REGISTRATION DOCUMENT 2013

AFFINE

AFFINE

A French public liability company
with share capital of €53,300,000
Head office: 5 rue Saint-Georges, 75009 Paris
712 048 735 RCS Paris

REGISTRATION DOCUMENT 2013

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.

AUTORITÉ DES MARCHÉS FINANCIERS
AMF

This registration document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers, or AMF) le 20/03/2014, pursuant to Article 212-13 of its General Regulations. It may only be used in support of a financial transaction if accompanied by a securities note authorised by the AMF. This document was prepared by the issuer and the signatories are responsible for its contents.

Copies of this registration document are available free of charge from the Affine Group, 5 rue Saint Georges – 75009 Paris, and from the Affine website (www.affine.fr) and AMF website (www.amf-france.org).

PERSONS RESPONSIBLE

Names and titles of persons responsible for the registration document

1.1. Names and titles of persons responsible for the registration document

Madame Maryse Aulagnon, *Chairman and Chief Executive Officer*

Monsieur Alain Chaussard, *Deputy Chief Executive Officer*

1.2. Declaration of the persons responsible for the document

"We hereby certify, after taking every reasonable measure in this regard, that the information contained in this registration document is, to our knowledge, true and correct and free from material misstatement.

We hereby declare that, to our knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and financial performance of the company and of all the companies included within the scope of consolidation, and that the management report presents an accurate picture of changes in the business, performance and financial position of the company and of all the companies included within the scope of consolidation, as well as a description of the principal risks and uncertainties to which they are exposed.

We have obtained an audit letter from the Statutory Auditors in which they state that they have verified the information relating to the financial position and financial statements contained in this document and that they have read the entire document."

The consolidated and separate financial statements for 2013 presented in the registration document are the subject of the Statutory Auditors' reports found in sections 20.1 and 20.3 of this document, which contain no particular observations.

The consolidated and separate financial statements for 2012 presented in the registration document are the subject of the Statutory Auditors' reports found in sections 20.1 and 20.3 of this document. Only the report on the separate financial statements contains an observation. This concerns the impact of the merger by absorption of AffiParis on Affine's accounts.

The consolidated and separate financial statements for 2011, found on pages 62-117 and 146-175 respectively of the 2011 Registration Document, are the subject of Statutory Auditors' reports, which contain a single observation. This concerns the change in presentation of the financial statements which, following the withdrawal of the financial corporation status obtained on 19 December 2011, are prepared based on the business presentation.

Paris, 20 march 2014

Madame Maryse Aulagnon *Chairman and Chief Executive Officer*	Monsieur Alain Chaussard *Deputy Chief Executive Officer*

2.1. Statutory auditors at 31 december 2013

a) Principal 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 of office: six financial years from 29 April 2009
Term expires: at the end of the 2015 Ordinary General Shareholders' Meeting held to approve the 2014 financial statements.

KPMG Audit (a division of KPMG SA)
Represented by: Régis Chemouny
Address: 1 Cours Valmy, 92923 Paris La Défense Cedex
Date of first appointment: 26 April 2007
Term of office: six financial years from 24 April 2013
Term expires: at the end of the 2019 Ordinary General Shareholders' Meeting held to approve the 2018 financial statements.

b) Deputy Statutory Auditors

Didier Cardon
Address: 19 rue Clément Marot, 75008 Paris
Date of first appointment: 25 April 1979 (Immobail)
Term of office: six financial years from 29 April 2009
Term expires: at the end of the 2015 Ordinary General Shareholders' Meeting held to approve the 2014 financial statements.

KPMG Audit FS II
Address: 1 Cours Valmy, 92923 Paris La Défense Cedex
Date of first appointment: 24 April 2013
Term of office: six financial years from 24 April 2013
Term expires: at the end of the 2019 Ordinary General Shareholders' Meeting held to approve the 2018 financial statements.

2.2. Re-Election – appointment of statutory auditors

Not applicable.

SELECTED FINANCIAL INFORMATION

The selected financial information below, relating to the years ended 31 December 2011, 2012 and 2013, is taken from the pro-forma consolidated statements in Note 20.2.

In order to illustrate more clearly the operational performance of Affine/AffiParis, Affine has consolidated the sub-group Banimmo under the equity method since 1 October 2011, when it held a 49.5% stake in the equity compared with the 50.0% held previously. The company Les Jardins des Quais, 50:50 owned by Affine and Banimmo until 19 December 2013, was also consolidated under the equity method until that date.

To improve the clarity of the financial statements for the year and their comparability with those of prior periods, the financial statements for 2011 below are pro-forma financial statements in which the sub-group Banimmo and Les Jardins des Quais are consolidated under the equity method for three full financial years. These financial statements, comprising the income statement, balance sheet and cash flow statement, are part of the Notes to the consolidated financial statements audited by the Statutory Auditors.

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

3.1. Key figures

Consolidated statements (€m)	2011	2012	2013
Gross rental income	48.3	46.4	40.2
Current operating profit(1)	34.6	34.5	26.5
Net profit	16.6	4.6	(8.8)
Net profit – group share	15.3	4.7	(8.8)
EPRA EARNINGS	**18.5**	**19.9**	**17.0**
Funds from operation	19.7	17.9	17.9
Investments (acquisition and works)[2]	25.5	20.5	27.0
FV of investment properties (incl. TT)[3]	709.0	580.4	626.8
FV of investment properties (excl. TT)[3]	672.2	549.3	593.8
EPRA NET ASSET VALUE (EXCL. TT)[4]	**287.6**	**288.8**	**256.0**
EPRA NNNAV (EXCL. TT)[4]	**317.9**	**308.8**	**289.5**
Net financial debt	434.7	333.8	347.0
LTV (%)[5]	50.8	45.5	46.8
Average cost of debt (%)[6]	4.0	3.8	3.4
EPRA OCCUPANCY RATE (%)	**89.0**	**87.8**	**90.9**

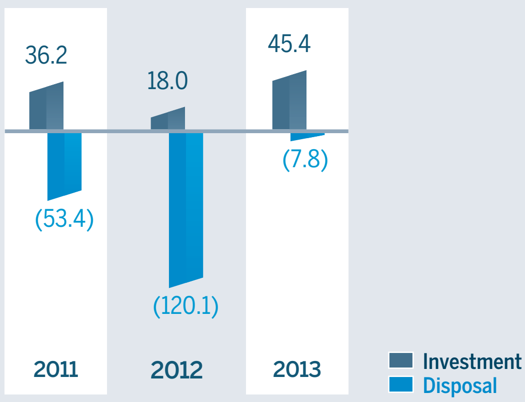
Figures per share (€)	2011	2012	2013
Net profit[7]	1.26	0.20	(1.08)
EPRA EARNINGS	**1.60**	**1.73**	**1.44**
Dividend	1.20	1.20	0.90
EPRA NET ASSET VALUE EXCL TT[4]	**28.97**	**28.21**	**24.97**
EPRA NNNAV EXCL TT[4]	**32.02**	**30.17**	**28.23**
Share price (end of the year)	12.50	12.61	13.94

(1) In 2011, 2012 and 2013, this amount does not include the impairment of buildings in inventory of the property development business of €3.0m, €1.4m and €1.2m respectively, which is recognised under other income and expenses.
(2) At historic cost, with full ownership or under a finance lease agreement.
(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 BRS (bonds redeemable in shares) and after deducting Perpetual Subordinated Loan notes (PSL).
(5) The LTV corresponds to the ratio of net financial debt associated with investment properties to the value of investment buildings (excluding those in anticipation of completion) and buildings in inventory.
(6) Including hedging costs.

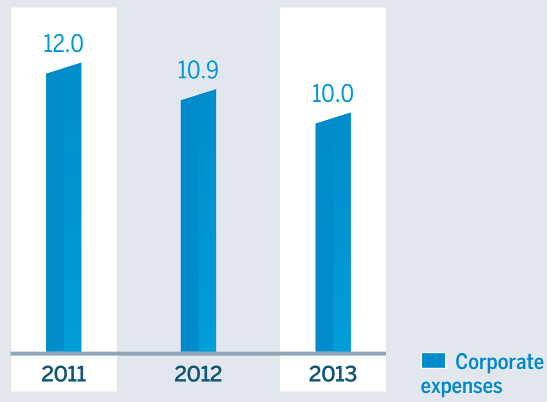
EPRA

The EPRA Performance Measures (EPM) are stipulated in the EPRA Best Practice Recommendations section.

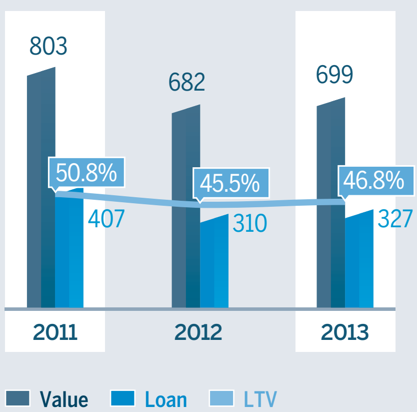
INVESTMENTS (€m)



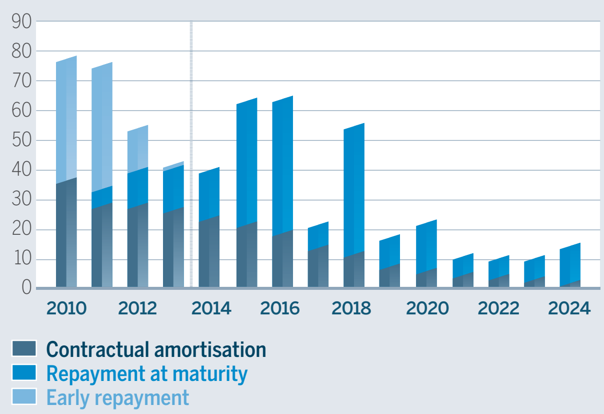
CORPORATE EXPENSES (€m)



LTV (€m)

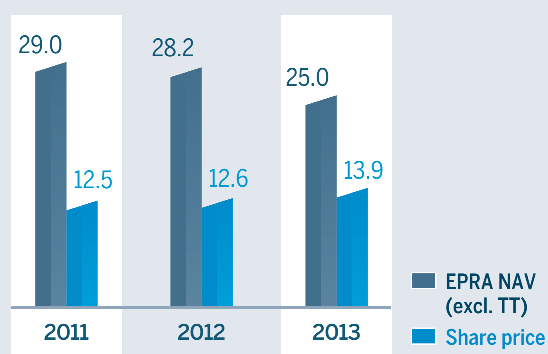


DEBT REPAYMENT SCHEDULE (€m)



EPRA EARNINGS AND DIVIDEND PER SHARE (€)

EPRA NAV PER SHARE AND SHARE PRICE* (€)



* at year-end.

The company has assessed the risks which could have a significant adverse effect on its operations, financial position or performance (or on its ability to achieve its targets), and believes that there are no significant risks other than those presented below and in the Notes to the consolidated financial statements in section 20.1.7.

4.1. Risks related to the activity

4.1.1. Risks related to the economic environment

The company's activity and its development are sensitive to changes in the economic environment. Such changes may stimulate, or conversely reduce, demand for new commercial properties. They could also have a long-term impact on occupancy rate and on the ability of tenants to pay their rent and service charges.

4.1.2. Risks related to the property market

The level of rents and building values are heavily influenced by supply and demand for property. This trend is likely to affect the ability of landlords to increase or even maintain rents when they come to renew leases. Adverse changes in demand relative to supply could therefore affect the value of assets, results, activity or financial position of the company.

The company's current earnings mainly consist of rents and recoverable service charges collected from tenants. Rent reviews are dependent on changes in the official indices to which they are index-linked.

The company adopts a prudent policy towards rents, ensuring that these remain consistent with rental values to ensure tenant stability.

Given the sharp rise in benchmark indices in recent years, the company has had to deal with requests for a reduction in some rents at the end of each three-year period. Finally, rents are generally index-linked to the ICC (Construction Cost Index), ILAT (Retail Rental Index), or ILC (Commercial Rent Index). Index-linking generally results in higher rents.

The portfolio's fair value on a like-for-like basis fell 3.8% due to:
- a 3.9% drop due to the decline in market rents (MRV),
- a 0.5% drop due to an increase in the rates of return used in some appraisals,
- a residual increase of 0.7% (works to be carried out, reversion, etc.).

The average rate of return that emerged from the appraisals was 7.5%. A 25 basis point rise or fall in this rate would lead to a €20.0m increase or decrease respectively in the assets' value. The sensitivity test is described in section 8.1.2 - Portfolio value.

4.1.3. Risks related to the regulation and non-renewal of leases

In France, the laws governing commercial leases place numerous constraints on the landlord. The contractual stipulations relating to term, termination, renewal or index-linking of rents for these leases are a matter of public policy and limit the flexibility the owners have to raise rents to bring them into line with market rents.

In addition, on expiry of the lease and at the end of each three-year period, the tenant has the right to vacate the premises. The company cannot guarantee that it will be able to re-let its assets quickly and at satisfactory rents if tenants leave.

On signing the lease, the company seeks to limit the ability of tenants to give notice during the lease.

However, it faces strong competition from players in the sector that can offer tenants assets under more attractive rental terms. Nevertheless, it considers that the close relations it has with tenants, supporting their growth and expansion, are important factors that facilitate the renewal of expired leases.

The absence of rental income caused by vacant premises and the related fixed expenses are likely to affect the company's results. Furthermore, it cannot be ruled out that the company might be faced with a market which is unfavourable for landlords, or with changes in legislation, regulations or case law imposing new constraints, particularly in terms of rent reviews. Legislative changes affecting commercial leases, particularly regarding their term, expenses recoverable from tenants, and the calculation of compensation owed to tenants in case of eviction could have negative consequences on the property valuation and on the results, activity or financial position of the company.

4.1.4. Risks related to non-payment of rent

Much of the company's revenues are generated by letting its property assets to third parties. Therefore, the non-payment of rent, subjected to regular and rigorous monitoring, could affect its results. To guard against this risk, the company regularly assesses the financial position of its principal tenants.

In addition, the creditworthiness and financial position of prospective tenants are analysed prior to signing a new lease.

When signing leases, payment of a security deposit is systematically requested, either in cash or in the form of on-demand bank guarantees or sureties.

4.1.5. Risks related to the sectoral and geographical concentration of the company's portfolio

The company aims for a balanced distribution of its assets across several different sectors. However, its ability to maintain such a balanced distribution will depend on supply and demand for property, which could prevent it from acquiring or disposing of buildings at a reasonable price.

The company also ensures that its building asset portfolio is geographically diversified in order to spread the risks. Market trends could influence the company's ability to maintain a harmonious geographical diversification of its portfolio.

4.1.6. Risks related to current or future regulations

In its business activities, the company is required to comply with numerous regulations, particularly concerning commercial leases, co-ownership, prevention of natural and technological hazards, safety and environmental protection.

In general, the impact of any new regulations and the potential retrofitting of buildings as a result are borne by tenants.

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

To verify the compliance of the Group's property with the regulatory requirements, technical audits are periodically carried out by qualified service providers.

4.1.7. Risks related to estimated asset valuations

Much of the company's portfolio is valued twice a year during external appraisals. The value of this asset portfolio depends not only on the relationship between market supply and demand, but on numerous other factors such as changes in the economic environment. In addition, buildings occupied by potentially vulnerable tenants are closely monitored.

The value of the company's portfolio in the consolidated statements under IFRS correspond to fair value as determined by the latest appraisals; this does not include properties for sale, under offer or for which a preliminary sale agreement has been drawn up.

If a significant change in values should occur between two appraisals, the valuation of the company's assets might not reflect their market value in the event of disposal. In addition, if the values determined by appraisals were to fall, the result in the consolidated statements at the subsequent closing would be affected.

4.1.8. Industrial and environmental risks

The Group participates in the High Quality Environment initiative by adopting preventive measures allowing it to limit the environmental impacts of constructing and renovating buildings.

This initiative also offers ways to make a building more comfortable for its users.

Affine periodically inspects the buildings it owns to verify that environmental regulations are observed by their users.

4.1.9. Insurance risks

The company has taken out several types of insurance policy covering the major risks to buildings (multi-risk, property damage, etc.) and to the company (civil liability). These policies are periodically renegotiated, when insurers compete both on the amount of premiums and the risk coverage offered.

4.2. Risks related to the company

4.2.1. Risks related to the controlling shareholder

On the date this registration document was filed, Holdaffine held the majority of voting rights in the company. Accordingly, Holdaffine has a significant influence on the company and on the conduct of its business. It is able to make important decisions alone, particularly concerning the appointment of members of the Board of Directors, approval of the separate financial statements and the distribution of dividends. Holdaffine, which has none of its own debt, has the objective of developing Affine and maintaining its share price, an objective shared by all Affine shareholders. In addition, the governance rules are strictly adhered to; in particular, the majority of directors on the Board are independent.

4.2.2. Liquidity risk

The company has carried out a special study of its liquidity risk and considers that it can meet its current obligations.

The company practises prudent and rigorous financial management in order to have a permanent significant cash surplus in excess of debt servicing requirements by:

- maintaining readily available cash
- establishing confirmed credit lines (€19m to date)
- annual loan repayment (with a residual value at maturity, where applicable)
- scheduling of repayments
- diversification of banking relations

The company mainly uses two tools to monitor its liquidity risk:

- a daily cash statement prepared by the finance department and sent to General Management after viewing all bank accounts,
- a three-year month-by-month cash flow forecast provided by the management controller to General Management, when actual monthly cash and cash projections are reconciled and discrepancies analysed. A cash flow forecast is submitted to the two Board of Directors' meetings called to approve the Group's financial statements.

The company is careful only to deposit cash with banks that, alone or through the group to which they belong, offer all the necessary guarantees. Its investments are made prudently, excluding any instruments with a risk of capital loss.

4.2.3. Interest rate risk

The Affine Group favours the use of floating rate debt which, before hedges, represented 96% of its debt at 31 December 2013.

The Group is continuing its prudent debt management policy by extensively hedging its interest rate risk through market transactions (swaps, caps and tunnels) with leading banks. For example, a new loan arranged during the year has been hedged by a swap with a notional amount of €14,808,000 over a 6 year term at a rate of 1.23%, while the hedge on existing funding was extended with a cap at 2.5% for 2 years for €22m. In addition, given the historically low interest rates, a study carried out to optimise interest rate hedging in future years led to the introduction of forward swaps (€55m) for terms of 4.8 to 6 years, ensuring maximum rates ranging from 1.06% to 1.30% and a cap at 2.50% (€40m) for a 5.5 year term.

Market risk is assessed using the value-at-risk (VaR) 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 financial assets and for bank loans, which are the main financial liabilities.

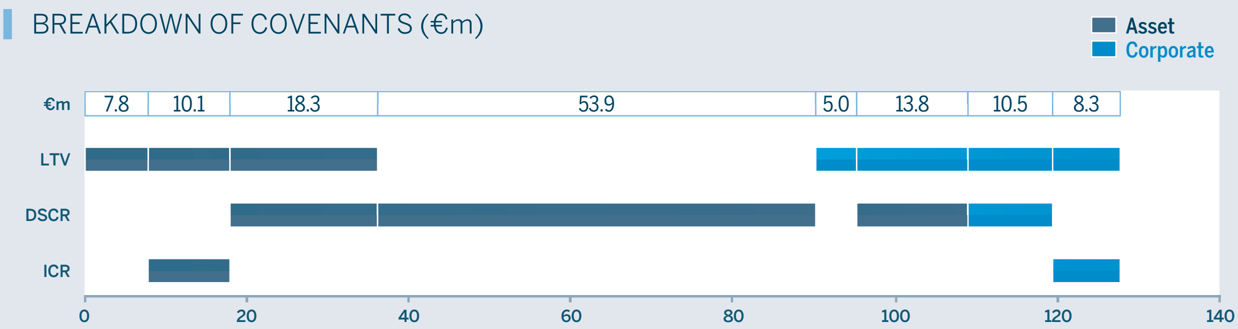
4.2.4. Risks related to financial covenants

The loans arranged by Group companies generally have clauses requiring the borrower to observe one or more financial ratios pertaining to the asset(s) that are being financed. A small number of finance agreements specify covenants applicable at the level of the borrowing company itself.

In most cases, these covenants apply to ratios based on LTV (loan to value), DSCR (debt service coverage ratio), or ICR (interest coverage rate); the thresholds to be observed and the consequences of failing to observe these thresholds vary depending on the transaction. In most cases, the difference must be offset by a partially accelerated repayment (LTV ratio) or by the establishment of a cash security (DSCR and ICR ratios).

The following graph shows the distribution by type of covenants of the outstanding debts that are affected:

BREAKDOWN OF COVENANTS (€m)



At 31 December 2013, the company was not in breach of any covenants. These ratios are updated every six months or annually, according to the terms negotiated with the banks.

4.2.5. Risk related to the gearing ratio

At the end of 2013, the LTV ratio stood at 46.8%, including transfer duties on buildings, the value of securities in companies consolidated under the equity method and property financial assets.

4.2.6. Foreign exchange risk

Since it does not carry out foreign currency transactions, the Affine Group is not exposed to foreign exchange risk.

4.2.7. Counterparty risk

The Affine Group is committed to investing its cash and contracting derivatives only with reputable banking institutions. It also seeks to diversify its sources of bank credit: at 31 December 2013, its primary bank represented 26.0% of total borrowings, while the five banks with the largest amounts outstanding represented 81.8% of total borrowings.

4.2.8 IT risk

Affine's entire IT system is protected by daily backups and, in the event of an incident, a remote backup is hosted at a secure off-site facility. Coded access procedures and anti-virus systems supplement the measures taken to prevent IT risk.

INFORMATION ABOUT THE ISSUER

5.1. History and development of the issuer

5.1.1. Company name

Until 27 April 2012, the company had the name “AFFINE”. At the General Shareholders’ Meeting held on that date, it was decided to change the company’s legal name to “AFFINE R.E.”.

The commercial name “AFFINE” remains unchanged.

5.1.2. Companies register

The company is registered with the Paris Companies Register under the number 712 048 735.

The SIRET code is 712 048 735 00062.

The APE code is 6820B (Lease of plots of land and other property).

5.1.3. Date of incorporation and duration of the company

The company was incorporated in January 1971 (formerly Société Financière Immobail) for a period of 99 years from that date. Each financial year lasts for 12 months, from 1 January until 31 December.

5.1.4. Head office, legal form and legislation

The head office of the company is at 5 rue Saint Georges, Paris (9th arrondissement).

Affine is a French public limited liability company with a Board of Directors.

5.1.5 - Important events

Dates	Changes in Group structure
1990	Affine formed with a pool of institutional investors
1992	Acquisition of Sovabail and Somica (renamed Imaffine)
1996	Delisting of Sovabail
1996 -1998	Absorption of Affine by Sovabail and restructuring of the shareholding
September 1999	Sovabail launches takeover bid for Immobail, formerly Sicomi, listed on the premier marché of the Paris stock exchange.
July 2000	Absorption of Sovabail by Immobail, which is renamed “Affine”
February 2001	Affine gains control of Concerto Développement
September 2003	Adoption of French real estate investment trust (SIIC) status with effect from 1 January 2003
October 2003	Convertible bonds issue (ORA I) (€20m)
September 2004	Imaffine sold to Altaréa and equity warrants granted to Affine for up to 4.2% of Altaréa’s capital
April 2005	Affine gains control of BFI Business Centres
June 2005	Convertible bonds issue (ORA II) (€10m)
January 2006	Creation of Abcd, the construction engineering subsidiary
February 2006	Acquisition of 75% of equity of the Banimmo group
September 2006	Acquisition of 25% of the equity of Sicafi Montea
February 2007	Acquisition of 64% of the equity of the property company Fideimur
March 2007	Listing on Compartment C of Euronext Paris of Fideimur, renamed AffiParis in July 2007 and adoption of SIIC status
June 2007	Listing of Banimmo on Compartment B of Euronext Brussels. Affine’s stake is reduced to 50%
July 2007	Three-way split of Affine shares
July 2007	Affine increases its equity by issuing €75m in perpetual subordinated notes (TSDI)
February 2008	Disposal of Affine’s equity investment in Abcd
November 2009	Disposal of Affine’s 2.4% equity investment in Altaréa.
December 2009	Disposal of Affine’s equity investment in BFI, finalised in February 2010
November 2011	Subscription for the AffiParis capital increase; after the operation and after buying securities on the market, Affine owns 86.9% of AffiParis at 31 December 2011
December 2011	Withdrawal of credit institution licence from Affine (financial corporation)
December 2012	Merger by absorption of AffiParis into Affine
December 2013	Acquisition of 50% of the shares held by Banimmo France in Les Jardins des Quais – Affine now owns 100% of this company

5.2. Investment

5.2.1. Principal investments in 2013

In 2013, Affine invested €45m in acquisitions, renovations, and one development.

Following its eco-renovation, the Traversière tower in Paris, fully leased by SNCF until 2021, was awarded BREEAM certification and is now accessible for disabled persons.

In early October, Affine benefited from ERDF maintenance work on the high-voltage line located near its warehouse in Saint-Cyr-en-Val, close to Orléans, for the purpose of carrying out major refurbishment. The operation, which consisted of replacing 17 air conditioning units on the roof weighing more than a ton each and requiring a rapid response to the needs of the customer and deadlines provided by ERDF,led to a Super Puma helicopter being used.

At the same time, the company has undertaken major works on the building at rue Réaumur in Paris for the purpose of partially reconverting it into residential property, and on offices at the Lilleurope tower and boulevard Tchécoslovaques in Lyon.

In early 2013, Affine strengthened its presence in the new heart of Arcachon, where it owns nearly 2,560 sqm of ground-floor retail premises in the centre of this dynamic city.

In late 2013, Affine confirmed its position in Bordeaux by becoming the sole shareholder of the Jardins des Quais by acquiring the 50% stake held by Banimmo. This 25,000 sqm. complex of retail outlets and offices is located on the banks of the Garonne River on the edge of Bordeaux' historic centre. It has the particular distinction of hosting the only Quai des Marques factory outlet in a city centre. The appeal of the outlet concept, along with the fact that it is located in a recreational tourist area with over ten restaurants and bars and the embankment walk, make it a favourite outing destination for the city's residents. The growing success of Les Jardins des Quais, which has a 97% occupancy rate, can be explained, aside from its relevant commercial offering, by its easy access and development prospects for the area.

Concerto European Developer is a subsidiary of Affine focusing on development of new generation logistic platforms. It conducts its business activities mainly in France:

- Delivery by April 2013 to Sunclear, a French leader in the distribution of semi-finished plastic products, of a 21,700 sqm logistics platform in the Paris region. The platform is let under a 9-year fixed lease and sold to an investor;
- Construction for Eurodif, a leading European group in the home and fashion sectors, of a 24,700 sqm logistics platform, delivered by early May 2013, through a 9-year fixed term lease;
- Construction for Devanlay (Lacoste and Aigle brands) of a 18,770 sqm logistics platform, to be delivered in April 2014, through a 9-year fixed term lease;
- Development of an agreement with Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) for the development/construction of a multi-modal logistics platform at the Calvados Honfleur Logistics Park, geared towards freight and the pooling of logistic flows. The building permit is under way for a 112,000 sqm building.
- Filing of the building permit for a 51,200 sqm logistics platform composed of 8 units (6,000 sqm and 3,200 sqm) of offices and technical premises in Cambrai.

Abroad, the company continues the marketing of the site of Sant Feliu de Buixalleu (Spain) on a total surface area of 38,700 sqm. The first project was delivered by late 2012 to a subsidiary of the Barcino group, a Catalan import/export company, the tenant for a 10-year fixed term. The second project signed with ILS Servicios Logisticos for a 10-year fixed term lease is related to a 10,700 sqm logistics platform, to be delivered in late 2014 and for which works began in late 2013.

5.2.2. Principal investments in progress

The Affine Group is continuing to develop the Sant Feliu logistics site in Spain and the Parc Logistique de l'Aube, a logistics park in Troyes, France.

5.2.3. Principal future investments

Apart from the existing renovation programme described above, at the time of writing the company had not committed to any other major investment under the €100m investment budget approved for 2013-2015.

6.1. Principal activities

Affine is a property company specialising in commercial properties. At the end of 2013, Affine owned 60 properties worth €627m, transfer tax included, with a total surface area of 548,800 sqm. The firm owns office properties (54%), retail properties (21%) and warehouses and industrial premises (25%). Its activity is distributed more or less equally between Ile-de France and the other French regions.

Affine is also the reference shareholder of Banimmo, a Belgian property repositioning company with activities in Belgium and France, of which Affine holds 49.5%. At the end of 2013 the firm owned 19 office and retail properties worth €366m.

Lastly, its 99.9% subsidiary Concerto European Developer specializes in logistics development.

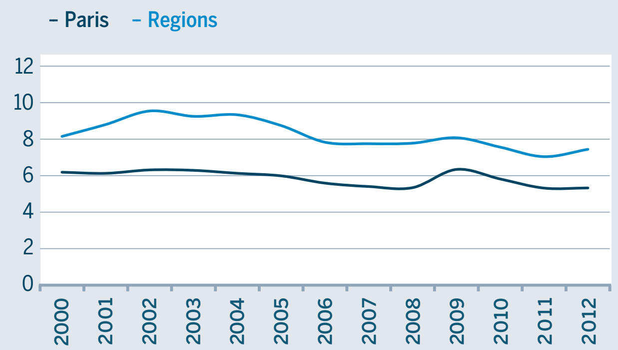
In 2003, Affine opted for French real estate investment trust (SIIC) status. The Affine share is listed on NYSE Euronext Paris (Ticker: IML FP/BTTP.PA; ISIN code: FR0000036105) and admitted to the deferred settlement system (long only). It is included in the CAC Mid&Small, SIIC IEIF and EPRA indexes. Banimmo is also listed on NYSE Euronext Brussels.

Property strategy

Affine's strategy focuses on four areas:

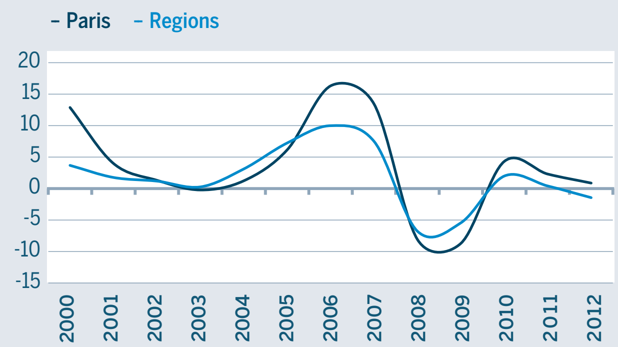
- a sustained effort aimed at upgrading its properties: focusing on medium-sized buildings compared to their markets (i.e. €10m to €20m for offices), improving their quality in terms of sustainable development, paying attention to the comfort of its tenants generating improved rent stability, and optimizing management through strengthened cost control;
- investments focusing on buildings with relatively high yield and containing a potential for value creation due to their location or their rental situation;
- balanced development between the Paris region representing about half of the properties, and major French target cities in the regions (Bordeaux, Lille, Lyon, Marseille, Nantes and Toulouse). In addition to a higher yield, those cities offer a more stable market than the Paris region, and benefit from good national and international transport services (TGV high speed train or airplanes);
- specialization in three type of properties in which the company has dedicated skills (offices, city centre retails and logistics platforms).

CHANGE IN RENTAL YIELD (%)



Source IPD

CHANGE IN FAIR VALUE OF OFFICE PREMISES (%)



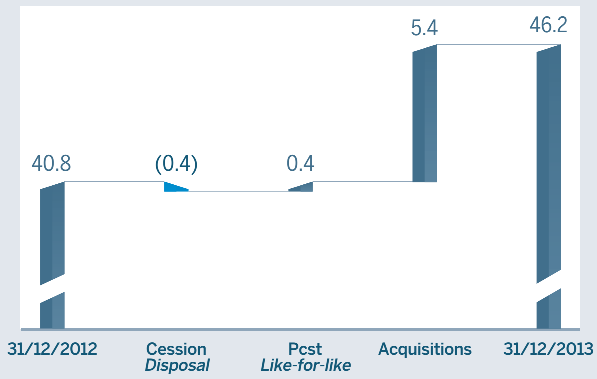
Source IPD

Property company

Headline rents

Rents of leases in effect at 31 December 2013 accounted for €46.2m on an annual basis, an increase of 0.9% on a like-for-like basis compared with 31 December 2012, and up 13.2% taking account of acquisitions and disposals, mainly from the acquisition of Banimmo's stake in Jardins des Quais.

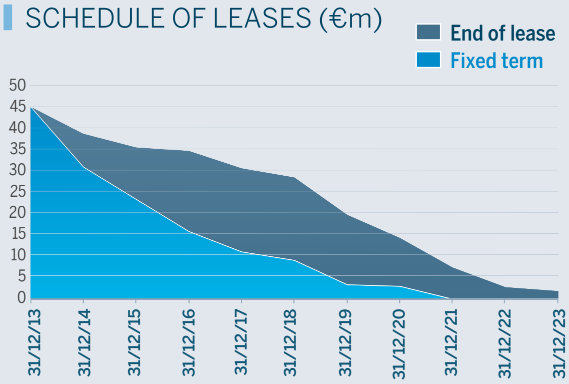
CHANGE IN HEADLINE RENTS (€m)



Over the year, Affine signed 35 new leases concerning a total surface area of 23,900 sqm and total annual rents of €1.3m. Furthermore, 19 tenants cancelled their leases, representing in total a surface area of 10,600 sqm and annual rents of €1.6m. Lastly, 35 leases were renegotiated for a total amount of €3.9m.

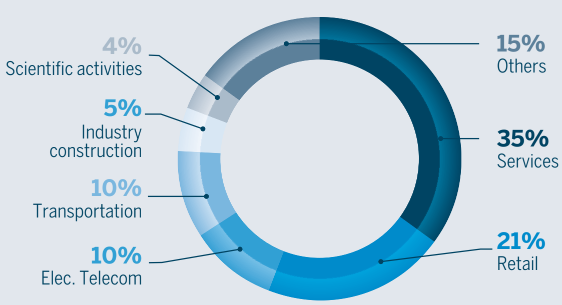
The average term of leases and their fixed term are 4.8 and 2.3 years respectively.

SCHEDULE OF LEASES (€m)

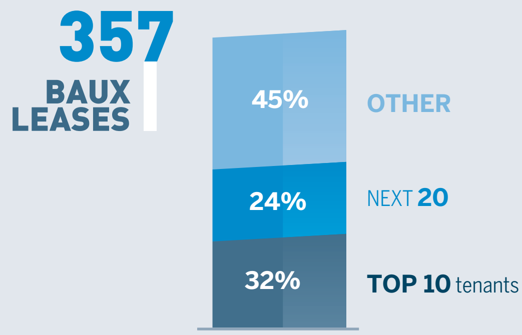


Among the top thirty tenants, which account for 55% of total rents, none reaches 10%, thus avoiding any concentration of risk on rental income. The largest tenants are: SNCF, TDF, the Corbeil-Essonnes municipal authority, and the French army.

BY BUSINESS SECTOR OF (RENTS)



LEASE BREAKDOWN

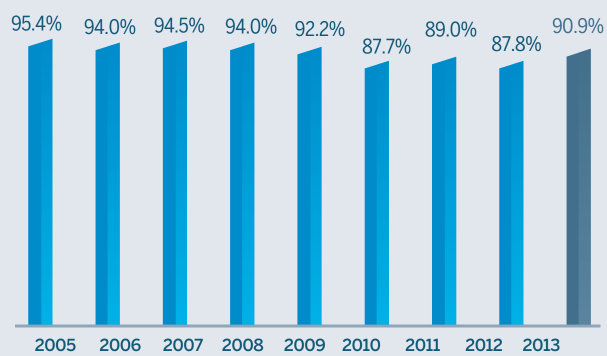


Occupancy rate

As many buildings are occupied by multiple tenants, the effective occupancy rate ranges between 93% and 95%. Affine's strategy of focusing on investments in high added-value buildings, may lead the company to acquire properties with occupancy rates temporarily below this average.

At 31 December 2013, Affine's financial occupancy rate (excluding buildings currently being renovated: a building in Gennevilliers and a building in Paris at rue Réaumur) improved markedly to 90.9%, compared with 87.8% at the end of 2012, the impact of the Jardins des Quais consolidation counting for less than 1%.

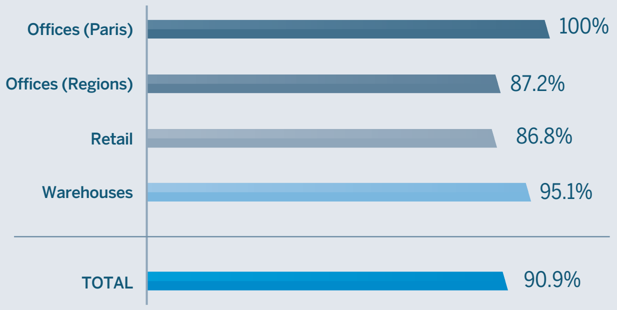
EPRA OCCUPANCY RATE*



* Financial occupancy rate excluding buildings being refurbished..

70% of the Group's financial vacancy is due to 7 properties. Of these, two shopping centres, Nevers and Troyes, are in a letting process.

BREAKDOWN OF OCCUPANCY RATE BY SECTOR



Mainly due to the Jardins des Quais acquisition, the retail vacancy rate significantly decreased at 13%. The warehouse rate improved as well at 5%. The Paris segment had the highest performance, with an occupancy rate of 100% (excluding a building in the rue Réaumur, which is currently being refurbished).

Investments & Disposals

REFURBISHMENT

Following its eco-renovation, the Traversière tower in Paris, fully leased by SNCF until 2021, was awarded BREEAM certification and is now accessible for disabled persons.

In early October, Affine benefited from ERDF maintenance work on the high-voltage line located near its warehouse in Saint Cyr en Val, close to Orléans, for the purpose of carrying out major refurbishment. The operation, which consisted of replacing 17 air conditioning units on the roof weighing more than a ton each and requiring a rapid response to the needs of the customer and deadlines provided by ERDF, led to a Super Puma helicopter being used.

At the same time, the company has undertaken major works on the building at rue Réaumur in Paris for the purpose of partially reconverting it into residential property, and on offices at the Lilleurope tower and boulevard Tchécoslovaques in Lyon.

ACQUISITIONS

In early 2013, Affine strengthened its presence in the new heart of Arcachon, where it owns nearly 2,560 sqm of ground-floor retail premises in the centre of this dynamic city.

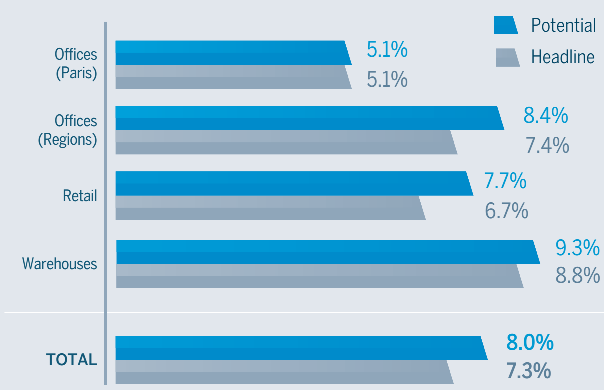
In late 2013, Affine confirmed its position in Bordeaux by becoming the sole shareholder of the Jardins des Quais by acquiring the 50% stake held by Banimmo. This 25,000 sqm complex of retail outlets and offices is located on the banks of the Garonne River on the edge of Bordeaux' historic centre. It has the particular distinction of hosting the only Quai des Marques factory outlet in a city centre. The appeal of the outlet concept, along with the fact that it is located in a recreational tourist area with over ten restaurants and bars and the embankment walk, make it a favourite outing destination for the city's residents.

The growing success of Les Jardins des Quais, which has a 97% occupancy rate, can be explained, aside from its relevant commercial offering, by its easy access and development prospects for the area.

DISPOSALS

As part of its process to streamline its property portfolio, Affine sold over the period 7 buildings regarded as mature or too low in value: offices in Plaisir (1,160 sqm), Croissy-Beaubourg (993 sqm) and Montpellier (462 sqm); industrial premises in Noisy-le-Grand (1,645 sqm); a warehouse in Vitrolles (5,900 sqm); a stake in hostel in Biarritz and completed the sale by apartment of a residential building in Saint-Cloud. All the disposals were made at prices very close to fair value at the end of 2012.

RENTAL YIELD OF ASSETS BY AREA OF EXPERTISE



Other businesses

Development

CONCERTO EUROPEAN DEVELOPER

Concerto European Developer is a subsidiary of Affine focusing on development of new generation logistic platforms. It conducts its business activities mainly in France:

- Delivery by April 2013 to Sunclear, a French leader in the distribution of semi-finished plastic products, of a 21,700 sqm logistics platform in the Paris region. The platform is let under a 9-year fixed lease and sold to an investor;
- Construction for Eurodif, a leading European group in the home and fashion sectors, of a 24,700 sqm logistics platform, delivered by early May 2013, through a 9-year fixed term lease;
- Construction for Devanlay (Lacoste and Aigle brands) of a 18,770 sqm logistics platform, to be delivered in April 2014, through a 9-year fixed term lease;
- Development of an agreement with Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) for the development/construction of a multi-modal logistics platform at the Calvados Honfleur Logistics Park, geared towards freight and the pooling of logistic flows. The building permit is under way for a 112,000 sqm building.

- Filing of the building permit for a 51,200 sqm logistics platform composed of 8 units (6,000 sqm and 3,200 sqm) of offices and technical premises in Cambrai.

Abroad, the company continues the marketing of the site of Sant Feliu de Buixalleu (Spain) on a total surface area of 38,700 sqm. The first project was delivered by late 2012 to a subsidiary of the Barcino group, a Catalan import/export company, the tenant for a 10-year fixed term. The second project signed with ILS Servicios Logisticos for a 10-year fixed term lease is related to a 10,700 sqm logistics platform, to be delivered in late 2014 and for which works began in late 2013.

Associate

Banimmo

At 31 December 2013, Banimmo owned 19 buildings (and 4 plots of land) with a total surface area exceeding 151,000 sqm, and generated gross rental income of €9.9m over the year. During the period, the company signed or renegotiated leases for more than 20,200 sqm. 2 departures, for a total surface area of 5,100 sqm, were recorded during the period. At the end of June, the occupancy rate of the investment properties was 73%.

The nature of Banimmo's activities, i.e. the repositioning and redevelopment of buildings or sites, makes its portfolio fair value more volatile and thus less accurate than that of a property company that only holds property. Consequently, since 2010, the company has decided to use the historical cost accounting method (IAS2 accounting standard) for buildings under development or refurbishment. At the end of 2013, the total value of the buildings stood at €366m, including the fair value of associates.

With €75m of disposals in 2013, Banimmo significantly exceeded its €60m announced target. Early 2013 started fast with three significant operations: the sale of a retail asset that is part of a retail part of a retail centre "Art de vivre" in Eragny (Ile-de-France) for a price of €18.7m and the sale of a €9m office building near Antwerp, as well as the development of a new 6,500 sqm office building ("built-to-suit") in Brussels. The building will be delivered in late 2014 with a fixed 15-year-lease to the international brokerage group Marsh & McLennan.

The second half of 2013 recorded the sale of two retail properties in Fontenay-sous-Bois and Rouen for €21.8m and the sale of its 50% stake in the joint venture Jardins des Quais to Affine for €25.5m. During the period Banimmo also partnered with McArthurGlen, Europe's leading outlet centre company, on a project worth €180m in Ghent. The group also acquired a new office building in Antwerp for €12.7m, to be repositioned, and signed the development of 7,400 sqm "built-to-suit" offices for Deloitte in Ghent with a fixed 15-year lease.

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

- Grondbank The Loop (25%): conversion and development on the Flanders Expo complex in Ghent, in cooperation with the municipality
- Conferinvest (49%): operating of two Dolce conferences centres in Brussels-La Hulpe and Chantilly.
- City Mall (43%): development of city centre shopping malls in Belgium.

Montéa is no longer consolidated under the equity method and is accounted as an asset available for sale.

As Banimmo is listed on NYSE Euronext Brussels, all details are available on the www.banimmo.be website.

6.2. Main markets

Portfolio breakdown

Affine owns 60 properties with a total value of €627m, with a total surface area of 548,800 sqm.

Over the last few years, a number of major investments in retail, in conjunction with the disposal policy, have enabled the Group to rebalance its portfolio. The share of retail properties has thus increased from slightly less than 5% in 2008 to more than 21% at the end of 2013, close to the warehouses share. However, the property portfolio still mainly comprises office premises (54%).

This diversification goal can also be seen in the geographical distribution of the properties more or less equally between the Paris area and the other regions.

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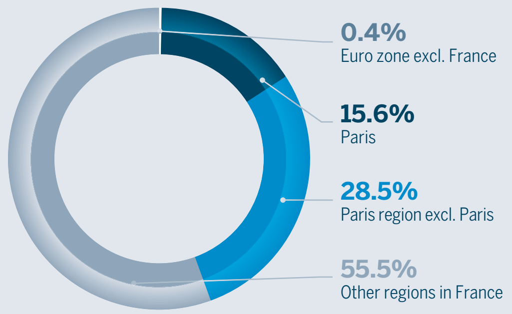
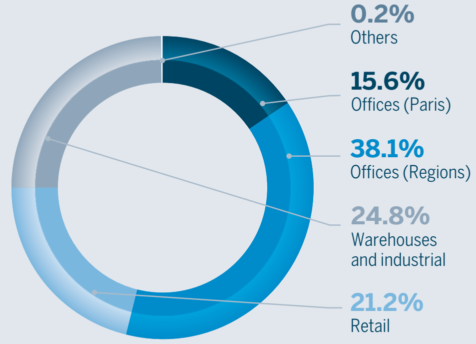
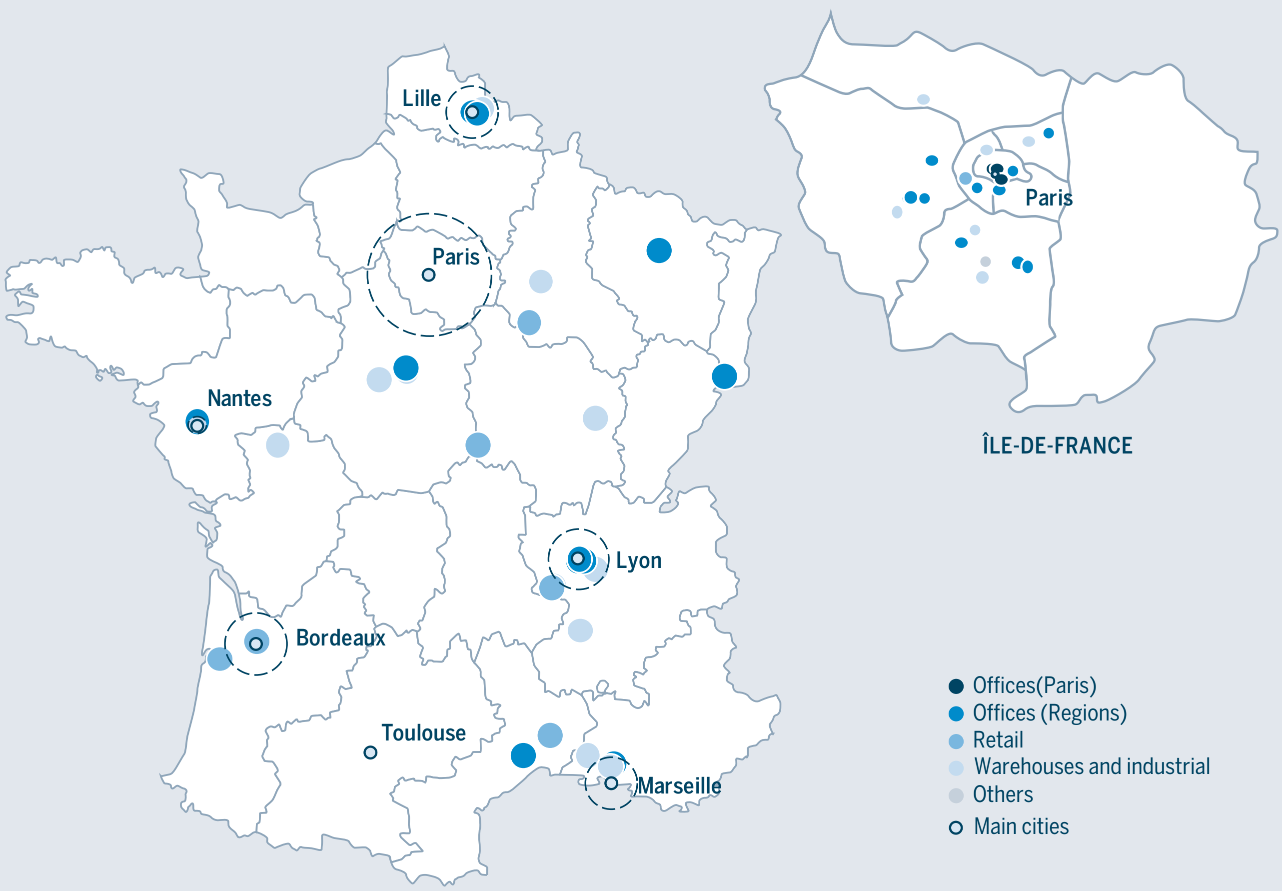
BREAKDOWN OF VALUE BY REGION



BREAKDOWN OF VALUE BY AREA OF EXPERTISE



MAP OF THE PORTFOLIO



Paris

With the exception of a few retail shops, the Parisian portfolio consists of offices. It comprises 4 buildings, of which the main one is the 7,800 sqm Traversière tower in Paris, close to Gare de Lyon and occupied by SNCF, the French national railway company.

The surface area of the Parisian assets is 11,900 sqm, with a fair value of €99m including transfer tax.

Regions

Office

Office premises outside Paris represent 38% of the portfolio, i.e. €241m including transfer tax. In particular, it contains some major assets such as the Lille Europe tower (19,000 sqm over the Euralille train station) and the building acquired more recently in Lyon (4,900 sqm near the Part Dieu district).

The surface areas total 137,200 sqm divided more or less equally between the Paris region (outside Paris) and other French regions.

Retail

The commercial properties consist chiefly of city-centre retail areas such as the retail complex Les Jardins des Quais in Bordeaux (25,000 sqm) and Les 7 Collines shopping mall in Nîmes (14,000 sqm) giving a total of 66,800 sqm. The fair value of this sector is €131m 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 39,000 sqm for the warehouse in Saint-Cyr-en-Val.

These properties, appraised at about €155m including transfer tax and with a total surface area of 328,900 sqm, are located on the main arterial routes and in peri-urban areas.

Market View - Investment France[1]

Highlights

- A good level of investment in spite of transactions being deferred at the end of the year.
- A core market under pressure with prime yields at their lowest.
- A shift to a slightly core+ market that has benefited the inner suburbs of Paris.
- Revival in value-added assets as investors anticipate an improvement in the letting market.
- Good performance in the retail and the industrial logistics sectors.
- Little change in the profile of investors but recent trends point to greater internationalization of the market.
- More demand and a more flexible appraisal of risk due to less uneasiness in the market. 2014 should be as good as 2013 even with uncertainty about the availability of opportunities..

The end of the year was less dynamic but annual volumes were satisfactory

Over the whole of 2013, approximately €15.5 billion euros were invested in standard commercial real estate in France. It is worth remembering, however, that at the same time last year, we announced an investment volume of €14.5 billion for 2012, a figure that was later revised upwards once year-end transactions could be taken into account. The figure for 2013 will also rise in the weeks ahead as transactions are confirmed, the final figure equalling or exceeding last year's results.

The fourth quarter was not as active as in 2011 and 2012, with investment at approximately €4.6 billion, admittedly summer 2013 was very active. While some large transactions, particularly in retail, bolstered market activity at the end of the year, complications emerged leading to some transactions in the pipeline being put off until 2014. Certain issues, often technical problems, during the due diligence procedure made investors, who are increasingly demanding, postpone transactions for several months. But if buyers today are even more vigilant and cautious, they are still willing to buy and just as keen to conclude deals.

A market that did not reveal its full capacity

The property investment market in France proved it was robust despite the depressed economic climate and the greatly deteriorated occupier market. It did not operate to its full capacity, however, due to the imbalance between the large quantity of available capital, investors' expectations in terms of properties or yield and the properties for sale.

The market therefore continued to function under pressure for prime products. There is a structural shortage of secure assets located in the best office districts, which are systematically the most sought after. This persistent imbalance kept prices high for the best assets throughout the year. Prime yields for offices in the CBD hovered around 4.25% and yields for the best high-street shops fell below the 4% mark. The low yields and supply shortage encouraged a growing number of potential buyers of core assets to gradually relax some of their risk-weighting criteria. The effect was to stimulate movement in market segments that had been at a virtual standstill since the start of the crisis.

A more balanced and diversified market

The weakness in the letting market made investors more discriminating about the tenancy situation of assets: the level of income and above all its stability assessed by remaining unbreakable lease time, the strength of the tenant and rents at market rates. Keen competition for core assets did lead to

1 Source: CB Richard Ellis - Market View - France/Ile-de-France - 4Q 2013. The reproduction of the whole or any part of this report is only authorised if its source is credited.

an increasing number of investors becoming less cautious and loosening up risk assessment so that quality schemes, notably in the Inner Rim, fell within their targets. Investors significantly widened their sights as to the geographic situation of assets beyond Paris business districts, marking the end of the focus on the capital that is symptomatic of times of crisis. Paris's share of investment volume therefore fell this year to 33% compared to 46% in 2012. The shift benefited the suburbs of Paris, in particular the Inner Rim in areas proposing recent, secure properties, close to public transports - ensuring good letting liquidity - with more attractive yields.

At the same time, certain investors, especially foreign investors, have started anticipating a recovery in the letting market in the medium term. They are taking position on quality assets in good locations but with complex tenancy situations such as above market rents or potential voids in the short term. Properties that need renovating are also considered, even very large ones. Yet the degree of risk remains quite limited, as investors have chosen well-located assets, preferably in the Western Crescent and La Défense, offering some income in the future that enables the risk to be spread over time.

At the end of the day, core secure assets, located in the best districts, only accounted for slightly under a third of invested volume (compared to 56% in 2012), almost as much as value-added investments, the volume of which tripled in a year. And the market was also more balanced in terms of the size of transactions, with more depth of deals in the €50 to €150 million range.

Good year for retail and industrial-logistics space

After performing well in first half 2013, the industrial and logistics investment market slowed down in the second half. Yet demand was still strong, notably due to the arrival of new players attracted by the fact that yields are higher in France than in the rest of Europe. The market suffered due to the shortage of prime assets and especially a shortage of logistics platforms. By contrast, the market for industrial premises and small warehouses improved considerably. At the end of the year, the volume of investment in 2013 posted an annual increase of 14% to €1.5 billion.

The retail market was also robust - €3.6 billion of assets changed hands - a rerun of the all-time high level of 2012. Activity was particularly strong during fourth quarter, which alone accounted for almost half investment volume, mainly thanks to the conclusion of large transactions on shopping centres, a sector that had hitherto been fairly inactive. The year 2013 was therefore marked by more diversity in terms of type of retail than in 2012 when more than 55% of invested volume involved shops and shopping galleries in town centres (41% this year). The shopping centre segment performed well (31%). As for the market for retail parks, this enjoyed a revival, posting the highest level of investment ever seen (€380 million or 11% of all retail).

