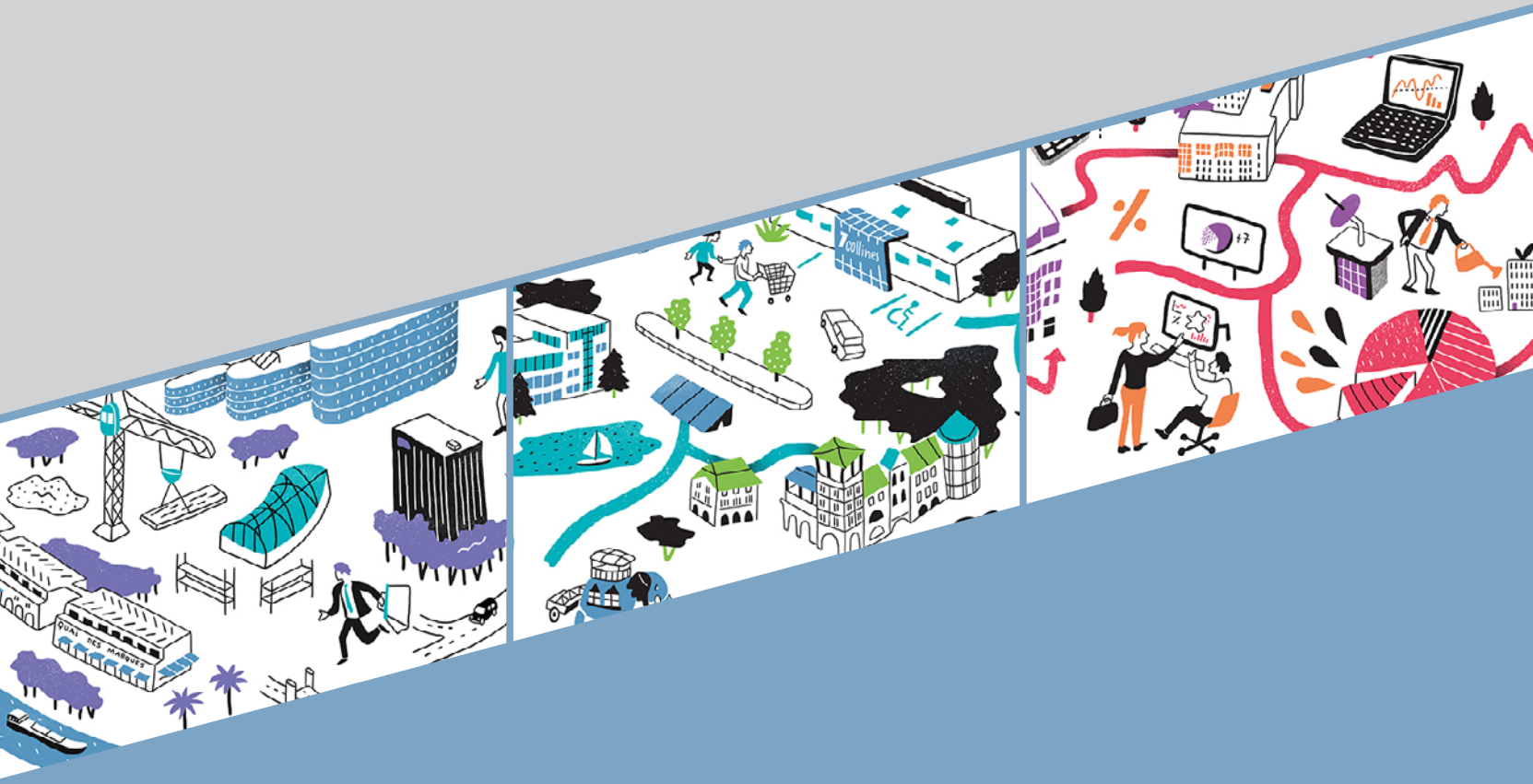
AFFINE



2015
REGISTRATION DOCUMENT

CONTENTS

AUTORITÉ
DES MARCHÉS FINANCIERS
AMF

AFFINE

This registration document was filed with the French Financial Markets Authority (Autorité des Marchés Financiers, or AMF) on 6/04/2016, 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.

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

Copies of this registration document are available 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).

2015 REGISTRATION DOCUMENT

1 PERSONS RESPONSIBLE

1.1 NAMES AND TITLES OF PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Maryse Aulagnon, *Chairperson and Chief Executive Officer,*

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 annual financial statements for 2015 presented in the registration document are the subject of the Statutory Auditors' reports found in sections 20.1 and 20.3 of this document. Each report contains an observation drawing the reader's attention to the uncertainty about the value of Banimmo.

The consolidated and annual financial statements for 2014 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 annual 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."

Paris, 6 April 2016

Maryse Aulagnon
Chairperson and Chief Executive Officer

Alain Chaussard
Co-Chief Executive Officer

2 STATUTORY AUDITORS

2.1 STATUTORY AUDITORS AT DECEMBER 31, 2015

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 30 April 2015

Term expires: at the end of the 2021 Ordinary General Shareholders' Meeting held to approve the 2020 financial statements.

KPMG Audit (a division of KPMG SA)

Represented by: Isabelle Goalec

Address: Tour Eqho 2 avenue Gambetta 92066 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) Alternate Statutory Auditors

Laurent Brun

Address: 19 rue Clément Marot, 75008 Paris

Date of first appointment: 30 April 2015

Term of office: six financial years from 30 April 2015

Term expires: at the end of the 2021 Ordinary General Shareholders' Meeting held to approve the 2020 financial statements.

KPMG Audit FS II

Address: Tour Eqho 2 avenue Gambetta 92066 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

The appointments of statutory auditors Cailliau Dedouit et Associés (principal statutory auditors) and of Didier Cardon (alternate auditor) expired at the end of the 2015 Ordinary General Shareholders' Meeting held on 30 April 2015 to approve the 2014 financial statements.

At that Meeting, the appointment of Cailliau Dedouit et Associés as principal statutory auditors was renewed for a period of six financial years, and Laurent Brun was appointed alternate statutory auditor for a period of six years.

3 SELECTED FINANCIAL INFORMATION

The selected financial information below, relating to the years ended 31 December 2013, 2014 and 2015, is taken from the consolidated financial statements in Appendix 20.1.

The annual financial statements is presented in section 20.3.

3.1 KEY FIGURES

CONSOLIDATED STATEMENTS (€M)	2013	2014	2015
Gross rental income	40.2	43.7	39.0
Current operating profit[1]	26.5	30.2	27.1
EPRA EARNINGS	**17.0**	**16.5**	**17.4**
EPRA EARNINGS (EXCL. BANIMMO)	**17.0**	**18.3**	**13.3**
Net profit – group share	(8.8)	(11.0)	0.4
Funds from operation	17.9	22.8	21.9
Investments (acquisition and works)[2]	27.0	21.8	42.9
FV of investment properties (incl. TT)[3]	626.8	610.1	547.0
FV of investment properties (excl. TT)[3]	593.8	575.1	514.4
EPRA net asset value (excl. TT)[4]	**256.0**	**236.0**	**221.7**
EPRA NNNAV (EXCL. TT)[4]	**289.5**	**261.1**	**250.0**
Net financial debt	347.0	345.0	284.4
LTV (%)	46.8	49.3	46.6
Average cost of debt (%)[5]	3.4	3.0	2.5
EPRA OCCUPANCY RATE (%)	**90.9**	**90.2**	**85.8**

FIGURES PER SHARE (€)	2013	2014	2015
Net profit[6]	(1.08)	(1.29)	(0.18)
EPRA EARNINGS	**1.44**	**1.38**	**1.57**
EPRA EARNINGS (EXCL. BANIMMO)	**1.44**	**1.56**	**1.15**
Dividend	0.90	1.00	1.00
EPRA NET ASSET VALUE EXCL TT[4]	**24.97**	**22.99**	**21.60**
EPRA NNNAV EXCL TT[4]	**28.23**	**25.44**	**24.35**
Share price (end of the year)	13.94	15.17	16.35

NB: The Banimmo sub-group is consolidated under the equity method.

(1) In 2013, 2014 and 2015, this amount does not include the depreciation of buildings in inventory of the property development business of €1.2m, -€1.0m and -€0.1m 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 1.8%, 6.2% or 6.9% depending on their status.

(4) Including BRS (bonds redeemable in shares) and after deducting Perpetual Subordinated Loan notes (PSL).

(5) Including hedging costs.

(6) After dilution due to BRS and taking into account the interest on the PSL.

4 RISK FACTORS

The company has assessed the risks which could have a significant adverse effect on its activity, financial position or earnings (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 statements in section 20.1.7. The information does not claim to be exhaustive, and risks may exist that are unknown or not identified by the company. This information therefore does not cover all the risks to which the company may be exposed but only the clearest risks.

The risk review presented is based on internal and external factors known to the company on the date that this registration document was released, factors that may subsequently change.

4.1 RISKS RELATED TO BUSINESS 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 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.

In 2015, the indices were fairly stable or even slightly down. Rents are generally index-linked to the ILAT (Retail Rental Index), ICC (Construction Cost Index), or ILC (Commercial Rent Index). Index-linking generally results in higher rents.

The €3.8m gain on a like-for-like basis in the portfolio's fair value (that is 0.7%) is the result of:
- a 2.0% decrease due to the fall in market rents (ERV).
- a 6.7% increase due to lower yield rates used by appraisers,
- a residual 3.9% decrease (works to be carried out, reversion, etc.).

The average yield resulting from appraisals is 6.8%. 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 €18.8m.

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

The latest regulatory changes to commercial leases, following the publication of law no. 2014-626 of 18 June 2014 on artisans, merchants and very small businesses (known as the "Pinel Act") were included in the leases. Leases are reviewed regularly to adjust them to legislative and regulatory changes.

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.

In the event of vacation of leased premises, the company cannot guarantee that it would be able to rapidly re-lease its assets at satisfactory rents. The company faces strong competition from players in the sector that can offer tenants assets under more attractive rental terms. The absence of rental income caused by vacant premises and the fixed expenses are likely to affect the company's results.

The company strives to maintain close relations with and monitor its tenants, supporting their growth and expansion, to facilitate the renewal of expired leases.

4.1.4 Risks related to non-payment of rent

In order to minimise the risk of tenants defaulting on their rent payments, the company conducts a detailed analysis of the creditworthiness and financial capacity of prospective tenants prior to signing a new lease.

In addition, 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.

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 minimise this risk and take the appropriate measures, the company conducts a regular assessment of the financial position of its tenants, with particular attention paid to the largest clients.

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 selling 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 for the company.

The buildings governed by "Adap" (disability access) and "Ddadue" (sustainable development) regulations undergo special audits to optimise their performance and improve the quality of comfort offered to tenants.

Changes in tax regulations (increased registration fees, new taxes, higher charges within Greater Paris, etc.) may impact the company's projected transactions. The increase in the tax burden may impact the volume of projected transactions and make them less attractive.

4.1.7 Risks related to estimated asset valuations

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

The value of the company's portfolio in the consolidated statements under IFRS corresponds 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 for which the indicated price is adopted.

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 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 R.E. periodically performs inspections of the buildings that it owns to verify that environmental regulations are observed by their users. These inspections are extremely detailed and rigorous for assets that are subject to the rules governing environmentally sensitive facilities ("installations classées pour la protection de l'environnement"). For other assets, when the type of building or its date of construction so requires, inspections have been put in place to check for and measure the presence of asbestos, PCBs, R22 gas, and other hazardous materials. Measures have been taken to remove such hazards, paying particular attention to their careful transport to special treatment sites.

Additionally, when acquiring new real estate, external experts are commissioned to conduct a special, in-depth audit of their environmental situation. Furthermore, the company requires that any assets that it acquires that are not yet built obtain environmental certification. Their design and construction must meet strict criteria, verified by independent experts, to ensure that the buildings have appropriate environmental characteristics.

4.1.9 Risks related to the acquisition of property assets

Acquisition of property assets is an integral part of the corporate purpose of Affine R.E., a property company. Incorrect valuation of an asset may cause the company to pay more to acquire a building than its actual value. The subsequent discovery of a hidden fault or insecure tenancy may adversely impact the value of the building after its acquisition.

To limit such risks, the company carries out systematic audits of the buildings that it intends to acquire by commissioning external experts to verify their technical and environmental qualities as well as by in-depth analysis of their legal documentation and tenancy conditions.

The company acquires buildings on an off-plan basis and therefore new, that meet the latest technical and environmental criteria. In this type of transaction, one of the investment criteria is the quality of the vendor / builder so as to reduce construction risk. The company also requires financial guarantees of completion.

4.1.10 Risks related to property development and renovation

Since the sale of its former subsidiary Concerto Développement, the company has stopped undertaking property development on behalf of third parties. It now renovates and rebuilds only property that it owns. The Banimmo sub-group, however, continues to undertake property development on behalf of third parties. The success of such projects is subject to various risks including construction risk, marketing risk, and the risk of unsuccessful sale to investors.

4.1.11 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 (liability). These policies are periodically renegotiated, when insurers compete both on the amount of premiums and the risk coverage. Policies are also renewed annually to adjust them, if necessary, to new types of risks as technologies develop or pre-existing risks become more prominent.

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 nearly the majority of voting rights in the company. Accordingly, Holdaffine has a significant influence on the company and on the conduct of its activity. It carries substantial weight in decision-making, 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 as required by the recommendations of the Middlenext code.

4.2.2 Liquidity risk

The company carries out a special study of its liquidity risk and ensures that it can meet its existing and future obligations.
The company engages in prudent and rigorous financial management to ensure permanent access to sufficient resources by:

- maintaining readily available cash;
- establishing confirmed credit lines (€11m to date)
- making annual loan repayments (with a residual value at maturity, where applicable);
- scheduling repayments;
- diversifying its banking relations.

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

- a daily cash statement prepared by the financial department and sent to General Management;
- a three-year monthly cash situation forecast provided by the management controller to general management; at this time actual monthly cash and forecast cash are reconciled and discrepancies analysed. A cash flow forecast is submitted to the two Board of Directors' meetings called to approve semi-annually 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 97% of its debt at 31 December 2015.

The Group is continuing its prudent debt management policy by extensively hedging its interest rate risk through market transactions (swaps and caps) with leading banks. The cap hedges set up in 2013 and 2014 and the disposals completed in 2015 limited its interest rate hedge adjustments to setting up swaps and caps totalling close to €31m on the year's financing and refinancing requirements. Variable-rate debt is fully hedged.

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.

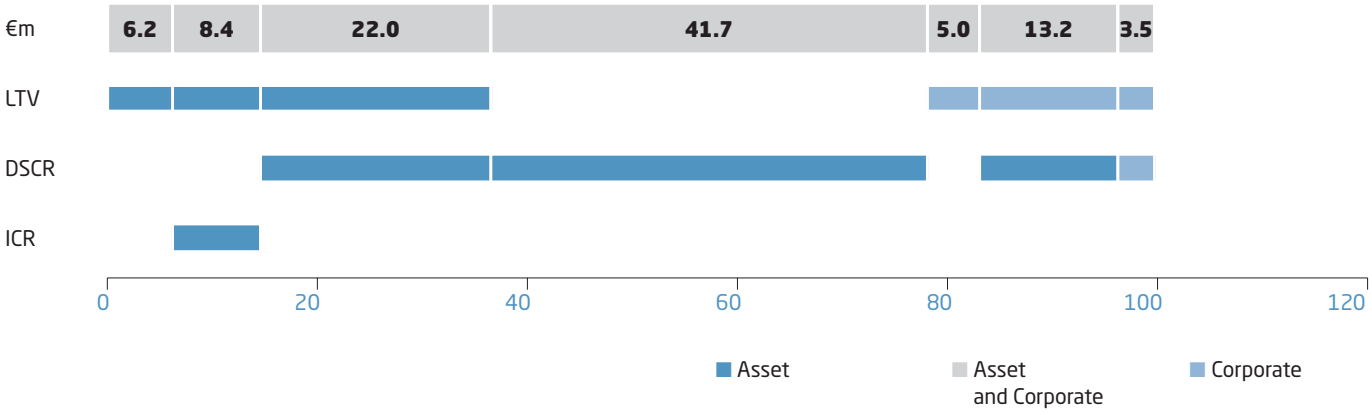
4.2.4 Risks related to financial covenants

The loans arranged by Group companies generally have clauses requiring the borrower to observe one or more financial ratios pertaining to the financed asset. Only two bank loans for a total amount of €16.7m include covenants applicable at the level of Affine itself.

In most cases, these covenants apply to ratios based on LTV (loan to appraised 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), to re-establish the ratio.

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

BREAKDOWN OF COVENANTS (€M)



At 31 December 2015, 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 2015, the LTV ratio calculated according to the methodology communicated to the Group's banks stood at 46.6%, 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 2015, the primary bank group represented 24.2% of total borrowings, while the five banks with the largest amounts outstanding represented 83% of total borrowings.

4.2.8 IT risk

Affine's entire system is stored on the Cloud, simultaneously on three independent servers. Access to the network is protected by a firewall which analyses flow and controls content. An external provider monitors and maintains the system and provides user support. The security arrangements also include a rolling 30-day backup system. In the event of a disaster at Affine's offices, the company can still access its data and business recovery will only require connection to the internet with a specific configuration. Coded-access procedures, regular password renewals, and anti-virus systems supplement the measures taken to prevent IT risk.

5.1 HISTORY AND DEVELOPMENT OF THE COMPANY

5.1.1 Company name

Until 27 April 2012, the company had the name "AFFINE". As a result of the abandonment of the status as a credit institution in December 2011, the General Shareholders' Meeting of 27 April 2012 decided to replace the "AFFINE" corporate name and adopt: "AFFINE R.E."

The commercial name "AFFINE" remains unchanged.

5.1.2 Companies register

The company is registered with the Paris Companies Register under 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 (under the name of Immobail BTP) for a period of 99 years, under the articles of association of a SICOMI. In September 1999, it was acquired by Sovabail (also formerly a SICOMI) with which it merged in July 2000 under the name of Affine.

On 1 January 2003, the company adopted the status of an SIIC (real estate investment trust)

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 Significant 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 a Sicomi, listed on the first market 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, a 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	Issue of €75m in perpetual subordinated loan notes (PSL)
February 2008	Disposal of Affine's equity investment in Abcd
November 2009	Disposal of Affine's equity investment in Altaréa
December 2009	Disposal of Affine's equity investment in BFI
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	Affine lapses its credit institution licence (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
September 2014	Urbismart formed, a logistics optimisation company
December 2014	Disposal by the Affine Group of 100% of shares held in Concerto Développement
June 2015	Disposal by Affine of 50% of its shares in Urbismart

5.2 INVESTMENT

5.2.1 Principal investments

In 2015, Affine invested €39.0m in acquisitions and renovations. The detail of those operations is presented in section 6.1. Principal Activities in the section on investements and disposals.

5.2.2 Principal investments in progress

The Affine Group has embarked upon a large scale renovation of its buildings, mainly in Lyon and Lille.

5.2.3 Principal future investments

As part of the €100m three-year investment budget, the Group was retained for two off-plan investments in Lille and Nantes.

6.1 PRINCIPAL ACTIVITIES

Affine is a real estate company specialised in commercial property. At the end of 2015, it directly owned 47 buildings with a total value of €514m, excluding transfer taxes, for a total floor area of 372,800 sq m. The firm owns office properties (62%), retail properties (24%) and warehouses and industrial premises (14%). Its assets are distributed more or less equally between Ile-de France and the other French regions.

Affine is also the major shareholder (49.5%) of Banimmo, a Belgian property repositioning company with operations in Belgium and France. At the end of 2015, Banimmo had total assets of 18 office and commercial buildings, with a value of €350m (transfer taxes included).

Total Group assets are €897m (including transfer taxes).

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.

Property strategy

Affine's strategy focuses on four areas:

- a sustained effort aimed at upgrading the properties directly owned by Affine: improving their quality in terms of sustainable development, paying attention to the comfort of its tenants – thereby generating improved rent stability and occupancy levels, and optimising management through an efficient information system;
- investments focusing on new or recent, certified green buildings which are medium-sized compared to their market (for example, €10m to €20m for offices), or ensuring high rental income while also 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 regional target cities benefitting from good national and international transport services (TGV high speed train or aeroplane) and a strong demographic and economic momentum: Bordeaux, Nantes, Lille, Lyon, Marseille, Toulouse;
- Its Banimmo subsiduary continues its repositioning on more buoyant segments in the Belgian market and the development of its shopping centres in France.

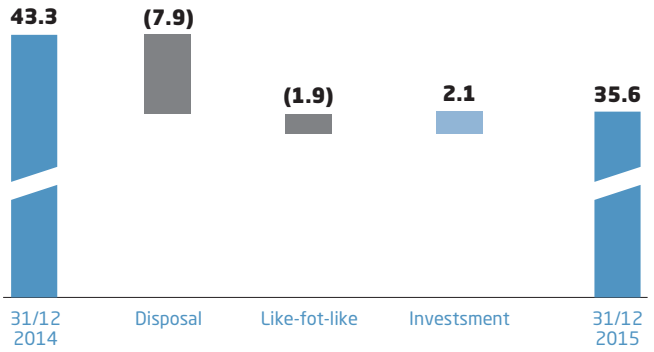
Property company

Headline rents

Rents from leases in effect at 31 December 2015 accounted for €35.6m on an annual basis, a decrease of 5.4% on a like-for-like basis compared with 31 December 2014, resulting mainly from the departure of a tenant on the site of Tremblay-en-France.

After taking into account acquisitions and disposals, and particularly the renting of part of the Tangram building under refurbishment in Lyon, headline rent went down 17.8%. 15.5% of which can be explained by the disposal of the logstics platforms.

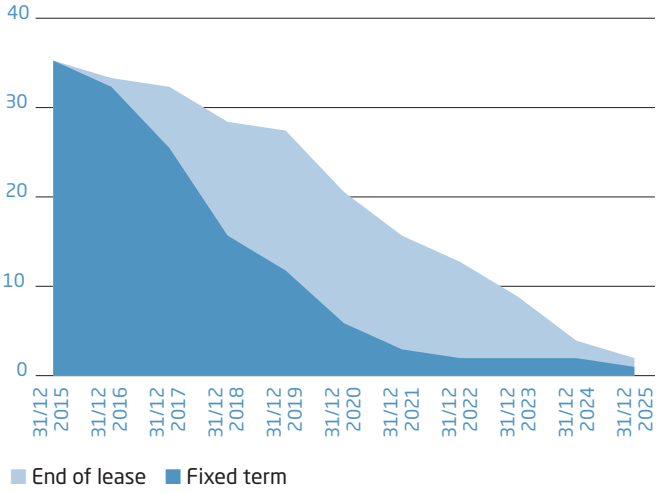
CHANGE IN HEADLINE RENTS (€M)



Over the year, Affine signed 48 new leases concerning a total surface area of 21,400 sq m and total annual rents of €3.2m. Furthermore, 27 tenants cancelled their leases or quit their premises, representing in total a surface area of 24,200 sq m and annual rents of €3.1m (of which €1.3m for Tremblay-en-France). Finally, 23 leases representing a total amount of €3.2m were renegotiated and for which priority has been given to extending the minimum period of the leases (impact on an annual basis: -€0.4m).

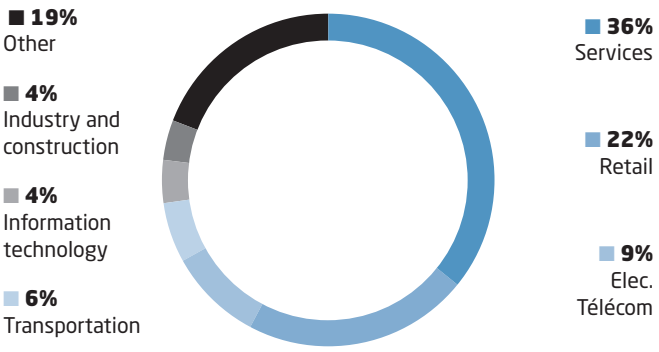
The average term of leases and their fixed term are 5.5 and 3.0 years respectively (compared to 5.1 and 2.8 years in 2014).

SCHEDULE OF LEASES (€M)

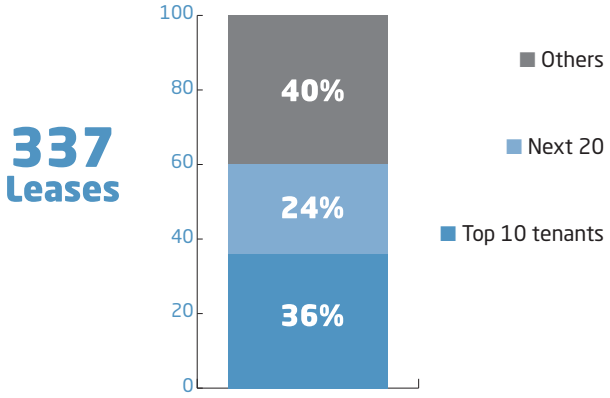


Among the top thirty tenants, who account for 60% of total rents, none should exceed 10%, thus avoiding any concentration of risk on rental income. Owing to the sales carried out this year, the first tenant by size, SNCF (French national railroad), exceeded this threshold and shall be diluted with the next forthcoming acquisitions. The other largest tenants are: TDF and the Corbeil-Essonnes municipal authority.

BY BUSINESS SECTOR OF RENTS



LEASE BREAKDOWN



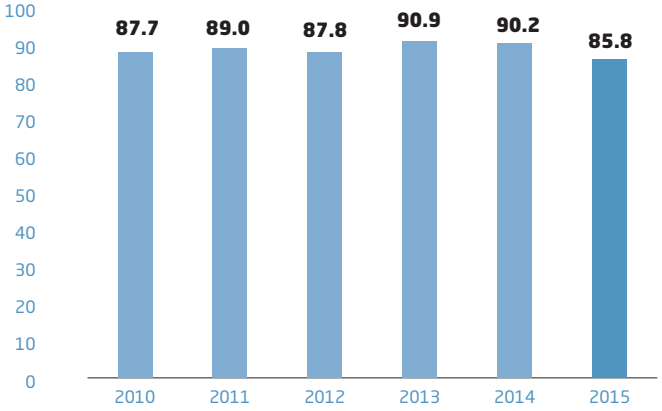
Occupancy rate

As many buildings are occupied by multiple tenants, the mid-term target occupancy rate ranges between 93% and 95%. Taking into account the capital recycling acceleration of those last few years, aiming at rejuvenating and streamlining the portfolio, this target rate is brought back close to 90% in the short run. This change is the result of the strategy to sell off mature buildings, often completely let and located outside the target areas, and invest in new buildings which are in the process of being marketed or show potential for value creation due to their rental situation, i.e. an occupancy rate temporarily below the target rate.

At 31 December 2015, Affine's EPRA (financial) occupancy rate (excluding three buildings currently under refurbishment: in Gennevilliers, in Lyon and Troyes) fell to 85.8%, compared with 90.2% at the end of 2014. This is the result of the disposal of seven logistics platforms, 100% leased, realised in the second half and the departure of one tenant from the Tremblay-en-France site.

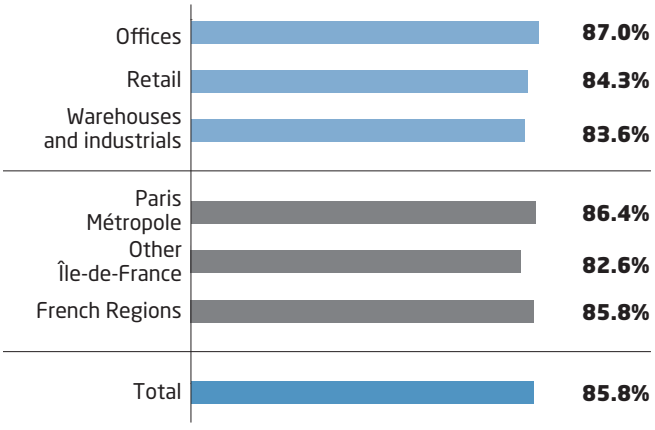
54% of the Company's financial vacancy is concentrated in four properties: offices in Trappes, warehouses in Tremblay-en-France and Mer, and a shopping centre in Nimes.

EPRA OCCUPANCY RATE*



* Financial occupancy rate excluding buildings being refurbished.

OCCUPANCY RATE BY TYPE AND REGIONS



Paris Métropole: Paris + Hauts-de-Seine + Val-d'Oise + Val-de-Marne

Investments & Disposals

Refurbishment

The renovation of the Tangram, a close to 6,000 sq m office building located at boulevard des Tchécoslovaques in Lyon in the Part-Dieu area, was completed in mid-January 2016. In this context, the company obtained the DEFFIBAT grant issued by the ADEME energy and environment agency. The purpose of this plan is to bring out the best initiatives in the Rhône-Alpes region both in terms of low energy consumption and in terms of environmental and health issues (quality of life and use, water, waste, etc.). The company is aiming for a BBC Renovation Effinergie endorsement. Half of the building has already been let to ISCOM, an educational institution, since the beginning of this year, with the rest under marketing.

Furthermore, the commercial centre in Nevers city centre, renamed Carré Colbert, went through significant refurbishment to relaunch its marketing, marked with the arrival of three new major brands (la Fnac, DDP and French ADN). 87% of the mall is therefore let.

Finally, Affine is carrying out important works on the air conditioning and renovation of the common area on an office building of more than 20,000 sq m located in EuraLille.

Acquisitions

Toulouse

After signing the contract in November 2014, Affine took delivery in June of a roughly 2,900 sq m office building in Toulouse, from GA, for the sum of €7.5m (including transfer taxes).

This building comprises four levels (basement to ground floor + 2) with 19 outdoor parking spaces and 73 parking spaces in the basement.

The building is 81% leased by Dalkia, a leading provider of energy services in France, representing some 100 employees.

This building is part of the "Les Amarantes" property development programme, a complex of three office buildings covering a total surface area of 9,200 sq m, located in the heart of the new Borderouge district, close to the future Les Maourines shopping centre. As a reminder, Affine already acquired in 2014 the first office building, let to Pôle Emploi, La Mutuelle Générale and Greenflex.

This sector represents a major urban development area for Toulouse. Located at the exit to the Boulevard Urbain Nord interchange, 15 minutes from Toulouse Blagnac international airport, the site boasts excellent public transport links with metro line B for quick access to the city centre, eight bus services covering a large part of the city, one intermodal station and three bicycle hubs.

Both those buildings will be certified NF HQE® Commercial Buildings like the rest of the development, with a contractual commitment to ensure that energy consumption falls below 35 kWh/sq m/year for heating, cooling and ventilation thanks to a smart energy management system developed by GA.

Clichy-la-Garenne

Affine completed the off-plan acquisition of a 1,535 sq m office building in Clichy-la-Garenne from the property developer Préférence Home for the sum of €8m (including transfer taxes).

The building is situated at the "Entrée en ville" ("town entrance") ZAC (integrated development zone) at the exit of the Paris ring road and is part of the Clichy-Batignolles district, a new major hub to the north west of Paris around the new courthouse and the regional headquarters of the "Police Judiciaire" (criminal investigation department).

The "Entrée en ville" ZAC is a natural extension of the area under development between Paris and Clichy and asserts itself as the new business district for the neighbourhood, given the strong demand for rental property there. Big groups such as L'Oréal, Danone, Amazon, Holiday Inn, Nokia, SNCF and Piaggio have already set up in the area. This project is expected to create 54,000 sq m of housing and 82,000 sq m of offices, which complement the Parisian part of the area. The site is very well served by public transport: the Porte de Clichy station is on the RER C line and metro lines 13 and 14 and the mainline train station, Clichy-Levallois, is nearby. The ring road and the A1, A13 and A14 motorways are also immediately accessible.

This 7-storey building (-1 to +5), which will be the recipient of a BREEAM label, will be characterised by a "green" façade, made of planter boxes around the perimeter of each storey and a rooftop terrace. The building will be delivered in the second quarter of 2016 and is already completely let.

Nantes

More recently, Affine signed an off-plan acquisition for a 3,844 sq m office building from the consortium Sogeprom-ADI close to the Euronantes Railway station district of Nantes for €9.8m (including transfer taxes). To seize this opportunity, Affine partnered with the consortium to win the call for bids issued by the City of Nantes for this mixed-use development of 12,800 sq m on its Plot 1E site, which will include residential, office, and light industrial space.

This eight-storey building (-1 to +6), which will be the recipient of a BREEAM label, will include 3,544 sq m of office space, 300 sq m of light industrial space and 34 parking units underground. The architectural design is to be provided by Art & Build (Paris) with a completion date scheduled for the first half of 2018.

These three transactions are in line with Affine's investment strategy of rejuvenating its assets portfolio and achieving a balance between development in Paris Métropole and the main regional cities (Bordeaux, Lille, Lyon, Marseille, Nantes, and Toulouse). Forming a partnership with a developer, even very early on, as in Nantes, is one of the ways to acquire quality new properties with a good potential yield rate.

Chaville

In another approach, Affine acquired a 10,850 sq m office complex in Chaville, in the inner Parisian suburbs, for €14.7m (including transfer taxes). This operation is an investment opportunity to secure rents over the coming years, to offset the time needed to start earning rental income from the various off-plan acquisitions.

This complex is located in the avenue Roger Salengro, a major road in the heart of the town close to the N10 and the A86 motorway. This predominantly mixed residential and business area has a good transport network, with the RER C and the SNCF train lines L and N giving access to the Paris Saint-Lazare and Paris Montparnasse train stations, as well as the 171 bus line.

The property complex, which is used mainly by offices, comprises 5 buildings on 7 or 8 levels linked together and enjoying separate lobbies. The complex also includes 650 sq m of shops on the ground floor, a 460 sq m ICR and 185 parking spaces in the basement. Built in 1990, the complex underwent refurbishment and compliance works in 2013.

The main tenant, Poste Telecom, occupies nearly 40% of the floor space. The 14 tenants also include companies such as Mizuno, Motors TV, Alten and Franprix in retail.

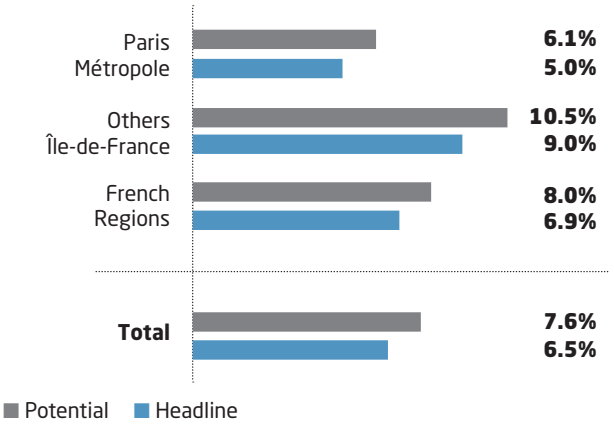
Disposals

As part of its process to streamline its property portfolio, and in addition to the disposal of a large proportion of its logistics portfolio, Affine sold buildings regarded as mature, too low in value or located outside target development areas:

- offices: Affine had to sell to the Grand Lyon as part of its refurbishment programme, an office building of 3,472 sq m; furthermore 1,702 sq m were sold in Bron, completing the withdrawal from this site;
- industrial sites in Palaiseau (3,828 sq m) and in Cergy-Pontoise (3,213 sq m) ;
- logistics platforms: a portfolio of five logistics platforms held in Bussy-Lettrée (19,212 sq m), in Maurepas (8,370 sq m), in Saint-Etienne Molina (33,359 sq m), in Saint-Cyr-en-Val (38,756 sq m), in Saint-Germain-lès-Arpajon (16,289 sq m) and two new logistics platforms realised by Concerto European Developer (before its disposal) in Buchères close to Troyes (24,526 sq m + 18,774 sq m);
- retail premises in Saint-Cloud (920 sq m);
- and the remaining flats and offices located in rue Réaumur in Paris (1,679 sq m).

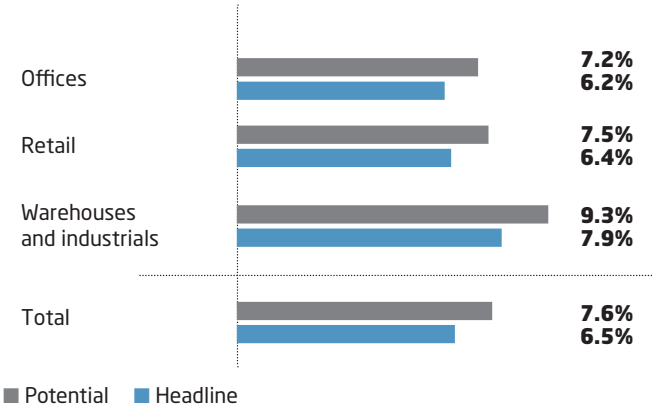
Excluding the logtistic portfolio, the fair value of which were already adjusted in the first half, the properties were generally disposed of at prices very close to fair value at the end of 2014.

RENTAL YIELD OF ASSETS BY REGION



Paris Métropole: Paris + Hauts-de-Seine + Val-d'Oise + Val-de-Marne

RENTAL YIELD OF ASSETS BY TYPE



Banimmo

At 31 December 2015, Banimmo owned 21 buildings (and five plots of land) with a total surface area of nearly 146,000 sq m. At end December, the occupancy rate was slightly down, fallen from 82.1% at year end 2014 to 78.1% at year end 2015. This vacancy can be partly (4,000 sq m) explained by the St Germain market, which was vacated for reconstruction scheduled to be completed by the second half of 2016, but which has already been entirely let. The rest of the vacancy (14,000 sq m) is from the North Plaza and Diamond buildings in Brussels.

During the financial year, the company successfully completed ongoing development operations for:

- a 6,500 sq m. building in Brussels, leased to March & McLennan, already sold in 2014 to Integrale,
- a 7,300 sq m building in Ghent, leased to Deloitte and sold to Integrale;
- a 7,900 sq m. building in Charleroi, leased to BNPP and for which Banimmo sold its 50% equity interest to its partner IRET;
- the Secrétan market in Paris, reopened in October after extensive renovation and fully let.

Other disposals by Banimmo during the year included two buildings from the portfolio:

- a 3,700 sq m office building in Brussels;
- a 14,250 sq m office building in Colombes (92).

Lastly, Banimmo signed a purchase option for a 5,000 sq m. retail complex in Anglet, in the south-west of France, deliverable in the 2nd quarter of 2016.

Banimmo also holds equity interests in companies which are consolidated under the equity method, such as:

- Grondbank The Loop (25%): conversion and development in process on the Flanders Expo complex in Ghent, in cooperation with the municipality, and which only marginally contributes to earnings;
- Conferinvest (49%): operation of the two Dolce conference centres, La Hulpe in Brussels and Chantilly, which contributed €1.3m to earnings;
- Urbanove (44%): shopping centre construction projects in Namur and Verviers.

The administrative review of the Namur 21,000 sq m city-centre project, opposite the train station, continued, after a settlement with municipal authorities removed the obstacle of a rejected project as part of a local consultation, by a narrow majority. Efforts to gain control over the land continued, and the application for a planning permit should be filed shortly. At the same time, negotiations are in process with major international brands.

The Verviers project is currently being negotiated with the municipal and regional authorities in order to proceed to an in-depth revision of the initial project, to adapt it to the city's socio-economic context and the cool welcome from major brands. Whatever the case, it appears that a financial intervention from the Wallonia region will be required to restore the financial viability of the project, and that a large portion of the expenses already incurred, in connection with the acquisition of the land and studies relating to the previous versions of the project, cannot be recovered.

Consequently, while provisions were recognised in 2013 and 2014 to fully cover the Banimmo's capital stake, the company has decided to recognise an additional €21m provision for its subordinated receivable of €45m in Urbanove.

The recurring operating profit from Banimmo fell slightly in 2014 from €10.5m to €7.3m, partly following a decline from €9.0 to €8.1m in rental proceeds. Current profit (-€3.9m versus +€3.2m) was affected by the capital loss recorded on the disposal of the Colombes building, the absence of dividends from Montéa, the equity interest disposal in 2014, and the increase in financial costs linked to the higher financial debt, which rose from €199m at year end 2014 to €247m at year end 2015. In particular, Banimmo raised €44m from the private placement of bonds with a five-year term, at a rate of 4.25%.

Given the fair value changes to buildings and financial instruments, a €4m provision that has been recognised for the North Plaza building and another provision for the Urbanove receivable specified above, the initial loss amounted to €33.3m versus a loss of €9.3m in 2014.

At year end 2015, Banimmo's net asset value amounted to €127.0m, i.e. €11.2 per share, compared to a year end value of €7.07 per share.

Banimmo, in which Affine holds 49.5%, is consolidated under the equity method.

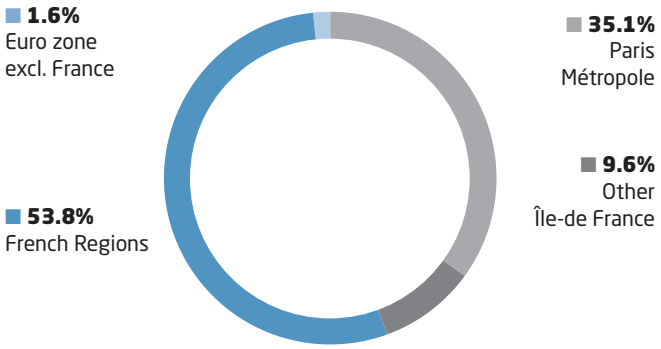
As Banimmo is listed on NYSE Euronext Brussels, all details are available on the www.banimmo.be website.

6.2 MAIN MARKETS

Portfolio breakdown

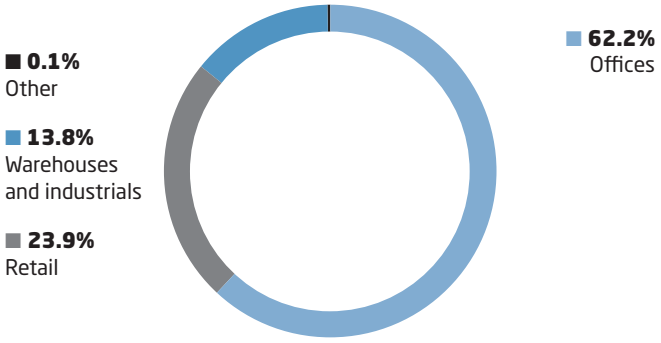
Affine owns 47 properties with a total value of €547m including transfer taxes, with a total surface area of 372,800 sq m.

BREAKDOWN OF VALUE BY REGION



Paris Métropole : Paris + Hauts-de-Seine + Val-d'Oise + Val-de-Marne

BREAKDOWN OF VALUE BY TYPE



Offices

The Office property portfolio is valued at €340m including transfer taxes. In particular, it contains assets such as the 7,800 sq m Traversière tower in Paris, close to Gare de Lyon and occupied by SNCF (the French national railway company), the Lille Europe tower (19,000 sq m) over the Euralille train station, the Tangram building in Lyon Part-Dieu (5,900 sq m) and the Les Amarantes buildings in Toulouse (5,800 sq m).

Retail

Commercial properties consist chiefly of city-centre retail real estate such as Les Jardins des Quais in Bordeaux (25,000 sq m) and Les 7 Collines shopping centre in Nîmes (14,000 sq m) giving a total of 65,000 sq m. The fair value of this sector is €131m including transfer taxes.

Warehouses and Industrials

A large proportion of the Affine logistics properties was sold in 2015. These properties represent a total surface area of 157,000 sq m and are appraised at about €76m including transfer taxes.

MarketView - Investment France[1]

Key points

- Against all expectations, investment ended the year in top gear and 2015 will post higher results than 2014
- Fewer exceptional mammoth deals but many pan-European portfolios.
- Vigorous revival of the heart of the market
- The compression of secure yields accelerated and became more widespread as sectors caught up
- Investors, even those with long-term objectives, were forced to adapt their strategies
- Very good year for offices, especially in Paris outside the Central Business District and in the Western Crescent
- Second best annual performance for investment in the retail sector
- The industrial and logistics sector caught up at the end of the year

The highest half-year investment ever

In 2015, €23.4 billion were reported to have been invested in standard commercial real estate in France, and several other deals for the year may be announced soon. For the moment, €9 billion are known to have been invested in the last 3 months, exceeding the record set in Q4 2014 and making the final quarter the busiest the country has ever seen. The performance was a continuation of the extremely active market over the summer and took the investment volume for H2 to more than €16 billion, the highest ever half-year figure that even exceeded the exceptional 2007. So the investment market in 2016 hit the ground running, and when the final figures are settled for 2015 it is highly likely, against all mid-year expectations, that the year will post a higher investment volume than the already excellent year seen in 2014.

The result is more significant contrary to last year, it has been achieved without a significant contribution of mammoth investment transactions. The three transactions above €500 million that took place, "only" accounted for 11% of invested volume, compared to 29% for the seven big transactions that took place in 2014. By contrast, several pan-European portfolios were sold, particularly in Q4, and these clearly bolstered total investment volume because they represented 11% of total volume. While the proportion of large transactions was still significant, the surge between €100 to €200 million segment – rising from 20% of total investment in 2014 to 28% in 2015 – illustrates the vigorous revival of what is essentially the heart of the investment market.

