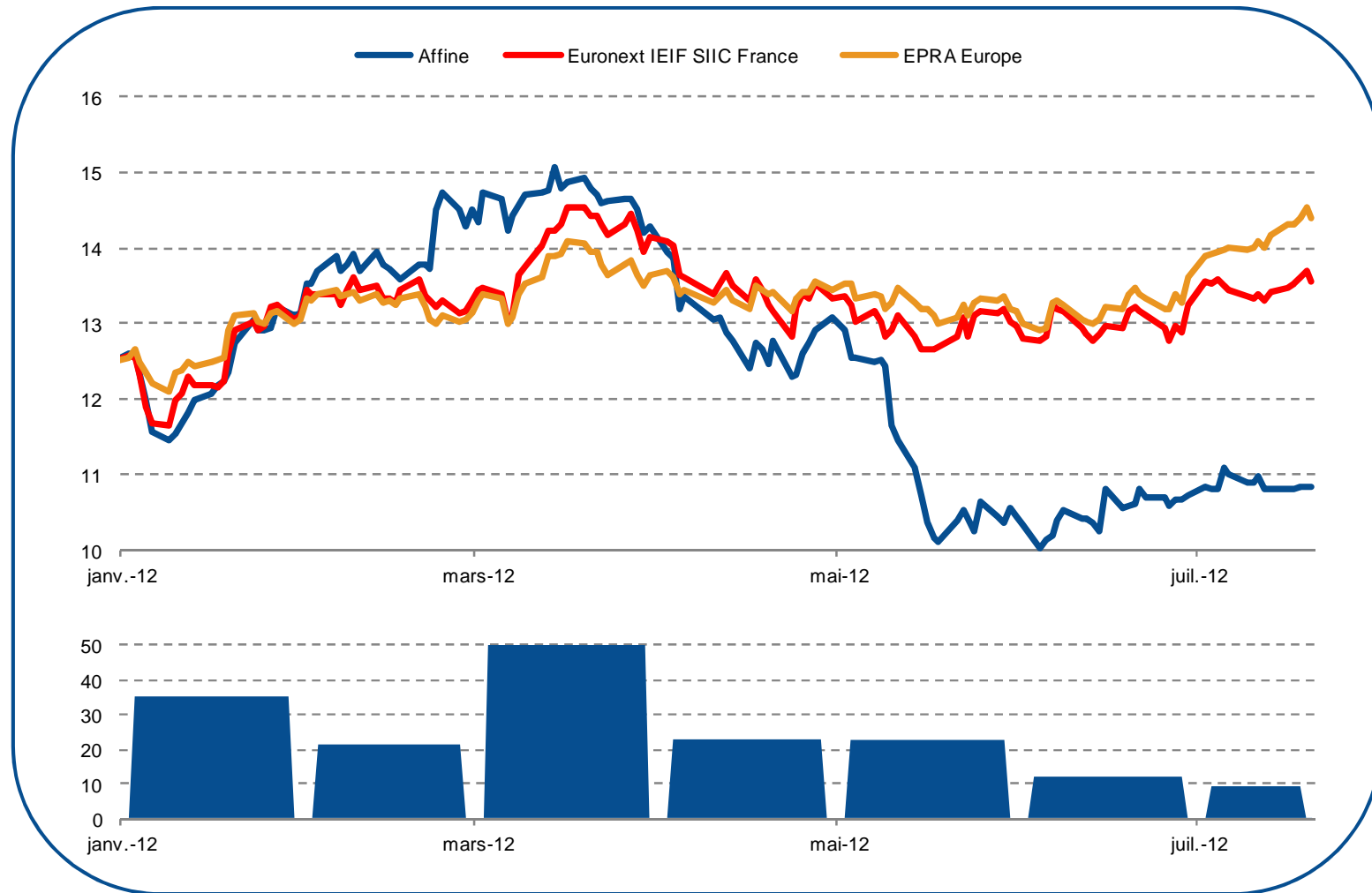
- No major repayment date before 2016
- Amortisable: around €30m p.a. on average
- Short term available credit lines of €19m