By contrast, the upsurge in the office market in third quarter was not confirmed in the final months of the year when only €2.6 billion were invested. The volume for 2013 therefore reached €10.4 billion euros. This rather poor result was due to the sharp decline in the office market in Paris - annual slides of 35% in the CBD and 48% in Southern Paris - albeit after an excellent 2012. The markets in the Inner Rim and La Défense, however, overlooked since 2010, once again managed to attract investors and posted transaction volumes that increased by 84% and 88% respectively. If the off-plan market remained slow – only €1.3 billion of investment were reported, making it the second weakest year for the sector since 2009 – the proportion of offices acquired with a view to renovation, redevelopment or transformation, rose from 4.5% in 2012 to 9.5%.

International investors do not leave the market despite the domination of french investors

The landscape of players active in the market has changed little in recent years. Since the start of the crisis the French market has been dominated by domestic investors, which once again accounted for 59.5% of investment in 2013. Institutional investors remained the most active, whether they invest directly, such as insurance companies and SCPIs, or via OPCI RFAs. Property companies, in particular SIICs are still taking a back seat. As net sellers, and following major sell-off plans announced by large specialist property companies in the sector, they particularly helped fuel the market with retail assets. International investors stayed in the background, but that doesn't mean they showed no interest in France. Indeed foreign investors accounted for 62% of fourth quarter's market. Operators from Germany include open-ended funds, which on the whole supplied the market with properties, and Spezial Funds and insurance companies, which were more active in the final quarter. Moreover, Anglo-Saxon investors made a notable return as buyers (investment funds and property companies) particularly in the value-added sector. The fall in activity of sovereign funds is mainly due to the shortage of prime properties, even though a few have developed strategies that do not target exclusively core products.

Reasonable optimism for 2014

Despite questions arising from tax uncertainty, capital is and will remain available to acquire real estate. Indeed some investors did not reach their acquisition targets in 2013, so their appetite will be even larger in 2014. For domestic investors, the yields from real estate compared to other asset classes still attract institutional investors, with insurance companies continuing to increase their exposure to real estate and SCPIs benefiting from their on-going success with the saving public. For foreign investors, we expect the market to follow in the footsteps of the UK market and see more and more international investors. New arrivals have also been showing interest, particularly from Asia, and this will probably be transformed into acquisitions now the phase of reciprocal learning has moved forward. Some international investors will continue to wager on an upturn in the letting market in the medium term and will be a driving force in the value-added market.

Generally speaking, the easing of the recession and convalescence period for the occupier market will enable potential buyers to soften their criteria for appraising risk and continue developing diversification strategies. A shift that will be all the more important given that prime opportunities will be in short supply, even if 2014 will provide an interesting window of opportunity for sellers seeking value-added assets. The prime yield will remain at the bottom of the trough, due to low interest rates. But the price of money is bound to climb again slowly in the medium-term. To summarize, unless there is an unexpected external factor, there is no reason for the market to perform less well in 2014 than in 2013. But can it do much better? The start of the year will be boosted by numerous deals, in particular in the logistics and retail sectors, which were started in 2013 and delayed for some reason. The retail segment may even see past records for the volume of transactions being broken considering the deals already in the pipeline. But the problem of a supply shortage will limit market growth. Obviously this will be so for core products, but there will also be a knock-on effect to core+ markets, as the absence of an upswing in the occupier market discourages the development of new schemes thereby cutting off a potential source of quality assets in the periphery for investors. For this reason we anticipate a level of investment in 2014 of €16 to €17 billion.

Market View - Offices Ile-de-France [1]

Highlights

- The lack of visibility, low confidence and renegotiations by existing tenants all hampered moves.
- Take-up in 2013 was 1,844,500 sqm, a 25% annual decrease.
- Transactions above 5,000 sqm fell (down 45% in volume).
- Paris Centre West and the Western Crescent resisted.
- Immediate supply up 9% in a year to 3.9 million sqm giving a vacancy rate of 7%.
- Supply in Paris reasonable (4.8% vacancy) but abundant in La Défense (12.2%) and in the Western Crescent (12.5%).
- Slightly more than 20 speculative developments commenced in 2013.
- Headline rents relatively stable.
- Commercial concessions rose and are equal to an average of 2.5 months for long leases in oversupplied markets.

A difficult year

With take-up at 511,800 sqm in Ile-de-France, the fourth quarter was the most active in 2013 (15% higher than the preceding quarter), thanks mainly to the segment of transactions above 5,000 sqm. The year as a whole was below average with volumes of take-up 25% down to 1,844,500 sqm. This is well below the long-term average and is a result of the poor economic climate, no visibility and doubt about the future. It created an environment that incited business leaders to take as few decisions as possible and postpone plans to move. Owners made a considerable effort to stop tenants moving out of their buildings consequently the renegotiation of existing leases was a particularly strong market feature this year in most sectors.

The significant decline in transactions above 5,000 sqm was especially damaging. They totalled 655,500 sqm for 53 transactions, compared to 73 in 2012. The volume of take-up was actually 45% below the peaks recorded in 2007 and 2012. There were also very few major transactions. For example, for the first time in 13 years no transaction above 40,000 sqm was reported. The segment below 1,000 sqm fell by 14% in a year (590,500 sqm transacted in 2013) while the 1,000-sqm to 5,000-sqm segment stood out with a 3% year-on-year increase and a volume of 598,400 sqm, which was still below its long-term average. In the market as a whole, 41% of take-up in 2013 involved new and redeveloped offices, which is in line with percentages usually seen. About 54% of large transactions were pre-lettings.

Market performance improved in Paris Centre West and the Western Crescent compared to 2012 and the longer term. Take-up was strong in these sectors because not only are they reassuring key business locations, their rents declined. In Paris Centre West, the strength of the segment above 1,000 sqm resulted in the sector's take-up posting a year-on-year rise of 4% to 446,300 sqm. This sector accounted for almost a quarter of take-up volume in Ile-de-France. Meanwhile, the Western Crescent, with almost a third of volume, also performed well with its take-up rising 16% in a year to 588,500 sqm. About 40% of transactions of large offices >5,000 sqm took place in the Western Crescent and it was home to the three largest transactions in 2013, including the vast 38,100 sqm programme of redeveloped space pre-let to General Electric Capital in City Lights 1 and 3 in Boulogne-Billancourt.

In Southern Paris take-up halved compared to 2012 to 154,500 sqm let or sold, although the mammoth development for the Defence ministry that took place in 2012 inflated results for that year. In North Eastern Paris take-up also slipped, by 24% in a year, to total 85,000 sqm.

La Défense saw just 4 transactions above 5,000 sqm, the largest being ERDF's lease of 22,000 sqm in Tour Blanche. It was the third worst performance for the sector since 2000. Similarly, transaction volumes in the Inner and Outer Rims were 190,000 sqm and 273,500 sqm respectively, the worst year on record since 2000. The industrial sector accounted for about 33% of transactions in 2012, but this share dropped to its more regular share of about 23% in 2013. The public sector also fell in line with 12% of takeup volume, while the finance-insurance sector, following a slow 2012, accounted for about 19% of activity.

Immediate supply rose in 2013

Following 4 years of relative stability, 2013 saw immediate supply in Ile-de-France rise by 9% to stand at 3.9 million sqm at 1 January 2014. The vacancy rate in the Paris region now stands at 7%. Behind this rise are the completion of new and redeveloped properties (mainly in La Défense and the Western Crescent), the return to the market of often renovated space and the slowdown in letting activity. These factors are particularly palpable in La Défense and in some markets in the periphery of Paris. The proportion of quality properties in supply in Ile-de- France, which was in a trough at 17% at the end of 2012, increased again to stand at 22% at the start of 2014.

Structural and geographic disparities did not tone down, for instance supply in Paris is relatively well contained while it is abundant in La Défense and other peripheral markets such as the Western Crescent.

Paris Centre West saw its immediate supply rise bringing the vacancy rate to 5.8%. While competition among small and medium floor areas is rife, the shortage of buildings above 3,000 sqm is still on the cards. South and northeast Paris again have low vacancy rates at respectively 3.5% and 3.9%, while the

1 Source: CB Richard Ellis - Market View - France/Ile-de-France - 4Q 2013. The reproduction of the whole or any part of this report is only authorised if its source is credited.

supply of units above 5,000 sqm is limited to a handful of assets.

In La Défense, the completion of major developments, including Carpe Diem and the Eqho tower, has had the effect of almost doubling immediate supply in a year to reach 401,000 sqm, i.e. a vacancy rate of 12.2%. The business district now offers a very wide selection of properties in terms of building quality, specifications, the cost of charges and rents.

In the Western Crescent, where the vacancy rate is 12.5%, the market is clearly over-supplied in all sub-markets including the most established office districts, except in Neuilly-sur-Seine and Issy-les-Moulineaux. Supply rose, especially in the southern bend of the Seine (up 12.1%) and mainly in Boulogne-Billancourt due to the completion of the In/Out building and more recently Kinetik and Ardeko. There was a slight absorption of supply in Neuilly-Levallois (vacancy rate 10.7%) but there are still many properties on the market in Levallois-Perret. Peri-Défense posted the sharpest supply rise in the zone following the completion of new buildings in Nanterre and renovated space in Suresnes. The Northern Bend (13.4%) has a substantial supply of new buildings that are proving difficult to let.

In the Inner Rim, although the vacancy rate fell during 2013 in the Eastern Inner Rim (6.5%) and the Northern Inner Rim (9.1%), it rose to 8.9% in the Southern Inner Rim following the completion of properties like Area Prima in Châtillon.

Future supply down - few new speculative developments commenced

In the Paris region, definite future supply above 5,000 sqm (with a precise delivery date) totals 1.4 million sqm at 1 January 2014. Some 770,000 sqm of this will be available this year. About 55% of future supply is composed of new and redeveloped space. In 2014, completions are expected in La Défense, for instance the Majunga scheme, and the Western Crescent, notably La Défense Autrement in La Garenne Colombes and New Time, Alegria and Silvergreen in Neuilly-sur-Seine.

In Paris Centre West, future definite supply is high for the sector, which could inject a degree of fluidity to the market currently under pressure for large transactions. Thus 17 units above 5,000 sqm, including 13 redevelopments and renovations, providing a total of 190,000 sqm will increase supply in the market if they are not marketed before their completion or before the current tenant moves out.

Further ahead in 2015-2016, few completions are planned; developers were so wary about embarking on speculative development that few developments were initiated in 2013 (9 new programmes above 5,000 sqm and 13 redevelopments). Out of the 1.9 million sqm being built in Ile-de-France, only 40% remain to be let or sold.

An accumulation of projects put on standby

Probable future supply is high, accounting for a potential of almost 3 million sqm, including 2.5 million sqm to be built or redeveloped via 93 projects envisaged. Most of the 53 programmes ready to be started in Ile-de-France have been through a series of postponements.

Understandably most of these developments are available in peripheral markets, notably in the Western Crescent and in the Northern Inner Rim. In Paris, several major development programmes are still on the shelf including schemes in the west at ZAC Clichy-Batignolles (17th arrondissement) and near Austerlitz at ZAC Paris Rive Gauche (13th arrondissement). For several years there have been plans to build new towers in La Défense, but it is still not settled when they will be started.

Headline rents relatively stable and fall in effective rents

The average weighted headline rent in Ile-de-France for new, redeveloped and renovated space stabilized in 2013 to stand at €294 net per sqm pa at the end of the year (annual fall of 0.7%).

Owners are mainly concentrating their efforts on effective rents by granting commercial concessions, principally rent-free periods, but also anticipated availability of the premises and financing fit out works, both of which increased in value in 2013. For leases above 2,000 sqm with an unbreakable term of at least 6 years, owners of buildings in over-supplied markets will often grant rent-free periods equal to 2.5 to 3 months of rent for each year in the lease. Sometimes even more than 3 months are conceded. In Paris, the average is for free periods of 1.5 to 2 months.

SCARCITY OF PRIME SPACE IN PARIS, HEADLINE RENTS MAINTAINED IN LA DÉFENSE AND WESTERN CRESCENT

The average prime headline rent in Paris Centre West rose by 7% in 3 months to stand at €707 net per sqm pa in the last quarter due to the reappearance of transactions at €750 net per sqm pa. In 2012, the shortage of prime properties and therefore of transactions above €800 net per sqm pa brought the average prime rent down by 8% during the year, just as it did in 2012. In La Défense, the average prime rent returned to its level of the previous year of €442 net per sqm pa, after rising slightly due to the dynamism of the 1,000-sqm to 3,000-sqm market, especially on a few landmark schemes in the best locations on the esplanade. The latest transactions signed highlighted the difficulty of passing the €500 mark.

In the Western Crescent, the average prime rent, which peaked at the start of 2013, was slightly higher (up 2%) than at the end of 2012, at €438 net per sqm pa. The rise was due to the conclusion of several transactions in new buildings in Boulogne-Billancourt and Issy-les-Moulineaux at headline rents close to, or even slightly above, €450 net per sqm pa.

2014 A “technical” upturn probable in a risky environment

As in 2013, the difficulty of planning for the future and the depressed economic climate will curb moves, for at least the first half of 2014. Business sentiment is low and GDP growth in France will be weak, estimated at 0.8%.

However the expected improvement in world growth is a positive sign. The paltry performance of take-up in 2013 means there may automatically be a rise in 2014.

The renegotiation of on-going leases will stop companies moving, and owners will probably remain open to reassessing conditions. Considering the very high level of commercial concessions at the start of the year, it is unlikely that these will rise any more for large units. Although some rises may still take place in markets that are clearly over-supplied or for buildings that have been vacant for a long time. The regularity with which commercial concessions are granted implies that headline rents are unlikely to be adjusted downwards in 2014. It is expected that rents will not change significantly.

On the supply side, there will be little speculative development due to the difficulty of finding finance and the high aversion to risk in the market. Despite the absence of development supply is still high and it will take some time to be absorbed.

To conclude, in 2014 the economy and the office market will be convalescing. In such conditions, we believe take-up in Ile-de-France could reasonably total 2 million sqm in 2014.

Market View - Retail in France [1]

Highlights

- Although sluggish, household consumption will increase in 2014.
- Footfall and turnover remain stagnant.
- Virtually all sectors are affected by the poor results.
- The gap between rents is widening depending on the type and location of retail outlets.
- Despite the current context, retail is still popular with investors.
- 2013 is the 2nd highest year in the retail investment market.
- Yields have bottomed out for the best assets.

Household consumption expenditure up slightly

Households continue to have trouble envisaging the future in an environment where most of the economic indicators are still pointing down on the whole. There has been no reversal of the unemployment curve (the unemployment rate stood at 10.5% at end 2013) and the increase is expected to persevere in 2014, which will continue to weigh on wage negotiations. Yet despite all this, household spending should see annual growth at the end of 2013 of 0.4%. Several factors are expected to have spurred on consumption in the automobile and services sectors: a special measure for employees to be able to cash in company savings schemes prematurely, a car insurance surcharge on vehicles that pollute and the increase of VAT to 20% on 1 January 2014.

The 1st half 2014 is expected to be more sluggish. The introduction of the abovementioned two reforms will adversely affect consumption. The outlook for consumption growth for 2014 stands today at + 0.5% according to the Consensus Forecasts.

1 Source: CB Richard Ellis - Market View - France/Ile-de-France - 4Q 2013. The reproduction of the whole or any part of this report is only authorised if its source is credited.

Number of shoppers and turnover figures still disappointing

Patronage of retail outlets is sluggish, as shown in the index of shopping centre footfall produced by Experian Footfall. It was strong in July and August thanks to fine weather (a criterion on which people's desire to shop depends) after several months of decline. It remained slightly negative in September (down 0.2%) but recovered in October (up 2.6%). The retail sector as a whole is affected by the persisting downturn. The turnover indices observed by the Procos Federation reflect the same trend.

Although footfall in November 2013 was 2.4% higher than in November 2012, it fell again in December by 2.8%. At the end of the year, therefore, 2013's turnover figures resembled those for 2012 shrinking by just 0.9%.

Different sectors affected in varying degrees

In 2013 all sectors of retail were adversely affected, as the latest indicators of retail turnover in the Banque de France survey on the economy show. The good turnover figures that are expected for December will not make up for the poor results of the year as a whole. Retail, irrespective of sector, fell by 1.8% in the first 11 months of the year. The 2nd part of the year performed better, yielding a hint of optimism, with a half-yearly increase of 1%. December is expected to confirm this positive trend.

All sectors remain in the red with negative annual trends: press and paper goods were down 6.9%, the furniture sector down 7.9%, and clothing and shoes down 5% and 6.4% respectively, to name just the sharpest drops. Only in the sectors of household appliances and audio / video equipment were positive trends observed (up 0.6% and 3.2% respectively).

These figures reflect the performance of sectors without making any distinction between different ranges of products. Yet this is an essential factor. On average, mass market goods are more significantly impacted than top-of-the-range and luxury goods, which continue to grow. Examples are LVMH and Kering's Luxury branch, whose turnover figures are up 4% and 7.1% respectively for the first 9 months of 2013 compared to 2012.

Caution remains the key word for retailers

Caution remains the appropriate attitude for all those involved in retail. Even major retailers have precisely defined, inflexible specifications. The quality of sites (image, flow) is the number 1 factor, but other criteria are taken into consideration too. Failure of just one of these factors is enough to discourage a taker: intrinsic qualities of the premises (number of storeys, depth, frontage of the shop window, etc), financial charges (not only rent and key money but also possible lease rights, charges, taxes and fit-out costs all have to be included in view of the potential turnover) and the immediate environment (shops, transport, competitors).

For other retailers and most independent shop-keepers, finding a new location is not on the agenda. Survival is what matters now. Jardiland has done so. Others, such as Virgin, Game and The Phone House, have not managed to pull through. The top-of-range and luxury sector is not necessarily spared either, as evidenced by

Hédiard, which filed for bankruptcy in October and is still awaiting a buyer, and Marithé François Girbaud, which went into receivership. Independent retailers, regardless of their size, are more sensitive to fluctuations in their turnover because they do not have the same leverage that national and international brands do.

Flexible rents

Even though rare prime locations tend to be in the limelight, where rental values are over €10,000 per sqm and may even come close to €20,000 for the Champs Elysées, the retail market in France does not boil down to such locations alone. One must not lose sight of the rest of the market: between the poor results of some retailers and difficult network choices being made, even by those that perform well, the net balance between leases being taken and shop closures tends towards the negative. In the end, all retail players are affected, even though this sector is traditionally perceived as resilient.

Rents for prime shopping centres are on an upward trend for the best ones. When choosing the most strategic outlet network, retailers are willing to invest more for the best locations that will generate the highest turnover figures. In the face of significant demand, prime offers are rare and values are driven upwards. In the best French shopping centres, rents can go as high as €2,000 per sqm for personal goods retailers on well-positioned small shops. Values of this kind remain exceptional but are a good reflection of the tough decisions that retailers are willing to make in the current economic situation. On the other hand, in secondary shopping centres, rents tend to be on a downward slope and lessors are more flexible in negotiations, in order to limit voids and ensure that the retail offer is sufficiently varied, an indispensable condition for its attractiveness.

For products in the outskirts (e.g., retail parks and big-box stores), the overall trend is towards rent stability. Though the best locations continue to be sought after, with values that can reach €220 per sqm for prime retail parks in Ile-de-France, this form of retail is more strongly affected by the slowdown of consumption than town centres. Secondary locations are particularly hard hit by the drop in rents and the question of reconverting some big-box stores will arise increasingly in the medium term.

A profusion of projects

Over-supply is a subject that is brought up frequently. Although the volume of new retail projects tends to diminish year after year, it does remain considerable: town-centre schemes, shopping centres, retail activity zones and retail parks – there are forms of retail suitable to all kinds of spatial and economic configurations. By force of circumstance (availability of land, constraints of existing buildings and development), projects are most abundant in the outskirts. Even though major shopping developments take at least 10 or 12 years to complete and operators must be able to fund the process, keen interest in retail products is unflagging.

At year-end 2012, Procos identified 2.73 million sqm of retail developments in the outskirts of cities (big-box stores and retail parks) of which 1.53 million sqm had already been granted operating authorisations from the CDAC and CNAC (national and departmental authorities in charge of retail development).

Ex-nihilo schemes offer potential competition to existing retail zones. For the past several years there has been a profusion of renovations and extensions of retail hubs, each one attempting to stand out and to maintain and strengthen their attractiveness in their constantly whittled away catchment areas.

As regards shopping centres, the schemes total 1.7 million sqm, of which 59% have already been granted their CDAC/CNAC authorisations. 571,300 sqm are under construction.

A spectacular recovery for retail investment in 4th quarter 201

3.62 billion euros worth of retail assets changed hands in the course of the year. 2013 resembles 2012 (a record year), with a very dynamic 4th quarter, given that almost half of the volumes (47%) were transacted during that period. The share of retail property in the commercial property market reached 23%, a share equivalent to that of 2012 but higher than the average over a long period (15%).

More than a third of retail investment in France (excluding multi-site portfolios) was concentrated in inner Paris, mainly with high street shops, including several core assets such as 22 place de la Madeleine (Sephora), acquired by the Caisse Nationale de Prévoyance from Archon, and the mixed-use building at 65-67 avenue des Champs Elysées whose retail portion is occupied by Nike and Tommy Hilfiger, purchased by Thor Equities. 41% of the retail investment market was concentrated in the regions, with a high percentage of shopping centres (47%) and retail parks (19%).

The preponderance of institutional investors is confirmed, as they accounted for 46% of the volumes acquired. A recent strong trend is the mounting percentage (22%) of investments made via OPCI RFA vehicles (real estate collective investment schemes with simplified operating rules), behind which institutional investors are often represented in large numbers. Next come property companies, which are behind 20% of acquisitions of retail property in 2013. In this context, net initial yields are on a downward trend for the best products. The prime yield for high-street assets, already low at the start of the year, lost 10 basis points (3.9%) in the course of 4th quarter 2013, while that of shopping centres and retail parks lost 25 basis points (4.5% and 5.5% respectively), testifying to the interest buyers take in retail assets in the broad sense of the term.

This market will continue to be dynamic in 2014, in particular with the upcoming transaction of the Carrefour portfolio by Klépierre and the Beaugrenelle shopping centre. Yields have in all likelihood bottomed out and should be stable in the coming quarters.

Market View - Logistics and Industrial space [1]

Highlights

- A contrasting logistics market in which the north-south backbone lost momentum and secondary markets managed to pull through.
- Major turnkey schemes in regional France sustained the market.
- An all-time low level of take-up in Ile-de- France; this may rise in 2014 by the conclusion of a few operations currently in the pipeline.
- Fall in the immediate supply of logistics space, in volume and quality.
- Standstill in the Ile-de-France market following three exceptional years.
- Upturn in the supply of industrial space.
- Rental values and prices diverge depending on the market.

The logistics market in france

Analysis of the market for warehouses above 5,000 sqm (for all kinds of warehouses, a, b, c, cold stores and cross-dock warehouses)

Market dynamics differ

At the close of 2013, the logistics market in France showed contrasting results. While the backbone of logistics activity in France was calmer than usual, secondary markets were more dynamic. Several different market forces were behind this disparity: while Ile-de-France and the Rhone corridor suffered from poor quality supply that is ill-adapted to occupiers' needs and from high local taxes, the construction of logistics platforms for supermarkets increased on the Atlantic coast that is attractive to both the public in general and companies.

Yet demand did exist in Ile-de-France. Companies have real estate plans but the decision making process is long and easily interrupted. The transformation of demand into transactions was below expected levels, although a few development projects initiated in 2013 may finally materialize in 2014.

Market sustained by large developments in regional france

With take-up in France reaching 2,578,800 sqm in 2013, market activity was 19% higher than in 2012, which was a particularly slow year. The market was fuelled by large turnkey schemes – for sale and to let – in regional France. Such schemes accounted for 59% of take-up outside Ile-de-France, compared to an average of 40% between 2008 and 2012. Large transactions above 50,000 sqm also rose significantly in regional France, accounting for 22% of volume transacted in 2013, compared to an average of 12% from 2008 to 2012.

1 Source: CB Richard Ellis - Market View - France/Ile-de-France - 4Q 2013. The reproduction of the whole or any part of this report is only authorised if its source is credited.

Due to the shortage of quality supply on the market and given the large amount of land available for development at relatively low costs, occupiers, principally supermarket chains and other large specialist retailers, were very willing to embark on building new facilities. Moreover, consumers' needs and behaviours have changed considerably and new logistics challenges have arisen. Changes include the rapid expansion of e-commerce and increasingly prevalent environmental concerns and constraints. These changes require optimized, flexible and sometimes shared distribution facilities, with exceptionally sophisticated platforms that can be easily adapted to the specificities of new e-commerce companies. Yet the majority of logistics platforms in France no longer meet these needs, as the buildings are too small, ill equipped and sometimes even poorly maintained. This creates problems when it comes to holding on to operating approval certificates.

Consequently, some older markets, like those in Ile-de-France and the Rhône corridor which are not in line with the latest criteria, were adversely affected in 2013. The Paris region was penalized by high taxes, a fact that tended to make neighbouring regions such as Burgundy and Picardy more appealing to occupiers.

The north-south backbone in decline

Out-dated facilities are the reason the north-south backbone of the logistics market declined in 2013, accounting for 55% of take-up volume compared to 68% on average in recent years. The west and southwest of France saw their share of take-up rise to 9% and 8% respectively.

All-time lows in Île-de-France

Some 511,900 sqm were let or sold in 2013 in Ile-de-France, 3% less than in 2012 and the lowest level seen in the region in the past 5 years. While take-up of existing buildings was below expectations, many turnkey schemes were initiated in 2013 that have not yet entered the statistics. Planning permission for several such schemes is currently being processed, leaving room for hope that take-up volume in 2014 will be better.

Almost half of transaction volume took place in the south of Ile-de- France in 2013. This sector is usually the most active in the region because of the high level of supply, although even here there was a 19% decline on 2012. The downside of high supply is that marketing periods tend to be longer, for instance in markets like Sénart, platforms can remain vacant for some time before a tenant is found. The south of Ile-de-France also saw the only transaction above 50,000 sqm in Ile-de-France this year: Transalliance's lease of 74,800 sqm in Moissy-Cramayel. The remaining transactions in Ile-de-France were below 30,000 sqm, the average size falling to 12,200 sqm.

The west of Ile-de-France saw a rise in transactions, mainly due to market activity in Gennevilliers, where the volume of transactions in the suburb increased threefold in a year. The east saw the volume of take-up double compared to 2012, and was the site of 3 out of the 5 turnkey schemes in Ile-de-France in 2013, including a 19,500-sqm development for Transgourmet in Valenton. Finally, the north of the region had the most difficulty last year, with take-up volume slipping 30%. A turnaround in this trend is expected in

2014 because several large developments that are going through red tape at the moment are situated in the north.

The 3 main regional markets post contrasting results

In the Rhône corridor, take-up fell by 29% in a year to 297,500 sqm. The market was particularly sluggish at the start of the year, but it picked up in the last quarter. About three quarters of transacted volume involved class A warehousing, most of which were in L'Isle d'Abeau, the largest market in the region of Lyon, attracting more than half of take-up.

The Nord-Pas de Calais market resisted with take-up at 265,100 sqm. The market's strength was due to the fact that more small transactions took place – 15 compared to 9 in 2012 – and there was also Gifi's 74,100 sqm transaction in Sin-le-Noble.

Finally, take-up in the PACA region totalled 339,500 sqm, virtually twice that of 2012. Almost half of take-up stemmed from 2 transactions above 50,000 sqm. These were the turnkey letting schemes for Carrefour (50,800 sqm) and Castorama (110,500 sqm), situated respectively in Les Arcs-sur- Argens and Saint-Martin-de-Crau.

Fall in supply in volume and quality

Immediate supply stood at 3.4 million sqm in France at 1 January 2014, an 8% drop from January 2013. Although supply had followed a slight rising trend in recent quarters, it was reabsorbed, particularly in Rhône-Alpes and Nord-Pas de Calais where the majority of transactions took place on existing class A buildings. As a result supply fell in quality as well. At the moment, class A warehousing only accounts for about 33% of available space in Rhône-Alpes and 40% in the north. In Ile-de-France, at almost 1.5 million sqm, supply is stable but will rise again in 2014.

Slightly more than 3 million sqm of semi-speculative schemes have been identified in France and are available for turnkey projects. These are an alternative solution for existing, often ill-adapted, buildings.

The spread of values is sustained

Headline rental values for prime properties are, generally speaking, stable at a very low level, which seems to have bottomed out. The logistics market is, nevertheless, very heterogeneous depending on the location of buildings, local taxes, and the quality and quantity of supply available.

Some under-supplied zones where demand is high - like the Rhône corridor or the inner Parisian suburbs - may see rents increase, even for old buildings. By contrast, in over-supplied markets and/or ones that are in poor locations, there was yet another fall in value that generally manifests itself as an increase in commercial concessions.

Markets for industrial space
(all sizes) and small warehouses (< 5,000 sqm)

Demand slow

Although a slight upturn in demand from occupiers could be seen at the end of the summer, it slipped again at the end of 2013. The economic climate is still difficult and the prospects for the short and medium-term are uncertain. Small and medium companies are particularly vulnerable to this instability and business leaders are increasingly cautious with their decisions and spending. Although the industrial sector's propensity to own property is still present, the overall trend for small and medium units is to remain on stand-by. Moreover businesses are often curbed in their property acquisition plans due to the difficulty of obtaining credit. As for foreign groups, some are hesitant when it comes to making real estate decisions in France, especially when they involve medium and large properties. Thus projects to set up in France or move premises in the country, even projects at an advanced stage, were frequently cancelled. Finally, the Grand Paris project has blocked some sites because they are earmarked for other development purposes. The supply of large units is therefore compressed, particularly in the Inner Rim, which is one of the most sought-after areas.

A brake on the market

Following 3 particularly active years when transactions totalled an average of 975,000 sqm, take-up in 2013 fell 26% from 2012 to 714,200 sqm, the lowest level in a decade. No sector in the Paris region was spared. Only the west managed to tick over thanks to suburbs that are always active like Saint-Ouen-l'Aumône and Gennevilliers. A similar situation prevailed in Aulnay-sous-Bois and Roissy-en-France in the north of the region and Ivry-sur-Seine in the south.

The absence of large groups in the market in 2013 resulted in a slump in the segment of large premises above 5,000 sqm and of medium premises from 1,000 to 3,000 sqm. Only the market under 1,000 sqm was stable and the market for premises under 500 sqm actually improved slightly. This segment is the heart of the industrial market and is particularly well supplied. Consequently it is more resilient, even during times of economic hardship.

Supply continues rising

Immediate supply rose by 14% in a year to stand at 2,587,000 sqm. As take-up was insufficiently high and a number of buildings were vacated by tenants, supply, which had been reabsorbing gently from 2009, rose to a level above the one seen at the end of 2010. Supply is no long fed by new developments and 85% of it is already composed of second-hand premises, the ageing nature of supply is therefore a critical issue in the long term. In some popular areas it is still generally of good quality, particularly in the Inner Rim and in some well located business parks.

Slightly under 30,000 sqm of speculative schemes are expected on the market by mid-2014. Definite future supply is virtually all composed of second-hand vacated space in old buildings that are expected back on the market before the end of 2014. As for semi speculative schemes, they do not exceed 200,000 sqm.

Repricing starting in over-supplied areas

The market is extremely heterogeneous depending on the sector and product. For small and medium units, rents and commercial incentives have been stable because supply and demand is balanced. By contrast for large units, some areas of the Outer Rim that are over-supplied are beginning to see rental values come under attack in parallel with a rise in concessions.

Close-up on the industrial investment market (industrial space and warehouses under 10,000 sqm) and logistics facilities (warehouses above 10,000 sqm) in France

A market expanding strongly…

Following a dip in 2009, the investment market for industrial and logistics properties has not stopped expanding, by approximately 25% a year, to stand at €1.5 billion of investment in 2013. This is the highest investment figure in the sector since 2007. The share of these assets in total real estate investment stands at 9.5%, a 14% rise in volume since 2012. The growth could well continue through 2014.

The structure of the market in 2013 was marked by very few portfolio transactions, only 2 above 100 million euros, including the Spring portfolio acquired by Northwood from Axa in the fourth quarter. In addition the joint venture of Norges in ProLogis's fund played a part in inflating the figures for the first quarter.

Industrial and logistics markets are nonetheless increasingly appealing investments, with higher yields as they are considered riskier than other assets.

The industrial market has traditionally been the playing field for "pure" players. Recently though, it has seen the arrival of some institutional investors and generalist funds, which have refinanced their debt, consolidated their equity and now wish to diversify their portfolios. Another recent trend is the arrival of foreign funds, particularly from Asia and Oceania, that are also seeking to penetrate the European market, notably the French market. In 2013, the most active players were French and European investors, accounting for more than half of investment volume, followed by North Americans.

… But curbed by a shortage of quality properties

The main issue in the investment market is that the number of quality investment opportunities for sale falls short of demand. The shortage curbs investment in industrial property in general, but above all the logistics segment. While it is true that some extra-large prime platforms were exchanged in 2013, for example the sale of the Castorama and Amazon turnkeys, it was mainly the sale of industrial premises and small warehouses that increased. These accounted for 35% of investment in the industrial and logistics sector in 2013, which is 11 points higher than in 2012 (65% for logistics).

The increased market liquidity and the situation of under supply, led to yet another fall in yields. Prime yields for well located, well-let logistics platforms was 7% at the start of 2014 and for industrial premises they were 8.25%. They therefore fell by 25 basis points in one quarter.

Source: CB Richard ELLIS – Market View –4Q 2013

6.3. Exceptional events influencing the activity of the company

No exceptional events have influenced the activity of the company.

6.4. Dependence of the company on patents or commercial or financial contracts

The company is not dependent on any patents, licences or manufacturing processes.

The company's commercial and financial contracts that could have an impact on its business or profitability are described in section 4, "Risk factors", of this registration document..

6.5. External sources used for statements regarding the competitive position of the company

The company has made no representations regarding its competitive position based on information from an external source.

7.1. Overview

Affine, a property company with French REIT (SIIC) status, listed on NYSE Euronext Paris, operates as an investor (offices, warehouses, retail) throughout France.

Its main subsidiary is Banimmo, a Belgian property company listed on NYSE Euronext Brussels, which is specifically involved in the redevelopment and repositioning of buildings in Belgium, France and Luxembourg.

Affine also owns Concerto Développement, specialising in arranging development and investment transactions for logistics property, mainly in France.

The Group has continued its strategy of refocusing its activity around its core business of property.

Affine's subsidiaries that own buildings are mentioned in the Notes to the consolidated statements in section 20.1.7.4, "Scope of consolidation", of this registration document.

Affine owns 49.5% of Banimmo and 100% of Les Jardins des Quais, and 99.9% of Concerto European Developer (through its stake in Promaffine). Banimmo is consolidated under the equity method and the other companies are fully consolidated.

Since Banimmo is listed on NYSE Euronext Brussels, all information is available on the website www.banimmo.be.

7.2. List of major subsidiaries

The scope of consolidation of the Group is described in detail in the Notes to the consolidated statements, under section 20.1.7.3, "Scope of consolidation".

8.1. Property

At 31 December 2013, Affine directly owned 60 investment properties covering a total area of 548,800 sqm, acquired outright or financed under a property finance lease. The main characteristics of these buildings are described below.

8.1.1. List of buildings

Location	Name or street	Locality	French *département*	Surface area in sqm	Acquisition date
OFFICES					
Paris 3rd arrondissement	19, Rue Reaumur	Paris	75	1,679	2007
Paris 9th arrondissement	Rue Auber	Paris	75	2,283	2008
Paris 10th arrondissement	Rue d'Enghien	Paris	75	1,003	2008
Paris 12rd arrondissement	"Tour Bercy" - Rue Traversière	Paris	75	7,783	2008
Montigny-le-Bretonneux	"TDF St Quentin" - Rue Ampère	Ile-de-France	78	9,546	2003
Saint Germain en Laye	Rue des Gaudines	Ile-de-France	78	2,249	2002
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
Trappes	Parc de Pissaloup – Av. J. d'Alembert	Ile-de-France	78	10,183	2006
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
Tremblay en France	Rue Charles Cros	Ile-de-France	93	19,997	2006
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
Aix-en-Provence	"Décisium" - Rue Mahatma Gandhi	Regions	13	2,168	1994
Montpellier	Zac du Millénaire, avenue Einstein	Regions	34	241	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 - 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 – Lilleurope	"Tour Europe" - Parvis de Rotterdam	Regions	59	6,262	2012
Villeneuve d'Ascq	"Triopolis" - Rue des Fusillés	Regions	59	3,045	2004
Mulhouse	"L'Epicerie"	Regions	68	5,020	2008
Bron	Rue du 35e Régiment d'Aviation	Regions	69	2,968	1996
Lyon Gerland	"Le Fontenoy" - 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

PROPERTY, PLANTS AND EQUIPMENT

Property

Location	Name or street	Locality	French *département*	Surface area in sqm	Acquisition date
RETAIL PREMISES AND SHOPPING CENTRES					
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	17,882	2009
Bordeaux	Hangars Des Quais	Regions	33	25,530	2013
Arcachon	Rue Roger Expert and Avenue Lamartine	Regions	33	3,180	2009
St Etienne	Rue Louis Braille - Dorianvest	Regions	42	5,003	2006
Nevers	Avenue Colbert	Regions	58	5,828	2008
LOCAL ACTIVITIES					
Maurepas	Rue Marie Curie	Ile-de-France	78	8,370	2006
Palaiseau	Rue Léon Blum	Ile-de-France	91	3,828	1995
Gennevilliers	7/14 rue du Fossé Blanc	Ile-de-France	92	16,624	2011
Aulnay-sous-Bois	Rue Jean Chaptal	Ile-de-France	93	3,488	1993
Cergy Pontoise	Rue du Petit Albi	Ile-de-France	95	3,213	2007
Aix les Milles	Rue Georges Claude	Regions	13	5,528	1975
Chevigny St Sauveur	Avenue de Tavaux	Regions	21	12,985	2005
WAREHOUSES					
St Germain les Arpajon	Rue des Cochets	Ile-de-France	91	16,289	1999
Eurodif	Parc de l'Aube	Regions	10	24,526	2013
Miramas	Quartier Mas des Moulières, Zac Lésud	Regions	13	12,079	2007
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	Zac des Mardaux	Regions	41	34,127	2006
St Etienne	Molina	Regions	42	33,359	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
Thouars	Rue Jean Devaux	Regions	79	32,000	2007
Sant Feliu de Buixalleu	Park Gaserans - Sant Feliu	Spain		3,680	2012
MISCELLANEOUS					
Paris 12 (car parks)	Rue Traversière	Paris	75	0	2008
Saint-Cloud	Rue du Calvaire	Ile-de-France	92	184	2004

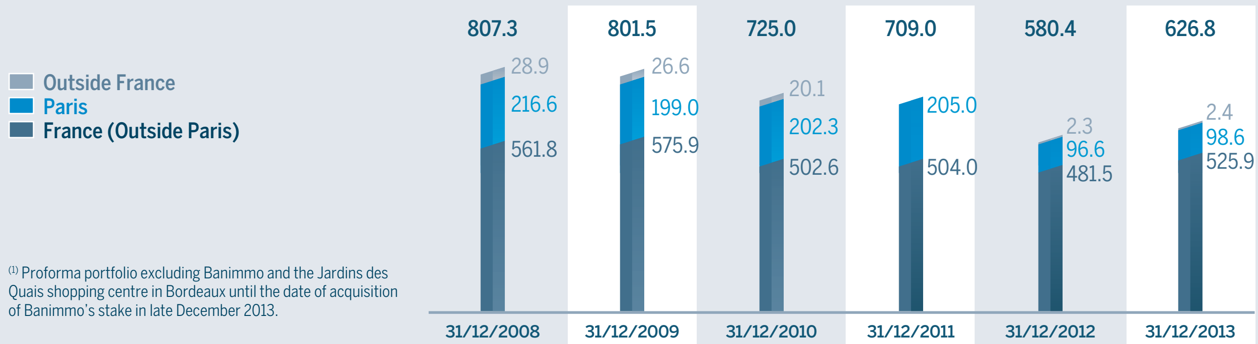
NS: not significant.

8.1.2. Portfolio value

Fair value of directly owned properties (including transfer taxes)

The fair value (including transfer taxes) of the 60 properties stood on 31 December at €627m compared with €580m at the end of 2012.

PROPERTIES VALUE, INCLUDING TRANSFER TAXES (€M) (1)



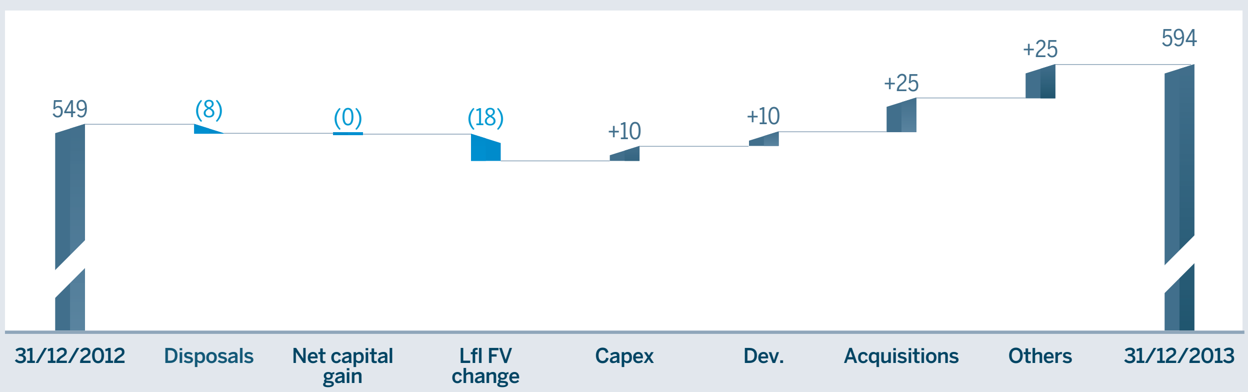
(1) Proforma portfolio excluding Banimmo and the Jardins des Quais shopping centre in Bordeaux until the date of acquisition of Banimmo's stake in late December 2013.

Fair value of directly owned properties (excluding transfer taxes)

Excluding transfer taxes, the value of the properties went from €549m at the end of 2012 to €594m at the end of 2013. This change resulted from:

- disposals totalling €7.8m, with a net capital loss of €0.2m;
- a €18.4m decrease in fair value of buildings in the portfolio at the end of the period;
- €9.5m of investments for improvement of existing properties;
- €10.4m of logistics development;
- a €51m following the full consolidation of Jardins des Quais in Bordeaux as a consequence of the purchase by Affine of Banimmo's 50% stake in the company.

CHANGE IN THE VALUE OF BUILDINGS, EXCLUDING TRANSFER TAXES (€m)



The fall of 3.8% in the portfolio's fair value on a like-for-like basis results from:

- a 3.9% decrease due to the fall in market rents (ERV).
- a 0.5% drop due to higher yield rates used by some appraisers,
- a residual 0.7% increase (works to be carried out, reversion, etc.).

The average yield resulting from appraisals is 7.5%. A downward or upward change of 25 basis points in this rate would lead to an increase or a decrease respectively of the portfolio's value of €20.0m.

Fair value sensitivity to a 25 bp-change in the average yield

Type of asset (€m)	Fair value	Market yield	+/- 25 bp Impact
Offices (Paris)	92.8	5.5%	4.0
Bureaux (Regions)	226.5	7.6%	7.3
Retail	126.1	7.1%	4.5
Warehouses and Industrials	147.1	8.7%	4.2
Others	1.2	11.1%	0.0
TOTAL	**593.8**	**7.5%**	**20.0**

8.2. Environmental issues that could affect the issuer's use of property, plant and equipment

These aspects are covered in the CSR report found in chapter 26 of this report.

The selected financial information below, relating to the years ended 31 December 2011, 2012 and 2013, is taken from the pro-forma consolidated financial statements in Appendix 20.2.

In order to illustrate more clearly the operational performance of Affine/AffiParis, Affine has consolidated the sub-group Banimmo under the equity method since 1 October 2011, when it held a 49.5% stake in the company compared with the 50.0% held previously. The company Les Jardins des Quais, 50:50 owned by Affine and Banimmo until 19 December 2013, was also accounted for under the equity method until that date.

To improve the clarity of the financial statements for the year and their comparability with those of prior periods, the financial statements for 2011 below are pro-forma financial statements in which the sub-group Banimmo and Les Jardins des Quais are consolidated under the equity method for three full financial years. These financial statements, comprising the income statement, balance sheet and cash flow statement, are part of the Notes to the consolidated financial statements audited by the Statutory Auditors.

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

9.1. Financial review

Consolidated balance sheet (€m)	2011	2012	2013
ASSETS	**881.0**	**762.2**	**779.4**
Properties (excluding transfer taxes)	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
Associates	85.8	89.6	60.4
Cash	23.3	32.6	39.4
Other assets	99.4	90.7	85.5
LIABILITIES	**881.0**	**762.2**	**779.4**
Shareholders' equity (before allocation)	362.2	351.4	326.2
of which BRS	*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

Net asset value

At 31 December 2013, total shareholders' equity amounted to €326.2m, a decline of €25.3m compared to late 2012, due firstly to the 2012 distribution (dividends and payment of BRS and PSL coupons) and secondly to the net loss for the year. After deducting quasi-equity (€73.2m 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 €256.0m (-11.3%). NAV per share was €24.97 (after BRS dilution and excluding treasury shares), down 11.5% compared with 31 December 2012. Including transfer taxes, NAV per share was €28.34.

NAV (€m)	2011	2012	2013
Shareholders' equity (before allocation) gs [1]	348.4	351.4	326.2
PSL adjustment	(73.4)	(73.2)	(73.2)
IFRS NAV (excl. TT)	275.0	278.2	253.0
EPRA adjustments	12.6	10.6	3.1
EPRA NAV (excl. TT)	**287.6**	**288.8**	**256.0**
EPRA NAV (incl. TT)	326.5	324.0	290.5
Diluted number of shares (excl. Tr. shares)	9,926,848	10,237,552	10,251,873
DILUTED EPRA NAV (EXCL. TT) PER SHARE (€)	**28.97**	**28.21**	**24.97**

(1) Gs stands for Group share.

Based on EPRA NAV excluding transfer taxes, the share price at 31 December 2013 (€13.94) showed a discount of 44%.
Finally, EPRA triple net NAV, including the fair value of hedging instruments, deferred tax and the difference between the accounting and discounted value of the debt, amounted to €28.2 (excl. transfer tax) and €31.6 (incl. transfer tax).

9.2. Operating income

9.2.1. Important factors affecting consolidated earnings

Consolidated earnings (€m)[(1)]	2011	2012	2013
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[(2)]	**34.7**	**34.6**	**26.7**
Current operating profit	**34.6**	**34.5**	**26.5**
Other income and expenses	(2.6)	(1.6)	(2.7)
Net profit or loss on disposal	2.9	(8.5)	(0.1)
Operating profit (before value adj.)	**34.9**	**24.5**	**23.7**
Net balance of value adjustments	1.7	(5.2)	(18.4)
Net operating profit	**36.6**	**19.2**	**5.4**
Net financial cost	(18.2)	(16.9)	(11.5)
Fair value adjustments of hedging instr.	(2.3)	(1.5)	4.0
Taxes	(0.4)	0.1	(1.4)
Associates	1.3	3.4	(5.3)
Miscellaneous[(3)]	(0.4)	0.3	(0.1)
Net profit	**16.6**	**4.6**	**(8.8)**
NET PROFIT – GROUP SHARE	**15.3**	**4.7**	**(8.8)**
Net profit – group share	15.3	4.7	(8.8)
EPRA adjustments	3.2	15.4	25.8
EPRA EARNINGS[(4)]	**18.4**	**20.1**	**17.0**

(1) Based on IFRS standards and EPRA recommendations.
(2) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. In 2011, 2012 and 2013, this amount excludes the impairment of properties of the development business, which were €3.0m, €1.4m and €1.2m respectively and which are recognised under other income and expenses.
(3) Net profit from activities that have been discontinued or are being sold, other financial income and expenses.
(4) The European Public Real Estate Association (EPRA) issued Best Practice Recommendations in September 2011 which give guidelines for performance measures. Additional guidances were released in January 2014. As detailed in the EPRA adjustments note, EPRA earnings essentially exclude the effects of fair value changes and gains or losses on sales. EPRA earnings for 2011 and 2012 were adjusted by reintegrating other operational and financial income and expenses.

On a like-for-like basis, gross rental income declined by 0.7%, owing mainly to the end of the Nîmes rental guarantee in. After accounting for acquisitions, buildings in anticipation of completion (VEFA), and disposals, and specifically the one of the building located in rue Paul-Baudry at the end of 2012, rents were down by 13.3 %. Service charges decreased in the same proportions and net rents declined by 15.6%.

Current operating profit declined from €34.5m to €26.5m, mainly reflecting the loss of rents due to disposals and the decrease in revenues from the development activity (€0.9m vs €3.2m, excluding depreciation of inventories). Operating expenses again decreased significantly at €10.0m, helped by the effort on reducing personnel expenses and other fees. Revenues on remaining finance lease transactions posted a slightly reduction (€1.07m vs €1.06m).

As asset disposals did not result in any profit or loss in 2013, operating profit before value adjustment was almost stable at €23.7m; after taking into account a €18.4m drop in fair value of the buildings (mainly Trappes, Saint Quentin Fallavier, Evry and Molina), it amounted to €5.4m compared to €19.2m the previous year.

Net financial costs decreased by more than 32% to €11.5m, owing to intensive deleveraging during the year (the debt related to the building in the rue Paul Baudry having impacted almost all of 2012) and persistently lower interest rates. The fair value of financial instruments increased sharply by €4.0m compared with a €1.5m drop the previous year.

Associates mainly reflected the situation of the Belgian subsidiary Banimmo in 2013. In addition to a drop in its operating profit from €10.2m to €7.2m, it suffered from significant losses of value for certain buildings and its stake in City Mall, thus yielding an accounting loss of €13.9m (vs a €2.7m profit in 2012).

Consequently, Affine posted a net consolidated loss of €8.8m, compared to a net profit of €4.7m the previous year.

Adjusted for exceptional items such as changes in fair value and gains or losses on disposals, EPRA earnings were down at €14.9m, compared with €20.1m in 2012 (EPRA earnings for 2011 and 2012 were adjusted by reintegrating other operational and financial income and expenses).

9.2.2. Material changes in net revenues or net income

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

9.2.3. Strategy or factor of a governmental or economic nature that could materially affect, directly or indirectly, the issuer

This information is contained in the section on risk factors in section 4 of this registration document.

9.3 EPRA best practice recommendations

The European Public Real Estate Association (EPRA) issued in September 2011 an update of the Best Practice Recommendations report[1] (BPR), which gives guidelines for performance measures. Additional guidance was given in January 2014.
Affine supports the financial communication standardisation approach designed to improve the quality and comparability of information and supplies its investors with the primary EPRA recommendations. The company therefore publishes the EPRA Earnings, the EPRA earnings per share, the EPRA NAV, the EPRA NAV per share, the EPRA NNNAV, the EPRA NNNAV per share and the EPRA vacancy rate.

EPRA Performance Measures (EPM) definition

EPRA indicators	EPRA Definition [1]
EPRA Earnings	Recurring earnings from core operational activities.
EPRA Net Asset Value	Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model.
EPRA NNNAV	EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes.
EPRA vacancy rate	Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio.

(1) Le rapport est disponible sur le site de l'EPRA: www.epra.com.

EPRA Performance Measures (EPM)

(€000')	2011	2012	2013
EPRA earnings	18,423	20,094	17,009
EPRA net asset value (excl. TT)	287,564	288,777	256,039
EPRA NNNAV (excl. TT)	317,906	308,817	289,457
EPRA occupancy rate (%)	89.0	87.8	90.9

Figures per share (€)	2011	2012	2013
EPRA earnings	1.59	1.75	1.44
EPRA net asset value (excl. TT)	28.97	28.21	24.97
EPRA NNNAV (excl. TT)	32.02	30.17	28.23

EPRA Earnings (indirect method)

(€000')	2011	2012	2013
Net profit – Group share	**15,262**	**4,712**	**(8,831)**
Value adjustments for investment and development properties[1]	1,290	6,639	21,703
Net profit or loss on disposal	(2,931)	8,501	91
Goodwill adjustment	-	-	-
Fair value adjustments of hedging instr.	2,262	1,506	(4,032)
Non-current tax, deferred and exit tax	463	(197)	854
Adjustments for associate	1,258	(906)	7,224
Minority interests in respect of the above	819	(162)	-
EPRA EARNINGS[1]	**18,423**	**20,094**	**17,009**

(1) EPRA earnings for 2011 and 2012 were adjusted by reintegrating other operational and financial income and expenses. The "Other non-recurring items" line was therefore deleted and fair value changes for the development activity are included in "Value adjustments for investment and development properties."

EPRA Earnings (Recurring / non-recurring presentation - direct method)[1]

(€000')	2011	2012	2013
Gross rental income	48,269	46,427	40,230
Net rental income	**43,084**	**41,261**	**34,830**
Other income	3,629	4,294	1,911
Corporate expenses	(12,008)	(10,937)	(9,993)
Current EBITDA[2]	**34,705**	**34,618**	**26,748**
Current operating profit	**34,583**	**34,503**	**26,480**
Other income and expenses[3]	357	(128)	676
Net financial cost	(18,200)	(16,935)	(11,462)
Taxes (current)	23	(51)	(497)
Associates (current)	2,569	2,495	1,914
Miscellaneous (current)[3]	(434)	293	(98)
Net current profit	**18,899**	**20,176**	**17,013**
EPRA EARNINGS (NET CURRENT PROFIT – GS[4])	**18,423**	**20,094**	**17,009**
Other income and expenses[3]	(2,969)	(1,422)	(3,332)
Net profit or loss on disposals	2,931	(8,501)	(91)
Net balance of value adjustments	1,679	(5,217)	(18,371)
Fair value adjustments of hedging instr.	(2,262)	(1,506)	4,032
Taxes (non-current)	(463)	197	(854)
Associates	(1,258)	906	(7,224)
Miscellaneous (non-current)[3]	0	0	(0)
Net non-current profit	**(2,341)**	**(15,544)**	**(25,840)**
NET NON-CURRENT PROFIT– GS[4]	**(3,160)**	**(15,382)**	**(25,840)**
Net profit	**16,558**	**4,632**	**(8,828)**
NET PROFIT - GROUP SHARE	**15,262**	**4,712**	**(8,831)**

(1) Based on IFRS standards and EPRA recommendations.
(2) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. In 2011, 2012 and 2013, this amount excludes the impairment of properties in the development business, which were €3.0m, €1.4m and €1.2m respectively and which are recognised under other income and expenses.
(3) To align the definition of current items with the EPRA definition of that term, "Other income and expenses" appears in the current part of this presentation and includes other operational income and expenses. "Miscellaneous (non-current)" includes other financial income and expenses. The non-current part of "Other income and expenses" includes the fair value change of the development properties.
(4) Gs stands for Group share.

