Half-year Financial Report

June 30, 2012

ANF IMMOBILIER

SUMMARY

HALF-YEAR FINANCIAL REPORT JUNE 30, 2012

Management report

Operations

Consolidated rental income rose to €38.5 million, an increase of 5.6% on a like-for-like basis. It breaks down into €21.6million for city-center properties and €16.9 million for hotel properties. In 2011, ANF Immobilier received €7.8 million for non-recurring rent for back-payments related to the Printemps lease. On a like-for-like basis, and stripping out the impact of the back payments invoiced to Le Printemps in respect of previous fiscal years, rental income for city-center properties rose by 7.8%.

- In Lyon, rental demand for retail areas remained buoyant on the *Rue de la République*. The demand remained high at prime rents of between €2,000 and €2,600/m². Office rents also held up well, with rents of about €260/m². In residential properties, ANF Immobilier's attic space development program offered exceptional new housing in buildings right at the heart of the *Rue de la République*. On a like-for-like basis, ANF Immobilier's rental income in Lyon rose 12.2% with a marked increase of 12.6% in retail premises.
- In Marseille, new commercial leases, notably with Daily Monop, Naturalia, Osiris, and Brioche Doré stores, were signed in the first segment of the *Rue de la République*. New prime rents for offices of between €180 and €200/m² (excluding taxes and charges) were agreed. On a like-for-like basis, ANF Immobilier's rental income in Marseille rose 4.5% with a marked increase of 8.9% in office premises.

Other income and service charge income amounted to €3.6 million as of June 30, 2012 of which €2.2 million for city-center properties. Property expenses remained stable at €5.1 million. Administrative expenses and other income and expenses were €6.6 million as against €5.5 million at June 30, 2011.

Operating income before changes in fair value amounted to €30.6 million, broken down into €15.5 million for hotel properties and €15.1 million for city-center properties.

Change in fair value fell to €3.6 million, which can be broken down into a €0.7 million decrease for city-center properties and €2.8 million for hotels.

With financial expenses of €5.2 million for the hotel business and €3.6 million for city-center properties, the net financial expenses totaled €8.8 million in the first half of 2012.

First-half EBITDA was €30.8 million, after deducting net financial expense, with current cash flow standing at €21.8 million.

Restated to reflect the back payments due in relation to Printemps, EBITDA and current cash flow are stable.

Consolidated net income came out at €18.0 million, compared to €50.1 million at June 30, 2011.

Development

ANF Immobilier continued to invest in the refurbishment of its existing real estate assets and in new developments in Lyon and Marseille. The total amount invested in this regard in the first half of 2012 was €46.0 million furthermore €8.5 million has been invested in the new development project on the SNCM site in Marseille. These investments were financed in part via a bank loan amounting to €37.5 million.

Disposals

ANF Immobilier continued its asset disposal program and during the period sold properties for a total of €8.3 million.

In June 2012, a consortium consisting of Foncière des Murs and La Française REM made ANF Immobilier an indicative offer for the B&B Hotels portfolio. Based on this offer, ANF Immobilier agreed to enter into exclusive negotiations with the consortium. On June 30, 2012, the B&B portfolio was valued at the value proposed in the indicative offer, i.e. €512.1 million.

At the end of August, the consortium consisting of La Française AM and Foncière des Murs sent to ANF Immobilier a new offer, which values the B&B portfolio at € 505.6 million. The sale of the B&B hotel properties is pending the signature of a framework agreement and is subject to several conditions precedent, particularly financial conditions.

On the basis of this new offer, should the transaction be completed, this will impact the accounting and financial information for the second half of 2012 as follows:

- the discount on the appraisal value at June 30 would be € 6.5 million;
- the transaction costs will amount to €4 million;
- all of the B&B hotels will be sold, with the exception of seven hotels, which will be retained;
- the debt on the B&B portfolio, which amounts to €249 million, will be reimbursed to the sum of €225 million on the date of the transaction;
- the fair value of the hedging instruments covering the reimbursed debt, which was previously recognized directly in equity in accordance with IAS39, will be reclassified in the income statement. On the date planned for the transaction, the fair value of these instruments is estimated at -€17.8 million.

ANF Immobilier received an indicative offer from the Grosvenor company at the end of July for a share of its Lyon real-estates assets: this offer covers all of the Lyon real-estate assets, with the exception of the TAT and MilkyWay projects and three other properties. It values these real-estate assets at €313.1 million as at December 31, 2011.

The indicative offer was submitted to the ANF Immobilier Supervisory Board on August 27, 2012, which authorized the Executive Board to hold exclusive negotiations with Grosvenor.

The transaction is pending the completion of an audit by Grosvenor, the signing of a framework agreement and is subject to several customary conditions precedent.

The offer, which covers property complexes with an asset value of more than €357.7 million, is not subject to any financial conditions and represents a discount of 9.7% on the appraisal value at June 30, 2012, i.e. €34.6 million.

The offers received for the Lyon and B&B properties amount to more than €820 million in total, representing a discount of 5.0% on the appraisal values at December 31, 2011.

Property appraisal

The real estate value of ANF Immobilier's portfolio amounts to €1,684.9 million as at June 30, 2012. The real estate market remained stable with considerable interest in prime assets, in particular retail space. ANF Immobilier's real estate assets have benefited from this trend, the yields estimated by real estate appraisers remained stable overall for city-center properties and the average capitalization rate for B&B hotels is 6.54%. The value of properties fell slightly by €3.1 million over the first half, compared to the values reported at December 31, 2011.

Net Asset Value at June 30, 2012 amounted to €41.2 per share. This represents a fall compared to the NAV of €42.2 per share at December 31, 2011, owing to the dividend distribution during the first half of the year. NNNAV amounted to €39.7 per share (€40.8 per share at December 31, 2011).

Debt

With a debt ratio of 32.2%, ANF Immobilier remains the least leveraged company in the sector in France. At June 30, 2012, ANF Immobilier's net debt amounted to €542.1 million. On the date on which the half-year financial statements were published, the Company had €126.0 million of unused credit facilities available.

Outlook

The sales of the B&B hotel properties and the Lyon real-estate assets, which are currently in progress, are set to continue with the finalization of the buyers' audits and the signing of framework agreements in particular. The sales could be completed before the end of the year.

In Marseille, vacancy rates for residential properties are expected to improve with the leasing of student apartments in the second half of the year. The commercial appeal of the lower segment of the Rue de la République will be confirmed with higher footfall rates that have already been recorded. Moreover, rents will continue to be upgraded for Lyon real-estate assets, in particular the TAT properties.

Construction work on the Ilot 34 project, on a 26,000 sqm plot located in the Euroméditerranée area, is set to continue. The first tranche of the Nautilus program in Bordeaux should be completed in September 2012, in line with the planned schedule.

If agreements are reached in the sales processes currently in progress, ANF Immobilier will invest into high value-added investment programs. More specifically, the company will continue the developments in course in Marseille and Lyon from which they expect a high rental upgrade by 2016. Moreover, the funds raised by the two sales will enable ANF Immobilier to acquire growth assets, in particular via its development policy in Bordeaux.

Related party transactions

Note 14 to the half-year financial statements details the related party transactions that took place over the half year. ANF Immobilier has no financial commitments to related parties other than those indicated in Note 14.

Declaration by management

"To the best of my knowledge, the consolidated financial statements approved at June 30, 2012 have been prepared in accordance with the applicable accounting standards and give a true picture of the assets and liabilities, financial situation and income of the ANF Immobilier Group, and the half-year management report presents a true picture of the information mentioned in Article 222-6 of the AMF's General Regulations."

Bruno KELLER

Chairman of the Executive Board

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2012

Consolidated statement of financial position

Consolidated balance sheet (assets)

(€ thousands)	Note	06/30/2012	12/31/2011	12/31/2010
Non-current assets				
Investment property	1	1,667,748	1,641,492	1,534,423
Operating property	1	2,475	2,540	2,691
Intangible assets	1	353	384	450
Property, plant and equipment	1	1,425	571	253
Non-current financial assets	1	8,981	440	132
Investments accounted for by the equity method		259	0	0
Total non-current assets		**1,681,241**	**1,645,428**	**1,537,949**
Current assets				
Inventories and amounts outstanding				
Trade receivables	2	2,238	1,364	958
Other receivables	2	3,182	5,973	2,532
Prepaid expenses	5	323	63	134
Financial derivatives	9	0	0	0
Cash and cash equivalents	4	15,787	37,718	28,325
Total current assets		**21,530**	**45,119**	**31,949**
Property held for sale	1	13,971	5,591	35,863
TOTAL ASSETS		**1,716,743**	**1,696,137**	**1,605,761**

Consolidated balance sheet (liabilities and equity)

(€ thousands)	Note	06/30/2012	12/31/2011	12/31/2010
Shareholders' equity				
Capital stock	12	27,775	27,775	27,454
Other paid-in capital		314,818	323,075	321,863
Treasury shares	8	(11,978)	(10,697)	(4,281)
Hedging reserve on financial instruments		(40,581)	(38,632)	(35,354)
Company reserves		272,567	286,497	304,334
Consolidated reserves		506,731	434,800	375,980
Net income for the year		17,956	95,813	74,863
Total shareholders' equity after minority interests		**1,087,288**	**1,118,631**	**1,064,859**
Minority interests		0	0	0
Total shareholders' equity		**1,087,288**	**1,118,631**	**1,064,859**
Non-current liabilities				
Financial liabilities	3	549,793	518,520	483,136
Provisions for pensions	7	57	57	57
Total non-current liabilities		**549,850**	**518,577**	**483,193**
Current liabilities				
Suppliers and related accounts	3	19,226	10,979	9,259
Short-term portion of financial liabilities	3	8,116	1,458	5,012
Financial derivatives	9	40,509	38,449	34,982
Security deposits	3	4,251	4,154	3,526
Short-term provisions	7	177	330	208
Tax and corporate liabilities	3	6,322	2,554	2,174
Other debts	3	687	678	2,071
Prepaid income	6	315	325	478
Total current liabilities		**79,605**	**58,929**	**57,710**
Liabilities on properties held for sale		0	0	0
TOTAL LIABILITIES		**1,716,743**	**1,696,137**	**1,605,761**

Consolidated income statement

(€ thousands)	06/30/2012	06/30/2011	06/30/2010
Revenues: rental income	38,491	45,240	34,004
Other operating income	3,643	3,420	3,299
Total operating income	**42,134**	**48,661**	**37,303**
Property expenses	(5,062)	(5,020)	(5,006)
Other operating expenses	(321)	(339)	(345)
Total operating expenses	**(5,383)**	**(5,360)**	**(5,350)**
Gross operating margin from property	**36,751**	**43,301**	**31,952**
Capital gains (losses) from disposal of assets	453	779	(62)
Gross operating margin from property after disposals	**37,204**	**44,080**	**31,890**
Employee benefits expenses	(5,018)	(4,340)	(4,009)
Other management expenses	(1,933)	(1,711)	(1,740)
Other income and transfers of expenses	885	814	869
Other expenses	(267)	(350)	(20)
Depreciation & amortization	(227)	(211)	(189)
Other operating provisions (net of reversals)	(80)	295	(15)
Net operating income (before changes in fair value of property)	**30,565**	**38,578**	**26,787**
Changes in fair value of property	(3,550)	19,785	9,550
Net operating income (after changes in fair value of property)	**27,015**	**58,363**	**36,337**
Net financial expense	(8,841)	(8,785)	(8,544)
Financial amortization and provisions	1	0	0
Changes in value of financial instruments	(111)	50	(132)
Share of income from entities accounted for by the equity method	19	518	(95)
Income before tax	**18,083**	**50,146**	**27,567**
Current taxes	(127)	(35)	(3)
Deferred taxes	0	0	0
Consolidated net income	**17,956**	**50,111**	**27,564**
Of which minority interests	0	0	0
Of which net income after minority interests	17,956	50,111	27,564
Net consolidated income after minority interests per share	**0.65**	**1.83**	**1.01**
Diluted net consolidated income after minority interests per share	**0.65**	**1.83**	**1.01**

Basic earnings per share is calculated on the basis of the average weighted number of ordinary shares.

