



FULL-YEAR RESULTS 2012



Presentation of 28 February 2013



AFFINE

AFFINE KEY TAKEAWAYS



Portfolio change

- €18m in investments: Lille + Capex
- €120m from disposals: Paul Baudry + small size assets

Sharp progress of EPRA earnings: +8% to €19.9m

- Stability of rental income on a like-for-like basis (+0.1%)
- Reduction of corporate expenses
- Decrease of financial costs
- Sharp increase in property development margin

Marked improvement in LTV: 45.5% vs 50.8%

Dividend maintained at €1.2 par share

Better readability

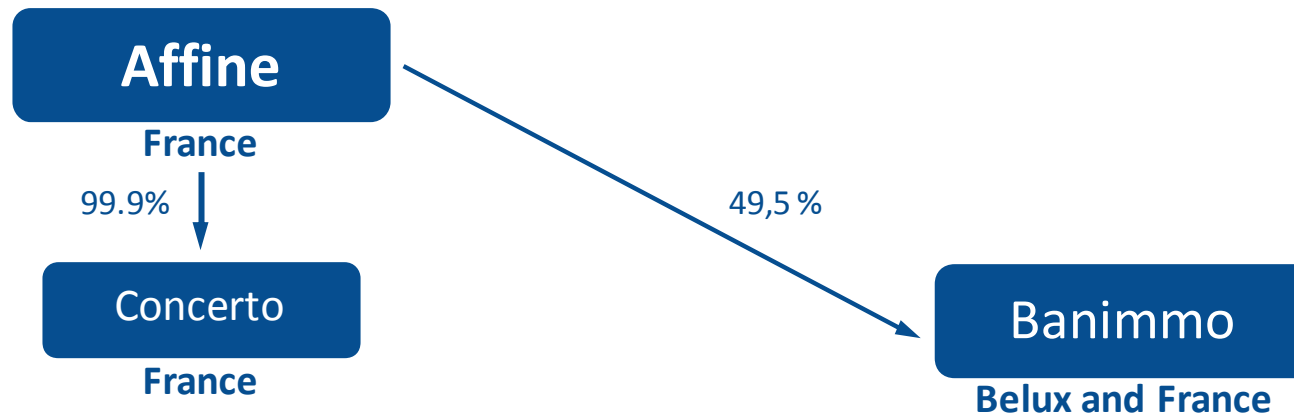
- Simplification of Affine: Merger-absorption of AffiParis
- Acknowledgement of the publication standards in the sector : EPRA Bronze medal



AFFINE GROUP STRUCTURE



Affine group 2 listed companies



Value creation
Multi-specialized commercial property company

- SIIC status (French REIT)
- Portfolio: €580m

Concerto European Developer
Development projects for distribution and production logistics

Repositioning
and built-to-suit of buildings in Belgium, France and Luxembourg

- Portfolio: €414m

Equity method

AFFINE MERGER BY ABSORPTION OF AFFIPARIS



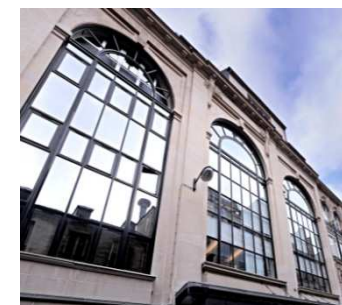
Reasons

- Streamline the group structure
- Reduce its operating costs (€200,000/year)
- Allow AffiParis minorities to receive a share which offers
 - more liquidity: daily median at H1 2012 : €200,000 vs €600
 - greater visibility: 4 brokers vs 1
 - higher yield: dividend yields over 5 years : 9.4% vs 1.6%



Exchange ratio: 0.46

- Multicriteria analysis:
 - IFRS, EPRA and triple net EPRA NAV (accounting, long term, liquidation)
 - EPRA earnings (current net profit, group share)
 - Share prices (average 6 and 12 months)
- Interventions:
 - Regulated: Contribution and merger auditors (Didier Kling & Associés, Groupe JPA)
 - Mandated by AffiParis: Independent expert (Ricol Lasteyrie)



INVESTMENTS AND DISPOSALS

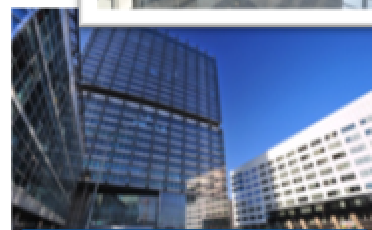
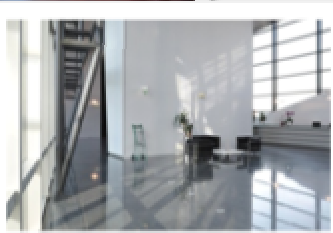
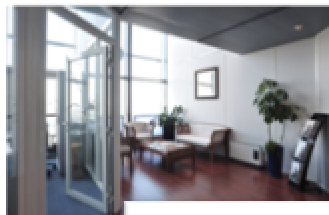


INVESTMENTS AND DISPOSALS

€18m OF INVESTMENTS

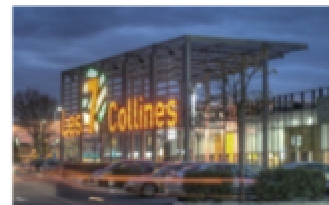


Acquisition: €9m

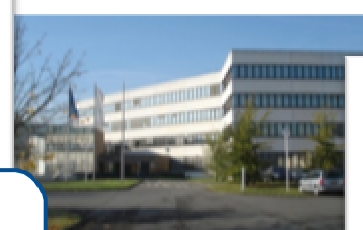


Lille
6,250 sqm

Development & Enhancement: €9m



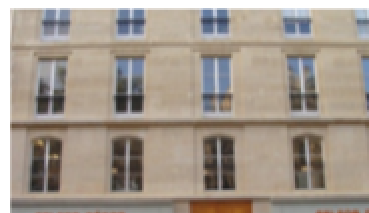
Nîmes



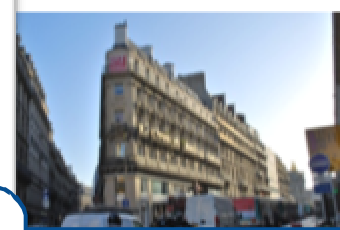
Tremblay en France



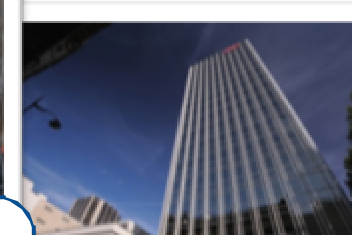
Elancourt



Paris - Réaumur



Paris - Auber



Paris 12^e (SNCF)

TOUR TRAVERSIÈRE, AN ECO-RENOVATION



Refurbishment of 7,783 sqm located in the heart of Paris (Gare de Lyon) rented to the SNCF

- Eco-renovation (green lease, BREEAM certification), net improvement of working conditions in 2011
- Refurbishment made during the lease (no lost of rental income)
- Upgrade to standards for disabled person



INVESTMENTS AND DISPOSALS

LILLE – LILLEUROPE TOWER

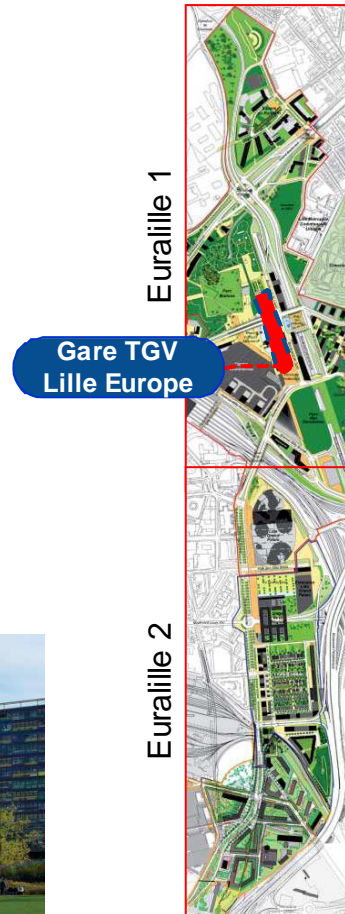


Strengthening in the Lilleurope tower

- Acquisition of 6,250 sqm of offices
- Owner of 15 floors out of 20
- Easy service
 - Overlook the Lille-Europe station
 - in the heart of Euralille business district

Refurbishment program

- Upgrade to standards
 - Technical equipment
 - Hall
 - Common parts
- Eco-renovation under study



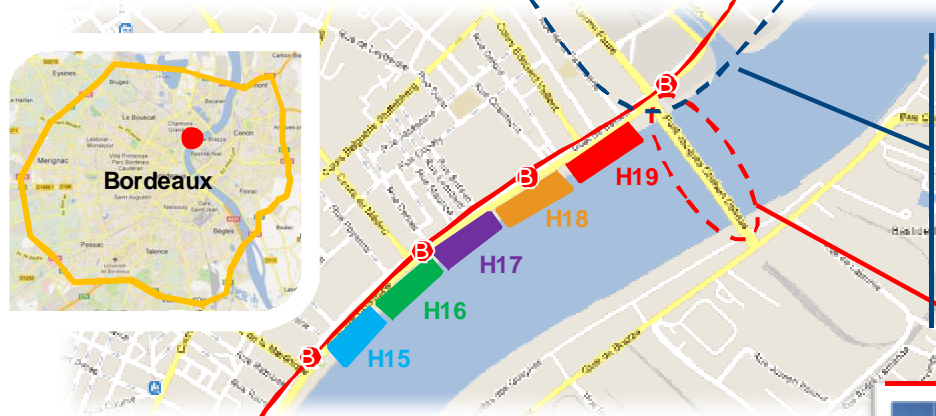
INVESTMENTS AND DISPOSALS

BORDEAUX

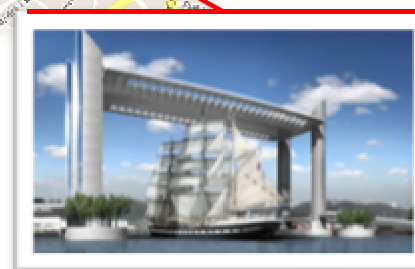


Jardins des Quais: Marketing completed

- Advantage: outlets located in the heart of town
- Easy and improved service and enhanced attractiveness
 - tram line B
 - commissioning of the bridge Chaban-Delmas (March 2013)
 - development of the “Bassins à Flot” urban development zone



