



**RAPPORT D'ACTIVITE**  
**BUSINESS REVIEW**

**2010**

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Société anonyme au capital de 15 210 000 €  
 A French *société anonyme* with share capital of €15,210,000  
 Siège social/Head office : 5, rue Saint-Georges, 75009 PARIS  
 379 219 405 RCS Paris  
 Tel : + 33 (0)1 44 90 43 00 – Fax : +33 (0)1 44 90 01 48

Email : [info@affiparis.fr](mailto:info@affiparis.fr)  
 Site web/Website : [www.affiparis.fr](http://www.affiparis.fr)

# Profil Profile

AffiParis est une foncière cotée depuis mars 2007 sur NYSE Euronext Paris, spécialisée dans l'immobilier d'entreprise parisien et bénéficiant du statut de SIIC (Société d'Investissements Immobiliers Cotée).

Sa stratégie consiste à investir à moyen/long terme dans des immeubles de bureaux, des commerces et des locaux d'activité parisiens, avec des objectifs de rendement relativement élevés. Elle peut à cette fin réaliser des travaux de remise en valeur. Afin de recentrer son patrimoine sur Paris, elle a entamé en 2008 une politique d'arbitrage de ses immeubles de petite taille hors de Paris, qui ne représentent plus que 5,4 % de la valeur totale de ses actifs.

AffiParis is a property company listed on the NYSE Euronext Paris since March 2007. It specializes in Paris commercial real estate and has the status of a French REIT (SIIC).

The company's strategy consists of making medium and long-term investments in offices and retail and business premises in Paris with relatively ambitious targets in terms of yields; to this end, it may carry out rehabilitation works. In order to refocus its property portfolio in Paris, AffiParis has implemented since 2008 a disposal policy for its smaller buildings outside Paris, which now account for no more than 5.4% of the total value of its assets.

## Chiffres clés Key figures

Comptes consolidés (M€)	2008	2009	2010	Consolidated statements (€m)
Revenus locatifs	10,9	12,8	12,2	Gross rental income
Résultat opérationnel courant	9,1	10,5	8,4	Current operating profit
Résultat net – part du groupe	(14,5)	(11,0)	5,1	Net profit – group share
Résultat EPRA	1,6	3,2	1,9	EPRA earnings
Cash flow opérationnel	8,2	7,9	7,1	Operating cash flow
Investissements	73,5	1,8	0,5	Investments
Cessions	6,0	5,9	8,4	Disposals
Juste valeur du patrimoine (droits inclus) <sup>(1)</sup>	237	219	214	FV of investment properties (incl. TT) <sup>(1)</sup>
Juste valeur du patrimoine (hors droits) <sup>(1)</sup>	224	206	201	FV of investment properties (excl. TT) <sup>(1)</sup>
Actif net réévalué EPRA de liquidation	49,3	39,6	44,6	Liquidation EPRA net asset value
Dettes financières nettes <sup>(2)</sup>	149,9	138,8	135,0	Net financial debt <sup>(2)</sup>
LTV	63,0 %	63,4 %	63,2 %	LTV
Coût moyen de la dette <sup>(3)</sup>	5,4 %	4,5 %	4,2 %	Average cost of debt <sup>(3)</sup>
Données par action (€)	2008	2009	2010	Figures per share (€)
Résultat net	(5,02)	(3,82)	1,77	Net profit
Résultat EPRA	0,55	1,10	0,66	EPRA earnings
Capacité d'autofinancement	0,48	1,22	0,77	Funds from operations
Dividende	-	-	0,42	Dividend
Actif net réévalué EPRA de liquidation	17,10	13,76	15,48	EPRA liquidation net asset value
Cours de bourse	9,00	7,90	7,76	Share price

(1) y compris immeubles destinés à la vente / including property held for sale

(2) avances d'actionnaire exclues / excluding shareholder loans

(3) coûts de couvertures inclus / including hedging costs

# Faits marquants

## Key events

### Juillet

Cession d'un immeuble de bureaux de 2 835 m<sup>2</sup> à Goussainville (95).

### Septembre

Cession d'un immeuble de bureaux de 1 199 m<sup>2</sup> à Croissy Beaubourg (77).

### Octobre

Signature d'un premier bail « vert » avec la SNCF pour la tour Traversière à Paris (75).

### Novembre

Cession d'un immeuble de bureaux de 764 m<sup>2</sup> à Bayeux (14).

### Décembre

Cession d'un immeuble de bureaux de 16 188 m<sup>2</sup> à Nice (06).

Cession d'un immeuble de bureaux de 346 m<sup>2</sup> à Hesdin (62).

### July

Sale of a 2,835 sqm office building in Goussainville (95).

### September

Sale of a 1,199 sqm office building in Croissy Beaubourg (77).

### October

Signature of a first "green" lease with the SNCF, French rail authority, for the Traversière tower in Paris (75).

### November

Sale of a 764 sqm office building in Bayeux (14).

### December

Sale of a 16,188 sqm office building in Nice (06).

Sale of a 346 sqm office building in Hesdin (62).

# Actionnariat

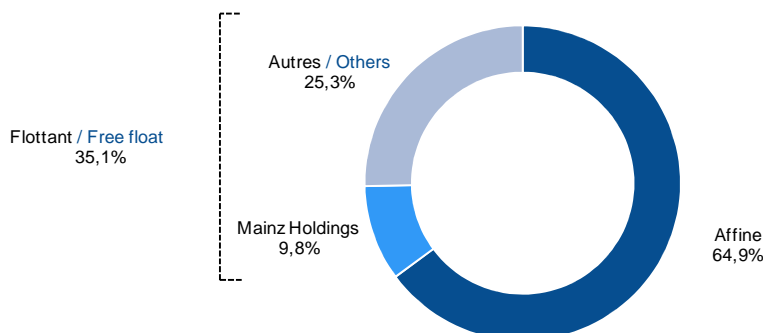
## Shareholding

### Actionnariat au 31 décembre 2010

Le capital social d'AffiParis s'élève au 31 décembre 2010 à 15 210 000 €, divisé en 2 898 000 actions. Le flottant représente 35,1 % du capital, le solde, soit 64,9 %, étant détenu par Affine.

### Shareholding at 31 December 2010

On 31 December 2010, the share capital of AffiParis totalled €15,210,000 divided into 2,898,000 shares. The free float represented 35.1% of the capital, with the balance (64.9%) held by Affine.



## AffiParis en bourse

Le titre AffiParis est coté sur NYSE Euronext Paris. Le contrat de liquidité signé avec la société de Bourse Gilbert Dupont assure la cotation du titre en continu. La valeur brute des 15 555 actions propres détenues par la société au 31 décembre 2010 est de 114 789 €.

Jusqu'à la fin du premier semestre, le cours d'AffiParis a suivi de près l'évolution des indices sectoriels. Il a ensuite connu une phase d'effritement pendant l'été avant de suivre à nouveau l'indice SIIC IEIF dans les derniers mois. Le titre a atteint fin décembre 7,76 €, en recul de 1,8 % par rapport au début 2010. Il s'est sensiblement apprécié depuis le début de l'année pour atteindre 8,5 € le 11 février.

Le volume moyen quotidien de transactions a été de 1 352 titres au cours de 2010 contre 1 341 pour la même période en 2009. Le taux de rotation du capital sur le marché a été de 12,0 %, ou encore de 34,3 % par rapport au flottant.

## AffiParis on the stock market

AffiParis shares are listed on the NYSE Euronext Paris. The liquidity agreement signed with the Gilbert Dupont brokerage house guarantees continuous stock quotation. At 31 December 2010, the gross value of the 15,555 treasury shares held by the company amounted to €114,789.

Until the end of the first half, the share price of AffiParis closely tracked changes in the sectorial indices. It went through a depressed period during the summer returning to the SIIC IEIF index track during the last months. By the end of December, the share price had fallen 1.8% to €7.76 in comparison to the beginning of the year, but has risen significantly since the beginning of the year and reached €8.5 on 11 February.