Consolidated comprehensive income

(€ thousands)	06/30/2012	06/30/2011	06/30/2010
Consolidated net income	**17,956**	**50,111**	**27,564**
Impact from financial instruments	(1,949)	10,009	(14,651)
Total gains and losses recognized directly as equity	**(1,949)**	**10,009**	**(14,651)**
Consolidated comprehensive income	**16,007**	**60,120**	**12,913**
Of which minority interests	0	0	0
Of which net income after minority interests	16,007	60,120	12,913

Changes in shareholders' equity

Changes in shareholders' equity	Capital stock	Other paid-in capital	Treasury shares	Consolidated reserves	Company reserves	Financial instrument reserves	Consolidated net income	Total
Shareholders' equity as at December 31, 2011	**27,775**	**323,075**	**(10,697)**	**434,800**	**286,497**	**(38,632)**	**95,813**	**1,118,631**
Appropriation of net income	0	0	0	71,668	24,145	0	(95,813)	0
Dividends	0	(8,257)	0	0	(38,075)	0	0	(46,332)
Shares in lieu of dividends	0	0	0	0	0	0	0	0
Capital increase	0	0	0	0	0	0	0	0
Treasury shares	0	0	(1,281)	0	0	0	0	(1,281)
Changes in fair value of hedging instruments	0	0	0	0	0	(1,949)	0	(1,949)
Stock options, warrants, bonus shares	0	0	0	262	0	0	0	262
Other adjustments	0	0	0	1	0	0	0	1
Net income for the period (excl. appropriations to reserves)	0	0	0	0	0	0	17,956	17,956
Shareholders' equity as at June 30, 2012	**27,775**	**314,818**	**(11,978)**	**506,731**	**272,567**	**(40,581)**	**17,956**	**1,087,288**

Changes in shareholders' equity	Capital stock	Other paid-in capital	Treasury shares	Consolidated reserves	Company reserves	Financial instrument reserves	Consolidated net income	Total
Shareholders' equity as at December 31, 2010	**27,454**	**321,863**	**(4,281)**	**375,980**	**304,334**	**(35,354)**	**74,863**	**1,064,859**
Appropriation of net income	0	0	0	58,147	16,716	0	(74,863)	0
Dividends	0	(7,570)	0	0	(34,553)	0	0	(42,123)
Shares in lieu of dividends	0	0	0	0	0	0	0	0
Capital increase	321	8,782		0	0	0	0	9,103
Treasury shares	0	0	(6,416)	0	0	0	0	(6,416)
Changes in fair value of hedging instruments	0	0	0	0	0	(3,278)	0	(3,278)
Stock options, warrants, bonus shares	0	0	0	666	0	0	0	666
Other adjustments	0	0	0	7	0	0	0	7
Net income for the year (excl. appropriation to reserves)	0	0	0	0	0	0	95,813	95,813
Shareholders' equity as at December 31, 2011	**27,775**	**323,075**	**(10,697)**	**434,800**	**286,497**	**(38,632)**	**95,813**	**1,118,631**

Cash flow statement

(€ thousands)	06/30/2012	12/31/2011	12/31/2010
Cash flow from operations			
Net income	**17,956**	**95,813**	**74,863**
Depreciation allowances & provisions	73	577	513
Capital gains (losses) from disposals	(453)	(2,240)	(1,621)
Changes in value of properties	3,550	(42,709)	(35,523)
Changes in value of financial instruments	111	189	3
Recognized revenue and expenses related to stock options	262	666	722
Tax expense	0	0	0
Cash flow	**21,500**	**52,297**	**38,958**
Changes in operating working capital requirements			
Operating receivables	(661)	(1,449)	4,315
Operating liabilities excluding SIIC option liabilities	2,811	277	(10)
Cash flow from operations	**23,650**	**51,125**	**43,263**
Cash flow from investment activities			
Acquisition of assets	(35,600)	(75,258)	(69,984)
Disposal of property	8,500	41,437	37,055
Payment of exit tax	0	0	(14,112)
Changes in financial assets	(8,799)	(306)	893
Cash flow from investment activities	**(35,899)**	**(34,127)**	**(46,148)**
Cash flows from financing activities			
Dividends paid	(46,332)	(42,123)	(34,599)
Changes in share capital	0	9,103	0
Purchase of treasury shares	(1,281)	(6,416)	(20)
Loans and debt taken out	37,500	39,927	37,888
Loans and debt redeemed	(2,531)	(6,993)	(3,366)
Cash flows from financing activities	**(12,644)**	**(6,502)**	**(97)**
Net increase (decrease) in cash and cash equivalent	**(24,893)**	**10,496**	**(2,981)**
Opening cash	37,385	26,889	29,869
Closing cash	12,492	37,385	26,889

Notes to the consolidated financial statements

Detailed summary

Half-year highlights

Exclusive negotiations in view of the sale of the B&B hotel portfolio

In June 2012 a consortium consisting of Foncière des Murs and La Française REM made ANF Immobilier an indicative offer for the B&B hotel portfolio. ANF Immobilier agreed to enter into exclusive negotiations with the consortium on the basis of this offer.

On the closing date of the half-year financial statements, these negotiations were still in progress and no commitment had been undertaken by the parties.

As of June 30, 2012, a decision had been made to value the B&B portfolio at the value proposed in the indicative offer, *i.e.* €512.1 million.

Since all of the conditions set out in IFRS 5 were not fulfilled, the assets have been retained as investment properties.

Investments and disposals

Works performed on and investments in the city-center real estate assets amounted to €9.1 million in Lyon and €28.4 million in Marseille.

In 2011, a 4,366 m^2 office building was purchased in Lyon off-plan for a sum of €16.8 million net of taxes. It is expected to be delivered in December 2012; €1.4 million were paid out during the first half of 2012 for this project.

ANF Immobilier also acquired a 13,000 m^2 building in Bordeaux during 2011, mainly for office use, for €27.4 million excluding tax. This building will be delivered in several stages, the first in September 2012. During the first half of 2012, €6.4 million were spent on this investment.

Work on the mixed-use Ilot 34 project continued in Marseille, and the first stage is scheduled to be completed in August 2013.

Three properties, as well as several apartments were sold in Marseille for a total sum of €5.8 million. In Lyon, several apartments were sold for a total sum of €2.7 million.

These disposals were carried out at prices that were higher than the most recent appraisal values, and a capital gain of €0.4 million was earned.

Operations

Rental income amounted to €38.5 million.

On a like-for-like basis, and stripping out the impact of the back payments invoiced to Le Printemps in 2011 in respect of previous years, rental income increased by 5.6% compared to June 2011, of which 7.8% related to city-center properties.

EBITDA for the period was €30.6 million.

After deducting net financing costs, current cash-flow was €21.8 million.

Stripping out the impact of the back payments invoiced to Le Printemps in June 2011, EBITDA for the first half of 2011 amounted to €30.5 million and current cash flow for the first half of 2011 was €21.7 million.

Property appraisal

The real estate market was broadly flat, with prime assets still in favor, notably commercial properties. ANF Immobilier's real-estate assets have benefited from this trend, with yields estimated by real estate appraisers remaining stable.

Change in fair value of properties fell slightly, by €3.5 million.

Financing

The amount of credit lines not drawn down was €123 million.

The average debt cost was 4.09%. Gross indebtedness was €558 million; no significant repayments are due before June 2014. The LTV ratio was held down at 32.2%.

Events occurring after the balance sheet date

At the end of August, the consortium consisting of La Française AM and Foncière des Murs sent to ANF Immobilier a new offer, which values the B&B portfolio at € 505.6 million. The sale of the B&B hotel properties is pending the signature of a framework agreement and is subject to several conditions precedent, particularly financial conditions.

On the basis of this new offer, should the transaction be completed, this will impact the accounting and financial information for the second half of 2012 as follows:

- the discount on the appraisal value at June 30 would be € 6.5 million;
- the transaction costs will amount to €4 million;
- all of the B&B hotels will be sold, with the exception of seven hotels, which will be retained;
- the debt on the B&B portfolio, which amounts to €249 million, will be reimbursed to the sum of €225 million on the date of the transaction;
- the fair value of the hedging instruments covering the reimbursed debt, which was previously recognized directly in equity in accordance with IAS39, will be reclassified in the income statement. On the date planned for the transaction, the fair value of these instruments is estimated at -€17.8 million.

ANF Immobilier received an indicative offer from the Grosvenor company at the end of July for a share of its Lyon real-estates assets: this offer covers all of the Lyon real-estate assets, with the exception of the TAT and MilkyWay projects and three other properties. It values these real-estate assets at €313.1 million as at December 31, 2011.

The indicative offer was submitted to the ANF Immobilier Supervisory Board on August 27, 2012, which authorized the Executive Board to hold exclusive negotiations with Grosvenor.

The transaction is pending the completion of an audit by Grosvenor, the signing of a framework agreement and is subject to several customary conditions precedent.

The offer, which covers property complexes with an asset value of more than €357.7 million, is not subject to any financial conditions and represents a discount of 9.7% on the appraisal value at June 30, 2012, i.e. €34.6 million.

The offers received for the Lyon and B&B properties amount to more than €820 million in total, representing a discount of 5.0% on the appraisal values at December 31, 2011.

Change in method

The accounting policies and methods used for the period are identical to those used for the two previous years.

The new standards and interpretations applicable from January 1, 2012 did not have a material impact on ANF Immobilier's consolidated financial statements and are described in the note below entitled "Consolidation principles and methods".

Consolidation principles and methods

Accounting basis

In line with the provisions of European Regulation (EC) No. 1606/2002 of July 19, 2002 on the application of international accounting standards, the ANF Immobilier Group's consolidated financial statements for the half-year ended June 30, 2012 were prepared in line with the IFRS accounting basis as adopted by the European Union.

The consolidated financial statements cover the period from January 1, 2012 to June 30, 2012. They were approved by the Executive Board on July 18, 2012.

The ANF Immobilier Group applies the international accounting standards comprising IFRS, IAS and their interpretations as adopted by the European Union and which are mandatory for the fiscal year beginning January 1, 2012.

Official standards and interpretations that may be applicable subsequent to the closing date have not been applied early.

With the exception of investment property and certain financial instruments that are recognized using the fair value convention, the financial statements have been prepared using the historical cost convention. In accordance with the IFRS conceptual framework, certain estimates and assumptions have been used in drawing up these financial statements. These assumptions have an impact on some of the amounts presented in these financial statements. Material estimates made by the Group when preparing the financial statements mainly relate to the following:

- fair value measurement of investment properties and financial instruments;
- measurement of provisions.

Because of the uncertainty inherent in any measurement process, the Group revises its estimates based on regularly updated information. Future results of the operations in question may differ from these estimates.

In addition to making estimates, Group senior management makes judgments regarding the appropriate accounting treatment for certain activities and transactions when applicable IFRS standards and interpretations do not specify how the accounting issues should be handled.

New standards and interpretations applicable from January 1, 2011 and January 1, 2012

The standards and interpretations applied for the consolidated financial statements at December 31, 2011 are identical to those used for the consolidated financial statements at December 31, 2010.

The new mandatory standards, revisions and interpretations applicable as of January 1, 2011 have no significant impact on the consolidated financial statements at December 31, 2011:

- all standards amended in the context of IFRS improvements adopted by the European Union on February 18, 2011, which have no impact on the accounts;
- the amendment to IAS 32, "Classification of Rights Issues", mandatory from February 1, 2010, which has no impact on the accounts;
- the amendment to IFRIC 14 "The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction", applicable to fiscal years starting on or after January 1, 2011, which has no impact on the accounts;
- IAS 24 revised, relating to the information to be disclosed on related party transactions, mandatory from January 1, 2011;
- IFRIC 19 "Extinguishing Financial Liabilities with Equity Instruments", applicable to fiscal years starting on or after June 30, 2010, which has no impact on the accounts.

The standards and interpretations applied for the consolidated financial statements at June 30, 2012 are identical to those used for the consolidated financial statements at December 31, 2011.