- 24,900 sqm spread over 5 buildings:
 - 8,200 sqm of retail space
 - 4,200 sqm of bars and restaurants
 - 12,500 sqm of office space
 - 632 parking lots
- Marketing finalised: OR 96%



INVESTMENTS AND DISPOSALS

ARCACHON



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

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

Affine

- Investment in VEFA (buildings in anticipation of completion) on
 - 2,400 sqm of ground-floor shops
 - 800 sqm tourist resort under the Résidhome Hotel Plaza brand
- A successful marketing (OR: 85%)
- New acquisition in early 2012

► **Potential value added in medium term**

FV: >+30% since 2009

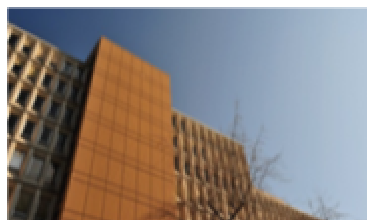


INVESTMENTS AND DISPOSALS

€120M OF DISPOSALS



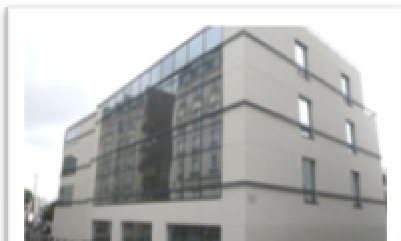
Paris – Paul-Baudry:
€96.0m



La Madeleine:
€7.5m



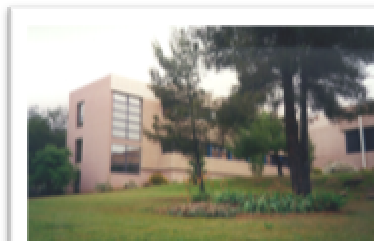
Saint-Julien-les –Metz:
€5.2m



Saint-Ouen:
€3.0m



Vert-Saint-Denis:
€2.9m



Valbonne Beige:
€1.0m



Saint-Cloud:
€2.5m



Lezennes:
€0.5m



Toulouse:
€0.5m

INVESTMENTS AND DISPOSALS

BAUDRY, EQUITY REALLOCATION



Reasons

- Excessive risk concentration (15% of the portfolio)
- Decrease the LTV
- Low yield

Fair value excluding transfer taxes

- FV as at 31/12/2011: €103.7m (30/06/2012: €97.5m)
- Sale as at 04/12/2012: €96.0m
- Capital loss: €8.9m (including restoration, disposal fees, mortgage)

Disposal impact

- Loan and hedging payback: €70m + €5m
- Equity: €20m
- No compulsory dividend (REIT status)

Cashflow allocation

- LTV decrease
- Partial reallocation to new more profitable investments

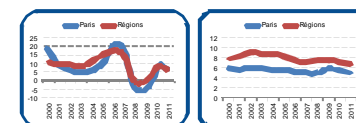
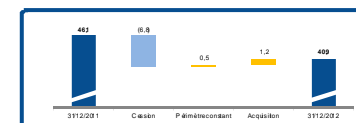


INVESTMENTS AND DISPOSALS

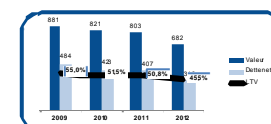
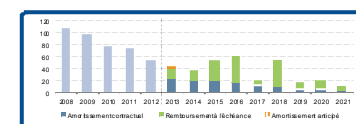
BAUDRY, A STRATEGIC LOGIC



- Operational
 - EPRa earnings: -€2.3m
 - Paris exposure: -13 points
 - Occupancy rate: -1.2 point
 - Yield: +40 bps
- Financial structure
 - Debt: -€70m
 - LTV: -5.3 points



Year	Yield (%)	Yield (bps)
2011	5.5%	55
2012	6.0%	60
2013	6.4%	64
2014	6.9%	69
2015	7.3%	73
2016	7.7%	77
2017	8.1%	81
2018	8.5%	85
2019	8.9%	89
2020	9.3%	93
2021	9.7%	97



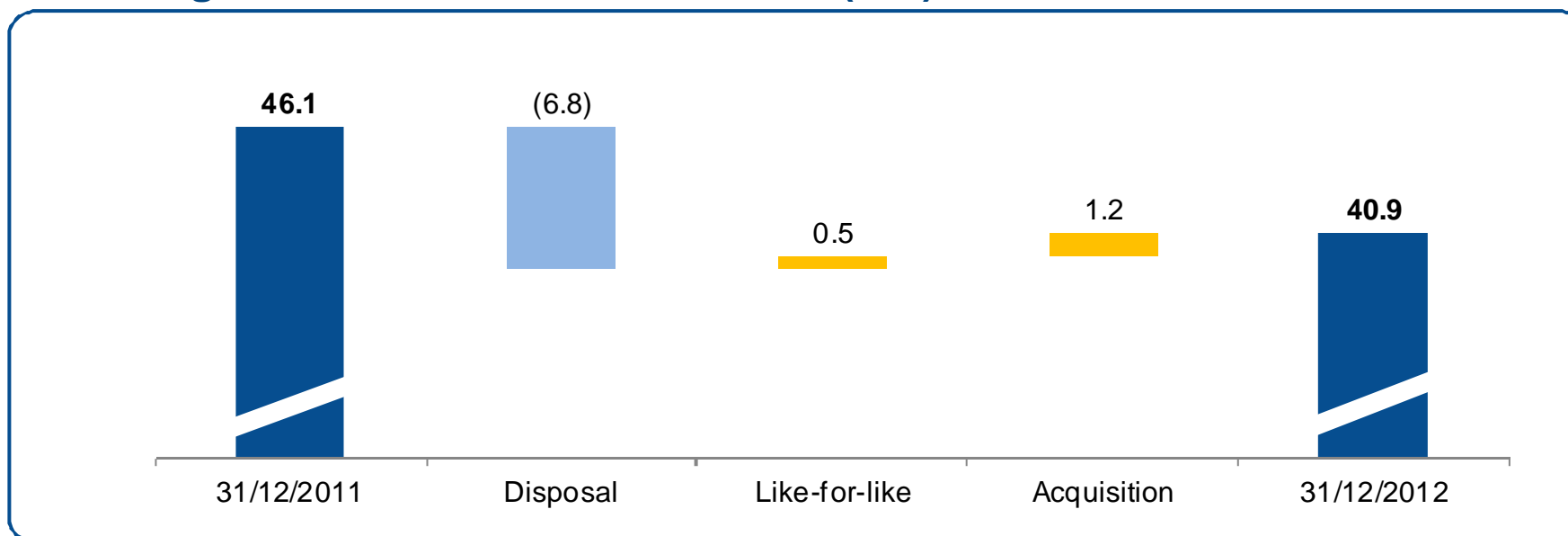


PERFORMANCE OF THE PORTFOLIO





- Change in headline rents annualized (€m)



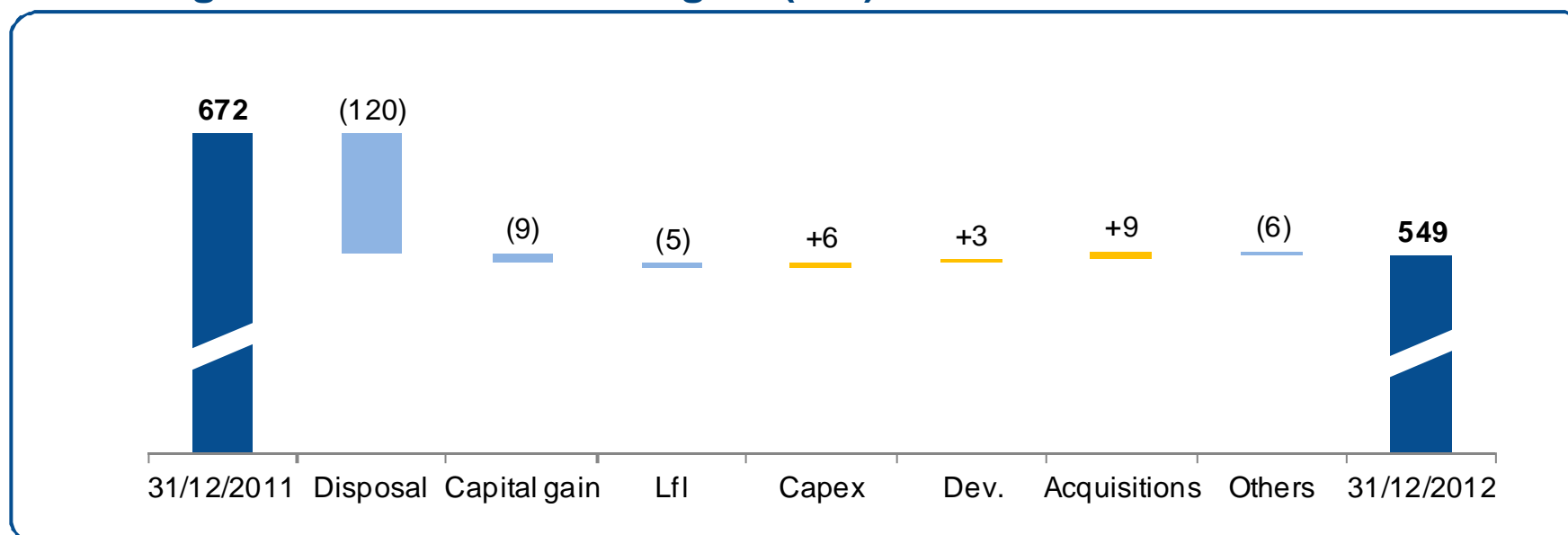
- Headline rents change: -11.2%

PERFORMANCE OF THE PORTFOLIO

STABLE PORTFOLIO



- Change in fair value excluding TT (€m)