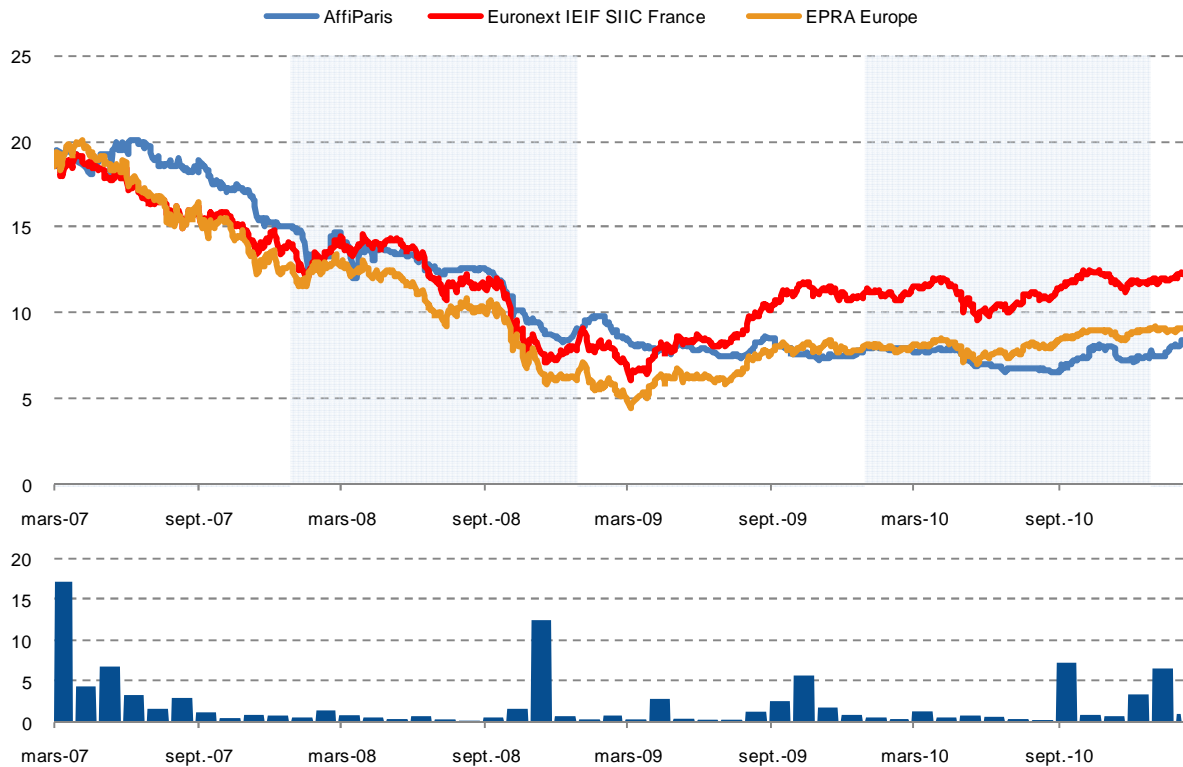
The average daily volume of transactions in 2010 was 1,352 shares, compared to 1,341 for the same period in 2009. The annualised transaction turnover was 12.0% of total capital, or 34.3% based on the free float.

## Caractéristiques boursières au 31 décembre 2010 Share characteristics at 31 December 2010

Marché / Market	NYSE Euronext Paris
Code ISIN / ISIN Code	FR0010148510
Bloomberg	FID FP
Reuters	FID.PA
Nombre de titres / Number of shares	2 898 000
Flottant / Float	35,1 %
Cours / Price	7,76 €
+ Haut & + Bas / High & Low	8,15 € / 6.,50 €
Capitalisation / Capitalization	22,5 M€
Rendement global du titre / Total shareholder return	-1,8 %

## Cours de l'action AffiParis (en €) et volume moyen de transaction (en milliers de titres) depuis son introduction en bourse en 2007

AffiParis share price (in €) and average transaction volume (in thousands of shares) since the IPO in 2007



### Agenda de l'actionnaire

- 27 avril 2011 : Assemblée générale
- 16 mai 2011 : Chiffre d'affaires du premier trimestre
- 16 mai 2011 : Paiement du dividende (0,42 €)
- Septembre 2011 : Chiffre d'affaires et résultats semestriels 2011

### Shareholder's diary

- 27 April 2011: Annual General Meeting
- 16 May 2011: First quarter revenues
- 16 May 2011: Dividend payment (€0.42)
- September 2011: 2011 Half-year revenues and results

# GOUVERNANCE

## GOVERNANCE

## Organes de direction

### Management

### Conseil d'Administration au 31 décembre 2010 / Board of Directors at 31 December 2010

#### Président / Chairman

##### Alain Chaussard

Directeur Général délégué d'Affine  
Co Chief Executive Officer of Affine

#### Vice-Président / Vice-Chairman

##### Maryse Aulagnon

Président directeur Général d'Affine  
Chief Executive Officer of Affine

##### Nicolas Cheminais

Directeur de l'Immobilier d'Affine  
Head of the Real Estate Department of Affine

##### Charles de Jerphanion

Directeur général d'IGC Promotion  
Chief Executive Officer of IGC Promotion

##### Ariel Lahmi

Président directeur Général de Beekman Reim  
Chairman and Chief Executive Officer of Beekman Reim

#### Mab-Finance SAS

représentée par **Cyril Aulagnon**

Directeur du développement et de la stratégie d'Affine  
Mab-Finance SAS represented by Cyril Aulagnon  
Head of Development and Strategy of Affine

##### Didier Moinet

Gérant de Quartz  
Manager of Quartz

##### Jean-Louis Simon

Président d'Angles  
Chairman of Angles

### Direction générale / General Management

##### Alain Chaussard

Directeur général  
Chief Executive Officer

##### Nicolas Cheminais

Directeur général délégué  
Co Chief Executive Officer

### Salariés / Workforce

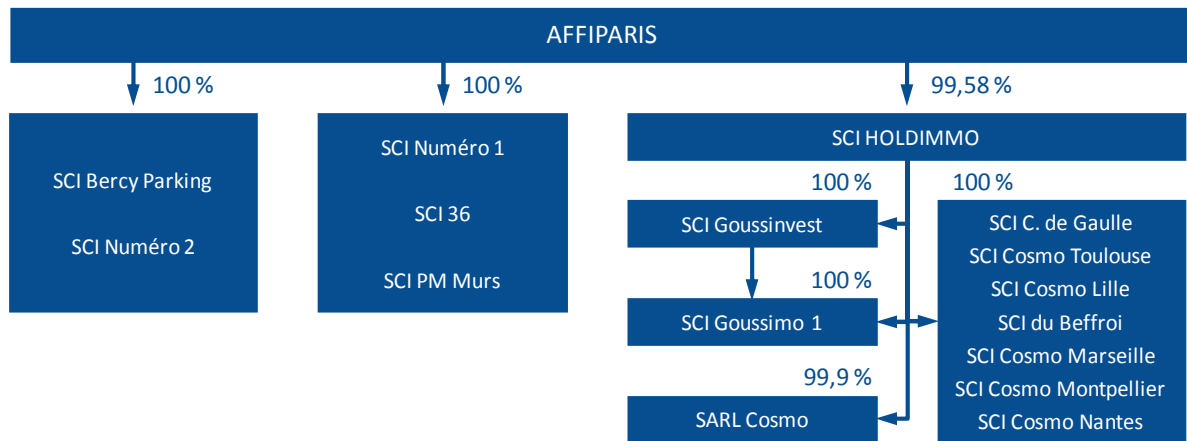
La société n'a pas de salariés, sa gestion étant assurée par Affine dans le cadre de mandats de gestion.  
The company has no employees and is managed by Affine pursuant to management contracts.

### Commissaires aux comptes / Statutory Auditors

Cailliau Dedout et Associés, représenté par / represented by **Mohcine Benkirane**  
Conseil Audit & Synthèse, représenté par / represented by **Jean-Philippe Bertin**

# Organigramme au 31 décembre 2010

## Organisational structure at 31 December 2010



## Politique environnementale

### Environmental policy

#### Dispositions relatives à l'information sur les risques industriels et environnementaux

AffiParis cherche à améliorer la qualité environnementale de ses immeubles en adoptant notamment des mesures préventives permettant de limiter, en cas de construction ou de réhabilitation d'immeuble, les impacts sur l'environnement. Cette démarche contribue également à proposer un meilleur confort d'exploitation de l'immeuble à ses utilisateurs et à les sensibiliser aux problèmes environnementaux.

Le groupe fait réaliser des contrôles périodiques sur les immeubles dont il est propriétaire afin de s'assurer qu'ils sont utilisés en conformité avec les obligations en matière de risques et de qualité environnementale. AffiParis poursuit également une revue de son patrimoine pour évaluer la performance énergétique de ses immeubles.