[1] *Source: CB Richard Ellis*

Hardening yields on secure opportunities made investors adjust their sights

The French investment market was extremely active, benefiting from the profitable backdrop of unprecedented interest rates arising from the ECB's particularly accommodating monetary policy of all-time low short-term interest rates and 10-year treasury bonds under 1%. In this context the compression of yields on secure real estate assets both accelerated and became more widespread affecting all kinds of properties and locations, allowing some market segments to "catch up" on other segments. Thus, yields on prime logistics space, which had only dropped by 25 basis points in 2014, fell by 75 basis points in 2015 to stand at 6%. In the office market, while prime rates in Paris CBD fell by just 50 basis points in 12 months to stand at 3.25%, some locations, including South Paris and Issy-les- Moulineaux and Boulogne saw their prime yields drop by 100 basis points. The retail sector was the least affected by the squeeze in yields, which is unsurprising given that they were already at a rate so low investors were unlikely to be willing to accept less: 3% for luxury high streets in Paris (with no potential for rent reversion), 3.5% for shopping centres (a theoretical rate because no significant reference transactions took place).

The situation has forced investors, especially those insisting on a minimum rate of return, to open their acquisition strategies to the purchase of non-core assets. Acquisitions falling in the value added and opportunist categories benefited the most from this diversification as more and more investors are gambling on an improvement in occupier letting markets in the medium term. The volume of these investments tripled over a twelve-month period, to account for almost a quarter of transactions over €50 million. Nevertheless, for the majority of investors, a willingness to accept more risk is coupled with being extremely selective about the location of buildings, as evidenced by the fact that Paris is home to 54% of value added investments, with the result that the spread in comparison to secure assets has significantly reduced. The share of Parisian investments has, however, fallen since 2014, when it stood at 61%, with investors widening their sights to the Inner Rim, La Défense and Peri-Défense, where yields are more attractive.

This opening of strategies to value added operations was for the most part spurred on by investors that are usually considered the most opportunist players, such as investment funds (closed funds, OPCI RFA), particularly American ones, and some French property companies. But other longer term players, such as institutional investors (French insurance companies, asset managers) have also started softening their positions to boost the overall returns figures of their acquisitions.

A very good year, even in the retail sector

With almost €17 billion of investment in 2015 (a year-on-year rise of 6%), offices accounted for 72% of investment. All geographic sectors did not, however, benefit from the increase in investment. The volume of transactions in Paris but outside the central business district reached a record level of €4.2 billion in the year, notably due to the vitality of value added opportunities. The Western Crescent saw its second best year after 2006 (almost €4.5 billion), with a lot of activity taking place in the Southern Bend and in Neuilly and Levallois, notably for core assets. The amount invested in the Inner Rim remained high (€1.9 billion), mainly concentrated in the north. By contrast, despite the improvement in Q4, the central business district posted only average performance – €2.3 billion – despite the increasing appeal of assets to be redeveloped, for which values per square metre have increased substantially. Generally speaking, the market for buildings to be redeveloped saw investment volumes triple over the year, rising to €1.7 billion, a similar level to that of 2007. The market for off-plan sales stagnated in total volume (at €2.2 billion euros), and even shrank if we consider the amount of space transacted, despite the fact that speculative investment virtually doubled to 45% of the total.

In the retail sector, investment of almost €4.3 billion (approximately 18% of the total) resulted in the sector posting its second highest performance (in volume) in 2015 after the record set in 2014, which was difficult to repeat. Despite supply scarcity, which led to a multiplication of the number of off-market transactions, and extremely low interest rates, high street retail has just seen a boom year (€1.6 billion), thanks to transactions carried out on famous Parisian avenues where values per square metre soared to extraordinary heights. High volumes were still invested in centres and retail galleries (€1.7 billion) fuelled by CBRE GI's sale of the Celsius portfolio. Finally, the end of the year resulted in a "catching up" of investment in peripheral retail assets, thanks to several large portfolios.

As expected, the finalization of several pan- European sales in the Q4 quarter enabled investment in the industrial and logistics market to end the year more strongly: €2.1 billion or 9% of the total was invested in these sectors by the end of the year. The volume of industrial and warehousing was cut in half compared to 2014, therefore logistics premises accounted for 84% of investment, boosted by the appetite of Anglo- Saxon funds. Despite this performance, it is worth remembering the on-going scarcity of prime one-off assets, which explains the speed at which yields hardened in this market segment in 2015.

The diversification of strategies will trigger activity in all market segments

Market performance in 2015 proved one thing: despite the fact that Paris offers lower prime office yields than London, in the eyes of investors, even international investors, the appeal of the country is still intact. International investors accounted for 40% of invested volume for the year; there was even a slight increase in their relative weight in Q4 as they were responsible for 49% of investment volume. In addition, unless forecasts for yields improve moderately in the medium term, the amount of capital ready for investment in real estate is unlikely to wane; turbulent stock markets and uncertainty in bond markets will only encourage institutional investors to increase their allocations to real estate. Moreover, the cyclical pattern in the occupier market is paradoxically protecting investors' room for manoeuvre: hopes for rent reversions make harder yields more acceptable. But this situation is leading to a growing fragmentation of investors' strategies. Despite price levels, which may raise questions, some buyers are still rolling out defensive strategies and targeting "ultra-core" assets. This may lead to yields being further compressed for very high-quality secure assets, even though falling prime yields is a thing of the past. Real estate still offers a positive spread and can therefore absorb slightly lower yields. But the majority of players, including long-term investors, will continue to adjust their investment strategies. The pattern of hardening yields will therefore persist, where there are sufficient margins for this to happen, particularly in sectors such as the outer rim, regional France, in logistics markets, and for good quality secondary assets. This is an unprecedented position for the market, which offers opportunities for all investors: nothing seems to indicate that there will be a fall in investment volume, just the opposite will happen if investors continue to consider alternative assets.

Market View - Bureaux Île-de-France[1]

Key points

- Annual increase in take-up of 1% to 2.2 million sq m for 2015
- Good activity in the segment under 5,000 sq m in contrast to a reduction in the segment above 5,000 sq m
- Paris and Western Crescent markets dynamic in 2015
- Slight drop in the vacancy rate in Ile-de-France to 6.9%
- Vast differences in vacancy rates from 4.7% in Paris-Centre West to above 10% in the west of the Paris region
- More speculative developments in 2015

Boost in take-up at the end of the year

Take-up surged in Q4 2015 due to the buoyant market for units under 5,000 sq m and the resumption of transactions above 5,000 sq m. In Q4 take-up totalled 708,800 sq m, which was the third best quarterly performance since 2008 and led to a slight improvement in take-up from 2014 to 2015 (up 1%) to 2.2 million sq m. This level must be considered in the improvement of both economic growth and confidence in the economy, even if both of these are limited and fragile. Indeed the most common reason for companies moving offices was their desire to optimize floor areas: very few moves were motivated by a need to expand.

Schematically, in 2015 two different dynamics took place. On the one hand, the market for surface below 5,000 sq m performed well, at its highest level since 2007. On the other hand the number of large transactions declined significantly: the 56 large transactions concluded in 2015 totalled 713,600 sq m, which is the second lowest volume for the segment in a decade. The ratio of the volume of surface transacted below 5,000 sq m over the volume of units above 5,000 stood at 2.1, a record high since 2000.

With take-up totalling close to 1 million sq m, Paris City posted its highest performance since 2006 thanks to transactions under 5,000 sq m, which exceeded 730,000 sq m for the first time in 15 years. Paris Centre West also performed particularly well. The sector's performance rose by 18% in a year, to its highest level since 2007 and the second highest performance for the last 15 years. More than 1,200 transactions took place in the sector, an all-time high number. Transactional activity was also intense in the Western Crescent, but the market there was spurred on by large transactions: the sector was home to 3 out of the 4 transactions above 40,000 sq m that took place in Ile-de-France. with take-up of 140,900 sq m, La Défense benefited from a fairly good level of activity in the small and medium segment, but a fairly moderate level of activity in the units above 5,000 sq m, in contrast to a strong year in 2014 for large transactions. The lowest level of take-up in at least 15 years in the Inner Rim was due to the shortage of large transactions. Take-up in the Outer Rimshowed a degree of resilience from one year to the next but was still below its long-term average.

The information technology sector fuelled demand for small and medium units in Paris but the industrial sector, in the broadest sense of the word, polarized more than 30% of transactions in the bracket above 1,000 sq m in Ile-de-France, followed by the finance and insurance sector with 18% and the public sector with 13%.

Immediate supply showed a slight annual decline

At 1 January 2016, immediate supply in Ile-de- France dropped by 3% in a year to stand at 3.9 million sq m, which is equal to a vacancy rate of 6.9%. After dropping to its lowest level in 5 at 1st january 2016 years, the share of new and redeveloped space in available supply stood at 18%.

In Paris Centre West, where the vacancy rate is 4.7%, there is still an enduring shortage of quality space adapted to the modern technical demands, especially in central district. Supply was contained in the south of Paris, with a 4.4% vacancy rate, but rose in the 15th district further to the completion of Qu4drans.

The west of the Paris region (La Défense and the Western Crescent) has a vacancy rate exceeding 10% and is home to 47% of new and redeveloped supply in the region. In the Inner Rim, the average vacancy rate is 8.7%.

Definite future supply contained

At the start of 2016, definite future supply totalled more than 1.6 million sq m (of which 1 million sq m in units above 5,000 sq m). This has been stable since the low point observed in Q2 2015. Nevertheless, more speculative development or redevelopment started in 2015: 28 new schemes identified (including 14 brand new buildings), compared to 14 in 2014. Future new and redeveloped availability in the Paris region appears to be under control, as more than half of developments currently underway in the region has already been pre-let.

Probable supply down

Probable future supply above 5,000 sq m (with sliding completion dates) has steadily decreased throughout 2015. The main reasons were the preletting of ready to launch and the withdrawal of certain schemes from the market. We identified 3.1 million sq m of probable developments at the start of 2016, 2.2 million sq m of which were to be built or redeveloped through 90 projects.

Rental values in paris remain steady while net effective rents in peripheral markets are attractive

There was a generalized stabilization of headline rental values in 2015 following several years of steady decline. The exception was some assets located in over-supplied areas. Commercial incentives remained high and on average, in Q3 2015, they equalled 20.4% of the headline rent in Île-de-France for space above 1,000 sq m, with discrepancies (for example 15.5% in Paris centre west to 22.2% in La Défense and the western crescent).

The average prime headline rent in Paris Centre West was stable for the quarter at €724 net per sq m pa, with a gradually reduced gap between the centre and Etoile rents. In La Défense, the average prime rent was steady over the quarter at €467 and stood at €458 in the Western Crescent, resulting from some quality buildings let in Neuilly-sur-Seine.

Outlooks for 2016: towards an increase of take-up on the horizon?

If optimizing costs is still one of the main factors motivating companies' to move, they will probably be spurred on by the improvement, albeit slight, in French economic growth, even though unemployment is unlikely to shrink much in 2016. Our central scenario forecasts takeup exceeding the level in 2015, and possibly nudging towards 2.4 million sq m. This forecast is based on a large volume, higher than the same time last year, of large transactions that are already in the pipeline.

Combined with the relatively limited amount of space expected in 2016, these factors should lead to an increase in the scarcity of quality supply on the market. As far as rents are concerned, the above shifts are likely to result in lower commercial incentives in markets under pressure. In other markets, situation will return progressively more balanced situation.

[1] *Source: CB Richard Ellis*

MarketView - Offices French Regions[1]

Key points

- Slight y-o-y decline (-3%) in immediate supply to 1.75 million sq m
- The share of new and redeveloped space fell by -22% in a year to and stood at 18% of supply at 1st January 2016
- Take-up posted +10% y-o-y rise to reach 1.2 million sq m in 2015, 44% of take-up was new or redeveloped space
- 32 transactions above 5,000 sq m in 2015, 12 of which were in Lyon

Market for occupiers

New and redeveloped space still in short supply

Immediate supply fell by -3% in the year to stand at 1.747 million sq m of offices at 1st January 2016; it also fell in quality of the share of new premises only equalling 18% of supply compared to 22% in 2014. The vacancy rate continued to fall and settled in a fairly narrow range from 4.8% in Nantes to 6.5%in Rennes, illustrating a degree of pressure in markets. The average office vacancy rate in regional markets therefore fell to an all-time low of 5.5% at the end of 2015.

Greater Lyon and Lille gather alone almost 35% of vacant supply despite an annual fall in available volume.

The shortage of quality supply was felt more keenly than ever before. since 2007, the rapid pace of take-up for the few new schemes available has resulted in the share of new and redeveloped space gradually reduces to 18% end 2015, compared to 22% in 2014 and 25% in 2013.

Large differences can be seen from one market to another. For example Lyon, Lille, Marseille and Nantes have fairly substantial share of new space in supply (above 15%), while Toulouse, Aix-en- Provence and Grenoble are in a more difficult situation. This is particularly true in Toulouse where new supply is virtually non-existent; just 12,900 of new space is available and almost all in units below 500 sq m. By contrast, used supply has risen sharply, up 33% in a year, and is expected to rise again in 2016 when airbus and safran vacate 45,000 sq m.

The stock of space is ageing steadily in most of the 10 cities and large quality premises > 5,000 sq m are still in short supply.

In total, 187,800 sq m of offices will be completed in 2016, 25% of which are in Lyon - notably the 12,450 sq m Seven building in the 7th district of Lyon, the 10,900 sq m Convergence building in the 2nd district of Lyon, and the 10,000 sq m Silex building in Part-Dieu. In Toulouse, the shortage of space in the city centre has prompted the start of a speculative scheme, the Elipsys building (9,600 sq m), due for completion end 2016. Cap Courrouze (Building a, 5,800 sq m) and Meioza (4,800 sq m) will be completed in Rennes and 22,000 sq mare planned in Bordeauxmainly in the districts of Bassins à Flots and Euratlantique.

A market bolstered by a record number of transactions above 5,000 sq m

Office take-up totalled almost 1.2 million sq m in 2015 in the 10 cities audited for this report. Take-up activity therefore rose compared to the previous year and was 10% higher than the 10-year average. It was particularly strong in Aix-en-Provence (up 97% in a year) and Grenoble (up 65%), but was slower in Toulouse, Marseille and Strasbourg where take-up volumes fell back 19%.

The 32 transactions above 5,000 sq m identified in 2015, compared to 18 in 2014, accounted for almost a quarter of take-up and were largely responsible for the rise in take-up.

Of these mega deals, twelve took place in Lyon – the year's largest being by EDF Septen who moved to 21,160 sq m on Rue de Gerland – five in Toulouse and three in Lille, Nantes and Aix-Marseille.

Outdated stock also bolstered demand as many occupiers are seeking more efficient premises as part of a strategy to rationalize space use. This is evidenced by 44% of take-up taking place on new and redeveloped buildings.

Rising demand for quality premises and the shortage of such space on the market have been forcing occupiers to renegotiate existing leases, or, in some instances, choose turnkey solutions. as a result the amount of second-hand supply has stagnated.

The share of pre-lettings or off-plan sales in total take-up – through turnkeys and self-builds – has been rising steadily since 2007, moving from 28% in 2014 to 29% in 2015.

In two-thirds of regional cities, this share can exceed 30%, for example 42%in Lyon and 37% in Toulouse. In Toulouse the 4 turnkeys above 5,000 sq m alone accounted for 75% of new take-up volume.

Occupiers' criteria for choosing premises have not changed; they still seek new or redeveloped premises that comply with environmental standards. The breakdown of take-up volume diverges, however, from city to city: there was a significant rise in transactions above 1,000 sq min Lille and in Rennes where the number doubled in a year, similarly in Bordeaux 14 transactions above 2,000 sq m took place (compared to 5 in 2014) giving the city its 2nd best performance since 2006. By contrast, small transactions under 500 sq m drove the markets of Strasbourg, Montpellier and Toulouse, where they accounted for respectively 92%, 90% and 69% of the total number of transactions identified in 2015.

Headline rental values stable and prime rents adjusted

Prime headline rental values were stable, in some instances falling slightly, in the 10 regional cities examined. By contrast the average weighted rent for new or redeveloped space fell over the year to stand at €174.2 net per sq m pa.

The prime regional rent also fell, but was once again reported in Marseille, at €265 net per sq m pa. The city was followed by Lyon at €250, then Lille and Toulouse both at €220.

The fall was notably due to an adjustment of headline rental values in a few particularly sought-after prime sectors such as La Part-Dieu in Lyon. This should limit the extent of commercial concessions, which are still significant in the sector.

Given the backdrop of businesses constantly seeking ways of reducing overheads, commercial concessions have been a central issue in negotiations and usually depend on the length of the lease commitment and the condition of the property. Concessions in regional markets are lower than in Ile-de-France, but they are still very frequent and usually range from 1 to 1.5 months of free rent for each unbreakable year in the lease.

The spread of sales prices remained wide in regional France in a range from €1,200 to €2,900 net of tax or duties per sq m for new or redeveloped space. For some properties in Lyon and Marseille the price may be even higher.

[1] *Source: CB Richard Ellis*

The investment market

In 2015, approximately .1.5 billion were invested in regional office markets; the level of investment has been relatively stable since 2011. Despite a flurry of activity at the end of the year boosting volumes - the annual volume doubled due to deals in Q4 - regional markets have been penalised by their low visibility internationally, only 21% of investment in the year was attributable to foreign investors. In addition, they continued to be curbed by an insufficient number of secure new or recent properties on the market, not least due to the paucity of new development taking place in recent years.

This situation has changed in some cities, for example Lyon, Marseille and Nantes, where developers have resumed the production of speculative office schemes, even without any prelettings. As for investors, they have been forced to adapt to the scarcity of quality products and to the hardening of letting yields on prime properties. some investors looking for higher returns have returned to the practice of acquiring speculatively. The result, following the positive ñˆgures in 2014 for new secure projects, was a progression in the market for off-plan sales in 2015. speculative off-plan investment, virtually non-existent in 2014, accounted for a third of transactions on properties in the development pipeline, nevertheless it was limited to the deepest markets; two thirds took place in Lyon.

After a relatively quiet first half, investment transactions at the end of the year led to yet another fall in yields for the most secure assets, especially in Lyon where yields for prime offices were below 5%. The degree of hardening of yields in regional markets therefore caught up to a large extent with those practised in Ile-de-France. However, some cities reported more modest reductions leaving room in these cities for further hardening in the future. Competition for good investment products is expected to be rife in 2016, as market fundamentals remain profitable for secure real estate investment.

Market View - Retail in France[1]

Macroeconomic context

France heading towards economic recovery

Economic growth forecasts have been revised downwards due to the slowdown in emerging economies, however only slightly for France. The French GDP growth is expected at 1.1% in 2015 and 1.4% in 2016.

Unemployment is likely to sta¬bilize in 2015, and will decrease in 2016. At the same time, household spending continues to grow (+1.8% expected in 2015).

Occupier market

Retail sales : a significant growth expected before the end of the yeaR

In 2015, retail sales (excl. automotive) are on the rise (+2.7% at Q3 2015 on a rolling-year basis*). France is still one of the top three European countries, with Germany (€501bn expected in 2015) and the United-Kingdom (€431bn).

- Retail sales in 2015 (forecast): €450bn
- Growth 2014/2015 (forecast): +2.5%

Rent overview

Prime rents continue to grow, due to the high demand and the lack of supply. Conversely, rents are tending to stagnate and even to decrease in near-prime and secondary locations, especially in medium-sized regional cities.

Investment

Towards a new record year?

At the end of Q3 2015, retail investment reached € 3.5 bn, ie. 21% of commercial real estate investment (€ 16.8 bn recorded in Q3; € 26 bn expected at the end of 2015). Shopping centres and street-level stores ac¬count for respectively 46% and 35% of this amount. Likewise, out-of-town retail is still attractive (20% of the amount).

A growing interest in Retail is shown by the arrival of new comers (notably Chinese in¬vestors and non-specialists) and the return of American investors. 2015 should be a new record year.

- 2015, 3rd record year as in 2007 and 2014 (forecast).

[1] *Source: BNP Paribas Real Estate, Let's talk retail, November 2015*

MarketView – Logistics and Industrial space[1]

Key points

- All-time record of volume of take-up
- E-commerce fuelled market growth in 2015
- The upturn commencing in 2014 was confirmed in Ile-de-France with a substantial increase in market activity
- The logistics backbone in France strengthened its dominance: strong market performance in all leading markets
- Strong resumption of activity in the region of Orleans following several very quiet years
- Platforms became larger: the search for large floor areas gained strength
- Supply declined
- Highest level of investment since 2007
- Yields continued to harden

Analysis of market for warehouses > 5,000 sq m (all classes: a, b, c, cold store and parcel hubs)

2015 turned out to be a very good year for the logistics market in France with take-up figures published for the year totalling 3.1 million sq m for warehouses above 5,000 sq m (+ 24% compared to 2014).

The thresholds seen in 2008 and 2011 were exceeded, even though the share of turnkeys was the same as last year. The logistics backbone in France performed well, with more than 70% of floor area signed located on this north-south route. It was joined by the region of Orleans, whose market recovered after several years of sluggishness. In the Paris region, the market posted its best year since 2011 with take-up exceeding more than 1 million sq m, which is equal to a third of national volumes.

E-commerce, large platforms and turnkeys: 2015's trends

Industrial production in France has been on the increase, consumer sentiment is more positive and forecasts for economic growth are 1.2% for the year. Against this backdrop, players in the logistics market are reorganizing or optimizing their property portfolios. The omni-channel retail and the growth of e-commerce are powerful vectors in the transformation of supply chains. In parallel, distributors are still seeking to rationalize their premises, spurred on by lower profit margins.

While the logistics market posted a year-on-year increase of 24%, the amount of take-up in units above 20,000 sq m rose by 44% over the same period. 7 transactions involved logistics platforms over 50,000 sq m, with leases being signed by Carrefour and specialist chain retailers (BUT, CAFOM and Maisons du Monde). In total, major retailers were behind about 40 transactions, for a total of of 1.2 million sq m (40% of take-up).

As logistics providers sustained their activity, they continued to fuel the market for units under 20,000 sq m and were behind one out of two transactions in this segment.

In total, the 57 turnkeys, out of just less than 200 transactions, totalled 1,324,300 sq m. These turnkey developments, which included letting turnkeys and own-accounts, played an important role in energizing regional markets, both in main markets such as Lille (40% of volume) and Marseille (more than 66% of volume) and in secondary markets. Turnkeys are the only way that requirements for large class A facilities can be met in the current market structure, most of them taking advantage of projects that have already been granted planning permission. Many of such schemes were recorded in 2015, but their share in take-up was the same as the previous year, showing the market's capacity to absorb existing supply.

Renewed dynamism in Île-de-France

Transactional activity in Ile-de-France had already started improving in 2014, but it rose significantly in 2015 to exceed one million square metres, i.e. a year-on-year rise of 22%. Logistics providers, showing even more dynamism than ever before, sought sites located between the A86 and the N104 and these equalled more than half of transacted volume. Specialist retail chains continued to expand, taking increasingly larger units: from 9% in 2008 they accounted for 20% of transacted volume in 2015, with an average floor area of 25,000 sq m (compared to 14,000 sq m for 3PLs). The warehouse sector between 20,000 sq m and 50,000 sq m saw its volume double over a 12- month period to exceed 400,000 sq m and accounts for 40% of take-up volume. Just one transaction was reported above 50,000 sq m, reflecting the only availability of that size (in Vaux-le-Penil), while the first phase of the hub dedicated to Action was launched (total planned floor area of 71,000 sq m) in Moissy-Cramayel. The south of Paris region, which has the highest supply available, attracted more than half of demand, notably through opportunities available in Senart and around Evry (Bondoufle and Lisses), as well as Essonne in general. At the other extreme, in trans-shipment platforms, note that transactions concluded this year in Parc de Bercy for Geodis and UPS, as well as in Vitry and Creteil, illustrate the rise in importance of urban logistics.

Regional markets rival for the top spot

While take-up in Rhône-Alpes (409,900 sq m) was as high as in 2014, it actually hit the highest figure for greater Lyon since 2008, due to the letting of an XXL warehouse in Pusignan by BUT and several other large lettings in Isle d'Abeau. Calls for tenders at the start of the year helped fuel the market.

In Nord-Pas de Calais, the number of transactions multiplied in H2, resulting in the mobilization of 8 platforms of more than 20,000 sq m in 2015. This region is usually marked by moves resulting from the presence of major players in the retail and distribution sector. Occupiers taking large units in 2015 included Orchestra, Simastock and Leclerc. Similarly, the Marseille market was substantially boosted by turnkey scheme for Maisons du Monde that accounted for a third of the 324,100 sq m transacted in the region. Another feature of 2015 was the return to centre stage of the region of Orleans: the availability of large development sites combined with tax incentives, close to the largest consumer basin, made the region the 5th largest logistics region in France with take-up of more than 250,000 sq m.

Supply continued to erode

Approximately 3 million sq m were immediately available in France at 1 January, a year-on-year fall of 13%. Vacant supply shrank sharply in backbone markets.

With 1.2 million sq m of vacant space available, Ile-de-France lost 13% of last year's supply volume. Vacant Class A warehouses fell by 27% to 546,800 sq m at 1 January 2016, in 33 properties 6 of which exceeded 30,000 sq m. The sharpest reduction, of 28%, was in the oversupplied south of the Paris region, but most pressure can be seen in the north, with only 20 availabilities, half of which class C. The amount of space due to be vacated in 2016, up 20% compared to the end of 2014, should help offset this short term deficit. In Rhone-Alpes, supply plummeted by 33% in a year, and risks blighting the vitality of the market in 2016. The absence of supply, especially in Plaine de l'Ain, will force occupiers turn to semi-speculative schemes, the quantity of which has risen.

In total, we identified 2.9 million sq m of semispeculative development in France, a volume boosted by volumes in the north of the country (- 27% of the total and more than in Ile-de- France). One noteworthy event in 2015 was the resumption of speculative development that was virtually nonexistent last year: 160,600 sq m are currently in the pipeline, 62,600 of which are being developed by AGRE in the A5 park in Senart.

EFFERVESCENCE OF THE INVESTMENT MARKET

Against a back drop of a more dynamic investment market, where some €23.4 billion were invested in commercial real estate, the volume invested in logistics premises rose substantially in 2015. The finalization of several pan European portfolios in Q4 enabled industrial and logistics investment to take off to total €2.1 billion at the end of the year. About 84% of this investment was concentrated in the logistics sector, that is €1.8 billion, an annual rise of 76%.

The appetite of generalist investment funds fuelled the market: Blackstone and CBRE GIP were involved in almost half of the sector's transactions, followed by AEW with 15% of volume. The profile of portfolios was diversified: given the scarcity of latest generation platforms on the market, even core plus assets attracted the interest of Anglo-Saxon funds that dominate the market.

The particularly favourable financial rates and the on-going scarcity of quality single assets have continued to put pressure on yields: prime logistics lost 75 basis points in 2015, resulting in a yield of 6% at the end of the year.

The return, albeit slight, of speculative development is a sign of the healthy state of the market. As for the weight of capital waiting to be invested and the margin that remains in the logistics sector, development activity is expected to continue in 2016.

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 ORGANISATIONAL CHART

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 real estate company listed on NYSE Euronext Brussels, which is specifically involved in the redevelopment and repositioning of buildings in Belgium, France and Luxembourg.

Affine holds 49.5% interests in Banimmo, which is consolidated under the equity method.

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

Affine's subsidiaries, in particular those that own buildings, are mentioned in the Notes to the consolidated statements in section 20.1.7.3, "Scope of consolidation" , of this registration document.

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 2015, Affine directly owned 47 investment properties covering a total area of 372,800 sq m, 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	REGION	FRENCH DEPARTMENT NUMBER	SURFACE AREA IN SQ M	ACQUISITION DATE
Offices					
Paris 9e	Rue Auber	Paris Métropole	75	2,283	2008
Paris 10e	Rue d'Enghien	Paris Métropole	75	821	2008
Paris 12e	"Tour Bercy" - Rue Traversière	Paris Métropole	75	7,783	2008
Issy-les-Moulineaux	Rue Carrefour Weiden	Paris Métropole	92	2,308	2003
Clichy	Rue Martre	Paris Métropole	92	1,555	2015
Chaville	Avenue Roger Salengro	Paris Métropole	92	10,850	2015
Tremblay-en-France	Rue Charles Cros	Paris Métropole	93	7,514	2006
Bagnolet	Rue Sadi Carnot	Paris Métropole	93	4,056	1995
Kremlin Bicêtre	Rue Pierre Brossolette	Paris Métropole	94	1,151	2007
Kremlin Bicêtre	Boulevard du Général de Gaulle	Paris Métropole	94	1,860	2007
Montigny-le-Bretonneux	Rue Ampère	Île-de-France	78	9,546	2003
Saint-Germain-en-Laye	Rue des Gaudines	Île-de-France	78	2,249	2002
Saint-Germain-en-Laye	Rue Témara	Île-de-France	78	1,450	2002
Elancourt	Parc Euclide - Rue Blaise Pascal	Île-de-France	78	6,347	2004
Trappes	Parc de Pissaloup – Av. J. d'Alembert	Île-de-France	78	10,183	2006
Les Ulis	Rue de la Terre de Feu	Île-de-France	91	3,500	2003
Corbeil Essonnes	Avenue Darblay	Île-de-France	91	4,644	2003
Corbeil Essonnes	Rue des Petites Bordes	Île-de-France	91	2,268	2003
Aix-en-Provence	Rue Mahatma Gandhi	Régions	13	2,168	1994
Toulouse	Les Amarantes - Rue Françoise d'Eaubonne	Régions	31	2,895	2014
Toulouse	Les Amarantes - Rue Françoise d'Eaubonne	Régions	31	2,862	2015
Nantes - Marie Galante	Rue Henri Picherit	Régions	44	3,084	2006
St-Julien-lès-Metz	Rue Jean Burger - Tannerie	Régions	57	5,345	2007
Lille	"Tour Bercy" - Parvis de Rotterdam	Régions	59	5,000	2006
Lille	"Tour Bercy" - Parvis de Rotterdam	Régions	59	7,361	2008
Lille	"Tour Bercy" - Parvis de Rotterdam	Régions	59	6,262	2012
Villeneuve d'Ascq	Rue des Fusillés	Régions	59	3,045	2004
Mulhouse	Rue Salomon Grumbach	Régions	68	5,020	2008
Lyon	Rue André Bollier	Régions	69	4,060	2006
Lyon	Rue du Dauphiné	Régions	69	5,481	2005
Lyon	Le Tangram - Bld Tchécoslovaques	Régions	69	4,912	2011
Retail premises					
Barberey St-Sulpice	Quartier Les Valliers, RN19	Régions	10	5,793	2007
Barberey St-Sulpice	Quartier Les Valliers, RN19	Régions	10	1,200	2007
Nîmes	Les 7 Collines - Rue du Forez	Régions	30	17,559	2009
Bordeaux	Jardin Des Quais - Quai des Chartrons	Régions	33	25,530	2013
Arcachon	Rue Roger Expert et Avenue Lamartine	Régions	33	3,472	2009
St-Étienne	Dorian - Rue Louis Braille	Régions	42	5,003	2006
Nevers	Carré Colbert - Avenue Colbert	Régions	58	5,828	2008

LOCATION	NAME OR STREET	REGION	FRENCH DÉPARTMENT NUMBER	SURFACE AREA IN SQ M	ACQUISITION DATE
Industrial premises					
Gennevilliers	Rue du Fossé Blanc	Paris Métropole	92	15,217	2011
Aulnay-sous-Bois	Rue Jean Chaptal	Paris Métropole	93	3,488	1993
Aix	Rue Georges Claude	Régions	13	5,546	1975
Warehouses					
Tremblay-en-France	Rue Charles Cros	Paris Métropole	93	12 483	2006
Miramas	Quartier Mas des Moulières, Zac Lésud	Régions	13	12 500	2007
Bourg-les-Valence	Rue Irène Joliot Curie	Régions	26	19 521	2005
Mer	Za des Mardaux	Régions	41	34 127	2006
Leers	Rue de la Plaine	Régions	59	21 590	2005
Thouars	Rue Jean Devaux	Régions	79	32 000	2007
Sant Feliu de Buixalleu	Parc de Gaserans - Sant Feliu	Espagne		3 680	2012
Sant Feliu de Buixalleu 2	Parc de Gaserans - Sant Feliu	Espagne		10 811	2014
Miscellaneous					
Paris 12 (parkings)	Rue Traversière	Paris	75	0	2008
St-Étienne (terrain)	Rue de la Talaudière	Régions	42	65 112	2007

Paris Métropole: Paris + Hauts-de-Seine + Val-d'Oise + Val-de-Marne

8.1.2 Portfolio value

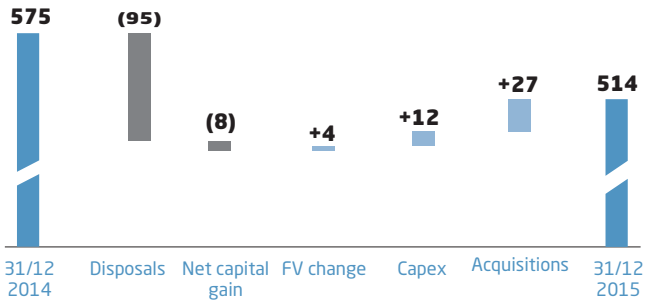
Fair value of directly owned properties

The fair value (including transfer taxes) of the 47 properties stood on 31 December 2015 at €547m compared with €610m at the end of 2014.

Excluding transfer taxes, the value of the properties went from €575m at the end of 2014 to €514m at the end of 2015. This change resulted from:

- disposals totalling €94.7m, with a net capital loss of €7.5m coming from the logistics platforms, the fair value of which was adjusted during the first half;
- a €3.8m increase in fair value of buildings in the portfolio on a like-for-like basis at the end of the period;
- €11.8m of investments for improvement of existing properties;
- €27.2m of acquisitions.

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



The €3.8m gain on a like-for-like basis in the portfolio's fair value (that is 0.7%) is the result of:

- a 2.0% decrease due to the fall in market rents (ERV).
- a 6.7% increase due to lower yield rates used by appraisers,
- a residual 3.9% decrease (works to be carried out, reversion, etc.).

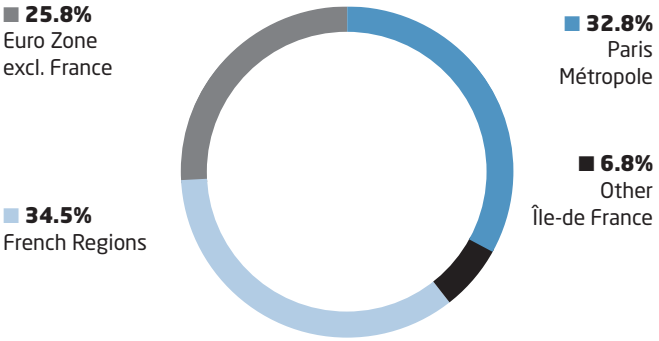
The average yield resulting from appraisals is 6.8%. A downward or upward change of 25 basis points in this rate would lead to an increase or a decrease respectively of the portfolio's value of €18.8m.

8.1.3 Total property

Fair value of total property

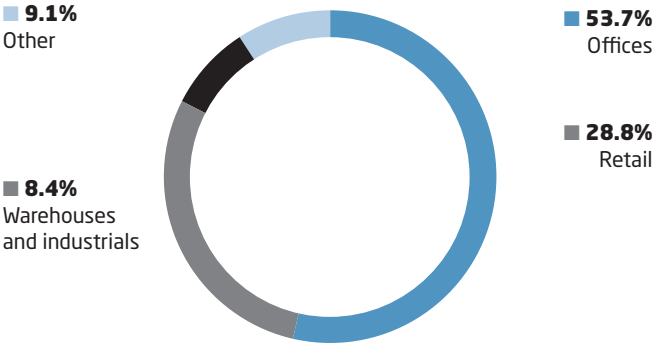
By including the buildings owned by Banimmo, the fair value (including transfer taxes) of total property stood at the end of 2015 at €897m compared with €945m at the end of 2014.

BREAKDOWN OF VALUE BY REGION



Paris Métropole: Paris + Hauts-de-Seine + Val-d'Oise + Val-de-Marne

BREAKDOWN OF VALUE BY TYPE



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.

9 OPERATING AND FINANCIAL REVIEW

The selected financial information below, relating to the years ended 31 December 2013, 2014 and 2015, is taken from the consolidated financial statements in Appendix 20.1. The annual financial statements is presented in section 20.3.

9.1 FINANCIAL REVIEW

Consolidated balance sheet

(€M)	2013	2014	2015
ASSETS	**779.4**	**706.3**	**623.6**
Properties (excluding transfer taxes)	593.8	575.1	514.4
of which investment properties	550.4	426.9	456.0
of which property held for sale	43.4	148.2	58.5
Equity holdings	0.3	0.3	0.0
Associates	60.4	54.7	38.8
Cash	39.4	4.3	6.7
Other assets	85.5	72.0	63.6
LIABILITIES	**779.4**	**706.3**	**623.6**
Shareholders' equity (before allocation)	326.2	303.5	291.7
of which BRS	20.6	20.4	4.2
of which PSL	73.2	73.2	73.2
Bank debt	366.5	346.7	286.5
Other liabilities	86.7	56.0	45.4

Net asset value

At 31 December 2015, total shareholders' equity amounted to €291.7m, a decline of €11.8m compared to late 2014, due to the distribution made in 2015 (dividends and payment of BRS and PSL coupons). After deducting quasi-equity (€73.2m in perpetual subordinated loan notes), and adjustments to the fair value of derivatives and deferred taxes, and based on the net book value of companies consolidated under the equity method (mostly Banimmo), the EPRA net asset value excluding transfer taxes was €221.7m (-6.0%). NAV per share was €21.60 (after BRS dilution and excluding treasury shares), down 6.1% compared with 31 December 2014. Including transfer taxes, NAV per share was €24.85.

NAV (€m)	2013	2014	2015
Shareholders' equity (before allocation), Group share	326.2	303.5	291.7
PSL adjustment	(73.2)	(73.2)	(73.2)
IFRS NAV (excl. TT)	253.0	230.3	218.6
EPRA adjustments	3.1	5.6	3.1
EPRA NAV (excl. TT)	**256.0**	**236.0**	**221.7**
EPRA NAV (incl. TT)	290.5	272.5	255.1
Diluted number of shares (excl. Tr. shares)	10,251,873	10,264,583	10,265,026
Diluted EPRA NAV (excl. TT) per share (€)	**24.97**	**22.99**	**21.60**

By taking Banimmo into account based on its NAV (€127.0m or €6.1 per Affine share), Affine's EPRA NAV per share excluding transfer taxes amounted to €24.2.

Lastly, 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, and Banimmo at its net book value, amounted to €24.4 (excl. transfer tax).

9.2 OPERATING EARNINGS

9.2.1 Important factors affecting consolidated earnings

CONSOLIDATED EARNINGS (€M) (1)	2013	2014	2015
Gross rental income	40.2	43.7	39.0
Net rental income	**34.8**	**39.2**	**34.4**
Other income	1.9	1.3	1.2
Corporate expenses	(10.0)	(10.1)	(7.9)
Current EBITDA(2)	**26.7**	**30.3**	**27.7**
Current operating profit	**26.5**	**30.2**	**27.1**
Other income and expenses	(2.7)	0.5	(0.4)
Net profit or loss on disposal	(0.1)	3.4	(7.2)
Operating profit (before value adj.)	**23.7**	**34.1**	**19.5**
Net balance of value adjustments	(18.4)	(25.3)	3.8
Net operating profit	**5.4**	**8.9**	**23.2**
Net financial cost	(11.5)	(10.9)	(9.1)
Fair value adjustments of financial instr.	4.0	(2.3)	2.1
Taxes	(1.4)	(1.1)	0.5
Miscellaneous (3)	(0.1)	(0.2)	(0.5)
Associates	(5.3)	(5.3)	(15.7)
Net profit	**(8.8)**	**(11.0)**	**0.4**
Net profit - group share	**(8.8)**	**(11.0)**	**0.4**
Net profit - group share (excl. Banimmo)	**(2.1)**	**(6.4)**	**16.9**
EPRA adjustments	25.8	27.4	12.8
EPRA earnings(4)	17.0	16.5	13.3
EPRA earnings (excl. Banimmo)	**17.0(5)**	**18.3(5)**	**17.4(5)**

NB: The Banimmo sub-group is consolidated under the equity method. Banimmo's financial statements are currently under audit review.

(1) Based on IFRS standards and EPRA recommendations.

(2) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. In 2013, 2014 and 2015, this amount does not include the depreciation of buildings in inventory of the property development business of €1.2m, -€1.0m and -€0.1m respectively, which is 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) updated its Best Practice Recommendations in December 2014 which give guidelines for performance measures. As detailed in the EPRA adjustments note, EPRA earnings essentially excludes the effects of fair value changes and gains or losses on sales.

(5) proforma.

Rents were down 10.7% (like-for-like down 6.0%), mainly owing to the disposals and the departures recorded at the beginning of this year on the Tremblay-en-France site and in Q3 2014 on the Mer site. Since service charges last year included a shift in the rebilling, net rents decreased by 12.1%. Adjusted for this element, net rents would have been down by 9.0%.

Consequently, current operating profit decreased from €30.2m to €27.1m (-10.3%), in spite of the decrease in corporate expenses (-€2.2m) resulting principally from the disposal of Concerto European Developer, and the continuation of efforts to reduce corporate expenses.

The capital loss of €7.2m, coming mainly from the disposal of the logistics platforms (the fair value of which were adjusted during the first half), and a €3.8m increase in fair value of the buildings (vs -€25.3m in 2014), led to a sharp increase in net operating profit of 162.5% to €23.2m.

Net financial costs decreased to €9.1m. The fair value of financial instruments went up to €2.1m compared with a €2.3m decrease in 2014.

Associates mainly reflected the situation of the Belgian subsidiary Banimmo which came from -€9.3m to

-€33.2m, resulting essentially from a significant depreciation of its loans to the company Urbanove. The negative contribution to Affine results amounted to -€15.7m versus -€5.3m in 2014.

Consequently, Affine posted a net profit excluding Banimmo of €16.9m and a net consolidated profit of €0.4m compared to a loss of €11.0m last year.

Adjusted for exceptional items such as changes in fair value and gains or losses on disposals, EPRA earnings excluding Banimmo amounted to €17.4m (versus €18.3m). After the integration of Banimmo, the EPRA earnings came out at €13.3m compared with €16.5m for 2014.

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 RECOMMENDATIONS BEST PRACTICES EPRA

The European Public Real Estate Association (EPRA) issued in December 2014 an update of the Best Practice Recommendations report(1) (BPR), which gives guidelines for performance measures.

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) The report is available on the EPRA website: www.epra.com.

EPRA Performance Measures (EPM)

(€000')	2013	2014	2015
EPRA earnings	17,009	16,453	13,274
EPRA net asset value (excl. TT)	256,039	235,982	221,706
EPRA NNNAV (excl. TT)	289,457	261,126	249,980
EPRA occupancy rate (%)	90.9	90.2	85.8

Figures per share (€)	2013	2014	2015
EPRA earnings	1.44	1.38	1.15
EPRA net asset value (excl. TT)	24.97	22.99	21.60
EPRA NNNAV (excl. TT)	28.23	25.44	24.35

EPRA Earnings (indirect method)

(€000')	2013	2014	2015
Net profit – Group share	**(8,831)**	**(10,976)**	**440**
Value adjustments for investment and development properties(1)	21,703	24,276	(3,818)
Net profit or loss on disposal	91	(3,156)	7,241
Goodwill adjustment	-	-	-
Fair value adjustments of financial instr.	(4,032)	2,295	(2,062)
Non-current tax, deferred and exit tax	854	614	79
Adjustments for associates	7,224	3,400	11,394
Minority interests in respect of the above	-	-	-
EPRA earnings	**17,009**	**16,453**	**13,274**
EPRA earnings (hors Banimmo)	**17,026**	**18,319**	**17,352**

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

(€000')	2013	2014	2015
Gross rental income	40,230	43,687	39,029
Net rental income	**34,830**	**39,197**	**34,435**
Other income	1,911	1,283	1,199
Corporate expenses	(9,993)	(10,148)	(7,943)
Current EBITDA[2]	**26,748**	**30,332**	**27,690**
Current operating profit	**26,480**	**30,200**	**27,081**
Other income and expenses[3]	676	(474)	(426)
Net financial cost	(11,462)	(10,915)	(9,105)
Taxes (current)	(497)	(466)	536
Miscellaneous (current)[3]	(98)	61	(524)
Associates (current)	1,914	(1,947)	(4,288)
Net current profit	**17,013**	**16,460**	**13,274**
EPRA Earnings (Net current profit - Gs[4])	**17,009**	**16,453**	**13,274**
EPRA Earnings (excl. Banimmo)	**17,026**	**18,319**	**17,352**
Other income and expenses[3]	(3,332)	1,000	64
Net profit or loss on disposals	(91)	3,401	(7,241)
Net balance of value adjustments	(18,371)	(25,276)	3,753
Fair value adjustments of financial instr.	4,032	(2,295)	2,062
Taxes (non-current)	(854)	(614)	(79)
Miscellaneous (non-current)[3]	(7,224)	(244)	(0)
Associates (non-current)	(0)	(3,400)	(11,394)
Net non-current profit	**(25,840)**	**(27,429)**	**(12,834)**
Net non-current profit - gs[4]	**(25,840)**	**(27,429)**	**(12,834)**
Net non-current profit - gs[4] (excl. Banimmo)	**(19,128)**	**(24,674)**	**(460)**
Net profit	**(8,828)**	**(10,969)**	**440**
Net profit - Group share	**(8,831)**	**(10,976)**	**440**

NB: The Banimmo sub-group is consolidated under the equity method. Banimmo's financial statements are currently under audit review.

