REGISTRATION DOCUMENT

2011

A French Société anonyme with capital of €53,100,000
Registered Offices: 5, rue Saint-Georges, 75009 Paris
Paris Trade Registry 712,048,735

REGISTRATION DOCUMENT 2011

This document was filed with the French Financial Market Authority (Autorité des Marchés Financiers, hereinafter "AMF") on 17 April 2012 as required by Article 212-13 of the AMF General Regulations.

It may be used in support of a financial operation only if it is completed by a short-form prospectus approved by the AMF.

This document is a free translation into English of the original French "Document de Référence" hereafter referred to as the "Registration Document". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

Copies of this registration document are available without charge from the Affine Group, 5 rue Saint Georges – 75009 Paris, and on the Affine website (www.affine.fr) and the website of the Autorité des marchés financiers (www.amf-france.org).

1. PERSONS RESPONSIBLE

1.1. - Names and positions of the persons responsible for the registration document

Maryse Aulagnon, *Chairwoman and Chief Executive Officer*
Alain Chaussard, *Co-Chief Executive Officer*

1.2. - Declaration of the persons responsible for the document

"We hereby certify, after taking every reasonable measure for that purpose, that the information contained in this registration document does, to our knowledge, fairly present reality and contains no omission that might alter the scope.

We certify that, to our knowledge, the financial statements have been established in accordance with applicable accounting standards and provide a fair image of the holdings, financial position and results of the company and all the entities included in the consolidation, and that the management review fairly presents the change in the business, results and financial position of the company and all companies included in the consolidation, as well as a description of the principal risks and uncertainties which they face.

We have obtained from the statutory auditors an end-of-mission letter in which they state that they have audited the information on the financial position and accounts provided in this document and have read the entire document."

The consolidated and annual financial statements for fiscal year 2011 presented in the registration document have been the subject of the reports from the statutory auditors provided in Sections 20.1 and 20.3 of the document, which contain the same observation. This deals with the change in the presentation of the statements which is now in the form used for commercial presentations following the withdrawal of the status of Financial Company obtained on 19 December 2011.

The auditors have prepared reports on the company and consolidated financial statements for 2010, which appear on pages 82 to 143 and 151 to 178 respectively of the 2010 registration document. The first concerns the change in accounting method for the recognition of certain property assets in the inventory, based on accounting standard IAS2. The second concerns the use of the straight-line method for rents.

The consolidated financial statements for 2009 which appear on pages 3 to 62 of the 2009 financial report have been discussed by the auditors in a report which contains an observation on the new standards required at 1 January 2009.

Paris, 17 April 2012

Maryse Aulagnon *Chairwoman* *and Chief Executive Officer*	Alain Chaussard *Co-Chief Executive Officer*

2. STATUTORY AUDITORS

2.1. - Auditors at 31 december 2011

a) Statutory Auditors

Cailliau Dedouit et associés
Represented by: Rémi Savournin
Address: 19, rue Clément Marot 75008 Paris
Date of first appointment: 25 April 1979 (Immobail)
Term: six years from 29 April 2009
End of appointment: end of the annual Ordinary Shareholders' Meeting of 2015 called to approve the financial statements for 2014.

KPMG Audit
Represented by: Isabelle Goalec
Address: 1 cours Valmy 92923 Paris La Défense Cedex
Date of first appointment: 26 April 2007
Term: six years from 26 April 2007
End of appointment: annual Ordinary Shareholders' Meeting of 2013 called to approve the financial statements for 2012.

b) Alternate Auditors

Didier Cardon
Address: 19, rue Clément Marot 75008 Paris
Date of first appointment: 25 April 1979 (Immobail)
Term: six years from 29 April 2009
End of appointment: annual Ordinary Shareholders' Meeting of 2015 called to approve the financial statements for 2014

Michel Savioz
Address: 1 cours Valmy 92923 Paris La Défense Cedex
Date of first appointment: 26 April 2007
Term: six years from 26 April 2007
End of appointment: annual Ordinary Shareholders' Meeting of 2013 called to approve the financial statements for 2012.

2.2. - Renewal of auditors - change in representative

There was no renewal of auditors in 2011.

Mohcine Benkirane represented Cailliau Dedouit et associés until the Shareholders' Meeting of 28 April 2011 which approved the financial statements for 2010; since that date, Cailliau Dedouit et associés has been represented by Rémi Savournin.

3. SELECTED FINANCIAL INFORMATION

The selected financial information provided below covering the years ended 31 December 2009, 2010 and 2011, has been extracted from the proforma consolidated statements provided in Note 20.2.

In order to facilitate the reading of the operational performance of the Affine/AffiParis entity, Affine now consolidates the Banimmo sub-group under the equity method since 1 October 2011, in which it held 49.5% on that date, compared with 50.0% previously. The company Les Jardins des Quais, held 50/50 by Affine and Banimmo, is therefore also consolidated under the equity method.

To ensure the readability of the financial statements for the year and a comparison with the statements of previous years, the accounts presented below are proforma accounts in which the Banimmo sub-group and Jardins des Quais are consolidated under the equity method over a full year for three years. These statements (income statement, balance sheet, cash flow) are part of the consolidated notes audited by the Statutory Auditors.

The consolidated and company financial statements are presented respectively in Sections 20.1 and 20.3.

Consolidated key figures

Consolidated statements (€m)	2009	2010	2011
Gross rental income	54.4	50.0	48.3
Current operating profit [1]	34.2	34.4	34.6
Net profit	(4.6)	10.5	16.6
Net profit – group share	(2.9)	10.3	15.3
EPRA earnings	15.6	16.0	18.5
Funds from operation	33.3	27.7	19.7
Investments	39.7	24.4	25.5
of which Investment properties [2]	*32.8*	*23.6*	*25.3*
of which others	*7.9*	*0.8*	*0.2*
FV of investment properties (incl. TT) [3]	801	725	709
FV of investment properties (excl. TT) [3]	760	687	672
EPRA net asset value (excl. TT) [4]	284.4	281.9	287.6
Net financial debt	535.0	465.3	434.7
LTV (%) [5]	55.0	51.5	50.8
Average cost of debt (%) [6]	3.8	3.7	4.0
EPRA occupancy rate (%)	92.2	87.7	89.0

Figures per share (€)	2009	2010	2011
Net profit (diluted)	(0.68)	0.83	1.26
EPRA earnings	1.33	1.45	1.60
Dividend	1.78	2.43	1.20
EPRA net asset value excl TT [4]	31.41	30.26	28.97
Share price	16.25	17.10	12.50

(1) This amount excludes the depreciation on the development activities of €3.0m and €5.4m in 2011 and 2010 respectively and appears under other income and expenses.
(2) At historic cost, in full ownership or lease financed.
(3) Fair value of investment properties, including property held for sale, including or excluding transfer taxes. The transfer tax rate used for buildings is 6.2%.
(4)Including ORA (mandatory convertible bonds) and after neutralization of Perpetual Subordinated Loan notes (PSL).
(5) The LTV corresponds to the ratio of the net financial debt associated with investment properties excluding buildings in anticipation of completion and including buildings in stock.
(6) Including hedging costs.

4. RISK FACTORS

The company conducted a review of the risks which could have a material negative impact on its business, financial position or results (or on its ability to achieve its objectives) and believes that there are no significant risks other than those described.

4.1. - Business risks

4.1.1 Risks related to the economic environment

The company's business and growth are sensitive to changes in the economic context. These changes may encourage or reduce demand for new commercial property space. They may also impact over time the occupancy rate and the ability of tenants to pay their rent and rental charges.

4.1.2 Risks related to the property market

Rent levels and property valuations are heavily influenced by the supply and demand for rental space. This change could affect the ability of lessors to raise, or even maintain the amount of their rents at the time leases are renewed. An unfavourable change in demand in relation to supply could therefore impact the results, value of the assets, or financial position of the company.

A portion of the company's current profit comes from recoverable rents and rental charges received from tenants. The revaluation of rents is governed by changes in the official indices to which they are indexed.

The company conducts a prudent policy on rent levels, ensuring that they are consistent with rental values in order to ensure tenant stability.

Given the sharp increase in benchmark indices in recent years, the company has had to cope with requests to lower certain rents at the expiration of the three-year period.

These revisions, although they contributed negatively to the change in revenues, did not result in a decline in the value of the properties in question. Appraisal values are, indeed mostly based on market rental values. In addition, the relative decline in capitalisation rates over the year offset this negative impact on revenues.

The average rate of return indicated by appraisals is 7.1% and a negative or positive change of 25 points in this rate would result in an increase or decrease of €23.8m respectively in the value of the assets. The sensitivity test is presented in Section 8.1.2 – Value of properties.

4.1.3 Risks related to lease regulations and non-renewal

In France, the laws governing commercial leases are very stringent for the lessor. The contract provisions related to term, termination, renewal and rent indexing are public order provisions and limit in particular the owners' flexibility to raise rents to bring them into line with market rents.

Moreover, on the expiration date of the lease and at the end of each three-year period, the tenant has the option to vacate the premises or opt for tacit renewal of his lease. If the lessor refuses to renew the lease at expiration, the tenant has the right to an eviction indemnity. The company cannot guarantee that it will be able to re-lease its assets quickly and at satisfactory rents at the expiration of the leases if tenants leave.

The company must also deal with fierce competition from sector players that can offer tenants assets with attractive rental terms. However, it believes that the close relations it maintains with tenants, assisting their development and desire to expand, are important factors that help to ensure the renewal of leases when they expire.

The lack of revenues generated by vacant commercial space and the related fixed charges could impact its results. In addition, the possibility cannot be excluded that, when leases are renewed, the company will face a different market context unfavourable to lenders or changes in the laws, regulations or court rulings that impose new requirements for the revaluation of rental payments. Changes in the rules applicable to commercial lease, particularly in the area of term, indexing and rent ceilings or the calculation of eviction indemnities owed to tenants could have negative consequences on the value of the company's assets, results, business or financial position.

4.1.4 Risks related to non-payment of rents

A large portion of the group's revenues comes from the leasing of its property assets to third parties. Therefore, any failure to pay rent, which is regularly monitored by the group, could affect its results. In order to protect itself against this risk, the company conducts an annual assessment of the financial position of its principal tenants. An in-depth analysis of the solvency and financial capacity of the tenants is conducted for every new potential tenant.

When leases are signed, the tenants may be asked to provide guarantees, particularly in the form of bonds or demand bank guarantees, most frequently along with the payment of security deposits.

4.1.5 Risks related to the sector and geographic concentration of the company's portfolio

The goal of the company is a balanced distribution of its assets among several sectors. Its ability to maintain a balanced distribution will depend, however, on the situation for supply and demand for properties, which could prevent the company from purchasing or selling properties at appropriate prices.

Likewise, the company ensures that its portfolio of property assets is geographically distributed in order to achieve good diversification of risks. Only the city of Paris represents a concentration of risks given the purpose of AffiParis. Changes in the market could impact the company's ability to maintain harmonious geographic diversification of its portfolio.

4.1.6 Risks related to current or future regulations

In the conduct of its business, the company is required to comply with a number of regulations governing commercial risks, condominium ownership, the prevention of natural and technological risks, the safety of persons and protection of the environment.

As a general rule, the impact of any new regulation and the resulting need to bring properties into compliance are paid by the tenants.

However, non-compliance of an asset with current or future regulations could generate significant additional costs.

Technical audits are conducted by qualified service providers in order to verify compliance of the group's assets with regulatory requirements.

4.1.7 Risks related to estimated values of the assets

A large portion of the company's portfolio is valued twice a year by outside appraisers. The value of this asset portfolio depends on the relations between supply and demand in the market, a number of other factors that could change significantly, and changes in the economic context. Properties occupied by potentially fragile tenants are closely monitored.

The value of the company's portfolio in the consolidated statements under international accounting standards represents the fair value resulting from the most recent appraisals.

If a significant change occurs between two appraisals, the valuation of the company's assets might not accurately represent the liquidation value in the event of a sale. Moreover, if the values determined by the appraisals declined, the results in the consolidated accounts at the end of the next period would then be affected.

4.1.8 Industrial and environmental risks

The group participates in the High Environmental Quality process, adopting preventive measures to limit the environmental impacts in the construction or renovation of a property.

This process also offers better operating comfort to users in the building.

Affine has periodic inspections conducted on the properties it owns in order to verify user compliance with environmental regulations.

4.1.9 Risks related to insurance

The company carries several types of insurance policies to cover the major property risks (comprehensive, property damage, etc.) and on the company (civil liability). These policies are periodically renegotiated and the subject of bids from insurers on the amount of premiums and the risk coverage offered.

4.2. - Risks related to the company

4.2.1 - RISKS RELATED TO THE MAJORITY SHAREHOLDER

On the date of registration of this registration document, Holdaffine holds the majority voting rights in the company. As a result, Holdaffine has a significant influence in the company and on the conduct of its business. It is in a position to make important decisions on its own concerning the election of members of the Board of Directors, the approval of the annual financial statements, and the distribution of dividends. The primary objective of Holdaffine, which has no debt of its own, is the development of Affine and the correct performance of the stock on the market, an objective that converges with the objective of all Affine shareholders. In addition, governance rules are scrupulously followed; in particular, a majority of the Board members are independent.

4.2.2 Liquidity risk

The company has conducted a specific review of its liquidity risk and believes it is able to meet future payments.
The company practices prudent and rigorous financial management in order to continually have surplus cash above the needs resulting from debt service through:

- diversification of banking relations
- repayment scheduling;
- annual amortisation of loans (with a residual value at maturity if applicable);
- the establishment of confirmed lines of credit (€19 million to date).
- The company monitors its liquidity risk, particularly through two tools:
- a daily cash statement prepared by the Finance Department and transmitted to management after consulting all bank accounts;
- a monthly cash statement projected over two years, provided to management by the management controller; at that time, the monthly actual and projected cash statements are reconciled and variances are analysed. A cash forecast is provided at the two meetings of the Board of Directors approving the Group's financial statements.

The company is careful to place its cash only with banks which, alone or through the group to which they belong, offer all desired guarantees. Its investments are prudent; excluding any instruments that carries a risk of loss of capital.

4.2.3 Interest rate risk

The Affine Group favours the use of floating rate debt, which, before hedges, represented more than 90% of its bank debt as at 31 December 2011.

The group conducts a prudent debt management policy by systematically covering its interest rate risks through market transactions (swaps, caps and tunnels) contracted with first-tier banking institutions. Thus, during the year, two caps were purchased for a notional amount of €12,528,000 with a cap rate of between 2.5% and 2.75%. Three swaps were also contracted for €29,508,000 at rates between 1.8% and 2.6%.

Market risk is valued using the value at risk method (VaR), which is the estimate of the maximum net loss that the portfolio of financial instruments would suffer under normal market conditions. The interest rates are the risk variable, both on the principal financial assets and on the bank borrowings, the main financial liabilities.

The tables below determine the net positions for uses and resources after management of the financial instruments.

USE / RESOURCES FOR AFFINE GROUP (excluding Banimmo)

1. Uses

(In thousands of euros)	2011	2012	2013	2014	2015	2016
FIXED RATE						
Finance lease	21,253	16,099	14,299	12,932	11,262	5,378
Lease	441,517	320,335	308,076	295,880	283,734	271,643
TOTAL	**462,770**	**336,434**	**322,375**	**308,812**	**294,996**	**277,022**
VARIABLE RATE						
Finance lease bail	20,460	17,485	14,301	11,630	8,943	6,156
TOTAL USES	**483,230**	**353,919**	**336,676**	**320,442**	**303,939**	**283,178**
Finance leases	*41,713*	*33,584*	*28,600*	*24,562*	*20,205*	*11,535*
Leases	*441,517*	*320,335*	*308,076*	*295,880*	*283,734*	*271,643*

2. Resources

(In thousands of euros)	2011	2012	2013	2014	2015	2016
FIXED RATE						
Consolidated equity	348,447	352,907	356,826	360,179	362,936	365,068
Borrowings	34,770	13,192	11,632	7,869	4,650	3,327
TOTAL	**383,217**	**366,098**	**368,459**	**368,047**	**367,586**	**368,395**
VARIABLE RATE						
Borrowings	355,544	266,482	234,157	207,484	159,573	102,717
Lines not used *	19,000	19,000	19,000	19,000	19,000	19,000
TOTAL RESOURCES	**757,761**	**651,580**	**621,616**	**594,532**	**546,158**	**490,112**
Borrowings	*390,314*	*279,674*	*245,789*	*215,353*	*164,222*	*106,044*

3. Off-balance sheet instruments

(In thousands of euros)	2011	2012	2013	2014	2015	2016
SWAPS (SENSITIVITY TO FIXED RATE)						
Swap (Affine emprunte à 4,06 %) Crédit Agricole	12,060	10,980	9,900	8,820	7,740	-
Swap (Affine borrowed at 4.06 %) Crédit Agricole	10,750	10,020	9,261	8,471	7,650	-
Swap (Affine borrowed at 3.93 %) HSBC	15,068	14,486	-	-	-	-
Swap (Molina borrowed at 3.625 %) Natixis	13,533	12,952	12,293	-	-	-
Swap (Affine borrowed at 2.93 %) Société Générale	17,630	14,000	10,500	7,000	3,500	-
Swap (Affine borrowed at 2.595 %) BNP Paribas	2,049	1,938	1,824	1,706	1,584	-
Swap (Cour des Capucines borrowed at 1.825 %) Crédit Agricole	-	9,463	8,993	8,500	7,985	7,445
CAPS						
Cap 4% HSH Nordbank	27,975	25,825	-	-	-	-
Cap 2.5% Crédit Agricole	9,093	8,456	7,800	-	-	-
Cap 2.75% Crédit Agricole	2,725	2,398	2,061	-	-	-
Cap 2.75% BECM	16,413	14,765	13,157	-	-	-
Cap 2.75% Crédit Agricole	16,413	14,765	13,157	-	-	-
Cap 2.75% HSBC	16,413	14,765	13,157	-	-	-
Cap 2.75% Natixis	16,413	14,765	13,157	-	-	-
Cap 2.5% Société Générale	4,827	4,591	4,337	-	-	-
Cap 2.5% CIC	5,543	5,258	4,935	-	-	-
Cap 2.5% Crédit Agricole	24,393	23,708	22,981	-	-	-
Cap 2.8% SaarlB	3,185	2,975	2,765	2,555	-	-
Cap 2.5% CIC	1,372	1,329	1,281	1,211	-	-
Cap 2.5% Crédit Agricole	8,528	4,888	1,092	-	-	-
Cap 2.75% CIC	7,021	6,581	6,108	5,624	5,140	-
Cap 2.50% CIC	5,247	5,088	4,928	4,728	4,448	-
TUNNELS						
Société Générale: between 4.20% and 5.35%	7,308	7,027	6,741	6,430	6,086	-
HSH Nordbank: between 3.80% and 5%	40,600	40,400	40,100	39,700	39,300	-
Natixis: between 3.97% and 5%	4,435	4,205	4,003	3,751	3,550	-
Natixis: between 3.90% and 5%	8,771	8,527	8,284	8,040	-	-
Crédit Agricole: between 3.91% and 5%	14,373	14,105	13,822	13,523	-	-
BNP Paribas: between 3.80% and 5.40%	5,550	5,320	-	-	-	-
Société Générale: between 4.55% and 5.05%	31,912	31,248	-	-	-	-
HSBC: between 3.80% and 4.80%	11,520	10,860	10,140	9,360	-	-
WEIGHTED AVERAGE RATE	**3,79 %**	**3,79 %**	**3,64 %**	**4,25 %**	**4,18 %**	**2,23 %**

4. Summary

(In thousands of euros)	2011	2012	2013	2014	2015	2016
LIQUIDITIES						
Total use	483,230	353,919	336,676	320,442	303,939	283,178
Total resources	757,761	651,580	621,616	594,532	546,158	490,112
Balance sheet financing balance (before refinancing of debt due)	**274,531**	**297,661**	**284,939**	**274,090**	**242,219**	**206,934**
RATES						
Total fixed rate uses	462,770	336,434	322,375	308,812	294,996	277,022
Total fixed rate resources	383,217	366,098	368,459	368,047	367,586	368,395
Net balance fixed rate (1)	**(79,553)**	**29,664**	**46,083**	**59,236**	**72,589**	**91,373**
Total variable rate uses	20,460	17,485	14,301	11,630	8,943	6,156
Total variable rate resources	374,544	285,482	253,157	226,484	178,573	121,717
Net balance variable rate	**354,083**	**267,997**	**238,856**	**214,854**	**169,629**	**115,561**
Hedging with swaps	51,411	48,437	31,454	17,291	15,390	-
Matching on caps	129,902	115,757	77,844	4,686	-	-
Matching on tunnels	124,469	121,692	83,090	80,804	48,935	-
Total hedging (2)	**305,783**	**285,886**	**192,388**	**102,781**	**64,326**	**-**
OVERHEDGING (2+1)	**226,230**	**315,550**	**238,472**	**162,017**	**136,915**	**91,373**

*Assumption: the lines of credit have been automatically renewed.

The analysis of sensitivity of cash flows for variable rate instruments is presented in the notes to the consolidated financial statements under Section 20.1.7.6.2.3 of this registration document under subpoint Type and extent of risks related to financial instruments—interest rate risk.

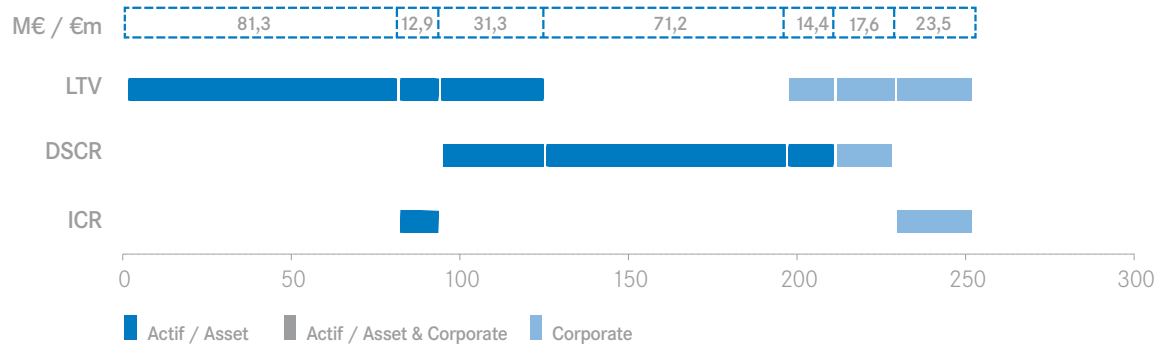
4.2.4 Risks related to financial covenants

The borrowings contracted by group companies generally include clauses stipulating that the borrower must meet one or more financial ratios relating to one of more assets financed. A small number of financial financing stipulates covenants applicable at the level of the borrowing company itself.

Most of these covenants are applied to ratios such as LTV (loan to value), DSCR (debt service coverage ratio), or ICR (interest coverage ratio); the thresholds to be met and the consequences of failure to meet the ratios vary depending on the transactions. In most cases, the difference must be offset by a partial early repayment (LTV ratio) or the constitution of a cash pledge (DSCR or ICR)

The following graph shows the breakdown by covenant type for the outstanding debt affected by them:

Breakdown of covenants (€m)



At 31 December 2011, the company met its covenants. These ratios are discounted every six months. Under the terms negotiated with the banks, the financing is subject to an annual or half-year updating of the ratios.

4.2.5 Risk related to the financial structure ratio

At the end of 2011, the LTV ratio was 50.8% after including the rights to properties, the value of the securities of equity associates, and the property financial assets. In pro forma, this ratio was 51.5% at 31 December 2010 after restatement following the change to the equity method for the companies Banimmo and Jardins des Quais.

This ratio is lower than the levels to be met under the financial covenants related to the group's total debt.

4.2.6 Foreign exchange risk

As the Affine Group conducts no transactions in foreign currencies, it is not subject to foreign exchange risk.

4.2.7 Bank counterparty risk

The Affine Group invests its cash and subscribes to derivative instruments only with well-known banking institutions. It also ensures that it diversifies its sources of bank credit. At 31 December 2011, the principal bank represented 18.3% of the total outstanding amount and the five banks with the largest amounts outstanding represented 70.2% of the total outstanding.

4.2.8 Information system risks

The entire Affine information systems is backed up daily and, in the event of a loss, a backup installation is hosted at a secure site off the premises. Coded access procedures and anti-virus systems complete the measures taken to counter the IT risk.

5. INFORMATION ABOUT THE ISSUER

5.1. - History and development of the company

5.1.1 Corporate name

The corporate name of the company is AFFINE. The Shareholders' Meeting of 27 April 2012 will be asked to adopt the new name "AFFINE R.E.".

5.1.2 Trade Registry

The company is registered in the Paris Trade Registry under number 712,048,735.

The SIRET code is 712,048,735,00062.

The APE code is 6820B (Leasing of land and other property assets); until 8 February 2012, the APE code was 6491Z (finance leasing).

5.1.3 Date of incorporation and term

The company was formed in January 1971 (former Société Financière Immobail) for a term of 99 years from that date. Each fiscal year is one year, beginning on 1 January and ending on 31 December.

5.1.4 Corporate offices, legal form and legislation

Until 15 October 2010, the corporate headquarters of the company were located at 4, square Edouard VII, Paris (9th district); since 15 October 2010, headquarters have been at 5 rue Saint Georges, Paris (9th district).

Affine is a French *société anonyme* (public limited liability company) with a Board of Directors, governed by French law.

5.1.5 Significant events

Dates	Change in the group
1990	Creation of Affine with institutional shareholders.
1992	Acquisition of Sovabail and Somica (renamed Imaffine).
1996	Sovabail delisted from trading
1996–1998	Absorption of Affine by Sovabail and restructuring of shareholders.
September 1999	Sovabail public tender offer for Société Financière Immobail, ex-Sicomi, listed for trading on the first market of the Paris stock exchange.
July 2000	Absorption of Sovabail by Immobail, which takes the name "Affine."
February 2001	Affine takes control of Concerto Développement.
September 2003	Option for SIIC status, effective 1 January 2003
October 2003	Issuance of Convertible Bonds (ORA I) (€20m)
September 2004	Sale of Imaffine to Altaréa and Affine receives equity warrants (BSA) for 4.2% of the capital of Altaréa
April 2005	Affine acquires control of the business centre group BFI
June 2005	Issuance of Convertible bonds (ORA II) (€10m)
January 2006	Creation of Abcd, a subsidiary dedicated to construction engineering
February 2006	Acquisition of 75% of the capital of the Banimmo group
September 2006	Acquisition of 25% of the capital of Sicafi Montea
February 2007	Acquisition of 64% of the capital of the property company Fideimur
March 2007	Fideimur listed for trading on Compartment C of Euronext Paris and renamed AffiParis in July 2007, option for SIIC status
June 2007	Banimmo listed for trading on Compartment B of Euronext Brussels. Affine's stake is reduced to 50%.
July 2007	3 for 1 stock split on Affine shares
July 2007	Affine increases equity through the issue of €75 m in perpetual subordinated securities (TSDI)
February 2008	Sale of Affine's stake in Abcd
November 2009	Sale of Affine's stake of 2.4% in Altaréa.
December 2009	Sale of Affine stake in BFI, which became definitive in February 2010
June 2011	Affine purchases the stake in AffiParis held by Shy LLC (9.8%)
October 2011	Consolidation in Affine of the sub-group Banimmo and Jardins des Quais under the equity method
November 2011	Subscription to the AffiParis capital increase; at the end of the operation and after acquisition of securities on the market, Affine holds 86.9% of AffiParis at 31 December 2011
December 2011	Withdrawal of the credit institution (financial company) authorisation

5.2. - Investments

5.2.1 Principal investments in 2011

In 2011, Affine invested €36m, primarily through three acquisitions and a number of renovations.

In February, the company acquired a 4,900 sqm office complex in Lyons for the amount of €10.5m. Located at the boundary of the Part-Dieu area, this complex offers good public transport service. Composed of two sets of connected buildings, dating respectively from 1984 and 2001, it has 122 parking spaces in the basement. It is leased to three tenants, including T Systems (a subsidiary of the Deutsche Telecom group), which occupies nearly 80% of the space. It offers significant revaluation potential through the repositioning and integration in the expansion of the dynamic Part-Dieu area.

In November, Affine acquired a 22,200 sqm mixed-use property (offices, business space) in Gennevilliers for €18.8m. Located in an area that has been attracting an increasing number of service companies in recent years, the site benefits from public transport service, which is expected to expand rapidly under the Greater Paris plan. It is composed of eight independent buildings inside a gated park and is leased to about fifty tenants for rent of €1.8 million. It also has significant revaluation potential because of the lease renewals and repositioning. It also includes a land reserve.

Finally, as part of the extension of the Arcachon VEFA project (off-plan sales), an additional 233 sqm were purchased at the end of the year.

When the Tour Traversière lease was renewed with SNCF, for a firm term of 9 years, renovation was launched in May 2010 for a total amount of nearly €7 million, divided between SNCF and Affine.

In addition, the air conditioning system in the building located rue Auber was completely refurbished.

5.2.2 Principal current investments

The Affine group continues to complete the Sant Feliu logistics zone (Spain).

5.2.3 Principal investments initiated

Affine holds 10 floors of a 20-floor building in Lille. The company is finalising the acquisition of an additional five floors.

6. BUSINESS OVERVIEW

6.1. - Principal activities

A property company specializing in commercial real estate, Affine and its subsidiary AffiParis own and manage directly 70 properties worth €709m, with a total surface area of 556,000 sqm. The firm mostly owns office properties (60%), retail properties (11%) and warehouses (27%). Its activity is distributed more or less equally between Ile-de France and the other French regions.

Affine is the reference shareholder of Banimmo, a Belgian property repositioning company with a presence in Belgium, France and Luxembourg, and of Concerto European Developer, a subsidiary specializing in managing development transactions in logistics properties.

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.

Strategy and development

After a phase of refocusing on its property activity and rebalancing its property portfolio towards retail buildings, Affine continues its strategy of optimizing the management of its portfolio. The main aims are to improve the quality and profitability of the buildings, strengthen relationships with tenants and improve cost control.

Improvement in building quality represents a medium-term priority for the group. The steep drop in value resulting from the crisis has slowed asset turnover on the market, thus reducing acquisition opportunities. It has also created significant slowdowns in the construction of new buildings. This situation is reinforced by increasingly strict construction standards related to greater user sensitivity to environmental issues.

Renovation of selected buildings meets the requirements of both tenants and shareholders. By offering a higher-quality working environment, it often allows an extension of leases, thus securing rents, and a better valuation of the property. This closer relationship with tenants creates a fair balance which is not confined solely to the financial dimension.

In parallel, the Group wishes to resume an active policy of growth, either through ad hoc building acquisitions or through the purchase of stocks or companies meeting its criteria of profitability and risk.

Optimization of the property portfolio is also reflected in continuation of the disposal of buildings that no longer meet the Group's strategy in terms of size, maturity, or cost of refurbishment to comply with environmental standards. An energy audit is currently being carried out for the main assets.

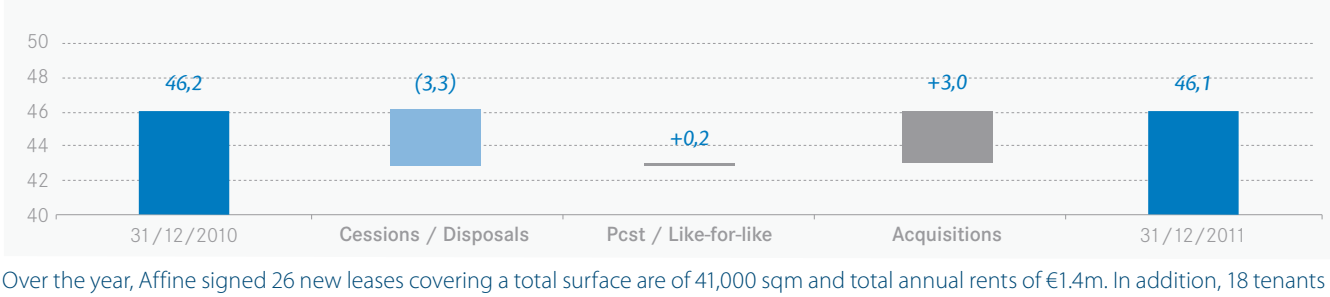
Property activities

NB: The property activities brings together Affine and AffiParis.

Headline rents

Leases in effect at 31 December represented an amount of €46.1m, up 0.4% on a like-for-like basis with respect to 31 December 2010, and down 0.2% taking account of acquisitions and disposals. This decrease on a like-for-like basis results mainly from departures.

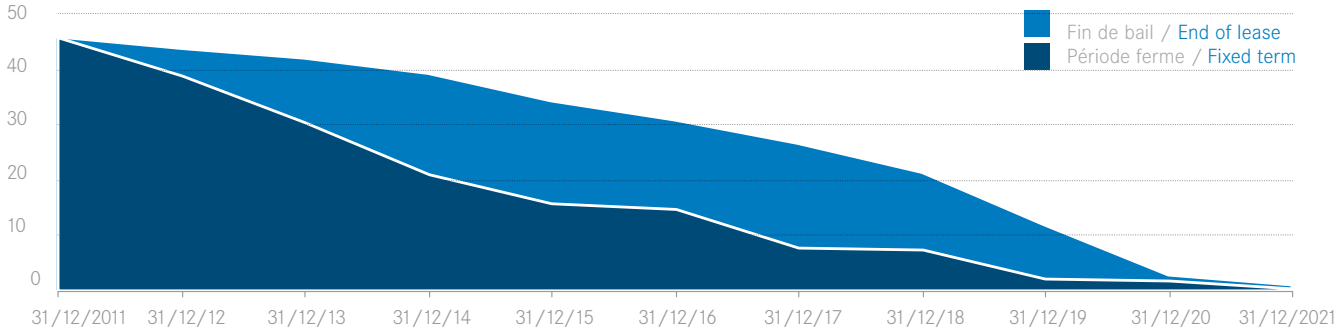
Change in headline rents (€m)



Over the year, Affine signed 26 new leases covering a total surface are of 41,000 sqm and total annual rents of €1.4m. In addition, 18 tenants cancelled their leases, representing in total a surface area of 13,100 sqm and annual rents of €2.0m. Eventually, 18 leases were renegotiated for an overall amount of €8.8m, resulting mainly from the renewal of the Baudry lease.

The average and firm-period lease durations stand respectively at 5.5 and 3.1 years.

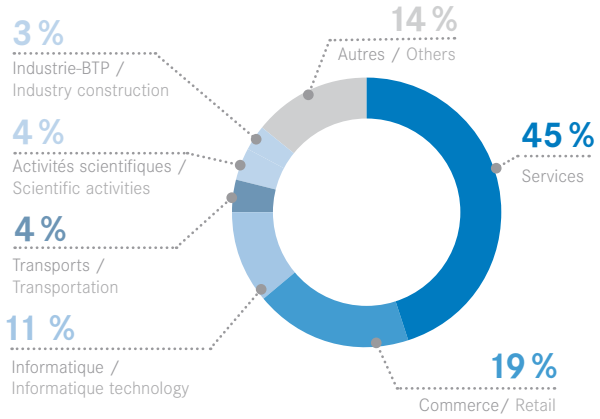
Schedule of leases (€m)



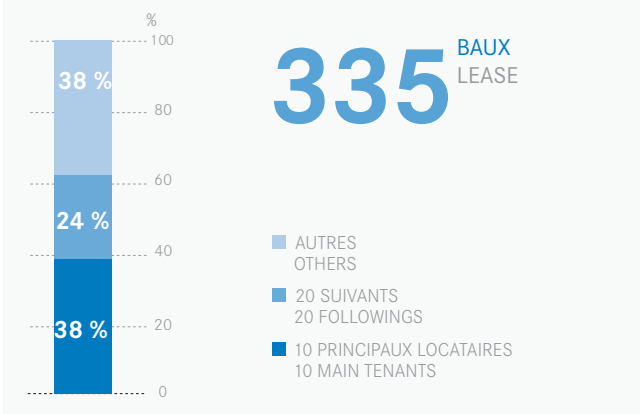
Excluding residential rental income

Apart from the main tenant, Baker & Mckenzie with 10.6%, none of the thirty most important tenants, who represent 62% of total rents, accounted for as much as 10%, thus avoiding any concentration of rental income risk. The most significant tenants are: SNCF, TDF, the Corbeil-Essonnes municipal authority, the French armed forces (Armée de Terre), Heidelberg, etc.

By sector of activity (in rent)



Lease breakdown

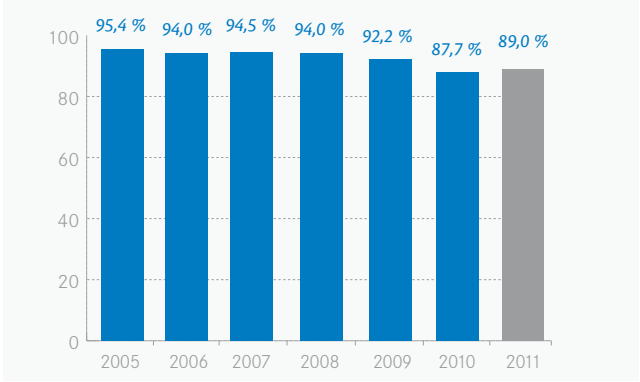


Occupancy rate

Affine, holding mainly multi-tenant buildings, aims at a normative occupancy rate of between 94% and 95%. Its strategic evolution, with a focus on investing in high added-value buildings, may lead the group to acquire properties with occupancy rates falling temporarily below this average.

At 31 December 2011, Affine's financial occupancy rate (excluding buildings currently being sold entirely or refurbished: Saint-Cloud, and part of the building in Gennevilliers) came at 89.0%, compared with 87.7% at the end of 2010. The occupancy rate improved slightly, with the arrival of several tenants on the Leers and Saint-Cyr-en-Val sites more than offsetting the few departures seen in the retail complex in Troyes and in offices in Mulhouse.

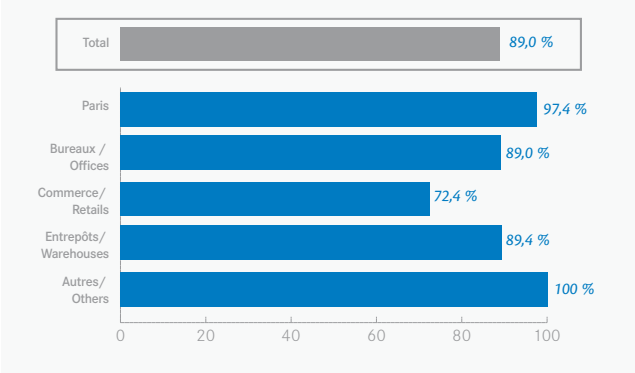
Occupancy rate *



* Financial occupancy rate excluding buildings being restructured.

62% of the group's financial vacancy is concentrated on 7 assets. Of these, two shopping centres, Nevers and Arcachon, are in the process of being let, the economic crisis having slowed the signing-up of new retailers.

Breakdown of occupancy rate by sector



Thus, retail buildings represent the highest vacancy rate, with almost 28%, with the rates for warehouses and offices standing at 11% and 11% respectively. Paris is the most attractive pole, with an occupancy rate close to 97%.

Acquisitions & Disposals

In February, Affine purchased a 4,900 sqm office building complex for an amount of €10.5m. Located near the La Part-Dieu area, this complex is well served by public transport. Consisting of two linked buildings, built in 1984 and 2001 respectively, the property has 122 underground parking lots. It is leased to three tenants, including T Systems (a subsidiary of the Deutsche Telecom Group), which occupies almost 80% of the surface area. The complex has the potential for significantly higher value through its repositioning and integration into the extension of the dynamic Part-Dieu area.

In addition, in November Affine acquired a 22,200 sqm mixed-use building complex (offices / industrials) at Gennevilliers for €18.8m. Located in an area that has seen accelerated business and services development over the last ten years, the site enjoys a public transport service which should develop strongly through the Grand Paris project. It comprises 8 separate buildings housed within a guarded compound and leased to around fifty tenants for a rent of €1.8m. It offers potential for the creation of substantial additional value, particularly through lease renewals and repositioning. The property also includes a land reserve.

Finally, as part of the extension of the building in anticipation of completion bought in Arcachon, 233 new sqm were acquired at the end of the year.

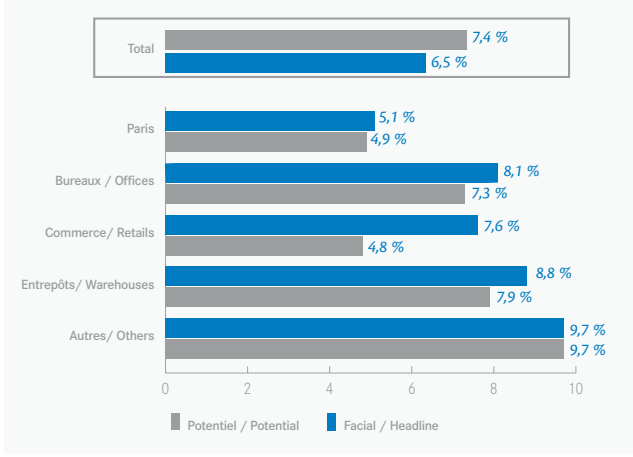
These operations are consistent with Affine's development strategy, which gives priority to buildings that offer significant potential for value creation in the short and long term.

As part of its process to rationalise its property portfolio, Affine sold several non-strategic assets over the period, including 11 buildings regarded as mature or too low in value: offices in Nantes (1,510 sqm), Marseilles (1,329 sqm), Rueil Malmaison (3,575 sqm), Montpellier (282 sqm) and Paris (957 sqm); mixed-use (office / industrials) buildings in Bron (1,335 sqm); warehouses in Lezennes (3,125 sqm) and Gennevilliers (4,420 sqm); retail unit in Arcachon (700 sqm); housing complex in Berlin (18,313 sqm); student accommodation building in Orléans (1,380 sqm). Apart from the sale of the Parisian asset on rue Chapon, all the disposals were realized at fair value at the end of 2010.

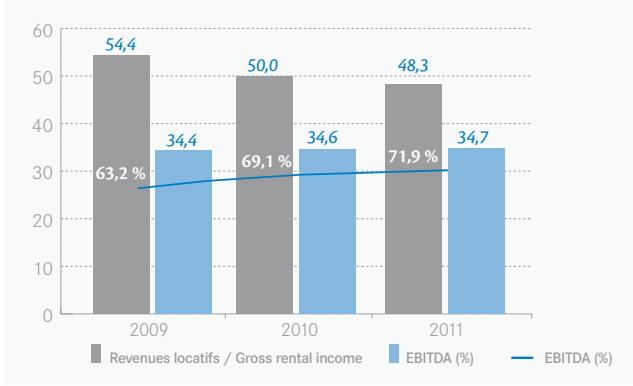
Performance

The rationalization of the portfolio results in the disposal of assets of small size, often with a high occupancy rate and offering a yield above the average for the group. This movement tends to reduce gross operating performance in the short term, but favours net operating performance in the medium term thanks to the optimization of structural costs.

Rental yield of assets



Evolution of operating performance



Other businesses

Concerto European Developer

Concerto European Developer is a subsidiary of Affine focusing on property development projects for distribution and production logistics. It has developed its business activities, located mainly in France:

- Agreement with Sunclear, French leader in the distribution of semi-finished plastic products, to develop, in the Paris region, a logistics platform with a surface area of 21,700 sqm, let through a 9-year fixed lease, to be completed by the end of 2012;
- Finalization of an agreement with a leading retail group for the development and construction of a 25,000 sqm logistics building in the Champagne Ardenne regions, to be delivered in the first quarter of 2013.
- Development of an agreement with Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) for the promotion/construction of a multi-mode logistics platform at the port of Honfleur (Calvados Logistics Park), geared towards the standardization and pooling of logistics flows.

➤ Abroad:

- In Sant Feliu de Buixalleu (Spain), the marketing of the warehouses to be built is in progress. The project covers a total surface area of 38,700 sqm. The first signed transaction, which concerns a surface area of 3,700 sqm, has been granted planning permission for delivery at the end of 2012.

Promaffine

The company has decided to stop launching new development operations since 2010. After the expiry of the Périclès delegated project management contract in June 2011, Affine is now in charge of monitoring the operations undertaken by the company until their completion.

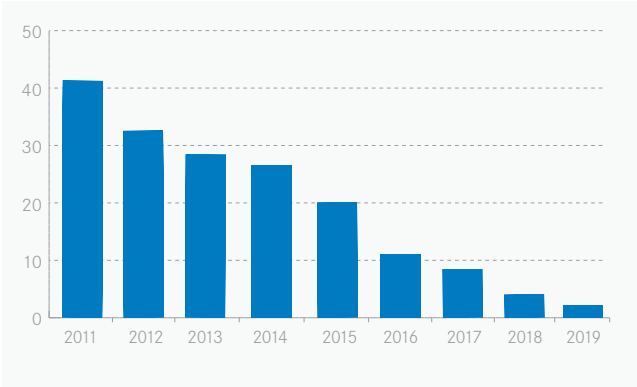
Two joint-development projects with Crédit Agricole Immobilier Promotion were continued by Affine during the year:

- Nanterre-Seine Arche (92): 166 apartments (of which 70 for social housing purposes, reserved by ICF La Sablière) and 1,200 sqm of retail premises (reserved by an investor); construction progress had reached 44% at year-end 2011. Only four lots were not yet definitively sold at 31/12/2011. The sale of the 350 sqm premises located at the foot of the building is currently being negotiated.
- Marseille 10: 90% of works on the first two tranches were completed, these two buildings having been sold to institutional investors. The third building, marketed by lot, was 50% completed at 31/12/2011. Some thirty apartments remain available for sale out of a total of 70.

Finance lease

No new operations have been carried out since 2009. In addition, Affine obtained agreement from the French banking authority (ACP) for withdrawal of its license as a credit institution. The company continued to manage its existing portfolio of operations, which continues its natural decline. During the period, 27 lessees exercised the option to purchase their buildings, in 8 cases earlier than the maturity date. Gross commitments therefore fell from €163.2m at year-end 2010 to €90.1m at the end of June 2011, and net commitments fell from €57.6m to €40.3m. Rents continued to decline, and were down to €9.9m versus €14.8m for the same period in 2010.

Finance leases outstanding (M€)



Associates

Banimmo

At 31 December 2011, Banimmo owned 24 buildings (and one plot of land) with a total surface area of almost 135,000 sqm, and generated annual rental income of €15.9m based on the leases in effect. During 2011, the company signed 18 new or renegotiated leases for 22,340 sqm and recorded 10 departures for 6,490 sqm. At the end of December, the occupancy rate of the investment properties was 79%.

The nature of Banimmo's activities, i.e. the repositioning and redevelopment of buildings or sites, makes its portfolio valuation more volatile and thus less accurate than that of a property company that holds only real assets. Consequently, the company opted in 2010 to use the historical cost accounting method (IAS2) for buildings forming the subject of developments or renovations. At the end of December 2011, the total value of the buildings stood at €235.7m (including transfer tax) and €392m including the fair value of associates.

After a 2010 marked by sizable acquisitions, particularly the acquisition of a stake in City Mall for the development of city centre retail complexes, the group focused on creating value for its assets and disposing of its mature buildings. Accordingly, it sold in Clamart retail assets for €20m, in Antwerp a complex composed of different exhibition halls, offices and horeca (hostel, restaurant, café) areas for €17.1m and an office building for €15.5m, and near Orléans a retail unit for €2.7m. In addition, following a public tender offer initiated by the City of Paris, Banimmo won the contract to renovate the historic Halles Secrétan buildings. After refurbishment, this complex will cover a surface area of 3,800 sqm for a renovation cost of €12m.

In early September 2011, Banimmo negotiated a permanent credit line of €120m, expiring in 2016. At 31 December 2011, this line was drawn down by €83.3m.

In connection with the line of credit it has been granted, Banimmo is specifically required to observe an LTV ratio of 65% on the portfolio of underlying assets, an overall indebtness ratio for the company, and a DSCR-type ratio.

Jardins des Quais

Real estate complex of more than 25,000 sqm consisting of 5 sheds, which have all been the subject of heavy refurbishment. This vast complex, located on the banks of the Garonne and close to the historic centre of Bordeaux, enjoys a prime location with a direct tram service, and has 770 parking lots. The complex develops ground-floor commercial spaces on Quai des Marques: more than 70 mid-range and high-end premises geared towards ready-to-wear clothing and household goods, and quality restaurants. The first floor of this mixed-used complex has offices with terrace areas.

6.2. - Principal markets

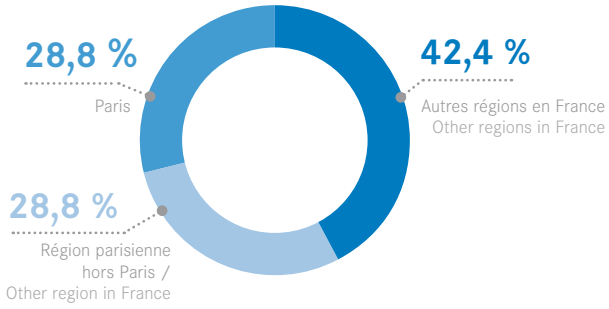
Direct portfolio breakdown

Affine is present in all commercial real estate sectors: offices, logistics and retail.

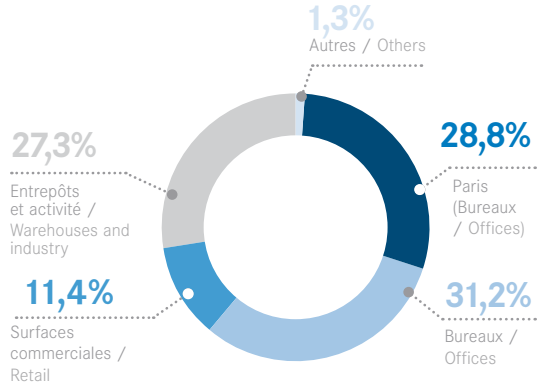
Over the last few years, a number of major investments in retail property, in conjunction with the disposal policy, have enabled the Group to rebalance its portfolio. The share of retail properties has thus increased from just under 5% in 2008 to more than 11% at the end of 2011. After taking into account the Quai des Marques retail centre in Bordeaux, co-owned with Banimmo, this share rises to 18%, close to the warehouse share (25%). The property portfolio remains dominated by office premises: 60% at the end of 2011 against 57% at the end of 2010.

This principle of diversification is also found in the geographical distribution of buildings. Affine is present mainly in France, with its activities distributed more or less equally between Ile-de-France and the other regions.

Breakdown of value by region



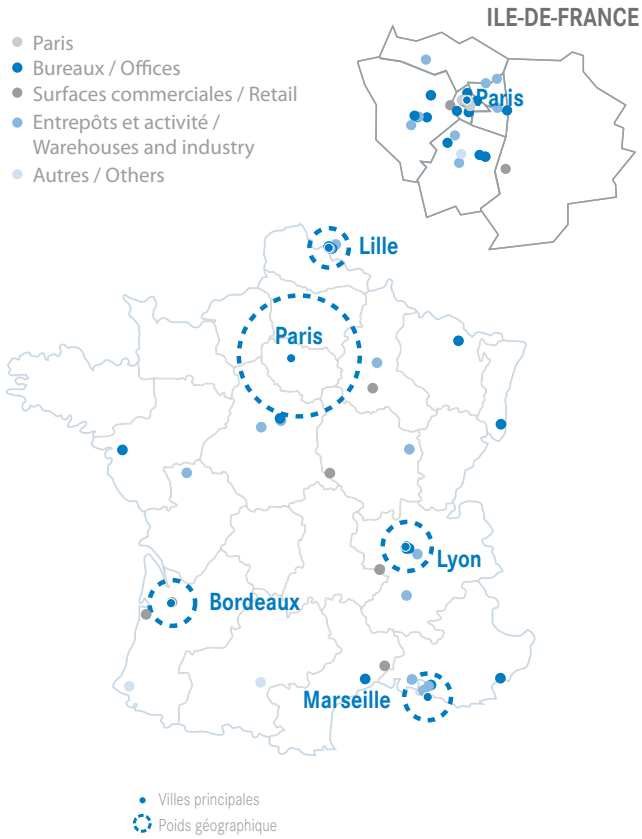
Breakdown of value by area of expertise



Four areas of expertise

With Paris representing a specific market and comprising exclusively office properties, Affine's activity breaks down into 4 poles: Paris, Offices, Retails, Warehouses & Industrials.

Map of the portfolio



Paris (Offices)

With the exception of a few retail properties, the Parisian portfolio consists of offices. It comprises 5 buildings, including the group's two main assets: the 9,400 sqm Baudry building, situated closed to the Champs Elysées and leased to Baker & Mckenzie, and the 7,800 sqm Traversière tower, close to Gare de Lyon, occupied by SNCF, the French national railroad company.

The surface area of the Parisian assets is 22,200 sqm, with a fair value of €205m including transfer tax.

Offices

Office premises in the French regions represent 31% of the portfolio, i.e. €223m including transfer tax. In particular, it contains some major assets such as the Lille Europe tower (12,800 sqm situated in the heart of Lille) and the building acquired more recently in Lyons (4,900 sqm situated nearby the Part Dieu district).

The surface areas total 120,420 sqm divided more or less equally between the Paris region (outside Paris) and other French regions.

Retails

The commercial properties consist chiefly of city-centre retail areas such as the Les 7 Collines retail complex in Nimes (14,600 sqm), l'Espace Colbert in Nevers (5,700 sqm), Galerie Dorian in Saint Etienne (5,100 sqm), and a project currently being delivered in Arcachon (3,058 sqm), giving a total of 46,100 sqm. The fair value of this sector is €79m including transfer tax.

Warehouses and Industrials

The logistics properties of the Affine group include several types of platform, most of these being bi-modal (rail/road), offering surface areas of up to almost 45,000 sqm for the warehouse in Molina or 39,000 sqm for the one in Saint-Cyr-en-Val. The platforms have an average surface area of 20,000 sqm.

These properties, appraised at about €193m including transfer tax and with a total surface area of 360,000 sqm, are located on the main arterial routes and in peri-urban areas.

Others

Deriving from the various phases of external growth, some buildings not conforming to Affine's strategy are still in its portfolio and are in the process of being sold.

These buildings include a residential building in Saint-Cloud (close to western Paris) and a stake in a hotel in the South of France.

Associates

Effective as of 1 October 2011, the sub-group Banimmo is consolidated as an associate. Its assets and those of its holdings thus appear as real estate held indirectly for a value of €392m.

Banimmo owns and directly manages a portfolio of offices and retails located in Belgium and France with a value of €236m and distributed over 135,000 sqm. It carries out two types of operations: investment and repositioning of commercial properties with a view to their sale; and "built-to-suit" building construction for large users.

In addition, Banimmo owns stakes in companies which are themselves consolidated through the equity method:

- Montéa (15%): property investment company (SICAFI) specializing in the development and acquisition of logistics and semi-industrial buildings in Belgium and France. At 31/12/2011, the company's portfolio totalled 461,000 sqm distributed over 31 sites with a total value of €247m.
- Jardins des Quais (50%): the 15,400 sqm "Quai des Marques" retail centre, located in Bordeaux, co-owned equally by Affine and Banimmo. Consequently, Jardins des Quais is itself directly consolidated through the equity method in Affine.
- Grondbank The Loop (25%): major conversion and development project of almost 370,000 sqm on the Flanders Expo complex in Gand, Belgium.

- Conferinvest (49%): company holding two conferences centres under the Dolce in la Hulpe brand near Brussels (36,000 sqm) and Chantilly near Paris (17,000 sqm).
- City Mall (43%): company specializing in the development of three city centre shopping mall projects situated respectively in Verviers (29,700 sqm), Namur (18,500 sqm) and Charleroi.

Market View - Investment France [1]

Economic and financial context

The year 2011 was bumpy in France; the economy grew by close to 1.6% compared to 1.4% in 2010. The worsening of the sovereign debt crisis in the euro zone from the summer of 2011 triggered a sharp drop in confidence. Household consumption only rose by approximately 0.6% in 2011, compared to 1.3% in 2010, and growth is expected to continue to be weak at around 0.5% in 2012 due to a lack of confidence, a high savings rate, possible rises in compulsory taxes, budget restrictions, unemployment, and so on. Inflation should be contained this year at about 1.5% compared to 2% in 2011. Business investment rose by almost 4% in 2011 (2% in 2010) and will only rise modestly this year due to a hardening of financial conditions, uncertain economic prospects, and poor cash reserves in companies. Meanwhile, with high raw material costs, low competitiveness and a relatively strong euro the French trade deficit is thought to have exceeded 70 billion euros in 2011 and will remain high in 2012. Although the European Central Bank and member states of the euro zone have been actively tackling the resurging sovereign debt crisis, producing austerity plans and holding regular summits (especially Franco-German ones), these have not been sufficient to reassure markets. Eurostoxx 50 and the CAC 40 rose approximately 1% and 2% in the first half 2011, only to fall by 19.5% and 21% in the second half. As a sign of the markets' mistrust, the spread of interest rates between Germany and certain European countries widened in the second half. Most notably the average monthly rate of 10-year French treasury bonds rose by 80 basis points from September to November 2011 before falling slightly in December. The all-time high bank deposit levels reached at the start of 2012 in the European Central Bank are mainly due to the lack of confidence that is rife in the banking sector. In this very uncertain context, the year 2012, a presidential election year in France, will not be the year of the announced recovery and growth is forecast at 0.4%. Many challenges lie ahead: resolving the euro crisis, cleaning up public finances, restoring confidence, improving competitiveness, coping with the loss of the country's triple A rating and so on. Meeting these challenges is a prerequisite to economic improvement and comforting the markets.

Rising volumes

In 2011, almost 15.1 billion euros worth of buildings were exchanged on the French commercial real estate market, i.e. a year-on-year rise of 29%. Against all expectations, and despite the burgeoning sovereign debt crisis in Europe, real estate investment levels rose to those observed before the financial crunch, excluding the peak years of 2006 and 2007. The first half of 2011 was relatively quiet, then activity flourished in the second half. In particular, the end-of-year pressure to close deals was stronger than usual; indeed, generally speaking, seasonal variations have been more apparent since the crisis. To be precise, in the last three months of 2011, 6.5 billion euros were invested, making it one of the five busiest quarters in terms of investment volume ever reported. There was a noticeable rise in the number of quality buildings for sale on the market, which had clearly shifted to become a selling market, caused by the planned end to certain tax advantages on capital gains, uncertainty about future property prices, and the need for some investors to realize capital gains to compensate for losses on stock markets.

An active but narrow market

Despite scarcer credit, demand remained very high because of the large amount of equity in the hands of investors who wish to invest in real estate. This led to prime yields remaining at low levels, even falling in some market segments: for the best office assets in Paris of a liquid size, transactions were concluded at yields of 4.5%. Capital was available in all size brackets, including for very large transactions, which had been very scarce in 2010. The result was that transactions above 100 million euros accounted for half the volume of investment in 2011 and 7 transactions exceeded 300 million euros. The value of portfolio sales doubled from 2010 to 2011, even though their overall market share remained low at 18%. The two largest transactions in the fourth quarter were for grouped sales: the acquisition by La Française AM of a Carrefour portfolio for €365 million and the acquisition by a joint-venture between Norges Bank and Axa REIM of 3 prime properties in the Paris region from Seb ImmoInvest for 307 million euros. The improvement in the market was stronger than expected, and confirms real estate's role as a safe haven in the eyes of investors. During this period of economic and financial upheaval, real estate is the most tangible of all assets and appears more than ever before as a safe medium- and long-term investment. The market did, however, remain very cautious throughout this period of activity. The prospect of a further slowdown in the economy and its immeasurable effect on the letting market, combined with uncertainty surrounding the future evolution of market values in a context of widely varying financing rates, have reawakened caution among investors and frozen market fundamentals. Thus the market remained relatively narrow. Throughout the year many buildings, some of them representing large investments, were withdrawn from the market because the expected price did not align with buyers' strategies. This underlines how selective buyers are being when acquiring prime assets and how difficult it is to meet sellers' expectations of value, which are often benchmarked to valuations, on secondary products. At the end of the day, buyers gave preference to the best-known locations and the highest quality buildings. About 58% of buildings sold on the investment market were located in Paris and the Western Crescent; again almost half of sales involved new or recent buildings.

1 Source: CB Richard Ellis - Real Estate Markets - Market View - France/Ile-de-France - Q4,2011. The reproduction of the whole or any part of this report is only authorised if its source is credited..

Offices fare well

When examining the most successful type of buildings, more than ever before, offices attracted investors' interest. This market segment performed extremely well in 2011, accounting for 11.9 billion euros i.e. a 49% improvement in one year. Office investment in 2011 was therefore the third highest it has ever been, taking third place after 2006 and 2007. Off-plan sales recommenced, albeit at a timid pace, with a noticeable acceleration in the segment at the end of the year when a total of 1 billion euros were invested in this segment alone. And above all, while buyers mainly sought safe assets secured with long term leases at market rents, they accepted a degree of risk when buying quality speculative assets in a context when new letting supply was scarce. By 2011 some 80% of office off-plan sales involved speculative schemes. Activity in the retail market slowed down for most of the year. Retail assets were still actively sought by investors but, following two years in 2009 and 2010 of much market activity, fewer and fewer retail assets were put on the market. Large investments were especially rare. Thus only 1.1 billion euros of investment in the retail segment took place in the first three quarters, but this figure was matched in the last quarter mainly due to two large portfolio deals, a kind of transaction that had virtually disappeared in recent quarters. At the end of the year almost 2.3 billion euros were invested in the retail segment, so the shrinking of the retail market was relatively contained from the results seen in 2010 (down 20%). Shopping centres accounted for 41% of retail investment and were once again the preferred product with investors, particularly small and medium-sized regional shopping centres for amounts between 50 and 100 million euros. The market for town-centre boutiques with more accessible unit prices was healthy (23% of retail investment). By contrast the market for retail parks is still viewed sceptically due to sluggish consumption in edge-of-town districts. The market for logistics and industrial space continued to suffer from the lack of prime logistics space for sale – the most sought-after product – and because investors believe industrial space to be riskier and less liquid than other types of assets. The volume of investment was stable between 2010 and 2011 at about 0.9 billion euros, the resumption of activity in the second half of the year just managing to compensate for a very poor first half 2011.

Domestic institutional investors dominate market

While the range of types of assets sought by investors was relatively narrow, the market also saw a high concentration of the same profile of investors. Institutional investors predominated throughout 2011 as, with their high level of equity, they were virtually the only type of investor that could cope with very large deals. They accounted for more than 75% of investment volumes on transactions above 150 million euros. And the market was mainly in the hands of investors from France and Europe. Insurance companies were again very active and are expected to continue buying, even though some insurers are severely affected by the sovereign debt crisis and others may be tempted to increase their exposure to real estate via investments in financing markets. SCPIs continued to benefit from exceptional levels of fund raising which enabled them to be very active, even participating in acquisitions of very high unit values. Indeed SCPIs invested an all-time high amount of 1.8 billion euros, almost half of which was in the final quarter. OPCIs and pension funds also fuelled the market, while open-ended funds turned out to be net sellers following the surge in sales that took place at the end of the year and may be pursued in 2012. Investors using leverage and those adopting a more opportunist approach stayed in the back seat. And while investment funds were more active in the second half of the year than the first, particularly in the market for sales off plan, on the whole they were again in 2011 bigger sellers than buyers. Similarly property companies, and in particular SIICs, affected by the slump in their stock market values, resumed the financial restructuring policies they interrupted in 2010, not including those in the process or due to be sold.

Prospects for 2012: limited decline

Market indicators in the commercial real estate investment market are contradictory. The worsening sovereign debt crisis and instability of stock markets are reinforcing the standing of real estate as a very safe investment product. The amount of capital available for investment in the market will therefore remain very high, even if the economic context hardly favours the further internationalisation of the market (due to the exchange risk that investors outside the euro zone are exposed to and the lack of visibility in the French and European economy at large). However banks are still facing problems of liquidity and the profitability of their equity capital. Financing conditions (availability and cost of credit) will inevitably get harder, which will reduce competition because players using leverage will have less access to the market. In addition, equity will become more expensive, because of its scarcity, in a context when long-term interest rates are also rising. We can therefore expect that yields will start rising again, in particular on less liquid market segments and for high volume investments. These conditions indicate that there will inevitably be a realignment of prices and buying strategies, which may block market activity to a certain extent in the first months of 2012. By contrast, the second half may be driven by some of the better secondary products being sold. Banks will no doubt be much less willing to renegotiate credit lines than they were in the past. This will force some players to put assets, maybe even debts, on the market. At the end of the day we believe the investment market will shrink, but to a limited extent, with investment volumes lying in the range of 12 to 14 billion euros for 2012.

Market View - Offices Ile-de-France [2]

Economic context

The year 2011 was bumpy in France; the economy grew by close to 1.6% compared to 1.4% in 2010. And the loss of confidence seen in the second half will further depress 2012. Household consumption, dragged down by a steep fall in the second half, only rose by 0.6% in 2011, compared to 1.3% in 2010. Consumption growth is expected to continue to be weak at around 0.5% in 2012 due to a lack of

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confidence, a high savings rate, possible rises in compulsory taxes, budget restrictions and so on. The unemployment rate in mainland France, which was in the region of 9.3% in 2011, is forecast to rise to 9.5% in 2012, which will dampen consumption. Inflation should be contained this year at about 1.5% compared to 2% in 2011. The job market in Ile-de-France probably improved slightly in 2011, a trend which is expected to reverse this year. The loss of jobs is likely to affect the finance sector. By contrast other business to business services are expecting to continue hiring in the region. Businesses invested more in 2011 than in 2010 (up 3.9% compared to 2%). However the declining rate of investment observed since third half 2011 could continue through first quarter 2012 because of hardening financial conditions, uncertain economic prospects, and poor cash reserves in companies. There is some hope though that business investment will rise slightly in 2012. Meanwhile, with high raw material costs, low competitiveness and a relatively weak euro, the French trade deficit is thought to be more than 70 billion euros in 2011, exceeding the previous highest level of 2008. In 2012 the trade deficit may improve slightly but will remain significant. French exports rose by approximately 4.5% in 2011 and should continue to grow by approximately 2% this year. With such economic uncertainty, the year 2012 will not be the one of the announced recovery; growth is forecast at 0.4%. The breadth and depth of the economic upturn, which might start slowly in 2013, will depend on many challenges being met: resolving the euro crisis, cleaning up public finances, restoring confidence, improving competitiveness, and coping with the loss of the country's triple A rating.

Resilient demand

Despite the downturn in the economy, demand was generally stable throughout the year. That said, occupiers have been wary when making decisions, which means that negotiations are taking longer. The market has become more opportunistic and occupiers are watching the market conditions, which sometimes results in renegotiation.