Ainsi, la qualité de la rénovation de la Tour Bercy, menée conjointement avec la SNCF, notamment en vue d'obtenir le label BREEM rénovation, a permis à cette réalisation de figurer parmi les nominés du prix des SIIC remis lors du SIMI en novembre 2010.

#### Provisions regarding industrial and environmental risk reporting

AffiParis aims to improve the environmental quality of its buildings, in particular through preventative measures to limit the environmental impact of building construction and renovation. This approach also helps make buildings more comfortable and raises user awareness of environmental issues.

The Group carries out periodic audits on its buildings to ensure that they are used in accordance with obligations regarding risk and environmental quality. AffiParis is also carrying out a portfolio review to assess the energy performance of its buildings.

As a result, the quality of the renovation of Tour Bercy conducted jointly with the SNCF, specifically to obtain the BREEM renovation label, allowed this achievement to feature as one of the nominees for the SIIC prize awarded during the SIMI in November 2010.



# PATRIMOINE ASSETS

## Activité de l'exercice Activity for the year

### Gestion

Au cours de l'année, 20 nouveaux baux ou renégociations représentant un loyer global annuel de 3 269 000 € pour une surface de 21 885 m<sup>2</sup> ont été signés. 7 locataires ont résilié leur bail pour un loyer global annuel de 777 000 €.

### Acquisitions

Dans le cadre d'une gestion prudente dans un contexte encore incertain, AffiParis n'a pas fait d'acquisition en 2010.

### Cessions

Conformément à sa stratégie de spécialisation dans l'immobilier parisien, AffiParis a poursuivi l'arbitrage de ses actifs situés hors Paris.

La société a cédé cinq immeubles de bureaux, deux en région parisienne à Goussainville (2 835 m<sup>2</sup>) et Croissy Beaubourg (1 199 m<sup>2</sup>) en juillet et septembre 2010, et trois dans les autres régions, à Bayeux (764 m<sup>2</sup>), Nice (16 188 m<sup>2</sup>) et Hesdin (346 m<sup>2</sup>) en novembre/décembre. Ces cessions, d'un montant total de 8,7 M€ et réalisées à des prix en ligne avec les dernières expertises, ont dégagé une moins-value de 0,3 M€.

### Management

During the first half, 20 new or renegotiated leases were signed, representing a total annual rental income of €3,269,000 for a floor area of 21,885 sqm. 7 tenants cancelled their leases, representing a total annual rental income of €777,000.

### Acquisitions

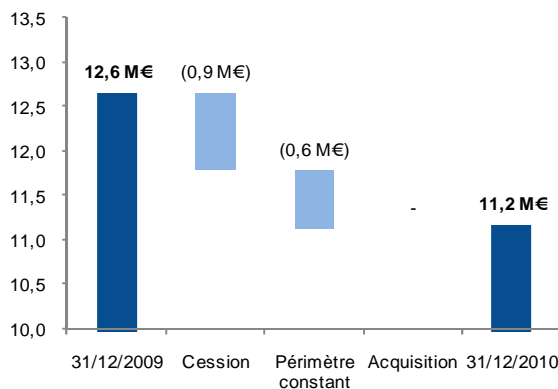
In accordance with its prudent management policy in a context of continuing uncertainty, AffiParis made no acquisitions in 2010.

### Disposals

In accordance with its strategy of specializing in Paris real estate, AffiParis continued to dispose of its assets located outside Paris.

The company sold five office buildings, two in the Paris region at Goussainville (2,835 sqm) and Croissy Beaubourg (1,199 sqm) in July and September 2010, and three in the other regions, in Bayeux (764 sqm), Nice (16,188 sqm) and Hesdin (346 sqm) in November/December. These disposals, totalling €8.7m and made at prices in line with those of the most recent appraisals, resulted in a capital loss of €0.3m.

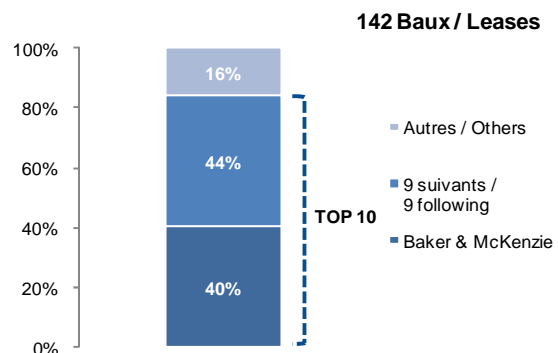
### Evolution des loyers faciaux Change in headline rents



Pcst / Like-for-like : A périmètre constant. / On a like-for-like basis.

Les loyers faciaux correspondent aux loyers contractuels du bail, auxquels sont appliquées les indexations successives contractuellement prévue dans le bail hors avantages octroyés par le bailleur au bénéfice du locataire (charges non refacturées contractuellement considérées comme telles, aménagements de loyers par paliers...). / Headline rents correspond to the contractual rents of the lease, to which successive pegging operations are applied as contractually agreed in the lease, excluding advantages granted to the tenant by the owner (unbilled charges contractually considered as such, staggering of rent, etc.).

### 10 premiers clients / 10 largest customers



# Le portefeuille immobilier

## Property portfolio

### Par nature / By type

%	Valeur Value	Surface Surface area	Loyers Rental income
Bureaux / Offices	96,5	59,0	95,3
Entrepôts et activités Warehouses and industrial premises	3,5	41,0	4,7

### Par localisation / By Location

%	Valeur Value	Surface Surface area	Loyers Rental income
Paris	94,6	50,4	93,2
Autres / Others	5,4	49,6	6,8

À fin décembre 2010, le patrimoine locatif du groupe est constitué de 13 immeubles (et un ensemble de parkings) développant 45 817 m<sup>2</sup> utiles et dégageant sur la base des baux en cours un loyer annuel global de 11,2 M€ (contre 12,6 M€ à fin décembre 2009). Les loyers en vigueur au 31/12/2010 sont à périmètre constant en retrait de 5,5 % par rapport à ceux de 2009, en raison des départs et des baisses de loyers consenties dans les relocations.

At the end of December 2010, the Group's rental properties comprised 13 buildings (and a set of parking lots) that totalled 45,817 sqm of useable surface area and, on the basis of leases in effect, yielded a total annual rental income of €11.2m (compared to €12.6m at the end of December 2009). On a like-for-like basis, Headline rents on 31/12/2010 decreased by 5.5% compared to 2009, resulting from departures and lower rents in re-let properties.

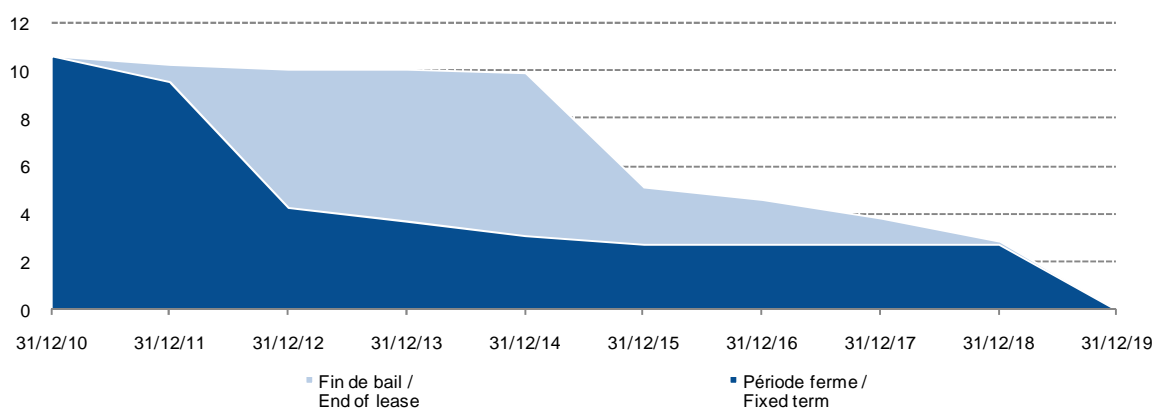
Les six immeubles parisiens représentent 94,6 % de la valeur et 93,2 % des loyers, avec un loyer moyen pondéré de 451 €/m<sup>2</sup>.

The six buildings in Paris account for 94.6% of the value and 93.2% of the rental income, with a weighted average rent of €451/sqm.

Le taux d'occupation financier global est de 94,9 %, les immeubles parisiens étant loués à près de 97 %.

The overall financial occupancy rate is 94.9%, and close to 97% for buildings in Paris.

