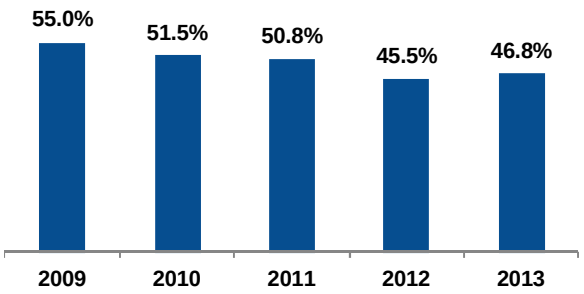
YEAR RESULTS

AFFINE

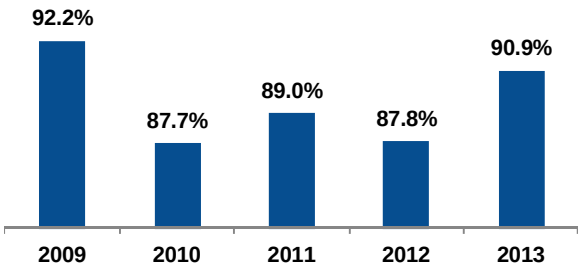
Presentation of
19 February 2014

MILESTONE – 2009-2013 CHANGES

LTV reduction

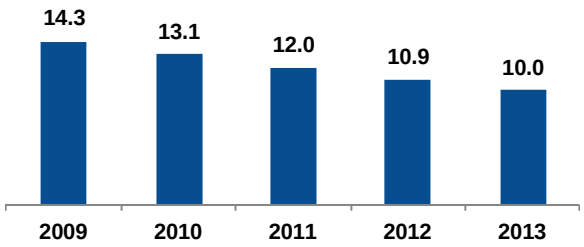


Occupancy rate improved



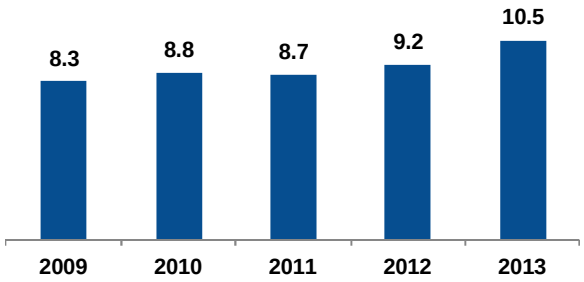
Corporate expenses reduced

(€m)



Average size of the building increased

(€m)



KEY TAKEAWAYS

CHANGE IN PORTFOLIO

- Rents up 0.9% on a like-for-like basis
- Significant hike in occupancy rate (90.9%)
- €25.5m in acquisitions and €7.8m in disposals
- €19.9m in improvements and developments

CONTROLLED LTV OF 46.8% AND COST OF DEBT DOWN TO 3.4%

DECLINE IN EPRA EARNINGS

- (-) Rental income down due to disposals in 2012
- (-) End of residential development projects
- (+) Sharp drop in financial costs
- (+) Decrease in corporate expenses

EPRA NAV PER SHARE OF €25.0

- (-) 3.8% reduction in fair value of buildings
- (-) Net earnings of -€8.8m due to fair value adjustments, particularly for Banimmo

DIVIDEND OF €0.9 PER SHARE

INVESTMENTS AND DISPOSALS

€45M OF INVESTMENTS AND €8M OF DISPOSALS

€25m: acquisition

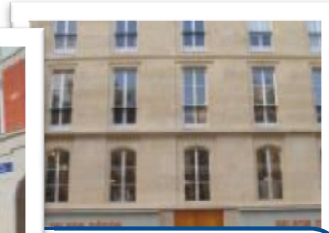
Bordeaux

€20m: Development & Enhancement

Troyes (Concerto)

St Cyr en Val

Arcachon



Paris - Réaumur

€8m: Disposals

Plaisir

Noisy-le-Grand

Croissy-Beaubourg

SAINT CYR EN VAL – RENOVATION

A 39,000 sqm warehouse

- 4 cells and 45 doors
- Temperature-controlled building (Pharmaceutical products)

Air conditioning système renovation

- 17 air con devices replaced on the roof

Fast and coordinated intervention

- Use of a Super Puma helicopter
- ERDF maintenance

RÉAUMUR, A PARTIAL RECONVERSION

1,656 sqm totally refurbished

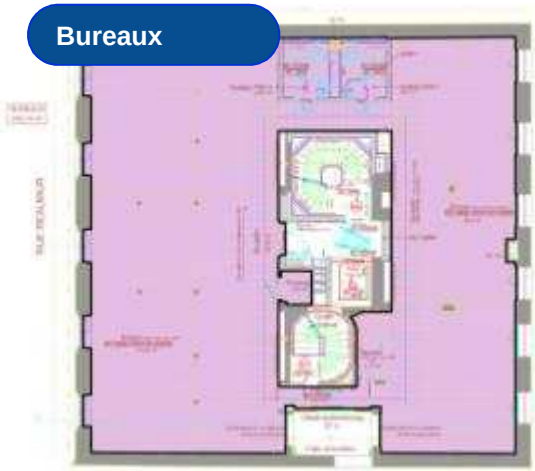
- 741 sqm of offices
- 606 sqm turned into residential
- 309 sqm of retails

Nearby the Marais district

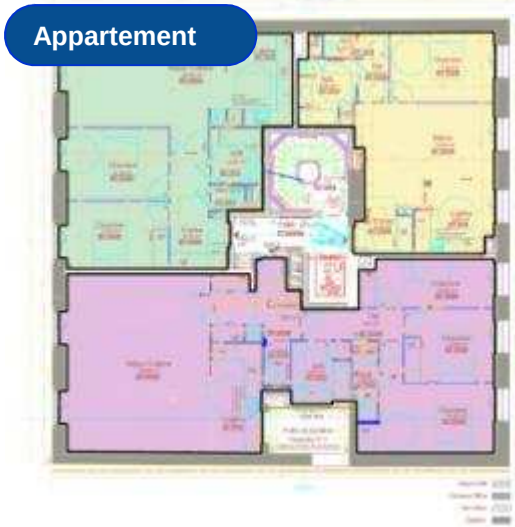
- Located at 100 m of the Arts et Métiers metro station

Works budget estimated at €4m

Bureaux



Appartement

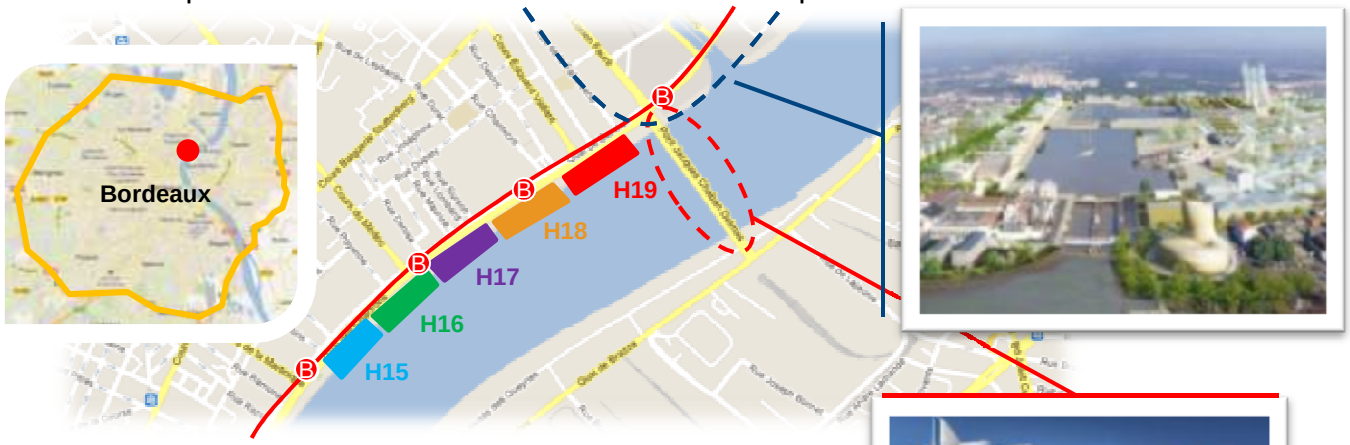


AFFINE

BORDEAUX – PURCHASE OF BANIMMO'S 50%

Jardins des Quais

- Advantage: outlets and restaurants located in the heart of town
- Easy and improved service and enhanced attractiveness
  - 3 stops on the tramway B line & a parking lot for 632 cars
  - Opening of the bridge Chaban-Delmas (March 2013)
  - Development of the ''Bassins à Flot'' urban development zone