EPRA Earnings per share

(€000')	2011	2012	2013
Net profit – Group share	**15,262**	**4,712**	**(8,831)**
PSL charges	(3,149)	(2,696)	(2,277)
BRS charges	(2,151)	(1,498)	(1,532)
Net profit – Group share adjusted for the earnings per share	9,962	518	(12,640)
BRS 1 and 2 adjustments	2,151	1,498	1,532
Net profit – Group share adjusted for the diluted earnings per share (after conversion of BRS)	12,113	2,016	(11,108)
EPRA adjustments(1)	3,160	15,382	25,840
EPRA earnings adjusted for the PSL charges for calculation of EPRA earnings per share(1)	**15,273**	**17,398**	**14,732**
Earnings per share (€)	1.19	0.06	(1.41)
Diluted earnings per share (€)	1.26	0.20	(1.08)
EPRA EARNINGS PER SHARE (€)(1)	**1.59**	**1.75**	**1.44**
NUMBER OF SHARES			
Outstanding number of shares	9,002,042	9,033,959	9,033,959
Average number of treasury shares	(652,545)	(337,669)	(39,277)
Average number of shares (excl.Tr. shares)	8,349,497	8,696,290	8,994,682
Number of new shares from BRS redemption	1,248,000	1,248,000	1,248,000
AVERAGE NUMBER OF DILUTED SHARES (EXCL.TR. SHARES)	**9,597,497**	**9,944,290**	**10,242,682**

(1) EPRA earnings for 2011 and 2012 were adjusted by reintegrating other operational and financial income and expenses.

IFRS NAV

(€000')	2011	2012	2013
Shareholders' equity (before allocation)	348,447	351,434	326,156
of which BRS	*20,763*	*20,770*	*20,632*
of which PSL	*73,436*	*73,215*	*73,205*
of which treasury shares	*(4,952)*	*(571)*	*(426)*
of which other	*259,200*	*258,019*	*232,744*
PSL adjustments	**(73,436)**	**(73,215)**	**(73,205)**
Diluted IFRS NAV	275,011	278,219	252,950
Transfer tax (gs(1))	38,915	35,201	34,473
Diluted IFRS NAV incl. TT(2)	313,926	313,419	287,423
Diluted IFRS NAV exc. TT(2) per share	**27.70**	**27.18**	**24.67**
Diluted IFRS NAV incl. TT(2) per share	31.62	30.61	28.04
NUMBER OF SHARES			
Outstanding number of shares	9,002,042	9,033,959	9,033,959
Treasury shares	(323,194)	(44,407)	(30,086)
Converted BRS	1,248,000	1,248,000	1,248,000
NUMBER OF DILUTED SHARES (EXCL. TREASURY SHARES)	**9,926,848**	**10,237,552**	**10,251,873**

(1) Gs stands for Group share.
(2) TT stands for transfer tax

EPRA NAV

(€000')	2011	2012	2013
Diluted IFRS NAV excl. TT(2)	275,011	278,219	252,950
EPRA adjustments	12,553	10,559	3,088
of which fair value of financial instruments	14,282	12,630	7,209
- Derivatives at fair value (gs(1)) - Assets	*2,670*	*1,365*	*1,146*
- Derivatives at fair value (gs(1)) - Liabilities	*16,953*	*13,996*	*8,355*
of which net deferred tax	(1,729)	(2,072)	(4,121)
- Assets - deferred tax (gs(1))	*3,683*	*3,966*	*4,433*
- Liabilities - deferred tax (gs(1))	*1,955*	*1,894*	*312*
EPRA NAV excl. TT(2)	287,564	288,777	256,039
EPRA NAV incl. TT(2)	326,479	323,978	290,511
EPRA NAV PER SHARE	**28.97**	**28.21**	**24.97**
EPRA NAV incl. TT(2) per share	32.89	31.65	28.34

(1) Gs stands for Group share.
(2) TT stands for transfer tax.

EPRA NNNAV

(€000')	2011	2012	2013
EPRA adjustments	(12,553)	(10,559)	(3,088)
Change of debt fair value	42,895	30,599	36,506
EPRA NNNAV excl. TT(2)	317,906	308,817	289,457
EPRA NNNAV incl. TT(2)	356,820	344,018	323,929
EPRA NNNAV PER SHARE EXCL. TT(2)	**32.02**	**30.17**	**28.23**
EPRA NNNAV incl. TT(2) per share	35.94	33.60	31.60

EPRA Vacancy rate

Type of asset (€m)	Headline rents	Lettable space (sqm)	ERV(1) on vacant	ERV(1)	Vacancy rate
Offices (Paris)	5.0	11,867	0.0	5.2	0.0%
Offices (Regions)	18.0	137,226	2.3	18.3	12.8%
Retails	9.0	66,806	1.4	10.5	13.2%
Warehouses and Industrials	13.8	328,944	0.7	14.6	4.9%
Others	0.3	3,996	0.0	0.2	0.0%
TOTAL	**46.1**	**548,839**	**4.4**	**48.8**	**9.1%**

(1) ERV corresponds to Estimated Rental Value, i.e. the market rental value estimated by the appraisers.

Consolidated revenues

(€000')	2011	2012	2013
Gross rental income	56,866	46,427	40,230
Re-invoiced service charges and other	21,452	13,200	14,923
Total revenue investment properties	**78,318**	**59,628**	**55,153**
Finance leases	11,796	6,933	5,752
Property development	1,278	3,428	1,017
TOTAL CONSOLIDATED REVENUES	**91,393**	**69,989**	**61,922**

The selected financial information below, relating to the years ended 31 December 2011, 2012 and 2013, is taken from the pro-forma consolidated financial statements in Appendix 20.2.

In order to illustrate more clearly the operational performance of Affine/AffiParis, Affine has consolidated the sub-group Banimmo under the equity method since 1 October 2011, when it held a 49.5% stake in the company compared with the 50.0% held previously. The company Les Jardins des Quais, 50:50 owned by Affine and Banimmo until 19 December 2013, was also accounted for under the equity method until that date.

To improve the clarity of the financial statements for the year and their comparability with those of prior periods, the financial statements for 2011 below are pro-forma financial statements in which the sub-group Banimmo and Les Jardins des Quais are consolidated under the equity method for three full financial years. These financial statements, comprising the income statement, balance sheet and cash flow statement, are part of the Notes to the consolidated financial statements audited by the Statutory Auditors.

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

10.1. Company equity

Consolidated statement of changes in equity

	Capital and related reserves								
(In thousands of euros)	Share capital	Reserves related to share capital	Treasury stock	Consolidated reserves	Total gains and losses taken directly to equity	Net profit attributable to equity holders of the Group	Group equity	Equity attributable to non-controlling interests	Total consolidated equity
Equity at 31/12/2011	**53,100**	**132,688**	**(4,952)**	**152,262**	**9**	**15,341**	**348,447**	**13,736**	**362,183**
Capital increase	1,867	5,468	-	(12)	-	-	7,324	-	7,324
Cancellation of treasury stock	(1,667)	(2,668)	4,335	-	-	-	-	-	-
Cancellation of treasury stock	-	-	47	(87)	-	-	(40)	-	(40)
Preference share issue	-	-	-	-	-	-	-	-	-
Equity component of hybrid instruments	-	(213)	-	(4,051)	-	-	(4,264)	-	(4,264)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2011 earnings	-	-	-	15,341	-	(15,341)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(10,807)	-	-	(10,807)	(158)	(10,965)
Dividends on treasury stock	-	-	-	401	-	-	401	-	401
Preference dividends	-	-	-	-	-	-	-	-	-
Subtotal of shareholder-related movements	**200**	**2,588**	**4,381**	**786**	**-**	**(15,341)**	**(7,386)**	**(158)**	**(7,544)**
Changes in gains and losses recognised directly in equity	-	-	-	-	(9)	-	(9)	-	(9)
2012 income	-	-	-	-	-	4,712	4,712	(80)	4,632
Subtotal	**-**	**-**	**-**	**-**	**(9)**	**4,712**	**4,703**	**(80)**	**4,623**
Effect of acquisitions and disposals on non-controlling interests	-	-	-	5,558	-	-	5,558	(13,523)	(7,965)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	114	-	-	114	-	114
Equity at 31/12/2012	**53,300**	**135,276**	**(571)**	**158,718**	**-**	**4,712**	**351,433**	**(26)**	**351,408**
Capital increase	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	145	46	-	-	191	-	191

(In thousands of euros)	Capital and related reserves			Consolidated reserves	Total gains and losses taken directly to equity	Net profit attributable to equity holders of the Group	Group equity	Equity attributable to non-controlling interests	Total consolidated equity
	Share capital	Reserves related to share capital	Treasury stock						
Preference share issue	-								
Equity component of hybrid instruments	-	(148)	-	(3,679)	-	-	(3,827)	-	(3,827)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2012 earnings	-	-	-	4,712	-	(4,712)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(10,665)	-	-	(10,665)	-	(10,665)
Dividends on treasury stock	-	-	-	44	-	-	44	-	44
Preference dividends	-	-	-	-	-	-	-	-	-
Subtotal of shareholder-related movements	**-**	**(148)**	**145**	**(9,542)**	**-**	**(4,712)**	**(14,257)**	**-**	**(14,257)**
Changes in gains and losses recognised directly in equity	-	-	-	(157)	-	-	(157)	-	(157)
2013 income	-	-	-	-	-	(8,831)	(8,831)	4	(8,828)
Subtotal	**-**	**-**	**-**	**(157)**	**-**	**(8,831)**	**(8,988)**	**4**	**(8,985)**
Effect of acquisitions and disposals on non-controlling interests	-	-	-	(2,041)	-	-	(2,041)	22	(2,019)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	8	-	-	8	2	10
EQUITY AT 31/12/2013	**53,300**	**135,128**	**(426)**	**146,986**	**-**	**(8,831)**	**326,156**	**2**	**326,158**

10.2. Cash-flow

Consolidated cash flow

The Group's funds from operation is stable at €17.9m, the decrease in rental income resulting from disposals being offset in particular by a drop in financial costs; excluding financial costs (and taxes), funds from operation fell slightly to and settled at €30.1m.

There was a sharp increase in change in WCR (€1.3m vs -€16.4m). On the one hand, the Group's participation in the cash management of its subsidiaries (primarily Jardins des Quais and the residential development ones) resulted in €8.4m money back against an advance of €3.6m in 2012. On the other hand, the development projects needed €5.9m of additional resources against €11.0m the previous year. Finally the balance of trade receivables and suppliers contributed -€0.6m against +€1.3m for the same period in 2012. Operating cash flow was thus €31.1m versus €16.8m for the same period in 2012.

Cash Flow (€m)	2011	2012	2013
Funds from operation	19.7	17.9	17.9
Funds from operation excluding cost of debt and taxes	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**
Investments	(25.5)	(20.5)	(27.1)
Disposals	47.2	131.2	8.3
Other	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)
Other (including dividend)	(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)**

Cash-flow for investments went down, at €27.1m compared with €20.5m for the same period in 2012. The disposal policy continued with €8.3m of disposals. Total cash flow from investments came to -€20.1m, compared to €111.5m for the same period in 2012.

The net balance of financing operations, including dividends distributed (€10.8m) and financial costs (€11.5m), generated negative cash flow of €18.6m, with new borrowings accounting for 114% of repayments.

Overall, the available cash position decreased by €7.6m over the year to reach €19.5m (plus a €19m secured line of credit).

10.3. Loan requirements – financing structure

Financing

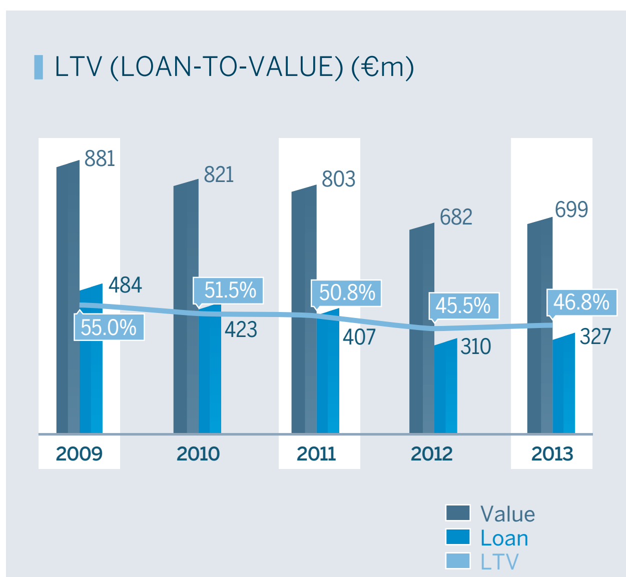
The financing policy based on long-term relationships with its banks and dedicated per-transaction medium-sized financings, secured with mortgages and with long-term repayment periods, enables Affine to benefit from access to bank financing on competitive terms.

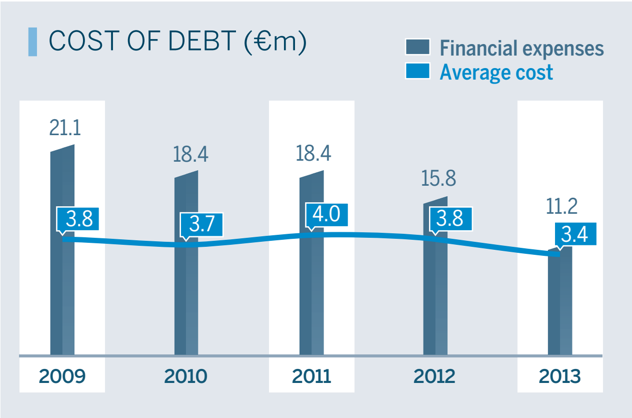
Affine has a resilient risk profile thanks to the large proportion of non-Paris assets in its portfolio, which are more stable and more profitable than its Paris assets, and the diversification of its portfolio.

Affine therefore has good visibility to manage its liabilities by keeping a smooth debt profile, while avoiding in general any financial covenant on the company itself. This allows Affine to optimise the use of its equity by maintaining a LTV below 50%, a significant drop over the last few years.

New bank loans taken out in 2013 amounted to €17.6m, or €47.6m taking into account the refinancing of the Jardins des Quais lease, compared to the €41.9m spent on bank debt amortisation over the period.

In addition, the Group has secured short-term lines of credit totalling €19m at 31 December 2013.



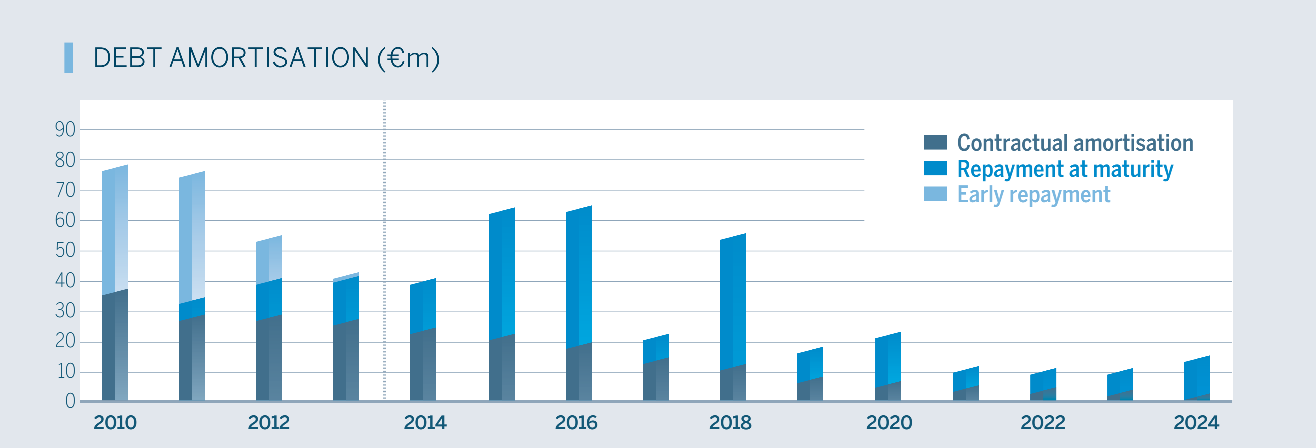


At 31 December 2013, the Group's financial debt (net of cash and cash equivalents) was €347m compared with €334m at year-end 2012. It corresponds to 1.1 times total shareholders' equity.

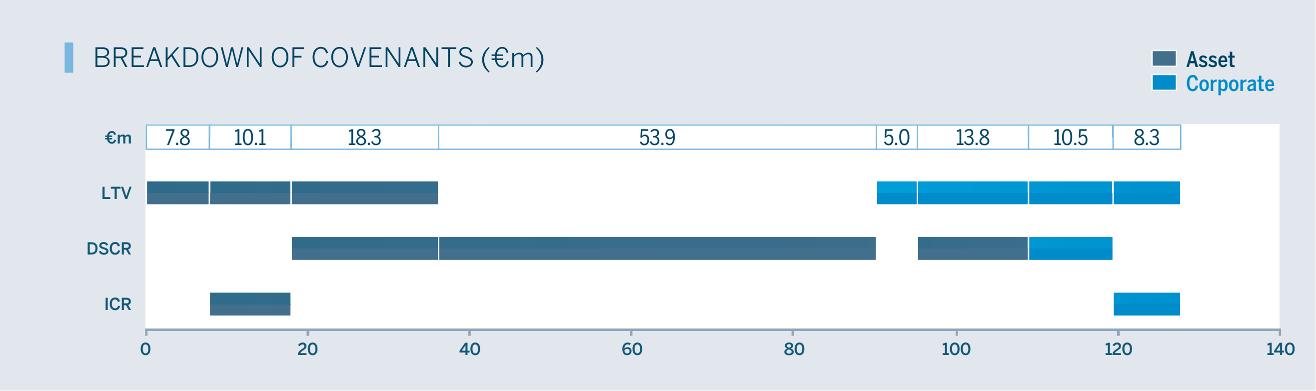
After deducting the debt allocated to finance lease activities (€20m), the net financial debt for investment properties, excluding buildings in anticipation of completion, and the Affine stake in the net value of associates (€60m), totalled €327m, resulting in an LTV ratio of 46.8%, compared with 45.5% at year-end 2012.

The ratio of financial costs to average net financial debt resulted for the year in an average cost of debt of 1.9% (3.4% including hedging costs) as against 2.5% (3.8% for 2012). The Group took advantage of the very low rates to improve the hedging of its debt by taking out new swaps (€55m) and caps (€62m) in June on very attractive terms.

At 31 December 2013, the average maturity of debt was 5.7 years. Debts are amortised 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 chart below shows the amounts of debt for Affine which are subject to covenants on the financed asset, and exceptionally on the company.



At 31 December, no compulsory early repayment was required in part or in whole on any credit due to a failure to comply with financial ratios reported on that date.

LTV (net debt / portfolio value)

(€000')	2011	2012	2013
Net financial debt	434,689	333,787	347,022
Debt allocated to lease financing	(27,287)	(23,392)	(19,854)
Debt allocated to investment securities	-	-	-
Debt allocated to development business	-	-	-
Debt for investment properties	**407,402**	**310,396**	**327,168**
Value of properties (incl. TT)	709,048	580,447	626,842
Property companies consolidated under equity	83,692	87,594	58,457
VEFA & Fixed assets adjustments	10,002	14,397	13,985
Adjusted portfolio value incl. taxes	802,741	682,438	699,284
LTV	**50.8%**	**45.5%**	**46.8%**

10.4. Restriction on the use of capital

Information regarding any restrictions on the use of capital that could materially affect, directly or indirectly, the operations of the issuer are listed in section 4.2 of this registration document.

10.5. Required sources of funding

The refinancing of loans due to expire in 2014, representing a marginal proportion of total borrowings, is under consideration.

RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

11

The company has no research and development policy or patents.

12

TREND INFORMATION

12.1. Main trends

There is no material information to report since the publication of results at 31/12/2013 (press release of 18 February 2014).

12.2. Perspectives

The strategy for improving the portfolio will be continued in 2014 and its structural effects should start to be felt, in particular regarding value adjustments. After the acquisition of all of Jardins des Quais in Bordeaux in December 2013, the rebound in investment remains a key objective, relying on a sound financial footing, and in line with the strategic policy which is based on a balance between the Paris region and major French cities.

PROFIT FORECASTS OR ESTIMATES

The company does not publish profit forecasts or estimates.

14.1. Board of directors and general management

Members of the Board of Directors at 17 February 2014

First name and surname or company name, date of birth, business address	Date of first appointment	Date of expiry of office (GSM approving the financial statements)	Function within the company	Principal function outside the company
Maryse Aulagnon Born on 19/04/1949 5 rue Saint Georges 75009 PARIS	21/09/1999	2014	Chairman and Chief Executive Officer	
MAB-Finances represented by Alain Chaussard Born on 22/06/1948 5 rue Saint Georges - 75009 PARIS	18/06/2004	2015	Director, Vice Chairman Deputy Chief Executive Officer	
Arnaud de Bresson Born on 24/08/1955 39/41 rue Cambon 75001 PARIS	05/02/2008	2015	Director	Managing Director of Paris Europlace
Stéphane Bureau Born on 13/06/1964 11-13 Avenue de Friedland 75008 PARIS	05/03/2010	2014	Director	Partner, Senior Vice President of Asset Management at Cushman & Wakefield – Paris (Property & Asset Management Consultancy).
Joëlle Chauvin Born on 18/12/1946 24-26 rue de la Pépinière 75008 PARIS	27/04/2012	2015	Director	Chairman and Chief Executive Officer of Aviva Investors Real Estate France SA
Bertrand de Feydeau Born on 05/08/1948 59 avenue Kléber 75016 PARIS	22/05/2001	2013	Director	Chairman of Foncière Développement Logements
Forum Partners, represented by Andrew Walker Born on 02/09/1962 16 Berkeley Street London W1 J 8 DZ (United Kingdom)	29/04/2009	2013	Director	Mr Walker: Founding Partner and Chief Executive Officer of Forum Partners
Michel Garbolino Born on 24/11/1943 17 av. George V 75008 PARIS	21/09/1999	2013	Director	Ex Trustee Fondation Stern
Holdaffine BV represented by Jean-Louis Charon Born on 13/10/1957 11 rue des Pyramides 75001 PARIS	29/04/2009	2014	Director	Mr. Charon: Chairman of City Star Capital

The General Shareholders' Meeting of 27 April 2012 resolved to amend the Articles of Association to allow the staggered renewal of directorships (renewal of one third of directors each year).

The re-appointment of Bertrand de Feydeau as director for a three-year term will be submitted to the General Shareholders' Meeting on 30 April 2014.

Michel Garbolino and Forum Partners, represented by Andrew Walker, informed the Board of their wish not to be re-appointed to the Board of Directors.

In accordance with the Middlenext Code, the criteria used to determine whether or not a director is independent are as follows:

- has not been an employee or corporate officer of the company or any company within the same Group in the previous three years,
- is not a customer or supplier or the primary bank of the company or its Group, or for whom the company or Group represents a significant percentage of the activity,
- is not a majority shareholder of the company,
- has no close family ties with a corporate officer or majority shareholder,
- has not been an auditor of the company during the past three years.

Based on these criteria, on 17 February 2014 the following were considered to be independent directors: Arnaud de Bresson, Stéphane Bureau, Joëlle Chauvin, Bertrand de Feydeau, Forum Partners and Michel Garbolino, i.e. six of the nine directors.

The following are not considered independent directors: Maryse Aulagnon and Alain Chaussard (corporate officers) and the company Holdaffine (majority shareholder).

The corporate officers have not been convicted of fraud in the last five years. To the knowledge of the company, none of the officers has been associated with a bankruptcy, receivership, liquidation, incrimination and/or official public sanction by statutory or regulatory authorities and has not been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for the previous five years.

List of appointments and positions held in any company by members of the Board of Directors during 2013:

Executives

Maryse Aulagnon

➤ Posts held in the Affine Group:

- Affine (SA, listed company), Chairman and Chief Executive Officer, 2014 financial statements
  (the number of Affine shares held by Ms Aulagnon – via Holdaffine – is mentioned in section 18.1/18.3 of this registration document),
- BANIMMO (SA, listed company), Belgium, representative of Affine, Chairman,
- ATIT (SC), Representative of Affine, Manager,
- 2/4 HAUSSMANN (SAS), Representative of Atit, Liquidator,
- CAPUCINE INVESTISSEMENTS (SAS), Representative of Affine, Chairman,
- CONCERTO DEVELOPPEMENT (SAS), Representative of Mab-Finances, Member of the Management Committee,
- LES 7 COLLINES (SAS), Representative of Affine, Chairman,
- MAB-FINANCES (SA), Chairman,
- NEVERS COLBERT (SCI), Representative of Affine, Manager,
- PROMAFFINE (SAS), Representative of Affine, Chairman,
- SCI LUCE PARC-LECLERC (SCI), Representative of Promaffine, Manager,
- SCI NANTERRE TERRASSES 12 (SCI), Representative of Promaffine, Manager,
- SCI PARIS 29 COPERNIC (SCI), Representative of Promaffine, Manager,
- AFFINE SUD (formerly SCI BRETIGNY (SCI)), Representative of Affine, Manager,
- LES JARDINS DES QUAIS (SNC), Representative of Affine, Manager,
- PARVIS LILLE (SCI), Representative of Atit, Manager,
- HOLDAFFINE (BV), The Netherlands, Director
- GESFIMMO (SA): Chairman of the Board of Directors (since 22 April 2013)

➤ Posts held outside the Affine Group:

- AIR FRANCE KLM (SA, listed company), Director, Chairman of the Audit Committee,
- BPCE (SA), Member of the Supervisory Board
- VEOLIA ENVIRONNEMENT (SA, listed company), Director.

Alain Chaussard

➤ Posts held in the Affine Group:

- Affine (SA, listed company), Deputy Chief Executive Officer, permanent Representative of Mab-Finances, Vice Chairman, Director, 2015 financial statements
  (Mr Chaussard holds 29,850 shares in Affine and also holds an equity investment in Holdaffine),
- BANIMMO (SA, listed company), Belgium, Representative of Holdaffine, director
- ARCA VILLE D'ETE (SCI), Representative of Affine, manager,
- CONCERTO DEVELOPPEMENT (SAS), Representative of Affine, chairman,
- CONCERTO DEVELOPPEMENT IBERICA (SL), Spain, Representative of Concerto Développement, Manager,
- COUR DES CAPUCINES (SAS), Representative of Affine, Chairman,
- MAB-FINANCES (SA), Vice Chairman – Member of the Supervisory Board,
- ST ETIENNE MOLINA (SAS), Representative of Affine, Chairman,
- CARDEV (SA), Belgium, Representative of Affine, Chairman of the Board of Directors,
- GESFIMMO (SA), Chief Executive Officer and Director since 22 April 2013,
- SC HOLDIMMO, Representative of Affine, Manager,
- SCI COSMO MONTPELLIER, Representative of Affine, which in turn represents Holdimmo, manager,
- SCI NUMERO 1, Representative of Affine, manager,

- SCI 36, Representative of Affine, Manager,
- SCI AULNES DEVELOPPEMENT, Representative of Concerto Développement and Promaffine (since 14 June 2013), Joint Manager,
- TARGET REAL ESTATE (SAS), Representative of Affine R. E., Chairman,
- BERCY PARKINGS (SCI), Representative of Affine, Manager.

➤ Other functions:

- Institut de l'Épargne Immobilière et Foncière (IEIF), Director.

Directors

Arnaud de Bresson

➤ Posts held in the Affine Group:

- Affine (SA), Director, 2015 financial statements (holder of one Affine share)

➤ Posts held outside the Group:

- PARISEUROPLACE, Managing Director

➤ Other functions:

- INSTITUT EUROPLACE DE FINANCE (IEF), Chief Executive Officer,
- FINANCE INNOVATION, Chief Executive Officer of the competitiveness cluster,
- COMITE FRANCE-CHINE, Director,
- INSTITUT FRANÇAIS DES ADMINISTRATEURS (IFA), Director,
- INTERNATIONAL CORPORATE GOVERNANCE NETWORK (ICGN), Member,
- REVUE D'ECONOMIE FINANCIERE (REF), Member of the Editorial Committee.

Stéphane Bureau

➤ Posts held in the Affine Group:

- Affine (SA), Director, 2014 financial statements (holder of one Affine share)

➤ Other functions:

- CUSHMAN & WAKEFIELD – Paris (Property & Asset Management Consultancy), Partner – Senior Vice President of Asset Management

Jean-Louis Charon
Permanent representative of Holdaffine BV

➤ Posts held in the Affine Group:

- Affine (SA), permanent Representative of Holdaffine BV, Director, 2014 financial statements (Mr Charon holds 24,513 shares in Affine; the number of shares held by Holdaffine BV is mentioned in section 18.1/18.3 of this registration document).

➤ Posts held outside the Group:

- CITY STAR CAPITAL (SAS), Chairman,
- SOBK SAS, Chairman,
- HORUS CAPITAL (SAS), Chairman,
- HORUS GESTION (SARL), Chairman,
- SELECTIRENTE SAS, Vice Chairman of the Supervisory Board,
- 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 SAS, Chairman,
- INVESCOSO SAS, Chairman,
- NEW CONFIM SAS, Chairman,
- FINANCIERE PES SAS, Chairman,
- VIVAPIERRE SA, Chairman,
- CITY STAR PRIVATE EQUITY ASIA Pte Ltd, Director,
- CITY STAR PHNOM PENH PROPERTY MANAGEMENT Pte Ltd, Director,
- CITY STAR REAM TOPCO Pte Ltd, Director,
- CITY STAR REAM HOLDCO Pte Ltd, Director,
- CITY STAR PHNOM PENH LAND HOLDING Pte Ltd, Director,
- CITY STAR INDUSTRY INVESTMENT SAS, CITY STAR
- OPPORTUNITIES SAS, CITY STAR AMÉNAGEMENT SAS, CITY
- STAR ARI SAS: Representative of SOBK, chairman

Joëlle Chauvin

➤ Posts held in the Affine Group:

- Affine (SA), Director, 2015 financial statements (holder of one Affine share)

➤ Posts held outside the Group:

- AVIVA INVESTORS REAL ESTATE France SA, Chairman and Chief Executive Officer,
- AVIVA France, Property Director,
- AVIVA VIE, Director,
- UNION FINANCIERE DE FRANCE, Director.

➤ Other functions:

- Founding Chairman of the Cercle des Femmes de l'Immobilier,
- Member of the Institut Français de l'Expertise Immobilières (IFEI),
- Member of the ADI, Member of Orie, Member of the Club de l'Immobilier de la région Ile de France, Member of AMO, Director of the IEIF.

Bertrand de Feydeau

➤ Posts held in the Affine Group:

- Affine (SA), Director, 2013 financial statements (holder of 100 Affine shares)

➤ **Posts held 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 and Chief Executive Officer,
- SOCIETE BEAUJON (SAS), Director,
- SEFRI CIME (SA), Director.

➤ **Other functions:**
- Fondation des Bernardins, Chairman,
- Fondation Palladio, Chairman,
- Fédération des Sociétés Immobilières et Foncières (FSIF), Director,
- Club de l'immobilier, Director,
- Fondation du Patrimoine, Vice Chairman,
- Vieilles Maisons Françaises, Vice Chairman.

Michel Garbolino

➤ **Posts held in the Affine Group:**
- Affine (SA), Director, 2013 financial statements (holder of 6 Affine shares)

➤ **Posts held outside the Group:**
- FONCIERE ROCADE, Luxembourg, Manager,
- CMIL, Luxembourg, Manager,
- YMAGIS (SA), Director.

Andrew Walker

➤ **Posts held in the Affine Group:**
- Affine (SA), Representative of Forum Partners, Director, 2013 financial statements
(holder of one Affine share

➤ **Posts held outside the Group:**
- FORUM PARTNERS INVESTMENT MANAGEMENT LLC (USA Delaware), Member of Governance Committee,
- FORUM EUROPEAN REALTY INVESTMENT MANAGEMENT LLC (USA Delaware), Member of Governance Committee,
- FORUM EUROPEAN REALTY INVESTMENT MANAGEMENT II LLC (USA Delaware), Member of Governance Committee,
- FORUM EUROPEAN REALTY INVESTMENT MANAGEMENT III LLC (USA Delaware), Member of Governance Committee,
- FORUM ASIAN REALTY INVESTMENT MANAGEMENT LLC (USA Delaware), Member of Governance Committee,
- FORUM ASIAN REALTY INVESTMENT MANAGEMENT II LLC (USA Delaware), Member of Governance Committee,
- WILTSHIRE REALTY INVESTMENTS LLC (USA Delaware), Member of Governance Committee,
- FORUM PARTNERS EUROPE (UK) LLP (United Kingdom), Partner,
- FORUM EUROPEAN REALTY INCOME GP LIMITED (Cayman Islands), Executive Director,
- FORUM EUROPEAN REALTY INCOME II GP Limited (Cayman Islands), Executive Director,
- FORUM EUROPEAN REALTY INCOME III GP Limited (Cayman Islands), Executive Director,
- ZÜBLIN IMMOBILIERE FRANCE SA, Director,
- ZÜBLIN IMMOBILIEN HOLDING AG, Switzerland, Executive Director,
- FORUM ADVISORS Limited, Executive Director,
- FORUM PARTNERS Limited, Executive Director,
- FORUM HOLDINGS LIMITED (Cayman Islands), Executive Director,
- NEW RIVER RETAIL LIMITED, Guernsey, Executive Director,
- ROXHILL DEVELOPMENTS GROUP Limited, United Kingdom, Executive Director,
- LITTLE BRITAIN OPCO Limited, Executive Director,
- NBS OPCO Limited, Executive Director,
- FORUM ADVISORS Limited, Executive Director,
- FORUM ADVISORS MANAGEMENT Limited, Executive Director,
- WIAG WOHNIMMOBILIEN AG, Executive Director,
- FORUM HOLDINGS BV, Executive Director,
- BOUNDARY ROW OPCO Ltd, Executive Director,
- FORUM PARTNERS GP (Cayman) Ltd., Executive Director,
- CROWN MORTGAGE MANAGEMENT Ltd, Executive Director,
- CROWN NORTHCORP Ltd, Executive Director.

Over the past five years, members of the Board of Directors have also held the following posts within an administrative or management body:

Maryse Aulagnon

- AD VALORE INVEST SA, Luxembourg, Representative of Affine, Chairman,
- WEGALAAN (SAS), Representative of Affine, Chairman (until 1 January 2009),
- AFFINVESTOR GmbH, Germany, Manager (until 31 August 2011),
- CAPUCINES III (SCI), Representative of Affine, manager (until 30 June 2011),
- CAPUCINES IV (SCI), representative of Affine, Manager (until 30 June 2011),
- CAPUCINES V (SCI), Representative of Affine, Manager (until 30 June 2011),
- CAPUCINES VI (SCI), Representative of Affine, Manager (until 30 June 2011),
- LUMIERE (SAS), Representative of Affine, Liquidator (until 29 June 2011),
- SCI BOURGTHEROULDE L'EGLISE (SCI), Representative of Promaffine, Manager (until 30 June 2011),
- TRANSAFFINE (SNC), Manager (until 30 June 2011),
- AFFIPARIS (SA, listed company), Director, Vice Chairman (until 7 December 2012)
- COUR DES CAPUCINES (SA), Representative of Mab-Finances, Director (until 4 May 2012),
- SIPEC (SAS), Representative of Affine, Chairman (until 3 July 2012).

Alain Chaussard

- BUSINESS FACILITY INTERNATIONAL - BFI (SAS), Chairman (disposal in 2010)
- AFFINVESTOR GmbH, Germany, Manager (until 31 August 2011)
- AFFINE DEVELOPPEMENT II (SAS), Representative of Affine, Chairman (until 30 June 2011)
- CAPUCINE INVESTISSEMENTS (SAS), Representative of Mab-Finances, Member of the Management Committee (until 27 May 2011)
- SCI DU 28 A 32 PLACE CHARLES DE GAULLE, Representative of AffiParis, which in turn represents Holdimmo, Manager (until 30 June 2011)
- PM MURS (SCI), Manager (until 30 June 2011)
- CONCERTO LOGISTIC PARK MER (SCI), Representative of Concerto Développement, Manager (until 31 October 2012),
- SCI COSMO TOULOUSE, Representative of AffiParis, which in turn represents Holdimmo, Manager (until 30 June 2012),
- SCI COSMO MARSEILLE, Representative of AffiParis, which in turn represents Holdimmo, Manager (until 30 October 2012),
- SCI COSMO LILLE, Representative of AffiParis, which in turn represents Holdimmo, Manager (until 30 June 2012),
- SCI DU BEFFROI, Representative of AffiParis, which in turn represents Holdimmo, Manager (until 30 June 2012),
- GOUSSINVEST (SCI), Representative of AffiParis, which in turn represents Holdimmo, Manager (until 30 June 2012),
- SCI NUMERO 2, Representative of AffiParis, Manager (until 30 June 2012),
- SARL COSMO, Representative of AffiParis, which in turn represents Holdimmo, Liquidator (since 18 June 2012),
- AFFIPARIS (SA, listed company), Chairman and Chief Executive Director (until 7 December 2012).
- SARL COSMO, représentant AffiParis, elle-même représentant Holdimmo, liquidateur (jusqu'au 18 juin 2012),
- AFFIPARIS (SA, société cotée), président directeur général (jusqu'au 7 décembre 2012).

Bertrand de Feydeau

- AXA IMMOBILIER (SAS), Chairman,
- AXA AEDIFICANDI "Cœur Défense" (SICAV), Director
- SITC (SAS), Director
- KLEMURS (SA), Director (until 2012).

Jean-Louis Charon

- PAREF (SA), Vice Chairman of the Supervisory Board,
- NEXITY (SA), Non-voting Director,
- CONFIM (SAS), Chairman.

Michel Garbolino

- Trustee Fondation Stern (until 1 January 2012)

Andrew Walker

- FRXL CO-INVESTMENT GP Limited, Executive Director

Jöelle Chauvin, Arnaud de Bresson and Stéphane Bureau have not, to the knowledge of the company, held posts in an administrative or management body over the past five years other than those listed above.

14.2. Conflicts of interest within administrative, management and supervisory bodies

There are no potential conflicts of interest among members of the Board of Directors and General Management other than the agreements and commitments listed below.

Regulated agreements and commitments within the meaning of Article L.225-38 of the Commercial Code are:

Authorised agreements and commitments that took effect in 2013

Agreement with the company Banimmo France (SAS)

- Quity holding of more than 10%
- Acquisition from Banimmo France (SAS) of 49% of the shares in SNC Les Jardins des Quais (already 50% owned by Affine) on 19 December 2013, for €19,011,000.
- Acquisition authorised by the Board of Directors on 12 December 2013.

Agreements and commitments authorised in previous years

With the companies Atit SCI, Gesfimmo SAS, St Etienne Molina SAS, Cour des Capucines SAS, Nevers Colbert SCI, Arca Ville d'Eté SCI, Affine Sud SCI, Target Real Estate SAS, Dorianvest Sarl, Capucine Investissements SAS, Les 7 Collines SAS, Promaffine SAS, Concerto Développement SAS, Parvis Lille SCI, SCI numéro 1, Holdimmo SCI, SCI 36, SCI Bercy Parkings and Cosmo Montpellier SCI

Directors concerned:

Maryse Aulagnon, Mab Finances (Alain Chaussard) and Alain Chaussard

Agreement on intragroup centralised cash and prepayment management dated 22 December 2011 (effective 1 January 2012), authorised by the Board of Directors on 14 December 2011.

The agreement provides for payment of advances through the payment of interest calculated on a pro-rata basis at the EONIA rate plus 200 basis points, and invoiced quarterly based on cash advances granted during the previous quarter.

For 2013, the amount of interest earned under this agreement represented net financial income of €1,390,950.

Accession to the agreement on intragroup centralised cash and prepayment management on 11 June 2012 of Concerto Développement SAS (effective 1 January 2012) and Parvis Lille SCI (effective 28 March 2012) and on 28 November 2012 of SCI numéro 1, Holdimmo SCI, SCI 36, SCI Bercy Parkings and Cosmo Montpellier SCI (effective 7 December 2012). These amendments were approved by the Board of Directors on 26 February 2013 and approved by the General Shareholders' Meeting of 24 April 2013.

With the company MAB-Finances (SA):

Directors concerned:

Under the contract for the provision of administrative, financial and operational development services signed with Mab-Finances, the expense recognised in the Affine financial statements to 31 December 2013 amounted to €351,581 excluding taxes.

This agreement was authorised by the Board of Directors' meetings of 21 March 2005, 14 February 2007 and 4 March 2009, and approved by the General Shareholders' Meetings of 21 April 2006, 26 April 2007, 9 April 2008, 28 April 2009, 28 April 2010, 28 April 2011 and 27 April 2012.

The renewal of this agreement was authorised by the Board of Directors on 26 February 2013 and approved by the General Shareholders' Meeting of 24 April 2013.

With the Deputy Chief Executive Officer (Alain Chaussard):

Pursuant to the motion submitted by the Remuneration Committee on 7 March 2005, approved by the Board of Directors on 21 March 2005, Affine increased the allowance due to Alain Chaussard, Deputy Chief Executive Officer, in the event of termination of his duties, to one year of total gross compensation paid by all the Group's companies. This allowance will not be paid in the event of proven gross negligence or serious misconduct.

Pursuant to the motion submitted by the Remuneration Committee of 4 March 2009, the Board of Directors decided on the same day, in accordance with Article L.225-42-1 of the French Commercial Code, to make the payment of this termination benefit contingent on a performance clause linked to Affine's earnings. The performance clause is as follows:

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

The earnings used will be those of the financial year preceding Mr Chaussard's departure.

This agreement was authorised by the Board of Directors on 4 March 2009 and 17 February 2014 and approved by the Combined General Shareholders' Meetings of 29 April 2009, 27 April 2012 and 24 April 2013.

15.1. Remuneration and benefits paid in 2013 to members of the administrative and management bodies and general management

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

TABLE 1

This table concerns only executive officers as defined in Article L.225-185 of the French Commercial Code – that is, the chairman of the Board of Directors, the chief executive officer and the deputy chief executive officer.

Summary of compensation and options and shares awarded to each executive officer

All compensation is paid by Affine, except for directors' fees, part of which is paid by AffiParis (for the 2012 financial year).

	2012	2013
Maryse Aulagnon - Chairman and Chief Executive Officer		
Compensation due for the period (detailed in Table 2)	€274,815	€277,206
Value of long-term variable compensation awarded during the period	Not applicable	Not applicable
Value of options granted during the period (detailed in Table 4)	Not applicable	Not applicable
Value of bonus shares (detailed in Table 6)	Not applicable	Not applicable
TOTAL	**€274,815**	**€277,206**
Alain Chaussard - Deputy Chief Executive Officer		
Compensation due for the period (detailed in Table 2)	€423,697	€409,526
Value of long-term variable compensation awarded during the period	Not applicable	Not applicable
Valuation of options granted during the period (detailed in Table 4)	Not applicable	Not applicable
Value of performance shares awarded during the period (detailed in Table 6)	Not applicable	Not applicable
TOTAL	**€423,697**	**€409,526**

TABLE 2

Summary of compensation paid to each executive officer

	2012		2013	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Maryse Aulagnon - Chairman and Chief Executive Officer				
Fixed compensation (paid by Mab-Finances and Affine)	€258,076	€258,076	€258,040	€258,040
Annual variable compensation	Not applicable	Not applicable	Not applicable	Not applicable
Long-term variable compensation	Not applicable	Not applicable	Not applicable	Not applicable
Exceptional compensation	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	€16,739	€16,739	€19,166	€19,166
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€274,815**	**€274,815**	**€277,206**	**€277,206**
Alain Chaussard* - Deputy Chief Executive Officer				
Fixed compensation	€335,400	€335,400	€335,400	€335,400
Annual variable compensation**	€50,000	€50,000	€50,000	€50,000
Long-term variable compensation	Not applicable	Not applicable	Not applicable	Not applicable
Exceptional compensation	Not applicable	Not applicable	Not applicable	Not applicable
Directors' fees	€16,739	€16,739	€19,166	€19,166
Benefits in kind***	€21,558	€21,558	€4,960	€4,960
TOTAL	**€423,697**	**€423,697**	**€409,526**	**€409,526**

Directors' fees cover attendance at meetings of the Board of Directors of Affine and AffiParis (for 2012) and special committees (gross amount before payroll taxes).

* Mr Chaussard is entitled to severance pay.

** The variable and exceptional compensation reflect the beneficiary's contribution towards the performance of the Affine Group. The variable and exceptional compensation is determined through an annual analysis conducted by the Affine Remuneration Committee. This analysis is based on an assessment of qualitative and quantitative criteria, before being submitted to the Board of Directors.

*** This includes the contribution in consideration of the guaranteed social security contributions of executive officers or managers. These contributions were, for the 2013 financial year, €420 and €4,540 for a company car for the 2013 financial year.

TABLE 3

Directors' fees and other compensation received by non-executive officers

The individual amount of directors' fees is determined according to the number of times a director attends meetings of the Board of Directors and special committees. The amount of directors' fees paid in 2013 is adjusted for Board and committee meetings held in 2012. Amounts are shown before deduction of the employer's contribution and before withholding tax of 30% for foreign residents.

	2012		2013	
	Amounts due	Amounts paid	Amounts due	Amounts paid
Arnaud de Bresson				
Directors' fees	€10,597	€10,597	€9,130	€9,130
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€10,597**	**€10,597**	**€9,130**	**€9,130**
Stéphane Bureau				
Directors' fees	€6,623	€6,623	€6,522	€6,522
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€6,623**	**€6,623**	**€6,522**	**€6,522**
Jean-Louis Charon				
Directors' fees	€13,273	€13,273	€13,435	€13,435
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€13,273**	**€13,273**	**€13,435**	**€13,435**
Joëlle Chauvin(1)				
Directors' fees	Not applicable	Not applicable	€6,522	€6,522
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**NOT APPLICABLE**	**NOT APPLICABLE**	**€6,522**	**€6,522**
Bertrand de Feydeau				
Directors' fees	€8,948	€8,948	€12,435	€11,435
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€8,948**	**€8,948**	**€12,435**	**€11,435**
Michel Garbolino				
Directors' fees	€9,948	€9,948	€12,435	€11,435
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€9,948**	**€9,948**	**€12,435**	**€11,435**
Forum Partners represented by Andrew Walker				
Directors' fees	€5,299	€5,299	€6,522	€6,522
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€5,299**	**€5,299**	**€6,522**	**€6,522**
Lica GmbH represented by Burkhard Leffers(2)				
Directors' fees	€7,948	€7,948	€2,609	€2,609
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€7,948**	**€7,948**	**€2,609**	**€2,609**
Philippe Tannenbaum(2)				
Directors' fees	€12,273	€12,273	€2,304	€2,304
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€12,273**	**€12,273**	**€2,304**	**€2,304**
François Tantot(2)				
Directors' fees	€15,597	€15,597	€7,609	€6,609
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€15,597**	**€15,597**	**€7,609**	**€6,609**

(1) Director since 27 April 2012.
(2) Director until 27 April 2012.

TABLE 4

Stock options for new or existing shares granted during the period to each corporate officer by the issuer and by all the companies in the Group

Name of corporate officer	Plan number and date	Nature of the options	Value of the options	Number of options granted during the period	Exercise price	Exercise period
Maryse Aulagnon Chairman and Chief Executive Officer	Not applicable					
Alain Chaussard Deputy Chief Executive Officer	Not applicable					

The company did not grant any stock options.

TABLE 5

Stock options for new or existing shares exercised during the period by each corporate officer

Name of executive officer	Plan number and date	Number of options exercised during the period	Exercise price
Maryse Aulagnon Chairman and Chief Executive Officer	Not applicable		
Alain Chaussard Deputy Chief Executive Officer	Not applicable		

No stock options were exercised.

TABLE 6

Bonus shares awarded to corporate officers during the period

Bonus shares	Plan date	Number of shares awarded during the period	Share value	Vesting date	Exercisable from
Maryse Aulagnon Chairman and Chief Executive Officer	Not applicable				
Alain Chaussard Deputy Chief Executive Officer	Not applicable				

TABLE 7

Bonus shares that became available to each corporate officer during the period

Bonus shares that became available to each corporate officer	Plan number and date	Number of shares that became available during the period	Vesting conditions
Maryse Aulagnon Chairman and Chief Executive Officer	Not applicable		
Alain Chaussard Deputy Chief Executive Officer	Not applicable		

TABLE 8

History of stock options for new or existing shares

Information on stock options
Not applicable

The company did not grant any stock options.

TABLE 9

Stock options for new or existing shares granted to the top 10 employees who are not corporate officers and options exercised by them	Total number of options granted/exercised
Not applicable	

The company did not grant any stock options.

TABLE 10

History of bonus share awards

Information on bonus shares	PLAN 1	PLAN 2	PLAN 3
Date of shareholders' meeting	9 November 2005	9 November 2005	9 November 2005
Date of Board of Directors' meeting	19 December 2005	18 December 2006	10 December 2007
Total number of bonus shares awarded Of which number awarded to:	25,200	26,100	25,350
Maryse Aulagnon	Not applicable	Not applicable	Not applicable
Alain Chaussard	9,900	9,900	10,050
Share vesting date	19 December 2008	18 December 2009	10 December 2010
End of lock-up period	19 December 2010	18 December 2011	10 December 2012
Total number of shares vested	23,100	23,100	16,950
Aggregate number of shares cancelled or void	2,100	3,000	8,400
Bonus shares outstanding at year-end	0	0	0

The table above differs from the version recommended by the AMF since shares awarded to corporate officers were not subject to performance criteria.

Shares were awarded to employees and certain executives of the company and its subsidiaries, and therefore were not reserved exclusively for executives.

In addition, the authorisation to award shares dates back to 2005; the award was to take place over three years but due to the departure of some beneficiaries, a final tranche was awarded in 2008. However, in 2008, the beneficiaries were not executives or corporate officers of the company.

In view of the launch date of the award scheme and the dates for awarding shares to the executives and officers named above, the addition of a performance criterion after the award date does not apply.

TABLE 11

The table below concerns only the Chairman and Chief Executive Officer and Deputy Chief Executive Officer.

Executive corporate officers	Employment contracts	Supplementary pension scheme	Compensation or benefits owed or likely to be owed as a result of termination or change of office	Compensation for restrictive covenant
Maryse Aulagnon Chairman and Chief Executive Officer	Not applicable	Not applicable	Not applicable	Not applicable
Alain Chaussard	Not applicable	Not applicable	One year of total gross compensation if the net earnings reported in Affine's separate financial statements are at least equal to 3% of its equity; if this condition is not met, performance may be assessed based on the consolidated financial statements, excluding fair value effects.	Not applicable

15.2. Amounts set aside for pensions, retirement benefits and other benefits

Until 31 December 2012, Affine's employees came under the national collective agreement for finance companies of 22 November 1968, as amended on 1 November 2008.

Since 1 January 2013, Affine has been subject to the National Collective Agreement for the property sector. Retirement benefits are paid as provided for in Article 34 of that agreement.

As a precaution, Affine accrues provisions in its financial statements for pension commitments based on an assumed retirement age of 65. Retirement provisions amounted to €550,000 at 31 December 2013.

The actuarial assumptions used to calculate the provision are as follows:

- Discount rate: 2.30%
- Staff turnover: 10.44% under 50 years and 3% above
- Salary increase ratio: 1.26%
- INSEE TD-TV 09-11 mortality table.

16.1. Date of expiration of the current term of office

This information is given in section 14.1 of this registration document.

16.2. Contracts between the holding company and the issuer

Affine has signed an agreement for the provision of administrative, financial and operational development services with the holding company MAB Finances SAS. The signing of this agreement was approved by the Board of Directors and ratified by the General Shareholders' Meeting.

The company's financial statements to 31 December 2013 report a total expense of €351,581 excluding taxes.

16.3. Special committees

The Board of Directors has set up three committees to assist it with its work.

The committees are composed of three to five members who are members of the Board of Directors. Committee members must have the requisite technical expertise to sit on a committee.

The committees report on their work to the Board of Directors after each of their meetings.

16.3.1. Remuneration and Appointments Committee

The members of this committee are (since 27 April 2012):
- Bertrand de Feydeau, Chairman
- Jöelle Chauvin
- Michel Garbolino

The objective of this committee specifically includes the remuneration of the corporate officers, the award of bonus shares and the company's general remuneration policy.

It is also responsible for examining new candidates for directorships and executive appointments with a view to making a recommendation to the Board of Directors, and assesses the status of independent directors.

Members of the General Management may participate in the work of the Remuneration Committee to determine the company's overall remuneration policy, except for remuneration and other benefits concerning it.

When the committee meets to examine appointments, it includes the corporate officers when the purpose of the meeting is to select new directors and to examine the status of independent directors.

The Remuneration Committee meets before the last Board of Directors' meeting of the year or prior to the Board meeting convened to close the annual accounts or whenever decisions within its remit need to be submitted to the Board.

The committee met three times in 2013 (100% attendance rate)

16.3.2. Commitment Approval Committee

The members of this committee are (since 27 April 2012):
- Maryse Aulagnon
- Alain Chaussard representing Mab-Finances
- Jöelle Chauvin
- Michel Garbolino
- Bertrand de Feydeau
- Jean-Louis Charon representing Holdaffine

The Property Director or project proposer may be invited to present projects to the Commitment Approval Committee.

The Commitment Approval Committee may be convened urgently if necessary and by any means. Committee members may be consulted in writing and their opinions submitted by post, email or fax.

The remit of the Commitment Approval Committee extends to disposals and acquisitions of up to €10m per transaction; the Board is then informed of transactions accepted by the committee. The committee also provides the Board with a recommendation on transactions in excess of this amount.

The committee met once in 2013 (83% attendance rate).

16.3.3. Accounts Committee

The members of this committee are (since 27 April 2012):
- Jean-Louis Charon (Chairman), representing Holdaffine
- Arnaud de Bresson
- Stéphane Bureau

The following may also attend committee meetings:
- Maryse Aulagnon
- Alain Chaussard

in their capacity as Chief Executive Officers of the company, as well as the Director of Accounting and Management Control.

The company's Statutory Auditors attend meetings held to review the annual and half-year financial statements and may be invited to other meetings.

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 a material 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 twice in 2013 (66.66% attendance rate).

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 company, in a bid to supplement the rules for the organisation and operation of its Board of Directors and special committees, as well as to set limits on the authority granted to the General Management, has instituted its own rules of procedure, updated by the Board of Directors on 26 February 2013.

The company is mindful of the issue of balanced representation of men and women on the Board and is conscious of the timetable for compliance with this requirement. The General Shareholders' Meeting of 27 April 2012 appointed Joëlle Chauvin as director; since then the proportion of women on the Board of Directors has been 22%.

Significant extracts from the rules of procedure can be found in the Chairman's report on internal control, and in section 16.3 of this document on committees.

17 EMPLOYEES

17.1. Workforce and employment policy

Information on the workforce and employment policy can be found in the CSR report in section 26 of this registration document.

17.2. Bonus shares

The bonus share award scheme established pursuant to the authorisation of the Combined General Shareholders’ Meeting of 9 November 2005 for employees of the company or certain categories of them expired in 2008. Consequently, all shares granted in the final tranche were vested in 2011.

17.3. Arrangements for involving the employees in the issuer’s capital

There are no arrangements for involving the employees in the issuer’s capital.

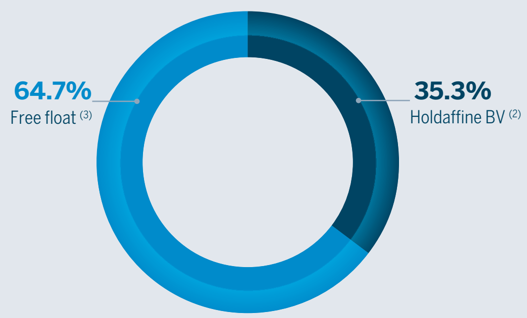
At 31 December 2013, employees of the Affine Group had no holdings in the company’s share capital through a mutual fund or company savings plan (Article L.225-102 of the French Commercial Code).

18.1. Major shareholders

The history of the share capital is reported in section 21.1.7 of this registration document.