### Échéancier des baux en vigueur au 31 décembre 2010 (K€) Lease schedule based on rentals at 31 December 2010 (€000)



Le principal actif du Groupe (51 % de la valeur) est un ensemble de bureaux d'exception de 9 400 m<sup>2</sup>, localisé au sein du quartier central des affaires de Paris, acquis au mois de juin 2006. Situé entre la rue Paul Baudry et la rue de Ponthieu à Paris (8<sup>e</sup>), à proximité des Champs Élysées ; il est composé de sept immeubles indépendants encadrant un jardin central et 113 places de parking. Il est en quasi-totalité loué depuis octobre 2006 pour une durée de neuf ans, dont une période ferme de six ans, au

The Group's main asset (51% of value) comprises 9,400 sqm of outstanding office property located in the central business district of Paris, acquired in June 2006. The property is located between Rue Paul Baudry and Rue de Ponthieu in the 8<sup>th</sup> arrondissement, near the Champs Élysées. It comprises seven stand-alone buildings surrounding a central garden and 113 parking lots. Almost all of the buildings have been let to Baker & McKenzie since October 2006 for a period of nine years, including a

cabinet Baker & McKenzie, qui représente ainsi 40 % du total des loyers du groupe AffiParis.

Le Groupe a procédé à l'évaluation de la totalité de son patrimoine locatif en se basant sur des expertises externes (97 % de la valeur) et internes (3 % : immeubles de petite taille en cours de cession). Au 31 décembre 2010, la juste valeur hors droits du patrimoine locatif (incluant les actifs destinés à la vente) s'élève à 201,3 M€. La valeur droits inclus atteint 213,8 M€, soit une baisse de 2,4 % par rapport au 31 décembre 2009, compte tenu des cinq cessions d'immeubles.

A périmètre constant, la juste valeur des immeubles est en hausse de 1,8 %, en raison de la diminution des taux de capitalisation utilisés dans les expertises et de la hausse des loyers de marché, compensées partiellement par la légère baisse du taux d'occupation.

Le taux de rendement moyen brut utilisé dans les expertises ressort à 5,7 % et une variation de 25 points de base conduirait à une hausse ou une baisse de 8,6 M€ de la valeur.

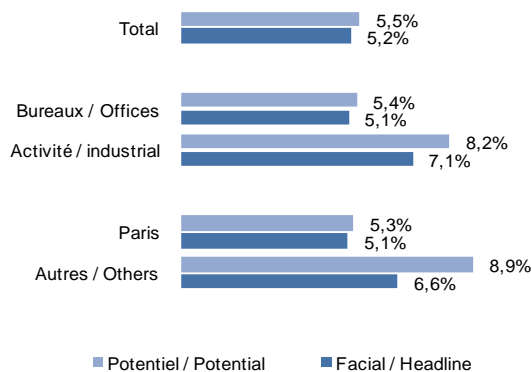
firm 6-year period, representing 40% of the AffiParis Group's total rental income.

All rental properties of the Group were valued on the basis of external (97% of value) and internal (3%: small-size buildings under sale) appraisals. On 31 December 2010, the fair value of the properties excluding transfer taxes totalled €201.3m (including assets held for sale). Adding transfer taxes, it was €213.8m, a decrease of 2.4% compared to 31 December 2009 after taking into account the sale of five buildings.

On a like-for-like basis, the fair value of the buildings increased by 1.8%, due to a decrease in the capitalisation rates used in the appraisals and a rise in market rents partially offset by a slightly lower occupancy rate.

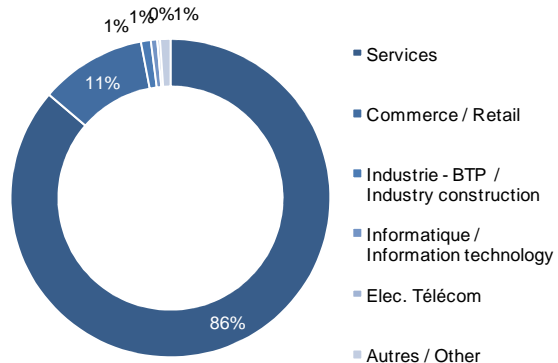
The gross average rate of return is 5.7%; a variation of 25 basis points would result in an €8.6m increase or decrease in value.

## Rendement du patrimoine Rental yield of assets



Le *rendement facial* est brut, il est égal aux loyers faciaux divisés par la valeur vénale des immeubles de placement droits inclus. Les *loyers potentiels* correspondent à la somme des loyers faciaux et des loyers estimés des locaux vacants. Le *rendement potentiel* est égal aux loyers potentiels divisés par la valeur vénale des immeubles de placement droits inclus.

## Par secteur d'activité (en loyer) By business sector (in rent)



The *headline yield* is gross, and is equal to the headline rents divided by the market value of the investment properties including transfer taxes. *Potential rents* correspond to the sum of headline rents and estimated rents on vacant premises. *Potential yield* equals potential rents divided by the market value of investment properties including transfer taxes.

# SYNTHÈSE FINANCIÈRE

## FINANCIAL SUMMARY

### Résultats Earnings

#### Résultats consolidés

*NB : Cette présentation fait l'objet en 2010 de légères modifications afin de répondre aux recommandations établies par l'EPRA, dont l'objectif premier est une plus grande transparence du secteur immobilier.*

Les cessions réalisées au cours de l'année ainsi que les renégociations des baux ont conduit à une baisse de 4,9 % des revenus locatifs, soit -1,5 % à périmètre constant. Le résultat opérationnel courant ressort à 8,4 M€ (vs 10,5 M€), en raison de cette baisse des loyers et de la hausse des charges provenant pour l'essentiel de la comptabilisation d'arriérés de redditions de charges des trois dernières années.

#### Consolidated income statement

*NB: In 2010, this presentation was slightly modified to meet EPRA Best Practice Recommendations, the main aim of which is to improve transparency in the real estate sector.*

Disposals during 2010 and lease renegotiations have led to a 4.9% decrease in gross rental income, or -1.5% on a like-for-like basis. The current operating profit stands at €8.4m (vs €10.5m), resulting from the decrease in rents and an increase in expenses mainly reflecting delayed write-offs of charges over the last three years.

Comptes consolidés (M€)	2008	2009	2010	Consolidated statements (€m)
Revenus locatifs	10,9	12,8	12,2	Gross rental income
<b>Loyers nets</b>	<b>10,1</b>	<b>11,4</b>	<b>9,9</b>	<b>Net rental income</b>
Frais de fonctionnement	(0,9)	(0,9)	(1,6)	Corporate expenses
<b>EBITDA courant <sup>(1)</sup></b>	<b>9,1</b>	<b>10,5</b>	<b>8,4</b>	<b>Current EBITDA<sup>(1)</sup></b>
<b>Résultat opérationnel courant</b>	<b>9,1</b>	<b>10,5</b>	<b>8,4</b>	<b>Current operating profit</b>
Autres produits et charges	0,3	0,0	0,0	Other income and expenses
Résultat des cessions d'actifs	(0,5)	0,1	(0,3)	Net profit or loss on disposal
<b>Résultat opérationnel avt ajust. de valeur</b>	<b>8,9</b>	<b>10,5</b>	<b>8,1</b>	<b>Operating profit (bef. value adj.)</b>
Solde net des ajustements de valeurs	(10,2)	(12,7)	3,5	Net balance of value adjustments
<b>Résultat opérationnel net <sup>(2)</sup></b>	<b>(1,3)</b>	<b>(2,1)</b>	<b>11,6</b>	<b>Net operating profit <sup>(2)</sup></b>
Coût de l'endettement financier net	(7,6)	(7,3)	(6,5)	Net financial cost
Ajustement de valeurs des instr. Financiers	(6,7)	(1,6)	0,1	Fair value adjustments of hedging instr.
Impôts	1,1	0,1	(0,0)	Taxes
Divers	(0,1)	(0,1)	(0,1)	Miscellaneous
<b>Résultat net</b>	<b>(14,6)</b>	<b>(11,0)</b>	<b>5,1</b>	<b>Net profit</b>
<b>Résultat net – part du groupe</b>	<b>(14,5)</b>	<b>(11,0)</b>	<b>5,1</b>	<b>Net profit – group share</b>
<b>Résultat net – part du groupe</b>	<b>(14,5)</b>	<b>(11,0)</b>	<b>5,1</b>	<b>Net profit – group share</b>
Retraitement EPRA	16,1	14,2	(3,2)	EPRA adjustments
<b>Résultat EPRA <sup>(3)</sup></b>	<b>1,6</b>	<b>3,2</b>	<b>1,9</b>	<b>EPRA earnings<sup>(3)</sup></b>

(1) L'EBITDA courant correspond au résultat opérationnel courant hors coûts de dépréciations et d'amortissements courants. / Current EBITDA represents the current operating profit excluding current depreciation and amortizations costs.