(1) Based on IFRS standards and EPRA recommendations.

(2) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. In 2013, 2014 and 2015, this amount does not include the depreciation of buildings in inventory of the property development business of €1.2m, -€1.0m and -€0.1m respectively, which is 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')	2013	2014	2015
Net profit – Group share	**(8,831)**	**(10,976)**	**440**
PSL charges	(2,277)	(2,302)	(2,135)
BRS charges	(1,532)	(1,178)	(590)
Net profit – Group share adjusted for the earnings per share	(12,640)	(14,456)	(2,285)
BRS 1 and 2 adjustments	1,532	1,178	590
Net profit – Group share adjusted for the diluted earnings per share (after conversion of BRS)	(11,108)	(13,278)	(1,696)
EPRA adjustments	25,840	27,429	12,834
EPRA earnings adjusted for the PSL charges for calculation of EPRA earnings per share	**14,732**	**14,151**	**11,139**
Earnings per share (€)	(1,41)	(1,60)	(0.24)
Diluted earnings per share (€)	(1,08)	(1,29)	(0.18)
EPRA earnings per share (€)	1,44	1,38	1.15
EPRA earnings per share (€) (excl. Banimmo)	**1.44**	**1.56**	**1.57**
Outstanding number of shares	9,033,959	9,051,431	10,056,071
Average number of treasury shares	(39,277)	(28,405)	(593,279)
Average number of shares (excl.Tr. shares)	8,994,682	9,023,026	9,462,792
Number of new shares from BRS redemption	1,248,000	1,230,528	225,888
Average number of diluted shares (excl.Tr. shares)	**10,242,682**	**10,253,554**	**9,688,680**

IFRS NAV

(€000')	2013	2014	2015
Shareholders' equity (before allocation)	**326,156**	**303,527**	**291,728**
of which BRS	*20,632*	*20,424*	*4,211*
of which PSL	*73,205*	*73,181*	*73,160*
of which treasury shares	*(426)*	*(244)*	*(268)*
of which other	*232,744*	*210,166*	*214,624*
PSL adjustments	**(73,205)**	**(73,181)**	**(73,160)**
Diluted IFRS NAV excluding transfer tax	252,950	230,346	218,568
Transfer tax (gs1)	34,473	36,473	33,375
Diluted IFRS NAV incl. transfer tax	287,423	266,818	251,943
Diluted IFRS NAV exc. transfer tax per share	**24.67**	**22.44**	**21.29**
Diluted IFRS NAV incl. transfer tax per share	28.04	25.99	24.54
Outstanding number of shares	9,033,959	9,051,431	10,056,071
Treasury shares	(30,086)	(17,376)	(16,933)
Converted BRS	1,248,000	1,230,528	225,888
Number of diluted shares (excl. treasury shares)	**10,251,873**	**10,264,583**	**10,265,026**

[1] Gs stands for Group share.

EPRA NAV

(€000')	2013	2014	2015
Diluted IFRS NAV excl. transfer tax	252,950	230,346	218,568
EPRA adjustments	3,088	5,637	3,138
of which fair value of financial instruments	*7,209*	*9,925*	*7,256*
Derivatives at fair value (gs1) - Assets -	*1,146*	*313*	*214*
Derivatives at fair value (gs1) - Liabilities -	*8,355*	*10,238*	*7,471*
of which net deferred tax	*(4,121)*	*(4,288)*	*(4,118)*
Assets - deferred tax (gs1)	*4,433*	*4,288*	*4,118*
Liabilities - deferred tax (gs1)	*312*	*0*	*0*
EPRA NAV excl. transfer tax	256,039	235,982	221,706
EPRA NAV incl. transfer tax	290,511	272,455	255,081
EPRA NAV excluding transfer tax per share	**24.97**	**22.99**	**21.60**
EPRA NAV incl. transfer tax per share	28.34	26.54	24.85

[1] Gs stands for Group share.

EPRA NNNAV

(€000')	2013	2014	2015
EPRA adjustments	(3,088)	(5,637)	(3,138)
Change of debt fair value(1)	36,506	30,780	31,413
EPRA NNNAV excl. transfer tax	289,457	261,126	249,980
EPRA NNNAV incl. transfer tax	323,929	297,598	283,355
EPRA NNNAV excl. transfer tax per share	**28.23**	**25.44**	**24.35**
EPRA NNNAV incl. transfer tax per share	31.60	28.99	27.60

(1) Excluding Banimmo and its subsidiaries.

EPRA Vacancy rate

TYPE OF ASSET (€M)	HEADLINE RENTS	LET. SP. (SQM)	ERV[1] ON VACANT	ERV[1]	VACANCY RATE
Offices	20.2	147,514	2.9	22.0	13.1%
Retail	8.3	65,018	1.5	9.4	15.8%
Warehouses and Industrials	5.8	156,787	1.0	6.3	16.4%
Others	0.0	0	0.0	0.0	0.0%
Total	**34.4**	**369,319**	**5.4**	**37.8**	**14.3%**

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

10 CASH AND CAPITAL RESOURCES

The selected financial information below, relating to the years ended 31 December 2013, 2014 and 2015, is taken from the consolidated financial statements in Appendix 20.1. The annual financial statements is presented in section 20.3.

10.1 COMPANY EQUITY

The consolidated statement of changes in equities table is presented in section 20.1.

10.2 CASH FLOW

Consolidated cash flow

Funds from operation (FFO) decreased to €21.9m (-4.0%) in connection with changes in rental income; excluding financial costs and taxes, FFO settled at €30.1m (-12.3%).

WCR increased sharply (-€3.2m vs. -€13.2m). 2014 registered on one hand the payment of the VAT (€9.0m) collected during the financing of the Jardins des Quais complex acquisition in Bordeaux at the end of 2013 (repayment of the finance lease followed by the signing of a new finance lease), and on the other hand, the disposal of Concerto European Developper reduced the needs for inventories. Operating cash flow was thus €26.3m versus €19.9m for the same period in 2014.

CASH FLOW (€M)	2013	2014	2015
Funds from operation	17.9	22.8	21.9
Funds from operation excluding cost of debt and taxes	30.1	34.3	30.1
Change in WCR	1.3	(13.2)	(3.2)
Taxes paid	(0.3)	(1.2)	(0.6)
Operating cash flow	**31.1**	**19.9**	**26.3**
Investments	(27.1)	(22.1)	(43.2)
Disposals	8.3	25.2	94.0
Other	(1.2)	0.1	0.0
Investment cash flow	**(20.1)**	**3.2**	**50.8**
New loans	47.6	44.7	43.4
Loan repayments	(41.9)	(60.4)	(101.8)
Interest	(11.5)	(11.2)	(9.3)
Other (including dividend)	(12.8)	(13.9)	(9.1)
Financing cash flow	**(18.6)**	**(40.8)**	**(76.8)**
Change in cash position	**(7.6)**	**(17.7)**	**0.4**
Net cash position	**19.5**	**1.8**	**2.1**

Cash flow for investments went up sharply with an amount of €43.2m compared with €22.1m in 2014. The disposal policy accelerated with €94.0m of sales. Total cash flow from investments came to €50.8m, compared to €3.2m for the same period in 2014.

The net balance of financing operations, including dividends distributed and financial costs, generated negative cash flow of €76.8m, with new borrowings covering 43% of repayments over the period.

The available cash position thus increased by €0.4m over the year to reach €2.1m.

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 medium-term repayment periods, enables Affine to benefit from access to bank financing on competitive terms.

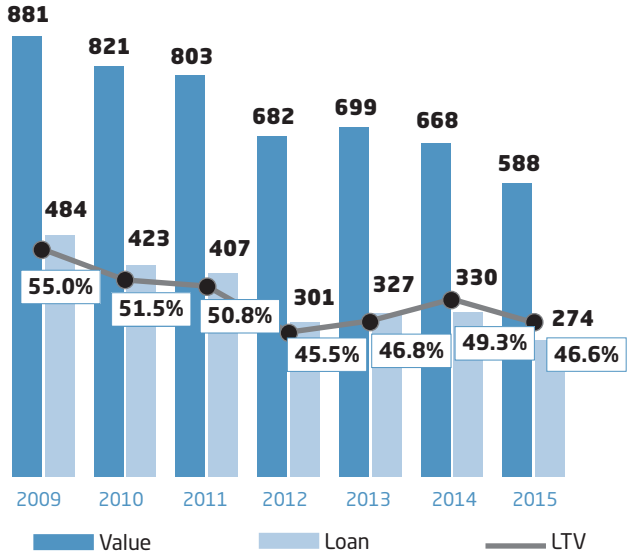
Affine has a resilient risk profile thanks to the large proportion of non-Paris assets in its portfolio, which are more stable and more profitable than its Paris assets, and the diversification of its portfolio.

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 close to 50%.

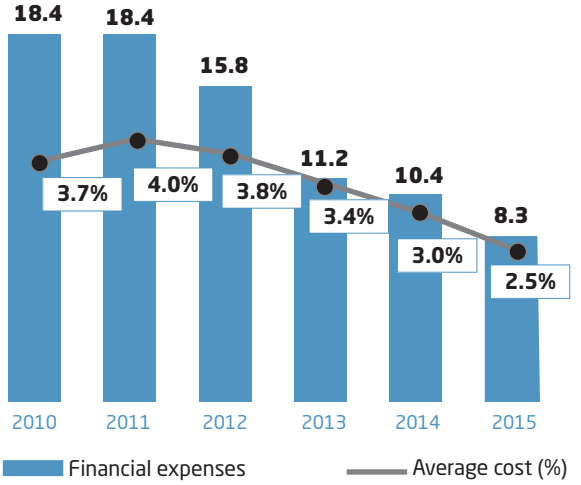
New bank loans taken out in 2015 amounted to €43.4m compared to the €101.8m spent on bank debt amortisation over the period.

In addition, the company secured short-term lines of credit totalling €15m at 31 December 2015.

LTV (LOAN-TO-VALUE) (€M)



COST OF DEBT (€M)



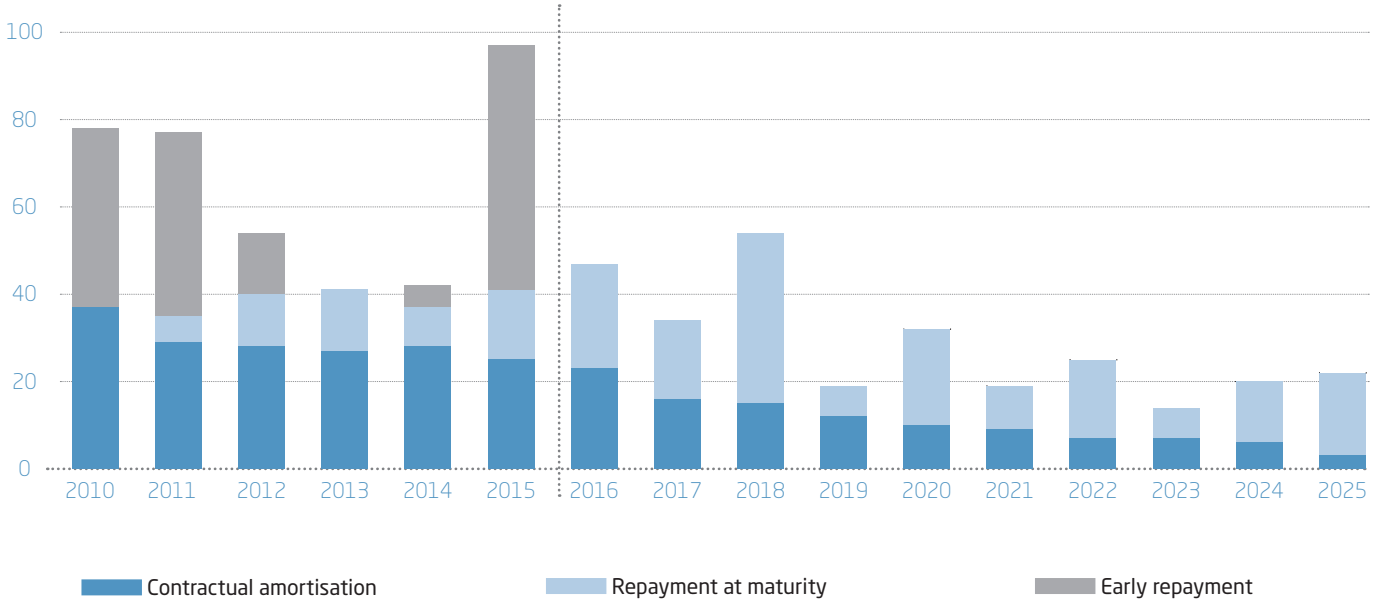
At 31 December 2015, the company's net financial debt (net of cash and cash equivalents) was €284m compared with €345m at year-end 2014. It corresponds to 1.0 times total shareholders' equity.

After deducting the debt allocated to finance lease activities (€10m), net financial debt for investment properties, inventories and the Affine stake in the net value of associates (€36m), totalled €274m, resulting in an LTV ratio of 46.6%, compared with 49.3% at year-end 2014.

The ratio of financial costs to average net financial debt resulted for the first half in an average cost of debt that was stable at 1.6% (with 2.5% including hedging costs as against 3.0% for 2014).

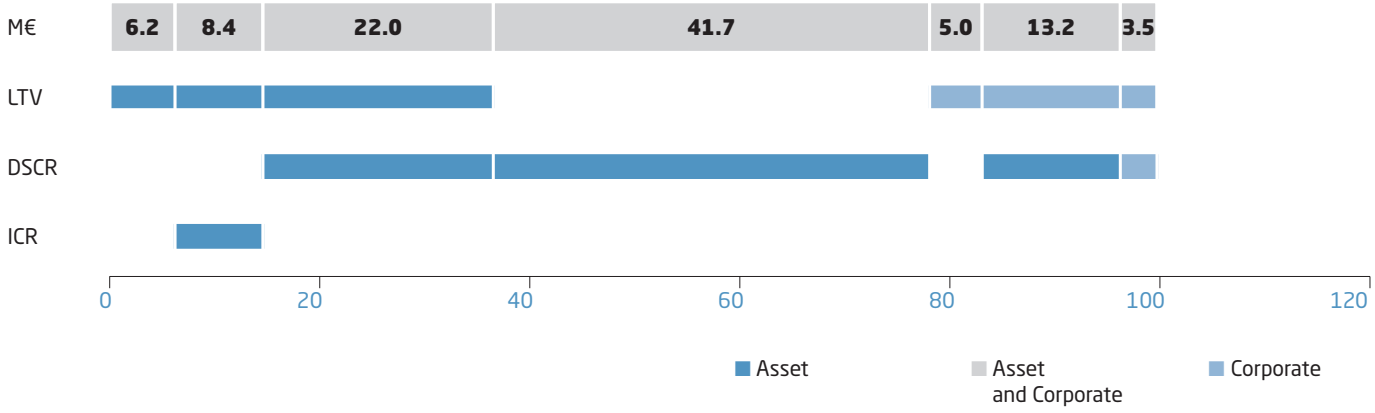
At 31 December 2015, the average maturity of debt was 5.3 years. Debts are amortised at a pace corresponding to the life of the underlying asset, with the balance of the loan repaid at final maturity. The graph below shows that the company has no major maturities occurring over the next few years.

AMORTISSEMENT DE LA DETTE (M€)



The chart below shows the amounts of debt for Affine which are subject to covenants on the financed asset, and exceptionally on the company (€21.7m).

BREAKDOWN OF COVENANTS (€M)



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 / property value)

(€000')	2013	2014	2015
Net financial debt(1)	347 022	344 981	284,399
Debt allocated to lease financing	(19 854)	(15 376)	(9,989)
Net debt for investment properties	**327 168**	**329 605**	**274,410**
Value of properties (incl. TT)	626 842	610 106	546,978
Associates	58 457	52 710	35,653
VEFA & Fixed assets adjustments	13 985	5 544	5,844
Adjusted portfolio value incl. taxes	699 284	668 361	588,475
LTV	**46,8%**	**49,3%**	**46.6%**

10.4 RESTRICTIONS 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 EXPECTED SOURCES OF FUNDING

Information on expected sources of financing can be found in Section 10.3 of this registration document.

11 RESEARCH AND DEVELOPMENT, PATENTS AND LICENCES

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 December 2015 (press release of 25 February 2016).

12.2 PERSPECTIVES

Four priorities have been set for 2016:

- ensure that Banimmo regains the means to achieve balanced growth through the success of projected sales, and by tapping the potential of the properties that it holds in Belgium, and strengthening through partnerships its intervention capacity in the retail sector in France;
- continue its portfolio renewal strategy by investing in new or renovated properties (such as the delivery this January of a renovated building in Lyon Part-Dieu and the signing of the acquisition of an off-plan office building in Euronantes), combined with the continuing gradual disposal of properties outside target areas or dedicated to logistics;
- regain the rent volumes of previous years by investing in high-yield assets and sharper focus on improving occupancy rates;
- incorporate technological developments into the property sector (rental services, new ways of using workspace, etc.).

These developments should enable Affine to maintain its dividend distribution policy.

13 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 24 February 2016

- Maryse Aulagnon, Chairperson and Chief Executive Officer
- MAB-Finances, Deputy Chairperson, represented by Alain Chaussard, Deputy Chief Executive Officer
- Atit, represented by Catherine Wallerand
- Delphine Benchetrit
- Arnaud de Bresson
- Stéphane Bureau
- Joëlle Chauvin
- Bertrand de Feydeau
- Holdaffine, represented by Jean-Louis Charon

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 reappointment of Arnaud de Bresson, Joëlle Chauvin and the company MAB-Finances as directors for a three-year term will be submitted to the General Shareholders' Meeting on 28 April 2016.

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

"• he/she has not been an employee or corporate officer of the company or any company within the same Group in the previous three years,

• he/she 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,

• he/she is not a majority shareholder of the company,

• he/she has no close family ties with a corporate officer or majority shareholder,

• he/she has not been an auditor of the company during the past three years."

In accordance with these principles, the following are considered to be independent directors: Delphine Benchetrit, Arnaud de Bresson, Stéphane Bureau, Joëlle Chauvin and Bertrand de Feydeau, representing five directors out of nine.

The following are not considered independent directors: Maryse Aulagnon and the company MAB-Finances, represented by Alain Chaussard (corporate officers), the company Atit (represented by Catherine Wallerand, head of the Affine group's Legal Department) and the company Holdaffine (major shareholder).

None of the corporate officers has been convicted of fraud in the last five years. To the knowledge of the company, none of the officers has been associated with 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.

Members of the board of directors in 2015

Management

Maryse Aulagnon **5 rue Saint Georges - 75009 PARIS**	
Date of birth	19/04/1949
Nationality	French
Date of first appointment	21/09/1999
Date of expiry of office (GSM approving the accounts)	2017
Main duties in the company	Chairperson and Chief Executive Officer
Number of company shares held directly	48 shares
Independence	Corporate officer
Committee member	Commitment Approval Committee
Main position outside the company	-
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** Affine R.E. (SA, listed company), Chairperson and Chief Executive Officer, (the number of Affine R.E. shares held by Ms Aulagnon - via Holdaffine - is mentioned in section 18.3 of this registration document), BANIMMO (SA, listed company), Belgium, Representative of Affine R.E., Chairperson, ATIT (SC), Representative of Affine R.E., Manager, 2/4 HAUSSMANN (SAS), Representative of Atit, Liquidator, MAB-FINANCES (SA), Chairperson of the Board, CAPUCINE INVESTISSEMENTS (SAS), representing MAB-Finances, Member of the Management Committee, LES 7 COLLINES (SAS), representing MAB-Finances, Member of the Management Committee, PROMAFFINE (SAS), Representative of Affine R.E., Chairperson, SCI NANTERRE TERRASSES 12 (SCI), Representative of Promaffine, Manager, SCI PARIS 29 COPERNIC (SCI), Representative of Promaffine, Manager, AFFINE SUD (SCI), Representative of Affine R.E., Manager, PARVIS LILLE (SCI), Representative of Atit, Manager, HOLDAFFINE (BV), The Netherlands, Director BERCY PARKINGS (SCI), Representative of Affine R.E., Manager. TOULOUSE LES AMARANTES (SCI), representing Affine R.E., Manager GESFIMMO (SA), Chairperson of the Board of Directors URBISMART (SAS), representing Affine R.E., Chairperson TARGET REAL ESTATE (SAS), representing Mab-Finances, Member of the Management Committee, ST ETIENNE MOLINA (SAS), representing Mab-Finances, Member of the Management Committee. **Posts held outside the Affine Group** AIR FRANCE KLM (SA, listed company), Director, Chairperson of the Audit Committee, BPCE (SA), member of the Supervisory Board and Chairperson of the Remuneration and Appointments Committee, VEOLIA ENVIRONNEMENT (SA, listed company), Director, member of the Appointments Committee.
List of appointments and functions on an administrative or executive body in the last five years	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, Deputy Chairperson (until 7 December 2012), COUR DES CAPUCINES (SA), Representative of Mab-Finances, Director (until 4 May 2012), SIPEC (SAS), Representative of Affine, Chairperson (until 3 July 2012). CONCERTO DEVELOPPEMENT (SAS), Representative of Mab-Finances, Member of the Management Committee (until 19 December 2014).
Attendance rate	Board of Directors: 100% - Commitment Approval Committee: 100%

Alain Chaussard - Permanent Representative of MAB-Finances 5 rue Saint Georges - 75009 PARIS	
Date of birth	22/06/1948
Nationality	French
Date first appointed	18/06/2004
Date of expiry of office (GSM approving the accounts)	2015
Main duties in the company	Deputy Chief Executive Officer
Number of company shares held directly	MAB-Finances: 90 shares Mr Chaussard: 29,853 shares
Independence	Corporate officer
Committee member	Commitment Approval Committee
Main position outside the company	Chief Executive Officer of BANIMMO
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA, listed company), Deputy Chief Executive Officer, permanent Representative of Mab-Finances, Deputy Chairperson, Director, BANIMMO (SA, listed company), Belgium, Chief Executive Officer, Chairperson of the Management Committee and Director, ARCA VILLE D'ETE (SCI), Representative of Affine R.E., Manager, CONCERTO DEVELOPPEMENT IBERICA (SL), Spain, Representative of Promaffine, Manager, COUR DES CAPUCINES (SAS), representing Affine R.E., Chairperson (until 30 December 2015) MAB-FINANCES (SAS), Deputy Chairperson – Member of the Supervisory Board, ST ETIENNE MOLINA (SAS), Representative of Affine R.E., Chairperson, DORIANVEST (SARL), Manager (since 27 January 2015) CARDEV (SA), Belgium, Representative of Affine R.E., Chairperson of the Board of Directors, GESFIMMO (SA), Chief Executive Officer and Director SC HOLDIMMO, representing Affine R.E., Manager (until 29 June 2015) SCI NUMERO 1, representing Affine R.E., Manager (until 29 June 2015) SCI 36, representing Affine R.E., Manager (until 29 June 2015) SCI AULNES DEVELOPPEMENT, Representative of Promaffine, Joint Manager TARGET REAL ESTATE (SAS), Representative of Affine R. E., Chairperson, URBISMART (SAS), Member of the Management Committee (since 3 July 2015), NEVERS COLBERT (SCI), Representative of Affine R.E., Manager, CAPUCINE INVESTISSEMENTS (SAS), Representative of Affine R.E., Chairperson, LES 7 COLLINES (SAS), Representative of Affine R.E., Chairperson, SCI LUCE PARC-LECLERC (SCI), Representative of Promaffine, Manager, LES JARDINS DES QUAIS (SNC), Representative of Affine R.E., Manager, PROMAFFINE (SAS), representing MAB-Finances, Member of the Management Committee, BR Sun S.àr.l (SARL incorporated in Luxembourg), Manager, (since 23 February 2015) CHAVILLE SALENGRO (SAS), representing Affine R.E., Chairperson (since 7 December 2015). **Positions held outside the Affine Group** Institut de l'Epargne Immobilière et Foncière (IEIF), Director. Fédération des Sociétés Immobilières et Foncières, Director.
List of appointments and functions on an administrative or executive body in the last five years	BUSINESS FACILITY INTERNATIONAL - BFI (SAS), Chairperson (disposal in 2010) AFFINVESTOR GmbH, Germany, Manager (until 31 August 2011) AFFINE DEVELOPPEMENT II (SAS), Representative of Affine, Chairperson (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 (until 18 June 2012), AFFIPARIS (SA, listed company), Chairperson and Chief Executive Officer (until 7 December 2012); SCI COSMO MONTPELLIER, representing Affine R.E., which in turn represents Holdimmo, Manager (until 29 November 2014) CONCERTO DEVELOPPEMENT (SAS), Representative of Affine R.E., Chairperson (until 19 December 2014) CONCERTO WISSOUS (SCI), Representative of Affine R.E., Manager (until 24 December 2014) LOUVOIS (SAS), representing Affine R.E., Chairperson (until 30 December 2014)
Attendance rate	Board of Directors: 100% – Commitment Approval Committee: 100%

Delphine Benchetrit **76 avenue d'Iéna - 75116 PARIS**	
Date of birth	01/09/1968
Nationality	French
Date first appointed	30/04/2014
Date of expiry of office (GSM approving the accounts)	2016
Main duties in the company	Director
Number of company shares held directly	1 share
Independence	Independent Director
Committee member	Remuneration and Appointments Committee
Main position outside the company	Managing Partner Finae Advisors
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), Director **Posts held outside the Affine Group** FINAE ADVISORS, associate director ZÜBLIN IMMOBILIERE FRANCE, Director (until 5 January 2015) FONCIERE DES REGIONS, Director (since 17 April 2015)
List of appointments and functions on an administrative or executive body in the last five years	No appointment on an administrative or executive body in the last five years other than those listed above
Attendance rate	Board of Directors: 88.89% - Remuneration and Appointments Committee 100%

Arnaud de Bresson **28 place de la Bourse - 75002 PARIS**	
Date of birth	24/08/1955
Nationality	French
Date first appointed	05/02/2008
Date of expiry of office (GSM approving the accounts)	2015
Main duties in the company	Director
Number of company shares held directly	1 share
Independence	Independent Director
Committee member	Accounts Committee
Main position outside the company	Managing Director of Paris Europlace
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), Director, **Posts held outside the Affine Group** PARISEUROPLACE, Managing Director **Other positions** INSTITUT EUROPLACE DE FINANCE (IEF), Chief Executive Officer, FINANCE INNOVATION, Vice-President of the competitiveness cluster, COMITE FRANCE-CHINE, Director, INTERNATIONAL CORPORATE GOVERNANCE NETWORK (ICGN), Member, REVUE D'ECONOMIE FINANCIERE (REF), Member of the Editorial Board.
List of appointments and functions on an administrative or executive body in the last five years	No appointment on an administrative or executive body in the last five years other than those listed above
Attendance rate	Board of Directors: 55.56% - Accounts Committee: 50%

Stéphane Bureau **5 rue de la Boétie - 75008 Paris**	
Date of birth	13/06/1964
Nationality	French
Date first appointed	05/03/2010
Date of expiry of office (GSM approving the accounts)	2017
Main duties in the company	Director
Number of company shares held directly	1 share
Independence	Independent Director
Committee member	Accounts Committee
Main position outside the company	Chairperson of HumaKey
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), Director **Posts held outside the Affine Group** CUSHMAN & WAKEFIELD – Paris (Property & Asset Management Consultancy), Partner – Executive of Asset Management (until 15 September 2015) HUMAKEY - Paris (Consultant - Property Asset Valuation and Management), President
List of appointments and functions on an administrative or executive body in the last five years	No appointment on an administrative or executive body in the last five years other than those listed above
Attendance rate	Board of Directors 88.89% – Accounts Committee: 100%

Jean-Louis Charon - Permanent Representative of Holdaffine BV **11 rue des Pyramides - 75001 Paris**	
Date of birth	13/10/1957
Nationality	French
Date first appointed	29/04/2009
Date of expiry of office (GSM approving the accounts)	2017
Main duties in the company	Director
Number of company shares held directly	24,513 shares
Independence	Major shareholder
Committee member	Accounts Committee (Chairperson) Commitment Approval Committee
Main position outside the company	Chairperson of City Star Capital
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), permanent Representative of Holdaffine BV, Director, (the number of shares held by Holdaffine is mentioned in section 18.1/18.3 of this registration document) **Posts held outside the Affine Group:** SOBK SAS, Chairperson, HORUS GESTION (SARL), Manager, SELECTIRENTE SA, Deputy Chairperson of the Supervisory Board, CITY STAR PROPERTY INVESTMENT SAS, Chairperson, SEKMET EURL, Manager, SCI LAVANDIERES, Manager, EUROSIC, Director, FONCIERE ATLAND SA, Director SCI 10 Four Charon, Manager, MEDAVY Art et Antiquités SAS, Chairperson, SAS VALERY, Chairperson, INVESCOBO SAS, Representative of Sobk, Chairperson INVESCOSO SAS, Representative of Sobk, Chairperson NEW CONFIM SAS, Representative of Sobk, Chairperson VIVAPIERRE SA, Chairperson, CITY STAR INDUSTRY INVESTMENT SAS, CITY STAR OPPORTUNITIES SAS, CITY STAR ARI SAS, ART TRADING INVESTMENT SAS: Representative of SOBK, Chairperson CITY STAR PROMOTION 1 SARL, Manager 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 CAMBODIA Pte Ltd, Director, EUROSIC Investment Spain SOCIMI S.A.U, Director.
List of appointments and functions on an administrative or executive body in the last five years	POLYPIERRE SA: Director GEC -Thomson Airborne Radars, Director PAREF (SA), Deputy Chairperson of the Supervisory Board, NEXITY (SA), Member of the Management Committee, Director, CITY STAR AMENAGEMENT (SAS), Chairperson, CITY STAR CAPITAL (SAS), Chairperson
Attendance rate	Board of Directors: 100% Accounts Committee: 100% Commitment Approval Committee: 100%

Joëlle Chauvin **4 square Moncey - 75009 PARIS**	
Date of birth	18/12/1946
Nationality	French
Date first appointed	27/04/2012
Date of expiry of office (GSM approving the accounts)	2015
Main duties in the company	Director
Number of company shares held directly	1 share
Independence	Independent Director
Committee member	Remuneration and Appointments Committee Commitment Approval Committee
Main position outside the company	
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), Director, **Posts held outside the Affine Group** SWISS LIFE REIM, Director SPIRIT, Director ADVENIS, Director **Other positions** Founding Chairperson of the Cercle des Femmes de l'Immobilier, Vice-President of the Institut de l'Epargne Immobilière et Foncière (IEIF), Member of the Institut Français de l'Expertise Immobilières (IFEI), Chartered Surveyor, FRICS.
List of appointments and functions on an administrative or executive body in the last five years	AVIVA INVESTORS REAL ESTATE France SA, Chairperson and Chief Executive Officer, AVIVA France, Property Director, AVIVA VIE, Director, UNION FINANCIERE DE FRANCE, Director,
Attendance rate	Board of Directors: 77.78% Remuneration and Appointments Committee 100% Commitment Approval Committee: 100%

Bertrand de Feydeau **59 avenue Kléber - 75016 PARIS**	
Date of birth	05/08/1948
Nationality	French
Date first appointed	22/05/2001
Date of expiry of office (GSM approving the accounts)	2016
Main duties in the company	Director
Number of company shares held directly	100 shares
Independence	Independent Director
Committee member	Remuneration and Appointments Committee (Chairperson) Commitment Approval Committee
Main position outside the company	Chairperson of Foncière Développement Logements
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), Director, **Posts held outside the Affine Group** KLEPIERRE (SA), Director FONCIERE DES REGIONS (SA), Director, FONCIERE DEVELOPPEMENT LOGEMENTS (SA), Chairperson of the Board of Directors, SMAF (Société des Manuscrits des Assureurs Français), Chairperson and Chief Executive Officer, SOCIETE BEAUJON (SAS), Director, SEFRI CIME (SA), Director. **Other sitions** Fondation des Bernardins, président, Fondation Palladio, président, Fédération des Sociétés Immobilières et Foncières (FSIF), administrateur, Club de l'immobilier, administrateur, Fondation du Patrimoine, vice-président, Vieilles Maisons Françaises, vice-président.
List of appointments and functions on an administrative or executive body in the last five years	AXA IMMOBILIER (SAS), Chairperson, AXA AEDIFICANDI "Cœur Défense" (SICAV), Director SITC (SAS), Director KLEMURS (SA), Director (until 2012).
Attendance rate	Board of Directors: 77.78% Remuneration and Appointments Committee 100% Commitment Approval Committee: 100%

Catherine Wallerand - Representing Atit 5 rue Saint Georges - 75009 PARIS	
Date of birth	18/12/1968
Nationality	French
Date first appointed	30/04/2014
Date of expiry of office (GSM approving the accounts)	2016
Main duties in the company	Group Legal Director
Number of company shares held directly	Atit: 1 share Ms Wallerand: 1 share
Independence	Employee
Committee member	
Main position outside the company	-
List of appointments and posts held in any company in 2015	**Posts held in the Affine Group** AFFINE R.E. (SA), representing Atit, Director, - BR Sun S.àr.l (SARL incorporated in Luxembourg), Manager, (since 23 February 2015)
List of appointments and functions on an administrative or executive body in the last five years	No appointment on an administrative or executive body in the last five years other than those listed above
Attendance rate	Board of Directors: 77.78%

14.2 CONFLICTS OF INTEREST WITHIN ADMINISTRATIVE, MANAGEMENT AND SUPERVISORY BODIES

Any potential conflicts of interest at the level of the Board of Directors and Senior Management are reported in the Chairperson's report on corporate governance and on internal control and risk management procedures in the Appendix of this registration document.

15 REMUNERATION AND BENEFITS

15.1 REMUNERATION AND BENEFITS PAID IN 2015 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

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

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.

	2014	2015
Maryse Aulagnon - Chairperson and Chief Executive Officer		
Compensation due for the period (detailed in Table 2)	€270,121	€271,258
Value of long-term variable compensation awarded during the period	Not applicable	Not applicable
Valuation of options allotted during the financial year (detailed in table 4)	Not applicable	Not applicable
Value of bonus shares (detailed in Table 6)	Not applicable	Not applicable
TOTAL	**€270,121**	**€271,258**
Alain Chaussard - Deputy Chief Executive Officer		
Compensation due for the period (detailed in Table 2)	€402,759	€404,260
Value of long-term variable compensation awarded during the period	Not applicable	Not applicable
Valuation of options allotted during the financial year (detailed in table 4)	Not applicable	Not applicable
Valuation of performance shares allotted during the financial year (detailed in table 6)	Not applicable	Not applicable
TOTAL	**€402,759**	**€404,260**

Table 2

Summary of compensation paid to each executive officer

	2014		2015	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Maryse Aulagnon - Chairperson and Chief Executive Officer				
Fixed compensation (paid by Mab-Finances and Affine)	€258,048	€258,048	€257,979	€257,979
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	€12,073	€12,073	€13,279	13,279
Benefits in kind	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€270,121**	**€270,121**	**€271,258**	**271,258**
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	€12,073	€12,073	€13,279	€13,279
Benefits in kind***	€5,286	€5,286	€5,581	€5,581
TOTAL	€402,759	€402,759	**€404,260**	**€404,260**

* 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.

*** including a company car and meal vouchers.

Directors' fees cover attendance at meetings of the Board of Directors and special committees (gross amount before social security contributions and taxes).

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 2015 is adjusted for Board and committee meetings held in 2014. Amounts are shown before deduction of the employer's contribution and before withholding tax of 30% for non-residents.

	2014		2015	
	AMOUNTS DUE	AMOUNTS PAID	AMOUNTS DUE	AMOUNTS PAID
Atit represented by Catherine Wallerand (1)				
Directors' fees	Not applicable	Not applicable	Not applicable	Not applicable
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**
Delphine Benchetrit				
Directors' fees	Not applicable	Not applicable	€9,186.05	€9,186.05
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**Not applicable**	**Not applicable**	**€9,186.05**	**€9,186.05**
Arnaud de Bresson				
Directors' fees	€8,327	€8,327	€8,139.53	€8,139.53
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€8,327**	**€8,327**	**€8,139.53**	**€8,139.53**
Stéphane Bureau				
Directors' fees	€7,909	€7,909	€12,232.56	€12,232.56
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€7,909**	**€7,909**	**€12,232.56**	**€12,232.56**
Jean-Louis Charon				
Directors' fees	€14,073	€14,073	€15,279.07	€15,279.07
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€14,073**	**€14,073**	**€15,279.07**	**€15,279.07**
Joëlle Chauvin				
Directors' fees	€15,073	€15,073	€11,186.05	€11,186.05
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€15,073**	**€15,073**	**€11,186.05**	**€11,186.05**
Bertrand de Feydeau				
Directors' fees	€15,073	€15,073	€15,279.07	€15,279.07
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€15,073**	**€15,073**	**€15,279.07**	**€15,279.07**
Michel Garbolino (2)				
Directors' fees	€10,909	€10,909	€5,093.02	€5,093.02
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€10,909**	**€10,909**	**€5,093.02**	**€5,093.02**
Forum Partners represented by Andrew Walker (2)				
Directors' fees	€9,491	€9,491	€2,046.51	€2,046.51
Other compensation	Not applicable	Not applicable	Not applicable	Not applicable
TOTAL	**€9,491**	**€9,491**	**€2,046.51**	**€2,046.51**

(1) Director since 30 April 2014 - Ms Wallerand is an employee of Affine. Attendance fees are paid to Atit without being passed on to the individual representing it.

(2) Director until 30 April 2014.

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 Chairperson and Chief Executive Officer	Not applicable					
Alain Chaussard Deputy Chief Executive Officer	Not applicable					

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 Chairperson and Chief Executive Officer	Not applicable		
Alain Chaussard Deputy Chief Executive Officer	Not applicable		

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 Chairperson 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 Chairperson 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

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	

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	25,200	26,100	25,350
Of which number awarded to:	Not applicable	Not applicable	Not applicable
Maryse Aulagnon	9,900	9,900	10,050
Alain Chaussard	19 December 2008	18 December 2009	10 December 2010
Share vesting date	19 December 2010	18 December 2011	10 December 2012
End of lock-up period	23,100	23,100	16,950
Total number of shares vested	2,100	3,000	8,400
Aggregate number of shares cancelled or void	0	0	0
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 were not subject to performance criteria.

Shares were awarded to employees and certain executives of the company and its subsidiaries, and were therefore 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 award was made 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 Chairperson 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 REALLOCATION OF DUTIES	COMPENSATION FOR NON-COMPETE CLAUSE
Maryse Aulagnon Chairperson and Chief Executive Officer	Not applicable	"Article 83" Generali contract (1)	Not applicable	Not applicable
Alain Chaussard Deputy Chief Executive Officer	Not applicable	"Article 83" Generali contract (1)	One year of total gross compensation provided that 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

(1) Supplementary pension: 3% of annual gross salary on tranches A, B and C.

15.2 AMOUNT SET ASIDE FOR PENSIONS, RETIREMENT BENEFITS AND OTHER BENEFITS

Since 1 January 2013, Affine has been subject to the National Collective Bargaining 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 €500,884.81 at 31 December 2015.

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

- discount rate: 0.96%
- staff turnover: 8.93% before 50 years and 3% beyond
- salary increase ratio: 0.86%
- INSEE TD-TV 11-13 mortality table.

16 BOARD AND MANAGEMENT PRACTICES

16.1 DATE OF EXPIRATION OF THE CURRENT OFFICE TERM

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

16.2 CONTRACTS BETWEEN THE HOLDING COMPANY AND THE ISSUER

Affine signed a consulting and assistance agreement with the holding company MAB-Finances SAS for the definition of the Group's general policy, its strategy and that of its subsidiaries. The signing of this agreement was approved by the Board of Directors and ratified by the Shareholders at their General Meeting.

The company's accounts at 31 December 2015 report a total expense of €343,352 excluding taxes.

16.3 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

This committee is composed of the following members:
Bertrand de Feydeau, Chairperson (*)
Delphine Benchetrit (*)
Joëlle Chauvin (*)
(*) independent director

The purpose 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 Management may assist in the work of the Remuneration Committee to determine the company's overall remuneration policy, excluding their own 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 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 twice in 2015 (100% attendance rate).

2) Commitment Approval Committee

This committee is composed of the following members:
Maryse Aulagnon
Alain Chaussard, representing Mab-Finances
Joëlle Chauvin (*)
Bertrand de Feydeau (*)
Jean-Louis Charon, representing Holdaffine
(*) independent director

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 four times in 2015 (100% attendance rate).

3) Accounts Committee

The members of this committee are as follows:
Jean-Louis Charon (Chairperson), representing Holdaffine
Arnaud de Bresson (*)
Stéphane Bureau (*)
(*) independent director

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-yearly 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-yearly 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 with the preceding financial year;
- the accounts closure process;
- the draft financial statements;
- cash flow forecast.

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 Meeting of Shareholders, as well as on their engagement and fees.

The Accounts Committee met twice in 2015 (83.33% attendance rate).

16.4 CORPORATE GOVERNANCE

The company elected to adopt the Middlenext Corporate Governance Code of December 2009. The company's organisation, its Board of Directors and its work are compliant 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 5 June 2014.

The company is mindful of the issue of balanced representation of men and women on the Board, and the Board is, in turn, conscious of the timetable for compliance with this requirement. The Shareholders at their General Meeting of 30 April 2014 appointed Delphine Benchetrit and ATIT, represented by Catherine Wallerand, as directors; since then, the proportion of women on the Board of Directors has been 44%.

Significant excerpts from the rules of procedure can be found in the Chairperson'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 set up in 2005 came to an end 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.

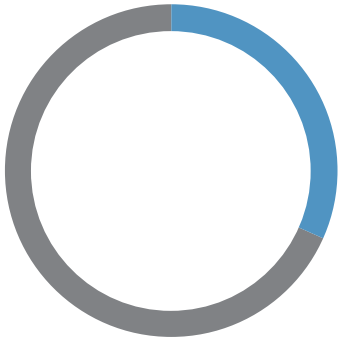
At 31 December 2015, employees of the Affine Group had no holdings in the company's share capital through a mutual fund or company savings plan (Article L.225-102 of the French Commercial Code).

18.1 MAIN 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 2015 was as follows:

BREAKDOWN OF OWNERSHIP (1)



(1) Breakdown of theoretical and actual voting rights:
Holdaffine: 47.4 % (theoretical voting rights*: 47.3%)
Float: 52.6 % (theoretical voting rights*: 52.7 %)
* 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 Forum European Realty Income, Orexim (concert) and La Tricogne hold 9.99%, 7.74% and 5.97% of the capital (7.46%, 5.78% and 4.45% of voting rights) respectively

The company received notification in 2015 that the thresholds for capital or voting rights had been crossed, above and below, 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):

- on 7 July 2015, Orexim crossed above the threshold of 5% of voting rights (joint crossing);
- on 31 July 2015, Holdaffine crossed below the threshold of 50% of the voting rights and 1/3 of the capital, as a result of an increase in the total number of shares and voting rights following the redemption of bonds convertible into shares;
- on 31 July 2015, Forum European Realty Income crossed above the threshold of 5% and 8% of the capital and voting rights, as a result of the redemption of bonds convertible into shares.

The theoretical voting rights calculated on the basis of all shares to which voting rights are attached amounted to 13,490,447.

The actual voting rights exercisable at General Shareholders' Meetings, calculated based on all the shares to which voting rights are attached, amounted to 13,473,514.