The new mandatory standards, revisions and interpretations applicable as of January 1, 2012 have no significant impact on the consolidated financial statements at June 30, 2012:

- IFRS7, Disclosures of Transfers of Financial Assets, mandatory from July 1, 2011, with no impact on the financial statements.

Moreover, ANF Immobilier has not applied prospectively the most recent standards and interpretations for which application is only mandatory for fiscal years starting after January 1, 2012. These standards and interpretations are:

- IFRS 9 "Financial Instruments", mandatory from January 1, 2015, which has not yet been adopted by the European Union;
- the amendment to IAS 12 "Recovery of Underlying Assets", mandatory from January 1, 2012, which has not yet been adopted by the European Union;
- IFRS 13 "Fair Value Measurement", mandatory from January 1, 2013, which has not yet been adopted by the European Union;
- IFRS 10 "Consolidated Financial Statements", mandatory from January 1, 2013, which has not yet been adopted by the European Union;
- IFRS 11 "Joint Arrangements", mandatory from January 1, 2013, which has not yet been adopted by the European Union;
- IFRS 12, "Disclosure of Interests in Other Entities", mandatory from January 1, 2013, which has not yet been adopted by the European Union;
- IAS 27R "Separate Financial Statements", mandatory from January 1, 2013, which has not yet been adopted by the European Union;
- AS 28R "Investments in Associates and Joint Ventures", mandatory from January 1, 2013, which has not yet been adopted by the European Union;
- the amendments to IFRS 1 "Severe Hyperinflation", applicable from July 1, 2011, which has not yet been adopted by the European Union;
- the amendments to IAS 1 "Presentation of Items of Other Comprehensive Income", applicable from July 1, 2012, adopted by the European Union on June 6, 2012;
- the amendments to IAS 19 "Employee Benefits", applicable from July 1, 2013, adopted by the European Union on June 6, 2012;
- the amendments to IFRS 1 "Government Loans", applicable from January 1, 2013, which has not yet been adopted by the European union.

Consolidation principles

The consolidation methods used by the Group are full consolidation, proportional consolidation and the equity method:

- subsidiaries (companies in which the Group has the power to direct financial and operating policies to obtain economic benefits) are fully consolidated;
- companies in which the Group exerts joint control are proportionally consolidated;
- the equity method is used for associates over which the Group has significant influence, which is assumed to be the case where the percentage of owned voting rights is 20% or more. Under this method, the Group recognizes its "share of income from entities accounted for by the equity method" on a separate line in the consolidated income statement.

During the period, the ANF Immobilier Group consolidated its wholly-owned subsidiaries ANF République and SNC Bassins à Flots.

These two companies are fully consolidated.

On February 28, 2012, ANF Immobilier acquired a 35% investment in the JDML company, owner of a building complex in Marseille. This company was consolidated by the equity method on June 30, 2012.

To successfully complete the Fauchier project for the construction and sale of residential units, ANF Immobilier brought on Board a number of partners to establish SCCV 1-3 rue d'Hozier, in which it holds a 45% interest. As it does not control this company, it has not been consolidated but instead accounted for by the equity method.

All internal transactions and balances were eliminated upon consolidation in proportion to ANF Immobilier Group's interest in its subsidiaries.

Segment reporting

IFRS 8 requires entities whose equity or debt securities are traded on an organized market or issued on a public securities market to present information by business segment and geographical sector.

Segment reporting is prepared on the basis of criteria relating to business activities and geographic regions. Primary segment reporting is business-related, insofar as it represents the Group's management structure and is presented on the basis of the following business segments:

- operating activity for city-center buildings;
- hotel operations.

The second level of information to be provided is by geographical area. It is applied to city-center properties only (since the hotels are dispersed throughout France, a geographical distribution is irrelevant):

- Lyon region;
- Marseille region.

IFRS 8 "Operating segments" requires that the information published by an entity enable users of its financial statements to evaluate the nature and financial impact of the type of business activities in which it engages and the economic environment in which it operates.

The Company has decided to continue presenting its segment reporting as in previous years with a breakdown of business segments into Hotels and City-center properties and a geographical breakdown of its city-center properties into two areas, Lyon and Marseille.

Real estate assets

Investment property (IAS 40)

IAS 40 defines investment property as property held by the owner or lessee (under a finance lease) to earn rental income or for capital appreciation, or both, as opposed to:

- using this property for the production or supply of goods or services or for administrative purposes;
- selling it in the normal course of a trading business (property dealing).

Assets acquired under credit-leases correspond to finance lease contracts and are recognized as assets in the balance sheet, and the corresponding loans are recognized as liabilities under financial debt. Correspondingly, the lease payments are cancelled and the financial expense stemming from the financing along with the fair value of the asset are recognized in accordance with the Group's accounting methods.

The ANF Immobilier Group has opted to assess its investment property at fair value. This option does not apply to operating property, which is measured at historical cost less accumulated depreciation and any value impairments.

The fair value of the real estate assets is determined at each financial statement closing date by two independent real estate experts (Jones Lang LaSalle and BNP Paribas Real Estate Expertise), which appraise the properties of the Group in a context of sustainable ownership. The fair value is the appraisal value excluding transfer taxes.

Their appraisals are performed according to the specifications set forth by the French Association of Property Appraisers (Afrexim) and the working group chaired by Mr. Barthès de Ruyter, in its February 2000 report on appraisal of real estate assets for listed companies.

The change in the fair value of investment property is recognized in the income statement.

These properties are not therefore subject to depreciation or value impairment. Any change in fair value for each property is recognized in the income statement for the period and is determined as follows:

Change in fair value = Market value N - [market value N-1 + capitalized work and expenses for period N].

Investment properties, including rebuilding projects, are recognized at fair value. Virtually all of the real estate assets of ANF Immobilier are recognized as investment properties. Properties under construction and intended to be subsequently re-let are also kept in the investment property category.

Gains (or losses) on disposals of investment properties are calculated with reference to the most recent fair value recognized at the previous balance sheet date.

Assets held for sale (IFRS 5)

In accordance with IFRS 5, when the Group has undertaken to sell an asset or group of assets, it classifies them as assets held for sale under current assets in the balance sheet at their most recent known fair value.

Properties included in this category continue to be measured using the fair value approach.

To be classified as an “asset held for sale”, a property must meet all the following criteria:

- the asset must be immediately available for sale in its current condition;
- a sale must be highly likely, formalized through the notification of the Properties Committee, a decision of the Executive Board or Supervisory Board and an offer to buy.

Properties responding to these criteria are presented on a separate line on the balance sheet.

As of June 30, 2012, six properties, appraised at €14 million, were held for sale.

Depreciation of operating properties valued at amortized cost ceases from the date on which these properties are classified as held for sale.

Operating properties and other property, plant and equipment (IAS 16)

The Group's operating property is measured at historical cost less accumulated depreciation and any value impairment.

Moreover, other property, plant and equipment includes computer equipment and furniture.

The following depreciation periods were thus used:

• Structures:	50 to 75 years;
• Façades & waterproofing:	20 years;
• General technical plant (including lifts):	15 to 20 years;
• Fittings:	10 years;
• Asbestos, lead and energy diagnostics:	5 to 9 years;
• Furniture, office, and computer equipment:	3 to 10 years.

Intangible assets (IAS 38) and impairment of assets (IAS 36)

An intangible asset is a non-monetary item with no physical substance that must be both identifiable and controlled by the Company by virtue of past events and from which future economic benefits are expected.

An intangible asset is identifiable if it can be separated from the entity acquired or it is the consequence of legal or contractual rights. Intangible assets whose useful life can be determined are amortized linearly over periods that correspond to their projected useful life.

The following amortization periods were thus used:

- concessions, patents and rights: 1 to 10 years.

IAS 36: "Impairment of Assets" applies to property, plant, equipment and intangible assets, financial assets and unallocated goodwill.

At each balance sheet date, the Group assesses whether there are any indications that an asset has lost value. If an indication of impairment is identified, the asset's recoverable amount is compared to its net carrying amount and an impairment loss may accordingly be recognized.

An indication of impairment may be either a change in the asset's economic or technical environment or a decline in the asset's market value. The appraisals carried out make it possible to measure any impairment losses.

Expenses related to the acquisition of software licenses are recognized as assets on the basis of the costs incurred to acquire and get the relevant software operational. These costs are amortized over the estimated useful life of the software (between three and five years).

Operating lease receivables

Operating lease receivables is valuated at the amortized cost and is subject to an impairment test when there is an indication that the asset could have lost value.

An individual analysis is conducted on the closing date of each financial period in order to assess as fairly as possible the non-recovery risk of any receivable and any requisite provisions.

Liquid assets and investment securities

Marketable securities are generally comprised of money market funds and are listed at their fair value on the balance sheet. All these marketable securities have been deemed cash equivalents.

Treasury shares (IAS 32)

Treasury shares held by the Group are deducted from the consolidated shareholders' equity at their acquisition value.

As of June 30, 2012, the Company held 359,539 treasury shares. During the year, 43,547 treasury shares were acquired.

Financial debt (IAS 32-39)

Financial debt consists of loans and other interest-bearing liabilities. It is recognized at amortized cost using the effective interest rate method.

Loan issue costs are recognized under IFRS as a deduction from the nominal amount of the loan. The portion of debt due in less than a year is classified as current debt.

In the case of debt resulting from the recognition of finance leases, the debt recognized to offset the item of property, plant and equipment is initially recognized at the fair value of the leased asset or, if lower, the present value of minimum lease payments.

Security deposits are deemed to be short-term liabilities and are not discounted.

Derivative instruments (IAS 39)

IAS 39 distinguishes between two types of interest rate hedging:

- hedging of balance sheet items, the fair value of which fluctuates as a result of interest rate risk ("fair value hedge");
- hedging the risk of future cash flow variability ("cash-flow hedge"), which consists of fixing the future cash flows of a variable-rate financial instrument.

Certain derivatives associated with specific financings qualify as cash flow hedges under accounting regulations. In accordance with IAS 39, only changes in the fair value of the effective portion of these derivatives, as measured by prospective and retrospective effectiveness tests, are recognized in shareholders' equity. Any changes in the fair value of the ineffective portion of the hedge are recognized in income.

The ANF Immobilier Group uses cash flow hedge-type financial derivatives (swaps) to hedge its exposure to risk stemming from interest rate fluctuations.

Discounting of deferred payments

The Group's long-term payables and receivables are discounted where the impact is material:

- security deposits received are not discounted, since the discounting effect is not material and there is no reliable discounting schedule;
- long-term liability provisions under IAS 37 are discounted over the estimated length of the disputes to which they relate.

Current and deferred tax (IAS 12)

SIIC tax regime

The switch to the SIIC tax regime results in a complete exemption from income tax. However, an exit tax at a reduced rate of 16.5% on unrealized gains from properties and interests in entities not subject to income tax becomes immediately due. This tax was fully paid as of June 30, 2012.

Common law and the deferred tax regime

Deferred tax is recognized where there are temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases, where these give rise to taxable sums in the future.

A deferred tax asset is recognized where tax losses may be carried forward on the assumption that the relevant entity is likely in the future to generate taxable profits, against which these tax losses may be charged. Deferred tax assets and liabilities are measured using the liability method at the tax rate assumed to apply in the period in which the asset will be realized or the liability settled, on the basis of the tax rate and tax regulations that have been or will be adopted prior to the balance sheet date. Measurement of deferred tax assets and liabilities must reflect the tax consequences that would result from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the balance sheet date.

Current and deferred tax is recognized as tax income or expenses in the income statement, except for deferred tax that is recognized or settled upon the acquisition or disposal of a subsidiary or interest, unrealized gains and losses on assets held for sale. In these cases, the corresponding deferred tax is charged to equity.

All property held by ANF Immobilier was included in the scope of the SIIC regime. ANF Immobilier's rental business is thus wholly exempted from income tax, and no deferred tax is recognized.

Lease contracts (IAS 17)

Under IAS 17, a lease is an agreement under which the lessor transfers to the lessee the right to use an asset for a fixed period in return for a payment or series of payments. IAS 17 distinguishes between two kinds of leases:

- a finance lease is a lease that effectively transfers to the lessee virtually all the risks and benefits inherent in ownership of an asset. Transfer of title may or may not occur at the end. For the lessee, the assets are recognized as non-current assets offset by a debt. The asset is recognized at the fair value of the leased asset at the lease start date or, if lower, at the present value of minimum payments;
- an operating lease is any lease other than a finance lease.