- Breakdown of the 1.3% decrease in fair value on a like-for-like basis**

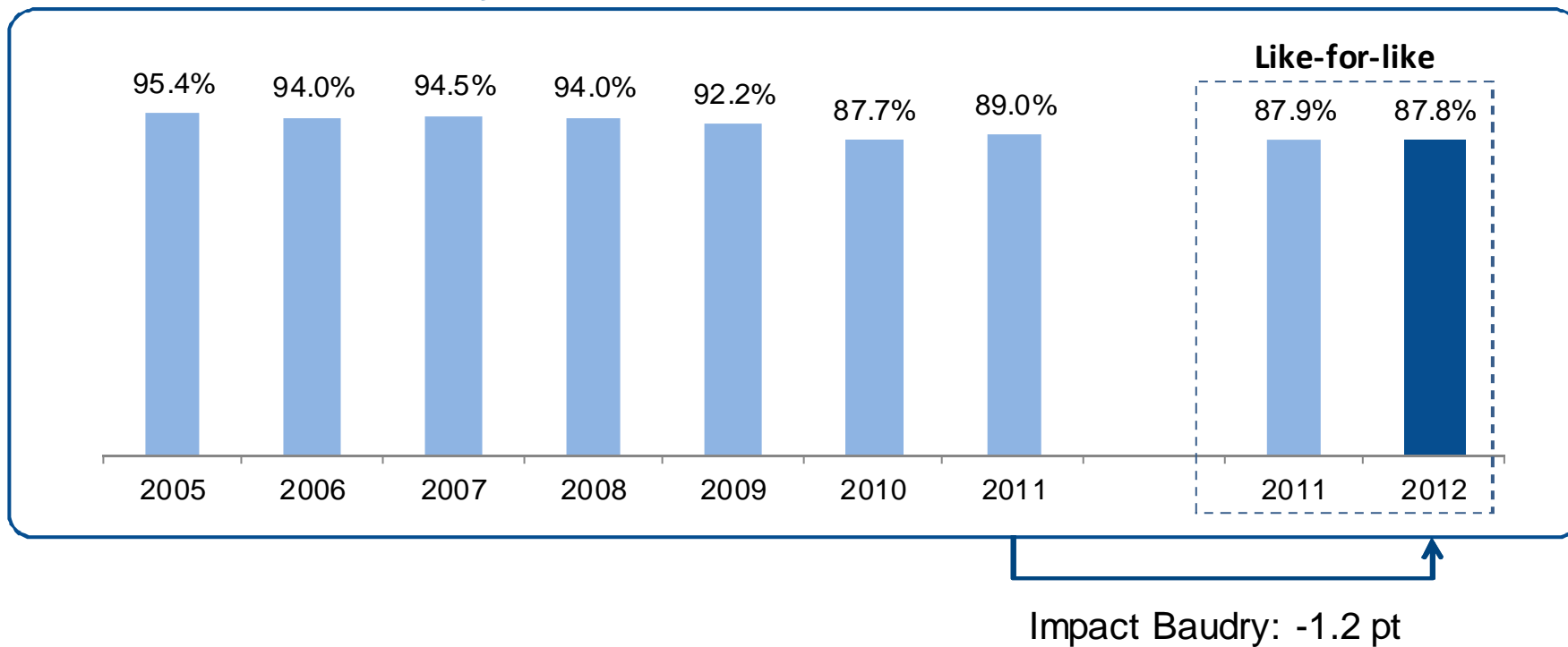
- Market rent effect (ERV): -2.3%
- Cap rate effect: -1.2%
- Miscellaneous: 2.2% (works, reversion, ...)

PERFORMANCE OF THE PORTFOLIO

STABLE OCCUPANCY RATE

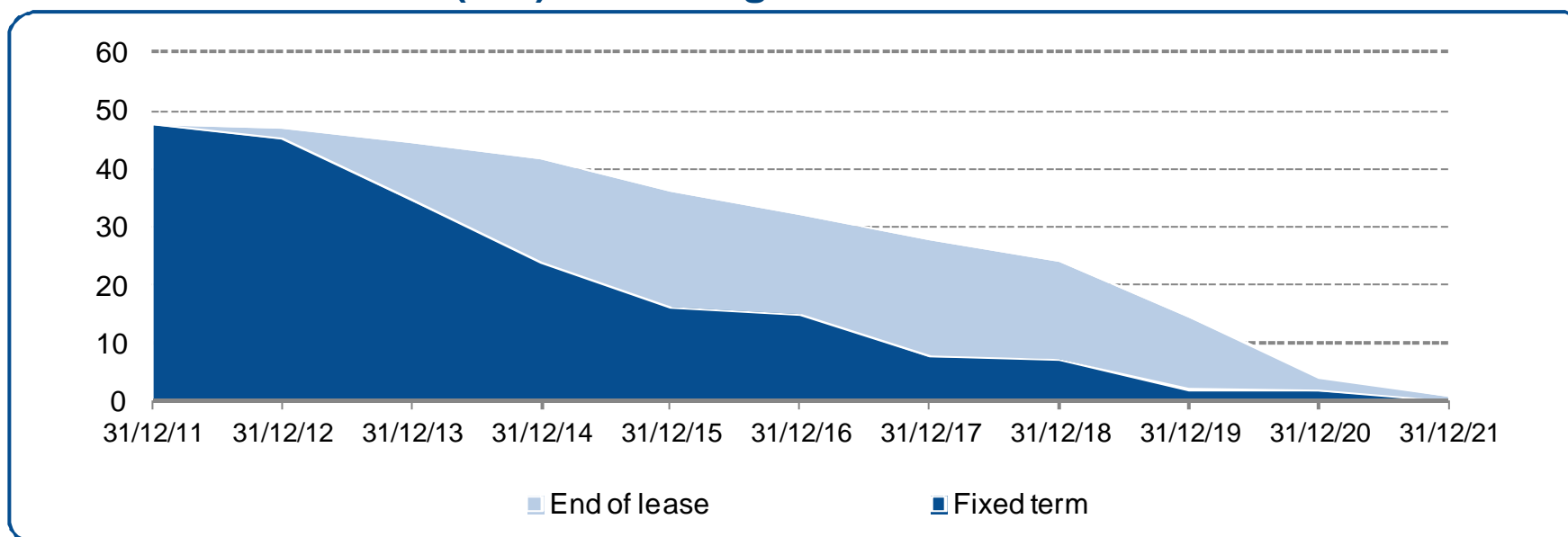


- Financial occupancy rates (EPRA)





- **Schedule in rents (€m) according to lease duration**



- Average time up to next break option: 2.8 years
- Average time up to lease expiry: 5.1 years
- 35 new leases (7,800 sqm ; €1.2m)
- 17 renegotiated leases (75,900 sqm ; €4.4m)
- 14 terminated leases (9,700 sqm ; €1.2m)

PERFORMANCE OF THE PORTFOLIO

PORTFOLIO YIELD



- Return by asset type

	Portfolio Split in value	Headline yield	Potential yield
Paris (Offices)	16.6%	5.2%	5.3%
Offices (other regions)	42.8%	7.3%	8.2%
Retail	13.7%	5.7%	7.8%
Warehouses & Industrials	26.3%	8.3%	9.2%
Others	0.6%	NM	NM
Total	100.0%	7.0%	8.0%

PERFORMANCE OF THE PORTFOLIO

BANIMMO



More details on
www.banimmo.be

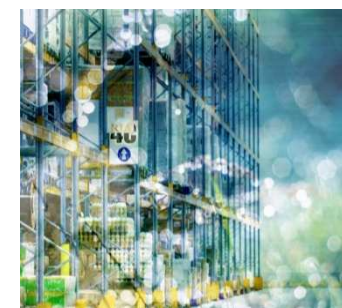
- **Repositioning property company**
 - Portfolio: 24 buildings; Gross rental income: €17.8m; value: €414m.
- **Key events**
 - Development of an 8,000 sqm office in Charleroi (Belgium)
 - Acquisition of a 27,000 sqm building in Rocquencourt (78) to be converted into a hotel/ conference center
 - Acquisition of a retail gallery inactive in Suresnes (92)
 - Delivery of a 7,200 building in Ghent (Belgium)
 - Launching of the Halles Secrétan operation
 - 3 disposals: sale of usufruct receivables on an office building (€11.1m), retail in Orléans, plot of land
- **Results**
 - Operational result: €14.7m (vs €15.1m)
 - Net result: €2.7m (vs €1.2m)
 - Intrinsic value / share : €15.08



PERFORMANCE OF THE PORTFOLIO DEVELOPMENT



- **Concerto European Developer**
 - Development of logistics platforms
 - 21,000 sqm let to Sunclear through a 9-year fixed lease in the Paris region, to be completed by the end of April 2013;
 - 25,000 sqm let to Eurodif through a 9-year fixed lease in Troyes, to be completed by Spring 2013;
 - 19,000 sqm let to Solodi (subsidiary of Devanlay) through a 9-year fixed lease in Troyes, to be completed by early 2014;
 - Honfleur: agreement with Shema for the development of the logistic activities on the port (Seine axis)
 - Sant Feliu de Buixalleu (Spain):
 - First building completed (3,700 sqm),
 - Project under construction (10,700 sqm) for delivery at the end of 2013.
- **Promaffine**
 - Completion of 2 residential joint development in Nanterre and Marseilles





CONSOLIDATED ACCOUNTS*

*Proforma for the 31/12/2010 and the 31/12/2011 with the consolidation of Banimmo and Jardin des Quais through the equity method over the full period.