A year of very large transactions

Over 2011, take-up in the Ile-de-France was up 14% on 2010, exceeding 2.4 million sq. m. This good level of activity was bolstered primarily by the signing of 13 very large transactions over 20,000 sq. m and 7 of those in a record third quarter (760,900 sq. m). The fourth quarter, however, saw a lower volume of take-up, due to the lack of very large transactions, with a total of 496,000 sq. m let or sold (down 5% compared to Q4,2010). A total of 68 transactions over 5,000 sq. m were registered in 2011, which was similar to the number in 2010 (70), but the average size grew significantly, bringing the total take-up to nearly 1 million sq. m in this particular market (+31%). Three "mega deals" (over 70,000 sq. m) have also left an indelible mark on the year: SFR in St Denis (124,000 sq. m), Carrefour in Massy (85,000 sq. m) and Thalès in Gennevilliers (78,600 sq. m). The market for small and medium office space (less than 5,000 sq. m) remained in keeping with 2010, with just over 1.4 million sq. m of take-up. In Paris Centre West, the volumes remained similar, albeit with a downturn in the fourth quarter. However, take-up has increased in Southern Paris, which has become an alternative location for companies looking for good quality office space. The Western Crescent registered higher volumes of take-up over the course of the year, driven by transactions in the 1,000 sq. m and 5,000 sq. m range. La Défense market is struggling to gain momentum, especially for space over 5,000 sq. m. The peripheral markets have been on a downward trend, barring some large transactions and despite the Outer Rim proving resilient due to opportunities being created by lower rents. The share of new / redeveloped space has increased to 39%, whilst renovated space stands at 23%. The breakdown of take-up by sector of activity has been affected by the large transactions. The major market players in 2011 have been the banking-insurance and Industry sectors. The ICT sector and those linked to the transport-logistics-distribution sector were generally more active than in 2010.

Growing pressure on new supply

Since late 2009 the amount of immediate supply has not changed significantly, due to a null net absorption. Unsurprisingly, immediate supply in Ile-de-France now stands at 3.61 million sq. m, which represents a vacancy rate of 6.6%. This stability in the Ile de France does, nonetheless, demonstrate certain geographical and structural variations and it has not changed for a number of quarters. As a result, Paris supply continues to fall, but this has been offset by a general increase in the periphery markets. Consequently, the vacancy rate in Paris has fallen below 4.5%, whilst vacancy rates in the Western Crescent and the Inner Rim have exceeded 10% and 9% respectively. The share of new / redeveloped space has continued to fall everywhere for a number of consecutive quarters. This was even more marked for the Parisian market, which has historically provided little new supply, particularly for small and medium sized premises. In the Ile de France region, this category's share has reached 23%. It has contracted by 2 points in the past 12 months and 5 points over the last 2 years. This confirms the gradual absorption of new space that has been let or sold out, while completions have remained few and far between.

A return to speculative developments?

After being squeezed in the previous quarters, future supply of office space over 5,000 sq. m (both definite and probable) increased by 5% in one year reaching 4 million sq. m. Definite future supply of office space over 5,000 sq. m, amounted to 1.35 million sq. m, which was an increase of 21% compared to the same period the previous year. In the fourth quarter alone it was up by 16%. Although this represents an increase on previous quarters, speculative developments are still rare, especially those that were purchased off-plan during the year. Over the fourth quarter there were a total of 11 developments, of which 7 were new and 4 were redeveloped. The launch of a number of renovations also helps to explain the increase in future supply. Probable future supply totalled 2.68 million sq. m, which is a 2% year-on-year fall. However, it was up 4% over the past three months, reflecting the progress of several new projects.

Rents rise in Paris and fall in the periphery markets

As of 1 January 2012, the average rent in Ile-de-France for new, redeveloped and renovated space, has fallen to €298 net/sq. m pa (- 1.3% year on year), which is the first time since the first quarter of 2010 that it has been below the €300/sq. m threshold. The average rent for used condition space has been hampered by secondary markets and saw more of a marked fall (- 3.6%), which put it at €216. In Central Paris, the growing demand for quality space, coupled with generally strong overall demand, has pushed up headline rents, which range from an average of €446 in Southern Paris (+ 5.4%) to €541 in Paris Centre West (+ 4.2%). In the Western Crescent and La Défense, there has been a clear fall in rents (- 6%). In the Inner and Outer Rims, rents have dropped significantly, due in large part to the number of occupiers looking to make savings. Second hand office rents in Paris have remained stable, whilst in the periphery markets falls have been more marked, especially in sub-markets where prospective tenants still have a choice of properties.

Prime rent in Paris evermore sensitive to a lack of supply

The average prime rent in Paris Centre West bounced back this quarter (+ 7%) following the return of key transactions, where rental prices reached €830, which in turn has brought the prime rent up to €748. Thanks to deals struck on the few quality properties located in the 7th arrondissement, this puts Central Paris' prime rent at €781. The average prime rent in the Western Crescent has also seen a significant increase over recent months reaching €462, due in part to some important deals signed in Neuilly-sur-Seine. The average prime rent of €494 in La Défense has been relatively stable over the past year, but is down 9% over the half, due to a lack of significant transactions since the middle of the year. Commercial incentives remain high despite a decline in headline rents in the periphery markets. Some owners want to keep these headline rents artificially high, even if it means granting substantial rent-free periods, which on average range between 1.5 to 2 months for each fixed year of the lease.

2012 : Moving towards new trends in the market

Whilst 2011 may have been a fairly good year for the office market, it was nonetheless marked by economic and financial turmoil. Uncertainty will continue to weigh on the morale and actions of firms and is likely to change real estate strategies. Transactions remain largely driven by the perpetual hunt for cost-savings. Demand will remain opportunistic in a market that is favourable to occupiers. This will be particularly true where market rental values are lowered the most and/or when supply is in line with a company's specific requirements. The first half of the year should see a fall in the number of large transactions due to a lack of active demand. Potential transactions do exist, but large companies are likely to remain cautious in the months to come. Moreover, the presidential elections are due to take place in the first half of the year, and as ever, some companies may want to know what the outcome is before making their next move. 2012 should resemble 2010 in terms of the amount of take-up and should meet or may even exceed 2 million sq. m. The Paris market could be penalised by a fall in supply, both in terms of volume and by the type of property on offer (there are few if any properties with low rents and a lack of quality and prime space). Other locations may very well take advantage of this shortfall, such as the areas in the Inner Rim, starting with the Western Crescent. There will be few completions this year. Supply will mainly be bolstered by renovated premises that were started a few months ago. This is an alternative chosen by a number of landlords who are eager to get their quality properties back on the market quickly and at less cost. Immediate supply should remain relatively stable at around 3.6 million sq. m, with a vacancy rate close to 7%. In an environment where companies are feeling the pressure and remain unconvinced, rents should fall in all areas. In certain prospering micro-markets – where demand outstrips supply – rental prices may be sustained. However, the majority will fall, and as a result, rental incentives, particularly rent-free periods, are unlikely to increase and should stabilise at around 1.5 months for each fixed year of the lease.

Market View - Logistics and industrial space[3]

Economic context

The year 2011 was bumpy in France; the economy grew by close to 1.6% compared to 1.4% in 2010. And the loss of confidence seen in the second half will further depress 2012. Household consumption, dragged down by a steep fall in the second half, only rose by 0.6% in 2011, compared to 1.3% in 2010. Consumption growth is expected to continue to be weak at around 0.5% in 2012 due to a lack of confidence, a high savings rate, possible rises in compulsory taxes, budget restrictions and so on. The unemployment rate in mainland France, which was in the region of 9.3% in 2011, is forecast to rise to 9.5% in 2012, which will dampen consumption. Inflation should be contained this year at about 1.5% compared to 2% in 2011. E-commerce turnover in France was close to 37 billion euros in 2011 compared to 31 in 2010 (Fevad). 2012 looks set to be a very active year stimulated by consumers using multiple channels (computers, smart phones, tablets). In the third quarter 2011, the road transport of goods had risen 6% in a year in France but had still not returned to pre-crisis levels (measured in tonne kilometre). At third quarter 2011 the tonnage handled by traditional national delivery services was down on the preceding quarter, but it did rise slightly on a year-on-year basis. Businesses invested more in 2011 than in 2010 (up 3.9% compared to 2%). However the declining rate of investment observed since third half 2011 could continue through first quarter 2012 because of hardening financial conditions, uncertain economic prospects, and poor cash reserves in companies. There is some hope though that business investment will rise slightly in 2012. Meanwhile, with high raw material costs, low competitiveness and a relatively strong euro the French trade deficit is thought to be more than 70 billion euros in 2011, exceeding the previous highest level of 2008. In 2012 the trade deficit may improve slightly but will remain significant. French exports rose by approximately 4.5% in 2011 and should continue to grow by approximately 2% this year. With such

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economic uncertainty, the year 2012 will not be the one of the announced recovery; growth is forecast at 0.4%. The breadth and depth of the economic upturn, which might start slowly in 2013, will depend on many challenges being met: resolving the euro crisis, cleaning up public finances, restoring confidence, improving competitiveness, and coping with the loss of the country's triple A rating.

The logistics market in France

In this section we analyse the market for warehouses >5,000 sq. m (all types of warehouses: A, B,C, cold storage and cross-dock warehouses).

Affected by the tense uncertain economic climate, the logistics market in 2011 produced uneven results running at several speeds. By the end of 2010, Ile-de-France had started pulling through, while other regions took a bit longer to get going again. The main regional market picked up gradually as the year rolled on, attaining satisfactory results at the end of the year. In addition, both the quality and volume of supply fell, which may influence occupiers' strategies.

Only the best locations and specifications

While occupier interest remained at a fairly low level in 2010, following a particularly active 2009, it picked up again strongly in 2011 (up 45% since 2010), especially in the first half. Despite the stressful economic situation, which was marked by the worsening of the sovereign debt crisis and the sudden decline in economic activity in France, the market remained relatively active in the second half, especially at the end of the year. Occupiers had ever more demanding specifications. And because of the shrinking supply of quality space and a need for buildings that are more and more technical and specialised, occupiers increasingly looked for turnkey solutions. In addition, the location is systematically a very important criterion for choice; being close to urban areas (basins of production and consumption) is more than ever before an essential requirement. Warehouses that are too far from such basins are losing out, even if they have been repriced. The market in 2011 was driven by players in the mass distribution market, always on the look out to optimise their space, and consignors. Distributors primarily looked to occupy large volume units, in general above 20,000 sq. m but in some areas, such as the north and south of France, above 40,000 sq. m. Consignors sought small and medium units between 5,000 and 10,000 sq. m especially in the provinces.

Ile-de-France bolsters the market

The French market was particularly active in 2011 with take-up equalling 2,614,300 sq. m, i.e. a rise of 20% on 2010. It is the second highest take-up figure since 2008. The market was principally bolstered by Ile-de-France. Some 1,090,800 sq. m were transacted, a year-on-year rise of 44%. About 42% of take-up volume was therefore clustered in the region, resulting in 2011 being the second best year for this market after 2006. The first half actually posted a year-on-year drop in take-up because, despite the non-negligible take-up up of 385,000 sq. m in 2011, in 2010 the first quarter was particularly strong thanks to the completion of several lengthy projects. In fourth quarter 2011, take-up stood at an all time high level of 467,500 sq. m. Some 77 transactions were signed in the Paris region in 2011 (the second highest to 2006's 81 transactions), an annual rise of 40%. Almost half these transactions concerned small units (5,000 to 10,000 sq. m). Nevertheless, 3 large transactions above 50,000 sq. m were concluded including the letting by ND Logistics in Coudray-Montceaux and that of Franprix in Saint-Mard. At the end of 2011, the average floor area of transactions stood at 14,200 sq. m in Ile-de-France.

The major regional markets boosted

In other regions of France, secondary markets are struggling to take a turn for the better. By contrast the major regional sectors – the Greater North, Greater South and Rhône corridor – did recover a degree of vitality in 2011 after two years of slowing down, albeit taking more time to recover than the Paris region. The logistics market in France was even more concentrated on the north-south axis. The Greater North – an area covering Nord-Pas de Calais and Picardy – reclaimed its position as the most active region, accounting for 16% of take-up volume in France, with 428,000 sq. m of transacted space, a 53% rise in a year (19 transactions as in 2010). Following a slow first half that was actually down on from the previous year's results, more than half of the year's transactions took place in third quarter (232,000 sq. m, the second busiest quarter since second quarter 2008). The market for large warehouses performed well with 9 transactions above 20,000 sq. m in 2011; examples include occupier acquisitions by Grimonprez and ID Logistics (respectively 47,000 sq. m in Lesquin and 43,000 sq. m in Brebières). Meanwhile, the market share of small and medium units shrank. The latter accounted for virtually all transactions in 2010. The market in the Greater South (PACA and Languedoc) also performed exceptionally well in 2011. Take-up stood at 373,000 sq. m (equivalent to 2008's level of take-up) and was 44% higher than in 2010 with 18 transactions. The first half was inert and 86% of take-up volume was registered in the second half. This result was principally due to the conclusion of 6 large transactions above 20,000 sq. m. Noteworthy transactions include 49,900 sq. m leased by Geodis in Port-Saint-Louis-du- Rhône and 24,000 sq. m acquired by Maisons du Monde in Saint-Martin-de-Crau. Finally, the Rhône corridor (Rhône-Alpes region), one of the first regional markets to start recovering in the second half, saw its transactional activity slow down in the fourth quarter. The healthy mid-year performance and later deceleration resulted in total take-up standing at 332,900 sq. m for 2011, just 7% higher than in 2010. In contrast to the markets mentioned above, small and medium units were the driving force accounting for 83% of transactions, which is the more usual pattern. The strong performance of the sector Isle d'Abeau, in particular Saint- Quentin-Fallavier, is worth noting as its share of take-up stood at 42% in 2011 (compared to 26% in 2010) thanks to transactions such as STEF-TFE (12,300 sq. m) and Morin Logistic (31,600 sq. m).

Upsurge in turnkey schemes

The healthy logistics market in 2011 was largely linked to the construction of turnkey buildings. Their share of take-up has

been rising steadily for several years as occupiers' specifications have become stricter and existing supply has become outdated. Turnkeys accounted for 23% of transactions in 2011 (37% of volume). Three broad geographic sectors were principally concerned, accounting for more than ¾ of transactions: Ile-de- France (50%), Greater South (15%) and Greater North (13%). The average floor area for turnkey schemes was 24,300 sq. m in 2011 in France. This rose to 37,400 sq. m in the Greater South. As a consequence, the share of transactions for class A warehouses in France rose by 5 points to 63% (73% in volumes).

A scarcity of prime space in view

At 1 January 2012, immediate supply was approximately 3.5 million sq. m in France, 24% less than at 1 January 2011. It fell everywhere, especially in the Greater South (down 41%), the Rhône corridor (down 34%), the Greater North (31%) and Ile-de-France (24%). The shrinkage is primarily due to a freeze on all new development since 2009. Similarly, even though turnkey schemes have been growing, many transactions on existing or used condition warehouses are still taking place, the best locations obviously being the most sought-after sites. Consequently available supply is absorbed and the level of obsolescence grows. No speculative development is likely in the short term, so a scarcity of new buildings is on the cards. One outcome of this situation will be that turnkey schemes will continue to fuel the market in 2012, notably by developing sites on which plans exist, assuming of course finance is possible. These semi-speculative schemes total 3.6 million sq. m. Note that even the amount of semi-speculative development has fallen by 18% in a year, partly due to turnkey schemes using such sites, partly because projects have been dropped. Players must increasingly take position on used condition buildings, although they are offsetting the quality of the building with more stringent location requirements.

Uneven values

In 2011, headline rental values were on the whole stable in France, after two years of heavy repricing in 2009 and 2010. They still differed greatly depending on the region, the type of property and the location. A premium is now awarded to the location because of the dwindling supply of quality buildings. Commercial concessions also vary depending on the same criteria and can vary from 1.5 to 2 months free rent for each unbreakable year in the lease contract.

A changing market

The market is displaying encouraging prospects in the short term as it has been relatively active and has recovered some sound fundamentals in 2011. Nevertheless, the economic environment, which determines its robustness, is currently fraught with uncertainty. Not that the role of logistics in society is called into question; it is an essential link in the production, distribution and consumption supply chain. Therefore it will always be necessary for the healthy functioning of the economy, especially in times of crisis when the need to rationalise and reduce costs is greater than ever before. The market will inevitably adjust to new modes of consumption and behaviour patterns.

The market for industrial space and small warehouses in Ile-de-France

In this section we analyse the markets for industrial space (all sizes) and warehouses (<5,000 sq. m). The market has been swinging for several years now, sluggish in 2008 and 2009, very active in 2010 then heading downwards again in 2011. It suffers from a persistent mismatch of supply and demand and during times of such economic and financial uncertainty, the immobility of players is inevitable.

Occupiers cautious

There was a noticeable improvement in occupier interest, up 10% from 2010 to 2011, despite a slowdown in the middle of the year. In summer, when there is usually less activity anyway, the situation was worsened by the deterioration in the national and international economy. Occupiers adopted a wait-and-see approach, postponing their projects or cancelling them outright. A resumption in business was observed at the very start of the autumn, and the end of the year was actually quite busy with new projects emerging that could be completed in 2012. Many occupiers were still on the look out for buildings for sale. Small and medium units (under 2,000 sq. m) were also in great demand. Another noteworthy feature was the resurgence in demand from the leisure sector. One particularity of 2011 was that occupiers were seeking space because they needed to move, often because they wanted to reduce overheads by regrouping activities into fewer sites.

Take-up shrank

Take-up stood at 806,200 sq. m in 2011, 18% below the very active 2010. In fact 2010 posted the second highest figure after 2007 since the start of 2000. By contrast, 2011 was one of the least active years over the same period. Transacted volumes fell steadily as the months passed, from 247,300 sq. m in the first quarter to 171,300 sq. m in the fourth. The market remained fragile and tight and players were wary. The emergence of sales to occupiers seen in 2010 was not repeated in 2011. The market has returned to a more usual pattern with 64% of take-up since the start of the year composed of lettings (57% in 2010). The explanation of this shrink in sales lies above all in the shortage of quality buildings of all sizes for sale on the market. The supply shortage increased competition on the market, leading to a rise in sales prices. In addition, obtaining credit became more complicated during the year (rise in interest rates, more stringent conditions and so on), which steered more occupiers to letting rather than buying. Since the start of 2011 and as is usually the case in this market, the majority of transactions have taken place on used condition premises – about 75% of letting and buying transactions. Compared to 2010, the volume of space transacted fell in the east, west and north by respectively 38%, 28% and 24%. The volume rose by 17% in the south. Indeed a large part of take-up, 36%, was in the south of the region, up 11 points on a year previously and ahead of the north (29%) and the east (19%).

Supply fell steadily

Approximately 2,280,000 sq. m of available floor space was identified at 1 January 2012, 7% lower than at 1 January 2011. Markets in the Inner and Outer Rims lost respectively 7% and 5% of supply over the same period. Supply beyond the Orbital Motorway (Francilienne) fell by 13%. Almost half of all supply is still concentrated in the Outer Rim. The markets with the most supply are the south and north of the region where respectively 33% and 25% of immediate supply is located. There was no resumption of speculative development in 2011 and, in the current financial context, it is unlikely to pick up again in the short or medium term. A dozen or so schemes are in the pipeline totalling about 31,000 sq. m, some of which is due for completion in 2012. Semi-speculative development, i.e. that on stand-by, accounts for almost 260,000 sq. m, a figure heading downwards.

An increasingly mixed market

Headline rents are stable, but the real rents vary enormously from one building to the next depending on its quality and location. The gap between prime and lower quality properties is widening. Commercial concessions vary, but are stable on average, between 1.5 and 2 months of rent-free letting for each year without break option period. Selling prices climbed in 2011. There is a substantial imbalance of prices depending on the state of premises and, above all, on their geographic location.

Market View - Retail in France[4]

Overview

Consumption continued rising but is running out of steam

Following a 0.6% rise in household consumption in 2011, figures point to a meagre 0.5% rise for 2012. Spending is therefore increasing but at a rate that is too weak to lead to real improvements in turnover on a like-for-like basis. With such patterns in spending, opening new stores is, more than ever before, the best way retailers can develop their turnover. But this pathway is hindered by the high costs associated with opening new outlets and the difficulty of finding finance.

All retailers are in a delicate situation, but some worse than others

At the end of 2011, most indicators of the retail market in France were heading in the wrong direction: business climate gauges and forecasts were well below their average historic levels, cash reserves had deteriorated, bankruptcies on a sliding annual scale were up and so on. Meanwhile, while the indexes used for retail leases (ICC and ILC indexes) soared, the Banque de France's index of retail turnover stood still in 2011. Nevertheless business performance varied from one sector to the next. For example large department stores, luxury sectors and high-end brands fared well, whereas clothing and footwear retailers struggled. Finally, local shops performed better than out-of-town shops.

A two-speed market

The uncertainty looming over the retail economy is driving retailers to give priority to the most secure sites and shun secondary sites. Thus despite the moroseness of the economic climate, rental values are still high on prime and subprime sites in town centres and regional shopping centres. These sites are considered safe havens and their supply is very restricted. In out-of-town sites high rents may be observed in the best retail parks in the Paris region and in the south of France, but the overall trend is still towards a slight drop.

Economic context

Households struggling

Household consumption, which rose by 1.3% in 2010, appears to have increased by only 0.6% in 2011, one of the weakest rises seen in the last twenty years, but a rise all the same. The current economic context – the deterioration in the employment market, removal of tax breaks and low wage increases – is demoralizing the population and squeezing their purchasing power, which doesn't exactly encourage spending. According to INSEE, halfway through 2011 the savings rate in France was at its highest rate since 1983. It will remain high through the first half of 2012, which will tend to lead to weak levels of consumption yet again this year. Currently estimates stand at a rise of 0.5%. At the end of 2011, households downgraded their expectations of their future financial situations and consumer confidence was at one of its lowest levels in 40 years. According to the forecasting institute Oxford Economics, household consumption will not recover a rate of growth that approaches its long-term average of 2% until 2014.

Retailing businesses struggle

At the start of 2012 the business climate remained weak in the retail trade. Yet after a particularly difficult month of November, Christmas shopping levels were satisfactory due to particularly mild weather conditions. This bright spell in retailing may have gone some way to limiting damage to 2011's results. On-line sales were particularly successful; in November and December they appear to have been 20% higher than for the same period 2010, at 7.4 billion euros. Despite the strong figures for December, retailers are now expecting households to tighten their belts and are pessimistic about their business prospects for 2012. The situation varies, however, from one sector to the next. In the food sector, sales forecasts by retailers have stabilised to an average level but specialist retailers are expecting very poor results. In most retail sectors, results stagnated from 2010 to 2011. Of those showing some improvement the biggest changes were seen in department stores, health and beauty and perfumes (source: Banque de France). By contrast, clothing, shoes and electrical goods posted significant drops. Whatever the variation from sector to sector, the overall feeble rise in consumer spending is curbing the development of turnover for constant sales floor areas. In this context the most efficient way left for retailers to increase the turnover of their networks is to open new sales outlets.

4 Source: CB Richard Ellis - Real Estate Markets - Market View - France/Ile-de-France - Q4,2011.
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Yet retailers' deteriorated financial situation limits expansion possibilities and tends to encourage them to rationalise shop networks. The cash situation of retailers, especially specialist retailers, deteriorated significantly at the end of 2011 (cf. graph). In addition, there are still many bankruptcies in the retail trade. According to the observatory, Coface, retail distribution was one of the few business sectors where year-on-year bankruptcies rose again in the third quarter 2011.

Retail sites

The town centre

According to the retail federation Procos, high streets in town centres are the type of retailing site posting the most favourable business activity in the first months of 2011, out-performing shopping centres and retail parks. Despite the depressed economic climate, the situation did not penalise local shopping as much as other forms of shopping. Rental values remained high on prime and subprime locations in Paris and in regional cities, due to the concentration of demand from retailers for this type of high street location and the shortage of available boutiques. In Paris, the vitality of foreign retailers (especially in the sector of personal goods) on the look-out for strategic outlets kept rental values at very high levels. Estate agents' estimates for rental values on the main shopping arteries have, on the whole, remained the same. Recent store openings in the capital include Banana Republic and Marks & Spencer on Avenue des Champs-Elysées and Aldo on rue de Rivoli.

Shopping centres

Following a 0.7% rise in turnover in 2010, the turnover of shopping centres for identical sales areas shrank by 0.9% in France in the first 11 months of 2011. Small boutiques fared better than large specialised stores (up 0.2% and down 4.4% respectively).When the traders stayed the same the drop was significantly sharper, demonstrating that re-letting to new retailers always has a positive impact on business activity in centres. Footfall for 2011 will have fallen as its only monthly rise was in June due to the early start of the summer sales. Rents in regional shopping centres (>40,000 sq. m) were stable and often in a range from €700 to €1,400 net/ sq. m pa in Ile-de-France and from €600 to €1,100 sq. m pa in the provinces for units of approximately 200 sq. m. From time to time higher rents than these can be observed. Retailers' demand for space is focussed on the largest and busiest shopping centres in the strongest consumer basins. The most noteworthy event in first half 2012 will be the opening of the 53,000-sq. m Confluence centre in Lyon.

Out-of-town retail

Attractive rental values and the possibility being able to afford larger units are the main advantages of out-of-town retail sites, but business activity there in 2011 was weak, notably due to high petrol prices. Overall demand for space was feeble and was mainly driven by retailers repositioning their approach to the market. The market is also split in two, with demand focussing on strategic sites with large catchment areas. The vacancy rate is therefore always low in the best retail warehouse zones and retail parks. The largest zones – such as Plan de Campagne and Patte d'Oie – are more popular than the latest generation retail parks because they have better visibility and lower occupation costs. Indeed many new retail parks are having trouble finding tenants. Rents have fallen slightly, although transactions at higher values can sometimes be observed in the most strategic sites.

Source: CB Richard ELLIS – Market View – Real Estate Markets Q4

6.3. - Exceptional events that influenced the company's business

No exceptional event influenced the company's business.

6.4. - The company's dependence on patents, commercial or financial contracts

The Company is not dependent on any patent, license or manufacturing process.

The Company's commercial contracts that may have an influence over its business or profitability are presented in Section 4, Risk Factors, in this Registration Document.

6.5. - Outside sources used for the declarations on the company's competitive position

The Company has made no declaration concerning its competitive position based on information received from an outside source.

7. ORGANISATIONAL CHART

7.1. - General presentation

Affine, a company with the status of SIIC (real estate investment company), listed for trading on NYSE Euronext Paris, operates as an investor (offices, warehouses, businesses) throughout France. On 19 December 2012 Affine obtained the withdrawal of its authorisation as a credit institution (financial company).

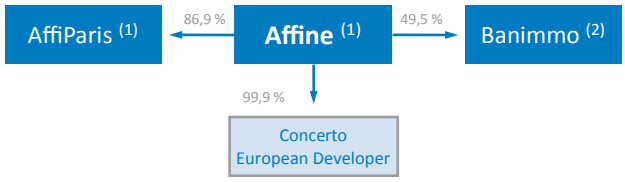
Its principal subsidiaries are: Banimmo, a Belgian property company listed for trading on NYSE Euronext Brussels, which operates specifically in the repositioning and redevelopment of properties in Belgium, France and Luxembourg; AffiParis, a SIIC listed on Nyse Euronext Paris, specialises in Paris commercial property.

Affine also holds Concerto Développement, which specialises in the financing of development and investment operations in logistical real estate, primarily in France.

The group has continued its policy to refocus its activity on its core property business.

The Affine subsidiaries that hold one property, and considered less important, are not included in the organisation chart below. They are listed in the notes to the consolidated financial statements in Section 20.1.7.4 Scope of consolidation, which is included in this Registration Document.

Simplified organisational chart at 31 December 2011



(1) Company listed on Euronext Paris.
(2) Company listed on Euronext Brussels (and Paris until January 2011).

Affine's stake in its subsidiary AffiParis rose from 64.9% to 86.9% with the purchase of the shares held by Shy (9.8%) in June, its participation in the capital increase of €25.7m executed in November, and the purchase of shares on the market (0.9%) at the end of the year.

Affine's stake in the AffiParis capital increase was obtained by using its rights issues (€19.4m) and through exercising the rights acquired in the market (€3.2m), and through subscription for excess shares (€2.5m).

In addition, in order to facilitate an understanding of the operational performance of the Affine/AffiParis entity, Affine reduced its stake in Banimmo from 50% to 49.5%, allowing the consolidation of this company under the equity method. As a result, Les Jardins des Quais, held 50/50 by Affine and Banimmo, was also consolidated under the equity method.

Concerto Développement conducted a capital increase to which Affine subscribed 99%, and raised its stake from 67.0% to 99.9%.

7.2. - List of major subsidiaries

The detailed scope of consolidation of the group is provided in the notes to the consolidated financial statements in Section 20.1.7.4 Scope of consolidation, included in this Registration Document.

8. PROPERTY, PLANT, AND EQUIPMENT

8.1. - Holdings

At 31 December 2011, Affine and AffiParis directly held 70 investment properties, developing 556,000 sqm, acquired with full ownership or financed under finance leases. The principal characteristics of these properties are presented below.

8.1.1 List of Properties

8.1.1.1 - List of Affine / AffiParis properties

Location	Name or street	Zone	Dept	Area in sqm	Acquisition date
OFFICES					
Paris 3e	19, Rue Reaumur	Paris	75	1,679	2007
Paris 8e	Rue Paul-Baudry	Paris	75	9,423	2006
Paris 9e	Rue Auber	Paris	75	2,283	2008
Paris 10e	Rue d'Enghien	Paris	75	1,003	2008
Paris 12e	"Tour Bercy" - Rue Traversière	Paris	75	7,783	2008
Croissy Beaubourg	Rue d'Emerainville	Ile-de-France	77	993	2005
Saint Germain en Laye	Rue des Gaudines	Ile-de-France	78	2,249	2002
Montigny-le-Bretonneux	"TDF St Quentin" - Rue Ampère	Ile-de-France	78	9,546	2003
Saint Germain en Laye	Rue Témara	Ile-de-France	78	1,450	2002
Elancourt	"Parc Euclide" - Rue Blaise Pascal	Ile-de-France	78	6,347	2004
Plaisir	Zac Ste Apolline, rue des Poiriers	Ile-de-France	78	1,160	2005
Évry	Rue Gaston Crémieux	Ile-de-France	91	7,572	1984
Brétigny/Orge	Route des Champcueils	Ile-de-France	91	3,564	1989
Les Ulis	"L'Odyssée" - Rue de la Terre de Feu	Ile-de-France	91	3,500	2003
Corbeil Essonnes	Darblay I – Avenue Darblay	Ile-de-France	91	4,644	2003
Corbeil Essonnes	Darblay II – Rue des Petites Bordes	Ile-de-France	91	2,268	2003
Issy-les-Moulineaux	Rue Carrefour Weiden	Ile-de-France	92	2,308	2003
Saint Ouen	Rue du Docteur Bauer	Ile-de-France	93	1,654	1997
Bagnolet	Rue Sadi Carnot	Ile-de-France	93	4,056	1995
Kremlin Bicêtre	Rue Pierre Brossolette	Ile-de-France	94	1,151	2007
Kremlin Bicêtre	Boulevard du Général de Gaulle	Ile-de-France	94	1,860	2007
Valbonne - beige	Route des Lucioles - Sophia Antipolis	Regions	06	700	1992
Aix-en-Provence	"Décisium" - Rue Mahatma Gandhi	Regions	13	2,168	1994
Toulouse*	Avenue de l'Europe	Regions	31	658	2005
Montpellier	Zac du Millénaire, avenue Einstein	Regions	34	699	2005
Nantes - Marie Galante	Rue Henri Picherit	Regions	44	3,084	2006
Orléans	Rue Léonard de Vinci / av. du Titane	Regions	45	1,159	1998
St Julien les Metz	Rue Jean Burger - Sage	Regions	57	3,240	2007
St Julien les Metz	Rue Jean Burger - Tannerie	Regions	57	5,345	2007
Lille – Lilleurope	"Tour Europe" - Parvis de Rotterdam	Regions	59	5,000	2006
Lille – Lilleurope	"Tour Europe" - Parvis de Rotterdam	Regions	59	7,765	2008
Lille - La Madeleine	"Périnor" – Rue Jeanne Maillotte	Regions	59	7,824	2005
Villeneuve d'Ascq	"Triopolis" - Rue des Fusillés	Regions	59	3,045	2004
Mulhouse	"L'Epicerie"	Regions	68	5,020	2008

Location	Name or street	Zone	Dept	Area in sqm	Acquisition date
Bron	Rue du 35e Régiment d'Aviation	Regions	69	2,968	1996
Lyon Gerland	"Le Fontenay" - Rue André Bollier	Regions	69	4,060	2006
Lyon	Rue du Dauphiné	Regions	69	5,481	2005
Lyon	Bld Tchécoslovaques	Regions	69	4,912	2011
Lyon	"Le Rhodanien" - Bld Vivier Merle	Regions	69	3,472	1983
COMMERCIAL STORES AND SHOPPING CENTRES					
Vert St Denis	RN6 - Cesson	Ile-de-France	77	4,565	1977
St Cloud	Rue du Calvaire	Ile-de-France	92	1,109	2004
Troyes-Barberey St Sulpice	Quartier Les Valliers, RN19	Regions	10	5,793	2007
Troyes-Barberey St Sulpice	Quartier Les Valliers, RN19	Regions	10	1,200	2007
Nîmes	Les 7 Collines	Regions	30	14,812	2009
Arcachon	Rue Roger Expert Et Avenue Lamartine	Regions	33	3,058	2009
St Etienne	Rue Louis Braille - Dorianvest	Regions	42	5,003	2006
Nevers	Avenue Colbert	Regions	58	5,828	2008
WAREHOUSES AND BUSINESSES					
Maurepas	Rue Marie Curie	Ile-de-France	78	8,370	2006
Trappes	Parc de Pissaloup – Av. J. d'Alembert	Ile-de-France	78	10,183	2006
Palaiseau	Rue Léon Blum	Ile-de-France	91	3,828	1995
St Germain les Arpajon	Rue des Cochets	Ile-de-France	91	16,289	1999
Aulnay-sous-Bois	Rue Jean Chaptal	Ile-de-France	93	3,488	1993
Tremblay en France	Rue Charles Cros	Ile-de-France	93	19,997	2006
Noisy le Grand	ZI des Richardets	Ile-de-France	93	1,645	2005
Cergy Pontoise	Rue du Petit Albi	Ile-de-France	95	3,213	2007
Aix les Milles	Rue Georges Claude	Regions	13	5,528	1975
Miramas	Quartier Mas des Moulières, Zac Lésud	Regions	13	12,079	2007
Chevigny St Sauveur	Avenue de Tavaux	Regions	21	12,985	2005
Bourg-les-Valence	Rue Irène Joliot Curie	Regions	26	19,521	2005
St Quentin Fallavier	Zac de Chêne La Noirée	Regions	38	20,057	1991
Mer	Za des Mardaux	Regions	41	34,127	2006
St Etienne	Molina	Regions	42	44,672	2007
Saint-Cyr-en-Val	Rue du Rond d'Eau	Regions	45	38,756	2005
Bussy-Lettrée (Courbet)	Zac n° 1 Europort – Vatry	Regions	51	19,212	2004
Roubaix – Leers	Rue de la Plaine	Regions	59	21,590	2005
Lezennes	Rue Paul Langevin	Regions	59	908	2005
Thouars	Rue Jean Devaux	Regions	79	32,000	2007
Vitrolles	ZAC d'Anjoly	Regions	13	5,880	2008
OTHER					
Paris 12 (parkings)	Rue Traversière	Paris	75	0	2008
Saint-Cloud	Rue du Calvaire	Ile-de-France	92	1,692	2004
Biarritz (hotel)	Avenue de l'Impératrice	Regions	64	606	1990

8.1.1.2. - List of Banimmo properties

Location	Name or street	Zone	Dept	Area in sqm	Acquisition date
OFFICES					
Colombes	Les Corvettes, avenue de Stalingrad	Ile-de-France	92	13,600	2004
Zaventem	Alma Court	Belgium		16,130	1999
Koningslo	Athena Business Centre	Belgium		17,732	2002
Bruxelles	Raketstraat, rue de la Fusée	Belgium		6,349	2004
Evere	Honeywell H3	Belgium		12,449	2001
Evere	Honeywell H5	Belgium		3,753	2001
Bruxelles	Avenue des Arts	Belgium		3,992	2006
Bruxelles	North Plaza	Belgium		14,503	2008
Bruxelles	Unilever	Belgium		13,611	2008
Kontich	Prins Boudewijhlann	Belgium		6,839	2007
COMMERCIAL STORES AND SHOPPING CENTRES					
Marché Saint Germain	Saint Germain	Paris	75	3,236	2009
Paris 15e	Galerie – Rue Vaugirard	Paris	75	2,083	2008
Fontenay-sous-Bois	90-94 rue Dalayrac	Ile-de-France	94	1,970	2008
Eragny	1, rue du Bas Noyer	Ile-de-France	95	12,465	2010
Saran	RN20	Regions	45	600	2007
Rouen	Rue de la champmeslé	Regions	76	2,848	2009

8.1.1.3. - List of Jardins des Quais properties

Location	Name or street	Zone	Dept	Area in sqm	Acquisition date
COMMERCIAL STORES AND SHOPPING CENTRES					
Bordeaux	Quai de Bacalan	Regions	33	25,386	2005

N.S.: Immaterial - *: Asset under sales commitment

8.1.2 Value of properties

Direct and indirect properties

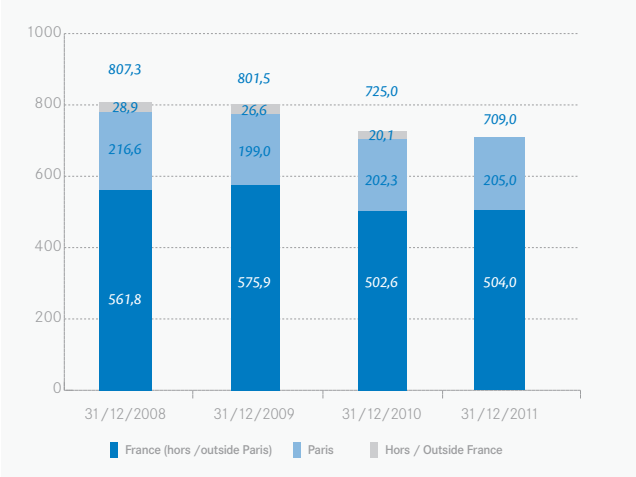
The Group's consolidation scope comprises the portfolio of Affine / AffiParis for €709m including transfer tax and of Banimmo for €392m including transfer tax.

At the end of 2011, the Group valued its direct rental properties portfolio using external appraisals for 95% of its value and internal appraisals for the remaining small assets or those being sold (including, in particular, assets with a preliminary contract for sale).

Fair value of directly owned properties (including transfer tax)

The fair value (including transfer tax) of the 70 properties stands at €709m versus €725m at the end of 2010.

Change in value of properties, including transfer tax (€m) (1)

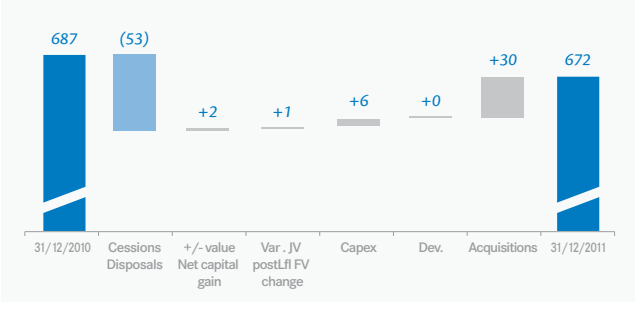


(1) The portfolio is adjusted for Banimmo and the Jardins des quais retail centre in Bordeaux.

Excluding transfer taxes, the value of the properties increased from €687m to €672m. This change resulted from:

- sales totalling €53m, with a net capital gain of €2.2m relating mainly to the building located at rue Chapon;
- €36.2m in investments, of which €29.9m for acquisitions, €0.4m for development and €5.9m for improvement of existing properties;
- a €0.7m increase in fair value on a like-for-like basis.

Change in the value of buildings, excluding transfer taxes (€m)



The portfolio's appraisal value on a like-for-like basis rose slightly by 0.1% as a result of:

- a 2.9% decrease caused by the fall in market rents (ERV).
- a 2.0% increase caused by the lower yield rates used by the appraisers,
- a residual 1.0% increase (works, reversion, ...).

The average yield resulting from the appraisals was 7.1%, and a downward or upward change of 25 basis points in this rate would lead to an increase or a decrease of the portfolio's value by €23.8m.

Type of asset (€m)	Fair value	Yield	+/- 25 pb Impact
Paris (Offices)	193,0	5,2 %	8,9
Offices	209,8	7,5 %	6,8
Retails	76,5	7,2 %	2,7
Warehouses and Industrials	183,4	8,4 %	5,3
Others	9,4	10,4 %	0,1
TOTAL	**672,2**	**7,1 %**	**23,8**

8.2. - Environmental questions that could influence the issuer's use of its property, plant and equipment assets

Given the company's activity, certain items that must be provided in the management review under environmental data, more specifically Article R 225-105 of the Commercial Code, are not applicable.

Thus, consumption of water resources, the measures taken to limits damage to the eco-system, the expenses incurred to prevent the consequences of the company's activity on the environment (sections 1-2-5) are not relevant for the company.

Affine initiated a Sustainable Development study which considered the impact of its real estate activity on the environment. This process involves the environmental audit of its holdings and tenant awareness of environmental problems. Affine is convinced that reducing the environmental footprint must begin with a study conducted jointly with the tenants on the use of the properties and the installation of systems that promote the sparing use of natural resources, measuring the impact on energy, water, waste and carbon, and assessing investments to bring the most energy consuming properties into compliance with standards. The signature of a green lease in 2010, or the search for environmental labels are examples of concrete applications of these principles in Affine's operational activities.

In addition to this awareness campaign, Affine believes that the real estate sector's efforts to take Sustainable Development into consideration in its businesses still need to be harmonised and clarified. Therefore, it is involved in the study of market strategies and sharing its experiences on the Green Valuation Commission of the "Grenelle de l'Environnement", a multi-party environmental initiative in France, and in the Finance Innovation-Sustainable Real Estate Division of Paris Europlace.

This approach is in line with the group's goal of social responsibility and preserving the value of its holdings. This environmental work has led Affine to rethink its asset strategy, in order to make environmental performance an essential criterion in its investment and divestment policy. Affine in fact aims to acquire, as a priority, buildings which already comply with the most advanced environmental performance criteria or which could comply after limited investments. At the same time, the group is divesting assets that could show a risk of impairment based on this environmental approach.

The properties subject to the regulations on environmentally regulated facilities are subject to specific and regular inspection.

There is no provision or guarantee for environmental risks, and the company is not a party in any environmental legal action.

9. REVIEW OF THE FINANCIAL POSITION AND RESULTS

The selected financial information below for the years ended 31 December 2009, 2010 and 2011 is taken from the proforma consolidated financial statements provided in Section 20.2.

In order to facilitate the reading of the operational performance of the Affine/AffiParis entity, Affine now consolidates the Banimmo sub-group under the equity method since 1 October 2011. It now holds 49.5% of the capital compared with 50.0% previously. Les Jardins des Quais, held 50/50 by Affine and Banimmo, is therefore also consolidated as under the equity method.

To ensure the readability of the financial statements for the year and a comparison with the statements of previous years, the accounts presented below are proforma accounts in which the Banimmo sub-group and Jardins des quais are consolidated as equity associates over a full year for three years. These statements (income statement, balance sheet and cash flow) are part of the consolidated notes to the financial statements audited by the Statutory Auditors.

The consolidated and company financial statements are presented in sections 20.1 and 20.3 respectively.

9.1. - Financial situation

Consolidated balance sheet (€m)	2009	2010	2011
ASSET	**1,023.5**	**920.9**	**881.0**
Properties (excluding transfer taxes)	760.2	686.5	672.2
of which investment properties	*672.8*	*611.1*	*520.8*
of which property held for sale	*87.4*	*75.4*	*151.4*
Equity holdings	0.3	0.2	0.3
Equity affiliates	86.2	84.0	85.8
Cash	33.0	23.7	23.3
Other assets	143.8	126.5	99.4
LIABILITIES	**1,023.5**	**920.9**	**881.0**
Shareholders equity (before allocation)	364.0	362.5	362.2
of which convertibles	*31.0*	*31.7*	*20.8*
of which PSL	*73.3*	*73.3*	*73.4*
Bank debt	539.6	482.0	450.0
Other liabilities	119.9	76.4	68.8

Net asset value

At 31 December 2011, total shareholders' equity was stable at €362.2m (group share €348.5m), reflecting the positive contribution of net profit (+€15.3m) and incorporating the distribution in May of the dividend paid in cash for 2010 (€10.9m) and the capital increase. After neutralising quasi-equity (€73,3m in perpetual subordinated loan notes), and after adjustments to the fair value of derivatives and deferred taxes, the EPRA net asset value excluding transfer taxes was €287.6m at 31 December 2011. NAV per share was €28.97 (after dilutions and excluding treasury shares), down 5.0% compared with 31 December 2010, mainly due to the issuing of new shares. Including transfer taxes, the NAV per share was €32.89.

NAV (€m)	2009	2010	2011
Shareholders' equity (before allocation)	349.3	347.5	348.4
PSL adjustment	(73;3)	(73.3)	(73.4)
IFRS NAV	275.9	274.1	275.0
EPRA adjustments	8.5	7.7	12.6
EPRA NAV (excl. TT)	**284.4**	**281.9**	**287.6**
EPRA NAV (incl. TT)	326.5	322.4	326.5
Diluted number of shares (excl. Tr. shares)	9,056,923	9,314,600	9,926,848
Diluted EPRA NAV (excl. TT) per share (€)	31.41	30.26	28.97

Based on the EPRA NAV excluding transfer taxes, the share price at 31 December 2011 (€12.5) shows a discount of 57%.

9.2. - Operating results

9.2.1 Important factors influencing ordinary profit

Consolidated earnings (€m) [1]	2009	2010	2011
Gross rental income	54.4	50.0	48.3
Net rental income	**44.9**	**42.6**	**43.1**
Other income	3.8	5.1	3.6
Corporate expenses	(14.3)	(13.1)	(12.0)
Current EBITDA [2]	**34.4**	**34.6**	**34.7**
Current operating profit	**34.2**	**34.4**	**34.6**
Other income and expenses	(0.6)	(4.2)	(2.6)
Net profit or loss on disposal	1.5	(0.5)	2.9
Operating profit (before value adj.)	**35.2**	**29.7**	**34.9**
Net balance of value adjustments	(36.3)	(3.8)	1.7
Net operating profit	**(1.1)**	**25.9**	**36.6**
Net financial cost	(19.5)	(19.6)	(18.2)
Fair value adjustments of hedging instr.	(5.4)	(0.1)	(2.3)
Taxes	4.1	0.3	(0.4)
Miscellaneous [3]	17.3	4.1	0.9
Net profit	**(4.6)**	**10.5**	**16.6**
NET PROFIT – GROUP SHARE	**(2.9)**	**10.3**	**15.3**
Net profit – group share	(2.9)	10.3	15.3
EPRA adjustments	18.4	5.7	3.2
EPRA EARNINGS [4]	**15.6**	**16.0**	**18.5**

(1) Based on IFRS standards and EPRA recommendations.

(2) Current EBITDA represents the current operating profit excluding current depreciation and amortization costs. This amount excludes the depreciation on the development activities of €3.0m and €5.4m in 2011 and 2010 respectively and appears under other income and expenses.

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

(4) 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 fair value changes, gains or losses on sales and other non-recurring items.

Gross rental income decreased by about 3.5% due to disposals. These impacts are largely limited by the acquisitions and buildings in anticipation of completion in Nevers and Arcachon. On a like-for-like basis, rents during the period were up 1.0%, benefiting from the decrease in the average vacancy rate over the year. The reduction of rental charges, resulting mainly from the favourable effect of accounting write-offs, allowed an increase in net rents of 1.1%.

Current operating income remains stable (+0.4%). The 8.5% reduction in operating expenses (€12.0m vs €13.1m) offsets the natural erosion of revenues on finance lease transactions (€2.4m vs €2.9m) and the fall in profits from the property development activity (€1.3m vs €2.2m), excluding depreciation on inventories.

Net operating profit showed a sharp increase (41%). This improvement derives mainly from the capital gain (€2.9m vs -€0.5m), relating essentially to the building located at rue Chapon, and the increase in property fair values (+€1.7m vs -€3.8m), plus a further depreciation on the value of the Sant Feliu land (€3.0m vs €5.2m), held as stock by Concerto.

Regarding the associates, Banimmo presented a recurrent operational result up 10.8% (€10.9m vs €9.8m). This increase came essentially from the good performance of its managements fees and commissions (€2.1m vs €1.3m), pertaining mainly to the realization of two built-to-suit buildings, and from associates (€2.6m vs €2.2m), net rental incomes remaining stable. This improvement was partly offset by the increase of the operational and administrative costs (-€7.9m vs -€7.1m) and of the debt cost (-€7.9m vs -€7.3m). The capital gains allowed the net current result to amount to €7.0m against €2.6m in 2010. After taking into account non-cash items such as fair value change, the net profit came to €1.2m (vs €0.5m). Jardins des Quais registered a progression of the net rental income (€1.6m vs €1.5m), due to a slow improvement in its occupancy rate, the commercialization of the entire site to be completed in 2012.

The cost of net debt decreased by 7.3% at €18.2m, with the rise in interest rates being offset by the decrease in debt. Thus, despite the fall in the fair value of financial instruments (-€2.3m vs -€0.1m) and of the contribution from associates (€1.3m vs €3.0m), the group share of net profit rose sharply to €15.3m, against €10.3m in 2010.

Adjusted for exceptional items such as changes in fair value and gains or losses on disposals, EPRA earnings amounted to €18.5m against €16.0m in 2010. (EPRA earnings now include EPRA adjustments for all associates).

9.2.2 Significant change in net revenues or net income

No significant change in net revenues or income occurred during the year.

9.2.3 Government or economic strategy or factor that could have a direct or indirect material impact on the issuer

This information is provided in the section devoted to risk factors developed in Section 4 of this Registration Document.

10. CASH AND CAPITAL

The selected financial information below for the years ended 31 December 2009, 2010 and 2011 is taken from the proforma consolidated financial statements provided in Section 20.2.

In order to facilitate the reading of the operational performance of the Affine/AffiParis entity, Affine now consolidates since 1 October 2011 the Banimmo sub-group under the equity method. It now holds 49.5% of the capital compared with 50.0% previously. Les Jardins des Quais, held 50/50 by Affine and Banimmo, is therefore also consolidated under the equity method.

To ensure the readability of the financial statements for the year and a comparison with the statements of previous years, the accounts presented below are proforma accounts in which the Banimmo sub-group and Jardins des Quais are consolidated as equity associates over a full year for three years. These statements (income statement, balance sheet and cash flow) are part of the consolidated notes to the financial statements audited by the Statutory Auditors.

The consolidated and company financial statements are presented in sections 20.1 and 20.3 respectively.

10.1. - Capital of the company

Statement of changes in consolidated shareholders' equity

	Capital and related reserves								
(in € 000)	Capital	Reserves tied to capital	Treasury shares	Consolidated reserves	Total gains and losses recognised directly in shareholders' equity	Net income Group share	Sh. equity, Group share	Sh. equity, portion of minority shareholders	Total consolidated sh. equity
Shareholders' equity at 31/12/2009	**47,800**	**128,310**	**(9,750)**	**187,492**	**(7)**	**(2,794)**	**351,051**	**89,156**	**440,207**
Shift of BANIMMO, MONTEA & Jardin des Quais under the equity method	-	-	-	703	-	(60)	643	(74,431)	(73,788)
Recognition of interim dividend	-	-	-	(2,434)	-	-	(2,434)	-	(2,434)
Shareholders' equity at 31/12/2009 PROFORMA	**47,800**	**128,310**	**(9,750)**	**185,761**	**(7)**	**(2,854)**	**349,260**	**14,725**	**363,985**
Capital increase	-	-	-	-	-	-	-	-	-
Elimination of treasury shares	-	-	2,973	1,367	-	-	4,340	-	4,340
Preference share issue	-	-	-	-	-	-	-	-	-
Equity component of hybrid instruments	-	644	-	(5,218)	-	-	(4,575)	-	(4,575)
Share-based transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2009 earnings	-	-	-	(2,854)	-	2,854	-	-	-
Bonus shares	-	-	-	(341)	-	-	(341)	-	(341)
Dividend distribution	-	-	-	(11,492)	-	-	(11,492)	(7)	(11,499)
Dividends on treasury shares	-	-	-	781	-	-	781	-	781
Preferred dividends	-	-	-	(1,643)	-	-	(1,643)	-	(1,643)
Subtotal of changes related to shareholders	**-**	**644**	**2,973**	**(19,401)**	**-**	**2,854**	**(12,930)**	**(7)**	**(12,937)**
Change in gains and losses recognised directly in sh. equity	-	-	-	-	9	-	9	-	9
Results 2010	-	-	-	-	-	10,319	10,319	199	10,518
Subtotal	**-**	**-**	**-**	**-**	**9**	**10,319**	**10,328**	**199**	**10,527**
Effect of acquisitions and sales on minority interests	**-**	**-**	**-**	**9**	**-**	**-**	**9**	**37**	**46**
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of equity associates in changes in equity	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	794	-	-	794	75	869

(in € 000)	Capital and related reserves			Consolidated reserves	Total gains and losses recognised directly in shareholders' equity	Net income Group share	Sh. equity, Group share	Sh. equity, portion of minority shareholders	Total consolidated sh. equity
	Capital	Reserves tied to capital	Treasury shares						
Shareholders' equity at 31/12/2010	**47,800**	**128,953**	**(6,777)**	**167,164**	**2**	**10,319**	**347,462**	**15,028**	**362,490**
Capital increase	5,300	4,533	-	(66)	-	-	9,767	568	10,335
Elimination of treasury shares	-	-	1,825	256	-	-	2,081	-	2,081
Preference share issue	-	-	-	-	-	-	-	-	-
Equity component of hybrid instruments	-	(799)	-	(5,119)	-	-	(5,918)	-	(5,918)
Share-based transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2010 earnings	-	-	-	10,319	-	(10,319)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Dividend distribution	-	-	-	(20,426)	-	-	(20,426)	(427)	(20,853)
Dividends on treasury shares	-	-	-	748	-	-	748	-	748
Preferred dividends	-	-	-	-	-	-	-	-	-
Subtotal of changes related to shareholders	**5,300**	**3,734**	**1,825**	**(14,288)**	**-**	**(10,319)**	**(13,748)**	**140**	**(13,608)**
Change in gains and losses recognised directly as sh. equity	-	-	-	-	6	-	6	-	6
Results 2011	-	-	-	-	-	15,262	15,262	1,295	16,558
Subtotal	**-**	**-**	**-**	**-**	**6**	**15,262**	**15,268**	**1,295**	**16,564**
Effect of acquisitions and sales on minority interests	**-**	**-**	**-**	**17**	**-**	**-**	**17**	**(2,732)**	**(2,715)**
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of equity associates in changes in equity	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	(552)	-	-	(552)	4	(548)
SHAREHOLDERS' EQUITY AT 31/12/2011 PROFORMA	**53,100**	**132,687**	**(4,952)**	**152,341**	**8**	**15,262**	**348,447**	**13,736**	**362,182**

10.2. - Cash flows

Consolidated cash flows

The Group's funds from operations (excluding cost of debt and taxes) were down 15.6% at €38.8m, essentially resulting from the accelerating sale in finance lease. The WCR change showed a sharp improvement (€10.1m vs -€3.1m), mainly driven by VAT reimbursement on the VEFA of Nevers and Arcachon and the refurbishment on the Traversière Tower in Paris. The operating cash flow totalled €48.3m, against €39.6m for the same period in 2010.

Cash Flow (€M)	2009	2010	2011
Funds from operation	33.3	27.7	19.7
Funds from operation excluding cost of debt and taxes	51.1	45.9	38.8
Change in WCR	19.5	(3.1)	10.1
Taxes paid	2.1	(3.3)	(0.6)
Operating cash flow	**73.0**	**39.6**	**48.3**
Acquisitions & Investments	(39.7)	(24.4)	(25.5)
Disposals	69.5	88.4	47.2
Others	4.4	3.2	1.6
Investment cash flow	**34.3**	**67.1**	**23.3**
New loans	91.8	19.6	24.2
Loan repayments	(131.4)	(94.8)	(59.6)
Interest	(22.3)	(20.1)	(19.4)
Others	(25.8)	(16.7)	(18.4)
Financing cash flow	**(87.7)**	**(112.0)**	**(73.0)**
CHANGE IN CASH POSITION	**19.6**	**(5.2)**	**(1.4)**

The Group's investments were slightly up (+4.3%), with an amount of €25.5m against €24.4m in 2010. This figure consists mainly of acquisitions of building complexes, refurbishment works and the purchase by Affine of Shy's 9.8% stake in AffiParis. The active disposal policy continued and helped the Group to achieve a figure of €47.2m for disposals, sharply down. Disposals mainly represented mature or under-sized buildings. Total cash flow from investments came to €23.3m, against €67.1m for the same period in 2010.

The net balance of financing operations, including dividends paid (€10.5m) and interest charges (€19.4m), generated negative cash flow of €73m, with new borrowings accounting for 41% of repayments.

Overall, the cash position decreased by €1.4m over the period and remains at a comfortable level.

More detailed information is contained in section 20.1 and 20.2 of this document.

10.3. - Borrowing conditions – financing structure

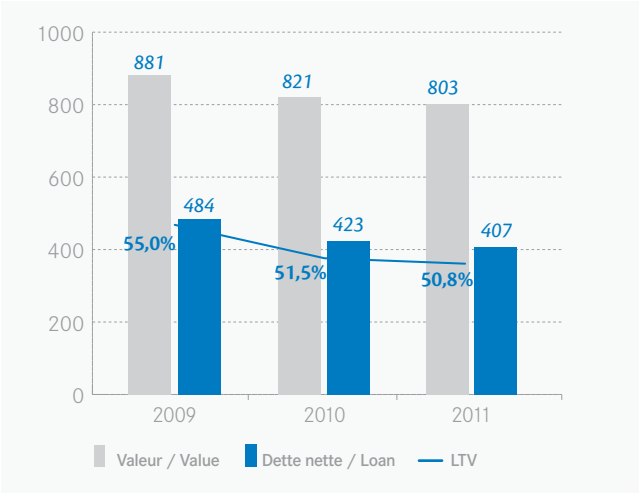
Financing

For many years, the Affine Group has implemented a prudent debt management policy based on strong relationships with its banks and dedicated per-operation medium-sized financings, secured with mortgages, long-term repayment periods, gradual amortization, and general avoidance of any financial covenants on the company itself.

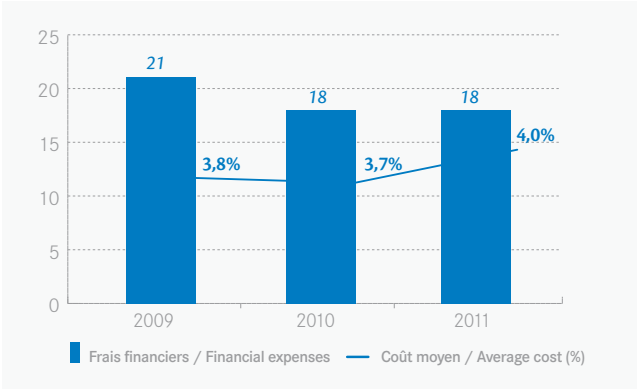
During 2011, new financings totalled €50.7m (excluding renewal of confirmed lines of credit and including a finance lease of €16.5m), compared with €76.0m in amortization of bank debt over the period.

In addition, the group had confirmed short-term lines of credit totalling €19m at December 31.

LTV (Loan-to-Value)



Cost of debt cost



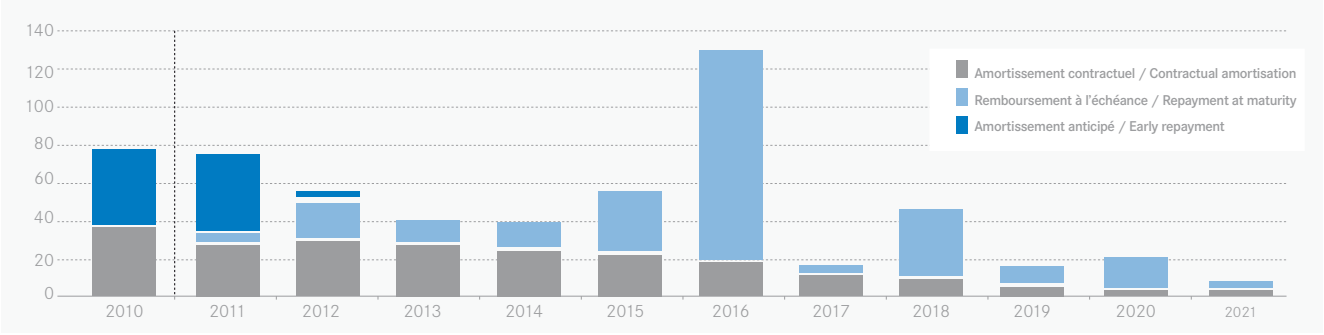
At 31 December 2011, the Group's financial debt (net of cash and cash equivalents) was €435m versus €465m at year-end 2010. It represented 1.2 times the total shareholders' equity.

After deducting the debt allocated to leasing activities (€27m), the net financial debt for investment properties, excluding buildings in anticipation of completion and the Affine stake in the net value of associates (€85m), totalled €407m, resulting in an LTV ratio of 50.8% compared with 51.5% at year-end 2010.

Financial costs on the average of net financial debt resulted in an average cost of debt of 2.9% for the year, or 4.0% including hedging costs.

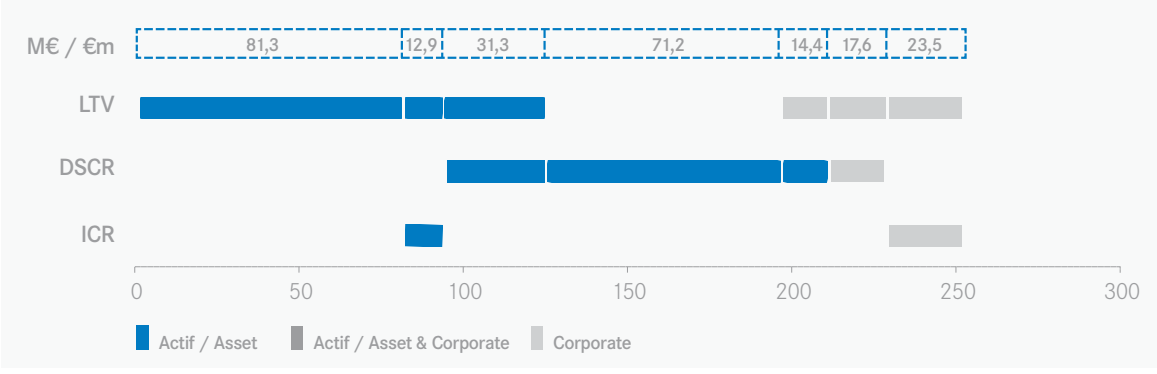
The average maturity of debt at 31 December 2011 was 5.7 years. These debts are amortized at a pace corresponding to the life of the underlying asset, with the balance of the loan repaid at final maturity. The graph below shows that the Group has no major maturities occurring over the next few years; the 2016 repayment corresponds to the maturing of the loan on the Baudry building in Affiparis, which will be sold or refinanced before or at that time.

Debt amortization (€m)



The chart below shows the amounts of debt for Affine and AffiParis which are subject to covenants on the financed asset, and exceptionally on the company.

Breakdown of covenants (€m)



10.4. - Restriction on the use of capital

Information concerning any restriction on the use of capital which could have a direct or indirect material impact on the issuer's operations is provided in Section 4.2 of this Registration Document.

10.5. - Necessary financing sources

The refinancing of certain loans which mature in 2012 is being finalised.

11. RESEARCH AND DEVELOPMENT, PATENTS AND LICENSES

The company has no research and development policy or patents.

12. TRENDS

12.1. - Key trends

There are no significant elements to be declared since the publication of earnings at 31/12/2011 (Press release of 22 February 2012).

12.2. - Outlook

The uncertainties impacting the global economy, both in terms of growth and the financial system, confirm the relevance of the prudent strategy adopted by Affine for its development.

In 2012, Affine will focus on identifying investments with a strong potential to create value, continue to optimise rental management, particularly by improving the group's processes, and finalise the 2012 refinancing programme which is already 90% in progress.

The company is also studying the various possibilities for merging with its subsidiary AffiParis. This process may be completed after the sale of the group's main asset in Paul-Baudry.

The issuer declares that no significant element has affected its outlook since its last financial statements published for the year ended 31 December 2011.

13. PROFIT PROJECTIONS OR ESTIMATES

The company does not publish profit projections or estimates.

14. ADMINISTRATIVE, SUPERVISORY AND MANAGEMENT BODIES

14.1. - Board of directors and corporate management

Members of the Board of Directors at 21 February 2012

Full name or company name Business address	Date of first appointment	Term expiration date (GM approving accounts)	Position held in the company	Principal position held outside the company
Maryse Aulagnon 5 rue Saint Georges 75009 PARIS	21/09/1999	2011	Chairwoman-Chief Executive Officer	
MAB-Finances represented by Alain Chaussard 5 rue Saint Georges 75009 PARIS	28/05/2005	2012	Director, Vice Chairman	
Arnaud de Bresson 39/41 rue Cambon 75001 PARIS	05/02/2008	2011	Director	General delegate from Paris Europlace
Stéphane Bureau 11-13 Avenue de Friedland 75008 PARIS	05/03/2010	2011	Director	Partner, Chief Executive Officer of Asset Management at Cushman & Wakefield – Paris (Consultant – property & asset management).
Bertrand de Feydeau 59 avenue Kléber 75016 PARIS	22/05/2001	2011	Director	Chairman of Foncière Développement Logements
Forum Partners, represented by Andrew Walker 43-45 Portman Square - London W1H 6HN (Grande Bretagne)	29/04/2009	2011	Director	Mr. Walker: Founding partner and Chief Executive Officer of Forum Partners
Michel Garbolino c/o IRR 17 av. George V 75008 PARIS	21/09/1999	2011	Director	Trustee Stern Foundation
Holdaffine BV represented by Jean-Louis Charon 11 rue des Pyramides 75001 PARIS	29/04/2009	2011	Director	Mr. Charon: Chairman of City Star Capital
LICA, GmbH represented by Burkhard Leffers Kälberstücksweg 45,61350 BAD HOMBURG V.D. HOHE (Allemagne)	08/09/2010	2011	Director	Mr. Leffers: Member of the Supervisory Board of the French-German Chamber of Commerce
Philippe Tannenbaum 27 rue de Berri 75008 PARIS	10/12/2007	2011	Director	Financial analyst - Arkeon Finance Senior Advisor, Institut de l'Epargne Immobilière et Financière
François Tantot 7 rue Eugène Million 75015 PARIS	28/05/1997	2011	Director	Former Chief Executive Officer of Aareal Bank France

Mr. Ariel Lahmi resigned from the Board, effective 5 July 2011.