The breakdown of the company's capital at 31 December 2013 was as follows:

BREAKDOWN OF CAPITAL (1)



(1) Breakdown of theoretical and actual voting rights:
- Holdaffine: 51.3% (theoretical voting rights*: 51.2%)
- Free float: 48.7% (theoretical voting rights*: 48.8%)

* according to the AMF calculation for determining voting rights

(2) Holdaffine is an unlisted holding company essentially composed of the company's executives and controlled by MAB Finances, the Affine Group holding company.

(3) of which La Tricogne: 6.6% of the capital and 4.8% of the voting rights

The company received no declaration in 2013 that the thresholds for capital or voting rights had been crossed under Article L.233-7 section I of the French Commercial Code or the Articles of Association (threshold of 2% of the capital and voting rights).

The theoretical voting rights calculated on the basis of all shares to which voting rights are attached amounted to 12,456,087.

The actual voting rights exercisable at General Shareholders' Meetings, calculated based on all shares to which voting rights are attached, amounted to 12,426,001.

Description of the equity structure

Shareholders	Shares	% capital	Theoretical voting rights	% theoretical voting rights	Voting rights exercisable at GSM	% voting rights exercisable at GSM
Holdaffine	3,189,945	35.3%	6,379,890	51.2%	6,379,890	51.3%
La Tricogne	600,000	6.6%	600,000	4.8%	600,000	4.8%
Other shareholders	5,213,928	57.7%	5,446,111	43.7%	5,446,111	43.8%
Treasury stock	30,086	0.3%	30,086	0.2%	0	0.0%
TOTAL	**9,033,959**	**100.0%**	**12,456,087**	**100.0%**	**12,426,001**	**100.0%**

The company is not aware of any pledges established on a significant part of its capital.

18.2. Breakdown of voting rights

Shareholders may decide whether their shares are registered or bearer shares, except where the registered form is required by law. A double voting right is granted to each fully paid-up share registered for at least two years in the name of the same shareholder and to any registered bonus share granted to a shareholder in the event of a capital increase by capitalisation of reserves, profits or share premiums, in respect of existing shares to which this right applies.

18.3. Control of the group

At 31 December 2013, Holdaffine held 35.3% of the capital and controlled 51.3% of the voting rights of Affine; it is in turn controlled by MAB Finances.

The presence of a majority of independent directors on Affine's Board of Directors and its special committees guarantee sound corporate governance.

18.4. Arrangements that could result in a change in control

There are no arrangements that could result in a change of control.

18.5. Information on dealing in company securities by executives, persons of a similar status and related parties (article L.621-18-2 of the French Monetary and Financial Code)

For the year ended 31 December 2013, the company received no declarations from executives, persons of a similar status and related parties that they had engaged in transactions in Affine shares, in compliance with Article L.621-18-2 of the French Monetary and Financial Code.

19

RELATED PARTY TRANSACTIONS

The company Affine R.E. is the parent company of the Group that includes the subsidiaries listed in section 20.1. It has its own economic activity distinct from that of its subsidiaries.

The functions performed by the executives of Affine R.E. in those subsidiaries are described in section 14.1 of this document.

One of Affine's recent major acquisitions was to take over Banimmo's stake in the company Les Jardins des Quais. This is described more fully in section 5.2.

The nature of financial flows and volumes are detailed in the Statutory Auditors' report on regulated agreements and are also found in section 14.2 of this registration document.

Related party transactions are also described in sections 14.2 and 20.1.7.9.

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 Financial year ended 31 December 2013

To the Shareholders,

Pursuant to the assignment entrusted to us by your General Shareholders' Meetings, we hereby report to you on the following matters for the financial year ended 31 December 2013:

- our audit of Affine R.E.'s consolidated financial statements, as appended to this report;
- the justification of our assessments;
- the specific verification required by law.

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

1. Opinion on the consolidated financial statements

We conducted our audit in accordance with the professional standards applicable in France. These standards require that we perform such tests and procedures so as to obtain reasonable assurance that the annual financial statements are free from material misstatement. An audit involves examining, by means of spot checks and other selection methods, the evidence supporting the amounts and disclosures shown in the consolidated financial statements. An audit also involves assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as the overall presentation of the financial statements. We believe that the evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

We hereby certify that the consolidated financial statements for the financial year present a true and fair view of the net assets, financial position, and profit of the entity formed by the consolidated entities, in accordance with IFRS guidelines, as adopted by the European Union.

2. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we draw the following matter to your attention:

- Note 7.17 to the financial statements on "Valuation methods for the main balance sheet items" specifically sets out the material estimates and accounting methods selected to value the investment properties. This means that the investment properties are valued at their market value, which is determined by independent appraisers who value the company's portfolio as at 31 December every year, in the case of almost all the portfolio.
  Our work consisted in reviewing the reports of the independent appraisers, assessing the data and assumptions selected as the overall basis for these estimates, ensuring that the current property market situation was taken into account by the independent appraisers, and checking that Note 7.1.7 to the consolidated financial statements provides the appropriate information.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion that we formed, which is expressed in the first section of this report.

3. Specific verification

In accordance with the professional standards applicable in France, we have also specifically verified the information provided in the Group management report, in accordance with French law.

We have no comment to make on its fair presentation or consistency with the consolidated financial statements.

The Statutory Auditors

Paris La Défense, 26 February 2014	Paris, 26 February 2014
KPMG Audit FS I	Cailliau Dedouit et Associés
Régis Chemouny	Rémi Savournin
Partner	Partner

20.1.1. Statement of consolidated financial position (balance sheet)

20.1.1.1. Assets

(In thousands of euros)	Note	31/12/2013	31/12/2012	31/12/2011
NON-CURRENT ASSETS				
Property, plant and equipment		236	287	341
Investment property	1	550,881	522,589	521,356
Intangible assets		523	520	207
Other intangible assets		*523*	*520*	*207*
Financial assets	3	25,225	29,379	39,125
Finance leases and related receivables		*20,132*	*23,815*	*30,673*
Assets held for sale	*4*	*278*	*79*	*269*
Derivatives stated at fair value		*1,146*	*1,365*	*2,607*
Deposits and sureties paid		*3,457*	*3,896*	*4,812*
Loans		*212*	*223*	*765*
Deferred tax assets	10	1,802	1,497	1,394
Shares and investments in companies consolidated under the equity method	9	60,424	89,560	85,819
Total non-current assets		**639,090**	**643,831**	**648,243**
CURRENT ASSETS				
Assets held for sale	1&4	43,381	27,255	151,363
Finance lease loans and receivables		4,600	4,763	6,878
Inventory	8	13,985	14,397	13,680
Trade receivables and other accounts	7	5,237	6,567	8,904
Receivables for investment properties		*5,143*	*6,426*	*8,164*
Receivables related to investment properties		*94*	*141*	*739*
Current tax assets		1	91	115
Other receivables	5	33,676	32,673	28,471
Tax and social security receivables		*4,219*	*5,281*	*4,097*
Other receivables and adjustment accounts		*29,457*	*27,392*	*24,374*
Cash and cash equivalents	3	39,441	32,580	23,316
Cash equivalents		*577*	*3,345*	*465*
Cash on hand		*38,864*	*29,235*	*22,851*
Total current assets		**140,319**	**118,325**	**232,727**
TOTAL ASSETS		**779,410**	**762,157**	**880,970**

20.1.1.2. Liabilities

(In thousands of euros)	Note	31/12/2013	31/12/2012	31/12/2011
EQUITY				
Equity (Group share)		326,156	351,434	348,447
Capital and related amounts		*94,164*	*94,019*	*86,637*
Share capital		*53,300*	*53,300*	*53,100*
Premiums		*41,290*	*41,290*	*38,489*
Treasury stock		*(426)*	*(571)*	*(4,952)*
Consolidated reserves		*240,823*	*252,703*	*246,460*
Unrealised gains or losses on assets available for sale		*-*	*-*	*8*
Net profit (loss)		*(8,831)*	*4,712*	*15,341*
Non-controlling interests		2	(26)	13,736
Consolidated reserves		*(2)*	*54*	*12,441*
Net profit (loss)		*4*	*(80)*	*1,295*
Total shareholders' equity		**326,158**	**351,408**	**362,183**
NON-CURRENT LIABILITIES				
Long-term loans	2	301,119	310,003	319,837
Financial liabilities	3	5,237	9,934	15,551
Derivatives stated at fair value		*5,069*	*9,320*	*14,136*
Other financial liabilities		*168*	*613*	*1,415*
Provisions	11	3,561	1,726	3,027
Deposits and sureties received		6,983	6,915	7,145
Deferred tax liabilities	10	312	-	281
Non-current tax liabilities		-	-	-
Total non-current liabilities		**317,212**	**328,578**	**345,841**
CURRENT LIABILITIES				
Debts linked to assets held for sale	4	30,066	13,837	97,529
Amounts owed to stockholders		-	-	1
Trade accounts payable and other debts	6	32,603	17,796	24,106
Trade accounts payable and related accounts		*6,492*	*3,031*	*2,465*
Other debts		*15,768*	*8,734*	*11,029*
Adjustment accounts		*10,220*	*5,217*	*5,976*
Deferred income		*123*	*813*	*4,635*
Loans and borrowings	3	60,519	46,382	46,620
Current tax liabilities		822	-	14
Tax and social security debts		12,029	4,156	4,677
Total current liabilities		**136,040**	**82,171**	**172,947**
TOTAL LIABILITIES AND EQUITY		**779,410**	**762,157**	**880,970**

20.1.2. Statement of consolidated comprehensive income

20.1.2.1. Consolidated income statement

(In thousands of euros)	Note	31/12/2013	31/12/2012	31/12/2011
Gross rental income		*40,230*	*46,427*	*56,866*
Rental income and expenses		*(5,658)*	*(4,406)*	*(7,425)*
Other property income and expenses		*258*	*(761)*	*709*
Net property income	12	34,830	41,261	50,150
Income from finance leases		*999*	*1,001*	*2,792*
Expenses on finance leases		*56*	*65*	*(441)*
Income from finance leases	13	1,055	1,066	2,351
Income from property transactions		*14,589*	*26,727*	*7,619*
Expenses on property transactions		*(14,907)*	*(24,920)*	*(9,310)*
Income from property development transactions	13	(318)	1,806	(1,691)
Other purchases and external expenses		*(3,924)*	*(4,948)*	*(7,877)*
Taxes and related expenses		*(518)*	*(237)*	*(573)*
Personnel costs		*(5,551)*	*(5,752)*	*(7,070)*
Overhead costs		(9,993)	(10,937)	(15,520)
Recurring EBITDA		**25,574**	**33,196**	**35,290**
Depreciation and impairment		(268)	(115)	(182)
Profit from current operations		**25,306**	**33,081**	**35,108**
Charges net of provisions		(1,932)	(230)	(569)
Balance of other income and expenses		450	102	573
Profit / loss from gains (losses) on real-estate disposals		*(207)*	*(8,884)*	*4,482*
Option exercised on finance lease properties		*115*	*382*	*764*
Net gains (losses) on disposals of operating assets		*-*	*-*	*4*
Gains on asset disposals		(91)	(8,501)	5,250
Operating income before fair value adjustment		**23,733**	**24,451**	**40,362**
Upward adjustment in value of investment properties		*5,515*	*12,258*	*17,588*
Downward adjustment in value of investment properties		*(23,886)*	*(17,475)*	*(15,698)*
Adjustment in value of investment properties		(18,371)	(5,217)	1,890
Balance net of value adjustments		(18,371)	(5,217)	1,890
Net operating profit		**5,363**	**19,234**	**42,252**
Income from cash and cash equivalents		*244*	*469*	*410*
Gross cost of financial debt		*(11,706)*	*(17,404)*	*(22,208)*
Net cost of debt	14	(11,462)	(16,935)	(21,798)
Other financial income and expenses		(98)	293	(49)
Adjustment in value of financial instruments		4,032	(1,506)	(2,712)
Profit before tax		**(2,167)**	**1,085**	**17,693**
Tax on current profit	15	(474)	(95)	44
Deferred taxes	15	(137)	240	(472)
Exit tax	15	(740)	-	-
Share of net income of companies consolidated under the equity method		(5,310)	3,401	(629)
Net profit (loss)		**(8,828)**	**4,632**	**16,636**
Non-controlling interests		**4**	**(80)**	**1,295**
NET INCOME (LOSS) - GROUP SHARE		**(8,831)**	**4,712**	**15,341**
Earnings per share (€)	16	(0.98)	0.54	1.84
Diluted earnings per share (€)	16	(0.86)	0.47	1.60
Diluted earnings per share restated to reflect perpetual subordinated loan notes (PSL)	16	(1.41)	0.06	1.20
Diluted earnings per share restated to reflect perpetual subordinated loan notes (PSL) (€)	16	(1.08)	0.20	1.27

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

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Net profit (loss)	**(8,828)**	**4,632**	**16,636**
Currency translation adjustments	-	-	-
Changes in fair value of financial assets available for sale [1]	(188)	-	(321)
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	-	-	-
Tax	31	-	-
Total gains and losses taken directly to equity	**(157)**	**-**	**(321)**
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**(8,985)**	**4,632**	**16,315**
Of which Group share	(8,988)	4,712	15,020
Of which non-controlling interests	4	(80)	1,295

[1] Montéa securities

20.1.3. Statement of changes in equity

(In thousands of euros)	Capital and related reserves								
	Share 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	Equity held by non-controlling interests	Total consolidated equity
Equity as at 31.12.11	**53,100**	**132,688**	**(4,952)**	**152,262**	**9**	**15,341**	**348,447**	**13,736**	**362,183**
Capital increase	*1,867*	*5,468*	-	*(12)*	-	-	*7,324*	-	*7,324*
Cancellation of treasury stock	*(1,667)*	*(2,668)*	*4,335*	-	-	-	-	-	-
Elimination of treasury stock	-	-	*47*	*(87)*	-	-	*(40)*	-	*(40)*
Preference-share issue	-	-	-	-	-	-	-	-	-
Equity portion of hybrid instruments	-	*(213)*	-	*(4,051)*	-	-	*(4,264)*	-	*(4,264)*
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2011 income (loss)	-	-	-	*15,341*	-	*(15,341)*	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	*(10,807)*	-	-	*(10,807)*	*(158)*	*(10,965)*
Dividends on treasury stock	-	-	-	*401*	-	-	*401*	-	*401*
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	200	2,588	4,381	786	-	(15,341)	(7,386)	(158)	(7,544)
Changes in gains and losses recognised directly in equity	-	-	-	-	*(9)*	-	*(9)*	-	*(9)*
2012 income	-	-	-	-	-	*4,712*	*4,712*	*(80)*	*4,632*
Subtotal	-	-	-	-	(9)	4,712	4,703	(80)	4,623
Effect of acquisitions and disposals on non-controlling interests	-	-	-	*5,558*	-	-	*5,558*	*(13,523)*	*(7,965)*
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies consolidated under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	*114*	-	-	*114*	-	*114*
Equity as at 31.12.12	**53,300**	**135,276**	**(571)**	**158,718**	**-**	**4,712**	**351,433**	**(26)**	**351,408**
Capital increase	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	-	-	-	-	-	-	-
Elimination of treasury stock	-	-	*145*	*46*	-	-	*191*	-	*191*
Preference-share issue	-								
Equity portion of hybrid instruments	-	*(148)*	-	*(3,679)*	-	-	*(3,827)*	-	*(3,827)*
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2012 income (loss)	-	-	-	*4,712*	-	*(4,712)*	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	*(10,665)*	-	-	*(10,665)*	-	*(10,665)*
Dividends on treasury stock	-	-	-	*44*	-	-	*44*	-	*44*
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	-	(148)	145	(9,542)	-	(4,712)	(14,257)	-	(14,257)
Changes in gains and losses recognised directly in equity	-	-	-	*(157)*	-	-	*(157)*	-	*(157)*
2013 income	-	-	-	-	-	*(8,831)*	*(8,831)*	*4*	*(8,828)*
Subtotal	-	-	-	(157)	-	(8,831)	(8,988)	4	(8,985)
Effect of acquisitions and disposals on non-controlling interests	-	-	-	*(2,041)*	-	-	*(2,041)*	*22*	*(2,019)*
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies consolidated under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	*8*	-	-	*8*	*2*	*10*
EQUITY AS AT 31.12.13	**53,300**	**135,128**	**(426)**	**146,986**	**-**	**(8,831)**	**326,156**	**2**	**326,158**

20.1.4. Consolidated cash flow statement

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	(8,828)	4,632	16,636
Net increase (decrease) in depreciation and provisions	5,878	1,988	(7,347)
Unrealised gains and losses from changes in fair value	18,371	5,217	(1,896)
Other calculated income and expenses (including discount calculations)	(3,766)	(3,125)	1,655
Capital gains or losses on sales of assets	966	12,603	9,735
- net carrying value of fixed assets sold	*9,103*	*143,259*	*79,014*
- income from disposals of fixed assets	*(8,137)*	*(130,656)*	*(69,279)*
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	5,310	(3,401)	631
Dividends and returns from income of non-consolidated companies	1	-	(85)
Self-financing capability after net borrowing costs and tax	**17,933**	**17,914**	**19,330**
Net cost of debt	10,800	15,493	22,051
Tax expense (including deferred taxes)	1,351	(145)	428
Self-financing capability before net cost of debt and tax	**30,084**	**33,262**	**41,809**
Income tax paid	(325)	(41)	(545)
Change in WCR linked to property development (Inventories, trade receivables and other related accounts payable)	(5,856)	(10,957)	8,416
Change in trade receivables and other accounts	(11,691)	2,776	2,538
Change in trade accounts payable	11,069	(1,454)	(1,260)
Other changes in working capital requirement related to operating activities	7,802	(6,773)	8,344
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	**31,082**	**16,812**	**59,303**
II – INVESTMENT TRANSACTIONS			
Finance leases	327	3,900	10,680
- Cash paid for acquisitions	-	-	*(38)*
- Cash received for disposals	*327*	*3,900*	*10,718*
Investment properties	167	106,777	15,131
- Cash paid for acquisitions	*(7,632)*	*(20,522)*	*(26,767)*
- Cash received for disposals	*7,799*	*127,299*	*41,898*
Cash paid for acquisitions of tangible and intangible fixed assets	(198)	(375)	(266)
Cash received for disposals of tangible and intangible fixed assets	127	-	8
Investment subsidies received	-	-	-
Cash paid for acquisitions of financial assets	-	-	-
Cash received for disposals of financial assets	-	24	5,456
Consolidated shares	(22,337)	(3)	(2,202)
- Cash paid for acquisitions	*(19,400)*		-
- Cash received for disposals	-	-	*1,633*
- Impact of changes in consolidation	*(2,937)*	*(3)*	*(3,835)*
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,766	847	2,028
Change in loans and advances outstanding	90	373	(7,634)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	-
Net cash flow from investment transactions	**(20,058)**	**111,543**	**23,200**
III – FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	2	-	568
- paid by shareholders of the parent company	*2*	-	*568*
- paid by minority interests of consolidated subsidiaries	-	-	-
Purchases and sales of treasury stock	214	(15)	1,957
Dividends paid out during the financial year	(10,797)	(10,565)	(11,840)
- dividends paid to shareholders of the parent company	*(10,797)*	*(10,406)*	*(10,116)*
- paid to minority interests of consolidated subsidiaries	-	*(159)*	*(1,724)*
Change in non-controlling interests without loss of control	-	(323)	(3,196)
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from hybrid instruments	(3,809)	(4,194)	(5,300)
Change in guarantee deposits given and received	855	(1,690)	(2,620)
Issues or subscriptions of loans and borrowings	47,643	35,915	50,802
Repayments of loans and borrowings	(41,925)	(123,797)	(96,403)
Net cost of debt: interest paid	(11,506)	(16,531)	(23,873)
Other cash flows related to financing activities	707	1,037	1,823
Cash flow from discontinued activities		-	-
Net cash flow from financing transactions	(18,616)	(120,161)	(88,083)
NET CHANGE IN CASH (I+II+III)	**(7,591)**	**8,194**	**(5,581)**
Cash and cash equivalents at beginning of period	27,106	18,911	24,492
Cash and cash equivalents at end of period	19,515	27,106	18,911
NET CHANGE IN CASH	**(7,591)**	**8,194**	**(5,581)**

As from financial year 2012, the change in WCR linked to the property development activity includes inventories, trade receivables and payables. Financial year 2011 has been adjusted accordingly to ensure better comparability.

Cash and equivalents

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Savings bank, central bank, post office	1	3	116
Liquid bank assets	38,859	29,219	22,735
Liquid bank assets in other assets	577	361	465
Investment securities (*1)	-	2,984	-
Sub-total (1)	**39,437**	**32,566**	**23,316**
Bank overdrafts	(19,922)	(5,460)	(4,405)
Bank overdrafts in other liabilities	-	-	-
Sub-total (2)	**(19,922)**	**(5,460)**	**(4,405)**
TOTAL (1) + (2)	**19,515**	**27,106**	**18,911**

(*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	Increase in capital following the merger	Decrease in capital through cancellation of treasury stock	Increase in capital through incorporation of free reserves to round off the capital amount	At end of period
Number of shares	9,033,959	-	-	-	9,033,959
Share capital in euros	53,300,000	-	-	-	53,300,000

Treasury stock

	At 31.12.12	Purchases	Sales	Cancellation	At 31.12.13
In thousands of euros	571	2,535	(2,680)	-	426
In numbers	44,407	186,576	(200,897)	-	30,086

20.1.6. Corporate information

On 17 February 2014, the Board of Directors of Affine RE approved the financial statements for the year ended 31 December 2013 and authorised their publication. Affine is a société anonyme (French 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 property business.

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

SIICs 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 within the meaning of Article L.223-10 of the French Commercial Code. Affine complies with this provision.

The Group's main business activities are set out in the "Segment reporting" note below. The key events of the year are described and can be found in paragraph 7.3 and in the Annual Report.

The financial statements of the Affine Group are fully consolidated by MAB Finances SA in its financial statements.

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 Affine 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 on 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 statements for the financial year ending on 31 December 2012, except for the adoption of the new standards and interpretations whose application is mandatory for financial years starting on or after 1 January 2013 (see list below). These new standards, amendments and interpretations have no significant impact on the Group's financial statements.

➤ Standards, interpretations and amendments to the existing standards adopted by the European Union, whose application is mandatory in 2013:

- Amendment to IFRS 7: Disclosures in the explanatory notes: offsetting financial assets and financial liabilities
- Amendment to IAS 1: Presentation of items of other comprehensive income.
- Revised IAS 19: Employee benefits.
- IFRS 13: Fair value measurements.
- Amendments to IAS 12: Deferred tax: recovery of underlying assets.
- Annual improvements (IFRS 2009-2011).

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

- IFRS 9: Financial instruments.
- IFRIC 21: Levies.
- Amendments to IAS 19: defined benefits plan (employee contribution).
- Annual improvements (2010-2012) and (2011-2013) of IFRS.

➤ New standards, amendments or interpretations for possible early application in 2013 (mandatory application on 01/01/2014):

- IFRS 10: Consolidated financial statements.
- IFRS 11: Joint Arrangements.
- IFRS 12: Disclosure of interests in other entities.
- Revised IAS 27: Separate financial statements.
- Revised IAS 28: Investments in associates and joint ventures.
- Amendments IFRS 10, 11 and 12: Transition guidance.
- Amendments to IAS 32: Offsetting financial assets and financial liabilities.
- Amendments IFRS 10, IFRS 12 and IAS 27 / Investment entities.
- Amendment to IAS 36: Recoverable amount disclosures for non-financial assets
- Amendment to IAS 39: Eligible hedged items.

➤ IFRS 13 "Fair value measurement" was also adopted on 1 January 2013.

The implementation of IFRS 13 led to the publication of more detailed disclosures on the Group's methods for measuring assets (specifically the rate of return, discount rate, capitalisation rate, annual rents in € per sqm., etc.) and the valuation of derivative instruments integrating counterparty risks. The valuation methods of the expert property asset valuers were, however, not impacted by the adoption of IFRS13 with the exception of the Réaumur building (under reconversion).

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

Affine's acquisition from Banimmo of the securities of Jardins des Quais changed the method of consolidation for the latter. The company is now fully consolidated instead of under the equity method and this has an impact on the balance sheet (€84 million in 2013 vs €28 million in 2012).

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 of a subsidiary is considered as the power to influence its financial and operational policies in order to profit from its activities. It results from:

- The direct or indirect holding of the majority of voting rights in the subsidiary,
- Or the power to appoint or dismiss the majority of the members of the administrative, management or supervisory bodies of the subsidiary or bring together the majority of the voting rights to the meetings of these bodies,
- Or the power to exercise dominant influence on a subsidiary, through a contract or through clauses in that subsidiary's articles of association.

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).

JOINT VENTURES (COMPANIES PROPORTIONATELY CONSOLIDATED)

The joint venture partners in property development transactions are companies recognised 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.

ASSOCIATES (COMPANIES CONSOLIDATED 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 acquisition of individual assets

The difference between acquisitions of individual 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 that 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 individual 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 acquirer,
- Determining the acquisition date,
- Measuring the acquisition cost,
- Allocating the cost of the business combination through the recognition of certain and contingent 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 taken to income.

➤ 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 property valuations and the fair value of derivatives. Amounts confirmed during the disposal of these assets may differ from these estimates.

Factors likely to lead to significant adjustments during the 2014 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 property 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 measure fair value".

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 31.12.13 to the ten-year segment):

(In thousands of euros)	-100BP	-50BP	+50BP	+100BP
Change in FV of hedging financial instruments	(4,151)	(2,535)	2,850	5,752

20.1.7.1.6. Leases

➤ 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 step rents 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. Measurement policy for major items

➤ 20.1.7.1.7.1. Investment property

20.1.7.1.7.1.1. Definition

IFRS draws 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 financed by 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.

INCOME FROM INVESTMENT PROPERTIES

Investment property income includes rent and similar income (for example: occupancy compensation, signing fees, parking income) invoiced for the offices, retail premises and warehouses 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, costs of disputes, doubtful receivables and costs linked to property management.

20.1.7.1.7.1.2. Valuation

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 from the value excluding registration duties (the registration duties are deducted from the "taxes included" value (in the case of properties liable to this regime) or notary expenses (if it is a property sold under the real estate VAT regime and which applies to buildings delivered or extensively refurbished less than five years ago). The deducted amounts are calculated on a flat basis of 6.2% of the "duties excluded" value of the first scenario and include all expenses, tax payables or other, borne during a sale. In the second scenario, the deducted amounts are calculated on a flat-price basis of 1.8% of the value excluding tax.) prepared by an external property appraiser, an internal appraiser or as shown on an offer, a preliminary agreement or a sale mandate.

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 adopted discount rates are based on the comparables of the most relevant transactions with respect to the building's quality, its rental situation, and the economic climate of the investment market both locally and nationally. In the DCF method, the property appraisers independently prepare their estimates of current and future cash flows and apply risk factors, either to the cash flows (for example future rent levels, growth rates, required investments, vacant periods, and rent arrangements) or to the rate of return or discount rate.

Following the adoption of IFRS 13 "Fair value measurement", the asset valuation methods used by the Group's appraisers remained unchanged, with the exception of the Réaumur asset. Additional disclosures on these methods are now published, as required by this new standard.

The principal assumptions used to estimate 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.

Given the scarcity of available public data, the complexity of measuring real estate assets and the fact that the measurements made by appraisal firms are based on the Group's confidential rental statements, Affine considered the classification of its assets at level 3 as the most appropriate.

The table below presents a certain number of quantitative data used to measure the fair value of the Group's assets:

	Rental floor area	Fair value excluding transfer taxes		Actual rent		Effective rate
	m²	k€	€/m²	k€	€/m²	
TOTAL	**548,839**	**593,771**	**1,082**	**46,123**	**84**	
Paris	11,867	92,830	7,822	5,033	424	5.1%
Paris region – outside Paris	134,269	169,147	1,260	14,693	109	8.1%
Other French regions	399,023	329,443	826	26,238	66	7.5%
Eurozone outside France	3,680	2,351	639	159	43	6.7%
Offices	149,093	318,923	2,139	23,049	155	6.8%
Shopping centres	66,806	126,085	1,887	8,977	134	6.7%
Warehouses & Industrial	328,944	147,088	447	13,800	42	8.8%
Others	3,996	1,675	419	296	74	Not applicable
Paris	11,867	92,830	7,822	5,033	424	5.1%
Offices	137,226	226,523	1,651	18,045	131	7.4%
Shopping centres	66,806	126,085	1,887	8,977	134	6.7%
Warehouses & Industrial	328,944	147,088	447	13,800	42	8.8%
Others	3,996	1,245	312	268	67	Not applicable

Rent and effective rate = rent and actual rate

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 31.12.13 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.

The measurements are made by in-house experts, individually regardless of the value of the properties. General Management is not required to accept the appraisal value when new events occur.

➤ 20.1.7.1.7.2. Property, plant and equipment and buildings under construction

Property, plant and equipment includes operational buildings that do not meet the requirements of IAS 40.

Tangible assets mainly comprise moveable equipment and computer software, depreciated over a period of three to ten years.

When a building under construction for future 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 prior book value is recorded in the income statement in value adjustments.

➤ 20.1.7.1.7.3. 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.

➤ 20.1.7.1.7.4. Assets held for sale

Where the carrying amount of an asset is to be recovered through a probable sale within one year, 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 31.12.13, 13 assets are shown in this line;

- The value of seven of them corresponded to external appraisals,
- The value of four of them corresponded to signed mandates, offers accepted by both parties and/or commitments to sell,
- Two values were measured on the basis of internal appraisal reflecting the probable sale price.

Consequently, 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)	31/12/2013	31/12/2012	31/12/2011
Proceeds from sales of fixed assets	7,810	126,766	51,667
Net carrying value of properties sold	(8,017)	(135,649)	(47,185)
GAIN OR LOSS ON SALE	**(207)**	**(8,884)**	**4,482**

20.1.7.1.7.5. Inventories and construction contracts

INVENTORY

Buildings purchased, regardless of 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 by Banimmo are carried in inventories, in accordance with IAS2.

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 development costs incurred.

CONSTRUCTION CONTRACTS AND OFF-PLAN SALES (VEFA)

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

Costs of construction and off-plan sales agreements 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 income, the Group records a loss upon termination as an expense for the period.

The profit or loss upon termination 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.

20.1.7.1.7.6. Trade accounts receivable

Trade accounts receivable mainly comprise operating lease and finance lease receivables. These items are valued at amortised cost. Once a receivable has been overdue for over six months at the end of the financial year, or when the customer's situation leads to the conclusion that there is a risk of non-recovery (receivership, major financial difficulties, etc.), the receivable is transferred to the "doubtful receivables" account.

20.1.7.1.7.7. 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.

All impairments are recognised in income, as are all reversals.

Impairment of finance leases

Impairment of finance lease receivables is posted to "Trade loans and receivables" (see Note 8 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 recognised 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).

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 doubtful receivables

Invoices classified as doubtful receivables are systematically written off for their full amount excluding tax, less any deposits or guarantees received.

20.1.7.1.7.8. 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 investments are recorded as "assets available for sale".

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

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, which requires prospective and retrospective effectiveness tests to 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 bonds redeemable as shares (BRS) and perpetual subordinated loan notes (PSL), 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:

- Investment securities 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 interests 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 31.12.13 to the ten-year segment. The company uses the discounting 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 2 of the fair value hierarchy of IFRS 7.

Financial liabilities at fair value through profit or loss

These liabilities concern debt related to derivatives. The debt is valued by the discounting of future cash flows (for which the company is committed to the banks offering these hedges), as calculated by Finance Active.

ADDITIONAL VALUATION INPUT – IFRS 13

Derivatives were measured at 31 December 2013 by taking account of the credit valuation adjustment (CVA) and debit valuation adjustment (DVA) as required by IFRS 13.

The CVA, calculated for a given counterparty, stems from the sum of:

a. The total market value that the Group has with that counterparty if it is positive,
b. The probability of the counterparty's default over the medium term, weighted by the nominal value of the derivatives recognised with the latter. The probability of default is derived from the Bloomberg model based on market values and derived from default hedges for banks,
c. And the loss in case of default established at 60% according to the market standard.

The DVA or bilateral CVA based on Affine's credit risk corresponds to the loss that the counterparty may face in case of the Group's default. It stems from the sum:

a. Of the total market value that the Group has with that counterparty if it is negative,
b. The Group's probability of default over the medium term, weighted by the nominal value of the total portfolio of derivatives. The Group's probability of default is derived from the Bloomberg model based on the default hedges for Affine,
c. And the loss in case of default established at 60% according to the market standard.

The impact is a positive fair value change of €49,700 on earnings for the period.

20.1.7.1.7.9. Recognition of bonds redeemable in shares (BRS) and perpetual subordinated loan notes (PSL)

For more details, refer to the explanatory notes to the individual company statements.

Bonds redeemable in shares (BRS)

Two thousand BRS 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 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 bond.

Affine's General Shareholders' Meeting 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 BRS.

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.

Since 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 BRS.

EARLY REDEMPTION AT THE HOLDER'S DISCRETION

As from 15 October 2013, BRS holders are 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, currently, 624 shares (after adjustment) per bond.

Considering the characteristics of the BRS, they have been classified as equity instruments in accordance with IAS 32.

Perpetual subordinated loan notes (PSL)

On 13 July 2007, Affine issued €75 million of perpetual subordinated loan notes (PSL) represented by 1,500 PSL, 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.

Since Affine may be exempted from paying the coupons or redeeming the PSL, whether or not an event outside its control occurs, under IAS 32 all the PSL must therefore be classified as equity instruments.

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

20.1.7.1.7.10. 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 estimated.

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 a financial expense.

20.1.7.1.7.11. Treasury stock

These shares are posted to equity in the same way as capital gains or losses from disposals.

20.1.7.1.7.12. Tax

Consolidated tax expense includes deferred taxes.

Current tax

Le The Affine Group is subject to a mixed tax treatment as follows:

- An SIIC segment allowing a tax exemption on ordinary profits from rental activities, capital gains on building disposals and shareholdings and dividends from subsidiaries that have opted for SIIC status:
- 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 carrying amounts 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 31.12.13 are as follows:

French companies excluding SIIC	33.33%
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.

20.1.7.1.7.13. 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 have come under the National Real Estate Collective Bargaining Agreement since 1 January 2013. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined benefits scheme.

The allowances follow the same tax and social treatment as the redundancy allowance:

	Voluntary retirement	Forced retirement
Over 10 years' employment	½ month	1/5th of the monthly salary per year
More than 15 years' employment	1 month	1/5th of the monthly salary for the first 10 years and 2/15th 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 or, if more beneficial, one third of the final three months.

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 general management's view and is prepared on the basis of the data provided by management control, used by the Principal Operational Decision-Maker (General Management) to implement the allocation of resources and evaluate performance.

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

In 2013, segment analysis was based on the different types of assets and was thus different from the classification used in 2012.

AT 31.12.13

(In thousands of euros)	Offices	Warehouses	Industrial premises	Retail	Other	Total
Gross rental income	23,158	7,879	4,155	4,691	347	40,230
Net property income	**20,595**	**7,224**	**3,333**	**3,348**	**329**	**34,830**
Income from other activities	368	(114)	-	12	471	737
Overhead costs	(3,203)	(4,523)	(500)	(1,542)	(226)	(9,993)
Recurring EBITDA	**17,761**	**2,587**	**2,833**	**1,818**	**575**	**25,574**
Depreciation and impairment	(240)	(18)	(7)	(2)	(2)	(268)
Profit from current operations	**17,521**	**2,570**	**2,826**	**1,817**	**573**	**25,306**
Charges net of provisions	(59)	(1,887)	11	0	2	(1,932)
Other income and expenses	3	246	(58)	72	187	450
Gains on asset disposals	(15)	-	(38)	-	(38)	(91)
Operating profit	**17,450**	**929**	**2,741**	**1,889**	**724**	**23,733**
Balance net of value adjustments	(7,734)	(6,351)	(2,902)	(1,386)	3	(18,371)
Net operating profit	**9,716**	**(5,422)**	**(161)**	**503**	**727**	**5,363**
Cost of financial debt	(6,403)	(2,191)	(1,222)	(1,536)	(110)	(11,462)
Other financial income and expenses	(15)	11	(8)	126	(212)	(98)
Adjustment to value of financial instruments	2,864	884	366	(94)	12	4,032
Profit before tax	**6,162**	**(6,718)**	**(1,026)**	**(1,001)**	**416**	**(2,167)**
Taxes	(5,640)	5,349	(611)	(374)	(75)	(1,351)
Share of securities consolidated under the equity method	(2,826)	-	(404)	(1,368)	(713)	(5,310)
NET PROFIT (LOSS)	**(2,304)**	**(1,369)**	**(2,040)**	**(2,743)**	**(371)**	**(8,828)**

(In thousands of euros)	Offices	Warehouses	Industrial premises	Retail	Other	Total
Segment assets	351,280	146,453	46,760	169,045	5,448	718,986
Shares in companies consolidated under the equity method	24,478	(20)	3,497	21,564	10,905	60,424
Total consolidated assets	**375,758**	**146,433**	**50,257**	**190,609**	**16,353**	**779,410**
Segment liabilities	489,428	111,892	68,046	106,231	3,814	779,410
Total consolidated liabilities	**489,428**	**111,892**	**68,046**	**106,231**	**3,814**	**779,410**
Investment expenses	3,062	8,776	990	2,415	-	15,243

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(In thousands of euros)	Finance leasing	French property	Belgian property	Property development	Total
Gross rental income	-	46,427	-	-	46,427
Net property income	**-**	**41,261**	**-**	**-**	**41,261**
Income from other activities	1,066	-	-	1,806	2,872
Overhead costs	-	-	-	-	(10,937)
Recurring EBITDA					**33,196**
Depreciation and impairment					(115)
Current operating income					**33,081**
Other income and expenses	-	-	-	-	(128)
Gains on asset disposals	382	(8,884)	-	-	(8,501)
OPERATING INCOME					**24,451**
Balance net of value adjustments	-	(5,217)	-	-	(5,217)
Net operating profit					**19,234**
Net cost of financial debt	-	-	-	-	(16,935)
Adjustment to value of financial instruments	-	-	-	-	(1,506)
Taxes	-	-	-	-	145
Share of securities consolidated under the equity method	-	753	1,104	1,544	3,401
Other	-	15	-	-	293
NET INCOME					**4,632**

(In thousands of euros)	Finance leases	French property	Belgian property	Property development	Total
Segment assets	28,611	575,202	-	33,500	637,313
Shares in companies consolidated under the equity method	-	28,739	59,085	1,736	89,560
Unallocated assets	-	-	-	-	35,284
Total consolidated assets	**-**	**-**	**-**	**-**	**762,157**
Segment liabilities	5,083	385,366	-	8,173	398,622
Non-segment liabilities	-	-	-	-	363,535
Total consolidated liabilities	**-**	**-**	**-**	**-**	**762,157**
Investment expenses	-	23,948	-	-	23,948
Amortisation expense	-	-	-	-	(115)
Other non-disbursed expenses	-	1,209	-	1,916	3,125

20.1.7.3. Scope of consolidation

SCOPE OF CONSOLIDATION AT THE BALANCE SHEET DATE

	31/12/2013			31/12/2012			31/12/2011		
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest
AFFINE	**Parent company**			**Parent company**			**Parent company**		
GESFIMMO (ex AFFINE DEVELOPPEMENT 1 SAS)	FC	100.00%	99.99%	FC	100.00%	100.00%	FC	100.00%	100.00%
ARCA VILLE D'ETE SCI (ex CAPUCINES 2 SCI)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
ATIT SC (ex- ANJOU SC)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
AFFINE SUD SCI (ex BRETIGNY SCI)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
CARDEV	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
COUR CAPUCINES SA	FC	100.00%	99.99%	FC	100.00%	99.99%	FC	100.00%	99.99%
DORIANVEST SARL	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
LES 7 COLLINES	FC	100.00%	100.00%	FC	95.00%	95.00%	FC	95.00%	95.00%
CAPUCINE INVESTISSEMENTS SA	FC	100.00%	100.00%	FC	99.77%	99.77%	FC	99.77%	99.77%
LES JARDINS DES QUAIS SNC	FC	100.00%	100.00%	EM	50.00%	74.75%	EM	50.00%	74.75%
NEVERS COLBERT SCI (ex CAPUCINES I SCI)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
PARVIS LILLE SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	-	-	-
SIPEC SAS	-	-	-	-	-	-	FC	100.00%	100.00%
ST ETIENNE - MOLINA SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
TARGET REAL ESTATE SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
AFFIPARIS SA	-	-	-	-	-	-	FC	86.93%	86.93%
BERCY PARKINGS SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	86.93%
SARL COSMO	-	-	-	-	-	-	FC	99.90%	86.84%
SCI COSMO LILLE	-	-	-	-	-	-	FC	100.00%	86.93%
SCI COSMO MARSEILLE	-	-	-	-	-	-	FC	100.00%	86.93%
SCI COSMO MONTPELLIER	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	86.93%
SCI COSMO TOULOUSE	-	-	-	-	-	-	FC	100.00%	86.93%
SCI DU BEFFROI	-	-	-	-	-	-	FC	100.00%	86.93%
SC GOUSSINVEST	-	-	-	-	-	-	FC	100.00%	86.93%
HOLDIMMO SC	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	86.93%
SCI NUMERO 1	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	86.93%
SCI NUMERO 2	-	-	-	-	-	-	FC	100.00%	86.93%
SCI 36	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	86.93%
PROMAFFINE SAS	**FC**	**100.00%**	**100.00%**	**FC**	**100.00%**	**100.00%**	**FC**	**100.00%**	**100.00%**
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%
LUCE CARRE D'OR SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	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%
CONCERTO Développement SAS	FC	99.60%	99.60%	FC	99.99%	99.99%	FC	99.99%	99.99%
CHAVORNAY PARC SA	-	-	-	-	-	-	PI	50.00%	50.00%
CONCERTO BUCHERES SCI	FC	100.00%	99.60%	FC	100.00%	99.99%	-	-	-
CONCERTO BUCHERES 2 SCI	FC	100.00%	99.60%	-	-	-	-	-	-
CONCERTO Développement Iberica SL	FC	100.00%	99.60%	FC	100.00%	99.99%	FC	100.00%	99.99%
CONCERTO FERRIERES EN BRIE SC	FC	100.00%	99.60%	FC	100.00%	99.99%	-	-	-
CONCERTO LOGISTIC PARK MER	-	-	-	-	-	-	FC	99.99%	99.98%
BANIMMO SA	**EM**	**49.99%**	**49.51%**	**EM**	**49.99%**	**49.51%**	**EM**	**49.99%**	**49.51%**

One company was created during the year: Concerto Buchères 2.

20.1.7.4. Notes and comments

20.1.7.4.1. Notes to the statement of financial position

Note 1 – Property portfolio buildings

Buildings in the property portfolio include:

- 47 assets classified as investment property, including an asset partially recognised as held for sale.
- 13 assets classified as assets held for sale.

53 of the 60 Affine-owned assets, representing 97.1% of the fair value of the rental portfolio, were valued by independent experts (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Two assets, accounting for 2% of fair value of the rental portfolio, were internally appraised. Five assets representing 0.9% of the fair value of the rental portfolio were valued according to a signed sales offer, sales commitment or a sale mandate.

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 previous financial year.

Market values are determined excluding transfer duties and acquisition costs. Each appraiser states its independence and confirms the values of the property assets appraised by its services, without taking responsibility for those made by other firms.

Summary table of changes in fair value

AT 31.12.13

(In thousands of euros)	01/01/2013	Acquisitions or works	Change in scope of consolidation	Sales	Changes in fair value	31/12/2013
BY ASSET TYPE						
Industrial premises, warehouses	184,928	15,481	-	(3,799)	(9,253)	187,358
Offices	285,507	3,063	-	(2,184)	(7,734)	278,653
Retail	75,131	1,390	50,950	-	(1,386)	126,085
Other	3,698	(2)	-	(2,024)	3	1,675
Total	**549,264**	**19,934**	**50,950**	**(8,006)**	**(18,371)**	**593,771**
BY AREA						
Paris – business district	22,100	292	-	-	(92)	22,300
Paris – outside business district	68,850	526	-	-	1,154	70,530
Paris region – outside Paris	179,868	1,864	-	(4,075)	(8,510)	169,147
Other French cities	276,129	17,175	50,950	(3,931)	(10,881)	329,442
Other	2,316	77	-	-	(42)	2,351
Total	**549,264**	**19,934**	**50,950**	**(8,006)**	**(18,371)**	**593,771**
				Initial direct costs		**490**
						594,260

AT 31 DECEMBER 2012

(In thousands of euros)	01/01/2012	Acquisitions or works	Change in scope of consolidation	Sales	Changes in fair value	31/12/2012
BY ASSET TYPE						
Industrial premises, warehouses	193,426	4,910	-	(6,552)	(6,855)	184,928
Offices	392,360	12,320	-	(120,528)	1,355	285,507
Retail	76,503	727	-	(3,280)	1,181	75,131
Other	9,872	13	-	(5,289)	(898)	3,698
Total	**672,161**	**17,970**	**-**	**(135,649)**	**(5,217)**	**549,264**
BY AREA						
Paris – business district	124,339	583	-	(103,739)	917	22,100
Paris – outside business district	68,670	969	-	-	(789)	68,850
Paris region – outside Paris	193,823	1,760	-	(11,499)	(4,215)	179,868
Other French cities	285,330	12,043	-	(20,411)	(832)	276,129
Other	-	2,616	-	-	(300)	2,316
Total	**672,161**	**17,970**	**-**	**(135,649)**	**(5,217)**	**549,264**
				Initial direct costs		**579**
						549,843

AT 31 DECEMBER 2011

(In thousands of euros)	01/01/2011	Acquisitions or works	Transfers	Sales	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
Retail	156,529	2,094	(66,292)	(8,121)	(7,707)	76,503
Other	40,248	-	(19,800)	(12,731)	2,155	9,872
Total	**847,908**	**36,273**	**(174,988)**	**(38,923)**	**1,890**	**672,161**
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	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	-
Total	**847,909**	**36,274**	**(174,988)**	**(38,923)**	**1,890**	**672,161**
				Initial direct costs		**557**
						672,718

The 'Change in scope of consolidation' column includes some Banimmo and Jardins des Quais properties appraised at their fair value on 30 September 2011. Due to Banimmo's change of consolidation method, the fair value of the Jardins des Quais and Banimmo property portfolios is no longer entered in the property 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.

Reconciliation between values in the statement of financial position and appraisals from independent experts

INVESTMENT PROPERTY

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushmann & Wakefield	328,950	328,950	-	
Crédit Foncier Expertise (formerly Ad Valorem)	65,350	65,350	-	
BNP Real Estate	145,851	145,851	-	
Internal appraisals	10,239	10,239	-	
Marketing fees	490	-	490	
INVESTMENT PROPERTIES AT 31.12.13	**550,881**	**550,391**	**490**	

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushmann & Wakefield	272,861	272,861	-	
Crédit Foncier Expertise (formerly Ad Valorem)	74,250	74,250	-	
CBRE			-	
BNP Real Estate	158,746	158,746	-	
Internal appraisals	16,154	15,650	504	Regarding a property for which a fair value greater than the appraisal value was used as the result of a general management decision, to reflect improvements made to the building during the financial year.
Marketing fees	579	-	579	
INVESTMENT PROPERTIES AT 31.12.12	**522,589**	**521,507**	**1,083**	

(In thousands of euros)	Values used	Appraisals	Variance	Comments
Cushmann & Wakefield	276,973	277,643	(670)	(€670,000) concerning two properties for which a fair value below the appraised value was used as the result of a general management decision.
Crédit Foncier Expertise (formerly Ad Valorem)	81,510	81,510	-	
CBRE			-	
BNP Real Estate	143,520	143,520	-	
Internal appraisals	18,796	18,796	-	
Marketing fees	557	-	557	
INVESTMENT PROPERTIES AT 31.12.11	**521,357**	**521,469**	**(113)**	

ASSETS HELD FOR SALE

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	36,184	36,184	-	
Internal appraisals	1,838	-	1,838	
Mandates, offers for sale and commitments to sell	5,358	-	5,358	
NON-CURRENT ASSETS HELD FOR SALE AS AT 31.12.13	**43,381**	**36,184**	**7,196**	

(In thousands of euros)	Values used	External appraisals	Variance	Comments
External appraisals	15,830	15,830	-	
Internal appraisals	1,588	-	1,588	
Mandates, offers for sale and commitments to sell	9,836	-	9,836	
NON-CURRENT ASSETS HELD FOR SALE AS AT 31.12.12	**27,255**	**15,830**	**11,424**	

(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 financial statements.
Internal appraisals	11,532	-	11,532	
Mandates, offers for sale and commitments to sell	3,849	-	3,849	
NON-CURRENT ASSETS HELD FOR SALE AS AT 31.12.11	**151,363**	**136,953**	**14,410**	

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 7.5% at 31.12.13.

On the basis of the average rate of return at 31 December 2013, an additional change of 25 basis points would have an inversely proportional effect of €20 million on the Group's portfolio value.

CHANGES IN THE VALUE OF PROPERTIES

(In thousands of euros)	Rental	In progress	Assets held for sale	Total
At 31.12.10	**762,477**	**11,175**	**75,365**	**849,016**
Increases	30,673	5,651	20	36,345
Purchases	*30,673*	*5,651*	*20*	*36,345*
Decreases	(15,211)	(11)	(23,701)	(38,923)
Write-off				
Sales	*(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				
At 31.12.11	**515,641**	**5,716**	**151,363**	**672,718**
Increases	20,820	2,334	795	23,948
Purchases	*20,820*	*2,334*	*795*	*23,948*
Decreases	(24,773)	(428)	(116,427)	(141,628)
Write-off				
Sales	*(24,773)*	*(428)*	*(116,427)*	*(141,628)*
Change in fair value	(2,293)	-	(2,924)	(5,217)
Transfers between line items	8,870	(3,318)	(5,552)	-
Change in initial direct costs	22	-	-	22
Sector transfers				
At 31/12/2012	**518,285**	**4,304**	**27,255**	**549,843**
Increases	955	7,823	11,182	19,960
Purchases	*955*	*7,823*	*11,182*	*19,960*
Decreases	-	(26)	(8,006)	(8,032)
Sales	*-*	*(26)*	*(8,006)*	*(8,032)*
Change in scope of consolidation	50,950	-	-	50,950
Change in fair value	(15,624)	-	(2,747)	(18,371)
Transfers between line items	(6,306)	(9,391)	15,697	-
Change in initial direct costs	(89)	-	-	(89)
AT 31.12.13	**548,171**	**2,710**	**43,381**	**594,260**

Note 2 – Long-term loans

(In thousands of euros)	Balance sheet items	1 to 2 years	2 to 5 years	Over 5 years
Bank loans	297,439	54,875	133,418	109,145
- Fixed rate	*12,723*	*3,359*	*9,247*	*118*
- Variable rate	*284,715*	*51,516*	*124,172*	*109,027*
Finance lease commitment hedge accounts	4,859	1,137	3,435	287
Deferred borrowing costs at EIR	(1,178)	(319)	(573)	(287)
TOTAL AT 31.12.13	**301,119**	**55,694**	**136,280**	**109,145**

(In thousands of euros)	Balance sheet items	1 to 2 years	2 to 5 years	Over 5 years
Bank loans	306,764	40,859	129,568	136,337
- Fixed rate	*19,952*	*7,150*	*5,507*	*7,295*
- Variable rate	*286,813*	*33,709*	*124,062*	*129,041*
Finance lease commitment hedge accounts	4,715	168	4,339	208
Deferred borrowing costs at EIR	(1,476)	(393)	(729)	(355)
TOTAL AT 31/12/2012	**310,003**	**40,634**	**133,179**	**136,190**

(In thousands of euros)	Balance sheet items	1 to 2 years	2 to 5 years	Over 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**

The average term of debts as at 31.12.13 was 5.7 years.

➤ Note 3 – Other financial assets and liabilities

AT 31 DECEMBER 2013

(In thousands of euros)	Balance sheet items	Less than 1 year	1 to 5 years	Linger than 5 years
FINANCIAL ASSETS				
Non-current				
Finance lease transactions and related receivables	20,132	-	17,086	3,046
Assets available for sale	278	-	-	278
Derivatives stated at fair value	1,146	532	616	(2)
Deposits and sureties paid	3,457	-	-	3,457
Loans	212	-	201	11
TOTAL NON-CURRENT FINANCIAL ASSETS	**25,225**	**532**	**17,903**	**6,790**
Current				
Cash and equivalents	39,441	39,441	-	-
Cash equivalents: SICAVs	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-
Settlement accounts for securities	*577*	*577*	-	-
Bank account overdrafts	*38,864*	*38,864*	-	-
TOTAL CURRENT FINANCIAL ASSETS	**39,441**	**39,441**	**-**	**-**
FINANCIAL LIABILITIES				
Non-current				
Financial instruments	5,069	33	4,694	342
Discounted premiums payable	168	-	168	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**5,237**	**33**	**4,862**	**342**
Current				
Loans and borrowings	60,519	60,519	-	-
Less than one year	*39,218*	*39,218*	-	-
Finance lease commitment hedge accounts	*502*	*502*	-	-
Deferred borrowing costs at EIR	*(372)*	*(372)*	-	-
Accrued interest on loans	*571*	*571*	-	-
Derivative instruments - Discounted premiums payable	*480*	*480*	-	-
Bank overdrafts	*19,922*	*19,922*	-	-
Current and related accounts	*198*	*198*	-	-
TOTAL CURRENT FINANCIAL LIABILITIES	**60,519**	**60,519**	**-**	**-**

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(In thousands of euros)	Balance sheet items	Less than 1 year	1 to 5 years	Linger than 5 years
FINANCIAL ASSETS				
Non-current				
Finance lease transactions and related receivables	23,815	-	17,352	6,463
Assets available for sale	79	-	-	79
Derivatives stated at fair value	1,365	-	1,365	-
Deposits and sureties paid	3,896	-	-	3,896
Loans	223	-	207	16
TOTAL NON-CURRENT FINANCIAL ASSETS	**29,379**	**-**	**18,924**	**10,454**
Current				
Cash and equivalents	32,580	32,580	-	-
Cash equivalents: SICAVs	*2,984*	*2,984*	-	-
Restatement of SICAVs at fair value	*1*	*1*	-	-
Settlement accounts for securities	*361*	*361*	-	-
Bank account overdrafts	*29,235*	*29,235*	-	-
TOTAL CURRENT FINANCIAL ASSETS	**32,580**	**32,580**	**-**	**-**
FINANCIAL LIABILITIES	.	.	.	.
Non-current				
Financial instruments	9,320	890	7,721	709
Discounted premiums payable	613	-	613	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**9,934**	**890**	**8,334**	**709**
Current				
Loans and borrowings	46,382	46,382	-	-
Less than one year	*39,437*	*39,437*	-	-
Finance lease commitment hedge accounts	*261*	*(274)*	-	-
Deferred borrowing costs at EIR	*(423)*	*(423)*	-	-
Accrued interest on loans	*813*	*813*	-	-
Derivative instruments - Discounted premiums payable	*744*	*744*	-	-
Bank overdrafts	*5,460*	*5,460*	-	-
Current and related accounts	*89*	*89*	-	-
TOTAL CURRENT FINANCIAL LIABILITIES	**46,382**	**46,382**	**-**	**-**

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(In thousands of euros)	Balance sheet items	Less than 1 year	1 to 5 years	Linger than 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				
Cash and cash equivalents	23,316	23,316	-	-
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
Commercial paper	1,415	-	1,415	-
TOTAL NON-CURRENT FINANCIAL LIABILITIES	**15,551**	**-**	**15,311**	**240**
Current				
Loans and borrowings	46,620	46,620	-	-
Less than one year	*36,249*	*36,249*	-	-
Finance lease commitment hedge accounts	*3,093*	*3,093*	-	-
Deferred borrowing costs at EIR	*(616)*	*(616)*	-	-
Accrued interest on loans	*1,197*	*1,197*	-	-
Bank overdrafts	*4,405*	*4,405*	-	-
Current and related accounts	*2,292*	*2,292*	-	-
TOTAL CURRENT FINANCIAL LIABILITIES	**46,620**	**46,620**	**-**	**-**

➤ Note 4 – Assets held for sale

	31/12/2013		31/12/2012		31/12/2011	
(In thousands of euros)	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
INVESTMENT PROPERTY						
Buildings held for sale	43,381	-	27,255	-	151,363	-
Loans	-	29,237	-	13,348	-	96,300
Guarantee deposits	-	830	-	489	-	1,229
Sub-total	**43,381**	**30,066**	**27,255**	**13,837**	**151,363**	**97,529**
FINANCIAL ASSETS						
Securities	(1)	-	13	-	204	-
Related receivables	279	-	66	-	65	-
Sub-total	**278**	**-**	**79**	**-**	**269**	**-**
TOTAL	**43,659**	**30,066**	**27,333**	**13,837**	**151,632**	**97,529**

Note 5 – Other assets

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Government – tax and social security receivables	4,219	5,281	4,097
Sub-total (1)	**4,219**	**5,281**	**4,097**
Suppliers	*472*	*595*	*215*
Customer accounts	*1,908*	*9,714*	*8,997*
Loans to related companies	*(10)*	*146*	*1,211*
Other miscellaneous receivables	*8,446*	*8,876*	*10,742*
Bad debt provisions, other receivables	*(190)*	*(381)*	*(631)*
Other	*(45)*	*(45)*	*-*
Other receivables	10,581	18,906	20,534
Income accruals	*18,238*	*7,874*	*2,482*
Prepaid expenses	*638*	*612*	*1,357*
Adjustment accounts	18,876	8,486	3,839
Sub-total (2)	**29,457**	**27,392**	**24,374**
TOTAL (1) + (2)	**33,676**	**32,673**	**28,471**

Note 6 – Other liabilities

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Trade payables and related payables	*4,308*	*2,902*	*2,414*
Fixed asset payables and related accounts	*2,184*	*129*	*51*
Trade accounts payable and related accounts	6,492	3,031	2,465
Other customer payables	*443*	*1,312*	*1,270*
Other payables	*15,325*	*7,345*	*8,666*
Payments received as a result of activation of guarantees (finance leases)	*-*	*76*	*190*
Discounted premiums payable - current	*-*	*-*	*903*
Other		*-*	*-*
Other debts	15,768	8,734	11,029
Expenses payable	10,220	5,217	5,976
Deferred income	123	813	4,635
TOTAL	**32,603**	**17,796**	**24,106**

In 2012, discounted premiums payable were reclassified on the line "Loans and borrowings" of current liabilities because they relate to derivative instruments (see note 3 – Other financial assets and liabilities).