Treatment of step rents and rent-free periods

Rental income from operating leases is recognized on a straight line basis over the term of the lease. Step rents and rent-free periods granted are recognized by staggering, reducing or increasing rental income for the period. The reference period used is the initial minimum period of the lease.

Front-end fees

Front-end fees received by the lessor are deemed to be additional rent. The front-end fee forms part of the net sum transferred from the lessee to lessor under the lease. In this regard, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement and payment schedules. These fees are staggered over the initial minimum period of the lease.

Cancellation fees and eviction compensation

Cancellation fees are received from tenants when they cancel the lease before its contractual term. Such fees relate to the old lease and are recognized as income in the period recorded. Where the lessor cancels a lease in progress, it pays eviction compensation to the sitting tenant.

- replacement of a tenant: if payment of eviction compensation makes it possible to alter the level of the asset's performance (a rent increase and hence an increase in the value of the asset), under the revised IAS 16, this expense may be capitalized in the cost of the asset subject to this increase in value being confirmed by appraisers. Should this not be the case, the cost is recognized as an expense;
- refurbishment of a building that requires the tenants to be displaced: if the payment of an eviction penalty is part of major refurbishment or reconstruction works for a building for which it is mandatory for the tenants to depart beforehand, this cost is considered to be a preliminary expense that is included as an additional component following the refurbishment operation.

We have estimated the impact of stage payments, rent-free periods and front-end fees identified in the rental base in 2010, 2011 and 2012, in accordance with IAS 17. The estimate arrived at is not significant and therefore no recording entry has been accounted for in the 2010, 2011 and half-year 2012 financial statements.

Residential leases may be terminated by the tenant at any time, with a notice period of one or three months. Leases on retail or office premises may generally be terminated by the lessee after each three-year period, with a notice period of six months. Leasing agreements with B&B on hotels have a firm duration of 12 years, expiring in 2019.

Employee benefits (IAS 19)

For defined contribution schemes, Group payments are expensed in the period to which they relate.

For defined benefit schemes involving post-employment benefits, the cost of the benefits is estimated using the projected unit credit method.

Under this method, rights to benefits are allocated to periods of service on the basis of the scheme rights vesting formula, allowing for a linearization effect when the pace at which rights vest is not uniform over subsequent periods of service.

The amounts of future payments in respect of employee benefits are measured on the basis of assumptions regarding salary increases, retirement age and mortality rates, and then discounted to their present value using the interest rate on long-term bonds from top quality issuers. Actuarial differences for the period are directly recognized in consolidated equity.

The ANF Immobilier Group has established a defined benefit scheme. Pension commitments relating to this scheme are managed by an insurance company. A 0.7 million expense has been taken into account at first half 2012 regarding in particular estimated commitments as of June 30, 2012.

Share-based payment (IFRS 2)

IFRS 2 requires that the income statement reflect the effects of all transactions involving share-based payments. All payments in shares or linked to shares must accordingly be expensed when the goods or services provided in return for these payments are consumed. There was no transaction involving share-based payment during the period.

Stock option plans

Acting pursuant to the authorizations conferred by the shareholders at the Shareholders' Meeting, the Executive Board awarded stock options to members of the Executive Board as well as qualifying personnel, as defined by the resolutions of the Shareholders' Meeting.

In order to factor in the distribution of reserves that took place pursuant to the second resolution of the Ordinary and Extraordinary Shareholders' Meeting of May 3, 2012, the Executive Board at its May 21, 2012 meeting adjusted the exercise terms of the 2007 to 2011 stock option plans.

The terms of the stock option plans granted during recent fiscal years, amended by the adjustments, are as follows:

Terms of the stock option plans	**2007 plan**	**2008 plan**	**2009 plan**	**2010 plan**	**2011 plan**
Date of the Extraordinary Shareholders' Meeting	5/4/2005	5/14/2008	5/14/2008	5/14/2008	5/17/2011
Date of the Executive Board's decision	12/17/2007	12/19/2008	12/14/2009	12/15/2010	12/22/2011
Total number of options granted	127,370	151,142	179,794	175,557	172,963
• Of which corporate officers	100,489	119,019	148,580	140,895	138,820
• Of which are top 10 employee recipients	26,881	31,533	28,942	31,188	31,591
Number of shares that may be purchased	127,370	151,142	179,794	175,557	172,963
• Of which corporate officers	100,489	119,019	148,580	140,895	138,820
• Of which are top 10 employee recipients	26,881	31,533	28,942	31,188	31,591
Exercise date of options	The options may be exercised once vested				
Expiration Date	12/17/2017	12/19/2018	12/14/2019	12/15/2020	12/22/2021
Purchase price per share	37.15	24.28	28.18	29.63	26.89
Terms of exercise	Final vesting of options in phases:				
1st third after a period of two years, i.e.	12/17/2009	12/19/2010	12/14/2011	12/15/2012	12/22/2013
2nd third after a period of three years, i.e.	12/17/2010	12/19/2011	12/14/2012	12/15/2013	12/22/2014
3rd third after a period of four years, i.e.	12/17/2011	12/19/2012	12/14/2013	12/15/2014	12/22/2015
Exercise subject to performance conditions	No	Yes	Yes	Yes	Yes
Number of shares purchased as of June 30, 2012	0	0	0	0	0
Number of options canceled as of June 30, 2012	0	0	0	0	0
Total number of options remaining to be exercised	127,370	151,142	179,794	175,557	172,963

Please note that where beneficiaries of stock options do not have four years' service by the expiration date of one of the vesting periods referred to above, the options corresponding to such period will be subject to a vesting period until such time as said beneficiary has four years' service with the Company.

Accordingly, on the basis of the above adjustments, the number of options allocated to each beneficiary is as follows:

	2007 Stock Options Plan	2008 Stock Options Plan	2009 Stock Options Plan	2010 Stock Options Plan	2011 Stock Options Plan
Bruno Keller	67,089	73,124	90,733	88,636	87,331
Xavier de Lacoste Lareymondie	30,072	36,153	43,667	42,731	42,101
Brigitte Perinetti	3,328	4,104	4,538	0	0
Ghislaine Seguin	0	5,638	9,642	9,528	9,388
CORPORATE OFFICERS	**100,489**	**119,019**	**148,580**	**140,895**	**138,820**
Staff	26,881	32,123	31,214	34,662	34,143
TOTAL	**127,370**	**151,142**	**179,794**	**175,557**	**172,963**

Basic earnings per share (IAS 33)

Basic earnings per share equates to net income after minority interests attributable to ordinary shares, divided by the weighted average number of shares outstanding during the period. The average number of shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted for the number of ordinary shares bought back or issued during the period.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to reflect the effect of dilution from equity instruments issued by the Company that might increase the number of shares outstanding.

Market risk management

Market risks

Owning rental properties exposes the Group to the risk of fluctuations in the value of property assets and rents. However, this exposure is mitigated because:

- the assets are mainly held for the long term and are recognized in the financial statements at their fair value, even if this value is determined on the basis of estimates;
- rental income stems from leasing arrangements, the term and dispersion of which are likely to lessen the impact of fluctuations in the rental market.

Counterparty risk

With a client portfolio of over 500 tenant companies, a high degree of sector diversification, and 1,700 individual tenants, the Group is not exposed to significant concentration risk.

A significant portion of ANF Immobilier's revenue comes from rent paid by the B&B Group. If the B&B Group were to experience serious financial, sales, or operational difficulties leading it to default on its rent payments, it would likely have a considerable negative impact on ANF Immobilier's operations, earnings, financial position and outlook.

Financial transactions, particularly the hedging of interest rate risk, are carried out with leading financial institutions.

Liquidity risk

Medium and long-term liquidity risk is managed via multi-year financing plans. Short-term risk is managed via confirmed but undrawn credit facilities.

Interest rate risk

The ANF Immobilier Group is exposed to interest rate risk. Management actively manages this risk exposure. The Group uses a number of financial derivatives to address this. The goal is to reduce, wherever deemed appropriate, fluctuations in cash flows as a result of changes in interest rates. The Group does not enter into financial transactions if it entails a risk that cannot be quantified.

To this end, the ANF Immobilier Group has arranged 33 interest rate hedging contracts to swap three-month or one-month Euribor variable rates for fixed rates.

Additional information (€ thousands)

Note 1 Non-current assets

Intangible assets, property, plant and equipment, and operating property

Gross amounts	Amount as of 12/31/2010	Increase	Decrease	Amount as of 12/31/2011	Increase	Decrease	Amount as of 06/30/2012
Intangible assets	1,134	128	0	1,262	57	0	1,319
Operating property	3,209	0	(129)	3,080	0	0	3,080
Furniture, office & computer equipment	1,122	457	(67)	1,512	922	(38)	2,396
TOTAL	**5,465**	**585**	**(196)**	**5,854**	**979**	**(38)**	**6,795**

Depreciation	Amount as of 12/31/2010	Increase	Decrease	Amount as of 12/31/2011	Increase	Decrease	Amount as of 06/30/2012
Intangible assets	684	194	0	878	88	0	966
Operating property	518	147	(125)	540	65	0	605
Furniture, office & computer equipment	869	113	(41)	941	68	(38)	971
TOTAL	**2,071**	**454**	**(166)**	**2,359**	**221**	**(38)**	**2,542**
NET VALUES	**3,394**	**131**	**(30)**	**3,495**	**758**	**0**	**4,253**

Investment property

Valuation of properties	Lyon	Marseille	Bordeaux	B&B hotels	Amount as of 06/30/2012
Investment property	466,165	677,903	11,536	512,144	1,667,748
Property held for sale	377	13,594	0	0	13,971
INVESTMENT PROPERTY AND PROPERTY HELD FOR SALE	**466,542**	**691,497**	**11,536**	**512,144**	**1,681,719**
Operating property	803	2,427			3,230
VALUATION OF PROPERTIES	**467,345**	**693,924**	**11,536**	**512,144**	**1,684,949**

Investment property and property held for sale	Lyon	Marseille	Bordeaux	B&B hotels	Total
Amount as of 12/31/2010	434,077	643,969	0	492,240	1,570,286
Investments	24,925	42,556	5,089	751	73,321
Income from disposals	(22,739)	(18,761)	0	0	(41,500)
Change in value	21,909	3,196	0	19,869	44,974
Amount as of 12/31/2011	458,172	670,960	5,089	512,860	1,647,081
Investments	9,066	28,402	6,447	2,125	46,040
Income from disposals	(2,674)	(5,797)	0	170	(8,301)
Change in value	1,978	(2,067)	0	(3,011)	(3,100)
Amount as of 06/30/2012	466,542	691,498	11,536	512,144	1,681,720

The change in value includes a capital gain on a disposal of €453,000 and the decrease in value of properties of €3,550,000.

Details of investments	Lyon	Marseille	Bordeaux	B&B hotels	Total
Acquisitions	8,342	0	5,089	445	13,876
Works	16,583	42,556	0	306	59,445
2011 total	24,925	42,556	5,089	751	73,321
Acquisitions	0	0	0	0	0
Works	9,066	28,402	6,447	2,125	46,040
2012 total	9,066	28,402	6,447	2,125	46,040

Except for two properties acquired at the end of 2011 and still under construction in Lyon and Bordeaux for €21.3 million, the Company's city-center assets were appraised by Jones Lang LaSalle and BNP Real Estate Expertise using a number of different approaches:

- the rental income capitalization method for the Lyon and Marseille properties;
- the comparison method for the Lyon and Marseille properties;
- the developer balance sheet method for land;
- the income method for hotel properties.

At June 30, 2012, the hotel properties were valued at the price included in the indicative offer from the Foncière des Murs-La Française REM consortium.