OUTLINE OF THE EQUITY STRUCTURE

SHAREHOLDERS	SHARES	% OF CAPITAL	THEORETICAL VOTING RIGHTS	% OF THEORETICAL VOTING RIGHTS	VOTING RIGHTS EXERCISABLE AT GSM	% OF VOTING RIGHTS EXERCISABLE AT GSM
Holdaffine	3,189,945	31.72%	6,379,890	47.29%	6,379,890	47.35%
Forum European Realty Income	1,004,640	9.99%	1,004,640	7.45%	1,004,640	7.46%
Orexim (and other companies)	778,620	7.74%	778.620	5.77%	778.620	5.78%
La Tricogne	600,000	5.97%	600.000	4.45%	600.000	4.45%
Treasury shares	16,933	0.17%	16.933	0.13%	0	0.00%
Other shareholders	4,465,933	44.41%	4,710,364	34.92%	4,710,364	34.96%
Total	**10,056,071**	**100.00%**	**13,490,447**	**100.00%**	**13,473,514**	**100.00%**

18.2 BREAKDOWN OF VOTING RIGHTS

Shareholders may decide whether their shares are either registered or bearer shares, except where the registered form is required by law. Since 2000, a double voting right is granted under Article 29 of the Articles of Association to each fully paid-up share that has been registered in the name of the same shareholder for at least two years 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 2015, Holdaffine held 31.7% of the capital and controlled 47.4% of the voting rights of Affine; it is in turn controlled by MAB-Finances, with 82.4% of the capital and voting rights. The person with ultimate control is Maryse Aulagnon, with 51.0% of the capital of MAB-Finances and 81.0 % of the voting rights.

The presence of 56% of independent directors on Affine's Board of Directors guarantees sound corporate governance.

18.4 ARRANGEMENTS THAT COULD RESULT IN A CHANGE OF 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 at 31 December 2014, 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.

Related-party transactions and more specifically the information relating to transactions with related parties are described in section 20.1.7.9. of this registration document.

Off-balance sheet commitments of the company listed in the Notes to the financial statements in section 20.1.7.7.

STATUTORY AUDITORS' REPORT

on the consolidated financial statements

Financial year ended 31 December 2015

Dear Shareholders,

Pursuant to the engagement entrusted to us by your General Shareholders' Meetings, we hereby report to you on the following matters for the financial year ended 31 December 2015:

- the audit of the consolidated financial statements of Affine R.E. S.A., as attached 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, with 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 assets, financial position, and profit of the entity formed by the consolidated entities, in accordance with IFRS standards, as adopted by the European Union.

Without calling into question the opinion expressed above, we draw your attention to the uncertainty about the value of the Banimmo S.A. equity interests described in the Notes to the financial statements 7.1.5 "Use of estimates and judgments: risks related to companies consolidated under the equity method" and 7.4.3 "Notes on the interests held in other entities".

2 Justification of our assessments

Pursuant to Article L.823-9 of the French Commercial Code governing the justification of our assessments, we are informing you of the assessment we made in addition to those that led to the observation mentioned above:

Note 7.1.7 to the financial statements on "Measurement policy for major items" specifically sets out the material estimates and accounting methods used to value investment properties. The investment properties are valued at market price, which is determined for most of the portfolio by independent appraisers who value the company's holdings at 31 December every year.

Our work consisted of reading the reports of the independent appraisers, assessing the data and assumptions used as the overall basis for these estimates, verifying that Note 7.1.7 to the 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 formation of our opinion expressed in the first part of this report.

3 Specific verification

In accordance with the professional standards applicable in France, we also conducted the specific verification of the information provided in the Group Management Report, as required by French Law.

With the exception of the potential impact of the facts set forth in the first part of this report, we have no other comments to make regarding the fair presentation or consistency with the consolidated financial statements.

Paris La Défense, 6 April 2016
KPMG Audit FS I
Isabelle Goalec
Partner

Paris, 6 April 2016
Cailliau Dedouit et Associés
Rémi Savournin
Partner

20.1 CONSOLIDATED STATEMENTS

Financial year ended 31 December 2015

20.1.1 Statement of consolidated financial position (balance sheet)

20.1.1.1 Assets

(in thousands of euros)	NOTE	31/12/2015	31/12/2014	31/12/2013
Non-current assets				
Property, plant and equipment		400	224	236
Investment property	1	456,396	427,277	550,881
Intangible assets		1,408	774	523
Other intangible assets		1 408	774	523
Financial assets	3	11,889	16,739	25,225
Finance leases and related receivables		9,016	13,053	20,132
Assets held for sale	4	21	278	278
Derivatives stated at fair value		214	313	1,146
Deposits and sureties paid		2,638	3,087	3,457
Loans		-	7	212
Deferred tax assets	10	1,393	1,393	1,802
Shares and investments in companies consolidated under the equity method	9	38,831	54,674	60,424
Total non-current assets		**510,318**	**501,083**	**639,090**
Current assets				
Assets held for sale	1&4	58,457	148,189	43,381
Finance lease loans and receivables		3,002	8,354	4,600
Inventory	8	5,844	5,544	13,985
Trade receivables and related accounts	7	12,527	10,683	5,237
Receivables for investment properties		12,467	10,636	5,143
Receivables related to property development		60	47	94
Current tax assets		596	1	1
Other receivables	5	26,168	28,119	33,676
Tax and social security receivables		3,118	3,061	4,219
Other receivables and adjustment accounts		23,050	25,058	29,457
Cash and cash equivalents	3	6,698	4,340	39,441
Cash equivalents		796	778	577
Cash on hand		5,902	3,562	38,864
Total current assets		**113,291**	**205,229**	**140,319**
TOTAL ASSETS		**623,609**	**706,312**	**779,410**

20.1.1.2 Liabilities

(in thousands of euros)	NOTE	31/12/2015	31/12/2014	31/12/2013
Equity				
Equity (Group share)		291,728	303,527	326,156
Capital and related amounts		110,861	94,723	94,164
Share capital		59,500	53,500	53,300
Premiums		51,629	41,467	41,290
Treasury shares		(268)	(244)	(426)
Consolidated reserves		180,428	219,780	240,823
Unrealised gains or losses on assets available for sale		-	-	-
Net profit		440	(10,976)	(8,831)
Non-controlling interests		-	-	2
Consolidated reserves		-	(7)	(2)
Net profit		-	7	4
Total equity		**291,728**	**303,527**	**326,158**
Non-current liabilities				
Long-term loans	2	216,153	225,186	301,119
Financial liabilities	3	4,381	6,614	5,237
Derivatives stated at fair value		4,295	6,576	5,069
Other financial liabilities		86	39	168
Provisions	11	4,476	4,063	3,561
Deposits and sureties received		5,267	5,613	6,983
Deferred tax liabilities	10	-	-	312
Non-current tax liabilities		-	-	-
Total non-current liabilities		**230,277**	**241,476**	**317,212**
Current liabilities				
Debts linked to assets held for sale	4	30,562	83,146	30,066
Trade accounts payable and other debts	6	22,340	24,817	32,603
Trade accounts payable and related accounts		3,892	3,463	6,492
Other debts		13,214	13,156	15,768
Adjustment accounts		4,580	8,030	10,220
Deferred income		655	168	123
Loans and borrowings	3	45,823	48,962	60,519
Deferred tax liabilities		-	521	822
Tax and social security debts		2,880	3,863	12,029
Total current liabilities		**101,605**	**161,309**	**136,040**
TOTAL LIABILITIES		**623,609**	**706,312**	**779,410**

20.1.2 Statement of consolidated comprehensive income

20.1.2.1 Consolidated income statement

(in thousands of euros)	NOTE	31/12/2015	31/12/2014	31/12/2013
Gross rental income		39,029	43,687	40,230
Rental income and expenses	12	(4,033)	(3,865)	(5,658)
Other property income and expenses		(561)	(625)	258
Net property income		**34,435**	**39,197**	**34,830**
Income from finance leases	13	1,284	863	999
Expenses on finance leases		30	21	(56)
Income from finance leases		**1,255**	**842**	**1,055**
Income from property transactions	13	119	4,064	14,589
Expenses on property transactions		76	2,623	14,907
Income from property development activities		43	1,441	(318)
Income from other activities		28	-	-
Expenses from other activities		62	-	-
Income from other activities		**(34)**	**-**	**-**
Other purchases and external expenses		(3,464)	(3,986)	(3,924)
Taxes and related expenses		(316)	(532)	(518)
Personnel costs		(4,163)	(5,631)	(5,551)
Overhead costs		**(7,943)**	**(10,148)**	**(9,993)**
Recurring EBITDA		**27,755**	**31,332**	**25,574**
Depreciation and impairment		(609)	(132)	(268)
Current operating profit		**27,146**	**31,200**	**25,306**
Charges net of provisions		**(300)**	**(633)**	**(1,932)**
Balance of other revenue and expenses		**(126)**	**159**	**450**
Gain (loss) on property disposals		(7,507)	3,389	(207)
Option exercised on finance lease properties		278	-	115
Net gains (losses) on sale of operating assets		(12)	12	-
Net profit or loss on disposals		**(7,241)**	**3,401**	**(91)**
Operating income before fair value adjustment		**19,479**	**34,127**	**23,733**
Upward adjustment of value of investment properties		28,946	12,673	5,515
Downward adjustment of value of investment properties		(25,193)	(37,949)	(23,886)
Adjustment of value of investment properties		**3,753**	**(25,276)**	**(18,371)**
Balance net of value adjustments		**3,753**	**(25,276)**	**(18,371)**
Net operating profit		**23,232**	**8,851**	**5,363**
Revenue from cash and cash equivalents		527	664	244
Gross cost of financial debt		(9,632)	(11,578)	(11,706)
Net cost of financial debt	**14**	**(9,105)**	**(10,915)**	**(11,462)**
Other financial revenue and expenses		**(524)**	**(183)**	**(98)**
Fair value adjustment of hedging instruments		**2,062**	**(2,295)**	**4,032**
Income before tax		**15,665**	**(4,542)**	**(2,167)**
Tax on current profit	**15**	**550**	**(459)**	**(474)**
Deferred taxes	**15**	**(93)**	**(207)**	**(137)**
Exit tax	**15**	**-**	**(413)**	**(740)**
Share of net profit of companies consolidated under the equity method		**(15,682)**	**(5,347)**	**(5,310)**
Net profit		**440**	**(10,969)**	**(8,828)**
Non-controlling interests		**-**	**7**	**4**
NET INCOME (LOSS) - GROUP SHARE		**440**	**(10,976)**	**(8,831)**
Earnings per share (€)	16	0.05	(1.22)	(0.98)
Diluted earnings per share (€)	16	0.05	(1.07)	(0.86)
Earnings per share restated to reflect perpetual subordinated loan notes (PSL) (€)	16	(0.24)	(1.60)	(1.41)
Diluted earnings per share restated to reflect perpetual subordinated loan notes (PSL) (€)	16	(0.18)	(1.29)	(1.08)

20.1.2.2 STATEMENT OF NET INCOME AND GAINS AND LOSSES TAKEN DIRECTLY TO EQUITY

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Net profit	440	(10,969)	(8,828)
Currency translation adjustments	-	-	-
Changes in fair value of financial assets available for sale	(183)	174	(188)
Share of the changes in fair value of financial assets available for sale transferred to income	-	-	-
Effective portion of the change in fair value of cash flow hedges	-	-	-
Share of the change in fair value of cash flow hedges transferred to income	-	-	-
Revaluation difference on non-current assets	-	-	-
Actuarial gains and losses on defined-benefit systems	-	-	-
Share of gains and losses taken directly to equity in companies consolidated under the equity method	-	-	-
Tax	62	(59)	31
Total gains and losses taken directly to equity	**(121)**	**115**	**(157)**
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	**319**	**(10,854)**	**(8,985)**
Of which Group share	319	(10,861)	(8,988)
Of which non-controlling interests	-	7	4

20.1.3 Statement of changes in equity

(in thousands of euros)	CAPITAL AND RELATED RESERVES			CONSOLIDATED RESERVES	TOTAL GAINS AND LOSSES TAKEN DIRECTLY TO EQUITY	NET PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE GROUP	EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	TOTAL CONSOLIDATED EQUITY
	SHARE CAPITAL	RESERVES RELATED TO SHARE CAPITAL	TREASURY STOCK						
Equity at 31/12/2013	**53,300**	**135,128**	**(426)**	**146,985**		**(8,831)**	**326,156**	**2**	**326,158**
Capital increase	200	(103)	-	(97)	-	-	-	-	-
Cancellation of treasury stock	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	182	13	-	-	194	-	194
Preference share issue	-	-	-	-	-	-	-	-	-
Equity component of hybrid instruments	-	47	-	(3,361)	-	-	(3,314)	-	(3,314)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2013 earnings	-	-	-	(8,831)	-	8,831	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(8,131)	-	-	(8,131)	-	(8,131)
Dividends on treasury stock	-	-	-	16	-	-	16	-	16
Preference dividends	-	-	-	-	-	-	-	-	-
Subtotal of shareholder-related movements	**200**	**(56)**	**182**	**(20,391)**	**-**	**8,831**	**(11,234)**	**-**	**(11,234)**
Changes in gains and losses recognised directly in equity	-	-	-	115	-	-	115	-	115
2014 income	-	-	-	-	-	(10,976)	(10,976)	7	(10,969)
Subtotal	**-**	**-**	**-**	**115**	**-**	**(10,976)**	**(10,861)**	**7**	**(10,854)**
Effect of acquisitions and disposals on non-controlling interests	-	-	-	159	-	-	159	(9)	150
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	(693)	-	-	(693)	-	(693)
Equity at 31/12/2014	**53,500**	**135,072**	**(244)**	**126,176**	**-**	**(10,976)**	**303,527**	**0**	**303,527**
Capital increase	6,000	(5,938)	-	(62)	-	-	0	-	0
Cancellation of treasury stock	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	(24)	27	-	-	3	-	3
Preference share issue	-	-	-	-	-	-	-	-	-
Equity component of hybrid instruments	-	(133)	-	(2,632)	-	-	(2,765)	-	(2,765)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2014 earnings	-	-	-	(10,976)	-	10,976	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(9,051)	-	-	(9,051)	-	(9,051)
Dividends on treasury stock	-	-	-	7	-	-	7	-	7
Preference dividends	-	-	-	-	-	-	-	-	-
Subtotal of shareholder-related movements	**6,000**	**(6,071)**	**(24)**	**(22,687)**	**-**	**10,976**	**(11,806)**	**-**	**(11,806)**
Changes in gains and losses recognised directly in equity	-	-	-	(121)	-	-	(121)	-	(121)
2015 income	-	-	-	-	-	440	440		440
Subtotal	**-**	**-**	**-**	**(121)**	**-**	**440**	**319**		**319**
Effect of acquisitions and disposals on non-controlling interests	-	-	-	(312)	-	-	(312)	(0)	(312)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	0	-	-	0	-	0
Equity at 31/12/2015	**59,500**	**129,001**	**(268)**	**103,056**	**-**	**440**	**291,728**	**(0)**	**291,728**

20.1.4 Consolidated cash flow statement

In thousands of euros	31/12/2014	31/12/2013	31/12/2012
I - TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	**440**	**(10,969)**	**(8,828)**
Depreciation, amortisation and provisions	2,405	4,266	5,878
Unrealised gains and losses from changes in fair value	(3,753)	25,276	18,371
Other calculated income and expenses (including discount calculations)	(1,308)	1,917	(3,766)
Capital gains or losses on asset disposals	8,460	(3,002)	966
- net carrying amount of fixed assets sold	110,051	32,255	9,103
- income from disposals of fixed assets	(101,591)	(35,257)	(8,137)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	15,682	5,347	5,310
Dividends and returns from income of non-consolidated companies	(15)	(1)	1
Funds from operations after net cost of financial debt and tax	**21,911**	**22,833**	**17,933**
Net cost of financial debt	8,626	10,403	10,800
Tax expense (including deferred taxes)	(457)	1,080	1,351
Funds from operations before net cost of financial debt and tax	**30,081**	**34,317**	**30,084**
Taxes paid	(580)	(1,180)	(325)
Change in WCR linked to property development (Inventories, trade receivables and other related accounts payable)	1,067	(7,413)	(5,856)
Change in trade receivables and other accounts	754	4,007	(11,691)
Change in trade and other accounts payable	(3,263)	(3,977)	11,069
Other changes in working capital requirement related to operating activities	(1,730)	(5,860)	7,802
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	**26,330**	**19,893**	**31,082**
II - INVESTMENT TRANSACTIONS			
Finance leases	1,345	-	327
- Cash paid for acquisitions	-	-	-
- Cash received for disposals	1,345	-	327
Investment properties	49,807	(113)	167
- Cash paid for acquisitions	(42,888)	(21,818)	(7,632)
- Cash received for disposals	92,694	21,704	7,799
Cash paid for acquisitions of tangible and intangible fixed assets	(264)	(395)	(198)
Cash received for disposals of tangible and intangible fixed assets	3	12	127
Investment subsidies received	-	-	-
Cash paid for acquisitions of financial assets	(2)	-	-
Cash received for disposals of financial assets	-	-	-
Consolidated securities	23	3,181	(22,337)
- Cash paid for acquisitions	-	(5)	(19,400)
- Cash received for disposals	2	3,487	-
- Impact of changes in consolidation	22	(301)	(2,937)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	-	398	1,766
Change in loans and advances outstanding	(71)	121	90
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	-
Net cash flow from investment transactions	**50,842**	**3,204**	**(20,058)**
III - FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	-	-	2
- paid by shareholders of the parent company	-	-	2
- paid by minority interests of consolidated subsidiaries	-	-	-
Purchases and sales of treasury shares	17	201	214
Dividends paid out during the financial year	(9,044)	(8,114)	(10,797)
- dividends paid to shareholders of the parent company	(9,044)	(8,114)	(10,797)
- paid to minority interests of consolidated subsidiaries	-	-	-
Change in non-controlling interests without loss of control	-	(5,400)	-
Increase/Decrease in subordinated debts	-	-	-
Income/loss on hybrid instruments	(2,725)	(3,479)	(3,809)
Change in guarantee deposits given and received	2,029	2,126	855
Issues or subscriptions of loans and borrowings	43,372	44,660	47,643
Repayments of loans and borrowings	(101,836)	(60,433)	(41,925)
Net cost of debt: interest paid	(9,263)	(11,172)	(11,506)
Other cash flows related to financing activities	636	769	707
Cash flow from discontinued activities	-	-	-
Net cash flow from financing transactions	**(76,814)**	**(40,843)**	**(18,616)**
NET CHANGE IN CASH (I+II+III)	**358**	**(17,746)**	**(7,591)**
Cash and cash equivalents at beginning of period	**1,768**	**19,515**	**27,106**
Cash and cash equivalents at end of period	**2,126**	**1,768**	**19,515**
NET CHANGE IN CASH	**358**	**(17,746)**	**(7,591)**

Cash and cash equivalents

En millions d'euros	31/12/2013	31/12/2014	31/12/2015
Savings bank, central bank, post office	1	1	1
Liquid bank assets	38,859	3,561	5,901
Liquid bank assets in other assets	577	778	796
Investment securities (*1)	-	-	-
Sub-total (1)	**39,437**	**4,340**	**6,698**
Bank overdrafts	(19,922)	(2,572)	(4,572)
Bank overdrafts in other liabilities	-	-	-
Sub-total (2)	**(19,922)**	**(2,572)**	**(4,572)**
Total (1) + (2)	**19,515**	**1,768**	**2,126**

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

20.1.5 Change in number of shares comprising the capital

Shares authorised, issued and paid up

	AT BEGINNING OF PERIOD	CAPITAL INCREASE BY CONVERSION OF CONVERTIBLE BONDS	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	9,051,431	1,004,640	-	-	10,056,071
Share capital in euros	53,500,000	5,938,093	-	61,907	59,500,000

Treasury shares

	AT 31/12/2014	ACQUISITIONS	SALES	CANCELLATION	AT 31/12/2015
In thousands of euros	244	980	(956)	-	268
In numbers	17,376	57,740	(58,183)	-	16,933

20.1.6 Corporate information

On 24 February 2016, the Board of Directors of Affine RE approved the financial statements for the year ended 31 December 2015 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.

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

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

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 under 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 main 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 Paris 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_fr.htm.

The accounting principles applied are identical to those used in preparing the consolidated annual financial statements for the financial year ending 31 December 2015, except for the adoption of the new standards and interpretations that is mandatory for financial years beginning on or after 1 January 2015 (see list below). These new standards, amendments and interpretations have no significant impact on the Group's financial statements.

Standards, amendments and interpretations applicable from 31 December 2015

The standards, amendments and interpretations published by the IASB and presented below are applicable to reporting periods beginning on or after 1 January 2015:
- IFRIC 21: Levies.
- Annual Improvements – 2011-2013 Cycle (IFRS 3, IFRS 13, IAS 40).

These new provisions had no significant impact on the Group's income or financial position.

Standards and interpretations not yet in force in the European Union

- Amendments to IAS 1 – Disclosure Initiative.
- Amendments to IAS 16 and IAS 38 – Acceptable Methods of Depreciation and Amortisation.
- Amendments to IAS 19 – Defined Benefit Plans: Employee Contributions.
- Annual Improvements 2010-2012 Cycle.
- Amendments to IFRS 11 – Acquisitions of Interests in Joint Operations;
- Annual Improvements 2012-2014 Cycle.
- Amendments to IAS 27 – Equity Method in Separate Financial Statements.

Provisions not yet adopted by the European Union on the closing date

Subject to being endorsed by the European Union, the standards, amendments and interpretations published by the IASB and presented below are, according to the IASB, mandatory from the following dates:

- IFRS 9 – Financial Instruments: Classification and Measurement of Financial Assets and Financial Liabilities; Amendments to IFRS 9, IFRS 7 and IAS 39 – Financial Instruments: Hedge Accounting; are applicable from 1 January 2018;
- IFRS 14: Regulatory Deferral Accounts: applicable from 1 January 2016;
- IFRS 15: Revenue from Contracts with Customers: applicable from 1 January 2018
- Amendments to IFRS 10, IFRS 12 and IAS 28: Investment Entities – Applying the Consolidation Exception: applicable from 1 January 2016;
- Amendments IFRS 10 and IAS 28 – Sales or Contributions of Assets between an Investor and its Associate/Joint Venture: deferred application.

These new provisions have no significant impact on the Group's income or financial position, with the exception of IFRIC 21 which has led to the recognition in the financial statements for the first half of the year, of the entire annual amount of real estate tax not rebillable to a tenant due to the specific rental status of each property.

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

As a result of the buyout of 50% of 2/4 Haussmann by ATIT, 2/4 Haussmann is included in the consolidation scope.

20.1.7.1.3 Consolidation scope and policy

20.1.7.1.3.1 Companies included in the consolidation scope

The consolidation scope 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 stems:
- 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 statutory clauses.

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 investor 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

Subsidiaries are businesses controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date of effective transfer of control until the date that such control ceases to exist. Subsidiaries, regardless of the percentage of ownership, are fully consolidated in the Group's balance sheet.

• Joint Arrangements

IFRS 11 classifies a company's interest in a joint arrangement as either a joint operation (if the company has rights to assets and assumes obligations for liabilities, in that arrangement) or as joint venture (if the company only has rights to a share of net assets and equity accounted, in that arrangement). In assessing the nature of its interest, the company must take into account the structure of the joint arrangement, the legal form of the separate vehicle, the contractual terms, and any other facts and circumstances.

Equity investments are now recognised using the equity method (previously the proportional consolidation method).

We are not aware of any liabilities for which Affine Group would be jointly liable with the joint investor.

• Associates

An associate is an entity over which the Group exercises significant influence on financial and operating policy, but not control or joint control. Associates are recognised in the consolidated balance sheet using the equity method.

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 7.1.4.1.Business combinations

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

The acquisition method consists of:

- identifying the purchaser,
- determining the acquisition date,
- 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 2015 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 31/12/2015 to the ten-year segment):

In thousands of euros	- 100BP	- 50BP	+ 50BP	+ 100 BP
Change in FV of hedging financial instruments	(3,221)	(1,484)	2,354	4,796

Risks related to companies consolidated under the equity method: For some years now, Banimmo has partnered with other property or financial groups to carry out certain projects. In addition to contributing equity capital, Banimmo finances these associates through advances that are subordinated to the loans granted to them by financial institutions. In such an arrangement, the recoverability of the advances made by Banimmo to its associates depends on the profitability of the real estate project. Assessing the recoverability of such advances requires Banimmo's management to make estimates of the future value of those projects and consequently involves making assumptions regarding construction costs, the type and extent of marketable floor space (in projects for which permits have not yet been obtained), forecasts of rental value and terms of sale. At 31 December 2014, as a result of an impairment test conducted on two Urbanove Group projects in which Banimmo holds a 44% interest, the value of Urbanove Group's interest in Banimmo was written-down to zero. At 31 December 2015, the nominal value of the subordinated advances granted to Urbanove Group was €45.5 million and the capitalised interest on them was €1.7 million. As a result of an impairment test conducted on 31 December 2015, the nominal value of the advances was written-down by €21 million and the total capitalised interest was completely written off. The net value of the receivable at 31 December 2015 was therefore €24.5 million.

Its recoverability depends on the value of the shopping mall projects in Verviers and Namur. Considering that development permits for the Namur shopping mall have not yet been applied for and/or significant changes to the initial Verviers shopping mall project are envisaged and still in discussion with the municipality of Viviers, very likely requiring it to re-apply for development permits, the assumptions adopted by Banimmo management in assessing the recoverability of the advances are by definition subject to risks related to the granting of permits, policy choices, financial risks as well as changes in the property market (leasing as well as investment markets), which may impact rental value and resale value. As explained earlier, this value impairment is based on two assumptions: the projections may not be borne out in practice, unanticipated events may occur and/or significant differences may arise between predictions and reality. Additionally, a certain number of measures are currently being considered by the management of Urbanove and its subsidiaries to handle the financial problems that may result from any project delays. If such measures prove to be ineffective, they may also adversely impact the recoverability of the balance of the subordinated loans granted by Banimmo to Urbanove, producing a maximum risk of €24.5 million for Banimmo and €12.1 million for the portion held by Affine.

The impairment on the receivable is based on the following capitalisation-rate assumptions:
- Verviers: adopted rate 6%,
- Namur: adopted rate 6%.

A 0.25% increase in the capitalisation rate would lead to an additional €7.5 million impairment.

A 0.25% decrease in the capitalisation rate would lead to a €8.2 million impairment reversal.

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 gradual or staged rental payments.

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

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

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

The treatment of admission fees depends on a substantive analysis of the payment made (IAS 17):
- Where the payment is in consideration for the enjoyment of the property (in addition to the rent) it is recognised with rental income over the term of the lease;
- where the payment is in return for a service rendered other than the right to use the asset, it is recognised on a basis that reflects the nature of the services rendered and the timeframe over which they are provided.

20.1.7.1.7 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 on the balance sheet;
- 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 revenue includes rent and similar income (for example: occupancy compensation, signing fees, parking income) invoiced for the offices, retail premises and storage facilities over the period.

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

Expenses on investment properties

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

20.1.7.1.7.1.2 Measurement

Investment properties are initially measured at cost, including transaction costs. After the properties are initially recorded, they are measured at fair value, with the change in fair value from one year to another posted to the income statement. Fair value is calculated from the value excluding registration duties (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 includes 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 income and/or the market price for recent transactions involving properties with similar characteristics. The capitalisation method reflects such things as the rental income from existing lease contracts and assumptions on rental income for future lease contracts, taking current market conditions into consideration.

The appraisal firms used the income capitalisation approach together with the discounted cash flow (DCF) method and the comparables approach. 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 under consideration. 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. 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 measurements are regularly compared with market data relating to return on investment, to actual Group transactions, and to transactions published by 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
	SQ. M	€K	€/SQ. M	€K	€/SQ. M	
Paris	**372,791**	**514,428**	**1,380**	**34,489**	**93**	**6.5%**
Paris region – outside Paris	11,121	95,390	8,577	4,586	412	4.5%
Other French regions	97,122	134,085	1,381	10,283	106	6.9%
Eurozone outside France	250,057	276,709	1,107	19,008	76	6.9%
Offices	14,491	8,244	569	612	42	7.1%
Shopping centres	150,986	319,976	2,119	20,200	134	6.2%
Warehouses & Industrial	65,018	122,969	1,891	8,397	129	6.4%
Others	156,787	71,192	454	5,877	37	7.9%
Paris	0	290	0	15	0	5.0%
Offices	11,121	95,390	8,577	4,586	412	4.5%
Shopping centres	139,865	224,876	1,608	15,630	112	6.9%
Warehouses & Industrial	65,018	122,969	1,891	8,397	129	6.4%
Others	156,787	71,192	454	5,877	37	7.9%
Grand Paris Metropolitan Area	0	0	0	0	0	Not applicable
Other Ile-de-France	68,567	180,325	2,630	9,563	139	5.0%
Regions	39,676	49,150	1,239	5,307	134	9.0%
Eurozone outside France	250,057	276,709	1,107	19,008	76	6.9%
Zone euro hors France	14,491	8,244	569	612	42	7.1%

Rent and effective rate = rent and actual rate

Future expenses are charged to the carrying amount 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 December 2015 reporting, the appraisers used were as follows:
- CBRE,
- Foncier Expertise,
- BNP Real Estate;

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

The measurements are made by in-house appraisers, 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 carrying amount 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: "Current assets held for sale".

As at 31 December 2015, 12 assets are shown in this line;
- Eight of the valuations are external appraisals, two of which have been revised downwards by Affine's General Management.
- The value of four of them corresponds to signed mandates, offers accepted by both parties and/or commitments to sell,

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	31/12/2015	31/12/2014	31/12/2013
Proceeds from sales of fixed assets	95,077	29,651	7,810
Net carrying value of properties sold	(102,584)	(26,262)	(8,017)
Gain or loss on sale	**(7,507)**	**3,389**	**(207)**

20.1.7.1.7.5 Inventories and construction contracts

• Stocks

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 of Banimmo are carried in inventories, in accordance with IAS 2.

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

Inventories largely consist of land, property reserves and property 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 receivables

Trade receivables 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 of a risk of non recovery (receivership, major financial difficulties, etc.), the receivable is transferred to the "bad debt" 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 statement of financial position).

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 expected 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 bad debts are systematically written off for their full amount excluding tax, less any deposits or guarantees received.

20.1.7.1.7.8 Instruments financiers

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.

Issuance costs for loans, including bonds redeemable in shares ("BRS" convertible bonds) 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 profit or loss

The main methods and assumptions applied to calculate the fair value of financial assets are as follows:
- Investments 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 investments are valued on the basis of either their market price (listed instruments) or on the basis of their net asset value or their discounted future cash flows;
- Derivative instruments are valued by discounting estimated future cash flows on the Euribor three-month yield curve as at 31/12/2015 over ten years. The company has adopted the discounting method 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 discounting future cash flows (for which the company is committed to the banks offering these hedges) calculated by Finance Active.

Additional valuation input – IFRS 13

Derivatives were measured at 31 December 2015 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. from 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 €17,200 on earnings for the period.

20.1.7.1.7.9 Recognition of convertible bonds (BRS) and perpetual subordinated loan notes (PSL)

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

• Convertible bonds (BRS)

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

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

Affine's General 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 rose to 624 shares per BRS.

The Board Meeting of 5 June 2014 ruled on the conversion of 28 BRS bonds into 17,472 new shares.

In July 2015, the Company converted 1,610 BRS bonds issued in 2003 into 1,000,640 new shares. As at 31 December 2015, there were 362 BRS bonds outstanding.

Early redemption at the Company's discretion

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

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

Early redemption at the holder's discretion

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 convertible bonds, 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 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.

Since Affine may be exempted from paying the coupons or redeeming the TSDIPSL, 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 an interest expense.

20.1.7.1.7.11 Treasury shares

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

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

- a SIIC segment allowing a tax exemption of tax 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 applied at 31 December 2015 are as follows:

Sociétés françaises hors SIIC	33,33 %
Sociétés belges	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 are covered by the National Property Collective Bargaining Agreement since

1 January 2013. This Agreement does not provide for any retirement allowance other than that provided by the general scheme. 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	1/2 month	1/5th of 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 after 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 three-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 assess performance.

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

- **At 31 December 2015:**

IN THOUSANDS OF EUROS	OFFICES	WAREHOUSES AND INDUSTRIALS	RETAIL	OTHER	TOTAL
Gross rental income	19,564	10,851	8,594	20	39,029
Net property income	**18,322**	**9,508**	**6,577**	**27**	**34,435**
Other income	181	453	176	452	1,263
Overhead costs	(3,204)	(3,344)	(1,292)	(103)	(7,943)
Recurring EBITDA	**15,300**	**6,618**	**5,461**	**376**	**27,755**
Depreciation and impairment	(379)	(212)	(12)	(5)	(609)
Current operating profit	**14,921**	**6,406**	**5,449**	**371**	**27,146**
Charges net of provisions	72	(395)	1	22	(300)
Other income and expenses	(116)	(136)	32	95	(126)
Net profit or loss on disposals	(623)	(7,131)	513	-	(7,241)
Operating profit	**14,253**	**(1,256)**	**5,995**	**488**	**19,479**
Balance net of value adjustments	782	3,009	2	(40)	3,753
Net operating profit	**15,035**	**1,753**	**5,996**	**448**	**23,232**
Cost of financial debt	(4,882)	(2,219)	(1,963)	(41)	(9,105)
Other financial revenue and expenses	(382)	(109)	(31)	(2)	(524)
Fair value adjustment of hedging instruments	1,305	625	102	30	2,062
Income before tax	**11,077**	**50**	**4,104**	**434**	**15,665**
Taxes	347	73	17	20	457
Share of securities consolidated under the equity method	(6,953)	834	(5,231)	(4,332)	(15,682)
Net profit	**4,470**	**957**	**(1,110)**	**(3,878)**	**440**
NET PROFIT EXCLUDING DISPOSALS AND CHANGES IN FAIR VALUE	**3,006**	**4,453**	**(1,727)**	**(3,868)**	**1,865**

IN THOUSANDS OF EUROS	OFFICES	WAREHOUSES AND INDUSTRIALS	RETAIL	OTHER	TOTAL
Segment assets	350,686	100,108	131,664	2,320	584,778
Shares in companies consolidated under the equity method	15,246	836	11,470	11,280	38,831
Total consolidated assets	**365,932**	**100,944**	**143,134**	**13,600**	**623,609**
Segment liabilities	477,520	74,555	79,057	(7,523)	623,609
Total consolidated liabilities	**477,520**	**74,555**	**79,057**	**(7,523)**	**623,609**
Investment expenses	36,629	1,421	932	-	38,982

• **At 31 December 2014:**

IN THOUSANDS OF EUROS	OFFICES	WAREHOUSES AND INDUSTRIALS	RETAIL	OTHER	TOTAL
Gross rental income	21,824	12,680	8,952	231	43,687
Net property income	**21,718**	**10,931**	**6,395**	**153**	**39,197**
Other income	232	1,923	69	60	2,283
Overhead costs	(3,470)	(5,056)	(1,495)	(127)	(10,148)
Recurring EBITDA	**18,480**	**7,798**	**4,969**	**85**	**31,332**
Depreciation and impairment	(82)	(43)	(5)	(2)	(132)
Current operating profit	**18,399**	**7,755**	**4,964**	**83**	**31,200**
Charges net of provisions	(532)	(96)	(3)	(1)	(633)
Other income and expenses	19	96	44	0	159
Net profit or loss on disposals	3,481	(54)	(23)	(3)	3,401
Operating profit	**21,366**	**7,701**	**4,981**	**79**	**34,127**
Balance net of value adjustments	(11,530)	(12,804)	(1,042)	100	(25,276)
Net operating profit	**9,836**	**(5,103)**	**3,939**	**179**	**8,851**
Cost of financial debt	(5,839)	(2,777)	(2,217)	(82)	(10,915)
Other financial revenue and expenses	86	(311)	72	(31)	(183)
Fair value adjustment of hedging instruments	(547)	(598)	(1,175)	25	(2,295)
Income before tax	**3,535**	**(8,789)**	**620**	**92**	**(4,542)**
Taxes	(12)	(858)	(216)	6	(1,080)
Share of securities consolidated under the equity method	(2,190)	(266)	(1,232)	(1,659)	(5,347)
Net profit	**1,333**	**(9,913)**	**(828)**	**(1,561)**	**(10,969)**
NET PROFIT EXCLUDING DISPOSALS AND CHANGES IN FAIR VALUE	**9,929**	**3,544**	**1,412**	**(1,683)**	**13,202**

IN THOUSANDS OF EUROS	OFFICES	WAREHOUSES AND INDUSTRIALS	RETAIL	OTHER	TOTAL
Segment assets	333,079	181,888	133,791	2,880	651,638
Shares in companies consolidated under the equity method	25,024	3,775	14,069	11,806	54,674
Total consolidated assets	**358,103**	**185,664**	**147,860**	**14,686**	**706,312**
Segment liabilities	458,459	157,068	92,293	(1,507)	706,312
Total consolidated liabilities	**458,459**	**157,068**	**92,293**	**(1,507)**	**706,312**
Investment expenses	13,762	8,684	272	-	22,718

20.1.7.3 Scope of consolidation

Scope of consolidation at the balance sheet date

	31/12/2015			31/12/2014			31/12/2013		
	CONSOLIDATION METHOD	% CONTROL	% INTEREST	CONSOLIDATION METHOD	% CONTROL	% INTEREST	CONSOLIDATION METHOD	% CONTROL	% INTEREST
AFFINE	**Parent company**			**Parent company**			**Parent company**		
GESFIMMO (formerly AFFINE DEVELOPPEMENT 1 SAS)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	99.99%
ARCA VILLE D'ETE SCI (formerly CAPUCINES 2 SCI)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
ATIT SC (formerly ANJOU SC)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
AFFINE SUD SCI (formerly 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%
DORIANVEST SARL	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
LES 7 COLLINES SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
CAPUCINE INVESTISSEMENTS SA	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
CHAVILLE SALENGRO SAS	FC	100.00%	100.00%	-	-	-	-	-	-
CLICHY HORIZON SCI	FC	100.00%	100.00%	-	-	-	-	-	-
CONCERTO Développement SAS	-	-	-	-	-	-	FC	99.60%	99.60%
CONCERTO BUCHERES SCI	-	-	-	FC	100.00%	100.00%	FC	100.00%	99.60%
CONCERTO BUCHERES 2 SCI	-	-	-	FC	100.00%	100.00%	FC	100.00%	99.60%
CONCERTO BUCHERES 3 SCI	EM	40.00%	40.00%	EM	40.00%	40.00%	-	-	-
CONCERTO FERRIERES EN BRIE SCI	-	-	-	-	-	-	FC	100.00%	99.60%
CONCERTO WISSOUS PROMOTION SAS	EM	40.00%	40.00%	EM	40.00%	40.00%	-	-	-
2/4 HAUSSMANN SAS	FC	100.00%	100.00%	-	-	-	-	-	-
LES JARDINS DES QUAIS SNC	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
KUTUM SAS	FC	100.00%	100.00%	-	-	-	-	-	-
LOUVOIS SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	-	-	-
NEVERS COLBERT SCI (formerly 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%	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%
BERCY PARKINGS SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	100.00%
COSMO MONTPELLIER SCI	-	-	-	-	-	-	FC	100.00%	100.00%
HOLDIMMO SC	-	-	-	FC	100.00%	100.00%	FC	100.00%	100.00%
SCI NUMERO 1	-	-	-	FC	100.00%	100.00%	FC	100.00%	100.00%
SCI 36	-	-	-	FC	100.00%	100.00%	FC	100.00%	100.00%
SEADA SAS	FC	100.00%	100.00%	-	-	-	-	-	-
TOULOUSE LES AMARANTES SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	-	-	-
URBISMART SAS	EM	17.00%	17.00%	EM	34.00%	34.00%	-	-	-
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	EM	50.00%	50.00%	EM	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 Iberica SL	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	99.60%
BANIMMO SA	**EM**	**49.99%**	**49.51%**	**EM**	**49.99%**	**49.51%**	**EM**	**49.99%**	**49.51%**

Four companies were created during the year: Kutum, Seada, Chaville Salengro, Clichy Horizon.

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:
- 35 assets recorded as investment property
- 12 assets classified as assets held for sale.

41 of the 47 assets, representing 93.9% of the fair value of Affine's rental portfolio, were valued by independent appraisers (BNP Real Estate, CBRE, Foncier Expertise), nine of which have been revised downwards by Affine's General Management. Four assets representing 2.3% of the fair value of its rental portfolio were valued according to a signed sales offer, sales commitment or a sale mandate, and two assets were recorded at their historical cost, representing 3.8% of the fair value of the rental portfolio.

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 real-estate assets appraised by its services, without taking responsibility for those made by other firms.

Summary table of changes in fair value

At 31 December 2015:

In thousands of euros		01/01/2015	ACQUISITIONS OR WORKS	CHANGE IN SCOPE OF CONSOLIDATION	DISPOSALS	CHANGES IN FAIR VALUE	31/12/2015
By asset type	Industrial premises, warehouses	147,374	1,421	-	(80,613)	3,009	71,192
	Offices	302,289	36,629	-	(19,723)	782	319,976
	Retail	124,860	932	-	(2,824)	2	122,969
	Other	530	-	-	(200)	(40)	290
	TOTAL	**575,053**	**38,982**	**-**	**(103,360)**	**3,753**	**514,428**
By area	Paris – CBD	22,600	227	-	-	6,773	29,600
	Paris – outside CBD	68,409	1,617	-	(7,457)	3,221	65,790
	Paris region – outside Paris	144,223	21,609	-	(21,470)	(10,278)	134,085
	Other French cities	332,130	15,360	-	(74,434)	3,653	276,709
	Other	7,691	169	-	-	384	8,244
	TOTAL	**575,053**	**38,982**	**-**	**(103,360)**	**3,753**	**514,428**
						Initial direct costs	425
							514,853

At 31 December 2014:

In thousands of euros		01/01/2014	ACQUISITIONS OR WORKS	CHANGE IN SCOPE OF CONSOLIDATION	DISPOSALS	CHANGES IN FAIR VALUE	31/12/2014
By asset type	Industrial premises, warehouses	147,088	17,010	-	(3,919)	(12,804)	147,374
	Offices	318,923	13,762	-	(18,867)	(11,530)	302,289
	Retail	126,085	272	-	(455)	(1,042)	124,860
	Other	1,675	-	-	(1,245)	100	530
	TOTAL	**593,771**	**31,044**	**-**	**(24,486)**	**(25,276)**	**575,053**
By area	Paris – CBD	22,300	49	-	-	251	22,600
	Paris – outside CBD	70,530	1,315	-	(5,456)	2,019	68,409
	Paris region – outside Paris	169,147	2,164	-	(11,939)	(15,148)	144,223
	Other French cities	329,442	20,969	-	(7,091)	(11,191)	332,130
	Other	2,351	6,547	-	-	(1,207)	7,691
	TOTAL	**593,770**	**31,044**	**-**	**(24,486)**	**(25,276)**	**575,053**
						Initial direct costs	413
							575,466

At 31 December 2013:

IN THOUSANDS OF EUROS		01/01/2013	ACQUISITIONS OR WORKS	TRANSFERS	DISPOSALS	CHANGES IN FAIR VALUE	31/12/2013
By asset type	Industrial premises, warehouses	144,658	15,481	-	(3,799)	(9,253)	147,088
	Offices	325,777	3,063	-	(2,184)	(7,734)	318,923
	Retail	75,131	1,390	50,950	-	(1,386)	126,085
	Other	3,698	(2)	-	(2,024)	3	1,675
	TOTAL	**549,265**	**19,934**	**50,950**	**(8,006)**	**(18,371)**	**593,771**
By area	Paris – CBD	22,100	292	-	-	(92)	22,300
	Paris – outside CBD	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)**	**593,770**
						Initial direct costs	490
							594,259

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

The valuation of new assets was reviewed by General Management despite having been independently appraised.

Investment property

In thousands of euros	VALUES USED	APPRAISALS	VARIANCE	COMMENTS
CBRE	110,060	115,274	(5,214)	
Crédit Foncier Expertise (formerly Ad Valorem)	185,102	185,440	(338)	
BNP Real Estate	141,164	144,000	(2,836)	
Acquisitions	19,645	-	19,645	Relating to two properties acquired in late 2015 which had not been independently appraised by 31 December 2015.
Internal appraisals	-	-	-	
Marketing fees	425	-	425	
INVESTMENT PROPERTIES AT 31/12/2015	**456,396**	**444,714**	**11,682**	

In thousands of euros	VALUES USED	APPRAISALS	VARIANCE	COMMENTS
Cushmann & Wakefield	258,640	258,640	-	
Crédit Foncier Expertise (formerly Ad Valorem)	49,090	49,090	-	
BNP Real Estate	111,241	111,241	-	
Acquisitions	7,893	-	7,893	Relating to a property acquired on 13 November 2014 which had not been independently appraised by 31 December 2014.
Marketing fees	413	-	413	
INVESTMENT PROPERTIES AT 31/12/2014	**427,277**	**418,971**	**8,306**	

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 31/12/2013	**550,880**	**550,391**	**490**	

Assets held for sale

In thousands of euros	VALUES USED	EXTERNAL APPRAISALS	VARIANCE	COMMENTS
External appraisals	46,760	47,456	(696)	
Internal appraisals	-	-	-	
Mandates, offers for sale and commitments to sell	11,697	-	11,697	
NON-CURRENT ASSETS HELD FOR SALE AT 31/12/2015	**58,457**	**47,456**	**11,001**	

In thousands of euros	VALUES USED	EXTERNAL APPRAISALS	VARIANCE	COMMENTS
External appraisals	15,200	15,200	-	
Internal appraisals	119,072	-	119,072	
Mandates, offers for sale and commitments to sell	13,917	-	13,917	
NON-CURRENT ASSETS HELD FOR SALE AT 31/12/2014	**148,189**	**15,200**	**132,989**	

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 AT 31/12/2013	**43,382**	**36,184**	**7,196**	

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 6.5% at 31 December 2015.