Note 7 – Trade loans and receivables

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Receivables from sales of fixed assets	-	-	534
Ordinary receivables	4,073	5,211	6,802
Doubtful receivables	3,420	3,551	3,142
Impairment of doubtful receivables	(2,257)	(2,196)	(1,574)
TOTAL	**5,237**	**6,567**	**8,904**

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(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	Over 1 year
INVESTMENT PROPERTIES						
Gross	7,279	58	806	3,476	2,255	684
Impairment	(2,136)	-	-	(44)	(1,573)	(519)
NET	**5,143**	**58**	**806**	**3,432**	**682**	**165**
SERVICES						
Gross	215	-	-	45	55	115
Impairment	(121)	-	-	-	(25)	(96)
NET	**94**	**-**	**-**	**45**	**29**	**20**
TOTAL						
Gross	7,494	58	806	3,521	2,309	800
Impairment	(2,257)	-	-	(44)	(1,598)	(615)
NET	**5,237**	**58**	**806**	**3,477**	**711**	**185**

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(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	Over 1 year
INVESTMENT PROPERTIES						
Gross	8,526	2,869	88	2,582	354	2,634
Impairment	(2,100)	-	(85)	(559)	(169)	(1,287)
NET	**6,426**	**2,869**	**3**	**2,023**	**185**	**1,347**
SERVICES						
Gross	237	6	-	115	-	115
Impairment	(96)	-	-	-	-	(96)
NET	**141**	**6**	**-**	**115**	**-**	**20**
TOTAL						
Gross	8,763	2,875	88	2,697	354	2,749
Impairment	(2,196)	-	(85)	(559)	(169)	(1,382)
NET	**6,567**	**2,875**	**3**	**2,138**	**185**	**1,366**

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(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	Over 1 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**

Note 8 – Inventories

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Property development inventory	25,969	25,276	23,622
Finance expense inventories (property development)	481	413	281
Impairment of property development inventory	(12,465)	(11,291)	(10,223)
TOTAL	**13,985**	**14,397**	**13,680**

Note 9 – Contribution of companies consolidated under the equity method

(In thousands of euros)	31/12/2013					31/12/2012					31/12/2011
	Value	%	Total assets	Revenues exc. tax	Net profit/ loss	Net asset	%	Total assets	Revenues exc. tax	Net profit/ loss	Value
Paris 29 Copernic	(20)	50.00%	504	-	(41)	(88)	50.00%	570	-	(177)	7
Cap 88	163	40.00%	2,097	1,503	399	1,418	40.00%	9,993	11,176	3,528	7
Marseille 88 Capelette:	1,794	40.00%	4,353	68	(784)	469	40.00%	11,633	240	624	(824)
Jardins des Quais	-	-	-	-	-	28,470	74.75%	13,126	4,996	(695)	26,703
Banimmo	58,487	49.51%	356,784	9,884	(13,928)	59,290	49.51%	401,307	11,686	2,678	59,926
TOTAL	**60,424**					**89,560**					**85,819**

Note 10 – Deferred taxes

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
ASSETS	.	.	.
Investment property	398	(92)	1,393
Deferment of borrowing costs	4	103	-
Derivatives	-	88	-
Internal capital gains	1,393	1,393	-
Other items	7	4	1
TOTAL	**1,802**	**1,497**	**1,394**
LIABILITIES			
Investment properties at FV of non-SIIC subsidiaries	(607)	-	553
Goodwill assigned to properties	919	-	-
Derivatives	-	-	(196)
Deferment of borrowing costs	-	-	(76)
Other items	-	-	-
TOTAL	**312**	**-**	**281**

Note 11 – Provisions

(In thousands of euros)	Balance 31/12/2011	Allowances for the year	Reversals for the year	Transfer between line items	Balance 31/12/2012	Allowances for the year	Reversals for the year	Transfer between line items	Balance 31/12/2013
Provision for diverse risks (customer disputes)	-	112	-	363	475	63	(152)	77	463
Provision for tax risk	404	149	(61)	(100)	392	-	(280)	(77)	35
Provision for pension costs	448	79	-	-	527	43	-	-	571
Provision for miscellaneous expenses	2,175	1,182	(1,100)	(1,925)	332	2,160	-	-	2,492
TOTAL	**3,027**	**1,522**	**(1,161)**	**(1,662)**	**1,726**	**2,267**	**(432)**	**-**	**3,561**

20.1.7.4.2. Notes to the income statement

Note 12 – Net property income

(In thousands of euros)	2013	2012	2011	2013/2012 change	2012/2011 change
Gross rental income	40,230	46,427	56,866	(6,197)	(10,439)
Rental income and expenses	(5,658)	(4,406)	(7,425)	(1,252)	3,020
Rebilled expenses	*14,478*	*12,855*	*20,159*	*1,623*	*(7,303)*
Rebillable expenses	*(14,389)*	*(12,899)*	*(20,147)*	*(1,490)*	*7,248*
Non rebillable expenses	*(5,319)*	*(4,119)*	*(6,698)*	*(1,201)*	*2,580*
Miscellaneous expenses	*(12)*	*(5)*	*(48)*	*(7)*	*42*
Lease fees	*(416)*	*(238)*	*(691)*	*(178)*	*454*
Other property income and expenses	258	(761)	709	1,019	(1,470)
Other income	*223*	*167*	*1,147*	*56*	*(979)*
Net losses on doubtful receivables	*35*	*(928)*	*(437)*	*963*	*(491)*
NET PROPERTY INCOME	**34,830**	**41,261**	**50,150**	**(6,431)**	**(8,889)**

In 2011, 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 13 – Income (loss) from other activities

(In thousands of euros)	2013	2012	2011	2013/2012 change	2012/2011 change
Income (loss) from finance lease transactions (1)	**1,055**	**1,066**	**2,351**	**(11)**	**(1,285)**
Rent and similar	4,753	5,340	9,248	(588)	(3,908)
Depreciation and provisions subject to Articles 64 and 57	(3,747)	(3,871)	(6,828)	124	2,956
Change in underlying reserve	(5)	(469)	(233)	465	(237)
Net losses on doubtful receivables	(2)	1	604	(2)	(603)
Expenses on finance leases	56	65	(441)	(9)	506
Income (loss) from property development activities (2)	**(318)**	**1,806**	**(1,691)**	**(2,124)**	**3,497**
Revenue	8,341	22,052	11,285	(13,710)	10,767
Changes in inventories	6,409	4,964	(3,665)	1,445	8,629
Net losses on doubtful receivables	(161)	(289)	-	128	(289)
Expenses on property transactions	(14,907)	(24,920)	(9,310)	10,014	(15,610)
INCOME (LOSS) FROM OTHER ACTIVITIES (1) + (2)	**737**	**2,872**	**660**	**(2,134)**	**2,212**

Note 14 – Net cost of financial debt

(In thousands of euros)	2013	2012	2011	2013/2012 change	2012/2011 change
Income from cash and cash equivalents	**244**	**469**	**410**	**(225)**	**58**
Dividends		-	85	()	(85)
Loans to customers	-	141	163	(141)	(22)
Regular receivables accounts	240	301	154	(60)	147
Trading securities	4	27	9	(23)	18
Investment securities	(1)	1	-	(1)	1
Gross cost of financial debt	**(11,706)**	**(17,404)**	**(22,208)**	**5,697**	**4,805**
Term loans to customers	-	-	-	-	-
Term loans of a financial nature	(7,238)	(11,807)	(15,842)	4,570	4,035
Bond issues	-	-	(1,444)	-	1,444
Income and expenses from derivatives	(4,726)	(5,625)	(6,011)	899	385
Subordinated debt expenses	(8)	(8)	158	()	(166)
Income and expenses from current accounts	265	37	931	228	(894)
TOTAL	**(11,462)**	**(16,935)**	**(21,798)**	**5,472**	**4,863**

Note 15 – Income tax

(In thousands of euros)	2013	2012	2011	2013/2012 change	2012/2011 change
Tax due	(474)	(95)	44	(379)	(139)
Change in deferred tax	(137)	240	(472)	(377)	713
Exit tax	(740)	-	-	(740)	-
TOTAL	**(1,351)**	**145**	**(428)**	**(1,496)**	**574**

	Basis	Theoretical tax (expense) - income
Consolidated profit / loss before tax	**(7,477)**	**2,492**
Result of exempted Sicomi-SIIC sector	(559)	186
Share of companies consolidated under the equity method	5,310	(1,770)
Share of changes in goodwill	-	-
Add-backs – deductions	54	(18)
Amortisation of goodwill	-	-
Amortisation of fair value increment	-	-
Provisions excluding tax	-	-
Companies subject to IT	-	-
Other addbacks - deductions	*54*	*(18)*
Consolidation restatements	2,149	(716)
Impact of permanent differences	*(1,549)*	*516*
Impact of timing differences taxed at smaller rate	*0*	*(0)*
Impact of liability method	*3,698*	*(1,232)*
Other	-	-
Consolidated theoretical tax	**(523)**	**174**
of which companies making a tax loss	*(5,713)*	*1,904*
of which companies making a tax profit	*5,190*	*(1,730)*
Use of tax losses	(2,270)	757
Tax losses not carried on balance sheet	3,651	(1,217)
Tax after deduction of losses	858	(286)
Tax without base:		
Tax credit	-	-
Tax on unrealised capital gains at 16.50%	-	(740)
Additional contribution	-	(325)
Income tax burden recorded	**-**	**(1,351)**
Taxes	-	(474)
Exit tax	-	(740)
Deferred taxes	-	(137)
TOTAL	**-**	**(1,351)**

➤ Note 16 – Earnings per share

The bonds redeemable in shares (BRS) issued by Affine on 15 October 2003 and 29 June 2005, and the perpetual subordinated loan notes (PSL) 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) and diluted earnings per share.

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Net income (loss) – Group share	(8,831)	4,712	15,341
Cost of perpetual subordinated loan notes (PSL)	(2,277)	(2,696)	(3,149)
Cost of 1 & 2 bonds redeemable in shares (BRS)	(1,532)	(1,498)	(2,151)
Net income (loss) - Group share, adjusted for earnings per share calculation	**(12,640)**	**518**	**10,041**
Reinclusion of cost of 1 & 2 bonds redeemable in shares (BRS)	1,532	1,498	2,151
NET INCOME (LOSS) - GROUP SHARE, ADJUSTED FOR DILUTED EARNINGS PER SHARE CALCULATION (AFTER CONVERSION OF BONDS REDEEMABLE IN SHARES [BRS])	**(11,108)**	**2,016**	**12,192**

	31/12/2013	31/12/2012	31/12/2011
Number of shares in circulation at balance sheet date	9,033,959	9,033,959	9,002,042
Average number of treasury shares	(39,277)	(337,669)	(652,545)
Average number of shares (excluding treasury shares)	**8,994,682**	**8,696,290**	**8,349,497**
Average number of new shares issued for redeeming 1 & 2 bonds redeemable in shares (BRS)	1,248,000	1,248,000	1,248,000
Average number of diluted shares (excluding treasury shares)	**10,242,682**	**9,944,290**	**9,597,497**
Earnings per share (€)	(0.98)	0.54	1.84
Diluted earnings per share (€)	(0.86)	0.47	1.60
Diluted earnings per share restated to reflect subordinated loan notes (PSL)	(1.41)	0.06	1.20
Diluted earnings per share restated to reflect subordinated loan notes (PSL) (€)	(1.08)	0.20	1.27

20.1.7.5. Management of financial risk

20.1.7.5.1. Fair value of financial assets and liabilities

Financial assets and liabilities are not measured at fair value.

20.1.7.5.2. Nature and scope of risks related to financial instruments

➤ 20.1.7.5.2.1. Credit risk

In 2013, 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.

Finance-lease 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.

➤ 20.1.7.5.2.2. Liquidity risk

The Affine Group monitors its risk primarily with two tools:

- A daily cash statement prepared by the financial department and sent to general management,
- A 3-year monthly cash situation forecast provided by management control 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.

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 31.12.13, 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.

20.1.7.5.2.3. Interest rate risk

The Affine Group favours the use of variable rate debt, which, before hedges, represented almost 96% of its bank debt as at 31.12.2013 (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. Accordingly during the financial year, Affine subscribed to three swaps and two caps for a notional amount of €132,164,000 guaranteeing maximum rates of 1.06% to 2.5%.

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 20.6% of its unhedged debt (excluding finance leases).

Analysis of sensitivity of cash flows for variable-rate instruments

(This analysis does not include the loans taken to finance assets held for sale).

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Sensitivity to change in interest rate in thousands of euros	2014 expenses	2015 expenses	2016 expenses	2017 expenses
Increase of 50 basis points, 2013 projected rate	6,792	6,417	6,309	5,923
Increase of 100 basis points, 2013 projected rate	7,925	7,793	7,450	6,797

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Sensitivity to change in interest rate in thousands of euros	Charges 2013	Charges 2014	Charges 2015	Charges 2016
Increase of 50 basis points, 2012 projected rate	7,524	6,527	5,643	4,812
Increase of 100 basis points, 2012 projected rate	9,126	8,052	7,088	6,109

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Sensitivity to change in interest rate in thousands of euros	Charges 2012	Charges 2013	Charges 2014	Charges 2015
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

20.1.7.5.2.4. Foreign exchange risk

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

20.1.7.5.2.5. Counterparty risk

The Affine Group is committed to investing its cash and contracting derivatives only with leading banking institutions. As at 31 December 2013, no bank represented more than 20.41% of the total refinancing debt (apart from companies consolidated under the equity method).

20.1.7.6. 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.

20.1.7.7. Commitments and guarantees

20.1.7.7.1. Financing commitments and guarantees given

➤ 20.1.7.7.1.1. 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 to 2 years	2 to 5 years	Over 5 years
NON-CURRENT DEBTS							
covered by guarantees	201,630	-	-	-	44,675	102,856	54,099
covered by collateral	60,105	-	-	-	5,741	12,938	41,426
neither collateral nor guarantees	30,703	-	-	-	4,460	12,624	13,620
CURRENT DEBTS							
covered by guarantees	41,113	22,556	522	1,646	2,417	11,062	2,910
covered by collateral	13,778	3,500	714	2,085	7,480	-	-
neither collateral nor guarantees	13,701	4,259	2,235	4,070	386	1,246	1,504

Guarantees: these sureties include the registered mortgages.
Collateral: This is the collateral provided by borrowing companies who grant a security over their shares in favour of banks.
When the loan is simultaneously guaranteed by a guarantee and collateral, the surety is classified as a "guarantee".

FINANCING COMMITMENTS

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Commitments to lending institutions	-	-	-
Commitments to customers	-	-	-
TOTAL	-	-	-

➤ 20.1.7.7.1.2. 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)		Fees
Less than 1 year	*8,438*	*9,750*
1 to 5 years	*20,225*	*24,315*
Over 5 years	*54,221*	*57,886*
Total minimum capital payments	82,884	
Amounts representing interest expense	9,068	
Discounted value of minimum lease payments	91,952	91,952

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

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

(In thousands of euros)	Indexed Rents	Basic rents
Less than 1 year	*507*	*467*
1 to 5 years	*2,030*	*1,866*
Over 5 years	*399*	*367*
Minimum total lease payments	2,936	
Indexation	236	
Discounted value of minimum lease payments	2,700	2,700

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

20.1.7.7.2. Commitments and guarantees received

➤ 20.1.7.7.2.1. Loans and bank overdrafts

GUARANTEES

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Commitments to lending institutions	1,313	1,313	2,556
Commitments to clients	5,150	6,598	9,396
TOTAL	**6,464**	**7,911**	**11,951**

FINANCING COMMITMENTS

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Total of lines:	19,000	19,000	24,988
Balance of commitments from lending institutions	3,134	19,000	24,988
Commitments received from clients	-	-	-
TOTAL	**3,134**	**19,000**	**24,988**

➤ 20.1.7.7.2.2. Minimum guaranteed income under finance leases for which the Group is lessor

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

(In thousands of euros)	Minimum payments	Net asset value of minimum payments
Less than 1 year	*4,952*	*4,773*
1 to 5 years	*21,815*	*21,364*
Over 5 years	*3,104*	*3,035*
Minimum lease payments	29,872	
Amounts representing interest expense	(700)	
Discounted value of minimum lease payments	29,171	29,171
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;
- "Free leases" (CBL) signed from 1993 onward, which have an average term of 15 years;
- General leases (CBG) signed as from 1996, 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.

➤ 20.1.7.7.2.3. Minimum guaranteed income under operating leases for which the Group is lessor

(In thousands of euros)	Minimum payments	Net asset value of minimum payments
Less than 1 year	*42,859*	*36,171*
1 to 5 years	*151,998*	*135,127*
Over 5 years	*67,208*	*64,606*
Minimum total lease payments	262,065	
Amounts representing interest expense	(26,160)	
Discounted value of minimum lease payments	235,905	235,905

All Affine Group assets and liabilities are located in France. 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 termination 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 stepped 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, property taxes, and office taxes.

In some cases, Affine applies a variable portion in its rents, but this is still marginal.

20.1.7.8. Employee benefits and compensation

20.1.7.8.1. Average weighted workforce during the financial year

The Group's average workforce was 41 people; the breakdown is as follows:
- Corporate officers: 3
- Managers: 31
- Employees: 7

20.1.7.8.2. Individual training rights

Group employees have accumulated rights to 3,537 training hours.

20.1.7.8.3. 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 €355,000 as at 31 December 2013 versus €367,000 as at 31 December 2012.

Provisions are accrued for retirement commitments in the financial statements according to the assumption of retirement and amounted to €571,000 as at 31 December 2013 versus €527,000 as at 31 December 2012. The actuarial assumptions used for calculating the provision include:

	2013	2012	2011
Discount rate:	2.30%	3.15%	3.80%
Staff turnover:	10.44% up to 50 years, 3% thereafter	10% up to 50 years, 3% thereafter	13% up to 50 years, 3% thereafter
Wage rise adjustment coefficient	1.26%	1.78%	1.58%
INSEE TD-TV mortality table	09-11	08-10	06-08

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.

20.1.7.9. Related party disclosures

20.1.7.9.1. Remuneration of executives

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Short-term benefits (wages, bonuses, etc.)	942	1,241	1,206
Post-employment benefits	102	94	89
Other long-term benefits	14	30	26
Share-based payments			
Recognised benefits	**1,058**	**1,365**	**1,321**
Severance pay	390	390	327
Benefits not recognised	**390**	**390**	**327**

In 2013: excluding Banimmo

Executives are defined as persons performing the duties of Chairman & CEO or CEO of the Group's companies.

➤ 20.1.7.9.1.1. Remuneration of management and administrative bodies

Gross remuneration paid to officers and executives of Group companies amounted to €1,020,000 in financial year 2013 compared with €1,050,000 in 2012 (excluding Banimmo).

Other assorted defined benefits provided to the Group's officers and executives are:
- Company car: one representing an expense of €4,540 in 2013;
- Severance pay: a clause providing for payment of an amount equal to one year's total remuneration paid by all Group companies;
- Contributions to pension funds paid during the year: €102,000;
- GSC [corporate executive social guarantee] contribution, for €9,000.

Directors' fees paid by Group companies in 2013 amounted to €116,000 compared with €139,000 in 2012.

20.1.7.9.2. Affine transactions with affiliated companies

➤ 20.1.7.9.2.1. Loans and advances granted to affiliated companies

Loans and advances granted to related parties are those made with companies consolidated under the equity method.

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
LES JARDINS DES QUAIS	-	5,254	1,296
CAP 88	670	4,345	3,467
COPERNIC	(169)	(79)	(206)
MARSEILLE CAPELETTE	1,970	3,577	4,161
TOTAL LOANS GRANTED TO RELATED PARTIES	**2,471**	**13,097**	**8,718**
LES JARDINS DES QUAIS	-	(132)	77
CAP 88	(14)	(30)	(42)
COPERNIC	4	4	7
MARSEILLE CAPELETTE	(19)	(33)	(45)
TOTAL INTEREST INCOME ON LOANS GRANTED	**(29)**	**(191)**	**(4)**

No guarantee was received.

➤ 20.1.7.9.2.2. Other transactions with affiliated companies

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 €214,000 (a partial amount excluding the fraction included in the remuneration of the executives) impacts the 2013 accounts, compared with €223,000 in 2012.

20.1.7.10. Fees of statutory auditors and members of their networks

AT 31 DECEMBER 2013

	Cailliau Dedouit et Associés				KPMG			
	Amount: excl. VAT		%		Amount: excl. VAT		%	
	2013	2012	2013	2012	2013	2012	2013	2012
AUDITING, CERTIFICATION, REVIEW OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS								
Issuer	153	180	52%	60%	163	180	100%	93%
Fully consolidated subsidiaries	130	121	44%	40%	-	-	-	-
OTHER TASKS AND SERVICES DIRECTLY LINKED TO THE AUDITING ENGAGEMENT								
Issuer	5	1	2%	0%	-	13	-	7%
Fully consolidated subsidiaries	8	-	3%	-	-	-	-	-
Sub-total	**296**	**302**	**100%**	**100%**	**163**	**193**	**100%**	**100%**
OTHER SERVICES RENDERED BY THE NETWORKS TO FULLY-CONSOLIDATED SUBSIDIARIES								
Legal, tax, social	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**296**	**302**	**100%**	**100%**	**163**	**193**	**100%**	**100%**

AT 31 DECEMBER 2012

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
AUDITING, CERTIFICATION, REVIEW OF INDIVIDUAL AND CONSOLIDATED FINANCIAL STATEMENTS												
Issuer	180	198	60%	40%	180	198	93%	94%	-	-	-	-
Fully consolidated subsidiaries	121	263	40%	54%	-	-	-	-	-	70	-	88%
OTHER TASKS AND SERVICES DIRECTLY LINKED TO THE AUDITING ENGAGEMENT												
Issuer	1	12	0%	2%	13	12	7%	6%	-	-	-	-
Fully consolidated subsidiaries	-	17	-	4%	-	-	-	-	-	10	-	12%
Sub-total	**302**	**490**	**89%**	**100%**	**193**	**210**	**118%**	**100%**	**-**	**80**	**-**	**100%**
OTHER SERVICES RENDERED BY THE NETWORKS TO FULLY-CONSOLIDATED SUBSIDIARIES												
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**302**	**490**	**89%**	**100%**	**193**	**210**	**118%**	**100%**	**-**	**80**	**-**	**100%**

20.1.7.11. Post reporting period events

None.

20.2. Consolidated financial statements - Pro forma

The pro forma statements reflect the change in the holding percentage of Banimmo and Jardins des Quais as at 1 October 2011 for 49.99% and 74.75% respectively instead of 50.00% and 75.00% which has led to a change in consolidation method (from Full consolidation to Consolidation under the equity method).

For the purpose of presenting the 2011 pro forma accounts, Banimmo and Jardins des Quais have been considered as consolidated under the equity method.

20.2.1. Statement of consolidated financial position (balance sheet)

20.2.1.1. Assets

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
NON-CURRENT ASSETS			
Property, plant and equipment	236	287	341
Investment property	550,881	522,589	521,356
Intangible assets	523	520	207
Other intangible assets	*523*	*520*	*207*
Financial assets	25,225	29,379	39,125
Finance leases and related receivables	*20,132*	*23,815*	*30,673*
Assets held for sale	*278*	*79*	*269*
Derivatives stated at fair value	*1,146*	*1,365*	*2,607*
Deposits and sureties paid	*3,457*	*3,896*	*4,812*
Loans	*212*	*223*	*765*
Deferred tax assets	1,802	1,497	1,394
Shares and investments in companies consolidated under the equity method	60,424	89,560	85,819
Total non-current assets	**639,090**	**643,831**	**648,243**
CURRENT ASSETS			
Assets held for sale	43,381	27,255	151,363
Finance lease loans and receivables	4,600	4,763	6,878
Inventory	13,985	14,397	13,680
Trade receivables and other accounts	5,237	6,567	8,904
Receivables for investment properties	*5,143*	*6,426*	*8,164*
Receivables related to property development	*94*	*141*	*739*
Current tax assets	1	91	115
Other receivables	33,676	32,673	28,471
Tax and social security receivables	*4,219*	*5,281*	*4,097*
Other receivables and adjustment accounts	*29,457*	*27,392*	*24,374*
Cash and cash equivalents	39,441	32,580	23,316
Cash equivalents	*577*	*3,345*	*465*
Cash on hand	*38,864*	*29,235*	*22,851*
Total current assets	**140,319**	**118,325**	**232,727**
TOTAL ASSETS	**779,410**	**762,157**	**880,970**

20.2.1.2 Liabilities

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
EQUITY			
Equity (Group share)	**326,156**	**351,434**	**348,447**
Capital and related amounts	94,164	94,019	86,637
Share capital	*53,300*	*53,300*	*53,100*
Premiums	*41,290*	*41,290*	*38,489*
Treasury stock	*(426)*	*(571)*	*(4,952)*
Consolidated reserves	240,823	252,703	246,539
Unrealised gains or losses on assets available for sale	-	-	8
Net profit (loss)	(8,831)	4,712	15,262
Non-controlling interests	**2**	**(26)**	**13,736**
Consolidated reserves	(2)	54	12,441
Net profit (loss)	4	(80)	1,295
Total shareholders' equity	**326,158**	**351,408**	**362,183**
NON-CURRENT LIABILITIES			
Long-term loans	301,119	310,003	319,837
Financial liabilities	5,237	9,934	15,551
Derivatives stated at fair value	*5,069*	*9,320*	*14,136*
Other financial liabilities	*168*	*613*	*1,415*
Provisions	3,561	1,726	3,027
Deposits and sureties received	6,983	6,915	7,145
Deferred tax liabilities	312	-	281
Non-current tax liabilities	-	-	-
Total non-current liabilities	**317,212**	**328,578**	**345,841**
CURRENT LIABILITIES			
Debts linked to assets held for sale	30,066	13,837	97,529
Amounts owed to shareholders	-	-	1
Trade accounts payable and other debts	32,603	17,796	24,106
Trade accounts payable and related accounts	*6,492*	*3,031*	*2,465*
Other debts	*15,768*	*8,734*	*11,029*
Adjustment accounts	*10,220*	*5,217*	*5,976*
Deferred income	*123*	*813*	*4,635*
Loans and borrowings	60,519	46,382	46,620
Deferred tax liabilities	822	-	14
Tax and social security debts	12,029	4,156	4,677
Total current liabilities	**136,040**	**82,171**	**172,947**
TOTAL LIABILITIES	**779,410**	**762,157**	**880,970**

20.2.2. Statement of consolidated comprehensive income

20.2.2.1. Consolidated income statement

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Gross rental income	*40,230*	*46,427*	*48,269*
Rental income and expenses	*(5,658)*	*(4,406)*	*(5,129)*
Other property income and expenses	*258*	*(761)*	*(55)*
Net property income	34,830	41,261	43,084
Income from finance leases	*999*	*1,001*	*2,792*
Expenses on finance leases	*56*	*65*	*(441)*
Income from finance leases	1,055	1,066	2,351
Income from property transactions	*14,589*	*26,727*	*7,619*
Expenses on property transactions	*(14,907)*	*(24,920)*	*(9,310)*
Income from property development transactions	(318)	1,806	(1,691)
Other purchases and external expenses	*(3,924)*	*(4,948)*	*(5,575)*
Taxes and related expenses	*(518)*	*(237)*	*(506)*
Personnel costs	*(5,551)*	*(5,752)*	*(5,927)*
Overhead costs	(9,993)	(10,937)	(12,008)
Recurring EBITDA	**25,574**	**33,196**	**31,736**
Depreciation and impairment	(268)	(115)	(122)
Profit from current operations	**25,306**	**33,081**	**31,614**
Charges net of provisions	(1,932)	(230)	(228)
Balance of other income and expenses	450	102	586
Profit / loss from gains (losses) on property sales	*(207)*	*(8,884)*	*2,168*
Option exercised on finance lease properties	*115*	*382*	*764*
Net gains (losses) on sale of operating assets	-	-	-
Gains on asset disposals	(91)	(8,501)	2,931
Operating income before fair value adjustment	**23,733**	**24,451**	**34,902**
Upward adjustment to value of investment properties	*5,515*	*12,258*	*16,634*
Downward adjustment to value of investment properties	*(23,886)*	*(17,475)*	*(14,955)*
Adjustment to value of investment properties	(18,371)	(5,217)	1,679
Balance net of value adjustments	(18,371)	(5,217)	1,679
Net operating profit	**5,363**	**19,234**	**36,581**
Income from cash and cash equivalents	*244*	*469*	*258*
Gross cost of financial debt	*(11,706)*	*(17,404)*	*(18,458)*
Net cost of debt	(11,462)	(16,935)	(18,200)
Other financial income and expenses	(98)	293	(434)
Adjustment to value of financial instruments	4,032	(1,506)	(2,262)
Profit before tax	**(2,167)**	**1,085**	**15,686**
Tax on current profit	(474)	(95)	153
Deferred taxes	(137)	240	(592)
Exit tax	(740)	-	-
Share of net income of companies consolidated under the equity method	(5,310)	3,401	1,312
Net income (loss) after tax from discontinued activities	-	-	-
Net profit (loss)	**(8,828)**	**4,632**	**16,558**
Non-controlling interests	4	(80)	1,295
NET INCOME (LOSS) - GROUP SHARE	**(8,831)**	**4,712**	**15,262**
Earnings per share (€)	(0.98)	0.54	1.83
Diluted earnings per share (€)	(0.86)	0.47	1.59
Diluted earnings per share restated to reflect subordinated loan notes (PSL)	(1.41)	0.06	1.19
Diluted earnings per share restated to reflect subordinated loan notes (PSL) (€)	(1.08)	0.20	1.26

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

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Net profit (loss)	**(8,828)**	**4,632**	**16,558**
Currency translation adjustments	-	-	-
Changes in fair value of financial assets available for sale	(188)	-	(321)
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	-	-	-
Tax	31	-	-
Total gains and losses taken directly to equity	**(157)**	**-**	**(321)**
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**(8,985)**	**4,632**	**16,236**
Of which Group share	(8,988)	4,712	14,941
Of which non-controlling interests	4	(80)	1,295

20.2.2.3. Statement of transition from the published income statement to proforma

(In thousands of euros)	31/12/2011 Published	Transition from FC to EMC	31/12/2011 Proforma
Gross rental income	*56,866*	*(8,597)*	*48,269*
Rental income and expenses	*(7,425)*	*2,296*	*(5,129)*
Other property income and expenses	*709*	*(765)*	*(55)*
Net property income	50,150	(7,066)	43,084
Income from finance leases	*2,792*	*-*	*2,792*
Expenses on finance leases	*(441)*	*-*	*(441)*
Income from finance leases	2,351	-	2,351
Income from property transactions	*7,619*	*-*	*7,619*
Expenses on property transactions	*(9,310)*	*-*	*(9,310)*
Income from property development transactions	(1,691)	-	(1,691)
Other purchases and external expenses	*(7,877)*	*2,302*	*(5,575)*
Taxes and related expenses	*(573)*	*67*	*(506)*
Personnel costs	*(7,070)*	*1,143*	*(5,927)*
Overhead costs	(15,520)	3,512	(12,008)
Recurring EBITDA	**35,290**	**(3,554)**	**31,736**
Depreciations and impairment	(182)	60	(122)
Profit from current operations	**35,108**	**(3,494)**	**31,614**
Charges net of provisions	(569)	340	(228)
Balance of other revenue and expenses	573	12	586
Profit / loss from gains (losses) on real-estate sales	*4,482*	*(2,315)*	*2,168*
Option exercised on finance lease properties	*764*	*-*	*764*
Net Gains (losses) on sale of operating assets	*4*	*(4)*	*-*
Gains on asset disposals	5,250	(2,319)	2,931
Operating income before fair value adjustment	**40,362**	**(5,460)**	**34,902**
Upward adjustment of value of investment properties	*17,588*	*(954)*	*16,634*
Downward adjustment of value of investment properties	*(15,698)*	*743*	*(14,955)*
Adjustment of value of investment properties	1,890	(211)	1,679
Adjustment of Goodwill	*-*	*-*	*-*
Balance net of value adjustments	1,890	(211)	1,679
Net operating profit	**42,252**	**(5,671)**	**36,581**
Revenue from cash and cash equivalents	*410*	*(153)*	*258*
Gross cost of financial debt	*(22,208)*	*3,751*	*(18,458)*
Net cost of debt	(21,798)	3,598	(18,200)
Other financial revenue and expenses	(49)	(385)	(434)
Adjustment to value of financial instruments	(2,712)	450	(2,262)
Profit before tax	**17,693**	**(2,008)**	**15,686**
Tax on current profit	44	108	153
Deferred taxes	(472)	(120)	(592)
Exit tax	-	-	-
Share of net income of companies consolidated under the equity method	(629)	1,941	1,312
Net income (loss) after tax from discontinued activities	-	-	-
Net profit (loss)	**16,636**	**(79)**	**16,558**
Non-controlling interests	1,295	()	1,295
NET INCOME (LOSS) - GROUP SHARE	**15,341**	**(79)**	**15,262**

20.2.3. Consolidated cash flow statement

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	(8,828)	4,632	16,558
Net increase (decrease) in depreciation and provisions	5,878	1,988	(7,432)
Unrealised gains and losses from changes in fair value	18,371	5,217	(1,679)
Other calculated income and expenses (including discount calculations)	(3,766)	(3,125)	1,207
Capital gains or losses on sales of assets	966	12,603	12,401
- net carrying value of fixed assets sold	*9,103*	*143,259*	*59,347*
- income from disposals of fixed assets	*(8,137)*	*(130,656)*	*(46,946)*
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	5,310	(3,401)	(1,312)
Dividends and returns from income of non-consolidated companies	1	-	(2)
Self-financing capability after net borrowing costs and tax	**17,933**	**17,914**	**19,741**
Net cost of debt	10,800	15,493	18,582
Tax expense (including deferred taxes)	1,351	(145)	440
Self-financing capability before net cost of debt and tax	**30,084**	**33,262**	**38,763**
Income tax paid	(325)	(41)	(588)
Changes in inventories	(5,856)	(10,957)	540
Change in trade receivables and other accounts	(11,691)	2,776	2,782
Change in trade and other accounts payable	11,069	(1,454)	(1,789)
Other changes in working capital requirement related to operating activities	7,802	(6,773)	8,573
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	**31,082**	**16,812**	**48,281**
II – INVESTMENT TRANSACTIONS			
Finance leases	327	3,900	10,680
- Cash paid for acquisitions	*-*	*-*	*(38)*
- Cash received for disposals	*327*	*3,900*	*10,718*
Investment properties	167	106,777	9,576
- Cash paid for acquisitions	*(7,632)*	*(20,522)*	*(25,267)*
- Cash received for disposals	*7,799*	*127,299*	*34,843*
Cash paid for acquisitions of tangible and intangible fixed assets	(198)	(375)	(87)
Cash received for disposals of tangible and intangible fixed assets	127	-	-
Investment subsidies received	-	-	-
Cash paid for acquisitions of financial assets	-	-	-
Cash received for disposals of financial assets	-	24	-
Consolidated shares	(22,337)	(3)	2,045
- Cash paid for acquisitions	*(19,400)*	*-*	*-*
- Cash received for disposals	*-*	*-*	*1,633*
- Impact of changes in consolidation	*(2,937)*	*(3)*	*412*
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,766	847	1,211
Change in loans and advances outstanding	90	373	(92)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	-
Net cash flow from investment transactions	**(20,058)**	**111,543**	**23,334**
III – FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	2	-	568
- paid by shareholders of the parent company	*2*	*-*	*568*
- paid by minority interests of consolidated subsidiaries	*-*	*-*	*-*
Purchases and sales of treasury stock	214	(15)	1,971
Dividends paid out during the financial year	(10,797)	(10,565)	(10,537)
- dividends paid to shareholders of the parent company	*(10,797)*	*(10,406)*	*(10,116)*
- paid to minority interests of consolidated subsidiaries	*-*	*(159)*	*(421)*
Change in non-controlling interests without loss of control	-	(323)	(3,196)
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from hybrid instruments	(3,809)	(4,194)	(5,300)
Change in guarantee deposits given and received	855	(1,690)	(2,658)
Issues or subscriptions of loans and borrowings	47,643	35,915	24,249
Repayments of loans and borrowings	(41,925)	(123,797)	(59,559)
Net cost of debt: interest paid	(11,506)	(16,531)	(19,370)
Other cash flows related to financing activities	707	1,037	787
Cash flow from discontinued activities	-	-	-
Net cash flow from financing transactions	**(18,616)**	**(120,161)**	**(73,045)**
NET CHANGE IN CASH (I+II+III)	**(7,591)**	**8,194**	**(1,430)**
Cash and cash equivalents at beginning of period	27,106	18,911	20,342
Cash and cash equivalents at end of period	19,515	27,106	18,911
NET CHANGE IN CASH	**(7,591)**	**8,194**	**(1,430)**

Cash and equivalents

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
Savings bank, central bank, post office	1	3	3
Liquid bank assets	38,859	29,219	22,848
Liquid bank assets in other assets	577	361	465
Investment securities (*1)	-	2,984	-
Sub-total (1)	**39,437**	**32,566**	**23,316**
Bank overdrafts	(19,922)	(5,460)	(4,405)
Bank overdrafts in other liabilities	-	-	-
Sub-total (2)	**(19,922)**	**(5,460)**	**(4,405)**
TOTAL (1) + (2)	**19,515**	**27,106**	**18,911**

(*1): The fair value of investment securities corresponds to a price quoted on an active market.

20.2.4. Statement of transition from published consolidated cash flows to proforma

(In thousands of euros)	31/12/2011 Published	Transition from Full Consolidation to Equity Method Consolidation	31/12/2011 Proforma
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	16,636	(79)	16,558
Net increase (decrease) in depreciation and provisions	(7,347)	(85)	(7,432)
Unrealised gains and losses from changes in fair value	(1,896)	217	(1,679)
Other calculated income and expenses (including discount calculations)	1,655	(447)	1,207
Capital gains or losses on sales of assets	9,735	2,666	12,401
- net carrying value of fixed assets sold	*79,014*	*(19,667)*	*59,347*
- income from disposals of fixed assets	*(69,279)*	*22,333*	*(46,946)*
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	631	(1,943)	(1,312)
Dividends and returns from income of non-consolidated companies	(85)	82	(2)
Self-financing capability after net borrowing costs and tax	**19,330**	**411**	**19,741**
Net cost of debt	22,051	(3,469)	18,582
Tax expense (including deferred taxes)	428	12	440
Self-financing capability before net cost of debt and tax	**41,809**	**(3,046)**	**38,763**
Income tax paid	(545)	(43)	(588)
Change in WCR linked to property development (Inventories, trade receivables and other related accounts payable)	10,932	(7,877)	3,055
Change in trade receivables and other accounts	151	243	394
Change in trade and other accounts payable	(1,388)	(529)	(1,916)
Other changes in working capital requirement related to operating activities	8,344	229	8,573
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	**59,303**	**(11,022)**	**48,281**
II – INVESTMENT TRANSACTIONS			
Finance leases	10,680	-	10,680
- Cash paid for acquisitions	*(38)*	*-*	*(38)*
- Cash received for disposals	*10,718*	*-*	*10,718*
Investment properties	15,131	(5,555)	9,576
- Cash paid for acquisitions	*(26,767)*	*1,500*	*(25,267)*
- Cash received for disposals	*41,898*	*(7,054)*	*34,843*
Cash paid for acquisitions of tangible and intangible fixed assets	(266)	179	(87)
Cash received for disposals of tangible and intangible fixed assets	8	(8)	-

(In thousands of euros)	31/12/2011 Published	Transition from Full Consolidation to Equity Method Consolidation	31/12/2011 Proforma
Investment subsidies received	-	-	-
Cash paid for acquisitions of financial assets	-	-	-
Cash received for disposals of financial assets	5,456	(5,456)	-
Consolidated shares	(2,202)	4,247	2,045
- Cash paid for acquisitions	*-*	*-*	*-*
- Cash received for disposals	*1,633*		*1,633*
- Impact of changes in consolidation	*(3,835)*	*4,247*	*412*
Dividends received (companies consolidated under the equity method, non-consolidated shares)	2,028	(816)	1,211
Change in loans and advances outstanding	(7,634)	7,543	(92)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	-
Net cash flow from investment transactions	**23,200**	**134**	**23,334**
III – FINANCING TRANSACTIONS	.	-	.
Amounts received from shareholders in capital increases	568		568
- paid by shareholders of the parent company	*568*		*568*
- paid by minority interests of consolidated subsidiaries	*-*	*-*	*-*
Purchases and sales of treasury stock	1,957	14	1,971
Dividends paid out during the financial year	(11,840)	1,303	(10,537)
- dividends paid to shareholders of the parent company	*(10,116)*		*(10,116)*
- paid to minority interests of consolidated subsidiaries	*(1,724)*	*1,303*	*(421)*
Change in non-controlling interests without loss of control	(3,196)	-	(3,196)
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from hybrid instruments	(5,300)	-	(5,300)
Change in guarantee deposits given and received	(2,620)	(38)	(2,658)
Issues or subscriptions of loans and borrowings	50,802	(26,553)	24,249
Repayments of loans and borrowings	(96,403)	36,844	(59,559)
Net cost of debt: interest paid	(23,873)	4,504	(19,370)
Other cash flows related to financing activities	1,823	(1,035)	787
Cash flow from discontinued activities	-	-	-
Net cash flow from financing transactions	**(88,083)**	**15,038**	**(73,045)**
NET CHANGE IN CASH (I+II+III)	**(5,581)**	**4,150**	**(1,430)**
Cash and cash equivalents at beginning of period	24,492	(4,150)	20,342
Cash and cash equivalents at end of period	18,911	()	18,911
NET CHANGE IN CASH	**(5,581)**	**4,150**	**(1,430)**

20.3. Annual Financial Statements

Statutory Auditors' report on the annual financial statements Financial year ended 31 December 2013

To the Shareholders,

Pursuant to with the assignment entrusted to us by your General Shareholders' Meetings, we hereby report to you on the following matters for the financial year ended 31 December 2013:

- our audit of Affine R.E.'s annual financial statements, as appended to this report;
- the justification of our assessments;
- the specific verifications and information required by law.

The annual financial statements have been approved by the Board of Directors. Our role is to express an opinion on these financial statements based on 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 plan and perform the audit so as to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit consists in examining, by means of spot checks and other selection methods, the evidence supporting the amounts and disclosures shown in the annual financial statements. An audit also involves assessing the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as the overall presentation of the financial statements. We believe that the evidence that we have obtained is sufficient and appropriate to provide a basis for our opinion.

We hereby certify, in accordance with French accounting rules and standards, that the annual financial statements give a true and fair view of the results of the transactions performed in the financial year just-ended, as well as of the Company's financial position and net assets as at the end of that financial year.

2. Justification of our assessments

Pursuant to the provisions of Article L.823-9 of the French Commercial Code relating to the justification of our assessments, we draw the following matter to your attention:

- Note 20.3.6.3 to the financial statements, "Valuation methods for the main balance sheet items" specifically sets out the accounting policies and principles relating to the valuation of equity investments and of the property portfolio, together with the impairment method.
  Our work consisted in verifying the appropriate nature of the above accounting policies and in ensuring that they were applied correctly, in approving the market value of the buildings owned directly or via subsidiaries, including on the basis of reports from independent appraisers, and in checking that the notes to the financial statements provide the appropriate information.

These assessments were performed as part of our audit of the annual financial statements, taken as a whole, and therefore contributed to the opinion that we formed, as expressed in the first part of this report.

3. Specific verifications and information

We have also performed the specific verifications required by French law, in accordance with the professional standards applicable in France.

We have no observations to make on the fairness of the information provided in the Board of Directors' Management Report and in the documents sent to shareholders regarding the financial position and the annual financial statements, or on their consistency with the annual financial statements.

As regards the information provided in accordance with Article L.225-102-1 of the French Commercial Code relating to the remuneration and benefits paid to corporate officers and to undertakings granted for their benefit, we have checked its consistency with the financial statements or with the data used to prepare these financial statements and, where appropriate, with the information gathered by your company from companies that control it or are controlled by it. Based on this work, we attest the accuracy and fair presentation of this information.

In accordance with French law, we have verified that the various information items regarding the acquisition of controlling and other interests, and the identity of the equity holders has been properly disclosed in the Management Report.

Paris La Défense, 26 February 2014
KPMG Audit FS I

Régis Chemouny
Partner

Paris, 26 February 2014
Cailliau Dedouit et Associés

Rémi Savournin
Partner

20.3.1. Balance sheet assets

(In thousands of euros)	Notes	31/12/2013 Gross	31/12/2013 Amortisation and depreciation	31/12/2013 Net	31/12/2012 Net	31/12/2012 published Net
Subscribed share capital not called up		-	-	-	-	-
CAPITALISED ASSETS						
Intangible assets		41,104	639	40,465	40,716	40,716
Concessions, patents, licences, software		*907*	*384*	*523*	*143*	-
Goodwill		*19,711*	*255*	*19,456*	*19,711*	*19,711*
Other intangible assets		*20,486*	-	*20,486*	*20,486*	*20,629*
Intangible assets in progress		-	-	-	*377*	*377*
Property, plant and equipment	1	381,599	110,115	271,484	288,996	288,996
Land		*70,717*	-	*70,717*	*71,907*	*71,907*
Buildings		*307,855*	*109,905*	*197,950*	*214,230*	*214,230*
Other property, plant and equipment		*445*	*210*	*234*	*284*	*284*
Property, plant & equipment under construction		*2,582*	-	*2,582*	*2,576*	*2,576*
Long-term financial assets		143,467	36,458	107,009	89,233	89,382
Equity investment securities	2	*130,941*	*36,458*	*94,483*	*76,491*	*76,491*
Receivables related to investment securities		*9,272*	-	*9,272*	*9,066*	*9,066*
Loans	3	*241*	-	*241*	*236*	*149*
Other long-term financial assets		*3,013*	-	*3,013*	*3,440*	*3,676*
		566,170	**147,212**	**418,958**	**418,946**	**419,095**
CURRENT ASSETS						
Inventories and work-in-progress		-	-	-	-	-
Amounts paid on account		-	-	-	-	-
Receivables	4	73,715	8,711	65,003	83,391	83,242
Trade receivables and other accounts		*3,373*	*773*	*2,599*	*2,410*	*4,424*
Other receivables		*70,342*	*7,938*	*62,404*	*80,980*	*78,818*
Subscribed share capital – called, not paid up						
Investment securities	5	426	5	421	3,555	3,555
Treasury stock		*426*	*5*	*421*	*571*	*571*
Other securities		-	-	-	*2,984*	*2,984*
Cash instruments		-	-	-	-	-
Cash on hand		7,712	-	7,712	7,095	7,095
Prepaid expenses	6	1,030	-	1,030	689	689
		82,882	**8,716**	**74,167**	**94,729**	**94,580**
Expenses deferred over several years	7	2,834	-	2,834	3,065	3,065
Loan redemption premiums		-	-	-	-	-
Translation adjustment assets		-	-	-	-	-
GRAND TOTAL		**651,886**	**155,927**	**495,959**	**516,740**	**516,740**

20.3.2. Balance sheet Liabilities

(In thousands of euros)	Notes	31/12/2013 Net	31/12/2012 Net	31/12/2012 Net Published
EQUITY				
Share capital (including 53,300 paid)		53,300	53,300	53,300
Bond, merger and share premiums		41,290	41,290	41,290
Revaluation reserves		6,994	7,530	7,530
Legal reserve		4,806	4,806	4,806
Other reserves		46,115	56,419	56,419
Retained earnings		(35,950)	(15,798)	(15,798)
Income or loss for the year		(16,732)	(20,196)	(20,196)
Regulated provisions		6,464	5,373	5,373
	8	**106,287**	**132,725**	**132,725**
QUASI-EQUITY				
Income from issue of equity securities				
Conditional advances		-	-	-
Other equity		95,583	95,739	95,739
	8	**95,583**	**95,739**	**95,739**
PROVISIONS				
Provisions for risks		-	-	-
Provisions for charges		4,414	1,304	1,304
	8	**4,414**	**1,304**	**1,304**
DEBTS				
Other bonds	9	5,000	5,000	5,000
Borrowings and debts from lending institutions	9	247,055	254,492	254,745
Loans and borrowings	9	14,521	13,542	13,542
Amounts received on accounts in progress	9	220	180	887
Trade payables and related payables	9	2,246	768	4,927
Tax and social security debts	9	2,880	2,085	2,085
Fixed asset payables and related payables	9	1,793	56	56
Other debts	9	15,486	9,866	4,747
Deferred income	10	473	984	984
		289,674	**286,972**	**286,972**
Translation adjustment liabilities		-	-	-
GRAND TOTAL		**495,959**	**516,740**	**516,740**

20.3.3. Income statement

(In thousands of euros)	Notes	31/12/2013 France	31/12/2013 Exports	31/12/2013 Total	31/12/2012 Total	31/12/2012 published Total
OPERATING INCOME						
Production sold (services)		*50,881*		*50,881*	*57,710*	*58,283*
Net revenues		50,881		50,881	57,710	58,283
Prior period adjustments and transfers of expenditures				*2,221*	*7,325*	*7,325*
Other income				*150*	*0*	*-*
	11			53,252	65,035	65,609
OPERATING EXPENSES						
Purchase of commodities and other supplies				-	(65)	-
Other purchases and external expenses				(18,739)	(18,970)	(18,529)
Taxes and related expenses				(6,149)	(6,615)	(6,473)
Payroll and wages				(2,931)	(3,312)	(3,296)
Social security charges				(1,775)	(1,482)	(1,498)
Depreciation expense, impairments and provisions						
- For fixed assets: depreciation expenses				*(13,154)*	*(17,084)*	*(17,084)*
- For fixed assets: impairment expense				*(5,717)*	*(1,722)*	*(1,722)*
- For current assets: impairment expense				*(108)*	*(420)*	*(420)*
- For risks and charges provision allowances				*(3,239)*	*(69)*	*(381)*
Other expenses				(385)	(611)	(603)
	12			(52,198)	(50,351)	(50,006)
NET OPERATING INCOME/LOSS				**1,054**	**14,684**	**15,603**
Share in the profit or loss of joint transactions	13			(375)	(1,054)	(1,054)
Profit allocated or loss transferred				558	932	932
Accrued loss or transferred profit				(934)	(1,986)	(1,986)
FINANCIAL INCOME						
Shareholdings				3,314	7,590	5,926
Other investment securities and receivables from capitalised assets				43	52	-
Other interest and similar income				509	1,938	2,947
Reversals on impairments, provisions and transfer of charges				5,388	850	850
Net income from disposals of investment securities				74	26	-
				9,327	10,457	9,724
FINANCIAL CHARGES						
Depreciation expense, impairments and provisions				(10,831)	(12,176)	(12,176)
Interest and similar expenses				(12,359)	(24,054)	(23,828)
Net charges on disposals of investment securities				-	(103)	(104)
				(23,190)	(36,333)	(36,108)
NET FINANCIAL INCOME (EXPENSES)	14			**(13,862)**	**(25,876)**	**(26,384)**
PRE-TAX CURRENT PROFIT				**(13,184)**	**(12,246)**	**(11,835)**
EXTRAORDINARY INCOME						
On management transactions				0	26	161
On capital transactions				5,821	127,131	127,096
Reversals on impairments, provisions and transfers of charges				152	19,128	19,162
				5,973	146,285	146,418
EXTRAORDINARY EXPENSES						
On management transactions				(7)	(2)	(468)
On capital transactions				(7,164)	(152,905)	(153,295)
Depreciation expense, impairments and provisions				(1,114)	(1,295)	(983)
				(8,285)	(154,201)	(154,745)
EXTRAORDINARY INCOME (LOSS)	15			**(2,311)**	**(7,916)**	**(8,327)**
Income tax	16			(1,237)	(34)	(34)
Total income				69,111	222,709	222,683
Total expenses				(85,842)	(242,905)	(242,879)
PROFIT OR LOSS				**(16,732)**	**(20,196)**	**(20,196)**

20.3.4. Consolidated cash flow statement

(In thousands of euros)	31/12/2013	31/12/2012	31/12/2011
I –TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Individual net income/loss	(16,732)	(20,196)	(16,199)
Net increase (decrease) in depreciation and provisions	26,422	5,892	12,904
Other calculated income and expenses (including discount calculations)	446	740	(1,121)
Capital gains or losses on disposals of assets	1,376	26,616	11,599
- net carrying value of fixed assets sold	*6,732*	*151,606*	*36,686*
- income from disposals of fixed assets	*(5,356)*	*(124,989)*	*(25,087)*
Dividends and returns from income of non-consolidated companies	(1,232)	(4,872)	4,031
Self-financing capability after net borrowing costs and tax	**10,280**	**8,180**	**11,214**
Net cost of debt	10,132	19,261	13,751
Income tax burden	1,237	34	(24)
Self-financing capability before net cost of debt and tax	**21,649**	**27,476**	**24,941**
Income tax paid	(325)	(42)	33
Change in trade receivables and other accounts	(9,034)	3,895	1,313
Change in trade and other accounts payable	7,594	(1,325)	1,189
Other changes in working capital requirement related to operating activities	21,816	(33,904)	5,490
NET CASH FLOW FROM OPERATING ACTIVITIES	**41,699**	**(3,900)**	**32,965**
II – INVESTMENT TRANSACTIONS			
Finance leases	327	3,900	10,680
- Cash paid for acquisitions	-	-	*(38)*
- Cash received for disposals	*327*	*3,900*	*10,718*
Investment properties	819	111,569	(819)
- Cash paid for acquisitions	*(4,141)*	*(5,710)*	*(12,816)*
- Cash received for disposals	*4,960*	*117,279*	*11,997*
Cash paid for acquisitions of tangible and intangible fixed assets	(196)	(375)	(83)
Cash received for disposals of financial assets	-	24	-
Consolidated securities	(19,011)	12,719	1,729
- Cash paid for acquisitions	*(19,011)*	-	*0*
- Cash received for disposals	-	*4,354*	*1,633*
- Impact of changes in consolidation	-	*8,364*	*97*
Dividends received	1,518	1,518	1,990
Change in loans and advances outstanding	(205)	539	(539)
NET CASH FLOWS FROM INVESTING ACTIVITIES	**(16,749)**	**129,894**	**12,957**
III – FINANCING TRANSACTIONS			
Purchases and sales of treasury stock	214	(15)	1,999
Dividends paid during the year:	(10,797)	(10,564)	(10,116)
- dividends paid to shareholders of the parent company	*(10,797)*	*(10,406)*	*(10,116)*
- dividends paid to minority interests of consolidated subsidiaries	-	*(158)*	-
Change in minority interests without loss of control	-	(316)	(8,861)
Income/Loss from hybrid instruments	(3,809)	(4,194)	(5,300)
Change in guarantee deposits given and received	549	(2,326)	(3,167)
Issues or subscriptions of loans and borrowings	-	22,569	14,526
Repayments of loans and borrowings	(20,490)	(113,187)	(34,692)
Net cost of debt: interest paid	(8,585)	(18,748)	(8,972)
Other cash flows related to financing activities	2,262	3,680	347
Cash flow from discontinued activities	-	-	-
NET CASH FLOW FROM FINANCING ACTIVITIES	**(40,655)**	**(123,100)**	**(54,236)**
NET CHANGE IN CASH (I+II+III)	**(15,705)**	**2,893**	**(8,314)**
Impact of foreign currency transactions	-	-	-
Cash and cash equivalents at beginning of period	5,858	2,965	11,278
Cash and cash equivalents at end of period	(9,847)	5,858	2,965
NET CHANGE IN CASH	**(15,705)**	**2,893**	**(8,314)**

Cash and cash equivalents

(In thousands of euros)	31/12/13	31/12/12	31/12/11
Savings bank, central bank, post office	0	2	115
Liquid bank assets	7,134	6,733	5,121
Liquid bank assets in other assets	577	361	465
Investment securities	0	2,984	0
Sub-total (1)	**7,712**	**10,079**	**5,701**
Bank overdrafts	(17,559)	(4,221)	(2,736)
Bank overdrafts in other liabilities			
- Credit line [(1)]	0	0	
Sub-total (2)	**(17,559)**	**(4,221)**	**(2,736)**
TOTAL (1) + (2)	**(9,847)**	**5,858**	**2,965**

20.3.5. Corporate information

On 17 February 2014, the Board of Directors of AffiParis SA approved the financial statements for the year ended 31 December 2013 and authorised their publication.