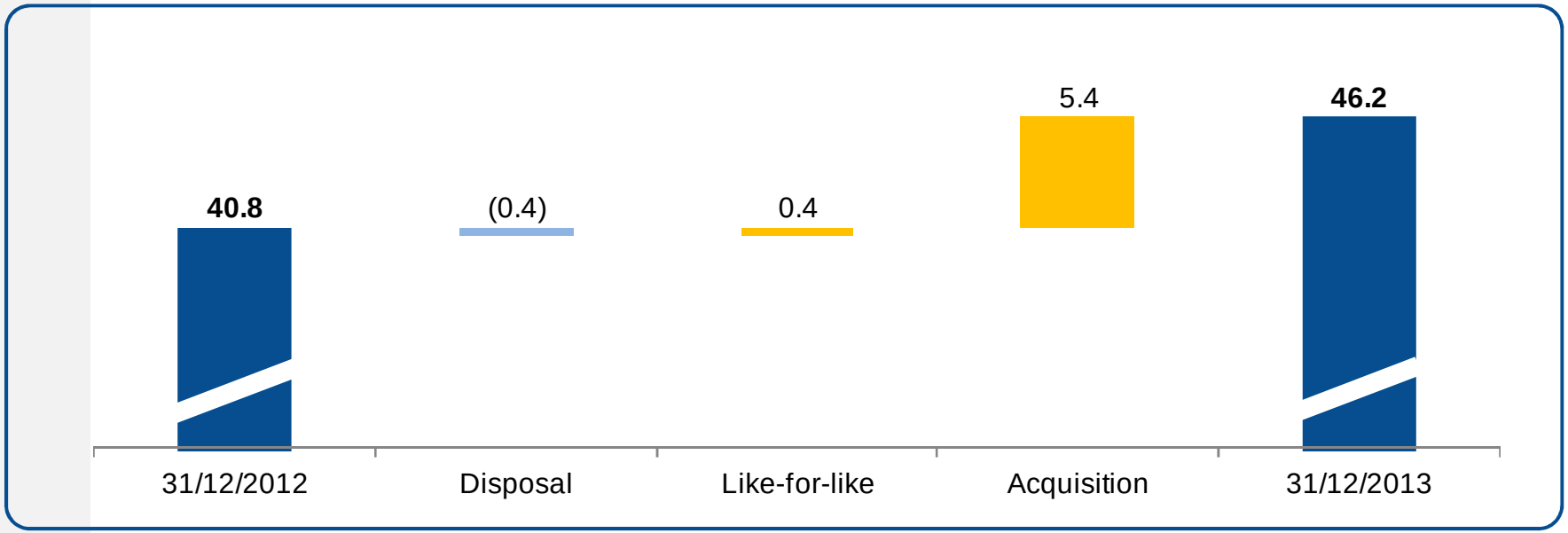


- 24,900 sqm spread over 5 buildings:
  - 8,200 sqm of retail space
  - 4,200 sqm of bars and restaurants
  - 12,500 sqm of office space
  - 632 parking lots
- Marketing finalised: OR 99%

PERFORMANCE OF THE PORTFOLIO

HEADLINE RENTS: +0.9% LIKE-FOR-LIKE

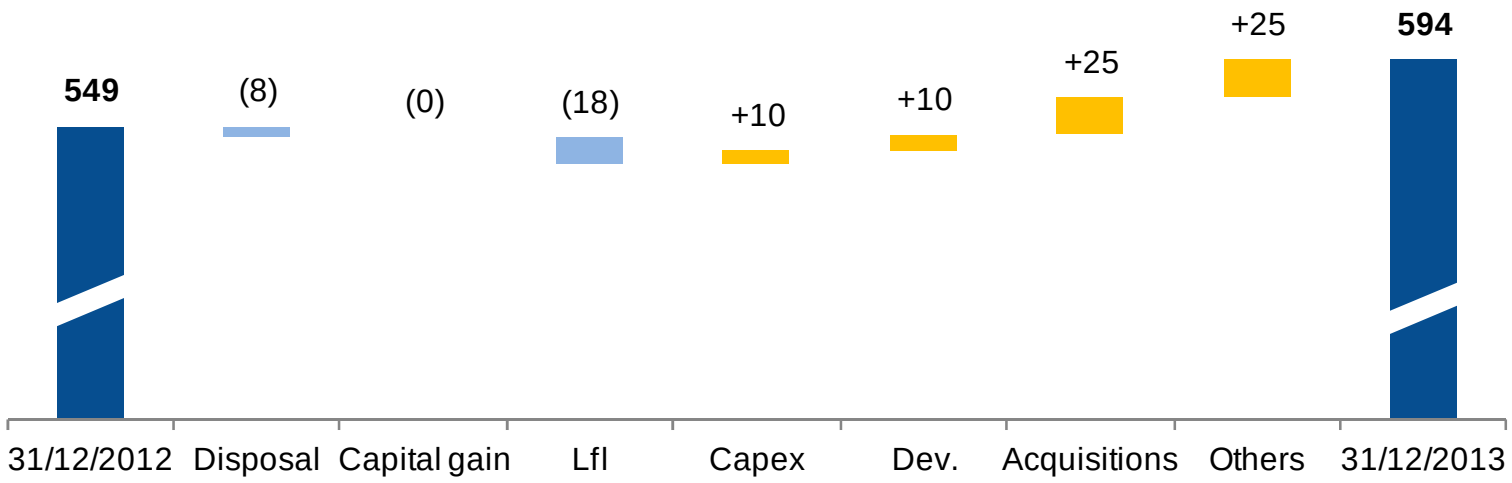
Change in headline rents annualized (€m)



Total headline rents change: +13.2%

8.1% INCREASE OF THE PORTFOLIO VALUE

Change in fair value excluding TT (€m)

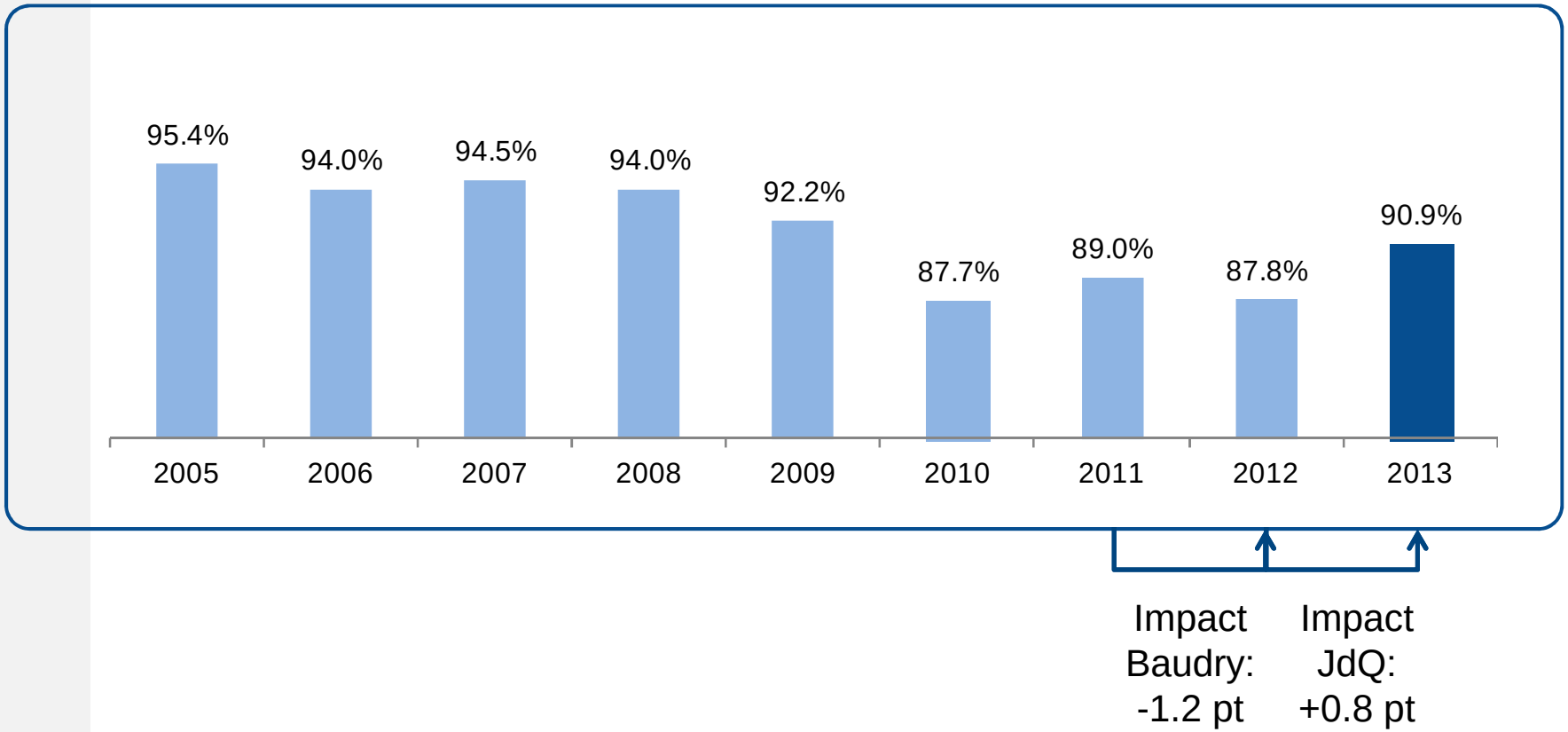


Breakdown of the 3.8% decrease in fair value on a like-for-like basis

- Market rent effect (ERV): -3.9%
- Cap rate effect: -0.5%
- Miscellaneous: 0.6% (works, reversion, …)