On the basis of the average rate of return at 31 December 2015, an additional change of 25 basis points would have an inversely proportional effect of €18.8 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 31/12/2012	**518,285**	**4,304**	**27,255**	**549,843**
Increases	955	7,823	11,182	19,960
Acquisitions	955	7,823	11,182	19,960
Decreases	-	(26)	(8,006)	(8,032)
Disposals	-	(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 31/12/2013	**548,171**	**2,710**	**43,381**	**594,260**
Increases	14,611	5,905	10,528	31,044
Acquisitions	14,611	5,905	10,528	31,044
Decreases	(10,673)	(86)	(13,727)	(24,486)
Disposals	(10,673)	(86)	(13,727)	(24,486)
Change in scope of consolidation	-	-	-	-
Change in fair value	(15,465)	-	(9,811)	(25,276)
Transfers between line items	(114,662)	(3,156)	117,818	-
Change in initial direct costs	(77)	-	-	(77)
As at 31/12/2014	**421,905**	**5,373**	**148,189**	**575,465**
Increases	20,968	15,635	2,379	38,982
Acquisitions	20,968	15,635	2,379	38,982
Decreases	(5,961)	(1,997)	(95,403)	(103,360)
Disposals	(5,961)	(1,997)	(95,403)	(103,360)
Change in scope of consolidation	-	-	-	-
Change in fair value	5,718	-	(1,965)	3,753
Transfers between line items	(3,188)	(2,069)	5,257	-
Change in initial direct costs	12	-	-	12
At 31/12/2015	**439,455**	**16,941**	**58,457**	**514,852**

Note 2 – Long-term loans

In thousands of euros	BALANCE SHEET ITEMS	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 5 YEARS
Bank loans	216,578	22,494	101,825	92,259
- Fixed rate	5,993	404	5,589	-
- Variable rate	210,585	22,090	96,236	92,259
Finance lease commitment hedge accounts	655	655	-	-
Deferred borrowing costs at EIR	(1,080)	(266)	(560)	(254)
TOTAL AT 31/12/2015	**216,153**	**22,883**	**101,265**	**92,004**

In thousands of euros	BALANCE SHEET ITEMS	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 5 YEARS
Bank loans	225,299	36,993	90,954	97,352
- Fixed rate	8,806	1,049	7,757	-
- Variable rate	216,493	35,944	83,197	97,352
Finance lease commitment hedge accounts	841	187	655	-
Deferred borrowing costs at EIR	(954)	(264)	(486)	(205)
TOTAL AT 31/12/2014	**225,186**	**36,916**	**91,123**	**97,148**

In thousands of euros	BALANCE SHEET ITEMS	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 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 31/12/2013	**301,119**	**55,694**	**136,280**	**109,145**

The average term of debts at 31 December 2015 was 5.3 years.

Note 3 – Other financial assets and liabilities

At 31 December 2015:

In thousands of euros	BALANCE SHEET ITEMS	FROM 0 TO 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS
FINANCIAL ASSETS				
Non-current				
Finance lease transactions and related receivables	9,016	-	9,016	-
Assets available for sale	21	-	21	-
Derivatives stated at fair value	214	36	178	-
Deposits and sureties paid	2,638	-	-	2,638
Loans	-	-	-	-
Total non-current financial assets	**11,889**	**36**	**9,214**	**2,638**
Current				
Cash and cash equivalents	6,698	6,698	-	-
Cash equivalents: SICAVs	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-
Settlement accounts for securities	796	796	-	-
Bank account overdrafts	5,902	5,902	-	-
TOTAL CURRENT FINANCIAL ASSETS	**6,698**	**6,698**	**-**	**-**
FINANCIAL LIABILITIES				
Non-current				
Financial instruments	4,295	589	3,706	-
Discounted premiums payable	86	-	86	-
Total non-current financial liabilities	**4,381**	**589**	**3,792**	**-**
Current				
Loans and borrowings	45,823	45,823	-	-
Less than one year	40,851	40,851	-	-
Finance lease commitment hedge accounts	187	187	-	-
Deferred borrowing costs at EIR	(313)	(313)	-	-
Accrued interest on loans	327	327	-	-
Derivative instruments - Discounted premiums payable	60	60	-	-
Bank overdrafts	4,572	4,572	-	-
Current and related accounts	139	139	-	-
TOTAL CURRENT FINANCIAL LIABILITIES	**45,823**	**45,823**	**-**	**-**

At 31 December 2014:

In thousands of euros	BALANCE SHEET ITEMS	FROM 0 TO 1 YEAR	1 YEAR TO 5 YEARS	MORE THAN 5 YEARS
FINANCIAL ASSETS				
Non-current				
Finance lease transactions and related receivables	13,053	-	13,053	-
Assets available for sale	278	-	278	-
Derivatives stated at fair value	313	8	305	-
Deposits and sureties paid	3,087	-	-	3,087
Loans	7	-	-	7
Total non-current financial assets	**16,739**	**8**	**13,637**	**3,094**
Current				
Cash and cash equivalents	4,340	4,340	-	-
Cash equivalents: SICAVs	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-
Settlement accounts for securities	778	778	-	-
Bank account overdrafts	3,562	3,562	-	-
TOTAL CURRENT FINANCIAL ASSETS	**4,340**	**4,340**	**-**	**-**
FINANCIAL LIABILITIES				
Non-current				
Financial instruments	6,576	449	3,735	2,392
Discounted premiums payable	39	-	39	-
Total non-current financial liabilities	**6,614**	**449**	**3,773**	**2,392**
Current				
Loans and borrowings	48,962	48,962	-	-
Less than one year	39,743	39,743	-	-
Finance lease commitment hedge accounts	4,995	4,995	-	-
Deferred borrowing costs at EIR	(286)	(286)	-	-
Accrued interest on loans	477	477	-	-
Derivative instruments - Discounted premiums payable	57	57	-	-
Bank overdrafts	2,572	2,572	-	-
Current and related accounts	1,405	1,405	-	-
TOTAL CURRENT FINANCIAL LIABILITIES	**48,962**	**48,962**	**-**	**-**

At 31 December 2013:

In thousands of euros	BALANCE SHEET ITEMS	FROM 0 TO 1 YEAR	1 YEAR TO 5 YEARS	MORE 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 cash 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				
Long-term 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**	**-**	**-**

Note 4 - Assets held for sale

In thousands of euros		31/12/2015		31/12/2014		31/12/2013	
		ASSETS	LIABILITIES	ASSETS	LIABILITIES	ASSETS	LIABILITIES
Investment property	Buildings held for sale	58,457	-	148,189	-	43,381	-
	Loans	-	28,950	-	81,612	-	29,237
	Guarantee deposits	-	1,612	-	1,534	-	830
	SUB-TOTAL	**58,457**	**30,562**	**148,189**	**83,146**	**43,381**	**30,066**
Financial assets	Securities	21	-	(1)	-	(1)	-
	Related receivables	-	-	279	-	279	-
	SUB-TOTAL	**21**	**-**	**278**	**-**	**278**	**-**
	TOTAL	**58,478**	**30,562**	**148,467**	**83,146**	**43,659**	**30,066**

Note 5 – Other assets

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Government – tax and social security receivables	3,118	3,061	4,219
Sub-total (1)	**3,118**	**3,061**	**4,219**
Suppliers	355	381	472
Customer accounts	2,142	3,122	1,908
Subscribed share capital not paid up	-	1	-
Loans to related companies	-	-	(10)
Other miscellaneous receivables	4,437	5,618	8,446
Bad debt provisions, other receivables	-	(165)	(190)
Other	(45)	(45)	(45)
Other receivables	**6,890**	**8,913**	**10,581**
Income accruals	15,894	15,680	18,238
Prepaid expenses	266	464	638
Adjustment accounts	**16,160**	**16,145**	**18,876**
Sub-total (2)	**23,050**	**25,058**	**29,457**
TOTAL (1) + (2)	**26,168**	**28,119**	**33,676**

Note 6 – Other liabilities

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Trade payables and related payables	3,786	3,350	4,308
Fixed asset payables and related accounts	106	112	2,184
Trade accounts payable and related accounts	**3,892**	**3,463**	**6,492**
Other customer payables	683	1,001	443
Other payables	12,531	12,155	15,325
Payments received as a result of activation of guarantees (finance leases)	-	-	-
Other	-	-	-
Other debts	**13,214**	**13,156**	**15,768**
Expenses payable	4,580	8,030	10,220
Deferred income	655	168	123
TOTAL	**22,340**	**24,817**	**32,603**

Note 7 – Trade loans and receivables

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Receivables from sales of fixed assets	8,154	6,170	-
Ordinary receivables	2,867	2,678	4,073
Doubtful receivables	5,336	5,461	3,420
Impairment of doubtful receivables	(3,830)	(3,627)	(2,257)
TOTAL	**12,527**	**10,683**	**5,237**

At 31 December 2015:

In thousands of euros		NOT DUE	30 DAYS AT MOST	DUE OVER 30 DAYS AND WITHIN 180 DAYS	DUE OVER 180 DAYS AND WITHIN 1 YEAR	MORE THAN 1 YEAR
INVESTMENT PROPERTIES						
Gross	16,187	1,110	152	1,912	1,445	11,569
Impairment	(3,720)	(2)	(1)	(280)	(738)	(2,699)
Net	**12,467**	**1,108**	**151**	**1,632**	**706**	**8,870**
SERVICES						
Gross	170	31	6	-	-	132
Impairment	(110)	-	-	-	-	(110)
NET	**60**	**31**	**6**	**-**	**-**	**22**
TOTAL						
Gross	**16,357**	**1,141**	**158**	**1,912**	**1,445**	**11,701**
Impairment	**(3,830)**	**(2)**	**(1)**	**(280)**	**(738)**	**(2,809)**
NET	**12,527**	**1,139**	**157**	**1,632**	**706**	**8,893**

At 31 December 2014:

In thousands of euros		NOT DUE	30 DAYS AT MOST	DUE OVER 30 DAYS AND WITHIN 180 DAYS	DUE OVER 180 DAYS AND WITHIN 1 YEAR	MORE THAN 1 YEAR
INVESTMENT PROPERTIES						
Gross	14,153	4,288	3,422	1,638	894	3,911
Impairment	(3,517)	-	-	(176)	(703)	(2,637)
Net	**10,636**	**4,288**	**3,422**	**1,462**	**191**	**1,274**
SERVICES						
Gross	156	13	11	-	-	132
Impairment	(110)	-	-	-	-	(110)
NET	**47**	**13**	**11**	**-**	**-**	**22**
TOTAL						
Gross	**14,309**	**4,301**	**3,433**	**1,638**	**894**	**4,043**
Impairment	**(3,627)**	**-**	**-**	**(176)**	**(703)**	**(2,747)**
NET	**10,683**	**4,301**	**3,433**	**1,462**	**191**	**1,296**

At 31 December 2013:

In thousands of euros		NOT DUE	30 DAYS AT MOST	DUE OVER 30 DAYS AND WITHIN 180 DAYS	DUE OVER 180 DAYS AND WITHIN 1 YEAR	MORE THAN 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**

Note 8 – Inventories

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Property development inventory	16,543	16,917	25,969
Finance expense inventories (property development)	-	91	481
Impairment of property development inventories	(10,699)	(11,465)	(12,465)
TOTAL	**5,844**	**5,544**	**13,985**

Note 9 – Contribution des entreprises mises en équivalence

In thousands of euros	31/12/2015					31/12/2014					31/12/2013
	NET ASSET	%	TOTAL ASSETS	REVENUES EXC. TAX	PROFIT/ LOSS	NET ASSET	%	TOTAL ASSETS	REVENUES EXC. TAX	PROFIT/ LOSS	NET ASSET
Paris 29 Copernic	(46)	50.00%	248	-	(93)	67	50.00%	490	-	133	(20)
Cap 88	(92)	40.00%	1,057	-	(239)	34	40.00%	1,262	393	76	163
Concerto Buchères 3	979	40.00%	31,984	18,730	2,445	(4)	40.00%	2,327	-	(10)	-
Marseille 88 Capelette	1,973	40.00%	2,784	-	(204)	1,946	40.00%	2,978	-	(55)	1,794
NANTERRE	40	50.00%	1,281	-	80	(164)	50.00%	613	(40)	(328)	-
Concerto Wissous Pro	(1)	40.00%	1		(3)	-		-	-	-	-
Urbismart	(96)	17.00%	880	23	(574)	-		-	-	-	-
Banimmo	36,074	49.51%	350,589	12,494	(33,234)	52,793	49.51%	339,744	17,778	(9,322)	58,487
TOTAL	**38,831**					**54,673**					**60,424**

Note 10 – Deferred taxes

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
ASSETS			
Investment property	-	-	398
Deferral of borrowing costs	-	-	4
Derivatives	-	-	-
Internal capital gains	1,393	1,393	1,393
Other items	-	-	7
TOTAL	**1,393**	**1,393**	**1,802**
LIABILITIES			
Investment properties at FV of non-SIIC subsidiaries	-	-	(607)
Goodwill assigned to properties	-	-	919
Derivatives	-	-	-
Deferral of borrowing costs	-	-	-
Other items	-	-	-
TOTAL	**-**	**-**	**312**

Note 11 – Provisions

In thousands of euros	BALANCE 31/12/2013	ALLOWANCES FOR THE YEAR	REVERSALS FOR THE YEAR	TRANSFER FROM LINE ITEM TO ITEM	BALANCE 31/12/2014	ALLOWANCES FOR THE YEAR	REVERSALS FOR THE YEAR	TRANSFER FROM LINE ITEM TO ITEM	BALANCE 31/12/2015
Provision for sundry contingencies (customer disputes)	463	574	(145)	-	892	526	(327)	-	1,091
Provision for tax risk	35	65	-	-	100	-	-	-	100
Provision for pension costs	571	31	-	(22)	579	-	(78)	-	501
Provision for sundry charges	2,492	-	-	-	2,492	335	(21)	(22)	2,784
TOTAL	**3,561**	**669**	**(145)**	**(22)**	**4,063**	**861**	**(426)**	**(22)**	**4,476**

20.1.7.4.2 Notes to the income statement

Note 12 – Net property income

In thousands of euros	2015	2014	2013	2015/2014 CHANGE	2014/2013 CHANGE
Gross rental income	**39,029**	**43,687**	**40,230**	**(4,658)**	**3,457**
Rental income and expenses	**(4,033)**	**(3,865)**	**(5,658)**	**(168)**	**1,793**
Re-billed expenses	11,767	13,303	14,478	(1,536)	(1,175)
Rebillable expenses	(10,612)	(11,395)	(14,389)	783	2,994
Non rebillable expenses	(4,774)	(5,569)	(5,319)	794	(249)
Miscellaneous expenses	-	(31)	(12)	31	(19)
Lease fees	(413)	(173)	(416)	(241)	243
Other property income and expenses	**(561)**	**(625)**	**258**	**64**	**(883)**
Other income	531	708	223	(177)	485
Net losses on doubtful receivables	(1,092)	(1,333)	35	241	(1,368)
Net property income	**34,435**	**39,197**	**34,830**	**(4,762)**	**4,367**

Note 13 – Income (loss) from other activities

In thousands of euros	2015	2014	2013	2015/2014 CHANGE	2014/2013 CHANGE
Income (loss) from finance lease transactions (1)	**1,255**	**842**	**1,055**	**412**	**(213)**
Rent and similar	3,928	4,208	4,753	(280)	(545)
Depreciation and provisions subject to Articles 64 and 57	(3,084)	(3,404)	(3,747)	320	343
Change in underlying reserve	(10)	(2)	(5)	(8)	3
Net losses on doubtful receivables	451	62	(2)	388	64
Expenses on finance leases	(30)	(21)	56	(9)	(77)
Income (loss) from property development activities (2)	**43**	**1,441**	**(318)**	**(1,398)**	**1,758**
Revenues	10	154	8,341	(144)	(8,188)
Changes in inventories	109	3,924	6,409	(3,816)	(2,485)
Net losses on doubtful receivables	-	(14)	(161)	14	147
Expenses on property transactions	(76)	(2,623)	(14,907)	2,547	12,283
INCOME (LOSS) FROM OTHER ACTIVITIES (1) + (2)	**1,297**	**2,283**	**737**	**(986)**	**1,546**

Note 14 – Net cost of financial debt

In thousands of euros	2015	2014	2013	2015/2014 CHANGE	2014/2013 CHANGE
Revenue from cash and cash equivalents	**527**	**664**	**244**	**(137)**	**420**
Dividends	15	-	-	15	-
Loans to customers	-	-	-	-	-
Regular receivables accounts	512	663	240	(151)	423
Trading securities	-	-	4	-	(4)
Investment securities	-	1	(1)	(1)	1
Gross cost of financial debt	**(9,632)**	**(11,578)**	**(11,706)**	**1,946**	**128**
Term loans to customers	-	-	-	-	-
Term loans of a financial nature	(6,717)	(7,885)	(7,238)	1,168	(647)
Bond issues	-	-	-	-	-
Income and expenses from derivatives	(2,955)	(3,709)	(4,726)	753	1,017
Subordinated debt expenses	(8)	(8)	(8)	()	-
Income and expenses from current accounts	48	24	265	25	(242)
TOTAL	**(9,105)**	**(10,915)**	**(11,462)**	**1,809**	**548**

Note 15 – Income tax

In thousands of euros	2015	2014	2013	2015/2014 CHANGE	2014/2013 CHANGE
Tax due	550	(459)	(474)	1,009	14
Change in deferred tax	(93)	(207)	(137)	114	(70)
Exit tax	-	(413)	(740)	413	327
TOTAL	**457**	**(1,080)**	**(1,351)**	**1,537**	**271**

	BASIS	THEORETICAL TAX (EXPENSE) - INCOME
Consolidated profit / loss before tax	**(17)**	**6**
Earnings of Sicomi-SIIC exempted sector	(18,008)	6,002
Share of companies consolidated under the equity method	15,682	(5,227)
Share of changes in goodwill	-	-
Add-backs - deductions	**(866)**	**289**
Amortisation of goodwill	-	-
Amortisation of fair value increment	-	-
Provisions excluding tax	-	-
Companies subject to IT	-	-
Other addbacks - deductions	*(866)*	*289*
Consolidation restatements	**2,142**	**(714)**
Impact of permanent differences	*1,612*	*(537)*
Impact of timing differences taxed at smaller rate	-	-
Impact of liability method	*530*	*(177)*
Other	-	-
Consolidated theoretical tax	**(1,067)**	**355**
of which companies making a tax loss	*(3,953)*	*1,317*
of which companies making a tax profit	*2,886*	*(962)*
Use of tax losses	(2,353)	784
Tax losses not carried on balance sheet	3,657	(1,219)
Tax after deduction of losses	238	(79)
Tax without base:		
Tax credit	-	27
Annual flat-rate tax and tax adjustments	-	733
Tax on capital gains at 19%	-	(2)
Tax on unrealised capital gains at 16.50%	-	-
Additional contribution	-	(223)
Income tax burden recorded	**-**	**457**
TAXES	-	550
EXIT TAX	-	-
DEFERRED TAXES	-	(93)
TOTAL	**-**	**457**

Note 16 – Earnings per share

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

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Net profit – Group share	440	(10,976)	(8,831)
PSL charges	(2,135)	(2,302)	(2,277)
Cost of ORA 1 & 2 convertible bonds redeemable in shares	(590)	(1,178)	(1,532)
Net profit – Group share adjusted for calculation of earnings per share	**(2,285)**	**(14,456)**	**(12,640)**
BRS 1 and 2 adjustments	590	1,178	1,532
Net profit – Group share adjusted for the diluted earnings per share (after conversion of BRS)	**(1,696)**	**(13,278)**	**(11,108)**

	31/12/2015	31/12/2014	31/12/2013
Number of shares in circulation at balance sheet date	10,056,071	9,051,431	9,033,959
Average number of treasury shares*	(593,279)	(28,405)	(39,277)
Average number of shares (excl.Tr. shares)	**9,462,792**	**9,023,026**	**8,994,682**
Average number of new shares issued for redeeming ORA 1 & 2 convertible bonds redeemable in shares	225,888	1,230,528	1,248,000
Average number of diluted shares (excl.Tr. shares)	**9,688,680**	**10,253,554**	**10,242,682**
Earnings per share (€)	0.05	(1.22)	(0.98)
Diluted earnings per share (€)	0.05	(1.07)	(0.86)
Earnings per share restated to reflect perpetual subordinated loan notes (PSL) (€)	(0.24)	(1.60)	(1.41)
Diluted earnings per share restated to reflect perpetual subordinated loan notes (PSL) (€)	(0.18)	(1.29)	(1.08)

* The average number of treasury shares in 2015 takes into account the capital increase on 31 July 2015.

20.1.7.4.3 Notes on equity interests in other entities

The only significant interests held in other entities are those relating to BANIMMO.

Assets

In thousands of euros	Note	31/12/2015	31/12/2014	31/12/2013
Non-current assets				
Investment property	1	65,948	82,283	83,168
Property, plant and equipment	2	493	1,892	1,825
Intangible assets		75	96	227
Interests in companies consolidated under the equity method	3	7,520	10,179	10,760
Deferred tax assets		5,504	5,847	5,242
Long-term financial assets		45,862	67,901	83,590
Long-term financial derivatives		-	-	-
Trade receivables and other receivables		4,981	2,454	2,569
Total non-current assets		**130,385**	**170,653**	**187,380**
Current assets				
Inventories	4	192,387	148,009	152,060
Property – Deal in progress	4	2,281	964	-
Short-term financial assets		818	820	1,042
Trade receivables and other receivables		20,516	13,635	11,444
Current tax receivables		652	1,033	792
Short-term financial derivatives		-	-	-
Cash and cash equivalents		3,551	4,631	4,066
Total current assets		**220,205**	**169,092**	**169,404**
TOTAL ASSETS		**350,589**	**339,744**	**356,784**

Liabilities

In thousands of euros	NOTE	31/12/2015	31/12/2014	31/12/2013
Equity				
Share capital		106,539	106,539	132,566
Consolidated reserves		(33,449)	22	(16,915)
Attributable to third parties		-	301	-
Total equity		**73,090**	**106,862**	**115,651**
Non-current liabilities				
Long-term financial debt	5	159,570	179,014	193,028
Deferred tax liabilities		-	-	-
Long-term financial derivatives		-	-	-
Trade payables and other debts		4,256	4,328	6,616
Long-term provisions		2,085	1,230	1,892
Total non-current liabilities		**165,911**	**184,572**	**201,535**
Current liabilities				
Short-term financial debt		86,976	19,786	6,083
Short-term provisions		76	73	61
Current tax liabilities		161	2,453	5,826
Short-term financial derivatives		6,416	7,398	6,637
Trade payables and other debts		17,959	18,602	20,990
Total current liabilities		**111,589**	**48,311**	**39,598**
TOTAL LIABILITIES		**350,589**	**339,744**	**356,784**

Consolidated income statement

In thousands of euros	NOTE	31/12/2015	31/12/2014	31/12/2013
Rental revenue		11,401	12,954	12,407
Income from disposal of properties in inventory		18,731	47,140	49,580
Income from deals in progress		23,094	-	-
Income from ordinary activities		53,226	60,093	61,987
Rental expense		(3,283)	(3,955)	(2,523)
Fees and expenses on disposal of properties in inventory		(17,988)	(38,186)	(45,201)
Fees and expenses on deals in progress		(17,502)	98	-
Expenses on ordinary activities		(38,773)	(42,043)	(47,724)
Profit from property operations		**14,453**	**18,050**	**14,263**
Management fees and commissions		1,092	978	874
Net profit (loss) on sale of investment properties		(3,925)	-	-
Fair value gain (loss) on investment properties	(575)	(3,930)	(6,549)	(6 549)
Impairment (additions) and reversals on properties in inventory		(4,000)	(400)	(5,800)
Other operating income (expenses)		(16)	(58)	(314)
Profit (loss) on property		**7,029**	**14,641**	**2,474**
Administrative expenses		**(9,077)**	**(8,352)**	**(7,572)**
Operating profit		**(2,048)**	**6,289**	**(5,098)**
Financial expenses		(32,486)	(11,570)	(7,878)
Financial income		1,953	5,668	5,266
Share in profits of companies consolidated under the equity method		(2,035)	(3,869)	(11,782)
Gain (loss) on reclass. of interests in EM companies		-	-	10,503
Net impairment on interests in companies consolidated under the equity method	-	(4,001)	(3,157)	(3 157)
Gain (loss) on disposal of interests in companies consolidated under the equity method		1,038	-	249
Provisions for contingencies and charges on financial assets	(109)	-		
Gain (loss) on realisation of financial assets		-	(29)	(108)
Income before tax		**(33,687)**	**(7,512)**	**(12,005)**
Tax on current profit		922	(2,535)	(5,877)
Deferred taxes		(469)	725	3,954
EARNINGS FOR THE PERIOD		**(33,234)**	**(9,322)**	**(13,928)**

Consolidated cash flow statement

In thousands of euros	2015	2014	2013
Cash flows from operational activities			
Net profit	**(33,235)**	**(9,322)**	**(13,928)**
- Taxes	(453)	1,810	1,923
- (Profits) / losses on investment property disposals	3,925		(341)
- (Profits) / losses on property, plant and equipments disposals	398		64
- (Profits) / losses on the disposal of companies accounted for under the equity method	(1,038)		(249)
- (Profits) / losses on financial assets disposal		29	108
- (Profits) / losses on disposal of properties in inventory	(743)	(8,954)	(4,037)
- (Gains) / losses on the completion of deals in progress	(5,591)	(98)	
- Fair value (gains) / losses on investment property	575	3,930	6,549
- (Reversals of) impairments on properties in inventory	4,000	400	5,800
- (Reversals of) impairments on receivables	(113)	-25	166
- (Reversals of) impairments on financial assets	109		
- Depreciation of property, plant and equipment	172	175	88
- Amortisation of intangible assets	54	112	197
- Straight-line amortisation of rental income and rental expenses on properties	(355)	177	-970
- Share in the loss/(profit) of companies accounted for under the equity method	2,035	7,869	14,906
- Income from reclassification of companies accounted for under the equity method			(10,503)
- (Reversals) of impairments on related party receivables	22,382	325	
- Expenses assigned directly to equity			17
- Interest expenses	8,294	7,622	7,751
- Interest income and dividends received	(1,953)	(5,668)	(5,266)
- Fair value (gains) / losses on derivatives	1,766	3,429	122
Net earnings before changes in working capital	**229**	**1,811**	**2,397**
Changes in working capital:			
Acquisitions of properties in inventory	(31,859)	(20,174)	(5,811)
Investment expenses on properties in inventory	(43,531)	(19,878)	(10,660)
Cash received from disposals of properties in inventory	16,407	36,642	41,284
Capital expenditure on deals in progress	(15,414)	(833)	
Cash received on deals in progress	20,573	375	
Trade receivables and other receivables	(3,908)	(1,967	(2,816)
Trade accounts payable and other debts	(25)	(5,425)	731
Provisions	(692)	(651)	(766)
Cash generated (used) by the operational activity	**(58,449)**	**(1,061)**	**21,962**
Acquisition/sale of derivative financial instruments			
Taxes paid	(1,426)	(6,502)	(1,181)
Taxes recieved	438	353	2
Net cash generated (used) by the operational activity	**(59,208)**	**(5,399)**	**23,180**

In thousands of euros	2015	2014	2013
Cash flows from investing activities			
Acquisition of consolidated securities net of acquired cash			(277)
Investment property acquisitions			
Capital expenditure on investment property	(1,179)	(2,976)	(3,112)
Cash received on investment properties	14,700		7,691
Cash received from disposals of long-term receivable			
Acquisitions of property, plant and equipment	(91)	(242)	(424)
Capital expenditure on property, plant and equipment			
Cash received on property, plant and equipment	323		7
Acquisitions of intangible assets	(34)	(79)	
Cash received on intangible asset disposals			
Acquisition of equity interests		(3,390)	
Disposal of equity interests	2,196		19,287
Capital increase of companies accounted for under the equity method			
Dividends received from companies accounted for under the equity method			1,609
Acquisitions of financial assets			
Dividends received from financial assets	67	2,533	145
Disposals of financial assets	216	26,961	191
Loans granted to related parties	(1,127)	(11,720)	(1,972)
Reimbursements of loans granted to related parties	1,905		4,693
Interests received on loans granted to related parties	266	339	2,030
Other		(1)	(6)
Net cash generated (used) by the investing activity	**17,242**	**11,425**	**29,862**
Cash flows from financing activities			
Net increase (decrease) of the credit facility	8,815	5,245	(36,150)
New borrowings	43,920	2,035	3,090
Loan repayments	(4,571)	(2,463)	(5,097)
Public bond issue (net of expenses)	43,498	5	-681
Redemption of bond	(40,928)		
Interests paid	(7,095)	(7,184)	(7,207)
Interests received (paid) on derivatives	(2,748)	(2,668)	(2,930)
Other interests received	9	9	18
Dividends paid to shareholders	(25)		(3,114)
Acquisition of treasury shares			
Capital reduction			
Capital paid net of expenses			
Net cash generated (used) by the financing activity	**40,875**	**(5,021)**	**(52,071)**
Net change in cash and cash equivalents	**(1,091)**	**1,005**	**971**
Net cash position at the beginning of the year	**2,938**	**1,933**	**962**
Net cash position at the end of the year	**1,847**	**2,938**	**1,933**

Note 1 – Investment properties

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
At beginning of period	**82,283**	**83,168**	**93,954**
Capitalised expenses	1,120	3,044	3,112
Disposals	(16,880)	-	(7,349)
Fair value gain (loss)	(575)	(3,929)	(6,549)
At end of period	**65,948**	**82,283**	**83,168**

Note 2 – Long-term property, plant and equipment

	TECHNICAL FACILITIES, FURNITURE AND VEHICLES	OTHER PROPERTY, PLANT AND EQUIPMENT	TOTAL
2013 Financial year			
Net value at start of period	243	1,317	1,560
Acquisitions	424	-	424
Disposals / retirements	(71)	-	(71)
Depreciation	(88)	-	(88)
Net value at close of period	508	1,317	1,825
At 31/12/2013			
Acquisition value	1,422	1,317	2,739
Cumulative depreciation and impairment	(914)	-	(914)
Net value	508	1,317	1,825
2014 Financial year			
Net value at start of period	508	1,317	1,825
Acquisitions	242	-	242
Disposals / retirements	-	-	-
Depreciation	(175)	-	(175)
Net value at close of period	575	1,317	1,892
At 31/12/2014			
Acquisition value	1,664	1,317	2,981
Cumulative depreciation and impairment	(1,089)	-	(1,089)
Net value	575	1,317	1,892
2015 Financial year			
Net value at start of period	575	(1,317)	1,892
Acquisitions	90		90
Disposals / retirements	0	0	(1,317)
Depreciation	(172)		(172)
Net value at close of period	493	0	493
At 31/12/2015			
Acquisition value	1,754	0	1,754
Cumulative depreciation and impairment	(1,261)	0	(1,261)
Net value	493	0	493

Note 3 – Interests in companies consolidated under the equity method

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
At beginning of period	**10,179**	**10,759**	**60,854**
Acquisitions	312	3,390	-
Capital increases	-	4,002	-
Disposals	(1,158)	-	(19,038)
Share of companies consolidated under the equity method	(2,035)	(3,869)	(11,782)
Impairment of interests in companies consolidated under the equity method	-	(4,001)	(3,157)
Income from reclassification of investments in companies consolidated under the equity method	-	-	10,503
Change of consolidation scope	222	(102)	-
Equity interest in Montéa	-	-	(197)
Transfer to another heading	-	-	(26,736)
Transfer from another heading	-	-	312
At end of period	**7,520**	**10,179**	**10,759**

Note 3 – Long-term financial assets

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
At 31/12/2015	45,862	67,901	83,590

These are mainly long-term loans to associates, notably: Coferinvest in the amount of €17.8 million and Urbanove €24.5 million.

In 2010, Banimmo acquired a 25% equity interest in City Mall Développement and a 30% interest in City Mall Invest, thereby increasing its interest in the shopping mall projects developed by the Group in Charleroi, Namur and Verviers to 41.62% as at 31 December 2013 (originally 38.25%). Banimmo had agreed a Mezzanine loan bearing €35.0 million interest. The loan matured on 27 August 2015. At the end of 2013, interest income included €1.446 million on the mezzanine loan for which Banimmo had agreed deferred payment terms.

In 2014, following the Group's financial restructuring, Banimmo's equity interest in Urbanove SA (formerly City Mall Invest SA) was 49.38% (currently 44%). Unpaid accrued interest as at 30 September 2014 in the amount of €4.0 million was converted to long-term financial assets through the capital increase by the incorporation of Urbanove SA corporate debt.

Furthermore, as part of an agreement to modify and consolidate mezzanine credit arrangements, Banimmo agreed an additional €9.9 million loan. Total loans as at the end of 2014 amounted to €44.9 million. The interest on these loans calculated for the fourth quarter was written-down by a total €0.325 million. The equity securities themselves were written-off completely.

In 2015, Banimmo agreed an additional €0.6 million loan. Following an in-depth review of the two projects in a new configuration, an impairment test was conducted on loans totalling €46.9 million (including capitalised interest). The review concluded that Banimmo ran a risk of not being able to recover part of the loans. Banimmo therefore decided to apply a €22.4 million impairment (€21 million nominal value plus €1.4 million capitalised interest) corresponding to the portion estimated to be non-recoverable at the end of the project.

Note 4 – Property in inventory

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
At beginning of period	**148,009**	**152,060**	**166,704**
Acquisitions	31,860	8,910	17,196
Capitalised expenses*	38,272	23,866	10,660
Reclassification to deals in progress	(6,911)	-	-
Impairment (additions) and reversals	(4,000)	(400)	(5,800)
Disposals	(14,843)	(36,427)	(36,700)
At end of period	**192,387**	**148,009**	**152,060**

* Includes €18,165,000 eviction compensation on the St-Germain asset.

Breakdown at end of period			
Acquisition date	203,287	154,909	158,560
Impairments	(10,900)	(6,900)	(6,500)
At end of period	**192,387**	**148,009**	**152,060**

Deals in progress can be broken down as follows:

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
At beginning of period	**964**	**-**	**-**
Acquisitions	-	-	-
Capitalised expenses	14,124	964	-
Reclassification of property in inventory	6,911	-	-
Disposals	(19,718)	-	-
At end of period	**2,281**	**964**	**-**

Note 5 – Long-term financial debt

In thousands of euros	BAL. SHEET ITEMS	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	78,072	-	78,072	-
Deferral of bond issuance costs	(974)	-	-	-
Bank loans	82,471	50,347	32,124	-
Total at 31/12/2015	**159,570**	**50,347**	**110,196**	**-**

In thousands of euros	BAL. SHEET ITEMS	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	75,000	40,928	34,072	-
Deferral of bond issuance costs	(717)	-	-	-
Syndicated credit	64,305	64,305	-	-
Deferral of syndicated credit fees	(374)	-	-	-
Bank loans	40,800	32,600	8,200	-
Total at 31/12/2014	**179,014**	**137,833**	**42,272**	**-**

In thousands of euros	BAL. SHEET ITEMS	1 TO 2 YEARS	2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	75,000	40,928	34,072	-
Deferral of bond issuance costs	(968)	-	-	-
Syndicated credit	67,260	-	67,260	-
Deferral of syndicated credit fees	(610)	-	-	-
Bank loans	52,346	17,896	34,450	-
Total at 31/12/2013	**193,028**	**58,824**	**135,782**	**-**

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 2015, 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 significant 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-leases properties reported to the Group as potentially vulnerable, 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 three-year monthly cash situation forecast provided by the management controller to General Management; actual monthly cash and forecast cash are reconciled and discrepancies analysed at this time. A cash forecast is submitted to the two Board Meetings convened to approve the financial statements of the Group.

The Group's loan agreements are covered by 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 December 2015, 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 97% of its bank debt as at 31 December 2015 (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 to two caps for a notional amount of €30,798,000 guaranteeing maximum rates of 0.26% to 1.5%.

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 financial assets and for bank loans, the principal financial liabilities. Group debt (excluding leases) is fully hedged.

Analysis of sensitivity of cash flows for variable-rate instruments

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

At 31/12/2015:

SENSITIVITY TO CHANGE IN INTEREST RATE IN THOUSANDS OF EUROS	2016 EXPENSES	2017 EXPENSES	2018 EXPENSES	2019 EXPENSES
Increase of 50 basis points, 2015 projected rate	3,602	3,027	2,794	2,616
Increase of 100 basis points, 2015 projected rate	4,416	3,641	3,615	3,270

At 31/12/2014:

SENSITIVITY TO CHANGE IN INTEREST RATE IN THOUSANDS OF EUROS	2015 EXPENSES	2016 EXPENSES	2017 EXPENSES	2018 EXPENSES
Increase of 50 basis points, 2014 projected rate	4,248	4,089	3,637	3,241
Increase of 100 basis points, 2014 projected rate	5,321	5,358	4,710	4,171

At 31/12/2013:

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

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 top-tier banking institutions. As at 31 December 2015, no bank represented more than 25% 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 Financial commitments and guarantees given

20.1.7.7.1.1 Loans and bank overdrafts

• Guarantees

In thousands of euros	BALANCE SHEET ITEMS	LESS THAN THAN 1 MONTH	1 TO 3 MONTHS	3 MONTHS TO 1 YEAR	1 YEAR TO 2 YEARS	2 YEARS TO 5 YEARS	MORE THAN 5 YEARS
Non-current debts							
covered by guarantees	118,460	-	-	-	15,090	75,079	28,291
covered by collateral	55,250	-	-	-	2,946	9,980	42,325
neither collateral nor guarantees	37,868	-	-	-	4,459	11,766	21,643
Current debts							
covered by guarantees	53,164	34,605	390	1,171	10,615	2,793	3,591
covered by collateral	10,388	3,500	672	2,079	180	603	3,353
neither collateral nor guarantees	6,412	3,235	443	1,354	1,380	-	-

Guarantees: these sureties include registered mortgages.

Collateral: this concerns borrowing companies who pledge their shares as collateral to banks.

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

• Financing commitments

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Commitments to customers	4,400	4,580	-
TOTAL	**4,400**	**4,580**	**-**

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 amount of the property under assets and a loan under liabilities.)

In thousands of euros	DEPRECIATION	FEES
Less than 1 year	4,166	5,583
1 to 5 years	17,010	21,726
over 5 years	44,523	47,703
Total minimum capital payments	65,700	
Amounts representing interest expense	9,312	
Discounted value of minimum lease payments	75,012	75,012

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	RENTAL INCOME RENTS	RENTAL INCOME RENTS
Less than 1 year	503	467
1 to 5 years	2,013	1,866
Over 5 years	396	367
Minimum total lease payments	2,911	
Indexation	211	
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	31/12/2015	31/12/2014	31/12/2013
Commitments to lending institutions	1,313	1,313	1,313
Commitments to clients	-	5,150	5,150
TOTAL	**1,313**	**6,464**	**6,464**

• Financing commitments

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Total of lines:	15,000	15,000	19,000
Balance of commitments from lending institutions	11,131	7,020	3,134
Commitments received from customers	-	-	-
TOTAL	**11,131**	**7,020**	**3,134**

20.1.7.7.2.2 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	4,137	4,104
1 to 5 years	11,388	11,343
More than 5 years	-	-
Minimum lease payments	15,525	
Amounts representing interest expense	(78)	
Discounted value of minimum lease payments	15,446	15,446
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	33,503	28,681
1 to 5 years	111,625	106,988
over 5 years	40,105	38,213
Minimum total lease payments	185,233	
Amounts representing interest expense	(11,351)	
Discounted value of minimum lease payments	173,882	173,882

All Affine Group assets and liabilities are located in France. Operating leases in France, where Affine is lessor, generally relate to 3/6/9-year commercial leases; only the lessee can terminate the lease at the end of each three-year period by giving six months' notice (as local use dictates) by registered letter with return receipt. The parties can, however, contractually waive this three-year renewal provision by arranging 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 (CRI). 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 Employees

The Group's workforce at 31 December 2015 was 38 people, and breaks down as follows:

- Corporate officers: 2
- Managers: 27
- Employees: 9

20.1.7.8.2 7.8.2.Individual training rights

Individual training rights no longer existed in 2015.

It was replaced on 1 January 2015 by a Personal Training Account, pursuant to Law 2014-288 of 5 March 2014 relating to vocational training, jobs and social democracy.

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 €288,000 as at 31 December 2015 versus €350,000 as at 31 December 2014.

Affine accrues provisions in its financial statements for pension commitments according to an assumed retirement age of 65 years. Retirement provisions amounted to €501,000 on 31 December 2015. The actuarial assumptions used to calculate the provision are as follows:

	2015	2014	2013
Discount rate:	0.96%	2.28 %	2.30 %
Staff turnover:	8.93% up to 50 years, 3% thereafter	9.17% up to 50 years, 3% thereafter	10.44% up to 50 years, 3% thereafter
Wage rise adjustment coefficient	0.86 %	1.06 %	1.26 %
INSEE TD-TV mortality table	11-13	10-12	09-11

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 Executive remuneration

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Short-term benefits (wages, bonuses, etc.)	748	1,070	942
Post-employment benefits	67	101	102
Other long-term benefits	6	14	14
Share-based payments	-	-	-
Recognised benefits	**821**	**1,186**	**1,058**
Severance pay	385	385	390
Benefits not recognised	**385**	**385**	**390**

In 2014 and 2013: excluding Banimmo.

Executive officers 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 the officers and executives of Group companies amounted to €748,000 in financial year 2015 compared with €1,070,000 in 2014 (excluding Banimmo).

Other assorted defined benefits provided to the Group's officers and executives are:

- company car: one representing an expense of €5,530 in 2015;
- severance pay: a clause providing for the payment of an amount equal to one year's total compensation paid by all Group companies;
- contributions to pension funds paid during the year: €67,000;

Directors' fees paid by Group companies in 2015 amounted to €105,000 compared with €105,000 in 2014.

20.1.7.9.2 Affine transactions with related companies

20.1.7.9.2.1 Loans and advances granted to related companies

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

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
CAP 88	1,217	1,048	670
CONCERTO BUCHERES 3	(1)	3	-
COPERNIC	(23)	(237)	(169)
MARSEILLE CAPELETTE	1,226	1,221	1,970
NANTERRE	(104)	60	-
URBISMART	557	-	-
Total loans granted to related parties	**2,872**	**2,095**	**2,471**
CAP 88	4	5	14
CONCERTO BUCHERES 3	-	-	-
COPERNIC	(3)	(7)	(4)
MARSEILLE CAPELETTE	5	11	19
NANTERRE	-	-	-
URBISMART	5	-	-
Total interest income on loans granted	**11**	**8**	**29**

No guarantee was received.

20.1.7.9.2.2 Other transactions with related 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 €206,000 (a partial amount excluding executive remuneration) impacts the 2015 accounts, compared with €198,000 in 2014.