The Board, meeting on 21 February 2012, on the recommendation of the Appointments and Compensation Committee held earlier the same day, decided to recommend a change in the articles of association to the General Meeting of 27 April 2012 to allow scheduled renewal of the terms of directors (replacement of one-third each year). The following will be submitted to the Meeting: the renewal of the directorships of Maryse Aulagnon, Stéphane Bureau and Holdaffine for a term of three years, of Bertrand de Feydeau, Forum Partners and Michel Garbolino, for a term of two years, and Arnaud de Bresson for a one-year term.

Lica GmbH, represented by Burkard Leffers, Philippe Tannenbaum and François Tantot are not seeking renewal of their seats on the Board.

The Board of Directors on 21 February 2012, after review by the Appointments and Compensation Committee, also recommended the election to the Board of Joëlle Chauvin, Property Director of Aviva France, for a term of one year, at the Meeting of 27 April 2012.

If the shareholders approve the Board's recommendation, there will be nine directors on the Board at the end of the General Meeting of 27 April 2012: Maryse Aulagnon, Mab-Finances represented by Alain Chaussard, Arnaud de Bresson, Stéphane Bureau, Joëlle Chauvin, Bertrand de Feydeau, Forum Partners represented by Andrew Walker, Michel Garbolino and Holdaffine BV represented by Jean-Louis Charon.

Pursuant to the Middlenext Code, the principles for determining the independence of a director are as follows: an independent director

- may not be an employee or officer of the company or of a group company now or within the last three years;
- may not be a significant client, supplier or banker of the company or its group, or for which the company or its group represents a significant percentage of its business;
- may not be a reference shareholder of the company;
- may not have any close family ties with an officer or reference shareholder;
- may not have been an auditor of the company during the last three years.

Under these principles, at 21 February 2012, the following members are considered to be independent: Arnaud de Bresson, Stéphane Bureau, Bertrand de Feydeau, Forum Partners, Michel Garbolino, LICA GmbH, Philippe Tannenbaum and François Tantot, which is 8 out of 11 directors.

No corporate officer has been convicted of fraud in the last five years. To the knowledge of the company, none of the corporate officers has been a party to bankruptcy, seizure, incrimination or official sanction rules by oversight or regulatory authorities and has not been prohibited by a court from serving as a member of an administrative body or executive or participating in the management of the business of an issuer during the last five years.

List of offices and positions held in any company by the members of the Board of Directors in 2011:

Executives

Maryse Aulagnon

➢ Offices in the Affine group:

- AFFIPARIS (SA, listed company), director, Vice Chairwoman, 2011 financial statements
- AFFINE (SA, listed company), Chairwoman and Chief Executive Officer, 2011 financial statements
- BANIMMO (SA, listed company), Belgium, Affine representative, Chairwoman,
- GESFIMMO (previously Affine Développement I (SAS)), representing Affine, Chairwoman (until 29 November 2011)
- ATIT (SC), manager (until 23 March 2011), Affine representative, Chairwoman (since 23 March 2011)
- 2/4 HAUSSMANN (SAS), Atit representative, liquidator,
- CAPUCINE INVESTISSEMENTS (SAS), Affine representative, Chairwoman,
- CAPUCINES III (SCI), Affine representative, Manager (until 30 June 2011),
- CAPUCINES IV (SCI), Affine representative, Manager (until 30 June 2011),
- CAPUCINES V (SCI), Affine representative, Manager (until 30 June 2011),
- CAPUCINES VI (SCI), Affine representative, Manager (until 30 June 2011),
- CONCERTO DEVELOPPEMENT (SAS), Mab-Finances representative, member of the Management Committee,
- COUR DES CAPUCINES (SA), representative of Mab-Finances, director,
- LES 7 COLLINES (SAS), Affine representative, Chairwoman,
- LUMIERE (SAS), Affine representative, liquidator (until 29 June 2011),
- MAB-FINANCES (SAS), Chairwoman,
- NEVERS COLBERT (SCI), Affine representative, Manager,
- PROMAFFINE (SAS), Chairwoman (until 27 May 2011), Affine representative, Chairwoman (since 27 May 2011)
- SCI BOURGTHEROULDE L'EGLISE (SCI), Promaffine representative, Manager (until 30 June 2011),
- SCI LUCE PARC-LECLERC (SCI), Promaffine representative, Manager,
- SCI NANTERRE TERRASSES 12 (SCI), Promaffine representative, Manager,
- SCI PARIS 29 COPERNIC (SCI), Promaffine representative, Manager,
- SIPEC (SAS), representative of Affine, chairwoman,
- TRANSAFFINE (SNC), Manager (until 30 June 2011)
- AFFINVESTOR GmbH, Germany, Manager (until 31 August 2011),
- SCI BRETIGNY (SCI), Affine representative, Manager (since 12 December 2011),
- JARDINS DES QUAIS (SNC), Affine representative, Manager (since 12 December 2011),
- HOLDAFFINE (BV), Netherlands, director,

➢ Offices outside the Affine group:

- AIR FRANCE KLM (SA, listed company), director
- BPCE (SA), member of the Supervisory Board

Alain Chaussard

➢ Offices in the Affine group:

- AFFINE (SA, listed company), Co-Chief Executive Officer permanent representative of Mab-Finances, Vice Chairman, directors, 2012 financial statements
- AFFIPARIS (SA, listed company), Chairman-Chief Executive Officer, 2011 financial statements
- BANIMMO (SA, listed company), Belgium, Holdaffine representative, director
- AFFINE DEVELOPPEMENT II (SAS), Affine representative, Chairman (until 30 June 2011)
- ARCA VILLE D'ETE (SCI), Affine representative, Manager,
- CAPUCINE INVESTISSEMENTS (SAS), Mab-Finance representative, member of the Management Committee (until 27 May 2011)
- CONCERTO DEVELOPPEMENT (SAS), Chairman (until 23 May 2011); Affine representative, Chairman (since 23 May 2011), member of the Management Committee,
- CONCERTO DEVELOPPEMENT IBERICA (SL), Spain, Concerto Développement representative, Manager
- CONCERTO LOGISTIC PARK MER (SCI), Concerto Développement representative, Manager
- COUR DES CAPUCINES (SA), chairman and chief executive officer,
- MAB-FINANCES (SAS), co-chief executive officer,
- PROMAFFINE (SAS), member of the Management Committee (until 27 May 2011),
- ST ETIENNE MOLINA (SAS), Affine representative, Chairman
- AFFINVESTOR GmbH, Germany, Manager (until 31 August 2011)
- CARDEV (SA), Belgium, representative of Affine, Chairman of the Board of Directors
- SC HOLDIMMO, AffiParis representative, Manager
- SCI COSMO MONTPELLIER, AffiParis representative, which represents Holdimmo, Manager
- SCI COSMO TOULOUSE, representing AffiParis, which represents Holdimmo, Manager
- SCI COSMO MARSEILLE, representing AffiParis, which represents Holdimmo, Manager
- SCI COSMO LILLE, representing AffiParis, which represents Holdimmo, manager
- SCI DU BEFFROI, representing AffiParis, which represents Holdimmo, manager
- SCI DU 28 A 32 PLACE CHARLES DE GAULLE, representing AffiParis, which represents Holdimmo, manager (until 30 June 2011)
- GOUSSINVEST (SCI), representing AffiParis, which represents Holdimmo, manager
- SCI NUMERO 1, manager
- SCI NUMERO 2, manager
- SARL COSMO, manager (until 11 May 2011), representing AffiParis, which represents Holdimmo, liquidator (since 11 May 2011)
- SCI 36, manager
- PM MURS (SCI), manager (until 30 June 2011)
- SCI AULNES DEVELOPPEMENT, representing Concerto Développement, co-manager
- TARGET REAL ESTATE, representing Affine, Chairman (since 12 December 2011)

➢ Offices outside the Affine group:

- MGP SUN sarl (Luxembourg), manager

Directors:

Arnaud de Bresson

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Other positions:

- PARIS EUROPLACE, General delegate
- INSTITUT EUROPLACE DE FINANCE (IEF), Managing Director
- FINANCE INNOVATION, Chief Executive Officer of the Competitiveness Division
- FRANCE-CHINA COMMITTEE, director
- INSTITUT FRANÇAIS DES ADMINISTRATEURS (IFA), director
- INTERNATIONAL CORPORATE GOVERNANCE, NETWORK (ICGN), member
- REVUE D'ECONOMIE FINANCIERE (REF), member of the editorial committee
- UNIVERSITE D'EVRY, director

Stéphane Bureau

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Other positions:

- CUSHMAN & WAKEFIELD – Paris (Conseil – property & asset management), Partner – Managing Director Asset Management

Jean-Louis Charon
Permanent representative of Holdaffine BV

Offices in the Affine group:

- AFFINE (SA), permanent representative of Holdaffine BV, director, 2011 financial statements 2011

➢ Offices outside the group:

- CITY STAR CAPITAL (SAS), Chairman,
- SOBK SAS, chairman
- HORUS CAPITAL 1 (SAS), representative of Sobk, chairman
- HORUS GESTION (Sarl), manager,
- SELECTIRENTE SAS, vice-chairman of the Supervisory Board
- CONFIM SAS, chairman,
- CITY STAR PROPERTY INVESTMENT SAS, chairman,
- SEKMET EURL, manager,
- SCI JLC Victor Hugo, manager,
- SCI LAVANDIERES, manager,
- FONCIERE ATLAND, director
- I.P.H SAS, Chairman

- SCI 10 Four Charon, manager
- MEDAVY Art et Antiquités, manager
- SAS VALERY, Chairman
- INVESCOBO, Chairman
- INVESCOSOM, Chairman
- NEW CONFIM, Chairman
- OPCI VIVAPIERRE, member of the Board of Directors
- OPCI POLYPIERRE, member of the Board of Directors

Bertrand de Feydeau

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Offices outside the Group:

- KLEPIERRE (SA), member of the supervisory board
- FONCIERE DES REGIONS (SA), director,
- FONCIERE DEVELOPPEMENT LOGEMENTS (SA), non-executive chairman
- SMAF (Société des Manuscrits des Assureurs Français), Chairman-Chief Executive Officer,
- SOCIETE BEAUJON (SAS), director
- KLEMURS (SA), director,
- SEFRI CIME (SA), director

➢ Other positions:

- FONDATION DES BERNARDINS, President
- FONDATION PALLADIO, President
- FEDERATION DES SOCIETES IMMOBILIERES ET FONCIERES (FSIF), director
- CLUB DE L'IMMOBILIER, director
- FONDATION DU PATRIMOINE, Vice Chairman
- VIEILLES MAISONS FRANÇAISES, Vice Chairman

Michel Garbolino

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Offices outside the group:

- FONCIERE ROCADE, Luxembourg, manager,
- C.M.I.L, Luxembourg, manager
- YMAGIS (SA), director
- FONDATION STERN, trustee

Ariel Lahmi

➢ Offices in the Affine group:

- AFFINE (SA, listed company), director until 5 July 2011
- AFFIPARIS (SA, listed company), director until 5 July 2011,

➢ Offices outside the Affine group:

- BEEKMAN REIM (LLC), USA, Chairman
- COURCELLES INVEST (SARL), manager,
- DAN REAL ESTATE (SCI), manager,
- JDJ ONE (LLC), USA, chairman,
- JDJ TWO (SA), Luxembourg, managing director,
- JDJ 26 (SA), Luxembourg, chairman,
- JDJ 8 (SA), Luxembourg, chairman,

Burkhard Leffers
Permanent representative of LICA GmbH

➢ Offices in the Affine group:

- AFFINE (SA), representative of LICA GmbH, director, 2011 financial statements

➢ Offices outside the group:

- LICA GmbH, Germany, manager
- CHAMBRE DE COMMERCE FRANCO ALLEMANDE, Paris, member of the Supervisory Board
- LEFFERS & CO GmbH, Germany, Chairman of the Board
- SFM Structured Finance Management (Deutschland) GbmH, Germany, director
- IINSTITUT FUR WIRSTCHAFTSBERATUNG KARL
- A. NIGGEMAN & Partner GmbH & Co.KG, Germany, partner

Philippe Tannenbaum

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Offices outside the group:

- FINANCIERE LHOMOND EURL, Manager

➢ Other positions:

- GROUPE ARKEON, financial analysts
- Institut de l'Epargne Immobilière et Foncière (IEIF), senior advisor
- Université de Paris-Dauphine, lecturer in the Property Management Master's programme

François Tantot

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Offices outside the group:

- FTAC (Sarl), manager
- Crédit mutuel Ile de France, director

Andrew Walker
Permanent representative of Forum Partners

➢ Offices in the Affine group:

- AFFINE (SA), director, 2011 financial statements

➢ Offices outside the group:

- Forum Partners Investment Management LLC (USA Delaware), director
- Forum European Realty Investment Management LLC (USA Delaware), director
- Forum European Realty Investment Management II LLC (USA Delaware), director
- Forum European Realty Investment Management III LLC (USA Delaware), director
- Forum Asian Realty Investment Management LLC (USA Delaware), director
- Forum Asian Realty Investment Management II LLC (USA Delaware), director
- Wiltshire Realty Investments LLC (USA Delaware), director
- Forum Partners Europe (UK) LLP (Great Britain), partner
- Forum European Realty Income GP Limited (Cayman Islands), director
- Forum European Realty Income II GP Limited (Cayman Islands), director
- Forum European Realty Income III GP Limited (Cayman Islands), director
- Züblin Immobilière France SA, director
- Züblin Immobilien Holding AG, Switzerland, director
- Forum Partners Ltd, Great Britain, shareholder, controller
- Forum Partners Asia (HK) Ltd, Hong Kong, shareholder, controller
- Forum Global Real Estate Management LLC, (USA Delaware), shareholder, controller
- Forum Holdings Limited (Cayman Islands), shareholder, controller
- Forum Securities Limited (Cayman Islands), shareholder, controller
- Forum Securities (UK) Limited, Great Britain, shareholder, controller
- Forum Securities (HK) Limited, Hong Kong, shareholder, controller
- FSX Securities Canada Inc, Canada, shareholder, controller
- Forum European Realty Income GP Limited (Cayman Islands), shareholder, controller
- Forum European Realty Income II GP Limited (Cayman Islands), shareholder, controller
- Forum European Realty Income III GP Limited (Cayman Islands), shareholder, controller
- Forum Asian Realty Income GP Limited, (Cayman Islands), shareholder, controller
- Forum Asian Realty Income II GP Limited, (Cayman Islands), shareholder, controller
- New River Retail Limited, Guernsey, director
- Roxhill Developments Limited, Great Britain, director

Over the last five years, the members of the Board of Directors also held the following offices within an administrative or management body:

➢ Maryse Aulagnon

- AD VALORE INVEST SA, Luxembourg, Affine representative, Chairwoman
- WEGALAAN (SAS), Affine representative, Chairwoman until 1 January 2009

➢ Alain Chaussard

- AFFINE BUILDING CONSTRUCTION AND DESIGN (SAS): member of the Management Committee (sale in 2008)
- ABCD Deutschland GmbH, Germany, co-manager (sale in 2008)
- BUSINESS FACILITY INTERNATIONAL - BFI (SAS), Chairwoman

➢ Bertrand de Feydeau

- AXA IMMOBILIER (SAS), chairman,
- AXA AEDIFICANDI “Cœur Défense” (SICAV), director

➢ Jean-Louis Charon

- PAREF (SA), Vice Chairman of the Supervisory Board
- NEXITY (SA), advisor

Arnaud de Bresson, Stéphane Bureau, Michel Garbolino, Burkhard Leffers, Philippe Tannenbaum, François Tantot and Andrew have not, to the company’s knowledge, held office on an administrative or management body in the last five years other than those listed above.

14.2. - Conflicts of interest on the administrative, management and supervisory boards

There are no potential conflicts of interest among the members of the Board of Directors and management other than the agreements and commitments indicated below.

The related-party agreements and commitments as defined by Article L 225-38 of the French Commercial Code are as follows:

Agreements and commitments authorised in 2011:

With the companies AffiParis SA, Atit SCI, Gesfimmo SAS, St Etienne Molina SAS, Cour des Capucines SA, Sipec SAS, Nevers Colbert SCI, Arca Ville d'Eté SCI, SCI 4/6 rue de Bourgogne Brétigny/Orge SCI, Target Real Estate SAS, Capucine Investissements SAS, Les 7 Collines SAS and Promaffine SAS:

Directors concerned:
Maryse Aulagnon, Mab Finances (Alain Chaussard) and Alain Chaussard

Centralised agreement for cash managements and intra-group advances dated 22 December 2011 (effective 1 January 2012), authorised by the Board of Directors on 14 December 2011.

Agreements and commitments not previously authorised:

➢ With Holdaffine BV:

Directors concerned:
Holdaffine (represented by Jean-Louis Charon), Maryse Aulagnon,

Credit line agreement signed by Affine and the Holdaffine company for a maximum amount of €1,000,000.

On 30 September 2011, the sale of 43,000 shares of Banimmo stock to Holdaffine at market price for a total of €531,050.

These agreements did not receive prior authorisation because of calendar constraints. The Board of Directors on 21 February 2012 authorised these agreements a posterieri and they will be submitted for the approval of the General Shareholders' Meeting on 27 April 2012.

Agreements and commitments approved during prior years:

➢ With MAB-Finances (SAS):

Directors concerned:
Maryse Aulagnon, Mab Finances (Alain Chaussard)

Under the administrative, financial and operational development services agreement, signed with Mab Finances, the expenses booked in the Affine accounts at 31 December 2011 was €318,390 excluding taxes.

Agreement authorised by the Board of Directors on 21 March, 2005, 14 February 2007 and 4 March 2009 and approved by the General Meetings of 21 April 2006, 26 April 2007 and 28 April 2009.

➢ With AffiParis (SA):

Directors concerned:
Alain Chaussard, Maryse Aulagnon, Ariel Lahmi (until 5 July 2011)

Services agreement (administrative services) dated 21 December 2010 (effective 1 July 2010)

Management agent agreement dated 21 December 2010 for the properties of AffiParis and its subsidiaries (effective 1 July 2010)

Services agreement (asset management of AffiParis properties) dated 21 December 2010 (effective 1 July 2010)

Agreements authorised by the Board of Directors of 3 March 2011 and approved by the General Meeting of 28 April 2011.

➢ With the Co-Chief Executive Officer (Alain Chaussard):

Pursuant to the recommendation from the Compensation Committee of 7 March 2005, approved by the Board of Directors on 21 March 2005, Affine raised the severance package owed to Alain Chaussard, Co-Chief Executive Officer, if his position ended, to a year of the total gross compensation paid by all companies of the group. This severance package will not be paid in the event of proven gross negligence or serious misconduct.

In accordance with the recommendation of the Compensation Committee of 4 March 2009, the Board of Directors, at a meeting held the same day, decided to subject the payment of the severance package to a performance condition tied to Affine's results, pursuant to Article L 225-42-1 of the Commercial Code. The performance condition is as follows:

- one year of total gross compensation if the net income in Affine's company financial statements is at least equal to 3% of the shareholders' equity, excluding subordinated debt;
- if this condition is not met, performance may be assessed on the basis of the consolidated financial statements, excluding fair value effects.

The income used will be the income for the year prior to Alain Chaussard's departure.

Agreement authorised by the Board of Directors on 4 March 2009 and approved by the Combined Ordinary and Extraordinary Shareholders' Meeting of 29 April 2009.

15. COMPENSATION AND BENEFITS

15.1. - Compensation and benefits paid in 2011 to the members of the administrative and management bodies

This information is provided in table form in accordance with the recommendations of the AMF.

TABLE 1

This table covers only the corporate executive officers as this notion is defined in Article L 225-185 of the Commercial Code, i.e. the Chairman of the Board, Chief Executive Officer and Co-Chief Executive Officer.

Summary table of compensation and options and stock awarded to each corporate executive officer

All compensation is paid by Affine, with the exception of director's fees, a portion of which is paid by AffiParis.	2010	2011
Maryse Aulagnon		
Chairwoman and Chief Executive Officer		
Compensation owed for the year (detailed in Table 2)	€273,950	€269,651
Valuation of options granted during the year	None	None
Valuation of performance shares awarded during the year	None	None
Alain Chaussard		
Co-Chief Executive Officer		
Compensation due for the year (detailed in Table 2)	€399,002	€413,768
Valuation of options granted during the year	None	None
Valuation of performance shares awarded during the year	10,050 Affine shares vested, on the basis of the share price at 31 December 2010 10,050 x €17.10 which is €171,855	None

TABLE 2

Summary table of the compensation of each corporate executive officer

	2010		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Maryse Aulagnon **Président Directeur Général**				
Fixed compensation (paid by Mab-Finances and Affine)	€259,089	€259,089	€254,214	€254,214
Variable compensation	None	None	None	None
Exceptional compensation	None	None	None	None
Director's fees	€14,861	€14,861	€15,437	€15,437
In-kind benefits	None	None	None	None
TOTAL	**€273,950**	**€273,950**	**€269,651**	**€269,651**
Alain Chaussard* **Co-Chief Executive Officer**				
Fixed compensation	€321,470	€321,470	€327,250	€327,250
Variable compensation**	€40,000	€40,000	€50,000	€50,000
Exceptional compensation	None	None	None	None
Director's fees	€15,783	€15,783	€15,437	€15,437
In-kind benefits*** (paid by Affine)	€21,750	€21,750	€21,081	€21,081
TOTAL	**€399,002**	**€399,002**	**€413,768**	**€413,768**

The director's fees include attendance at meetings of the Board of Directors of Affine and of AffiParis and the special committees.

* Chaussard benefits from a severance package.

** the variable and exceptional compensation reflect the beneficiary's contribution to the results achieved by the Affine group. The determination of the variable and exceptional compensation is analysed every year by the Affine Compensation Committee. This analysis is based on the assessment of qualitative and quantitative criteria and is then presented to the Affine Board of Directors.

*** including the contribution for the social guarantee of heads of business or executives, which for 2011 was €16,524 and €4,557 for a company vehicle for 2011.

TABLE 3

Director's fees and other compensation received by non-executive corporate officers

All compensation is paid by Affine, with the exception of the director's fees paid by AffiParis. The individual amount of the director's fees is determined according to the number of Board of Directors' and special Committee meetings attended by the director. The amount of the director's fees paid in 2011 is based on the Board of Directors and special committee meetings held in 2010.

	2010		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Arnaud de Bresson				
Director's fees	€6,387	€6,387	€8,349	€8,349
Other compensation	None	None	None	None
TOTAL	**€6,387**	**€6,387 €**	**€8,349 €**	**€8,349 €**
Stéphane Bureau				
Director's fees	0	0	€3,340	€3,340
Other compensation	None	None	None	None
TOTAL	**€0**	**€0**	**€3,340**	**€3,340**
Jean-Louis Charon				
Director's fees	€11,076	€11,076	€11,349	€11,349
Other compensation	None	None	None	None
TOTAL	**€11,076**	**€11,076**	**€11,349**	**€11,349**
Bertrand de Feydeau				
Director's fees	€4,790	€4,790	€6,679	€6,679
Other compensation	None	None	None	None
TOTAL	**€4,790**	**€4,790**	**€6,679**	**€6,679**
Michel Garbolino				
Director's fees	€7,984	€7,984	€11,019	€11,019
Other compensation	None	None	None	None
TOTAL	**€7,984**	**€7,984**	**€11,019**	**€11,019**
Ariel Lahmi (1) (2) (3)				
Fixed compensation	€59,903	€59,903	None	None
Variable compensation	None	None	None	None
Exceptional compensation*	€119,805	€119,805	None	None
Director's fees	€15,782	€15,782	€13,333	€13,333
In-kind benefits	€17,193	€17,193	None	None
TOTAL	**€212,683**	**€212,683**	**€13,333 €**	**€13,333**
Burkhard Leffers(1)				
Director's fees	€9,581 €	€9,581	€10,019	€10,019
Other compensation	None	None	None	None
TOTAL	**€9,581**	**€9,581**	**€10,019**	**€10,019**
Philippe Tannenbaum				
Director's fees	€7,883	€7,883	€11,349	€11,349
Other compensation	None	None	None	None
TOTAL	**€7,883**	**€7,883**	**€11,349**	**€11,349**
François Tantot				
Director's fees	€14,168 €	€14,168	€14,019	€14,019
Other compensation	None	None	None	None
TOTAL	**€14,168**	**€14,168**	**€14,019**	**€14 019**
Andrew Walker(1)				
Director's fees	€4,790	€4,790	€8,349	€8,349
Other compensation	None	None	None	None
TOTAL	**€4,790**	**€4,790**	**€8,349**	**€8,349**

(1) Amounts are indicated before 25% withholding.
(2) Including his settlement for contract termination and the end of his position as Chairman of Concerto Développement.
(3) Director until 5 July 2011.

TABLE 4

Stock options for new or existing shares granted during the year to each corporate officer by the issuer and by any company of the group

Name of officer	Plan N°. and date	Type of options	Valuation of options	Number of options granted during the year	Exercise price	Exercise period
Maryse Aulagnon Chairwoman-Chief Executive Officer	None					
Alain Chaussard Co-Chief Executive Officer	None					

The company granted no stock options.

TABLE 5

Options for new or existing shares exercised during the year by each corporate officer

Name of the executive corporate officer	Plan N°. and date	Number of options exercised during the year	Exercise price
Maryse Aulagnon Chairman-Chief Executive Officer	None		
Alain Chaussard Co-Chief Executive Officer	None		

No stock options were exercised.

TABLE 6

Bonus shares granted to corporate officers

Bonus shares	Plan date	Number of shares awarded during the year	Valuation of the shares	Award date	Vesting date
Maryse Aulagnon Chairman-Chief Executive Officer	None				
Alain Chaussard Co-Chief Executive Officer	09 November 2005				
	19 December 2005	9,900*		19 December 2005	19 December 2008
	18 December 2006	9,900*		18 December 2006	18 December 2009
	10 December 2007	10,050		10 December 2007	10 December 2010
TOTAL SHARES VESTED		**29,850**			
Ariel Lahmi Director	09 November 2005				
	19 December 2005	6,000*		19 December 2005	19 December 2008
	18 December 2006	6,000*		18 December 2006	18 December 2009
	10 December 2007	7,500		10 December 2007	None - left company in March 2010
TOTAL SHARES VESTED		**12,000**			

* after three-for-one stock split on 2 July 2007.

The table presented above differs from the model recommended by the AMF to the extent that the award of shares to the corporate officers was not subject to performance conditions.

The Combined Ordinary and Extraordinary Meeting of 9 November 2005 authorised the Affine Board of Directors to make, on one or more occasions, to some or all employees of the company, or to the executive defined in Article L225-1971 II of the Commercial Code, and to the employees and executives of the companies or economic interest groups affiliated with the company, under the conditions defined in Article L 225-197-2 of the French Commercial Code, a bonus award of new or existing shares, up to 1% of the number of shares outstanding on the date of the Meeting.

The share award was made to employees and certain executives of the company and its subsidiaries and was not, therefore, exclusively reserved for executives.

In addition, the authority to award these shares dates back to 2005, and the award was to take place over three years but, given the departure of certain beneficiaries, a last award was made in 2008. However, in 2008, the beneficiaries were not executives or corporate officers of the company.

Based on the launch date of the award plan and the award dates for the shares to the executives and corporate officers named above, the addition of a performance condition after the date of award does not apply.

Affine uses the unit fair value accounting method to value the bonus share plans: the valuation is based on the price of the share on the date of the initial award. No assumption about continued employment is used to calculate the valuation during the vesting period.

The expense is deferred for the 3-year vesting period, without discounting effect.

TABLE 7

Bonus shares which became available for each corporate officer during the year

Bonus shares vested for each corporate officer	Plan No. and date	Number of shares vested during the year	Vesting conditions
Maryse Aulagnon Chairwoman-Chief Executive Officer	None		
Alain Chaussard Co-Chief Executive Officer	None	None	None
Ariel Lahmi Director of Affine- Chairman of Concerto Développement until 24 March 2010	None	None	None

TABLE 8

History of stock options granted

Information on options for new or existing shares
None

The company granted no options for new or existing shares.

TABLE 9

Options for new or existing shares granted to the top ten non-officer employee beneficiaries and the options they exercised	Total number of options granted / new or existing shares purchased
None	

The company awarded no stock options.

TABLE 10

The table concerns only the Chief Executive Officer and the Co-Chief Executive Officer.

Executive corporate officers	Employment contracts	Supplemental pension plan	Indemnity or benefit due, or which could be owed for the end of or change in positions	Indemnities related to a non-compete clause
Maryse Aulagnon Chairmwoman-Chief Executive Officer	None	None	None	None
Alain Chaussard	None	None	One year of total gross compensation if the net profit in the Affine company financial statements is at least equal to 3% of the equity, if this condition is not met, performance may be assessed on the basis of the consolidated financial statements.	None

15.2. - Amounts accrued for pensions, retirement and other benefits

The employees of Affine are covered by the French national collective agreement for financial companies of 22 November 1968, amended on 1 November 2008. This agreement does not stipulate a retirement indemnity other than the one provided by the general plan. The pension plan used is defined benefits.

For prudent reasons, provisions for pension commitments are recognised in the accounts, using the assumption of retirement at 65, and amounted to €445,000 at 31 December 2011.

The assumptions used to calculate the provisions are as follows:
Discount rate: 3.8%
Turnover rate: 12.52 % before 50 and 3% after that
Salary revaluation ratio: 1.58%
Mortality table INSEE-TD-TV 06-08

As a result of the withdrawal of the financial company authorisation on 19 December 2011, Affine will be subject to the Real Estate Collective Agreement at the expiration of a transition period of 18 months maximum.

16. OPERATION OF THE ADMINISTRATIVE AND MANAGEMENT BODIES

16.1. - Expiration date of terms

This information is provided in Section 14.1 of this Registration Document.

16.2. - Contract binding the management holding company and the issuer

Affine signed an administrative, financial and operational development services agreement with the management holding company MAB Finances SAS. The signing of this agreement was approved by the Board of Directors and ratified by the General Meetings of the company.

The company's financial statements at 31 December 2011 recorded a total expense of €318,390 excluding tax.

16.3. - Special committees

The Board of Directors has created three committees responsible for preparing its work.

The committees are composed of three to seven members who are members of the Board of Directors. The members of the committee must have the technical competence to sit on the committee.

The committees report on their work to the Board of Directors after holding a meeting.

1) Appointments and Compensation Committee:

The members of this committee are:

- Bertrand de Feydeau
- Michel Garbolino
- François Tantot

The Compensation Committee meets prior to the Board meeting to close the annual accounts or when decisions related to its mission must be submitted to the Board.

The committee is composed entirely of independent directors.

Management may attend meetings of the Compensation Committee in order to present the company's general compensation policy, excluding management's compensation and other benefits.

The purpose of this committee includes the compensation of the corporate officers, any bonus share awards, and the company's general compensation policy.

Since the Board meeting of 29 April 2009, the committee has also been responsible for selecting new directors and corporate officers; it also examines the qualification of independent director.

When the committee meets as the Appointments Committee, the corporate officers attend the meeting when it deals with the selection of new directors and to review the qualifications of an independent director.

It met twice in 2011 (attendance rate 100%) prior to the Board meetings on 3 March and 8 June 2011.

2) Commitment Approval Committee:

The members of this committee are:

Maryse Aulagnon

- Michel Garbolino
- Holdaffine represented by Jean-Louis Charon
- Mab Finances represented by Alain Chaussard
- François Tantot

The Real Estate Director may be asked to present an operation to the Commitment Approval Committee.

The Commitment Approval Committee may be convened urgently if necessary and by any means. The members of the committee may be consulted in writing and their opinions given by mail or fax.

The Commitment Approval Committee is responsible for disposal and acquisition transactions up to €10 million per transaction and the transactions accepted by the Committee are then submitted at the next Board meeting. The committee also provides the Board with a recommendation on transactions in excess of this amount.

The Committee met once in 2011 (attendance rate 100%).

3) Accounts Committee:

The members of this committee are:

- François Tantot, Chairman
- Holdaffine represented by Jean-Louis Charon
- Philippe Tannenbaum.

The Chairman of this committee is independent under the recommendations of the Middlenext Code.

The following may also attend meetings of the Committee:

Maryse Aulagnon

Alain Chaussard

as chief executive officers of the company, along with the Director of Accounting and Management Control.

The audit committee was renamed the accounts committee by the Board of Directors on 29 April 2009.

The company's statutory auditors are generally invited to meetings and always attend meetings to review the annual and half-year financial statements.

The committee meets at least twice a year, prior to the Board of Directors' meeting held to approve the annual and half-year financial statements.

The committee may be convened if a particular event arises or if there is a specific regulation with an impact on its scope of operation.

The committee's role is to prepare the following for review by the Board:

- the accounting policies applied, and particularly any changes in policies compared to the preceding financial year;
- the accounts closing process;
- the draft financial statements.

Only the Board of Directors is ultimately responsible for decisions regarding the financial statements.

The committee also gives its opinion on the choice of statutory auditors for the company prior to their appointment by the General Shareholders' Meeting, as well as on their mission and fees.

The Accounts Committee met five times in 2011 (attendance rate 100%).

16.4. - Corporate governance

For corporate governance matters, the company has chosen to adopt the Middlenext Code of December 2009. The organisation of the company, its Board of Directors and its work comply with the recommendations of this Code.

The Board's attention was also called to the points for vigilance mentioned in this Code.

The company, in order to complete the organisational and operating rules of its Board of Directors and resulting special committees, and to specify the limits on the powers granted to management, has adopted bylaws.

The company is sensitive to the issue of balanced representation by men and women on the Board; the Board's attention was called very specifically to the schedule to be met for the composition of the Board. The General Meeting of 27 April 2012 will be asked to elect Joëlle Chauvin as director.

Significant excerpts from the bylaws appear in the Chairman's report on internal control and in this document in Section 16.3 discussing the committees.

17. EMPLOYEES

17.1. - Employees and employment policy

17.1.1 Employees

a) Total workforce

At 31 December 2011, Affine employed 51 people as follows:

- 7 employees, 41 managers, and 3 corporate officers
- 29 women, 22 men.

During the year, eight new employees were hired by the group: three under open-end contracts and five under fixed-term contracts; there were eight departures (retirement, resignation, dismissal).

The male/female distribution in the group is as follows : 29 women (23 managers and 1 corporate officer) and 22 men (18 managers and 2 corporate officers).

b) Information on plans to reduce the workforce

There is no plan to reduce the workforce in the company.

As required by the regulations, Affine and its affiliated companies, as defined by Article L 2331-1 of the French Labour Code, established in December 2009 a plan to promote the employment of seniors within the group companies located in France. This plan, which is valid until 2012, is designed to anticipate changes in professional careers, develop skills, offer more access to training for employees over the age of 50, and improve the transition for employees between work and retirement.

17.1.2 Organisation of work time

For Affine, work time for full-time employees is 1,607 hours a year. There is one part-time employee.

In December 2001, Affine signed an agreement on the shortening of working hours and the introduction of flexible working time with an annual workload of 1,600 hours. The “solidarity day” instituted by the Law of 30 June 2004 has been implemented by charging against the number of RTT days (days gained by reduction of work week).

Absenteeism in the company is due to illness and maternity leaves.

17.1.3 Compensation

The total compensation paid to employees in 2011 changed by 1% over the previous year.

Social expenses represented 54% of the gross wage bill.

17.1.4 Professional relations

The profit sharing agreement renewed on 23 June 2009 allows employees to share in the company’s results.

Gross bonuses of €181,000 were paid in 2011 and the company contributed €26,000 net to the Company Savings.

17.1.5 Health and safety conditions

In accordance with the applicable regulations, a risk assessment was completed in the company. The results of this assessment have been recorded in a single safety report.

17.1.6 Training

Staff training focuses on two main areas: technical and linguistic. Affine’s training budget represented 1.22% of the payroll (above the legal minimum of 0.9%) and 25 employees received such training in 2011.

17.1.7 Employment and employment of workers with disabilities

In 2011, Affine paid €5,635 to the Association for the professional employment of workers with disabilities (Agefiph).

17.1.8 Subcontracting

The company does not have subcontractors.

17.2. - Bonus shares

Under the authority granted by the Combined Ordinary and Extraordinary Meeting of 9 November 2005, the Board of Directors granted to salaried personnel of the company or certain categories of employees, or to the executives stipulated in Article L225-197-1 II of the Commercial Code, and to the salaried employees and executives of the companies or economic interest groups affiliated with the company, under the conditions set forth in Article L225-197-2 of the Commercial Code, a bonus award of the company's shares, existing or to be issued, at the level of 1% of the number of shares outstanding on the date of the Meeting.

Under this authority, the Board, on the recommendation of the Compensation Committee, made the following bonus share awards:

- on 19 December 2005: 8,400 shares (corresponding to 25,200 shares after the three for one stock split of 2 July 2007), including 5,300 for the corporate officers (or 15,900 after the stock split). 23,100 shares (after the stock split) were vested at the end of the vesting period.
- on 18 December 2006: 8,700 shares (representing 26,100 shares after the three for one stock split), including 5,300 for the corporate officers (or 15,900 after the stock split). 23,100 shares (after the stock split) were vested at the end of the vesting period.
- on 10 December 2007: 25,350 shares, including 17,550 for the corporate officers. 16,950 shares were vested by the beneficiaries in December 2010 at the end of the vesting period (taking into account the departure of certain earlier beneficiaries).
- on 10 December 2008, 5,685 shares to employees who contributed to the group's results, excluding officers and executives. 4,575 were vested by the beneficiaries in December 2011 (taking into account the departure of certain beneficiaries).

The table showing the number of shares granted to corporate officers appears under Section 15 Compensation and benefits—Table 6 of this Registration Document.

17.3. - Agreement stipulating employee shareholding in the issuer's capital

There is no agreement that stipulates employee shareholding in the issuer's capital.

At 31 December 2011, employees of the Affine Group had no holdings in the company's share capital through a mutual fund or company savings plan (Article L.225-102 of the French Commercial Code).

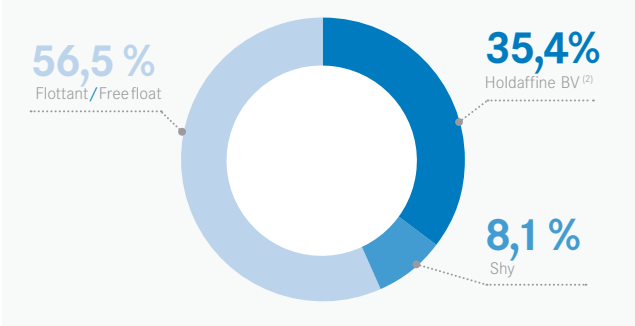
18. PRINCIPAL SHAREHOLDERS

18.1. - Principal shareholders

The history of the share capital is provided in Section 21.1.7 of this Registration Document.

The breakdown of the company's capital at 31 December 2011 was as follows:

Breakdown of ownership [1]



(1) Breakdown of voting rights:

- Holdaffine: 50.3% (gross DDV*: 49.0%)
- Shy: 6.0% (gross voting rights*: 5.9%)
- Float: 43.7% (gross voting rights*: 45.1%)

* according to the AMF calculation for the determination of the voting rights

(2) Holdaffine is an unlisted holding company whose sole activity consists in holding a controlling interest in Affine. It does not have investments in other companies or any debt. As of 31 December 2011, its ownership was broken down as follows:

- 86.4 %: directors of Affine: Maryse Aulagnon (through MAB Finances) and Alain Chaussard
- 10.6 %: K3 Europe – American private equity fund
- 3.0 %: other

On 6 April 2011, Forum European Realty Income II LP wanted to convert the second tranche of convertible bonds (ORA), for which it was the sole subscriber, into shares.

The Board of Directors at its meeting of 13 April 2011, after noting the request to convert the ORA II, created 374,400 new shares allocated to Forum European Realty Income II LP and raised the share capital to €50,005,728.04.

Affine was informed of the following declaration thresholds:

- On 1 January 2011, Mainz Holdings LLC transferred to the company SHY LLC 991,573 shares representing approximately 12.22% of the Affine capital and 8.66% of the voting rights (thresholds equal to 5% and 10% of the capital and 5% of the voting rights; crossing the statutory thresholds of 2%, 4%, 6%, 8%, 10% and 12% of the capital and 2%, 4%, 6% and 8% of the voting rights). On 3 May 2011, SHY LLC sold 175,568 shares of the company on the market (dropping below the legal thresholds of 10%). At the end of this transaction on 6 May 2011, SHY LLC held 816,005 shares representing 9.61% of the capital and 6.89% of the voting rights.
- After various sales, the stake of SHY LLC amounted to 8.11% at 31 December 2011.
- Holdaffine BV declared that it had dropped below the threshold of 50% of the voting rights on 15 April 2011; this change resulted from an increase in the total number of shares (conversion of the ORA II into shares)
- Noir I S.àr.l. on 14 April 2011 purchased 374,400 shares (exceeding the statutory thresholds of 2% and 4% of the capital and 2% of the voting rights).

18.2. - Breakdown of voting rights

Shares may be in registered or bearer form, at the shareholder's discretion, except when the registered form is required by the applicable laws. A double voting right is granted to each fully paid up share which has been registered for at least two years in the name of the same shareholder, and to any registered bonus share awarded to a shareholder in a capital increase through the capitalisation of reserves, profits or share premiums, for existing shares on which the shareholder holds this right.

18.3. - Control of the group

Based on the conversion of the second tranche of ORAs described in Section 18.1, Holdaffine holds 35.4% of the capital and controls 50.3% of the voting rights in Affine; it is itself controlled by Maryse Aulagnon (via MAB Finances). The bylaws of the Affine Board of Directors and the membership of the Board (a majority of independent directors) guarantee good governance of the company.

18.4. - Agreements that could result in a change of control

There is no agreement which could result in a change of control.

18.5. - Information regarding transactions in company securities undertaken by the executives, persons of a similar status and their related parties (article l. 621-18-2 of the french monetary and financial code)

During the year ended 31 December 2011, the company received no declaration concerning transactions in Affine securities undertaken by executives, persons of a similar status and their related parties, pursuant to Article L. 621-18-2 of the French Monetary and Financial Code.

19. RELATED PARTY TRANSACTIONS

Transactions with related-parties are described in Sections 14.2 and 20.1.7.10 of this Registration Document.

20. FINANCIAL INFORMATION REGARDING THE ISSUER'S PORTFOLIO, FINANCIAL POSITION AND INCOME

20.1. - Consolidated financial statements

Statutory Auditors' report on the Consolidated Financial Statements Year ended 31 December 2011

Dear Shareholders,

Pursuant to the audit mission assigned to us by your General Shareholders' Meetings, we submit to you our report for the year ended 31 December 2011 on:

- the audit of the consolidated financial statements of Affine as attached to this report;
- the justification for our assessments;
- the specific verification required by law.

The consolidated financial statements have been approved by the Board of Directors. Our responsibility, based on our audit, is to express an opinion on these financial statements.

1 - Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. Those standards require us to apply due diligence to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit involves verifying, by sampling techniques or other methods of selection, the items justifying the amounts and disclosures in the consolidated financial statements. It also consists of assessing the accounting principles followed, the significant estimates applied, and the presentation of all the financial statements. We believe the information we have collected to be sufficient and appropriate for us to form an opinion.

We certify that the consolidated financial statements for the year are presented correctly under IFRS as adopted in the European Union and give a true and fair view of the assets, financial position and results of the entire business composed of the people and entities included in the consolidation.

Without qualifying the opinion expressed above, we draw your attention to Note 20.1.7.1.2 to the financial statements, "Comparability of financial statements", which describes the change to the presentation of the consolidated financial statements that took place this year.

2 - Justification for our assessments

Pursuant to Article L.823-9 of the French Commercial Code on justification for our assessments, we bring the following items to your attention:

- As mentioned in the first part of this report, Note 20.1.7.1.2 to the financial statements, "Comparability of financial statements", describes the change to the presentation of the consolidated financial statements that took place this year. Following the withdrawal of approval of Financial Company status obtained by Affine on 19 December 2011, the financial statements are presented according to the commercial format.
- In the course of our assessment of the accounting policies implemented by your company, we determined that there was a sound basis for this change and the presentation thereof.
- Note 20.1.7.1.2 to the financial statements, "Comparability of financial statements", also describes the change in the consolidation of the Banimmo group in Affine. From 1 October 2011, Banimmo is recognised by the equity method in the financial statements of the Affine Group, and no longer according to full consolidation. This is supplemented by the presentation of pro forma statements in Note 20.1.8 to the financial statements.
- In the course of our assessment of the accounting policies implemented by your company, we determined that there was a sound basis for this change of consolidation and the presentation thereof.
- Note 20.1.7.1.8 to the financial statements, "Valuation methods of principal items", specifically explains the material estimates and accounting methods used to value investment properties. The investment properties are therefore recognised at their market value; in almost all cases this is determined by independent appraisers, who appraise the company's assets at 31 December of each year.

Our audit work consisted of reviewing the reports of the independent appraisers, assessing the data and assumptions used as the basis for all these estimates, ensuring that the independent appraisers have taken account of the real estate market context, and verifying that Note 20.1.7.1.8 to the financial statements provides appropriate information.

The assessments thus provided fall within the framework of our audit procedure for the consolidated financial statements, taken as a whole, and therefore assisted us in forming our opinion as expressed in the first part of this report.

3 - Specific verification

In accordance with the professional standards applicable in France, we have also performed the specific verification required by law on the information presented in the Group's management report.

We have no comments to make as to its accuracy and consistency with the consolidated financial statements.

Statutory Auditors

Paris La Défense, 1 March 2012

KPMG Audit
A division of KPMG S.A.

Isabelle Goalec
Partner

Paris, 1 March 2012

Cailliau Dedouit et Associés

Rémi Savournin
Partner

20.1.1 Statement of consolidated financial position (balance sheet)

20.1.1.1. - Assets

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
NON-CURRENT ASSETS				
Tangible assets	*2*	341	1,883	1,503
Investment properties	*1*	521,356	773,651	834,073
Intangible assets	*2*	207	283	466
Goodwill		-	-	-
Other intangible assets		*207*	*283*	*466*
Financial assets	*4*	39,125	113,426	95,776
Finance leases and related receivables		*30,673*	*53,729*	*68,631*
Assets held for sale	*5*	*269*	*15,641*	*5,118*
Derivatives stated at fair value		*2,607*	*4,334*	*3,859*
Deposits and sureties paid		*4,812*	*4,752*	*5,353*
Loans		*765*	*34,970*	*12,816*
Deferred tax assets	*11*	1,394	5,147	2,867
Shares and investments in companies (equity method)	*10*	85,819	41,911	22,119
Total non-current assets		**648,243**	**936,300**	**956,803**
CURRENT ASSETS				
Assets held for sale	*1 & 5*	151,363	75,365	87,407
Business sectors held for sale	*5*	-	-	5,067
Finance lease loans and receivables		6,878	561	618
Inventories	*9*	13,680	183,474	144,646
Accounts receivable	*8*	8,904	13,667	25,287
Related receivables for investment property		*8,164*	*12,433*	*24,722*
Receivables related to investment properties		*739*	*1,234*	*565*
Receivables on business centres		-	-	-
Current tax assets		115	1,030	459
Other receivables	*6*	28,471	44,272	32,540
Tax and social security receivables		*4,097*	*9,791*	*6,198*
Other receivables and adjustment accounts		*24,374*	*34,481*	*26,343*
Cash and cash equivalents	*4*	23,316	27,853	34,785
Cash equivalents		*465*	*2,200*	*2,855*
Cash		*22,851*	*25,653*	*31,931*
Total current assets		**232,727**	**346,222**	**330,810**
TOTAL ASSETS		**880,970**	**1,282,522**	**1,287,613**

20.1.1.2. - Liabilities

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
EQUITY				
Equity (group share)		**348,447**	**346,771**	**348,617**
Capital and related amounts		86,637	64,970	61,997
Share capital		53,100	47,800	47,800
Premiums		38,489	23,947	23,947
Treasury stock		(4,952)	(6,777)	(9,750)
Consolidated reserves		246,460	271,153	291,854
Unrealised or deferred gains and losses		8	327	(7)
Unrealised gains or losses on derivatives		*-*	*-*	*-*
Unrealised gains or losses on assets available for sale		*8*	*327*	*(7)*
Net income		15,341	10,320	(2,794)
Interim dividend payment		-	-	(2,434)
Shareholdings that do not give control		13,736	83,329	89,156
Consolidated reserves		*12,441*	*83,022*	*83,241*
Net income		*1,295*	*307*	*5,915*
Total equity		**362,183**	**430,100**	**437,773**
NON-CURRENT LIABILITIES				
Long-term loans	*3*	319,837	634,891	622,917
Financial liabilities	*4*	15,551	40,877	36,961
Derivatives stated at fair value		*14,136*	*19,310*	*17,283*
Hedging derivatives		*-*	*-*	*-*
Other financial liabilities		*1,415*	*21,567*	*19,678*
Provisions	*12*	3,027	4,797	8,756
Deposits and sureties received		7,145	10,278	11,911
Deferred tax liabilities	*11*	281	2,735	1,870
Non-current tax liabilities		-	13	362
Other liabilities		-	-	-
Total non-current liabilities		**345,841**	**693,591**	**682,777**
CURRENT LIABILITIES				
Debts linked to business sectors held for sale	*5*	-	-	5,020
Debts linked to assets held for sale	*5*	97,529	31,045	36,487
Amounts owed to stockholders		1	107	76
Trade accounts payable and other debts	*7*	24,106	49,076	53,528
Trade accounts payable and related accounts		*2,465*	*8,112*	*10,496*
Other debts		*11,029*	*17,329*	*26,085*
Adjustment accounts		*5,976*	*13,340*	*11,728*
Deferred income		*4,635*	*10,295*	*5,218*
Loans and borrowings	*4*	46,620	72,292	63,365
Current tax liabilities		14	1,174	3,361
Tax and social security debts	*13*	4,677	5,138	5,227
Provisions	*12*	-	-	-
Total current liabilities		**172,947**	**158,832**	**167,063**
TOTAL LIABILITIES		**880,970**	**1,282,522**	**1,287,613**

20.1.2 Statement of consolidated comprehensive income

20.1.2.1. - Consolidated Income Statement

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Rental revenue		*56,866*	*70,567*	*77,178*
Rental revenue and expenses		*(7,425)*	*(12,001)*	*(14,793)*
Other property revenue and expenses		*709*	*1,004*	*453*
Net property revenue	*14*	50,150	59,570	62,838
Revenue from finance leases		*2,792*	*3,270*	*4,273*
Expenses on finance leases		*(441)*	*(369)*	*(425)*
Revenue from finance leases	*15*	2,351	2,901	3,848
Revenue from real estate transactions		*7,619*	*13,144*	*17,476*
Expenses on real estate transactions		*(9,310)*	*(15,933)*	*(17,489)*
Revenue from real estate development transactions	*15*	(1,691)	(2,789)	(13)
Other purchases and external expenses		*(7,877)*	*(10,410)*	*(13,579)*
Taxes and related expenses		*(573)*	*(1,008)*	*(948)*
Personnel costs		*(7,070)*	*(8,888)*	*(8,932)*
Committed costs		(15,520)	(20,307)	(23,460)
Recurring EBITDA		**35,290**	**39,375**	**43,213**
Depreciation and impairment		(182)	(285)	(463)
Income from recurring operations		**35,108**	**39,090**	**42,750**
Charges net of provisions	*16*	(569)	(674)	(586)
Balance of other revenue and charges		573	1,029	636
Gains (losses) on real-estate sales		*4,482*	*(333)*	*24,530*
Option exercised on finance lease properties		*764*	*(96)*	*296*
Gains (losses) on sale of operating assets		*4*	*(16)*	*(20)*
Income (loss) from asset sales	*17*	5,250	(445)	24,806
Operating income before fair value adjustment		**40,362**	**39,000**	**67,606**
Upward adjustment of value of investment properties		*17,588*	*21,044*	*12,655*
Downward adjustment of value of investment properties		*(15,698)*	*(23,862)*	*(51,232)*
Adjustment of value of investment properties		1,890	(2,818)	(38,577)
Adjustment of Goodwill	*18*	*-*	*-*	*(3,545)*
Balance net of value adjustments		1,890	(2,818)	(42,122)
Net operating income		**42,252**	**36,181**	**25,484**
Revenue from cash and cash equivalents		*410*	*570*	*2,265*
Gross cost of financial debt		*(22,208)*	*(28,185)*	*(27,590)*
Net cost of financial debt	*19*	(21,798)	(27,615)	(25,325)
Other financial revenue and expenses		(49)	108	3,057
Adjustment of value of financial instruments		(2,712)	(2,910)	(7,622)
Income before tax		**17,693**	**5,764**	**(4,406)**
Tax on recurring income	*20*	44	280	5,131
Deferred taxes	*20*	(472)	305	7,651
Exit tax	*20*	-	-	(53)
Share of income (loss) in companies accounted for by the equity method	*21*	(629)	3,069	(4,382)
Net income (loss) after tax from discontinued activities	*22*	-	1,209	(819)
Net income		**16,636**	**10,627**	**3,122**
Non-controlling interests		1,295	307	5,915
NET INCOME (LOSS) - GROUP SHARE		**15,341**	**10,320**	**(2,794)**
Earnings per share (€)	*23*	1.84	1.36	(0.37)
Diluted earnings per share (€)	*23*	1.60	1.12	(0.31)
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (TSDI) (€)	*23*	1.20	0.53	(1.10)
Diluted earnings per share restated to reflect perpetual subordinated loan notes (TSDI) (€)	*23*	1.27	0.83	(0.67)

EPRA INCOME (LOSS)

NET INCOME (LOSS) - GROUP SHARE		**15,341**	**10,320**	**(2,794)**
EPRA restatements	*23*	2,783	7,279	19,009
EPRA INCOME		**18,123**	**17,599**	**16,215**

20.1.2.2. - Statement of net income and gains and losses taken directly to equity

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Net income	**16,636**	**10,627**	**3,122**
Curren cy translation adjustments	-	-	-
Changes in fair value of financial assets available for sale [1]	(321)	649	(16,808)
Share of the changes in fair value of financial assets available for sale transferred to income statement	-	-	-
Effective portion of the change in fair value of cash flow hedges	-	-	-
Share of the change in fair value of cash flow hedges transferred to income statement	-	-	-
Revaluation difference on non-current assets	-	-	-
Actuarial gains and losses on defined-benefit systems	-	-	-
Share of gains and losses taken directly to equity in companies consolidated under the equity method	-	-	-
Income tax	-	-	-
Total gains and losses taken directly to equity	**(321)**	**649**	**(16,808)**
NET INCOME AND GAINS AND LOSSES TAKEN DIRECTLY TO EQUITY	**16,315**	**11,276**	**(13,686)**
Of which Group share	15,020	10,645	(19,602)
Of which non-controlling interests	1,295	631	5,915

(1) Altaréa securities in 2009 and Montéa en 2010

20.1.3 Statement of changes in equity

(In thousands of euros)	Capital and related reserves			Consolidated reserves	Total gains and losses taken directly to equity	Net income (loss) group share	Group equity	Equity held by non-controlling interests	Total consolidated equity
	Capital	Reserves related to share capital	Treasury stock						
Equity as at 31.12.09 (published)	**47,800**	**128,310**	**(9,750)**	**187,230**	**(7)**	**(5,701)**	**347,882**	**85,988**	**433,869**
Interim dividends paid	-	-	-	(2,434)	-	-	(2,434)	-	(2,434)
Banimmo properties transferred to inventories	-	-	-	262	-	2,907	3,169	3,169	6,338
Equity as at 31.12.09 (restated)	**47,800**	**128,310**	**(9,750)**	**185,058**	**(7)**	**(2,794)**	**348,617**	**89,157**	**437,773**
Cancellation of treasury stock	-	-	*2,973*	*1,367*	-	-	*4,340*	-	*4,340*
Equity portion of compound instruments	-	*644*	-	*(5,218)*	-	-	*(4,575)*	-	*(4,575)*
Appropriation of 2009 income (loss)	-	-	-	*(2,794)*	-	*2,794*	-	-	-
Bonus shares	-	-	-	*(341)*	-	-	*(341)*	-	*(341)*
Distribution of dividends	-	-	-	*(11,489)*	-	-	*(11,489)*	*(5,167)*	*(16,656)*
Dividends on treasury stock	-	-	-	*781*	-	-	*781*	-	*781*
Preference dividends	-	-	-	*(1,697)*	-	-	*(1,697)*	*(1,697)*	*(3,395)*
Sub-total of shareholder-related transactions	-	644	2,973	(19,391)	-	2,794	(12,981)	(6,864)	(19,846)
Changes in gains and losses taken directly to equity	-	-	-	-	*333*	-	*333*	*324*	*658*
2010 income	-	-	-	-	-	*10,320*	*10,320*	*307*	*10,627*
Subtotal	-	-	-	-	333	10,320	10,654	631	11,285
Effect of acquisitions and disposals on non-controlling interests	-	-	-	6	-	-	6	37	43
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	*472*	-	-	*472*	*367*	*839*
Equity as at 31/12/2010	**47,800**	**128,953**	**(6,777)**	**166,147**	**327**	**10,320**	**346,771**	**83,329**	**430,100**
Capital increase	*5,300*	*4,533*	-	*(66)*	-	-	*9,767*	*568*	*10,335*
Cancellation of treasury stock	-	-	*1,825*	*256*	-	-	*2,081*	-	*2,081*
Preference-share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	*(799)*	-	*(5,119)*	-	-	*(5,918)*	-	*(5,918)*
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2010 income (loss)	-	-	-	*10,320*	-	*(10,320)*	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	*(20,426)*	-	-	*(20,426)*	*(427)*	*(20,853)*
Dividends on treasury stock	-	-	-	*748*	-	-	*748*	-	*748*
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	5,300	3,734	1,825	(14,287)	-	(10,320)	(13,748)	140	(13,608)
Changes in gains and losses recognised directly in equity	-	-	-	-	*(318)*	-	*(318)*	-	*(318)*
2011 income	-	-	-	-	-	*15,341*	*15,341*	*1,295*	*16,636*
Subtotal	-	-	-	-	(318)	15,341	15,023	1,295	16,318
Effect of acquisitions and disposals on non-controlling interests	-	-	-	40	-	-	40	(71,033)	(70,993)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	*362*	-	-	*362*	*4*	*366*
EQUITY AS AT 31.12.11	**53,100**	**132,688**	**(4,952)**	**152,262**	**9**	**15,341**	**348,447**	**13,736**	**362,183**

20.1.4. Consolidated cash flow statement

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (including non-controlling interest)	**16,636**	**10,627**	**3,122**
Net increase (decrease) in depreciation and provisions	(7,347)	3,296	10,672
Unrealised gains and losses from changes in fair value	(1,896)	2,818	38,577
Other calculated income and expenses (including discount calculations)	1,655	758	6,357
Capital gains or losses on sales of assets	9,735	11,585	(5,190)
net carrying value of fixed assets sold	*79,014*	*101,036*	*186,128*
income from disposals of fixed assets	*(69,279)*	*(89,451)*	*(191,318)*
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	631	(3,069)	4,382
Dividends and returns from income of non-consolidated companies	(85)	(244)	(1,879)
Cash flow from operations after net borrowing costs and tax	**19,330**	**25,771**	**56,040**
Net cost of financial debt	22,051	26,494	30,110
Tax expense (including deferred taxes)	428	(585)	(12,729)
Cash flow from operations before net cost of debt and tax	**41,809**	**51,679**	**73,421**
Income tax paid (including deferred tax)	(545)	(3,933)	1,518
Change in inventories: Storage	(8,552)	(26,598)	(55,384)
Change in inventories: Destocking	19,484	1,452	62,072
Change in trade accounts receivable	151	(5,115)	(48)
Change in trade accounts payable	(1,388)	2,395	(3,786)
Other changes in working capital requirement related to operating activities	8,344	475	9,159
Impact of discontinued activities	-	-	347
Net cash flows from operating activities	**59,303**	**20,356**	**87,301**
II – INVESTMENT TRANSACTIONS			
Finance leases	10,680	3,580	4,093
Cash paid for acquisitions	*(38)*	*(258)*	*(5)*
Cash received from disposals	*10,718*	*3,837*	*4,098*
Investment properties	15,131	68,790	37,305
Cash paid for acquisitions	*(26,767)*	*(24,163)*	*(44,037)*
Cash received from disposals	*41,898*	*92,954*	*81,341*
Cash paid for acquisitions of tangible and intangible fixed assets	(266)	(566)	(721)
Cash received for disposals of tangible and intangible fixed assets	8	68	79
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets		(9,294)	(64)
Cash received for disposals of financial assets	5,456	461	24,517
Consolidated shares	(2,202)	(31,295)	(12,503)
Cash paid for acquisitions		*(31,637)*	*(9,767)*
Cash received from disposals	*1,633*	*354*	*151*
Impact of changes in consolidation	*(3,835)*	*(12)*	*(2,886)*
Dividends received (companies consolidated under the equity method, non-consolidated shares)	2,028	1,667	3,449
Change in loans and advances outstanding	(7,634)	(22,771)	318
Other cash flows related to investment activities	-	(389)	(270)
Cash flow from discontinued activities	-	(1,455)	(186)
Net cash flow investment activities	**23,200**	**8,795**	**56,016**
III – FINANCING TRANSACTIONS	**-**	**-**	**-**
Amounts received from shareholders in capital increases	568	-	-
Paid by shareholders of the parent company	*568*	-	-
Paid by minority interests of consolidated subsidiaries	-	-	-
Purchases and sales of treasury shares	1,957	4,337	(5,219)
Dividends paid during the year:	(11,840)	(19,238)	(13,865)
Dividends paid to shareholders of the parent company	*(10,116)*	*(11,227)*	*(6,404)*
Dividends paid to minority interests of consolidated subsidiaries	*(1,724)*	*(8,011)*	*(7,461)*
Change in non-controlling interests without loss of control	(3,196)	-	-
Increase/Decrease in subordinated debt	-	-	-
Loss from compound instruments	(5,300)	(6,335)	-
Change in guarantee deposits given and received	(2,620)	(4,363)	(7,740)
Issues or subscriptions of loans and borrowings	50,802	117,741	153,045
Repayments of loans and borrowings	(96,403)	(96,646)	(234,196)
Net cost of financial debt: interest paid	(23,873)	(29,115)	(30,956)
Other cash flow related to financing activities	1,823	2,621	846
Cash flow from discontinued activities	-	-	(68)
Net cash flow from financing transactions	**(88,083)**	**(30,998)**	**(138,152)**
NET CHANGE IN CASH (I+II+III)	**(5,581)**	**(1,847)**	**5,164**
Cash and cash equivalents at beginning of period	24,492	26,339	21,175
Cash and cash equivalents at end of period	18,911	24,492	26,339
NET CHANGE IN CASH	**(5,581)**	**(1,847)**	**5,164**

Cash and equivalents

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Savings bank, central bank, post office	116	121	127
Liquid bank assets	22,735	25,524	32,754
Liquid bank assets in other assets	465	1,070	748
Investment securities (1)	-	1,127	2,022
Sub-total (1)	**23,316**	**27,840**	**35,650**
Bank overdrafts	(4,405)	(3,348)	(9,285)
Bank overdrafts in other liabilities	-	-	(26)
Sub-total (2)	**(4,405)**	**(3,348)**	**(9,311)**
TOTAL (1) + (2)	**18,911**	**24,492**	**26,339**

(1) : According to IFRS7 nomenclature, the fair value of investment securities corresponds to a price quoted on an active market.

20.1.5 Change in number of shares comprising the capital

Shares authorised, issued and paid up

	At beginning of period	Capital increase after converting convertible bonds	Distribution of dividends as shares	Capital increase through incorporation of free reserves to round off the total share capital after distributing the dividends as shares	At end of period
Number of shares	8,113,566	374,400	514,076	-	9,002,042
Share capital in euros	47,800,000	2,205,728	3,028,611	65,661	53,100,000

Treasury shares

	As at 31.12.10	Acquisitions	Sales	Allocation of shares to personnel	As at 31.12.11
In thousands of euros	6,777	1,756	3,401	179	4,952
In numbers	421,367	96,047	189,645	4575	323,194

20.1.6 Corporate information

On 21 February 2012, the Board of Directors of Affine SA approved the financial statements for the year ended 31.12.11 and authorised their publication. Affine is a société anonyme (public limited company) listed in Compartment C of Euronext Paris; it is included in the SBF 250 index, the CAC Small90 index and the EPRA index.

It has also, together with some of its subsidiaries, adopted the tax status of a listed real-estate investment trust (French acronym "SIIC") for its rental real estate business.

Its registered office is at 5 rue Saint Georges, Paris 9.

The SIIC must comply with a ceiling on their capital ownership of 60% (equity or voting rights) by a single shareholder or several shareholders acting in concert under Article L.223-10 of the French Commercial Code.

Affine complies with this provision. AffiParis, which is more than 60% owned by Affine, is not subject to this requirement.

Affine requested and was granted the withdrawal of its status as a financial corporation approved for the marketing of finance lease contracts.

The Group's main business activities are set out in the "Segment reporting" note below. The main events of the year are described and can be consulted in the Annual Report.

The financial statements of the Affine group have been consolidated by MAB Finances SAS using the full consolidation method.

20.1.7 Notes to the consolidated financial statements

20.1.7.1. - Accounting principles and policies

20.1.7.1.1. - Accounting basis and presentation of the financial statements

In accordance with EC regulation No. 1606/2002 of 19 July 2002, the AffiParis Group's financial statements are drawn up pursuant to the IAS (International Accounting Standards) /IFRS (International Reporting Standards) as adopted by the European Union.

International accounting standards are published by the IASB (International Accounting Standards Board) and adopted by the European Union. They include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their mandatory application interpretations effective on the closing date. The IFRS system is available at the website http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The accounting principles applied are identical to those used in preparing the consolidated annual financial statement for the financial year ending on December 31, 2010, except for the adoption of the new standards and interpretations whose application is obligatory for financial years opened from January 1, 2011 onwards (see list below). These new standards, amendments and interpretations have no significant impact on the Group's financial statements.