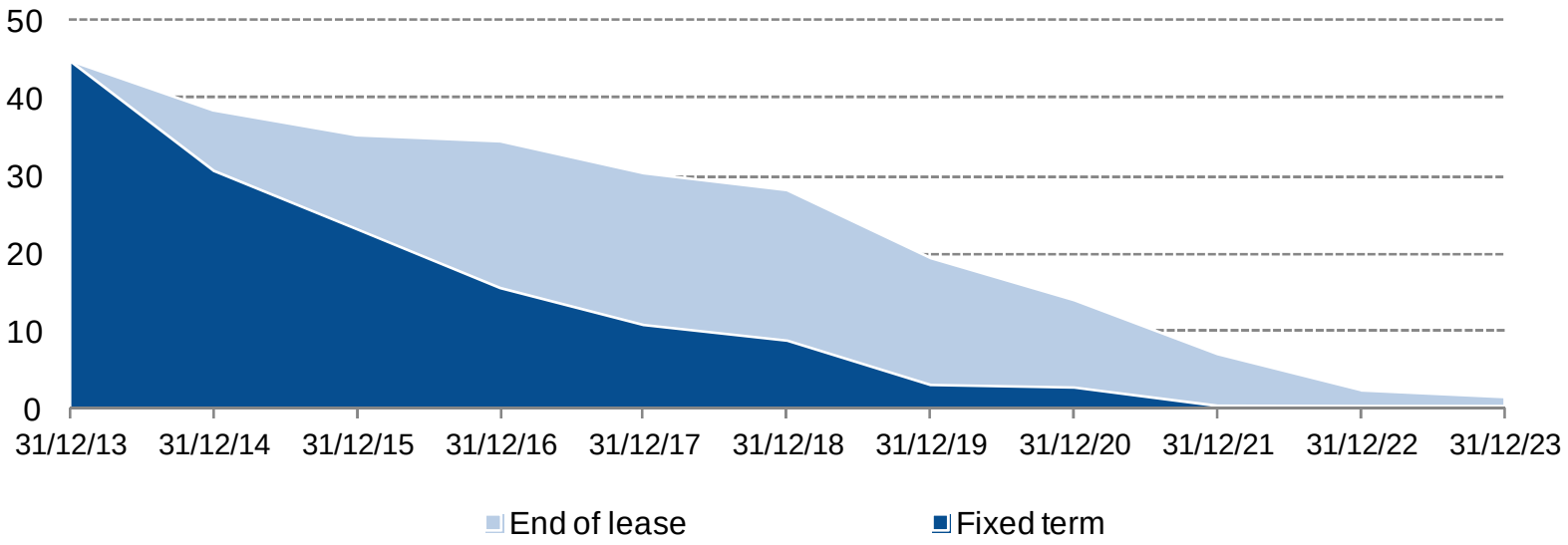
MARKED RISE OF OCCUPANCY RATE

Financial occupancy rates (EPRA)



LEASE AVERAGE DURATION 4.8 YEARS

Schedule in rents (€m) according to lease duration



- Average time up to next break option: 2.3 years
- Average time up to lease expiry: 4.8 years
- 35 new leases (23,900 sqm ; €1.3m)
- 35 renegociated leases (42,400 sqm ; €3.9m)
- 19 terminated leases (10,600 sqm ; €1.6m)

PORTFOLIO YIELD

Return by asset type

	Portfolio Split in value	Headline yield	Potential yield
Paris (Offices)	15.6%	5.1%	5.1%
Offices (other regions)	38.1%	7.4%	8.4%
Retail	21.2%	6.7%	7.7%
Warehouses & Industrials	24.8%	8.8%	9.3%
Total	**100,0%**	**7.3%**	**8,0%**

BANIMMO

More details on
www.banimmo.be

Repositionning property company

- Portfolio: 19 buildings; Gross rental income: €9.9m; value: €366m.

Key events

- Sale of 12,000 sqm of retail in Eragny in the Paris Region (€18.7m)
- Development by Banimmo of 6,500 sqm of offices in Brussels to Marsh & Mc Lennan
- Sale by Banimmo of 6,800 sqm of offices next to Antwerpen (Belgium)
- JV creation with McArthur Glen for a project in Ghent (€180m)
- Acquisition of 14,000 sqm of offices in Antwerpen (€12.7m)
- Signature of 2 sales agreements for retails(€21.8m)
- Development of 7,400 sqm of offices in Ghent for Deloitte
- Sale of 50% stake in Jardins des Quais (€25m)

Results 2013

- Significant negative accounting adjustments on certain assets, in particular, the City Mall participation (-€14.5m).
- Operational result: €7.2m vs €10.2Mio
- Net current result: -€4.2m vs €2.2m
- Intrinsic net value: €12.31 vs €15.08 per share
  Mainly owing to non recurrent adjustments

BANIMMO - THE LOOP

Scheme of 52,800 sqm

- 32,000 sqm McArthurGlen Outlet Centre
- 14,500 sqm leisure
- 6,300 sqm big box store

Scheme

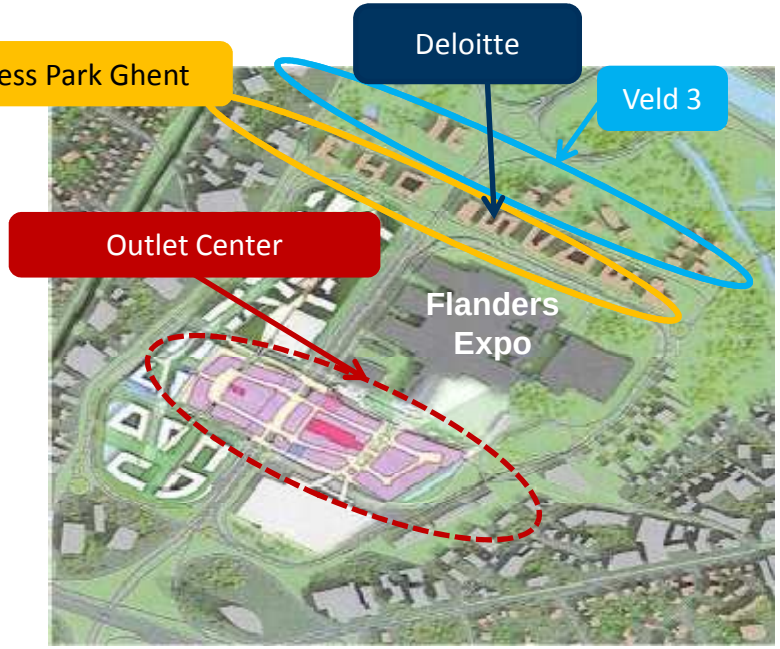
- Development and investment through a joint-venture (50/50) between Banimmo and McArthurGlen
- Construction of a built-to-suit office building for Deloitte (7,400 sqm - end 2015)

Timing

- Conditions precedent: June 2014
- Obtaining necessary permits by year-end
- Start construction: beginning of 2015
- Delivery and opening of outlet centre: end 2016

Investment

- Total investment of about €180m



DEVELOPMENT

Concerto European Developer

- Delivery of 2 logistics platforms
  - Sunclear (21,000 sqm)
  - Eurodif (25,000 sqm)
- Signature with the Devanlay group for the development of a 19,000 sqm logistics platform
- Filing of building permits for the areas of Cambrai and Honfleur
- Project under construction (10,700 sqm) for delivery in Sant Feliu