CONSOLIDATED ACCOUNTS*

CONSOLIDATED EARNINGS



(€m)	31/12/10	31/12/11	31/12/12
Gross rental income	50.0	48.3	46.4
Net rental income	42.6	43.1	41.3
Other income	5.1	3.6	4.3
Corporate expenses	(13.1)	(12.0)	(10.9)
Current EBITDA⁽¹⁾	34.6	34.7	34.6
Current operating profit	34.4	34.6	34.5
Other incomes and expenses	(4.2)	(2.6)	(1.6)
Net profit or loss on disposal	(0.5)	2.9	(8.5)
Operating profit (before value adj.)	29.7	34.9	24.5
Net balance of value adjustments	(3.8)	1.7	(5.2)
Net operating profit⁽²⁾	25.9	36.6	19.2
Net financial cost	(19.6)	(18.2)	(16.9)
Fair value adjustments of hedging instr.	(0.1)	(2.3)	(1.5)
Taxes	0.3	(0.4)	0.1
Associates	3.0	1.3	3.4
Miscellaneous	1.1	(0.4)	0.3
Net profit	10.5	16.6	4.6
Net profit – group share	10.3	15.3	4.7
EPRA earnings – Net recurring profit	16.0	18.5	19.9

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

CONSOLIDATED ACCOUNTS*

CONSOLIDATED CASH FLOW



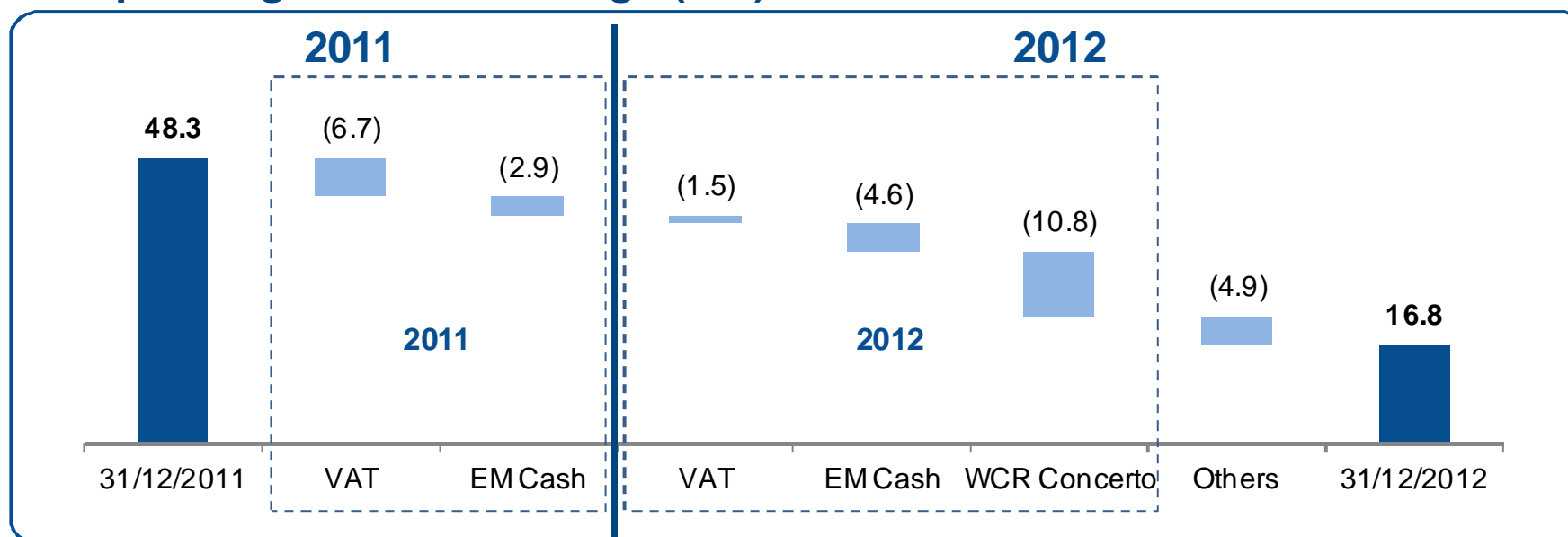
(€m)	31/12/10	31/12/11	31/12/12
Funds from operation	27.7	19.7	17.9
Funds from operation (excluding cost of debt and tax)	45.9	38.8	33.3
Change in WCR	(3.1)	10.1	(16.4)
Taxes paid	(3.3)	(0.6)	(0.0)
Operating cash flow	39.6	48.3	16.8
Acquisitions & Investments	(24.4)	(25.5)	(20.5)
Disposals	88.4	47.2	131.2
Others	3.2	1.6	0.8
Investment cash flow	67.1	23.3	111.5
New loans	19.6	24.2	35.9
Loan repayments	(94.8)	(59.6)	(123.8)
Interest	(20.1)	(19.4)	(16.5)
Others (of which dividends)	(16.7)	(18.4)	(15.7)
Financing cash flow	(112.0)	(73.0)	(120.2)
Change in cash position	(5.2)	(1.4)	8.2

CONSOLIDATED ACCOUNTS*

CONSOLIDATED CASH FLOW



- Operating cash-flow change (€m)



- Disappearance:**

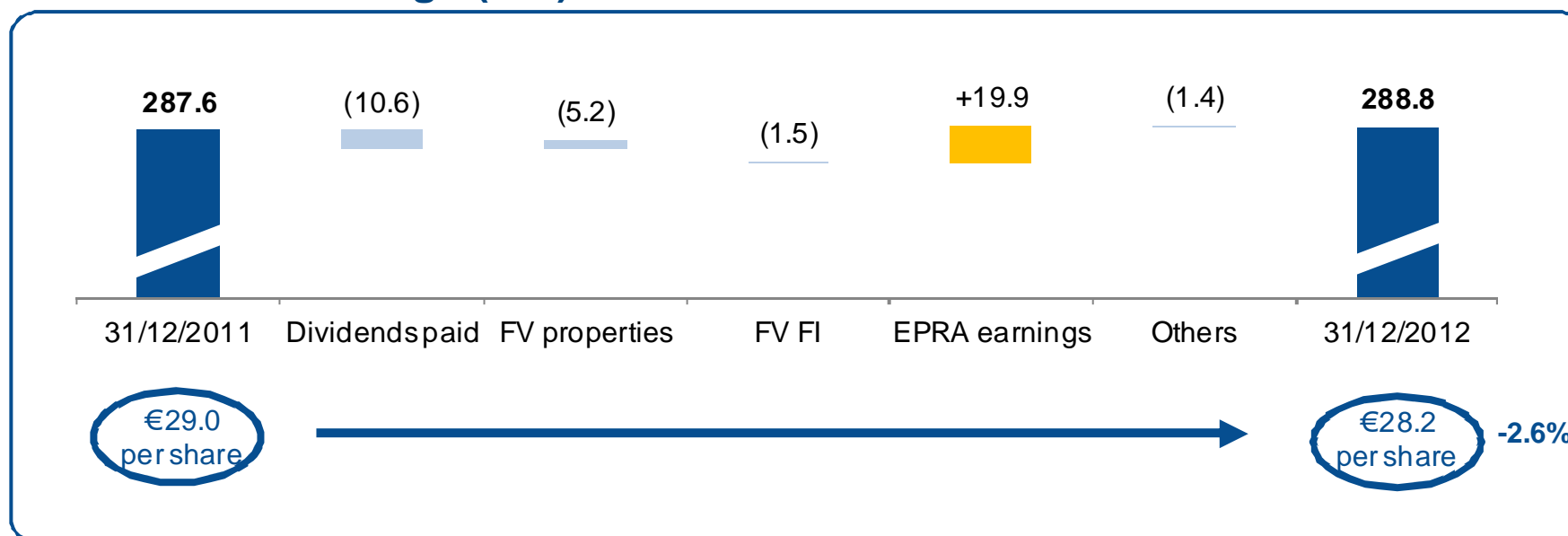
- VAT recovery
- Cash brought back from Associates

- New elements:**

- VAT claim
- Cash advance for Associates
- WCR Concerto change (Sunclear & Eurodif)



• EPRA NAV change (€m)



- Based on the Net Asset Value of Banimmco
- Excluding PSL (TSDI)
- Number of shares increased (Affine/AffiParis merger): 3.1%



FINANCING

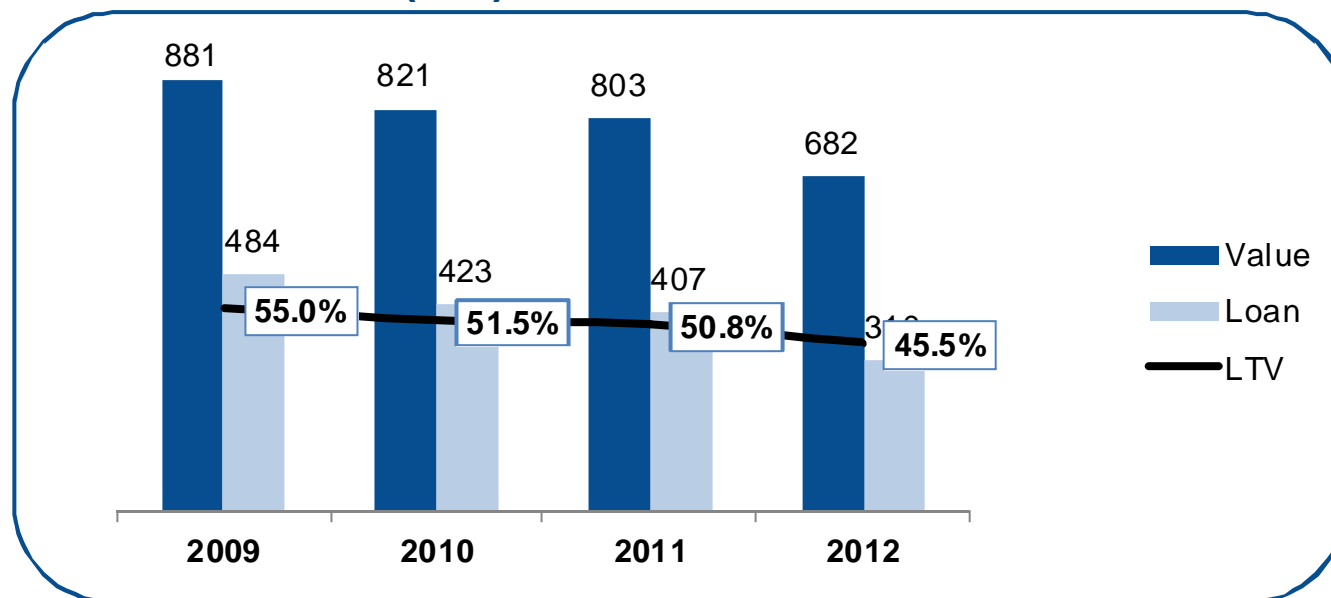


FINANCING

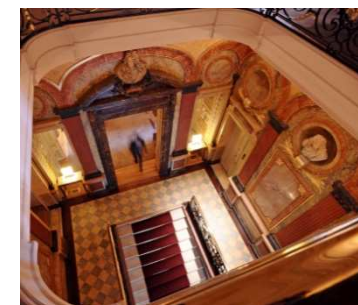
MARKED IMPROVEMENT OF THE LTV



- LTV of 45.5% (€m)**



- Average financing cost of 2.5%, or 3.8% hedging included
- Floating interest rate risk almost completely hedged