(2) Le résultat opérationnel net correspond au résultat opérationnel après prise en compte des ajustements de valeurs. / The net operating profit represents the operating profit after the value adjustments.

(3) L'EPRA, association des foncières européennes cotées en bourse, a mis à jour en octobre 2010 un guide sur les mesures de performances. Le Résultat EPRA exclut, comme précisé dans la note sur les retraitements de l'EPRA, les variations de justes valeurs, les plus ou moins values de cessions et les autres éléments non-courants. / The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in October 2010, which gives guidelines for performance measures. As detailed in the EPRA adjustments note, the EPRA earnings measure excludes the effects of fair value changes, gains or losses on sales and other non-current items.

L'augmentation de ces charges est plus que compensée par l'amélioration de la juste valeur des immeubles (+3,5 M€) et du coût de l'endettement (+0,8 M€), qui permettent à AffiParis de dégager un résultat net positif de 5,1 M€ (vs -11,0 M€).

Retraité des éléments non-courants, tels que la variation de juste valeur et les plus ou moins values de cessions, le résultat EPRA ressort à 1,9 M€ contre 3,2 M€ en 2009.

## Résultats consolidé Ancienne présentation

Le tableau de la marge opérationnelle laisse place à une présentation plus en ligne avec les nouvelles normes de place et dont la lecture avec les annexes financières est facilitée. Désormais, le résultat EPRA représente le résultat net courant de l'activité de foncière stricto sensu (soit le résultat net – part du groupe hors variations de justes valeurs, plus ou moins values de cessions et autres éléments non-courants).

Celui-ci offre ainsi plus de transparence, objectif qui était déjà visé par l'agrégat de l'ancien résultat courant dont les montants ci-dessous diffèrent peu des résultats EPRA ci-dessus.

The increase in charges is more than offset by an improvement in the fair value of buildings (+€3.5m) and of the financial cost (+€0.8m), enabling AffiParis to generate a net profit of €5.1m (vs -€11.0m).

Adjusted for exceptional items, such as fair value changes and net profit or loss on disposals, EPRA earnings amounted to €1.9m against €3.2m in 2009.

## Consolidated income statement Previous presentation

The operating margin table has been replaced by a presentation which is more in line with best practices and a facilitated reading with the financial appendices. From now on, EPRA earnings will represent the current net profit from the real estate activity in the strict sense (i.e. net profit - group share excluding changes in fair values, gains or losses on sales and other non-current items).

The new presentation provides greater transparency, already aimed at by the previous current profit the amounts of which (see below) differ very little compared to EPRA earnings (see above).

Comptes consolidés (M€)	2008	2009	2010	Consolidated statements (€m)
Marge opérationnelle <sup>(1)(2)</sup>	10,2	11,4	10,1	Operating margin <sup>(1)(2)</sup>
Résultat financier <sup>(1)</sup>	(7,7)	(7,4)	(6,6)	Net financial income <sup>(1)</sup>
Charges d'exploitation et divers	(0,8)	(0,9)	(1,7)	Operating and miscellaneous
Impôts sur les sociétés	(0,0)	(0,0)	(0,0)	Corporate income tax
<b>Résultat courant</b>	<b>1,7</b>	<b>3,0</b>	<b>1,7</b>	<b>Current profit</b>
Plus-values nettes de cession	(0,5)	0,1	(0,3)	Net capital gains on property sales
<b>Résultat courant après cession</b>	<b>1,3</b>	<b>3,1</b>	<b>1,5</b>	<b>Current profit after property sales</b>
Variation de juste valeur des immeubles	(10,0)	(12,7)	3,5	Change in fair value of properties
Variation de juste valeur des instruments financiers	(6,7)	(1,6)	0,1	Change in fair value of financial instruments
Divers non opérationnel	(0,2)	-	-	Miscellaneous non-operational
Impôts différés net d'exit tax	1,1	0,1	-	Deferred taxes net of exit tax
<b>Résultat net</b>	<b>(14,6)</b>	<b>(11,0)</b>	<b>5,1</b>	<b>Net profit</b>

(1) Hors variation de juste valeur. / Excluding change in fair value.

(2) produit net des activités du groupe constitué principalement par les loyers nets. / Net income from the Group's activities, consisting mainly of net rents.

## Résultats individuels

Le chiffre d'affaires de la société, en baisse de 6,5 %, atteint 12,4 M€ (vs 13,2 M€ en 2009). Cette diminution est plus que compensée par la reprise de provisions sur les immeubles (4,7 M€).

## Company income statement

The company's revenues were down 6.5% and amounted to €12.4m (vs €13.2m in 2009). This decrease was more than offset by a reversal of provisions on buildings (-€4.7m).

Le coût de la dette connaît encore une nette réduction (-9,2 %), profitant de la baisse des taux d'intérêt.

Les dépréciations sur titres de participation (1,3 M€ vs 5,3 M€) reflètent la baisse de valeur des immeubles détenus par les filiales ainsi que les cessions réalisées par elles en 2010. Enfin, la contribution directe des filiales est en retrait pour s'établir à 0,1 M€ vs 1,9 M€ l'an dernier.

Au total, le résultat courant ressort positif à 2,2 M€ à comparer à une perte de 11,3 M€ l'année précédente. Le résultat net s'établit à 1,6 M€ (vs -11,5 M€ en 2009) permettant de procéder à une distribution de dividende.

The cost of debt is sharply declining once again (-9.2%), benefiting from lower interest rates.

Impairments in the value of equity investments (€1.3m vs €5.3m) reflect a decrease in the value of buildings owned by subsidiaries and disposals they realised in 2010. Finally the direct contribution of subsidiaries fell to €0.1m from €1.9m last year.

Overall, the current result was positive at €2.2m compared to a loss of €11.3m the previous year. The net profit of €1.6m (vs -€11.5m in 2009) permits the payment of a dividend.

## Cash-flow

### Cash flow

Au 31 décembre 2010, la capacité d'autofinancement atteint 2,2 M€ contre 3,5 M€ en 2009. Cette diminution provient pour l'essentiel de l'effet conjugué de la baisse des loyers et de l'augmentation des charges, légèrement compensée par la diminution du coût de l'endettement. Hors coûts financiers, et après prise en compte d'une réduction des impôts payés et de l'amélioration du BFR (0,8 M€ vs 0,1 M€) le cash flow opérationnel ressort à 7,1 M€.

At 31 December 2010, funds from operations reached €2.2m against €3.5m in 2009. This decline resulted mainly from the combined effect of a decrease in rents and an increase in charges, slightly offset by a reduction in net debt cost. Excluding financial costs, and after taking into account a reduction in taxes paid and an improvement in WCR (€0.8m vs €0.1m), operating cash flow amounted to €7.1m.

Comptes consolidés (M€)	2008	2009	2010	Consolidated statements (€m)
<b>Cash flow opérationnel (hors coût de la dette)</b>	<b>8,2</b>	<b>7,9</b>	<b>7,1</b>	<b>Operating cash flow (excluding cost of debt)</b>
Investissements et cessions	(67,0)	4,0	7,9	Investments and disposals
Financement	59,6	(12,6)	(14,1)	Financing
<i>dont coût de la dette</i>	<i>(8,5)</i>	<i>(7,0)</i>	<i>(6,3)</i>	<i>of which cost of debt</i>
<b>Variation de trésorerie</b>	<b>(0,8)</b>	<b>(0,7)</b>	<b>0,9</b>	<b>Change in cash position</b>

Reflet de l'absence de nouvelles opérations, le cash-flow d'investissement enregistre essentiellement le produit des cessions.

Reflecting the absence of new transactions, investment cash flow mainly represented proceeds from disposals.

Un avenant sur un crédit en cours a été signé pour un montant de 2,3 M€. Le cash-flow financier comprend essentiellement l'amortissement de la dette existante (-7,5 M€) et les frais financiers (-6,3 M€), en baisse par rapport à la même période en 2009 (-7,0 M€). Au total, la trésorerie du groupe est en légère augmentation de 0,9 M€.

An amendment was signed for an existing credit agreement in an amount of €2.3m. Financial cash flow comprises repayment of existing debt (-€7.5m) and financial expenses (-€6.3m), markedly lower than in the same period in 2009 (-€7.0m). Overall, the Group's cash position improved slightly by €0.9m.