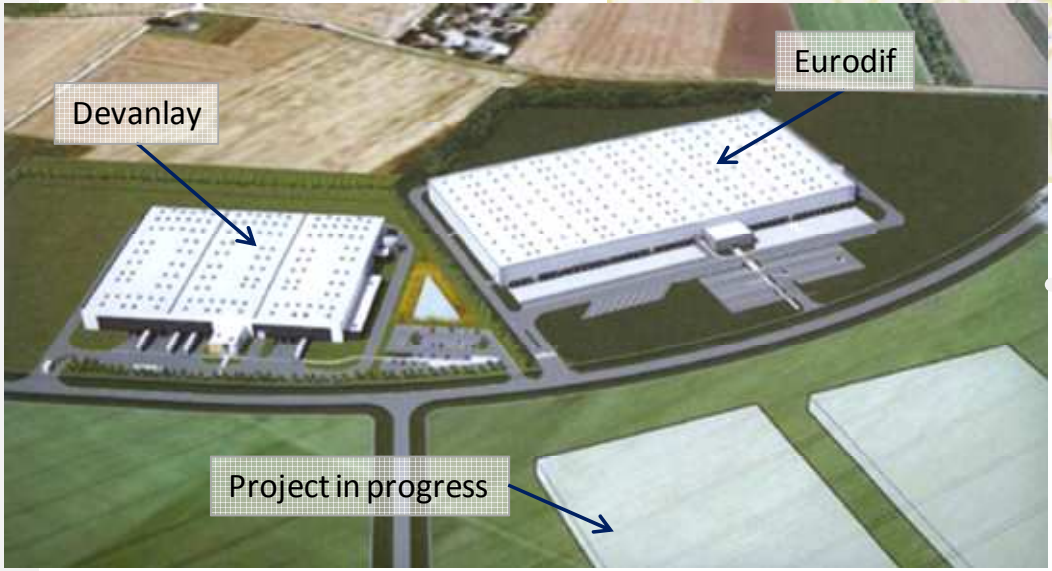
Promaffine

- Completion of 2 residential joint development in Nanterre and Marseilles

AUBE'S LOGISTICS PARK

Location

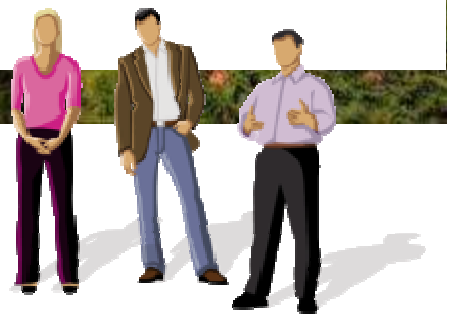
- 1h30 from Paris
- 45 min from Vatry airport
- 1h00 from Nogent-sur-Seine's harbor (axe Seine)
- A5 (Paris-Chaumont-Lyon line)
- A26 (Calais-Marseille line)



Project

- Logistics hub: 250 Hectares
- Potential rent:
  40 € HT HC / m² / an
- Firm lease: 9 years

CONSOLIDATED ACCOUNTS



CONSOLIDATED EARNINGS

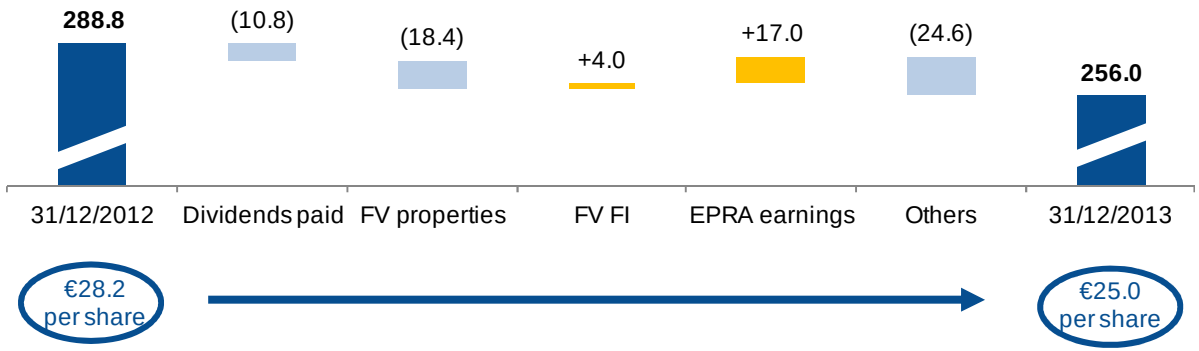
(€m)	31/12/11	31/12/12	31/12/13
Gross rental income	48.3	46.4	40.2
Net rental income	**43.1**	**41.3**	**34.8**
Other income	3.6	4.3	1.9
Corporate expenses	(12.0)	(10.9)	(10.0)
Current EBITDA[(1)]	**34.7**	**34.6**	**26.7**
Current operating profit	**34.6**	**34.5**	**26.5**
Other income and expenses	0.4	(0.1)	0.7
Net financial cost	(18.2)	(16.9)	(11.5)
Taxes	0.0	(0.1)	(0.5)
Associates	2.6	2.5	1.9
Miscellaneous	(0.4)	0.3	(0.1)
Net current profit	**18.9**	**20.2**	**17.0**
EPRA Earnings (Net current profit – Gs)	**18.4**	**20.1**	**17.0**
Value adjustments of properties & profit on disposals	1.6	(15.1)	(21.8)
Fair value adjustments of hedging instr.	(2.3)	(1.5)	4.0
Adjustements for associates	(1.3)	0.9	(7.2)
Others	(1.3)	0.4	(0.9)
Net non-current profit – Gs	**(3.2)**	**(15.4)**	**(25.8)**
Net profit – group share	**15.3**	**4.7**	**(8.8)**

(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.

NET ASSET VALUE CHANGE

(€m)	31/12/11	31/12/12	31/12/13
Shareholders' equity (before allocation)	**348.4**	**351.4**	**326.2**
PSL adjustment	(73.4)	(73.2)	(73.2)
Fair value adjustments to hedging instr.	14.3	12.6	7.2
Net deferred tax	(1.7)	(2.1)	(4.1)
EPRA NAV (excluding transfer tax)	**287.6**	**288.8**	**256.0**
EPRA NAV (including transfer tax)	**326.5**	**324.0**	**290.5**
EPRA NAV (excluding transfer tax) per share (€)	**29.0**	**28.2**	**25.0**

(€m)

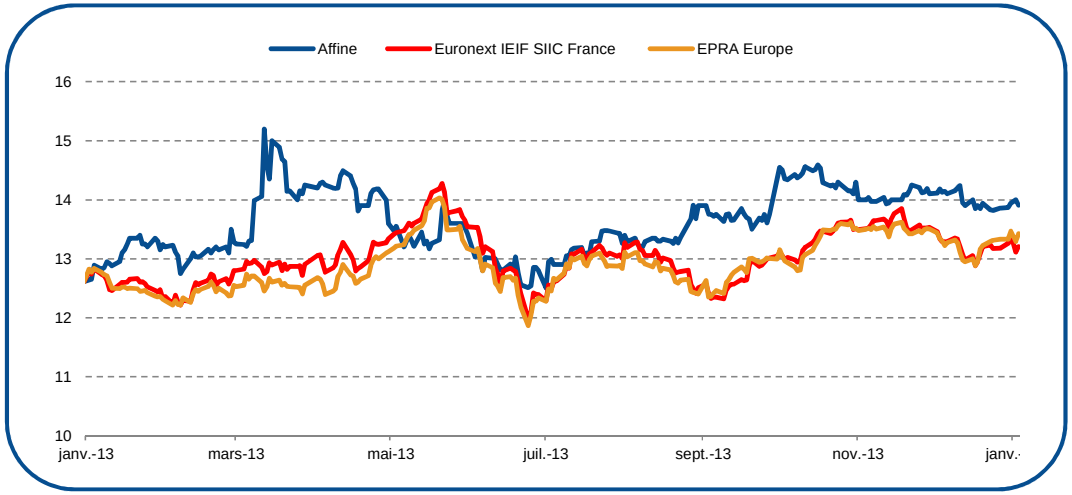


- Based on the Net Asset Value of Banimmo
- Excluding PSL (TSDI)
- Others: interest on convertibles and PSLConvertibles,etc
- NAV per share after dilution fromconvertibles

HIGH POTENTIAL YIELD

Total shareholder return

- 2013: 20.1 %
- Year-to-date: 10.8 %

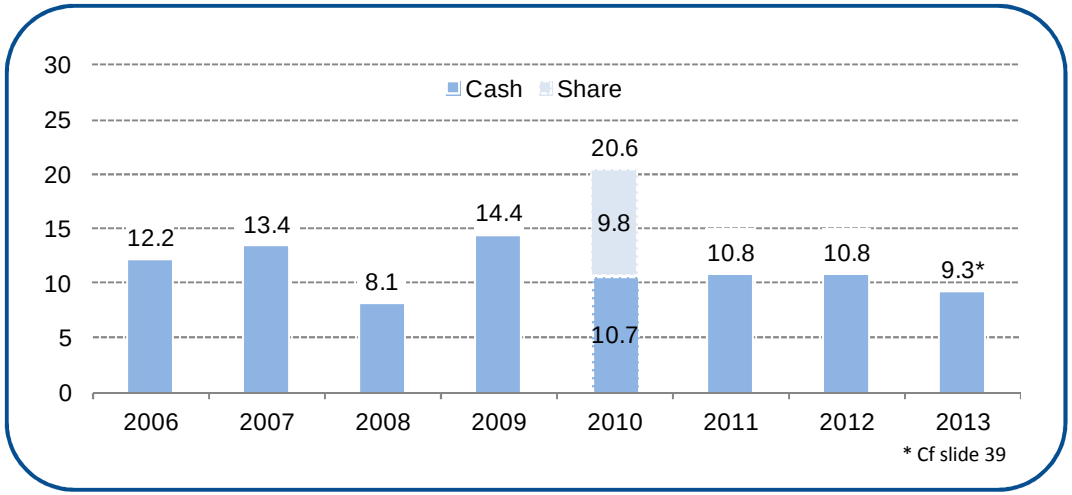


Capital yield

- EPRA NAV: €25.0
- Share price 31/12/13: €13.94
- Discount on EPRA NAV: 42%
- Share price 14/02/14: €15.44
- Discount as at 14/02/13: 38%