Affine opted for French listed real estate investment trust status ("SIIC" status) in 2003.

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

20.3.6. Notes to the annual financial statements

20.3.6.1. Accounting principles and policies

Affine SA is the parent company of the consolidated Affine Group. The financial statements are prepared in compliance with the provisions of French law and in accordance with French generally accepted accounting principles (PCG [General Accounting Plan] art. 531-1§ 1).

The general accounting conventions have been applied, in compliance with the principle of prudence, according to the following basic principles:

- Going concern principle
- Consistency of the accounting standards and practices from one financial year to the next
- Separation of accounting periods

and pursuant to the rules governing the preparation and presentation of annual financial statements set out in the law of 30 April 1983 and the implementing decree of 29 November 1983.

The basic method applied for measuring items recorded in the accounts is the historical cost method, except for the accounting consequences of opting for SIIC status (free revaluation).

Fixed assets have been accounted for on a component basis since 1 January 2005.

The financial statements are presented in thousands of euros.

20.3.6.2. 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 comparison between financial year 2013 and financial year 2012 is made on the basis of the re-itemised 2012 accounts.

20.3.6.3. Measurement policy for major items

20.3.6.3.1. Intangible assets

Intangible assets mainly comprise:

- Goodwill,
- The value of leases for which Affine is the lessee,
- And computer software programs.

➤ 20.3.6.3.1.1. Goodwill

The absorption through the complete transfer of assets and liabilities or through the merger of subsidiaries who hold a property finance lease agreement leads to the capitalisation of technical merger losses representing the value of the property assets at the time these companies were acquired.

ALLOCATION OF MERGER LOSSES

As each of the companies hold a building, the merger loss was attached to that building at the time of the complete transfer of assets and liabilities or when any merger took place.

The technical loss recognised for AffiParis was booked under assets in the balance sheet and was subject to an impairment test. No impairment had to be recognised on 31.12.13.

IMPAIRMENT PROCEDURES

Net asset value is appraised according to the earnings outlook and/or returns obtained. At 31 December 2013, impairment of €255,000 was recognised for a property.

PROCEDURES FOR REMOVING MERGER LOSSES

When the buildings are sold to third parties, the merger losses are expensed in the income statement.

20.3.6.3.1.2. Description of lessee finance leases

Headings	Land	Buildings	Plant & equipment (machinery, tools)	Other	Total
Original value	-	66,444	-	-	66,444
Depreciation:	-	-	-	-	-
Prior years (aggregate)	-	*10,799*	-	-	*10,799*
Allowances for the period	-	*2,338*	-	-	*2,338*
TOTAL	**-**	**53,308**	**-**	**-**	**53,308**
FEES PAID:					
Prior years (aggregate)	-	20,049	-	-	20,049
Allowances for the period	-	4,228	-	-	4,228
TOTAL	**-**	**24,277**	**-**	**-**	**24,277**
FEES OUTSTANDING PAYABLE:					
Within one year	-	4,237	-	-	4,237
Between one and five years	-	11,342	-	-	11,342
More than five years	-	8,235	-	-	8,235
TOTAL	**-**	**23,814**	**-**	**-**	**23,814**
RESIDUAL VALUE					
Within one year	-	1,924	-	-	1,924
Between one and five years	-	1,000	-	-	1,000
More than five years	-	5,605	-	-	5,605
TOTAL	**-**	**8,529**	**-**	**-**	**8,529**

20.3.6.3.2. Property, plant and equipment

20.3.6.3.2.1. Buildings rented through a finance lease

20.3.6.3.2.1.1. Gross value

Gross value of properties includes the cost of land and buildings as well as acquisition costs.

20.3.6.3.2.1.2. Depreciation

Finance-leased buildings acquired prior to 1 January 2000 are depreciated on a straight-line basis over a maximum period of 40 years. Acquisition costs are amortised on a straight line over a maximum period of five years, on a prorated basis if necessary.

Finance-leased buildings acquired since 1 January 2000 are depreciated according to the financial method corresponding to the financial amortisation specified in the finance lease agreement, with the acquisition costs amortised first.

20.3.6.3.2.1.3. Article 64 provision

An Article 64 provision is accrued for finance-leased buildings in the Sicomi segment pre-dating 1 January 1996, provided the financial amortisation of the lease exceeds the accounting amortisation. This provision amounted to €1,262,000 on 31 December 2013.

20.3.6.3.2.1.4. Article 57 provision (new real estate Finance Lease regime)

Leases signed on or after 1 January 1996 are subject to the new finance lease legislation.

Article 57 provisions are accrued for the buildings in so far as the financial amortisation exceeds the accounting amortisation.

Furthermore, this provision is also accrued for buildings replaced under a finance lease agreement that fall under this regime provided that on the renegotiation date, the net carrying amount of the building exceeds the financial value of the lease.

This provision amounted to €1,136,000 at 31 December 2013.

20.3.6.3.2.2. Temporarily unleased finance lease buildings

Buildings whose finance lease agreements have been legally terminated are transferred to the "temporarily unleased buildings" category if the finance lessees are billed in the form of occupancy allowances, the other buildings being transferred to the "investment property" category.

The Articles 64 or 57 provisions pertaining to these buildings are then reversed, the existing provisions for impairment are transferred and new provisions can be accrued if necessary. A new depreciation plan is calculated by depreciating on a straight line over the outstanding period the net carrying amount on the transfer date.

As at 31.12.13, the company had no temporarily unleased buildings.

20.3.6.3.2.3. Investment property

20.3.6.3.2.3.1. Gross value

The gross value of properties includes the cost of land and buildings as well as acquisition costs.

20.3.6.3.2.3.2. Depreciation

Since 1 January 2005, Affine has depreciated buildings 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		Industrial premises		Other	
	Component-based allocation	Depreciation period	Component-based allocation	Depreciation period	Component-based allocation	Depreciation period
Structural works	50.00%	60 years	60.00%	30 years	40.00%	50 years
Roofing, façades and waterproofing	17.50%	30 years	10.00%	30 years	20.00%	25 years
General technical 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 incorporated into the four components and prorated to reflect their proportion.

The depreciation percentages and periods used are derived from the works of professional representative bodies, whose findings have been adapted to Affine's portfolio.

20.3.6.3.2.4. Other property, plant and equipment

Tangible assets mainly comprise moveable equipment and computer software, depreciated over a period of three to ten years.

These fixed assets are depreciated on a straight-line basis.

20.3.6.3.3. Long-term financial assets

20.3.6.3.3.1. Investment securities

The gross value of securities corresponds to their net carrying amount as at 1 January 2003, which served as the basis for the revaluation that followed the change to the SIIC regime.

The net asset value of investment securities is calculated on the basis of the share in the net position adjusted to reflect unrealised gains on intangible and tangible items, their profitability and future outlook, and for listed companies, the NAV or price on the stock market. In the case of subsidiaries with a low capital services activity, or in the absence of the most recent financial statements, net asset value is measured according to the earnings outlook and/or the returns obtained.

The investment securities category includes securities held for the long term because of their utility to the company's business, specifically because they allow it to exert influence on or keep control of the company issuing those securities.

Pursuant to the Emergency Committee of the CNC [French national accounting committee] no. 2005-J of 6 December 2005, the fees linked to the acquisition of investment securities are incorporated into the cost price of these securities. Acquisition costs include transfer costs, professional fees, commissions and legal fees linked to the acquisition. These costs are amortised over five years from the securities acquisition date.

20.3.6.3.3.2. Loans

This includes advances to employees.

20.3.6.3.3.3. Other long-term financial assets

This includes, on one hand, all the assigned accounts granted to banks for refinancing operations and other shares of loans for the investment property business (working capital, security deposit, etc.).

20.3.6.3.4. Trade receivables and other accounts

Receivables are valued at their face value. For both the finance lease business and the investment property business, once a receivable has been overdue 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 leads to the conclusion that there is a risk (receivership, major financial difficulties, etc.).

The analysis of outstanding receivables according to these criteria is explained in the details of doubtful receivables in Note 20.3.6.3.5.3. No discount effect has an impact on the amount of impairments for finance lease doubtful receivables.

20.3.6.3.5. Capitalised assets written down for impairment

20.3.6.3.5.1. Impairment of finance-leased buildings

The difference, if lower, between the net carrying amount of a re-leased building and its financial value is written down for asset impairment. At 31 December 2013, no impairment was recognised.

Buildings for which the finance lessees are facing problems may also be impaired. At 31 December 2013, no impairment was recognised.

➤ 20.3.6.3.5.2. Impairment of investment properties

At the end of 2013, 43 of the 46 Investment properties were externally appraised by three appraisal firms:

- BNP Real Estate.
- Crédit Foncier Expertise,
- Cushmann & Wakefield.

Affine compares the fair values to the net carrying amounts and recognises the asset as impaired if the fair value is lower than the net carrying amount at the end of the financial year.

An impairment of €5,292,000 was recognised for five buildings during the period and €617,000 was written back for three other buildings.

Total impairments amounted to €10,361,000 at 31 December 2013 compared to €5,940,000 at 31 December 2012 and concerns eight assets.

➤ 20.3.6.3.5.3. Impairments for doubtful receivables

Impairments of 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 thus written down – which is included under "other trade credit" – is also written down, determined under the same conditions.

Termination charges are booked, in case of a breach of the finance lease agreement, under "finance lease doubtful receivables". Impairment is normally recognised for 100% of their amount excluding taxes subject to the deduction of guarantees received. No amount had been booked as at 31.12.13.

(In thousands of euros)	Finance lease	Rental	Total
Impairments as at 31.12.2012	337	837	1,174
Additions	2	107	108
Reversals	(25)	(684)	(709)
Transfers		200	200
IMPAIRMENTS AS AT 31.12.13	**313**	**460**	**773**

➤ 20.3.6.3.5.4. Impairments of other receivables

As the net positions of certain companies held by Affine show losses, Affine recognises its shareholder current accounts as partially impaired (after fully writing down all the shares it holds).

(In thousands of euros)	Other receivables
Impairments as at 31.12.2012	10,816
Additions	2,684
Reversals	(5,370)
Transfers	(191)
IMPAIRMENTS AS AT 31.12.13	**7,938**

20.3.6.3.6. Investment securities

Investment securities include treasury stock and securities that do not represent a corporate equity share held for the purpose of achieving short-term profits.

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.

	31/12/2012	Acquisitions/ Additions	Disposals/ Reversals	Cancellation of shares	31/12/2013
Number of shares	44,407	186,576	200,897		30,086
Net impairment (in thousands of euros)	-	5	-		5

20.3.6.3.7. Equity and quasi-equity

➤ 20.3.6.3.7.1. Bonds redeemable in shares (BRS)

Affine issued 2,000 bonds redeemable in shares [BRS] with a nominal value of €10,000 on 15 October 2003, for a 20-year period, redeemable on maturity at the original issue price of €50 per share (200 shares per BRS), 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 BRS.

The Affine General Shareholders' Meeting held on 26 April 2007 decided to divide the number of Affine shares by three by issuing three new shares for every old share with effect from 2 July 2007. Accordingly, the exchange ratio has been raised to 624 shares per BRS.

ANNUAL INTEREST

The coupon, based on the amount of the dividend distributed by the Company, is paid out as follows:

- An interim dividend on 15 November 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 BRS 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 BRS 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 15 October 2013, BRS 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 BRS at a rate of 624 shares (after adjustment) per bond.

At 31/12/2013, no holder of BRS requested the redemption of all or part of their bonds.

➤ 20.3.6.3.7.2. Perpetual subordinated loan notes (PSL)

On 13 July 2007, Affine issued €75 million of perpetual subordinated loan notes (PSL) represented by 1,500 notes 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 PSL

The PSL are issued for an unlimited term.

REDEMPTION PROCEDURES

The PSL 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 PSL

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

RANKING OF THE PSL

The PSL and the related interests constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine, and which 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 PSL 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 and investment loans granted to Affine.

ANNUAL INTEREST

Each PSL 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 13 July, 13 October, 13 January and 13 April every year and for the first time on 13 October 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 the ordinary general meeting:

- 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.

20.3.6.3.8. 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.

20.3.6.3.9. Forward financial Instruments

All transactions carried out by the Group on forward financial instruments are over-the-counter transactions that are reported under off-balance sheet commitments. They are carried out as hedges for refinancing transactions since the Company does not carry out speculative transactions. Entered into in connection with the 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 counterparty credit institutions.

➤ 20.3.6.3.9.1. Caps and Tunnels

Premiums paid are recorded in a suspense account when paid 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.

A new CAP was subscribed in 2013 which helped to improve Affine's risk cover.

As at 31 December 2013, the fair value of caps, collars and tunnels held by the Company amounted to (€2,182,000) versus (€4,910,000).

➤ 20.3.6.3.9.2. Interest rate swaps

At 31 December 2013, the fair value of swaps held by the Company amounted to (€2,407,000) versus (€4,051,000) at 31 December 2012. In 2013, they represented a net expense of €1,531,000 versus €3,407,000 at 31 December 2012. Counterparty risk is estimated at €50,000.

20.3.6.3.10. Taxes

The company Immobail, which became Affine after merging with Sovabail, had abandoned its Sicomi status on 1 April 1993. Consequently, all contracts entered into by this company since that date have been subject to corporate income tax under the standard tax treatment. This change of status does not affect the preferred tax treatment of the former finance lease agreements of the Sicomi segment of Immobail and Sovabail.

The adoption with effect from 1 January 2003 of French listed real-estate investment trust (SIIC) status makes the benefit of exemption for corporate income tax on SIIC segment revenues subject to compliance with the three distribution conditions below:

- 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.

The 2013 Finance Act raised the mandatory distribution thresholds, SIICs are now required to distribute at least 95% (versus 85%) of the profits from the rental of buildings and similar assets and at least 60% (versus 50%) of the gains from the disposals of those same assets.

20.3.6.3.11. Employee benefits and compensation

➤ 20.3.6.3.11.1. Pension commitments

Affine's employees have come under the National Real Estate Collective Bargaining Agreement since 1 January 2013. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan used is a defined benefits scheme.

The allowances follow the same tax and social treatment as the redundancy allowance:

	Forced retirement	Voluntary retirement
Over 10 years' employment	½ month	1/5th of the monthly salary per year
More than 15 years' employment	1 month	1/5th of the monthly salary for the first 10 years and 2/15th 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 annual or exceptional bonus or gratuity) over the final twelve months or, if more beneficial, one third of the final three months.

By precaution, Affine accrues provisions in its financial statements for pension commitments according to an assumed retirement age of 65 years. Retirement provisions amounted to €550,000 on 31 December 2013.

The actuarial assumptions used to calculate the provision are as follows:

- Discount rate: 2.30%
- Staff turnover: 10.44% before 50 years and 3% beyond
- Wage raise: 1.26%
- Mortality table INSEE TD-TV 09-11.

➤ 20.3.6.3.11.2. Individual training rights

Employees have accumulated rights to 3,443 training hours.

➤ 20.3.6.3.11.3. Average weighted workforce during the financial year

The Group had an average workforce of 36, broken down by category as follows:

- Corporate officers: 2
- Managers: 27
- Employees: 7

20.3.6.3.12. Benefits and compensation granted to executives

➤ 20.3.6.3.12.1. Executives' profit sharing scheme

None.

➤ 20.3.6.3.12.2. Remuneration of management and administrative bodies

Gross compensation paid to the Company's officers amounted to €510,600.

Other benefits in kind provided to Affine's corporate officers include:

- Company car: representing a rental expense of €5,000 in 2013;
- Severance pay: this compensation must be contingent on a performance condition linked to Affine's earnings. It represents one year of overall gross compensation if the net earnings in Affine's individual financial statements are at least equal to 3% of its equity; if this condition is not met, performance may be assessed on the basis of the consolidated financial statements.
- Contributions to pension funds paid during the year: €66,000.

The amount of directors' fees paid to directors (including corporate officers) as well as the amount of the fees of the commitment committee and the audit committee totalled €120,600. Commitments made for pension payments for corporate officers amounted to €151,000.

20.3.7. Key events of the year

Affine rolled out its new integrated management software Prémiance.

20.3.7.1. Key events affecting the portfolio

20.3.7.1.1. Finance leases

Final options were exercised on three contracts for a disposal gain of €115,000.

20.3.7.1.2. Investment property

In addition to the acquisition of the Banimmo stake in SNC Les Jardins des Quais, the Company also continued its refurbishment policy within its property portfolio for a total amount of €5,878,000.
Correlatively to the recognition of these capital assets, the corresponding former fixed assets were written off for a total amount of €2,950,000.

Disposals during the 2013 financial year:

Building No.	Date of disposal	NCA	Disposal price	Accounting gains/losses
1 APPART SIPEC / BELLAICHE	March-13	243	470	227
1 APPART SIPEC / DYNAPAR	June-13	244	610	366
1 APPART SIPEC / DYNAPAR	July-13	242	430	188
SORTIE DES COMPOSANTS	July-13	341	-	(341)
VITROLLES	Oct.-13	1,371	3,150	1,779
BIARRITZ	Nov.-13	254	430	176
	TOTAL	**2,695**	**5,090**	**2,395**

20.3.7.1.3. Equity investments and shares in affiliated companies

ACQUISITION AND DISPOSAL OF SECURITIES

On 19 December 2013 Affine, acquired the equity shares of SNC Les Jardins des Quais held by its Belgian subsidiary Banimmo; Affine now holds 99% of Jardins des Quais versus 50% at 31 December 2012 for an amount of €19 million.

RECAPITALISED COMPANIES

These companies were recapitalised to address their net negative position.

Companies	Amounts (€ thousand)
Les 7 Collines	3,414
Gesfimmo	205
Capucines Investissement	3,487
TOTAL	**7,106**

20.3.7.2. Key events affecting debts and equity

20.3.7.2.1. Financing and refinancing

Affine did not contract any new loans during the year. Loans due for repayment amounted to €20,490,000, of which €430,000 of early repayment. Affine has an overdraft facility of €19,000,000 and at 31 December 2013 it had used up to €15,866,000.

20.3.7.2.2. Equity

The Combined General Shareholders' Meeting of 24 April 2013 approved the financial statements for the financial year ended on 31 December 2012.
€10,802,000 was taken from the ordinary reserves and paid out in dividends for the year ended 31 December 2012.

	At beginning of period	Cancellation of treasury shares	Distribution of dividends as shares	Treasury stock	Capital increase through incorporation of free reserves to round off the total share capital after distributing the dividends as shares	Merger	At end of period
Number of shares	9,033,959						9,033,959
Capital (€ thousand)	53,300						53,300

20.3.7.3. Provisions for risks and charges

Pursuant to regulation 2000-06 of the French accounting regulation committee on liabilities, provisions are defined as liabilities for which the maturity date or amount are not precisely known.

A provision for risk linked to equity investments is accrued to hedge the net position of subsidiaries when that position is negative and in so far as all the assets related to said subsidiaries have been impaired.

As at 31 December 2013, this item amounted to €4,414,000 compared to €1,304,000 at 31 December 2012.

20.3.7.4. Post reporting period events

None.

20.3.8. Additional information

20.3.8.1. Segment revenues (€ thousand)

	Total	Finance leases	Rental	Subsidiaries/loans
Revenues	50,881	6,245	43,282	1,355

Revenues mainly include income from the activities below:
- Rental proceeds,
- Finance lease proceeds,
- Services

To better reflect the economic reality, the benefits given to tenants (e.g. rent holidays) are deferred over the fixed term of the lease without taking account of indexation.

20.3.8.2. Distribution obligations

20.3.8.2.1. Of the Sicomi segment

Profits from transactions that are totally or partially exempted from corporate income tax, in application of the Sicomi preference treatment, must be distributed on the basis of 85% of the tax-tree portion.

Pursuant to Article 36 of the company's bylaws, amended by the Extraordinary General Shareholders' Meeting of 28 July 2000, the distribution of capital gains from early disposal of a Sicomi segment asset can be deferred over three years.

20.3.8.2.2. Of the SIIC segment

The distribution conditions described in the "taxes" chapter allow the deferral over two years of distribution from the capital gains on property disposals.

20.3.8.3. Consolidating company

The financial statements of the Affine Group are fully consolidated by MAB Finances SA in its financial statements.

20.3.9. Information on balance sheet and income statement items

20.3.9.1. Notes to the individual balance sheet

Note 1 – Intangible assets and property, plant and equipment, depreciation and impairment

(In thousands of euros)	31/12/2012	Acquisitions, Allocations	Mergers or complete transfers of assets and liabilities	Disposals, Bank transfers, Write-backs, Write-offs	31/12/2013
FINANCE LEASE					
Gross	67,325	-		(3,887)	63,438
Depreciation and provisions art 64 and 57	(34,801)	(4,227)		3,675	(35,352)
Impairments	-				-
NET	**32,524**	**(4,227)**	**-**	**(211)**	**28,086**
RENTAL ASSETS					
Gross	320,067	5,878		(8,229)	317,716
Depreciation	(57,938)	(8,837)	-	2,583	(64,192)
Impairment	(5,940)	(5,292)	-	872	(10,361)
NET	**256,189**	**(8,252)**	**-**	**(4,774)**	**243,164**
INTANGIBLE ASSETS					
Gross	41,207	199		(302)	41,104
Depreciation	(490)	(195)		302	(384)
Impairment				(255)	(255)
NET	**40,716**	**3**	**-**	**(255)**	**40,465**
PROPERTY, PLANT AND EQUIPMENT					
Gross	787	20		(362)	445
Depreciation	(503)	(69)	-	362	(210)
Impairment					-
NET	**284**	**(49)**	**-**	**-**	**234**
TOTAL					
Gross	429,385	6,097	-	(12,779)	422,703
Depreciation	*(93,732)*	*(13,329)*	*-*	*6,922*	*(100,138)*
Impairment	*(5,940)*	*(5,292)*	*-*	*617*	*(10,616)*
Depreciation and impairment	(99,673)	(18,620)	-	7,539	(110,754)
NET	**329,713**	**(12,524)**	**-**	**(5,240)**	**311,949**

Note 2 – Long-term financial assets

	%	Net 2013	Net 2012	Siren No.	Rev. Exc. Tax 2013	Capital and reserves 2013	2013 Net profit/ loss
Equity investment securities: Non-affiliated companies		12	12				
Habitat et Humanisme	NS	12	12	NC	NC	NC	NC

EQUITY INVESTMENT SECURITIES: AFFILIATED COMPANIES

(In thousands of euros)	SIREN No.	Capital and reserves	% of holding	Net carrying amount of securities held: Gross	Net carrying amount of securities held: Net	Loans & advances	Sureties, endorse-ments and guarantees	Revenues exc. tax	Net profit/ loss	Dividends collected and taken to income N-1	Provisions on receiva-bles at Affine
Sci Arca ville d'été	492 410 964	201	99.9995%	201	201	4,054	6,193	898	261	(677)	
SC Atit	379 839 277	4	100.0000%	4	4	1,522		-	(92)	(188)	
Jardins des Quais	432 710 747	20	99.0000%	22,447	22,447	-	3,000	6,293	(496)	(355)	
Banimmo	RPM bruxelles	141,911	49.5051%	66,577	66,577		-			1,518	
SCI Bretigny	451 849 021	4	99.9000%	1	1	1,708		1,126	65	211	
SAS Capucine investissements	388 162 117	43	100.0000%	4,336	-	(82)	1,000	216	(1,361)		-
SA Cardev	RPM bruxelles 0887.494.174	(3,014)	98.3871%	61	-	3,084	-	-	(69)		(3,033)
SA Cour des Capucines	429 694 698	600	99.9829%	1,190	1,190	(86)		261	(34)		-
SAS Etienne Molina	500 702 055	(1,100)	100.0000%	2,537	-	6,802	10,850	1,304	(878)		(835)
Gesfimmo	492 580 287	300	99.9967%	377	279	(276)			(21)		-
Les 7 collines	518 379 433	36	100.0000%	3,449	1,764	8,731	25,945	3,074	(706)		
SCI Luce parc leclerc	492 803 572	1	0.1000%	0	0	10		-	(21)	(0)	-
Sci Nevers colbert	492 344 809	102	99.9990%	101	101	8,481	2,500	553	(350)	(767)	-
SAS Promaffine	382 079 317	(1,095)	100.0000%	5,105	-	4,994	-	15	(320)		(1,415)
SAS Target	410 970 412	(1,197)	100.0000%	10,252	-	6,470		-	(1,151)		(2,655)
SCI PARVIS LILLE	750 601 775	1	99.9000%	1	1	2,879	6,205	1,468	139	129	-
SCI CONCERTO FERRIERES-EN-BRIE	539 929 075	1	0.1000%	0	0	1	7,500	5,466	610	1	
SCI CONCERTO BUCHERES (1)	752 600 718	1	0.1000%	0	0	(0)	8,160	809	176	(0)	
SCI CONCERTO BUCHERES 2	790 640 437	1	0.1000%	0	0	-	6,800	-	(52)		
SC HOLDIMMO	391 203 189	11	100.0000%	9,944	-	(32)		-	90	591	
SCI NUMERO 1	481 352 417	(757)	100.0000%	1,301	353	(371)		133	1,110		
SCI 36	420 434 094	2,508	100.0000%	2,733	1,263	(1,393)	2,868	551	(1,302)	90	
BERCY PARKINGS SCI	414 710 129	2	100.0000%	310	289	143		30	3	(7)	-
			TOTAL	**130,929**	**ASSETS**	**48,879**				**545**	**(7,938)**
			Gross	-	**LIABILITIES**	**(2,239)**					-
			Net 2013	-		**46,639**					

Note 3 – Loans and other long-term financial assets

(In thousands of euros)	Balance sheet items	Within one year	Between one and five years
Loans	9,272	9,272	-
Loans	-		
Related receivables	*9,272*	*9,272*	-
Other long-term financial assets	3,254	3,254	-
Loans	*3,254*	*3,254*	-
Related receivables			
TOTAL AT 31.12.13	**12,526**	**12,526**	**-**

Note 4 – Receivables: statement of maturity dates

FOR CURRENT ASSETS	At 31.12.13	Within one year	Between one and five years
Finance lease doubtful receivables	376	376	
Investment property doubtful receivables	760	760	
Other finance lease trade receivables	177	177	
Other investment property trade receivables	2,060	2,060	
Trade receivables and other accounts	**3,373**	**3,373**	
Prepayments and interim payments made	185	185	
Employee and related payables	199	199	
Social security and other social agencies	43	43	
State - Income tax	-	-	
State – Value added tax	394	394	
State - Other taxes, duties and related payables	-	-	
Amount receivable on property sales	-	-	
Working capital and paid calls for condominium charges	3,442	3,442	
Group and associated companies	52,954	52,954	
Income accruals	12,808	12,808	
Other payables	317	317	
Other receivables	**70,342**	**70,342**	
Prepaid expenses	**1,030**	**1,030**	
TOTAL	**74,745**	**74,745**	

IMPAIRMENT OF CURRENT ASSETS

(In thousands of euros)	Amount at beginning of period	Increases, allowances	Transfers	Decreases, reversals	Amount at end of period
Impairments on inventories and in progress					
Impairments on finance lease trade receivables	337	2		25	313
Impairments on investment property trade receivables	837	107	200	684	460
Other impairments	10,816	2,684	(191)	5,370	7,938
TOTAL IMPAIRMENTS	**11,990**	**2,792**	**9**	**6,079**	**8,711**

INCOME ACCRUALS

(In thousands of euros)	At 31.12.13	At 31.12.12
Long-term financial assets		
Receivables	12,851	3,298
Trade receivables and other accounts	*12,293*	*2,367*
Subsidiary earnings	*558*	*931*
Investment securities		
Cash on hand		
TOTAL	**12,851**	**3,298**

Note 5 – Breakdown of investment securities and cash on hand

(In thousands of euros)	At 31.12.13	At 31.12.12
INVESTMENT SECURITIES		
SICAV	-	2,984
Treasury stock	426	571
TOTAL	**426**	**3,555**

IMPAIRMENTS OF INVESTMENT SECURITIES

(In thousands of euros)	Amount at beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairments on SICAV				
Treasury stock impairments	-	5	-	5
TOTAL IMPAIRMENTS	**-**	**5**	**-**	**5**

CASH ON HAND

(In thousands of euros)	At 31.12.13	At 31.12.12
Cash	0	2
Banque de France account		-
Bank accounts	7,134	6,733
Brokerage accounts	577	361
TOTAL	**7,712**	**7,095**

Note 6 – Prepaid expenses

(In thousands of euros)	At 31.12.13	At 31.12.12
Operating expenses	945	542
Financial charges	86	147
TOTAL	**1,030**	**689**

Note 7 – Expenses deferred over several financial years

(In thousands of euros)	Net amount at beginning of period	Additions	Increase in new borrowings	Change in scope of consolidation	Decreases	Amount at end of period
Expenses deferred over several years	3,065	(251)			20	2,834

These deferred expenses concern the following borrowing costs:

(In thousands of euros)	Charges	Initial amortisation period
Crédit Agricole "Les Ulis" (€3,500,000)	44	16 years
Crédit Agricole (€10,600,000)	132	10 years
Landesbank Saar (€3,650,000)	45	10 years
Eurohypo Elancourt (€9,600,000)	30	10 years
Landesbank Saar (€3,190,000)	39	10 years
Crédit Agricole (€18,000,000)	70	10 years
HSBC (€14,00,000)	63	10 years
CFF Bussy lettree (€8,650,000)	89	10 years
CFF Facam (€7,000,000)	37	10 years
SG Sofréavia (€8,400,000)	79	10 years
Natixis Lille Europe (€15,505,000)	139	10 years
Saarl B (€7,200,000)	5	10 years
CFF Tremblay (€3,500,000)	66	8 years
Saarl B Mulhouse (€5,400,000)	19	10 years
HSBC Darblay (€13,360,000)	145	7 years
SG (€15,400,000)	172	7 years
SG le Rhodanien (€5,250,000)	70	10 years
BECM (€6,000,000)	102	5 years
CIC Lyonnaise de Banque (€7,350,000)	56	10 years
Oséo Aulnay (€2,375,000)	35	10 years
Oséo Nantes (€4,800,000)	73	12 years
Oséo 3 assets (€8,700,000)	121	10 years
Crédit Agricole les Arpajons (€5,369,000)	100	12 years
Caisse d'Epargne BFC (€1,750,000)	27	12 years
Caisse d'Epargne NFE (€1,750,000)	27	12 years
Crédit Agricole (Sipec) (€10,400,000)	12	4 years
Allegemeine (€17,130,000)	119	16 years
CFF (€450,000)	1	12 years
CFF (€5,400,000)	16	12.5 years
CFF Panhard (€10,500,000)	29	12 years
CFF Limay (€6,845,000€)	26	12 years
CFF CBI (€12,000,000)	19	5 years
BNP Paribas Fortis (€17,630,000)	99	5 years
CBI Gennevilliers Plus (€18,796,000)	141	12 years
BNP Réaumur €6,200,000	66	10 years
Crédit Agricole Auber €15,206,000	125	12 years
Société Générale Bercy €33,600,000	191	10 years
Saarl Enghien (€5,300,000)	74	10 years
Société Générale Bercy €2,300,000	13	10 years
Société Générale bond issue €5,000,000	118	6 years
TOTAL	**2,834**	

Note 8 – Equity and quasi-equity

Statement of changes in equity

(In thousands of euros)	Share capital	Premiums	Regulated provisions	Reserves	Earnings for the period	Revaluation reserves	Total
At 31.12.12	**53,300**	**41,290**	**5,373**	**45,428**	**(20,196)**	**7,530**	**132,725**
Net subsidies and excess tax depreciation			1,091				1,091
Free reserves on LS sales				536		(536)	-
Final dividend on treasury stock				44			44
Treasury stock	-	-					-
Share capital round up	-			-			-
Appropriation to reserves				(20,196)			(20,196)
Distribution during the 2013 financial year				(10,841)	20,196		9,355
Share in earnings					(16,732)		(16,732)
AT 31.12.13	**53,300**	**41,290**	**6,464**	**14,971**	**(16,732)**	**6,994**	**106,287**

Other equity

BONDS REDEEMABLE IN SHARES [BRS]

Bonds redeemable in shares (BRS) amount to €20m plus €85,000 in interest incurred (See §6.3.7.1 Bonds redeemable in shares [BRS]).

PERPETUAL SUBORDINATED LOAN NOTES [PSL]

(In thousands of euros)	Bal. sheet items	0 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Fixed term	-	-	-	-	-
Unlimited term	75,498	498	-	75,000	-
Accounts	*75,000*			*75,000*	
Related debts	*498*	*498*			
TOTAL AT 31.12.13	**75,498**	**498**	**-**	**75,000**	**-**

See §6.3.7.2 Perpetual subordinated loan notes.

Breakdown of reserves

(In thousands of euros)	31/12/2013	31/12/2012
Legal reserve	4,806	4,806
Other reserves	46,115	56,419
TOTAL	**50,921**	**61,226**

Statement of changes in revaluation reserves

(In thousands of euros)	Revaluation difference generated on 1/1/2003	Value adjustment	Share transferred to a distributable reserve account: On fixed assets sold	Share transferred to a distributable reserve account: On amortisation of the revalued share	Revaluation reserve as at 31.12.13
LYON BRON	1,444		(459)		985
ISTRES	48		(48)		-
AGEN	106	(105)	(1)		0
ST QUENTIN FALLAVIER	995			(18)	978
NANTES LOT No. 8	97		(97)		-
EVRY	319				319
BUC	254	(254)			-
NANTES LOT No. 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		(338)	(12)	(0)
NANTES	54		(54)		-
LE LARDIN ST LAZARE	20		(20)		-
FRONTIGNAN	(6)	6			-
BIARRITZ	143		(143)		0
MARSEILLE 16th	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)
CERGY PONTOISE	135		(135)		-
BRIGNAIS	182		(182)		-
RUEIL Passage St-Antoine	2,704		(2,645)	(58)	0

(In thousands of euros)	Revaluation difference generated on 1/1/2003	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31.12.13
			On fixed assets sold	On amortisation of the revalued share	
CALUIRE	40		(40)		-
VERT ST DENIS	1,381	(32)	(1,273)	(75)	0
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)		0
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 IN France	134		(134)		-
PROPERTY IN SEVRES	232		(230)	(2)	0
PARIS TOUR BERCY	8,947		(8,767)	(179)	0
TOTAL	**53,038**	**(7,459)**	**(37,995)**	**(590)**	**6,994**

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)	21					21
Provision for subsidiary risk	357	3,203				3,560
Provision for pension costs	514	36				550
Provision for miscellaneous expenses	412	23	152			283
TOTAL AT 31.12.13	**1,304**	**3,262**	**152**	**-**	**-**	**4,414**

Note 9 – Statements of debt maturity dates

(In thousands of euros)	At 31.12.13	Within one year	Between one and five years	Over 5 years
Other bonds	5,000		5,000	
Loans from credit institutions	247,055	47,671	160,759	38,626
Loans and borrowings	12,281	8,044	1,562	2,675
Prepayments and interim payments received	220	220		
Trade payables and related payables	2,246	2,246		
Employee and related payables	894	894		
Social security and other agencies	283	283		
Income tax	82	82		
Exit tax	740	740		
Value added tax	881	881		
Fixed asset payables and related payables	1,793	1,793		
Group and associated companies	2,239	2,239		
Other debts	15,486	15,486		
Deferred income	473	473		
TOTAL	**289,674**	**81,053**	**167,321**	**41,300**

Expenses payable

(In thousands of euros)	At 31.12.13	At 31.12.12
Convertible bonds		
Other bonds		
Loans from credit institutions	736	960
Sundry financial borrowings and debts	0	0
Trade accounts payable and related accounts	1,982	12
Tax and social security debts	1,985	1,089
Cash on hand, expenses payable	0	13
On buildings covered by operating lease	4,154	1,515
On overheads	1,348	3,202
Other debts		
TOTAL	**10,205**	**6,791**

Note 10 – Deferred income

(In thousands of euros)	At 31.12.13	At 31.12.12
Rental income	473	984
TOTAL	**473**	**984**

20.3.9.2. Notes to the individual income statement

Note 11 - Operating income

➤ Production sold: Revenues

(In thousands of euros)	At 31.12.13	At 31.12.12	At 31/12/2012 published
Rental income	5,343	5,944	5,944
Re-billed expenses	902	1,483	1,483
Finance leases	**6,245**	**7,428**	**7,428**
Rental income	31,271	38,377	38,377
Re-billed expenses	11,859	10,757	10,757
Other income	152	336	203
Investment properties (1)	**43,282**	**49,471**	**49,338**
Income from related activities	1,355	811	1,518
Operating	**1,355**	**811**	**1,518**
TOTAL	**50,881**	**57,710**	**58,283**

➤ Prior period adjustments and transfers of expenditures

(In thousands of euros)	At 31.12.13	At 31.12.12
Reversals of finance lease provisions	900	4,119
Reversals of investment property provisions	1,293	1,790
Transfers of expenditures	20	430
Reversals of operating provisions	8	986
TOTAL	**2,221**	**7,325**

Note 12 – Operating expenses

➤ General operating expenses

(In thousands of euros)	At 31.12.13	At 31.12.12
Other administrative costs	(24,888)	(25,651)
Taxes payable	*(6,149)*	*(6,615)*
Other purchases and external expenses	*(18,739)*	*(19,036)*
Personnel costs	(4,706)	(4,794)
TOTAL	**(29,594)**	**(30,445)**

Depreciation, amortisation and impairment expense

(In thousands of euros)	At 31.12.13	At 31.12.12
Depreciation expense on buildings	(13,154)	(17,084)
Depreciation allowance for intangible assets	*(195)*	*(38)*
Headquarters depreciation expense	*(69)*	*(69)*
Depreciation expense of finance-leased assets	*(3,802)*	*(3,823)*
Depreciation expense of investment property assets	*(8,837)*	*(10,606)*
Allowance for deferred expenses	*(251)*	*(2,548)*
Impairment expense on fixed assets	(5,717)	(1,722)
Impairments of finance leased assets	*(425)*	*(509)*
Impairments of investment property assets	*(5,292)*	*(1,213)*
Impairment expense on current assets	(108)	(420)
Impairments of finance lease doubtful receivables	*(2)*	*(0)*
Impairments of investment property doubtful receivables	*(107)*	*(420)*
Provisions for risks and charges	(3,239)	(69)
Impairments of subsidiaries	*(3,203)*	*-*
Impairment of pension	*(36)*	*(69)*
Impairment of exceptional risks and charge		
TOTAL	**(22,219)**	**(19,295)**

Breakdown of depreciation and amortisation for the period

(In thousands of euros)	At 31.12.13	At 31.12.12
Intangible assets	(195)	(38)
Concessions, software programs	*(195)*	*(38)*
Property, plant and equipment	(12,708)	(14,498)
Buildings	*(12,639)*	*(14,429)*
Other property, plant and equipment	*(69)*	*(69)*
TOTAL	**(12,903)**	**(14,536)**

Other expenses

(In thousands of euros)	At 31.12.13	At 31.12.12
Unrecoverable investment property receivables	(295)	(444)
Unrecoverable finance lease receivables	(25)	-
Directors' fees and compensation of the commitment committee	(71)	(159)
Other management expenses	5	(8)
TOTAL	**(385)**	**(611)**

Note 13 – Share of earnings from joint transactions

(In thousands of euros)	At 31.12.13	At 31.12.12
Profit allocated or loss transferred	**(375)**	**(1,054)**
Holdimmo	90	591
Brétigny	64	211
Parvis Lille	139	129
Ferrières	1	1
Atit earnings	(92)	(188)
Jardins des Quais earnings	(491)	(347)
Sci Nevers Colbert earnings	(350)	(767)
Arca ville d'Eté earnings	261	(677)
Luce parc Leclerc earnings	(0)	(0)
Bercy Parkings earnings	3	(7)
Sci Bucheres earnings	0	(0)
Sci Buchères 2 earnings	(0)	0

Note 14 – Financial income/expense

(In thousands of euros)	At 31.12.13	At 31.12.12
Interest on current account	*1,705*	*1,658*
Interest on term loan	*0*	*5*
Dividends	*1,608*	*5,926*
Interest income from equity investments	3,314	7,590
Income from other investment securities and receivables from capitalised assets	43	52
Other interest and similar income	509	1,938
Reversals of impairments on securities and current accounts	5,388	850
Net income from disposals of investment securities	74	26
Total financial income	**9,327**	**10,457**
Interest on current account	*(45)*	*(181)*
Interest on credit balances	*(8)*	*(10)*
Interest on loans	*(3,948)*	*(7,343)*
Expenses on caps, swaps and tunnels	*(4,525)*	*(10,816)*
Expenses on bonds redeemable in shares [BRS]	*(1,532)*	*(1,498)*
Expenses on perpetual subordinated loan notes [PSL]	*(2,277)*	*(2,696)*
Other	*(24)*	*(1,510)*
Interest and related expenses	(12,359)	(24,054)
Impairment expense on securities and current accounts	(10,826)	(12,176)
Impairment expense on treasury stock	(5)	-
Net charges on disposal of investment securities	-	(103)
Total financial charges	**(23,190)**	**(36,333)**
TOTAL FINANCIAL INCOME/LOSS	**(13,862)**	**(25,876)**

Note 15 – Extraordinary earnings

(In thousands of euros)	At 31.12.13	At 31.12.12
On management transactions	0	26
Recovery on amortised receivables investment properties	*0*	*26*
On capital transactions	5,821	127,131
Sale price of sold long-term financial assets	*0*	*4,378*
Sale price of sold finance lease assets	*327*	*3,866*
Sale price of sold investment property fixed assets	*5,090*	*118,711*
Other	*404*	*176*
Reversals on impairments, provisions and transfers of charges	152	19,128
Excess tax depreciation	*-*	*1,950*
Long-term financial assets	*-*	*17,178*
Other	*152*	*-*
Total extraordinary income	**5,973**	**146,285**
On management transactions	(7)	(2)
Other extraordinary charges	*(7)*	*(2)*
On capital transactions	(7,164)	(152,905)
Carrying amounts of sold asset items LT financial assets	*(0)*	*(23,734)*
Carrying amounts of sold asset items finance lease	*(1,086)*	*(7,602)*
Carrying amounts of sold asset items investment property	*(5,645)*	*(120,139)*
Sale expenses on investment property	*(195)*	*(929)*
Other	*(237)*	*(499)*
Depreciation expense, impairments and provisions	(1,114)	(1,295)
Excess tax depreciation	*(1,091)*	*(983)*
Provisions for risks and charges	*(23)*	*(312)*
Total extraordinary charges	**(8,285)**	**(154,201)**
TOTAL EXTRAORDINARY EARNINGS	**(2,311)**	**(7,916)**

Disposals of finance-leased assets show a net expense of €759,000. This amount should be compared to the reversals of Art. 64 and 57 provisions found in current income for €875,000.

Note 16 – Income tax

(In thousands of euros)	Pre-tax profit	Tax	Net profit (loss)
Current profit	(13,184)		(13,184)
Extraordinary profit	(2,311)	(497)	(2,808)
Exit tax		(740)	(740)
TOTAL	**(15,495)**	**(1,237)**	**(16,732)**

➤ Items from several balance sheet & income statement items

ITEMS (in gross value)	Amount concerning		
(In thousands of euros)	Related companies	Companies with which Affine has an equity investment connection	Amount of debts or receivables represented by commercial paper
Subscribed share capital not called up			
Prepayments and interim payments on intangible assets			
Shareholdings	64,351	66,577	
Receivables related to equity investments	9,272		
Loans	-		
Other investment securities			
Other long-term financial assets			
Amounts paid on account			
Trade receivables and other accounts			
Other receivables	52,954		
Subscribed share capital called up but not paid up			
Investment securities			
Cash on hand			
Convertible bonds			
Other bonds			
Borrowings and debts from lending institutions			
Sundry financial borrowings and debts	(2,239)		
Amounts received on orders in progress			
Trade accounts payable and related accounts			
Fixed asset payables and related payables			
Other purchases and external expenses	(198)		
Revenues (Services)	1,264		
Interest income from equity investments	90	1,518	
Other interest and similar income	1,705		
Interest and related expenses	(45)		
Joint property development deals - expenses	934		
Joint property development deals - revenue	558		

20.3.9.3. Notes to the off-balance sheet statement

(In thousands of euros)	31/12/2013	31/12/2012
COMMITMENTS GIVEN		
Financing commitments	-	-
Commitments to lending institutions	-	-
Commitments to customers	-	-
Guarantee commitments	108,521	92,850
Commitments to lending institutions	-	-
Commitments to customers and subsidiaries	*108,521*	*92,850*
COMMITMENTS RECEIVED		
Financing commitments	3,134	19,000
Commitments received from lending institutions	*3,134*	*19,000*
Commitments received from customers		
Guarantee commitments	6,464	7,911
Commitments received from lending institutions	*1,313*	*1,313*
Commitments received from customers	*5,150*	*6,598*

Note 17 – Other commitments not included in the publishable off-balance sheet statement

(In thousands of euros)	Bal. sheet items	Less than 1 month	1 to 3 months	3 months to 1 year	1 to 2 years	2 to 5 years	Over 5 years
NON-CURRENT DEBTS							
Covered by guarantees	181,814				40,085	105,432	36,296
Covered by collateral	7,000				3,500	3,500	0
Neither collateral nor guarantees	33,840				4,846	13,870	15,123
	222,653				**48,432**	**122,802**	**51,420**
CURRENT DEBTS							
Covered by guarantees	22,556	22,556					
Covered by collateral	3,500	3,500					
Neither collateral nor guarantees	8,496	4,259	2,159	2,079			
	34,552	**30,314**	**2,159**	**2,079**	**0**	**0**	**0**

Guarantees: these sureties include the registered mortgages.
Collateral: this is collateral provided by borrowing companies who grant a security over their shares in favour of the banks.
When the loan is guaranteed by means of both a guarantee and collateral, the surety is classified as a "guarantee".

Maturity dates of interest rate instruments

(In thousands of euros)	Outstanding at 31.12.13	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 + collars	*120,623*	*25,447*	*80,176*	*15,000*	*(0)*
Conditional operations					
Guarantee contracts (caps + tunnel)	*187,996*	*90,109*	*97,888*	*-*	*-*
TOTAL	**308,619**	**115,556**	**178,063**	**15,000**	**(0)**

Interest rate risks

Affine is exposed to the risk linked to interest rate fluctuations on variable rate debts, which it mostly hedges through market transactions (swaps, caps, collars and tunnels) contracted with leading banking institutions.

At 31 December 2013, variable rate financial debt amounted to €218,958,000 versus €238,384,000 at 31 December 2012.

Financial covenants

The Group's loans are subject to agreements with certain types of covenants:
• Loan-To-Value (LTV):
• ICR (Interest Coverage Ratio) ;
• DSCR (Debt Service Coverage Ratio)

According to the terms of these credit agreements, failure to comply with these ratios constitutes an event of default calling for partial or accelerated repayment to re-establish the ratio at its contractual level. As at 31.12.13, 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.

20.3.10. Statutory auditors' fees reported in the income statement

	Cailliau Dedouit et Associés Amount		KPMG Audit Amount	
(In thousands of euros)	2013	2012	2013	2012
Statutory auditing, certification, review of financial statements	153	181	163	181
Other tasks directly related to the auditing engagement	5	-	-	12
Other services	-	-	-	-
TOTAL	**158**	**181**	**163**	**193**

20.4. Auditing of historical annual financial information

20.4.1. Historical financial information audited by the Statutory Auditors

The consolidated statements and separate financial statements of Affine and the Statutory Auditors' reports on the consolidated statements and separate financial statements for 2013 can be found respectively in sections 20.1 and 20.3 of this document.

In accordance with Article 28 of Commission Regulation (EC) No. 809/2004, the following information is incorporated by reference into this registration document:

- the consolidated statements and separate financial statements of Affine and the Statutory Auditors' reports on the consolidated statements and separate financial statements for 2012 are found respectively in sections 20.1 and 20.3 of the registration document filed with the AMF on 3 April 2013 under number D.13-0277,
- the consolidated statements and separate financial statements of Affine and the Statutory Auditors' reports on the consolidated statements and separate financial statements for 2011 are found respectively in sections 20.1 and 20.3 of the registration document filed with the AMF on 17 April 2012 under number D.12-0360,

20.4.2. Other historical financial information audited by the Statutory Auditors

All historical financial information referred to in this document has been audited.

20.4.3. Unaudited historical financial information

All historical financial information referred to in this document has been audited.

20.5. Age of latest financial information

The company's separate and consolidated financial statements for 2013 have been audited and verified by the company's Statutory Auditors. Their reports can be found in sections 20.1 and 20.3 above.

20.6. Interim financial information

Affine has not reported any interim revenues or earnings since 18 February 2014.

20.7. Dividend policy

The dividend policy is linked to the company's dual status as a former SICOMI (commercial property company) and SIIC (listed real estate company):

- Earnings from property finance lease transactions exempt from corporate income tax (ex-SICOMI) must be at least 95% distributed in the following year; under Article 36 of the Articles of Association, the distribution of capital gains from disposals may be spread over three years.
- Earnings from investment property rental transactions exempt from corporate income tax (SIIC) must be at least 95% distributed in the following year; the distribution of capital gains from disposals may be capped at 60% of their total amount and spread over two years; dividends from subsidiaries in turn qualifying for SIIC status must be fully distributed in the following year.

This requirement applies insofar as there is distributable income. A 20% government tax is levied on dividends distributed from the corporate income tax-exempt profits of companies in the SIIC sector when these are paid to non-residents holding at least 10% of the capital of the company and eligible for preferential tax treatment.

The company may recommend to the General Shareholders' Meeting that shareholders be given the option of receiving their entire dividend in the form of shares.

The Board of Directors may decide to pay an interim dividend for the current year.

Year	Dividends
2008	€1.00
2009	€1.78
2010	€2.43
2011	€1.20
2012	€1.20
2013	**€0.90**

The dividend of €0.90 per share for the 2013 financial year is attributed to:

- €0.23 of the exempted sector (SIIC) and,
- €0.67 of the taxed sector, entitlement to the 40% allowance where payment of the additional contribution to the 3% tax on that amount is required.

In accordance with the amended 2013 Finance Law, the portion of the mandatory dividend originating from SIIC status and paid in 2014 will be exempt from the additional contribution of 3% on dividends introduced by the Law of 16 August 2012.

20.8. Legal and arbitration proceedings

There are no governmental, legal or arbitration proceedings (including pending or threatened proceedings), during a period covering the previous 12 months, which may have or have had a material impact on the financial position or profitability of the company or Group in the recent past.

20.9. Significant change in financial or commercial situation

There has been no significant change in the financial or commercial situation of the Group since the end of the last period for which the verified financial statements or interim financial statements have been published.

21.1. Share capital

21.1.1. Changes in capital

At the date of this registration document, Affine's share capital totalled €53,300,000, divided into 9,033,959 ordinary shares of the same class, fully paid-up and with no par value.

21.1.2. Shares not representing capital

Not applicable.

21.1.3. Shares held by the issuer

At 31 December 2013, Affine had 30,086 own shares, valued at historical cost and composed solely of shares held by Kepler to create a market.

21.1.4. Convertible securities

Convertible Bonds (ORA)

2003 issue: 2,000 convertible bonds with a nominal 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.

The Affine General Shareholders' Meeting held on 26 April 2007 decided on a 3-1 share split of Affine shares by issuing three new shares for every old share with effect from 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 15 November, corresponding to a fixed amount 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 out.

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 rate of 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.

In the event of redemption of the entire 2003 convertible bond issue (currently 1,248,000) and based on the number of shares outstanding (currently 9,033,959), the total dilution of the capital would be 12.14%.