# Bilan

## Balance sheet

Comptes consolidé (M€)	2008	2009	2010	Consolidated statements (€m)
<b>ACTIF</b>	<b>234,4</b>	<b>216,8</b>	<b>211,1</b>	<b>ASSETS</b>
Immeubles (hors droits)	224,0	206,1	201,3	Properties (excluding transfer taxes)
<i>dont immeubles de placement</i>	<i>194,3</i>	<i>185,5</i>	<i>190,5</i>	<i>of which investment properties</i>
<i>dont immeubles destinés à la vente</i>	<i>29,7</i>	<i>20,6</i>	<i>10,8</i>	<i>of which property held for sale</i>
Autres actifs	10,4	10,7	9,8	Other assets
<b>PASSIF</b>	<b>234,4</b>	<b>216,8</b>	<b>211,1</b>	<b>LIABILITIES</b>
Fonds propres (avant affectation)	43,7	32,5	37,6	Shareholders equity (before distribution)
Avance d'actionnaires	22,0	28,0	23,3	Shareholders' loan
Dettes bancaires	151,4	139,6	136,8	Bank debt
Autres passifs	17,3	16,7	13,4	Other liabilities

### Actif Net Réévalué

L'ANR hors droits s'élève à 37,6 M€, en forte progression (+15,8 %) par rapport à fin 2009. Celle-ci s'explique essentiellement par la bonne performance du résultat net bénéficiant de la reprise des justes valeurs des immeubles de placement et la baisse des coûts de financement.

En conséquence, l'ANR hors droits par action (déduction faite de l'autocontrôle) atteint 13,04 €, par rapport auquel le cours de bourse au 31 décembre 2010 (7,76€) affiche une décote de 41 %. Droits inclus, l'ANR s'élève à 17,37 € par action.

En retenant le mode de calcul de l'EPRA, qui dans le cadre d'AffiParis conduit au retraitement de la juste valeur des instruments dérivés et des impôts différés, l'ANR hors droits et droits inclus s'établit respectivement à 15,48 € et 19,81 €.

L'ANR triple net EPRA, intégrant la juste valeur des instruments dérivés, les impôts différés et la différence entre la valeur comptable et actuelle de l'endettement, ressort à 15,47 € et 19,80 €.

### Financement

Au cours de l'année, un avenant sur un crédit en cours a été signé pour un montant de 2,3 M€.

Au 31 décembre 2010, la dette financière nette (nette de la trésorerie et équivalents de trésorerie) ressort à 135,0 M€, conduisant à un LTV de 63,2 % (contre 63,4 % fin 2009). Ce ratio pourrait s'améliorer avec la remontée des justes valeurs. La dette bancaire nette représente 2,2 fois le total des fonds propres et de l'avance d'actionnaire.

### Net asset value

NAV excluding transfer taxes totalled €37.6m, a strong improvement (+15.8%) compared to the end of 2009. This was due to a large extent to the strong performance in net profit fuelled by an upturn in property values and a decrease in net financial costs.

Consequently, NAV per share (excluding treasury shares) excluding transfer taxes amounted to €13.04; in comparison with which the share price at 31 December 2010 (€7.76) reflected a 41% discount. Including transfer taxes, NAV was €17.37 per share.

Using the EPRA calculation method, which for AffiParis requires a restatement of the fair value of derivatives and deferred tax, NAV, excluding and including transfer taxes, amounted to €15.48 and €19.81 respectively.

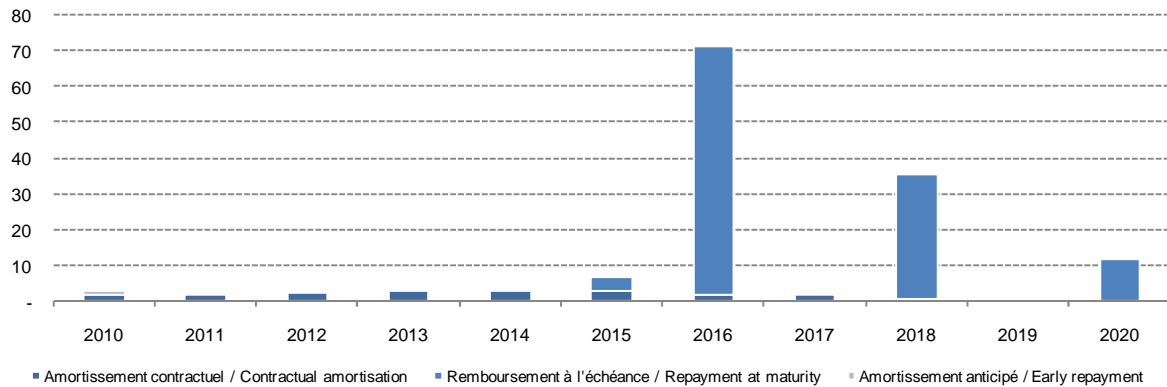
The triple net EPRA NAV, including the fair value of derivatives, deferred tax and the difference between the accounting and present value of the debt, amounted to €15.47 and €19.80.

### Financing

Over the year, an amendment was signed for an existing credit in an amount of €2.3m.

At 31 December 2010, net financial debt (net of cash and cash equivalents) totalled €135.0m, resulting in an LTV ratio of 63.2% (vs 63.4% year-end 2009). This ratio could improve with the upturn in fair values. Bank debt is 2.2 times the total of shareholders' equity and shareholder's advances.

## Echéancier de la dette (M€) / Debt maturity schedule (€m)



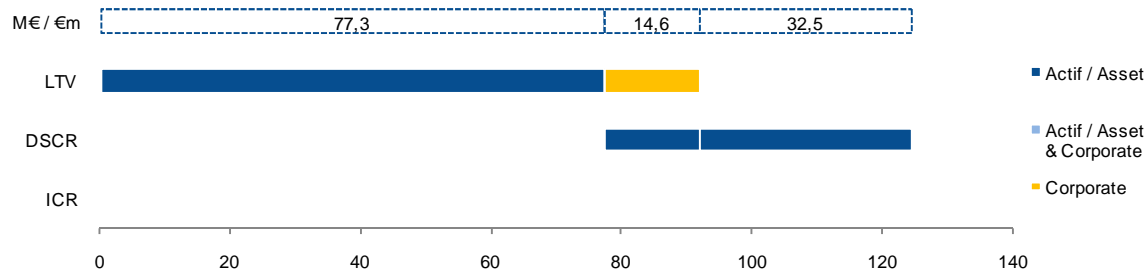
Le rapport des frais financiers sur la moyenne des dettes financières nettes fait ressortir pour l'année 2010 un coût moyen de la dette de 1,9 %, ou 4,2 % coûts de couverture inclus.

For 2010, financial costs on the average net financial debt resulted in an average cost of debt of 1.9%, or 4.2% including hedging costs.

Sur la base des conditions en vigueur au 31 décembre 2010, le taux moyen annuel de la dette s'élève à 2,0 % (hors frais de couverture), la marge moyenne des crédits étant d'environ 100 points de base, et sa durée moyenne à 6,5 années. Les emprunts à taux variable sont en quasi-totalité couverts (94 %) par des caps ou tunnels. La société ne devra faire face à aucune échéance importante de dette avant 2016.

Based on conditions in force at 31 December 2010, the average annual rate of debt was 2.0% (excluding hedging costs), with an average credit margin of around 100 bp, and an average term of 6.5 years. Variable rate loans are almost entirely (94%) hedged through caps or tunnels. The company will not face any significant debt maturity before 2016.

## Répartition des covenants (M€) / Breakdown of covenants (€m)



Aucun crédit ne donne lieu au 31 décembre à la mise en jeu d'une clause d'exigibilité anticipée partielle ou totale en raison d'un défaut dans le respect des ratios financiers devant faire l'objet d'une déclaration à cette date.

At 31 December 2010, no compulsory early repayment was required in part or in whole on any credit due to a failure to comply with financial ratios reported on that date.

## Perspectives Outlook

La dégradation des marchés de l'immobilier ces dernières années n'a pas permis à AffiParis de mener à bien la stratégie définie lors de son introduction en

The deterioration in real estate markets over recent years has not allowed AffiParis to fully execute the strategy that the company defined when it was



bourse en 2007. Pour autant, et en fonction des conditions de marché, la société est prête à renouer avec le développement de son patrimoine parisien par investissement direct ou apports dans le cadre de partenariats. En parallèle la société poursuivra sa politique de cession de ses actifs en régions visant à concentrer son portefeuille sur les immeubles parisiens.

initially listed on the stock exchange in 2007. However, depending on market conditions, the company is prepared to resume developing its Parisian portfolio of assets by direct investment, or additional properties through partnerships. At the same time, the company will maintain its policy of disposing of properties in other regions in order to focus on buildings in Paris.