20.1.7.10 Fees of statutory auditors and members of their networks

At 31/12/2015:

	CAILLIAU DEDOUIT ET ASSOCIÉS				KPMG			
	AMOUNT: EXCL. VAT		%		AMOUNT: EXCL. VAT		%	
	2015	2014	2015	2014	2015	2014	2015	2014
Auditing, certification, review of company and consolidated statements								
Issuer	140	153	54%	49%	140	153	93%	94%
Fully consolidated subsidiaries	112	136	43%	44%	-	-	-	-
Other tasks and services directly linked to the auditing engagement								
Issuer	-	-	-	-	10	10	7%	6%
Fully consolidated subsidiaries	9	22	4%	7%	-	-	-	-
Sub-total	**261**	**311**	**100%**	**100%**	**150**	**163**	**100%**	**100%**
Other services rendered by the networks to fully-consolidated subsidiaries								
Legal, tax, social	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**261**	**311**	**100%**	**100%**	**150**	**163**	**100%**	**100%**

At 31/12/2014:

	CAILLIAU DEDOUIT ET ASSOCIÉS				KPMG			
	AMOUNT: EXCL. VAT		%		AMOUNT: EXCL. VAT		%	
	2014	2013	2014	2013	2014	2013	2014	2013
Auditing, certification, review of company and consolidated statements								
Issuer	153	153	49%	52%	153	163	94%	100%
Fully consolidated subsidiaries	136	130	44%	44%	-	-	-	-
Other tasks and services directly linked to the auditing engagement								
Issuer	-	5	-	2%	10	-	6%	-
Fully consolidated subsidiaries	22	8	7%	3%	-	-	-	-
Sub-total	**311**	**296**	**119%**	**100%**	**163**	**163**	**100%**	**100%**
Other services rendered by the networks to fully-consolidated subsidiaries								
Legal, tax, social	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-
Sub-total	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**311**	**296**	**119%**	**100%**	**163**	**163**	**109%**	**100%**

20.1.7.11 Post-reporting period events

Not applicable.

20.2 PRO-FORMA CONSOLIDATED STATEMENTS

There is no pro-forma consolidated financial statements.

STATUTORY AUDITORS' REPORT

on the Annual Financial Statements

Financial year ended 31 December 2015

Dear Shareholders,

Pursuant to the engagement entrusted to us by your General Shareholders' Meetings, we hereby report to you on the following matters for the financial year ended 31 December 2015:

- the audit of the annual financial statements of Affine R.E., as attached 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 involves examining, by means of spot checks and other selection methods, with 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 that, in accordance with French accounting rules and standards, the annual financial statements give a true and fair view of the results of the transactions performed in the last financial year, as well as of the company's financial position and net assets as at the end of that financial year.

Without calling into question the opinion expressed above, we call your attention to the uncertainty about the valuation of the Banimmo S.A. securities in the financial statements of Affine R.E. S.A. described in Section 9.1 "Note on the individual balance sheet" – Note 2 "Non-current financial assets" in the notes to the financial statements.

2 Justification of our assessments

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

Note 6.3 to the financial statements, "Measurement policy for major items" specifically sets out the accounting policies and principles relating to the measurement of equity investments and of the property portfolio, as well as the impairment conditions.

Our work consisted in verifying the appropriateness of the above accounting policies and in ensuring that they were applied correctly, in analysing the recoverable 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.

With the exception of the potential impact of the facts described in the first part of this report, we have no observations to make on the accuracy and consistency with the annual financial statements 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.

As regards the information provided pursuant to 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 certify 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 have been properly disclosed in the Management Report.

Paris La Défense, 6 April 2016
KPMG Audit FS I
Isabelle Goalec
Partner

Paris, 6 April 2016
Cailliau Dedouit et Associés
Rémi Savournin
Partner

20.3 ANNUAL FINANCIAL STATEMENTS
Financial year ended 31 December 2015

20.3.1 1. Balance sheet assets

In thousands of euros	NOTES	31/12/2015 GROSS	31/12/2015 DEPRE. AMORT. AND IMPAIRMENT	31/12/2015 NET	31/12/2014 NET
Subscribed share capital not called up					
CAPITALISED ASSETS					
Intangible assets	1	13,327	670	12,657	32,506
Concessions, patents, licences, software		588	174	414	468
Goodwill		3,082	-	3,082	11,552
Other intangible assets		9,657	496	9,161	20,486
Intangible assets in progress		-	-	-	-
Property, plant and equipment	1	328,033	102,930	225,103	260,524
Land		57,967		57,967	68,904
Buildings		258,898	102,734	156,164	186,390
Other property, plant and equipment		331	196	135	184
Property, plant & equipment under construction		10,836		10,836	5,046
Long-term financial assets		138,656	35,460	103,196	113,126
Equity investment securities	2	136,261	35,460	100,801	110,283
Other investment securities		1		1	
Receivables related to equity investments					-
Other long-term financial assets	3	2,394		2,394	2,843
		480,016	**139,060**	**340,955**	**406,156**
CURRENT ASSETS					
Inventories and work-in-progress					
Amounts paid on account					
Receivables		84,713	9,121	75,591	66,991
Trade receivables and related accounts	4	3,908	1,041	2,867	2,485
Other receivables		80,804	8,080	72,724	64,506
Investment securities		268	-	268	244
Treasury shares	5	268	-	268	244
Cash on hand		5,123	-	5,123	2,226
Prepaid expenses	6	1,007	-	1,007	1,119
		91 110	**9 121**	**81 989**	**70 580**
Expenses deferred over several years	7	2,200	-	2,200	2,464
GRAND TOTAL		**573,325**	**148,182**	**425,144**	**479,200**

20.3.2 2. Balance sheet Liabilities

In thousands of euros	NOTES	31/12/2015 NET	31/12/2014 NET
EQUITY			
Share capital (including 53,300 paid)		59,500	53,500
Bond, merger and share premiums		51,629	41,467
Revaluation reserves		2,759	5,078
Legal reserve		4,806	4,806
Other reserves		33,008	39,803
Retained earnings		(47,952)	(52,665)
Income or loss for the year		4,232	4,706
Regulated provisions		5,462	7,236
	8	**113,444**	**103,931**
QUASI-EQUITY			
Quasi-equity		79,101	95,342
	8	**79,101**	**95,342**
PROVISIONS			
Provisions for risks			
Provisions for charges		3,566	3,954
	8	**3,566**	**3,954**
DEBTS			
Other bonds		5,000	5,000
Borrowings and debts from lending institutions		176,629	212,703
Loans and borrowings		27,175	35,869
Amounts received on accounts in progress		479	277
Trade payables and related payables		2,077	1,525
Tax and social security debts		1,914	2,231
Fixed asset payables and related payables		48	103
Other debts		14,687	17,754
Deferred income	**10**	1,023	512
	9	**229,032**	**275,973**
Translation adjustment liabilities			
GRAND TOTAL		**425,144**	**479,200**

20.3.3 Income statement

In thousands of euros	NOTES	31/12/2015 FRANCE	31/12/2015 EXPORTS	31/12/2015 TOTAL	31/12/2014 TOTAL
Operating income					
Production sold (services)		40,352		40,352	46,823
Net revenues	11	40,352		40,352	46,823
Prior period adjustments and transfers of expenditures				3,053	2,193
Other income				125	80
				43,530	**49,096**
Operating expenses					
Other purchases and external expenses				(12,374)	(14,280)
Taxes and related expenses				(5,755)	(5,831)
Payroll and wages				(2,601)	(3,074)
Social security charges				(1,400)	(1,736)
Depreciation expense, impairment and provisions					
- For fixed assets: depreciation expenses				(13,613)	(12,971)
- For fixed assets: impairment expense				(3,920)	(2,174)
- On current assets: impairment expense				(664)	(261)
- For risks and expenses provision allowances				(243)	(29)
Other expenses				(1,109)	(277)
	12			**(41,679)**	**(40,634)**
NET OPERATING INCOME/LOSS				1,851	8,462
Share in the profit or loss of joint transactions	13			**874**	**646**
Profit allocated or loss transferred				4,134	2,904
Loss accrued or profit transferred				(3,259)	(2,257)
Financial income					
Equity investments				1,062	1,708
Other investment securities and receivables from capitalised assets				33	39
Other interest and similar income				3,961	637
Reversals on impairment, provisions and transfer of charges				1,297	5,590
Net income from disposals of investment securities				41	19
				6,393	**7,992**
Financial expenses					
Depreciation expense, impairment and provisions				(9,088)	(9,588)
Interest and similar expenses				(9,263)	(11,195)
Net charges on disposals of investment securities				-	-
				(18,351)	**(20,783)**
NET FINANCIAL INCOME	14			(11,959)	(12,791)
PRE-TAX CURRENT PROFIT				(9,233)	(3,683)
Extraordinary income					
On management transactions				552	233
On capital transactions				64,365	26,437
Reversals on impairment, provisions and transfers of charges				4,312	2,810
				69,229	**29,479**
Extraordinary expenses					
On management transactions				(24)	(2)
On capital transactions				(55,405)	(19,190)
Depreciation expense, impairment and provisions				(870)	(1,343)
				(56,299)	**(20,535)**
EXTRAORDINARY INCOME	15			12,930	8,944
Income tax	16			536	(556)
Total income				**123,285**	**89,471**
Total expenses				**(119,053)**	**(84,765)**
PROFIT OR LOSS				**4,232**	**4,706**

20.3.4 Cash flow statement

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
I -TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Company net income	4,232	4,706	(16,732)
Depreciation, amortisation and provisions	7,614	15,985	26,422
Other calculated income and expenses (including discount calculations)	9,315	73	446
Capital gains or losses on asset disposals	(8,960)	(6,730)	1,376
- net carrying amount of fixed assets sold	55,201	19,038	6,732
- income from disposals of fixed assets	(64,161)	(25,767)	(5,356)
Dividends and returns from income of non-consolidated companies	(876)	(986)	(1,232)
Funds from operations after net cost of financial debt and tax	**11,326**	**13,048**	**10,280**
Net cost of financial debt	4,222	9,170	10,132
Income tax burden	(536)	556	1,237
Funds from operations before net cost of financial debt and tax	**15,012**	**22,774**	**21,649**
Taxes paid	(100)	(1,180)	(325)
Change in trade receivables and other accounts	842	(1,066)	(9,034)
Change in trade and other accounts payable	(2,055)	961	7,594
Other changes in working capital requirement related to operating activities	(3,149)	19,208	21,816
NET CASH FLOW FROM OPERATING ACTIVITIES	**10,550**	**40,698**	**41,699**
II - INVESTMENT TRANSACTIONS			
Finance leases	6,504	0	327
- Cash paid for acquisitions			
- Cash received for disposals	6,504	0	327
Investment properties	41,329	9,941	819
- Cash paid for acquisitions	(13,994)	(11,068)	(4,141)
- Cash received for disposals	55,323	21,010	4,960
Cash paid for acquisitions of tangible and intangible fixed assets	(5)	(44)	(196)
Cash received for disposals of tangible and intangible fixed assets	3	12	
Cash paid for acquisitions of financial assets	(2)		
Cash received for disposals of financial assets			
Consolidated securities	(934)	(6,090)	(19,011)
- Cash paid for acquisitions	(1,065)	(6,090)	(19,011)
- Cash received for disposals	7	0	
- Impact of changes in consolidation	124		
Dividends received			1,518
Change in loans and advances outstanding	(192)	(210)	(205)
Other cash flows related to investment activities			
NET CASH FLOWS FROM INVESTMENT ACTIVITIES	**46,703**	**3,609**	**(16,749)**
III - FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases			
Purchases and sales of treasury shares	17	201	214
Dividends paid during the year	(9,044)	(8,114)	(10,797)
Change in minority interests without loss of control			
Income/loss on hybrid instruments	(2,725)	(3,479)	(3,809)
Change in guarantee deposits given and received	(5,126)	376	549
Issues or subscriptions of loans and borrowings	25,580	23,627	
Repayments of loans and borrowings	(63,798)	(41,442)	(20,490)
Net cost of debt: interest paid	(6,550)	(7,735)	(8,585)
Other cash flows related to financing activities	5,053	2,044	2,262
NET CASH FLOW FROM FINANCING ACTIVITIES	**(56,593)**	**(34,523)**	**(40,655)**
NET CHANGE IN CASH (I+II+III)	**661**	**9,784**	**(15,705)**
Impact of foreign currency transactions			
Cash and cash equivalents at beginning of period	**(63)**	**(9,847)**	**5,858**
Cash and cash equivalents at end of period	**598**	**(63)**	**(9,847)**
NET CHANGE IN CASH	**661**	**9,784**	**(15,705)**

Cash and cash equivalents

In thousands of euros	31/12/2015	31/12/2014	31/12/2013
Savings bank, central bank, post office	1	1	0
Liquid bank assets	4,327	1,447	7,134
Liquid bank assets in other assets	796	778	577
Investment securities			0
Sub-total (1)	**5,123**	**2,226**	**7,712**
Bank overdrafts	(4,525)	(2,289)	(17,559)
Bank overdrafts in other liabilities			
- Line of credit			0
Sub-total (2)	**(4,525)**	**(2,289)**	**(17,559)**
TOTAL (1) + (2)	**598**	**(63)**	**(9,847)**

20.3.5 Corporate information

On 24 February 2016, the Board of Directors of Affine RE approved the financial statements for the year ended 31 December 2015 and authorised their publication.

Affine adopted the tax status of a French listed property investment trust (with the French acronym "SIIC") in 2003. Its head office is located 5 rue Saint Georges, Paris (9th arrondissement), France.

20.3.6 Notes to the annual financial statements

20.3.6.1 Accounting principles and policies

Affine RE 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 generally accepted French 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 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 for the previous year.

20.3.6.3 Measurement policy for major items

20.3.6.3.1 Intangible assets

The intangible assets item mostly comprises:
- goodwill;
- the value of leases for which Affine is the lessee;
- the beneficial interest in an asset sold in 2015,
- and computer software programs.

20.3.6.3.1.1 Goodwill

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 holds 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 subjected to an impairment test. No impairment had to be recognised on 31 December 2015.

• Impairment procedures

The inventory value is appraised according to the earnings outlook and/or returns obtained. At 31 December 2015, no impairment was recognised for any property.

• Procedures for removing merger losses

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

As at 31 December 2015, two assets had been sold and their negative goodwill posted to expenses in the amount of €12,005,000.

20.3.6.3.1.2 Description of lessee finance leases

HEADINGS	LAND	BUILDINGS	PLANTS & EQUIPMENT MACHINERY TOOLS	OTHER	TOTAL
Original value		29,265			29,265
Depreciation:					
- Prior years (aggregates)		5,206			5,206
- Allowances for the period		1,031			1,031
TOTAL		**23,029**			**23,029**
FEES PAID:					
- Prior years (aggregates)		10,416			10,416
- Allowances for the period		3,070			3,070
TOTAL		**13,487**			**13,487**
OUTSTANDING FEES PAYABLE:					
- Within one year		2,141			2,141
- Between one and five years		6,195			6,195
- More than five years		4,279			4,279
TOTAL		**12,615**			**12,615**
RESIDUAL VALUE					
- Within one year		-			-
- Between one and five years		1,000			1,000
- More than five years		5,000			5,000
TOTAL		**6,000**			**6,000**

A provision reversal was recognised following the sale of the Maurepas asset, in the amount of €487,000.

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

The 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 depreciated on a straight-line basis over a maximum period of five years, pro rata if necessary.

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

20.3.6.3.2.1.3 Article 64 provision

An Article 64 provision is accrued for finance-leased buildings of the Sicomi segment pre-dating 1 January 1996, provided that the financial depreciation of the lease exceeds the accounting depreciation. This provision amounted to €1,345,000 on 31 December 2015.

20.3.6.3.2.1.4 Article 57 provision (new property 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 buildings in so far as the financial depreciation exceeds the accounting depreciation.

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. No provision was recognised as at 31 December 2015.

20.3.6.3.2.2 Temporarily unleased finance lease buildings

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

The Article 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 the net carrying amount on the transfer date on a straight-line basis over the outstanding period. As at 31 December 2015, 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 four 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 facilities	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 Equity investments

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 move to the SIIC regime.

The net asset value of equity investments 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 the share price. In the case of subsidiaries with a low-capital service 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 equity investments 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 over or retain control of the company issuing those securities.

Pursuant to the Emergency Committee of the CNC [national accounting committee] no. 2005-J of 6 December 2005, the fees linked to the acquisition of 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 Other long-term financial assets

These include, 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 related 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 6.3.5.3. No discount effect has an impact on the amount of impairment for doubtful finance lease 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 2015, no impairment was recognised.

Buildings for which the finance lessees are facing problems may also be impaired. At 31 December 2015, no impairment was recognised.

20.3.6.3.5.2 Impairment of investment properties

30 of the 32 investment properties were valued in late 2015 by the following independent appraisers, and seven of their appraisals were revised downwards by Affine's General Management:

- BNP Real Estate,
- Crédit Foncier Expertise,
- CBRE Valuation.

In thousands of euros	VALUES USED BY GENERAL MANAGEMENT	EXTERNAL APPRAISALS	Variance
Crédit Foncier Expertise	170,942	171,280	(338)
CBRE	92,050	95,960	(3,910)
BNP Real Estate	53,420	56,060	(2,640)
Commitment	8,600	8,600	-
INVESTMENT PROPERTIES AT 31/12/2015	**325,012**	**331,900**	**(6,888)**

For two of them, the commitment values were used.

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.

Total impairment amounted to €11,828,000 at 31 December 2015 compared to €8,745,000 at 31 December 2014 and concerned six assets.

20.3.6.3.5.3 Impairment for doubtful receivables

Impairment of these receivables is 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 finance lease agreement, under "doubtful receivables in finance lease transactions". 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 December 2015.

20.3.6.3.5.4 Impairment 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).

20.3.6.3.6 Investment securities

Investment securities include treasury shares 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 share 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.

	31/12/2014	ACQUISITIONS/ ADDITIONS	DISPOSALS/ REVERSALS	CANCELLATION OF SHARES	31/12/2015
Number of shares	17,376	57,740	58,183		16,933
Net impairment (in thousands of euros)	-		-		-

20.3.6.3.7 Equity and quasi-equity

20.3.6.3.7.1 Convertible bonds (BRS)

Affine issued 2,000 convertible bonds 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 convertible bond.

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 2, 2007. Accordingly, the exchange ratio has been raised to 624 shares per BRS.

The Board Meeting of 28 July 2015 ruled on the conversion of 1,610 BRS bonds issued in 2013 into 17,004,640 new shares, the effective date of the conversion being 31 July 2015. At 31 December 2015, there were 362 convertible bonds outstanding.

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 that the dividend is paid.

Early redemption at the Company's discretion

From 15/10/2008, 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.

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 yield of 11%.

Early redemption at the holder's discretion

From 15/10/2013, BRS holders are entitled to request the redemption of all or some of their convertible bonds at a rate of 624 shares (after adjustment) per bond at any time, excluding the period from 15 November to 31 December inclusive in any year.

On 27 July 2015, a BRS bondholder requested the conversion of 1,610 BRS bonds into 1,004,640 new shares.

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 PSL, each with a nominal value of €50,000. The issue was placed with foreign investors, and the notes are listed on the Marché Réglementé (regulated market) of the Luxembourg stock exchange.

Term of the 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, for their nominal value plus unpaid accrued interest (including deferred interest), on any interest payment date with effect from 13 July 2017.

Form of the PSL

No paper document providing proof of 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 related interest represent ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or future ordinary subordinated bonds. They rank above all equity securities issued by Affine, participating loans granted by Affine and lowest ranking subordinated bonds and they rank below 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 13 July 2007 inclusive until the first early redemption date (exclusive) and thereafter, 3.80% p.a.

If the Ordinary General Shareholders' 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 applicable to the issuer owing to its status as a listed property investment trust ("SIIC") and former SICOMI;

Affine may defer the payment of interest, and the interest thus deferred will accrue interest to 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 (arrangement fees, professional fees and related costs) are therefore depreciated over the term of the underlying loan according to loan depreciation 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. These contracts, entered into in connection with comprehensive management of the Company's refinancing and its interest rate risk, 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.

As at 31 December 2015, the fair value of caps, collars and tunnels held by the company amounted to (€235,000); they represented a net expense of €1,261,000 versus €2,050,000 at 31 December 2014.

A new cap was agreed in the notional amount of €3,800 for a five-year term.

In 2015, a cap expired with a notional value of €3,500,000.

In 2015, three tunnels expired with a notional value of €9,624,000, €15,206,000 and €13,250,000, respectively.

20.3.6.3.9.2 Interest rate swaps

At 31 December 2015, the fair value of swaps held by the Company amounted to (€3,094,000) versus (€4,293,000) at 31 December 2014. In 2015, they represented a net expense of €1,613,000 versus €1,508,000 at 31 December 2014. Two swaps were agreed in 2015 with the notional total residual value of €10,640,000 for a five-year term. No swaps expired in 2015.

20.3.6.3.10 Taxes

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 for the former finance lease agreements of the Sicomi segment of Immobail and Sovabail.

The adoption with effect from 1 January 2003 of the status of a French listed property investment trust (SIIC) makes the benefit of exemption for corporate income tax on SIIC segment revenues subject to compliance with the three distribution conditions below, as amended by the 2013 Finance Law.

The 2013 Law raised the mandatory distribution thresholds; SIICs are now required to distribute:

- Up to 95% of the profits from the rental of buildings;
- Up to 60% of the gains from the sale of buildings, equity investments in companies with an identical purpose to SIICs, or shares in subsidiaries subject to corporate income tax which have opted for SIIC status, must be distributed (versus 50%).
- Dividends received from subsidiaries which have opted for SIIC status must be fully redistributed during the period in which they are received.

20.3.6.3.11 Employee benefits and compensation

20.3.6.3.11.1 Pension commitments

Affine's employees are covered by the National Property Collective Bargaining Agreement since 1 January 2013. This Agreement does not provide for any retirement allowance other than that provided by the general scheme. The pension plan is a defined benefits scheme.

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

	FORCED RETIREMENT	VOLUNTARY RETIREMENT
Over 10 years' employment	½ month	1/5th of monthly salary per year
More than 15 years' employment	1 month	1/5th of monthly salary for the first 10 years and 2/15ths 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 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.

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 €501,000 at 31 December 2015 versus €579,000 at 31 December 2014.

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

- discount rate: 0.96%
- staff turnover: 8.93% under 50 years and 3% above
- salary increase ratio: 0.86%
- INSEE TD-TV 11-13 mortality table.

20.3.6.3.11.2 Individual training rights)

Individual training rights no longer exist in 2015.

They were replaced on 1 January 2015 by a Personal Training Account, pursuant to Law 2014-288 of 5 March 2014 relating to vocational training, jobs and social democracy.

30.3.6.3.11.3 Average weighted workforce during the financial year

The Group had an average workforce of 33, broken down by category as follows:

Corporate officers:	2
Managers:	25
Employees:	6

20.3.6.3.12 Benefits and compensation granted to executives

20.3.6.3.12.1 Executives' profit-sharing scheme

Not applicable

20.3.6.3.12.2 Remuneration of management and administrative bodies

Gross compensation paid to the Company's officers amounted to €643,380.

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

- Company car: representing a rental expense of €5,529 in 2015;
- Severance pay: this compensation must be contingent on a performance condition linked to Affine's earnings. It represents one year of overall gross remuneration if the net earnings in Affine's individual financial statements are equal to 3% of its equity or more; 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: €67,000.

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 €101,000.

20.3.7 Key events of the year

20.3.7.1 Key events affecting the portfolio

20.3.7.1.1 Finance leases

Seven finance lessees exercised the option, one of them early. A €277,000 profit on disposal was recognised at 31 December 2015.

20.3.7.1.2 Investment property

The Company also continued its policy of restructuring its property portfolio for a total amount of €14,018,000. Correlatively to the recognition of these assets, the corresponding former capital assets were written off in the gross amount of €1,926,000 and net carrying amount of €1,155,000.

Acquisitions during the 2015 financial year

	ACQUISITION DATE	ACQUISITION TYPE	ACQUISITION DATE
Kremlin	June-15	LOA	579
Maurepas	Sept.-15	LOA	683
Cergy	Nov.-15	LOA	2,860
TOTAL			**4,122**

Disposals during the 2015 financial year

Sociétés	DATE OF SALE	NET CARRYING AMOUNT	PRICE SOLD	GAIN (LOSS) ON CARRYING AMT
Palaiseau	April 2015	1,005	1,825	820
St-Cloud	June 2015	158	200	42
Réaumur Caves	June 2015	21	12	(9)
Le Rhodanien	June 2015	2,436	9,900	7,464
Bron Aviation	July 2015	1,534	2,440	906
Réaumur 2e étage	July 2015	1,455	2,179	724
Réaumur FFV	October 2015	2,883	3,300	417
Vatry	October 2015	6,584	6,000	(584)
Saint-Cyr	October 2015	16,041	16,400	359
Maurepas	October 2015	5,798	4,300	(1,498)
Saint-Germain les Arpajons	October 2015	4,108	6,500	2,392
Cergy	November 2015	4,566	4, 550	(16)
TOTAL		**46,590**	**57,606**	**11,016**

20.3.7.1.3 Equity investments and shares in affiliated companies

Acquisitions:

COMPANIES	DATE	TRANSACTION	% CAPITAL ACQUIRED
Clichy Horizon	17/09/2015	Purchase	99.90%
Chaville Salengro	10/12/2015	Purchase	100.00%

Sale of securities:

COMPANIES	DATE	TRANSACTION	% CAPITAL SOLD
Urbismart	16/06/2015	Disposals	17.00%
Louvois	09/03/2015	Disposals	100.00%

Transmissions Universelles de Patrimoine :

COMPANIES	DATE	TRANSACTION	% CAPITAL UNDER TOTAL TRANSFER OF ASSETS AND LIABILITIES
Cour des Capucines	27/12/2015	Total transfer of assets and liabilities	99.99%
Sc Holdimmo	01/01/2015	Total transfer of assets and liabilities	100.00%
Sci Numero 1	01/01/2015	Total transfer of assets and liabilities	100.00%
Sci 36	01/01/2015	Total transfer of assets and liabilities	100.00%
Concerto Buchères	08/11/2015	Total transfer of assets and liabilities	100.00%
Concerto Buchères 2	27/12/2015	Total transfer of assets and liabilities	100.00%

Recapitalised companies: this company was recapitalised to address its net negative position.

COMPANIES	AMOUNTS (€ THOUSAND)
Promaffine	1,063
TOTAL	**1,063**

20.3.7.2 Key events affecting debts and equity

20.3.7.2.1 Financing and refinancing

Affine contracted three new loans during the year. Loans due for repayment amounted to €63,798,000, of which € 28,282,000 was repaid early. Affine has overdraft facilities in the amount of €15,000,000, of which it had used €3,869,000 at 31 December 2015.

20.3.7.2.2 Equity

- The Combined General Shareholders' Meeting of 30 April 2015 approved the financial statements for the financial year ended on 31 December 2014.
- The dividend paid in 2015 for the year ended 31 December 2014 was taken from other reserves in the amount of €9,051,000.
- The Board Meeting of 28 July 2015 ruled on the conversion of 1,610 BRS bonds into 1,004,640 new shares. Share capital was increased by €5,938,000 to €53,500,000, split into 10,056,071 shares. The Board decided to incorporate €62,000 from reserves to round up the capital increase, raising it to €59,500,000. Article 6 of the Articles of Association was amended to reflect this change.

	AT BEGINNING OF PERIOD	CANCELLATION OF TREASURY SHARES	DISTRIBUTION OF SCRIP DIVIDENDS	BRS CONVERSION	CAPITAL INCREASE THROUGH CAPITALISATION OF RESERVES	MERGER	AT END OF PERIOD
Number of shares	9,051,431			1,004,640			10,056,071
Capital (€ thousand)	53,500			5,938	62		59,500

20.3.7.3 Provisions for contingencies 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 contingencies 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 2015, this item amounted to €3,566,000 compared to €3,954,000 at 31 December 2014.

20.3.7.4 Post-reporting period events

Not applicable.

20.3.8 Additional information

20.3.8.1 Segment revenues (€ thousand)

	TOTAL	FINANCE LEASES	RENTAL	SUBSIDIARIES/ LOANS
Revenues	40,352	5,302	33,670	1,380

Revenues mainly include income from the activities below:

- Rental receipts
- Finance lease receipts
- Services rendered.

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 For the Sicomi segment

Profits from transactions that are fully or partially exempt from corporate income tax, in application of the Sicomi preference treatment, must be distributed on the basis of 85% of the tax-exempt portion. Pursuant to Article 36 of the Company's Articles of Association, 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 For the SIIC segment

The distribution conditions described in the chapter on "taxes" 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		31/12/2014	Acquisitions, allocations	Mergers or total transfers of assets and liabilities	Transfers	Disposals, bank transfers, write-backs, write-offs	31/12/2015
Finance lease	Gross	61,408	-			(17,912)	43,495
	Depreciation and provisions Arts. 64 and 57	(37,225)	(3,602)			11,686	(29,141)
	Impairment	-					-
	Net	**24,183**	**(3,602)**	**-**	**-**	**(6,226)**	**14,355**
Rental assets	Gross	310,239	14,018		7,700	(47,751)	284,206
	Depreciation	(65,337)	(8,737)	-		12,309	(61,765)
	Impairment	(8,745)	(3,801)	-		717	(11,830)
	Net	**236,157**	**1,480**	**-**	**7,700**	**(34,725)**	**210,612**
Intangible assets	Gross	33,109	4		(7,781)	(12,005)	13,327
	Depreciation	(116)	(554)			-	(670)
	Impairment	(487)	-			487	-
	Net	**32,506**	**(550)**	**-**	**(7,781)**	**(11,518)**	**12,657**
Property, plant and equipment	Gross	354	1			(23)	331
	Depreciation	(170)	(47)	-		20	(196)
	Impairment	-					-
	Net	**184**	**(46)**	**-**	**-**	**(3)**	**135**
Total	**Gross**	**405,110**	**14,023**	**-**	**(81)**	**(77,691)**	**341,360**
	Depreciation	(102,847)	(12,940)	-	-	24,016	(91,772)
	Impairment	(9,232)	(3,801)	-	-	1,204	(11,830)
	Depreciation and impairment	**(112,080)**	**(16,741)**	**-**	**-**	**25,220**	**(103,601)**
	Net	**293,030**	**(2,719)**	**-**	**(81)**	**(52,472)**	**237,759**

Net write-offs amounted to €1,155,000 at 31/12/2015 versus €1,567,000 at 31/12/2014.

Note 2 – Long-term financial assets

	%	NET 2015	NET 2014	SIREN NO.	REV. EXCL. TAX 2015	CAPITAL AND RESERVES 2015	2015 PROFIT/ LOSS
Equity investments: non-affiliated companies		**15**	**12**				
Habitat et Humanisme	NS	15	12	339,804,858	NC	NC	NC

Equity investments: affiliated companies

In thousands of euros	CAPITAL AND RESERVES BEFORE APPROPRIATION	SHARE	NET CARRYING AMOUNT OF SECURITIES HELD		LOANS AND ADVANCES	SURETIES, ENDORSEMENTS AND GUARANTEES	REVENUE EXCL. TAX	PROFIT/ LOSS	DIVIDENDS COLLECTED AND TAKEN TO INCOME N-1	PROVISIONS ON RECEIVABLES AT AFFINE
			GROSS	NET						
Sci Arca ville d'été	267	100.00%	201	201	(668)	5,000	860	66	(46)	
SC Atit	217	100.00%	4	4	645		0	213	(34)	
Jardin des Quais	2,353	99.00%	22,447	22,447	(19,557)	29,949	5,632	2,333	2,132	
Banimmo	-	49.51%	66,577	62,884		-		-		
SCI Bretigny	176	99.90%	1	1	1,412		1,138	172	130	
SAS Capucine investissements	(653)	100.00%	5,697	-	2,968	-	75	(102)		(642)
SA Cardev	(3,230)	98.39%	61	-	3,229	-		(75)		(3,178)
SAS Etienne Molina	(3,262)	100.00%	5,746	-	5,021	-	1,155	(3,667)		(3,284)
Gesfimmo	272	100.00%	377	272	(266)			(4)		-
Les 7 collines	(1,425)	100.00%	4,155	-	8,116	25,945	3,104	(674)		(881)
SCI Luce parc leclerc	(31)	0.10%	0	0	10			(32)	(0)	-
Sci Nevers colbert	(2,824)	100.00%	101	101	8,314	-	568	(2,925)	(1,910)	-
SAS Promaffine	1,724	100.00%	6,168	1,724	2,607	4,400	20	34		-
SAS Target	3,157	100.00%	14,722	3,165	2,965			1,242		-
SCI PARVIS LILLE	396	99.90%	1	1	3,672	6,800	1,624	395	212	-
BERCY PARKINGS SCI	(7)	100.00%	310	310	145		22	(9)	(3)	-
SCI BUCHERES 3	2,446	40.00%	0	0	(1)		18,730	2,445	(4)	-
SAS Urbismart	(564)	17.00%	2	-	557		23	(574)		(96)
SCI Toulouse les Amarantes	(216)	99.90%	1	1	6,206		516	(217)	(74)	-
SCI Concerto Wissous	(3)	0.07%	0	0	(0)			(5)	(1)	-
SAS Wissous Promotion	(2)	40.00%	0	-				(3)		-
Clichy Horizon	(108)	99.90%	1	1	3,440	6,332		(109)		-
Chaville Salengro	26	100.00%	1	1	4,511		44	25		-
		TOTAL	**126,573**	**Actif**	**53,819**				**403**	**(8,080)**
				Passif	**(20,491)**					
					33,328					

Transactions with other companies

	LOANS AND ADVANCES
Louvois	387
Kaufman	13
Concerto	346
TOTAL	**747**

	TOTAL LOANS AND ADVANCES
Actif	54 566
Passif	(20,491)
TOTAL	**34,075**

Banimmo: At 31 December 2015, Banimmo's share price had fallen by €3,693,000 based on its Net Asset Value. Its net carrying value was therefore reduced to €62,884,000.

In 2010, Banimmo acquired a 25% equity interest in City Mall Développement and a 30% interest in City Mall Invest, thereby increasing its interest in the shopping mall projects developed by the Group in Charleroi, Namur and Verviers to 41.62% as at 31 December 2013 (originally 38.25%). Banimmo had agreed a Mezzanine loan bearing €35.0 million interest. The loan matured on 27 August 2015. At the end of 2013, interest income included €1.446 million on the mezzanine loan for which Banimmo had agreed deferred payment terms.

In 2014, following the Group's financial restructuring, Banimmo's equity interest in Urbanove SA (formerly City Mall Invest SA) was 49.38% (currently 44%). Unpaid accrued interest as at

30 September 2014 in the amount of €4.0 million was converted to long-term financial assets through the capital increase by the incorporation of Urbanove SA corporate debt. Furthermore, as part of an agreement to modify and consolidate mezzanine credit arrangements, Banimmo agreed an additional €9.9 million loan. Total loans as at the end of 2014 amounted to €44.9 million. The interest on these loans calculated for the fourth quarter was written-down by a total €0.325 million. The equity securities themselves were written-off completely.

In 2015, Banimmo agreed an additional €0.6 million loan. Following an in-depth review of the two projects in a new configuration, an impairment test was conducted on loans totalling €46.9 million (including capitalised interest). The review concluded that Banimmo ran a risk of not being able to recover part of the loans. Banimmo therefore decided to apply a €22.4 million impairment (€21 million nominal value plus €1.4 million capitalised interest) corresponding to the portion estimated to be non-recoverable at the end of the project.

Its recoverability depends on the value of the shopping mall projects in Verviers and Namur. Considering that development permits for the Namur shopping mall have not yet been applied for and/or significant changes to the initial Verviers shopping mall project are envisaged and still in discussion with the municipality of Viviers, very likely requiring it to re-apply for development permits, the assumptions adopted by Banimmo management in assessing the recoverability of the advances are by definition subject to risks related to the granting of permits, policy choices, financial risks as well as changes in the property market (leasing as well as investment markets), which may impact rental value and resale value. As explained earlier, this value impairment is based on two assumptions: the projections may not be borne out in practice, unanticipated events may occur and/or significant differences may arise between predictions and reality. Additionally, a certain number of measures are currently being considered by the management of Urbanove and its subsidiaries to handle the financial problems that may result from any project delays. If such measures prove to be ineffective, they may also adversely impact the recoverability of the balance of the subordinated loans granted by Banimmo to Urbanove, producing a maximum risk of €24.5 million for Banimmo and €12.1 million for the portion held by Affine.

The impairment on the receivable is based on the following capitalisation-rate assumptions:

- Verviers: adopted rate 6%,
- Namur: adopted rate 6%.

A 0.25% increase in the capitalisation rate would lead to an additional €7.5 million impairment.

A 0.25% decrease in the capitalisation rate would lead to a €8.2 million impairment reversal.

Note 3 – Loans and other long-term financial assets

In thousands of euros	BALANCE SHEET ITEMS	WITHIN ONE YEAR	BETWEEN ONE AND FIVE YEARS
Other long-term financial assets	**2,394**	**316**	**2,077**
Loans	2,394	316	2,077
Related receivables	-	-	
TOTAL AT 31/12/2015	**2,394**	**316**	**2,077**

Note 4 – Receivables: statement of maturity dates

FOR CURRENT ASSETS	AT 31/12/2015	WITHIN ONE YEAR	BETWEEN ONE AND FIVE YEARS
Finance lease doubtful receivables	201	201	
Investment property doubtful receivables	1,448	1,448	
Other finance lease trade receivables	173	173	
Other investment property trade receivables	2,086	1,503	583
Invoices or credits to be issued		-	
Trade receivables and related accounts	**3,908**	**3,326**	**583**
Prepayments and interim payments made	160	160	
Employee and related payables	57	57	
State - Income tax	439	439	
State – Value added tax	112	112	
Amount receivable on property sales	8,154	328	7,826
Working capital and paid calls for condominium charges	2,912	2,912	
Group and associated companies	54,566	54,566	
Income accruals	14,212	14,212	
Other payables	193	193	
Other receivables	**80,804**	**72,979**	**7,826**
Prepaid expenses	**1,007**	**1,007**	
TOTAL	**85,719**	**77,311**	**8,408**

Impairment of current assets:

In thousands of euros	AMOUNT AT BEGINNING OF PERIOD	INCREASES, ALLOWANCES	TRANSFERS	DECREASES, REVERSALS	AMOUNT AT END OF PERIOD
Impairment of miscellaneous creditor and debtor accounts	-		165	165	-
Impairment on finance lease trade receivables	251	-		84	167
Impairment on investment property trade receivables	562	664	503	854	874
Impairment on current accounts	3,104	4,977	-	-	8,080
TOTAL IMPAIRMENT	**3,917**	**5,640**	**667**	**1,103**	**9,121**

Income accruals:

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Receivables	**14,212**	**14,080**
Trade receivables and other accounts	9,819	11,165
Subsidiary earnings	4,134	2,904
Other income accruals	259	11
TOTAL	**14,212**	**14,080**

Note 5 – Breakdown of investment securities and cash on hand

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Investment securities		
Treasury shares	268	244
TOTAL	**268**	**244**

Impairment of investment securities:

No impairment was recognised as at 31 December 2015.

Cash on hand

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Cash	1	1
Bank accounts	4,327	1,447
Brokerage accounts	796	778
TOTAL	**5,123**	**2,226**

Note 6 – Prepaid expenses

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Operating lease expenses	484	404
Financial expenses	522	715
TOTAL	**1,007**	**1,119**

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	NET AMOUNT AT END OF PERIOD
Expenses deferred over several years	2,464	(792)	528			2,200

These deferred expenses concern the following borrowing costs:

In thousands of euros	CHARGES	INITIAL DEPRECIATION PERIOD	REMAINING TERM
Crédit Agricole "Les Ulis" (€3,500,000)	29	16 years	3 1/2 years
Crédit Agricole (€10,600,000)	109	10 years	3 1/2 years
Landesbank Saar (€3,650,000)	21	10 years	1 months
Crédit Agricole Elancourt (€5,700,000)	77	10 years	9 years
HSBC (€14,00,000)	49	10 years	1 1/4 years
CFF Facam (€7,000,000)	32	10 years	1 year
SG Sofréavia (€8,400,000)	72	10 years	1 year
BPI Lille Europe (€16,080,000)	237	10 years	9 1/4 years
Saarl B (€7,200,000)	5	10 years	1 1/4 years
CFF Tremblay (€3,500,000)	39	8 years	1 1/4 years
CFF Tremblay prolongation (€7,660,000)	58	2 years	1 1/4 years
Saarl B Mulhouse (€5,400,000)	17	10 years	2 1/4 years
HSBC Darblay (€13,360,000)	178	7 years	6 months
SG (€15,400,000)	27	7 years	1 months
SG le Rhodanien (€5,250,000)	36	10 years	1 1/2 years
CIC Lyonnaise de Banque (€7,350,000)	47	10 years	5 1/4 years
Oséo Aulnay (€2,375,000)	29	10 years	5 1/4 years
Oséo Nantes (€4,800,000)	63	12 years	7 1/2 years
Oséo 3 assets (€8,700,000)	86	10 years	6 1/4 years
Caisse d'Epargne BFC (€1,750,000)	22	12 years	8 3/4 years
Caisse d'Epargne NFE (€1,750,000)	22	12 years	8 3/4 years
Allegemeine (€17,130,000)	64	16 years	3 1/4 years
CFF (€450,000)	1	12 years	1 1/2 years
CFF (€5,400,000)	9	12.5 years	2 3/4 years
CFF Panhard (€10,500,000)	18	12 years	3 years
CFF Limay (€6,845,000€)	21	12 years	3 3/4 years
BNP Paribas Fortis (€17,630,000)	23	5 years	9 months
CBI Gennevilliers Plus (€18,796,000)	122	12 years	8 years
Crédit Agricole Auber €15,206,000	119	12 years	4 1/2 years
Société Générale Bercy €33,600,000	180	10 years	2 1/2 years
Société Générale Bercy Travaux €2,320,000	7	7 years	2 1/2 years
Saarl Enghien (€5,300,000)	68	10 years	2 1/2 years
Société Générale bond issue €5,000,000	118	6 years	3 years
La Banque Postale Lyon Dauphiné €5,500,000	81	7 years	5 1/4 years
Crédit Agricole Kremlin (€3,800,000)	58	10 years	9 1/2 years
Crédit Agricole Bagnolet	57	10 years	9 years
Total	**2,200**		

Note 8 – Equity and quasi-equity

• Statement of changes in equity

In thousands of euros	SHARE CAPITAL	PREMIUMS	REGULATED PROVISIONS	RESERVES AND RETAINED EARNINGS	EARNINGS FOR THE PERIOD	REVALUATION RESERVES	TOTAL
At 31/12/2014	**53,500**	**41,467**	**7,236**	**(8,056)**	**4,706**	**5,078**	**103,931**
Excess tax depreciation			(1,775)				(1,775)
Free reserves on LS sales				2,318		(2,318)	-
Final dividend on treasury shares				7			7
Treasury shares							-
Conversion of BRS into shares	5,938	10,162					16,100
Share capital round up	62			(62)			-
Appropriation to reserves				4,706			4,706
Distribution during the 2014 financial year				(9,051)	(4,706)		(13,757)
Share in earnings					4,232		4,232
AT 31/12/2015	**59,500**	**51,629**	**5,462**	**(10,138)**	**4,232**	**2,759**	**113,444**

• **Quasi-equity**

▸ ***Convertible bonds redeemable in shares***

Bonds redeemable in shares (ORA) amount to €3,620,000 plus interest accrued amounting to €28,000 (see §6.3.7.1 Bonds redeemable in shares).

▸ ***Perpetual subordinated loan notes***

In thousands of euros	BAL. SHEET ITEMS	0 TO 3 MONTHS	3 MONTH TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS
fixed term	-	-	-	-	-
unlimited term	**75,453**	**453**	-	**75,000**	-
Accounts	75,000			75,000	
Related debts	453	453			
TOTAL AT 31/12/2015	**75,453**	**453**	-	**75,000**	-

See §6.3.7.2 Perpetual subordinated loan notes

• **Breakdown of reserves**

In thousands of euros	31/12/2015	31/12/2014
Legal reserve	4,806	4,806
Other reserves	33,008	39,803
TOTAL	**37,815**	**44,610**

• **Statement of changes in revaluation reserves**

In thousands of euros	REVALUATION RESERVE AS AT 31/12/2014	SHARE TRANSFERRED TO A DISTRIBUTABLE RESERVE ACCOUNT (SOLD FIXED ASSETS)	REVALUATION RESERVE AS AT 31/12/2015
LYON BRON	714	(714)	(0)
AIX EN PROVENCE	501		501
AIX-EN-PROVENCE	1,163		1,163
LE RHODANIEN	351	(281)	70
BAGNOLET	1,025		1,025
PALAISEAU	322	(322)	0
ST-GERMAIN-LÈS-ARPAJON	1,001	(1,001)	(0)
TOTAL	**5,078**	**(2,318)**	**2,759**

• **Provisions for contingencies and charges**

In thousands of euros	OPENING BALANCE	ALLOWANCE FOR THE YEAR	REVERSAL FOR THE YEAR USED	CHANGE IN SCOPE OF TRANSFERS	CLOSING BALANCE
Provision for miscellaneous contingencies (customer disputes)	521	100	21	35	635
Provision for subsidiary risk	2,763	1	605	-	2,159
Provision for assets held for sale		242			242
Provision for pension costs	579		78		501
Provision for miscellaneous charges	91		61		30
	3,954	**343**	**765**	**35**	**3,566**

Note 9 - Statements of debt maturity dates

In thousands of euros	AT 31/12/2015	WITHIN ONE YEAR	BETWEEN ONE AND FIVE YEARS	OVER FIVE YEARS
Other bonds	5,000		5,000	
Borrowings from lending institutions	176,629	49,642	93,815	33,173
Loans and borrowings	6,684	1,687	4,815	182
Prepayments and interim payments received	479	479		
Trade payables and related payables	2,077	2,077		
Employee and related payables	627	627		
Social security and other agencies	323	323		
Value added tax	964	964		
Fixed asset payables and related payables	48	48		
Group and associated companies	20,491	20,491		
Other debts	14,687	14,687		
Deferred income	1,023	1,023		
TOTAL	**229,032**	**92,049**	**103,629**	**33,354**

• Expenses payable

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Borrowings from lending institutions	396	601
Trade payables and related accounts on finance-lease property	1,078	1,345
Trade payables and related accounts on general expenses	349	0
Tax and social security debts	1,767	1,887
Cash on hand, expenses payable	0	0
Fixed asset payables	8	34
On buildings covered by operating lease	2,548	4,071
On overheads	3,884	3,946
TOTAL	**10,029**	**11,885**

Note 10 – Deferred income

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Rental income	430	512
On rebilled works	592	
TOTAL	**1,023**	**512**

20.3.9.2 Notes to the individual income statement

Note 11 - Operating income

• Production sold: revenues

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Rental income	4,528	4,805
Re-billed expenses	774	905
Finance leases	**5,302**	**5,710**
Rental income	25,247	29,431
Re-billed expenses	7,986	9,420
Other income	437	1,032
Investment property	**33,670**	**39,883**
Income from related activities	1,380	1,231
Operations	**1,380**	**1,231**
TOTAL	**40,352**	**46,823**

Change in rents on investment properties

In thousands of euros	2015/2014 CHANGE	
Sales	(1,827)	
Property acquisitions	-	
Termination notices received	(2,551)	
New leases	794	
Renegotiations	(358)	
Change in indexation	25	
Change in rent	52	
Other	(318)	
RENTAL INCOME	**(4,184)**	**(14.22)%**

On a like-for like basis, rents were up 7.24% year-on-year at 31 December 2015.