Rental income capitalization method

The appraisers used two different methodologies to capitalize rental income:

1) current rental income is capitalized up to the end of the existing lease. The capitalized current rent to expiry or revision is added to the capitalized renewal rent to perpetuity. The latter is discounted to the appraisal date on the basis of the date of commencement of capitalization to perpetuity. An average ratio was used between "vacancies" and "renewals" on the basis of historic tenant changes.

   Recognition of market rent may be deferred for a variable vacancy period for any rent-free period, renovation work or marketing period, etc. following the departure of the sitting tenant;

2) for each premises appraised, a rental ratio is calculated, expressed in € per sqm per annum, making it possible to calculate the annual market rent (ratio x weighted floor space).

   An "imputed rent" is estimated and used for the purposes of calculating the income method (capitalized rent). It is determined on the basis of the nature and occupancy level of the premises, and is capitalized at a yield approaching market levels, though where appropriate this includes upward potential.

   The low yields in question include upward rental potential either where a sitting tenant leaves or where rent caps are lifted due to changes in local marketability factors.

Different yields have been applied by use and also between current rental income and rent on renewal. Appraisals also take account of expenditure required to maintain real estate properties (renovation of façades, stairwells, etc.).

Change in the yields used in appraisals is given below:

Yield	06/30/2012	12/31/2011	12/31/2010
Lyon			
Retail	5.00% to 5.75%	5.00% to 5.75%	5.10% to 6.00%
Offices	6.00% to 6.75%	6.00% to 6.75%	6.25% to 6.75%
Residential (excl. Law 48)	4.00% to 4.30%	4.00% to 4.30%	4.25% to 4.65%
Marseille			
Retail	5.50% to 7.45%	5.50% to 7.45%	5.50% to 7.35%
Offices	6.25% to 7.50%	6.25% to 7.50%	6.25% to 7.25%
Residential (excl. Law 48)	4.15% to 4.75%	4.15% to 4.75%	4.25% to 5.15%

Comparison method

In the case of residential premises, an average price per sqm vacant and excluding transfer taxes is ascribed to each premises appraised, based on examples of market transactions for similar assets.

For commercial property, and in particular retail premises (where rent caps cannot be lifted), the ratio of the average price per sqm is closely linked to rental terms.

With regard to the city-center properties, a value after work, a value after work on private areas, a value after work on communal areas and a current condition value are presented for each of the two methods for each property appraised.

The value applied for each premises in its current condition is the average of the two methods, unless the appraiser indicates otherwise. The final value excluding transfer taxes is converted into a value including transfer taxes (by applying transfer taxes at 6.20% for old buildings and 1.80% for new buildings), giving the effective yield for each premises (ratio between actual gross income and the value including transfer taxes).

Developer balance sheet method for redevelopment land

For land available for construction, the appraiser distinguishes between land with planning approval and/or an identified and likely project, and land for which there is no clearly defined project with advanced plans.

In the first instance, the appraiser looks at the project from a development perspective.

For ordinary land reserves, the approach is based on the value per sqm of land available for construction having regard to market prices.

Income method for hotel properties

For each asset, net rent is capitalized on the basis of a weighted yield specific to each hotel based on its characteristics.

The result is a freehold market value for the asset including “transfer taxes” (*i.e.* total cost of the property including all fees).

Capitalization rates range from 5.65% to 6.87% and were determined on the basis of:

- the nature of the property rights to be assessed, and the asset’s profile;
- the investment climate, particularly for this asset class;
- specific characteristics of each asset via a capitalization rate that reflects its characteristics in terms of location, site and quality.

Sensitivity analysis

The market value of the real estate assets was calculated by varying yields by 0.1 points for the city-center and hotel properties.

The sensitivity of the market value of the real estate assets assessed using the income method is as follows:

Change in yield	-0.20%	-0.10%	0.10%	0.20%
Impact on value				
City-center properties	4.23%	2.07%	-1.99%	-3.90%
B&B hotels	3.32%	1.56%	-1.56%	-3.12%

Non-current financial assets

Non-current financial assets	Amount as of 12/31/2010	Increase	Decrease	Amount as of 12/31/2011	Increase	Decrease	Amount as of 06/30/2012
Liquidity contract	0	298	0	298	0	(47)	251
Other loans	124	8	0	132	8,589	(2)	8,719
Deposits & guarantees	16	0	0	16	0	0	16
GROSS TOTAL	**140**	**306**	**0**	**446**	**8,589**	**(49)**	**8,986**
Provisions for the liquidity contract	0	1	0	1	1	0	2
Provisions for other loans	0	0	0	0	0	0	0
Provisions for deposits and guarantees	(7)	0	0	(7)	0	0	(7)
NET TOTAL	**133**	**307**	**0**	**440**	**8,590**	**(49)**	**8,981**

Contributions to the current account of JDML amounted to €8.6 million.

In 2005, a liquidity contract was arranged for ANF Immobilier stock. This contract is managed by Rothschild bank.

Note 2 Receivables maturity schedule

(€ thousands)	Amount 06/30/2012	Less than 1 year	From 1 to 5 years	More than 5 years
Trade receivables	4,293	4,293		
Other receivables	3,182	3,182		
GROSS TOTAL	**7,475**	**7,475**	**0**	**0**
provision	2,055	2,055		
NET TOTAL	**5,420**	**5,420**	**0**	**0**

Note 3 Debt maturity schedule at end of period

(€ thousands)	Amount 06/30/2012	Less than 1 year	From 1 to 5 years	More than 5 years
Bank debts and liabilities	557,910	8,116	523,693	26,100
Payables to fixed-asset suppliers	17,030	17,030	0	0
Trade payables	2,196	2,196	0	0
Tax and corporate liabilities	6,322	6,322	0	0
Rental security deposits	4,251	4,251	0	0
Other payables	687	687	0	0
TOTAL	**588,397**	**38,603**	**523,693**	**26,100**

Note 4 Cash and cash equivalents

(€ thousands)	06/30/2012	12/31/2011	12/31/2010
Money market funds and marketable securities	14,921	36,082	27,820
Current bank accounts	866	1,636	505
Cash and cash equivalents	15,787	37,718	28,325
Bank overdrafts	(2,981)	0	(1,250)
Outstanding bank interest	(314)	(333)	(186)
Net cash and cash equivalents	12,492	37,385	26,889

Note 5 Accrual accounts – assets

Prepaid expenses include subscriptions, insurance, finance lease payments, fees, and other expenses involving future periods.

Note 6 Accrual accounts – liabilities

Prepaid income includes €315,000 in rental and service charge payments for the coming months.

Note 7 Contingency and loss provisions

Gross amounts *(€ thousands)*	Amount as of 12/31/2010	Increase	Decrease	Amount as of 12/31/2011	Increase	Decrease	Amount as of 06/30/2012
Provision for long-service awards	12	0	0	12	0	0	12
Provision for supplementary post-employment benefits	45	0	0	45	0	0	45
Other contingency provisions	208	228	(106)	330	77	(230)	177
TOTAL	**265**	**228**	**(106)**	**387**	**77**	**(230)**	**234**
Current liabilities	208	228	(106)	330	77	(230)	177
Non-current liabilities	57	0	0	57	0	0	57

Reversals of provisions are for provisions used or that no longer serve any purpose.

The most significant ongoing disputes are as follows:

1) Chief Operating Officer and Real Estate Director:

Legal action is currently underway following the removal and dismissal in April 2006 of ANF Immobilier's Chief Operating Officer and Real Estate Director:

- the dismissed employees have filed claims with the Paris Employment Tribunal for €3.4 million in the case of the former Chief Operating Officer and €1.0 million in the case of the former Real Estate Director;
- similarly, a commercial suit has been lodged against ANF Immobilier with the Paris Commercial Court by the former Chief Operating Officer as a former Company officer;
- a suit has also been lodged with the same court by a former supplier.

Prior to the bringing of these employment and commercial suits, ANF Immobilier had, in connection with criminal proceedings, brought a civil action for damages before an investigating magistrate in Marseille regarding alleged acts committed by the aforementioned former supplier, and by its two former officers and other parties.

A criminal investigation is underway and letters rogatory have been provided to the Marseille Criminal Investigation Bureau. ANF Immobilier's former Chief Operating Officer and Real Estate Director have been charged and placed under judicial supervision. Likewise for the former supplier, who was held on remand for a number of months.

The Examining Chamber of the Aix en Provence Appeal Court handed down a ruling on March 4, 2009 confirming the charges laid against ANF Immobilier's former Chief Operating Officer and hence the existence of serious and corroborating evidence against him with regard to the claimed misuse of corporate assets to the detriment of ANF Immobilier.

On account of the close link between the criminal and labor aspects of this case, the Paris Employment Tribunal upheld the application for a stay of proceedings.

2) TPH – Toti proceedings

Representing Eurazeo, ANF Immobilier entered into an agreement with Philippe TOTI, a private entrepreneur (TPH), with regard to the refurbishment of part of its real estate assets in Marseille.

At the same time as filing criminal proceedings with a Marseille investigating magistrate, directed in particular against the former supplier for receiving stolen goods and aiding and abetting, ANF Immobilier established that the latter was not employing the material and human resources required to meet its contractual obligations.

At ANF Immobilier's request, a bailiff confirmed that work has been abandoned.

On June 19, 2006, following the bailiff's confirmation, ANF Immobilier cancelled the works contracts entered into with the former supplier.

The liquidator of the former supplier and the former supplier also issued a writ against ANF Immobilier before the Paris Commercial Court on February 16, 2007.

ANF Immobilier sought a stay of proceedings or an adjourning of the case pending a final decision on the criminal proceedings (Marseille District Court), on the basis of the civil suit for damages brought by ANF Immobilier for misuse of corporate assets and receiving stolen goods.

In a decision handed down on November 26, 2009, the President of the Paris Commercial Court granted the stay of proceedings pending a decision in the criminal case.

Accordingly, the Paris Commercial Court shall not be called upon to examine the admissibility and grounds for the claim lodged by Mr. Toti and the liquidator of TPH until the final criminal decision has been handed down on the events surrounding ANF Immobilier's suit.

3) Expropriation procedure

On December 6, 2011, the Euroméditerranée Urban Development Agency notified ANF Immobilier of an expropriation procedure concerning a 2,366 m^2 plot in Marseille, offering compensation of €1,450,600.

ANF Immobilier has contested this offer.

In a decision handed down on June 14, 2012, the Marseille Administrative Court set the amount due to ANF Immobilier for the expropriation of this land at €2,228,082. The Euroméditerranée Urban Development Agency has appealed this decision before the Court of Appeal in Aix en Provence.

No provision has been recorded in the Company's financial statements for these disputes.

To the best of the Company's knowledge, there are no other government, court or arbitration proceedings pending or threatened that might have or over the past 12 months have had a material effect on the Company's financial position or profitability.

Note 8 Treasury shares

(€ thousands)	06/30/2012	12/31/2011	12/31/2009
Shares registered minus shareholders' equity	11,978	10,697	4,281
Number of shares	359,539	315,992	115,992
TOTAL NUMBER OF SHARES	**27,774,794**	**27,774,794**	**27,453,778**
Treasury shares as a %	1.29%	1.14%	0.42%

Note 9 Financial instruments

The ANF Immobilier Group is exposed to interest rate risk. Management actively manages this risk exposure. The Group uses a number of financial derivatives to address this. The goal is to reduce, wherever deemed appropriate, fluctuations in cash flows as a result of changes in interest rates. The Group does not enter into financial transactions if it entails a risk that cannot be quantified.