## Liste des immeubles au 31 décembre 2010

### List of properties at 31 December 2010

\* actif sous-promesse de vente / asset under sale commitment agreement

Situation	Locataire	Zone	Dépt.	Surface en m <sup>2</sup>	Taux d'occupation financier	Date acquisition
Location	Tenant	Region	French Dept.	Surface area in m <sup>2</sup>	Financial occupancy rate	Acquisition date
<b>Bureaux / Offices</b>						
Paris 3ème - 14 rue Chapon	Criteo	Paris	75	957	97%	juil-05
Paris 3ème - 19 rue Réaumur	multi locataires / multi-tenant	Paris	75	1 613	100%	déc-07
Paris 8ème - 1 rue Paul Baudry / 58 rue de Ponthieu	Baker & McKenzie	Paris	75	9 423	94%	juin-06
Paris 9ème - 12 rue Auber	multi locataires / multi-tenant	Paris	75	2 291	100%	mai-08
Paris 10ème - 18 rue d'Enghien	G Star Row	Paris	75	1 003	100%	mai-08
Paris 12ème - 2 rue Traversière	SNCF	Paris	75	7 783	100%	mai-08
Croissy Beaubourg - 52 rue d'Emerainville	multi locataires / multi-tenant	RP / Paris region	77	1 034	72%	mars-05
Plaisir - ZAC Ste Apolline - 87 rue Poiriers	Axflow	RP / Paris region	78	1 160	100%	mars-05
Montpellier - 1 350 Avenue Albert Einstein	multi locataires / multi-tenant	Prov. / Other regions	34	1 128	22%	nov-05
Toulouse (Campus) - 1 avenue de l'Europe	EDS Answare	Prov. / Other regions	31	662	0%	nov-05
<b>Activités / Industrial</b>						
Noisy le Grand - ZI des Richardets 25-27 allée du Closaud	>90% Départ Presse	RP / Paris region	93	1 645	100%	mars-05
Chevigny St Sauveur - 36 avenue des Travaux	Conditionnement SA	Prov. / Other regions	21	12 985	92%	juil-05
Lezennes - 24 rue Paul Langevin	multi locataires / multi-tenant	Prov. / Other regions	59	4 133	66%	nov-05

\* actif sous-promesse de vente / asset under sale commitment agreement

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**AFFIPARIS**

## **Part 2: Financial Appendix**

### **A. Consolidated Financial Statements Financial year ended 31 December 2010**

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## Statement of consolidated financial position (balance sheet)

**Assets**

(€ thousands)

	Note	31/12/2010	31/12/2009	31/12/2008
<b>NON-CURRENT ASSETS</b>				
Tangible assets	10	1	2	3
Investment properties	1	190,511	185,616	194,303
<b>Intangible assets</b>				
Financial assets	3	803	769	640
Derivatives instruments at fair value		35		
Deposits and sureties paid		767	769	640
Loans				
Deferred tax assets				
Shares and investments in companies accounted for under the equity method)				
<b>TOTAL LONG-TERM ASSETS</b>		<b>191,314</b>	<b>186,387</b>	<b>194,947</b>
<b>CURRENT ASSETS</b>				
Property marked for sale	1	10,830	20,603	29,693
Inventory				
Trade receivables and related receivables	7	1,836	2,692	2,367
Current tax assets	8			29
Other receivables	5	5,335	5,980	5,772
Tax and social security receivables	8	982	380	363
Other receivables and adjustment accounts		4,353	5,600	5,409
Cash and cash equivalents	3	1,740	1,159	1,564
Cash equivalents		1,130	675	186
Cash on hand		609	484	1,378
<b>TOTAL CURRENT ASSETS</b>		<b>19,740</b>	<b>30,434</b>	<b>39,425</b>
<b>TOTAL ASSETS</b>		<b>211,055</b>	<b>216,821</b>	<b>234,372</b>

**Liabilities**

(€ thousands)	Note	31/12/2010	31/12/2009	31/12/2008
<b>EQUITY</b>				
<b>Equity (Group share)</b>		<b>37,595</b>	<b>32,473</b>	<b>43,509</b>
<b>Equity capital</b>		<b>15,270</b>	<b>15,230</b>	<b>14,988</b>
Share capital		15,210	15,210	15,012
Premiums		174	174	174
Treasury stock		(115)	(154)	(198)
<b>Consolidated reserves</b>		<b>17,237</b>	<b>28,234</b>	<b>43,037</b>
<b>Consolidated profit</b>		<b>5,088</b>	<b>(10,990)</b>	<b>(14,516)</b>
<b>MINORITY INTERESTS</b>		<b>8</b>	<b>19</b>	<b>190</b>
Minority share of consolidated reserves		12	24	224
Minority share of consolidated earnings		(4)	(5)	(34)
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>37,602</b>	<b>32,493</b>	<b>43,698</b>
<b>NON-CURRENT LIABILITIES</b>				
<b>Long-term loans</b>	<b>2</b>	<b>129,827</b>	<b>131,488</b>	<b>136,527</b>
<b>Financial liabilities</b>	<b>3</b>	<b>7,365</b>	<b>7,554</b>	<b>6,145</b>
Derivatives stated at fair value		7,068	7,116	5,550
Other financial liabilities		297	438	595
<b>Deposits and sureties received</b>		<b>944</b>	<b>969</b>	<b>889</b>
<b>Deferred tax liabilities</b>				<b>218</b>
<b>Non-current tax liabilities</b>	<b>8</b>	<b>13</b>	<b>362</b>	<b>2,634</b>
<b>TOTAL LONG-TERM LIABILITIES</b>		<b>138,149</b>	<b>140,373</b>	<b>146,412</b>
<b>CURRENT LIABILITIES</b>				
<b>Liabilities related to assets held for sale</b>	<b>4</b>	<b>4,598</b>	<b>5,955</b>	<b>12,230</b>
<b>Shareholder liabilities</b>		<b>1</b>	<b>1</b>	<b>1</b>
<b>Trade payables and related payables</b>	<b>6</b>	<b>4,504</b>	<b>4,765</b>	<b>5,095</b>
Trade payables and other payables		141	189	1,551
Other payables		3,032	2,791	2,587
Adjustment accounts		1,305	997	943
Prepaid income		26	788	14
<b>Loans and borrowings</b>	<b>3</b>	<b>25,240</b>	<b>30,097</b>	<b>24,146</b>
Borrowings from banks		1,924	2,122	2,184
Borrowings from shareholders		23,316	27,976	21,961
<b>Current tax liabilities</b>	<b>8</b>	<b>355</b>	<b>2,222</b>	<b>2,144</b>
<b>Tax and social security liabilities</b>	<b>8</b>	<b>366</b>	<b>810</b>	<b>542</b>
<b>Provisions for risks and charges</b>	<b>9</b>	<b>241</b>	<b>105</b>	<b>105</b>
<b>TOTAL CURRENT LIABILITIES</b>		<b>35,304</b>	<b>43,955</b>	<b>44,262</b>
<b>TOTAL LIABILITIES</b>		<b>211,055</b>	<b>216,821</b>	<b>234,372</b>