FINANCING

FAVOURABLE CREDIT ACCESS



- **Banks relationship diversified**
 - 6 main banks and an average outstanding of €30m by bank
 - An average loan of €6m
 - Average duration of 5.7 years
 - Financing asset by asset with mortgages
 - Amortizable over long term
- **Financing in 2013**
 - 9 credits for an amount of €36m (€41m agreed)
 - Acquisition in Lille (€7m)
 - Concerto financing (€3m out of €8m)
 - Bond (€5m)
 - Refinancing of existing assets (€21m)
- **Refinancing of the amortisation for 2013 underway**

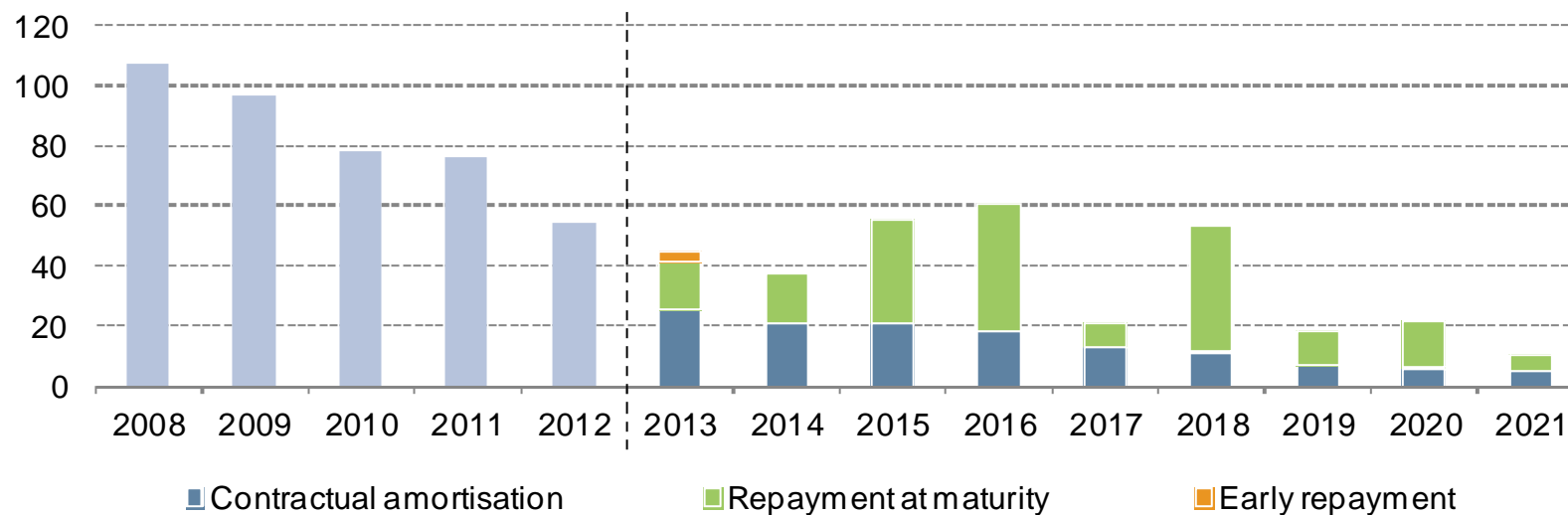


FINANCING

A SMOOTHED DEBT PROFILE



Amortisation of debt (€m)



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



STRATEGY & OUTLOOKS



STRATEGY & OUTLOOK

OUR STRATEGY



Leverage our expertise

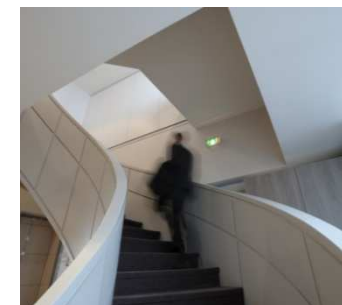
- Expertise in commercial real estate (offices, retail, warehouses), on the Parisian and regional markets
- Properties requiring refurbishment (Affine) or repositioning (Banimmo)
- Proven track-record of access to credit facilities, including in difficult market conditions

Focus investments on a few core regions

- Target areas with long-term growth potential (demographic, economic): Greater Paris region and major French cities (Paris, Bordeaux, Lille, Lyon, Marseille, Nantes, Toulouse)
- Establish long-term partnerships with local authorities
- Unit investment of €10m to €30m
- Achieve economies of scale

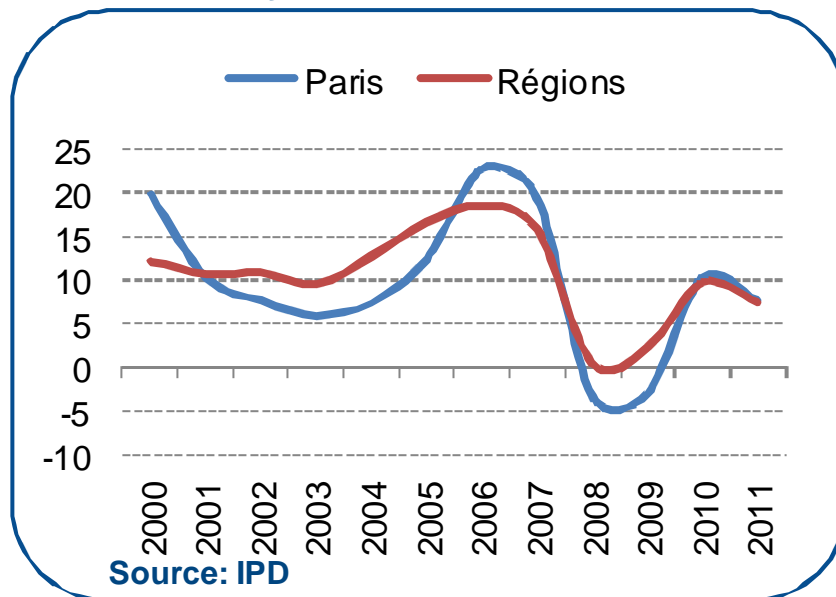
Become a client-oriented organisation

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

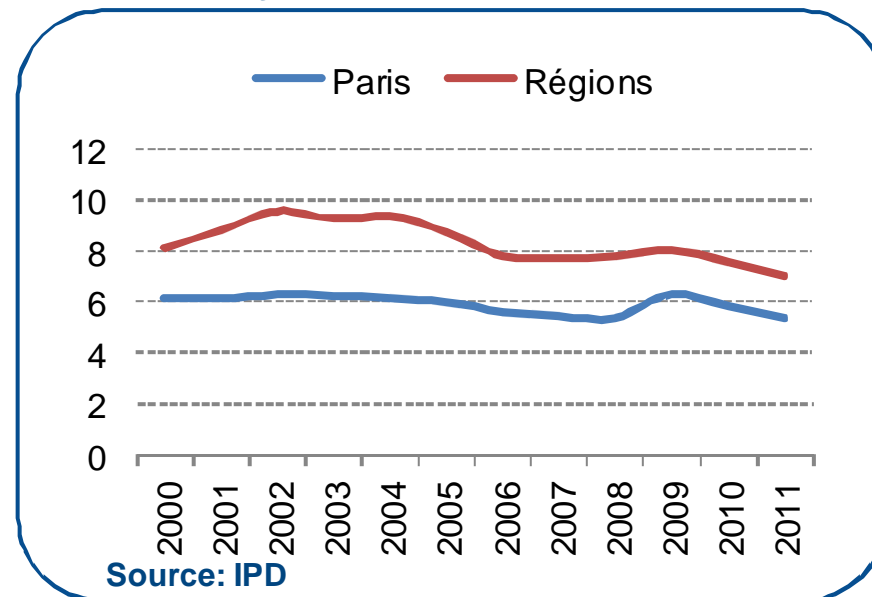




Capital yield (%)



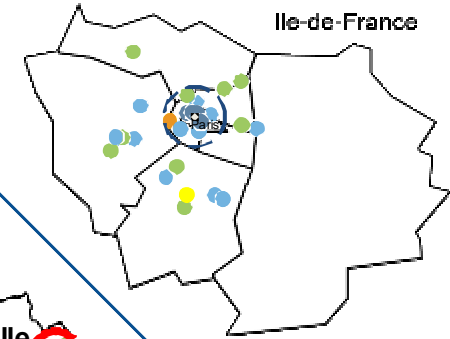
Rental yield (%)



Regions present a total return more stable

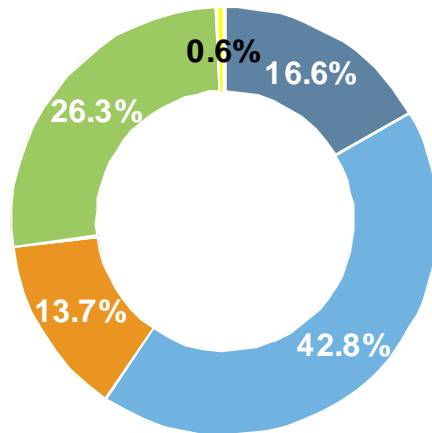
- A variability of 35 % less than the Paris one