AFFINE ON THE STOCK MARKET

SHARE PRICE (€) AND AVG TRANSACTION VOLUMES (000)

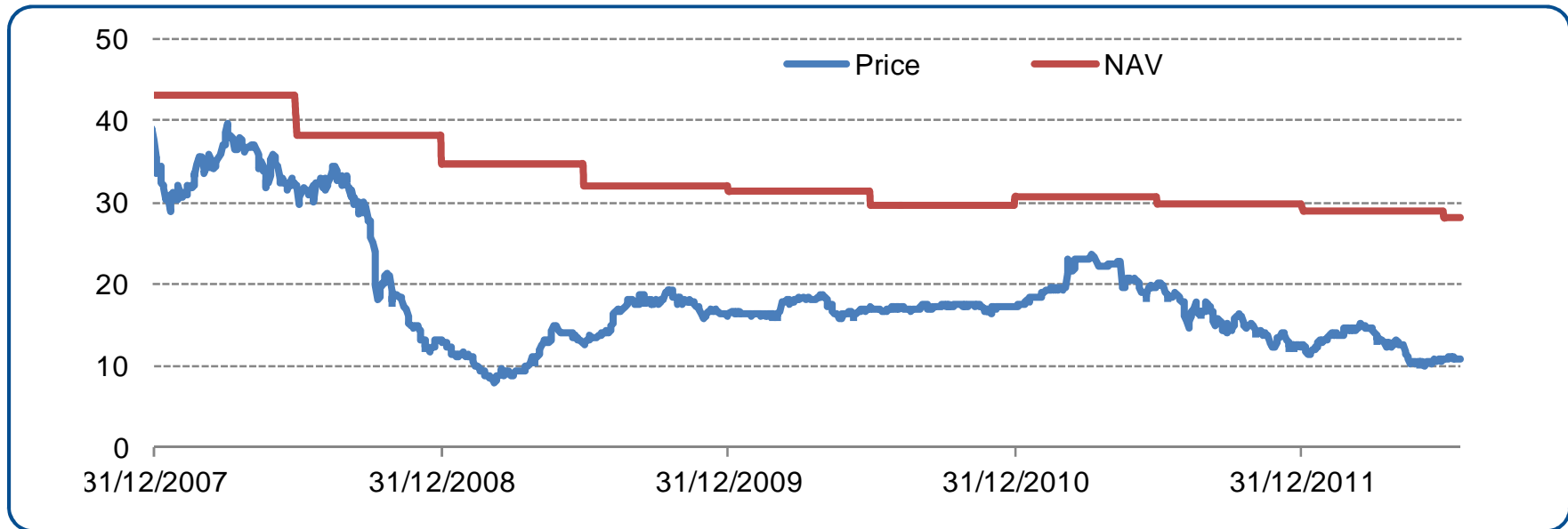
Affine on the stock market



HIGH POTENTIAL OF THE SHARE PRICE

Affine on the stock market

EPRA NAV per share and share price (€)

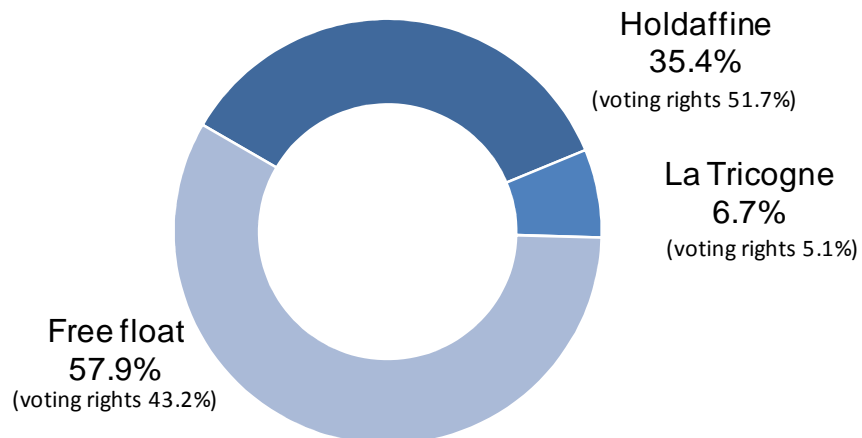


SHAREHOLDING

Affine on the stock market

Shareholding

- Annualised capital turnover rate of 87% based on the float
- Annualised capital turnover rate of 150%