➢ Standards, interpretations and amendments to existing standards, whose application is mandatory in 2011:

- Amendment to IAS 32: Amendment regarding the classification of pre-emptive rights
- IAS 24R: Revision of the standard governing the information to furnish concerning transactions with related parties
- 2010 improvements
- Amendments to IFRIC 14: Progress payments in the context of a minimum financing requirement
- IFRIC 19: Extinguishing financial liabilities with equity instruments
- Standards, interpretations and amendments to existing standards not applied in advance to the 2011 financial statements.
- IFRS 7: Information to be furnished in the framework of transfers of financial assets.

➢ Standards, interpretations and amendments already published by the IASB but not yet endorsed by the European Union:

- IFRS 9: Financial instruments
- IAS 12: Recovery of underlying assets
- IFRS 10 Consolidated financial statements
- IFRS 11 Partnership
- IFRS 12 Information to be provided regarding interests held in other entities
- IAS 27R Individual financial statements
- IAS 28R Holdings in associated companies and joint ventures
- IFRS 13 Fair value measurement
- Amendments to IAS 19 Employee benefits
- Amendments to IAS 1 Presentation of other components of the total income (loss).

The impact on financial statements of the texts published by the IASB on December 31, 2011 and not yet in force in the European Union is currently being analysed. The Group does not expect any significant impact on the financial statements.

The business activities of the consolidated companies are not seasonal.

The financial statements are presented in thousands of euros.

20.1.7.1.2. - Comparability of the financial statements

The 2010 financial statements were subject to slight changes resulting in the presentation of more detailed information, to respond to the recommendations issued by EPRA which are primarily aimed at greater transparency in the real estate sector.

The financial statements are presented according to the accounting standards for corporations after the withdrawal of the approval of our former status as a financial corporation granted to Affine on December 19, 2011.

To ensure better comparability, the 2009 and 2010 financial years are presented in this new format.

At the end of the third quarter of 2011, Affine passed below the threshold of a 50% shareholding in the Banimmo company; on that date, it held 49.51% of the share capital.

As a consequence of passing below the threshold, the method of consolidation of the Banimmo group within Affine changed. As from October 1, 2011, Banimmo is consolidated in the Affine Group accounts by the equity method, rather than by full consolidation as was previously the case. Thus, the exclusive control in terms of the IFRS can no longer be demonstrated from that date forward.

20.1.7.1.3. - Consolidation scope and policy

➢ 20.1.7.1.3.1. - Companies included in the consolidation

The consolidation includes the Group's parent company as well as all other companies over which it directly and indirectly exercises:

- exclusive control,
- joint control,
- significant influence.

Exclusive control automatically exists when the parent company holds at least 50% of the voting rights, and is presumed when the parent company holds 40% to 50%. In the latter case, control is evidenced if the parent company has the power to appoint or dismiss the majority of the members of the management or executive bodies or if it has most of the voting rights in the management or executive bodies.

Contractual exclusive control exists when the parent company exercises a dominant influence over the company by virtue of a contract or clauses in the articles of association, which comply with national law, even if the dominating company is not a shareholder or partner in this company.

Joint control exists when strategic, financial and operational decisions related to the business require unanimous agreement of the parties sharing control. Joint control must be defined under a contractual agreement.

Significant influence automatically exists when the parent company holds over 20% of the voting rights; below this limit, significant influence may be shown by representation on the executive bodies or participation in strategic decisions.

➢ 20.1.7.1.3.2. - Consolidation method

Companies under exclusive control are fully consolidated and those under significant influence are consolidated under the equity method. Companies under joint control may be either proportionately consolidated or consolidated under the equity method pursuant to IAS 31 §30 and 38).

1. Joint ventures (companies proportionately consolidated)
The joint venture partners in real-estate development transactions are companies recognized for their competence and financial strength.

The Company is not aware of any liabilities for which the Affine Group would be jointly liable with the joint investor.

2. Associates (companies accounted for under the equity method)
The Company is not aware of any liabilities for which the Affine Group would be jointly liable with the other investors.

➢ 20.1.7.1.3.3. - Closing date

All consolidated companies end their financial year on 31 December.

20.1.7.1.4. - Business combinations and purchases of separate assets

The distinction between acquisitions of isolated assets (IAS 40) and business combinations (IFRS 3) is as follows:

- An entity holding a property or set of properties meets the definition of a business combination and falls under the scope of application of IFRS 3 if the acquired entity corresponds to a business as defined by IFRS 3. Under IFRS 3, a business is defined as an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return or generating lower costs or other economic benefits. If an entity gains control over one or more entities which are not businesses, the grouping of these entities is not considered as a business combination.
- For acquisitions of securities not considered as business combinations, the identifiable assets and liabilities are recognised at cost without recognition of goodwill. These operations usually correspond to transactions on isolated assets, groups of assets which do not constitute a business and on the securities of companies holding such assets..

➢ 20.1.7.1.4.1. - Business combinations

Business combinations are recognised using the acquisition method, in principle, at fair value.

The acquisition method consists of:
- Identifying the purchaser,
- Determining the acquisition date,
- Evaluating the acquisition cost.

Allocating the cost of the business combination through recognising definite assets and liabilities and assets and liabilities identifiable later at their fair value.

Goodwill represents a payment made in expectation of future economic benefits generated by assets that cannot be identified individually and carried separately. Goodwill is initially recognised as an asset at cost; it cannot be amortised but may be tested annually for impairment. Goodwill is calculated by the partial goodwill method.

An excess in the purchaser's interest over the cost of the business combination (negative goodwill) is recorded on the income statement.

➢ 20.1.7.1.4.2. - Acquisitions of individual assets

These are recognised at their purchase cost, which generally corresponds to their fair value.

20.1.7.1.5. - Use of estimates and assumptions

Preparing the consolidated financial statements requires the use of estimates and assumptions that may affect the amounts set out in the financial statements and the accompanying notes. These particularly relate to real estate valuations and the fair value of derivatives. Amounts confirmed during the disposal of these assets may differ from these estimates.

The factors likely to lead to significant adjustments during the 2012 period specifically include:

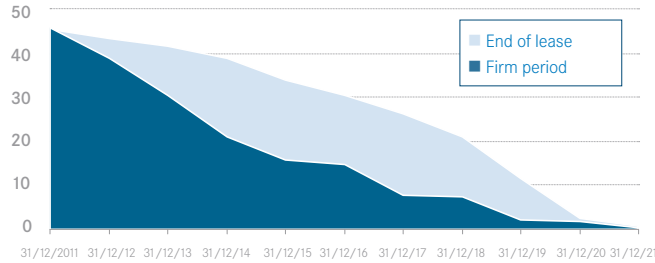
Fair value of investment properties: the nature of the assumptions used by the independent appraisers may have far-reaching impacts on both the change in fair value which is directly reported in the income statement, and on the value in assets of the real-estate portfolio.

These assumptions include in particular:
- The market rental value (MRV),
- The market rate of return,
- Works to be carried out.

The impact of simulations of sensitivity to the change in rates of return on fair value is found in Note 1 – Property portfolio – paragraph entitled "Sensitivity to changes in the assumptions used to assess fair value".

Vacancy risk linked to possibilities of leave and/or end of lease:

(In million of euros)



Fair value of financial instruments:
The nature of the assumptions used by the independent appraisers may have far-reaching impacts on the change in fair value taken directly to the income statement. An increase or decrease of 50 or

100 basis points in interest rates would have the following effects on the valuation of financial instruments (valuation made based on the yield curve of the three-month Euribor as of 31/12/2011 to the ten-year segment):

(In thousands of euros)	-100BP	-50BP	+50BP	+100BP
Change in FV of financial hedging instruments	(6,139)	(3,120)	3,168	6,435

20.1.7.1.6. - Contracts

➢ 20.1.7.1.6.1. - Finance leases

IAS 17 requires a lease to be classified as a finance lease where it transfers to the lessee almost all the risks and benefits of ownership of an asset. All other leases are classified as investment property leases.

All the property lease contracts in Affine's portfolio are finance leases under IAS 17. The lessor carries a receivable on its balance sheet corresponding to the present value of the conditional rents receivable.

When a finance lease is renegotiated, the difference between the new financial base and the previously recorded carrying value is directly posted to the income statement.

IAS 17 specifies that initial direct costs incurred in negotiating and setting up leases must be included in the initial investment amount and deducted from the finance revenue over the term of the lease.

The lessor's net income on the transaction corresponds to the amount of interest on the loan. This interest is calculated using the effective interest rate ("EIR") method. The effective interest rate is the rate that balances the cumulative discounted value of minimum lease payments and the residual value not covered by a guarantee. The periodic interest rate used to calculate financial income is constant pursuant to IAS 17.

Guarantee deposits paid by lessees are treated by Affine as part of the rights and obligations arising from finance leases and are thus subject to IAS 17.

➢ 20.1.7.1.6.2. - Investment property leases

Investment property leases comprise operating leases of property owned by the Group or leased by the Group under a finance lease.

Leases whereby the lessor retains almost all the risks and benefits inherent in the ownership of the asset are classified as investment property leases.

IAS 17 provides for the financial consequences of all the provisions of the finance lease to be amortised over the fixed term of the lease. This straight-line amortisation of rents results in the recognition of accrued income over an exemption period, or the early years of the lease in the case of gradual or staged rental payments.

All the benefits agreed upon when negotiating or renewing an investment property lease are recognised as part of the consideration accepted for the use of the leased asset, regardless of the nature, form and payment date of these benefits (SIC 15). The total amount of these benefits is recognised as a reduction in rental income over the term of the lease on a straight-line basis, unless another systematic method is representative of the way in which the benefit pertaining to the leased asset is consumed over time.

Guarantee deposits paid by lessees are treated as part of the rights and obligations arising from contracts and are thus subject to IAS 39.

Compensation for eviction is expensed during the year, even in the case of the renovation or reconstruction of a building (IAS 17).

The treatment of admission fees depends on a substantive analysis of the payment made (IAS 17):

- Where the payment is in consideration for the enjoyment of the property (in addition to the rent) it is recognised with rental income over the term of the lease;
- Where the payment is in return for a service rendered other than the right to use the asset, it is recognised on a basis that reflects the nature of the services rendered and the timeframe over which they are provided.

20.1.7.1.7. - Investment property

IFRS draw a distinction between investment properties (governed by IAS 40) and other property, plant and equipment (governed by IAS 16).

Investment properties are real estate (land or buildings) held by the owner, or by the lessee under a finance lease, to earn rental income or appreciate the capital value or both, rather than to use them for production, the provision of goods and services, or for administrative purposes, or to sell them in the ordinary course of business.

If repairs are carried out on investment properties, they remain in this category as investment properties under construction.

Because the Affine Group opted for the fair value method provided for in IAS 40, the change in value of investment properties has an impact on earnings.

Initial direct costs for negotiating and implementing agreements (for example, commissions and legal fees) are recognised in the amount of the leased asset and amortised over the fixed life of the lease agreement (IAS 17).

Properties held under finance leases must be capitalised and are subject to IAS 40 for the lessee. The following methods were used for restatement:

- Recording the asset as an investment property in the assets on the balance sheet for the residual amount;
- Parallel entry in liabilities of a loan equal to the property's entry price;
- Cancellation in the consolidated statements of the fee recorded in operating expenses in the company statements, with offsetting entries of a financial expense and progressive loan repayments.
- Minimum lease rental payments are broken down between interest costs and repayment of the liability.

Revenue from investment properties:

Investment property revenue includes rent and similar income (for example: occupancy compensation, signing fees, parking income)

invoiced for the offices, retail premises and storage facilities over the period.

The grace periods for rent, step-ups and signing fees are apportioned over the fixed term of the lease. The rental income also includes expenses rebilled to tenants.

Expenses on investment properties
The expenses on investment properties include rental charges rebillable to tenants, unrecovered rental charges (due to leases and vacancy of premises), costs payable by the owner, those relating to work, of disputes, bad debts and costs linked to property management.

20.1.7.1.8. - Measurement policy for major items

➢ 20.1.7.1.8.1. - Investment property

Investment properties are initially valued at cost, including transaction costs. After the properties are initially recorded, they are valued at fair value, with the change in fair value from one year to another posted to the income statement. The fair value is calculated based on the value excluding registration fees prepared either by an external property appraiser, an internal appraisal or that appearing in an offer, a commitment or a mandate for sale.

The methodology for determining the fair value of investment properties consists of using the value of the buildings obtained by capitalising the rental revenue and/or the market price for recent transactions involving properties with similar characteristics. This method of capitalisation reflects such things as the rental revenues from existing lease contracts and assumptions on rental revenues for future lease contracts, taking current market conditions into consideration.

The appraisal firms applied the revenue capitalisation method together with the discounted cash flow (DCF) method and the multiples method. The first method consists of capitalising a market rent at a market capitalisation rate after deducting the differences between the rents under consideration and the market rental values estimated on the appraisal day, discounted at the current financial rate, over the outstanding period either until each lease renewal date, in the case where the current rent is higher than the market rent considered, or up to the lease expiry date where the current rent is lower than the market rent considered.

The principal assumptions used to estimate the fair value relate to the following: current rents, future rents expected based on fixed lease commitments; vacant periods; the building's current occupancy rate and its maintenance requirements; and the appropriate capitalisation rates equivalent to the return on investment. These valuations are regularly compared with market data relating to return on investment, to actual Group transactions, and to transactions announced in the market.

Future expenses are charged to the carrying value of the asset only if it is probable that the future economic benefits associated with the asset will remain owned by the Group and that the cost of this asset can be reliably estimated. All other expenses for repair and maintenance are recognised in the income statement for the period during which they are incurred.

Most buildings in the portfolio are appraised twice a year by independent appraisal firms. For the 31.12.11 reporting, the appraisers used were as follows:
- Cushman & Wakefield,
- Foncier Expertise,
- BNP Real Estate.

Unless otherwise justified, the Affine Group uses values provided by independent appraisers.

A company valuation is carried out internally for buildings whose value is not significant on the balance sheet date.

➢ 20.1.7.1.8.2. - Property, plant and equipment and buildings under construction

Property, plant and equipment includes operational buildings not meeting the requirements of IAS 40.

In application of the preferential method in IAS 16, property, plant and equipment are:
- recorded at acquisition cost corresponding to the price paid, including directly related costs of acquisition and renovation to market standards (transfer duties, fees, other costs, etc);
- valued at historic cost less cumulative depreciation per component and impairment losses.

Depreciation is calculated according to the straight line method based on the anticipated useful life.

Depreciation periods are as follows:
- Office equipment: 3 to 5 years
- IT equipment: 3 years
- Fixtures and fittings: 5 to 10 years
- Vehicles: 4 to 5 years
- Furniture: 4 to 10 years
- Real estate held for own use is depreciated on the basis of the FSIF (*Fédération des Sociétés Immobilières et Foncières*) grid used by Affine for its real estate held for investment in the company financial statements.

When a building under construction for the purpose of later use as an investment property is completed, it is recorded as an investment property (IAS 40) at its fair value; the difference between the fair value at this date and the previous book value is recognised in the income statement under changes in fair value.

➢ 20.1.7.1.8.3. - Intangible assets

Intangible assets are governed by IAS 38.

An intangible asset is recognised in the balance sheet where and only where it is likely that the future economic benefits attributable to the asset will flow to the company, where it has control over the asset and where the cost of the asset can be reliably measured. Assets that do not satisfy these criteria are expensed or included in goodwill in the case of business combinations.

The amortisable amount of an intangible asset is amortised using a straight-line model, over the best estimate of its useful life, which cannot normally exceed twenty years.

Generally speaking, the residual value, the amortisation period and the amortisation method are reviewed on a regular basis. Any change is recognised prospectively as an adjustment to future amortisation.

20.1.7.1.8.4. - Assets held for sale

Where the carrying amount of an asset is to be recovered by selling it rather than through its continued use, IFRS 5 requires the asset to be posted to a specific balance sheet account: " Assets held for sale".

As at 31.12.11, 16 assets are shown in this line:
- the value of six of them corresponds to external appraisals,
- the value of four of them corresponds to signed mandates, offers accepted by both parties and/or commitments to sell,
- the six others were valued on the basis of in-house appraisals reflecting their probable sale value.

By correlation, the liabilities directly related to these assets have been reclassified in "Debts linked to assets held for sale".

The gain or loss on sale of an investment property is calculated in relation to the most recent fair value recorded in the balance sheet of the preceding financial year.

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Gain / loss from disposal	4,482	(333)	24,530

20.1.7.1.8.5. - Inventories and construction contracts

Inventories

The buildings purchased, whatever their initial rental situation, solely with a view to their resale after redevelopment or physical and/or commercial repositioning in the normal course of business of Banimmo are carried in inventories, in accordance with IAS 2.

Inventories and work in progress are recognised at their purchase price or production cost. At each balance sheet date, they are valued at the lower of cost of construction and net realisable value. Net realisable value is the estimated selling price during the normal course of business, less any estimated costs for completion or execution of the sale. In practice, the value is written off when the realisable value is found to be lower than the historic cost.

Inventories largely consist of land, property reserves and property promotion costs incurred.

Construction contracts and sales before completion (VEFA)

For real estate development activities, the margin and revenue from real estate activities are recognised in Affine's statements using the percentage of completion method.

Costs of construction and VEFA contracts are cost prices directly attributable to the contract; marketing expenses are not taken to inventory but borrowing costs are. Marketing and management fees are recognised as expenses.

When it is probable that the total cost of a contract will exceed total revenue, the Group records a loss at termination as an expense for the period.

The profit or loss upon completion is taken from the projected margin set out in the project budget. The percentage of completion is determined using the method that most reliably measures the work or services carried out and accepted, depending on their nature. The method used is either the proportion of the cost of work and services carried out at the balance sheet date in relation to the anticipated total contract costs, or a certificate of progress issued by a professional.

20.1.7.1.8.6. - Accounts receivable

Accounts receivable mainly comprise operating lease and finance lease receivables. These elements are valued at amortised cost. Once a receivable has been overdue for over six months at the end of the financial year, or the when the customer's situation leads to the conclusion that a risk is present (receivership, major financial difficulties, etc.), the receivable is transferred to the "bad debt" account.

20.1.7.1.8.7. - Impairment of assets

Impairment of property, plant and equipment and intangible assets

Operating buildings

When recognising impairment of an amortisable asset, the charge must be adjusted for future years, so that the revised carrying value of the asset, less its residual value, can be depreciated over the remainder of its useful life. The carrying value of an asset that has increased as a result of an impairment reversal must not exceed the carrying amount that would have been determined (after depreciation) had no impairment been recognised for this asset over previous financial years.

Other property, plant and equipment and intangible assets

At each balance sheet date, the company must assess the possible existence of indicators demonstrating that an asset may have been impaired. If such an indicator exists, the recoverable value of the asset should be estimated (impairment test). Impairment is the amount by which the carrying amount of an asset exceeds its recoverable value. This is equal to the higher of the fair value of the selling price net of disposal costs and its value in use.

Any impairment is recognised in income, as is any reversal.

Impairment of finance leases

Impairment of finance lease receivables is posted to "Trade loans and receivables" (see Note 3 to the financial position statement).

Finance leases are stated based on their recovery value. When a lessee is deemed to be at risk (e.g. very bleak financial position, mounting unpaid debts, receivership), impairment is recognized if the difference between the carrying value of the receivable and the present value of future estimated cash flows discounted at the original effective interest rate is negative. No lease is currently affected.

Impairment of inventories

At each balance sheet date, the forecast cost is compared to the expected selling price, net of marketing costs. If the sale price is lower than the cost, impairment is recognised for the portion relating to work in progress (the impairment corresponding to work to be completed is recognised as a provision for liabilities).

8. Impairment of *goodwill*

Goodwill is recognised in the balance sheet at cost. Once a year, it is subject to a standard review and impairment tests. At the date of acquisition, each element of goodwill is allocated to one or more cash-generating units that are forecast to derive economic benefits from the acquisition; consequently, the legal entity is the equivalent of a cash-generating unit. Any impairment of this goodwill is based on the recoverable value of the relevant cash-generating units. The recoverable value of a cash-generating unit is calculated based on the most appropriate method.

If the recoverable value is less than its carrying value, an impairment charge is recognised in the income statement for the year.

Impairment of bad debt
Invoices classified as bad debts are systematically written off for their full amount excluding tax, less any deposits or guarantees received.

➢ 20.1.7.1.8.8. - Financial instruments

The valuation and recognition of financial instruments and the required disclosures are set out under IAS 39 and 32 and IFRS 7.

The financial assets held by Affine Group are accounted for as follows:
- Investment securities are recorded as trading assets,
- Unconsolidated securities are recorded as "assets available for sale".

The Affine Group only uses derivatives as part of its debt interest rate hedging policy. According to IFRS, these instruments are financial assets and liabilities and must be stated in the balance sheet at their fair value.

Changes in value are recognised directly in profit or loss, except in two situations where they are recognised in equity as follows:
- when the derivative is classified as a cash flow hedge,
- when the derivative is classified as a net investment hedge

Classification as a hedge is strictly defined and must be documented from the outset; prospective and retrospective effectiveness tests must be carried out.

The Affine Group has developed a macro-hedging strategy for its debt based on swaps and caps. However, given the problem of demonstrating the effectiveness of this hedging and its maintenance over time, Affine has not sought to implement the option provided under IAS 39, which would make it possible to recognise changes in the fair value of derivatives via equity, except for the non-effective portion of the hedge, which would still be recognised in profit or loss. Consequently, the Affine Group classifies derivatives as trading assets.

All financial liabilities are recognised in the balance sheet at depreciated cost except for derivatives that are recognised at fair value.

Issuing costs for loans, including convertible bonds (ORA) and perpetual subordinated loan notes (TSDI), are recorded as a deduction from the nominal value of the loan and recognised by being incorporated into the calculation of the effective interest rate.

These payables or receivables are discounted and interest expense or income is taken to the income statement over the loan repayment period. Accordingly, exit charges owed pursuant to SIIC status are subject to discounting in the Group's financial statements.

Financial assets at fair value through the income statement
The main methods and assumptions applied to calculate the fair value of financial assets are as follows:
- Equity investments are valued on the basis of either their market price (for listed instruments) or on the basis of their net asset value or their discounted future cash flows if the amount of the line is sufficiently material;
- Equity investments are valued on the basis of either their market price (listed instruments) or on the basis of their net asset value or their discounted future cash flows;
- Derivative instruments are valued by discounting estimated future cash flows on the yield curve of the three-month Euribor as at 31/12/2011 to the ten-year segment. The company uses the update provided by the firm Finance Active; the comparison of these figures with those issued by the various banks with whom the hedging is contracted is satisfactory. This method of determination corresponds to level 3 of the fair value hierarchy of IFRS 7.

Financial liabilities at fair value through profit or loss
These liabilities pertain to debt related to derivatives. The debt is valued by discounting future cash flows (for which the company is committed to the banks offering these hedges) calculated by Finance Active.

➢ 20.1.7.1.8.9. - Recognition of convertible bonds (ORA) and perpetual subordinated loan notes (TSDI)

Convertible Bonds (ORA)
Two thousand convertible bonds with a par value of €10,000 issued on 15 October 2003, for a period of 20 years, redeemable on maturity at the original issue price of €50 per share (200 shares per convertible bond), adjusted for the possible dilutive effects of financial transactions on the share capital.

After a bonus issue of 4% of shares to shareholders on 23 November 2005, this ratio rose to 208 shares per convertible bond.

Affine's General Meeting of Shareholders held on 26 April 2007 decided to execute a three-for-one stock split on Affine shares by allocating three new shares for every old share effective on 2 July 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest
The coupon, based on the amount of the dividend distributed by the Company, is paid out as follows:
- An interim dividend on November 15, corresponding to a fixed interim payment of €0.518 per underlying share multiplied by the exchange ratio (that is, €323.23 per bond at this time);
- The remainder on the day the dividend is paid.

Early redemption at the Company's discretion
From 15 October 2008, the Company may convert all or some of the convertible bonds to shares if the average share closing price over 40 consecutive trading sessions exceeds the adjusted issue price.

From 15 October 2013, the Company may redeem all or some of the convertible bonds in cash by giving prior notice of 30 calendar days, at a price guaranteeing the initial subscriber, on the actual redemption date, after taking into account coupons paid in previous years and the interest payable for the period between the last interest payment date before the early redemption date and the actual redemption date, a gross actuarial return of 11%. Under no circumstances may this price be lower than the nominal value of the convertible bond.

Early redemption at the holder's discretion
From 15 October 2013, convertible bond holders shall be entitled to request, at any time, excluding the period from 15 November to 31 December inclusive in any year, the redemption of all or some of their convertible bonds at a rate of 624 shares (after adjustment) per bond.

Perpetual subordinated loan notes (TSDI)
On 13 July 2007, Affine issued €75 million of perpetual subordinated loan notes (TSDI) represented by 1,500 TSDI each with a €50,000 nominal value. The issue was placed with foreign investors, and the notes are listed on the Marché Réglementé (regulated market) of the Luxembourg stock exchange.

Term of the TSDI
The TSDI are issued for an unlimited term.

Redemption procedures
The TSDI may be redeemed in their entirety (and not in part) at the discretion of the Issuer, at any interest payment date with effect from 13 July 2017, for their nominal value plus unpaid accrued interest (including deferred interest).

Form of the TSDI
No paper document evidencing ownership of the TSDI has been issued. The TSDI are bearer securities and are recorded in the books of Euroclear France which will credit the accounts of the account holders.

Ranking of the TSDI
The TSDI and related interest constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or future ordinary subordinated bonds. They rank above all equity securities issued by Affine, investment loans granted to Affine, and lowest ranking subordinated bonds, and they rank after existing or future unsubordinated bonds. In the event of Affine's liquidation, the TSDI will be redeemed at their nominal value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, equity securities issued by Affine and investment loans granted to Affine.

Annual interest
Each TSDI bears interest with effect from the date of issue based on its nominal value at a floating quarterly interest rate equal to the 3-month Euribor plus a margin per annum, payable quarterly in arrears on 13 July, 13 October, 13 January and 13 April of each year, the first time being 13 October 2007. The margin is 2.80% per annum with effect from 13 July 2007 inclusive until the first early redemption date (exclusive) and thereafter 3.80% per annum.

If an Ordinary General Meeting of Shareholders:
- establishes, before an interest payment date, that there are no distributable earnings,
- or establishes that there are distributable earnings, but has not made or approved a dividend in any form, nor effected a payment in respect of any share class with the exception of a dividend required by the law applying to the issuer due to its status as a listed real estate investment trust ("SIIC") and former SICOMI.

Affine may defer the payment of interest, and the interest thus deferred will accrue interest until the next date on which interest is paid.

Since Affine is not obliged to pay coupons or to redeem the TSDI, whether or not an event outside its control occurs, under IAS 32 all the TSDI must therefore be classified as equity instruments.

Distributions in respect of these instruments, net of any tax, will be treated as dividend distributions.

➤ 20.1.7.1.8.10. -Provisions

Provisions are recognised where the Group has a current liability (whether legal or implicit) stemming from a past event, where it is likely that an outflow of resources representing financial benefits will be required to settle the liability and where the amount of the liability can be reliably valued.

Where the Group expects the reimbursement of a portion of the risk amount covered by a provision, for example under an insurance policy, the reimbursement is recorded as a separate asset provided reimbursement is virtually certain.

If there is a significant time-value impact, provisions are determined by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time-value of money and, if applicable, the risks specific to the liability. Where the provision is discounted, the increase in provision relating to the passage of time is recognised as an interest expense.

➤ 20.1.7.1.8.11. - Treasury shares

These shares are posted directly to equity just like gains and losses on disposals.

➤ 20.1.7.1.8.12. - Income tax

Consolidated tax expense includes deferred taxes.

Current tax
The Affine Group is subject to a mixed tax treatment as follows:
- An SIIC segment allowing exemption of tax on ordinary profits from rental activities, capital gains on building disposals and shareholdings and dividends from subsidiaries that choose;
- A former SICOMI segment exempt from tax on current earnings, which is applicable to finance lease agreements prior to 1993;
- A tax segment applying to 'free' finance leases ("CBL") signed with effect from 1 January 1993 and to general finance leases ("CBG") signed prior to 1 January 1996;
- Other business is taxable.

Deferred taxes
Pursuant to IAS 12, deferred tax arises on timing differences between the book values of assets and liabilities and their tax values.

Under the balance sheet liability method, deferred tax is calculated based on the actual or expected tax rate in the year when the assets will be realised or the liabilities paid.

The effects of changes in the tax rate from one year to another are posted to income for the year in which the change is recognised, unless the changes affect a tax asset or liability originally recognised in equity.

Deferred tax relating to assets and liabilities posted directly to equity is also posted to equity.

The rates applicable to the year ended December 31, 2007 are as follows:

French companies excluding SIIC	33.33%
German companies	15.82%
Belgian companies	33.99%

In accordance with the standard:

- Deferred taxes cannot be discounted,
- Deferred tax assets and liabilities are offset by entities subject to the same tax authority.

20.1.7.1.8.13. - Employee benefit obligations

The Group recognises all staff benefits on the balance sheet. These benefits largely relate to pensions and other post-employment benefits. The cost of employee benefits is accounted for in the year when the rights are vested.

Affine's employees come under the National Collective Bargaining Agreement governing financial companies dated 22 November 1968, as amended on 3 October 2008. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined contribution scheme.

The allowances follow the same tax and social security regime as redundancy payments, as modified by the law of 25 June 2008 modernising the labour market;

	Voluntary retirement	Forced retirement
Over 10 years' employment	½ month	1/5 of the monthly salary per year
More than 15 years' employment	1 month	1/5 of the monthly salary for the first 10 years and 2/15 beyond the 10th year
More than 20 years' employment	1.5 months	
More than 30 years' employment	2 months	

The applicable base is one twelfth of the gross pay over the final twelve months preceding redundancy or, if more beneficial, one third of the final three months.

Employees hired as from January 1, 2012 will fall under the collective real estate industry agreement.

With regard to employee share ownership schemes, IFRS 2 provides for systematic expensing, for both shares to be issued and existing shares, and regardless of the hedging strategy.

Actuarial gains or losses are not isolated. They are recorded in income and not in equity.

Affine uses the intrinsic value accounting method to value bonus share schemes: the valuation is based on the share price on the date of the initial grant. No assumed probability of future employment is factored into the calculation during the vesting period.

The expense is amortised over the 3-year vesting period, with no discounting.

20.1.7.2. - Segment reporting

Segment reporting reflects management's view and is prepared on the basis of the internal reporting used by the Principal Operational Decision-Maker (Senior Management) to implement the allocation of resources and evaluate performance.

No modification has been made in the definition of the segments since December 31, 2010.

The data in the report are prepared in accordance with the accounting principles used by the Group.

Segment analysis is conducted along two main lines:

1/ Type of business

- "Finance leases",
- "French real estate",
- "Belgian real estate",
- "Property development",

2/ Geographical segment

- Paris
- Paris region
- France
- Outside France

20.1.7.2.1. - By type of business

At 31.12.11:

(In thousands of euros)	Finance leasing	French real estate	Belgian real estate	Property development	Total
Rental revenue	-	50,276	6,590	-	56,866
NET PROPERTY INCOME	**-**	**44,337**	**5,813**	**-**	**50,150**
Revenue from other activities	*2,351*	*-*	*-*	*(1,691)*	*660*
Committed costs	*-*	*-*	*-*	*-*	*(15,520)*
Current EBITDA					**35,290**
Depreciation and impairment	*-*	*-*	*-*	*-*	*(182)*
CURRENT OPERATING INCOME					**35,108**
Other income and expenses	*-*	*-*	*-*	*-*	*4*
Profit (loss) from asset disposals	*764*	*2,168*	*2,315*	*-*	*5,250*
OPERATING INCOME					**40,362**
Balance net of value adjustments	-	2,460	(570)	-	1,890
NET OPERATING PROFIT					**42,252**
Net cost of financial debt	-	-	-	-	(21,798)
Adjustment to value of financial instruments	-	-	-	-	(2,712)
Tax	-	-	-	-	(428)
Share of securities consolidated by the equity method	-	1,110	(539)	(1,200)	(629)
Miscellaneous	-	-	-	-	(49)
NET INCOME					**16,636**

(In thousands of euros)	Finance lease	French real estate	Belgian real estate	Property development	Business centres	Total
Segment assets	37,579	700,814	-	27,595	-	765,989
Shares in EM associates	-	26,909	59,720	(810)	-	85,819
Unallocated assets	-	-	-	-	-	29,162
Total consolidated assets	**-**	**-**	**-**	**-**	**-**	**880,970**
Segment liabilities	8,441	486,120	-	9,357	-	503,917
Non-segment liabilities	-	-	-	-	-	377,052
Total consolidated liabilities	**-**	**-**	**-**	**-**	**-**	**880,970**
Investment expenses	-	36,158	115	-	-	36,274
Amortisation expense	-	-	-	-	-	(182)
Other non-disbursed expenses	0	476	99	2,987	-	3,562

At 31.12.10:

(In thousands of euros)	Finance leasing	French real estate	Belgian real estate	Property development	Total
Rental revenue	-	53,247	17,320	-	70,567
NET PROPERTY INCOME	**-**	**44,639**	**14,931**	**-**	**59,570**
Revenue from other activities	*2,901*	-	-	*(2,789)*	*112*
Committed costs	-	-	-	-	*(20,307)*
Current EBITDA					**39,375**
Depreciation and impairment	-	-	-	-	(285)
CURRENT OPERATING INCOME					**39,090**
Other revenue and expenses	-	-	-	-	*355*
Profit (loss) from asset disposals	*(96)*	*(426)*	*94*	-	*(445)*
OPERATING INCOME					**39,000**
Balance net of value adjustments	-	159	(2,978)	-	(2,818)
NET OPERATING PROFIT					**36,181**
Net cost of financial debt	-	-	-	-	*(27,615)*
Adjustment to value of financial instruments	-	-	-	-	*(2,910)*
Tax	-	-	-	-	*585*
Miscellaneous	-	-	-	-	*4,386*
NET INCOME					**10,627**

(In thousands of euros)	Finance lease	French real estate	Belgian real estate	Property development	Business centres	Total
Segment assets	54,301	770,668	177,693	197,825	-	1,200,487
Shares in EM associates	-	-	43,814	(1,903)	-	41,911
Unallocated assets	-	-	-	-	-	40,124
Total consolidated assets	**-**	**-**	**-**	**-**	**-**	**1,282,522**
Segment liabilities	9,209	529,640	262,773	11,176	-	812,798
Non-segment liabilities	-	-	-	-	-	469,725
Total consolidated liabilities	**-**	**-**	**-**	**-**	**-**	**1,282,523**
Investment expenses	-	10,884	19,718	-	-	30,601
Amortisation expense	-	-	-	-	-	285
Other non-disbursed expenses	37	1,170	249	5,226	-	6,682

20.1.7.2.2. -By geographic sector

The following tables show, for each geographic sector, information on revenue from ordinary activities, investments and certain information on assets.

At 31.12.11:

(In thousands of euros)	Paris	Paris region	Other regions	Outside France	Total
Revenue from activities	6,920	32,538	42,402	7,320	89,181
Interest and income on finance lease transactions	243	973	973	-	2,188
OTHER INFORMATION					
Segment assets	196,577	226,748	288,930	10,267	722,522
Unallocated assets	-	-	-	-	158,448
TOTAL CONSOLIDATED ASSETS	**-**	**-**	**-**	**-**	**880,970**
Investment expenses	2,816	20,175	13,167	-	36,158

At 31.12.10:

(In thousands of euros)	Paris	Paris region	Other regions	Outside France	Total
Revenue from activities	14,953	38,565	44,766	31,183	129,465
Interest and revenue on finance lease transactions	220	1,044	1,731	0	2,993
OTHER INFORMATION					
Segment assets	232,927	286,793	365,936	199,393	1,085,049
Unallocated assets	-	-	-	-	197,473
TOTAL CONSOLIDATED ASSETS	**-**	**-**	**-**	**-**	**1,282,522**
Investment expenses	412	688	9,905	19,597	30,601

20.1.7.3. - Key events of the year

Evaluation

At its request, the Banimmo shares were delisted from the NYSE Euronext Paris, but are still listed on NYSE Euronext Brussels.

Share capital

Forum European Realty Income II LP requested the conversion of its 600 convertible bonds to shares, and consequently subscribed 374,400 new shares created for a par value of €2,205,000. The difference between the par value of the convertible bonds converted and the total par value of the shares issued was recorded as a part of the issue premium.

The dividend paid for the financial year ended on December 31, 2010 paid partly in shares gave rise to the creation of 514,076 new shares, raising the share capital to €50,006,000.

When the preceding transactions were completed, the share capital rose to €53,034,000.

On June 8, 2011 the board of directors of Affine decided to round off the share capital to €53,100,000 by including €66,000 taken from reserves.

Shareholdings and consolidation method

Deconsolidation of MGP SUN SARL.

Consolidation of Banimmo by the equity method as from October 1, 2011.

Affine, the principal shareholder of AffiParis, participated in the share capital increase launched on October 24, 2011, on the one hand, as of right by inclusion of its shareholder account up to €19,376,000 and by exercising the pre-emptive right it acquired on the market, leading to a subscription of up to €3,182,000, and, on the other hand, in the form of excess shares for a total of €2,495,000. As of November 29, 2011, Affine holds 4,860,756 shares representing 86.01€ of the company's share capital.

Affine has continued to buy AffiParis shares, and as of 31 December 2011, it holds 86.93% of AffiParis..

Assets available for sale

The Baudry Ponthieu building was reclassified as property held for sale on the basis of an outside appraisal value less the marketing fees.

20.1.7.4. - Scope of consolidation

Scope of consolidation at the closing date

	31/12/2011			31/12/2010			31/12/2009			
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Business sector
AFFINE	Parent company			Parent company			Parent company			FF - LF
2/4 BLD HAUSSMANN SAS	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%	PD
GESFIMMO (ex AFFINE DEVELOPPEMENT 1 SAS)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
AFFINE DEVELOPPEMENT 2 SAS	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
AFFINVESTOR Gmbh	-	-	-	IG	94.00%	94.00%	IG	94.00%	94.00%	FF
ARCA VILLE D'ETE SCI (ex CAPUCINES 2 SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
ATIT SC (ex- ANJOU SC)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	PD
BERCYMMO SARL	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
BRETIGNY SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES III SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES IV SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES V SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES VI SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CARDEV	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
COUR CAPUCINES SA	IG	100.00%	99.99%	IG	100.00%	99.99%	IG	100.00%	99.99%	FF
DORIANVEST SARL	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
LES 7 COLLINES	IG	95.00%	95.00%	IG	95.00%	95.00%	IG	95.00%	95.00%	FF
LES JARDINS DES QUAIS SNC	EM	50.00%	74.75%	IG	100.00%	75.00%	IG	100.00%	75.00%	FF
LUMIERE SAS	-	-	-	IG	67.91%	67.91%	IG	67.91%	67.91%	PD
NEVERS COLBERT SCI (ex CAPUCINES I SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
SIPEC SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
ST ETIENNE - MOLINA SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
TARGET REAL ESTATE SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
TRANSAFFINE SNC	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	PD
AFFIPARIS SA	**IG**	**86.93%**	**86.93%**	**IG**	**64.88%**	**64.88%**	**IG**	**64.88%**	**64.88%**	**FF**
SCI 28-32 PLACE DE GAULLE	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
BERCY PARKINGS SCI	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF
SARL COSMO	IG	99.90%	86.84%	IG	99.90%	64.54%	IG	99.90%	64.54%	FF
SCI COSMO LILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO MARSEILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO MONTPELLIER	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO NANTES	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO TOULOUSE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI DU BEFFROI	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI GOUSSIMO 1	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SC GOUSSINVEST	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
HOLDIMMO SC	IG	100.00%	86.93%	IG	99.58%	64.61%	IG	99.58%	64.61%	FF
SCI NUMERO 1	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF
SCI NUMERO 2	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF
SCI PM MURS	-	-	-	IG	100.00%	64.88%	IG	100.00%	64.88%	FF
SCI 36	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF
BANIMMO SA	**EM**	**49.99%**	**49.51%**	**IG**	**50.00%**	**50.00%**	**IG**	**50.00%**	**50.00%**	**BRE**
BFI SAS (EX-EDOUARD VII FACILITÉ SAS)	**-**	**-**	**-**	**-**	**-**	**-**	**IG**	**97.99%**	**97.99%**	**CA**
CAPUCINE INVESTISSEMENTS SA	**IG**	**99.77%**	**99.77%**	**IG**	**99.77%**	**99.77%**	**IG**	**95.00%**	**95.00%**	**FF**

	31/12/2011			31/12/2010			31/12/2009			
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Business sector
CONCERTO DÉVELOPPEMENT SAS	**IG**	**99.99%**	**99.99%**	**IG**	**70.29%**	**69.27%**	**IG**	**70.29%**	**69.28%**	**PD**
AULNES Développement SAS	EM	50.00%	50.00%	EM	50.00%	34.64%	EM	50.00%	34.64%	PD
CHAVORNAY PARC SA	PI	50.00%	50.00%	PI	50.00%	34.64%	PI	50.00%	34.64%	PD
CONCERTO BALKANS SRL	-	-	-	-	-	-	IG	100.00%	69.28%	PD
CONCERTO Développement Iberica SL	IG	100.00%	99.99%	IG	100.00%	69.27%	IG	100.00%	69.28%	PD
CONCERTO LOGISTIC PARK MER	IG	99.99%	99.98%	IG	99.99%	69.27%	IG	99.99%	69.27%	PD
MGP SUN SARL (1) (2)	-	-	-	EM	10.00%	6.93%	EM	10.00%	6.93%	FF
PROMAFFINE SAS	**IG**	**100.00%**	**100.00%**	**IG**	**100.00%**	**100.00%**	**IG**	**100.00%**	**100.00%**	**PD**
BOURGTHEROULDE - L'EGLISE	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	PD
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	PD
DOLE SARL	-	-	-	-	-	-	PI	50.00%	50.00%	PD
LUCE CARRE D'OR SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	PD
MARSEILLE 88 CAPELETTE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	PD
NANTERRE TERRASSES 12 SCI	PI	50.00%	50.00%	PI	50.00%	50.00%	PI	50.00%	50.00%	PD
29 COPERNIC SCI	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%	PD

LF:Finance leasing
FRE:French real estate
BRE: Belgian real estate
PD:Property development
CA:Business centres

The scope of the holdings under Banimmo for the 2010 and 2009 financial years can be consulted in the Affine reference document regarding the financial year closed on 31/12/2010.

20.1.7.5. - Notes and comments

20.1.7.5.1. - Notes to the statement of financial position

➢ Note 1 – Real Estate portfolio buildings

Buildings in the real estate portfolio include:
- 54 assets recorded as investment properties, and
- 16 assets classified as buildings held for sale.

Affine:
44 of the 48 Affine-owned assets, representing 93.8% of the fair value of the rental portfolio, were valued by independent appraisers (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Among the 44 assets, two (representing 3.6% of the fair value of the rental portfolio) were internally reassessed; the outside appraisal was not considered. One asset, accounting for 5.2% of the rental portfolio, was internally appraised. Three properties, representing 0.9% of the fair value of the rental portfolio, were appraised according to the sale price mentioned in the signed sale mandate, or a signed purchase offer.

Other companies:
For Affine-dedicated subsidiaries:
Eight of the nine properties held by Affine subsidiaries, representing 93.7% of the fair value of the portfolio, were assessed on December 31, 2011 by two independent appraisers (Foncier Entreprise and Cushman & Wakefield). One asset, accounting for 6.3 % of the rental portfolio, was internally appraised.

For AffiParis:
Seven assets were valued by the independent property appraiser Cushman & Wakefield; these represent 97.5% of the fair value of the property portfolio. Two of these assets were reclassified in "Properties held for sale". Of the six other assets recorded as properties held for sale, one is valued on the basis of an accepted sale offer; this asset represents 0.2% of the fair value of the corporate portfolio. The other five, representing 2.3% of the faire value of the portfolio, were appraised internally.

Properties purchased during the year and those subject to a purchase offer or sales commitment are stated at market value. Properties for which a sale procedure has begun are shown on a separate line in the balance sheet. The gain or loss on sale of an investment property is calculated in relation to the most recent fair value recorded in the balance sheet at the close of the preceding financial year.

Each appraiser states its independence and confirms the values of the real-estate assets appraised by its services, without taking responsibility for those made by other firms.

Summary table of changes in fair value

At 31.12.11:

(In thousands of euros)	01/01/2011	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2011
BY ASSET TYPE *						
Industrial premises, warehouses	165,720	30,770	-	(3,180)	116	193,426
Offices	485,411	3,410	(88,896)	(14,891)	7,326	392,360
Commercial	156,529	2,094	(66,292)	(8,121)	(7,707)	76,503
Other	40,248		(19,800)	(12,731)	2,155	9,872
PAR AREA *						
Paris – business district	123,547	404	-	-	387	124,339
Paris – outside business district	66,922	2,412	-	(5,240)	4,576	68,670
Paris region – outside Paris	213,470	20,216	(24,764)	(17,511)	2,413	193,823
Other French cities	340,334	13,167	(52,821)	(9,635)	(5,715)	285,330
Other	103,636	75	(97,403)	(6,536)	228	-

* excluding initial direct costs of €557,000 as at 31/12/2011

The 'Change in scope of consolidation' column includes some Banimmo and Jardin des Quais properties appraised at their fair value on September 30, 2011. Due to Banimmo's change of consolidation method, the fair value of the Jardin des Quais and Banimmo property portfolios is no longer entered in the real estate portfolio item as at 31/12/2011, although it is used for the valuation of the Jardin de Quais and Banimmo shares consolidated by Affine according to the equity method.

At 31.12.10:

(In thousands of euros)	01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
BY ASSET TYPE *						
Industrial premises, warehouses	215,123	2,163	-	(43,763)	(7,803)	165,720
Offices	505,208	2,094	-	(26,575)	4,684	485,411
Commercial	150,450	6,754	-	(1,656)	982	156,529
Other	49,710	9	-	(8,790)	(681)	40,248
PAR AREA *						
Paris – business district	121,554	68	-	-	1,925	123,547
Paris – outside business district	65,835	345	-	(1,850)	2,591	66,922
Paris region – outside Paris	234,277	688	-	(19,195)	(2,300)	213,470
Other French cities	387,200	9,905	-	(53,690)	(3,080)	340,334
Other	111,625	15	-	(6,050)	(1,955)	103,636

* excluding initial direct costs of €1,108,000 as at 31.12.10

The 31/12/2009 figures include the reclassification under AS 2 of 10 Banimmo properties initially classified under IAS 40 in 2009: This explains the addition of the 'Transfer' column published in 2010 to the table in the 2009 statement.

At 31.12.09:

(In thousands of euros)	01/01/2009	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2009
PAR ASSET TYPE *						
Industrial premises, warehouses	196,811	14,922	9,450	(2,568)	(3,492)	215,123
Offices	694,519	28,340	(66,665)	(118,138)	(32,848)	505,208
Commercial	126,969	86,007	(44,476)	(14,243)	(3,807)	150,450
Other	68,395	293	(14,909)	(540)	(3,529)	49,710
PAR AREA *						
Paris – business district	131,624	292	-	(2,640)	(7,722)	121,554
Paris – outside business district	72,319	167	(1)	(4,800)	(1,850)	65,835
Paris region – outside Paris	297,639	31,336	(70,436)	(8,496)	(15,766)	234,277
Other French cities	333,802	71,821	15,191	(28,641)	(4,973)	387,200
Other	251,310	25,947	(61,355)	(90,913)	(13,364)	111,625

* excluding initial direct costs of €988,000 as at 31.12.09

The 'Transfer' column corresponds to the reclassification to IAS 2 of 10 properties initially classified under IAS 40 by Banimmo (for €117,502,000) and to the transfer to IAS 40 of two properties initially classified under IAS 16 (for €902,000).

Reconciliation between values in financial position and appraisals from independent experts

Investment property:

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	276,973	277,643	(670)	*(€670,000) concerning two properties for which a fair value below the appraised value was recorded as the result of a management decision*
Foncier Expertise (formerly Ad Valorem)	81,510	81,510	-	
BNP Real Estate	143,520	143,520	-	
Internal appraisals	18,796	18,796	-	
Under construction			-	
Marketing fees	557	-	557	
INVESTMENT PROPERTIES AT 31/12/2011	**521,357**	**521,469**	**(113)**	

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushmann & Wakefield	311,309	312,560	(1,251)	*including (€653,000) on the Baudry property, because the payment deferment granted to the main tenant was cancelled as it had already been recognised in the accounts and €599,000 due to the recognition of works on the Traversière high-rise building.*
Ad Valorem	80,390	80,390	-	
CBRE	115,933	115,933	-	
BNP Real Estate	140,862	140,862	-	
Crombrugghe	113,057	113,057	-	
Under construction	10,993	10,993	-	
Marketing fees	1,108	-	1,108	
INVESTMENT PROPERTIES AT 31.12.10	**773,651**	**773,795**	**(144)**	

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushmann & Wakefield	203,614	204,560	(946)	*(€946,000) breaks down into (€1,046,000) on the Baudry building because the payment deferment granted to the main tenant was cancelled, and €176,000 due to the recognition of works*
BNP Real Estate	218,941	218,845	96	*Recognition of €96,000 for works*
Ad Valorem	184,110	184,110	-	
Jones Lang Lassalle	36,850	36,850	-	
Crombrugghe	115,899	123,713	(7,814)	*Variances due to Belgian tax (no tax is levied on the sale of companies)*
CBRE	8,050	8,050	-	
Foncier Expertise	1,045	1,045	-	
Acquisitions	34,812	-	34,812	*The cost of the acquisition made on 07/12/2009 was used for fair value on 31/12/2009*
Internal appraisals	6,050	-	6,050	
Under construction	23,714	-	23,714	*The construction of the properties concerned began before 01/01/2009; they are stated at historic cost*
Marketing fees	988	-	988	
INVESTMENT PROPERTIES AT 31.12.09	**834,073**	**777,173**	**56,901**	

Assets held for sale

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	135,982	136,953	(971)	*of which (€685,000) on the Baudry property appraised by Cushman and (€276,000) on fees for the same property, since the payment deferment granted to the main tenant was cancelled because it had already been recognised in the accounts.*
Internal appraisals	11,532	-	11,532	
Mandates, offers for sale and commitments to sell	3,849	-	3,849	
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AS AT 31/12/2011	**151,363**	**136,953**	**14,410**	

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	63,065	63,325	(260)	*For one property, the Group used an purchase offer instead of an appraisal.*
Internal appraisals	4,630	-	4,630	
Mandates, offers for sale and commitments to sell	7,670	-	7,670	
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AS AT 31.12.10	**75,365**	**63,325**	**12,040**	

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	41,450	41,450	-	
Internal appraisals	6,555	-	6,555	
Mandates, offers for sale and commitments to sell	39,402	29,480	9,922	*Out of 12 assets, 5 were appraised externally at the same time*
NON-CURRENT ASSETS FOR SALE AS AT 31.12.09	**87,407**	**70,930**	**16,477**	

Sensitivity to changes in the assumptions used to measure fair value

On the basis of the portfolio value excluding registration fees and estimated disposal costs, the average rate of return was 7.1% at 31.12.11.

On the basis of the average rate of return at December 31, 2011, a change of 25 basis points would have an inversely proportional effect of €23.8 million on the Group's portfolio value.

Changes in the value of properties

(In thousands of euros)	Leases	in progress	Assets held for sale	TOTAL
As at 31.12.08	**956,703**	**27,335**	**104,249**	**1,088,288**
Increases	71,929	57,400	209	129,538
Acquisitions during the year	71,929	57,400	209	129,538
Decreases	(75,429)	(47,747)	(12,313)	(135,489)
Write-off	-	-	-	-
Disposals	(75,429)	(47,747)	(12,313)	(135,489)
Change in scope of consolidation	-	-	-	-
Change in fair value	(32,474)	-	(11,202)	(43,676)
Transfers between line items	(109,456)	(14,510)	6,464	(117,502)
Change in initial direct costs	(605)	-	-	(605)
Sector transfers	1,228	(301)	-	926
As at 31.12.09	**811,896**	**22,177**	**87,407**	**921,480**
Increases	1,321	9,503	195	11,019
Acquisitions during the year	1,321	9,503	195	11,019
Decreases	(61,793)	(44)	(19,486)	(81,323)
Write-off	-	-	-	-
Disposals	(61,793)	(44)	(19,486)	(81,323)
Change in scope of consolidation	-	-	-	-
Change in fair value	227	-	(2,507)	(2,281)
Transfers between line items	10,706	(20,462)	9,755	-
Change in initial direct costs	119	-	-	119
Sector transfers	-	-	-	-
As at 31.12.10	**762,477**	**11,175**	**75,365**	**849,015**
Increases	30,673	5,651	20	36,345
Acquisitions during the year	30,673	5,651	20	36,345
Decreases	(15,211)	(11)	(23,701)	(38,923)
Write-off	-	-	-	-
Disposals	(15,211)	(11)	(23,701)	(38,923)
Change in scope of consolidation	(155,865)	(4)	(19,800)	(175,668)
Change in fair value	732	-	1,158	1,890
Transfers between line items	(107,296)	(11,096)	118,320	(71)
Change in initial direct costs	130	-	-	130
Sector transfers	-	-	-	-
AS AT 31.12.11	**515,641**	**5,716**	**151,363**	**672,718**

➤ Note 2 – Property, plant, equipment and intangible assets

(In thousands of euros)	31/12/2009	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2010	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2011
TANGIBLE ASSETS									
Gross	2,900	521	(349)	-	3,073	111	-	(2,369)	814
Amortisation	(1,397)	(128)	335	-	(1,190)	(100)	-	817	(473)
Net	**1,503**	**393**	**(14)**	**-**	**1,883**	**10**	**-**	**(1,553)**	**341**
INTANGIBLE ASSETS									
Gross	1,590	45	(102)	(187)	1,346	155	(4)	(803)	693
Amortisation	(1,125)	(157)	32	187	(1,063)	(81)	-	657	(487)
Net	**466**	**(113)**	**(70)**	**-**	**283**	**74**	**(4)**	**(146)**	**207**
GOODWILL									
Gross	9,593	-	-	-	9,593	-	-	-	9,593
Amortisation	(9,593)	-	-	-	(9,593)	-	-	-	(9,593)
Net	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

➤ Note 3 – Long-term loans

(In thousands of euros)		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	317,413	38,258	142,850	136,305
- Fixed rate	*16,957*	*3,054*	*10,417*	*3,485*
- Variable rate	*300,456*	*35,204*	*132,433*	*132,819*
Finance lease commitment hedge accounts	4,505	3,306	529	670
Deferred borrowing costs at EIR	(2,081)	(580)	(1,167)	(334)
TOTAL AT 31.12.11	**319,836**	**40,984**	**142,212**	**136,640**

(In thousands of euros)		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	634,636	55,784	313,329	265,522
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	4,865	993	3,031	841
Deferred borrowing costs at EIR	(4,610)			
TOTAL AT 31.12.10	**634,891**	**56,777**	**316,360**	**266,364**

(In thousands of euros)		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	619,265	136,122	169,572	313,571
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	7,498	1,181	3,465	2,852
Deferred borrowing costs at EIR	(3,846)			
TOTAL AT 31.12.09	**622,917**	**137,303**	**173,036**	**316,423**

The average term of the debts as at December 31, 2011 is 5.7 years.

➤ Note 4 – Other financial assets and liabilities

At 31.12.11:

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	30,673	-	-	19,523	11,150
Assets available for sale	269	-	-	-	269
Derivatives stated at fair value	2,607	-	-	2,607	-
Deposits and sureties paid	4,812	-	-	-	4,812
Loans	765	-	-	749	15
Total non-current financial assets	**39,125**	**-**	**-**	**22,879**	**16,246**
Current					
Other receivables	-	-	-	-	-
Cash and equivalents	23,316	23,316	-	-	-
Cash equivalents: SICAVs	-	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-	-
Settlement accounts for securities	*465*	*465*	-	-	-
Bank account overdrafts	*22,851*	*22,851*	-	-	-
Total current financial assets	**23,316**	**23,316**	**-**	**-**	**-**
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	14,136	-	-	13,896	240
Discounted premiums payable	1,415	-	-	1,415	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	**15,551**	**-**	**-**	**15,311**	**240**
Current					
Loans and borrowings	46,620	15,926	30,694	-	-
Less than one year	*36,249*	*5,170*	*31,079*	-	-
Finance lease commitment hedge accounts	*3,093*	*2,979*	*113*	-	-
Deferred borrowing costs at EIR	*(616)*	*(117)*	*(499)*	-	-
Accrued interest on loans	*1,197*	*1,197*	-	-	-
Bank overdrafts	*4,405*	*4,405*	-	-	-
Current accounts and related debt	*2,292*	*2,292*	-	-	-
Total current financial liabilities	**46,620**	**15,926**	**30,694**	**-**	**-**

At 31.12.10:

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	53,729	2,805	7,481	26,056	17,387
Assets available for sale	15,641	-	-	-	15,641
Derivatives stated at fair value	4,334	-	-	4,312	22
Deposits and sureties paid	4,752	-	-	-	4,752
Loans	34,970	179	-	32,325	2,466
Total non-current financial assets	**113,426**	**2,983**	**7,481**	**62,693**	**40,269**
Current: Cash and equivalents					
Cash equivalents: SICAVs	1,127	1,127	-	-	-
Restatement of SICAVs at fair value	4	4	-	-	-
Settlement accounts for securities	1,069	1,069	-	-	-
Bank account overdrafts	25,653	25,653	-	-	-
Total cash and equivalents	**27,853**	**27,853**	**-**	**-**	**-**
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	22,949	304	936	15,267	6,442
Treasury certificates	18,000	-	18,000	-	-
Related debts	(72)	-	(72)	-	-
Total non-current financial liabilities	**40,877**	**304**	**18,864**	**15,267**	**6,442**
Current: Loans and borrowings					
Less than one year	59,821	7,075	52,746	-	-
Finance lease commitment hedge accounts	3,253	461	2,792	-	-
Deferred borrowing costs at EIR	(178)	(35)	(144)	-	-
Accrued interest on loans	3,577	3,577	-	-	-
Bank overdrafts	3,348	3,348	-	-	-
Current and related accounts	2,471	2,471	-	-	-
Total debts and financial liabilities	**72,292**	**16,898**	**55,394**	**-**	**-**

At 31.12.09:

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	68,631	3,139	12,025	31,694	21,772
Assets available for sale	5,118	-	-	-	5,118
Derivatives stated at fair value	3,859	-	-	3,739	120
Deposits and sureties paid	5,353	-	-	-	5,353
Loans	12,816	18	-	12,726	72
Total non-current financial assets	**95,776**	**3,157**	**12,025**	**48,159**	**32,435**
Current: Cash and equivalents					
Cash equivalents: SICAVs	2,022	2,022	-	-	-
Restatement of SICAVs at fair value	85	85	-	-	-
Settlement accounts for securities	748	748	-	-	-
Bank account overdrafts	31,931	31,931	-	-	-
Total cash and equivalents	**34,785**	**34,785**	**-**	**-**	**-**
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	21,249	271	1,253	11,643	8,082
Commercial paper	15,750	10,250	5,500	-	-
Related debts	(38)	(38)	-	-	-
Total non-current financial liabilities	**36,961**	**10,483**	**6,753**	**11,643**	**8,082**
Current: Loans and borrowings					
Less than one year	57,125	37,851	19,274	-	-
Finance lease commitment hedge accounts	3,929	273	3,656	-	-
Deferred borrowing costs at EIR	(177)	(34)	(143)	-	-
Accrued interest on loans	1,276	1,276	-	-	-
Bank overdrafts	-	-	-	-	-
Current and related accounts	1,212	1,212	-	-	-
Total debts and financial liabilities	**63,365**	**40,577**	**22,788**	**-**	**-**

➤ Note 5 – Assets held for sale

	31/12/2011		31/12/2010		31/12/2009	
(In thousands of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Business activity	**-**	**-**	**-**	**-**	**5,067**	**5,020**
Investment property						
Buildings held for sale	151,363	-	75,365	-	87,407	-
Loans	-	96,300	-	29,934	-	35,163
Guarantee deposits	-	1,229	-	1,111	-	1,323
Sub-total	**151,363**	**97,529**	**75,365**	**31,045**	**87,407**	**36,487**
Financial assets available for sale						
Shares	204	-	13,897	-	3,306	-
Related receivables	65	-	76	-	104	-
Sub-total	**269**	**-**	**13,973**	**-**	**3,410**	**-**
TOTAL	**151,632**	**97,529**	**89,338**	**31,045**	**95,885**	**41,507**

Note 6 – Other assets

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Government – tax and social security receivables	4,097	9,791	6,198
Sub-total (1)	**4,097**	**9,791**	**6,198**
Suppliers	*215*	*755*	*291*
Client accounts	*8,997*	*6,548*	*5,464*
Subscribed share capital not paid up	*-*		*14*
Loans to related companies	*1,211*	*3,142*	*2,902*
Other miscellaneous receivables	*10,742*	*12,806*	*5,376*
Bad debt provisions, other receivables	*(631)*	*(533)*	*(533)*
Miscellaneous	*-*	*-*	*-*
Other receivables	20,534	22,717	13,513
Revenue accruals	2,482	9,260	8,620
Prepaid expenses	1,357	2,504	4,209
Adjustment accounts	3,839	11,764	12,829
Sub-total (2)	**24,374**	**34,481**	**26,343**
TOTAL (1) + (2)	**28,471**	**44,272**	**32,540**

Note 7 – Other liabilities

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Trade payables and related accounts	*2,414*	*2,991*	*3,804*
Fixed asset payables and related accounts	*51*	*5,121*	*6,692*
Trade payables and related accounts	2,465	8,112	10,496
Other customer payables	*1,270*	*4,135*	*609*
Other payables	*8,666*	*12,799*	*24,414*
Payments received as a result of activation of guarantees (finance leases)	*190*	*336*	*1,028*
Discounted premiums payable - current	*903*	*-*	*-*
Miscellaneous	*-*	*58*	*34*
Other debts	11,029	17,329	26,085
Expenses to pay	5,976	13,340	11,728
Deferred income	4,635	10,295	5,218
TOTAL	**24,106**	**49,076**	**53,528**

Note 8 – Trade loans and receivables

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Receivables from sales of fixed assets	534	-	13,160
Ordinary receivables	6,802	12,260	10,967
Doubtful receivables	3,142	5,080	4,480
Impairment of doubtful receivables	(1,574)	(3,674)	(3,320)
TOTAL	**8,904**	**13,667**	**25,287**

At 31.12.11:

(In thousands of euros)		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	More than a year
INVESTMENT PROPERTIES						
Gross	9,624	3,415	1,416	2,218	746	1,830
Impairment	1,460	-	-	73	71	1,316
Net	**8,164**	**3,415**	**1,416**	**2,144**	**675**	**514**
SERVICES						
Gross	853	257	-	299	160	137
Impairment	114	-	-	-	-	114
Net	**739**	**257**	**-**	**299**	**160**	**23**
TOTAL						
Gross	10,478	3,672	1,416	2,517	906	1,967
Impairment	1,574	-	-	73	71	1,430
NET	**8,904**	**3,672**	**1,416**	**2,444**	**835**	**538**

At 31.12.10:

(In thousands of euros)		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	More than a year
INVESTMENT PROPERTIES						
Gross	15,960	4,397	201	1,054	2,060	8,248
Impairment	3,527	-	69	35	589	2,835
Net	**12,433**	**4,397**	**132**	**1,019**	**1,471**	**5,413**
SERVICES						
Gross	1,380	490	-	237	262	391
Impairment	146	-	-	-	-	146
Net	**1,234**	**490**	**-**	**237**	**262**	**245**
TOTAL						
Gross	17,341	4,887	201	1,292	2,322	8,639
Impairment	3,674	-	69	35	589	2,981
NET	**13,667**	**4,887**	**132**	**1,256**	**1,733**	**5,658**

At 31.12.09:

(In thousands of euros)		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	More than a year
INVESTMENT PROPERTIES						
Gross	27,895	15,241	1,300	2,722	1,042	7,590
Impairment	3,174	-	30	595	662	1,887
Net	**24,722**	**15,241**	**1,270**	**2,127**	**381**	**5,703**
SERVICES						
Gross	712	296	24	215	-	176
Impairment	146	-	-	-	-	146
Net	**565**	**296**	**24**	**215**	**-**	**30**
TOTAL						
Gross	28,607	15,537	1,324	2,937	1,042	7,766
Impairment	3,320	-	30	595	662	2,034
NET	**25,287**	**15,537**	**1,294**	**2,342**	**381**	**5,732**

➤ Note 9 – Inventories

At 31.12.11:

(In thousands of euros)	31/12/2010	Acquisitions	Disposals	Change in scope of consolidation	Change in inventories	Change in impairments / inventories	31/12/2011
Net inventory	183,474	2,438	(8,465)	(156,861)	(3,632)	(3,274)	13,680

At 31.12.10:

(In thousands of euros)	31/12/2009	Acquisitions	Disposals	Change in scope of consolidation	Change in inventories	Change in impairments / inventories	31/12/2010
Net inventory	144,646	32,915	12,506	(1,486)	-	(5,106)	183,474

At 31.12.2009:

(In thousands of euros)	31/12/2008	Acquisitions	Disposals	Change in scope of consolidation	Change in inventories	Change in impairments / inventories	31/12/2009
Net inventory	33,199	3,733	(230)	123,869	(15,999)	74	144,646

➤ Note 10 – Contribution of companies consolidated under the equity method

	31/12/2011					31/12/2010					31/12/2009
(In thousands of euros)	Value	%	Total assets	Revenues exc. tax	Net profit/ loss	Value	%	Total assets	Revenues exc. tax	Net profit/ loss	Value
MGP Sun Sarl	-	-	-	-	-	(1,936)	7%	231	-	(128)	(1,599)
Aulnes développement	-	-	-	-	-	5	35%	22	-	-	6
Paris 29 Copernic	7	50.00%	725	-	13	(141)	50%	882	-	(283)	(292)
2/4 Boulevard Haussmann	-	-	-	-	-	(22)	50%	1,641	-	-	(22)
Cap 88	7	40.00%	5,541	7,113	9	1,038	40%	8,144	12,749	3,142	(219)
Marseille 88 Capelette	(824)	40.00%	10,802	618	(1,530)	(808)	40%	14,109	875	(763)	(510)
Jardin des Quais	26,703	74.75%	16,178	4,827	(1,356)	-	-	-	-	-	-
Banimmo	59,926	49.51%	376,048	17,502	1,156	-	-	-	-	-	-
Montéa	-	-	-	-	-	18,369	7%	258,799	17,097	11,419	19,649
Immocert Tserclaes	-	-	-	-	-	-	-	-	-	-	181
P.D.S.M.	-	-	-	-	-	5,194	25%	1,442	-	200	1,631
Schoonmeers	-	-	-	-	-	-	-	-	-	-	3,264
Conferinvest	-	-	-	-	-	854	24%	100,843	35,796	1,684	29
City Mall invest	-	-	-	-	-	5,711	15%	104,754	-	(586)	-
City Mall Dev	-	-			-	13,648	13%				-
TOTAL	**85,819**					**41,911**					**22,119**

Note 11 – Deferred taxes

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009 [1]
ASSETS			
Investment property	1,393	1,282	598
Securities at fair value via equity	-	-	-
Derivatives	-	2,109	1,386
Other items	1	1,756	883
TOTAL	**1,394**	**5,147**	**2,867**
LIABILITIES			
Financial assets available for sale	-	-	-
Financial assets at fair value	-	-	-
Investment properties at FV of non-SIIC subsidiaries	553	2,407	1,573
Finance leases (lessee)	-	-	-
Goodwill assigned to properties	-	89	172
Finance leases (lessor)	-	-	-
Derivatives	(196)	(4)	-
Deferment of borrowing costs	(76)	32	60
Tax losses carried forward	-	-	-
Other items	-	211	65
TOTAL	**281**	**2,735**	**1,870**

(1) The deferred tax on inventories was restated for the investment properties and properties at FV held by non-SIIC subsidiaries.

