

## 2010 half-year consolidated results

### RETURN TO NET PROFIT

#### KEY FIGURES

€m	30/06/2009	30/06/2010
Net rents	5.7	5.7
Current profit	1.2	1.9
Net profit	(16.4)	0.7
Operating cash flow	4.3	5.9

  

€m	31/12/2009	30/06/2010
Fair value of property portfolio (incl. transfer taxes)	219	220
Net asset value per share (excl. transfer taxes) (€)	11.21	11.42

On 7 September 2010, AffiParis Board of Directors approved the half-year financial statements at 30 June 2010. These financial statements were subject to a restricted audit by the statutory auditors.

#### 1) SHARP RISE IN CURRENT PROFIT

With rental income virtually unchanged at €5.7m (-1.1%), despite the few disposals, departures and renegotiations, the operating margin was €5.8m, a slight improvement (+0.4 %) over the first half of 2009.

Due to a marked decrease in financial costs (-16.7%), current profit before disposals rose by more than 64% to €1.9m.

This Combined with an improvement in the fair value of properties (+€1.2m), it brought the company back to a profitable situation with a €0.7m net profit, despite a further drop in the value of financial instruments (-€2.4m).

Operating cash flow reached €2.0m, up nearly 32% over the same period in 2009. The improvement in WCR (€0.8m vs. -€0.6m) has allowed the Group to enjoy an operating cash flow of €5.9m, an increase of 38%.

#### 2) DEBT UNDER CONTROL WITH AN AVERAGE DURATION OF 7 YEARS

In the first half of the year, no bank loan was granted or renewed. The average duration of debt is 7 years and no significant debt repayment is expected before 2016.

Based on the conditions in force at 30 June, the average spread for current loans is around 100 basis points and the average debt rate is 2.0%, excluding hedging cost, or 4.1%, including hedging costs. Variable rate loans are almost all hedged by caps or tunnels.

The 62.3% ratio of net bank debt to fair value of properties (LTV), including transfer taxes, could improve with the fair values upturn.

At 30 June 2009, no compulsory prepayment in part or in whole of any credit resulted from a failure to comply with the financial ratios to be reported on that date.

### **3) SLIGHT INCREASE IN PORTFOLIO FAIR VALUE**

In accordance with its policy for prudence in a context of continued uncertainty, AffiParis made no new investments in Paris in the first half. No disposals were completed during this period, but at the end of June two sales agreements were signed and two were in the process of being signed for regional properties, with AffiParis continuing its arbitrage policy for its assets located outside Paris, in accordance with its strategy of specialising in Paris-based properties.

At the end of June 2010, the fair value of the properties was €220.2m (including transfer taxes), an increase of 0.6% compared to 2009.

The financial occupancy rate was 96.0% versus 96.5% at the end of 2009. For Paris-based properties this rate was over 98%.

### **4) A SIGNIFICANT DROP IN SHARE PRICE**

NAV excluding transfer taxes totalled €33.1m, a slight improvement (+2.0%) on the end of 2009.

NAV per share excluding transfer taxes stood at €11.42m, in comparison with which the share price at 30 June (€6.7m) reflected a 41% discount. NAV including transfer taxes was €15.86 per share.

Using the EPRA calculation method (which is limited in AffiParis to the retreatment of the fair value of derivatives), the NAV, excluding and including taxes, stood at €14.71 and €19.15 respectively.

### **5) OUTLOOK**

The dramatic deterioration in the financial markets has prevented AffiParis from fully implementing the strategy defined when it launched its IPO. The company is ready to revive the development of its properties portfolio through direct investment, contribution or external growth, either alone or through partnerships. At the same time, the company will continue its disposal policy of regional assets.

### **6) SCHEDULE**

- 15 November 2010: 2010 third quarter revenues
- February 2011: 2010 annual results

**CONSOLIDATED PROFIT**

€m	H1 2009	2009	H1 2010
<b>Operating margin<sup>(1)(2)</sup></b>	<b>5.8</b>	<b>11.4</b>	<b>5.8</b>
Net financial income <sup>(1)</sup>	(4.0)	(7.4)	(3.3)
Operating and miscellaneous	(0.6)	(0.9)	(0.6)
Corporate income taxes	(0.0)	(0.0)	(0.0)
<b>Current profit</b>	<b>1.2</b>	<b>3.0</b>	<b>1.9</b>
Net capital gains on property sales	0.1	0.1	-
<b>Current profit after property sales</b>	<b>1.3</b>	<b>3.1</b>	<b>1.9</b>
Change in fair value of properties	(16.4)	(12.7)	1.2
Change in fair value of financial instruments	(1.4)	(1.6)	(2.4)
Miscellaneous non-operating	-	-	-
Deferred tax net of Exit tax	0.0	0.1	-
<b>Net profit</b>	<b>(16.4)</b>	<b>(11.0)</b>	<b>0.7</b>

(1) Excluding change in fair value.

(2) Net income from the Group's activities, constituted mainly of net rents

**About AffiParis**

*Specialising in Paris-based commercial property, particularly office premises, AffiParis held a portfolio at the end of June 2010 consisting of 18 properties worth €220m, spread over a surface area of 67,000 m<sup>2</sup>.*

*In 2007 AffiParis opted for REIT (real estate investment trust) status (SIIC). Its stock is listed on NYSE Euronext Paris (Ticker: FID FP / FID.PA; ISIN code: FR0010148510)*

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