21.1.5. Information on the conditions for vesting rights or obligations attached to the subscribed capital

There are no conditions for vesting rights or obligations attached to the subscribed capital.

21.1.6. Existence of option on the capital

There is no option on the capital.

21.1.7 History of share capital

Dates	Capital increase operations	Share capital before the operation	Additional paid-in capital	Number of securities created	Share capital after the operation	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	Addition of Concerto Développement securities	35,000,000	3,979,168	138,507	37,271,653	2,272,491
22/05/2001	Capitalisation of "long-term capital gains" reserves of €2,728,346.70	37,271,653			40,000,000	2,272,491
10/09/2003	Transfer to Affine of Imaffine securities held by Prédica and BNP Immobilier	40,000,000	1,149,259	31,846	40,600,000	2,304,337
15/06/2004	Portion of dividend paid in shares	40,600,000	945,804.94	23,422	41,012,671.06	2,327,759
26/05/2005	Portion of dividend paid 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	Shareholder bonus share award	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	Portion of dividend paid 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	Portion of dividend paid 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-way share split	47,700,000.00	-	-	47,700,000.00	8,108,595
03/06/2008	Portion of dividend paid 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	Portion of dividend paid 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
26/10/2012	Capital reduction through cancellation of treasury stock	53,100,000.00	-	- 282,659	51,432,690.20	8,719,383
07/12/2012	Merger by absorption of AffiParis	51,432,690.20	5,952,830.44	314,576	53,288,267.59	9,033,959
13/12/2012	Capital increase through capitalisation of reserves	53,288,267.59	-	-	53,300,000.00	9,033,959

Changes in the breakdown of capital during the past five years

To date, the main changes in the breakdown of capital and voting rights over the past five years have been as follows (shareholders holding more than 2% of the capital):

	31/12/ 2009		31/12/ 2010		31/12/ 2011		31/12/ 2012		31/12/ 2013	
	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights	Share capital	Voting rights
Holdaffine BV	35.7%	53.7%	35.7%	52.2%	35.4%	50.3%	35.3%	50.3%	35.3%	51.2%
Mainz Holdings LLC	12.2%	9.2%	12.2%	9.0%						
Shy LLC					8.1%	6.0%				
La Tricogne							6.6%	5.0%	6.6%	4.8%
AXA Aedificandi and other AXA funds	4.4%	5.9%	3.5%	5.0%	2.1%	3.1%				
JDJ Two + A. Lahmi	7.0%	6.1%	7.0%	5.9%	2.4%	3.6%	1.0%	1.4%	1.0%	1.4%
Other float	40.7%	25.1%	41.6%	27.9%	52.0%	37.0%	57.1%	43.3%	57.1%	42.6%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

21.2. Memorandum and Articles of Association

21.2.1. Corporate purpose

The purpose of the company is the acquisition, sale and rental of properties and businesses, as well as equity investments in any financial, real estate, industrial or commercial company.

The corporate purpose is described in Article 2 of the Articles of Association.

The General Shareholders' Meeting of 27 April 2012 amended Article 2 of the Articles of Association following withdrawal of the credit institution licence (financial corporation). All references to finance leasing and operations as a financial corporation have been removed.

21.2.2. Provisions relating to the board of directors

Article 10 of the Articles of Association defines the requirements for being appointed as a director as well as the composition of the Board. Directors may be natural or legal persons; in the latter case, they must appoint a permanent representative.

The Board must be composed of a minimum of three and a maximum of 15 directors. Directors are appointed for a three-year term and may be re-elected. To ensure that directorships do not all expire simultaneously, the General Shareholders' Meeting of 27 April 2012 amended Article 10 by allowing, in exceptional cases, the term of office to be set at one, two or three years.

Article 11 of the Articles of Association requires each director to hold at least one registered share throughout his or her term of office.

Article 14, in accordance with Article L.225-51-1 of the French Commercial Code, allows the Board the option of choosing to have the responsibilities of General Management performed either by the Chairman of the Board of Directors or by another individual appointed by the Board of Directors and bearing the title of Chief Executive Officer. Irrespective of the General Management model (single or dual) chosen by the Board, the Chief Executive Officer has the broadest powers, subject to the limits of the corporate purpose and the powers granted by law to shareholders. The Chief Executive Officer may act at any time on behalf of the company.

The Board of Directors of the company has chosen to combine the functions of Chairman of the Board of Directors and Chief Executive Officer and has appointed a Deputy Chief Executive Officer whose duties are identical to those of the Chief Executive Officer.

21.2.3. Features of shares and rights and restrictions attached to each class of shares

Shareholders may choose to hold their fully paid-up shares in registered or bearer form.

Voting rights attached to shares are proportional to the portion of the share capital they represent. However, under Article 29 of the Articles of Association, double voting rights, in view of the percentage of share capital they represent, are allocated:

a) to all fully paid-up shares proven to have been held in registered form in the name of the same shareholder for at least two years;

b) to bonus registered shares granted to a shareholder in the event of a capital increase by capitalisation of reserves, profits or share premiums, commensurate with the old shares on which the shareholder enjoys such right.

Double voting rights will lapse automatically for any share converted into a bearer share or transferred, except as a result of inheritance, liquidation of marital property between spouses, or donation inter vivos in favour of a spouse or relative entitled to inherit.

Voting rights, and particularly double voting rights, are voided for any shareholder who should own, directly or indirectly, a number of shares or voting rights representing two percent of the capital or voting rights of the company and who has failed to inform the company within fifteen days of crossing this threshold. This disclosure requirement also applies in the event that ownership of capital or voting rights should fall below the 2% threshold.

The sanction must be requested by one or more shareholders who together or separately hold at least 2% of the capital or voting rights of the company. Any shareholder who fails to comply with the disclosure requirement will forfeit their voting rights for all shareholders' meetings held for a period of two years from the date on which disclosure is made.

The above provisions are contained in Article 9 of the company's Articles of Association.

The provisions of the Articles of Association relating to profits are contained in Article 36. In view of the company's SIIC status, a total dividend at least equal to eighty-five percent (85%) of the net profit derived from exempt transactions determined as such for corporate income tax purposes will be distributed to shareholders in proportion to the nominal amount of their shares, paid-up at least six months before the year-end and not redeemed. However, if the total amount to be distributed is less than one percent (1%) of the share capital, the General Shareholders' Meeting could decide to allocate this to retained earnings.

Notwithstanding the above paragraph, at least one third of the net amount of any gain from the accelerated disposal of leased buildings during the year must be included in the amount of profit subject to compulsory distribution as defined above. The balance will be included in the basis of calculation of distributable profit for the year or the next two years, provided that the aggregate amount of shares in the capital gain included in the distributable income for the year in which it was realised and the following year is not less than two thirds of the total amount of said capital gain.

Article 36 of the Articles of Association allows the General Shareholders' Meeting to give shareholders the right to choose between payment of the dividend in cash or in shares.

Interim dividends may be paid to shareholders following a decision of the General Shareholders' Meeting in accordance with the legal and regulatory provisions in force.

Article 36 also states that any shareholder other than a natural person who acquires, directly or through its controlled entities within the meaning of Article L.233-3 of the French Commercial Code, a percentage of dividend rights of the company at least equal to that referred to in Article 208-C-II-ter of the French General Tax Code, and whose own situation, or that of any associates, would make the company liable for the levy referred to in Article 208-C-II-ter of the General Tax Code, must prove to the company no later than five working days before the payment of any dividend, reserve, share premium or income held to be distributed within the meaning of the General Tax Code, that such distribution does not make the company liable for the levy.

In the absence of confirmation within the prescribed period, the amounts deducted from the company's profits and exempt from corporate income tax under Article 208-C-II of the General Tax Code which, in respect of each share held by such shareholder, must be paid thereto following a decision to pay dividends, will be reduced by the amount of the levy payable by the company in respect of the distribution of these amounts.

If the dividend is paid in shares, the shareholder will receive only a part of the amount distributed in the form of shares, it being specified that no fractional shares will be created, the balance being allocated by the company to pay the levy by applying this as specified above.

If it should emerge, following a distribution, that a shareholder was in a situation that should have given rise to a levy on the date of payment of said amounts, the shareholder will be required to pay the company, as compensation for its loss, an amount equal to the levy that the company would have had to pay in respect of the shares held by the shareholder on the date of payment of the distribution, plus additional compensation equal to interest on arrears, penalties or charges of any kind that the company should incur as a result.

If necessary, the company may offset its claim against the shareholder against any amount that might subsequently be paid thereto, until said claim has been extinguished.

21.2.4. Changes to shareholders' rights

In addition to single and double voting rights, the terms of suspension of which in the cases provided in Articles 9 and 20 of the Articles of Association are recalled in section 21.2.3, changes to shareholders' rights may only be made through amendments to the Articles of Association adopted by the extraordinary general meeting of the company, in conditions envisaged by the regulations in force.

21.2.5. Provisions relating to the calling of and admission to general shareholders' meetings

Article 23 of the Articles of Association sets out the conditions for calling General Shareholders' Meetings of the company.

General Shareholders' Meetings are called by the Board of Directors. They may also be called:

- by the Statutory Auditor(s);
- by a representative appointed by a court of law at the request, either of any interested party in an emergency, or of one or more shareholders representing at least one twentieth of the share capital or one-twentieth of the shares in the class concerned, in the case of Special Shareholders' Meetings;
- by the liquidator or liquidators, during the liquidation period, in the event of dissolution of the company.

General Shareholders' Meetings are called by a notice published in a newspaper authorised to publish legal notices in the département where the registered office is situated, at least fifteen clear days before the date of the meeting. However, if all the shares are registered, said notice may be replaced by a notice of meeting sent at the expense of the company by registered letter to each shareholder.

Electronic telecommunications may also be used to call shareholders' meetings subject to the prior written consent of the shareholders.

Shareholders who have held registered shares for at least a month on the date of publication of the notice of meeting are also invited to attend the meeting by standard letter or, at their request and at their expense, by registered letter.

If a meeting is unable to deliberate due to a lack of quorum, the second meeting and, if necessary, the second postponed meeting, shall be convened at least six clear days in advance in the same manner as the first meeting. The notice and letters convening this second meeting shall reproduce the date and agenda of the first meeting.

General Shareholders' Meetings may be called verbally and without notice if all shareholders are present or represented.

Article 25 of the Articles of Association lays down the conditions for admission of shareholders to the company's General Shareholders' Meetings. Any shareholder has the right to attend General Shareholders' Meetings and to participate in the proceedings, in person or by proxy, regardless of the number of shares held, if evidence is furnished, in accordance with the legal requirements, that the shares are registered in the shareholder's name or in the name of the shareholder's authorised intermediary pursuant to the seventh paragraph of Article L.228-1 of the French Commercial Code, on the third business day preceding the meeting at midnight, Paris time, either in the registered share accounts held by the company, or in the bearer share accounts held by the authorised intermediary.

Any shareholder with a legitimate voting right may receive proxies issued by other shareholders to be represented at a general shareholders' meeting, with no restrictions other than those arising from the provisions of Article 29 of the Articles of Association setting the maximum number of votes that the same person may have, whether in his or her own name or by proxy.

The legal representatives of legally incompetent shareholders and individuals representing legal entities may participate in meetings, whether or not they personally are shareholders.

Joint owners of shares are required to be represented in dealings with the company and at General Shareholders' Meetings by one of the joint owners, considered the sole proprietor, or by a sole representative; in case of disagreement, the sole representative may be appointed by a court of law at the request of the joint owner first to take action.

Unless otherwise agreed, as notified to the company, usufructuaries of shares shall legitimately represent bare owners in dealings with company; however, the voting right shall belong to the usufructuary at Ordinary General Shareholders' Meetings and to the bare owner at Special or Extraordinary General Shareholders' Meetings.

21.2.6. Change in control

Except for the provisions referred to in section 21.2.3 concerning the allocation of double voting rights, no other provision of the Articles of Association, guidelines or rules of the company has the effect of delaying, deferring or preventing a change in control of the company.

21.2.7. Disclosure requirement for crossing thresholds

Article 9 of the Articles of Association states that a shareholder who should come to hold, 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 within fifteen days of crossing this threshold. This disclosure requirement also applies in the event that ownership of capital or voting rights should fall below the 2% threshold.

21.2.8. Changes to the share capital

The conditions for changes to the capital of the company envisaged in the Articles of Association are no more stringent than the legal requirements.

Shareholders' agreement with the company Banimmo

A shareholders' agreement was signed on 1 September 2006, as amended on 24 May 2007 and 26 March 2010, between Affine and the six members of the Banimmo Executive Committee responsible for management of the company. This agreement will remain in effect until 28 February 2016, unless renewed.

If either of the two groups wishes to sell their shares, pre-emption mechanisms exist.

The Banimmo management, a signatory to this agreement, holds all class B shares of Banimmo, which entitle it to a preferential dividend, distributed before the ordinary dividend, and determined based on a level of return on economic equity stipulated in Article 39 of Banimmo's Articles of Association. This preferential dividend right will expire in 2017, after the dividend distribution for the 2016 financial year. These shares will lose their preferential status in the event of the exit of the Management or of one of its members, unless replaced by another member of the Management. By amendment of 26 March 2010, class B shares can now be owned by any individual or company related to Banimmo and/or its subsidiaries by an employment or management contract, provided they are approved by Affine and Banimmo Management.

23 THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF INTEREST

Since late 2005, the entire property portfolio of the Affine Group has undergone an annual valuation at June 30 and 31 December.

The company's property portfolio is mainly composed of offices, retail premises and warehouses. For the preparation of its consolidated statements, the company has chosen to account for property using the fair value model in accordance with IAS 40, as explained in section 20.1.7.1.7. This standard requires the change in fair value of property for each reporting period to be recognised in the income statement.

At the end of December 2013, the Group valued its rental properties by updating external appraisals for 97% of its value and internal appraisals for the remaining assets or those in the process of being sold (based on any preliminary sale agreements).

The methodology used by the appraiser is described in section 20.1.7.1.7. The capitalisation rate method was used for assets valued internally.

Valuations are based on the rental statements, planned investments and the status of current negotiations (expected departures and arrivals) provided by Affine.

The rent indexing used depends on the type of property and the nature of the tenant's activity. Present in the three main commercial property sectors (offices, retail and warehouses), Affine mainly uses three indices – the ICC (Construction Cost Index), ILAT (INSEE Retail Rental Index) and ILC (Commercial Rent Index) – in 56%, 26% and 13% of cases respectively. More specifically, Affine also uses the French Building Federation's Construction Cost Index (ICC FFB), and a fixed rate.

Affine remains cautious with regard to the outlook for the rental market. These effects are extrapolated directly from the level of activity with a leverage effect on earnings, taking into account expenses that cannot be charged to tenants.

The set of assumptions used in property valuations are reviewed and monitored by the Statutory Auditors. This audit is specifically aimed at checking the relevance of these items, the main variables of which are listed in section 20.1.7.1.5.

Valuations reflect market values excluding transfer taxes, i.e. after deduction of stamp duty and/or conveyancing fees (in the case of a property sold subject to VAT on property) based on 6.20% of the value excluding transfer taxes and 1.80% for property subject to VAT. In Affine's case, the difference between net fair value and gross fair value is 6.20%.

The gross capitalisation rate is determined as the ratio of annualised gross rental income to appraisal values excluding transfer taxes. The rate of return is calculated based on the appraisal including transfer taxes.

The appraiser's fees are agreed at the outset based on a flat fee per asset, depending on the type, size, complexity and location.

Information on changes in fair value, reconciliation between values in the statement of financial position and appraisal values given by independent experts and the sensitivity of the asset valuation can be found in note 1 of section 20.1.7.4.1.

In accordance with the principles enshrined in the Code of Conduct for SIIC, Affine rotates its appraisers so that an appraiser cannot have more than two consecutive four-year appointments for the same asset and so that the internal teams in charge of the appraisal have effectively changed after seven years.

The appraisal results, associated returns and occupancy rates are illustrated below by activity segment:

(€m) at 31 Dec 2013	Fair value exc. transfer taxes	Fair value inc. transfer taxes	Market return	Headline return	Potential return	Occupancy rate
Paris (Offices)	92.8	98.6	5.5%	5.1%	5.1%	100.0%
Offices (outside Paris)	226.5	240.6	7.6%	7.4%	8.4%	87.2%
Retail	126.1	131.1	7.1%	6.7%	7.7%	86.8%
Warehouses and industrial premises	147.1	155.3	8.7%	8.8%	9.3%	95.1%
Other	1.2	1.3	11.1%	21.0%	21.0%	100.0%
PROPERTY PORTFOLIO	**593.8**	**626.8**	**7.5%**	**7.3%**	**8.0%**	**90.9%**

The market, headline and potential returns correspond to market, headline and potential rents divided by the market value of rental properties, including transfer taxes, at closing.
Market rents correspond to the rents that would be obtained if the premises had to be re-let at the closing date.
Headline rents correspond to the contractual rents of the lease, to which successive pegging operations are applied as contractually agreed in the lease, excluding advantages granted to the tenant by the owner (unbilled charges contractually considered as such, staggering of rent, etc.).
Potential rents correspond to the sum of headline rents and market rents of vacant premises.
The financial occupancy rate is equal to the market rents of occupied premises divided by the market rents of the total premises.

GENERAL FRAMEWORK

To update the value of its property portfolio, Affine approached the appraisers listed below according to the following breakdown:

(€m) at 31 December 2013	Type	Number of assets	Market value Excl. transfer taxes	Fair value Including transfer taxes	Assignment as % of appraiser's sales
BNPP Real Estate Valuation	Offices	13	139.3	146.2	0.23%
	Warehouses and industrial premises	4	18.5	19.5	
Cushman & Wakefield Appraisal	Offices	7	129.8	137.9	< 1%
	Retail	7	125.4	127.6	
	Warehouses and industrial premises	12	95.6	100.7	
Crédit Foncier Expertise	Offices	10	51.7	54.9	0.06%
	Retail	1	3.3	3.5	
	Warehouses and industrial premises	2	32.0	33.2	
Assets not subjected to an appraisal		**4**	**3.3**	**3.5**	
PROPERTY PORTFOLIO		**60**	**598.9**	**626.9**	

In accordance with Affine's instructions, property appraisers have drawn up appraisal reports and determined the required values (objective value at 31 December 2013).

No conflict of interest was found.

This procedure was carried out to comply with the AMF recommendation on the presentation of valuation and risk data for the property assets of listed companies, published on 8 February 2010.

Appraisals were carried out based on the fair value of the property under the terms of the current lease and under IFRS (IAS 40 and IFRS 13). In view of Affine's status as a listed property company, fair value is defined in IAS 40 and IFRS 13 as "the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date".

Industry bodies recognise that fair value is identical to market value for investment property, as defined by the Royal Institution of Chartered Surveyors (RICS) and the French real estate appraisal code (*Charte de l'Expertise en Évaluation Immobilière*).

According to this code, market value is "the estimated amount of money against which a property would be exchanged, at the measurement date, between a willing buyer and a willing seller in a balanced transaction after proper marketing where the parties have each acted knowingly, prudently and without pressure".

The appraisers confirm that the buildings were valued "line-by-line" based on individual appraisals, rather than based on the entire portfolio.

Expertise and independence

We carried out this work for your company as external appraisers.

We did not identify any conflict of interest, either among the parties concerned or in relation to the properties and titles to property studied.

We also confirm that the team selected to do the work has the skills and knowledge needed to estimate the value of the assets concerned.

Details of the brief

All the property assets concerned have been visited by appraisal teams over the past five years.

No technical, legal, environmental or administrative audit was required to perform the appraisal. The valuation is based on the documents provided by the client, including:
- leases,
- description contained in the purchase deeds,
- details of rents,
- details of tax and certain charges.

The properties concerned are part of a property portfolio which is periodically valued at 30 June and 31 December, in whole or in part, by independent experts.

Operating conditions

The brief was carried out based on documents and information given to us, including rental statements and planned works, all assumed to be true and correct and corresponding to the information and documents in the possession of or known to the client and likely to have an impact on the market value of the property.

It is not within our remit to assess or quantify the impact of risks related to the contamination of soil, buildings, pollution of land and environmental issues in general. Unless otherwise informed, we assumed that the plots were not polluted and that the buildings did not contain asbestos or wood-boring insects (termites, etc.), lead, radon or other products of a harmful nature.

The appraisal and valuations were carried out in accordance with:

- the recommendations of the Barthès de Ruyter report on the valuation of property assets of listed companies making public offerings, 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 Standards Committee.

The market value of the property was estimated by the following methods:

- comparison method
- capitalisation method
- DCF method
- "developer's budget" method (applied only to properties under development)

The valuation methodology is summarised in section 20.1.7.1.7.

The valuation is based on an assumption of market stability and the absence of significant changes in properties between the completion date of the appraisals described in this report and the value date.

For leasehold property and title, only the underlying property and title were valued, and not the transfer value of the finance lease.

Any special financing arrangements entered into by the owners were likewise not taken into account.

Additional valuation parameters – IFRS 13

Since 1 January 2013, the Group has applied IFRS 13, which defines fair value as the "highest and best use" of the asset. The standard establishes a fair value hierarchy with three levels according to the inputs used in valuations.

Given the nature of the real estate investment market in France and the features of Affine's investment property, the most significant parameters used for estimates, particularly market rental values and rates of return, are classified as level 3.

Observation

The above value is net, i.e. after deduction of stamp duty and/or conveyancing fees (in the case of a property sold subject to VAT on property) based on 6.2% of the value excluding transfer taxes and 1.8% for property subject to VAT.

The values shown do not include any marketing costs or taxes and related fees.

We confirm that our appraisals are confidential and strictly for use by your company and your professional advisors in connection with the brief given.

Each appraiser declares that he/she is independent and has no interest in Affine, and confirms the values of the property assets valued, without taking responsibility for those done by other firms. The appraiser also consents to this condensed report being included in Affine's registration document.

BNPP Real Estate Valuation	Cushman & Wakefield Appraisal	Crédit Foncier Expertise

DOCUMENTS ON DISPLAY

24

The documents and information constituting regulated information are available on the website www.affine.fr. The following documents in particular can be found on the company's website, and will be available for consultation throughout the period of validity of this registration document:

- Annual reports since 2001
- Half-yearly financial reports since 2006
- Quarterly financial information
- Chairman's report on corporate governance and internal control
- Registration documents required by the COB and the AMF since 2002
- 2013 Registration Document
- Financial press releases published by the company
- Analyst presentations

Affine's Articles of Association can be obtained on request from the company's head office: 5 rue Saint-Georges, 75009 Paris.

25 INFORMATION ON HOLDINGS

During the year, Affine's holdings and the companies included in the scope of consolidation changed as follows:

- Concerto Développement's holding in SCI Aulnes Développement (50% of the capital) and in MGP Sun S.àr.l (now BR Sun S.àr.l) (10% of the capital) were sold to Promaffine (100% owned by Affine).

- Following the capital reduction and increase operations carried out in 2013, Affine now owns 100% of the companies Les 7 Collines and Capucine Investissements.

- Following the acquisition of 50% of the shares in Les Jardins des quais from Banimmo France, Affine now owns 100% of the shares of that company.

- The following were created: SCI Concerto Buchères 2, 100% indirectly owned by Affine.

Information on entities in which the company has an equity interest can be found in the Notes to the consolidated financial statements under section 20.1.7.3, "Scope of consolidation".

Report by one of the Statutory Auditors who has been appointed as an independent third-party body, on the consolidated social, environmental and societal information set out in the Management Report Financial year ended 31 December 2013

To the Shareholders,

In our capacity as the Statutory Auditor to Affine appointed as an independent third-party body, and whose accreditation request has been authorised by COFRAC (the French Accreditation Committee), we hereby present our report on the consolidated social, environmental and societal information regarding the financial year ended 31 December 2013 presented in the Management Report (hereinafter the "CSR Information"), pursuant to the provisions of Article L.225-102-1 of the French Commercial Code.

The company's responsibility

It is the responsibility of the Board of Directors to prepare a management report including the CSR information provided for in Article R.225-105-1 of the French Commercial Code, prepared in accordance with the guidelines used by the company (hereinafter the "Guidelines"), a summary of which is provided in the Management Report and is available at the company's registered office on request.

Independence and quality control

Our independence is determined by the regulations, our professional business ethics code and the provisions provided for in Article L.822-11 of the French Commercial Code. Moreover, we have introduced a quality control system that includes documented policies and procedures aimed at ensuring compliance with business ethics rules, professional practice standards, and the applicable legislation and regulations.

Responsibility of one of the Statutory Auditors

Our responsibility, on the basis of our work, is:

- to certify that the CSR Information required is included in the Management Report, or is the subject of an explanation pursuant to the third paragraph of Article R.225-105 of the French Commercial Code (Certificate of inclusion of the CSR Information), in the event that it is omitted;
- to draw a conclusion expressing moderate assurance on the fact that all the material aspects of the CSR Information, taken as a whole, have been presented in a fair manner in accordance with the Guidelines (reasoned opinion on the fairness of the CSR Information).

Our work was performed by a team of five people between January and February 2014, over a period of around two weeks.

We called upon our CSR experts to help us perform this work.

We performed the work described below in accordance with the professional practice standards applicable in France and with the Order of 13 May 2013 setting out the conditions under which the independent third-party performs its assignments, and with international standard ISAE 3000 where the reasoned fairness opinion is concerned.

1. Certification of the inclusion of CSR Information

We have familiarised ourselves with the presentation of the sustainable development guidelines, in accordance with the social and environmental consequences linked to the company's business activities, and with its societal commitments, and, where applicable, with the initiatives or programmes arising therefrom, based on meetings with the managers of the departments concerned.

We compared the CSR Information set out in the Management Report with the list provided for by Article R.225-105-1 of the French Commercial Code.

Where some consolidated information was missing, we checked that explanations were provided in accordance with the provisions of paragraph 3 of Article R.225-105 of the French Commercial Code.

We checked that the CSR Information covered the scope of consolidation, namely the company and its subsidiaries, within the meaning of Article L.233-1 of the French Commercial Code, and the companies that it controls within the meaning of Article L.223-3 of that Code, in accordance with the limits specified in the methodology note set out in the section entitled "Methodology Note" in the Management Report.

Based on this work, we attest that the CSR Information required is included in the Management Report.

2. Reasoned opinion on the fairness of the CSR Information

Nature and extent of the work

We held several meetings with the persons responsible for preparing the CSR Information at the departments responsible for the information-gathering process, and where applicable, with the persons responsible for the internal control and risk management procedures, in order to:

- assess the appropriate nature of the Guidelines in terms of their relevance, completeness, reliability, objectivity and comprehensibility, taking good practices in the sector into consideration, where applicable;

- verify the implementation of an information-gathering, compilation, processing and control process aimed at providing complete and consistent CSR Information, and familiarise ourselves with the internal control and risk management procedures relating to the preparation of the CSR Information.

We determined the nature and scope of our tests and controls on the basis of the nature and materiality of the CSR Information, in view of the company's characteristic features, the social and environmental issues pertaining to its business activities, sustainable development guidelines, and good practices in the sector.

In the case of the CSR Information that we considered to be most material and that are listed in the table below:

- we consulted the documentary sources and held meetings to corroborate the qualitative information (organisation, policies and initiatives), we implemented analytical processes in the case of the quantitative information, and checked the calculation and the consolidation of the data based on spot checks, and also checked their coherence and consistency with the other information provided in the Management Report at the level of the consolidated entity;
- we held meetings to check the correct application of procedures and to identify potential omissions, and conducted detailed tests on the basis of samples, which consisted in checking the calculations made and in cross-checking them with the data in the supporting documents, for a representative sample of entities that we selected1[1] on the basis of their business activities, their contribution to the consolidated indicators, their operating location and a risk analysis. The sample selected in this way represents 100% of the headcount and 100% of the quantitative environmental information, on average.

1 Affine Group head office

Employee indicators	Reporting scope
Total headcount and breakdown by age group, gender and status	Affine, Concerto, and Les 7 Collines (Group)
New hires and redundancies	
Total number of training hours per employee	

Environmental indicators	Reporting scope
Number of green leases signed	Property portfolio
Electricity consumption	Head office
Water consumption	
Energy-related greenhouse gas emissions	

Qualitative information	
Employee-related topics	Jobs Training Equal treatment
Environmental topics	General environmental policy Land use
Societal topics	Dialogue with stakeholders Fair practices

In the case of other consolidated CSR Information, we assessed the consistency of the information with our knowledge of the company.

Lastly, we assessed the relevance of the explanations regarding the total or partial absence of some information, where applicable.

We believe that the sampling methods and size of the samples that we selected when exercising our professional judgement enable us to draw a conclusion expressing moderate assurance; a more definite conclusion would have required more extensive verification work. Given the use of sampling techniques and the other limits inherent to the operation of any information and internal control system, the risk that a material misstatement in the CSR Information was not identified cannot be completely eliminated.

Conclusion

Based on our work, we did not observe any significant misstatement likely to call into question the fact that the CSR Information, taken as a whole, is presented in a fair manner, in compliance with the Guidelines.

Paris La Défense, 26 February, 2014

KPMG Audit FS1

Regis Chemouny

Partner

Philippe Arnaud

Partner

Climate Change
& Sustainable Development Department

Corporate Social Responsibility (CSR) includes all information pertaining to the social, environmental, societal and economic aspects of the company's operations and interactions with its stakeholders, as defined by the decree of 24 April 2012 regarding corporate social and environmental transparency requirements.

Three levels of reporting are used, which are those recommended by France GBC in its CSR Reporting guide:

Corporate level: limited to buildings used by the company for its own use (head office).

Operational level: limited to buildings associated with revenues, with three areas of scope:

- 1) No available information
- 2) Information available only for managed common parts
- 3) Information available for the entire building

Stakeholder level: incorporating the environmental impact of programmes in their entirety, from construction to use.

In keeping with the consolidation method of accounting, the above three levels apply to Affine and its fully consolidated subsidiaries (therefore excluding Banimmo).

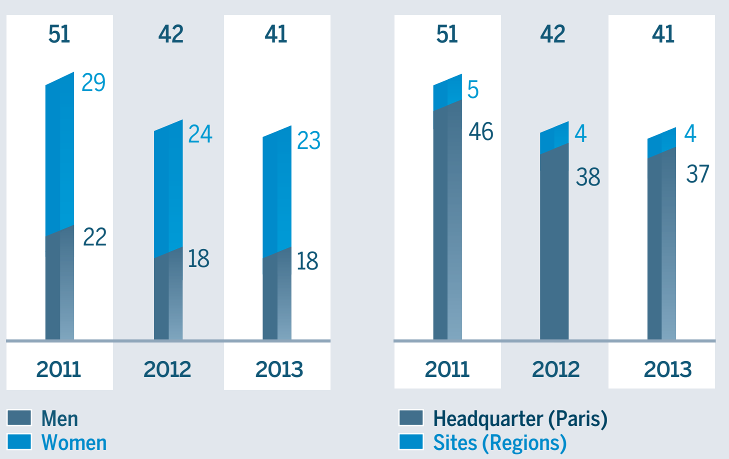
26.1. Social information

Employment

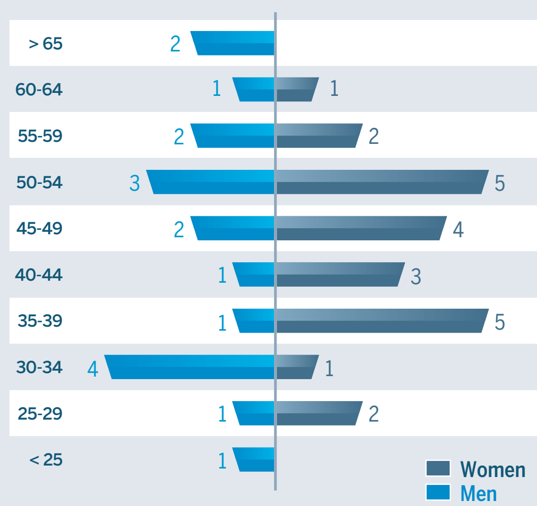
Total workforce and breakdown of employees by gender, age and geographical area

At 31 December 2013, the Group had 41 employees: 7 employees, 31 managers and 3 executives. The male/female breakdown is as follows: 23 women (5 employees, 17 managers and 1 executive) and 18 men (2 employees, 14 managers and 2 executives).

WORKFORCE BREAKDOWN BY GENDER AND LOCATION



AGE PYRAMID



Recruitment and redundancies

The Group recruited 2 employees during the period on permanent contract; 3 people left the company (retirement, resignation or lay-off), 1 of whom was laid off.

The Group has no plans to downsize.

Salaries and changes

At least once a year, managers meet their employees for an individual assessment. This is an opportunity to review performance targets, take stock of achievements and career development prospects, and identify any training needs. The appraisal process also enables employees to receive a full yearly appraisal of their skills and areas for development.

In 2013 employee gross salaries totalled €3.4m, down 2.7%. Social Security employer contributions accounted for 54% of gross salary.

The amount paid out in 2013 in respect of 2012 profit sharing was €0.3m, in line with the new profit-sharing agreement signed in June 2012 as stated below under "Collective bargaining agreements".

At 31 December 2013, no employees of the Affine Group had holdings in the company's share capital through a mutual fund or company savings plan (Article L.225-102 of the French Commercial Code).

Organisation of labour

Organisation of working hours

In December 2001, Affine signed an agreement to reduce working hours and introduce flexible working time with an annual workload of 1,600 hours. The "Solidarity Day" instituted by the Law of 30 June 2004 was allocated to the number of legal leisure days.

Absenteeism

A total of 73 sick leave days were lost in 2013 compared with 212 in 2012, i.e. 1.8 days per employee compared to 4.6 last year. Causes of absenteeism in the company were mainly illness and maternity leave.

Employee and management relations

Dialogue organised between management and employees, especially procedures for providing information to employees and the consulting and negotiation process

Affine employees are represented by delegated members of staff who are responsible for gathering questions and remarks that employees want to present to management, discussing these and if necessary seeking an agreement that suits all parties; decisions taken during those meetings are recorded and brought to the attention of all employees.

The questions put by personnel are expressed either through discussion, or by email or via a mailbox available to them.

Decisions made at weekly managers' meetings are notified to all employees.

General information meetings are held by general management throughout the year to present annual and half-yearly results to employees or to discuss important issues relating to the company's organisation or operation.

All mandatory notices are posted on company premises, as are the Group's press releases which are emailed to employees at the same time.

Collective bargaining agreements

In 2013, no new collective bargaining agreement was signed.

The following agreements continued to apply in 2013:

COLLECTIVE LABOUR AGREEMENT:

The abandon of the credit institution status obtained by Affine in December 2011 led to the abandon of the financial companies collective labour agreement in favour of the property sector agreement, which by law applies to companies in the property sector, with which Affine is now associated.

However, the financial companies agreement continued to apply for a transitional period which theoretically expired on 19 March 2013 but was brought back to 1 January 2013 with the employees' agreement.

The terms for applying the new collective labour agreement were negotiated with employee representatives and the corresponding employment contract amendments were signed by the employees.

NEW PROFIT-SHARING AGREEMENT:

In parallel with the early termination of the profit-sharing agreement expiring on 31 December 2012, a new agreement was signed on 8 June 2012 by all personnel to apply from the 2012 financial year.

AGREEMENT TO ADJUST WORKING HOURS:

The company's change in activity did not affect the application of the collective bargaining agreement of 21 December 2011 regarding the adjustment of working hours. However, some clauses were clarified and updated to reflect changes in the company's operations and in legislation.

Health and safety

Health and safety in the workplace

The Group's employees have been in new premises since 2010: this new environment improves information sharing among employees and enhances the quality of their work by providing a new and more convivial work space equipped with the latest technology in terms of visual comfort (lighting system) and ergonomics.

The Group has also organised seasonal flu vaccination campaigns since 2000.

In accordance with applicable regulations, an assessment was made of risks within the company. The results of this assessment were reported in the special document on safety and security.

Workplace health and safety agreements signed with trade unions or employee representatives

The Group did not sign any specific agreements regarding health and safety in the workplace.

Workplace accidents, particularly their frequency and seriousness, and occupational illnesses

The Group recorded no workplace accident or occupational illness.

Training

Implemented training policies

Potential training needs are assessed during yearly individual appraisals. The Group's training policy is designed to ensure that employees have, or can acquire, the skills and autonomy required to make decisions in line with their responsibilities.

Training focuses on two main areas: technical and linguistic. Affine's training budget accounts for 0.88% of payroll; 23 employees benefited from training in 2013.

English lessons are given twice a week in the company's offices.

When a new IT system was implemented, all employees received training to understand the issues of this new tool and to master its use.

Total number of training hours

The total number of training hours in 2013 was 512.

Equal treatment

Measures taken to promote equality between men and women

The company offers the same opportunities for career advancement within the Group to men and women. In 2013 the company had two female and two male senior managers.

Measures taken to promote the employment and integration of people with disabilities

The company works whenever it can with contractors who employ disabled people.

In 2013, Affine contributed €6,790 to France's Fund Management Organisation for the Professional Integration of People with Disabilities (AGEFIPH), which supports the integration of disabled people into the workforce.

Anti-discrimination policy

The Group plays close attention to discrimination issues and strives to avoid any discrimination when hiring new personnel and in career development or changes in pay.

In accordance with the law, Affine and its associated companies, as defined in Article L 2331-1 of the French Labour Code, introduced a plan in December 2009 to promote jobs for seniors that applies to employees of the Group. The plan was valid until the end of 2012. The law of 1 March 2013 establishing the generation contract provides a plan that replaces the agreements and action plans of the law of 17 December 2008. For 2012, the average workforce in the Affine Group was less than 50 people and so there was no need to establish a new plan for seniors.

Promoting and upholding the fundamental conventions of the International Labour Organisation

The Group's business is limited to the European Community, which requires specific compliance with the stipulations regarding:

- freedom of association and the right to collective bargaining,
- elimination of discrimination in respect of employment and occupation,
- elimination of all forms of forced or compulsory labour and child labour.

26.2. General environmental policy

General environmental policy

Organisation of the company to take into account environmental issues and, where appropriate, processes for environmental assessment or certification

Affine initiated a sustainable development review that considered the impact of its property business on the environment. This process is geared towards making an environmental diagnosis of the Group's assets and raising tenants' awareness of environmental issues. Affine believes that reducing the ecological footprint starts with a process of reflection conducted jointly with tenants on the use of the premises, installing systems that use natural resources more sparingly, measuring the impact on energy, water, waste and carbon, and evaluating investments to upgrade the portfolio's less energy efficient buildings and ensure their compliance with standards. The signing of green leases (10 since 2010) and efforts to obtain environmental certifications are concrete examples of how these principles are being applied to Affine's operating activities.

Beyond this awareness campaign, Affine believes that the consideration given by the property sector to sustainable development issues in its business activities still needs to be standardised and clarified.

This approach is in line with the Group's objective of social responsibility and preserving the value of its properties. This environmental forum has led Affine to rethink its property strategy in order to make environmental performance a significant criterion in its investment and disposal policy. Affine aims to focus on the acquisition of buildings which already comply with the most advanced environmental performance criteria, or which could achieve such compliance with limited investment. Similarly, the Group is disposing of assets that cannot be readily adapted to the environmental criteria of a listed property company.

The process for reporting environmental data is to be revised to take account of regulatory changes under what is known as the "Grenelle II" Law. The areas identified for improvement include establishing a process to collect environmental data, defining the most relevant and suitable indicators, and consolidating various aggregates to facilitate data analysis.

Employee training and information on environmental protection

As a property company, Affine is aware that in addition to a building's environment-related technical qualities, user behaviour plays a key role in the use of any kind of utility.

As part of its asset manager training, the Group organised in 2010 an information day focusing on the energy performance of buildings and addressing, among other issues, current performance levels, regulations, potential technology and new initiatives to be implemented.

On an operational level, a plan has been introduced to raise awareness among tenants and users.

Means employed to prevent environmental risks and pollution

The nature of Affine's business does not pose any particular danger to the environment.

Excluding offices and retail complexes, only warehouses could, depending on the tenants, present environmental risks of varying degrees of severity.

Logistics sites requiring an operating licence have containment ponds with sufficient volume of water for extinguishing fires. The amount of water to be held in these ponds is estimated based on a hazard analysis and takes into account the water that would be needed by fire crews, the water supply required for protection purposes (sprinklers, for example), the volume of water related to heavy rains, the speed of emergency responses and the nature of the materials being stored. Water recuperated from these ponds is potentially polluted and kept separate from the rainwater network by a valve operated manually or automatically.

Amount of provisions and guarantees for environmental risk, (except in cases where such information is likely to cause serious damage to the company in an ongoing dispute)

No provision or guarantee for environmental risk has been needed.

Pollution and waste management

Measures to prevent, reduce or repair air, water and soil emissions that seriously impact the environment

Apart from the steps taken regarding the establishment of a containment pond for fire extinguishing purposes, no other type of pollution risk has been identified and thus no measure was taken.

Measures to prevent, recycle and dispose of waste

An effective waste management policy must be based on active cooperation with tenants, who are regularly informed about the site's waste management systems and sorting equipment. Leases or "green leases", where applicable, may stipulate minimum requirements in terms of waste recycling and sorting.

At warehouses, tenants have to separate ordinary industrial waste from contaminated industrial waste.

Consideration of noise pollution and, where applicable, any other form of pollution specific to an activity

A maximum sound intensity has been established for logistics sites. Every two years, local authorities may request a study to check compliance with these limits.

Sustainable use of resources

Water consumption and supply based on local requirements

The Group relies on close cooperation with its customers and tenants to reduce water consumption in its existing buildings. "Green" leases provides for the establishment of steering committees organised with tenants, and representatives of the Group and representatives of trustee. These committees raise awareness for all stakeholders among sustainability challengers such as preservation of water resources.

For development, refurbishment and extension programmes, the effectiveness of installed equipment is a decisive factor when it comes to making technical choices (extinguishers, water-based fire extinguishing systems, air-conditioning systems, etc.) and is part of the drive to reduce water consumption.

At the corporate level, water consumption was 429 m^3 in 2013.

Consumption of raw materials and measures taken to improve the efficiency of their use

For refurbishment or new projects, the Group studies the possibility of re-using existing structures and materials. Preference is given to materials with low environmental impact and recycled products or materials.

The company collects all used cartridges and gives them to an association specialising in this kind of recycling.

Energy consumption, measures taken to improve energy efficiency and use of renewable energies

At the corporate level, the company's energy expenditure was 269,457 kWh.

At the activity level, management decided to install telemetry counters on a representative portion of the Group's property portfolio to monitor power consumption and take appropriate measures to improve energy efficiency.

Affine's property strategy, characterised for the most part by multi-tenanted buildings with an average size close to €10 million, does not allow the Group at present to envisage implementing a specific policy regarding negotiations to purchase power for all its properties as a means of promoting a "greener" energy production source.

Use of soil

The due diligence process for acquisitions and investments comprises an assessment of technical, regulatory, environmental, and safety and security risks, including risks such as soil pollution.

In the specific case of pollution risk by one of the Group's customers, the company works in cooperation with that customer to ensure compliance with all safety measures.

Climate change

Greenhouse gas emissions

The Group's reporting combines the greenhouse gas emissions (GHGE) linked to a building's energy consumption, converted into units of CO_2 equivalent (CO_2e).

At the corporate level, the 269,457 kWh energy expenditure corresponds to a greenhouse gas consumption of 16.2 tonnes.

Adapting to the consequences of climate change

To reduce its CO_2 emissions and limit the impact of its operations on the climate, the Group strives to reduce the energy consumption of its buildings at the time of refurbishment. At present, no general monitoring process has been set up to identify the positive results of this investment. A programme to record information and tracking tables is expected to be studied in 2014.

Biodiversity protection

Measures taken to safeguard or develop biodiversity

The Group's pragmatic approach to promoting biodiversity and ecology at its existing sites involves making the most of green spaces, even though the very heavy urban density at most sites limits the ability to develop this initiative. The company also ensures that new projects take account of safeguarding a site's existing fauna.

26.3. Societal information

Regional, economic and social impact of the company's activities

Impact on employment and regional development

Affine operates in close consultation with regional capitals and moderate size towns with strong development potential. By investing either in its existing assets through refurbishment or in new projects, the company generates jobs directly related to the work being undertaken. In addition, the availability of office, retail and warehouse space leads to the development of a variety of businesses, which generate further jobs.

Impact on local and neighbouring populations

By helping to revitalise towns and cities, Affine is boosting the development of the economic environment and urban fabric of these locations.

Relationships with persons or organisations interested in the company's business activities

Conditions for interacting with the above (non-profit organisations focusing on workplace integration and environmental protection, educational institutions and associations for consumers and neighbouring populations)

The company is very much involved in the property sector and is a sponsor of the Palladio Foundation.

The Palladio Foundation sprang from an original initiative on the part of property sector stakeholders and is dedicated to training, research and the promotion of the property industry. It operates under the aegis of the Fondation de France.

With the support of its founding members and sponsors (including Affine), the Palladio Foundation brings together businesses, professional organisations, communities, local authorities and public figures from all backgrounds who wish to give young people the means and tools to come up with ideas and become involved in the property field.

Partnership or sponsorship initiatives

In addition to its commitment to its industry sector, Affine diversifies its partnership and sponsorship initiatives.

Since 2001, Affine has supported Pro Musicis, a non-profit association dedicated to enhancing the careers of young musicians. It organises public concerts for these musicians in exchange for "community outreach concerts" performed for people who are isolated or suffering from illness or poverty (the elderly, people with disabilities or living in rehabilitation centres, the homeless, prisoners, etc.).

Affine also supports the initiatives of Proxité. The primary goal of this non-profit association is to establish a system whereby working individuals mentor disadvantaged youth, either in their schooling or their search for employment.

The Affine Group (through MAB Finance) is a supporter of the Agence du Don en Nature (ADN) association. ADN's goal is to foster and step up product philanthropy by establishing financial and skills-based partnerships with companies so that the most disadvantaged members of society can have access to everyday non-food products. Its approach consists of collecting unused products intended for destruction and redistributing them. ADN handles the logistical interface.

Sub-contractors and suppliers

Social and environmental challenges incorporated into the Group's purchasing policy

Given the low volume and nature of purchased products, the possibility of monitoring information, such as the weight or origin of materials used in the Group's programmes, was considered too complex and irrelevant.

Importance of sub-contracting and taking into account the social and environmental responsibility of suppliers and sub-contractors

The Group favours local subcontracting agreements which promote regional economic development and limit the carbon footprint of the project.

In the same logic, Concerto European Developer, a subsidiary specialising in logistics development operations, systematically offers its customers buildings with LEED certification. Considered as being the most relevant in the real estate industry owing to its visibility and understanding at the international level, it assesses the environmental impact of the building, water consumption, energy efficiency of buildings, the choice of the materials used, the environmental quality of the interiors and innovation.

Maintaining best practices

Anti-corruption initiatives

Procedures are in place to oversee programmes considered sensitive, such as company or building sales, or significant construction project or renovation work. Calls for tenders include knowing the intermediaries involved, who are subject to special due diligence as soon as a business relationship is established.

As required by the legislation related to the money-laundering, the company declares, when making an acquisition, that committed capital does not originate from a criminal offence.

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Measures taken regarding consumer health and safety

All of the tenants are committed to meet regulatory standards in this regard.

Apart from some special cases, the tenant is liable for ensuring that the premises occupied comply with all the requirements of the administrative authorities concerning health, safety or suitability. Any work that may be required for the maintenance or compliance of its premises therefore remains its responsibility.

Other initiatives undertaken to promote human rights

No specific initiatives were undertaken in this regard.

26.4. Note on methodology

The approach used by the Affine Group in its CSR reporting is based on Articles L.225-102-1, R.225-104 and R.225-105-2 of the French Commercial Code.

Reporting period

The data collected covers the period from 1 January to 31 December of the year. This data is provided on an annual basis.

Scope

The scope of CSR reporting aims to be representative of the Group's various activities and is defined in accordance with the following rules:

- Only companies which are fully consolidated in the financial statements are included in the scope of CSR reporting. Banimmo, therefore, is excluded from the scope of reporting.
- The reporting scope for environmental information covers the data on the head office.

The reporting scope for the 2012/2013 financial year consists of:

- Social data: the companies Affine, Concerto and Les 7 Collines.
- Environmental data: Affine head office.

Choice of indicators

The indicators are chosen with regard to the social, environmental and societal impact of the activity of the companies and the risks associated with the issues at stake in their business lines.

Consolidation and internal control

The quantitative information is collected centrally by the Affine's Operating Division. The qualitative information is collected centrally by the Affine's Financial Communication & Capital Markets Division. The data is checked and approved by the Executive Management.

External control

Pursuant to the regulatory obligations required by Article 225 of the Grenelle 2 Law and its implementing decree dated 24 April 2012, Affine as of the 2013 financial year asked one of its statutory auditors to provide a report including a certificate regarding the preparation of the information that must be included in the management report and a reasoned opinion on the accuracy of the published data.

Definitions of the methodological indicators and limits

Social indicators

Information	Description	Scope
Workforce by age, gender and marital status	Number of permanent or temporary employees on the payroll as at 31 December of the year. Trainees are excluded from this indicator.	
New hires	Number of permanent employees recruited between 1 January and 31 December of the year.	
Dismissals	Number of employees who left the company between 1 January and 31 December of the year at the behest of the company.	Companies
Number of absentee days	The number of absentee days only includes absentee days due to illness.	
Training hours	Number of external training hours billed to and paid by the Group, attended by employees between 1 January and 31 December of the year. The number of hours is booked according to the voucher provided or based on an estimate of time, with 7 training hours being the equivalent of 1 day.	

Environmental indicators

Information	Description	Scope
Water consumption	Mains water consumption during the period between 1 January and 31 December. This includes consumption within both private and common areas. Consumption is allocated in proportion to the area occupied by the company in the building based on a ratio provided by the management company..	
Electricity consumption	Electricity consumption during the period between 1 January and 31 December. This includes consumption within both private and common areas. Consumption within common areas is allocated in proportion to the area occupied by the company in the building based on a ratio provided by the management company.	Head office
Number of green leases	This is the aggregate number of leases where the supplementary agreement has been signed by the tenant since 2010..	
Energy-related greenhouse gas emissions	These are greenhouse gas emissions related to electricity consumption expressed in CO_2 equivalent. The emission factor used is the ADEME 2012 emission factor..	

CROSS-REFERENCE TABLE

Management report

This registration document includes items from the management report as required by Articles L.225-100 et seq. and L.232-1 II et seq. of the French Commercial Code.

Informations	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
Foreseeable trends and outlook	12
Important events occurring between the closing date and the date of this document	20.9
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 employees)	4.2.4 / 9 10.3 / 17 / 26
Research and development activities	N/A
Description of principal risks and uncertainties	4
List of appointments or functions held in any other company by each of the corporate officers	14
Executive compensation and benefits of any kind	15
Activities of the company's subsidiaries	6.1
Significant equity interests in companies headquartered in France	25
Environmental information	4.1.8 / 8.2 / 26
Information on the breakdown of capital	18 / 21.1
Total dividends distributed in the last three financial years	20.7
Changes made to the method of presenting the separate financial statements	20.1 / 20.3
Disclosures specified in Article L.225-211 of the French Commercial Code concerning the company's transactions in its own shares	20.1
Directors' share dealings	18.5
Information specified in Article L.225-100-3 of the French Commercial Code which could have an impact in the event of a public offering	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
Statutory auditors' fees	20.1.7.10 / 20.3.10

Annual financial report

This registration document includes items from the financial report mentioned in Article L.451-1-2 of the French Monetary and Financial Code and Article 222-3 of the AMF General Regulations.

Informations	Section
Group consolidated statements	20.1
Statutory Auditors' report on the consolidated financial statements	20.1
Separate financial statements of the company	20.3
Statutory Auditors' report on the separate financial statements	20.3
Management report	See table above
Declaration by the person responsible for the annual financial report	1.2

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NOTES COMBINED GENERAL SHAREHOLDERS' MEETING OF 30 APRIL 2014

Draft resolutions presented to the Combined General Shareholders' Meeting of 30 April 2014

Ordinary resolutions:

FIRST RESOLUTION (Approval of the separate financial statements for the year ended 31 December 2013)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholder's meetings, having taken note of the reports of the Board of Directors and the Statutory Auditors, approves the separate financial statements for the year ended 31 December 2013, as presented.

SECOND RESOLUTION (Approval of the consolidated financial statements for the year ended 31 December 2013)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general meetings, having taken note of the reports of the Board of Directors and the Statutory Auditors, approves the consolidated statements for the year ended 31 December 2013, as presented.

THIRD RESOLUTION (Discharge for directors)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' meetings, grants the directors full discharge for their management for the year ended 31 December 2013.

FOURTH RESOLUTION (Allocation of profit or loss and distribution of reserves)

Based on the proposal of the Board of Directors, the General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' meetings, resolves to allocate its loss of €16,731,689.32 for the period as follows:

Profit or loss for the period .... - €16,731,689.32
To retained earnings

In application of Article 243 bis of the French General Tax Code, the General Shareholders' Meeting notes that the dividends distributed for the previous three years were as follows:

Year	Dividends
2010	€2.43
2011	€1.20
2012	€1.20

The General Shareholders' Meeting resolves to distribute a dividend of €8,130,563.10 from "Other reserves".

An amount of €0.90 is due to each of the 9,033,959 shares comprising the share capital, which will be paid on or after 12 May 2014.

The portion of this dividend paid out of the company's taxable income, i.e. €0.67, is eligible for the 40% allowance for individuals domiciled in France for tax purposes pursuant to Article 158-3-2 of the French General Tax Code. The remainder €0.23 paid out of tax-exempt income generated from the transactions referred to in Article 208C of the French General Tax Code, is not eligible for this allowance (Article 158-3-3b of the French General Tax Code).

If the company holds treasury stock at the time the dividend is paid, the amount corresponding to dividends not paid out will be posted to retained earnings.

FIFTH RESOLUTION (Regulated agreements and commitments)

The General Shareholders' Meeting, acting 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 French Commercial Code, notes the conclusions of this report and approves the relevant agreements and commitments.

SIXTH RESOLUTION (Commitments under Article L.225-42-1 of the French Commercial Code: benefit payable in the event of termination of office of the Deputy Chief Executive Officer)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' meetings, having read the special report of the Statutory Auditors on the commitments referred to in Article L.225-42-1 of the French Commercial Code, notes the conclusions of this report and approves the commitments mentioned therein concerning Alain Chaussard, Deputy Chief Executive Officer, re-appointed by the Board of Directors on 1 July 2013.

SEVENTH RESOLUTION (Authorisation for the Board of Directors to purchase company shares)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' 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 made for the following purposes:
- market-making through a liquidity contract in accordance with the code of conduct recognised by the French Financial Markets Authority,
- the allocation of shares to employees insofar as this is permitted by law,
- the purchase for retention and exchange or as payment in the context of possible external growth operations,
- cancellation of shares, as authorised by the 17th resolution presented below.

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. 903,395 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 may not exceed 5% of the company's capital, i.e. 451,697 shares; the purchase price shall not exceed €30 per share;
- the maximum amount of funds used for this share repurchase programme will be €27,101,850;
- the maximum number of shares that may be purchased, as well as the maximum purchase price, shall be adjusted in the event of the allocation of bonus shares or split of the shares comprising the company's share 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, insofar as this is permitted under stock exchange regulations.

The General Shareholders' Meeting gives full powers to the Board of Directors, with the option of delegating the same, to issue any stock exchange orders, to enter into any agreements, to perform any formalities and declarations, and, in general, to 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 Shareholders' Meeting on 24 April 2013, subject to the launch of a share repurchase programme by the Board of Directors.