Note 12 – Provisions

(In thousands of euros)	Balance 31/12/09	Allowances for the year	Reversals for the year	Change in scope	Balance 31/12/10	Allowances for the year	Reversals for the year	Change in scope	Balance 31/12/11
Provision for diverse risks (customer disputes)	-	-	-	-	-	-	-	-	-
Provision for tax risk	145	229	(145)	-	229	384	(209)	-	404
Provision for pension costs	391	24	(20)	-	395	57	(3)	-	448
Provision for miscellaneous expenses	8,221	1,356	(5,403)	-	4,173	2,286	(378)	(3,907)	2,175
TOTAL	**8,756**	**1,609**	**(5,568)**	**-**	**4,797**	**2,727**	**(590)**	**(3,907)**	**3,027**

The 'Provision for miscellaneous expenses' item is mainly composed of provisions related to MGP Sun SARL with, in particular, €1,925,000 related to the net equity of MGP Sun.

Note 13 – Tax and social security liabilities

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010	As at 31/12/2009
Staff	1,710	1,341	1,710
Tax liabilities (VAT, taxes)	2,968	3,796	3,518
TOTAL	**4,677**	**5,138**	**5,227**

20.1.7.5.2. - Notes to the income statement

Banimmo and Jardin des Quais contribute to the income statement flow for nine months up to their holding percentage.

➤ Note 14 – Net property revenue

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Rental revenue	56,866	70,567	77,178	(13,700)	(6,612)
Rental revenue and expenses	(7,425)	(12,001)	(14,793)	4,576	2,792
Re-billed expenses	*20,159*	*17,735*	*24,035*	*2,424*	*(6,300)*
Rebillable expenses	*(20,147)*	*(18,820)*	*(22,456)*	*(1,326)*	*3,636*
Non rebillable expenses	*(6,698)*	*(9,782)*	*(13,693)*	*3,084*	*3,911*
Miscellaneous expenses	*(48)*	*(534)*	*(547)*	*487*	*13*
Lease fees	*(691)*	*(599)*	*(2,132)*	*(93)*	*1,533*
Depreciation charges	-	-	-		-
Other property revenue and expenses	709	1,004	453	(295)	551
Other revenues	*1,147*	*1,706*	*1,742*	*(559)*	*(36)*
Net losses on doubtful receivables	*(437)*	*(701)*	*(1,289)*	*264*	*588*
NET PROPERTY INCOME	**50,150**	**59,570**	**62,838**	**(9,420)**	**(3,268)**

In 2010 and 2009, rental income, rebillable expenses and non-rebillable expenses items concerned the investment properties, assets held for sale and properties listed in inventory by Banimmo.

➤ Note 15 – Income (loss) from other activities

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Income (loss) from finance lease transactions (1)	**2,351**	**2,901**	**3,848**	**(550)**	**(947)**
Rent and similar	9,248	14,238	18,791	(4,990)	(4,553)
Depreciation and provisions subject to Articles 64 and 57	(6,828)	(11,078)	(13,790)	4,250	2,712
Change in underlying reserve	(233)	(166)	(791)	(67)	625
Net losses on doubtful receivables	604	276	62	328	214
Expenses on finance leases	(441)	(369)	(425)	(72)	56
Income (loss) from property development activities (2)	**(1,691)**	**(2,789)**	**(13)**	**1,098**	**(2,775)**
Revenue	11,285	7,099	30,314	4,185	(23,215)
Rentals of properties in inventory	-	-	-	-	-
Changes in inventories	(3,665)	6,095	(12,839)	(9,760)	18,933
Net losses on doubtful receivables		(49)		50	(50)
Expenses on real estate transactions	(9,310)	(15,933)	(17,489)	6,623	1,556
Rental expenses on properties in inventory	-	-	-	-	-
INCOME (LOSS) FROM OTHER ACTIVITIES (1) + (2)	**660**	**112**	**3,834**	**548**	**(3,722)**

Note 16 – Reversal (allocations) of provisions

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Provisions for contingencies	(585)	(1,462)	(1,069)	877	(393)
Provisions for losses	(57)	(32)	(220)	(25)	188
Reversals of provisions for contingencies	68	131	639	(63)	(507)
Reversals of provisions for losses	5	544	65	(539)	479
Reversal of exceptional provisions	-	145	-	(145)	145
TOTAL	**(569)**	**(674)**	**(586)**	**105**	**(89)**

Note 17 – Gain/loss on asset disposals

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Proceeds from sales of fixed assets	*51,667*	*84,904*	*162,614*	*(33,237)*	*(77,710)*
Net carrying value of properties sold	*(47,185)*	*(85,236)*	*(138,084)*	*38,051*	*52,848*
Income (loss) of investment property sales	4,482	(333)	24,530	4,815	(24,862)
Option exercised on finance lease properties	764	(96)	296	860	(392)
Net operating asset disposals	4	(16)	(20)	20	4
TOTAL	**5,250**	**(445)**	**24,806**	**5,695**	**(25,251)**

Note 18 – Change in value of goodwill

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
CONCERTO DEVELOPPEMENT SAS	-	-	(3,661)	-	3,661
AFFIPARIS	-	-	116	-	(116)
BANIMMO	-	-	-	-	-
CHANGE IN GOODWILL VALUES	**-**	**-**	**(3,545)**	**-**	**3,545**

Note 19 – Net cost of financial debt

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Revenue from cash and equivalents	410	570	2,265	1,994	(1,695)
Dividends	*85*	*245*	*1,865*	*(160)*	*(1,620)*
Loans to customers	*163*	*19*	*34*	*2,298*	*(15)*
Regular receivables accounts	*154*	*297*	*336*	*(144)*	*(39)*
Trading securities	*9*	*83*	*6*	*(74)*	*77*
Investment securities	*-*	*(74)*	*23*	*74*	*(98)*
Gross cost of financial debt	(22,208)	(28,185)	(27,590)	3,822	(595)
Term loans to clientele	*-*	*19*	*(81)*	*(19)*	*100*
Term loans of a financial nature	*(15,842)*	*(18,382)*	*(22,790)*	*2,540*	*4,408*
Bond issues	*(1,444)*	*(2,476)*	*-*	*1,032*	*(2,476)*
Income and expenses from derivatives	*(6,011)*	*(8,599)*	*(4,788)*	*2,588*	*(3,810)*
Subordinated debt expenses	*158*	*(8)*	*(5)*	*165*	*(2)*
Income and expenses from current accounts	*931*	*1,260*	*74*	*(2,483)*	*1,186*
TOTAL	**(21,798)**	**(27,615)**	**(25,325)**	**5,817**	**(2,289)**

Note 20 – Income tax

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Tax due	44	280	5,131	(235)	(4,851)
Change in deferred tax	(472)	305	7,651	(778)	(7,346)
Exit tax	-	-	(53)	-	53
TOTAL	**(428)**	**585**	**12,729**	**(1,013)**	**(12,144)**

(In thousands of euros)	Base	Theoretical tax (expense) - income
Consolidated profit / loss before tax	**17,064**	**(5,688)**
Result of exempted sector Sicomi-SIIC	(31,411)	10,469
Share of companies consolidated under the equity method	1,169	(390)
Share of changes in goodwill	0	(0)
Add-backs – deductions	3,616	(1,205)
Amortisation of goodwill	-	-
Amortisation of fair value increment	-	-
Provisions excluding tax	-	-
Companies subject to IT	*3,925*	*(1,308)*
Other addbacks - deductions	*(309)*	*103*
Consolidation restatements	(3,881)	1,477
Impact of permanent differences	*(181)*	*60*
Impact of timing differences taxed at smaller rate	*(2,688)*	*1,079*
Impact of liability method	*(1,012)*	*337*
Miscellaneous	-	-
Consolidated theoretical tax	**(13,443)**	**4,664**
of which companies making a tax loss	*(14,895)*	*4,964*
of which companies making a tax profit	*1,452*	*(301)*
Use of tax losses	13,408	(4,733)
Tax after deduction of losses	(36)	(69)
Tax without base:		
Tax credit	-	-
Annual flat-rate tax and tax adjustments	-	24
Tax due outside France	-	(383)
Income tax burden recorded	**-**	**(428)**
Taxes	-	44
Deferred taxes	-	(472)
TOTAL	**-**	**(428)**

Note 21 – Share of earnings of associated companies consolidated by the equity method

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Share in net income (loss)	(629)	3,069	(4,382)	(3,698)	7,451
Losses on shares consolidated under the equity method	-	(180)	-	180	(180)
Gains on shares consolidated under the equity method	-	180	-	(180)	180
TOTAL	**(629)**	**3,069**	**(4,382)**	**(3,698)**	**7,451**

➤ Note 22 – Net profit or loss after tax from discontinued activitie

This item corresponds to the profit net of tax for the company BFI, which was sold at the beginning of 2010.

➤ Note 23 – Results, dividends and NAV per share

Net profit/loss

The convertible bonds (ORA) issued by Affine on 15 October 2003 and 29 June 2005, and the perpetual subordinated loan notes (TSDI) it issued on 13 July 2007 are accounted for as equity. The revenue on these securities is recognised as dividends, with the Group share of net income (loss), adjusted for the calculation of the net income (loss), diluted income (loss) and EPRA earnings per share.

EPRA is a trade association of European real estate companies listed on the stock market. In October 2010 this association updated a guide on performance measurement. As explained in the note on EPRA restatements, EPRA income (loss) excludes changes in fair value, capital gains or losses on disposals, other non-recurrent items and other items of net income (loss).

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Net income (loss) – Group share	15,341	10,320	(2,794)
Cost of perpetual subordinated loan notes (TSDI)	(3,149)	(2,698)	(3,374)
Cost of 1 & 2 convertible bonds (ORA)	(2,151)	(3,637)	(2,073)
Net income (loss) - Group share, adjusted for earnings per share calculation	**10,041**	**3,986**	**(8,240)**
Reinclusion of cost of 1 & 2 convertible bonds (ORA)	2,151	3,637	2,073
Net income (loss) - Group share, adjusted for diluted earnings per share calculation (after conversion of convertible bonds [ORA])	**12,192**	**7,623**	**(6,167)**
EPRA restatement	2,783	7,279	19,009
EPRA INCOME ADJUSTED FOR COST OF PERPETUAL SUBORDINATED LOAN NOTES (TSDI) FOR CALCULATING EPRA EARNINGS PER SHARE	**14,975**	**14,902**	**12,842**

	31/12/2011	31/12/2010	31/12/2009
Number of shares in circulation at balance sheet date	9,002,042	8,113,566	8,113,566
Average number of treasury shares	(652,545)	(543,365)	(590,577)
Average number of shares (excluding treasury shares)	**8,349,497**	**7,570,201**	**7,522,989**
Average number of new shares issued for redeeming 1 & 2 convertible bonds (ORA)	1,248,000	1,622,400	1,622,400
Average number of diluted shares (excluding treasury shares)	**9,597,497**	**9,192,601**	**9,145,389**
Earnings per share (€)	1.20	0.53	(1.10)
Diluted earnings per share (€)	1.27	0.83	(0.67)
EARNINGS PER SHARE (€)	**1.56**	**1.62**	**1.40**

20.1.7.6. - Management of financial risk

20.1.7.6.1. - Carrying amount of financial instruments by category

	31/12/2011				
	Carrying amount				Fair value
(In thousands of euros)	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value through the income statement	2,607	-	-	2,607	2,607
Financial assets at fair value through the income statement	179	-	-	179	179
Financial assets available for sale	-	90	-	90	90
Trade loans and receivables (1)	-	-	39,488	39,488	39,488
Accounts receivable (2)	-	-	8,904	8,904	8,904
Other receivables (3)	-	-	25,885	25,885	25,885
Cash and equivalents (4)	-	-	23,316	23,316	23,316
TOTAL FINANCIAL ASSETS	**2,786**	**90**	**97,592**	**100,468**	**100,468**

(1) This item includes other customer loans (€6,937,000) as well as finance lease transactions and related receivables (€37,551,000).

(2) This item includes receivables related to investment properties (8,164,000) and receivables for services rendered (739,000).

(3) On the one hand, this account includes ordinary accounts receivable for €8,997,000, and, on the other hand, the item Other assets (€37,049,000), less net inventories (€13,680,000), securities settlement accounts (€465,000), prepaid expenses (€1,357,000), tax and social security receivables (€3,680,000) and accrued rental expenses rebilled to lessees (€733,000).

	31/12/2011				
	Carrying amount				Fair value
(In thousands of euros)	Liabilities stated at fair value through income statement	Liabilities at amortised cost	Liabilities	Total	Total
Derivatives stated at fair value through income statement	16,454	-	-	16,454	16,454
Borrowings and debts from lending institutions (5)	-	352,162	-	352,162	352,162
Amounts owed to customers	-	-	9,890	9,890	9,890
Guarantee deposits (3)	-	7,145	-	7,145	7,145
Accounts payable (4)	-	13,769	-	13,769	13,769
Cash and equivalents (4)	-	-	4,405	4,405	4,405
TOTAL FINANCIAL LIABILITIES	**16,454**	**373,076**	**14,295**	**403,825**	**403,825**

(3) This item corresponds to deposits received included in other liabilities

(4) This item corresponds to Other liabilities (35,025,000) after deducting tax and social security liabilities (4,677,000), deposits received (7,145,000), deferred income IP (1,492,000), and accrued rental expenses rebilled to lessees (7,942,000).

(5) In the absence of an assessment of the fair value of the debt at December 31, 2011, the book values were shown in the 'Fair value' column.

	31/12/2010				
	Carrying amount				Fair value
(In thousands of euros)	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value through income statement	4,334	-	-	4,334	4,334
Financial assets stated at fair value through income statement	1,668	-	-	1,668	1,668
Financial assets available for sale	-	13,973	-	13,973	13,973
Trade loans and receivables (1)	-	-	92,372	92,372	92,372
Accounts receivable (2)	-	-	13,667	13,667	13,667
Other receivables (3)	-	-	30,977	30,977	30,977
Cash and equivalents	1,127	-	26,714	27,840	27,844
TOTAL FINANCIAL ASSETS	**7,128**	**13,973**	**163,730**	**184,831**	**184,835**

(1) This item includes other amounts owed by customers (€38,082,000) as well as finance lease transactions and related receivables (€54,290,000).

(2) This item includes receivables related to investment properties (€12,433,000) and receivables for services rendered (€1,234,000).

(3) On the one hand, this account includes ordinary accounts receivable for €6,548,000, and, on the other hand, the item Other assets (€223,718,000), less net inventories (€183,474,000), securities settlement accounts (€1,069,000), prepaid expenses (€2,504,000), tax and social security receivables (€9,631,000) and accrued rental expenses rebilled to lessees (€2,611).

	31/12/2010				
	Carrying amount				Fair value
(In thousands of euros)	Liabilities stated at fair value through income statement	Liabilities at amortised cost	Liabilities	Total	Total
Derivatives stated at fair value through income statement	22,949	-	-	22,949	22,949
Borrowings and debts from lending institutions (3)	-	615,050	-	615,050	615,050
Amounts owed to customers	-	-	10,589	10,589	10,589
Guarantee deposits (1)	-	10,278	-	10,278	10,278
Accounts payable (2)	-	36,661	-	36,661	36,661
Cash and equivalents	-	-	3,353	3,353	3,353
TOTAL FINANCIAL LIABILITIES	**22,949**	**661,989**	**13,942**	**698,879**	**698,879**

(1) This item corresponds to deposits received included in other liabilities

(2) This item corresponds to Other liabilities (€64,599) after deducting tax and social security liabilities (€5,138,000), deposits received (€10,278,000), deferred income IP (€3,306,000), and accrued rental expenses rebilled to lessees (€9,215,000).

(3) In the absence of an assessment of the fair value of the debt at December 31, 2010, the book values were shown in the 'Fair value' column.

	31/12/2009				
	Carrying amount				Fair value
(In thousands of euros)	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value through income statement	3,859	-	-	3,859	3,859
Financial assets at fair value through income statement	1,708	-	-	1,708	1,708
Financial assets available for sale	-	3,410	-	3,410	3,410
Trade loans and receivables (1)	-	-	85,240	85,240	85,240
Accounts receivable (2)	-	-	25,287	25,287	25,287
Other receivables (3)	-	-	25,969	25,969	25,969
Cash and equivalents (4)	2,022	-	32,678	34,700	34,785
TOTAL FINANCIAL ASSETS	**7,588**	**3,410**	**169,174**	**180,172**	**180,257**

(1) This item includes other amounts owed by customers (€16,000,000) as well as finance lease transactions and related receivables (€69,239,000).

(2) This item includes receivables related to investment properties (€24,722,000) and receivables for services rendered (€565,000).

(3) On the one hand, this account includes ordinary accounts receivable for €5,464,000, and, on the other hand, the item Other assets less net inventories (€20,520,000), securities settlement accounts (€748,000), prepaid expenses (€4,209,000), tax and social security receivables (€5,924,000) and accrued rental expenses rebilled to lessees (€1,049,000).

	31/12/2009				
	Carrying amount				Fair value
(In thousands of euros)	Liabilities stated at fair value through income statement	Liabilities at amortised cost	Liabilities	Total	Total
Derivatives stated at fair value	21,249	-	-	21,249	21,249
Borrowings and debts from lending institutions (3)	-	648,185	-	648,185	648,185
Amounts owed to customers	-	-	12,639	12,639	12,639
Guarantee deposits (1)	-	11,911	-	11,911	11,911
Accounts payable (2)	-	40,551	-	40,551	40,551
Cash and equivalents	-	-	25,432	25,432	25,432
TOTAL FINANCIAL LIABILITIES	**21,249**	**700,648**	**38,070**	**759,967**	**759,967**

(1) This item corresponds to deposits received included in other liabilities

(2) This item corresponds to Other liabilities (€70,715) after deducting tax and social security liabilities (€5,227,000), deposits received (€11,911,000), prepaid income (€4,955,000), securities settlement accounts (€26,000) and accrued rental expenses rebilled to lessees (€8,098,000).

(3) In the absence of an assessment of the fair value of the debt at December 31, 2009, the book values were shown in the 'Fair value' column.

The Affine Group:
- did not use the fair value per option for any financial asset or liability,
- holds no compound collateral or instruments issued with multiple derivatives,
- did not experience any default or failed performance with respect to its loans.

20.1.7.6.2. - Nature and scope of risks related to financial instruments:

➢ 20.1.7.6.2.1. - 7.6.2.1. Credit risk

In 2011, the Affine Group maintained a selective policy in terms of the financial strength of its customers, the business sectors in which they operate, their geographic locations, and the quality of the buildings.

A group of customers is defined as customers who exercise direct or indirect control over one another, and persons who are bound by cross-guarantee agreements or who have a preponderant business relationship with one another, particularly when they are bound by subcontracting or franchising agreements. Currently, no group of customers exceeds the threshold of 10% of equity in terms of net risk.

Properties reported as of potential concern to the Group undergo an annual expert property appraisal.

Overdue financial assets are always less than 180 days old. Beyond that period, the loan due is written off in full after deduction of any guarantees.

➢ 20.1.7.6.2.2. - Liquidity risk

The Affine Group monitors its risk primarily with two tools:
- a daily cash statement prepared by the finance department and sent to general management after reviewing all bank accounts,
- a 2-year monthly cash situation forecast provided by the management controller to general management; at this time actual monthly cash and forecast cash are reconciled and discrepancies analysed. A cash forecast is submitted to the two Boards of Directors convened to approve the financial statements of the Group.

In 2011, the Affine Group continued to finance its development partially through debts.

The Group's loan agreements have covenants relating to:
- LTV (Loan To Value);
- ICR (Interest Coverage Ratio) ;
- DSCR (Debt Service Coverage Ratio)

Failure to comply with these ratios constitutes an event of default calling for partial or accelerated repayment to restore the ratio to its contractual level.

As at 31.12.11, no compulsory prepayment in part or in whole of any loan resulted from a failure to comply with the financial ratios to be reported on that date.

➢ 20.1.7.6.2.3. - Interest rate risk

The Affine Group favours the use of floating rate debt, which, before hedges, represented almost 93% of its bank debt as at 31.12.11 (excluding debts related to equity investments and bank overdrafts).

The Group hedges its interest rate exposure by market transactions (caps, swaps and tunnels) contracted with leading banking institutions. Thus, during the financial year, the companies as a whole subscribed two caps and three swaps for a notional amount of €42,035,000, guaranteeing minimum rates ranging from 1.8% to 2.8%; the companies consolidated under the equity method subscribed two collars and four swaps for a notional amount of €75,000,000, guaranteeing rates between 2.25% and 4%.

Market risk is assessed using the value-at-risk approach, i.e. by estimating the net maximum loss that the portfolio of financial instruments could suffer under normal market conditions.

Interest rates constitute the risk variable both for the major financial assets and for bank loans, the principal financial liabilities. The company is exposed to interest rate risk on 13 % of its unhedged debt.

Analysis of sensitivity of cash flows for variable-rate instruments
(This analysis does neither includes the loans to finance the assets held for sale nor the loans taken out by the Concerto group).

At 31.12.11:

Sensitivity to change in interest rate in thousands of euros	2012 expenses	2013 expenses	2014 expenses	2015 expenses
Increase of 50 basis points, 2011 projected rate	12,924	11,866	10,719	9,102
Increase of 100 basis points, 2011 projected rate	14,899	13,797	12,551	10,862

At 31.12.10:

Sensitivity to change in interest rate in thousands of euros	2011 expenses	2012 expenses	2013 expenses	2014 expenses
Increase of 50 basis points, 2011 projected rate	10,530	9,590	8,770	7,515
Increase of 100 basis points, 2011 projected rate	12,636	11,485	10,584	9,100

At 31.12.09:

Sensitivity to change in interest rate in thousands of euros	2010 expenses	2011 expenses	2012 expenses	2013 expenses
Increase of 50 basis points, 2009 projected rate	4,358	4,117	3,679	3,408
Increase of 100 basis points, 2009 projected rate	5,247	5,011	4,559	4,168

➢ 20.1.7.6.2.4. - Foreign exchange risk

The Affine Group does not carry out foreign currency transactions and therefore is not exposed to foreign exchange rate risk.

➢ 20.1.7.6.2.5. - Counterparty risk

The Affine Group is committed to investing its cash and contracting derivatives only with reputable banking institutions. As at 31.12.11, no bank represented more than 18.30 % of the total refinancing debt (apart from companies consolidated under the equity method).

20.1.7.7. - Management of capital risk

The Affine Group's objectives in capital management consist of assuring the Group's continuing operations so as to provide a return to shareholders while conserving a capital structure that efficiently achieves the goal of limiting the cost of capital.

The Affine Group's objectives with respect to equity are to:
- operate at a high level of solvency.
- foster harmonious internal and external growth.

Liquidity Contract

With regard to the liquidity contract entrusted by Affine to Société Générale, the following means are recorded in the liquidity account as at 31/12/2011:
- Number of shares: 40,534 Affine shares compared with 134,131 shares as at 31/12/2010;
- Cash balance of the liquidity account: €264,000 compared with €865,000 as at 31/12/2010.

20.1.7.8. - Commitments and guarantees

20.1.7.8.1. - Financial commitments and guarantees given

➢ 20.1.7.8.1.1. - Loans and bank overdrafts

Guarantees

(In thousands of euros)	Balance sheet items	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	Over 5 years
NON-CURRENT DEBTS	-	-	-	-	-	-	-
Covered by guarantees	226,183	-	-	-	25,744	108,929	91,510
Covered by pledges	37,908	-	-	-	4,216	12,920	20,772
No guarantee or pledge	53,322	-	-	-	8,297	21,002	24,023
CURRENT DEBTS							
Covered by guarantees	118,933	420	2,808	25,220	3,207	85,143	2,135
Covered by collateral	5,616	58	190	4,291	242	777	58
Neither collateral nor guarantees	8,071	451	1,615	6,005	-	-	-

Guarantees: these sureties include the registered mortgages.

Collateral: This concerns the collateral of borrowing companies' shares in favour of the banks.

When the loan is simultaneously guaranteed by a guarantee and collateral, the surety is classified as "guarantee".

Financing commitments

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Commitments to lending institutions	-	-	-
Commitments to customers	-	-	275
TOTAL	**-**	**-**	**275**

➤ 20.1.7.8.1.2. - Minimum payments required under finance leases in which the Group is lessee

(Note: finance leases are restated to show the net carrying value of properties in assets and a loan in liabilities)

(In thousands of euros)	Minimum payments	Present value of minimum payments
Less than 1 year	*13,513*	*10,633*
1 to 5 years	*44,937*	*36,947*
Over 5 years	*58,982*	*51,151*
Minimum total lease payments	117,432	
Amounts representing financing charges	(18,701)	
DISCOUNTED VALUE OF MINIMUM LEASE PAYMENTS	**98,730**	**98,730**

Finance lease contracts, where Affine is lessee, relate to contracts without specific provisions.

➤ 20.1.7.8.1.3. - Minimum payments required under operating leases in which the Group is lessee

(In thousands of euros)	Minimum payments	Current value of minimum payments
Less than 1 year	*479*	*467*
1 to 5 years	*1,973*	*1,866*
Over 5 years	*1,867*	*1,767*
Minimum total lease payments	4,319	
Amounts representing financing charges	219	
DISCOUNTED VALUE OF MINIMUM LEASE PAYMENTS	**4,100**	**4,100**

The operating lease (lessee position) mainly concerns the rental revenue of Affine headquarters.

20.1.7.8.2. - Commitments and guarantees received

20.1.7.8.2.1. - Loans and bank overdrafts

Guarantees

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Commitments to lending institutions	2,556	2,399	3,380
Commitments to clients	9,396	14,120	18,448
TOTAL	**11,951**	**16,519**	**21,828**

Financing commitments

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Commitments received from lending institutions	24,988	85,755	55,538
Commitments received from clients	-	-	-
TOTAL	**24,988**	**85,755**	**55,538**

20.1.7.8.2.2. - Minimum guaranteed revenue under finance leases for which the Group is lessor

(Note: finance leases are restated to show a receivable equal to the lease's remaining outstanding amount due under the contract)

(In thousands of euros)	Minimum payments	Present value of minimum payments
Less than 1 year	*5,876*	*5,049*
1 to 5 years	*18,793*	*16,652*
Longer than 5 years	*8,439*	*8,140*
Minimum lease payments	33,107	
Amounts representing financing charges	(3,267)	
Discounted value of minimum lease payments	29,841	29,841
RESIDUAL VALUES OF MINIMUM LEASE PAYMENTS	**-**	**-**

Finance lease contracts where Affine is the lessor relate to contracts without specific provisions.

Three types of agreements exist within the Group:

- former Sicomi contracts, some of which were signed prior to 1993 and some prior to 1996: the average term of these leases is 15 years;
- so-called free leases (CBL) signed from 1993 onward, which have an average term of 15 years;
- general leases (CBG) signed from 1996 onward, which have an average term of 12 years.

Future minimum receivable subleasing payments for non-cancellable subleasing contracts are included in operating lease commitments as lessor, in the same way as other operating lease contracts.

➢ 20.1.7.8.2.3. - Minimum guaranteed revenues under operating leases for which the Group is lessor

The table below shows the data regarding Affine, AffiParis and its subsidiaries. Affine's other direct subsidiaries are not included.

	Minimum payments	value of minimum payments
Less than 1 year	*35,269*	*22,282*
1 to 5 years	*110,194*	*76,398*
Over 5 years	*36,780*	*31,008*
Minimum total lease payments	182,243	
Amounts representing financing charges	(52,553)	
DISCOUNTED VALUE OF MINIMUM LEASE PAYMENTS	**129,689**	**129,688**

All Affine Group assets are located in France and Europe. Operating lease contracts in France, where Affine is lessor, generally relate to 3/6/9-year commercial leases; only the lessee can terminate the lease at the end of each three-year period by giving six months' notice (as local use dictates) by registered letter with return receipt. The parties can, however, contractually waive this three-year renewal provision by providing for a firm leasing period longer than three years.

Rent is normally paid on a quarterly basis in advance and is indexed annually and in its entirety on the INSEE construction cost index or the French Commercial Rent Index (ILC). Rent may be progressive or constant and may include exemptions or ceilings; these must, however be determined when the lease is signed and last for its entire term. The lessee generally bears all charges, real estate taxes, and office taxes.

In some cases, Affine applies a variable portion in its rents, but this is marginal.

20.1.7.9. - Employee benefits and compensation

20.1.7.9.1. - Average weighted workforce during the financial year

As at 30/09/2011, there was a staff of 78, broken down as follows:

- Officers: 3
- Managers: 46
- Employees: 29

From 30/09/2011, in response to Banimmo's change of integration method :

- Officers: 3
- Managers: 41
- Employees: 7

20.1.7.9.2. - Individual training rights

Group employees have accumulated rights to 3,494 training hours.

20.1.7.9.3. - Bonus shares

The allocation of bonus shares decided by the Board of Directors on 10.12.08, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 4,575 shares in 2011.

The expense for fiscal year 2011, calculated in accordance with IFRS 2, was €173,000 in 2010.

20.1.7.9.4. - Pensions and other post-employment benefits

Pensions payable through various mandatory pension schemes are managed by specialist external organisations. Contributions due for the financial year were recognised in the income statement in the amount of €437,000 as at 31.12.11 versus €417,000 as at 31.12.10.

Provisions are accrued for retirement commitments in the financial statements according to the assumption of retirement and amounted to €395,000 as at 31 December 2011 versus €391,000 as at 31 December 2010.

The actuarial assumptions used for calculating the provision include:

	2011	2010	2009
Discount rate:	3.80%	3.59%	3.97%
Staff turnover	13% up to 50 years, 3% thereafter	14% up to 50 years, 3% thereafter	16% up to 50 years, 3% thereafter
Wage rise adjustment coefficient	1.58%	1.58%	1.76%
INSEE TD-TV mortality table	06-08	04-06	04-06

The discount rate corresponds to the most recent average rate of return on bonds issued by private companies.

The calculation of the provision for retirement allowances was performed by ADP, an independent firm.

This provision takes social security charges into consideration..

20.1.7.10. - Related party disclosures

20.1.7.10.1. - Payment to executive officers

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Short-term benefits (wages, premiums, etc.)	1,206	1,457	1,326
Post-employment benefits	89	88	110
Other long-term benefits	26	39	38
Share-based payments			-
Recognised benefits	**1,421**	**1,584**	**1,474**
Severance pay	327	321	318
Benefits not recognised	**327**	**321**	**318**

Executive officers are defined as persons performing the duties of Chairman & CEO or CEO of the Group's companies.

➢ 20.1.7.10.1.1. - Remuneration of management and administration bodies

Gross remuneration paid to the officers and executives of Group companies amounted to €1,286,000 in financial year 2011 compared with €1,285,000 in 2010.

Other assorted defined benefits provided to the Group's officers and executives are:

- Company car: one representing an expense of €4,500 in 2011;
- Severance pay: a clause providing for the payment of an amount equal to one year's total remuneration paid by all Group companies;
- Contributions to pension funds paid during the year: €89,000;
- GSC contribution, for €22,000.

Directors' fees paid by Group companies in 2011 amounted to €139,000 compared with €173,000 in 2010.

➢ 20.1.7.10.1.2. -Bonus shares

None.

20.1.7.10.2. - Affine transactions with affiliates

➤ 20.1.7.10.2.1. - Loans granted to related parties

Loans granted to related parties are those made with companies consolidated under the equity method.

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
MGP SUN SARL	1,206	1,203	1,070
Dolce la Hulpe	-	1,476	-
Dolce Chantilly	-	492	-
City Mall Invest	-	20,160	-
Schoonmeers-Bugten SA	-	16	-
P.D.S.M SCARL	-	59	-
Conferinvest SA	-	14,464	13,965
Total loans granted to related parties	**1,206**	**37,870**	**15,035**
MGP SUN SARL	3	6	5
Dolce la Hulpe	-	46	-
Dolce Chantilly	-	13	-
City Mall Invest	-	569	-
Schoonmeers-Bugten SA	-	1	-
P.D.S.M SCARL	-	3	-
Conferinvest SA	-	294	17
Total interest income on loans granted	**3**	**932**	**19**

MGP SUN SARL was deconsolidated on July 1, 2011. Dolce la Hulpe, Dolce Chantilly, City Mall Invest, Schoonmeers-Bugten SA, P.D.S.M. SCARL, and Conferinvest SA are subsidiaries of Banimmo, a company consolidated under the equity method as at 01/10/2011.

No guarantee was received.

➤ 20.1.7.10.2.2. - Other transactions with affiliates

MAB-Finances, in its capacity as Affine's management holding company, signed an agreement with Affine for the provision of administrative, financial and operational development services, for which an expense of €182,000 (a partial amount taking into account the fraction included in the remuneration of the executives) impacts the 2011 financial statements, compared with €248,000 in 2010.

20.1.7.11. - Fees of statutory auditors and members of their networks

At 31.12.11:

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse				Mazars			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Auditing, certification, review of individual and consolidated financial statements																
Issuer	198	195	40%	42%	198	195	94%	91%	-	-	0%	-	-	-	-	-
Fully consolidated subsidiaries	263	264	54%	58%	-	20	0%	9%	70	70	88%	100%	-	127	-	89%
Other tasks and services directly linked to the auditing engagement																
Issuer	12	-	2%	-	12	-	6%	-	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	17	-	4%	-	-	-	0%	-	10	-	12%	-	-	-	-	-
Sub-total	**490**	**459**	**100%**	**100%**	**210**	**215**	**100%**	**100%**	**80**	**70**	**100%**	**100%**	**-**	**127**	**-**	**89%**
Other services rendered by the networks to fully-consolidated subsidiaries																
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	11%
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**15**	**-**	**11%**
TOTAL	**490**	**459**	**100%**	**100%**	**210**	**215**	**100%**	**100%**	**80**	**70**	**100%**	**100%**	**-**	**142**	**-**	**100%**

As at 31/12/2010 :

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse				Mazars				Price Waterhouse Coopers			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Auditing, certification, review of individual and consolidated financial statements																				
Issuer	195	153	42%	33%	195	155	91%	85%	0	0	0%	0%	0	0	0 %	0 %	0	-	0%	0%
Fully consolidated subsidiaries	264	312	58%	67%	20	28	9%	15%	70	86	100%	100%	127	0	89 %	0 %	0	191	0%	93%
Other tasks and services directly linked to the auditing engagement																				
Issuer		-	0%	0%		0	0%	0%	0	0	0%	0%	0	0	0 %	0 %	0	0	0%	0%
Fully consolidated subsidiaries		-	0%	0%		0	0%	0%	0	0	0%	0%	0	0	0%	0 %	0	15	0%	7%
Sub-total	**459**	**465**	**100%**	**100%**	**215**	**182**	**100%**	**100%**	**70**	**86**	**100%**	**100%**	**127**	**0**	**89 %**	**0 %**	**0**	**206**	**0%**	**100%**
Other services rendered by the networks to fully-consolidated subsidiaries																				
Legal, tax, social	0	0	0%	0%	0	0		0%	0	0	0%	0%	0	0	0 %	0 %	0	0	0%	0%
Other	0	0	0%	0%	0	0		0%	0	0	0%	0%	15	0	11 %	0 %	0	0	0%	0%
Sub-total	**0**	**0**	**0%**	**0%**	**0**	**0**		**0%**	**0**	**0**	**0%**	**0%**	**15**	**0**	**11 %**	**0 %**	**0**	**0**	**0%**	**0%**
TOTAL	**459**	**465**	**100%**	**100%**	**215**	**182**	**100%**	**100%**	**70**	**86**	**100%**	**100%**	**142**	**0**	**100%**	**0 %**	**0**	**206**	**0%**	**100%**

20.1.7.12. - Post reporting period events

None.

20.1.8. Proforma

20.1.8.1. - Statement of consolidated financial position (balance sheet)

20.1.8.1.1. - Assets

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
NON-CURRENT ASSETS			
Tangible assets	341	355	71
Investment properties	521,356	611,547	673,075
Intangible assets	207	228	270
Goodwill	-	-	-
Other intangible assets	*207*	*228*	*270*
Financial assets	39,125	60,692	75,078
Finance leases and related receivables	*30,673*	*53,729*	*68,631*
Assets held for sale	*269*	*210*	*279*
Derivatives stated at fair value	*2,607*	*3,756*	*2,470*
Deposits and sureties paid	*4,812*	*2,979*	*3,212*
Loans	*765*	*18*	*487*
Deferred tax assets	1,394	1,454	3,176
Shares and investments in companies (equity method)	85,819	83,976	86,153
Total non-current assets	**648,243**	**758,252**	**837,822**
CURRENT ASSETS			
Assets held for sale	151,363	75,365	87,407
Business sectors held for sale	-	-	5,067
Finance lease loans and receivables	6,878	561	618
Inventories	13,680	20,587	19,625
Accounts receivables	8,904	6,694	11,066
Related receivables for investment property	*8,164*	*5,461*	*10,500*
Receivables related to investment properties	*739*	*1,234*	*565*
Receivables on business centres	-	-	-
Current tax assets	115	184	42
Other receivables	28,471	35,565	28,867
Tax and social security receivables	*4,097*	*6,183*	*3,147*
Other receivables and adjustment accounts	*24,374*	*29,383*	*25,719*
Cash and cash equivalents	23,316	23,703	33,030
Cash equivalents	*465*	*2,200*	*2,855*
Cash	*22,851*	*21,503*	*30,175*
Total current assets	**232,727**	**162,659**	**185,722**
TOTAL ASSETS	**880,970**	**920,911**	**1,023,544**

20.1.8.1.2. - Liabilities

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
EQUITY			
Equity (Group share)	**348,447**	**347,462**	**349,260**
Capital and related amounts	86,637	64,970	61,997
Share capital	53,100	47,800	47,800
Premiums	38,489	23,947	23,947
Treasury stock	(4,952)	(6,777)	(9,750)
Consolidated reserves	246,539	272,170	292,558
Unrealised or deferred gains and losses	8	3	(7)
Unrealised gains or losses on derivatives	-	-	-
Unrealised gains or losses on assets available for sale	*8*	*3*	*(7)*
Net income	15,262	10,319	(2,854)
Interim dividend payment	-	-	(2,434)
Shareholdings that do not give control	**13,736**	**15,028**	**14,725**
Consolidated reserves	12,441	14,830	16,461
Net income	1,295	199	(1,736)
Total shareholders' equity	**362,183**	**362,490**	**363,985**
NON-CURRENT LIABILITIES	-	-	-
Long-term loans	319,837	405,055	478,141
Financial liabilities	15,551	16,411	16,332
Derivatives stated at fair value	*14,136*	*12,772*	*12,366*
Hedging derivatives	-	-	-
Other financial liabilities	*1,415*	*3,639*	*3,966*
Provisions	3,027	910	2,110
Deposits and sureties received	7,145	7,458	9,308
Deferred tax liabilities	281	351	2,899
Non-current tax liabilities	-	13	362
Other liabilities	-	-	-
Total non-current liabilities	**345,841**	**430,199**	**509,152**
CURRENT LIABILITIES			
Debts linked to business sectors held for sale	-	-	5,020
Debts linked to assets held for sale	97,529	31,045	36,487
Amounts owed to stockholders	1	1	1
Trade accounts payable and other debts	24,106	33,946	40,869
Trade accounts payable and related accounts	*2,465*	*3,068*	*3,867*
Other debts	*11,029*	*10,912*	*23,533*
Adjustment accounts	*5,976*	*12,731*	*11,588*
Deferred income	*4,635*	*7,235*	*1,881*
Loans and borrowings	46,620	58,993	60,901
Current tax liabilities	14	706	3,304
Tax and social security debts	4,677	3,532	3,826
Provisions	-	-	-
Total current liabilities	**172,947**	**128,222**	**150,408**
TOTAL LIABILITIES	**880,970**	**920,911**	**1,023,544**

20.1.8.2. - Statement of consolidated comprehensive income

20.1.8.2.1. - Consolidated Income Statement

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Rental revenue	*48,269*	*50,006*	*54,412*
Rental revenue and expenses	*(5,129)*	*(7,200)*	*(8,828)*
Other property income and expenses	*(55)*	*(185)*	*(653)*
Net property revenue	43,084	42,620	44,931
Revenue from finance leases	*2,792*	*3,270*	*4,273*
Expenses on finance leases	*(441)*	*(369)*	*(425)*
Revenue from finance leases	2,351	2,901	3,848
Revenue from real estate transactions	*7,619*	*13,144*	*17,476*
Expenses on real estate transactions	*(9,310)*	*(16,333)*	*(17,489)*
Revenue from real estate development transactions	(1,691)	(3,189)	(13)
Other purchases and external expenses	*(5,575)*	*(5,960)*	*(7,289)*
Taxes and related expenses	*(506)*	*(936)*	*(895)*
Personnel costs	*(5,927)*	*(6,233)*	*(6,142)*
Committed costs	(12,008)	(13,129)	(14,325)
Recurring EBITDA	**31,736**	**29,203**	**34,440**
Depreciation and impairment	(122)	(126)	(138)
Income from recurring operations	**31,614**	**29,077**	**34,303**
Charges net of provisions	(228)	5	(1,101)
Balance of other revenue and expenses	586	1,133	460
Profit / loss from Gains (losses) on real-estate sales	*2,168*	*(426)*	*1,219*
Option exercised on finance lease properties	*764*	*(96)*	*296*
Net Gains (losses) on sale of operating assets	*-*	*(7)*	*(20)*
Income (loss) from asset sales	2,931	(529)	1,496
Operating income before fair value adjustment	**34,902**	**29,686**	**35,158**
Upward adjustment of value of investment properties	*16,634*	*16,977*	*10,939*
Downward adjustment of value of investment properties	*(14,955)*	*(20,798)*	*(43,696)*
Adjustment of value of investment properties	1,679	(3,821)	(32,757)
Adjustment of Goodwill	*-*	*-*	*(3,545)*
Balance net of value adjustments	1,679	(3,821)	(36,302)
Net operating income	**36,581**	**25,865**	**(1,145)**
Revenue from cash and cash equivalents	*258*	*280*	*1,984*
Gross cost of financial debt	*(18,458)*	*(19,916)*	*(21,458)*
Net cost of financial debt	(18,200)	(19,636)	(19,474)
Other financial revenue and expenses	(434)	(83)	9,067
Adjustment of value of financial instruments	(2,262)	(89)	(5,354)
Income before tax	**15,686**	**6,057**	**(16,905)**
Tax on recurring income	153	562	4,559
Deferred taxes	(592)	(285)	(442)
Exit tax	-	-	(53)
Share of income in companies accounted for by the equity method	1,312	2,975	9,070
Net income (loss) after tax from discontinued activities	-	1,209	(819)
Net income (loss)	**16,558**	**10,518**	**(4,590)**
Non-controlling interests	1,295	199	(1,736)
NET INCOME (LOSS) - GROUP SHARE	**15,262**	**10,319**	**(2,854)**
Earnings per share (€)	1.83	1.36	(0.38)
Diluted earnings per share (€)	1.59	1.12	(0.31)
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (€)	1.19	0.53	(1.10)
Diluted earnings per share restated to reflect subordinated loan notes (TSDI) (€)	1.26	0.83	(0.68)
EPRA INCOME (LOSS)			
NET INCOME (LOSS) - GROUP SHARE	**15,262**	**10,319**	**(2,854)**
EPRA restatements	3,237	5,701	18,432
EPRA INCOME	**18,499**	**16,020**	**15,578**

20.1.8.2.2. - Statement of net income and gains and losses taken directly to equity

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Net income	**16,558**	**10,518**	**(4,590)**
Currency translation adjustments	-	-	-
Changes in fair value of financial assets available for sale [1]	(321)	322	(16,808)
Share of the changes in fair value of financial assets available for sale transferred to income statement	-	-	-
Effective portion of the change in fair value of cash flow hedges	-	-	-
Share of the change in fair value of cash flow hedges transferred to income statement	-	-	-
Revaluation difference on non-current assets	-	-	-
Actuarial gains and losses on defined-benefit systems			
Share of gains and losses taken directly to equity in companies consolidated under the equity method	-	-	-
Income tax	-	-	-
Total gains and losses taken directly to equity	**(321)**	**322**	**(16,808)**
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**16,236**	**10,840**	**(21,398)**
Of which Group share	14,941	10,641	(19,662)
Of which non-controlling interests	1,295	199	(1,736)

(1) Altaréa securities in 2009 and Montéa en 2010

20.1.8.3. - Consolidated cash flow statement

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	**16,558**	**10,518**	**(4,590)**
Net increase (decrease) in depreciation and provisions	(7,432)	6,298	6,474
Unrealised gains and losses from changes in fair value	(1,679)	3,821	32,757
Other calculated income and expenses (including discount calculations)	1,207	(1,697)	10,555
Capital gains or losses on sales of assets	12,401	11,699	(1,011)
- net carrying value of fixed assets sold	*59,347*	*100,359*	*73,413*
- income from disposals of fixed assets	*(46,946)*	*(88,660)*	*(74,424)*
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(1,312)	(2,975)	(9,070)
Dividends and returns from income of non-consolidated companies	(2)	(13)	(1,798)
Cash flow from operations after net borrowing costs and tax	**19,741**	**27,651**	**33,316**
Net cost of financial debt	18,582	18,562	21,810
Tax expense (including deferred taxes)	440	(277)	(4,064)
Cash flow from operations before net cost of debt and tax	**38,763**	**45,936**	**51,061**
Income tax paid (including deferred tax)	(588)	(3,270)	2,114
Change in inventories	3,055	(263)	12,651
Change in trade accounts receivables	394	(3,595)	(608)
Change in trade accounts payable	(1,916)	1,459	(3,480)
Other changes in working capital requirement related to operating activities	8,573	(668)	10,924
Impact of discontinued activities	-	-	347
Net cash flows from operating activities	**48,281**	**39,599**	**73,010**
II – INVESTMENT TRANSACTIONS			
Finance leases	10,680	3,580	4,093
- Cash paid for acquisitions	*(38)*	*(258)*	*(5)*
- Cash received from disposals	*10,718*	*3,837*	*4,098*
Investment properties	9,576	60,922	8,126
- Cash paid for acquisitions	*(25,267)*	*(23,617)*	*(32,766)*
- Cash received from disposals	*34,843*	*84,539*	*40,892*
Cash paid for acquisitions of tangible and intangible fixed assets	(87)	(387)	(594)
Cash received for disposals of tangible and intangible fixed assets	-	11	3
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	(2)	(64)
Cash received for disposals of financial assets	-		24,517
Consolidated shares	2,045	(3)	(6,521)
- Cash paid for acquisitions		*(20)*	*(6,336)*
- Cash received from disposals	*1,633*	*29*	*(2)*
- Impact of changes in consolidation	*412*	*(12)*	*(183)*
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,211	4,625	5,808
Change in loans and advances outstanding	(92)	(144)	(907)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	(1,455)	(186)
Net cash flow investment transactions	**23,334**	**67,147**	**34,275**
III – FINANCING TRANSACTIONS	**-**	**-**	**-**
Amounts received from shareholders in capital increases	568	-	-
- paid by shareholders of the parent company	*568*	-	-
- paid by minority interests of consolidated subsidiaries	-	-	-
Purchases and sales of treasury shares	1,971	4,337	(4,952)
Dividends paid during the year:	(10,537)	(11,235)	(6,686)
- dividends paid to shareholders of the parent company	*(10,116)*	*(11,227)*	*(6,404)*
- paid to minority interests of consolidated subsidiaries	*(421)*	*(8)*	*(282)*
Change in non-controlling interests without loss of control	(3,196)		
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from compound instruments	(5,300)	(6,335)	(5,427)
Change in guarantee deposits given and received	(2,658)	(4,937)	(9,180)
Issues or subscriptions of loans and borrowings	24,249	19,595	91,785
Repayments of loans and borrowings	(59,559)	(94,826)	(131,367)
Net cost of financial debt: interest paid	(19,370)	(20,063)	(22,292)
Other cash flows related to financing activities	787	1,502	482
Cash flow from discontinued activities	-	-	(68)
Net cash flow from financing transactions	**(73,045)**	**(111,962)**	**(87,703)**
NET CHANGE IN CASH (I+II+III)	**(1,430)**	**(5,216)**	**19,582**
Cash and cash equivalents at beginning of period	20,342	25,557	5,975
Cash and cash equivalents at end of period	18,911	20,342	25,557
NET CHANGE IN CASH	**(1,430)**	**(5,215)**	**19,582**

Cash and equivalents

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Savings bank, central bank, post office	3	3	8
Liquid bank assets	22,848	21,491	31,117
Liquid bank assets in other assets	465	1,069	748
Investment securities [1]	-	1,127	2,022
Sub-total (1)	**23,316**	**23,690**	**33,895**
Bank overdrafts	(4,405)	(3,348)	(8,311)
Bank overdrafts in other liabilities	-	-	(26)
Sub-total (2)	**(4,405)**	**(3,348)**	**(8,337)**
TOTAL (1) + (2)	**18,911**	**20,342**	**25,557**

(1) : The fair value of investment securities corresponds to a price quoted on an active market.

20.2. - Proforma consolidated financial statements

20.2.1 Statement of consolidated financial position (balance sheet)

20.2.1.1. - Assets

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
NON-CURRENT ASSETS				
Tangible assets	*2*	341	355	71
Investment properties	*1*	521,356	611,547	673,075
Intangible assets	*2*	207	228	270
Goodwill		-	-	-
Other intangible assets		*207*	*228*	*270*
Financial assets	*4*	39,125	60,692	75,078
Finance leases and related receivables		*30,673*	*53,729*	*68,631*
Assets held for sale	*5*	*269*	*210*	*279*
Derivatives stated at fair value		*2,607*	*3,756*	*2,470*
Deposits and sureties paid		*4,812*	*2,979*	*3,212*
Loans		*765*	*18*	*487*
Deferred tax assets	*11*	1,394	1,454	3,176
Shares and investments in companies (equity method)	*10*	85,819	83,976	86,153
Total non-current assets		**648,243**	**758,252**	**837,822**
CURRENT ASSETS				
Assets held for sale	*1 & 5*	151,363	75,365	87,407
Business sectors held for sale	*5*	-	-	5,067
Finance lease loans and receivables		6,878	561	618
Inventories	*9*	13,680	20,587	19,625
Accounts receivables	*8*	8,904	6,694	11,066
Related receivables for investment property		*8,164*	*5,461*	*10,500*
Receivables related to investment properties		*739*	*1,234*	*565*
Receivables on business centres		-	-	-
Current tax assets		115	184	42
Other receivables	*6*	28,471	35,565	28,867
Tax and social security receivables		*4,097*	*6,183*	*3,147*
Other receivables and adjustment accounts		*24,374*	*29,383*	*25,719*
Cash and cash equivalents	*4*	23,316	23,703	33,030
Cash equivalents		*465*	*2,200*	*2,855*
Cash		*22,851*	*21,503*	*30,175*
Total current assets		**232,727**	**162,659**	**185,722**
TOTAL ASSETS		**880,970**	**920,911**	**1,023,544**

20.2.1.2. - Liabilities

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
EQUITY				
Equity (Group share)		**348,447**	**347,462**	**349,260**
Capital and related amounts		86,637	64,970	61,997
Share capital		53,100	47,800	47,800
Premiums		38,489	23,947	23,947
Treasury stock		(4,952)	(6,777)	(9,750)
Consolidated reserves		246,539	272,170	292,558
Unrealised or deferred gains and losses		8	3	(7)
Unrealised gains or losses on derivatives		-	-	-
Unrealised gains or losses on assets available for sale		*8*	*3*	*(7)*
Net income (loss)		15,262	10,319	(2,854)
Interim dividend payment		-	-	(2,434)
Shareholdings that do not give control		**13,736**	**15,028**	**14,725**
Consolidated reserves		12,441	14,830	16,461
Net income (loss)		1,295	199	(1,736)
Total equity		**362,183**	**362,490**	**363,985**
NON-CURRENT LIABILITIES				
Long-term loans	*3*	319,837	405,055	478,141
Financial liabilities	*4*	15,551	16,411	16,332
Derivatives stated at fair value		*14,136*	*12,772*	*12,366*
Hedging derivatives		-	-	-
Other financial liabilities		*1,415*	*3,639*	*3,966*
Provisions	*12*	3,027	910	2,110
Deposits and sureties received		7,145	7,458	9,308
Deferred tax liabilities	*11*	281	351	2,899
Non-current tax liabilities		-	13	362
Other liabilities		-	-	-
Total non-current liabilities		**345,841**	**430,199**	**509,152**
CURRENT LIABILITIES				
Debts linked to business sectors held for sale	*5*	-	-	5,020
Debts linked to assets held for sale	*5*	97,529	31,045	36,487
Amounts owed to stockholders		1	1	1
Trade accounts payable and other debts0	*7*	24,106	33,946	40,869
Trade accounts payables and related accounts		*2,465*	*3,068*	*3,867*
Other debts		*11,029*	*10,912*	*23,533*
Adjustment accounts		*5,976*	*12,731*	*11,588*
Deferred income		*4,635*	*7,235*	*1,881*
Loans and borrowings	*4*	46,620	58,993	60,901
Current tax liabilities		14	706	3,304
Tax and social security debts	*13*	4,677	3,532	3,826
Provisions	*12*	-	-	-
Total current liabilities		**172,947**	**128,222**	**150,408**
TOTAL LIABILITIES		**880,970**	**920,911**	**1,023,544**

20.2.2 Statement of consolidated comprehensive income

20.2.2.1. - Consolidated Income Statement

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Rental revenue		*48,269*	*50,006*	*54,412*
Rental revenue and expenses		*(5,129)*	*(7,200)*	*(8,828)*
Other property revenue and expenses		*(55)*	*(185)*	*(653)*
Net property income	*14*	43,084	42,620	44,931
Revenue from finance leases		*2,792*	*3,270*	*4,273*
Expenses on finance leases		*(441)*	*(369)*	*(425)*
Revenue from finance leases	*15*	2,351	2,901	3,848
Revenue from real estate transactions		*7,619*	*13,144*	*17,476*
Expenses on real estate transactions		*(9,310)*	*(16,333)*	*(17,489)*
Income (loss) on real estate development transactions	*15*	(1,691)	(3,189)	(13)
Other purchases and external expenses		*(5,575)*	*(5,960)*	*(7,289)*
Taxes and related expenses		*(506)*	*(936)*	*(895)*
Personnel costs		*(5,927)*	*(6,233)*	*(6,142)*
Committed costs		(12,008)	(13,129)	(14,325)
Recurring EBITDA		**31,736**	**29,203**	**34,440**
Depreciation and impairment		(122)	(126)	(138)
Income from recurring operations		**31,614**	**29,077**	**34,303**
Charges net of provisions	*16*	(228)	5	(1,101)
Balance of other revenue and expenses		586	1,133	460
Gains (losses) on real-estate sales		*2,168*	*(426)*	*1,219*
Option exercised on finance lease properties		*764*	*(96)*	*296*
Gains (losses) on sale of operating assets		*-*	*(7)*	*(20)*
Income (loss) from asset disposals	*17*	2,931	(529)	1,496
Operating income before fair value adjustment		**34,902**	**29,686**	**35,158**
I Upward adjustment of value of investment properties		*16,634*	*16,977*	*10,939*
Downward adjustment of value of investment properties		*(14,955)*	*(20,798)*	*(43,696)*
Adjustment of value of investment properties		1,679	(3,821)	(32,757)
Adjustment of Goodwill	*18*	*-*	*-*	*(3,545)*
Balance net of value adjustments		1,679	(3,821)	(36,302)
Net operating income (loss)		**36,581**	**25,865**	**(1,145)**
Revenue from cash and cash equivalents		*258*	*280*	*1,984*
Gross cost of financial debt		*(18,458)*	*(19,916)*	*(21,458)*
Net cost of financial debt	*19*	(18,200)	(19,636)	(19,474)
Other financial revenue and expenses		(434)	(83)	9,067
Adjustment of value of financial instruments		(2,262)	(89)	(5,354)
Income before tax		**15,686**	**6,057**	**(16,905)**
Tax on recurring income	*20*	153	562	4,559
Deferred taxes	*20*	(592)	(285)	(442)
Exit tax	*20*	-	-	(53)
Share of income in companies accounted for by the equity method	*21*	1,312	2,975	9,070
Net income (loss) after tax from discontinued activities	*22*	-	1,209	(819)
Net income		**16,558**	**10,518**	**(4,590)**
Non-controlling interests		1,295	199	(1,736)
NET INCOME (LOSS) - GROUP SHARE		**15,262**	**10,319**	**(2,854)**
Earnings per share (€)	*23*	1.83	1.36	(0.38)
Diluted earnings per share (€)	*23*	1.59	1.12	(0.31)
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (TSDI) (€)	*23*	1.19	0.53	(1.10)
Diluted earnings per share restated to reflect perpetual subordinated loan notes (TSDI) (€)	*23*	1.26	0.83	(0.68)
EPRA INCOME (LOSS)				
NET INCOME (LOSS) - GROUP SHARE		**15,262**	**10,319**	**(2,854)**
EPRA restatements	23	3,237	5,701	18,432
EPRA INCOME		**18,499**	**16,020**	**15,578**

20.2.2.2. - Statement of net income and gains and losses taken directly to equity

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Net income (loss)		**16,558**	**10,518**	**(4,590)**
Currency translation adjustments		-	-	-
Changes in fair value of financial assets available for sale [1]		(321)	322	(16,808)
Share of the changes in fair value of financial assets available for sale transferred into income statement		-	-	-
Effective portion of the change in fair value of cash flow hedges		-	-	-
Share of the change in fair value of cash flow hedges transferred to income		-	-	-
Revaluation difference on non-current assets		-	-	-
Actuarial gains and losses on defined-benefit systems				
Share of gains and losses taken directly to equity in companies consolidated under the equity method		-	-	-
Income tax		-	-	-
Total gains and losses taken directly to equity		**(321)**	**322**	**(16,808)**
NET INCOME AND GAINS AND LOSSES TAKEN DIRECTLY TO EQUITY		**16,236**	**10,840**	**(21,398)**
Of which Group share		14,941	10,641	(19,662)
Of which non-controlling interests		1,295	199	(1,736)

(1) Altaréa securities in 2009 and Montéa en 2010

20.2.3 Statement of changes in equity

(In thousands of euros)	Capital and related reserves								
	Capital	Reserves related to share capital	Treasury stock	Consolidated reserves	Total gains and losses taken directly to equity	Net income (loss), group share	Group equity	Shareholders' equity held by non-controlling interests	Total consolidated equity
Equity as at 31.12.09	**47,800**	**128,310**	**(9,750)**	**187,492**	**(7)**	**(2,794)**	**351,051**	**89,156**	**440,207**
Shift of BANIMMO, MONTEA & Jardin des Quais to equity method consolidation	-	-	-	703	-	(60)	643	(74,431)	(73,788)
Recognition of interim dividend payments	-	-	-	(2,434)	-	-	(2,434)	-	(2,434)
Equity as at 31.12.09 PROFORMA	**47,800**	**128,310**	**(9,750)**	**185,761**	**(7)**	**(2,854)**	**349,260**	**14,725**	**363,985**
Capital increase	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	*2,973*	*1,367*	-	-	*4,340*	-	*4,340*
Preference share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	*644*	-	*(5,218)*	-	-	*(4,575)*	-	*(4,575)*
Transactions involving share-based payments	-	-	-	-	-	-	-	-	-
Appropriation of 2009 income (loss)	-	-	-	*(2,854)*	-	*2,854*	-	-	-
Bonus shares	-	-	-	*(341)*	-	-	*(341)*	-	*(341)*
Distribution of dividends	-	-	-	*(11,492)*	-	-	*(11,492)*	*(7)*	*(11,499)*
Dividends on treasury stock	-	-	-	*781*	-	-	*781*	-	*781*
Preference dividends	-	-	-	*(1,643)*	-	-	*(1,643)*	-	*(1,643)*
Sub-total of shareholder-related transactions	-	*644*	*2,973*	*(19,401)*	-	*2,854*	*(12,930)*	*(7)*	*(12,937)*
Changes in gains and losses taken directly to equity	-	-	-	-	*9*	-	*9*	-	*9*
2010 income	-	-	-	-	-	*10,319*	*10,319*	*199*	*10,518*
Subtotal	-	-	-	-	9	10,319	10,328	199	10,527
Effect of acquisitions and disposals on non-controlling interests	-	-	-	9	-	-	9	37	46
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies consolidated under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	794	-	-	794	75	869
Equity as at 31/12/2010	**47,800**	**128,953**	**(6,777)**	**167,164**	**2**	**10,319**	**347,462**	**15,028**	**362,490**
Capital increase	*5,300*	*4,533*	-	*(66)*	-	-	*9,767*	*568*	*10,335*
Cancellation of treasury stock	-	-	*1,825*	*256*	-	-	*2,081*	-	*2,081*
Preference share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	*(799)*	-	*(5,119)*	-	-	*(5,918)*	-	*(5,918)*
Transactions involving share-based payments	-	-	-	-	-	-	-	-	-
Appropriation of 2010 income (loss)	-	-	-	*10,319*	-	*(10,319)*	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	*(20,426)*	-	-	*(20,426)*	*(427)*	*(20,853)*
Dividends on treasury stock	-	-	-	*748*	-	-	*748*	-	*748*
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	5,300	3,734	1,825	(14,288)	-	(10,319)	(13,748)	140	(13,608)
Changes in gains and losses recognised directly in equity	-	-	-	-	*6*	-	*6*	-	*6*
2011 net income	-	-	-	-	-	*15,262*	*15,262*	*1,295*	*16,558*
Subtotal	-	-	-	-	6	15,262	15,268	1,295	16,564
Effect of acquisitions and disposals on non-controlling interests	-	-	-	17	-	-	17	(2,732)	(2,715)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies consolidated under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	*(552)*	-	-	*(552)*	*4*	*(548)*
EQUITY AS AT 31.12.11 PROFORMA	**53,100**	**132,687**	**(4,952)**	**152,341**	**8**	**15,262**	**348,447**	**13,736**	**362,182**

20.2.4 Consolidated cash flow statement

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	**16,558**	**10,518**	**(4,590)**
Net increase (decrease) in depreciation and provisions	(7,432)	6,298	6,474
Unrealised gains and losses from changes in fair value	(1,679)	3,821	32,757
Other calculated income and expenses (including discount calculations)	1,207	(1,697)	10,555
Capital gains or losses on sales of assets	12,401	11,699	(1,011)
- net carrying value of fixed assets sold	*59,347*	*100,359*	*73,413*
- income from disposals of fixed assets	*(46,946)*	*(88,660)*	*(74,424)*
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(1,312)	(2,975)	(9,070)
Dividends and returns from income of non-consolidated companies	(2)	(13)	(1,798)
Cash flow from operations after net borrowing costs and tax	**19,741**	**27,651**	**33,316**
Net cost of financial debt	18,582	18,562	21,810
Tax expense (including deferred taxes)	440	(277)	(4,064)
Cash flow from operations before net cost of debt and tax	**38,763**	**45,936**	**51,061**
Income tax paid	(588)	(3,270)	2,114
Change in inventories	3,055	(263)	12,651
Change in trade accounts receivable	394	(3,595)	(608)
Change in trade accounts payable	(1,916)	1,459	(3,480)
Other changes in working capital requirement related to operating activities	8,573	(668)	10,924
Impact of discontinued activities	-	-	347
Net cash flows from operating activities	**48,281**	**39,599**	**73,010**
II – INVESTMENT TRANSACTIONS			
Finance lease	10,680	3,580	4,093
- Cash paid for acquisitions	*(38)*	*(258)*	*(5)*
- Cash received from disposals	*10,718*	*3,837*	*4,098*
Investment properties	9,576	60,922	8,126
- Cash paid for acquisitions	*(25,267)*	*(23,617)*	*(32,766)*
- Cash received from disposals	*34,843*	*84,539*	*40,892*
Cash paid for acquisitions of tangible and intangible fixed assets	(87)	(387)	(594)
Cash received for disposals of tangible and intangible fixed assets	-	11	3
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	(2)	(64)
Cash received for disposals of financial assets	-		24,517
Consolidated shares	2,045	(3)	(6,521)
- Cash paid for acquisitions		*(20)*	*(6,336)*
- Cash received from disposals	*1,633*	*29*	*(2)*
- Impact of changes in consolidation	*412*	*(12)*	*(183)*
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,211	4,625	5,808
Change in loans and advances outstanding	(92)	(144)	(907)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	(1,455)	(186)
Net cash flow related to investment transactions	**23,334**	**67,147**	**34,275**
III – FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	568	-	-
- paid by shareholders of the parent company	*568*	-	-
- paid by minority interests of consolidated subsidiaries	-	-	-
Purchases and sales of treasury shares	1,971	4,337	(4,952)
Dividends paid during the year:	(10,537)	(11,235)	(6,686)
- dividends paid to shareholders of the parent company	*(10,116)*	*(11,227)*	*(6,404)*
- Dividends paid to minority interests of consolidated subsidiaries	*(421)*	*(8)*	*(282)*
Change in non-controlling interests without loss of control	(3,196)		
Increase/Decrease in subordinated debts	-	-	-
Loss from hybrid securities	(5,300)	(6,335)	(5,427)
Change in guarantee deposits given and received	(2,658)	(4,937)	(9,180)
Issues or subscriptions of loans and borrowings	24,249	19,595	91,785
Repayments of loans and borrowings	(59,559)	(94,826)	(131,367)
Net cost of financial debt: interest paid	(19,370)	(20,063)	(22,292)
Other cash flows related to financing activities	787	1,502	482
Cash flow from discontinued activities	-	-	(68)
Net cash flows from financing transactions	**(73,045)**	**(111,962)**	**(87,703)**
NET CHANGE IN CASH (I+II+III)	**(1,430)**	**(5,216)**	**19,582**
Cash and cash equivalents at beginning of period	20,342	25,557	5,975
Cash and cash equivalents at end of period	18,911	20,342	25,557
NET CHANGE IN CASH	**(1,430)**	**(5,215)**	**19,582**

Cash and equivalents

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Savings bank, central bank, post office	3	3	8
Liquid bank assets	22,848	21,491	31,117
Liquid bank assets in other assets	465	1,069	748
Investment securities [1]	-	1,127	2,022
Sub-total (1)	**23,316**	**23,690**	**33,895**
Bank overdrafts	(4,405)	(3,348)	(8,311)
Bank overdrafts in other liabilities	-	-	(26)
Sub-total (2)	**(4,405)**	**(3,348)**	**(8,337)**
TOTAL (1) + (2)	**18,911**	**20,342**	**25,557**

(1): The fair value of investment securities corresponds to a price quoted on an active market.