• Prior period adjustments and transfers of expenditures

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Reversals of finance lease provisions	84	216
Reversals of investment property provisions	1,572	963
Transfers of expenditures	528	216
Reversals of operating provisions	869	797
TOTAL	**3,053**	**2,193**

Note 12 – Operating expenses

• General operating expenses

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Other administrative costs	**(18,130)**	**(20,111)**
Taxes payable	(5,755)	(5,831)
Other purchases and external expenses	(12,374)	(14,280)
Personnel costs	**(4,000)**	**(4,810)**
TOTAL	**(22,130)**	**(24,922)**

• Depreciation, amortisation and impairment expense

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Depreciation expense on buildings	**(13,613)**	**(12,971)**
Amortisation allowance for intangible assets	(554)	(57)
Headquarters depreciation expense	(47)	(69)
Depreciation expense on finance-leased assets	(3,483)	(3,701)
Depreciation expense on investment property assets	(8,737)	(8,558)
Allowance for deferred expenses	(792)	(586)
Impairment expense on fixed assets	**(3,920)**	**(2,174)**
Impairment of finance-leased assets	(119)	(202)
Impairment of investment property assets	(3,801)	(1,972)
Impairment expense on current assets	**(664)**	**(261)**
Impairment of doubtful finance lease receivables		
Impairment of doubtful investment property receivables	(664)	(261)
Provisions for contingencies and charges	**(243)**	**(29)**
Impairment of subsidiaries	(243)	
Impairment of pension	-	(29)
TOTAL	**(18,440)**	**(15,435)**

• Breakdown of depreciation and amortisation for the period

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Intangible assets	**(554)**	**(57)**
Concessions, software programs	(58)	(57)
Beneficial interest	(496)	
Property, plant and equipment	**(13,059)**	**(12,914)**
Buildings	(12,220)	(12,259)
Other property, plant and equipment	(47)	(69)
Deferred expenses	(792)	(586)
TOTAL	**(13,613)**	**(12,971)**

• Other expenses

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Unrecoverable investment property receivables	(838)	(140)
Unrecoverable receivables on general expenses	(126)	
Directors' fees and remuneration for the commitment committee	(101)	(111)
Other management expenses	(44)	(26)
TOTAL	**(1,109)**	**(277)**

Note 13 – Share of earnings from joint transactions

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Profit allocated or loss transferred	**874**	**646**
Holdimmo		(31)
Brétigny	172	130
Parvis Lille	394	212
Ferrières		-
Atit	213	(36)
Jardin des Quais	2,310	2,132
SCI Nevers Colbert	(2,925)	(1,910)
Arca ville d'Eté	66	(46)
Luce parc Leclerc	(0)	(0)
Bercy parking	(9)	(3)
Sci Concerto Buchères		430
SCI Concerto Buchères 2		(154)
SCI Toulouse Amarantes	(217)	(74)
SCI Concerto Buchères 3	978	(4)
Concerto Wissous	(0)	0
Clichy Horizon	(108)	0

Note 14 – Financial income/expense

In thousands of euros	AT 31/12/2015	AT 31/12/2014
Interest on current account	1,060	1,368
Interest on term loan	-	0
Dividends	2	340
Income from equity investments	**1,062**	**1,708**
Income from other investment securities and receivables from fixed assets	**33**	**39**
Merger surplus	3,323	
Other	637	637
Other interest and similar income	**3,961**	**637**
Reversals of impairment on securities and current accounts	**1,297**	**5,585**
Reversals of treasury share impairments	**-**	**5**
Net income from disposals of investment securities	**41**	**19**
TOTAL FINANCIAL INCOME	**6,393**	**7,992**
Interest on current account	(443)	(444)
Interest on credit balances	(8)	(16)
Interest on borrowings (*)	(2,774)	(3,563)
Interest on overdrafts (*)	(109)	(76)
Expenses on caps, swaps and tunnels	(2,874)	(3,559)
Expenses on convertible bonds redeemable in shares	(590)	(1,178)
Expenses on perpetual subordinated loan notes	(2,135)	(2,302)
Other	(330)	(58)
Interest and related expenses	**(9,263)**	**(11,195)**
Impairment expense on securities and current accounts	**(9,088)**	**(9,588)**
Impairment expense on treasury shares	**-**	**-**
Net charges on disposal of investment securities	**-**	**-**
TOTAL FINANCIAL EXPENSES	**(18,351)**	**(20,783)**
TOTAL FINANCIAL INCOME/LOSS	**(11,959)**	**(12,791)**

(*) In 2014, overdraft interest was moved out of interest on borrowings.

• Merger surplus

The total assets and liabilities of Buchères, Buchères 2 and Cour des Capucines were transferred, producing a merger surplus in the amount of €3,323,000.

Note 15 – Extraordinary earnings

In thousands of euros	AT 31/12/2015	AT 31/12/2014
On management transactions	**552**	**233**
Recovery on depreciated investment property receivables	186	233
Recovery of amortised receivables on finance lease property	367	
On capital transactions	**64,365**	**26,437**
Sale price of sold long-term financial assets	7	0
Sale price of sold finance lease assets	6,504	0
Sale price of sold investment property fixed assets	57,606	26,417
Sale price of property, plant and equipment	3	12
Other	245	9
Reversals of impairments, provisions and transfers of expenditures	**4,312**	**2,810**
Reversals of impairments on fixed assets sold	1,707	2,552
Reversal of excess tax depreciations	2,545	
Other	61	257
TOTAL EXTRAORDINARY INCOME	**69,229**	**29,479**
On management transactions	**(24)**	**(2)**
Other extraordinary expenses	(24)	(2)
On capital transactions	**(55,405)**	**(19,190)**
Carrying amounts of sold LT financial asset items	(7)	(0)
Carrying amounts of sold finance lease asset items	(7,446)	(154)
Carrying amounts of sold asset items investment property (*)	(46,590)	(17,317)
Carrying amounts of sold property, plant and equipment items	(3)	
Write-offs	(1,155)	(1,567)
Sale expenses on investment property	(40)	6
Other	(165)	(158)
Depreciation expense, impairment and provisions	**(870)**	**(1,343)**
Excess tax depreciation	(770)	(772)
Provisions for contingencies and charges	(100)	(571)
Total extraordinary expenses	**(56,299)**	**(20,535)**
TOTAL EXTRAORDINARY EARNINGS	**12,930**	**8,944**

(*) In 2014, the net carrying amounts of written-off assets were moved from the heading "net carrying amounts" to "investment property".

Note 16 – Income tax

In thousands of euros	INCOME BEFORE TAX	TAX	NET PROFIT
Current profit	(9,233)	536	(8,697)
Extraordinary profit	12,930		12,930
TOTAL	**3,696**	**536**	**4,232**

• Items from several balance sheet & income statement items

ITEMS (GROSS VALUE) In thousands of euros	RELATED COMPANIES	COMPANIES WITH WHICH THE COMPANY HAS AN EQUITY CONNECTION	AMOUNT CONCERNING AMOUNT OF DEBTS OR RECEIVABLES REPRESENTED BY COMMERCIAL PAPER
Equity investments	59,994	66,579	
Receivables related to equity investments	9,674		
Other receivables	54,009	557	
Sundry financial borrowings and debts	(20,490)	(1)	
Revenues (Service rendered)	1,250	92	
Income from equity investments	-		
Other income from equity investments	1,055	5	
Interest and related expenses	(443)	0	
Joint property development deals - expenses	(3,259)		
Joint property development deals - income	3,155	978	

20.3.9.3 Notes to the off-balance sheet statement

In thousands of euros	31/12/2015	31/12/2014
COMMITMENTS GIVEN		
GUARANTEE COMMITMENTS	**78,726**	**99,224**
Commitments to lending institutions	-	-
Commitments to customers and subsidiaries	78,726	99,224
COMMITMENTS RECEIVED		
FINANCING COMMITMENTS	**11,131**	**7,020**
Commitments received from lending institutions	11,131	7,020
Commitments received from customers		
GUARANTEE COMMITMENTS	**1,313**	**6,464**
Commitments received from lending institutions	1,313	1,313
Commitments received from customers		5,150

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 MONTH TO 1 YEAR	1 TO 2 YEARS	2 TO 5 YEARS	OVER 5 YEARS
Non-current debts							
covered by guarantees	106,248				24,103	61,804	20,341
covered by collateral	0				0	0	0
with neither collateral nor guarantees	39,248				5,839	11,766	21,643
	145,497	**0**	**0**	**0**	**29,942**	**73,570**	**41,984**
Current debts							
covered by guarantees	34,605	34,605					
covered by collateral	3,500	3,500					
with neither collateral nor guarantees	5,031	3,235	443	1,354			
	43,137	**41,340**	**443**	**1,354**	**0**	**0**	**0**

Guarantees: these sureties include registered mortgages.

Collateral: this concerns borrowing companies who pledge their shares as collateral to banks.

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

In thousands of euros	31/12/2015	31/12/2014
Collateral	60,243	55,953

• Maturity dates of interest rate instruments

In thousands of euros	OUTSTANDING AT 31/12/2015	0 MONTH TO 1 YEAR	1 TO 5 YEARS	OVER 5 YEARS
Macro hedging transactions				
Over-the-counter market				
Firm transactions				
Swaps and collars	93,037	17,309	75,728	-
Conditional operations				
Caps and tunnels	114,906	11,406	103,500	-
Total	**207,943**	**28,715**	**179,228**	**-**

• 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 2015, variable rate financial debt amounted to €168,790,000 versus €203,306,000 at 31 December 2014.

• 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 covenants, failure to comply with these ratios constitutes a default event requiring partial or accelerated repayment to restore the ratio to its contractual level. As at 31 December 2015, there was no compulsory prepayment, in part or in full, of any loan resulting 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

In thousands of euros	CAILLIAU DEDOUIT ET ASSOCIÉS AMOUNT		KPMG AUDIT AMOUNT	
	2015	2014	2015	2014
Statutory auditing, certification, review of financial statements	140	153	140	153
Other tasks directly related to the auditing engagement	12	5	10	10
Other services	-	-	-	-
TOTAL	152	158	150	163

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 2015 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 2014 are found respectively in sections 20.1 and 20.3 of the registration document filed with the AMF on 31 March 2015 under number D.15-0265.
- the consolidated statements and separate financial statements of Affine and the Statutory Auditors' reports on the consolidated statements and separate financial statements for 2013 are found respectively in sections 20.1 and 20.3 of the registration document filed with the AMF on 20 March 2014 under number D.14-0177.

20.4.2 Other 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 2015 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 25 February 2016.

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 (from its former status as a 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% to be distributed over the course of 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 over the course of 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 when these are paid to non-residents holding at least 10% of the company's capital and eligible for preferential tax treatment as defined by law.

The company may recommend at 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
2014	€1.00
2015	€1.00

The dividend of €1.00 per share for the 2015 financial year originates from:

- €0.52 from the exempt sector (SIIC) and,
- €0.48 from the taxed sector, which gives entitlement to the 40% allowance although payment of the additional contribution of 3% on that amount is required.

In accordance with the amended 2013 Finance Law, the portion of the mandatory dividend originating from the exempt sector and paid in 2016 will be exempt from the additional contribution of 3% on dividends introduced under 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 orcommercial 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 €59,500,000, divided into 10,056,071 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 2015, Affine had 16,933 treasury shares, valued at historical cost and composed solely of shares held by Invest Securities to create a market.

21.1.4 Convertible securities

Convertible bonds (BRS)

On 15 October 2003, 2,000 bonds redeemable in shares (BRS) were issued with a nominal value of €10,000, for a 20-year period, 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.

At their General Meeting held on 26 April 2007, Affine's Shareholders decided on a 3-1 share split of Affine's 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 interim 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 when the dividend is paid.

Early redemption at the Company's discretion

From 15 October 2008, the company may convert all or some of the convertible bonds to shares if the average share's 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 BRS (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.

On 31 July 2015, 1,610 convertible bonds were converted (thus creating 1,004,640 shares).

In the event of redemption of the outstanding 362 ORA convertible bonds mostly held by Forum European Realty Income in shares (currently 225,888) and based on the number of shares in circulation (currently 10,056,071), the total dilution of the capital would be 2.2%.

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 Share capital history

DATES	CAPITAL INCREASE TRANSACTIONS	SHARE CAPITAL BEFORE THE TRANSACTION	ADDITIONAL PAID-IN CAPITAL	NUMBER OF SECURITIES CREATED	SHARE CAPITAL AFTER THE TRANSACTION	NUMBER OF SHARES
01/01/1999					31,170,183	2,044,630
28/07/2000	Merger with Sovabail	31,170,183		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 for €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	14,794,165.54	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	Shareholders' bonus shares	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 2005 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	- 2,667,579.76	- 282,659	51,432,690.20	8,719,383
07/12/2012	Merger by absorption of AffiParis	51,432,690.20	5,468,307.45	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
05/06/2014	Conversion of 28 ORA 2003 into shares	53,300,000.00	176,915.89	17,472	53,403,084.11	9,051,431
05/06/2014	Capital increase through capitalisation of reserves	53,403,084.11	-	-	53,500,000.00	9,051,431
31/07/2015	Conversion of 1,610 ORA 2003 into shares	53,500,000.00	10,161,906.90	1,004,640	59,438,093.10	10,056,071
31/07/2015	Capital increase through capitalisation of reserves	59,438,093.10			59,500,000.00	10,056,071

Changes in the breakdown of capital during the past five years

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):

	2011		2012		2013		2014		2015	
	SHARE CAPITAL	VOTING RIGHTS	SHARE CAPITAL	VOTING RIGHTS	SHARE CAPITAL	VOTING RIGHTS	SHARE CAPITAL	VOTING RIGHTS	SHARE CAPITAL	VOTING RIGHTS
Holdaffine BV	35.40%	50.3%	35.3%	50.3%	35.3%	51.2%	35.2%	51.2%	31.7%	47.4%
Forum European Realty Income									10.0%	7.5%
Orexim (joint)							5.0%	3.6%	7.7%	5.8%
La Tricogne			6.6%	5.0%	6.6%	4.8%	6.6%	4.8%	6.0%	4.5%
JDJ Two + A. Lahmi	2.4%	3.6%	1.0%	1.4%	1.0%	1.4%	1.0%	1.4%	0.9%	1.3%
Shy LLC	8.1%	6.0%								
AXA Aedificandi and other AXA funds	2.1%	3.10%								
Other float	52.0%	37.0%	57.1%	43.3%	57.1%	42.6%	52.2%	39.0%	43.7%	33.5%
TOTAL	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Material percentage of identified capital pledged

NAME OF DIRECTLY REGISTERED SHAREHOLDER	BENEFICIARY	EFFECTIVE PLEDGE DATE	PLEDGE EXPIRY DATE	CONDITIONS FOR THE LIFTING OF THE PLEDGE	NUMBER OF PLEDGED SHARES OF THE ISSUER	% OF THE ISSUER'S CAPITAL PLEDGED
Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
Total	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**	**Not applicable**

The company is aware of pledges made on shares held by a nominee shareholder; this shareholder holds 0.9 % of the capital of Affine R.E.

21.2 MEMORANDUM AND ARTICLES OF ASSOCIATION

21.2.1 Company 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 company purpose is described in Article 2 of the Articles of Association.

21.2.2 Provisions relating to the board of directors

Article 10 of the Articles of Association defines the eligibility requirements to be 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 Chairperson 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 company purpose and the powers granted to shareholders by law. The Chief Executive Officer may act on behalf of the company at any time.

The Board of Directors of the company has chosen to combine the roles of Chairperson 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, Article 29 of the Articles of Association provides for the award of a double voting right:

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, in respect of existing shares to which this right applies.

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 are voided for any shareholder who should own, directly or indirectly, a number of shares or voting rights representing at least two percent of the capital or voting rights or a multiple of 2% 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 or a multiple of 2% of the capital or voting rights of the company (including beyond the threshold of 5%). 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 amended by the Extraordinary Shareholders' Meeting of 30 April 2015.

The provisions of the Articles of Association relating to profits are contained in Article 36 amended by the Shareholders at their Extraordinary Meeting of 30 April 2015.

In view of the company's SIIC status, a total dividend calculated on the basis of the distribution obligations applicable to this status, subject to the application, if necessary, of provisions regarding the deduction specified in Article 208 II ter of the French General Tax Code, will be distributed to shareholders in proportion to the nominal amount of their shares, paid-up at least six months before year-end and not redeemed. Shareholders who meet the conditions for exemption are required to provide proof to the company within five business days prior to the payment of any dividend distribution. Otherwise, the amount available for distribution to the shareholder will be reduced by the amount of the levy that is deemed to be payable and shall be paid by the company to the relevant tax office.

Article 36 of the Articles of Association allows the Shareholders gathered at their General 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 made at the General Shareholders' Meeting in accordance with the legal and regulatory provisions in force.

Article 36 further specifies that the dividend shall be distributed to shareholders subject to the provisions of Article 208-II ter of the French General Tax Code. Assuming that a shareholder were to meet the exemption conditions set out in Article 208 II ter of the French General Tax Code, the said shareholder must furnish proof to the company no later than within five business days before the payment date of any dividend distribution.

In the event of failure to furnish such proof, the amount available for distribution to the shareholder will be reduced by the amount of the levy that is deemed to be payable and shall be paid by the company to the relevant tax office.

If the dividend is paid in shares, the shareholder will receive only a part of the amount distributed in the form of shares, while specifying that no fractional shares will be created, with the company allocating the balance to payment of the levy, as indicated 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 compensate the company for its loss by means of the payment of 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 distribution payment date, plus additional compensation equal to interest on arrears, penalties or charges of any kind that the company may incur as a result.

If necessary, the company may offset its claim vis-à-vis the shareholder against any amount that might subsequently be paid thereto, until said claim has been extinguished.

21.2.4 Changes To Shareholder Rights

Changes to shareholders' rights may only be made through amendments to the Articles of Association adopted by the company's Extraordinary General Meeting, as provided for under current regulations.

21.2.5 Provisions relating to the call 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 area 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 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, (in accordance with Article R225-85 of the French Commercial Code, modified by decree on 8 December 2014), 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 attend General 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 the 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 of 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 at least two percent of the capital or voting rights of the company must inform the company within fifteen days of crossing this threshold. Said party must also state the transferable securities giving access to the capital that he/she holds at the time of the notification. When acting in concert, the notification must include the identity of the individuals or the identification of the legal entities acting within the joint action. These provisions are also applicable to shareholders who fall below these thresholds. In the event of failure to comply with these provisions, the shares with voting rights exceeding the threshold shall forfeit their right to vote at all general shareholders' meetings for a period of two years following the notification to comply with the disclosure obligation.

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.

22 MATERIAL CONTRACTS

There is no material contract.

Since late 2005, the entire property portfolio of the Affine Group has undergone an annual valuation at 30 June 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 and IFRS 13, 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 2015, the Group arranged for the value of its rental properties to be measured through external appraisals, for 98% of their value, and internal appraisers for smaller-sized assets or for assets in the process of being sold (based on any preliminary sale agreements). The value used by Affine are egal to or lower than those of the external appraisals.

The methodology used by the appraisers is described in section 20.1.7.1.7. The capitalisation rate and the DCF methods were 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 ILAT (INSEE Retail Rental Index), ICC (Construction Cost Index) and ILC (Commercial Rent Index) in 45%, 34% and 15% of cases respectively. More rarely, Affine also uses the French Building Federation's Construction Cost Index (ICC FFB), and a fixed rate.

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% or 6.90% of the value excluding transfer taxes, depending on the property's location, and 1.80% for property subject to VAT.

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 appraisers' 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 the 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 may not have more than two consecutive four-year appointments for the same asset (no exceptions are permitted). It ensures in this case that after a maximum of seven years, the internal teams in charge of the appraisal have effectively been replaced.

The appraisal results, associated returns and occupancy rates are illustrated below by activity segment:

(€m) at 31 Dec 2015	FAIR VALUE EXC. TRANSFER TAXES	FAIR VALUE INC. TRANSFER TAXES	MARKET RETURN	HEADLINE RETURN	POTENTIAL RETURN	OCCUPANCY RATE
Offices	320,0	340,3	6,5%	6,1%	7,2%	87,0%
Retail	123,0	130,7	6,4%	6,4%	7,5%	84,3%
Warehouses and industrial premises	71,2	75,6	8,6%	7,9%	9,3%	83,6%
Other	0,3	0,3	5,0%	5,0%	5,0%	100,0%
PROPERTY PORTFOLIO	**514,4**	**547,0**	**6,8%**	**6,5%**	**7,5%**	**85,8%**

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 Decembre 2015	TYPE	NUMBER OF ASSETS	MARKET VALUE EXCL. TRANSFER TAXES	FAIR VALUE INCLUDEING TRANSFER TAXES	ASSIGNMENT AS % OF APPRAISER'S SALES
BNPP Real Estate Valuation	Offices	8	50.7	54.1	0.31%
	Retail	2	75.1	79.5	
	Warehouses and industrial premises	3	13.8	14.4	
	Other	0	5.0	5.1	
CBRE Expertise	Offices	10	102.8	109.9	0.39%
	Retail	2	31.7	33.9	
	Warehouses and industrial premises	2	14.4	15.4	
Crédit Foncier Expertise	Offices	10	169.5	179.5	<0.003%
	Retail	2	16.7	17.9	
	Warehouses and industrial premises	4	37.1	39.6	
	Other	0	0.3	0.3	
Assets not subjected to an appraisal	Offices	1	3.8	4.1	
	Retail	1	1.4	1.5	
	Warehouses and industrial premises	2	6.5	6.9	
PROPERTY PORTFOLIO		**47**	**528.8**	**562.1**	

THE APPRAISERS REPORT

The appraisers prepared their reports based on the values at 31 December 2015.

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 for investment property, fair value is identical to market value, 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.

INDEPENDENCE AND EXPERTISE

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 reviewed.

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 appraisers.

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 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 reported, 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 French real estate appraisal code (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.

OBSERVATIONS

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% or 6.9% of the value excluding transfer taxes, depending on the property's location, 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 performed by other firms. The appraiser also agrees to this condensed report being included in Affine's registration document.

BNPP Real Estate Valuation	CBRE Expertise	Crédit Foncier Expertise

24 DOCUMENTS ON DISPLAY

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

Chairperson's report on corporate governance and internal control

Registration documents required by the COB and the AMF since 2002

2015 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.

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".

Following the decision taken by the Banimmo Board of Directors on 29 October, Alain Chaussard, director of the company and also Deputy CEO of Affine (major shareholder of Banimmo), has been appointed CEO and in this capacity shall become the Chairperson of the Management Committee.

REPORT BY THE INDEPENDENT THIRD-PARTY BODY, ON THE CONSOLIDATED SOCIAL, ENVIRONMENTAL AND SOCIETAL INFORMATION SET OUT IN THE MANAGEMENT REPORT

Financial year ended 31 December 2015

To the shareholders,

In our capacity as an independent third-party body, accredited by the COFRAC (the French Accreditation Committee) under number 3-1049, and member of the KPMG International network as one of your statutory auditors, we hereby present our report on the consolidated social, environmental and societal information regarding the financial year ended 31 December 2015 presented in the management report (hereinafter the "CSR Information"), as required by 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 required by 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, the professional business ethics code and the stipulations of 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 the rules of business ethics, professional standards, and the applicable legislation and regulations..

Responsibility of the independent third-party body

Our responsibility, on the basis of our work, is:

- to certify that the required CSR Information 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 of omission;
- 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 involved the expertise of five people and was undertaken between November 2015 and March 2016 covering a total operating time of about 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 standards applicable in France and with the Order of 13 May 2013 setting out the conditions under which the independent third-party performs its engagements, and with international standard ISAE 3000 where the reasoned fairness opinion is concerned[2].

1. Certification of the inclusion of CSR Information

Nature and extent of the work

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.

Conclusion

Based on this work, and in light of the aforementioned limits, we attest that the management report contains the required CSR Information.

[1] *Go to www.cofrac.fr to check the scope of this accreditation.*
[2] *ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.*

2. Reasoned opinion on the fairness of the CSR Information

Nature and extent of the work

We held two 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.

For the CSR information that we considered the most important[1]:

- 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. Since the information is available at head office, our tests concerned 100% of the workforce and 100% of environmental quantitative information.

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, 6 April 2016

KPMG S.A.

Anne Garans
Climate Change & Sustainable Development Department
Partner

Isabelle Goalec
Partner

[1] ***Social data:*** *Workforce as at 31/12/2015 and its analysis by gender, age and status – Number of hires – Number of departures – Total number of training hours.*
Environmental information: *Number of green leases signed – Electricity consumption – Water consumption – Greenhouse gas emissions linked to electricity consumption.*
Material qualitative information: *The company's organisation to take account of environmental issues and, if appropriate, assessment procedures or environmental certification; Energy consumption and measures taken to improve energy efficiency and use of renewable energy.*

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 French 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 contributing to 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 financial consolidation method of accounting, the above three levels apply to Affine and its fully consolidated subsidiaries (therefore excluding Banimmo).

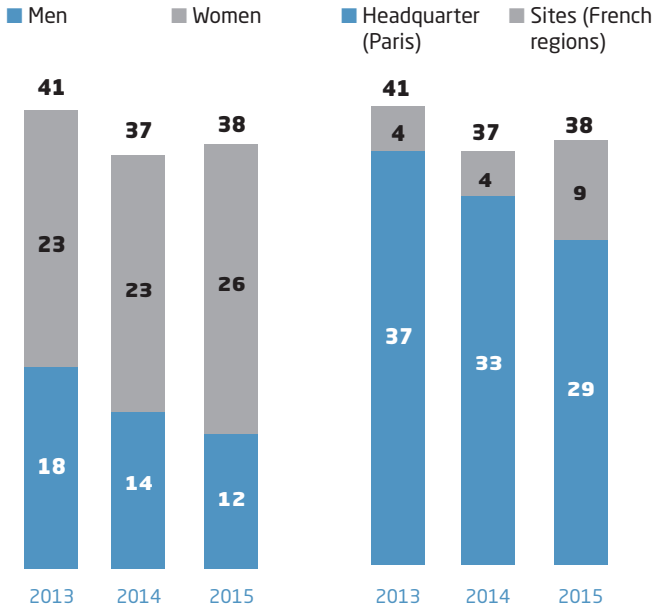
26.1 SOCIAL INFORMATION

Employment

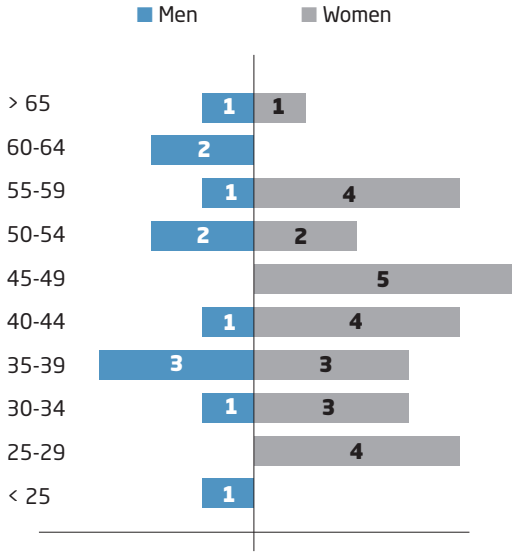
Total workforce and breakdown of employees by gender, age and geographical area

At 31 December 2015, the company had 38 employees: 9 employees, 27 managers and 2 executive corporate officers. The female/male breakdown is as follows: 26 women (7 employees, 18 managers and 1 executive) and 12 men (2 employees, 9 managers and 1 executive corporate officer).

WORKFORCE BREAKDOWN BY GENDER AND LOCATION



AGE PYRAMID



Recruitment and dismissals

The company recruited 11 employees during the period, including 8 on permanent contracts and 3 on fixed-term contracts. 10 people left the company (retirement, resignation or lay-off), 1 of whom was laid off.

The company 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. Equally, the assessment takes into account the fair balance between professional and private life to ensure that each employee is able to perform their work in accordance with legislative requirements, and more specifically regarding the length of resting time. The assessment process also enables employees to receive a full yearly appraisal of their skills and areas for development.

In 2015, employee gross salaries totalled €3.1m, down 5.5%. Social Security employer contributions accounted for an additional 54% of gross salary.

The amount paid out in 2015 in respect of 2014 profit sharing was €0.2m, in line with the profit-sharing agreement signed in June 2012 as stated below under "Collective bargaining agreements".

At 31 December 2015, no employees of Affine 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). The bonus share award scheme set up in 2005 came to an end in 2011.

Organisation of labour

Organisation of working hours

In December 2001, Affine signed an agreement to reduce working hours and introduce flexible working times with an annual workload of 1,600 hours. The "Solidarity Day" instituted by the French Law of 30 June 2004 was allocated to the number of legal leisure days.

Absenteeism

A total of 154 days' sick leave was lost in 2015 compared with 397 in 2014, i.e. 4.3 days per employee compared to 9.7 last year. Causes of absenteeism in the company were mainly illness and maternity leave. The last year sharp increase was mainly due to a long-term illness.

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 observations that employees want to present to management, discussing these at least monthly 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 2015, no new collective bargaining agreement was signed.

The following agreements continued to apply in 2015:

Collective labour agreement:

The property sector collective labour agreement has been applied since 1 January 2013. However, the subsidiaries Kutum, Louvois and Seada, which operate two franchises in Nevers depend on the clothing sector collective labour agreement.

Profit-sharing agreement:

All personnel signed a new agreement on 8 June 2012, effective from the 2012 financial year. This agreement was revoked at the end of 2015 to implement a new agreement in 2016.

Agreement to adjust working hours:

The collective bargaining agreement of 21 December 2001 regarding the adjustment of working hours continues to apply within the company.

Health and safety

Health and safety in the workplace

Affine's employees have been in new premises since 2010: this new environment has improved information sharing among employees and enhanced the quality of their work by providing a new and more convivial workspace equipped with the latest technology in terms of visual comfort (lighting system) and ergonomics.

The company has 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 safety and security assessment document.

Workplace health and safety agreements signed with trade unions or employee representatives

The company did not sign any specific agreements regarding health and safety in the workplace.

Given the changes in regulations including the French Decree of 9 January 2012 and the ACOSS social security circulars of 25 September 2013 and 4 February 2014, on 16 July 2014, Affine formalised the unilateral decision by the employer for the introduction of a complementary health plan for employees, after informing and consulting with employee representatives.

Workplace accidents, particularly their frequency and seriousness, and occupational illnesses

The company recorded one workplace accident lasting 29 days.

For this accident, the frequency rate was 17,2 and the severity rate 0.5.

Affine did not identify any occupational illness within its workforce in 2015.

Training

Implemented training policies

Potential training needs are assessed during yearly individual assessments. The company'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 three main areas: accounting and IT skills, real estate law and languages. Affine's training budget accounts for 0.67% of payroll; 14 employees benefited from training in 2015.

English lessons are given on a free access basis once a week in the company's offices.

When a new IT system was implemented, all employees received detailed training to understand the issues of this new tool and to master its use.

In addition, internal trainings were provided on regulatory changes to leases, their impact on lease contract writing and the adaptation of the information system.

Total number of training hours

The total number of external training hours in 2015 was 315.

Equal treatment

Measures taken to promote equality between men and women

The company offers the same opportunities for career advancement within the company to men and women. In 2015, the company had 3 female and 3 male senior managers.

Measures taken to promote the employment and integration of people with disabilities

Except in some specific cases, the company works whenever it can with contractors who employ disabled people.

Anti-discrimination policy

The company pays close attention to discrimination issues and strives to avoid any discrimination when hiring new personnel, or in career development and changes in pay.

For 2015, since the average workforce in Affine numbered less than 50, there was no need to establish an action plan for older employees.

Promoting and upholding the fundamental conventions of the International Labour Organisation

The group's business is limited to the European Community, which implies compliance with specific 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 ENVIRONMENTAL INFORMATION

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 analysis of the company's assets and raising tenant awareness of environmental issues.

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 (12 since 2010) and efforts to obtain environmental certifications are concrete examples of how these principles are being applied to Affine's operating activities.

The Affine approach is in line with the company's objective of social responsibility and preserving the value of its assets. This environmental review has led Affine to rethink its strategy in order to make environmental performance a decisive factor in its investment and disposal policy. Affine aims to focus on acquiring buildings which already comply with the most advanced environmental performance criteria, or which could achieve such compliance with limited investment. The company also requires for all the assets that it intends to acquire, an environmental certificate that enables limitation of the environmental impact of a building from design to completion.

Similarly, the company 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 France's "Grenelle II" Law on environmental governance. 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. This regulation requires the insertion of an environmental appendix to leases for all commercial buildings with a surface area exceeding 2,000 sq m. It also calls for the realisation of refurbishments to improve the energy performance of commercial buildings by January 2020. In anticipation of its implementation, the company has already begun such work.

As an example, as part of the renovation of Tangram, a 5,915 sq m office building located at boulevard des Tchécoslovaques in Lyon, France, the company obtained the DEFFIBAT grant issued by the ADEME energy and environment agency. The purpose of this scheme is to bring out the best initiatives in the Rhône-Alpes region on low energy consumption that also factors in environmental and health issues (quality of life and use, water, waste, etc.). The company is aiming for a BBC Renovation Effinergie endorsement for this building. Beyond the benefits of offering the amenities of a new building with a new high-quality facade, all the offices are on daylight and fully equipped with LED lighting presence detectors. The complex provides 2 parking spaces for electric vehicles, which can increase to 10, and 2 parking garages for bicycles.

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.

This data collection process has been implemented on the company's main buildings. The data collection will allow a more in-depth analysis of results, which should be incorporated into upcoming CSR reports.

In accordance with the regulation measure implemented by the DDADUE law of 16 July 2013, the company launched an energy audit on a perimeter of its portfolio determined with an external expert auditor. The results of this audit will help to identify sources of potential savings and to find improvement solutions in a more or less long term.

Created in 2015 by its founding members (including Affine), the BBCA non-profit association (Low Carbon Building) was born from the will of many players from the real estate, construction and ecology sectors to come together and find solutions to reduce the carbon footprint of buildings and promote more virtuous constructions. The association has two goals: raise awareness of the urgency to reduce the carbon footprint of buildings and shine a positive light on every step that contributes to the development of low carbon buildings. The BBCA label should allow players in the real estate area to identify best practices.

Employee training and information on environmental protection

Asset managers receive regular training sessions on the different aspects of incorporating environmental considerations into the company's property management.

Means employed to prevent environmental risks and pollution

The nature of Affine's business does not pose any particular danger to the environment.

Nevertheless, Affine launched an awareness plan for tenants by sending a best practice recommendation guide on environmental issues with easy-to-apply measures to limit the environmental impact of their operations.

Affine's portfolio is composed of offices and retail premises, for which periodic checks are carried out and measures are taken (change of air conditioning, heating, improved thermal insulation...).

Logistics sites owned by Affine are subject to more rigorous supervision due to the higher risks arising from tenant operations.

Amount of provisions and guarantees for environmental risk

No provision or guarantee for environmental risk was required during the year.

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 to ensure the compliance of regulated operations for environmental protection and the regular checks carried out on those buildings, no other type of pollution risk has been identified and thus no further measures have been needed.

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.

On storage and warehousing sites, tenants have to sort ordinary industrial waste from hazardous waste.

At the corporate level, the share of waste for the company amounted to 9.6 tons in 2015.

Taking account of noise pollution and, where applicable, any other form of pollution specific to an activity

Maximum authorised noise on logistic sites is defined by regulation.

Periodical controls of these nuisances are carried out by the concerned operators to check compliance with these limits.

Sustainable use of resources

Water consumption and supply based on local requirements

The company relies on close cooperation with its tenants to reduce water consumption in its existing buildings. "Green" leases provide for the establishment of steering committees organised with tenants, representatives of the company and potentially, the property agent. These committees raise the stakeholder awareness of sustainability challenges such as the preservation of water resources.

For development, refurbishment and extension programmes, the technical choices of installed or to be installed equipment (extinguishers, water-based fire extinguishing systems, air conditioning systems, etc.) are guided by the necessary alliances of technical and energy performance criteria, and is part of the drive to reduce water consumption.

At the corporate level, water consumption was 403 m^3 in 2015.

Consumption of raw materials and measures taken to improve efficiency in their use

For refurbishment or new projects, the company studies the possibility of reusing existing structures and materials. In addition, 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.

At the corporate level, the company's paper consumption totalled 1.9 tons in 2015.

Energy consumption, measures taken to improve energy efficiency and use of renewable energies

At the corporate level, the company's electricity consumption was 205,494 kWh.

At the operational level, management decided to install remote metering in a representative portion of the company'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 value close to €10 million, does not allow the company at present to envisage implementing a specific policy regarding negotiations to purchase power for all its properties as a means of promoting a 'greener' source of energy production.

With respect to on-going work or refurbishment operations, Affine pays attention to the energy production limit of buildings and promotes bioenergy development.

Use of soil

The due diligence process for acquisitions and investments comprises an in-depth assessment of technical, regulatory, environmental, safety and security risks, and soil pollution.

In most cases, the company plans ahead for the requirement of carrying out soil auditing after the tenant's departure, and more specifically in the warehouse area, in addition to regular checks and reports on site and any other type of asset.

Climate change

Greenhouse gas emissions

The company's reporting consists of combining the greenhouse gas emissions (GHGE) associated with a building's electricity consumption, converted into units of CO2 equivalent (CO2e).

At the corporate level, the 205,494 kWh of electricity consumed corresponds to greenhouse gas emissions of 12.3 tons (metric tons in CO2 equivalent).

Adapting to the consequences of climate change

To reduce its CO2 emissions and limit the impact of its operations on the climate, the company strives to reduce the energy consumption of its buildings at the time of refurbishment. At present, no general monitoring process has been set up yet to identify the positive results of this investment. A programme to record information and provide tracking charts is expected to start in 2016.

The classification of buildings in relation to the regulation on natural, mining and technological risks is taken into account during the acquisition process. This classification is checked again at any rental movement.

In view of the characteristics of its asset base, the company does not consider it necessary to conduct an ongoing audit of the classification of its sites. However, its regulatory monitoring policy allows it to be notified in case of changes of classification related to natural risk in the areas concerned.

Biodiversity protection

Measures taken to safeguard or develop biodiversity

Affine's pragmatic approach to promoting biodiversity and environmental awareness at its existing sites involves paying great attention to the preservation of green spaces, even though the heavy urban density at most sites limits the scope for developing this initiative. The company also ensures that the protection of a site's existing fauna is factored into new projects.

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 large cities 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. The installation and the operation of these office, retail and warehouse spaces 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.

For example, the investments made by Affine in commercial centres located in towns such as Arcachon, Nevers or Bordeaux, contributed largely to revitalise and develop a new economic fabric in these areas. These districts, from the design and construction to the opening of their retail premises have been purveyors of new jobs, of new urbain refurbishments and participated in the reorganisation of inhabitants within these cities.

In parallel, Affine and the management of Concerto European Developer, joined by Kaufman & Broad partnered to support the development of Urbismart, a specialist in the organisation of urban logistic flows. The growth of cities, combined with the expansion of e-commerce in the coming years, requires the implementation of innovative solutions to provide a better response to the demands of retail systems and consumers, as well as environmental constraints and the expectations of elected officials.

Today, Urbismart works with a large number of different operators in the logistics chain, but is focused primarily on the loaders, with the promise of lowering their total logistics bill while simultaneously reducing CO_2 emissions.

In the autumn, Urbismart launched its testing phase in Bordeaux. By 2018, Urbismart's objective is to bring together 35 brands in 45 cities in this project, with 50 to 100 metropolitan platforms to be developed over time.

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, environmental protection, educational institutions, consumer associations and neighbouring populations)

The Palladio Foundation institute was created in 2008 by companies in the real estate industry around a major twenty-first century challenge, namely, the construction of the city and its living spaces. It operates directly with those involved and who have, or will have. the responsibility for building the city, by creating the support tools needed to become aware (institute), prepare promotions (business development section) and plan ahead (research centre). The working method is that of comparing and discussing viewpoints between leaders and experts, students and business people, researchers and operational staff.

In 2015, Affine Group, patron and board member of the Foundation, was particularly involved in:

- Governance of the Palladio Foundation: Affine is represented on the Foundation's Board of Directors.
- Pôle Avenir Palladio: Affine is a member of the Palladio Scholarship Committee.

Partnership or sponsorship initiatives

In addition to its commitment to its industry sector, Affine develops its partnership and sponsorship initiatives.

Since 2001, Affine has supported Pro Musicis, an 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 in 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 association is to establish a system whereby working individuals mentor disadvantaged youth, in either their schooling or their search for employment.

Affine (through its shareholder MAB Finance) is also a supporter of the Agence du Don en Nature (ADN) association. ADN's goal is to foster and boost 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 entails collecting unused products intended for destruction and redistributing them. ADN handles the logistical interface.

Subcontractors and suppliers

Social and environmental challenges factored into the company's purchasing policy

Given the low volume and the nature of the products purchased, the possibility of monitoring information, such as the weight or origin of materials used in the company's programmes, was considered overly complex and irrelevant.

Importance of sub-contracting and factoring in the social and environmental responsibility of suppliers and sub-contractors

Except in some specific cases, the company favours local subcontracting agreements that promote regional economic development and limit the carbon footprint of projects.

Maintaining best practices

Anti-corruption initiatives

Disposals are entrusted to one or several intermediaries collectively selected for their expertise on a specific asset type, for their establishment and for their local involvement. The collective choice of the intermediary (intermediaries in a case of a non-exclusive or co-exclusive mandate) and the criteria used to retain it or them, help to limit favouritism and misuse of funds.

Significant construction projects or renovations are subject to calls for tender to several companies selected according to their skills and the quality of their achievements. The final choice is made by a panel of decision-makers. Any claim by a company is subject to a series of controls and approvals before any fund transfers.

When selling an asset, the company is particularly careful about the origin of the acquirer's capital.

Measures taken to promote consumer health and safety

Affine's portfolio does not include any site that manufactures products to be sold to consumers. The storage site for product intended to be sold to consumers are subject to health and safety norms. Compliance with the latter is verified on a regular basis.

Apart from special cases, the tenant is responsible for ensuring that the premises occupied comply with all the requirements of the administrative authorities concerning health, safety and cleanliness. Any work that may be required for the maintenance or compliance of its premises therefore remains the tenant's responsibility, except for works related to the structure of the building since the so-called Pinel Act was introduced in France.

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 company 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 company'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 (and its subsidiaries) is excluded from the scope of reporting.
- The reporting scope for corporate environmental information covers the data on the head office.

As part of the revitalization of the commercial site Carré Colbert in Nevers, Affine created in 2015 through the company Louvois two companies: Kutum and Seada, responsible for the operation of two shops on the site. They have a total of 4 employees.

Choice of indicators

Indicators are chosen with regard to the social, environmental and societal impact of the activity of the companies and the risks associated with the challenges that their business lines involve.