Affine is listed on NYSE Euronext Paris

30 June 12

Number of shares	9,002,042
Share price	€10.74
Market capitalisation	€96.7m
Change in 1H 2012	-14.1%
EPRAs earnings per share	€0.83
Ticker (Bloomberg / Reuters)	IML FP / BTPP.PA



STRATEGY & OUTLOOKS

OUR PRIORITIES FOR 2012

Strategy & Outlook

Continue the streamlining of our portfolio

- Sell the remaining properties which are either mature, small or outside our core regions
- Target investments with significant potential for value creation

Improve rental performance

- Lower rental expenses and administrative costs
- Reduce the vacancy rate

Maintain a prudent financing strategy in an uncertain environment

- Keep a smoothed debt profile
- Maintain significant cash availability at all time
- Anticipate financing needs



OUR STRATEGY

Strategy & Outlook

Leverage our expertise

- Expertise in commercial real estate (offices, retail, warehouses), on the Parisian and regional markets
- Properties requiring refurbishment (Affine) or repositioning (Banimmco)
- Proven track-record of access to credit facilities, including in difficult market conditions

Focus investments on a few core regions

- Target areas with long-term growth potential (demographic, economic): Greater Paris region and major French cities
- Establish long-term partnerships with local authorities
- Achieve economies of scale

Become a client-oriented organisation

- Supplement the providing of premises with rental services
- Secure the loyalty of our clients to improve the profitability of our properties



CONTACTS



Affine

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Chairperson and CEO

Alain Chaussard
Vice-Chairman and Co-CEO

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Liquidity contract:

Kepler

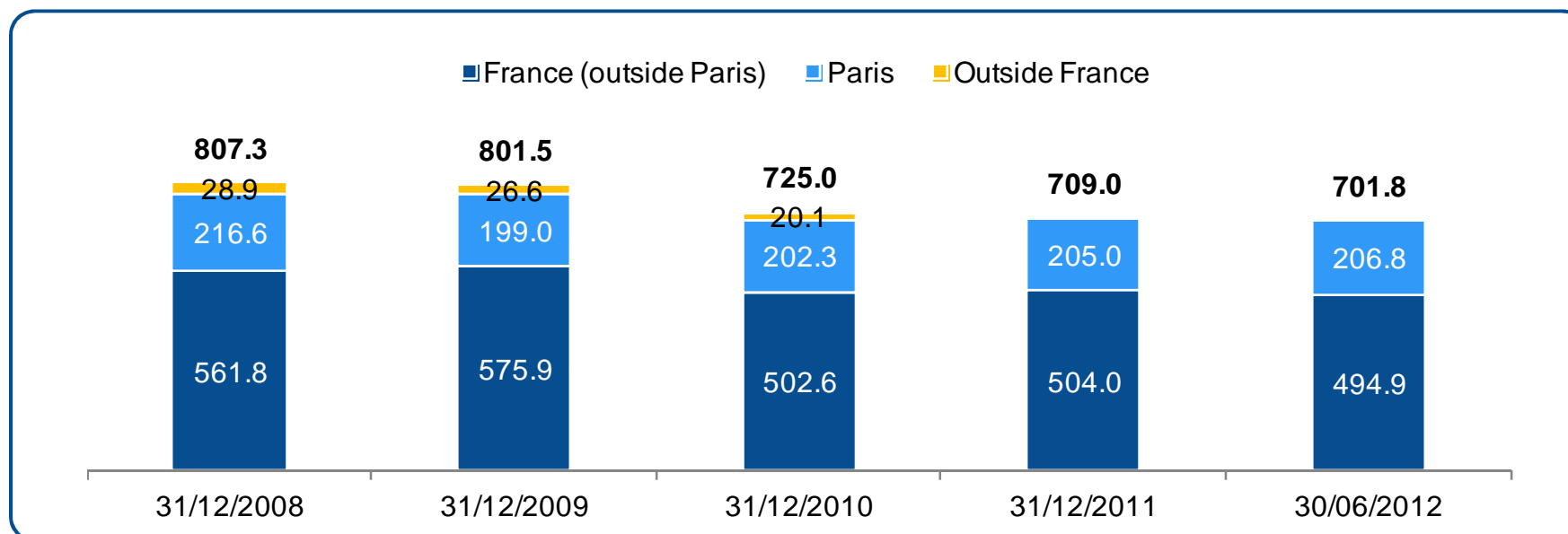
Website:

www.affine.fr

STABILITY OF THE FAIR VALUE, LIKE-FOR-LIKE

Appendix

Value including transfer taxes (€m)



- A fair value stable (-0.7%) on a like-for-like basis between 2011 and H1 2012

CALCUL OF LTV (NET DEBT / PORTFOLIO VALUE)

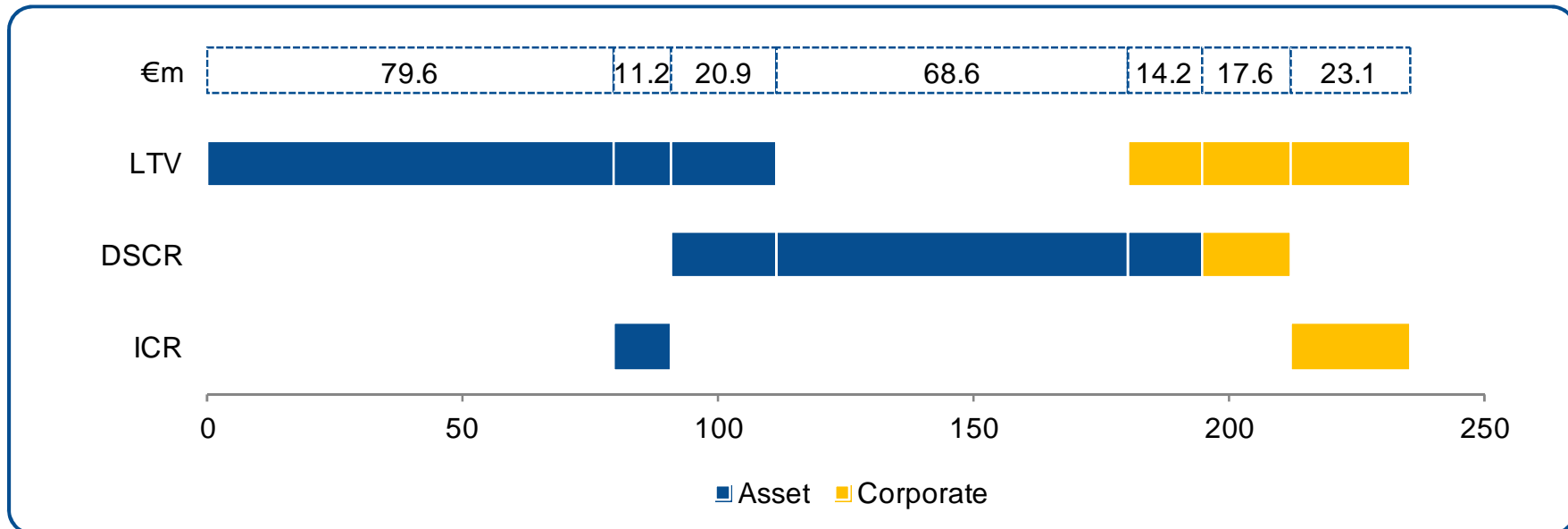
Appendix

	(€m)	30/06/12	31/12/11	30/06/12
LOAN	Net financial debt	470	435	439
	Debt allocated to lease financing	(35)	(27)	(25)
	Debt allocated to investment securities			
	Debt allocated to development business			
	Debt for investment properties	435	407	413
VALUE	Value of properties (incl. TT)	741	709	702