Dividend yield

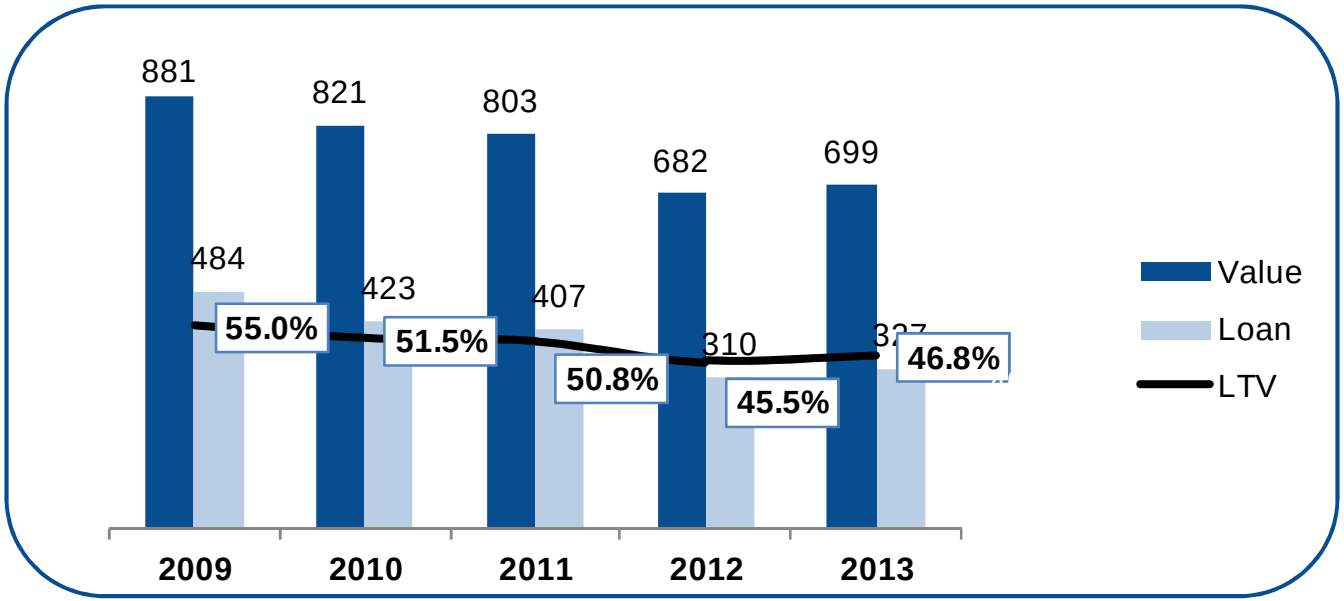
- Dividend: €0.9
- Yield: 6.5%
- Yield as at 14/02/13: 5.8%



FINANCING

A CONTROLLED LTV FOR A RESUMPTION OF INVESTMENTS

LTV of 46.8% (€m)



- Average financing cost of 1.9%, or 3.4% hedging included (vs 2.5% & 3.8%)
- Floating interest rate risk hedged
- Hedging optimization with €55m of new swaps and €62m of new caps in June

FAVOURABLE CREDIT ACCESS

Banks relationship diversified

- 6 main banks
- Average duration of 5.7 years
- Financing asset by asset with mortgages
- Amortizable over middle term

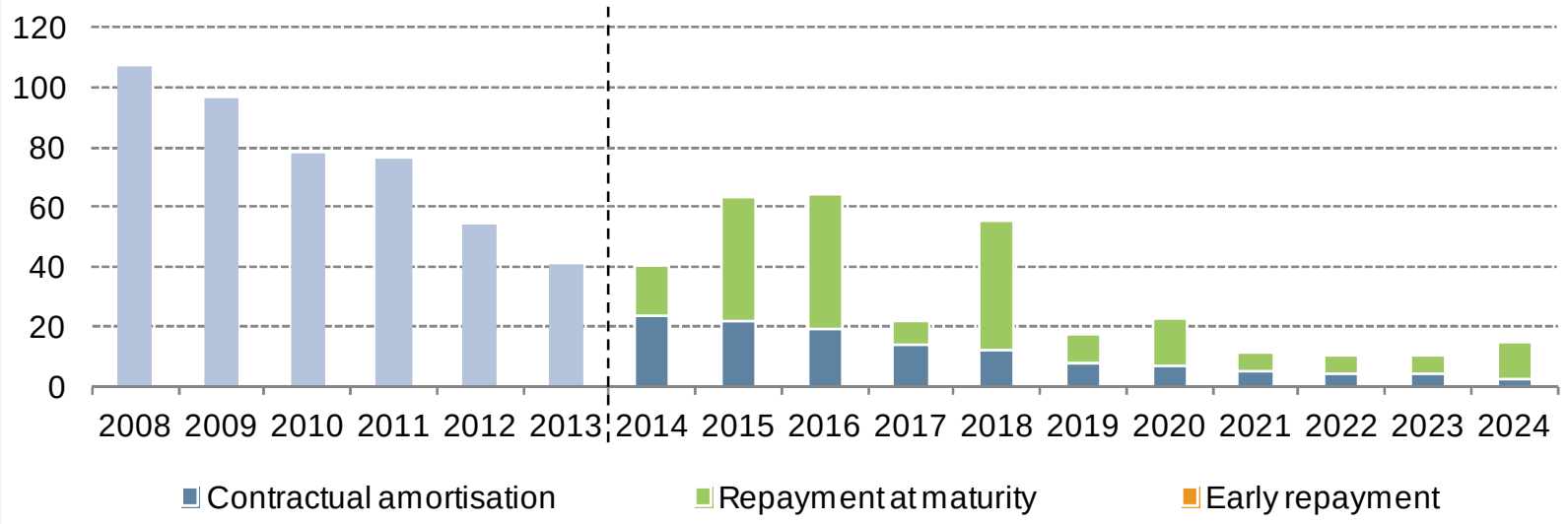
Financing in 2013

- 3 credits for an amount of €18m
  - 2 refinancing St Etienne Molina (€11m)
  - Concerto financing (€7m)
- 1 Finance lease of €30m for Jardins des Quais

Refinancing of the 2014 debt service underway

A SMOOTHED DEBT PROFILE

Amortisation of debt (€m)



- A financing policy aiming at smoothing the amortisation
- Repayment: around €30m p.a. on average
- Short term available credit lines of €19m

STRATEGY & OUTLOOKS

OUR STRATEGY [1/2]

Geographic concentration of investments

- Grand Paris and regional cities (Bordeaux, Lille, Lyon, Marseille, Nantes, Toulouse)
- A coordinated approach with local communities
- Achieve economies of scale

Investing primarily in buildings

- Providing relatively high yield
- of an average size of €10m to €30m (offices, retails, logistic platforms)
- Containing a potential for value creation by their location, rental situation or restructuring

A sustained effort to improvement of assets

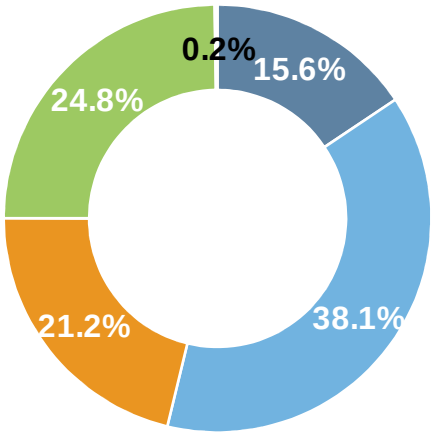
- Higher standards in a "sustainable development" approach
- Management optimization by enhanced cost control