20.2.5 Change in number of shares comprising the capital

Shares authorised, issued and paid up

	At beginning of period	Capital increase after converting convertible bonds	Distribution of dividends as shares	Capital increase through incorporation of free reserves to round off the total share capital after distributing the dividends as shares	At end of period
Number of shares	8,113,566	374,400	514,076	-	9,002,042
Share capital in euros	47,800,000	2,205,728	3,028,611	65,661	53,100,000

Treasury shares

	As at 31.12.10	Acquisitions	Sales	Allocation of shares to personnel	As at 31.12.11
In thousands of euros	6,777	1,756	3,401	179	4,952
In numbers	421,367	96,047	189,645	4,575	323,194

20.2.6 Scope of consolidation at the closing date

	31/12/2011			31/12/2010			31/12/2009		
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest
AFFINE	Parent company			Parent company			Parent company		
2/4 BLD HAUSSMANN SAS	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%
GESFIMMO (ex AFFINE DEVELOPPEMENT 1 SAS)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
AFFINE DEVELOPPEMENT 2 SAS	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
AFFINVESTOR Gmbh	-	-	-	IG	94.00%	94.00%	IG	94.00%	94.00%
ARCA VILLE D'ETE SCI (ex CAPUCINES 2 SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
ATIT SC (ex- ANJOU SC)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
BERCYMMO SARL	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
BRETIGNY SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES III SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES IV SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES V SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES VI SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CARDEV	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
COUR CAPUCINES SA	IG	100.00%	99.99%	IG	100.00%	99.99%	IG	100.00%	99.99%
DORIANVEST SARL	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
LES 7 COLLINES	IG	95.00%	95.00%	IG	95.00%	95.00%	IG	95.00%	95.00%
LES JARDINS DES QUAIS SNC	EM	50.00%	74.75%	EM	50.00%	74.75%	EM	50.00%	74.75%
LUMIERE SAS	-	-	-	IG	67.91%	67.91%	IG	67.91%	67.91%
NEVERS COLBERT SCI (ex CAPUCINES I SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
SIPEC SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
ST ETIENNE - MOLINA SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
TARGET REAL ESTATE SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
TRANSAFFINE SNC	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
AFFIPARIS SA	**IG**	**86.93%**	**86.93%**	**IG**	**64.88%**	**64.88%**	**IG**	**64.88%**	**64.88%**
SCI 28-32 PLACE DE GAULLE	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%
BERCY PARKINGS SCI	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
SARL COSMO	IG	99.90%	86.84%	IG	99.90%	64.54%	IG	99.90%	64.54%
SCI COSMO LILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO MARSEILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO MONTPELLIER	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO NANTES	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO TOULOUSE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI DU BEFFROI	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI GOUSSIMO 1	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%
SC GOUSSINVEST	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
HOLDIMMO SC	IG	100.00%	86.93%	IG	99.58%	64.61%	IG	99.58%	64.61%
SCI NUMERO 1	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
SCI NUMERO 2	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
SCI PM MURS	-	-	-	IG	100.00%	64.88%	IG	100.00%	64.88%
SCI 36	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
BANIMMO SA	**EM**	**49.99%**	**49.51%**	**EM**	**49.99%**	**49.51%**	**EM**	**49.99%**	**49.51%**
BFI SAS (EX-EDOUARD VII FACILITÉ SAS)	**-**	**-**	**-**	**-**	**-**	**-**	**IG**	**97.99%**	**97.99%**
CAPUCINE INVESTISSEMENTS SA	**IG**	**99.77%**	**99.77%**	**IG**	**99.77%**	**99.77%**	**IG**	**95.00%**	**95.00%**

	31/12/2011			31/12/2010			31/12/2009		
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest
CONCERTO DÉVELOPPEMENT SAS	**IG**	**99.99%**	**99.99%**	**IG**	**70.29%**	**69.27%**	**IG**	**70.29%**	**69.28%**
AULNES Développement SAS	EM	50.00%	50.00%	EM	50.00%	34.64%	EM	50.00%	34.64%
CHAVORNAY PARC SA	PI	50.00%	50.00%	PI	50.00%	34.64%	PI	50.00%	34.64%
CONCERTO BALKANS SRL	-	-	-	-	-	-	IG	100.00%	69.28%
CONCERTO Développement Iberica SL	IG	100.00%	99.99 %	IG	100.00%	69.27%	IG	100.00%	69.28%
CONCERTO LOGISTIC PARK MER	IG	99.99%	99.98%	IG	99.99%	69.27%	IG	99.99%	69.27%
MGP SUN SARL (1) (2)	-	-	-	EM	10.00%	6.93%	EM	10.00%	6.93%
PROMAFFINE SAS	**IG**	**100.00%**	**100.00%**	**IG**	**100.00%**	**100.00%**	**IG**	**100.00%**	**100.00%**
BOURGTHEROULDE - L'EGLISE	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%
DOLE SARL	-	-	-	-	-	-	PI	50.00%	50.00%
LUCE CARRE D'OR SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
MARSEILLE 88 CAPELETTE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%
NANTERRE TERRASSES 12 SCI	PI	50.00%	50.00%	PI	50.00%	50.00%	PI	50.00%	50.00%
29 COPERNIC SCI	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%

20.2.7 Notes and comments

20.2.7.1. - Notes to the statement of financial position

Note 1 – Real Estate portfolio buildings

Buildings in the real estate portfolio include:
- 54 assets recorded as investment properties, and
- 16 assets classified as buildings held for sale.

➤ Affine:

44 of the 48 Affine-owned assets, representing 93.8% of the fair value of the rental portfolio, were valued by independent appraisers (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Among the 44 assets, two (representing 3.6% of the fair value of the rental portfolio) were internally reassessed; the outside appraisal was not considered. One asset, accounting for 5.2% of the rental portfolio, was internally appraised. Three properties, representing 0.9% of the fair value of the rental portfolio, were appraised according to the sale price mentioned in the signed sale mandate, or a signed purchase offer.

➤ Other companies:

For Affine-dedicated subsidiaries

Eight of the nine properties held by Affine subsidiaries, representing 93.7% of the fair value of the portfolio, were assessed on December 31, 2011 by two independent appraisers (Foncier Entreprise and Cushman & Wakefield). One asset, accounting for 6.3 % of the rental portfolio, was internally appraised..

For AffiParis

Seven assets were valued by the independent property appraiser Cushman & Wakefield; these represent 97.5% of the fair value of the property portfolio. Two of these assets were reclassified in "Properties held for sale". Of the six other assets recorded as properties held for sale, one is valued on the basis of an accepted sale offer; this asset represents 0.2% of the fair value of the corporate portfolio. The other five, representing 2.3% of the faire value of the portfolio, were appraised internally.

Properties purchased during the year and those subject to a purchase offer or sales commitment are stated at market value. Properties for which a sale procedure has begun are shown on a separate line in the balance sheet. The gain or loss on sale of an investment property is calculated in relation to the most recent fair value recorded in the balance sheet at the close of the preceding financial year.

The market values are determined excluding transfer duties and acquisition costs. Each appraiser states its independence and confirms the values of the real-estate assets appraised by its services, without taking responsibility for those made by other firms.

➤ Summary table of changes in fair value

At 31.12.11:

(In thousands of euros)	01/01/2011	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2011
BY ASSET TYPE *						
Industrial premises, warehouses	165,720	30,770	-	(3,180)	116	193,426
Offices	395,887	3,295	-	(14,891)	8,069	392,360
Commercial	84,656	2,094	-	(1,585)	(8,662)	76,503
Other	40,248	-	(19,800)	(12,731)	2,155	9,872
BY AREA *						
Paris – business district	123,547	404	-	-	387	124,339
Paris – outside business district	66,922	2,412	-	(5,240)	4,576	68,670
PARIS REGION – OUTSIDE PARIS	188,827	20,175	-	(17,511)	2,332	193,823
Other French cities	288,346	13,167	-	(9,635)	(6,547)	285,330
Other	18,870	-	(19,800)	-	930	-

* excluding initial direct costs of €557,000 as at 31/12/2011

At 31.12.10:

(In thousands of euros)	01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
BY ASSET TYPE *						
Industrial premises, warehouses	205,673	2,163	13,070	(43,763)	(11,423)	165,720
Offices	422,327	1,971	(13,070)	(26,575)	11,234	395,887
Commercial	82,522	6,741	-	(1,656)	(2,951)	84,656
Other	49,711	9	-	(8,790)	(681)	40,248
BY AREA *						
Paris – business district	121,554	68	-	-	1,925	123,547
Paris – outside business district	65,836	345	-	(1,850)	2,591	66,922
Paris region – outside Paris	208,115	577	-	(19,195)	(669)	188,827
Other French cities	339,178	9,895	-	(53,690)	(7,038)	288,346
Other	25,550	-	-	(6,050)	(630)	18,870

* excluding initial direct costs of €401,000 as at 31.12.10

At 31.12.09:

(In thousands of euros)	01/01/2009	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2009 [1]
BY ASSET TYPE *						
Industrial premises, warehouses	196,811	14,922	-	(2,568)	(3,492)	205,673
Offices	479,974	2,659	2,521	(41,469)	(21,358)	422,327
Commercial	32,871	54,706	-	-	(5,055)	82,522
Other	53,371	33	(301)	(540)	(2,852)	49,711
BY AREA *						
Paris – business district	131,624	292	-	(2,640)	(7,722)	121,554
Paris – outside business district	72,319	167	-	(4,800)	(1,850)	65,836
Paris region – outside Paris	231,110	1,211	-	(8,496)	(15,710)	208,115
Other French cities	299,841	70,590	2,521	(28,641)	(5,133)	339,178
Other	28,133	60	(301)	-	(2,342)	25,550

* excluding initial direct costs of €250,000 as at 31.12.09

➤ Reconciliation between values in financial position and appraisals from independent experts

Investment property:

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	276,973	277,643	(670)	*(€670,000) concerning two properties for which a fair value below the appraised value was recorded as the result of a management decision*
Crédit Foncier Expertise (formerly Ad Valorem)	81,510	81,510	-	
BNP Real Estate	143,520	143,520	-	
Internal appraisals	18,796	18,796	-	
Marketing fees	557	-	557	
INVESTMENT PROPERTIES AT 31/12/2011	**521,357**	**521,469**	**(113)**	

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	311,309	312,560	(1,251)	*including (€653,000) on the Baudry property, because the payment deferment granted to the main tenant was cancelled as it had already been recognised in the accounts, and (€599,000) due to the recognition of works on the Traversière high-rise building.*
Ad Valorem	80,390	80,390	-	
CBRE	67,593	67,593	-	
BNP Real Estate	140,862	140,862	-	
Under construction	10,993	10,993	-	
Marketing fees	401		401	
INVESTMENT PROPERTIES AT 31.12.10	**611,547**	**612,398**	**(851)**	

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	159,254	160,200	(946)	*(€946,000) breaks down into (€1,046,000) on the Baudry building because the payment deferment granted to the main tenant was cancelled, and €176,000 linked to the recognition of works*
BNP Real Estate	218,941	218,845	96	*Recognition of €96,000 for works*
Ad Valorem	184,110	184,110	-	
Jones Lang Lasalle	36,850	36,850	-	
CBRE	8,050	8,050	-	
Foncier Expertise	1,045	1,045	-	
Acquisition	34,812	-	34,812	*The cost of the acquisition made on 07/12/2009 was used for fair value on 31/12/2009*
Internal appraisals	6,050	-	6,050	
Under construction	23,714	-	23,714	*The construction of the properties concerned began before 01/01/2009; they are stated at historic cost*
Marketing fees	250	-	250	
INVESTMENT PROPERTIES AT 31/12/2009	**673,075**	**609,100**	**63,976**	

Assets held for sale

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	135,982	136,953	(971)	*of which (685,000) in appraisal fees for the Baudry property appraised by Cushman and (276,000) on fees for the same property, since the payment deferment granted to the main tenant was cancelled because it had already been recognised in the accounts.*
Internal appraisals	11,532	-	11,532	
Mandates, offers for sale and commitments to sell	3,849	-	3,849	
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AS AT 31/12/2011	**151,363**	**136,953**	**14,410**	

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	63,065	63,325	(260)	*For one property, the Group used an acquisition offer instead of an appraisal.*
Internal appraisals	4,630	-	4,630	
Mandates, offers for sale and commitments to sell	7,670	-	7,670	
NON-CURRENT ASSETS CLASSIFIED AS HELD FOR SALE AS AT 31.12.10	**75,365**	**63,325**	**12,040**	

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	41,450	41,450	-	
Internal appraisals	6,555	-	6,555	
Mandates, offers for sale and commitments to sell	39,402	29,480	9,922	*Out of 12 assets, 5 were appraised externally at the same time*
NON-CURRENT ASSETS HELD FOR SALE AS AT 31.12.09	**87,407**	**70,930**	**16,477**	

➤ Sensitivity to changes in the assumptions used to measure fair value

On the basis of the portfolio value excluding registration fees and estimated disposal costs, the average rate of return was 7.1% at 31.12.11.

On the basis of the average rate of return at December 31, 2011, a change of 25 basis points would have an inversely proportional effect of €23.8 million on the Group's portfolio value.

➤ Changes in the fair value of properties

(In thousands of euros)	Leases	in progress	Assets held for sale	TOTAL
As at 31.12.08	**677,064**	**24,257**	**61,936**	**763,257**
Increases	35,451	36,660	209	72,320
Acquisitions during the year	35,451	36,660	209	72,320
Decreases	(32,203)	(60)	(12,313)	(44,577)
Write-off	-	-	-	-
Disposals	(32,203)	(60)	(12,313)	(44,577)
Change in scope of consolidation	-	-	-	-
Change in fair value	(21,556)	-	(11,202)	(32,757)
Transfers between line items	(10,395)	(38,382)	48,777	-
Change in initial direct costs	19	-	-	19
Sector transfers	2,521	(301)	-	2,220
As at 31.12.09	**650,902**	**22,173**	**87,407**	**760,483**
Increases	1,185	9,503	195	10,884
Acquisitions during the year	1,185	9,503	195	10,884
Decreases	(61,255)	(44)	(19,486)	(80,785)
Write-off	-	-	-	-
Disposals	(61,255)	(44)	(19,486)	(80,785)
Change in scope of consolidation	-	-	-	-
Change in fair value	(1,314)	-	(2,507)	(3,821)
Transfers between line items	10,706	(20,462)	9,755	-
Change in initial direct costs	151	-	-	151
Sector transfers	-	-	-	-
As at 31.12.10	**600,377**	**11,171**	**75,365**	**686,912**
Increases	30,558	5,651	20	36,230
Acquisitions during the year	30,558	5,651	20	36,230
Decreases	(8,675)	(11)	(23,701)	(32,387)
Write-off	-	-	-	-
Disposals	(8,675)	(11)	(23,701)	(32,387)
Change in scope of consolidation	-	-	(19,800)	(19,800)
Change in fair value	521	-	1,158	1,679
Transfers between line items	(107,296)	(11,096)	118,320	(71)
Change in initial direct costs	156	-	-	156
Sector transfers	-	-	-	-
AS AT 31.12.11	**515,640**	**5,716**	**151,363**	**672,719**

Note 2 – Tangible fixed Property, plant & equipment, and intangible assets

(In thousands of euros)	31/12/2009	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2010	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2011
TANGIBLE ASSETS									
Gross	749	359	(349)	-	759	55	-	-	814
Amortisation	(678)	(61)	335	-	(404)	(70)	-	-	(473)
Net	71	298	(14)	-	355	(14)	-	-	341
INTANGIBLE ASSETS									
Gross	671	28	(37)	-	662	31	-	-	693
Amortisation	(401)	(65)	32	-	(434)	(53)	-	-	(487)
Net	270	(37)	(5)	-	228	(21)	-	-	207
GOODWILL									
Gross	9,593	-	-	-	9,593	-	-	-	9,593
Amortisation	(9,593)	-	-	-	(9,593)	-	-	-	(9,593)
Net	-	-	-	-	-	-	-	-	-

Note 3 – Long-term loans

(In thousands of euros)		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	317,413	38,258	142,850	136,305
- Fixed rate	*16,957*	*3,054*	*10,417*	*3,485*
- Variable rate	*300,456*	*35,204*	*132,433*	*132,819*
Finance lease commitment hedge accounts	4,505	3,306	529	670
Deferred borrowing costs at EIR	(2,081)	(580)	(1,167)	(334)
TOTAL AT 31.12.11	**319,836**	**40,984**	**142,212**	**136,640**

(In thousands of euros)		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	402,990	37,766	135,606	229,618
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	4,865	993	3,031	841
Deferred borrowing costs at EIR	(2,800)			
TOTAL AT 31.12.10	**405,055**	**38,759**	**138,636**	**230,460**

(In thousands of euros)		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	474,218	76,252	114,738	283,228
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	7,498	1,181	3,465	2,852
Deferred borrowing costs at EIR	(3,575)			
TOTAL AT 31.12.09	**478,141**	**77,433**	**118,203**	**286,081**

The average term of the debts as at December 31, 2011 is 5.7 years.

Note 4 – Other financial assets and liabilities

At 31.12.11:

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	30,673	-	-	19,523	11,150
Assets available for sale	269	-	-	-	269
Derivatives stated at fair value	2,607	-	-	2,607	-
Deposits and sureties paid	4,812	-	-	-	4,812
Loans	765	-	-	749	15
Total non-current financial assets	**39,125**	**-**	**-**	**22,879**	**16,246**
Current					
Other receivables	-	-	-	-	-
Cash and equivalents	23,316	23,316	-	-	-
Cash equivalents: SICAVs	-	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-	-
Settlement accounts for securities	*465*	*465*	-	-	-
Bank account overdrafts	*22,851*	*22,851*	-	-	-
Total current financial assets	**23,316**	**23,316**	**-**	**-**	**-**
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	14,136	-	-	13,896	240
Discounted premiums payable	1,415	-	-	1,415	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	**15,551**	**-**	**-**	**15,311**	**240**
Current					
Loans and borrowings	46,620	15,926	30,694	-	-
Less than one year	*36,249*	*5,170*	*31,079*	-	-
Finance lease commitment hedge accounts	*3,093*	*2,979*	*113*	-	-
Deferred borrowing costs at EIR	*(616)*	*(117)*	*(499)*	-	-
Accrued interest on loans	*1,197*	*1,197*	-	-	-
Bank overdrafts	*4,405*	*4,405*	-	-	-
Current accounts and related debt	*2,292*	*2,292*	-	-	-
Total current financial liabilities	**46,620**	**15,926**	**30,694**	**-**	**-**

At 31.12.10:

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non current					
Finance lease transactions and related receivables	53,729	2,805	7,481	26,056	17,387
Assets available for sale	210	-	-	-	210
Derivatives stated at fair value	3,756	-	-	3,756	-
Deposits and sureties paid	2,979	-	-	-	2,979
Loans	18	2	-	-	16
Total non-current financial assets	**60,692**	**2,807**	**7,481**	**29,812**	**20,592**
Current: Cash and equivalents					
Cash equivalents: SICAVs	1,127	1,127	-	-	-
Restatement of SICAVs at fair value	4	4	-	-	-
Settlement accounts for securities	1,069	1,069	-	-	-
Bank account overdrafts	21,503	21,503	-	-	-
Total cash and equivalents	**23,703**	**23,703**	**-**	**-**	**-**
FINANCIAL LIABILITIES					
Non current					
Long-term financial instruments	16,411	304	879	8,786	6,442
Treasury certificates	-	-	-	-	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	**16,411**	**304**	**879**	**8,786**	**6,442**
Current: Loans and borrowings					
Less than one year	49,058	6,762	42,296	-	-
Finance lease commitment hedge accounts	3,253	461	2,792	-	-
Deferred borrowing costs at EIR	(178)	(35)	(144)	-	-
Accrued interest on loans	1,041	1,041	-	-	-
Bank overdrafts	3,348	3,348	-	-	-
Current and related accounts	2,471	2,471	-	-	-
Total debts and financial liabilities	**58,993**	**14,048**	**44,944**	**-**	**-**

At 31.12.09:

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
FINANCIAL ASSETS					
Non current					
Finance lease transactions and related receivables	68,631	3,139	12,025	31,694	21,772
Assets available for sale	279	-	-	-	279
Derivatives stated at fair value	2,470	-	-	2,470	-
Deposits and sureties paid	3,212	-	-	-	3,212
Loans	487	11	-	476	-
Total non-current financial assets	**75,078**	**3,150**	**12,025**	**34,640**	**25,263**
Current: Cash and equivalents					
Cash equivalents: SICAVs	2,022	2,022	-	-	-
Restatement of SICAVs at fair value	85	85	-	-	-
Settlement accounts for securities	748	748	-	-	-
Bank account overdrafts	30,175	30,175	-	-	-
Total cash and equivalents	**33,030**	**33,030**	**-**	**-**	**-**
FINANCIAL LIABILITIES					
Non current					
Long-term financial instruments	16,332	271	848	7,131	8,082
Commercial paper	-	-	-	-	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	**16,332**	**271**	**848**	**7,131**	**8,082**
Current: Loans and borrowings					
Less than one year	54,712	36,358	18,354	-	-
Finance lease commitment hedge accounts	3,929	273	3,656	-	-
Deferred borrowing costs at EIR	(177)	(34)	(143)	-	-
Accrued interest on loans	1,231	1,231	-	-	-
Bank overdrafts	-	-	-	-	-
Current and related accounts	1,206	1,206	-	-	-
Total debts and financial liabilities	**60,901**	**39,034**	**21,867**	**-**	**-**

Note 5 – Assets classified as held for sale

	31/12/2011		31/12/2010		31/12/2009	
(In thousands of euros)	**Assets**	**Liabilities**	**Assets**	**Liabilities**	**Assets**	**Liabilities**
Business activity	**-**	**-**	**-**	**-**	**5,067**	**5,020**
Investment property						
Buildings held for sale	151,363	-	75,365	-	87,407	-
Loans	-	96,300	-	29,934	-	35,163
Guarantee deposits	-	1,229	-	1,111	-	1,323
Sub-total	**151,363**	**97,529**	**75,365**	**31,045**	**87,407**	**36,487**
Financial assets available for sale						
Shares	204	-	20	-	21	-
Related receivables	65	-	76	-	104	-
Sub-total	**269**	**-**	**96**	**-**	**125**	**-**
TOTAL	**151,632**	**97,529**	**75,461**	**31,045**	**92,600**	**41,507**

Note 6 – Other assets

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Government – tax and social security receivables	4,097	6,183	3,147
Sub-total (1)	**4,097**	**6,183**	**3,147**
Suppliers	*215*	*480*	*190*
Client accounts	*8,997*	*10,230*	*9,969*
Subscribed share capital not paid up	*-*		*14*
Loans to related companies	*1,211*	*1,391*	*1,187*
Other miscellaneous receivables	*10,742*	*11,385*	*5,148*
Bad debt provisions, other receivables	*(631)*	*(533)*	*(533)*
Miscellaneous	*-*	*-*	*-*
Other receivables	20,534	22,952	15,975
Revenue accruals	2,482	5,251	6,671
Prepaid expenses	1,357	1,180	3,073
Adjustment accounts	3,839	6,430	9,745
Sub-total (2)	**24,374**	**29,383**	**25,719**
TOTAL (1) + (2)	**28,471**	**35,565**	**28,867**

Note 7 – Other liabilities

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Trade payables and related accounts	*2,414*	*2,966*	*3,766*
Fixed asset payables and related accounts	*51*	*102*	*101*
Trade payables and related accounts	2,465	3,068	3,867
Other customer payables	*1,270*	*980*	*530*
Other payables	*8,666*	*9,538*	*21,941*
Payments received as a result of activation of guarantees (finance leases)	*190*	*336*	*1,028*
Discounted premiums payable - current	*903*	*-*	*-*
Miscellaneous	*-*	*58*	*34*
Other debts	11,029	10,912	23,533
Expenses to pay	5,976	12,731	11,588
Deferred income	4,635	7,235	1,881
TOTAL	**24,106**	**33,946**	**40,869**

Note 8 – Trade loans and receivables

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Receivables from sales of fixed assets	534	-	5,000
Ordinary receivables	6,802	5,627	5,163
Doubtful receivables	3,142	3,489	2,968
Impairment of doubtful receivables	(1,574)	(2,421)	(2,065)
TOTAL	**8,904**	**6,694**	**11,066**

At 31.12.11:

(In thousands of euros)		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	9,624	3,415	1,416	2,218	746	1,830
Provision	1,460	-	-	73	71	1,316
Net	**8,164**	**3,415**	**1,416**	**2,144**	**675**	**514**
SERVICES						
Gross	853	257	-	299	160	137
Provision	114	-	-	-	-	114
Net	**739**	**257**	**-**	**299**	**160**	**23**
TOTAL						
Gross	10,478	3,672	1,416	2,517	906	1,967
Provision	1,574	-	-	73	71	1,430
NET	**8,904**	**3,672**	**1,416**	**2,444**	**835**	**538**

At 31.12.10:

(In thousands of euros)		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	7,735	2,609	619	1,249	1,062	2,196
Provision	2,275	-	69	35	534	1,637
Net	**5,461**	**2,609**	**551**	**1,213**	**528**	**559**
SERVICES						
Gross	1,380	490	-	237	262	391
Provision	146	-	-	-	-	146
Net	**1,234**	**490**	**-**	**237**	**262**	**245**
TOTAL						
Gross	9,116	3,099	619	1,486	1,324	2,587
Provision	2,421	-	69	35	534	1,783
NET	**6,694**	**3,099**	**551**	**1,451**	**790**	**804**

At 31.12.09:

(In thousands of euros)		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	12,419	6,807	1,103	2,545	977	986
Provision	1,918	-	30	595	662	632
Net	**10,500**	**6,807**	**1,073**	**1,950**	**315**	**354**
SERVICES						
Gross	712	296	24	215	-	176
Provision	146	-	-	-	-	146
Net	**565**	**296**	**24**	**215**	**-**	**30**
TOTAL						
Gross	13,130	7,104	1,127	2,760	977	1,162
Provision	2,065	-	30	595	662	778
NET	**11,066**	**7,104**	**1,097**	**2,165**	**315**	**384**

Note 9 – Inventories

At 31.12.11:

(In thousands of euros)	31/12/2010	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2011
Net inventory	20,587	6,354	-	9,184	(19,170)	(3,274)	13,680

At 31.12.10:

(In thousands of euros)	31/12/2009	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2010
Net inventory	19,625	7,554	-	(1,487)	-	(5,106)	20,587

At 31.12.09:

(In thousands of euros)	31/12/2008	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2009
Net inventory	32,305	3,733	(230)	(257)	(15,999)	74	19,625

Note 10 – Contribution of companies consolidated under the equity method

	31/12/2011					31/12/2010					31/12/2009
(In thousands of euros)	Current	%	Total assets	Revenues exc. tax	Net profit/ loss	Current	%	Total assets	Revenues exc. tax	Net profit/ loss	Current
Aulnes développement	-	-	-	-	-	5	34.6%	22	-	-	5
Paris 29 Copernic	7	50%	725	-	13	(141)	50.0%	882	-	(283)	(292)
2/4 Boulevard Haussmann	-	-	-	-	-	(22)	50.0%	1,641	-	-	(22)
Cap 88	7	40%	5,541	7,113	9	1,038	40.0%	8,144	12,749	3,142	(219)
Marseille 88 Capelette	(824)	40%	10,802	618	(1,530)	(808)	40.0%	14,109	875	(763)	(510)
Jardin des quais	26,703	74.75%	16,178	4,827	(1,356)	23,525	74.75%	20,161	4,450	(1,274)	18,838
Banimmo	59,926	49.51%	376,048	17,502	1,156	62,109	49.51%	410,320	17,466	456	69,745
Montéa		-	-	-	-	205	7.0%	258,799	17,097	11,419	205
MGP Sun Sarl	-	-	-	-	-	(1,936)	6.9%	231	-	(128)	(1,599)
TOTAL	**85,819**					**83,976**					**86,152**

Note 11 – Deferred taxes

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
ASSETS			
Investment property	1,393	1,136	2,891
Securities at fair value via equity	-	-	-
Derivatives	-	266	255
Other items	1	52	30
TOTAL	**1,394**	**1,454**	**3,176**
LIABILITIES			
Financial assets available for sale	-	-	-
Financial assets at fair value	-	-	-
Investment properties at FV of non-SIIC subsidiaries	553	169	2,601
Finance leases (lessee)	-	-	-
Goodwill assigned to properties	-	89	172
Finance leases (lessor)	-	-	-
Derivatives	(196)	(4)	-
Deferment of borrowing costs	(76)	32	60
Tax losses carried forward	-	-	-
Other items	-	65	65
TOTAL	**281**	**351**	**2,899**

Note 12 – Provisions

(In thousands of euros)	Balance 31/12/09	Allowances for the year	Reversals for the year	Change in scope	Balance 31/12/10	Allowances for the year	Reversals for the year	Change in scope	Balance 31/12/11
Provision for diverse risks (customer disputes)	-	-	-	-	-	-	-	-	-
Provision for tax risk	145	229	(145)	-	229	384	(209)	-	404
Provision for pension costs	391	24	(20)	-	395	57	(3)	-	448
Provision for miscellaneous expenses	1,575	123	(1,411)	-	287	3,197	(1,309)	-	2,175
TOTAL	**2,110**	**375**	**(1,575)**	**-**	**910**	**3,638**	**(1,521)**	**-**	**3,027**

Note 13 – Tax and social security liabilities

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010	As at 31/12/2009
Staff	1,710	893	1,228
Tax liabilities (VAT, taxes)	2,968	2,638	2,598
TOTAL	**4,677**	**3,532**	**3,826**

20.2.7.2. - Notes to the income statement

Note 14 – Net property income

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Rental revenue	48,269	50,006	54,412	(1,737)	(4,407)
Rental revenue and expenses	(5,129)	(7,200)	(8,828)	2,071	1,628
Re-billed expenses	*13,292*	*12,102*	*13,939*	*1,189*	*(1,837)*
Rebillable expenses	*(13,348)*	*(12,744)*	*(13,809)*	*(603)*	*1,065*
Non rebillable expenses	*(4,763)*	*(6,206)*	*(7,494)*	*1,443*	*1,288*
Miscellaneous expenses	*(48)*	*(148)*	*(135)*	*100*	*(13)*
Lease fees	*(263)*	*(205)*	*(1,330)*	*(57)*	*1,124*
Depreciation charges	-	-	-		-
Other property revenue and expenses	(55)	(185)	(653)	130	468
Other revenues	*355*	*347*	*407*	*8*	*(60)*
Net losses on doubtful receivables	*(410)*	*(532)*	*(1,060)*	*122*	*528*
NET PROPERTY INCOME	**43,084**	**42,620**	**44,931**	**465**	**(2,311)**

The rental income, rebillable expenses and non-rebillable expenses items concern investment properties and assets held for sale.

Note 15 – Income (loss) from other activities

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Income (loss) from finance lease transactions (1)	**2,351**	**2,901**	**3,848**	**(550)**	**(947)**
Rent and similar	9,248	14,238	18,791	(4,990)	(4,553)
Depreciation and provisions subject to Articles 64 and 57	(6,828)	(11,078)	(13,790)	4,250	2,712
Change in underlying reserve	(233)	(166)	(791)	(67)	625
Net losses on doubtful receivables	604	276	62	328	214
Expenses on finance leases	(441)	(369)	(425)	(72)	56
Income (loss) from property development activities (2)	**(1,691)**	**(3,189)**	**(13)**	**1,498**	**(3,175)**
Revenue	11,285	7,099	30,314	4,185	(23,215)
Rentals of properties in inventory	-	-	-	-	-
Changes in inventories	(3,665)	6,095	(12,839)	(9,760)	18,933
Net losses on doubtful receivables		(49)		50	(50)
Expenses on real estate transactions	(9,310)	(16,333)	(17,489)	7,023	1,156
Rental expenses on properties in inventory	-	-	-	-	-
INCOME (LOSS) FROM OTHER ACTIVITIES (1) + (2)	**660**	**(288)**	**3,834**	**948**	**(4,122)**

Note 16 – Reversal (allocations) of provisions

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Provisions for contingencies	(243)	(229)	(1,069)	(14)	840
Provisions for losses	(57)	(32)	(220)	(25)	188
Reversals of provisions for contingencies	68	102	175	(34)	(73)
Reversals of provisions for losses	3	20	13	(17)	7
Reversal of exceptional provisions	-	145	-	(145)	145
TOTAL	**(228)**	**5**	**(1,101)**	**(233)**	**1,106**

Note 17 – Gain/loss on asset disposalsx

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Proceeds from sales of fixed assets	*34,554*	*84,810*	*45,796*	*(50,256)*	*39,014*
Net carrying value of properties sold	*(32,387)*	*(85,236)*	*(44,577)*	*52,850*	*(40,660)*
Income (loss) of investment property sales	2,168	(426)	1,219	2,594	(1,645)
Option exercised on finance lease properties	764	(96)	296	860	(392)
Net operating asset disposals	-	(7)	(20)	7	13
TOTAL	**2,931**	**(529)**	**1,496**	**3,461**	**(2,025)**

Note 18 – Change in value of *goodwill*

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
CONCERTO DEVELOPPEMENT SAS	-	-	(3,661)	-	3,661
AFFIPARIS	-	-	116	-	(116)
CHANGE IN GOODWILL VALUES	**-**	**-**	**(3,545)**	**-**	**3,545**

Note 19 – Net cost of financial debt

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Revenue from cash and equivalents	258	280	1,984	(22)	(1,705)
Dividends	*2*	*14*	*1,784*	*(11)*	*(1,770)*
Loans to customers	*124*	*210*	*126*	*(86)*	*84*
Regular receivables accounts	*123*	*47*	*45*	*76*	*3*
Trading securities	*9*	*9*	*29*		*(20)*
Gross cost of financial debt	(18,458)	(19,916)	(21,458)	1,459	1,542
Interest on loans	*(13,696)*	*(13,803)*	*(16,863)*	*106*	*3,060*
Income and expenses from derivatives	*(4,998)*	*(6,306)*	*(4,603)*	*1,308*	*(1,703)*
Subordinated debt expenses	*158*	*(8)*	*(5)*	*165*	*(2)*
Income and expenses from current accounts	*79*	*200*	*13*	*(121)*	*187*
TOTAL	**(18,200)**	**(19,636)**	**(19,474)**	**1,437**	**(163)**

Note 20 – Income tax

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Tax due	153	562	4,559	(409)	(3,997)
Change in deferred tax	(592)	(285)	(442)	(308)	157
Exit tax	-	-	(53)	-	53
TOTAL	**(440)**	**277**	**4,064**	**(717)**	**(3,787)**

(In thousands of euros)	Base	Theoretical tax (expense) - income
Consolidated profit / loss before tax	**16,997**	**(5,665)**
Result of exempted sector Sicomi-SIIC	(31,411)	10,469
Share of companies consolidated under the equity method	1,225	(408)
Share of changes in goodwill	0	(0)
Add-backs – deductions	3,616	(1,205)
Impairment of goodwill	-	-
Amortisation of fair value increment	-	-
Provisions excluding tax	-	-
Companies subject to IT	*3,925*	*(1,308)*
Other addbacks - deductions	*(309)*	*103*
Consolidation restatements	(4,439)	1,479
Impact of permanent differences	*(181)*	*60*
Impact of timing differences taxed at smaller rate	*(3,246)*	*1,082*
Impact of liability method	*(1,012)*	*337*
Miscellaneous	-	-
Consolidated theoretical tax	**(14,011)**	**4,670**
of which companies making a tax loss	*(14,895)*	*4,964*
of which companies making a tax profit	*884*	*(294)*
Use of tax losses	14,611	(5,134)
Tax after deduction of losses	599	(464)
Tax without base:	-	-
Tax credit	-	-
Annual flat-rate tax and tax adjustments	-	24
Tax due outside France	-	-
Income tax burden recorded	**-**	**(440)**
Taxes	-	153
Deferred taxes	-	(592)
TOTAL	**-**	**(440)**

Note 21 – Share of earnings of associated companies consolidated by the equity method

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Share in net income (loss)	1,312	2,975	9,070	(1,663)	(6,095)
Losses on shares consolidated under the equity method	-	-	-	-	-
Gains on shares consolidated under the equity method	-	-	-	-	-
TOTAL	**1,312**	**2,975**	**9,070**	**(1,663)**	**(6,095)**

Note 22 – Net profit or loss after tax from discontinued activities

This item corresponds to the profit net of tax for the company BFI, which was sold at the beginning of 2010.

Note 23 – Results, dividends and NAV per share

➤ Net profit/loss

The convertible bonds (ORA) issued by Affine on 15 October 2003 and 29 June 2005, and the perpetual subordinated loan notes (TSDI) it issued on 13 July 2007 are accounted for as equity. The revenue on these securities is recognised as dividends, with the Group share of net income (loss) adjusted for the calculation of the net income (loss), diluted income (loss) and EPRA earnings per share.

EPRA is a trade association of European real estate companies listed on the stock market. In October 2010 this association updated a guide on performance measurement. As explained in the note on EPRA restatements, EPRA income (loss) excludes changes in fair value, capital gains or losses on disposals, other non-recurrent items and other items of net income (loss).

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Net income (loss) – Group share	15,262	10,319	(2,854)
Cost of perpetual subordinated loan notes (TSDI)	(3,149)	(2,698)	(3,374)
Cost of 1 & 2convertible bonds (ORA)	(2,151)	(3,637)	(2,073)
Net income (loss) – Group share, adjusted for earnings per share calculation	**9,962**	**3,985**	**(8,301)**
Reinclusion of cost of 1 & 2 convertible bonds (ORA)	2,151	3,637	2,073
Net income (loss) - Group, adjusted for diluted earnings per share calculation (after conversion of convertible bonds [ORA])	**12,113**	**7,622**	**(6,228)**
EPRA restatement	3,237	5,701	18,432
EPRA INCOME (LOSS) ADJUSTED FOR COST OF PERPETUAL SUBORDINATED LOAN NOTES (TSDI) FOR CALCULATING EPRA EARNINGS PER SHARE	**15,350**	**13,323**	**12,204**

	31/12/2011	31/12/2010	31/12/2009
Number of shares in circulation at balance sheet date	9,002,042	8,113,566	8,113,566
Average number of treasury shares	(652,545)	(543,365)	(590,577)
Average number of shares (excluding treasury shares)	**8,349,497**	**7,570,201**	**7,522,989**
Average number of new shares issued for redeeming 1 & 2 convertible bonds (ORA)	1,248,000	1,622,400	1,622,400
Average number of diluted shares (excluding treasury shares)	**9,597,497**	**9,192,601**	**9,145,389**
Earnings per share (€)	1.19	0.53	(1.10)
Diluted earnings per share (€)	1.26	0.83	(0.68)
EARNINGS PER SHARE (€)	**1.60**	**1.45**	**1.33**

IFRS Net Asset Value (NAV)

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Equity (before appropriation)	348,447	347,462	349,260
of which, convertible bonds (ORA)	*20,763*	*31,662*	*31,036*
of which perpetual subordinated loan notes (TSDI)	*73,436*	*73,345*	*73,327*
of which treasury stock	*(4,952)*	*(6,777)*	*(9,750)*
of which others	*259,200*	*249,232*	*254,647*
Restatement of perpetual subordinated loan notes (TSDI)	(73,436)	(73,345)	(73,327)
Diluted IFRS NAV excluding transfer taxes	**275,011**	**274,117**	**275,933**
Transfer taxes	38,915	40,492	42,049
DILUTED IFRS NAV, INCLUDING TRANSFER TAXES	**313,926**	**314,609**	**317,982**
Number of shares			
Number of shares in circulation	9,002,042	8,113,566	8,113,566
Treasury shares	(323,194)	(421,366)	(679,043)
Converted convertible bonds (ORA)	1,248,000	1,622,400	1,622,400
NUMBER OF DILUTED SHARES (EXCLUDING TREASURY SHARES)	**9,926,848**	**9,314,600**	**9,056,923**
IFRS NAV, excluding transfer taxes per share	27.70	29.43	30.47
Diluted IFRS NAV, including transfer taxes per share	31.62	33.78	35.11

EPRA NAV

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
EPRA restatements	**12,553**	**7,746**	**8,512**
of which fair value of financial instruments:	*14,282*	*9,497*	*9,145*
x Assets, derivatives at fair value	(2,670)	(4,030)	(3,158)
x Liabilities - derivatives at fair value	16,953	13,526	12,303
of which net deferred taxes	*(1,729)*	*(1,750)*	*(633)*
Deferred tax assets	(3,683)	(3,282)	(4,429)
Deferred tax liabilities	1,955	1,531	3,795
EPRA NAV excl. transfer taxes	**287,564**	**281,863**	**284,445**
Transfer taxes	38,915	40,492	42,049
EPRA NAV INCLUDING TRANSFER TAXES	**326,479**	**322,355**	**326,494**
EPRA NAV excluding transfer taxes per share	28.97	30.26	31.41
EPRA NAV including transfer taxes per share	32.89	34.61	36.05

20.3 - Annual financial statements

Statutory Auditors' report on the annual financial statements Financial year ended 31 December 2011

Dear Shareholders,

In performance of the mission entrusted to us by your General Meetings, we hereby present our report for the financial year ended 31 December 2011, on:

- the audit of the annual financial statements of the company Affine, as attached to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements were approved by your Board of Directors. Our task is to express an opinion on these financial statements on the basis of our audit.

1 - Opinion on the annual financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we perform the audit with sufficient diligence to obtain reasonable assurance that the annual financial statements are free from any material misstatement. An audit involves examining, on a sampling basis or by means of other selection methods, the elements supporting the figures and information provided in the annual financial statements. It also involves assessing the accounting principles applied, the significant estimates made and the overall financial presentation of the statements. We believe that the elements we collected provide a sufficient and appropriate basis for forming our opinion.

We certify that the annual financial statements give a true and fair view, in the light of French accounting rules and principles, of the results of the Company's operations in the financial year just ended, as well as of its financial position and its assets and liabilities at the close of that financial year.

Without qualifying the opinion expressed above, we draw your attention to note 20.3.5.2 to the financial statements, "Comparability of financial statements", which describes the change made during the course of the year to the manner of presentation of the financial statements..

2 - Justification of our assessments

In conformity with the provisions of Article L.823-9 of the Commercial Code concerning the justification of our assessments, we draw your attention to the following points:

- As mentioned in the first part of this report, note 20.3.5.2 to the financial statements, "Comparability of financial statements", describes the change made to the manner of presentation of the financial statements in accordance with the General Accounting Plan.
- Within the context of our task, we verified the reasonableness of this change and the manner of its presentation.
- Note 20.3.5.3 to the financial statements, "Methods of valuation of the principal items", describes in particular the accounting rules and methods applied for the valuation of equity interests and real estate assets, as well as the procedures followed for their depreciation.
  Our work consisted of assessing the appropriateness of the above accounting methods and ensuring their correct application, verifying the recoverable value of the properties held, whether directly or through subsidiaries, particularly on the basis of reports by independent appraisers, and ensuring that the notes to the financial statements provide appropriate information.

These assessments were made within the context of our audit of the annual financial statements as a whole, and therefore assisted us in forming our opinion expressed in the first part of this report.

3 - Specific verifications and information

We also performed the specific verifications required by law, in accordance with professional standards applicable in France.

We have no observations to make on the truthfulness and consistency with the annual financial statements of the information given in the management report of the Board of Directors and in the documents submitted to the shareholders about the financial position and the annual financial statements.

With regard to the information provided pursuant to Article L.225-102-1 of the Commercial Code concerning the remunerations and benefits granted to the corporate officers and the commitments made to them, we verified the consistency of this information with the financial statements or with the data used for the preparation of those statements and, where applicable, with the elements gathered by your company from its parent companies or subsidiaries. On the basis of this work, we attest to the accuracy and truthfulness of this information.

In compliance with French law, we verified that the various items of information relating to the acquisition of shareholdings and controlling interests and to the identity of shareholders were communicated to you in the management report.

Statutory Auditors

Paris La Défense, 1 March 2012
KPMG Audit
A division of KPMG S.A.

Isabelle Goalec
Partner

Paris, 1 March 2012
Cailliau Dedouit et Associés

Rémi Savournin
Partner

20.3.1 Balance Sheet - Assets

(In thousands of euros)	Notes	31/12/2011 Gross	31/12/2011 Amortisations & depreciations	31/12/2011 Net	31/12/2010 Net
Subscribed share capital not called up					
NON-CURRENT ASSETS					
Intangible assets		-	-	-	-
Set-up costs		-	-	-	-
Research and development costs		-	-	-	-
Concessions, patents, licences, software		-	-	-	-
Internally generated goodwill		23,895	-	23,895	23,895
Other intangible assets		15,461	452	15,009	16,783
Intangible assets under construction		31	-	31	-
Advances and prepayments		-	-	-	-
Property, plant and equipment	*1*				
Land		55,841	-	55,841	59,817
Buildings		276,323	99,653	176,670	192,860
Technical facilities, equipment and industrial tools		-	-	-	-
Other Property, plant and equipment		769	434	335	350
Property, plant & equipment under construction		2,209	-	2,209	1,562
Advances and prerepayments		-	-	-	-
Financial investments					
Equity investments	*2*	194,837	33,308	161,529	126,282
Loans to equity associates		164	-	164	155
Long-term portfolio investment securities		-	-	-	-
Other investments		-	-	-	-
Loans	*3*	710	-	710	160
Other financial assets		4,374	-	4,374	2,006
		574,615	**133,847**	**440,768**	**423,869**
CURRENT ASSETS					
Inventories and work in progress					
Raw materials and other supplies		-	-	-	-
Work in progress (goods and services)		-	-	-	-
Semi-finished and finished products		-	-	-	-
Commodities		-	-	-	-
Prepayments					
Receivables		-	-	-	-
Trade receivables and associated accounts	*4*	5,794	961	4,833	4,387
Other receivables		69,473	5,934	63,538	101,118
Subscribed share capital – called up, not paid		-	-	-	-
Investment securities					
Treasury shares		4,952	788	4,164	6,777
Other securities	*5*	-	-	-	-
Cash instruments		-	-	-	-
Cash and cash equivalents		**5,701**	**-**	**5,701**	**14,421**
Prepaid expenses	*6*	**1,398**	**-**	**1,398**	**1,118**
		87,318	**7,683**	**79,635**	**127,821**
Deferred expenses	*7*	2,889	-	2,889	3,177
Loan redemption premiums		-	-	-	-
Unrealised foreign exchange losses		-	-	-	-
TOTAL ASSETS		**664,822**	**141,530**	**523,292**	**554,868**

20.3.2 Balance Sheet - Liabilities

(In thousands of euros)	Notes	31/12/2011 Net	31/12/2010 Net
EQUITY			
Share capital (of which 53,100 paid up)		53,100	47,800
Additional paid-in capital, merger premiums, share premiums		38,489	23,947
Revaluation reserves		9,267	12,750
Equity method adjustment		-	-
Legal reserve		4,806	4,806
Statutory or contractual reserves		-	-
Regulated reserves		-	-
Other reserves		65,496	34,339
Retained income		-	41,149
Income or loss for the year		(16,199)	6,475
Investment subsidies		-	-
Regulated provisions		6,340	5,179
	8	**161,300**	**176,445**
OTHER EQUITY			
Proceeds from issue of participating shares		-	-
Advances subject to covenants		-	-
Other equity		95,960	106,610
	8	**95,960**	**106,610**
PROVISIONS			
Provisions for contingencies		-	-
Provisions for losses	*8*	1,810	561
DEBTS			
Convertible bond issues		-	-
Other bond issues		-	-
Bank borrowings		215,482	235,851
Miscellaneous loans and borrowings		35,906	25,041
Advances and deposits on outstanding orders	*9*	895	417
Trade payables and related accounts		1,845	2,080
Tax and social security debts		3,004	2,943
Liabilities in respect of non-current assets		47	50
Other debts		5,912	4,099
Cash instruments		-	-
Deferred income	*10*	1,130	771
		264,221	**271,252**
Unrealised foreign exchange gains		-	-
TOTAL LIABILITIES		**523,292**	**554,868**

20.3.3 Income Statement

(In thousands of euros)	Notes	31/12/2011 France	31/12/2011 Exports	31/12/2011 Total	31/12/2010 Total
OPERATING REVENUES					
Production sold (services)		51,269	-	51,269	55,725
Net revenue		**51,269**	**-**	**51,269**	**55,725**
Reversals of impairment and provisions, and cost transfers written back				18,807	14,311
Other revenue				-	-
	11			**70,076**	**70,036**
OPERATING EXPENSES					
Other purchases and external expenses				(14,756)	(16,641)
Taxes and related expenses				(6,653)	(7,127)
Payroll and wages				(3,314)	(3,401)
Social security costs				(1,559)	(1,547)
Depreciation expense, impairments and provisions					
- On non-current assets: Depreciation charges				*(14,350)*	*(17,541)*
- On non-current assets: impairment charges				*(2,164)*	*(6,585)*
- On current assets: Impairment charges				*(165)*	*(619)*
- For contingencies and losses: charges to provisions				*(1,307)*	*(138)*
Other expenses				(990)	(123)
	12			**(45,258)**	**(53,722)**
Net operating income				**24,818**	**16,314**
Share loss of joint operations				**(7,058)**	**(1,707)**
Profit allocated or loss transferred				-	-
Loss allocated or profit transferred	*13*			(7,058)	(1,707)
FINANCIAL INCOME					
Investments in associates				3,027	15,689
Other investment securities and receivables from capitalised assets				-	-
Other interest and similar income				2,504	2,247
Reversals on impairments, provisions and transfer of charges				6,672	11,878
Foreign exchange gains				-	-
Net income from disposals of investment securities				174	1,334
				12,378	**31,149**
FINANCIAL EXPENSES					
Depreciation expense, impairments and provisions				(18,658)	(6,026)
Interest and similar expenses				(14,878)	(16,529)
Foreign exchange losses				-	-
Net charges on investment securities sales				-	-
				(33,536)	**(22,555)**
Net financial income loss	*14*			**(21,158)**	**8,593**
PRE-TAX RECURRING INCOME (LOSS)				**(3,398)**	**23,200**
EXCEPTIONAL INCOME					
On management transactions				216	305
On capital transactions				25,492	27,816
Reversals on impairments, provisions and transfers of charges				54	-
				25,762	**28,121**
EXCEPTIONAL EXPENSES					
On management transactions				(9)	(3,567)
On capital transactions				(37,390)	(40,036)
Depreciation expense, impairments and provisions				(1,190)	(1,268)
				(38,588)	**(44,870)**
TOTAL NON-RECURRING ITEMS	*15*			**(12,825)**	**(16,749)**
Income tax	*16*			24	24
Total revenue				108,217	129,306
Total expenses				(124,416)	(122,831)
NCOME OR LOSS				**(16,199)**	**6,475**

20.3.4 Corporate information

On 21.02.12, the Board of Directors of Affine SA approved the financial statements for the year ended 31.12.11 and authorised their publication.

Affine has adopted the tax status of a listed real-estate investment trust (French acronym: SIIC).

Its registered office is at 5 rue Saint Georges, Paris 9.

20.3.5 Notes to the annual financial statements

20.3.5.1. - Accounting principles and policies

Affine SA is the parent company of the consolidated Affine group. Affine requested and was granted the withdrawal of its status as a financial company as from December 19, 2011; its accounts are, therefore, not presented according to the banking regulations in force, but prepared in compliance with the provisions of French law and in accordance with French GAAP (PCG art.531-1§ 1). In order to ensure comparability with the 2010 financial year, the financial statements for that year are also presented according to these provisions.

The accounting policies have been applied, in compliance with the principle of prudence, according to the following accounting principles:

- Business continuity
- Consistency of the accounting standards and practices from one financial year to the next
- Independence of the financial years

and pursuant to the rules governing the preparation and presentation of annual financial statements set out in the law of April 30, 1983 and the implementing decree of November, 29 1983.

The basic method applied for valuing items recorded in the accounts is that of historical cost, except for the accounting consequences of opting for the SIIC regime (free revaluation).

Non-current assets are accounted for on a component basis as from January 1, 2005.

The financial statements are presented in thousands of euros.

20.3.5.2. - Comparability of the financial statements

The accounting principles and methods of calculation adopted in the financial statements for the financial year are identical to those used in the financial statements of the previous year.

The shift from the French Uniform Accounting System for Lending Institutions (PCEC) to the Uniform Code of Accounts (PCG) had no significant impact on the financial statements.

20.3.5.3. - Measurement policy for major items

20.3.5.3.1. - Intangible assets

The intangible assets item mainly comprises:

- internally generated goodwill,
- value of the contracts in which Affine is the lessee,
- computer software packages.

➢ 20.3.5.3.1.1.- Internally generated goodwill

Absorption through the total transfer of assets and liabilities (TUP) of subsidiaries that are holders of a property finance lease agreement results in the capitalisation of technical merger discounts representing the value of the real estate assets on acquisition of these companies.

Allocation of losses

Because each of these companies owns a building, the merger loss is thus attached to the building at the time of the total transfer of assets and liabilities.

Methods of impairment

The net asset value is calculated according to the earnings outlook and/or returns obtained. As at 31.12.11, the values of buildings did not require any write-downs.

Methods of removing losses

When buildings are sold to third parties, the losses are expensed in the income statement.

➢ 20.3.5.3.1.2. - Description of lessee finance leases

(In thousands of euros)	Land	Buildings	Installations	Other	Total
Original value		**71,128**	**-**	**-**	**71,128**
Amortization	**-**	**-**	**-**	**-**	**-**
Total from previous years	-	20,274	-	-	20,274
Charges for the year	-	3,216	-	-	3,216
TOTAL	**-**	**47,637**	**-**	**-**	**47,637**
PAID FEES					
Total from previous periods	-	29,193	-	-	29,193
Charges for the year	-	4,384	-	-	4,384
TOTAL	**-**	**33,577**	**-**	**-**	**33,577**
FEES PAYABLE:					
within one year or more	-	5,627	-	-	5,627
Between one and five years	-	17,341	-	-	17,341
Within more than five years	-	13,091	-	-	13,091
TOTAL	**-**	**36,059**	**-**	**-**	**36,059**
RESIDUAL VALUE					
Within one year or more	-	-	-	-	-
Between one and five years	-	1,924	-	-	1,924
Within more than five years	-	6,605	-	-	6,605
TOTAL	**-**	**8,529**	**-**	**-**	**8,529**

20.3.5.3.2. - Property, plant and equipment

➢ 20.3.5.3.2.1. - Properties rented under finance leases

20.3.5.3.2.1.1. - Gross value

The gross value of properties includes the cost of land and constructions as well as acquisition costs.

20.3.5.3.2.1.2. - Amortisation

Finance lease properties acquired prior to January 1, 2000 are amortised on a straight line basis over a maximum period of 40 years. Acquisition costs are amortised on a straight line basis over a maximum period of 5 years, prorated where applicable.

Finance lease properties acquired since January 1, 2000 are amortised according to the financial method corresponding to the financial amortisation of the finance lease, with the acquisition costs amortised first.

20.3.5.3.2.1.3. - Article 64 provision

Finance lease properties of the Sicomi sector prior to January 1, 1996 give rise to the recognition of an Article 64 provision insofar as the financial amortisation of the contract is higher than the book amortisation. This provision amounted to €4,399,000 at 31.12.11.

20.3.5.3.2.1.4. - Article 57 provision (new real-estate finance lease legislation)

Leases signed on or after January 1, 1996 are subject to the new finance lease legislation.

The properties give rise to the recognition of an Article 57 provision insofar as the financial amortisation is greater than the book amortisation.

Furthermore, this provision is also recognised for properties reassigned under finance leases coming under this status once, on the date of renegotiation, the net carrying amount of the property is greater than the financial value of the lease.

This provision amounted to €2,057,000 at 31.12.11.

➢ 20.3.5.3.2.2. - Temporarily un-leased finance lease properties

Properties with legally terminated finance lease contracts are transferred to temporarily un-leased finance lease properties (TUL) if the lessee loans are billed in the form of occupancy compensation and to investment properties for the others.

The provisions of Articles 64 or 57 concerning these properties thus apply once again, the existing provisions for impairment are transferred and new provisions can then be set up if necessary. A new amortisation plan is calculated on a straight line basis over the outstanding period for the net carrying amount on the transfer date.

At 31.12.11, there was no TUL in the Company.

➢ 20.3.5.3.2.3. - Investment property

20.3.5.3.2.3.1. - Gross value

The gross value of properties includes the cost of land and constructions as well as acquisition costs.

20.3.5.3.2.3.2. - Amortisation

Since January 1, 2005, Affine has amortised properties on a component basis. The gross value of the properties is broken down into 4 components according to the type of construction, as follows:

	Offices		Activities		Other	
	Allocation by component	Amortisation period	Allocation by component	Amortisation period	Allocation by component	Amortisation period
Building shell	50.00%	60 years	60.00%	30 years	40.00%	50 years
Roof, external walls and waterproofing	17.50%	30 years	10.00%	30 years	20.00%	25 years
Technical general installations	22.50%	20 years	25.00%	20 years	25.00%	20 years
Fixtures and fittings	10.00%	15 years	5.00%	10 years	15.00%	15 years

Acquisition costs are included in the four components in proportion to their share.

The percentages and amortisation periods stem from the decisions made by representative professional bodies, the results of which were adapted to the Affine portfolio.

➢ 20.3.5.3.2.4. - Other tangible assets

Amortisation periods:
- Office equipment: 3 to 5 years
- IT equipment: 3 years
- Fixtures and fittings: 5 to 10 years
- Vehicles: 4 to 5 years
- Furniture: 4 to 10 years

These non-current assets are amortised on a straight-line basis.

20.3.5.3.3. - Financial investments

➢ 20.3.5.3.3.1. - Equity investments

The gross value of securities corresponds to the net carrying amount as at January 1, 2003, which was used as the basis for the revaluation which followed the election of SIIC status.

The inventory value of the equity investments is determined on the basis of: the share in the net equity corrected to reflect the unrealised capital gains on tangible and intangible elements; its profitability and future prospects, and for the companies listed with the ANR or the price quoted on the stock market. In the case where subsidiaries have a service provision activity, with little capital, or in the absence of the latest financial statements, the net asset value is determined according to the earnings outlook and/or returns obtained.

Equity investments are considered to be securities that are considered to be beneficial to the company's business when held over the long term, especially because they enable it to exert influence on the company issuing these securities or to give it control.

Pursuant to the Emergency Committee of the CNC [national accounting committee] no. 2005-J of 6 December 2005, the fees linked to the acquisition of equity investments are incorporated in the cost price of these securities. Acquisition costs include transfer costs, professional fees, commissions and legal fees linked to the acquisition. These fees are amortised over five years as from the securities acquisition date.

➢ 20.3.5.3.3.2. - Loans

These are advances paid to personnel and an advance payment to Holdaffine.

➢ 20.3.5.3.3.3. - Other long-term financial investments

This includes, on one hand, all the accounts of guarantees granted to banks for refinancing operations, and, on the other hand, portions of loans for the investment property business (working capital, security deposits, etc.)

20.3.5.3.4. - Trade receivables and associated accounts

Receivables are valued at their nominal value. Both for finance lease as well as investment property transactions, once a receivable has been due for over six months at the end of the financial year, it is transferred to the "doubtful receivables" account. The same applies when a counterparty's situation presents a real risk (receivership, major financial difficulties, etc.).

The breakdown of outstanding receivables according to these criteria is shown in Note 20.3.5.5.3 "doubtful receivables". No discounting effect impacts the impairment amounts on doubtful finance-lease receivables.

20.3.5.3.5. - Impairment of non-current assets

➢ 20.3.5.3.5.1. - Impairments of properties rented under finance leases

Properties re-let at a financial value lower than their net carrying amount give rise to an impairment loss being recognised for the difference. Because of a reversal of €548,000 recognised during the financial year, the impairment inventory was zero, at December 31, 2011.

Impairment losses may also be recognised on properties for which the lessees have financial difficulties. At 31.12.11, no such impairment had been recognised.

➢ 20.3.5.3.5.2. - Impairment of investment properties

The 48 investment properties were externally appraised at the end of 2011 by three appraisal firms:
- BNP Real Estate,
- Foncier Expertise,
- Cushman & Wakefield.

Affine compares the fair values to the net carrying amounts and recognises an impairment loss on the property if the fair value is less than the net carrying value at the end of the financial year.

Impairment was again recognised on three properties, in the amount of €885,000, and a reversal, in the amount of €459,000, was recognised for one building.

Total impairment amounted to €5,112,000 at 31.12.11 and affected five properties.

➤ 20.3.5.3.5.3. - Impairment doubtful receivables

Provisions for these receivables are determined on a contract by contract basis, taking the existing guarantees into account.

For free finance-lease transactions, the non-matured portion of the receivable for which a provision has been recognised – which is shown under "other amounts owed by customers " – is the subject of a provision being recognised under the same conditions.

Termination compensation is recognised, in the case of termination of a finance lease agreement, under "doubtful finance-lease receivables". It is normally fully written off for its total amount excluding taxes after deduction of guarantees received. No impairment was recognised as at 31.12.11.

(In thousands of euros)	Customer base	Financial lease	Rental	Other assets	Total
Impairment as at 31.12.10	2,760	725	1,515	-	5,001
Charges	3,175	0	165	-	3,340
Reversals	-	(388)	(1,057)	-	(1,445)
Reversals on compensation for termination	-	-	-	-	-
IMPAIRMENT AS AT 31.12.11	**5,935**	**338**	**624**	**-**	**6,896**

➤ 20.3.5.3.5.4. - Impairment of other receivables

As the net equity of certain companies held by Affine was negative, Affine recognised a provision in its accounts for a portion of its shareholder current account (after recognising a provision for the entire value of the securities it holds).

20.3.5.3.6. - Investment securities

These comprise only the company's own shares.

The gross value comprises the purchase cost excluding related expenses. If the net asset value, comprising the average stock market price recorded in the last month of the reporting period, is less than the gross value, the value is written down to reflect the difference.

	31/12/2010	Acquisitions / Additions	Disposals / Reversals	Share allocations	31/12/2011
Number of shares	421,367	96,047	189,645	4,575	323,194
Net impairments (in thousands of euros)	-	788			788

20.3.5.3.7. - Shareholders' equity and other equity

➤ 20.3.5.3.7.1. - 5.3.7.1. Convertible Bonds (ORA)

Two thousand convertible bonds with a par value of €10,000 were issued on October 15, 2003 for a period of 20 years. They are redeemable on maturity at the original issue price of €50 per share (200 shares per convertible bond), adjusted for the possible dilutive effects of financial transactions on the share capital.

After a bonus issue of 4% of shares to shareholders on November 23, 2005, this ratio rose to 208 shares per convertible bond.

The Affine general shareholders' meeting held on April 26, 2007 decided to multiply the number of Affine shares by three through the issue of three new shares for every old share with effect from July 2, 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest

The coupon, based on the amount of the dividend distributed by the Company, is paid out as follows:

- An interim dividend on November 15, corresponding to a fixed interim payment of €0.518 per underlying share multiplied by the exchange ratio (that is, €323.23 per bond at this time);
- The remainder on the day the dividend is paid.

Early redemption at the Company's discretion
From October 15, 2008, the Company may convert all or some of the convertible bonds to shares if the average share closing price over 40 consecutive trading sessions exceeds the adjusted issue price.

From October 15, 2013, the Company may redeem all or some of the convertible bonds in cash by giving prior notice of 30 calendar days, at a price guaranteeing the initial subscriber, on the actual redemption date, after taking into account coupons paid in previous years and the interest payable for the period between the last interest payment date before the early redemption date and the actual redemption date, a gross actuarial return of 11%.

Early redemption at the holder's discretion
From October 15, 2013, convertible bond holders shall be entitled to request, at any time, excluding the period from 15 November to 31 December inclusive in any year, the redemption of all or some of their convertible bonds at a rate of 624 shares (after adjustment) per bond.

➢ 20.3.5.3.7.2. - Perpetual subordinated loan notes (TSDI)

On July 13, 2007, Affine issued €75,000,000 of perpetual subordinated loan notes (TSDI) represented by 1,500 securities each with a nominal value of €50,000. The issue was placed with foreign investors, and the notes are listed on the *Marché Réglementé* (regulated market) of the Luxembourg stock exchange.

Term of the TSDI
The TSDI are issued for an unlimited term.

Redemption procedures
The TSDI may be redeemed in their entirety (and not in part) at the discretion of the Issuer, at any interest payment date with effect from 13 July 2017, for their par value plus unpaid accrued interest (including deferred interest).

Form of the TSDI
No paper document justifying ownership of the TSDI has been issued. The TSDI are bearer securities and are recorded in the books of Euroclear France which will credit the accounts of the account holders.

Ranking of the TSDI
The TSDI and related interest constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or future ordinary subordinated bonds. They rank above all equity securities issued by Affine, investment loans granted to Affine, and lowest ranking subordinated bonds, and they rank after existing or future unsubordinated bonds. In the event of Affine's liquidation, the TSDI will be redeemed at their par value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, investment loans granted to Affine and investment securities issued by it.

Annual interest
Each TSDI will bear interest with effect from the date of issue based on its nominal value and a variable quarterly interest rate of 3-month Euribor plus a margin of 2.80% p.a., payable quarterly in arrears on July 13, October 13, January 13 and April 13 every year and for the first time on October 13, 2007. The margin is 2.80% p.a. with effect from July 13, 2007 inclusive until the first early redemption date (exclusive) and thereafter 3.80% p.a.