- An average yield of 200 bps above Paris one

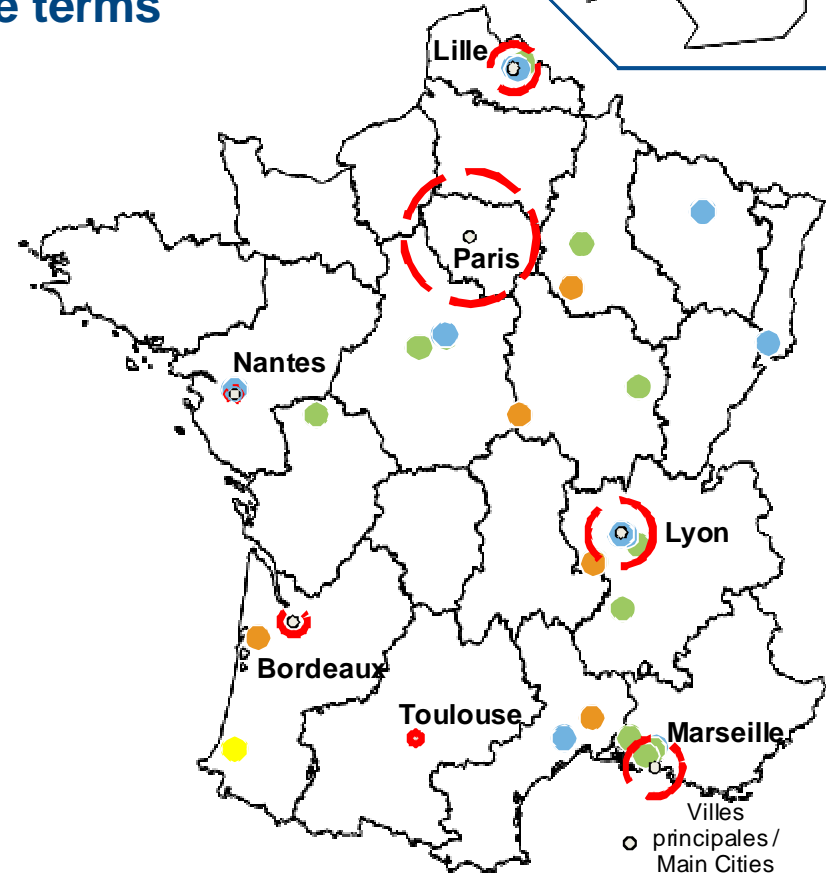


Breakdown of the portfolio in value terms

By area of expertise



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





Continue the improvement of our portfolio

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

Improve rental performance

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

Maintain a prudent financing strategy in an uncertain environment

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



CONTACTS



Affine

Maryse Aulagnon
Chairperson and CEO

Alain Chaussard
Vice-Chairman and Co-CEO

+ 33 (0)1 44 90 43 10 – info@affine.fr

Frank Lutz
Financial Communication & Investor Relations
+ 33 (0)1 44 90 43 53 – frank.lutz@affine.fr



Liquidity contract:

Kepler

Website:

www.affine.fr

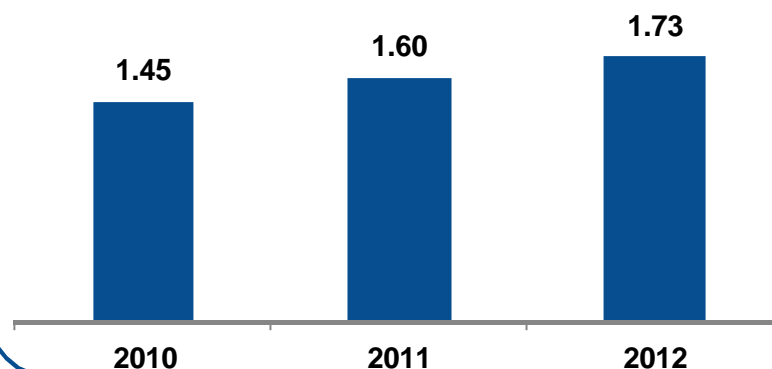
APPENDIX



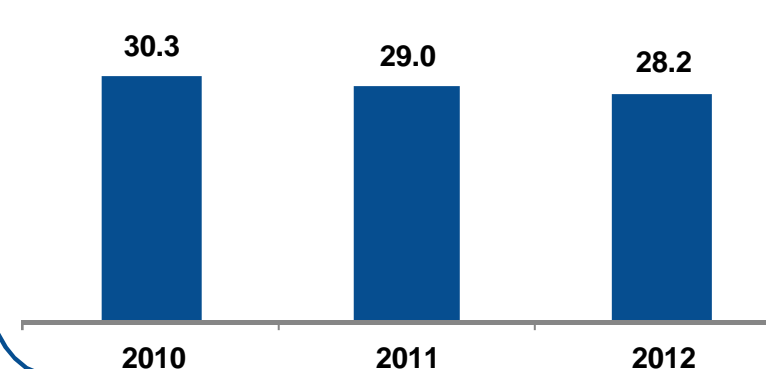
APPENDIX - AFFINE KEY FIGURES



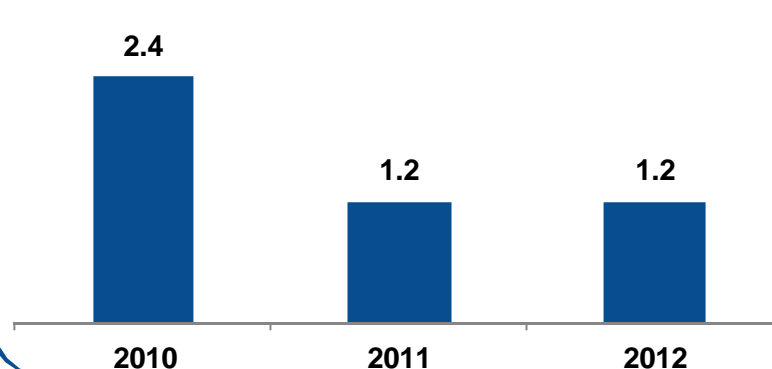
EPRA earnings per share (€)



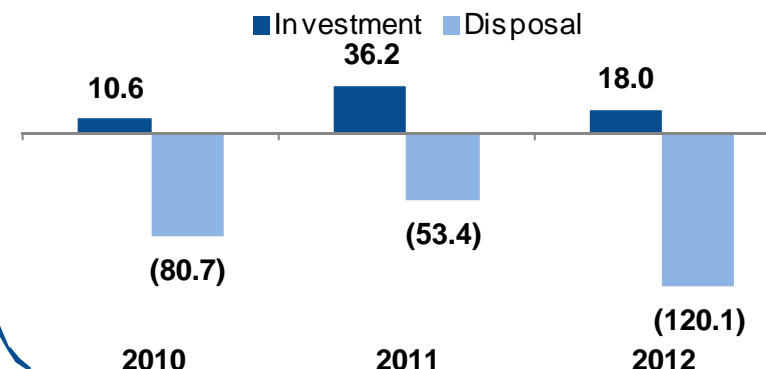
EPRA NAV per share (€)



Dividend per share (€)



Capital recycling (€m)



APPENDIX - CONSOLIDATED ACCOUNTS*

CONSOLIDATED BALANCE SHEET



(€m)	31/12/10	31/12/11	31/12/12
Properties	686.5	672.2	549.3
<i>of which investment properties</i>	611.1	520.8	522.0
<i>of which property held for sale</i>	75.4	151.4	27.3
Equity holdings	0.2	0.3	0.1
Equity affiliates	84.0	85.8	89.6
Cash	23.7	23.3	32.6
Other assets	126.5	99.4	90.7
Shareholders equity (before allocation)	362.5	362.2	351.4
<i>of which convertibles</i>	31.7	20.8	20.8
<i>of which PSL</i>	73.3	73.4	73.2
Bank debt	485.6	453.6	360.9
Other liabilities	72.8	65.2	49.8
Total balance sheet	920.9	881.0	762.2