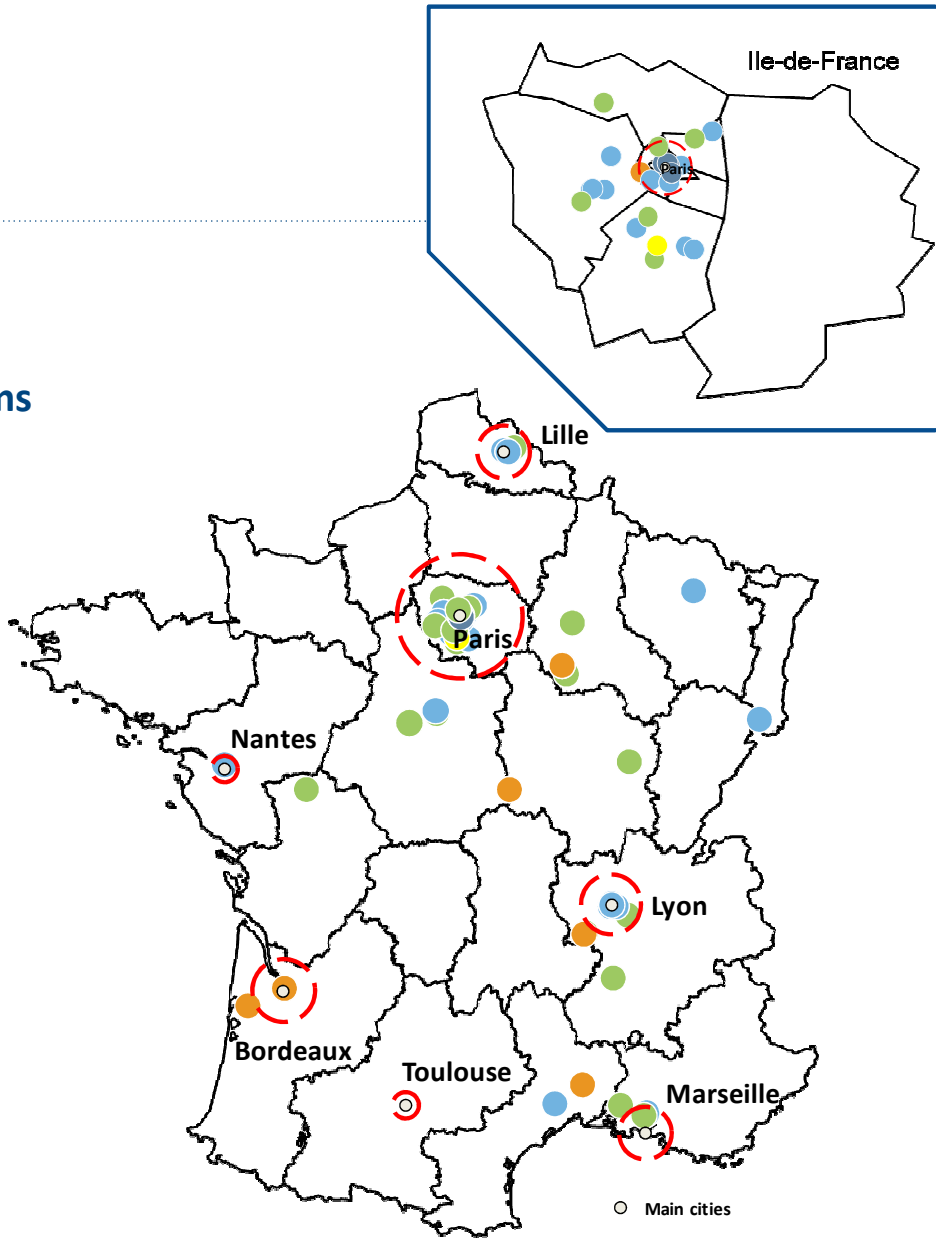
Becoming customer-oriented

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

OUR STRATEGY [2/2]

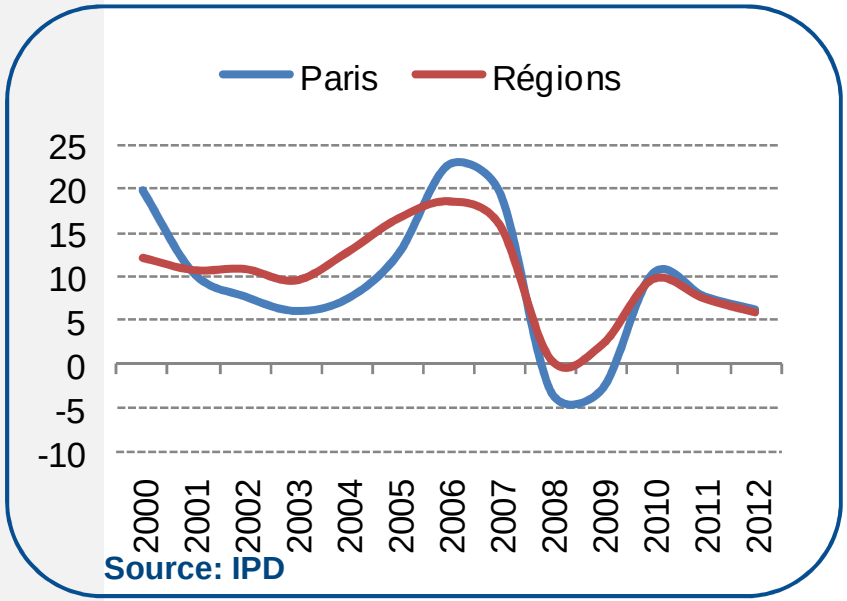
Breakdown of the portfolio in value terms



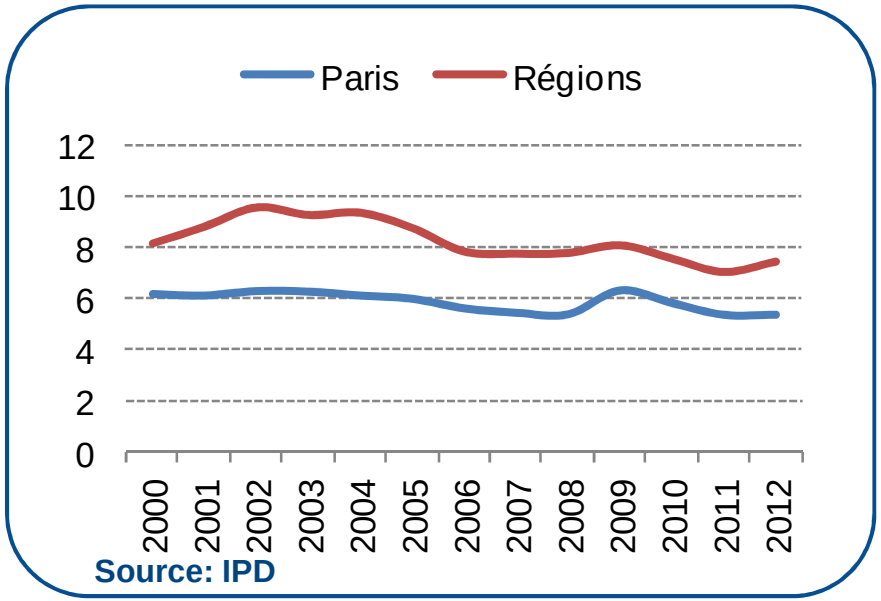


PARIS COMPARED TO REGIONS

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

PRIORITIES FOR 2014

Active investment research

- In line with our strategy
- By leveraging our access to credit
- And with a comfortable cash position

Improve rental performance

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

Seek partnerships

- To broaden the range of investment from our experience of the real estate business