If an Ordinary General Meeting of Shareholders:
- establishes, before an interest payment date, that there are no distributable earnings;
- or establishes that there are distributable earnings, but has not made or approved a dividend in any form, nor effected a payment in respect of any share class with the exception of a dividend required by the law applying to the issuer due to its status as a listed real estate investment trust ("SIIC") and former SICOMI.

Affine may defer the payment of interest, and the interest thus deferred will accrue interest on the next date on which interest is paid.

20.3.5.3.8. - Borrowing costs deferral method

In 2002, Affine adopted the preferred method of deferring borrowing costs.

Borrowing costs (arranging fees, professional fees and related costs) are therefore amortised over the term of the underlying loan according to loan amortisation methods.

20.3.5.3.9. - Forward financial Instruments

All transactions carried out by the Group on forward financial instruments are over the counter transactions reported in off-balance sheet commitments. They are carried out as hedges for refinancing transactions; the Company does not carry out speculative transactions. Entered into in connection with comprehensive management of the Company's refinancing and its interest rate risk, these contracts are considered as macro-hedging instruments.

At the end of each reporting period, all these instruments are valued by the counterparty credit institution.

➢ 20.3.5.9.9.1. Caps et Tunnels

Premiums paid are reported on a suspense account at payment and expensed over the life of the forward instrument. The potential interest rate differential to be received is measured each quarter and booked in parallel to the surplus expenses on the hedged item.

As at December 31, 2011, the fair value of the caps, collars and tunnels held by the Company totalled (€2,864,000); in 2011, the financial instruments generated an expense of €1,635,000.

➢ 20.3.5.9.9.2. - Interest rate swaps

As at December 31, 2011, the fair value of the swaps held by the Company totalled (€13,229,000). In 2011, they represented a net expense of €1,162,000.

20.3.5.3.10. - Tax

Immobail, which became Affine after merging with Sovabail, had abandoned its status as a SICOMI (professional leasing company) on April 1, 1993. Therefore, all contracts entered into by that company since that date are subject to corporate income tax

under the common law regime. This change of status does not affect the tax regime regulating the old finance lease contracts of the SICOMI sector of Immobail and Sovabail.

The adoption with effect from 1 January 2003 of French listed real-estate investment trust status (SIIC) makes the benefit of the corporate income tax exemption on SIIC segment revenues subject to the three distribution conditions below being met:

- 85% of profits from property leasing operations must be distributed prior to the end of the period following the period in which they were incurred;
- 50% of capital gains from sales of buildings, equity investments in companies with an identical object to SIIC companies, or securities of subsidiaries subject to corporate income tax which have opted for SIIC status, must be distributed prior to the end of the second period following the period in which they were incurred;
- dividends received from subsidiaries which have opted for SIIC status must be fully redistributed during the period in which they are incurred.

20.3.5.3.11. - Employee benefits and compensation

➢ 20.3.5.3.11.1. - Retirement commitments

Affine's employees come under the National Collective Bargaining Agreement governing financial companies dated November 22, 1968, as amended on November 1, 2008. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined-benefit scheme.

The allowances referred to in this section are subject to the same tax and social system as redundancy allowances:

	Voluntary retirement	Forced retirement
Over 10 years' employment	½ month	1/5 of the monthly salary per year
More than 15 years' employment	1 month	1/5 of the monthly salary for the first 10 years and 2/15 beyond the 10th year
More than 20 years' employment	1.5 months	
More than 30 years' employment	2 months	

The applicable base is one twelfth of the gross pay (excluding bonuses or similar benefits of an annual or exceptional nature) over the final twelve months preceding redundancy or, if more beneficial, one third of the final three months.

For prudential reasons, provisions are recognised for the retirement commitments in Affine's financial statements based on the assumption of retirement at 65 years of age; they totalled €445,000 as at 31.12.11.

The actuarial assumptions used in the calculation of the provision are as follows:

- discount rate: 3.80%
- staff turnover: 12.52% before 50 years and 3% above
- Wage rise adjustment coefficient: 1.58%
- Mortality table INSEE TD-TV 06-08.

After the withdrawal of the approval of our former status as a financial corporation granted to Affine on December 19, 2011, Affine will shift to the real estate industry collective agreement in the coming months..

➢ 20.3.5.3.11.2. - Individual training rights (French acronym DIF)

Employees have accumulated rights to 3,424 training hours.

➢ 20.3.5.3.11.3. - Average weighted workforce during the financial year

The average workforce was 45 people, split into the following categories:

- Officers: 2
- Managers: 36
- Employees: 7

➢ 20.3.5.3.11.4. - Employee profit-sharing scheme

The allocation of bonus shares decided by the Board of Directors on 10.12.08, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 4,575 treasury shares, which had a negative impact of €179,000 on earnings.

20.3.5.3.12. - Employee benefits and compensation

➢ 20.3.5.3.12.1. - Directors' profit sharing scheme

None.

➢ 20.3.5.3.12.2. - Remuneration of management and administration bodies

The amount of gross remuneration paid to the Company's corporate officers amounted to €494,000.

Other benefits of all types for Affine corporate officers include:

- Guaranteed Social Contributions (unemployment benefits for company heads and directors): €17,000 in 2011 ;
- Company car: one representing a leasing expense of €5,000 in 2011;
- Severance pay: this pay must be contingent on a performance condition linked to Affine's results. It represents one year of overall gross compensation if the net earnings in Affine's individual financial statements is at least equal to 3% of its equity, if this condition is not met, the performance may be assessed on the basis of the consolidated financial statements;
- Contributions to pension funds paid during the year: €61,000.

The amount of directors' fees paid to directors (including corporate officers) as well as the amount of compensation for the hiring and audit committees totalled €117,000. The total amount of commitments contracted for the retirement allowance for corporate officers totalled €188,000.€.

20.3.6 Key events of the year

20.3.6.1. - Key events affecting the portfolio

20.3.6.1.1. - Finance lease

Affine produced no finance lease contracts in 2011. Options on 27 contracts were exercised, eight of them ahead of schedule; the latter generated a comprehensive disposal gain of €1,310,000.

20.3.6.1.2. - Investment property

Affine made two investments during the 2011 period.

- In February, a 4,900-square-metre office building in Lyon (69): Lyon Tchécoslovaque;
- In November, a real estate complex used for industrial activities and offices occupying 22,200 square metres at Gennevilliers (92), through a finance lease agreement.

The company has also pursued its policy of improving its real-estate portfolio, for a total amount of €3,519,000.

The conclusion of new leases signed in 2011 had a €3,290,000 impact on rents.

Affine has also exercised the option on two finance lease contracts: Nantes Picherit and Gennevilliers. The first was held in the property portfolio and the second was sold.

Disposals during the 2011 financial year:

Property No.	Disposal date	Carrying amount	Disposal price	+ or – Book values	Fair values
NANTES	Apr. 2011	1,258	1,990	732	1,990
MARSEILLE	Sept. 2011	1,109	2,060	951	1,850
GENNEVILLIERS	Sept. 2011	1,899	2,330	431	2,280
ORLEANS	Sept. 2011	863	1,500	637	1,500
RUEIL MALMAISON	Oct. 2011	3,521	3,850	329	4,000
QUINCI SOUS SENART	Dec. 2011	-	276	276	-
LYON BRON (PARTIELLE)	Dec. 2011	1,076	1,071	(5)	1,307
TOTAL		**9,726**	**13,077**	**3,351**	**12,927**

20.3.6.1.3. - Equity investments and shares in affiliated companies

Purchase and disposal of shares:

Affine, the principal shareholder of AffiParis, participated in the share capital increase launched on October 24, 2011, on one hand, as of right by inclusion of its shareholder account up to €19,400,000 and by exercising the pre-emptive rights it acquired on the market, leading to a subscription of up to €3,200,000, and, on the other hand, in the form of excess shares for a total of €2,500,000. As at November 29, 2011, Affine holds 4,860,756 shares representing 86.01% of the company's share capital. Subsequently, Affine continued to purchase shares and, as at December 31, 2011, the company holds 86.93% of AffiParis.

Affine sold its share in Affinvestor on August 31, 2011.

Affine sold 56,243 shares of its holding in Banimmo; the latter firm holds no more than 49.51% as at December 31, 2011.

Companies absorbed by universal transfer of assets:

NAMES OF COMPANIES	DATE	LIQUIDATION SURPLUS	UNFAVOURABLE VARIANCE ON MERGER
LUMIERE	30/06/2011	83	-
TRANSAFFINE	30/06/2011	-	3
AFFINEDEVELOPPEMENT 2	30/06/2011	-	79
CAPUCINES 3	30/06/2011	-	10
CAPUCINES 4	30/06/2011	-	10
CAPUCINES 5	30/06/2011	-	10
CAPUCINES 6	30/06/2011	-	10
TOTAL		**83**	**121**

Recapitalised companies:

NAMES OF COMPANIES	TOTAL AMOUNT
CONCERTO	12,999
COUR DES CAPUCINES	250
GESFIMMO	100
TARGET	1,500
AFFIPARIS	25,619
ETIENNE MOLINA	1,600
TOTAL	**42,068**

20.3.6.2. - Key events affecting equity and debts

20.3.6.2.1. - Financing and refinancing

During the financial year, Affine obtained €14,526,000 in new refinancing; loan payments due totalled €34,692,000, of which early repayments accounted for €18,601,000. Affine has €19,000,000 in overdraft facilities; as at 31.12.11, all of those facilities remained unused.

20.3.6.2.2. - Shareholders' equity

Forum European Realty Income II LP requested the conversion of its 600 convertible bonds to shares, and consequently subscribed 374,400 new shares created for a par value of €2,205,728.04.

The difference between the par value of the convertible bonds redeemed and the total par value of the shares issued was recorded as a part of the issue premium.

The dividend paid for the financial year ended on December 31, 2010, paid partly in shares, gave rise to the creation of 514,076 new shares, raising the share capital to €50,006,000.

When the preceding transactions were completed, the share capital rose to €53,034,000.

On June 8, 2011 the board of directors of Affine decided to round off the share capital to €53,100,000 by including €66,000 taken from reserves. As at 31 December 2011, 9,002,042 Affine share were in circulation.

	At opening	Capital increase after converting convertible bonds	Distribution of dividends as shares	Capital increase through incorporation of free reserves to round off the total share capital after distributing the dividends as shares	At close
Number of shares	8,113,566	374,400	514,076	-	9,002,042
In thousands of euros	47,800	2,206	3,028	66	53,100

20.3.6.3. - Provisions for risks and charges

In compliance with rule 2000-06 of the French Accounting Board regarding liabilities, these provisions are defined as liabilities whose due date or amount are not precisely set.

A provision for risk linked to shareholdings was established to cover the net position of the subsidiaries when the position is negative and at such time as the assets associated with that position have been depreciated.

As at 31 December 2011, this item totalled €1,810,000 compared with €561,000 as at 31 December 2010.

20.3.6.4. - Post reporting period events

None.

20.3.7 Additional information

20.3.7.1. - Segment revenues (in thousands of euros)

	2011			
	Total	Finance lease	Rental	Subsidiaries/Loans
Revenues	51,269	12,384	36,096	2,790

The revenue figure includes essentially the revenues linked to the following activities:

- Rental income,
- Finance leasing income,
- Service provisions.

In order to be closer to economic reality, the benefits offered to tenants (for example: grace periods for rental payments) are spread out over the firm term of the lease without taking indexation into account.

20.3.7.2. - Distribution requirements

20.3.7.2.1. - For the Sicomi segment

Profits from operations that are fully or partly exempted from corporate income tax pursuant to the special tax plan for SICOMIs must be distributed in the amount of 85% of the exempted fraction.

Pursuant to Article 36 of the Company's Articles of Association, as amended by the Extraordinary General Meeting of July 28, 2000, the distribution of early disposal gains from the Sicomi segment can be deferred over 3 years.

20.3.7.2.2. - For the SIIC segment

The distribution conditions described in the chapter on taxes allow for the deferral over two years of the distribution from capital gains on property disposals.

20.3.7.3. - Consolidating company

The financial statements of the Affine group are fully consolidated by MAB Finances SAS.

20.3.8 Information on balance sheet and income statement items

20.3.8.1. - Notes to the balance sheet

Note 1 – Tangible and intangible assets, amortisations and impairments

(In thousands of euros)	31/12/2010	Acquisitions, Allocations	Revaluations	Sales, Transfers Reversals	31/12/2011
FINANCE LEASE					
Gross	163,168	-		(73,060)	90,108
Amortisation and provisions Art. 64 and 57	(105,568)	(7,271)		63,071	(49,768)
Impairments	(548)	-		548	-
Net	**57,051**	**(7,271)**	**-**	**(9,440)**	**40,340**
RENTAL PROPERTIES PORTFOLIO					
Gross	241,963	15,852		(13,550)	244,266
Amortisation	(40,089)	(7,403)		2,719	(44,774)
Impairments	(4,686)	(885)		459	(5,112)
Net	**197,188**	**7,564**	**-**	**(10,372)**	**194,380**
INTANGIBLE ASSETS					
Gross	41,110	-		(1,722)	39,387
Amortisation	(400)	(52)		-	(452)
Impairments					-
Net	**40,709**	**(52)**	**-**	**(1,722)**	**38,935**
TANGIBLE ASSETS					
Gross	717	52			769
Amortisation	(367)	(67)		-	(434)
Impairments					-
Net	**350**	**(15)**	**-**	**-**	**335**
TOTAL					
Gross	446,958	15,905	-	(88,332)	374,530
Amortisation	(146,425)	(14,792)	-	65,790	(95,427)
Impairments	(5,234)	(885)	-	1,008	(5,112)
Depreciation and impairment	(151,659)	(15,678)	-	66,797	(100,539)
NET	**295,299**	**227**	**-**	**(21,535)**	**273,990**

Note 2 – Financial investments

	%	Net 2011	Net 2010	Siren No	Revenues exc. Tax 2010	Share capital and reserves	2010 Profit / loss
Equity investment shares: non-affiliated companies		**20**	**20**				
Sofaris	NS	7	7	NC	NC	NC	NC
Habitat et Humanism	NS	12	12	NC	NC	NC	NC

Equity investment shares: affiliated companies

(In thousands of euros)	SIREN No.	Capital and reserves	Percentage held	Net carrying amount of securities held		Loans and advances	Amount of sureties	Revenues exc. tax	Net profit/ loss	Dividends collected	Provisions on receivables with Affine
				Gross	Net						
AffiParis	379,219,405	64,035	86.93%	62,969	62,969	1,285		13,415	1,574	790	
Sci Arca ville d'été	492,410,964	201	100.00%	201	201	3,492	10,013	358	(1,085)		
SC Atit	379,839,277	4	100.00%	4	4	100			(14)		
Jardins des Quais	432,710,747	20	50.00%	3,436	3,436	1,296	6,897	4,827	(1,356)		
Banimmo	RPM bruxelles	143,860	49.51%	66,577	66,577			5,828	2,808	1,987	
SCI Bretigny	451,849,021	4	99.90%	1	1	1,441		1,099	164		
SAS Capucine investissements	388,162,117	82	99.77%	849	-	1,563	1,000	601	(2,858)	84	(1,563)
SA Cardev	RPM bruxelles 0887.494.174	(2,805)	98.39%	61	-	2,916	-	-	(94)		(2,852)
SAS Concerto Développement	421,156,019	2,896	99.99%	23,727	6,549	9,307	-	290	(866)		-
SA Cour des Capucines	429,694,698	702	99.99%	1,190	1,190	(186)		301	(101)		
SAS Etienne Molina	500,702,055	1,222	100.00%	2,537	1,469	4,994	14,710	1,895	(318)		-
Gesfimmo	492,580,287	95	100.00%	172	81	6		-	(13)		-
Les 7 collines	518,379,433	(1,580)	95.00%	35	-	10,606		3,146	(526)		(744)
SCI Luce parc leclerc	492,803,572	1	0.10%	0	0	6		-	(32)	0	
Sci Nevers colbert	492,344,809	102	100.00%	101	101	13,267	2,500	981	(5,246)		
SAS Promaffine	382,079,317	1,690	100.00%	5,105	1,905	7,140	1,600	776	(798)		-
SAS Sipec	569,804,818	9,441	100.00%	17,600	17,026	(14,264)		464	5,162	-	
SAS Target	410,970,412	2,507	100.00%	10,252	-	4,458			(3,293)		(776)
			TOTAL	**194,817**	**ASSETS**	**61,878**					**(5,934)**
					LIABILITIES	**(14,450)**					
						47,428					

Note 3 – Loans and other financial investments

(In thousands of euros)	Balance sheet items	Within one year or more	Between one and five years
Loans	710	10	700
Loans	*710*	*10*	*700*
Related receivables	-	-	-
Other long-term financial investments	4,374	4,374	
Loans	*4,374*	*4,374*	
Related receivables			
TOTAL AT 31/12/2011	**5,084**	**4,384**	**700**

Note 4 – Receivables: statement of maturity dates

FOR CIRCULATING ASSETS	As at 31.12.11	Within one year or more	Between one and five years
Doubtful finance lease receivables	*402*	*402*	-
Doubtful investment property receivables	*970*	*970*	-
Finance lease revenue accruals	*0*	*0*	-
Investment property revenue accruals	*2,086*	*2,086*	-
Other finance lease receivables	*866*	*866*	-
Other investment property receivables	*1,469*	*1,469*	-
Trade receivables and associated accounts	5,794	5,794	-
Prepayments and interim payments made	*77*	*77*	-
Employee and related payables	-	-	-
Social security and other social welfare agencies	-	-	-
State - Income tax	*90*	*90*	-
State – Value added tax	*54*	*54*	-
State – Other taxes, duties and related payments	-	-	-
Amount to receive on sales of buildings	*534*	*534*	-
Working capital and calls for co-ownership charges paid	*6,534*	*6,534*	-
Group and associated companies	*61,878*	*61,878*	-
Other payables	*307*	*307*	-
Other receivables	69,473	69,473	-
Prepaid expenses	1,398	1,398	-
TOTAL	**76,665**	**76,665**	**-**

Impairment of circulating assets

(In thousands of euros)	Amount at the beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairments on inventories and work-in-progress				
Impairment on trade receivables, finance leasing	725	0	388	338
Impairment on trade receivables, investment properties	1,515	165	1,057	624
Other impairments	2,759	3,175	0	5,934
TOTAL IMPAIRMENTS	**5,000**	**3,340**	**1,445**	**6,896**

Revenue accruals

(In thousands of euros)	As at 31.12.11	As at 31.12.10
Financial investments	-	-
Receivables related to equity investments	-	-
Other long-term financial assets	-	-
Receivables	2,087	2,057
Trade receivables and related accounts	*2,087*	*2,057*
Staff	-	-
Social services organizations	-	-
State	-	-
Subsidiary earnings	-	-
Other receivables	-	-
Investment securities	-	-
Cash	-	-
TOTAL	**2,087**	**2,057**

Note 5 – Breakdown of investment securities and cash

Investment securities

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Treasury shares	4,952	6,777
TOTAL	**4,952**	**6,777**

Impairment of investment securities

(In thousands of euros)	Amount at the beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairments on SICAV				
Treasury stock impairments	-	788	-	788
TOTAL IMPAIRMENTS	**-**	**788**	**0**	**788**

Cash

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Cash		
Cash	2	2
Banque de France account	113	114
Bank accounts	5,121	13,227
Revenue accruals on bank accounts	0	9
Brokerage accounts	465	1,069
TOTAL	**5,701**	**14,421**

Note 6 – Prepaid expenses

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Operating expenses	1,191	849
Financial expenses	208	270
Exceptional expenses	-	-
TOTAL	**1,398**	**1,119**

Note 7 – Expenses deferred over several financial years

(In thousands of euros)	Net amount at beginning of period	Increases, allowances	Amortisation expense in the period	Update of amortisation plan	Amount at end of period
Expenses deferred over several years	3,177	548	836	-	2,889
Loan redemption premiums	-	-	-	-	-

These deferred expenses concern the following borrowing costs:

(In thousands of euros)	Charges	Initial amortisation period
Crédit Agricole "Les Ulis" (€3,500,000)	58	16 years
Crédit Agricole (€10,600,000)	154	10 years
Wurtemberger (€300,000)	6	12 years
Wurtemberger (€2,415,000)	6	12 years
Landesbank Saar (€3,650,000)	50	10 years
Eurohypo Elancourt (€9,600,000	74	10 years
Landesbank Saar (€3,190,000)	44	10 years
Société Générale (€5,200,000)	74	7 years
Crédit Agricole (€18,000,000)	121	10 years
Hsbc (€14,000,000)	74	10 years
CFF Bussy lettree (€8,650,000)	99	10 years
CFF Facam (€7,000,000)	41	10 years
SG Sofréavia (€8,400,000)	86	10 years
Natixis Lille Europe (€15,505,000)	131	10 years
Saarl B (€7,200,000)	6	10 years
Saarl B (€3,500,000)	19	5 years
CFF Tremblay (€3,500,000)	72	8 years
Saarl B Mulhouse (€5,400,000)	21	10 years
Hsbc Darblay (€13,360,000)	165	7 years
SG (€15,400,000)	217	7 years
SG le Rhodanien (€5,250,000)	78	10 years
BECM (€6,000,000)	114	5 years
CIC Lyonnaise de Banque (€7,350,000)	64	10 years
Oséo Aulnay (€2,375,000)	42	10 years
Oséo Nantes (€4,800,000)	84	12 years
Hypovereinsbank B (€26,700,000)	121	10 years
Allegemeine (€17,130,000)	152	16 years
Entenial (€8,000,000)	0	12 years
CFF (€450,000)	2	12 years
CFF (€5,400,000)	22	12.5 years
CFF Panhard (€10,500,000)	39	12 years
CFF Limay (€6,845,000)	30	12 years
CFF CBI (€12,000,000)	45	5 years
Aaréal (€7,000,000)	0	10 years
BNP Paribas (€17,630,000)	178	5 years
CBI Gennevilliers Plus (€18,796,000)	156	12 years
TSDI perpetual subordinated loan notes	243	5 years
TOTAL	**2,889**	

Note 8 – Shareholders' equity and other equity

Statement of changes in equity

(In thousands of euros)	Capital	Premiums	Regulated provisions	Consolidated	Earnings for the period	Revaluation reserves	Total
As at 31.12.10	**47,800**	**23,947**	**5,179**	**80,294**	**6,475**	**12,750**	**176,445**
Net subsidies and accelerated amortisation	-	-	1,161	-	-	-	1,161
Free reserves on operating lease sales	-	-	-	3,483	-	(3,483)	-
Interim dividend on treasury stock	-	-	-	742	-	-	742
Conversion to ORA	2,206	7,803	-	-	-	-	10,009
Interim dividend on treasury stock	-	-	-	(66)	-	-	(66)
Allocation to retained earnings	-	-	-	-	-	-	-
Conversion of dividends to shares	3,029	6,739	-	-	-	-	9,768
Share capital round up	66	-	-	-	-	-	66
Share in earnings	-	-	-	-	(16,199)	-	(16,199)
Distribution during the year	-	-	-	(14,151)	(6,475)	-	(20,626)
AS AT 31.12.11	**53,100**	**38,489**	**6,340**	**70,303**	**(16,199)**	**9,267**	**161,300**

➢ Other own equity

Convertible Bonds (ORA)

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
fixed term	20,232	-	232	-	20,000
Accounts	*20,000*	-	-	-	*20,000*
Related debts	*232*	-	*232*	-	-
indefinite term	-	-	-	-	-
Accounts	-	-	-	-	-
Related debts	-	-	-	-	-
TOTAL AT 31.12.11	**20,232**	**-**	**232**	**-**	**20,000**

Perpetual subordinated loan notes

(In thousands of euros)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
fixed term					
Accounts	-	-	-	-	-
Related debts	-	-	-	-	-
indefinite term	75,728	728	-	-	75,000
Accounts	*75,000*	-	-	-	*75,000*
Related debts	*728*	*728*	-	-	-
TOTAL AT 31.12.11	**75,728**	**728**	**-**	**-**	**75,000**

➢ Breakdown of reserves

(In thousands of euros)	31/12/2011	31/12/2010
Legal reserve	4,806	4,806
Statutory reserves	-	-
Other reserves	65,496	34,339
TOTAL	**70,303**	**39,146**

➤ Statement of changes in revaluation reserves

(In thousands of euros)	Revaluation reserve as at 01.01.03	Value adjustment	Share transferred to a distributable reserve account: On fixed assets sold	Share transferred to a distributable reserve account: Relating to amortisation of the revalued share	Revaluation reserve as at 31.12.11
LYON BRON	1,444	-	(459)	-	985
ISTRES	48	-	(48)	-	-
AGEN	106	(105)	(1)	-	0
ST QUENTIN FALLAVIER	995	-	-	(18)	978
NANTES LOT N°8	97	-	(97)	-	-
EVRY	319	-	-	-	319
BUC	254	(254)	-	-	-
NANTES LOT N° 9	112	-	(111)	(1)	(0)
ECULLY	(35)	35	-	-	-
DAGNEUX	435	-	(407)	(28)	(0)
ARNAGE	(2)	-	2	-	-
BRETIGNY SUR ORGE	214	-	-	-	214
VITROLLES	(19)	19	-	-	-
TRAPPES	1,218	(606)	(589)	(22)	(0)
ANTONY	386	(349)	(37)	-	0
AIX EN PROVENCE	502	-	-	(1)	501
QUINCY SOUS SENART	1,045	(1,038)	(7)	-	-
LANNEMEZAN	(0)	0	-	-	-
ANGERS	98	-	(98)	-	-
ORLEANS	(48)	48	-	-	-
ST-OUEN L'AUMONE	583	(134)	(424)	(25)	-
BRIANCON	144	-	(144)	-	-
VITROLLES	(21)	21	-	-	-
AIX EN PROVENCE	75	-	(75)	-	-
SAINT OUEN	349	-	-	(12)	338
NANTES	54	-	(54)	-	-
LE LARDIN ST LAZARE	20	-	(20)	-	-
FRONTIGNAN	(6)	6	-	-	-
BIARRITZ	143	-	-	-	143
MARSEILLE 16èME	170	-	(170)	-	-
VENISSIEUX	222	-	(210)	(12)	-
MALAKOFF	467	-	(467)	-	-
ORLEANS	134	-	-	-	134
TOLBIAC MASSENA PARIS	2,939	-	(2,939)	-	-
VILLENEUVE D'ASCQ	18	-	(18)	-	-
SATOLAS-ET-BONCE	332	-	(332)	-	-
BAILLY	428	-	(428)	-	-
SOPHIA ANTIPOLIS (JUNON-JUPITER)	291	-	(291)	-	-
SOPHIA ANTIPOLIS (MINERVE)	165	-	(165)	-	-
SOPHIA ANTOPOLIS (OREADES)	(91)	91	-	-	-
TOLBIAC	5,390	-	(5,390)	-	-
AIX-EN-PROVENCE	1,183	-	-	(20)	1,163
BELLERIVE-SUR-ALLIER	848	-	(848)	-	-
SAINT MICHEL SUR ORGE	542	(214)	(328)	-	-
AULNAY-SOUS-BOIS	160	-	(160)	-	-
CORBAS ST-PRIEST	123	-	(119)	(4)	0
L'ISLE D'ABEAU	477	-	(465)	(13)	(0)

(In thousands of euros)	Revaluation reserve as at 01.01.03	Value adjustment	Share transferred to a distributable reserve account: On fixed assets sold	Share transferred to a distributable reserve account: Relating to amortisation of the revalued share	Revaluation reserve as at 31.12.11
CERGY PONTOISE	135	-	(135)	-	-
BRIGNAIS	182	-	(182)	-	-
RUEIL Passage St-Antoine	2,704	-	(2,645)	(58)	0
CALUIRE	40	-	(40)	-	-
VERT ST DENIS	1,381	(32)	-	(75)	1,273
TRONCHET 2EME	1,356	(47)	(1,295)	(14)	(0)
RUE CASTEJA	1,431	(1,098)	(333)	-	0
LE RHODANIEN	622	(271)	-	-	351
LOGELBACH	75	-	(75)	-	-
PANTIN - «TOUR ESSOR»	(44)	44	-	-	-
BAGNOLET	1,025	-	-	-	1,025
REAUMUR	2,485	(1,027)	(1,458)	-	(0)
PALAISEAU	801	(475)	-	(4)	322
NOISY LE GRAND «LE SARI»	(55)	-	55	-	-
NOISY PARKING	(6)	-	6	-	-
NOISY PARKING	(9)	-	9	-	-
SCEAUX ILOT CHARAIRE	50	(17)	(33)	-	0
COUDRAY MONCEAU	87	-	(87)	-	-
SOPHIA ANTIPOLIS (Valbonne Rose)	1,257	-	(1,257)	-	0
SOPHIA ANTIPOLIS (Valbonne Rose)	74	-	(65)	(9)	(0)
CHAMPLAN	137	-	(65)	(72)	0
VILLEURBANNE	149	(37)	(112)	-	-
BONDY	94	-	(94)	-	-
BONSAI RENNES	57	-	(57)	-	-
BONSAI HOUSSEN	100	-	(100)	-	-
CLERMONT 2	41	-	(41)	-	-
CLERMONT 1	189	-	(189)	-	-
AVIGNON	69	-	(69)	-	(0)
SOPHIA ANTIPOLIS (Valbonne Beige)	126	-	-	-	126
SAVIGNY LE TEMPLE	2,971	(1,367)	(1,604)	-	-
VITROLLES	578	(185)	-	-	393
LOGNES-CROISSY BEAUBOURG	1,264	(321)	(943)	-	-
ST GERMAIN LES ARPAJON	1,536	(535)	-	-	1,001
MARSEILLE GRAND ECRAN	(218)	218	-	-	-
VILLEURBANNE	(323)	323	-	-	-
VITROLLES 1	11	-	(11)	-	-
VITROLLES 2	72	(72)	-	-	-
RILLIEUX	526	(79)	(427)	(19)	0
AVIGNON	443	-	(443)	-	-
TREMBLAY EN France	134	-	(134)	-	-
IMMEUBLE A SEVRES	232	-	(230)	(2)	0
PARIS TOUR BERCY	8,947	-	(8,767)	(179)	0
TOTAL	**53,038**	**(7,459)**	**(35,722)**	**(590)**	**9,267**

➢ Provisions for risks and charges

(In thousands of euros)	Opening balance	Allowance for the year	Reversal for the year used	Reversal for the year not used	Change in consolidation	Closing balance
Provision for diverse risks (customer disputes)	114	-	-	-	-	114
Provision for tax risk	-	1,250	-	-	-	1,250
Provision for pension costs	388	57	-	-	-	445
Provision for miscellaneous expenses	59	-	-	59	-	0
TOTAL AT 31.12.11	**561**	**1,307**	**-**	**59**	**-**	**1,809**

Note 9 – Statements of debt maturity dates

(In thousands of euros)	As at 31.12.11	Within one year or more	Between one and five years	Over 5 years
Convertible bonds	-	-	-	-
Other bonds	-	-	-	-
Loans from credit institutions	214,640	31,006	144,301	39,333
Loans and borrowings	14,432	14,432	-	-
Prepayments and interim payments received	895	895	-	-
Trade payables and related accounts	198	198	-	-
Employee and related payables	-	-	-	-
Social security and other social welfare agencies	400	400	-	-
Income tax	-	-	-	-
Value added tax	1,425	1,425	-	-
Bonds	-	-	-	-
Other taxes, duties and related payables	-	-	-	-
Fixed asset payables and related payables	47	47	-	-
Group and associated companies	14,450	14,450	-	-
Other debts	5,912	5,912	-	-
Previously recorded income	1,130	1,130	-	-
TOTAL	**253,529**	**69,895**	**144,301**	**39,333**

➢ Expenses to pay

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Convertible bonds	-	-
Other bonds	-	-
Loans from credit institutions	842	642
Sundry financial borrowings and debts	7,023	1,677
Trade payables and related accounts	1,647	1,555
Tax and social security debts	1,179	1,296
Liquid assets, expenses payable	0	4
Other debts	-	-
TOTAL	**10,692**	**5,174**

Note 10 – Prepaid income

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Operating revenues	1,130	771
TOTAL	**1,130**	**771**

20.3.8.2. - Notes to the corporate income statement

Note 11 - Operating income

➢ Production sold: Revenue

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Rental revenue	*9,852*	*14,764*
Re-invoiced charges	*2,531*	*3,192*
Finance lease	12,384	17,955
Rental revenue	*27,865*	*27,308*
Re-invoiced charges	*8,231*	*8,310*
Investment property	36,096	35,618
Revenue from related activities	*2,790*	*2,152*
Operation	2,790	2,152
TOTAL	**51,269**	**55,725**

➢ Prior period adjustments and transfers of expenditures

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Reversals of finance lease provisions	16,654	11,387
Reversals of investment property provisions	1,516	1,492
Transfers of charges	578	21
Reversals of operation provisions	59	1,411
TOTAL	**18,807**	**14,311**

Note 12 – Operating expenses

➢ General operating expenses

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Other administrative costs	(21,409)	(23,768)
Taxes payable	*(6,653)*	*(7,127)*
Other purchases and external expenses	*(14,756)*	*(16,641)*
Personnel costs	(4,873)	(4,949)
TOTAL	**(26,282)**	**(28,717)**

➤ Depreciation expense and impairments

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Depreciation expense on buildings	(14,350)	(17,541)
Amortisation allowance for intangible assets	*(52)*	*(61)*
Headquarters depreciation expense	*(67)*	*(54)*
Finance lease depreciation expense	*(5,992)*	*(8,990)*
Investment property depreciation expense	*(7,403)*	*(7,509)*
Allowance for deferred expenses	*(836)*	*(928)*
Impairment expense on fixed assets	(2,164)	(6,585)
Finance lease impairment expense	*(1,278)*	*(2,514)*
Investment property impairment expense	*(885)*	*(4,071)*
Impairment expense on current assets	(165)	(619)
Doubtful finance lease receivables	*(0)*	*(37)*
Doubtful investment property receivables	*(165)*	*(582)*
Impairment of other payables	-	-
Provisions for liabilities and charges	(1,307)	(138)
Impairment of subsidiaries	*(1,250)*	*(114)*
Retirement depreciation	*(57)*	*(23)*
TOTAL	**(17,986)**	**(24,882)**

➤ Breakdown of depreciation and amortisation for the period

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Intangible assets	(52)	(61)
Concessions, software programs	*(52)*	*(61)*
Tangible assets	(13,462)	(16,553)
Land	-	-
Buildings	*(13,395)*	*(16,499)*
Technical facilities, equipment and industrial tools	-	-
Other tangible assets	*(67)*	*(54)*
Property, plant & equipment under construction	-	-
Prepayments and interim payments	-	-
TOTAL	**(13,514)**	**(16,614)**

➤ Other expenses

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Related receivables for investment properties	(833)	(26)
Irrecoverable financed lease receivables	-	(3)
Directors fees	(122)	(90)
Other management expenses	(36)	(4)
TOTAL	**(990)**	**(123)**

Note 13 – Share of earnings from joint transactions

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Profit allocated or loss transferred	(7,058)	(1,707)
Atit profit (loss)	*(14)*	*(12)*
Jardins des Quais profit (loss)	*(679)*	*(637)*
Sci Nevers Colbert profit (loss)	*(5,246)*	*(774)*
Sci Arca ville d'été profit (loss)	*(1,085)*	*(230)*
Capucines III profit (loss)		*(12)*
Capucines IV profit (loss)	*(11)*	*(10)*
Capucines V profit (loss)	*(11)*	*(10)*
Capucines VI profit (loss)	*(11)*	*(10)*
Transaffine profit (loss)	-	*(12)*

Note 14 – Financial income (loss)

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
Interest on current account	*2,258*	*2,146*
Dividends	*3,027*	*15,689*
Interest income from equity investments	5,285	17,835
Other interest and similar income	246	101
Reversals of impairments on securities and current accounts	6,672	11,878
Net income from disposals of investment securities	174	1,334
Total financial income	**12,378**	**31,149**
Interest on current account	(293)	(111)
Interest on credit balances	(1)	(16)
Interest on loans	(6,150)	(6,052)
Expenses on caps, swaps and tunnels	(2,796)	(3,634)
ORA expenses	(2,151)	(3,637)
TSDI expenses	(3,149)	(2,698)
Miscellaneous	(338)	(381)
Impairment expenses on securities and current accounts	(17,870)	(6,026)
Impairment expense on treasury shares	(788)	
Total financial expenses	**(33,536)**	**(22,555)**
TOTAL FINANCIAL INCOME	**(21,158)**	**8,593**

Note 15 – Exceptional income or loss

(In thousands of euros)	As at 31/12/2011	As at 31/12/2010
On management transactions	216	305
Recovery on amortised receivables from investment properties	*-*	*148*
Recovery on amortised receivables from finance leases	*216*	*157*
On capital transactions	25,492	27,816
Disposal price of fixed assets sold	*1,633*	*2,001*
Disposal price of finance lease fixed assets sold	*10,752*	*3,837*
Disposal price of investment property fixed assets sold	*13,077*	*21,946*
Miscellaneous	*30*	*31*
Reversals on impairments, provisions and transfers of charges	54	-
Capital cost allowances	28	-
Miscellaneous	*26*	*-*
Total exceptional income	**25,762**	**28,121**
On management transactions	(9)	(3,567)
Miscellaneous exceptional charges	*(9)*	*(3,567)*
On capital transactions	(37,390)	(40,036)
Carrying amount of the asset elements sold, financial assets	*(1,254)*	*(6,776)*
Carrying amount of the asset elements sold, finance lease	*(25,706)*	*(15,008)*
Carrying amount of the asset elements sold, investment properties	*(9,726)*	*(17,808)*
Sales fees on investment properties	*(375)*	*(346)*
Miscellaneous	*(328)*	*(98)*
Depreciation, amortization and provisions	(1,190)	(1,268)
Capital cost allowances	*(1,190)*	*(1,268)*
Total exceptional expenses	**(38,588)**	**(44,870)**
TOTAL EXCEPTIONAL PROFIT (LOSS)	**(12,825)**	**(16,749)**

Sales of finance lease assets generate a net expense of €14,954,000; this amount is to be compared with the reversals of provisions, articles 64 and 57, which can be found in current income for €16,264,000.

Note 16 – Income tax

(In thousands of euros)	Income before taxes	Income tax	Net income
Recurring income (loss)	(3,398)	-	(3,398)
Extraordinary earnings	(12,825)	(24)	(12,801)
Exit tax	-	-	-
TOTAL	**(16,223)**	**(24)**	**(16,199)**

➤ Elements involving various items of the balance sheet and income statement

ITEMS (in gross values) *(In thousands of euros)*	Amount concerning the companies		Amount of debts or receivables represented by commercial paper
	Related companies	With which the company has a shareholding link	
Subscribed share capital not called up	-	-	-
Prepayments and interim payments on intangible assets	-	-	-
Shareholdings	124,804	70,013	-
Receivables related to equity investments	164	-	-
Loans	539	-	-
Other investment securities	-	-	-
Other long-term financial assets	-	-	-
Amounts paid on account	-	-	-
Trade receivables and related accounts	-	-	-
Other receivables	60,582	1,296	-
Subscribed share capital called up but not paid up	-	-	-
Investment securities	-	-	-
Cash	-	-	-
Convertible bonds	-	-	-
Other bonds	-	-	-
Borrowings and debts from lending institutions	-	-	-
Sundry financial borrowings and debts	14,450	-	-
Amounts received on orders in progress	-	-	-
Trade payables and related accounts	-	-	-
Fixed asset payables and related payables	-	-	-
Other purchases and external expenses	318	-	-
Revenues (service provisions)	2,650	140	-
Interest income from equity investments	1,040	1,987	-
Other interest and similar income	2,155	103	-
Interest and related expenses	(293)	-	-

20.3.8.3. - Notes to off-balance sheet items

(In thousands of euros)	31/12/2011	31/12/2010
COMMITMENTS MADE		
Financial commitments	-	-
Commitments to lending institutions	-	-
Commitments to customers	-	-
Indemnity undertakings	48,498	60,925
Commitments to lending institutions	-	-
Commitments to clients and subsidiaries	*48,498*	*60,925*
COMMITMENTS RECEIVED		
Financial commitments	24,988	19,000
Commitments received from financial institutions	*24,988*	*19,000*
Commitments received from clients	-	-
Indemnity undertakings	11,951	16,519
Commitments received from financial institutions	*2,556*	*2,399*
Commitments received from clients	*9,396*	*14,120*

Note 17 – Other commitments not shown in the publishable off-balance sheet

(In thousands of euros)	Balance sheet items	Less than 1 month	1 to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	Over 5 years
Non-current debts							
covered by guarantees	*135,139*				*9,004*	*95,487*	*30,647*
covered by pledges	*14,000*				*3,500*	*10,500*	
no guarantee or pledge	*50,493*				*7,537*	*18,933*	*24,023*
Current debts							
covered by guarantees	*39,067*	*281*	*2,155*	*19,189*	*885*	*14,420*	*2,135*
covered by pledges	*3,630*			*3,630*			
no guarantee or pledge	*7,359*	*451*	*1,374*	*5,535*	*0*	*0*	*0*

Guarantees: these security interests include the mortgages recorded.

Pledges: These concern the pledges of shares in borrowing companies for the benefit of the banks.

When the loan is simultaneously guaranteed by a guarantee and a pledge, the security interest is classified in "guarantee".

➢ Maturity of interest rate instruments

(In thousands of euros)	Outstandings at 31.12.2011	0 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Macro hedging transactions	-	-	-	-	-
Over the counter market	-	-	-	-	-
Firm transactions					
Swaps and collars	*74,487*	*711*	*5,944*	*67,832*	-
Contingent transactions					
Caps and tunnels	*119,368*	*2,534*	*7,415*	*102,114*	*7,306*
TOTAL	**193,855**	**3,245**	**13,359**	**169,946**	**7,306**

A new cap was contracted during the financial year for a total notional amount of €7,241,000.

Two swaps were subscribed: one took effect in 2011 for a notional amount of €17,630,000. The other will take effect in 2012 for an amount of €9,800,000.

➢ Interest rate risks

Affine is exposed to interest rate risk linked to the change of interest rates on its floating rate loans, which it hedges primarily through market transactions (swaps, caps, collars and tunnels) contracted from foremost banking institutions.

As at 31.12.11, floating rate financial debt amounted to €185,760,000.

➢ Financial covenants

The Group's loan agreements have covenants relating to:
- LTV (Loan To Value);
- ICR (Interest Coverage Ratio) ;
- DSCR (Debt service coverage ratio).

According to the terms of these credit agreements, failure to comply with these ratios constitutes a requirement for partial or early repayment to re-establish the ratio at its contractual level. As at 31.12.11, no compulsory prepayment in part or in whole of any loan resulted from a failure to comply with the financial ratios to be reported on that date..

20.3.9 Fees of the statutory auditors reported in the income statement

	Cailliau Dedouit et Associés		KPMG Audit	
	Amount		Amount	
(In thousands of euros)	2011	2010	2011	2010
Auditing, certification, review of accounts	208	283	208	248
Other tasks directly linked to the auditing engagement	-	-	-	-
Other services	2	-	2	-
TOTAL	**210**	**283**	**210**	**248**

20.4. - Verification of annual historical financial information

20.4.1 Historical financial information verified by the statutory auditors

The consolidated and annual financial statements of Affine and the auditors' report on the consolidated and annual financial statements for 2011 are provided respectively in Sections 20.1 and 20.3 of this document.

Pursuant to Article 28 of regulation (EC) 809/2004 of the Commission, the following information is incorporated by reference in this Registration Document:

- the Affine consolidated and company financial statements and the auditors' report on the consolidated and annual financial statements for the year 2010 are provided respectively in Sections 20.3.1 and 20.3.3 of the Registration Document registered by the French Autorité des Marchés Financiers on 26 April 2010 under number D.11-0364,

- the Affine consolidated and annual financial statements and the auditors' report on the consolidated and annual financial statements for 2009 are provided respectively in Sections 20.3 and 20.1 of the Registration Document registered by the French Autorité des Marchés Financiers on 9 July 2010 under number D.10-0619.

20.4.2 Other historical financial information verified by the legal auditors

All historical financial information provided in this document has been verified.

20.4.3 Unverified historical financial information

All historical financial information in this document has been verified.

20.5. - Date of most recent financial information

The company's individual and consolidated financial statements for 2011 have been audited and verified by the company's statutory auditors. Their reports appear in Sections 20.1, 20.2 and 20.3 above.

20.6. - Interim financial information

There has been no publication of revenues or interim earnings since 22 February 2012.

20.7. - Dividend distribution policy

The dividend distribution policy is related to the company's dual status as an ex-SICOMI (finance lease company) and SIIC (REIT):

- Eighty-five percent (85%) of the profits on finance lease operations exempt from corporate tax (ex-SICOMI) must be distributed in the following year; pursuant to Article 36 of the articles of association, the distributions of gains from sales may be deferred over three years.
- Eighty-five percent (85%) of the profits from leases of investment properties exempt from corporate tax (SIIC) must be distributed in the following year; the distribution of gains from sales is limited to 50% of the amount and may be deferred over two years; the dividend from subsidiaries which also hold the status of SIIC must be entirely distributed during the following year.

This obligation is applied within the limits of the distributable earnings. A 20% withholding tax is taken for the State on dividends resulting from profits exempt from corporate tax on companies in the SIIC sector when they are paid to non-residents who hold at least 10% of the company's capital and benefit from a preferential tax treatment.

The company may recommend to the General Meeting that it offer shareholders the option of receiving their dividend entirely in shares.

The Board of Directors may decide to pay an interim dividend for the current year.

Financial year	Dividends
2008	€1,00
2009	€1,78
2010	€2,43
2011	€1,20

20.8. - Litigation and arbitration

For the period covering the last twelve months, there are no government, court or arbitration proceedings (including pending proceedings that might threaten the company) which could have or have recently had a material impact on the financial position or profitability of the company or the group.

20.9. - Significant change in the financial or commercial position

The group has had no significant change in its financial or commercial position since the end of the last financial year for which audited or interim financial statements have been published.

21. ADDITIONAL INFORMATION

21.1. - Share capital

21.1.1 Change in capital

On the date of this Registration Document, Affine's share capital amounted to €53,100,000, divided into 9,002,042 shares of common stock, all of the same class, without indication of par value and fully paid up.

21.1.2 Non-equity shares

None.

21.1.3 Shares held by the issuer

At 31 December 2011, Affine held 323,194 treasury shares, recognised at the historical cost.

21.1.4 convertible securities

Convertible Bonds (ORA)

1st issue : 2,000 ORAs with a nominal value of €10,000 issued on 15 October 2003, for a term of 20 years, ultimately convertible at the initial issue price of €50 per share (200 shares per ORA), adjusted for any diluting effects of financial operations on the capital.

Following the bonus award of 4% of the shares to shareholders on 23 November 2005, this parity was raised to 208 shares per ORA.

Since the Affine General Meeting on 26 April 2007 approved the three for one stock split on the Affine share as of 2 July 2007, the parity was raised to 624 shares per ORA.

Annual interest

The coupon, based on the amount of the dividend distributed by the Company, is paid out as follows:

- an interim payment on 15 November, equal to a fixed payment of €0.518 per underlying share multiplied by the redemption parity (currently €323.23 per bond);
- the remainder on the day the dividend is paid out.

Early redemption at the Company's discretion

As of 15/10/2008, the company may convert all or some of the ORA into shares if the average closing price of the share over 40 trading sessions is greater than the adjusted issue price.

As of 15/10/2013, the company will be able to redeem all or some of the ORA in cash, with prior notice of thirty calendar days, at a price that gives the initial subscriber, on the effective redemption date, after taking into account the coupons paid in previous years and the interest to be paid for the period between the last interest payment date prior to early redemption and the effective redemption date, a gross actuarial yield of 11%. Under no circumstances may this price be less than the ORA nominal value.

Early redemption at the holder's discretion

As of 15/10/2013, ORA holders will have the right to request at any time, except for the period from 15 November to 31 December inclusive, the redemption of all or some of their ORAs at the redemption parity, which is currently 624 shares (after adjustment) per bond.

2nd issue: 600 ORAs redeemed on 13 April 2011

As they were entitled to since 29/06/2010, the ORA holders requested redemption of all their ORAs at the redemption parity of 624 shares (after adjustment) per bond. On 13 April 2011, the Board of Directors created 374,400 new shares and raised the capital to €50,005,728.04.

The redemption of the second ORA issue for shares resulted in a dilution of 4.41% of the capital.

In the event of redemption of the entire first issue of ORA for shares (1,248,000 currently) and on the basis of the number of shares existing on that date (9,002,042), the total capital dilution would be 12.18%.

21.1.5 information on the conditions for vesting rights or obligations attached to the capital subscribed

None

21.1.6 Existence of an option on the capital

None

21.1.7 History of the share capital

Dates	Capital increases	Share capital before the operation	Primes d'émission ou d'apport	Number of securities created	Share capital after the operations	Number of shares
01/01/1999					31,170,183	2,044,630
28/07/2000	Merger with Sovabail	31,170,183	22,073,310	89,354	35,000,000	2,133,984
22/05/2001	Contribution of Concerto Développement shares	37,271,653	3,979,168	138,507	37,271,653	2,272,491
22/05/2001	Capitalizations of "long-term gains" for €2,728,346.70	37,271,653			40,000,000	2,272,491
10/09/2003	Contribution to Affine of Imaffine shares held by Prédica and BNP Immobilier	40,000,000	1,149,259	31,846	40,600,000	2,304,337
15/06/2004	Payment of a portion of the dividend in shares	40,600,000	945,804.94	23,422	41,012,671.06	2,327,759
26/05/2005	Payment of a portion of the dividend in shares	41,012,671.06	1,251,688.73	19,702	41,359,799.63	2,347,461
16/06/2005	Capital increase in cash	41,359,799.63	15,182,165.54	234,000	45,482,634.09	2,581,461
16/06/2005	Capital increase through capitalisation of reserves	45,482,634.09	-	-	45,485,000.00	2,581,461
23/11/2005	Bonus share awards to shareholders	45,485,000.00	-	103,258	47,304,392.25	2,684,719
19/12/2005	Capital increase through capitalisation of reserves	47,304,392.25	-	-	47,305,000.00	2,684,719
06/06/2006	Payment of a portion of the dividend in shares	47,305,000.00	1,319,884.97	15,280	47,574,235.03	2,699,999
19/06/2006	Capital increase through capitalisation of reserves	47,574,235.03	-	-	47,600,000.00	2,699,999
01/06/2007	Payment of a portion of the dividend in shares	47,600,000.00	347,847.46	2,866	47,650,526.54	2,702,865
04/06/2007	Capital increase through capitalisation of reserves	47,650,526.54	-	-	47,700,000.00	2,702,865
02/07/2007	Three for one stock split	47,700,000.00	-	-	47,700,000.00	8,108,595
03/06/2008	Payment of portion of the dividend in shares	47,700,000.00	159,655.36,	4,971	47,729,242.64	8,113,566
04/06/2008	Capital increase through capitalisation of reserves	47,729,242.64	-	-	47,800,000.00	8,113,566
13/04/2011	Conversion of ORA II into shares	47,800,000.00	7,803,472.00	374,400	50,005,728.04	8,487,966
08/06/2011	Payment of a portion of the dividend in shares	50,005,728.04	6,738,833.30	514,076	53,034,338.74	9,002,042
08/06/2011	Capital increase through capitalisation of reserves	53,034,338.74	-	-	53,100,000	9,002,042

Changes in the breakdown of capital over the last five years

The principal changes in the breakdown of capital and voting rights over the last five years to this date are as follows (shareholders with more than 2% of the capital):

	31/12/ 2007		31/12/ 2008		31/12/ 2009		31/12/ 2010		31/12/ 2011	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Holdaffine BV	53.7%	67.0%	35.7%	51.3%	35.7%	53.7%	35.7%	52.2%	35.4%	50.3%
Penthièvre Holding			12.4%	8.9%						
Mainz Holdings LLC					12.2%	9.2%	12.2%	9.0%		
Shy LLC									8.1%	6.0%
AXA Aedificandi and other Axa funds	4.9%	6.1%	4.5%	6.4%	4.4%	5.9%	3.5%	5.0%	2.1%	3.1%
JDJ Two + A. Lahmi			6.8%	5.7%	7.0%	6.1%	7.0%	5.9%	2.4%	3.6%
Other float	41.4%	26.9%	40.6%	27.7%	40.7%	25.1%	41.6%	27.9%	52.0%	37.0%
TOTAL	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**	**100,0 %**

On 1 January 2011, Mainz Holdings LLC transferred to SHY LLC 991,573 shares representing approximately 12.22% of the capital of Affine and 8.66% of the voting rights.

21.2. - Memorandum and Articles of Association

21.2.1 Corporate purpose

The corporate purpose of the company is the acquisition, sale, and leasing of properties and businesses, and the acquisition of interests in all financial, property, industrial or commercial companies.

The corporate purpose is given in Article 2 of the articles of association.

Given the withdrawal of the credit institution license (property company), the Shareholders' Meeting of 27 April 2012 will be asked to amend Article 2 of the articles of association. All references to the finance leasing business and financial companies will be eliminated and the corporate name will become Affine R.E.

21.2.2 Provisions governing the board of directors

Article 10 of the bylaws defines the conditions required to be elected to the Board of Directors and the membership of the Board. A director may be an individual or legal entity which must designate a permanent representative.

The Board must have at least three members and a maximum of 15. They are elected for a three-year term which may be renewed. In order to allow a staggered renewal of members, the Shareholders' Meeting of 27 April 2012 will be asked to amend Article 10 to set the term of office, as an exception, at 1, 2 or 3 years.

Article 11 of the bylaws stipulates the obligation for each director to own at least one registered share for the full term of office.

Pursuant to Article L 225-51-1 of the Commercial Code, Article 14 gives the Board the option to have general management duties assumed by the Chairman of the Board or by another individual appointed by the Board of Directors with the title of Chief Executive Officer. Whatever management method is selected (two positions or one) by the Board, the Chief Executive Officer is vested with the most extensive powers within the limits of the corporate purpose and subject to the powers granted by law to shareholders and may act at any time in the name of the company.

The Board of Directors of the Company has chosen to combine the duties of Chairman of the Board and Chief Executive Officer, and appointed a Co-Chief Executive Officer, whose duties are identical to those of the Chief Executive Officer.

21.2.3 Features of the shares and restrictions on each share class

Fully paid up shares are registered or in bearer form at the shareholders' discretion.

The voting right attached to shares is proportional to the capital they represent. However, Article 29 of the articles of association doubles the voting right granted in relation to other shares, based on the proportion of share capital they represent, for:

a) all fully paid-up shares with proof of registration for at least two years in the name of the same shareholder;

b) registered bonus shares awarded to a shareholder in a capital increase through the capitalisation of reserves, profits or share premiums for existing shares to which the shareholder is entitled.

The double voting right ceases automatically for any share converted to bearer form or transferred, except in the case of transfer resulting from inheritance, liquidation of common property between spouses, or inter-vivos gift to a spouse or relative who can inherit.

The voting right and a fortiori the double voting right is eliminated for a shareholder who comes to own directly or indirectly a number of shares or voting rights that represent two percent of the capital and voting rights of the company and who has failed to inform the company thereof within fifteen days after crossing this threshold. This reporting obligation is also stipulated if the threshold of ownership of capital or voting rights falls below 2%.

The sanction must be requested by one or more shareholders who hold together or separately at least 2% of the capital or voting rights of the company. The shareholder who has not met his declaration obligation shall then be deprived of voting rights for any shareholders' meeting held until the expiry of a two-year period following the date the required report is made.

The provisions below appear in Article 9 of the Company's articles of association.

The provisions of the articles of association governing profits are stipulated in Article 36. Given the Company's status as a real-estate investment trust (SIIC in French), it is stipulated that shareholders will receive, prorated on the basis of the nominal amount of their shares effectively paid up at least six months before the closing of the year and not amortized, a total dividend at least equal to eighty-five percent (85%) of the net profit taken from the exempt transactions and determined in the same way as the corporate tax. However, if the amount to be distributed is less than one percent (1%) of the share capital, the Shareholders' Meeting may decide to retain it and carry it forward.

As an exception to the paragraph above, at least one-third of the net amount of any gain from the early sale of properties under finance leases realised during the year may be excluded from the amount of the profit subject to the distribution obligation defined above. The balance will be reincluded in the basis for calculating the distributable profit for the year or the next two years, provided that the total amount of the portions of the gain included in the distributable profit for the year in which it was made and the following year is not less than two thirds of the total amount of said gain.

Article 36 of the articles of association allows the General Shareholders' Meeting to grant shareholders the option of receiving their dividend in cash or in shares.

Interim dividends may be paid to the shareholders on a decision by the Shareholders' Meeting in accordance with the laws or regulations in force.

Article 36 also specifies that any shareholder other than an individual which may hold, directly or through entities it controls as defined by Article L233-3 of the French Commercial Code, a percentage of dividend rights in the company, at least equal to the percentage defined in Article 208-C-II-ter of the French General Tax Code, whose own position or that of its partners would make the company liable for the payment of the withholding tax stipulated in Article 208-C-II-ter of the French General Tax Code, must prove to the company, at the latest five business days before the payment of any dividend distribution, reserves, premiums or income deemed distributed in its favour as defined by the French General Tax Code, that this distribution does not make the company liable for the payment of the withholding tax.

If no proof is provided within the period stipulated, the sums withheld from the company's profits and exempt from corporate tax, pursuant to Article 208-C-II of the French General Tax Code, which must be paid to the shareholder for each share it holds under a distribution decision, shall be reduced by the amount of the withholding tax owed by the company for the distribution of these sums.

If the distribution is paid in shares, the shareholder will receive only a portion of the sums distributed to it in the form of shares; it is specified that no fractional shares will be created and the balance will be allocated by the company to pay the withholding tax by charging as specified above.

If it is discovered, after a distribution, that a shareholder was in a position that should have led to the payment of the withholding tax on the date of payment of said sums, the shareholder will be required to pay the company, as indemnification for its loss, a sum equal to the withholding tax which the company would have had to pay for the shares which the shareholder held on the date of payment of the distribution, plus an additional indemnification equal to the late interest, penalties or charges of any kind which the company would have to pay as a result.

If applicable, the company will have the right to charge the claim it holds against the shareholder against any sum that may subsequently be paid to the shareholder until the said claim is fully settled.

21.2.4 Modification of shareholder rights

In addition to the voting rights and double voting rights which may be suspended in the cases stipulated in Articles 9 and 20 of the articles of association and described in section 21.2.3, the rights of shareholders may be changed only through amendments to the articles of association passed by the Extraordinary Shareholder's Meeting, under the conditions stipulated by the regulations in force.

21.2.5 Provisions governing notices of meetings and admission to general shareholders' meetings

Article 23 of the articles of association stipulates the conditions for convening shareholders' meetings.

Meetings are convened by the Board of Directors. If the Board does not do so, they may also be convened:

by the Statutory Auditor or Auditors;

by a court-appointed agent at the request of any interested party in an emergency, or by one or more shareholders representing at least one-twentieth of the share capital or one-twentieth of the shares of the relevant class, in the case of Special Meetings;

by the liquidator or liquidators in the case of dissolution of the Company and during the liquidation period.

Shareholders' Meetings are called through a notice inserted in a newspaper authorised to publish legal announcements in the department in which the corporate offices are located at least fifteen full days before the date of the Meeting. However, if all the shares are registered, this insertion may be replaced by a notice sent by registered mail to each shareholder at the Company's expense.

Electronic telecommunications may also be used to invite shareholders to meetings after prior, written agreement of the shareholders.

Shareholders who have held registered shares for at least one month on the date of insertion of the notice of meeting shall also be invited to any Meeting by ordinary mail or by registered mail, at the expense and request of the shareholders.

When a Meeting has been unable to deliberate, because of a lack of the quorum required, the second Meeting and, if applicable, the second extended Meeting, shall be convened at least six full days in advance following the same procedures as the first. The notice and the invitations to attend this second Meeting shall repeat the date and agenda of the first notice.

Shareholders' Meetings may be convened verbally and immediately if all the shareholders are present or represented.

Article 24 of the articles of association defines the conditions for the admission of shareholders to the company's general meetings. Every shareholder has the right to attend Shareholders' Meetings and participate in the deliberations, in person or through an agent, whatever the number of shares owned, if the shareholder proves under the legal conditions the registration of his securities in his name or in the name of the intermediary registered on his behalf pursuant to the seventh paragraph of Article L. 228-1 of the French Commercial Code, on the third business day before the meeting at midnight, Paris time, either in the registered share accounts kept by the company, or in the bearer accounts held by the authorised intermediary.

Any shareholder not stripped of his voting rights may act as proxy for other shareholders and represent said shareholders at a Meeting, without any restrictions other than those resulting from the provisions of Article 29 of the articles of association defining the maximum number of votes that may be held by the same person, both in his own name and as proxy.

The legal representatives of shareholders who are legally incapacitated and individuals representing legal entities that are shareholders may attend Meetings, whether or not they are personally shareholders.

Joint owners of shares are required to appoint a representative with the company and at Shareholders' Meetings by one owner only, considered by the company to be the sole owner, or by a single proxy; in case of disagreement, the single proxy may be appointed by the court at the request of the first joint owner to file a petition.

Except in the case of an agreement to the contrary notified to the company, the beneficial owners shall validly represent the bare owners with the company; however the voting right belongs to the beneficial owner at Ordinary Shareholders' Meetings and to the bare owner at Extraordinary or Special Shareholders' Meetings.

21.2.6 Change in control

With the exception of the provisions set forth in section 21.2.3 concerning double voting rights, no other provision of the company's articles, memorandum of association or regulation may result in delaying, deferring or preventing a change in the control of the company.

21.2.7 Threshold reporting obligations

Article 9 of the articles of association stipulates that a shareholder who comes to own, directly or indirectly, a number of shares or voting rights representing two percent of the capital or voting rights of the company, must inform the company thereof within fifteen days after crossing this threshold. This reporting obligation is also stipulated when ownership falls below the 2% threshold.

21.2.8 Change in share capital

The conditions for changing the capital of the company stipulated in the articles of association are not more stringent than the legal conditions.

22. MAJOR CONTRACTS

Shareholders' agreement with Banimmo

A shareholders' agreement was signed on 1 September 2006, amended on 24 May 2007 and 26 March 2010, by Affine and the six members of the Banimmo management committee, which represents the company's management. This agreement shall remain in force until 28 February 2016, unless it is renewed.

The two groups have mutual rights of first refusal, in the event of any intention to sell their shares.

The Banimmo Management, which signed this agreement, holds all the class B shares of Banimmo which give the right to a preferred dividend, distributed before the common dividend, determined every year on the basis of the ratio of economic profitability to equity pursuant to Article 39 of the Banimmo articles of association. This right to a preferred dividend will expire in 2017 after the distribution of the dividend for fiscal 2016. These shares lose their preferred status if Management or one of the members sells, unless they are purchased by another member of Management. Pursuant to an amendment of 26 March 2010, the class B shares may now be held by any individual or company affiliated with Banimmo and/or its subsidiaries under an employment or management contract provided that he is approved by the Management of Banimmo and Affine.

23. THIRD-PARTY DISCLOSURES, EXPERT DECLARATIONS AND DECLARATIONS OF INTERESTS

Since the end of 2005, all the property holdings of the AFFINE group have been valued every year at 30 June and 31 December.

The company's property holding primarily consist of offices, shops and warehouses. In order to prepare its consolidated financial statements, the company has opted for a valuation of the properties at fair value in compliance with IAS 40 as explained in Section 20.1.7.1.7. This standard implies that the change in fair value of the properties over each accounting period is recognised in the income statement.

At the end of December 2011, the group valued its rental assets using outside expert updates for 95% of the value, and internal appraisals for small assets or assets being sold (using the price of the assets under a commitment).

The methodology used by the expert is described in Section 20.1.7.1.8. The capitalisation rate method was used for the assets valued internally.

The valuations are based on the rent statements, the investments planned, and the status of current negotiations (expected departures and arrivals) provided by Affine.

The indexing used for rents is a function of the asset type and the tenant's business. Present in the three principal commercial real estate segments (offices, stores and warehouses), Affine primarily uses two indices: the CCI (construction cost index) and the CRI (commercial rents index) in 62% and 18% of the cases respectively. More specifically, Affine also uses the construction costs index, the CCI of the FFBI (Fédération Française du Bâtiment) and a fixed rate.

All assumptions used to value the assets are reviewed and checked by the statutory auditors. This verification is primarily intended to check the relevance of these elements, the main variables of which are listed in Section 20.1.7.1.5.

The valuations reflect market values excluding taxes, i.e. after deduction of registration taxes and/or notary fees (if it is an asset sold under the property VAT rules) on a basis of 6.20% of the "ex-tax" value and 1.80% for properties subject to VAT. In the case of Affine, the conversion from fair value ex-taxes to fair value including taxes is done on a basis of 6.20%.

The gross capitalisation rate is determined as the ratio of annualised gross rents to the appraisal values ex-taxes. The rate of return is calculated in relation to the appraisals including taxes.

The expert's fees are defined at the start of the mission on the basis of a fixed fee per asset, based on the criteria of type, size, complexity and location.

Information on the change in fair value, on the reconciliation between the values indicated in the financial statement and the values appraised by independent experts, and on the sensitivity of the asset valuation are provided in Section 20.1.7.5.1 note 1 and are detailed in Section 8.1.2 Value of properties.

Pursuant to the principles established by the SIIC code of ethics, Affine rotates its experts so that, for the same asset, an expert cannot perform more than two consecutive appraisals in four years and that, at the end of seven years, the internal teams responsible for the appraisal change.

The results of the expert appraisals, the associated returns, and the occupancy rates are provided below by business segment:

(€M) at 31 Dec 2011	Fair value ex-taxes	Fair value	Market return	Headline return	Potential return	Occupancy rate
Paris (Offices)	193.0	205.0	5.2%	4.9%	5.1%	97.4%
Offices (outside Paris)	209.8	222.8	7.5%	7.3%	8.1%	89.0%
Retail	76.5	78.6	7.2%	4.8%	7.6%	72.4%
Warehouses	183.4	192.7	8.4%	7.9%	8.8%	89.4%
Business premises	9.4	10.0	10.4%	9.7%	9.7%	100.0%
PROPERTY	**672.2**	**709.0**	**7.1%**	**6.5%**	**7.4%**	**89.0 %**

The market, headline and potential returns correspond respectively to market, headline and potential rents divided by the market value including taxes of the properties in the rental holdings at the closing date.

Market rentals correspond to the rents that would be achieved if the premises had to be re-rented at the closing date.

Headline rents are the contractual rents of the lease, to which are applied the successive indexing stipulated in the lease contract excluding the advantages granted by the lessor to the tenant (charges not reinvoiced contractually considered as such, step adjustments in rents, etc.).

Potential rents represent the sum of the headline rents and market rents for vacant properties.