EIGHTH RESOLUTION (Re-appointment of Bertrand de Feydeau as a director)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' meetings, resolves to re-appoint Bertrand de Feydeau as a director for a term of three years, expiring at the end of the General Shareholders' Meeting called to approve the financial statements for 2016.

NINTH RESOLUTION (Appointment of Delphine Benchetrit as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, decided to appoint Delphine Benchetrit as a Director for a period of 3 years, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2016.

TENTH RESOLUTION (Appointment of Atit as a Director)

The General Meeting of Shareholders, deliberating with the quorum and majority required for ordinary general meetings, decided to appoint Atit as a Director for a period of 3 years, to expire at the conclusion of the Meeting called to deliberate on the financial statements for the fiscal year ending in 2016.

ELEVENTH RESOLUTION (Setting directors' fees)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' meetings, resolves to allocate to the directors a gross amount of €105,000 as directors' fees for the current year, in respect of their contribution to the work of the Board of Directors and its three special committees.

Extraordinary decisions:

TWELFTH RESOLUTION (Delegation of authority to the Board of Directors to increase the share capital through a rights offering)

The General Shareholders' Meeting, acting with the quorum and majority required for extraordinary general shareholders' 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 French Commercial Code:

1) Delegates to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, to the extent and at the time of its choice, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of ordinary shares of the company or any securities giving access by any means, immediately or in the future, to the ordinary 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 in any other monetary unit established by reference to several currencies.

The authority thus granted to the Board of Directors is valid for 18 months from the date of this meeting.

2) Resolves that the total amount of the capital increases that may be carried out immediately or in the future may not exceed, in nominal terms, half of the share capital, or €26,650,000 based on the current capital, this amount being applied where appropriate to the ceiling set in the following resolution, to which amount shall be added, if applicable, the additional amount of shares to be issued to preserve, in accordance with the law, the rights of securities holders entitled to shares.

3) Resolves that the shareholders have, in proportion to the number of shares they hold, a preferential right to subscribe for a fixed number of transferable securities issued by virtue of this resolution, as well as, if applicable, a right to subscribe for additional shares if the Board of Directors so decides.

4) Resolves that if the subscriptions for a fixed number of shares and, where applicable, additional shares, have not taken up the entire issue of shares or transferable securities defined above, the Board of Directors may use the options permitted by law, and in particular, offer to the public some or all of the securities not subscribed for.

5) Notes that if this authority is exercised, the decision to issue securities giving access to the share capital will entail, to the benefit of the holders of issued securities, the shareholders' express waiver of their preferential subscription right to the equity instruments to which the securities issued entitle them.

6) Resolves that the Board of Directors shall have, within the limits set above, the necessary powers to act on this authority, and in particular to set the issue dates and terms, as well as the features of the securities to be issued, to define the procedures that guarantee, if applicable, protection for the rights of holders of securities giving access in the future to the company's capital pursuant to the legal and regulatory provisions in force, to decide the terms and conditions of the issue or issues, and in particular to set the share issue price, to allow the possibility of paying for the subscription in cash or by offsetting this against liquid and payable claims on the company or by a combination of the two, to certify the execution of the resulting capital increases and to make the relevant amendments to the Articles of Association, to allocate, on its sole initiative, the expenses generated by the capital increases to the total amount of the related share premiums and to deduct from this total amount the sums required to raise the legal reserve to one tenth of the new capital after each increase and, in general, to do what may be necessary in such matters.

7) Notes that this authorisation renders null and void the authorisation granted by the Combined General Shareholders' Meeting on 24 April 2013.

8) Notes that, in the event that the Board of Directors should exercise the authority delegated to it pursuant to this resolution, it shall account for the use made of the authorisation granted pursuant to this resolution at the next ordinary general meeting, in accordance with the law and regulations.

THIRTEENTH RESOLUTION (Delegation of authority to the Board of Directors to increase the share capital without a rights offering)

The General Shareholders' Meeting, acting with the quorum and majority required for extraordinary general shareholders' 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 French Commercial Code:

1) Delegates to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, the authority to decide, to the extent and at the time of its choice, one or more capital increases by the issuance, within or outside France, in euros, of ordinary shares of the company or any securities giving access by any means, immediately or in the future, to the ordinary 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 in any other monetary unit established by reference to several currencies.
The authority thus granted to the Board of Directors is valid for 18 months from the date of this meeting.

2) Resolves that the total amount of the share capital increases that may be carried out immediately or in the future may not exceed, in nominal terms, half of the share capital, or €26,650,000 based on the current share capital, this amount being applied where appropriate to the ceiling set in the previous resolution, to which amount shall be added, if applicable, the additional amount of shares to be issued to preserve, in accordance with the law, the rights of securities holders entitled to shares.

3) Resolves to cancel the preferential subscription right of shareholders for these securities, which will be issued in accordance with the regulations, and to grant the Board of Directors the power to institute, if applicable, a priority right for shareholders to subscribe for these securities in application of the provisions of Article L.225-135 of the French Commercial Code.

4) Resolves that the issue price of the shares to be issued, as well as those to be issued by exercising securities, will be set by the Board of Directors and will be at least equal to the minimum authorised by the applicable legislation.

5) Resolves that if the subscriptions do not absorb the entire issue, the Board of Directors may limit the total amount of the transaction to the subscribed total, provided that said total is at least three quarters of the final issue.

6) Notes that if this authority is exercised, the decision to issue securities giving access to the share capital will entail, to the benefit of the holders of issued securities, the shareholders' express waiver of their preferential subscription right to the equity instruments to which the securities issued entitle them.

7) Resolves that the Board of Directors shall have, within the limits set above, the necessary powers to act on this authority, and in particular to set the issue dates and terms, as well as the features of the securities to be issued, to define the procedures that guarantee, if applicable, protection for the rights of holders of securities giving access in the future to the company's capital pursuant to the legal and regulatory provisions in force, to decide the terms and conditions of the issue or issues, to allow the possibility of paying for the subscription in cash or by offsetting this against liquid and payable claims on the company or by a combination of the two, to certify the execution of the resulting capital increases and to make the relevant amendments to the Articles of Association, to allocate, on its sole initiative, the expenses generated by the capital increases to the total amount of the related share premiums and to deduct from this total amount the sums required to raise the legal reserve to one tenth of the new capital after each increase and, in general, to do what may be necessary in such matters.

8) Notes that this authorisation renders null and void the authorisation granted by the Combined General Shareholders' Meeting on 24 April 2013.

9) Notes that, in the event that the Board of Directors should exercise the authority delegated to it pursuant to this resolution, it shall account for the use made of the authorisation granted pursuant to this resolution at the next ordinary general shareholders' meeting, in accordance with the law and regulations.

FOURTEENTH RESOLUTION
(Delegation of authority to the Board of Directors to increase the capital by capitalisation of reserves, profits or share premiums)

The Extraordinary General Meeting, acting with the quorum and majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and in accordance with the provisions of Articles L.225-129 et seq. and L.225-130 of the French Commercial Code:

1) Delegates to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, for a period of 18 months, the authority to carry out one or more capital increases, in such proportions and at such times as the Board may deem appropriate, by capitalisation of share premiums, reserves, profits or other items as permitted by law or by the Articles of Association, by distributing new bonus shares or by increasing the par value of outstanding shares, or by a combination of both. The total amount of capital increases likely to be performed, plus the amount required to maintain, pursuant to the law, the rights of holders of securities granting rights to shares and regardless of the ceiling set by the 12th and 13th resolutions above, may not exceed the amount of the reserves, share premiums or benefits referred to above that exist at the time of the capital increase.

2) Resolves that rights to fractional shares shall not be negotiable and the corresponding securities shall be sold.

3) Resolves that the Board of Directors shall have, within the limits set above, the necessary powers, with the option of subdelegating these within the limits of the law, primarily to establish the terms and conditions of authorised transactions, and to set the amount and nature in particular of the reserves and share premiums to be incorporated into the share capital, to determine the number of shares to be issued and/or the amount by which the par value of the existing shares comprising the share capital will be increased, to decide the date, which may be retroactive, from which the new shares will be entitled to dividends or the date from which the increase of the par value will take effect, to certify the execution of the resulting capital increases and make the relevant amendments to the Articles of Association, and, in general, to do what may be necessary in such matters.

4) Notes that this authorisation renders null and void the authorisation granted by the Combined General Shareholders' Meeting on 24 April 2013.

5) Notes that, in the event that the Board of Directors should exercise the authority delegated to it pursuant to this resolution, it shall account for the use made of the authorisation granted pursuant to this resolution at the next ordinary general meeting, in accordance with the law and regulations.

FIFTEENTH RESOLUTION
(Delegation of authority to the Board of Directors to increase the share capital without a rights offering via a private placement)

The General Shareholders' Meeting, acting 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.225-136, L.228-91 et seq. of the French Commercial Code:

1) Delegates to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, the authority to decide one or more capital increases, to the extent and at the time of its choice, via an offering referred to in Article L.411-2 of the French Monetary and Financial Code, by issuing, within or outside France, in euros, ordinary shares of the company or any securities giving access by any means, immediately or in the future, to the ordinary 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 in any other monetary unit established by reference to several currencies.
The authority thus granted to the Board of Directors is valid for 18 months from the date of this meeting.

2) Resolves that the issuance of equity securities will be executed without a rights offering, via an offering referred to in Section II of Article L.411-2 of the French Monetary and Financial Code, and accordingly resolves to remove the preferential subscription right for shareholders to shares and securities to be issued in compliance with the applicable legislation.

3) Resolves that the issuance of equity securities carried out by an offering as described in Section II of Article L.411-2 of the French Monetary and Financial Code will be limited to 10% of the capital per year, said limit being assessed on the date on which the Board of Directors exercises this authority, said amount being applied to the total ceiling set in resolutions 12 and 13 above.

4) Decides that the issue price of the shares will be determined by the Board of Directors as follows: it will be equal to an amount ranging between 80% and 120% of the average closing price over the last 20 trading days prior to the date on which the issue price is set.
5) Resolves that if the subscriptions do not absorb the entire issue, the Board of Directors may limit the total amount of the transaction to the subscribed total, provided that said total is at least three quarters of the final issue.
6) Notes that if this authority is exercised, the decision to issue securities giving access to the share capital will entail, to the benefit of the holders of issued securities, the shareholders' express waiver of their preferential subscription right to the equity instruments to which the securities issued entitle them.
7) Resolves that the Board of Directors shall have, within the limits set above, the necessary powers to act on this authority, particularly to decide the conditions of the issue or issues, to decide on the capital increase and set the issue dates and terms, as well as the features of the securities to be issued, to define the procedures that guarantee, if applicable, protection for the rights of securities holders entitled to the company's capital pursuant to the legal and regulatory provisions in force, to allow the possibility of paying for the subscription in cash or by offsetting this against liquid and payable claims on the company or by a combination of the two, to certify the execution of the resulting capital increases and make the relevant amendments to the Articles of Association, to allocate, on its sole initiative, the expenses generated by the capital increases to the total amount of the related share premiums and to deduct from this total amount the sums required to raise the legal reserve to one tenth of the new capital after each increase and, in general, to do what may be necessary in such matters.
8) Notes that this authorisation renders null and void the authorisation granted by the Combined General Shareholders' Meeting on 24 April 2013.
9) Notes that, in the event that the Board of Directors should exercise the authority delegated to it pursuant to this resolution, it shall account for the use made of the authorisation granted pursuant to this resolution at the next ordinary general meeting, in accordance with the law and regulations.

SIXTEENTH RESOLUTION (Capital increase reserved for employees)

The General Shareholders' Meeting, acting with the quorum and majority required for extraordinary general meetings, having noted the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-6 and L.225-138-1 of the French Commercial Code and Article L.3332-18 et seq. of the Labour Code:

1. Delegates to the Board of Directors the necessary authority to increase the share capital on one or more occasions, within a maximum period of 18 months from the date of this meeting, up to a limit of 3% of the share capital existing on the date of the Board of Directors' meeting, by issuing ordinary shares reserved, directly or through a company mutual fund, for employees of the company and of the companies related thereto as defined by Article L.225-180 of the French Commercial Code who are enrolled in the company's savings plan;
2. Consequently resolves to abolish the preferential subscription right given to shareholders by Article L.225-132 of the French Commercial Code and to reserve the subscription of these shares for employees of the Group;
3. Decides that the maximum amount of share capital that may be issued by virtue of this authorisation will count towards the ceiling on capital increases that the Board of Directors is authorised to carry out by virtue of the authorisation described in the resolutions above;
4. The General Shareholders' Meeting grants full powers to the Board of Directors, which may further subdelegate the same within the legal limits, to act on this authority and carry out the capital increase, and accordingly to set the subscription price of the new shares, provided that such price is not less than the average closing price over the 20 trading days preceding the date of the Board of Directors' decision to set the opening date for subscriptions, less the maximum discount permitted by law on the date of the Board of Directors' decision, to set, within the legal limits, the conditions for the issuance of the new shares and the time allotted to employees to exercise their rights, the terms and conditions for payment of the new shares, and any length-of-service criteria imposed on employees to exercise their rights, to record the execution of the capital increase commensurate with the shares subscribed for and to make the corresponding amendments to the Articles of Association, and to carry out all formalities and operations necessitated by the capital increase.

SEVENTEENTH RESOLUTION (Authorisation to cancel shares purchased in connection with the company's purchase of its own shares)

The General Shareholders' Meeting, acting with the quorum and majority required for extraordinary general shareholders' 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 permission to subdelegate such authority subject to the statutory conditions and for a period of 18 months:

- 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 seventh resolution above, subject to the limit of 10% of the capital in accordance with Article L.225-209 of the French Commercial Code;
- to reduce the share capital accordingly.

EIGHTEENTH RESOLUTION (Powers)

All powers are given to the bearer of a copy or excerpt of the minutes of this General Shareholders' Meeting to perform all filings and publications required under current legislation.

Statement of earnings for the last five years

(In thousands of euros)	2009	2010	2011	2012	2013
I. FINANCIAL POSITION AT YEAR-END					
a) Share capital at year-end	47,800	47,800	53,100	53,300	53,300
b) Number of shares outstanding at 31 December	8,113,566	8,113,566	9,002,042	033,959	9,033,959
c) Weighted average number of shares for the period	8,113,566	8,113,566	8,349,497	8,696,290	8,994,682
2. TOTAL INCOME FROM OPERATIONS					
a) Net revenues [1]	82,898	70,416	51,269	58,283	50,881
b) Earnings before tax, amortisation, depreciation and provisions [2]	42,419	12,619	-2,750	-14,270	10,908
c) Corporate income tax	-4,564	-24	-24	34	1,237
d) Earnings after tax, amortisation, depreciation and provisions	10,895	6,475	-16,199	-20,196	-16,732
e) Amount of distributed earnings	14,442	19,716	10,802	10,841	10,841
3. OPERATING INCOME PER SHARE [3]					
a) Earnings after tax and before amortisation, depreciation and provisions	5.79	1.56	-0.33	-1.64	1.08
b) Earnings after tax, amortisation, depreciation and provisions	1.34	0.80	-1.94	-2.32	-1.86
c) Dividend per share	1.78	2.43	1.20	1.20	1.20
4. PERSONNEL					
a) Number of employees	44	43	45	37	36
b) Total payroll costs	3,033	3,358	3,249	3,247	2,870
c) Total amount paid in respect of employee benefits (social security, community projects, etc.)	1,356	1,600	1,625	1,547	1,836

(1) Revenues include rental income, pre-rental income, financial income and similar (excluding uncollected termination benefits and extraordinary income)
(2) Additions to and reversals of provisions except those relating to uncollected termination benefits.
(3) Based on the weighted average number of shares during the period.

Statutory Auditors' special report on regulated agreements and undertaking

General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2013

To the Shareholders,

In our capacity as Statutory Auditors of your Company, we hereby present our report on the regulated agreements and undertakings.

Our role is to inform you, based on the information that has been provided to us, of the characteristic features and of the main terms and conditions of the agreements and undertakings that have been disclosed to us, or of which we may have become aware during our assignment. It is not up to us to issue an opinion on their usefulness and legitimacy, or to see whether other agreements and undertakings exist. Your role, in accordance with the terms of Article R.225-31 of the French Commercial Code, is to assess the Company's interest in entering into these agreements and undertakings, with a view to their approval.

Furthermore, it is our role, where applicable, to disclose the information specified in Article R.225-31 of the French Commercial Code on the execution of the agreements and undertakings that have already been approved by the General Shareholders' Meeting during the financial year just ended.

We have performed the due diligence that we deemed necessary in view of the professional standards of the French Association of Chartered Accountants relating to this assignment. This due diligence consisted in verifying that the information provided to us is consistent with the documentation from which it has been extracted.

Agreements and undertakings submitted for the approval of the general meeting

Agreements and undertakings authorised during the year

Pursuant to Article L.225-40 of the French, Commercial Code, we have been advised of the following agreement, which was the subject of prior authorisation by your Board of Directors.

With Banimmo France (SAS)

The Director concerned is Affine R.E (represented by Maryse Aulagnon) – capital link of over 10%.

➤ Nature and purpose:

On 19 December 2013, Affine R.E. purchased 49 of the 50 units in the Les Jardins des Quais General Partnership from Banimmo France at a price of €19,011,020. Atit, a subsidiary of Affine, acquired the remaining unit from Banimmo France at a price of €387,980.

➤ Terms & Conditions

The price of the 50 units, i.e. €19,399,000, was calculated on the basis of the "pro forma" net assets of the Les Jardins des Quais General Partnership determined as at 31 October 2013, and no further adjustments to the net assets were calculated at the disposal date.

This agreement was authorised by the Board of Directors' Meeting of 12 December 2013.

Agreements and undertakings authorised since the year end

We have been advised of the following agreements and undertakings, which have been authorised since the close of the year just ended, and were the subject of prior authorisation by your Board of Directors.

With MAB Finances SA

The Directors concerned are MAB Finances (represented by Alain Chaussard) and Maryse Aulagnon.

The financial statements of Affine R.E. as at 31 December 2013 showed a total expense of €351,580.94 excluding tax, in accordance with the administrative, financial and operating development service provision agreement signed with MAB Finances.

This agreement, which is for a period of two years and is tacitly renewable except if cancelled by either of the parties, was authorised by the Board of Directors' Meetings of 21 March 2005, 14 February 2007, 4 March 2009 and 26 February 2013, and was approved by the Combined General Meetings of 21 April 2006, 26 April 2007, 9 April 2008, 29 April 2009, 23 April 2010, 28 April 2011, 27 April 2012 and 24 April 2013.

Furthermore, the Board of Directors' Meeting of 17 February 2014 decided not to cancel this agreement on 21 March 2014.

With the Deputy Chief Executive Officer of Affine R.E.

Pursuant to the proposal of the Remuneration Committee of 7 March 2005, which was approved by the Board of Directors' Meeting of 21 March 2005, Affine R.E. gave an undertaking to its Deputy Chief Executive Officer whereby it would pay the compensation due to him in the event of the termination of his office; this compensation is equivalent to one year's gross remuneration paid to him by all group companies. This compensation shall not be payable if gross misconduct or negligence is proven.

Pursuant to the proposal of the Remuneration Committee of 4 March 2009, which was authorised by the Board of Directors'

Meeting of 4 March 2009, and approved by the Combined General Meeting of 29 April 2009, in accordance with the provisions of Article L.225-42-1 of the French Commercial Code, this compensation is conditional on a performance condition linked to Affine R.E.'s results. The Combined General Meetings of 27 April 2012 and 24 April 2013 approved the renewal of this compensation under the same conditions.

The compensation is subject to the following performance condition:

- one year's total remuneration, if, during the financial year prior to redundancy due to a change of control, the net income reported in Affine R.E.'s parent company financial statements is at least equivalent to 3% of shareholders' equity excluding subordinated debt;
- if this condition is not met, the performance may be assessed by the Remuneration Committee on the basis of the consolidated financial statements, excluding any fair value effects.

The Board of Directors' Meeting of 1 July 2013 reappointed Alain Chaussard to his office of Deputy Chief Executive Officer. The Board of Directors' Meeting of 17 February 2014 approved the renewal of his termination compensation under the same conditions as those set out above.

Agreements and undertakings already approved by the general shareholders' meeting

Agreements and undertakings approved in prior financial years

a) and that continued to be implemented during the year just ended

Pursuant to Article R.225-30 of the French Commercial Code, we have been informed that the implementation of the following agreements and undertakings, which had already been approved by the General Shareholders' Meeting in prior financial years, was ongoing during the financial year just ended.

With Atit SC, Gesfimmo SAS, St Etienne Molina SAS, Cour des Capucines SAS, Nevers Colbert SCI, Arca Ville d'Eté SCI, SCI Affine Sud, Target Real Estate SAS, Dorianvest SARL, Capucine Investissements SAS, Les 7 Collines SAS and Promaffine SAS

The Directors concerned 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 (with effect from 1 January 2012 for an indefinite period), Affine R.E. undertakes to ensure the optimisation of the financing for the 12 companies listed above, via the pooled management of their general financing requirements and surpluses.

➤ Terms & Conditions

The agreement provides for payment of the advances in the form of interest payments calculated on a pro rata basis at the EONIA rate plus 200 basis points, and invoiced quarterly on the basis of the cash advances granted during the previous quarter.

For the financial year ended 31 December 2013, the interest on the payment of this undertaking amounted to net financial income of €989,006.90.

The agreement also provides that the payment for the management activity is included in the payment made to Affine R.E. by the 12 companies listed above with regard to the service provision agreements (including the administrative services, and specifically the cash management service). The payment made with regard to the administrative services is deemed to correspond to 5% of the cash amounts managed.

For the financial year ended 31 December 2013, the payment for this agreement, which was included in the payment made with regard to the service provision agreements, amounted to income of €43,377.73 (which corresponds to 5% of the payment made with regard to the administrative services, i.e. €867,554.66).

This agreement was authorised by the Board of Directors' Meeting of 14 December 2011.

Agreements and undertakings approved during the financial year just ended

We have also been informed that the following agreements and undertakings, which had already been approved by the General Shareholders' Meeting of 24 April 2013, based on the special report from the Statutory Auditors dated 8 March 2013, were implemented during the financial year just ended.

With Concerto Développement SAS, Parvis Lille SCI, Numéro 1 SCI, Holdimmo SC, SCI 36, Bercy Parkings SCI and Cosmo Montpellier SCI

The Directors concerned are MAB Finances (represented by Alain Chaussard), Maryse Aulagnon and Alain Chaussard.

➤ Nature and purpose

On 22 December 2011 (with effect from 1 January 2012 for an indefinite period), Affine R.E. and 12 of its subsidiaries signed a pooled cash management and intra-company advance agreement, under the terms of which Affine R.E. undertakes to ensure the optimisation of the financing for these companies via the pooled management of their general financing requirements and surpluses. This agreement was authorised beforehand by the Board of Directors' Meeting of 14 December 2011.

Other Group companies subsequently wished to adhere to this agreement:

- on 11 June 2012: Concerto Développement SAS (with effect from 1 January 2012) and Parvis Lille SCI (with effect from 28 March 2012);
- on 28 November 2012: SCI Numéro 1, Holdimmo SC, SCI 36, Bercy Parkings SCI and Cosmo Montpellier SCI (with effect

from 7 December 2012).

➤ Terms & Conditions

The agreement provides for payment of the advances in the form of interest payments calculated on a pro rata basis at the EONIA rate plus 200 basis points, and invoiced quarterly on the basis of the cash advances granted during the previous quarter.

For the financial year ended 31 December 2013, the interest on the payment of this undertaking amounted to net financial income of €401,943.43.

The agreement also provides that payment for the management activity is included in the payment made to Affine. R.E. by the companies listed above with regard to the service provision agreements (including the administrative services, and specifically the cash management service). The payment made with regard to the administrative services is deemed to correspond to 5% of the cash amounts managed.

For the financial year ended 31 December 2013, the payment for this agreement, which was included in the payment made with regard to the service provision agreements, amounted to income of €12,841.48 (which corresponds to 5% of the payment made with regard to the administrative services, i.e. €256,829.53).

The amendments regarding adhesion to the pooled cash management and intra-company advance agreement were authorised by the Board of Directors' Meeting of 26 February 2013 and approved by the Combined General Meeting of 24 April 2013, based on the special report of the Statutory Auditors.

Paris La Défense and Paris, 26 February 2014
The Statutory Auditors

KPMG Audit FS I A Division of KPMG S.A.	Cailliau Dedouit et Associés
Régis Chemouny Partner	Rémi Savournin Partner

Chairman's report on corporate governance and internal control

(Article L.225-37 of the French Commercial Code) for 2013

I. Corporate governance

The company has elected to adopt the Middlenext Corporate Governance Code. The company's organisation, its Board of Directors and its work are compliant with the recommendations of this Code.

The company pays particular attention to defining and supplementing the rules for the organisation and operation of its Board of Directors as well as limitations to the powers granted to General Management, and has instituted its own rules of procedure since 5 December 2002.

1) Conditions governing the preparation and organisation of the work of the Board of Directors:

The rules of procedure adopted by the Board of Directors define and supplement its operating practices as stipulated in the Articles of Association.

At its meeting of 26 February 2013, the Board of Directors updated its rules of procedure.

a) Composition of the Board:

At 31 December 2013, the company's Board of Directors was composed of nine directors:

- Ms Maryse Aulagnon, Chairman of the Board of Directors
- The company Mab-Finances, represented by Mr Alain Chaussard, Vice Chairman
- Mr Arnaud de Bresson, Managing Director of Paris-Europlace
- Mr Stéphane Bureau, Partner - Senior Vice President Asset Management at Cushman & Wakefield
- Ms Jöelle Chauvin, Chairman of Aviva Investors Real Estate France SA
- Mr Bertrand de Feydeau, Chairman of Foncière Développement Logements
- The company Forum Partners, represented by Mr Andrew Walker
- Mr Michel Garbolino, former trustee of Fondation Stern and manager of CMIL - Luxembourg
- The company Holdaffine, represented by Mr Jean-Louis Charon, Chairman of Citystar

The composition of the Board of Directors has not changed since the previous year-end. The directorships of Mab-Finances, Arnaud de Bresson and Joëlle Chauvin were renewed for a three-year term by the Combined General Shareholders' Meeting of 24 April 2013.

A list of directorships can be found in the management report.

The company is not subject to the new rules on the mandatory participation of employee representatives with a vote at Board meetings, instituted by the Law of 14 June 2013 on job security. Similarly, since the employee shareholding does not exceed the threshold of 3% of the share capital, the requirement to appoint an employee as a director does not apply (Article L.225-23, paragraph 1 of the French Commercial Code).

➤ Application of the principle of balanced representation of women and men:

The Combined General Shareholders' Meeting of 27 April 2012 appointed Joëlle Chauvin as a director. The Board now has two women representing 22.22% of its members, in line with the objectives of the Law of 27 January 2011 on the balanced representation of men and women on boards. According to this law, the proportion of women cannot be less than 40% at the end of the next Ordinary General Shareholders' Meeting held after 1 January 2017.

➤ Independent directors:

The independence criteria adopted by the rules of procedure were determined in accordance with the Middlenext Code. This states that a director may be considered independent if he or she:

- has not been an employee or corporate officer of the company or any company within the same Group in the previous three years,
- is not a customer or supplier or the primary bank of the company or its Group, or for whom the company or Group represents a significant percentage of business,
- is not a majority shareholder of the company,
- has no close family ties with a corporate officer or majority shareholder,
- has not been an auditor of the company during the previous three years.

Based on these criteria, six members of the Board can be considered independent: Arnaud de Bresson, Stéphane Bureau, Joëlle Chauvin, Bertrand de Feydeau, Forum Partners and Michel Garbolino, i.e. 66% of Board members.

➤ Term of office:

The term of office of directors is three years. To allow the staggered renewal of directorships, the General Shareholders' Meeting of 27 April 2012 set, as an exception, the term of office of directors at one, two or three years. Since that date, a third of directorships have expired each year.

➤ Appointment of directors:

The appointment and re-appointment of each director are examined by the Remuneration and Nomination Committee and approved by the Board. The appointment of each director is subject to a separate resolution submitted to the General Shareholders' Meeting.

➤ **Qualifying share:**

Article 11 of the Articles of Association states that each director must hold at least one registered share of the company throughout his or her term of office.

➤ **Directors' fees:**

Directors are entitled to receive directors' fees. These are allocated by the General Shareholders' Meeting and apportioned by the Board based on actual attendance at Board and committee meetings.

➤ **Ethics:**

Directors are reminded of their responsibilities at the time of their appointment and are encouraged to observe the rules of conduct applicable to their office: to comply with the legal rules on multiple appointments; to inform the Board in the event of a conflict of interest occurring after they have been appointed; to attend Board meetings and General Shareholders' Meetings; to ensure they have all the necessary information about the agenda of Board meetings before making any decisions; to maintain confidentiality.

b) General management:

Pursuant to Article 14 of the Articles of Association, the Board of Directors' meeting of 27 April 2012 re-appointed Maryse Aulagnon as Chairman of the Board of Directors and decided that she should continue as Chief Executive Officer of the company; the Board also re-appointed Alain Chaussard as Deputy Chief Executive Officer on 1 July 2013.

➤ **Restriction on combining employment contracts with corporate office:**

Members of the General Management are not tied to the company or to a Group company by an employment contract.

➤ **Compensation of executive officers:**

The amounts of fixed and variable remuneration and the number of bonus shares awarded were determined by the Board of Directors and are detailed in the 2013 management report in a comprehensive, balanced, coherent, readable and transparent manner.

The principles and rules defined by the Board of Directors to determine the remuneration and benefits of all kinds granted to the corporate officers, based on the proposals of the Remuneration Committee, are as follows:

- the fixed portion of the corporate officers' remuneration takes into account their presence in the company and their essential role in ensuring the Group's development and sustainability;
- the variable portion is determined according to the company's performance and any exceptional transactions that have made a significant contribution to the company's value.
- the severance package for the Deputy Chief Executive Officer was approved at the Combined General Shareholders' Meetings of 29 April 2009, 27 April 2012 and 24 April 2013.

Members of the General Management do not receive a supplementary pension linked to their corporate office.

c) Frequency of meetings:

The Board met seven times during the year. The average attendance rate for directors is 87.30%.

d) Notices of meetings and information sent to directors:

The rules of procedure stipulate that Board meetings may be convened verbally or in writing by the Chairman of the Board of Directors (written notices of meetings may be sent by email).

Prior to each meeting, directors receive the documents enabling them to contribute to the meeting with full knowledge of the situation. Unless the meeting is urgent, the documents are sent to directors one week before the meeting date, but may be further supplemented by any other document that may help directors reach a decision.

Directors may participate in Board meetings by videoconference or via another telecommunications system provided these transmit at least the participants' voices and satisfy the technical requirements for continuous simultaneous transmission of the proceedings.

However, the use of videoconferencing or telecommunications is not permitted for the following decisions: the appointment or dismissal of the Chairman and Chief Executive Officer or Deputy Chief Executive Officer and deciding their remuneration; the approval of the annual financial statements and the company and Group management report.

The company sends directors all pertinent information concerning it. This information is disclosed in confidence. Directors may ask the Chairman of the Board, at any time, for any document concerning the company.

It has been decided that a procedure will be introduced to evaluate the work done by the Board. Accordingly, the Chairman will invite Board members to give their opinion each year on the operation of the Board and the preparation of its work.

e) Special committees:

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

The committees are composed of three to five members who are members of the Board of Directors. Committee members must have the requisite technical expertise to sit on a committee.

The committees report on their work to the Board of Directors after each of their meetings.

➤ **1) Remuneration and Appointments Committee:**

The members of this committee are:

- Bertrand de Feydeau, Chairman
- Joëlle Chauvin,
- Michel Garbolino

The committee is composed entirely of independent directors.

The objective of this committee specifically includes the remuneration of the corporate officers, the award of bonus shares and the company's general remuneration policy.

It is also responsible for examining new candidates for directorships and executive appointments with a view to making a recommendation to the Board of Directors, and assesses the status of independent directors.

Members of the General Management may participate in the work of the Remuneration Committee to determine the company's overall remuneration policy, excluding their own execution compensation and other benefits.

When the committee meets for the purpose of appointments, it includes the corporate officers when the purpose of the meeting is to select new directors and to examine the status of independent director.

The Remuneration Committee meets before the last Board of Directors' meeting of the year or prior to the Board meeting convened to close the annual accounts or whenever decisions within its remit need to be submitted to the Board.

The committee met three times in 2013 (100% attendance rate).

➤ 2) Commitment Approval Committee:

The members of this committee are:
- Maryse Aulagnon
- Alain Chaussard

in their capacity as executive officers of the company.
- Jöelle Chauvin
- Bertrand de Feydeau
- Michel Garbolino
- Jean-Louis Charon representing Holdaffine

The Property Director or project proposer may be invited to present projects 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 post, fax or email.

The competence of the Commitment Approval Committee extends to disposals and acquisitions of up to €10m per transaction; the Board is then informed of transactions accepted by the committee. The committee also provides the Board with a recommendation on transactions in excess of this amount.

The committee met once in 2013 (83.33% attendance rate).

➤ 3) Accounts Committee:

The members of this committee are:
- Jean-Louis Charon representing Holdaffine, chairman
- Arnaud de Bresson
- Stéphane Bureau

For consultative purposes, the following may also attend committee meetings:
- Maryse Aulagnon
- Alain Chaussard

in their capacity as executive officers of the company.

and the Director of Accounting and Management Control.

The company's Statutory Auditors attend meetings held to review the annual and half-year financial statements and may be invited to other meetings.

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 a material 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 Remuneration Committee was convened twice in 2013 (66.67% attendance rate).

f) Minutes of Board meetings:

The minutes of the Board of Directors' meetings are prepared after each meeting and are sent to the directors for their approval before the next meeting:

➤ 2) Limitations determined by the Board of Directors on the powers of the Chief Executive Officer and Deputy Chief Executive Officer

a) Chairman and Chief Executive Officer:

The Board of Directors has decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer and, on 27 April 2012, re-appointed Maryse Aulagnon as Chairman and Chief Executive Officer. The Board has defined the powers accompanying this post as follows:

"The Chief Executive Officer shall be fully empowered to act in any situation on behalf of the company. The Chief Executive Officer shall exercise such powers within the limits of the corporate purpose, and subject to the powers expressly granted by law to general shareholders' meetings and to the Board of Directors."

b) Deputy Chief Executive Officer:

At its meeting of 1 July 2013, the Board of Directors re-appointed Alain Chaussard as Deputy Chief Executive Officer. The Board has defined the powers accompanying this post as follows:

"The Deputy Chief Executive Officer shall have all powers, under all circumstances, to act on behalf of the company, within the limits of its corporate purpose and subject to the powers that the law expressly grants to shareholders' meetings and to the Board of Directors. The Deputy Chief Executive Officer shall assist the Chairman with the organisation of the Board of Directors and management of the Board's work.

In the event of the absence or death of the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer shall have the broadest powers to act on behalf of the company, which he or she shall represent in its relations with third parties and exercise all powers vested in the Chairman and Chief Executive Officer.

In the absence of the Chairman and Chief Executive Officer, the appointment of the Deputy Chief Executive Officer shall be temporary and may be renewed by the Board of Directors until the Chairman and Chief Executive Officer returns.

In the event of the death of the Chairman and Chief Executive Officer, the Deputy Chief Executive Officer shall remain in office until the appointment of a new Chairman and Chief Executive Officer."

Alain Chaussard is also, in his capacity as permanent representative of Mab-Finances, Vice Chairman of the Board.

➤ 3) Delegations

The Board of Directors has delegated the following powers to the General Management:

- Disposals and acquisitions: up to €5m per transaction; transactions for an amount greater than €1m must be notified to the Board before they are concluded
- Sureties, endorsements and guarantees: up to €5m for each guarantee issued on behalf of subsidiaries; guarantees for an amount greater than €1m must be notified to the Board before they are issued

The General Management has, in turn, permanently delegated the following powers:

- to Mr Cyril Aulagnon, Property Director, the power to sign, renew and terminate all leases, conclude all company or property development contracts, grant all construction orders or delegate construction management for works, and conclude all technical contracts.
- to Mr Olivier Lainé, Chief Financial Officer, the power to conclude any forward rate agreements and to accept and formalise any fixed rate consolidation options.

Specific powers may be granted to other executives to sign certain contracts.

➤ 4) Other points covered in Article L.225-37 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.

Items that may have an impact in the event of a public offering are mentioned in the management report presented to the General Shareholders' Meeting.

II. Internal control procedures

1) Purpose:

The purpose of the internal control procedures currently in force in the company is as follows:

- first, to ensure that all operations and work carried out by company personnel comply with the legislation and regulations;
- second, to ensure that the accounting, financial and management information conveyed to the company's managing bodies truly reflects the company's activity and position.

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, particularly in accounting and finance. As with all control systems, there can be no absolute guarantee that these risks will be completely eliminated.

In addition, as a parent company, Affine has taken steps to establish appropriate internal control procedures at its subsidiaries.

2) Organisation:

The officer responsible for internal control reports directly to General Management.

The internal control system applied by Affine is conducted at two levels:

a) The first-level controls correspond to all of the means 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 surveillance of risks of all types associated with the transactions.

b) The second-level controls verify, at the appropriate intervals (monthly or quarterly), the legality and conformity 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 surveillance of all risks associated with the transactions.

The controls are based on written procedures which are regularly updated. These procedures conform both to the regulatory requirements and to company policies. They describe the methods and procedures for recording, processing and retrieving information, the accounting formats and the procedures for undertaking transactions. They ensure the production of data and information required for surveillance of risks to the company and its subsidiaries.

The procedures are in the process of being revised in light of the implementation of new management software in operation since 1 January 2013.

A new manual of internal procedures detailing the various business practices was written in 2013 by an external consultant with input from managers. It will be validated by the General Management and will be distributed to all staff in early 2014.

3) Risk control:

The company has defined the criteria and procedures for the identification of risks, their control, and the systems for monitoring assets and controlling the quality of financial and accounting information.

Since the company had financial corporation status until 19 December 2011, it still holds assets as a lease finance company. Paragraphs a), d) and e) below also apply to finance leases signed by the company.

a) Credit risk

The contractual relations with the tenant are based on tried and tested standard contracts which are updated regularly with the help of specialist legal advisors.

➤ Risk analysis for decision-making

Before a lease can be agreed, an analysis of the financial situation of the future tenant and any sub-tenants is carried out. Guarantees are obtained where necessary and may be invoked in the event of default by the tenant (security deposit, bank guarantee, etc.)

➤ Risk control after decisions are taken

COMPREHENSIVE MONITORING

As the owner of property assets, the Affine Group exercises particular vigilance to ensure that:
- assets are covered by insurance that will restore their value in case 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 maintain the building's value,
- the financial analysis of tenants is reviewed each year if necessary,
- property values are estimated by recognised external appraisals twice a year when the financial statements are prepared.

The Affine Group has taken out all necessary insurance policies for its business activities with major international insurance companies:
- property and casualty: value as new:
- professional liability
- building owner's liability
- directors' and officers' liability.

SPECIFIC CONTROLS

Client risk is regularly monitored through a specific procedure. Any payment delay or default lasting more than six months leads to the systematic write-down of the full amount of the relevant receivable.

Affine has also introduced specific inspections of its properties to check that they comply with the various regulations.

It has set up a technical building survey procedure to verify the absence of building problems 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. It systematically hedges its interest rate risk via forward rate agreements (caps and swaps).

In this context, Affine only deals with leading financial institutions.

c) Production and processing of accounting and financial information

The organisation and duties of the accounting department are defined in the manual of accounting procedures.

Affine's accounting and management control department is responsible for the management accounting of all the French companies that are majority-owned (more than 50%) by the Group. Foreign companies use local accountancy firms.

The majority of operations are recorded directly in new accounting software launched on 1 January 2013. The software is populated by various departments (Management, Corporate Services, etc.) and has all the clearance and control procedures necessary to ensure that transactions are recorded securely. Very few transactions are now entered manually.

In addition, the accounting formats used by Affine and its fully consolidated subsidiaries are defined in the manual of accounting procedures.

In view of the large number of its subsidiaries, Affine ensures that they adhere to the internal control procedure and verifies this through periodic audits. A weekly report enables the Group's General Management to constantly track the performance of its subsidiaries. Affine's accounting department also alerts General Management in the event of any anomalies.

Before the closure of the financial statements (half-year and year-end), a timetable is drawn up by the Accounting Department and sent to all project managers. A file to track operations and work progress is stored on a dedicated IT network used by the accounting department and updated daily. In the event of any anomalies or delay in operations, the project manager informs the accounting director, who in turn informs General Management if necessary.

At the end of each accounting period, the draft financial statements are checked by General Management, which analyses the variations in results compared with forecasts. The financial and accounting information is then verified by the Statutory Auditors and presented to the Accounts Committee and to the Board of Directors.

A breakdown of off-balance sheet commitments is also sent to the Board at least twice a year.

d) Operational risks

➤ IT risk

Affine's entire IT system is protected by daily backups and, in the event of an incident, a remote backup exists at a secure off-site facility. Coded access procedures for each user and anti-virus systems supplement the measures taken against IT risk.

➤ Legal risk

All acquisition or disposal contracts for rental properties signed with customers are officially recorded by notarial deed. Any areas that could constitute a source of ambiguity are thus subject to the dual scrutiny of the Legal Department and the notary when each contract is drafted.

➢ Environmental risks

The company participates in the High Quality Environment initiative, particularly by adopting preventive measures allowing it to limit the environmental impacts of constructing and renovating buildings. This initiative also offers ways to make a building more comfortable for its users.

Affine periodically performs inspections of the buildings it owns to verify that environmental regulations are observed by their users.

e) Risk related to money laundering

The origin of the purchasers' and partners' funds is systematically checked in compliance with the provisions applicable to property professionals. The company's employees are reminded of the instructions to be followed in this regard at periodic staff meetings.

Statutory Auditors' report on the report of the Chairman of the Board of Directors of Affine R.E.

Financial year ended 31 December 2013

To the Shareholders,

In our capacity as Statutory Auditors to Affine R.E., and in accordance with the provisions of Article L.225-235 of the French Commercial Code, we hereby report to you on the report prepared by the Chairman of your Company for the year ended 31 December 2013, in accordance with the provisions of Article L.225-37 of the French Commercial Code.

It is the Chairman's responsibility to prepare a report on the internal control and risk management procedures implemented by the Company, and to submit that report for the Board of Directors' approval, and to provide any other information specifically relating to corporate governance required under Article L.225-37 of the French Commercial Code.

It is our responsibility:
- to inform you of the observations that we are required to make on the information contained in the Chairman's report regarding internal control and risk management procedures in respect of the preparation and processing of accounting and financial information, and
- to attest that the report contains the other information required by Article L.225-37 of the French Commercial Code, it being specified that it is not our responsibility to assess the fairness of this other information.

We conducted our work in accordance with professional standards applicable in France.

Information regarding the internal control and risk management procedures relating to the preparation and processing of financial and accounting information

Professional standards require that we perform the due diligence required to assess the fairness of the information regarding the preparation and processing of accounting and financial information provided in the Chairman's report on internal control and risk management procedures. This due diligence primarily consisted in:
- familiarising ourselves with the internal control and risk management procedures relating to the preparation and processing of the accounting and financial information supporting the information presented in the Chairman's report, together with the existing documentation;
- familiarising ourselves with the work performed to prepare this information and with the existing documentation;
- determining whether any material weaknesses in the internal control procedures relating to the preparation and processing of the accounting and financial information that we may have noted during the course of our assignment are properly disclosed in the Chairman's report.

On the basis of our work, we have no observation to make on the information provided regarding the company's internal control and risk management procedures relating to the preparation and processing of the accounting and financial information contained in the report prepared by the Chairman of the Board of Directors in accordance with Article L.225-37 of the French Commercial Code.

Other information

We confirm that the report prepared by the Chairman of the Board of Directors also contains the other information required by Article L.225-37 of the French Commercial Code.

Issued in Paris La Défense and Paris, 26 February 2014

The Statutory Auditors

KPMG Audit FS I
A division of KPMG S.A.

Régis Chemouny
Partner

Cailliau Dedouit et Associés

Rémi Savournin
Partner

Statutory Auditors' report on the share capital transactions provided for in Resolutions 12, 13, 15, 16 and 17

Combined General Meeting of 30 April 2014

Dear Shareholders,

In our capacity as your company's Statutory Auditors, and pursuant to the assignments provided for by the French Commercial Code, we hereby present our report on the transactions on which you are required to give an opinion.

1. Issuance of ordinary shares and transferable securities with maintenance and/or waiver of pre-emptive subscription rights (Resolutions 12 and 13)

Pursuant to the assignment provided for by Articles L.228-92 and L.225-135 et seq. of the French Commercial Code, we hereby present our report on the proposals to delegate authority to the Board of Directors to decide on various issues of ordinary shares and transferable securities, with and/or without pre-emptive subscription rights. You are required to give your opinion on these transactions.

On the basis of its report, your Board of Directors is proposing that you delegate it the authority to decide on the transactions listed below for a period of 18 months, to set the final terms of these issues and to waive your pre-emptive subscription rights, where applicable.

- Issuance of ordinary shares and transferable securities with maintenance of pre-emptive subscription rights (Twelfth Resolution) that grant immediate or future subscription rights to your company's share capital, or, in accordance with Article L.228-93 of the French Commercial Code, to the share capital of a company in which it owns over 50% of the share capital, either directly or indirectly, for a nominal amount that may not exceed 50% of the share capital, i.e. €26,650,000 on the basis of the current share capital, plus, where applicable, the additional amount of the shares to be issued in order to protect the rights of holders of transferable securities granting the right to shares, in accordance with the law.
- Issuance of ordinary shares and transferable securities with waiver of pre-emptive subscription rights (Thirteenth Resolution) that grant immediate or future subscription rights to your company's share capital, or, in accordance with Article L.228-93 of the French Commercial Code, in the share capital of a company in which it owns over 50% of the share capital, either directly or indirectly, for a nominal amount that may not exceed 50% of the share capital, i.e. €26,650,000 on the basis of the current share capital, this amount being deducted from the cap set in the Twelfth Resolution, plus, where applicable, the nominal amount of the additional shares that may be issued in the event of further financial transactions, in order to protect the rights of holders of transferable securities granting access to the share capital.

Your Board of Directors is responsible for drawing up 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 numerical data derived from the financial statements, on the proposal to waive the pre-emptive subscription rights in connection with the Thirteenth Resolution, and on certain other information concerning the issue that is provided in this report.

We have performed the due diligence that we deemed necessary in view of the professional standards of the Compagnie nationale des commissaires aux comptes (French Association of Statutory Auditors) relating to this assignment. This due diligence primarily consisted in verifying the content of the Board of Directors' report regarding these transactions and the procedures for determining the issue price of the equity securities to be issued.

We would inform you that the Board of Directors' report does not include any information on the procedures for determining the issue price, as provided by the regulations.

Furthermore, since the final conditions for the capital increase have not been determined, we are not expressing any opinion on that increase, and accordingly, on the proposal to waive the pre-emptive subscription rights made to you in the Thirteenth Resolution.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare a supplemental report, where applicable, at the time your Board of Directors uses these authorisations in the event of the issue of ordinary shares with a waiver of pre-emptive subscription rights and of transferable securities granting access to the share capital.

2. Issuance of ordinary shares and transferable securities with waiver of pre-emptive subscription rights via private placement (Resolution 15)

Pursuant to the assignment provided for by Articles L.225-129, L.225-135, L.228-92 and L.228-93 of the French Commercial Code, we hereby present our report on the proposals to delegate authority to the Board of Directors to decide on various issues of ordinary shares and transferable securities granting immediate or future access to shares in your company, or in a company in which it owns over 50% of the share capital. These issues may be performed via private placement with waiver of pre-emptive subscription rights, and you are required to give your opinion on these transactions.

On the basis of its report, your Board of Directors proposes that you delegate it the authority to decide on these transactions for a period of 18 months, and to set the final conditions of these issues. It also proposes to waive your pre-emptive subscription rights and to limit these transactions to 10% of the share capital per year; this amount will be deducted from the cap that has been set at €26,650,000 in the Twelfth Resolution.

Your 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 numerical data derived from the financial statements, on the proposal to waive the pre-emptive subscription rights, and on certain other information concerning the issue that is provided in this report.

We have performed the due diligence that we deemed necessary in view of the professional standards of the Compagnie nationale des commissaires aux comptes relating to this assignment. This due diligence primarily consisted in verifying the content of the Board of Directors' report regarding these transactions and the procedures for determining the issue price of the equity securities to be issued.

We would inform you that the Board of Directors' report does not include any information on the procedures for determining the issue price, as provided by the regulations.

Furthermore, since the final conditions for the capital increase have not been determined, we are not expressing any opinion on that increase, and accordingly, on the proposal to waive the pre-emptive subscription rights made to you.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare a supplemental report, where applicable, when this authority is used by your Board of Directors.

3. Issuance of ordinary shares reserved for employees with waiver of pre-emptive subscription rights (Resolution 16)

Pursuant to the assignment provided for by Articles L.225-135 et seq. of the French Commercial Code, we hereby present our report on the proposal to delegate authority to the Board of Directors to decide on a capital increase, in one or several instalments, via the issuance of ordinary shares, with waiver of pre-emptive subscription rights, reserved for employees of your company and of companies that are related to it within the meaning of Article L.225-180 of the French Commercial Code, in an amount limited to 3% of the existing share capital on the day when the Meeting of the Board of Directors is held. You are required to issue an opinion on these transactions.

This capital increase is submitted for your approval pursuant to Articles L.225-129-6 of the French Commercial Code and Articles L.3332-18 et seq. of the French Labour Code.

On the basis of its report, your Board of Directors proposes that you delegate it the authority to set the terms of these transactions for a period of 18 months and to waive your pre-emptive subscription rights to the shares to be issued.

Your 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 numerical data derived from the financial statements, on the proposal to waive the pre-emptive subscription rights, and on certain other information concerning the issue that is provided in this report.

We have performed the due diligence that we deemed necessary in view of the professional standards of the Compagnie nationale des commissaires aux comptes relating to this assignment. This due diligence consisted in verifying the content of the Board of Directors' report regarding these transactions and the procedures for determining the issue price of the equity securities to be issued.

Subject to the subsequent review of the terms of the proposed capital increases, we have no observation to make on the procedures used to determine the issue price provided in the Board of Directors' report.

Since the final conditions for the capital increase have not been determined, we are not expressing any opinion on that increase, and accordingly, on the proposal to waive the pre-emptive subscription rights made to you.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare a supplemental report, where applicable, when this authority is used by your Board of Directors.

4. Reduction in the share capital via the cancellation of purchased shares (Resolution 17)

Pursuant to the assignment provided for in Article L.225-209 of the French Commercial Code in the event of share capital reductions through the cancellation of purchased shares, we have prepared this report, which is intended to inform you of our assessment of the causes and conditions for the planned capital reduction.

Your Board of Directors proposes that you delegate it all powers for a period of 18 months to cancel the shares purchased via the implementation of an authorisation for your company to purchase its own shares provided for in the Seventh Resolution, under the provisions of the aforementioned Article, within a limit of 10% of the share capital, in one or several instalments.

We have performed the due diligence that we deemed necessary in view of the professional standards of the Compagnie nationale des commissaires aux comptes relating to this assignment. This due diligence requires us to examine whether the causes and conditions of the planned capital reduction, which is not such as to jeopardise the equal treatment of shareholders, are legal.

We have no observation to make on the causes and conditions of the planned capital reduction.

The Statutory Auditors

Paris La Défense, 26 February 2014
KPMG Audit FS I
A Division of KPMG SA

Régis Chemouny
Partner

Paris, 26 February 2014
Cailliau Dedouit et Associés

Rémi Savournin
Partner

Board of Directors' report

Extraordinary decisions

1 - Delegation of authority for capital increases

a) The Combined General Shareholder's Meeting of 24 April 2013 granted the Board of Directors the authority to increase the share capital (with or without a rights offering) for up to half of the capital, or €26,650m. It is proposed that this authority should be renewed.

This forms part of the "blanket delegation" procedure referred to in Article L.225-129-2 of the French Commercial Code, which allows the Board of Directors to be granted the utmost latitude in the interests of the company. This will support the development of the business by raising the necessary capital on the financial markets.

The authorisation granted will allow the Board of Directors to choose the most favourable issue types and methods, in view of the wide range of securities and the constantly changing stock markets.

The Board may thus issue ordinary shares of the company or any securities giving access through any means, immediately or in future, to ordinary shares of the company or of a company in which it directly or indirectly holds more than half of the capital.

The issue of these securities may not result in the increase of the share capital of the company by a total amount equal to up to half of the share capital, or €26,650,000 based on the current share capital, without taking into account the adjustments that may be made in compliance with the law.

These issues may be made with or without a rights offering.

The Board of Directors will have the necessary powers to decide the terms and conditions of the issue or issues, to allow the possibility of paying for the subscription in cash or by offsetting this against liquid and payable claims on the company or by a combination of the two, to certify the execution of the resulting capital increases and make the relevant amendments to the Articles of Association.

The Board will also have the power to increase the capital through the capitalisation of share premiums, reserves, profits or other sums for which capitalisation is permitted by law and by the Articles of Association, by means of grants of bonus shares or increases in the par value of existing shares.

It is proposed that said authorisation should be valid for a period of 18 months from the date of the General Shareholders' Meeting.

b) The Combined General Shareholders' Meeting of 24 April 2013 also delegated to the Board of Directors, in accordance with Article L.225-138 of the French Commercial Code, the possibility of increasing the share capital without a rights offering via a private placement (for qualified investors or a limited circle of investors) of 10% of the capital per annum.

It is proposed that said authorisation should be valid for a period of 18 months from the date of the General Shareholders' Meeting.

c) Given the authorisation proposed above, the General Shareholders' Meeting must vote on a draft resolution to carry out a capital increase reserved for employees, in accordance with Article L.225-129-6 of the Commercial Code. This requirement applies to all companies limited by shares, irrespective of whether or not they already have a company savings plan (PEE)..

2 - Authorisation to cancel the shares purchased in connection with the company's purchase of its treasury stock

We propose that the Board of Directors be granted the authority, with the power to subdelegate the same under the terms stipulated by law and for a period 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 seventh resolution above, subject to a limit of 10% of the share capital in accordance with Article L.225-209 of the French Commercial Code;
- to reduce the share capital accordingly.

Summary of the authority granted to increase the capital

(Article L.225-100 paragraph 7 of the French Commercial Code)

Authority granted to the Board of Directors by the Combined General Shareholders' Meeting of 24 April 2013 (superseding the authorisation given by the Combined General Shareholders' Meeting of 27 April 2012):

	Amount authorised	Duration	Utilisation
Authority granted for a capital increase with a rights offering (12th resolution)	€26,650,000	18 months (until 23 October 2014)	Not applicable
Authority granted for a capital increase without a rights offering (13th resolution)	€26,650,000 (applied against the ceiling set in the 12th resolution)	18 months (until 23 October 2014)	Not applicable
Authority granted for a capital increase by capitalisation of reserves (14th resolution)	Amount of reserves	18 months (until 23 October 2014)	Not applicable
Authority granted for a capital increase without a rights offering via a private placement (15th resolution)	10% of the capital per annum, this amount being applied against the ceiling set in the 14th and 15th resolutions	18 months (until 23 October 2014)	Not applicable

NOTES

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AFFINE REGISTRATION DOCUMENT 2013

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