CONTACTS

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APPENDIX

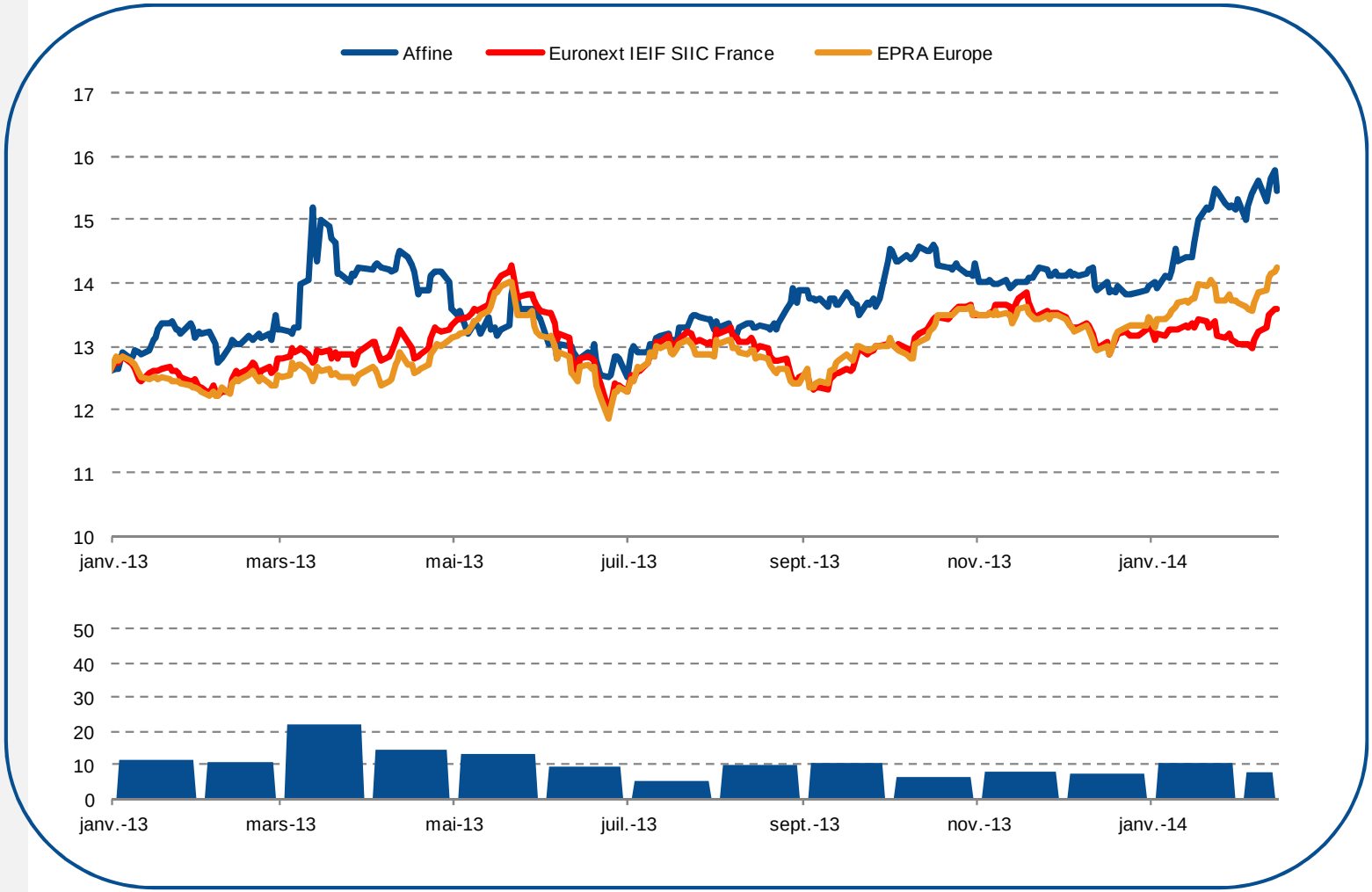
CONSOLIDATED CASH FLOW

(€m)	31/12/11	31/12/12	31/12/13
Funds from operation	19.7	17.9	17.9
Funds from operation (excluding cost of debt and tax)	38.8	33.3	30.1
Change in WCR	10.1	(16.4)	1.3
Taxes paid	(0.6)	(0.0)	(0.3)
Operating cash flow	**48.3**	**16.8**	**31.1**
Acquisitions & Investments	(25.5)	(20.5)	(27.1)
Disposals	47.2	131.2	8.3
Others	1.6	0.8	(1.2)
Investment cash flow	**23.3**	**111.5**	**(20.1)**
New loans	24.2	35.9	47.6
Loan repayments	(59.6)	(123.8)	(41.9)
Interest	(19.4)	(16.5)	(11.5)
Others (of which dividends)	(18.4)	(15.7)	(12.8)
Financing cash flow	**(73.0)**	**(120.2)**	**(18.6)**
Change in cash position	**(1.4)**	**8.2**	**(7.6)**

CONSOLIDATED BALANCE SHEET

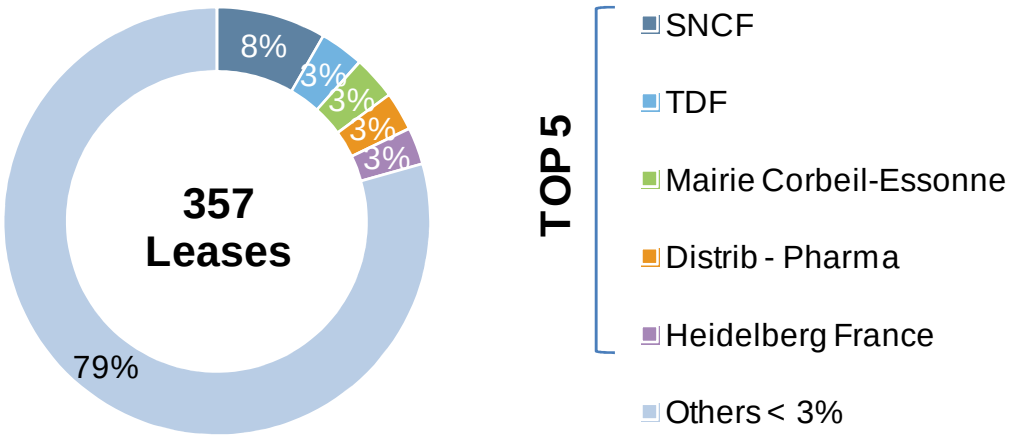
(€m)	31/12/11	31/12/12	31/12/13
Properties	672.2	549.3	593.8
of which investment properties	*520.8*	*522.0*	*550.4*
of which property held for sale	*151.4*	*27.3*	*43.4*
Equity holdings	0.3	0.1	0.3
Equity affiliates	85.8	89.6	60.4
Cash	23.3	32.6	39.4
Other assets	99.4	90.7	85.5
Shareholders equity (before allocation)	362.2	351.4	326.2
of which convertibles	*20.8*	*20.8*	*20.6*
of which PSL	*73.4*	*73.2*	*73.2*
Bank debt	450.0	360.9	366.5
Other liabilities	68.8	49.8	86.7
Total balance sheet	**881.0**	**762.2**	**779.4**

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



A DIVERSIFIED RISK ON TENANTS

A diversified portfolio of customer – Breakdown of rents



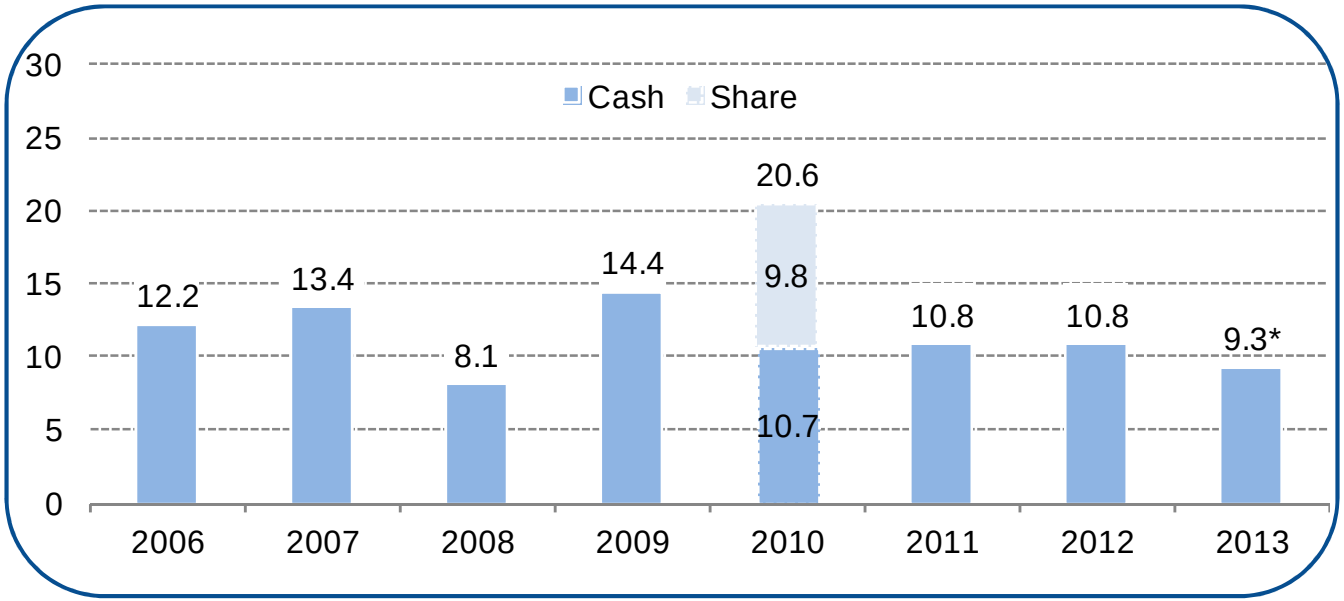
- Overall, the group has 295 leases corresponding to an average rental income of €129,000 by tenant or €104,000 excluding the TOP 5

LTV (NET DEBT / PORTFOLIO VALUE)

