

2012 consolidated half-year results

RISING CURRENT OPERATING PROFIT (+0.6%)
SHARP PROGRESS IN EPRA EARNINGS (+24%)
INCREASE IN RENTAL INCOME ON A LIKE-FOR-LIKE BASIS (+3.5%)
EPRA NAV PER SHARE: €28
EFFECTIVELY-MANAGED DEBT

KEY FIGURES

(€m)	H1 2011	2011	H1 2012
Net rental income	22.0	43.1	20.3
Current operating profit	17.3	34.6	17.4
Net profit	23.4	16.6	0.9
EPRA earnings	7.8	18.5	9.7
Fair value of assets (incl. taxes)	741.3	709.0	701.8
EPRA net asset value per share (excl. taxes) (€)	29.3	29.0	28.2

Since 1 October 2011, the Banimmo sub-group and Jardins des Quais are consolidated in Affine's accounts through the equity method. To facilitate the readability of the financial statements and their comparability with previous periods, the consolidated financial statements commented on below are proforma statements, in which Banimmo and Jardins des Quais are consolidated through the equity method on the full period. Banimmo's financial statements are currently subject to limited audit review.

The Board of Directors of Affine, meeting on 25 July 2012, approved the condensed consolidated half-year financial statements as at 30 June 2012. The limited audit review is currently under process.

1) BUSINESS ACTIVITIES

Over the first-half, Affine signed 22 new leases concerning a surface area of 6,000 sqm and total annual rents of €0.9m. On the other hand, 6 tenants cancelled their leases, representing a surface area of 6,300 sqm and annual rents of €0.6m. Finally, 6 leases were renegotiated for a total amount of €1.1m.

Following its eco-renovation, the high-rise building located in the street of Traversière in Paris, which has been fully leased to SNCF until 2021, was awarded the BREEAM label. In line with the higher standards achieved, works meeting PRM (People with Reduced Mobility) regulations are currently underway.

On 24 March, Affine, alongside the Mayor of Arcachon and Eiffage (developer of the site), inaugurated the Arcachon municipal market, which marks the end of the town centre's

redevelopment for which the Group has invested in 2,400 sqm of ground-floor retail premises and an apartment hotel.

In May, the company acquired 6,250 sqm of office space in the Lille Europe high-rise, in which Affine already owns ten of the building's twenty floors. The tower, which overlooks Lille Europe international TGV station, is one of Lille's prime locations and provides easy access by rail, car or public transport. It should benefit from the increased traffic of Gare Lille Europe, the concentration of Lille Métropole's tertiary activities at Euralille, and urban planning projects that are currently being studied. This transaction is in line with Affine's development strategy, which seeks to prioritise buildings that offer significant potential for value creation in the short and long term.

Finally, the company has undertaken major renovation work on the Auber building and for the partial conversion of the Réaumur building into a residential property.

Affine continued to streamline its portfolio with the disposal in the first half of the year of several mature or small-sized properties for a total of €12.7m: offices in Toulouse (658 sqm), Valbonne (700 sqm) and Saint-Julien-les-Metz (3,240 sqm); industrials in Lezennes (908 sqm); retails in Vert-Saint-Denis (4,565 sqm); and the sale by apartment in Saint-Cloud. Properties were sold at prices slightly below fair value at end of 2011.

2) INCREASE IN CURRENT OPERATING PROFIT

The current operating profit increased by 0.6%. This results from the property development business (€1.7m compared with €0.3m, excluding impairment of inventories) and the 11.5% reduction in operating expenses (€5.3m compared with €6.0m), which more than offset the erosion of revenue on finance lease transactions (€0.7m compared with €1.0m) and the loss in revenue resulting from property disposals. On a like-for-like basis, rental income rose by 3.5%.

At the same time, EPRA earnings increased sharply (+24%) to €9.7m compared with €7.8m for the same period last year. The company benefited from improvement in profit recorded by associates.

After accounting for the unfavourable changes in the fair value of properties (-€4.8m compared with +€10.7m in the half-year to the end of June 2011) and impairment of financial instruments (-€1.3m compared with +€3.0m), net profit stood at €0.9m (compared with €23.4m).

Operating cash flow totalled €9.6m, compared with €16.2m for the same period in 2011, a decrease due to loss of rental income and rise in WCR mainly due to current development operations.

3) SLIGHT DECLINE IN NET ASSET VALUE

At the end of the first half of 2012, the fair value of investment properties amounted to €702m (including transfer taxes), a slight decrease (-1.0%) compared with the end of 2011, both because acquisitions (€10.3m) only partially offset disposals (-€13.3m) and a fall in fair value on a like-for-like basis (-0.7%).