ANF Immobilier has undertaken to comply with the following hedging requirements:

• Crédit Agricole CIB:	50% of the debt hedged at fixed rates;
• Natixis:	80% of the debt hedged at fixed rates;
• Société Générale:	100% of the debt hedged at fixed rates;

To this end, the ANF Immobilier Group has arranged 33 interest rate hedging contracts to swap three-month or one-month Euribor variable rates for fixed rates. The table below sets out the impact of interest rate derivatives on ANF Immobilier's consolidated financial statements:

Effective date	Expiration date	Fixed rate paid	*(€ thousands)*	Nominal	Fair value assets 06/30/2012	Fair value liabilities 06/30/2012	Changes in fair value over the period	Impact on financial income	Impact on equity
07/24/2006	07/24/2012	3.9450%	3-month Euribor swap/3.945%	22,000	0	(49)	289	0	289
12/15/2006	12/15/2012	3.9800%	3-month Euribor swap/3.980%	28,000	0	(441)	340	0	340
10/31/2007	12/31/2014	4.4625%	3-month Euribor swap/4.4625%	65,000	0	(6,241)	215	0	215
04/11/2008	03/31/2015	4.2775%	3-month Euribor swap/4.2775%	11,000	0	(1,097)	0	0	0
08/20/2007	06/30/2014	4.4550%	3-month Euribor swap/4.455%	18,000	0	(1,403)	103	0	103
09/28/2007	12/31/2014	4.5450%	3-month Euribor swap/4.5450%	65,000	0	(6,394)	247	0	247
10/31/2007	12/30/2014	4.3490%	3-month Euribor swap/4.3490%	14,000	0	(1,303)	39	(4)	43
06/16/2008	12/31/2014	4.8350%	3-month Euribor swap/4.8350%	6,700	0	(707)	34	(3)	37
08/04/2008	06/30/2014	4.7200%	3-month Euribor swap/4.72%	10,000	0	(833)	70	0	70
08/11/2008	06/30/2014	4.5100%	3-month Euribor swap/4.51%	28,000	0	(2,215)	168	0	168
08/11/2008	06/30/2014	4.5100%	3-month Euribor swap/4.51%	10,000	0	(791)	60	(1)	61
10/08/2008	06/30/2014	4.2000%	3-month Euribor swap/4.2%	9,500	0	(694)	43	(8)	51
10/10/2008	06/30/2014	4.1000%	3-month Euribor swap/4.1%	12,800	0	(909)	51	(8)	59
11/14/2008	06/30/2014	3.6000%	3-month Euribor swap/3.6%	5,700	0	(346)	9	(2)	12
12/24/2008	06/30/2014	3.1900%	3-month Euribor swap/3.19%	6,350	0	(335)	(2)	0	(2)
07/01/2008	12/31/2014	4.8075%	3-month Euribor swap/4.8075%	2,300	0	(241)	12	(1)	13
08/11/2008	12/30/2014	4.5090%	3-month Euribor swap/4.509%	28,000	0	(2,718)	102	0	102
08/11/2008	12/30/2014	4.5040%	3-month Euribor swap/4.504%	10,167	0	(986)	37	0	37
10/06/2008	12/31/2014	4.3500%	3-month Euribor swap/4.35%	5,046	0	(471)	15	(1)	15
12/23/2008	12/31/2014	3.2500%	3-month Euribor swap/3.25%	5,821	0	(382)	(14)	(1)	(13)
02/06/2009	12/31/2014	2.9700%	1-month Euribor swap/2.97%	3,300	0	(193)	(12)	(2)	(10)
03/13/2009	06/30/2014	2.6800%	3-month Euribor swap/2.68%	11,700	0	(495)	(33)	(3)	(31)
06/26/2009	12/31/2014	2.8800%	3-month Euribor swap/2.88%	11,435	0	(645)	(47)	(2)	(45)
01/04/2010	06/30/2014	2.3580%	3-month Euribor swap/2.358%	23,900	0	(859)	(103)	(13)	(90)
01/04/2010	12/31/2014	2.4750%	3-month Euribor swap/2.475%	19,861	0	(916)	(118)	(11)	(108)
01/03/2011	06/30/2014	2.5000%	3-month Euribor swap/2.50%	64,000	0	(2,483)	(232)	0	(232)

Effective date	Expiration date	Fixed rate paid	(€ thousands)	Nominal	Fair value assets 06/30/2012	Fair value liabilities 06/30/2012	Changes in fair value over the period	Impact on financial income	Impact on equity
12/17/2012	06/30/2014	3.1590%	3-month Euribor swap/3.159%	50,000	0	(1,998)	(428)	0	(428)
06/30/2014	06/30/2017	2.6030%	3-month Euribor swap/2.603%	40,000	0	(1,424)	(782)	(3)	(779)
06/30/2014	06/30/2016	2.4050%	3-month Euribor swap/2.405%	40,000	0	(988)	(553)	(1)	(551)
06/30/2014	06/30/2016	2.2400%	3-month Euribor swap/2.24%	20,000	0	(429)	(275)	0	(274)
06/30/2014	06/30/2018	2.5400%	3-month Euribor swap/2.54%	20,000	0	(743)	(511)	(1)	(510)
07/1/2014	06/30/2018	2.1800%	3-month Euribor swap/2.18%	20,000	0	(462)	(462)	(45)	(416)
06/30/2014	06/30/2017	2.0000%	3-month Euribor swap/2.00%	20,000	0	(322)	(322)	0	(322)
TOTAL DERIVATIVES				**707,579**	**0**	**(40,509)**	**(2,060)**	**(111)**	**(1,949)**

The financial derivatives were measured by discounting the estimated future cash flows on the basis of the yield curve as of June 29, 2012.

Note 10 Covenants

With respect to loans and credit lines, ANF Immobilier has made certain undertakings including that of compliance with the following Financial Ratios:

Interest Cover Ratio

The Interest Cover Ratio must be two (2) or above from the first Test Date, and for as long as sums remain due under the Agreement.

The Interest Cover Ratio is calculated quarterly at each Test Date, (i) for Interest Cover Ratios at December 31 each year, on the basis of the certified annual financial statements (consolidated, if the Borrower is required to prepare consolidated financial statements), (ii) for Interest Cover Ratios at June 30 each year, on the basis of the Borrower's unaudited interim financial statements (consolidated, if the Borrower is required to prepare consolidated financial statements), and, (iii) for Interest Cover Ratios at March 31 and September 30 each year, on the basis of a provisional quarterly accounting close.

"Interest Cover Ratio" denotes the ratio of Gross Operating Income to Net Financial Expense for an Interest Period.

Loan to Value Ratio

The Loan to Value Ratio must be 50% (fifty percent) or lower from the first Test Date, and for as long as sums remain due under the Agreement.

The Loan to Value Ratio is calculated every six months on each Test Date, on the basis of the certified annual financial statements or unaudited interim financial statements.

"Loan to Value Ratio" denotes the ratio of Net Debt to the Appraisal Value of Real Estate Assets.

For the loan provided by Crédit Agricole CIB, this ratio is also calculated on the Haussmann-style properties, excluding the B&B hotel properties.

	Reference standard	Test frequency	Ratios at 06/30/2012	Ratios at 12/31/2011	Ratios at 12/31/2010
ICR (EBITDA/net financial expenses)	minimum 2	quarterly	3.4	3.9	3.2
LTV ratio (net financial debt/appraisal value of property)	maximum 50%	half-year	32.2%	29.2%	29.2%

ANF Immobilier is in compliance with all of the undertakings agreed to with respect to its loan agreements.

Note 11 Off-balance sheet commitment

Commitments received

Current off-balance sheet commitments received by ANF Immobilier relate to credit facilities that remained undrawn at the balance sheet date and can be summarized as follows:

Commitments received *(€ thousands)*	**06/30/2012**	**12/31/2011**	**12/31/2010**
Guarantees and deposits received	7,572	6,564	2,753
Other commitments received	131,437	172,164	99,542
TOTAL	**139,009**	**178,728**	**102,295**

The main commitments are the following:

- ANF Immobilier has arranged a number of credit facilities. Unused credit facilities amounted to €123 million;
- the B&B Hôtels Group has provided ANF Immobilier with a joint and several guarantee covering the payment of rents.

Commitments given

Current off-balance sheet commitments given by ANF Immobilier can be summarized as follows:

Commitments given *(€ thousands)*	**06/30/2012**	**12/31/2011**	**12/31/2010**
Pledges, mortgages and collateral	258,710	261,568	263,132
Guarantees and deposits given	22,044	22,044	0
Agreements to sell	23,067	6,147	0
Other commitments given	5,962	6,267	9,007
TOTAL	**309,783**	**296,026**	**272,139**

The main commitments are the following:

- the following guarantees have been given in return for the €250 million seven-year loan from a bank syndicate led by Crédit Agricole CIB:
  - a pledge over bank current accounts,
  - assignment of property insurance premiums under the “Dailly” law;
- the following guarantees have been given by ANF Immobilier in return for the €213 million seven-year loan and the establishment of a €75 million credit facility from a bank syndicate led by Natixis:
  - mortgage securities on the properties financed (lender’s lien and mortgage charges),
  - assignment under the “Dailly” law of receivables relating to any ANF Immobilier income from the properties (particularly rents, insurance compensation for “loss of rent”, hedging contract, rights to property conveyance deeds).

In respect of the €250 million and €213 million loans and the establishment of the €75 million credit facility, ANF Immobilier undertook to comply with the Financial Ratios described in Note 10.

Bank guarantees were furnished in the amount of €22 million to secure the payment of the acquisition price for the Milky Way property in Lyon and to secure the payments due on the works contract on block 34 in Marseille.

Note 12 Movement in share capital and shareholders' equity

Under Article 6 of the Articles of Association, the share capital is set at twenty-seven million seven hundred and seventy four thousand seven hundred and ninety-four euros (27,774,794). It is divided into twenty seven million seven hundred and seventy four thousand seven hundred and ninety-four (27,774,794) shares with a par value of one euro each, fully paid up and all of the same class.

There was no change in share capital during the period.

Note 13 Deferred tax assets and liabilities

There are no deferred tax assets or liabilities.

Note 14 Related parties

(€ thousands)	**Eurazeo**	**SCCV 1-3 rue d'Hozier**	**SAS JDML**
Other receivables	7	293	8,590
Suppliers and related accounts	202		
Net financial expense			84
Employee benefits expenses	118		
Other management expenses	97		
Income from entities accounted for by the equity method	-	(40)	58

The compensation paid to members of the Executive Board is set out below.

Compensation paid to members of the Executive Board *(€)*		**06/30/2012**
Bruno Keller	Fixed compensation	142,615
	Variable compensation	295,324
Xavier de Lacoste Lareymondie	Fixed compensation	114,092
	Variable compensation	149,663
Ghislaine Seguin	Fixed compensation	71,308
	Variable compensation	92,915

Note 15 Income statement and segment reporting

Primary segment reporting is business-related, insofar as it represents the Group's management structure and is presented on the basis of the following business segments:

- operating activity for city-center buildings;
- hotel operations.

Secondary segment reporting is by geographic region:

- Lyon region;
- Marseille region.

(€ thousands)	06/30/2012	B&B hotels	Total city-center properties	Lyon	Marseille
Revenues: rental income	38,491	16,943	21,548	9,883	11,665
Other operating income	3,643	1,431	2,212	644	1,568
Total operating income	**42,134**	**18,374**	**23,760**	**10,527**	**13,233**
Property expenses	(5,062)	(1,261)	(3,801)	(1,033)	(2,768)
Other operating expenses	(321)		(321)	(56)	(265)
Total operating expenses	**(5,383)**	**(1,261)**	**(4,122)**	**(1,090)**	**(3,032)**
Gross operating margin from property	**36,751**	**17,113**	**19,638**	**9,437**	**10,201**
Capital gains (losses) from disposal of assets	453	(170)	623	508	115
Gross operating margin from property after disposals	**37,204**	**16,943**	**20,261**	**9,945**	**10,316**
Employee benefits expenses	(5,018)	(1,004)	(4,014)	(1,355)	(2,660)
Other management expenses	(1,933)	(524)	(1,408)	(475)	(934)
Other income and transfers of expenses	885	177	708	239	469
Other expenses	(267)	(53)	(214)	(72)	(142)
Depreciation & amortization	(227)	(45)	(182)	(61)	(120)
Other operating provisions (net of reversals)	(80)	(16)	(64)	(22)	(42)
Net operating income (before changes in fair value of property)	**30,565**	**15,477**	**15,087**	**8,199**	**6,888**
Changes in fair value of property	(3,550)	(2,841)	(709)	1,470	(2,179)
Net operating income (after changes in fair value of property)	**27,015**	**12,636**	**14,378**	**9,669**	**4,709**
Net financial expense	(8,841)	(5,257)	(3,584)	(1,210)	(2,374)
Financial amortization and provisions	1	0	1	0	1
Changes in value of financial instruments	(111)	(13)	(98)	(33)	(66)
Share of income from entities accounted for by the equity method	19	0	19	0	19
Income before tax	**18,083**	**7,367**	**10,716**	**8,427**	**2,288**
Current taxes	(127)	(25)	(101)	(34)	(67)
Deferred taxes	0	0	0		0
Consolidated net income	**17,956**	**7,341**	**10,614**	**8,393**	**2,221**

Note 16 Earnings per share

(€ thousands)	06/30/2012	06/30/2011	06/30/2010
Net income for basic earnings per share calculation	17,956	50,111	27,564
Net income for diluted earnings per share calculation	17,956	50,111	27,564
Number of ordinary shares for base earnings per share at the balance sheet date*	27,415,255	27,509,694	27,337,786
Average weighted number of ordinary shares for base earnings per share*	27,428,008	27,327,262	27,278,841
Stock options for diluted earnings per share	0	0	0
Diluted number of ordinary shares*	27,415,255	27,509,694	27,337,786
Diluted average weighted number of ordinary shares*	27,428,008	27,327,262	27,278,841
(€)			
Net earnings per share	0.65	1.82	1.01
Diluted earnings per share	0.65	1.82	1.01
Weighted net earnings per share	0.65	1.83	1.01
Diluted weighted earnings per share	0.65	1.83	1.01

* *Number of shares in 2010 restated for the bonus shares (1 for 20) granted in 2010.*

The number of shares does not include treasury shares.