	(€m)	31/12/11	31/12/12	31/12/13
LOAN	Net financial debt	435	334	347
	Debt allocated to lease financing	(27)	(23)	(20)
	Debt allocated to investment securities			
	Debt allocated to development business			
	Debt for investment properties	**407**	**310**	**327**
VALUE	Value of properties (incl. TT)	709	580	627
	Property companies on equity basis	84	88	58
	VEFA & Fixed assets adjustments	10	14	14
	Adjusted portfolio value incl. taxes	**803**	**682**	**699**
	LTV (net debt on portfolio value)	**50.8%**	**45.5%**	**46.8%**

DIVIDEND

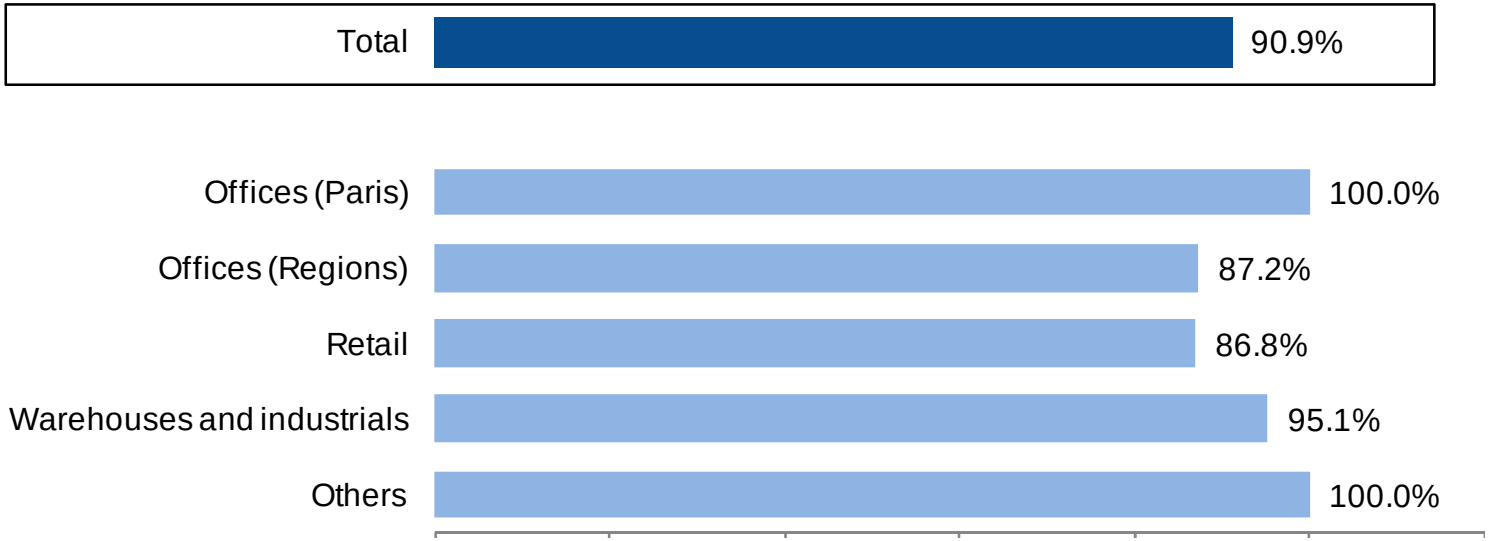
Affine, high yield property company



- A 6.5% yield based on the share price of 31/12/2013 (€13.94)
- *Subject to approval by the General Meeting of shareholders on 30 April 2014 and in the assumption of the BRS conversion.

VACANCY BY AREA

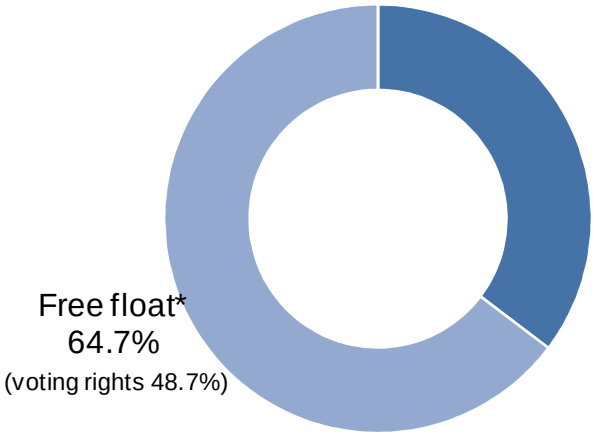
Financial occupancy rates (EPRA)



SHAREHOLDING

Shareholding

- Annualised capital turnover rate of 46% based on the float
- Annualised capital turnover rate of 29%



* Of which La Tricogne: 6.6% of capital and 4.8% of voting rights

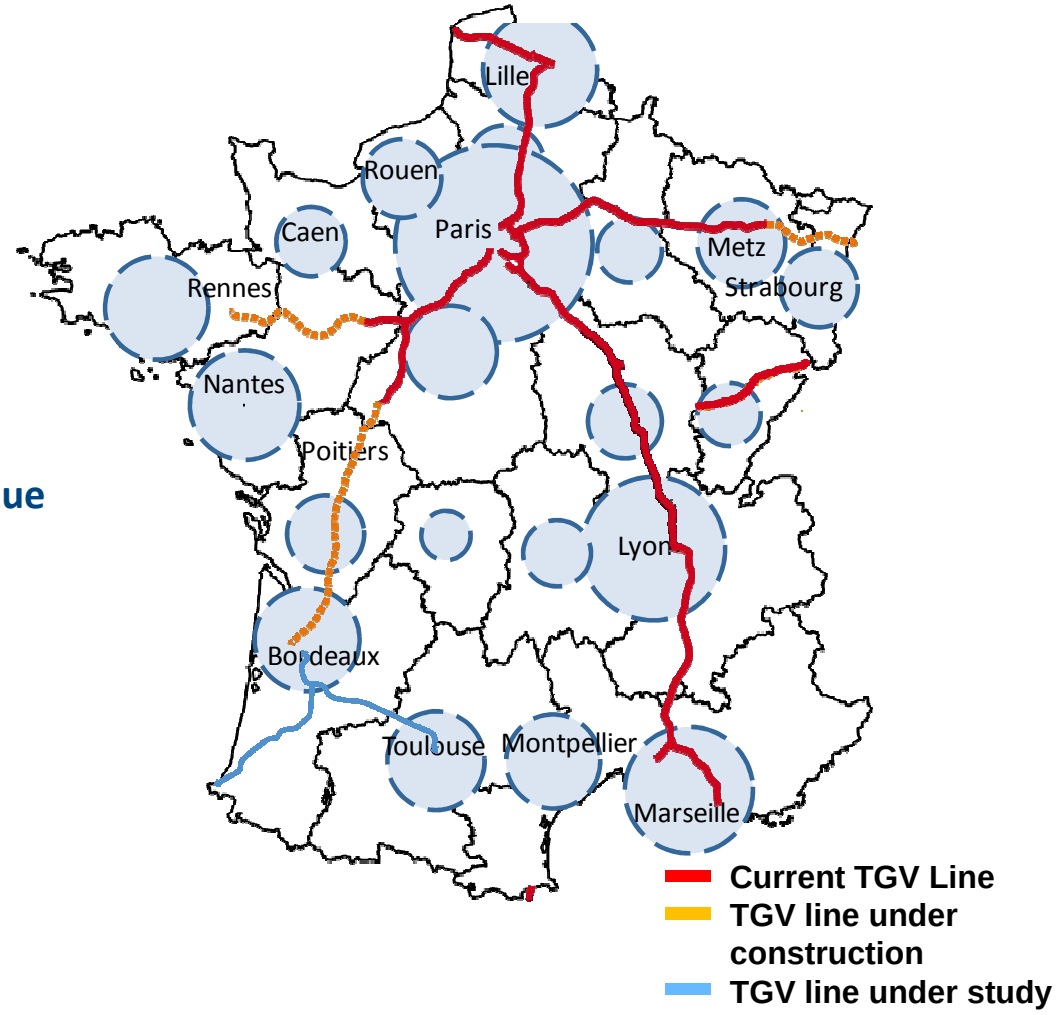
Affine is listed on NYSE Euronext Paris

	31 Dec 13
Number of shares	9,033,959
Share price	€13.94
Market capitalisation	€125.9m
Change in 2013	10.5%
EPRA earnings per share	€1.44
Ticker (Bloomberg / Reuters)	IML FP / BTPP.PA

POPULATION & TGV LINE

2016 : LGV Est Europe
- 106 km of new TGV line
- Paris-Strasbourg: 1h50 vs 2h20

2017 : LGV Bretagne Pays de la Loire
- 182 km of new TGV line
- Paris-Rennes: 1h30 vs 2h10

2017 : LGV Sud Europe Atlantique
- 302 km of new TGV line
- Paris-Bordeaux: 2h10 vs 3h00

Grand projets ferroviaires du Sud Ouest