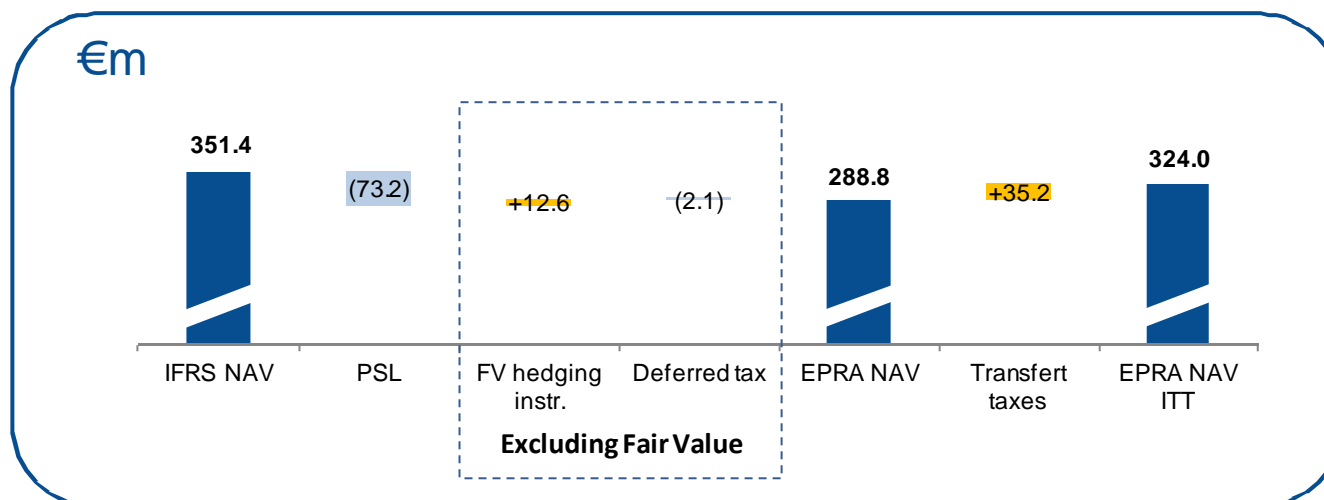
APPENDIX - CONSOLIDATED ACCOUNTS*

NET ASSET VALUE - PROFORMA



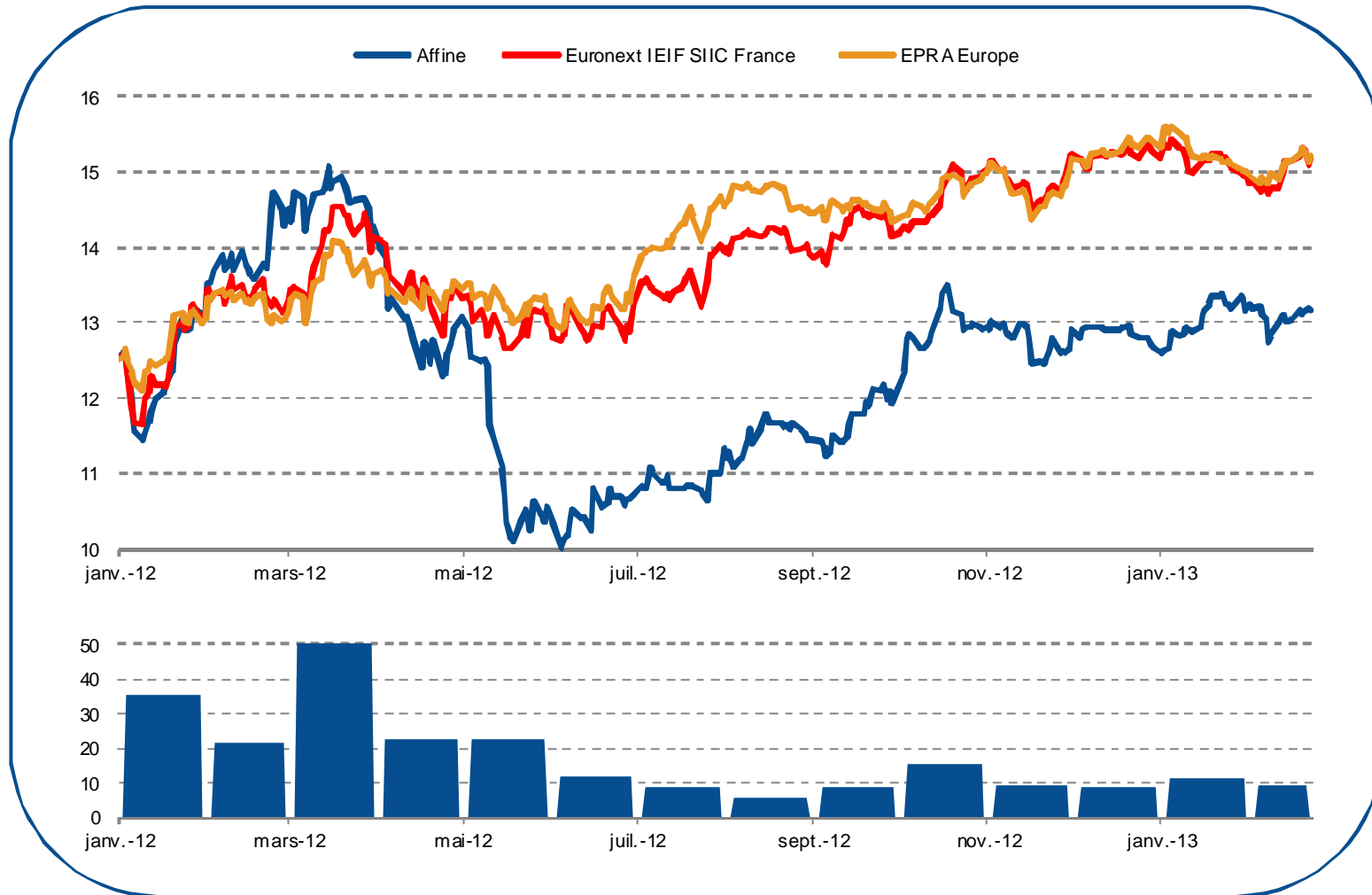
(€m)	31/12/10	31/12/11	31/12/12
Shareholders' equity (before allocation)	347.5	348.4	351.4
PSL adjustment	(73.3)	(73.4)	(73.2)
Fair value adjustments to hedging instr.	9.5	14.3	12.6
Net deferred tax	(1.8)	(1.7)	(2.1)
EPRANAV (excluding transfer tax)	281.9	287.6	288.8
EPRANAV (including transfer tax)	322.4	326.5	324.0

EPRANAV (excluding transfer tax) per share (€)	30.3	29.0	28.2
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APPENDIX - AFFINE ON THE STOCK MARKET

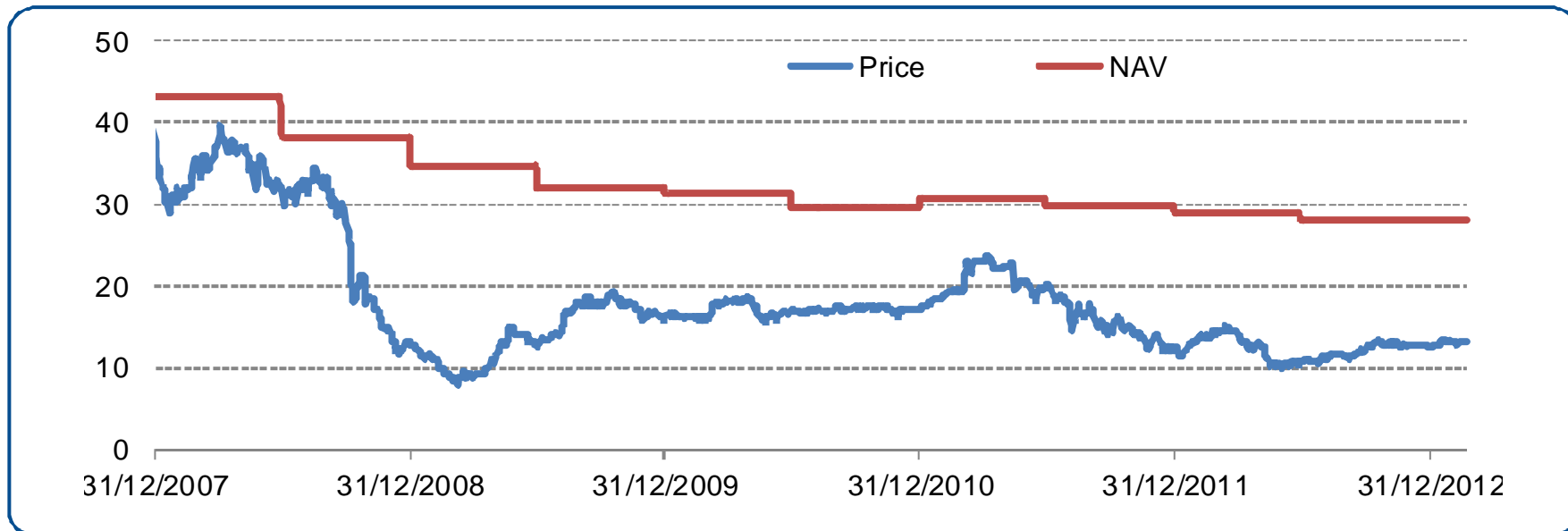
SHARE PRICE (€) AND AVG TRANSACTION VOL. (000)



HIGH POTENTIAL OF THE SHARE PRICE



- **EPRA NAV per share and share price (€)**



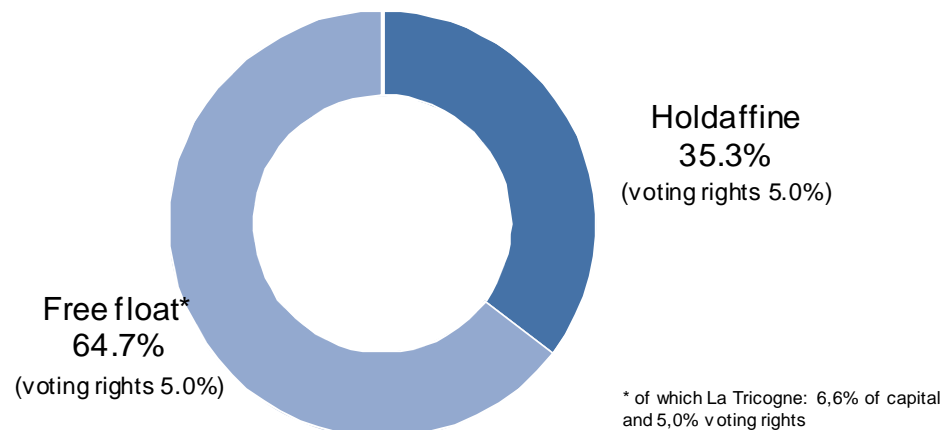
APPENDIX - AFFINE ON THE STOCK MARKET

SHAREHOLDING



Shareholding

- Annualised capital turnover rate of 56% based on the float
- Annualised capital turnover rate of 87%



Affine is listed on NYSE Euronext Paris

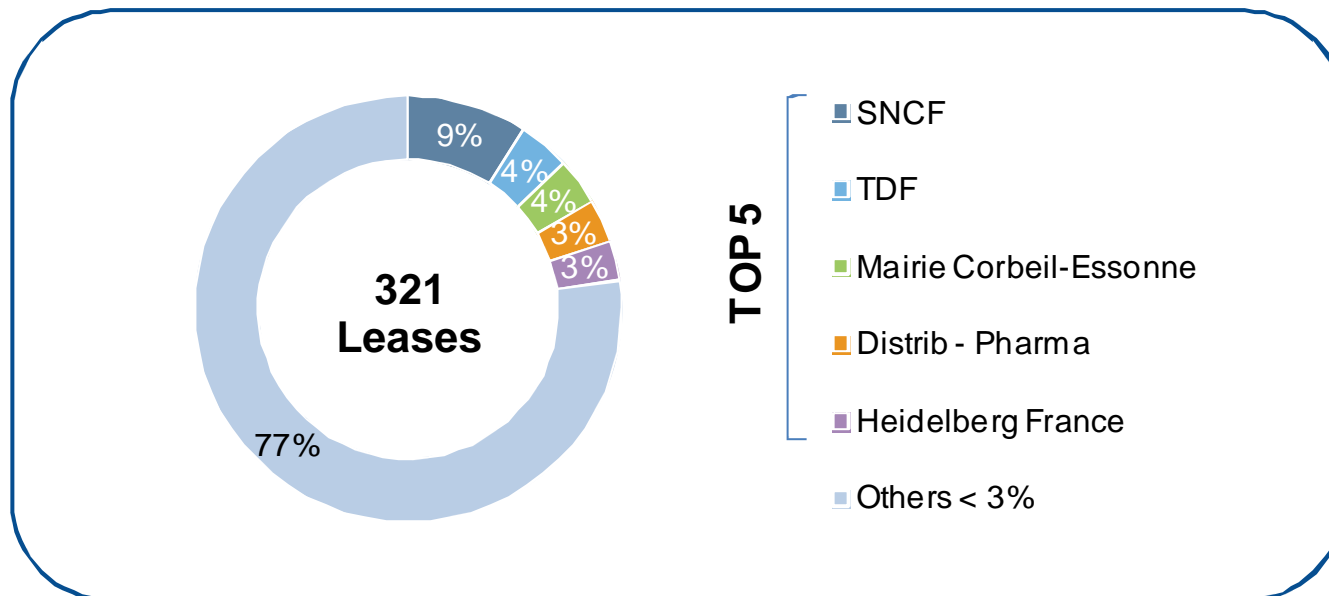
31 Dec 12

Number of shares	9,033,959
Share price	€12.61
Market capitalisation	€113.9m
Change in FY 2012	0.9%
EPRA earnings per share	€1.73
Ticker (Bloomberg / Reuters)	IML FP / BTTP.PA