Note 17 Net Asset Value per share

The NAV is calculated by dividing the Company's consolidated shareholders' equity by the number of shares, excluding treasury stock.

(€ thousands)	06/30/2012	12/31/2011	12/31/2010
Capital and consolidated reserves	1,087,288	1,118,631	1,064,859
Fair value adjustment of operating property	755	587	447
Triple Net Asset Value	1,088,043	1,119,218	1,065,306
Elimination of the fair value adjustment of swaps	40,581	38,632	35,354
Net Asset Value	1,128,624	1,157,850	1,100,660
Total number of shares*	27,774,794	27,774,794	27,453,778
Treasury shares	(359,539)	(315,992)	(115,992)
Shares excluding treasury shares	27,415,255	27,458,802	27,337,786
NAV per share *(€)*	41.2	42.2	40.3
NNNAV per share *(€)*	39.7	40.8	39.0

* *Adjusted for the 2010 bonus issue of one share for every 20 held.*

Note 18 Cash flow per share

(€ thousands)	06/30/2012	06/30/2011	Change	06/30/2010	Change
Operating income before changes in fair value of property	30,565	38,578		26,787	
Depreciation & amortization	227	211		189	
Capital gains (losses) from disposal of assets	(453)	(779)		62	
Operating income before depreciation & amortization and income from disposals	30,339	38,010		27,038	
Cancellation of impact of IFRS 2 (stock options, recorded as employee expenses)	262	334		358	
EBITDA	**30,601**	**38,344**	**-20.2%**	**27,396**	**40.0%**
Net financial expenses	(8,841)	(8,785)		(8,544)	
Current cash flow before tax	21,760	29,559	-26.4%	18,852	56.8%
Average number of shares during period	27,428,008	27,327,262		27,278,841	
CURRENT CASH FLOW PER SHARE	**0.79**	**1.08**	**-26.7%**	**0.69**	**56.5%**

Number of shares in 2010 adjusted to reflect the bonus shares (one share per 20 held) granted in 2010.

2011 operating income includes the back payments for previous years' rent invoiced to the company Le Printemps, amounting to €7,829,000.

Stripping out this non-recurring item, recurring EBITDA for 2011 was €30,515,000 and recurring cash flow in 2011 was €21,730,000 (€0.8 per share).

Note 19 Tax calculation

(€ thousands)	06/30/2012	06/30/2011	12/31/2010
Current taxes	(127)	(35)	(3)
Deferred taxes	0	0	0
TOTAL	**(127)**	**(35)**	**(3)**
Net income after minority interests	17,956	50,111	27,564
Income tax/CVAE adjustment	127	35	3
Income before tax	18,083	50,146	27,567
SIIC regime income (exempt)	21,632	30,361	18,008
SIIC regime fair value adjustment	(3,550)	19,785	9,550
Capital gains taxed at a reduced rate	0	0	0
TAX BASE	**0**	**0**	**9**
Current tax rate in France	34.43%	34.43%	34.43%
Reduced rate	19.63%	19.63%	19.63%
CVAE	127	35	0
Expected theoretical tax	127	35	3
TAX EXPENSE FOR THE PERIOD	**127**	**35**	**3**

Note 20 Interest rate risk exposure

(€ thousands)	Balance 06/30/2012	Repayments <1 year	Balance 06/30/2012	Repayments 1 to 5 years	Balance 06/30/2017	Repayments more than 5 years
Fixed rate debt	0	0	0	0	0	0
Bank Loans	0	0	0	0	0	
Finance leases	0	0	0		0	
Variable rate debt	557,910	(8,117)	549,793	(523,693)	26,100	(26,100)
Loans at variable and revisable rate	551,386	(1,654)	549,732	(523,632)	26,100	(26,100)
Finance lease	3,229	(3,168)	61	(61)	0	
Bank overdrafts	2,981	(2,981)	0		0	
Accrued interest	314	(314)	0		0	
Gross debt	557,910	(8,117)	549,793	(523,693)	26,100	(26,100)
Cash & equivalents	15,787	(15,787)	0	0	0	0
Mutual funds and investments	14,921	(14,921)	0		0	
Liquid assets	866	(866)	0		0	
NET DEBT	**542,123**	**7,670**	**549,793**	**(523,693)**	**26,100**	**(26,100)**
Fixed rate	0	0	0	0	0	0
Variable rate	542,123	7,670	549,793	(523,693)	26,100	(26,100)
Derivatives portfolio as of December 31, 2011	497,579					
Fixed for variable rate swaps	497,579					
Forward start derivatives portfolio	210,000					
Fixed for variable rate swaps	210,000					
Total derivatives portfolio	707,579					
Fixed for variable rate swaps	707,579					
Caps and corridors	0					
Variable for fixed rate swaps	0					

Note 21 Credit risk

Counterparty *(€ millions)*	**06/30/2012**		**12/31/2011**		**12/31/2010**	
	Credit limit balance	**Amount drawn down**	**Credit limit balance**	**Amount drawn down**	**Credit limit balance**	**Amount drawn down**
Crédit Agricole CIB, BECM, Société Générale, HSBC	250	250	250	250	250	211
BNP Paribas	80	0	80	0	0	0
Groupe Crédit Mutuel CIC	41	25	41	0	41	0
Groupe Crédit Agricole	25	15	25	0	10	0
Other banks	18	0	18	0	6	5

Note 22 Staff

Headcount as of June 30, 2010	**Male**	**Female**	**Total**
Executives	21	9	30
Employees	8	16	24
TOTAL	**29**	**25**	**54**

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL STATEMENTS

ANF Immobilier
32, rue de Monceau
75008 Paris

(Period from January 1, 2012 to June 30, 2012)

To the Shareholders,

In carrying out the responsibilities entrusted to us by your Shareholders' Meeting and pursuant to article L. 451-1-2-III of the French Monetary and Financial Code, we have:

- performed a limited inspection of the half-year consolidated financial statements for ANF Immobilier, corresponding to the period from January 1 to June 30, 2012, as attached to the present report;
- checked the information provided in the half-year management report.

The half-year consolidated financial statements were drawn up under the responsibility of the Executive Board. It is our duty to express a conclusion on these financial statements on the basis of our limited inspection.

I - Conclusion on the financial statements

We carried out our limited inspection in accordance with professional standards applicable in France.

A limited inspection mainly consists of speaking to members of management responsible for accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit performed in accordance with the professional standards applicable in France. As a result, the limited inspection only yields a moderate assurance that the financial statements in their entirety do not contain any significant anomalies; this moderate assurance is less firm than that obtained as a result of an audit.

Based on our limited inspection, we did not find any significant anomalies that would call into question, with respect to the IFRS accounting basis as adopted by the European Union, the legality and accuracy of the half-year consolidated financial statements, nor the true and fair view that they give of the assets and liabilities and the financial position at the end of the half year, as well as the half-year earnings of the Group consisting of companies and entities within the scope of the consolidation.

Without calling into question the conclusion expressed above, we would like to draw your attention to the note to the financial statements entitled "Events occurring after the balance sheet date", which outlines the main accounting impacts that the takeover offer received by the company for the B&B hotels and a share of the Lyon real-estate assets could have should these be successful.

II - Specific Check

We also checked the information provided in the half-year management report commenting on the half-year consolidated financial statements covered by our limited inspection.

We have no observations to make regarding their fairness and consistency with the half-year consolidated financial statements.

Signed in Neuilly-sur-Seine and Courbevoie, August 28, 2012

The Statutory Auditors

PricewaterhouseCoopers Audit
Rémi Didier

Mazars
Guillaume Potel

RISK EXPOSURE

The following risks are those known by the Company as of the date of registration of this report that could have a significant adverse effect on the Company, its operations, financial position, income, and share price, and should be taken into account when making investment decisions. Investors should note that the following list is not exhaustive, and that risks may exist that are unknown as of the date of registration of this report which could have a significant negative effect on the Company, its operations, financial position, income and share price.

Risks related to the Company's business

Risks related to the Company's business area

Risks related to the economic environment and developments in the property market

ANF Immobilier's property assets mainly consist of residential and commercial rental properties located in Lyon and Marseille, and hotel properties located throughout France. As a result, any changes in the French economic climate or the property markets in Lyon and Marseille could have a negative impact on ANF Immobilier's rental income, earnings, asset values, investment strategy, financial position, and growth outlook.

Changes in the economic environment and property market may also have a long-term effect on occupancy rates and on tenants' ability to pay their rents and maintenance costs.

Downward fluctuations in the cost of construction index (ICC) and quarterly rent index (ILC) for retail leases or the rent reference index (IRL) for housing leases, on which most of the rents under ANF Immobilier's leases are indexed, could also affect rental income.

Risks related to the terms of sale of property assets

The value of ANF Immobilier's property assets depends on a number of factors, notably supply and demand in the property market. After a number of very buoyant years, the French property market has slowed over the past few months, in line with the worsening of the financial crisis, notably resulting in fewer transactions.

Against this backdrop, ANF Immobilier may not always be able to sell its property at a time or under market conditions that would allow it to generate the expected profits. These conditions may also encourage or force ANF Immobilier to postpone some transactions. Should this situation continue, it could have a significantly negative effect on ANF Immobilier's real estate value and on its investment strategy, financial position, and growth outlook.

Risks related to interest rate levels

Interest rate levels play a role in the state of the overall economy, with a particular bearing on GDP growth and inflation.

They also have an impact on the value of property assets, the borrowing capacity of market participants, and to a lesser extent changes in the ICC, ILC and IRL indices.

Generally speaking, the value of ANF Immobilier's assets are affected by interest rates because this net asset value depends on the property's resale potential, which itself is a function of buyers' borrowing capacity and the ease with which they can obtain credit.

Therefore, a rise in interest rates, especially a sizeable one, could prove detrimental to the value of ANF Immobilier's assets.

In addition, ANF Immobilier may need to use debt to finance its growth strategy, although it may also draw on shareholders' equity or carry out bond issues. A rise in interest rates would therefore increase the cost of financing investments by using debt, and could make implementing the Company's growth strategy more costly.

If ANF Immobilier were to obtain additional debt to finance future acquisitions, its financial position would become more sensitive to changes in interest rates through the impact such changes would have on the borrowing costs for loans or bonds. As a result, ANF Immobilier has set up interest rate hedging mechanisms that are designed to limit this sensitivity.

Risks related to the competitive environment

While making property purchases, ANF Immobilier may come up against competitors that have greater financial resources and/or a larger asset portfolio.

Risks related to the Company's operations

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

French legislation regarding leases places considerable restrictions on lessors. Contractual terms governing lease lengths, termination conditions, renewals, and indexed rent increases are considered to be a matter of public policy, and the legislation restricts lessors' flexibility in raising rents to match current market rates.