The financial occupancy rate is equal to the market rents for the areas occupied, divided by the market rents for the total area.

Expert letter general framework

In order to update the value of its property assets, Affine consulted the experts listed below, with the following distribution:

(€M) at 31 December 2011	Type	Number of assets	Market value ex-taxes	Fair value	Mission as % of expert's revenues
Including transfer taxes	Mission as % of expert's revenues	15	133.4	141.6	0.30%
BNPP Real Estate Valuation	Office	15	133.4	141.6	0.30%
	Warehouses & Business premises	3	15.6	16.6	
	Other	1	2.1	2.2	
Cushman & Wakefield	Bureaux	6	203.5	215.2	1.07%
Expertise	Office	6	203.5	215.2	1.07%
	Retail	7	75.9	75.2	
	Warehouse & Business premises	14	126.8	133.2	
	Other	1	0.4	0.5	
Foncier Expertise	Office	12	61.9	65.8	0.14%
	Shops	1	3.2	3.4	
	Warehouse & Business premises	1	19.2	20.4	
Assets not appraised		11	34.1	35.0	
PROPERTY		**72**	**676.1**	**709.0**	

In accordance with Affine's instructions, the real estate experts prepared the appraisal reports and determined the values requested, an objective value at 31 December 2011.

No conflict of interest was identified.

This mission was conducted in order to comply with the AMF recommendation on the presentation of valuation elements and the risks on the property assets of listed companies, published on 8 February 2010.

Thus, the appraisals were completed on the basis of the fair value of the assets under the terms of the leases in force and IFRS (particularly IFRS/IAS 40). Based on the listed property company status of Affine, fair value is defined by IFRS/IAS 40 as the "amount for which an asset could be exchanged between knowledgeable, willing parties in an arm's length transaction."

Professional authorities agree that fair value is almost identical to market value as defined by the Royal Institution of Chartered Surveyors (RICS) and the French "Charte de l'Expertise en Evaluation Immobilière" (property valuation charter).

The "Charte de l'Expertise en Evaluation Immobilière" defines market value as the "estimated sum of money for which a building would be exchanged, on the valuation date, between a willing buyer and a willing seller in a balanced transaction, after adequate marketing, and when both parties are acting in full knowledge, prudently, and without pressure."

The experts confirm that the properties have been valued "line by line" for the purpose of individual valuation and not valuation of the portfolio.

Competence and independence

We have conducted this mission as outside experts for your company.

We found no conflict of interest for this mission, either in relation to the parties concerned or in relation to the property assets and rights studied.

We also confirm that the team established for this mission has the expertise and market knowledge required to estimate the value of the assets appraised.

Mission

All the property assets in question were inspected by the teams of experts in the last five years.

Our mandate for this appraisal did not include conducting any technical, legal, environmental, administrative or other audit. The valuation is based on the documents provided by the principal, including:

- leases
- descriptive sections of purchase deeds
- details of payments;
- details on taxes and certain charges

The properties in question are part of a portfolio of property assets, estimated periodically at 30 June and 31 December, in whole or in part, by experts.

Performance conditions

This mission was conducted on the basis of the documents and information provided to us, including rent statements and projected works, which were assumed to be fair and reflecting all information and documents in the principal's possession or to its knowledge, which could have an impact on the market value of the property.

It is not within the scope of our expertise to assess or calculate the impact of risks related to soil contamination, buildings, land pollutions and more generally, any environmental issues. Unless otherwise indicated, we considered the land as uncontaminated and the premises as free of asbestos, wood-eating insects (termites, etc.), lead, radon or other toxic products.

The expert studies and valuations were completed in compliance with:

- the recommendations of the Barthès de Ruyter report on the valuation of the property holding of publicly traded companies, published in February 2000,
- The "Charte de l'Expertise en Evaluation Immobilière",
- The European Valuation Standards, published by TEGoVA (The European Group of Valuers'Associations),
- the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors (RICS)
- the International Valuation Standards of the International Valuation Standard Committee.

The market value of the assets was estimated using the following methods:

- Comparison method
- Income method
- the developer balance sheet method (applied only to buildings under construction)

The valuation methodology is summarised in 20.1.7.1.8 of this Registration Document.

This value depends on market stability and the absence of material changes in the properties between the date of completion of the expert valuations covered by this report and the value date.

For the property assets and rights covered by a finance lease, only the underlying assets and rights were valued and not the sale value of the capital lease agreement.

Likewise, the individual financing methods entered into by the proprietary entities were not considered.

Observation

The value presented above is net, after deduction of the registration taxes and/or notary fees (if this is an asset sold under the property VAT rules) on a basis of 6.2% of the "ex-tax" value and 1.8% for properties subject to VAT.

The values indicated do not include the costs of any potential marketing or the related duties and taxes.

We confirm that our appraisals are confidential and strictly reserved for the use of your company and your professional advisors as part of the mission defined.

Each of the experts declares that he is independent and has no interest in Affine, confirms the values of the property assets which he appraised, without taking responsibility for those performed by the other firms, and agrees to the inclusion of this condensed report in the Affine Registration Document.

BNPP Real Estate Valuation	Cushman & Wakefield Expertise	Foncier Expertise

24. DOCUMENTS ACCESSIBLE TO THE PUBLIC

The documents and information which constitute regulated disclosures can be found on the www.affine.fr website. The company website includes the following documents, which may be consulted online during the entire validity period of this Registration Document:

- The Annual reports since fiscal 2001
- Half-year financial reports
- Quarterly financial information
- The Chairwoman's report on corporate governance and internal control
- The registration documents approved by the COB, and then by the AMF since 2002
- This 2011 Registration Document
- The financial notices published by the company
- Presentations made to analysts

The articles of association of Affine may be obtained on request made to the company's corporate offices: 5 rue Saint Georges 75009 PARIS.

25. INFORMATION ON EQUITY INTERESTS

During the year, Affine's equity interests and the companies included within the scope of consolidation changed as follows:

- The SCI Capucines III, Capucines IV, Capucines V, Capucines VI, Transaffine, Bercymmo, Bourgtheroulde l'Eglise, Goussimo 1, SCI 28-32 place de Gaulle, Cosmo Nantes and PM Murs and SAS Affine Développement II, were part of a complete transfer of assets and liabilities to their single shareholder. The Lumière company was liquidated. Affinvestor GmbH was sold.
- Affine's stake in Banimmo dropped from 50% to 49.5%.
- After subscription to the rights offering and the purchase of shares on the market, Affine's interest in AffiParis rose from 64.88 to 86.9%.
- After subscription to the rights offering of Concerto Développement, Affine's stake increased from 66.98% to 99.99%.

The information on the entities in which the company holds a percentage of capital is provided in the notes to the consolidated financial statements in Section 20.1.7.4 Scope of consolidation.

CROSS-REFERENCE TABLE

Management report

This registration document includes the items of the management report as required by Articles L.225-100 et seq. and L.232-1 II et seq. of the French Commercial Code.

Information	Section
Situation and activity of the company and the group during the past year	3 / 5.2 / 6 / 9
Earnings	3 / 9
Progress made or difficulties encountered	3 / 9
Forecast prospects and outlook	12
Important events occurring between the year-end date and the date of drafting this document	5.2.3
Objective and comprehensive analysis of the development of the business, earnings and financial situation of the company, especially its debt position and non-financial performance indicators (particularly concerning the environment and the employees)	4.2.4 / 9 / 10.3 / 17
Research and development activities	N/A
Description of principal risks and uncertainties	4
List of appointments or functions exercised in any company by each of the directors	14
Remuneration and benefits of any kind to the directors	15
Activities of the company's subsidiaries	6.1
Significant stakeholdings in companies headquartered in France	25
Environmental information	4.1.8 / 8.2
Information on the ownership structure of the capital	18 / 21.1
Total dividends distributed in the last three financial years	20.7
Disclosures specified in Article L.225-211 of the French Commercial Code concerning transactions by the company on its own shares	20.1
Directors' share dealings	18.5
Information specified in Article L.225-100-3 of the French Commercial Code that could have an impact in the event of a public offer	4.2.1 / 14.2 18 / 21.2
Transactions performed by the company in connection with the allotment of bonus shares	15.1 / 17.2

Annual financial report

This registration document includes the items of the financial report mentioned in Articles L.451-1-2 of the French Monetary and Financial Code and 222-3 of the AMF General Regulations.

Information	Section
Group consolidated financial statements	20.3
Statutory auditor's report on the consolidated financial statements	20.3
Annual financial statements of the company	20.1
Statutory auditors' report on the annual financial statements	20.1
Management report	See table above
Declaration by the person responsible for the annual financial report	1.2

APPENDICES COMBINED GENERAL MEETING OF SHAREHOLDERS OF 27 APRIL 2012

Text of the resolutions proposed to the Combined General Meeting of Shareholders of 27 April 2012

Extraordinary decisions:

FIRST RESOLUTION (Amendment of Article 10 of the Articles of Association relative to the appointment of board members)

The General Meeting of Shareholders, deliberating with the quorum and majority required for extraordinary general meetings, resolves to allow the appointment of directors for terms of one, two or three years by exception and for the purpose of a staggered renewal of the directors' terms of office.

The wording of paragraphs 1 and 2 in Article 10 of the Articles of Association shall now be as follows:

- *"Article 10 - APPOINTMENT OF THE MEMBERS OF THE BOARD OF DIRECTORS*
- *The company is managed by a Board of Directors with at least three and at most fifteen members, except under the exemption provided in the event of merger. The Directors are appointed by the General Meeting of Shareholders for three years and are eligible for reappointment. By exception, the General Meeting may fix the term of office of directors to one, two or three years for the purpose of a staggered renewal of the directors' terms of office. No individual over the age of 70 may be appointed director.*
- *The directors may be dismissed from office at any time by the Ordinary General Meeting of Shareholders, even if such action is not listed in the agenda."*

There are no changes in the remaining part of Article 10.

SECOND RESOLUTION (Amendments to the Articles of Association pursuant to the withdrawal of the company's license as a credit institution)

The General Meeting of Shareholders, deliberating with the quorum and majority required for extraordinary general meetings, resolves to amend the articles of association following the withdrawal of the company's license as a credit institution.

The wording of Articles 1, 2, 3 and 31 of the Articles of Association shall now be as follows:

"Article 1 - FORM

The company, formed by the owners of existing shares and of shares that may be issued at a later time, is a société anonyme (public limited company) governed by the law and regulations in effect, including among other things the provisions of Title II of Book II of the French Commercial Code, relative to public limited companies and by all the legal and regulatory provisions that may modify them, as well as the specific provisions included here below."

"Article 2 - PURPOS

The purpose of the company is the acquisition, sale, and lease of buildings and investing in all real estate, industrial or commercial companies.

To do so, it may:

- manage such companies,
- execute any transactions that may concern directly or indirectly the management of transferable securities portfolios, the acquisition or sale thereof and any transactions pertaining thereto,
- in France and in any other country, the acquisition of equity or interest in any company or enterprise, French or foreign, the management of their assets, the establishment of any companies, the investment of available funds, the financing of business that may be of interest thereto,
- provide technical and financial support to enterprises in which the company holds a stake,
- any studies or procurement of services,
- acquisition of real estate, use thereof for its own needs or for leasing and sale and leasing of business assets and buildings, property appraisals, building management, construction of buildings, property development, renovation, maintenance or cleaning of buildings and premises,

And generally, to carry out any actions directly or indirectly related to its purpose as defined above, within the limits set by the law."

"Article 3 – CORPORATE NAME

The corporate name of the company is: AFFINE R.E."

"Article 31 - PROVISIONS SPECIFIC TO ORDINARY GENERAL MEETINGS OF THE SHAREHOLDERS

The Ordinary General Meeting of the Shareholders may take any decisions other than those making direct or indirect amendments to the Articles of Association.

Ordinary Meetings are called at least once per year, within six months after the end of the company year to deliberate on the accounts for that year. This time limit was extended pursuant to the decision of the President of the Commercial Court on the request of the Board of Directors."

There are no changes in the remaining part of Article 31.

THIRD RESOLUTION (Delegation of authority to the Board of Directors to increase the share capital through a rights offering)

The General Meeting of Shareholders, deliberating with the quorum and majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.228-92 and L.228-93 of the Commercial Code:

1st Delegates to the Board of Directors, with the option to delegate and sub-delegate as allowed by law, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of the company's common shares or any securities giving access by any means, immediately or in the future, to the common shares of the company or of any company in which it directly or indirectly owns over half the capital; these securities may also be denominated in foreign currency or any other monetary unit established by reference to several currencies.

The delegation thus granted to the Board of Directors is valid for 18 months beginning on the date of this Meeting.

2nd Resolves that the total amount of the capital increases that may be carried out immediately or in the future may not exceed €50,000,000 in par value, an amount to which may be added, if applicable, the additional amount of shares to be issued to preserve, in accordance with the law, the rights of owners of securities giving rights to shares.

3rd Resolves that the shareholders have, in proportion to the number of their shares, a rights offering to the securities issued pursuant to this Resolution, and, as applicable, the right, to any excess shares, should the Board of Directors so resolve.

4th Resolves that if subscriptions through rights issue, and, if applicable, for any excess shares, have not taken up all the shares or securities as defined above, the Board of Directors may offer all or part of the unsubscribed securities to the public.

5th Duly records that should this delegation of authority be used, the decision to issue securities giving access to equity shall entail the express waiver – in favour of the bearers of the securities issued – of shareholders' rights to equity securities by reason of the securities issued.

6th Resolves that the Board of Directors shall have among other things, within the limits set above, the necessary powers to set the terms of the issue or issues, which shall include setting the issue price of shares, provide for the possibility to pay in the subscription by cash payment or by offsetting debts due and payable by the company or by a combination of these two methods, record the resulting capital increases, make amendments to the Articles of Association, charge, at its sole discretion, the cost of capital increases to the amount of premiums, and deduct from this amount the sums required to bring the legal reserve to one tenth of the new capital after each increase and, more generally, to take all necessary steps in such matters.

7th Duly records that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 28 April 2011.

FOURTH RESOLUTION (Delegation of authority to the Board of Directors to increase the share capital without a rights offering)

The General Meeting of Shareholders, deliberating with the quorum and majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.225-135, L.228-92 and L.228-93 of the Commercial Code:

1st Delegates to the Board of Directors, with the option to delegate and sub-delegate as allowed by law, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of the company's common shares or any securities giving access by any means, immediately or in the future, to the common shares of the company or of any company in which it directly or indirectly owns over half the capital; these securities may also be denominated in foreign currency or any other monetary unit established by reference to several currencies.

The delegation thus granted to the Board of Directors is valid for 18 months beginning on the date of this Meeting.

2nd Resolves that the total amount of capital increases that may thus be carried out immediately or in the future may not exceed €50,000,000 in par value, an amount which is charged to the ceiling fixed in the previous resolutions, to which may be added, if applicable, the additional par value of the shares that may be issued as contingent payment, in the event of new financial transactions, to preserve, in accordance with the law, the rights of owners of securities giving rights to shares, these amounts being charged against the ceiling fixed in the previous resolution.

3th Resolves to cancel the rights offering for shareholders for these securities, which will be issued in accordance with regulations, and to confer upon the Board of Directors the power to institute, if applicable, a priority right for shareholders to subscribe to these securities in application of the provisions of Article L.225-135 of the Commercial Code.

4th Resolves that the issue price of shares to be issued and those to be issued by exercise of securities shall be determined by the Board and will be at least equal to the minimum allowed by law.

5th Resolves that if the subscriptions have not taken up all the shares, the Board of Directors may limit the amount of the transactions to the amount of the subscriptions, provided that said amount is equal to at least three quarters of the issue decided.

6th Duly records that should this delegation of authority be used, the decision to issue securities giving access to equity shall entail the express waiver – in favour of the bearers of the securities issued – of shareholders' rights to equity securities by reason of the securities issued.

7th Resolves that the Board of Directors shall have among other things, within the limits set above, the necessary powers to set the terms of the issue or issues, provide for the possibility to pay for the subscription by cash payment or by offsetting debts due and payable by the company or by a combination of these two methods, record the resulting capital increases, make amendments to the Articles of Association, charge, at its sole discretion, the cost of capital increases to the amount of premiums, and deduct from this amount the sums required to bring the legal reserve to one tenth of the new capital after each increase and, more generally, to take all necessary steps in such matters.

8th Duly records that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 28 April 2011.

FIFTH RESOLUTION (Delegation of authority to the Board of Directors to increase the capital by incorporation of premiums, reserves or profits)

The Extraordinary General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, having taken note of the report of the Board of Directors

and in accordance with the provisions of Articles L.225-129, L225-129-6 and L225-130 of the Commercial Code:

1st Delegates to the Board of Directors, with the option to delegate and sub-delegate as allowed by law, for an eighteen-month period, the authority to decide on one or more capital increases by incorporating into capital any premiums, reserves, profits or other amounts which may be included in capital, subject to the law and the bylaws, in the form of bonus shares or by raising the par value of existing shares; resolves that the total amount of capital increases that may be carried out hereunder (increased by the amount necessary to maintain, in conformity with the law, the rights of holders of marketable securities giving right to shares) and independently of the ceiling fixed in the third resolution above, may not exceed the amount of the reserves, premiums or profits cited above that exist at the time of the capital increase; resolves that odd-lot allotment rights shall not be negotiable and the securities corresponding thereto shall be sold.

2nd Resolves that the Board of Directors shall have among other things, within the limits set above, the necessary powers to decide the terms and conditions of transactions authorized, and in particular to fix the amount and nature of reserves and premiums to be incorporated into capital, fix the number of shares to be issued or the amount by which the par value of existing shares comprising the share capital will be increased, fix the date, even retroactively as from which the new shares shall be entitled to dividends or the date from which the par value rise shall be effective, record the resulting capital increase, make the corresponding amendments to the Articles of Association, and generally do whatever is necessary in such matters.

3rd Duly records that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 28 April 2011.

SIXTH RESOLUTION (Delegation of authority to the Board of Directors to increase the share capital without a rights offering via private placement)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.225-135, L.225-136, L.228-92 and L.228-93 of the Commercial Code:

1st Delegates to the Board of Directors, with the option to delegate and sub-delegate as allowed by law, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of the company's common shares or any securities giving access by any means, immediately or in the future, to the common shares of the company or of any company in which it directly or indirectly owns over half the capital; these securities may also be denominated in foreign currency or any other monetary unit established by reference to several currencies.

The delegation thus granted to the Board of Directors is valid for 18 months beginning on the date of this Meeting.

2nd Resolves that the equity securities shall be issued without a rights offering as set forth in Section II of Article L.411-2 of the Monetary and Financial Code and accordingly resolves to cancel the shareholders' rights to shares and securities to be issued in accordance with the law.

3rd Resolves that the issuance of capital securities carried out by an offering as set forth in Section II of Article L.411-2 of the Monetary and Financial Code shall be limited to 10% of the capital per year, with such limit being assessed at the date when the Board of Directors uses such authority and this amount being charged against the total ceiling set in Resolution 3 above.

4th Resolves that the issue price of the securities shall be fixed by the Board of Directors in accordance with the following terms: it shall be equal to an amount ranging between 80% and 120% of the average closing prices on the last twenty trading days preceding the date that the issue price is set.

5th Resolves that if the subscriptions have not taken up all the shares, the Board of Directors may limit the amount of the transactions to the amount of the subscriptions, provided that said amount is equal to at least three quarters of the issue decided.

6th Duly records that should this delegation of authority be used, the decision to issue securities giving access to equity shall entail the express waiver – in favour of the bearers of the securities issued – of shareholders rights to equity securities by reason of the securities issued.

7th Resolves that the Board of Directors shall have among other things, within the limits set above, the necessary powers to set the terms of the issue or issues, record the resulting capital increases, make amendments to the Articles of Association, charge, at its sole discretion, the cost of capital increases to the amount of premiums, and deduct from this amount the sums required to bring the legal reserve to one tenth of the new capital after each increase and, more generally, to take all necessary steps in such matters.

8th Duly records that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 28 April 2011.

SEVENTH RESOLUTION (Capital increase reserved for employees)

The General Meeting of Shareholders, deliberating with the quorum and majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, in accordance with the provisions of Articles L.225-129-6 and L.225-138-1 of the Commercial Code and Article L.3332-18 et seq. of the Labour Code:

1st Delegates to the Board of Directors the powers necessary to increase capital on one or more occasions within a period not to exceed 18 months from the date of this Meeting, within a limit of 3% of existing share capital at the date of the Board of Directors' meeting, by issuance of common shares reserved, directly or via the intermediary of a company mutual fund, to employees of the company and of the companies that are related to it within the meaning of Article L.225-180 of the Commercial Code, who are members of the Company's company savings plan,

2nd Resolves therefore to cancel the rights issue given to shareholders by Article L.225-132 of the Commercial Code and

to reserve the subscription of the said shares for the Group's employees,

3rd Resolves that the maximum amount of authorized capital that may be issued by virtue of this delegation will be charged against the ceiling for the capital increases that the Board of Directors is authorized to carry out by virtue of the delegations of authority referred to in the resolutions and above;

4th Resolves that the issue price of a share will be determined by the Board of Directors and may not be less than the average of prices quoted during the twenty trading days preceding the date that the Board of Directors sets as the opening date for the subscription, less the maximum discount specified by law on the date of the Board of Directors' decision.

EIGHTH RESOLUTION (Authorisation to cancel the shares purchased in connection with the company's purchase of its own shares)

The General Meeting of Shareholders, deliberating with the quorum and majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, authorises the Board of Directors (with authority to sub-delegate subject to conditions set by the law) for a period of 24 months, subject to the General Meeting's adoption of the Fifteenth Resolution below:

- to cancel, on one or more occasions, the company shares purchased in connection with the implementation of the authorisation to purchase its own shares given in the Fifteenth Resolution below, within the limit of 10% of the capital per 24-month period,
- to correspondingly reduce the authorised share capital.

Ordinary resolutions:

NINTH RESOLUTION (Approval of the consolidated financial statements for the fiscal year ended 31 December 2011)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended 31 December 2011, as they were presented thereto and showing a net loss of €16,198,844.50.

TENTH RESOLUTION (Approval of the consolidated financial statements for the fiscal year ended 31 December 2011)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, having reviewed the reports of the Board of Directors and of the Statutory Auditors, approves the consolidated financial statements for the fiscal year ended 31 December 2011, as they were presented thereto and showing a net profit of €15,340,899.11.

ELEVENTH RESOLUTION (Full discharge for directors)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, gives the directors full discharge of their management for the fiscal year ended 31 December 2011.

TWELFTH RESOLUTION (Net profit allocation and distribution of ordinary reserves)

On motion of the Board of Directors, the General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to allocate the fiscal year's earnings as follows:

Earnings for fiscal year -€16,198,844.50

To the retained earnings account

In application of Article 243 bis of the General Tax Code, the General Meeting of Shareholders took note that the dividends distributed for the three preceding financial years were as follows:

Year	Dividends
2008	€1.00
2009	€1.78
2010	€2.43

To be able to distribute dividends, the General Meeting resolves to withdraw €10,802,450.40 from the ordinary reserves.

A dividend of €1.20 shall be due to each of the 9,002,042 shares comprising the share capital, which will be paid on or after 15 May 2012.

If the company holds treasury shares at the time the dividend is paid, the unpaid amount corresponding to those shares shall be posted to the retained earnings account.

THIRTEENTH RESOLUTION (Regulated agreements and commitments)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, having read the special report of the Statutory Auditors on the transactions referred to in Article L.225-38 of the Commercial Code, duly notes the conclusions of this report and approves the relevant agreements and commitments.

FOURTEENTH RESOLUTION (Commitments under Article L.225-42-1 of the Commercial Code) compensation that may be due in the event of termination of the duties of the chief executive officer)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, having read the special report of the Statutory Auditors on the commitments addressed in Article L.225-42-1 of the Commercial Code, duly notes the conclusions of this report and approves the commitments cited therein concerning Alain Chaussard, Co-Chief Executive Officer.

FIFTEENTH RESOLUTION (Authorisation given to the Board of Directors to purchase company shares)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, authorises the Board of Directors to purchase the company's shares in accordance with the provisions of Articles L.225-209 et seq. of the French Commercial Code for a period of 18 months.

These purchases may be carried out for the following purposes:

- market-making activity through a liquidity contract in accordance with the code of ethics recognised by the Financial Markets Authority,
- grant of shares to employees in accordance with the law,
- purchasing shares for retention and exchange or as payment within the context of possible merger and acquisitions transactions,
- cancellation of shares, as authorised by the Eight Resolution presented above.

The purchases and sales of shares carried out under this authorisation are to be executed within the following limits:

- the number of shares that may be purchased may not exceed 10% of the company's capital, i.e. 900,204 shares, with the stipulation that the number of shares purchased for the purpose of retention and exchange or as payment in connection with a merger, demerger or contribution transaction may not exceed 5% of the company's capital, i.e. 450,102 shares; the purchase price must not exceed €30 per share;
- the maximum amount of funds used to carry out this share buyback plan will be €27,006,120;
- the maximum number of shares that may be purchased, as well as the maximum purchase price, will be adjusted in the event of the allocation of bonus shares or split of the shares comprising the company's capital, based on the number of shares existing before and after these transactions.

These share purchases may be carried out by any means, including by acquisition of blocks of shares, and at the times that the Board of Directors deems appropriate, including during a public offering, subject to the limits of stock exchange regulations.

The General Meeting of Shareholders gives full powers to the Board of Directors, with authority to delegate them, to issue any stock exchange orders, enter into any agreements, perform any formalities and declarations, and, more generally, do whatever is necessary to complete the transactions carried out in application of this resolution.

This authorisation replaces the authorisation given by the Combined General Meeting of Shareholders on 28 April 2011, subject to the initiation of a share buyback plan by the Board of Directors.

SIXTEENTH RESOLUTION (Renewal of the term of Maryse Aulagnon as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to renew the term of Maryse Aulagnon as a Director for a period of three years, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2014.

SEVENTEENTH RESOLUTION (Renewal of the term of Arnaud de Bresson as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to renew the term of Arnaud de Bresson as a Director for a period of one year, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2012.

EIGHTEENTH RESOLUTION (Renewal of the term of Stéphane Bureau as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to renew the term of Stéphane Bureau as a Director for a period of three years, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2014.

NINETEENTH RESOLUTION (Renewal of the term of Bertrand de Feydeau as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, decided to renew the term of Bertrand de Feydeau as a Director for a period of two years, to expire at the conclusion of the Meeting convened to approve the financial statements for the fiscal year ending in 2013.

TWENTIETH RESOLUTION (Renewal of the directorship of Forum Partners)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to appoint as a Director the company Forum Partners, represented by Andrew Walker, for a period of two years to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2013.

TWENTY-FIRST RESOLUTION (Renewal of the term of Michel Garbolino as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to renew the term of Michel Garbolino as a Director for a period of three years, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2013.

TWENTY-SECOND RESOLUTION (Renewal of the directorship of Holdaffine)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, resolves to appoint as a Director the company Holdaffine, represented by Jean-Louis Charon, for a period of three years, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2014.

TWENTY-THIRD RESOLUTION (Appointment of Joëlle Chauvin as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, decided to appoint Joëlle Chauvin as a Director for a period of one year, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2012.

TWENTY-FOURTH RESOLUTION (Setting directors' fees)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, decided to allocate to the directors an amount of €105,000 as directors' fees for the current fiscal year, for participating in the work of the Board of Directors and the three Special Committees.

TWENTY-FIFTH RESOLUTION (Powers)

All powers are given to the bearer of a copy or an abstract of the minutes of this General Meeting of Shareholders to perform all filings and publications required by current legislation. Ordinary resolutions.

Statement of the Company's earnings in the last five years

(in thousand of euros)	2007	2008	2009	2010	2011
1. FINANCIAL POSITION AT YEAR-END					
a) Authorised capital at year-end	47,700	47,800	47,800	47,800	53,100
b) Number of shares as at 31 December	8,108,595	8,113,566	8,113,566	8,113,566	9,002,042
c) Weighted average number of shares for the year	8,105,013	7,952,899	8,113,566	8,113,566	8,349,497
2. COMPREHENSIVE OPERATING INCOME					
a) Revenues, excluding tax	99,387	89,843	82,898	70,416	51,269
b) Earnings before tax, amortisation and depreciation and provisions	41,336	37,587	42,419	12,619	-2,750
c) Corporate income tax	67	10	-4,564	-24	-24
d) Earnings after tax, amortisation and depreciation and provisions	16,841	12,566	10,895	6,475	-16,199
e) Amount of distributed income	13,379	8,114	14,442	19,716	10,802
3. OPERATING INCOME PER SINGLE SHARE					
a) Earnings after tax, but before amortisation and depreciation and provisions	5.09	4.72	5.79	1.56	-0.33
b) Earnings after tax, amortisation and depreciation and provisions	2.08	1.58	1.34	0.80	-1.94
c) Dividend paid per share	1.65	1.00	1.78	2.43	1.20
4. STAFF					
a) Number of employees	42	44	44	43	45
b) Total payroll	2,782	2,906	3,033	3,358	3,249
c) Amount of sums paid under employee benefits (social security, community enterprises, etc.)	1,288	1,675	1,356	1,600	1,625

Statutory auditors' special report on related-party agreements and commitments

To the Shareholders:

In our capacity as your company's statutory auditors, we submit to you our report on related-party agreements and commitments.

It is our responsibility to report to you, based on the information given to us, the basic features and terms of the agreements and commitments of which we have been advised or which we would have discovered during our assignment, without having to issue an opinion on their usefulness and their merits or find whether other agreements and commitments existed. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements and commitments with a view to their being approved.

Moreover, it is our responsibility, when necessary, to report to you the information mentioned in Article R. 225-31 of the French Commercial Code pertaining to the execution, during the preceding financial year, of the agreements and commitments already approved by the general meeting of shareholders.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence consisted of verifying the consistency of information provided to us with the original documents on which it was based.

Agreements and commitments subject to the approval of the general shareholders' meeting

Agreements and commitments authorized during the preceding financial year

Pursuant to Article L.225-40 of the Commercial Code, we were informed of the following agreements and commitments which were duly approved beforehand by your Board of Directors.

With AffiParis SA, Atit SC, Gesfimmo SAS, St Etienne Molina SAS, Cour des Capucines SA, Sipec SAS, Nevers Colbert SCI, Arca Ville d'Été SCI, SCI 4/6 rue de Bourgogne – Brétigny s/Orge, Target Real Estate SAS, Capucine Investissements SAS, Les 7 Collines SAS and Promaffine SAS

The directors involved are MAB Finances (represented by Alain Chaussard), Maryse Aulagnon and Alain Chaussard.

➤ Nature and purpose:

Under the terms of this agreement signed on 22 December 2011, Affine shall undertake to ensure the optimisation of the financing of the 13 companies, listed above, through a centralised management of their financing requirements and surpluses.

➤ Terms:

The agreement provides that the advances shall bear interest in the form of payments pro-rated to the EONIA rate plus 200 basis points and invoiced quarterly based on the cash advances granted over the quarter ended.

The agreement also stipulates that the compensation for management activities is included in the compensation paid by the 14 companies listed above, to Affine under the service agreements (including administrative services and in particular, cash management). The compensation paid for administrative services is deemed to correspond for up to 5% of cash management.

This agreement was signed for an undefined term as from 1 January 2012 and therefore the amount of interests due is zero for the fiscal year ended 31 December 2011.

This agreement was authorised by the Board of Directors on 14 December 2011.

Agreements and commitments not authorized previously

Pursuant to Articles L. 225-42 and L. 823-12 of the French Commercial Code, please note that the following agreements and commitments were not previously authorised by your board of directors.

It is our responsibility to report to you the circumstances under which the authorisation procedure was not followed

With Holdaffine BV

The directors involved are Holdaffine (represented by Jean-Louis Charon) and Maryse Aulagnon.

➤ Nature and purpose:

On 27 September 2011, a credit line agreement was signed between Affine and Holdaffine for a maximum amount of €1,000,000.

In addition, on 30 September 2011, Affine sold 43,000 Banimmo shares to Holdaffine at market price for a total price of €531,050.

➤ Terms:

The credit line agreement includes interest payments equal to the 3-month EURIBOR rate plus 150 basis points and runs until 31 December 2013 with the possibility to extend it over an additional 12-month period. As at 31 December 2011, Holdaffine had drawn down a total amount of €535,000.

Affine's accounts as at 31 December 2011 show total income of €4,138 excluding tax for the interest paid on this loan.

With respect to the sales of the Banimmo shares, Affine's accounts show a capital loss on the sale in the amount of €21,840.

Because of time constraints, these agreements were not given prior authorisation. We further state that, at its meeting on 21 February 2012, your board of directors decided to authorise these agreements retroactively.

Agreements and commitments already approved by the general meeting of shareholders

Agreements and commitments approved during prior fiscal years

a) whose performance continued during the year ended

Pursuant to Article R. 225-30 of the French Commercial Code, we were informed that the performance of the following agreements and commitments, already approved by the general meeting during previous fiscal years, continued during the fiscal year ended.

➢ With MAB Finances SAS

The directors involved are MAB Finances (represented by Alain Chaussard) and Maryse Aulagnon.

Affine's accounts as at 31 December 2011 show a total charge of €318,390 excluding tax in accordance with the agreement for the procurement of administrative, financial and business development services, signed with MAB Finances.

This agreement was authorised by the board of directors at their meetings of 21 March 2005, 14 February 2007 and 4 March 2009 and approved by the combined general meetings of shareholders on 21 April 2006, 26 April 2007 and 28 April 2009.

➢ With AffiParis SA

With AffiParis SA

The directors involved are Maryse Aulagnon, Alain Chaussard, and Ariel Lahmi (until 5 July 2011).

Service procurement agreement (administrative services) dated 21 December 2010 between Affine and AffiParis, effective retroactively as at 1 July 2010

Nature and purpose:

Under the terms of this agreement, Affine undertakes to provide AffiParis with services in the following areas: administration and finance, accounting and management, legal, computer and stock market auditing.

Terms:

The agreement provides for compensation in the form of a half-yearly provision whose invoiced amount is based on the time spent by Affine in providing the aforesaid services.

For the year ended 31 December 2011, the amount of the compensation for this agreement was set at €300,000 excluding tax.

Property management authorisation dated 21 December 2010 between Affine and AffiParis regarding the real property of AffiParis and its subsidiaries, effective retroactively as at 1 July 2010

Nature and purpose:

Under the terms of this agreement, Affine undertakes to provide AffiParis with property management assistance.

Terms:

The agreement provides for compensation equal to 3% of rent billed over the previous half-year by AffiParis and its subsidiaries for their real property.

For the year ended 31 December 2011, the amount of the compensation for this agreement was set at €385,000 excluding tax.

Asset management agreement dated 21 December 2010 between Affine and AffiParis regarding the real property of AffiParis and its subsidiaries, effective retroactively as at 1 July 2010

Nature and purpose:

Under the terms of this agreement, Affine undertakes to provide AffiParis with asset management consulting and assistance for the real property held by AffiParis and its subsidiaries.

Terms:

The agreement provides for compensation equal to 0.3% of the restated value of the real property at the end of the corresponding half-year.

For the year ended 31 December 2011, the amount of the compensation for this agreement was set at €615,000 excluding tax.

b) not performed during the year ended

In addition, we were informed of the continuation of the following agreement, already approved by the general meeting of shareholders during previous fiscal years, which was not performed in the past year.

➢ With Affine's Co-Chief Executive Officer

Pursuant to the motion of the Compensation Committee of 7 March 2005, approved by the Board of Directors on 21 March 2005, Affine has undertaken vis-à-vis the Co-Chief Executive, that the compensation due to him, in the event of termination of duties, shall be equal to one year of total gross compensation paid by all the companies of the Group. Such compensation shall not be due in the event of misconduct or negligence.

Pursuant to the motion of the Compensation Committee of 4 March 2009, authorised by the board of directors on 4 March 2009, approved by the combined general meeting of shareholders of 29 April 2009 and in accordance with the provisions of Article L.225-42-1 of the French Commercial Code, this compensation is contingent on performance related to the earnings of Affine.

The following performance condition is attached to the compensation:

- One year of total compensation if during the fiscal year prior to the termination for change of control, the net earnings shown in Affine's company statements is at least equal to 3% of equity, excluding subordinated debt,
- If this condition is not met, the performance may be evaluated by the Compensation Committee, based on the consolidated financial statements, excluding the fair value effects.

Paris La Défense and Paris, 1 March 2012
The Statutory Auditors

KPMG Audit
Division of KPMG S.A.

Isabelle Goalec
Partner

Cailliau Dedouit et Associés

Rémi Savournin
Partner

Chairperson's Report on Corporate Governance and Internal Control (Article L.225-37 of the French Commercial Code) for fiscal year 2011

I CORPORATE GOVERNANCE

In terms of corporate governance, the company has elected to adopt the December 2009 Middlenext Code. The organisation of the Company, of the Board of Directors and its works are in compliance with the recommendations of that Code.

The Board's attention was also drawn to the elements of vigilance mentioned in the code.

The company, eager to clarify and supplement the rules of organisation and operation of its Board of Directors as well as of limitation of the powers conferred on General Management, has established since December 5, 2002 rules of procedure.

This text was revised to include the provisions of the Middlenext Code, particularly with respect to the independence criteria applicable to directors.

The company has raised its awareness concerning the balanced representation of both genders on the Board. There was a special discussion regarding this item at the Board meeting of 3 March 2011.

I) - Conditions governing the preparation and organisation of the work of the Board of Directors:

The internal rules adopted by the Board of Directors specify and complete the operating methods of the Board as defined in the company's Articles of Association.

The Board of Directors of 29 August 2011 updated the internal rules.

a) Membership of the Board:

As at 31 December 2011, the Company's Board of Directors was comprised of eleven directors:

- Maryse Aulagnon, Chairperson of the Board of Directors
- Mab-Finances, represented by Alain Chaussard, vice-chairperson
- Arnaud de Bresson, Chief Executive Paris-Europlace
- Stéphane Bureau, Partner – Managing Director Asset Management at Cushman & Wakefield
- Bertrand de Feydeau, Chairperson of Foncière Développement Logements
- Forum Partners represented by Andrew Walker
- Michel Garbolino, trustee Fondation Stern & manager of Cmil Luxembourg
- Holdaffine represented by Jean-Louis Charon, Chairperson of Citystar
- Lica GmbH, represented by Burkhard Leffers
- Philippe Tannenbaum, financial analyst Arkeon group
- François Tantot, former Chief Executive Officer of Aareal Bank France

Ariel Lahmi resigned from the office of Director on 5 July 2011 for personal reasons.

The principles applied by the internal rules to determine the independence of a director are as follows:

- Not be an employee or corporate officer of the company or a company within the group and that over the last three years
- Not be a major client, supplier or banker of the company or its group or a client, supplier or banker for whom the company or its group represents a material portion of business
- Not be the reference shareholder of the company
- Not have close family ties with a corporate officer or with a reference shareholder
- not have been an auditor of the company during the past three years

In accordance with these principles, two thirds of the Board members are considered to be independent directors: Arnaud de Bresson, Stéphane Bureau, Bertrand de Feydeau, Forum Partners, Michel Garbolino, Lica GmbH, Philippe Tannenbaum and François Tantot.

Directors are appointed for a term of three years. For the purpose of ensuring a staggered renewal of the terms of office, it will be proposed to the General Meeting on 27 April 2012 to set the term of office at one, two or three years as an exception.

Article 11 of the company's Articles of Association states that all directors must registered holders of at least one share during the term of their directorships.

b) General management:

In compliance with Article 14 of the Articles of Association, the Board of Directors of 29 April 2009 renewed Maryse Aulagnon's appointment as Chairperson of the Board of Directors and decided that she would continue to be in charge of the General Management of the company; the Board also renewed Alain Chaussard's term of office as Co-chief executive officer.

c) Frequency of meetings:

The Board met eight times during the year. Directors' attendance averaged 83.52%.

d) Convening of meetings and information conveyed to directors:

The rules of procedure stipulate that the Board meetings are to be convened orally or in writing by the Chairperson of the Board of Directors (written notice of meetings may include electronic mail as long as a system is established for authenticating the Chairperson's signature).

Prior to all meetings, each director receives a dossier that enables him or her to give fully-informed opinions at the meetings. Unless the meeting convened is urgent, this dossier is sent to the director within the week preceding the date of the Board meeting, but may subsequently be supplemented by any other document that may help the director make a decision.

Directors may participate in the Board meetings by videoconference or telephone if these communication media transmit at least the participants' voices and meet the technical requirements for continuous, simultaneous retransmission of the deliberations.

However, the use of videoconferencing is not permitted for the following decisions: the appointment, dismissal and establishment of remuneration of the Chairperson and Chief Executive Officer or of the Co-CEO, the approval of the annual and semi-annual financial statements and the management reports of the company and Group.

The company provides the directors with all the pertinent information concerning it. This information is conveyed under the seal of confidentiality. Each director may ask the chairperson of the Board of Directors, at any time, for any document concerning the company.

It was decided to establish a procedure for the evaluation of the work performed by the Board. The Chairperson will thus invite the members of the Board once a year to express their opinion on the operation and the preparation of its work.

e) Special committees:

The Board of Directors has created three committees charged with preparing its work:

The committees comprise 3 to 7 members from the Board of Directors. The members of the committee must have the technical competence to sit on the committee.

The committees report on their activities to the Board of Directors after holding their meeting.

➢ 1) Remuneration and appointments committee:

The members of this committee are:

- Bertrand de Feydeau
- Michel Garbolino
- François Tantot

The Compensation Committee meets prior to the Board Meeting for the approval of the annual financial statements and whenever decisions within its competence must be submitted to the Board.

The Committee is comprised entirely of independent directors.

General management may attend the remunerations committee in order to present the company's overall remuneration policy, excluding the remunerations and other benefits concerning themselves.

The purpose of this committee includes the remuneration of corporate officers, the potential grant of bonus shares and the company's general remuneration policy.

Since the Board meeting of 29 April 2009, the Committee has also been responsible for selecting new directors and corporate officers; furthermore, it reviews the Board membership with respect to the status of independent director.

When the committee meets as the appointments committee, the corporate officers are members of that committee when the purpose is to select new directors and review the status of independent director

It met twice during fiscal year 2011 (100% attendance rate) prior to the Board of Directors meetings of 3 March 2011 and 8 June 2011.

➢ 2) - Commitments committee:

The members of this committee are:

- Maryse Aulagnon
- Michel Garbolino
- Holdaffine represented by Jean-Louis Charon
- Mab Finances represented by Alain Chaussard
- François Tantot

The real estate Director may be invited to present a transaction to the Commitments Committee.

The commitments committee meeting can be convened immediately if necessary and by any means. The members of the committee may be consulted in writing, with their opinions provided by letter or by fax.

The commitments committee has authority for sales and acquisitions of up to €10 million per transaction, and the transactions agreed to by the Committee are then notified at the following Board meeting. It also provides the Board with a recommendation on transactions exceeding the above amount.

The Committee met twice during the 2011 financial year (100% attendance rate):

➢ 3) Accounts committee: :

The members of this committee are:

- François Tantot, Chairperson
- Holdaffine represented by Jean-Louis Charon
- Philippe Tannenbaum

The Chairperson of this Committee must be independent in line with the recommendations of the Middlenext Code.

The following may also assist the Committee:

- Maryse Aulagnon
- Alain Chaussard in their capacity as CEOs of the company, as well as the Director of Accounting and Controlling.

The audit committee was renamed the accounts committee by the Board of Directors of 29 April 2009.

The company's statutory auditors may be invited to meetings and always attend meetings to review annual and semi-annual financial statements.

The committee meets at least twice a year, prior to the holding of Board of Directors' meetings responsible for approving the annual and semi-annual financial statements.

The committee may meet in case of the occurrence of an event or a specific regulation which have a material impact in its area of jurisdiction.

The committee's role is to prepare for the review by the Board of:

- the accounting policies applied, including changes in policies in relation to previous financial statements,
- the closing process, the draft financial statements.

The Board of Directors bears sole liability for the decisions regarding the financial statements.

The Committee also gives its opinion on the choice of statutory auditors of the company to be appointed by the general meeting of shareholders, as well as on their objectives and fees.

The Accounts Committee met five times during fiscal year 2011 (100% average attendance rate), on 9 February 2011, 2 March 2011, 15 June 2011, 26 July 2011 and 29 August 2011.

f) Minutes of the meetings:

The minutes of the Board of Directors' meetings are issued at the end of each meeting and are sent to the directors for their approval before the next meeting.

2) Limitations of powers of the CEO and the Co-CEO made by the Board of Directors

a) Chairperson and Chief Executive Officer:

The Board of Directors decided to combine the functions of Chairperson of the Board of Directors and Chief Executive Officer and accordingly, on 29 April 2009, reappointed Maryse Aulagnon as Chairperson and Chief Executive Officer. The Board defined his powers as follows:

"Subject to the powers that the law expressly grants to shareholders meetings, as well as the powers it reserves especially for the Board of Directors, and within the confines of the company's authorised activities, the Chairperson and Chief Executive Officer are invested with the broadest powers to act under all circumstances on behalf of the company. This Officer may, in addition, delegate his or her powers, but only for one purpose and for a limited time."

b) Co-CEO:

During its meeting of 29 April 2009, the Board of Directors renewed the term of office of Alain Chaussard as Co-CEO. The Board defined his powers as follows:

"The Co-CEO has the following powers, as they were defined during the Board of Directors' meetings of 12 September 2002 and 21 April 2006, namely:

- all powers, under all circumstances, to act on behalf of the company, within the confines of its authorised activities and subject to the powers that the law expressly grants to shareholders meetings and to the Board of Directors.
- assistance to the Chairperson with the organisation of the Board of Directors and management of the Board's work.

Alain Chaussard is furthermore in his capacity as Mab-Finances' representative, Vice-chairman of the Board.

3) Delegations:

The Board of Directors granted the following powers to General Management:

- Asset purchases and sales: €5 million per transaction; a report is given to the Board at its next meeting following transactions in excess of €1 million (decision of the Board of Directors of 26 September 2005),
- Sureties, endorsements and guarantees: The Board has granted authority to General Management to bind the company as surety or guarantor for up to €5m per transaction; this authority must be renewed annually; the sureties given pursuant to this authority exceeding separately €1m, must be reported to the Board after delivery (resolution of the Board of Directors of 27 August 2008).

General Management has, in turn, permanently granted the following powers to:

- Nicolas Cheminais, real estate director until 4 January 2012, the power notably to sign, renew and cancel all leases, conclude all company or property development contracts, grant all construction orders or delegate construction management for work, and conclude all technical contracts.
- Catherine Wallerand, legal director, the power to conclude all leases, to purchase or sell all land, buildings, and all property assets and rights.
- Olivier Lainé, chief administrative and financial officer, the power to conclude any and all interest rate hedging contracts and to accept and formalize any and all fixed-rate consolidation options.

Specific powers may be granted to executives for the signature of certain contracts.

4) Remuneration of corporate officers

The principles and rules defined by the Board of Directors to determine the remunerations and fringe benefits granted to corporate officers, based on the proposals of the remunerations committee are as follows:

- the fixed portion of the remuneration of corporate officers reflects their uninterrupted presence within the company since 1990 and their key role in promoting the growth and sustainability of the Group.
- the variable portion is determined according to the company's performance and any exceptional transactions that significantly helped to create value for the company.
- the retirement allowance for the Co-CEO was approved at the Combined General Meeting of 29 April 2009.

Detailed information on the compensation and benefits granted to corporate officers is provided in the report of the general meeting of shareholders and presented in the form of tables prepared in accordance with the recommendations of the AMF.

5) Other information prescribed by Article L225-37 of the French Commercial Code

The conditions relating to the participation of shareholders in general meetings are specified in Article 25 of the company's Articles of Association.

Furthermore, all data likely to have an impact in case of a public offer are mentioned in the Management Report presented at the general meeting.

II INTERNAL CONTROL PROCEDURES:

1) Objectives:

The internal control procedures currently in force in the company pursue the following purposes:

- on one hand, to ensure the compliance of transactions carried out and of the work performed by the company's staff with legislative and regulatory provisions,
- on the other hand, to ensure that the accounting, financial and management information conveyed to the corporate managing bodies truly reflects the company's activity and situation.

The primary objective of the internal control system is to prevent and control the risks resulting from the company's activity, as well as the risks of errors or fraud, in particular in accounting and finance. Like all control systems, there cannot be an absolute guarantee that these risks are completely eliminated.

Furthermore, Affine, in its capacity as parent company, has ensured that the appropriate procedures and internal control are set up within its subsidiaries.

2) Organisation:

The officer responsible for internal control reports directly to General Management.

The internal control system applied by Affine comprises two levels:

a) The first-level controls correspond to all resources continuously implemented by the operating entities to guarantee the legality, security and proper execution of the transactions that are carried out, as well as compliance with the due care provisions linked to the monitoring of risks of all types associated with the transactions.

b) The second-level controls verify, with suitable frequency (monthly or quarterly), the lawfulness and appropriateness of transactions, primarily by examining:

- the effectiveness of the first-level controls,
- compliance with the procedures, and their updating,
- the suitability of the existing systems for the measurement and monitoring of all of the risks associated with the transactions.

The controls are based on written procedures that are regularly updated. These procedures conform both to regulatory rules and to company policies. They describe the methods and procedures for recording, processing and retrieving information, accounting schemes, and procedures for undertaking transactions. They ensure the production of data and information required for the purpose of monitoring risks to the company and its subsidiaries.

3) Risk control:

The company has defined the criteria and procedures for identifying risks, their control and the systems for monitoring assets and controlling the quality of financial and accounting information.

Since the company had the status of a credit institution until 19 December 2011, it still holds assets as a lessor. Sections a), d) and e) below also pertain to the leases signed by the company.

a) Credit risk

Contractual relations with the tenant are based on tried and tested standard contracts that are updated regularly with the help of specialised legal counsel.

➢ Risk analysis for decision making

Establishing a property leasing contract involves a strict and detailed analysis of the financial position of the future tenant and its sub-tenants, if any. Guarantees are taken if necessary and may be required in the event of the tenant's default (security deposit, bank guarantee...)

A mechanism allows the renewal of the guarantees when their lifespan is shorter than the lease.

➢ Risk control after taking the decision

Comprehensive controls

DAs the holder of real estate assets, Affine Group is particularly vigilant to ensure that:

- assets are covered by insurance that will restore their value in the event of losses,
- properties are compliant with all applicable regulations: environmental legislation, regulations governing high-rise buildings, buildings open to the public, etc.,
- building maintenance is performed under the supervision of recognised professionals,
- major repairs are done in a timely manner to ensure the safety and comfort of building users and to conserve the value of the building,
- The financial analysis of tenants must be conducted every year,
- the value of properties is estimated by recognised external appraisers, twice a year, at each reporting date.

Affine Group has taken out all necessary insurance policies for its activity with major international insurance companies:

- property and casualty: replacement value with no overall indemnity ceiling
- professional liability
- building owner's liability insurance
- directors' liability.

Specific controls

Exposure to clients is monitored very regularly through a specific procedure. Any delay or default on payment lasting more than six months leads to the systematic write-down of the full amount of the relevant receivable. Our principal tenants' financial structure is reviewed annually, or whenever a significant event affecting them occurs.

As of 2003, Affine set up a technical appraisal procedure for buildings which ensures the good quality of properties before the builder's warranties expire.

b) Financial risk

The company makes sure that it always has surplus liquidity, particularly in the form of confirmed bank credit lines. Affine systematically hedges its interest rate risk on the market via caps and swaps.

In addition, in its interest rate risk hedging operations, Affine works exclusively with leading banking institutions.

c) Preparation and processing of accounting and financial data

The organisation and engagements of the accounts department are defined in the accounting procedures manual.

The accounts and management control department of Affine handles the accounts management of all the French companies that are more than 50% owned by the Group. Foreign companies use the services of local accounting firms.

Most of the transactions are directly reported in the accounts using software which receives data from the different departments (Management, Corporate and administrative services etc.). Very little data is entered manually.

Furthermore, the accounting procedures used by the Group are defined in the accounts procedures manual.

In 2008, the department was boosted by the arrival of an accounts controller who reports directly to the head of department.

Given the importance of its subsidiaries, Affine ensures that they comply with the internal control mechanism and carries out periodic checks to confirm such compliance. A management report allows the Group's general management to constantly monitor the progress of the activity and the financial health of the subsidiaries. Furthermore, the Affine accounts department warns general management in the event that any anomalies are noted.

Prior to each accounts closing (semi-annual and annual) a timetable is prepared by the Accounts Department and sent to all officers in charge of dossiers. A transactions tracking and work progress monitoring file is indexed on a dedicated IT network for the accounts department and is updated every day. In the event of anomalies in the process of operations, the officer in charge of the dossier informs the accounts manager, who in turn informs general management if necessary.

Each accounts closing is checked by General Management which analyses deviations from forecasts. Financial and accounting information is then verified by the Statutory Auditors and then presented to the Board of Directors.

Off balance sheet commitments are also transmitted to the Board of Directors.

d) Operational risks

➢ Computer risk

Affine's entire computer system is protected by daily backups and, in case of loss, an external backup facility is provided. Coded access procedures and anti-virus systems are additional measures taken against computer risk.

➢ Legal risk

All rental property purchase or sale contracts signed with our customers are recorded in official deeds. Any point that may be ambiguous is accordingly subject to the dual scrutiny of the Legal Department and the notary each time a contract is drawn up.

With regard to other contracts, our Legal Department benefits from the assistance of specialised counsel to confirm its analysis of complex legal points.

➢ Environmental risks

The company participates in the Haute Qualité Environnementale (High Environmental Quality) standard, in particular by adopting preventive measures that make it possible to limit the impact on the environment when buildings are built or renovated. This standard also offers ways to make a building more comfortable for the people who use it.

Affine periodically performs inspections of the buildings it owns to verify that environmental regulations are observed by their users.

e) Risk linked with money laundering

The origin of the purchasers' and partners' funds is systematically verified in compliance with the provisions applicable to real estate professionals. Periodic staff meetings provide an opportunity to remind our personnel of the instructions to be followed in this regard.

Statutory auditors' report prepared pursuant to Article L. 225-235 of the French Commercial Code, on the Chairperson's report

To the Shareholders:

In our capacity as Affine's statutory auditors and pursuant to Article L225-235 of the French Commercial Code, we submit our report on the report prepared by your company's chairperson in accordance with Article 225-37 of the French Commercial Code for the financial year ended 31 December 2011.

The chairperson is responsible for preparing and submitting a report for approval by the board of directors describing the internal control and risk management procedures implemented within the company together with the other information required, in particular, by Articles L. 225-37 of the French Commercial Code pertaining to corporate governance.

Our responsibility is to:

- report to you our observations made on the basis of the information contained in the chairperson's report concerning the internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information, and
- certify that the report includes the other information required by Article L. 225-37 of the French Commercial Code with the understanding that it is not our responsibility to verify the fairness of this other information.

We have carried out our work in accordance with French auditing standards.

Information concerning the internal control and risk management procedures pertaining to the preparation and processing of accounting and financial information

Our professional standards require that we perform the due diligence necessary to assess the fairness of the information concerning the internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information contained in the chairperson's report. This due diligence consists in particular of:

- reviewing the internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information underlying the information presented in the chairperson's report and the existing documentation;
- reviewing the work done to prepare this information and the existing documentation;
- determining whether any major deficiencies in the internal control pertaining to the preparation and processing of the accounting and financial information that we may have uncovered in the performance of our audit were properly disclosed in the chairperson's report.

On the basis of this work, we have no observation to make on the information concerning the company's internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information contained in the report of the chairperson of the board of directors prepared pursuant to Article L. 225-37 of the French Commercial Code.

Other information

We certify that the report of the chairperson of the board of directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris la Défense and Paris, 1 March 2012

The Statutory Auditors

KPMG Audit
Division of KPMG S.A.
Isabelle Goalec
Partner

Cailliau Dedouit et Associés

Rémi Savournin
Partner

Statutory auditors' report on the capital transactions set out in resolutions 3, 4, 6, 7 and 8 of the Combined General Meeting of Shareholders of 27 April 2012

Dear Shareholders,

In our capacity as your company's statutory auditors and pursuant to our engagement as set forth in the French Commercial Code, we present to you our report on the transactions on which you are asked to vote.

1. Issuance of common shares and marketable securities with or without rights issue (Resolutions 3 and 4)

Pursuant to our engagement as set forth in Articles L.228-92 et L.225-135 et seq. of the French Commercial Code, we present to you our report on the motions put before the board of directors to delegate authority to decide on the issuance of various common shares and marketable securities, with or without rights issue, on which you are asked to vote.

Your board of directors moves that you empower it, on the basis of its report, for a eighteen month term to vote to approve these transactions and to determine the procedures for carrying them out and, as applicable, to remove your rights issue:

- Issuance of common shares and marketable securities through a rights offering (third resolution), giving immediate or eventual access to your company's equity or, in accordance with Article L.228-93 of the French Commercial Code, to that of a company in which it owns directly or indirectly more than half of the capital, for a total nominal amount of €50,000,000, plus as applicable, the additional amount of the shares to be issued in order to preserve, in accordance with the law, the rights of bearers of securities giving access to shares,
- Issuance of common shares and marketable securities without rights issue (fourth resolution), giving immediate or eventual access to your company's equity or, in accordance with Article L.228-93 of the French Commercial Code, to that of a company in which it owns directly or indirectly more than half of the capital, for a total amount of €50,000,000, with this amount charged to the ceiling set in the third resolution, plus as applicable, the additional amount of the shares to be issued in order to preserve, in accordance with the law, the rights of bearers of securities giving access to shares.
- The board of directors is responsible for preparing a report in accordance with Articles R. 225-113, R. 225-114 and R. 225-117 of the French Commercial Code. Our responsibility is to express our opinion on the fairness of the data derived from the financial statements, on the motion to cancel the rights issue for the fourth resolution and on certain other information concerning issuance given in this report as well.
- We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence consisted, among other things, of verifying the content of the board of directors' report relating to these transactions and the procedures for determining the price of the equity securities to be issued.
- As required by law, we are drawing your attention to the fact that since this report does not spell out the procedures for setting the price at which the equity securities are to be issued, we cannot render an opinion on how the issuance price is to be computed.
- Since the price at which the equity securities to be issued has not been fixed, we have no opinion to express as to the final terms by which the issuances will be floated and, consequently, on the motion to cancel the rights offering put before you in the fourth resolution.
- Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare a supplemental report, as needed, at the time your board of directors uses these authorisations in the event of issuances without rights issue and issuances of marketable securities giving access to equity.

2. Issue of common shares and transferable securities without rights issue through a private placement (Resolution No 6)

Pursuant to our engagement as set forth in Articles L.225-129, L.225-135, L.228-92 and L.228-93 of the French Commercial Code, we present to you our report on the motions put before the Board of Directors to delegate authority to decide on the issuance of various common shares and marketable securities giving immediate or eventual access to the shares of your company or of a company in which it holds directly or indirectly more than half the capital, by means of a private placement without rights issue right, transactions about which you are called to vote.

Your board of directors moves that you empower it, on the basis of its report, for a eighteen month term to vote to approve these transactions and to determine the procedures for carrying them out. It also moves to cancel your rights issue and to limit these transactions to 10% of the share capital per year, with this amount being deducted from the overall cap of 50,000,000 million euros fixed in the third resolution.

The board of directors is responsible for preparing a report in accordance with Articles R.225-113, R.225-114 and R.225-115 of the French Commercial Code. Our responsibility is to express our opinion on the fairness of the data derived from the financial statements, on the motion to cancel the rights offering and on certain other information concerning issuance given in this report as well.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence consisted of verifying the content of the board of directors' report relating to these transactions and the procedures for determining the price of the equity securities to be issued.

Subject to the subsequent review of the issuance terms which may be decided, we have no observation to make on the procedures used to determine the price of the equity securities to be issued given in the board of directors' report.

Since the price at which the equity securities to be issued has not been fixed, we have no opinion to express as to the final terms by which the issuances will be floated and, consequently, on the motion to cancel the rights offering.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare a supplemental report, as needed, at the time your board of directors uses these authorisations.

otre Conseil d'administration.

3. Issue of common shares reserved to employees with cancellation of rights offering (Resolution No 7)

Pursuant to our engagement as set forth in Articles L.225-135 et seq. of the French Commercial Code, we present to you our report on the motions put before the Board of Directors to delegate authority to float one or more equity issues by the issuance of common shares with cancellation of the rights offering reserved to your company's employees and the employees of the company's affiliates in the sense of Article L. 225-180 of the French Commercial Code up to a maximum of 3% of the share capital existing on the date the meeting of the board of directors, these being transactions which you are required to vote on.

These capital increases are submitted for your approval as provided in articles L. 225-129-6 of the French Commercial Code and L. 3332-18 et seq. of the French Labour Code.

Your Board of Directors moves that you empower it, on the basis of its report, for an eighteen month term to vote to approve the terms of these transactions and to determine the procedures for carrying them out, and moves to cancel your rights offering.

The board of directors is responsible for preparing a report in accordance with Articles R. 225-113 and R. 225-114 of the French Commercial Code. Our responsibility is to express our opinion on the fairness of the data derived from the financial statements, on the motion to cancel the rights offering and on certain other information concerning issuance given in this report as well.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence consisted of verifying the content of the board of directors' report relating to these transactions and the procedures for determining the price of the equity securities to be issued.

Subject to the subsequent review of the issuance terms which may be put forward, we have no observation to make on the procedures used to determine the issuance prices given in the board of directors' report.

Since the issuance price has not been fixed, we have no opinion to express as to the final terms by which the equity issues will be floated and, consequently, on the motion to cancel the rights offering put before you.

Pursuant to Article R. 225-116 of the French Commercial Code, we will prepare a supplemental report, as needed, at the time your board of directors uses these authorisations.

4. Decrease in share capital by cancellation of shares purchased (Resolution No 8)

Pursuant to our engagement as set forth in Article L. 225-209, of the French Commercial Code pertaining to the equity reduction by cancellation of shares purchased, we have prepared this report in order to inform you of our assessment of the causes and conditions of the equity reduction planned.

Your Board of Directors moves that you grant thereto, for a twenty-four month period as from the day of this general meeting, all powers to cancel the shares so purchased up to the limit of 10% of its share capital per twenty-four month period, the shares purchased with respect to implementing the authorisation for your company to purchase its own shares pursuant to the provisions of the aforementioned article.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence has led us to examine whether the causes and conditions of the proposed equity reduction, which will not affect the equality of the shareholders, are legitimate.

We have no comment to make on the causes for and the terms of the planned equity reduction.

Paris la Défense and Paris, 1 March 2012

The Statutory Auditors

KPMG Audit
Division of KPMG S.A.
Isabelle Goalec
Partner

Cailliau Dedouit et Associés

Rémi Savournin
Partner

Report of the Board of Directors Extraordinary Decisions

1 – Amendments to the Articles of Association

a) We move to amend Article 10 of the Articles of Association relative to the appointment of members of the Board of Directors, for the purpose of ensuring a staggered renewal of their terms of office (1st resolution).

b) Pursuant to the withdrawal of the company's license as a credit institution, we move to amend Articles 1 ("Form"), 2 ("Purpose"), 3 ("Corporate name") and 31 ("Provisions specific to ordinary general meetings of the shareholders") (2nd resolution).

2 – Draft delegations of authority for the capital increase

a) The Combined General Meeting of 28 April 2011 delegated to the Board of Director the power to increase the capital (with or without rights issue) up to €50 million euros. Motion is made to renew these delegations of authority.

These delegations of authority are part of the so-called "global delegation" system resulting from Article L 225-129-2 of the French Commercial Code which stipulates providing the Board of Directors with the greatest freedom of action in the interest of the company. They will help support the development of the business by raising the necessary capital on the financial market.

The authorisations will give the Board of Directors the possibility to elect the most favourable types and modes of issuance, considering the great variety of marketable securities and the constant changes in the stock markets.

Thus, the Board will be able to issue common shares of the company and any other marketable securities giving access, immediately or in future, to the common shares of a company or of a company in which it holds, directly or indirectly, more than half of the capital.

The issue of these securities may not lead to a capital increase in an amount exceeding €50 million, without taking into account any potential adjustments that could take place in accordance with the law.

These issues could be with or without rights issue (3rd and 4th resolutions).

The Board of Directors shall have, among other things, the necessary powers to set the terms of the issue or issues, provide for the possibility to pay in the subscription by cash payment or by offsetting debts due and payable by the company or by a combination of these two methods, record the resulting capital increases, and make the corresponding amendments to the Articles of Association.

The Board shall also have the power to decide on a capital increase by incorporation of premiums, bonuses, profit or other amounts which may be included in capital, subject to the law and the bylaws, in the form of bonus shares or by raising the par value of existing shares (5th resolution).

Motion is made to grant such delegation for a period of 18 months as from the date of this meeting.

b) The Combined General Meeting of 28 April 2011 delegated to the Board of Directors the power to increase the capital without rights issue through private placement (in favour of qualified investors, but also of a small circle of investors) up to 10% of the capital per year.

Motion is made to grant such delegation for a period of 18 months as from the date of this meeting. (6th resolution).

d) Under the provisions of Articles L.225-129-6 and L225-138-1 of the French Commercial Code, the Board of Directors is required to present to the General Meeting a draft resolution intended towards a capital increase reserved to employees.

For any capital increase decision (even for deferred increases) the Extraordinary General Meeting is required to vote on such a draft resolution. This obligation applies to all joint-stock companies, regardless of whether they have a company savings plan (7th resolution).

3 - Authorisation to cancel the shares purchased in connection with the company's purchase of its own shares (8th resolution)

We move to authorise the Board of Directors with power of sub-delegation under the terms set forth by law and for a duration of 18 months:

- to cancel, on one or more occasions, the company shares purchased in connection with the implementation of the authorisation given in the Fifteenth Resolution, within the limit of 10% of the capital per 24-month period;
- to correspondingly reduce the authorised share capital.

Summary of authorisations granted with respect to capital increases (Article L225-100, paragraph 7 of the French Commercial Code)

Delegation of authority granted to the Board of Directors by the Combined General Meeting of 28 April 2011 (nullifying the delegation granted by the Combined General Meeting of 29 April 2009)

	Amount authorised	Term	Use
Delegation of authority with rights offering (11th resolution)	€50,000,000	26 months (until 28 June 2013)	€65,661.26 capital increase through incorporation of reserves (Board of Directors 8 June 2011)
Delegation of authority without rights offering (12th resolution)	€50,000,000 (charged against the ceiling set in the 11th resolution)	26 months (until 28 June 2013)	None
Delegation of authority without rights offering through private placement (13th resolution)	10% of the capital per year; this amount is charged against the ceiling set in the 11th resolution	26 months (until 28 June 2013)	None

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