EPRA net asset value (excluding transfer taxes), less quasi-equity (perpetual subordinated loan notes: TSDI) and after fair value of derivatives and deferred tax adjustments, stood at €279.5m at the end of June 2012, a decrease of €8.1m (-2.8%) compared with the end of

2011, mainly due to the payment of the 2011 dividend. Per share (excluding treasury shares and after dilution of convertible bonds: ORA), the NAV went from €29.0 to €28.2. Inclusive of transfer taxes, the EPRA NAV was €319.6m, or €32.2 per share.

4) EFFECTIVELY-MANAGED DEBT

The group secured new loans totalling €24m from three French banks during the period. For the first half-year 2012, the average cost of debt was 2.7% (3.9% including hedging costs). The average term of the debt is 5.7 years and no significant debt is due to mature prior to 2016.

At 30 June 2012, the group's net debt totalled €439m (compared with €435m at end-2011). For the property activity alone, the LTV ratio (net bank debt/market value of properties, transfer taxes included, excluding off-plan sales (VEFA), plus NAV of equity-associates) was 52.1% compared with 51.9% at the end of June 2011.

5) OUTLOOK

Continuing with non-strategic asset disposals will strengthen the financial structure, while the group will endeavour, depending on the opportunities, to continue its investments.

Affine's priorities for the second half of 2012 continue to focus on reducing vacancies, streamlining rental management, particularly through improving the Group's internal procedures. The 2012 refinancing programme is almost completed.

Finally, the company should announce by this autumn the terms under which Affine and AffiParis will be combined.

6) SCHEDULE

- 30 October 2012: Third quarter revenues
- February 2013: 2012 annual revenues and results
- April 2013: Shareholders' Meeting
- May 2013: First quarter revenues

CONSOLIDATED REVENUE

(€m) ⁽¹⁾	H1 2011	2011	H1 2012
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
Operating expenses	(6.0)	(12.0)	(5.3)
Current EBITDA ⁽²⁾	17.3	34.7	17.4
Current operating profit	17.3	34.6	17.4
Other income 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
Balance net of value adjustments	10.7	1.7	(4.8)
Net operating profit	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 ⁽³⁾	0.3	(0.4)	0.8
Net profit	23.4	16.6	0.9
Net profit – Group share	21.8	15.3	1.7

(1) Based on IFRS standards and EPRA recommendations.

(2) Recurring EBITDA represents the current operating profit excluding current impairment and amortisation and depreciation. In H1 2011, 2011 and H1 2012, this amount excludes the impairment of properties in the development business of €2.0m, €3.0m and €1.9m respectively, which are recognised under other income and expenses.

(3) Net profit from activities that have been discontinued or are being sold, other financial income and expenses.

EPRA EARNINGS

(€m)	H1 2011	2011	H1 2012
Net profit – Group share	21.8	15.3	1.7
Value adjustments for investment properties	(10.7)	(1.7)	4.8
Net profit or loss on disposal	(0.9)	(2.9)	0.7
Goodwill adjustment	-	-	-
Fair value adjustments of hedging instr.	(3.0)	2.3	1.3
Associates non-cash item	(2.9)	1.3	1.1
Net profit from discontinued operations	-	-	-
Non-current tax, deferred and exit tax	0.7	0.5	(0.2)
Other non-recurring items	1.2	3.0	1.3
Minority interests in above items above	1.6	0.8	(1.1)
EPRA earnings ⁽⁴⁾	7.8	18.5	9.7

(4) EPRA is a trade association of European real estate companies listed on the stock market. In September 2011, this association updated a guide on performance measurement. As explained in the note on EPRA adjustments, EPRA earnings exclude changes in fair value, capital gains or losses on disposal and other non-recurrent items.



About the Affine Group:

A property company specializing in commercial real estate, Affine and its subsidiary AffiParis own and manage, at the end of June 2012, 65 properties worth €702m, with a total surface area of 524,000 sqm. The firm owns office properties (60%), retail properties (11%) and warehouses (28%). Its activity is distributed more or less equally between Ile-de France and the other French regions.

Affine is also the reference shareholder of Banimmo (49.5%), a Belgian property repositioning company with a presence in Belgium, France and Luxembourg, and owned Concerto European Developer, a subsidiary specializing in logistics development.

In 2003, Affine opted for the 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 CAC Mid&Small, SIIC IEIF and EPRA indices. AffiParis and Banimmo are also listed on NYSE Euronext. www.affine.fr

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