As a result, ANF Immobilier may be faced with a more challenging market environment when its existing leases expire, or may have to cope with changes to French legislation, regulations, or jurisprudence that impose new or tighter restrictions on rent increases. Amendments to regulations governing the duration of leases, indexed rent increases, rent ceilings, or eviction compensation for tenants could have a negative impact on the Company's real estate value, as well as ANF Immobilier's operations, earnings, and financial position.

Risks related to default on rent payments

Nearly all of ANF Immobilier's revenue is generated from leasing property to third parties, and the profitability of this leasing business depends on tenants' solvency. As such, tenants facing financial difficulties may be late paying their rent or even default on rent payments, which could have a negative impact on ANF Immobilier's earnings. In this context, ANF Immobilier has put in place a weekly check on customers' outstanding payments and follows up any unpaid debts on a case-by-case basis.

Risks related to the cost and availability of appropriate insurance coverage

ANF Immobilier believes that the type and amount of insurance coverage it has is consistent with industry practice.

Nevertheless, ANF Immobilier could be faced with increasing costs for its insurance policies or losses that are not fully covered by its insurance policies. Additionally, ANF Immobilier could be faced with insurance shortfalls or an inability to cover certain risks, as a result, for example, of capacity limitations in the insurance market.

The cost or unavailability of appropriate coverage in the event of losses could have a negative impact on the Company's real estate value, earnings, operations, or financial position.

Risks related to service quality and subcontractors

ANF Immobilier uses subcontractors and suppliers for some of its maintenance and refurbishment work. ANF Immobilier believes that its operations, outlook, or reputation could be damaged if a subcontractor or supplier shuts down its business, stops payments, or provides unsatisfactory services or products. However, ANF Immobilier believes that it can quickly find new, reliable subcontractors or suppliers if any of its existing contracts are terminated.

Risks related to the inability to find tenants

ANF Immobilier leases space in its owned or acquired property either directly or through estate agents and risks spaces remaining vacant for an extended period of time. ANF Immobilier may have trouble finding new tenants at satisfactory rent prices, meaning that the rent that the Company charges could be affected by its ability to lease newly vacant space as existing tenants move out. Any such extended vacancies could affect ANF's financial position and earnings.

Risks related to information systems

ANF Immobilier and its service providers use certain software applications or packages and manage several specific databases to carry out its rental management operations. ANF Immobilier has implemented IT security procedures at its three sites (Lyon, Marseille, and Paris). Nevertheless, should all of these computer systems and applications be destroyed or damaged simultaneously for any reason, ANF Immobilier's operations could be disrupted and its financial position and earnings could be impacted.

Risks related to ANF's assets

Risks related to taxes applied to SIICs (French REITs), a change in these taxes, or the loss of SIIC status

The Company is registered in France as an SIIC (the "SIIC regime"), which is the French equivalent of a REIT. Under Articles 208 C *et seq.* of the French General Tax Code, ANF Immobilier is exempted from paying income tax on profits from rental or sublet properties and some capital gains.

Benefiting from this tax regime is contingent upon compliance with a number of conditions, including obligating the Company to distribute a significant portion of tax-exempt profits and prohibiting a single shareholder from owning 60% or more of the Company's capital and voting rights. Since December 2009, none of the Company's shareholders have owned 60% or more of capital and voting rights.

Furthermore, failure to comply with the obligation to retain the assets the Company has acquired or may acquire for five years under the regime of Article 210 E of the French General Tax Code would be subject to a penalty of 25% of the acquisition price of the asset for which the retention obligation has not been satisfied.

SIIC companies must pay a 20% tax on some payouts to shareholders that are not individuals and which have at least a 10% stake in the Company (directly or indirectly), provided they are not subject to French corporate income tax or an equivalent tax, with some exceptions. For situations where this tax must be paid, Article 24 of the Company's Articles of Association sets forth a payment mechanism through which these charges are ultimately paid by the shareholders that receive the payout.

Risks related to applicable regulations in France

ANF Immobilier is required to comply with numerous specific and general regulations governing the ownership and management of commercial property, in addition to those related to ANF Immobilier's SIIC status. These regulations cover urban planning, building construction, public health and safety, environmental protection, security and commercial leases. Regulations regarding environmental protection and public health and safety concern, in particular, the ownership and use of facilities that could generate pollution (e.g. classified facilities), the use of toxic substances in building construction, and the storage and handling of such substances.

Any substantial change in the regulations governing ANF Immobilier's operations could result in additional expenditures, and could impact its operating profit and development or growth outlook.

Furthermore, ANF Immobilier must obtain approval from administrative bodies for construction projects it plans to carry out in order to expand its property. This approval may be difficult to obtain in some cases, or could be subject to stricter conditions. In addition, construction or renovation work may be delayed by any required environmental remediation or archaeological excavation work, or by issues related to soil typology. Any such events could hinder ANF Immobilier's development or growth outlook.

As with most property owners, ANF Immobilier cannot guarantee that its tenants will fully comply with all applicable regulations, particularly those regarding the environment, public health and safety, security, urban planning and operating permits. Non-compliance by a tenant could lead to sanctions for ANF Immobilier as the property owner, and could impact its earnings and financial position.

Risks related to net asset value

ANF Immobilier's property asset portfolio is appraised every six months by independent expert appraisers. Their assessments are performed according to the specifications set forth by the French Association of Property Appraisers (Afrexim) and the working group chaired by Mr. Barthès de Ruyter, in its February 2000 report on property appraisals for companies making a public offering. The value of a property portfolio depends largely on the property market and several other factors including the overall economy, interest rates, the climate for property leases, etc., all of which play a role in the net asset value determined by the appraiser.

Based on the portfolio value determined by the independent appraisers, ANF Immobilier may need to recognize an impairment provision in accordance with the appropriate accounting standards, if this proves to be necessary. A drop in the value of ANF Immobilier's real estate assets would also impact the LTV ratio used as a reference for certain banking covenants. As of June 30, 2012, ANF Immobilier's LTV ratio stood at 32.2%, and the covenants included in the loan agreements signed by the Company are based on an LTV ratio of up to 50%. As such, ANF Immobilier considers that only a sharp drop in the value of its property assets could represent a risk of non-compliance for the ratio of the aforementioned covenants. Furthermore, the determined value of an asset may not be exactly equal to the sale price realized by ANF Immobilier in a transaction, notably in a sluggish market.

Risks related to ANF Immobilier's growth strategy

ANF Immobilier's growth strategy involves making selective property purchases. However, ANF Immobilier cannot guarantee that suitable purchasing opportunities will arise, or that any purchases it does make will be completed in the initial timeframe, or generate the expected return.

Property purchases carry risks related to: (i) conditions in the real estate market; (ii) a large number of investors being in the real estate market; (iii) the potential return on a rental investment; and (iv) problems with the assets that may be discovered after it has been purchased, such as toxic substances, other environmental hazards, or regulatory difficulties.

ANF Immobilier may need to employ considerable financial resources to purchase some of its properties. This could involve assuming additional debt or issuing equity securities, both of which would impact ANF Immobilier's financial situation and income.

Risks related to the ownership of property acquisition entities

The Company's real estate investment business could lead to buying and selling real estate, either directly or through the buying and selling of shares or holdings in other entities that own said real estate. The partners in some of these entities could be liable to third parties for all the entity's debt that originated before they sold their shares (for general partnerships) or that became due before the sale of the entity (for civil companies). Potential actions taken by creditors to collect any debt that originated before the sale transaction could have a negative impact on the Company's financial position.

Risks related to health and safety hazards (asbestos, legionella, lead, classified facilities, etc.), flooding and building collapse

ANF Immobilier's property assets could be exposed to health and safety hazards such as those related to asbestos, Legionella, termites or lead. ANF Immobilier, as the owner of buildings, facilities and land, could be formally accused of failure to adequately monitor and inspect facilities. Any proceedings alleging ANF Immobilier's potential liability could have a negative impact on its operations, outlook, and reputation. ANF Immobilier closely follows all applicable regulations in this area in order to minimize this risk, and has a preventative approach in carrying out property inspections and, if necessary, doing any work needed to comply with regulations.

ANF Immobilier's property assets may also be exposed to natural disasters or technological incidents, or receive an unfavorable inspection report from a safety commission. Any such event may require the full or partial closure of the premises concerned. This could make ANF Immobilier's assets less attractive, and have a negative impact on its operations and income.

Market risks

Interest rate risks

ANF Immobilier's debts and liabilities totaled €557.9 million as of June 30, 2012, according to the financial statements for the period that ended on this date. ANF Immobilier has a policy of hedging interest rates over the lifetime of its loans.

The Company uses a number of financial derivatives to address this. The goal is to reduce, wherever deemed appropriate, fluctuations in cash flows as a result of changes in interest rates. The Company does not enter into financial transactions if it entails a risk that cannot be quantified.

ANF Immobilier has undertaken to comply with the following hedging requirements:

• Crédit Agricole CIB:	50% of the debt hedged at fixed rates;
• Natixis:	80% of the debt hedged at fixed rates;
• Société Générale:	100% of the debt hedged at fixed rates.

To this end, the Company has arranged 33 interest rate hedging contracts (including four which are forward start) to swap 3-month or 1-month Euribor variable rates for fixed rates. The details of these contracts and the impact of interest rate derivatives on ANF Immobilier's consolidated financial statements are included in Note 9 to the consolidated financial statements.

ANF Immobilier is exposed to the risk of interest rate changes for its future financing.

Risks related to liquidity and cash flow

ANF Immobilier's strategy relies on its ability to use financial resources in order to finance its investments, purchase property, and refinance debts as they fall due. ANF Immobilier (i) may not always have the desired access to financial markets, or (ii) may be required to obtain financing under terms that are less favorable than initially planned. This type of situation could arise, in particular, as a result of financial market trends, a major event affecting the real estate industry, or any other change in ANF Immobilier's operations, financial position or shareholding structure likely to influence investors' views of ANF Immobilier's credit quality or attractiveness as an investment.

In terms of liquid assets, ANF Immobilier takes steps to ensure that the amount of rental income it receives is always sufficient to cover its operating expenses, interest payments, payments for existing financing, and payments for any new financing acquired to support its investment strategy.

ANF Immobilier's liquid assets risk management policy involves monitoring its loan duration and available lines of credit, as well as the diversification of its sources of financing.

Some of ANF Immobilier's loans contain the usual covenants and clauses governing early repayment and financial commitments ("covenants"), which are described in note 10 to the half-year consolidated financial statements at June 30, 2012.

Given ANF Immobilier's financial position as of the date of registration of this report, ANF Immobilier does not feel it faces any risks related to liquid assets.

Equity investment risks

As of June 30, 2012, the Company owned 359,539 ANF Immobilier shares (excluding the ANF Immobilier shares in the liquidity contract), liquid assets and investment securities amounting to a total of €15.8 million. As a result, ANF Immobilier does not feel it faces any significant risks related to equity investments.

Foreign exchange risk

As of the date of this report, ANF Immobilier generates all its revenue in the euro zone and pays all its expenses (including investment costs) in euros. As a result, the Company is not exposed to any foreign exchange risks.

Company-specific risks

Risks related to the Company's shareholding structure

As of the date of this report, ANF Immobilier's majority shareholder in terms of shares and voting rights is Eurazeo through its subsidiary, Immobilière Bingen. Consequently, Eurazeo has significant influence over ANF Immobilier and the way it runs its business. Therefore, Eurazeo can make important decisions regarding not only the composition of the Executive and Supervisory Boards, approval of the financial statements, and dividend payouts, but also ANF Immobilier's capital or its Articles of Association.

Risks related to B&B Hotels Group assets

Risks related to dependency on B&B Hotels Group business

A significant portion of ANF Immobilier's revenue comes from rent paid by the B&B Group. If the B&B Group were to experience serious financial, commercial or operational difficulties leading it to default on its rent payments, it would likely have a considerable negative impact on ANF Immobilier's operations, earnings, financial position and outlook.

Designed & published by Labrador +33 (0)1 53 06 30 80

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