Consolidation and internal controls

Quantitative information is collected centrally by the relevant operating division. Qualitative information is collected centrally by Affine's Financial Communication & Capital Markets Division. The data is checked and approved by Executive Management.

External controls

Pursuant to the regulatory obligations required by Article 225 of the French Grenelle II Law and its implementing Decree dated 24 April 2012, Affine asked one of its statutory auditors in 2013 to provide a report including an attestation of completeness of environmental, social and societal information and a substantiated opinion on the fair presentation of information published (limited level of assurance).

Definitions for 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 at 31 December of the year. Trainees and temporary workers are excluded from this indicator.	Companies
New hires	Number of permanent and fixed-term 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.	
Number of absentee days	The number of absentee days includes absentee days due to illness and maternity leave.	
Frequency rate of occupational accidents with lost days	The frequency rate corresponds to the number of occupational accidents with stoppage during the year, multiplied by 1,000,000 and divided by the total number of theoretical worked hours during the year.	
Severity rate	The severity rate corresponds to the number of lost days from occupational accidents, multiplied by 1,000 and divided by the total number of theoretical worked hours during the year.	
Number of theoretical worked hours during the year	The total number of theoretical worked hours during the year corresponds to the following calculation: 35 worked hours per week multiplied by 47 weeks (considering an employee has 5 weeks of leave per year) and by the average workforce over the year.	
Training hours	Number of external training hours billed to and paid by the company, attended by employees between 1 January and 31 December of the year. The number of hours is booked per employee according to the justification provided or based on an estimate of time, with 7 training hours being the equivalent of 1 day. Participation in seminars and conferences is not included in the training hours.	

Environmental indicators

INFORMATION	DESCRIPTION	SCOPE
Water consumption	Mains water consumption during the period between 1 January and 31 December of the year. This includes consumption within both private and common areas allocated to the area occupied by the company in the building based on a ratio provided by the management company.	Head office
Electricity consumption	Electricity consumption during the period between 1 January and 31 December of the year. 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. For the common areas, since meter readings were incomplete in 2015 due to technical reasons, Affine has decided to base its estimate on 2014 consumption data. It represents 51% of the total consumption in 2015.	
Number of green leases	This is the aggregate number of green leases with an appendix signed by the tenant since 2010.	
Energy-related greenhouse gas emissions	These are greenhouse gas emissions related to electricity consumption expressed in CO2 equivalent. The emission factor used is the French agency ADEME 2012 emission factor.	
Waste production	Mains waste production during the period between 1 January and 31 December of the year. This includes production within both private and common areas allocated to the area occupied by the company in the building based on a ratio provided by the management company.	
Paper consumption	Paper consumption during the period between 1 January and 31 December of the year. This includes reams bought converted into tons.	

CROSS-REFERENCE TABLE

MANAGEMENT REPORT

This registration document includes items from the management report as required under Articles L.225-100 et seq. and L.232-1 II et seq. of the French Commercial Code.

INFORMATION	SECTIONS
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 occurred between the closing date and the reporting date of this document	5.2.3
Objective and comprehensive analysis of the development of the business, earnings and financial situation of the company, especially its debt position and non-financial performance indicators (particularly concerning the environment and employees)	4.2.4 / 9 / 10.3 / 17
Research and development activities	N/A
Description of main risks and uncertainties	4
List of appointments or positions 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 treasury share transactions performed by the company	20.1
Directors' share dealings	18.5
Information specified in Article L.225-100-3 of the French Commercial Code that could have an impact in the event of a public offering	4.2.1 / 14.2 18 / 21.2
Transactions performed by the company in connection with the allocation of bonus shares	15.1 / 17.2

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.

INFORMATION	SECTIONS
Consolidated statements of the Group	20.3
Statutory Auditors' report on the consolidated financial statements	20.3
Annual financial statements of the company	20.1
Statutory Auditors' report on the annual financial statements	20.1
Management report	See table above
Declaration by the person responsible for the annual financial report	1.2

ANNEXES GENERAL MEETING OF SHAREHOLDERS OF 28 APRIL 2016

TEXT OF THE RESOLUTIONS SUBMITTED TO THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 28 APRIL 2016

Ordinary resolutions

FIRST RESOLUTION
(Approval of the annual financial statements for the year ended 31 December 2015)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders meetings, having taken note of the reports from the Board of Directors and the Statutory Auditors, approves the annual financial statements for the year ended 31 December 2015, as presented.

SECOND RESOLUTION
(Approval of the consolidated statements for the year ended 31 December 2015)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders meetings, having taken note of the reports from the Board of Directors and the Statutory Auditors, approves the consolidated statements for the year ended 31 December 2015, as presented.

THIRD RESOLUTION
(Discharge for directors)

The General Shareholders' Meeting, ruling under the conditions of quorum with the majority required for ordinary general shareholders' meetings, grants the directors full discharge for their management for the financial year ended 31 December 2015.

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 profit of €4,232,283.73 for the period as follows:

Earnings for the period	€4,232,283.73
To be ascribed as 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
2012	€1.20
2013	€0.90
2014	€1

The General Shareholders' Meeting resolves to distribute the sum of €10,056,071 by deducting the amount from the "Other reserves" item.

An amount of €1.00 is due to each of the 10,056,071 shares comprising the share capital, which will be paid on or after 06/05/2016.

The portion of this dividend paid out of the company's taxable income, i.e. €0.48 per share, 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, i.e. €0.52 per share, 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 shares at the time that the dividend is paid, the amount corresponding to dividends not paid out will be allocated to retained earnings.

FIFTH RESOLUTION
(Regulated agreements and commitments)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders' meetings, having read the special report from 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 September 2015.

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, which may further delegate this authority, 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.

Share 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 bonus shares to employees insofar as this is permitted by law;
- retention and exchange or as payment in connection with possible external growth operations;
- the cancellation of shares, in connection with a reduction in share capital, as authorised by the 20th resolution set out 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. 1,005,607 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. 502,803 shares; the purchase price shall not exceed €30 per share;
- the maximum amount of funds used to carry out this share repurchase programme will be €30,168,210;
- 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 the division 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, subject to the limits of stock exchange regulations.

The General Shareholders' Meeting gives full powers to the Board of Directors, which may further delegate 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 pursuant to this resolution.

This authorisation replaces the authorisation given by the Combined General Shareholders' Meeting of 30 April 2015, subject to the launch of a share repurchase programme by the Board of Directors.

EIGHTH RESOLUTION
(Renewal of the directorship of Mab-Finances)

The General Shareholders' Meeting, ruling under conditions of a quorum with the majority required for ordinary general shareholders' meetings, decided to renew the directorship of Mab-Finances, represented by Alain Chaussard, for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the period ending in 2018.

NINTH RESOLUTION
(Renewal of the directorship of Arnaud de Bresson)

The General Shareholders' Meeting, ruling under conditions of a quorum with the majority required for ordinary general shareholders' meetings, resolves to renew the directorship of Arnaud de Bresson for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the period ending in 2018.

TENTH RESOLUTION
(Renewal of the directorship of Joelle Chauvin)

The General Shareholders' Meeting, ruling under conditions of a quorum with the majority required for ordinary general shareholders' meetings, decided to renew the directorship of Joelle Chauvin for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the period ending in 2018.

ELEVENTH RESOLUTION
(Setting directors' fees)

The General Shareholders' Meeting, acting with the quorum and majority required for ordinary general shareholders meetings, resolves to determine the amount of directors' fees in respect of their contribution to the work of the Board of Directors and its three special committees as follows:

- €10,000 for each director, including €5,000 paid on a proportional basis according to their actual presence;
- €1,000 for each director and per meeting of a specialised committee.

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, ruling under conditions of a quorum with the majority required for extraordinary general shareholders' meetings, having taken note of the report of the Board of Directors and the report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.228-92 and L.228-93 of the Commercial Code:

1° Delegates to the Board of Directors, which may further delegate or subdelegate 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 ordinary shares of the company or of any company in which it owns over half the capital, whether directly or indirectly; these securities may also be denominated in foreign currency or in any other monetary unit established by reference to several currencies.

The delegation thus granted to the Board of Directors is valid for 18 months beginning on the date of this Meeting.

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 €29,750,000 based on the current capital, this amount counting towards 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 that they hold, a rights offering to 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 subscriptions as of right to a fixed number of shares and, where applicable, to additional shares, have not taken up the entire issue of shares or transferable securities defined above, the Board of Directors may use the faculties permitted by law, and in particular, offer to the public some or all of the securities not subscribed.

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 rights offering 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 supersedes the authorisation granted by the Combined General Shareholders' Meeting of 30 April 2015.

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 shareholders' 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, ruling under conditions of a quorum with the majority required for extraordinary general shareholders' meetings, having taken note of the report of the Board of Directors and the report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.225-135, L.228-92 and L.228-93 of the Commercial Code:

1° Delegates to the Board of Directors, which may further delegate or subdelegate 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 ordinary shares of the company or of any company in which it owns over half the capital, whether directly or indirectly; these securities may also be denominated in foreign currency or in any other monetary unit established by reference to several currencies.

The delegation thus granted to the Board of Directors is valid for 18 months beginning on the date of this Meeting.

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, 25% of the share capital, or €14,874,000 based on the current capital, this amount being applied where appropriate to the ceiling set in the preceding 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 rights offering for shareholders for these securities, which will be issued in accordance with regulations, and to confer upon the Board of Directors the power to institute, if applicable, a priority right for shareholders to subscribe to these securities in application of the provisions of Article L.225-135 of the 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 rights offering 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 supersedes the authorisation granted by the Combined General Shareholders' Meeting of 30 April 2015.

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 Shareholders' Meeting, acting with the quorum and majority required for extraordinary general meetings, having taken note of the report from 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, which may further delegate or subdelegate 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 ceilings 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, within the limits set above, have the necessary powers, and may further subdelegate 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 in 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 supersedes the authorisation granted by the Combined General Shareholders' Meeting of 30 April 2015.

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 shareholders' 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 shareholders' meetings, having taken note of the report from the Board of Directors and the report from 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, which may further delegate or subdelegate 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 ordinary shares of the company or of any company in which it owns over half the capital, whether directly or indirectly; these securities may also be denominated in foreign currency or in any other monetary unit established by reference to several currencies.

The delegation thus granted to the Board of Directors is valid for 18 months beginning on the date of this Meeting.

2° Resolves that the issue of capital shares will be carried out without the rights offering through an offer cited in Section II of article L.411-2 of the French Monetary and Financial Code, and accordingly decided to eliminate the rights offering for shareholders to shares and securities to be issued in compliance with the applicable legislation.

3° Resolves that the issue of capital shares will be 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 ceilings set in resolutions 12 and 13 above.

4° Resolves that the issue price of the shares will be determined by the Board of Directors according to the following terms: 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 rights offering to the capital shares 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 supersedes the authorisation granted by the Combined General Shareholders' Meeting of 30 April 2015.

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.

SIXTEENTH RESOLUTION
(Capital increase reserved for employees)

The General Shareholders' Meeting, acting with the quorum and majority required for extraordinary general shareholders' meetings, having taken note of the report from the Board of Directors and the report from 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 French Employment 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 as it exists 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 rights offering granted 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° Resolves 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 no 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 completion 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, ruling under conditions of a quorum with the majority required for extraordinary general shareholders' meetings, having taken note of the report of the Board of Directors and the report of the Statutory Auditors, authorised the Board of Directors (which may further subdelegate this authority within the conditions set by the law) 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
(Allocation of bonus shares)

The General Shareholders' Meeting, acting with the quorum and majority required for extraordinary general meetings of shareholders, having taken note of the reports from the Board of Directors and the Statutory Auditors:

- authorises the Board of Directors, subject to the conditions specified in Articles L.225-197-1 to L.225-197-5 of the French Commercial Code, to issue on one or more occasions to Company employees or certain categories of employees, bonus shares in the Company's existing capital;
- resolves that the maximum percentage of share capital that may be granted under this authorisation may not exceed zero point three zero percent (0.30%) of the number of shares existing on the date of this Meeting.

The General Shareholders' Meeting authorises the Board of Directors to grant, subject to the ceiling specified in the previous paragraph, shares resulting from repurchases by the Company under the conditions specified in L.225-208 and L225-209 of the French Commercial Code.

The General Shareholders' Meeting:

- sets the minimum length of the vesting period at 24 months, with effect from the date on which the allocation rights are granted by the Board of Directors, at the end of which these rights will be vested in their beneficiaries, on the understanding that these rights are non transferable until the end of that period, in accordance with Article L225-197-3 of the French Commercial Code;
- sets the minimum retention period at 12 months, i.e. the minimum length of time that beneficiaries have to hold their shares after vesting before they can dispose of them.

The General Shareholders' Meeting grants full powers to the Board of Directors, subject to the aforementioned limits, to:

- determine the identity of the beneficiaries, or the categories of beneficiaries of the share allocations, on the recommendation of General Management as approved by the Remuneration and Appointments Committee, on the understanding that bonus shares may not be allocated to an employee or corporate officer holding more than 10% of share capital, to avoid increasing the holdings of such persons in the Company to more than 10% of share capital;
- distribute share allocation rights on one or more occasions at such times that it considers appropriate;
- set, as required, the conditions and criteria governing the share allocations, including but not limited to, the conditions of seniority, the conditions relative to the maintenance of the employment contract or of the corporate appointment during the vesting period;
- set vesting periods and retention periods within the limits ratified by the General Shareholders' Meeting;
- assign bonus shares to a registered account in the name of their beneficiary, indicating their unavailability during the retention period;
- carry out all necessary formalities;
- in the case of a financial transaction governed by Article L.228-99 of the French Commercial Code, take all steps during the vesting period to protect and adjust the rights of the recipient of the shares, in accordance with the terms and conditions in said Article.

In accordance with Article L225-197-4 of the French Commercial Code, a special report must be submitted to the Ordinary General Shareholders' Meeting summarising the transactions completed under this authorisation.

The General Shareholders' Meeting sets the validity period during which the Board of Directors may use this authorisation at 36 months.

NINETEENTH RESOLUTION
(Amendment of Article 10 of the Articles of Association)

Paragraph 1 of Article 10 of the Articles of Association is amended as follows:

Article 10 – Appointment of members of the Board of Directors

"The Company is administered by a Board of Directors of at least three and no more than fifteen members, unless otherwise agreed in the event of a merger. Directors are appointed by the General Shareholders' Meeting for a period of three years and are eligible for reappointment. On an exceptional basis, the General Shareholders' Meeting may set a Director's term of office to one, two or three years to permit a staggered renewal of the composition of the Board of Directors. No one may be appointed Director if he or she is over 75 years old."

The rest of the Article remains unchanged.

TWENTIETH RESOLUTION
(Amendment of Article 21 of the Articles of Association)

Paragraph 4 of Article 21 of the Articles of Association entitled STATUTORY AUDITORS is amended as follows to clarify the wording and transpose the legal provisions of Article L.823-10 of the French Commercial Code:

"The principal Statutory Auditors have the powers vested in them by law. Their responsibility is to verify the Company's accounting documents and values stated therein and to check their compliance with applicable accounting principles. They also verify the fairness and accuracy 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, and their consistency with the annual financial statements. They also verify the fairness and consistency of the information in the Group's management report, with the consolidated statements."

The rest of the Article remains unchanged.

TWENTY-FIRST RESOLUTION
(Amendment of Article 23 of the Articles of Association)

Paragraphs 4 and 5 of Article 23 of the Articles of Association, entitled CONVENING OF GENERAL SHAREHOLDERS' MEETINGS are amended as follows;

"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, as well as in the official gazette (BALO) if not all shares are held in registered form, 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 telecommunication may also be used to call shareholders' meetings subject to prior consent; this consent may be given in writing and sent by post or email."

The rest of the Article remains unchanged.

TWENTY-SECOND 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.

TABLE SHOWING THE COMPANY'S EARNINGS IN THE PAST FIVE FINANCIAL YEARS

in thousands of euros	2011	2012	2013	2014	2015
1. Financial position at year-end					
a) Share capital at year-end	53,1	53,3	53,3	53,5	59,5
b) Number of shares outstanding at 31 December	9,002,042	9,033,959	9,033,959	9,051,431	10,056,071
c) Weighted average number of shares for the period	8,349,497	8,696,290	8,994,682	9,023,026	9,462,792
2. Total income from operations					
a) Revenues excl. tax (1)	51,269	58,283	50,881	46,823	40,352
b) Earnings before tax, amortisation, depreciation and provisions (2)	-2,75	-14,27	10,908	21,247	23,96
c) Corporate income tax	-24	34	1,237	556	-536
d) Earnings after tax, amortisation, depreciation and provisions	-16,199	-20,196	-16,732	4,706	4,232
e) Amount of distributed earnings	10,802	10,841	10,841	8,146	10,056
3. Operating income per share (3) (in €)					
a) Earnings after tax and before amortisation, depreciation and provisions	-0.33	-1.64	1.08	2.30	2.60
b) Earnings after tax, amortisation, depreciation and provisions	-1.94	-2.32	-1.86	0.52	0.45
c) Dividend per share	1.20	1.20	1.20	0.90	1.00
d) Avoir fiscal (selon taux applicable)					
4. Staff					
a) Number of employees	45	37	36	36	33
b) Total payroll costs	3,249	3,247	2,87	3,031	2,528
c) Total amount paid in respect of employee benefits (social security, community projects, etc.)	1,625	1,547	1,836	1,78	1,473

(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.

MATURITY DATES OF TRADE PAYABLES

In accordance with Article L.441-6-1 of the French Commercial Code, the outstanding trade payables as at 31 December 2015, arranged by maturity dates, are shown in the table below:

in thousands of euros	BETWEEN 1 AND 60 DAYS	BETWEEN 60 AND 180 DAYS	BETWEEN 181 AND 360 DAYS	OVER 361 DAYS	TOTAL
2015	603	45	20	22	691

STATUTORY AUDITORS' SPECIAL REPORT ON RELATED-PARTY AGREEMENTS AND COMMITMENTS

General Shareholders' Meeting called to approve the financial statements for the financial year ended 31 December 2015

To the Shareholders,

In our capacity as Statutory Auditors of your company, we hereby present our report on the regulated agreements and undertakings.

It is our responsibility to inform you, on the basis of the information given to us, of the essential features, conditions and reasons justifying the interest for the company in the agreements and commitments of which we have been advised, or which we have discovered during our engagement, without having to issue an opinion on their usefulness and soundness or to search for the existence of other agreements and commitments. 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 last financial year.

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 engagement. 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 commitments submitted for the approval of the General Shareholders' Meeting

Agreements and commitments 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 subject to prior authorisation by your Board of Directors.

With MAB Finances SA

The Directors concerned are MAB Finances (represented by Alain Chaussard) and Maryse Aulagnon.

Nature, purpose, terms & conditions justifying the interest for the company:

The old agreement for administrative, financial and operational development services signed with MAB Finance, which was authorised by the Board of Directors and approved by the Combined Ordinary and Extraordinary Shareholders' Meeting (on 3 March and 30 April respectively) was revised in 2015.

The new market making agreement was authorised on 30 April 2015 by the Board of Directors' meeting after the General Shareholders' Meeting.

The agreement of 30 April 2015, effective retroactively to 1 January 2015, renews the old agreement for a term of two years under economic conditions identical to those in the old agreement, but with a more strategic orientation to the missions assigned to MAB Finances.

This agreement allows Affine R.E. to benefit from the advice and assistance of MAB Finances, particularly to support its strategic growth in France and abroad and to identify investment projects.

Under this contract. the expense recognised in the Affine R.E.'s financial statements as at 31 December 2015 amounted to €343,352 excluding taxes.

With the Deputy Chief Executive Officer of Affine R.E.

Type, purpose, conditions and reasons justifying the interest for the Company:

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 promised to pay the compensation owed to him in the event of the termination of his position, which is equivalent to one year's gross total compensation paid to him by all group companies. This compensation will not be paid in the event of proven gross negligence or serious misconduct.

Pursuant to the proposal submitted by the Remuneration Committee on 4 March 2009, authorised by the Board of Directors on 4 March 2009, approved by the Combined General Shareholders' meeting of 29 April 2009, and in accordance with the provisions of Article L.225-42-1 of the French Commercial Code, this compensation is contingent on a performance condition linked to the earnings of Affine R.E.

The compensation is subject to the following performance condition:

- one year's total compensation if, during the financial year prior to dismissal due to a change of control, the net income reported in Affine R.E.'s individual financial statements is at least equal 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 as Deputy Chief Executive Officer.

The Board of Directors' Meeting of 17 February 2014 approved the renewal of his severance compensation under the same conditions as those set out above.

The Board of Directors' Meeting of 21 September 2015, following the re-appointment (by the Board of Directors at its meeting of 30 April and 1 September), of Alain Chaussard as Deputy Chief Executive Officer, renewed this commitment.

In addition, the Combined Shareholders' Meetings of 27 April 2012, 24 April 2013, and 30 April 2014 approved the renewal of this compensation under the same terms.

Agreements and commitments not previously authorised

Pursuant to Articles L.225-42 and L. 823-12 of the French Commercial Code, please note that the following agreements and commitments were not previously approved by your Board of Directors.

It is our responsibility to report to you the circumstances under which the authorisation procedure was not followed.

With Urbismart

The directors concerned are Maryse Aulagnon and Alain Chaussard.

Type, purpose, conditions and reasons justifying the interest for the Company:

This agreement was signed on 22 December 2015 and is intended to provide Urbismart, a newly formed company (held at 17% by Affine R.E.) that does not have an administrative department, support or development functions, services in these areas for which Affine R.E. has appropriate human and physical resources.

Given the complexity and large number of transactions that must be conducted in order to achieve the objectives set by Urbismart, the parties decided to set the compensation for Affine R.E. at €70,000 excluding tax annually, effective retroactively from 10 September 2014 to 31 December 2016. This agreement may be renewed at the end of each period.

The intervention of Affine R.E. as service provider for Urbismart is not intended to be long term as the objective of Urbismart is to develop human and physical resources over time in order to perform these duties itself.

As this agreement was signed on 22 December 2015, it was physically impossible to submit it to the Board of Directors for prior authorisation.

You are hereby informed that the Board of Directors authorised this agreement after the fact at its meeting of 24 February 2016.

Agreements and commitments already approved by the General Shareholders' Meetings

Agreements and commitments approved in previous financial years

a) which continued to be performed during the past year

Pursuant to Article R. 225-30 of the French Commercial Code, we have been informed that the performance of the following agreements and commitments, already approved by the General Meeting in previous years, continued during the past year.

With Promaffine (SAS)

The directors concerned are MAB Finances (represented by Alain Chaussard), Maryse Aulagnon and Alain Chaussard.

Type, purpose and conditions:

On 19 December 2014, Promaffine sold 498 company shares it held in Concerto Développement to Kaufman & Broad Real Estate. Affine R.E. agreed to guarantee to Kaufman & Broad Real Estate all the commitments made by Promaffine in connection with this sale.

The indemnification owed in the event of the inaccuracy or breach of one of the representations or warranties contained in the share sale agreement of 30 October 2014 and the amendment thereto dated 19 December 2014, was capped at €842,700, with the exception "of any event or circumstance deemed to constitute a breach, omission or inaccuracy of the representations and warranties set forth in Articles 5.1 to 5.4 [of the share sale agreement of 30 October 2014], or of the specific risk relating to the Marly dossier (Schedule 6.7 of this agreement) for which the indemnification is capped at the total price of the sale (€4,382,400). The indemnification obligation will cease upon the expiration of a three-month period following the statutory limitation date (taxes and social security charges) and at the end of a period of 18 months from 19 December 2014 for all other risks.

The guarantee of its subsidiary's commitments given by Affine R.E. for a defined period at the time of the sale by Promaffine of shares of the Concerto company. As a result, the commitment given must be continued until the contractual end; it is specified that the beneficiary of the guarantee has not called it to date.

This agreement was authorised by the Board of Directors at meetings on 23 October 2014 and 9 December 2015, and approved by the General Shareholders' Meeting of 30 April 2015.

Prepared in Paris La Defense and Paris, 6 April 2016

The Statutory Auditors

KPMG Audit FS I
A division of KPMG S.A.
Isabelle Goalec
Partner

Cailliau Dedouit et associés

Rémi Savournin
Partner

CHAIRMAN'S REPORT ON CORPORATE GOVERNANCE AND INTERNAL CONTROL (Article L.225-37 of the French Commercial Code) FOR 2015

In accordance with Article L225-37 of the French Commercial Code, this report discloses the composition of the Company's Board of Directors including its gender distribution, the procedures governing Board operations, and the internal control and risk management procedures put in place by the Company.

This Report has been prepared in accordance with the guidelines for small and mid-cap companies "Cadre de référence du contrôle interne – Guide de mise en œuvre pour les valeurs moyennes et petites" published by the French Financial Markets Authority (AMF), the Middlenext Corporate Governance Code, and the key AMF working group recommendations regarding the Chairman's report on internal control procedures and risk management published in November 2015.

I Corporate governance

For corporate governance matters, the company has chosen to adopt the Middlenext Code published in 2009. The organisation of the company, its Board of Directors and its work comply 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 had its own rules of procedure since 5 December 2002 which were updated in June 2014.

1) Conditions governing the preparation and organisation of the work of the Board of Directors

The internal rules clarify and supplement the Board of Directors' rules of procedure as set out in the Articles of Association.

a) Composition of the Board

As at 31 December 2015, the company's Board of Directors was composed of nine directors:

- Maryse Aulagnon, Chairman of the Board of Directors
- Mab-Finances, represented by Mr Alain Chaussard, Vice-Chairman
- Atit, represented by Catherine Wallerand, Head of the Legal Department of the Affine Group
- Delphine Benchetrit, Managing Partner of Finae Advisors
- Arnaud de Bresson, Managing Director of Paris-Europlace
- Stéphane Bureau, President of Humakey
- Joëlle Chauvin
- Bertrand de Feydeau, Chairman of the Board of Directors of Foncière Développement Logements
- Holdaffine, represented by Jean-Louis Charon, Chairman of Citystar Capital

Since the previous year-end, the composition of the Board of Directors has changed as follows:

The directorships of Maryse Aulagnon, Stéphane Bureau and Holdaffine were renewed by the Combined General Shareholders' Meeting of Affine of 30 April 2015 for a period of three years (until the close of the General Shareholders' Meeting called to approve the financial statements for the year ending 2015).

The list of directorships can be found in the management report.

The company is not subject to the 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 Board has four women, i.e. 44% 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.

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 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 previous three years.

Based on these criteria, five members of the Board are independent: Delphine Benchetrit, Arnaud de Bresson, Stéphane Bureau, Joëlle Chauvin and Bertrand de Feydeau, or 55% of board members.

Term of office

The term of office of directors is three years; one-third of the directors are renewed each year.

Appointment of directors

The appointment and re-appointment of each director are examined by the Remuneration and Appointments Committee and then submitted to 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.

Director's 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. The Combined Ordinary and Extraordinary General Meeting of 30 April 2015 decided to set Directors' attendance fees to reflect their contribution to the work of the Board of Directors and its special committees as follows:

- €10,000 for each director, including €5,000 paid on a proportional basis according to their actual presence;
- €1,000 for each director and per meeting of a specialised committee.

Ethics

Directors are reminded of their responsibilities at the time of their appointment and must 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, on 1 September 2015 the Board of Directors re-appointed Maryse Aulagnon as Chairman of the Board of Directors and decided that she should continue as Chief Executive Officer of the company. It also re-appointed Alain Chaussard as Deputy Chief Executive Officer.

Restriction on combining employment contracts with corporate office

Members of General Management are not tied to the company or to a Group company by an employment contract.

Remuneration 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 2015 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 extraordinary 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, 24 April 2013 and 30 April 2014.

c) Frequency of meetings

The Board met 9 times during the year. The directors attend an average of 85% of meetings.

d) Notices of meetings and information conveyed to the 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 all meetings, each director receives papers enabling him or her to give opinions in the meeting with full knowledge of the situation. Unless the meeting convened is urgent, the papers are sent to the director one week before the date of the Board meeting, but may subsequently be supplemented by any other document that may help the director take a decision.

Directors may attend Board meetings by videoconference or via another means of telecommunication, provided that 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 provides the directors with all the pertinent information concerning it. This information is disclosed in confidence. Each director may ask the Chairman of the Board, at any time, for any document concerning the company.

It has been decided to institute a procedure to evaluate the work of the Board. Accordingly, the Chairman will invite the members of the Board to give their opinion every year on the operation of the Board and the preparation of its work.

e) Specialised 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.

1) Remuneration and Appointments Committee

The members of this committee are:

- Bertrand de Feydeau, Chairman
- Delphine Benchetrit
- Joëlle Chauvin

The committee is composed entirely of independent directors.

The purpose 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 General Management may assist in the work of the Remuneration Committee to determine the company's overall remuneration policy, excluding their own remuneration 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 twice in 2015 (100% attendance rate).

2) Commitment Approval Committee

The members of this committee are:

- Maryse Aulagnon
- Alain Chaussard, representing Mab-Finances
- Joëlle Chauvin (*)
- Bertrand de Feydeau (*)
- Jean-Louis Charon, representing Holdaffine

(*) Independent directors

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 €10 million 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 four times in 2015 (100% attendance rate).

3) Accounts Committe

The members of this committee are:
- Jean-Louis Charon, representing Holdaffine, chairman
- Arnaud de Bresson (*)
- Stéphane Bureau (*)

(*) Independent directors

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 change to any 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 with the preceding financial year;
- the accounts closure process;
- the draft financial statements.
- the cash flow forecast.

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 engagement and fees.

The Remuneration Committee was convened twice in 2015 (83.33% 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 decided to combine the functions of Chairman of the Board of Directors and Chief Executive Officer and, on 1 September 2015, re-appointed Maryse Aulagnon in her post as Chairman & Chief Executive Officer. The Board defined her powers 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) Directeur général délégué

At its meeting of 1 September 2015, the Board of Directors re-appointed Alain Chaussard as Deputy Chief Executive Officer. The Board defined his powers as follows:

"The Deputy Chief Executive Officer shall have full 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 general 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 be fully empowered 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 of Directors.

3) Delegations

The Board of Directors has delegated the following powers to General Management:
- Disposals and acquisitions: up to €5 million per transaction; transactions exceeding €1 million must be notified to the Board before they are concluded
- Sureties, endorsements and guarantees: up to €5 million for each guarantee issued on behalf of subsidiaries; guarantees exceeding €1 million must be notified to the Board before they are issued.

General Management has, in turn, permanently granted the following powers:
- to Cyril Aulagnon, Deputy Chief Executive Officer (until 5 January 2015), 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 Olivier Lainé, Chief Financial Officer (until 30 April 2015), the power to conclude any forward rate agreements and to accept and formalise any fixed-rate consolidation options.
- to Catherine Wallerand, Head of the Group's Legal Department (until 30 April 2015), the power to oversee daily and financial management activities, as well as the power to handle insurance and property matters.

Special powers may be granted to other executives to sign contracts.

4) Other points covered in Article L.225-37 of the French Commercial Code

The conditions relating to the attendance 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) Objectives

The purpose of the internal control procedures currently in force in the company is as follows:

- firstly, to ensure that all operations and work carried out by company personnel comply with legislation and regulations;
- secondly, 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, in particular in accounting and finance. As with all control systems, there can be no absolute guarantee that these risks will be completely eliminated. The information does not claim to be exhaustive, and risks may exist that are unknown or not identified by the company. This information therefore does not cover all the risks to which the company may be exposed but only the most sensitive ones.

The risk review presented is based on internal and external factors known to the company on the date that this registration document was released, factors that may subsequently change.

Affine's fully consolidated subsidiaries managed by parent-company officers benefit from the same provisions.

2) Description of key positions in these systems

The officer responsible for internal control reports directly to General Management. Internal controls are conducted by Company executives and staff, with an internal auditor responsible for ensuring compliance with procedures and certifying operational reporting.

The main internal control entities are:

- the Audit Committee, which meets at least twice a year to approve the annual and half-year financial statements
- the Statutory Auditors, who review the financial statements as part of their responsibilities
- operations Directors, who are responsible for applying the procedures in their divisions
- an employee who carries out an internal second-level audit.

The internal control system applied by Affine consists of:

a) first-level controls corresponding 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 oversight of risks of all types associated with the transactions.

b) Second-level controls verify, at suitable intervals for the size of the company, the lawfulness and compliance of transactions, primarily by examining:

- compliance with the procedures, and their updating;
- the suitability of the existing systems for the measurement and oversight of all risks associated with transactions.

Controls based on written procedures were completely redrafted in 2014 and then communicated to all staff in 2014. The primary aim of these procedures is to describe "business" procedures: management of leases, works and budgets. The accounting procedures are issued as a separate manual.

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 the data and information required for oversight of risks to the company and its subsidiaries.

3) Description of the main risk and uncertainties and risk prevention techniques

The company has defined the criteria and procedures for identifying and controlling risks 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 leasing company. Paragraphs a-1, a-2, d) and e) below also apply to finance leases signed by the company.

a) Description of the main operating risks – monitoring methods

As the company is a listed property company, the main operating risks to which it may be exposed relate to the quality of its customers and assets.

1 – Customer risk

Before making any decision, the financial position of future tenants and sub-tenants is analysed. To avoid tenant defaults, guarantees may be requested (such as a bond, bank guarantee, etc.)

To ensure a secure contractual basis with the tenant, standard master contracts are set up and updated regularly. The standard commercial lease matrix was therefore updated following the introduction of the "Pinel Act", in collaboration with specialised lawyers.

Client risk is monitored extremely closely through a specific procedure. Late payments are analysed at a weekly meeting held to determine any actions to be taken or measures required to recover the debts. Any payment delay or default lasting more than six months results in the systematic write-down of the full amount of the relevant receivable. Client risks are mapped out and, and used to implement stringent checks if necessary. Moreover, before signing a lease, extra checks on the potential tenant are carried out. Similarly, systematic tenant solvency checks have been implemented.

2 – Property risk

As the owner of property assets, Affine 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 and 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;
- an appraisal of the value of properties is conducted by recognised external experts twice a year, when the financial statements are drawn up.

Affine has also introduced specific inspections of its properties to check that they comply with the various regulations. To comply with the Ad'hap regulations, Affine has analysed the plan to render its buildings compliant, to ensure that it carries out the changes within the required deadlines.

Before the end of the ten-year guarantee period for builders, the company will arrange for a technical appraisal of its assets, to identify any defects and activate the corresponding insurance, if necessary.

Affine has taken out all the insurance policies necessary for its property activities with major international insurers, to cover property damage on a new-for-old basis, as well as owner's third party liability insurance. Other policies cover transactional or management third-party liability for two Group companies, as well as corporate officers' personal third party liability.

3 - IT risk

All of Affline's IT systems are stored in the Cloud. To prevent the risk of losing data stored at a single geographical site, the Company has set up data redundancy using a different site.

In the event of a disaster at Affine's offices, the company can still access its data and business recovery will only require connection to the internet with a specific configuration.

Access codes and a firewall complete the IT protection measures.

4 - Legal risk

The services of specialised lawyers are used to draft the Group's standard contracts. These contracts are updated regularly, especially after the introduction of any new legislative or regulatory provisions or changes in case law.

Any acquisitions and disposals of rental assets require due diligence measures and analyses, especially on a legal level, and these formalities are carried out in collaboration with technically skilled professionals such as notaries.

5 - 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 performs inspections of the buildings that it owns to verify that environmental regulations are observed by their users.

b) Financial risk

Affine practices prudent and rigorous financial management to ensure permanent access to sufficient resources by:
- maintaining readily available cash;
- establishing confirmed credit lines;
- making annual loan repayments (with a residual value at maturity, where applicable);
- scheduling repayments;
- diversifying its banking relations.

The company mainly uses two tools to monitor its liquidity risk:
- a daily cash statement prepared by the financial department and sent to General Management;
- a three-year monthly cash situation forecast provided by the management controller to general management; at this time actual monthly cash and forecast cash are reconciled and discrepancies analysed. A cash flow forecast is submitted to the two Board of Directors' meetings called to approve the 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.

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 accounts department and management control are responsible for the management accounting of all the French companies that are majority-owned (more than 50%) by the Group. Foreign companies use local accounting firms.

Most of the transactions are directly reported in the accounts using specific software. 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.

Before the closure of the financial statements (half-year and year-end) a timetable is established by the accounting department and sent to all project managers. A file to track operations and progress of works 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 against the 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 of Directors twice a year.

d) Risk linked with money laundering

The origin of purchasers' and partners' funds is systematically checked in compliance with the provisions applicable to property professionals. The company's procedure manual contains a specific procedure for such risks.

STATUTORY AUDITORS' REPORT ON THE REPORT OF THE CHAIRMAN OF THE BOARD OF DIRECTORS OF AFFINE R.E. PREPARED PURSUANT TO ARTICLE L.225-235 OF THE FRENCH COMMERCIAL CODE

Financial year ended 31 December 2015

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 2015, 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 approval of the Board of Directors, 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 disclosures required by Article

L.225-37 of the French Commercial Code; it is specified that it is not our responsibility to verify the accuracy of these other disclosures.

We conducted our work in accordance with the 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 of:

- 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 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 disclosures

We certify that the report prepared by the Chairman of the Board of Directors also contains the other disclosures required by Article L.225-37 of the French Commercial Code.

Prepared in Paris La Defense and Paris, 6 April 2016

The Statutory Auditors

KPMG Audit FS I
A division of KPMG S.A.
Isabelle Goalec
Partner

Cailliau Dedouit et associés

Rémi Savournin
Partner

REPORT OF THE STATUTORY AUDITORS ON THE CAPITAL TRANSACTIONS DESCRIBED IN RESOLUTIONS 12, 13, 15, 16, 17 AND 18 TO BE CONSIDERED BY THE COMBINED GENERAL SHAREHOLDERS' MEETING OF 28 APRIL 2016

Combined General Shareholders' Meeting of 28 April 2016

Dear Shareholders,

In our capacity as Statutory Auditors of your company, and pursuant to the engagements described in 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, 13 and 15)

Pursuant to the engagement described in Articles L.228-9, L.228-93, L.225-129 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, these being transactions on which you are required to give an opinion.

On the basis of its report, your Board of Directors is proposing that you delegate to it the authority to decide on the transactions listed below for a period of eighteen months, to set the final terms of such issues and to waive your pre-emptive subscription rights, where applicable.

- the issuance of ordinary shares and transferable securities (Twelfth Resolution), giving immediate or future rights to the share capital of your Company or, in accordance with Article L.228-93 of the French Commercial Code, to the share capital of a company in which it owns more than half of the share capital, maintaining the pre-emptive subscription right, for a nominal amount that may not exceed half of the share capital, i.e. €29,750,000 on the basis of the current share capital, plus, where applicable, the additional number of shares to be issued in order to protect the rights of holders of transferable securities granting the right to shares, as required by law.
- the issuance of ordinary shares and transferable securities (Thirteenth Resolution) giving immediate or future rights to your company's share capital or, in accordance with Article L.228-93 of the French Commercial Code, of any company in which it directly or indirectly owns over half the capital, without pre-emptive subscription rights, for a nominal amount that may not be greater than 25% of the share capital, i.e. €14,875,000 on the basis of the current capital; this amount shall be charged against the ceiling defined in the Twelfth Resolution, plus, if applicable, the nominal amount of the shares that may be issued in addition in the case of new financial transactions in order to preserve the rights of the holders of securities giving rights to the capital.
- the issuance of ordinary shares and transferable securities (Fifteenth Resolution) giving immediate or futures rights to shares of your company or of a company in which it owns, directly or indirectly, more than half of the capital, to be performed through private placement, with elimination of pre-emptive subscription rights, for an amount limited to 10% of the capital per year to be charged against the ceilings defined in Resolutions 12 and 13.

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 disclosures 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 French Association of Chartered Accountants relating to this engagement. 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 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 of the capital increase have not been determined, we are not expressing any opinion on that increase, and therefore, on the proposal to waive the

pre-emptive subscription rights made to you in the Thirteenth and Fifteenth Resolutions.

In accordance with Article R.225-116 of the French Commercial Code, we will prepare a supplementary report, where applicable, when 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 reserved for employees with waiver of pre-emptive subscription rights (Resolution 16)

Pursuant to the engagement described in 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, on one or more occasions, 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, these being transactions on which you are required to give an opinion.

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 to the Board the authority to set the terms of these transactions for a period of eighteen months, and 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 accuracy 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 French Association of Chartered Accountants 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.

We 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.

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 supplementary report, where applicable, when this authority is used by your Board of Directors.

3 Reducing the share capital by cancelling purchased shares (Resolution 17)

Pursuant to the engagement described in Article L.225-209 of the French Commercial Code in the event of a share capital reduction 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 to it all powers for a period of eighteen 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 occasions.

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 requires us to examine whether the causes and conditions of the planned capital reduction, which should not jeopardise the equal treatment of shareholders, are legal.

We have no observation to make on the causes and conditions of the planned capital reduction.

4 Award of bonus shares (Resolution 18)

Pursuant to the engagement described in Article L. 225-197-1 of the French Commercial Code, we are submitting to you our report on the proposed authorisation to award bonus shares, either existing or to be issued, to the members of the salaried staff of you company, a transaction on which you are required to give an opinion.

Your Board of Directors is proposing, on the basis of its report, that you authorise the Board to award bonus shares, either existing or to be issued, for a period of thirty-six months.

It is the responsibility of the Board of Directors to prepare a report on this transaction which it wishes to conduct. It is our responsibility to give you, as applicable, our observations on the information given to you concerning the proposed transaction.

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 engagement. That diligence consisted, in particular, in verifying that the conditions planned and given in the report of the Board of Directors are in line with the provisions stipulated by law.

We have no comment to make concerning the information provided in the report of the Board of Directors on the proposed transaction to authorise the award of bonus shares.

The Statutory Auditors

Paris La Défense, 6 April 2016
KPMG Audit FS I
Isabelle Goalec
Partner

Paris, 6 April 2016
Cailliau Dedouit et Associés
Rémi Savournin
Partner

BOARD OF DIRECTORS' REPORT ON THE ALLOCATION OF BONUS SHARES

French Law 2015-990 to promote growth, business and equal opportunity known as the "Macron Act" of 6 August 2015, has eased statutory, tax and social restrictions on the granting of bonus shares.

The vesting period and retention period are now each a minimum of two years (versus four previously), with the possibility of modulating each of these periods.

Capital gains (value of allocated shares on the vesting date) are subject to income tax but attract tax relief depending on how long the asset has been held (45% if less than two years, 22.5% if two years to less than eight years, and 15.75% if eight years or longer) so the proceeds are not taxed as wages and benefits but as gains on sale of assets.

The employer's contribution has been reduced to 20% (from 30% previously) of the value of the shares at vesting. It is payable in the month following the date on which which the beneficiary's shares vested.

A proposal has been made to create a new share package to take into account changes in Company management since the first package was decided in 2005 representing 1% for a total of 39,735 bonus shares granted between 2005 and 2008.

A total of 30,000 shares will be awarded over a period of three years, representing 0.3% of share capital, and will require the Company to buy its treasury shares to award them to the beneficiaries.

These share awards will be contingent on the achievement of personal and collective performance targets defined each year by the Remuneration and Appointments Committee, on the recommendation of the Company's General Management.

The allocation terms are:

- Beneficiaries: Director and Deputy Directors, Deputy Chief Executive Officer
- Vesting period: 2 years
- Retention period: 1 year

At the end of the mandatory retention period, the shares cannot be sold:

1) during the 10 trading days preceding the three trading days following the date on which the consolidated statements, or annual statements, are published;

2) between the date that Company management gains knowledge of information that if publicly disclosed would significantly impact the Company's share price, and 10 days after that information is publicly disclosed.

This granting of bonus shares must be ratified by an Extraordinary General Shareholders' Meeting voting on the Board of Director's report.

SUMMARY OF DELEGATIONS FOR A CAPITAL INCREASE
(Article L225-100 paragraph 7 of the French Commercial Code)

Authority granted to the Board of Directors by the Combined General Shareholders' Meeting of 30 April 2015 (superseding the authorisation given by the Combined General Shareholders' Meeting of 30 April 2014)

	AMOUNT AUTHORISED	DURATION	UTILISATION
Authority granted for a capital increase with a rights offering (15th resolution)	€26,750,000	18 months (until 30 October 2016)	Not applicable
Authority granted for a capital increase without a rights offering (16th resolution)	€13,375,000 (applied against the ceiling set in the 15th, resolution)	18 months (until 30 October 2016)	Not applicable
Authority granted for a capital increase by capitalisation of reserves (17th resolution)	Amount of reserves	18 months (until 30 October 2016)	Capital increase of €61,906.90 (revenues as at 28 July 2015)
Authority granted for a capital increase without a rights offering via a private placement (18th resolution)	10% of the capital per annum, this amount being applied against the ceiling set in the 15th and 16th resolutions	18 months (until 30 October 2016)	Not applicable

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A French limited liability company with capital of €59,500,000
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