	Property companies on equity basis	85	84	82
	VEFA & Fixed assets adjustments	11	10	9
	Adjusted portfolio value incl. taxes	837	803	793
LTV (net debt on portfolio value)		51.9%	50.8%	52.1%

COVENANTS

Appendix

Breakdown of covenants



- Compliance with all covenants

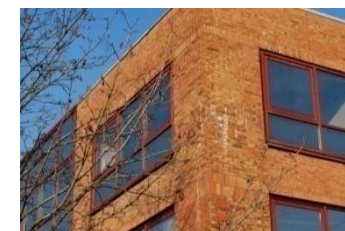
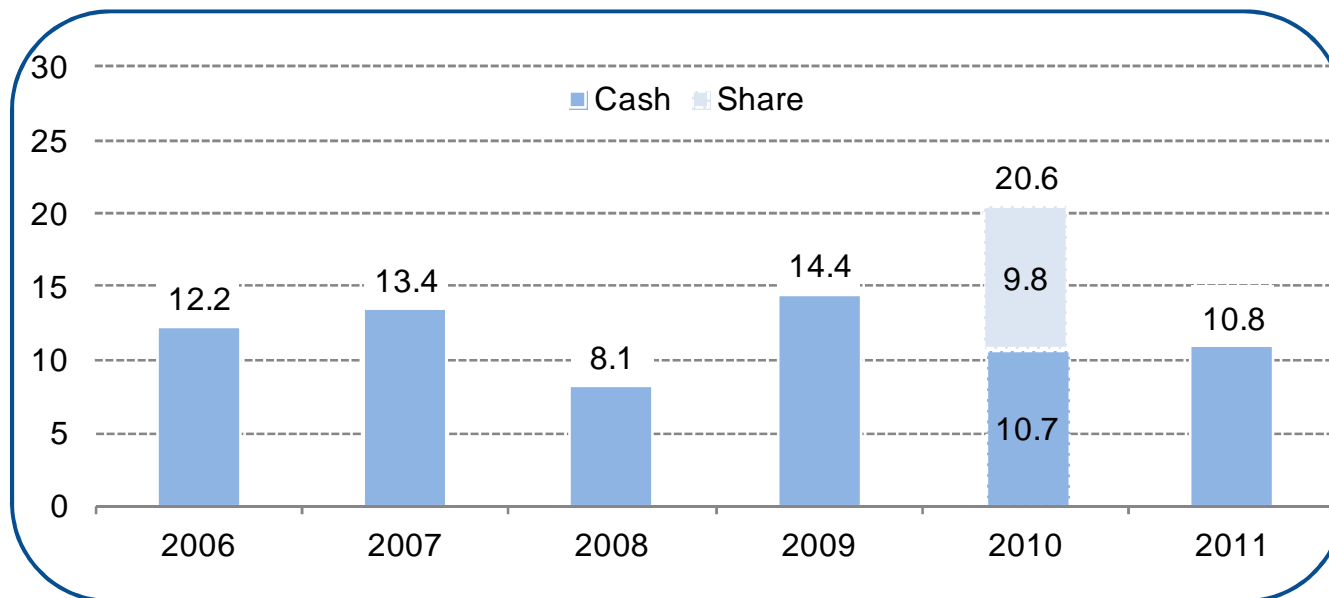
Banimmo

- For syndicated loan: LTV ratio on asset and corporate, 1 DSCR ratio

DIVIDEND

Appendix

Affine, high yield property company



- A 11.2% yield based on the share price of 30/06/2012 (€10.74)