A DIVERSIFIED RISK ON TENANTS

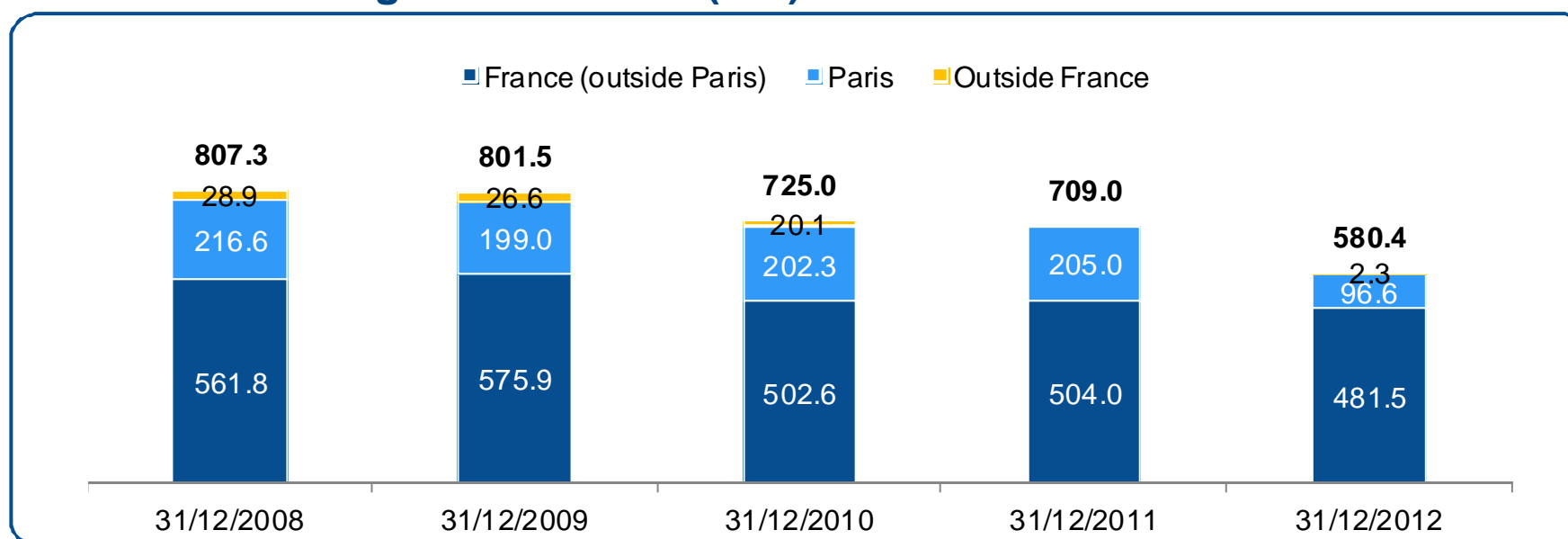


- **A diversified portfolio of customer – Breakdown of rents**



- Overall, the group has 321 leases corresponding to an average rental income of €128,000 by tenant or €100,000 excluding the TOP5

- Value including transfer taxes (€m)



- A fair value stable (-1.3%) on a like-for-like basis between 2011 and 2012

APPENDIX

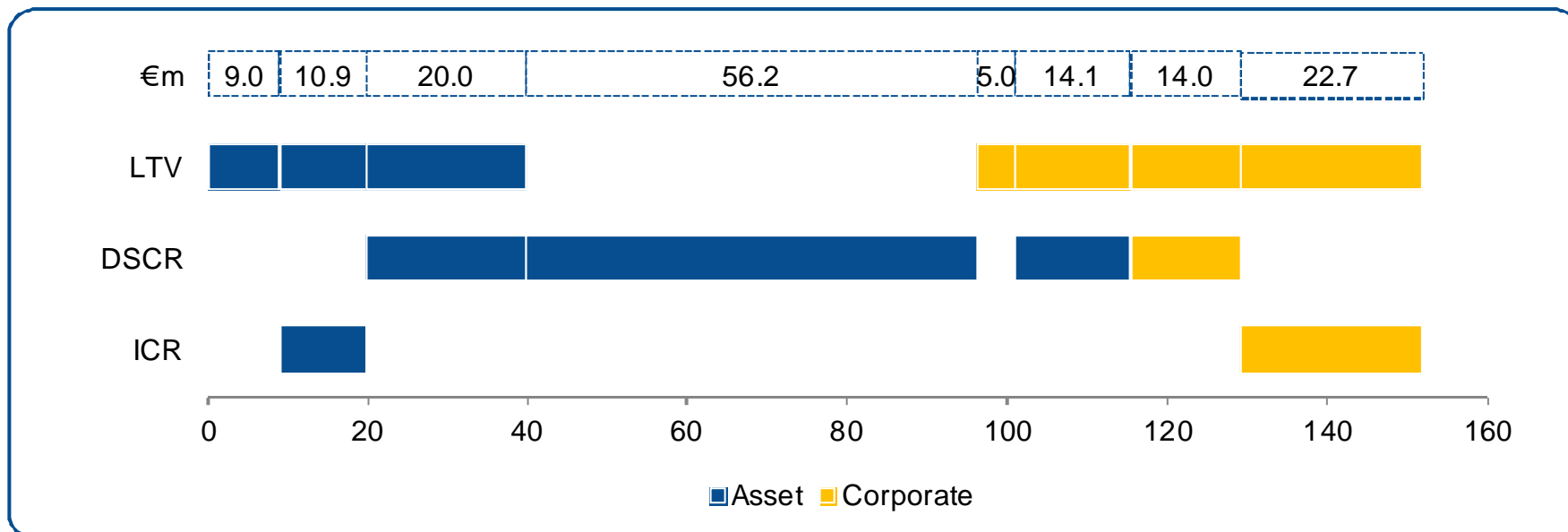
CALCUL OF LTV (NET DEBT / PORTFOLIO VALUE)

	(€m)	31/12/10	31/12/11	31/12/12
LOAN	Net financial debt	465	435	334
	Debt allocated to lease financing	(42)	(27)	(23)
	Debt allocated to investment securities			
	Debt allocated to development business			
	Debt for investment properties	423	407	310
VALUE	Value of properties (incl. TT)	725	709	580
	Property companies on equity basis	84	84	88
	VEFA & Fixed assets adjustments	12	10	14
	Adjusted portfolio value incl. taxes	821	803	682
LTV (net debt on portfolio value)		51.5%	50.8%	45.5%

APPENDIX COVENANTS



- **Breakdown of covenants**



- Compliance with all covenants

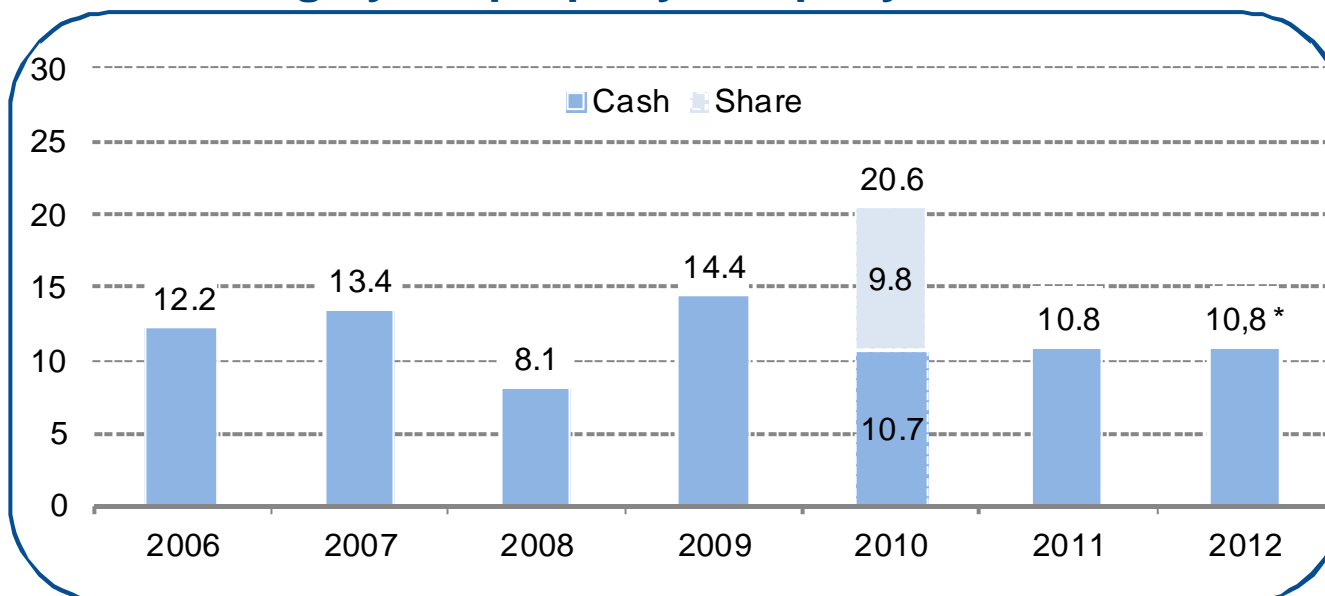
- **Banimmo**

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

APPENDIX DIVIDEND



- Affine, high yield property company**



- A 9.5% yield based on the share price of 31/12/2012 (€12.61)

* Subject to approval by the General Meeting of shareholders on 24 April 2013