## Statement of consolidated comprehensive income

**Consolidated profit and loss statement**

(€ thousands)	Note	31/12/2010	31/12/2009	31/12/2008
<b>Rental income</b>		12,181	12,812	10,914
<b>Rental revenues and expenses</b>		(1,946)	(1,153)	(704)
<b>Other income and expenses on properties</b>		(286)	(243)	(145)
<b>Net rents on investment properties</b>	11	<b>9,949</b>	<b>11,416</b>	<b>10,064</b>
<b>Profit from finance lease transactions</b>	12		(1)	10
Income from finance lease transactions				11
Expenses on finance lease transactions			1	1
<b>Overhead costs</b>	13	<b>(1,572)</b>	<b>(920)</b>	<b>(949)</b>
<i>Other purchases and external expenses</i>		(1,315)	(868)	(935)
<i>Taxes, duties and related payments</i>		(257)	(52)	(14)
<i>Employee costs</i>				
<b>Current EBITDA</b>		<b>8,378</b>	<b>10,496</b>	<b>9,125</b>
Depreciation and impairment		(1)	(1)	(2)
<b>CURRENT OPERATING PROFIT</b>		<b>8,376</b>	<b>10,495</b>	<b>9,123</b>
<b>Charges net of provisions</b>	14	<b>(136)</b>		<b>187</b>
<b>Balance of other income and expenses</b>		<b>138</b>	<b>1</b>	<b>119</b>
Profit/loss from disposals of investment properties		(251)	52	(640)
Option exercised on finance lease properties				160
Profit/loss from operating asset disposals				
<b>Profit from asset disposals</b>	15	<b>(251)</b>	<b>52</b>	<b>(480)</b>
<b>OPERATING PROFIT</b>		<b>8 128</b>	<b>10 547</b>	<b>8 949</b>
<i>Increase in value of investment properties</i>		4,691	434	489
<i>Reductions in the value of investment properties</i>		(1,188)	(13,084)	(10,528)
<i>Value adjustments of investment properties</i>		3,503	(12,651)	(10,039)
Goodwill adjustment				(173)
<b>NET BALANCE OF VALUATION ADJUSTMENTS</b>		<b>3,503</b>	<b>(12,651)</b>	<b>(10,211)</b>
<b>NET OPERATING PROFIT</b>		<b>11,632</b>	<b>(2,104)</b>	<b>(1,262)</b>
Profit from cash and cash equivalents		21	31	167
Gross cost of financial debt		(6,503)	(7,340)	(7,728)
<b>Net cost of financial debt</b>		<b>(6,482)</b>	<b>(7,309)</b>	<b>(7,561)</b>
<b>Other financial income and expenses</b>		<b>(141)</b>	<b>(114)</b>	<b>(115)</b>
<b>Value adjustment of financial instruments</b>		<b>83</b>	<b>(1,566)</b>	<b>(6,705)</b>
<b>PROFIT BEFORE INCOME TAXES</b>		<b>5,093</b>	<b>(11,092)</b>	<b>(15,644)</b>
Tax on operating profit		(8)	(22)	(10)
Deferred taxes			172	2,432
Exit tax			(53)	(1,329)
Share in net profits of companies accounted for under the equity method				
<b>NET PROFIT</b>		<b>5,084</b>	<b>(10,995)</b>	<b>(14,550)</b>
Minority interests		4	5	34
<b>NET PROFIT - GROUP SHARE</b>		<b>5,088</b>	<b>(10,990)</b>	<b>(14,516)</b>
Earnings per share (€)	19	€1.77	(€3.82)	(€5.04)
Diluted earnings per share (€)	19	€1.77	(€3.82)	(€5.04)
<b>NET PROFIT - GROUP SHARE</b>		<b>5,088</b>	<b>(10,990)</b>	<b>(14,516)</b>
EPRA adjustments	19	(3,198)	14,158	16,102
<b>EPRA profit/loss</b>		<b>1,890</b>	<b>3,168</b>	<b>1,586</b>

## Statement of net income and gains and losses recognised directly in equity

Net income and gains and losses recognised directly in equity (in thousands of euros)	Note	31/12/2010	31/12/2009	31/12/2008
<b>Net profit</b>		<b>5,084</b>	<b>(10,995)</b>	<b>(14,550)</b>
Translation adjustments				
Changes in fair value of financial assets available for sale				
Share of the change in fair value of financial assets held for sale transferred to profit or loss				
Effective portion of the change in fair value of cash flow hedges				
Share of change in fair value of cash flow hedges transferred into income				
Revaluation difference on fixed assets				
Actuarial gains or losses on defined benefit schemes				
Share of gains and losses recognised directly in equity on companies accounted for under the equity method				
Tax				
<b>Total gains and losses recognised directly in equity</b>				
<b>Net income and gains and losses recognised directly in equity</b>		<b>5,084</b>	<b>(10,995)</b>	<b>(14,550)</b>
<b>Of which Group share</b>		<b>5,088</b>	<b>(10,990)</b>	<b>(14,516)</b>
<b>Of which minority interests</b>		<b>(4)</b>	<b>(5)</b>	<b>(34)</b>

Statement of changes in equity

(€ thousands)	Share capital	Reserves related to share capital	Treasury stock	Consolidated reserves	Net profit – Group share	Equity – Group share	Equity – minority interests	Total consolidated equity
<b>Equity as of 01/01/2008</b>	<b>15,012</b>	<b>174</b>	<b>(68)</b>	<b>43,030</b>		<b>58,148</b>	<b>285</b>	<b>58,434</b>
Share capital increase								
Elimination of treasury stock			(130)	(19)		(149)		(149)
Dividend distribution							(15)	(15)
<b>Sub-total of shareholder-related transactions</b>			<b>(130)</b>	<b>(19)</b>		<b>(149)</b>	<b>(15)</b>	<b>(164)</b>
2008 net profit					(14,516)	(14,516)	(34)	(14,550)
<b>Sub-total</b>					<b>(14,516)</b>	<b>(14,516)</b>	<b>(34)</b>	<b>(14,550)</b>
Impact of acquisitions and disposals on minority interests				23		23	(46)	(23)
Changes in accounting policies								
Other changes								
<b>Equity as of 31/12/2008</b>	<b>15,012</b>	<b>174</b>	<b>(198)</b>	<b>43,037</b>	<b>(14,516)</b>	<b>43,509</b>	<b>190</b>	<b>43,698</b>
Share capital increase	198			(198)				
Elimination of treasury stock			44	(44)				
2008 net profit allocation				(14,516)	14,516			
Dividend distribution							(100)	(100)
<b>Sub-total of shareholder-related transactions</b>	<b>198</b>		<b>44</b>	<b>(14,758)</b>	<b>14,516</b>		<b>(100)</b>	<b>(100)</b>
2009 net profit					(10,990)	(10,990)	(5)	(10,995)
<b>Sub-total</b>					<b>(10,990)</b>	<b>(10,990)</b>	<b>(5)</b>	<b>(10,995)</b>
Impact of acquisitions and disposals on minority interests				(44)		(44)	(66)	(110)
Changes in accounting policies								
Other changes								
<b>Equity as of 31/12/2009</b>	<b>15 210</b>	<b>174</b>	<b>(155)</b>	<b>28,234</b>	<b>(10,990)</b>	<b>32,474</b>	<b>19</b>	<b>32,493</b>
Share capital increase								
Elimination of treasury stock			40	(8)		32		32
2009 net profit allocation				(10,990)	10,990			
Dividend distribution							(8)	(8)
<b>Sub-total of shareholder-related transactions</b>			<b>40</b>	<b>(10,998)</b>	<b>10,990</b>	<b>32</b>	<b>(8)</b>	<b>24</b>
2010 net profit					5,088	5,088	(4)	5,084
<b>Sub-total</b>					<b>5,088</b>	<b>5,088</b>	<b>(4)</b>	<b>5,084</b>
Impact of acquisitions and disposals on minority interests								
Changes in accounting policies								
Other changes								
<b>Equity as of 31/12/2010</b>	<b>15,210</b>	<b>174</b>	<b>(115)</b>	<b>17,237</b>	<b>5,088</b>	<b>37,595</b>	<b>8</b>	<b>37,602</b>



Consolidated cash flow statement

	31/12/2010	31/12/2009	31/12/2008
<b>I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES</b>			
<b>Consolidated net profit (including minority interests)</b>	<b>5,084</b>	<b>(10,995)</b>	<b>(14,550)</b>
Net depreciation and provision charges	406	241	(6)
Unrealised gains and losses from changes in fair value	(3,503)	12,651	10,039
Other calculated income and expenses (including discount calculations)	(4)	1,676	5,432
Capital gains or losses on sales of assets	251	(52)	480
- net carrying amount of fixed assets sold	9,624	5,813	6,452
- income from disposals of fixed assets	(9,373)	(5,865)	(5,972)
Dilution profits and losses			
Share in profits of companies accounted for under the equity method			
Dividends and returns from income of non-consolidated companies			
<b>Operating cash flow after net cost of debt and tax</b>	<b>2,234</b>	<b>3,521</b>	<b>1,395</b>
Net cost of debt	6,387	6,915	7,874
Tax expense (including deferred taxes)	8	(97)	(1,094)
<b>Operating cash flow before net cost of debt and tax</b>	<b>8,629</b>	<b>10,339</b>	<b>8,175</b>
Tax paid	(2,280)	(2,592)	(1,845)
Change in inventories			
Change in trade receivables and related receivables	1,345	(156)	535
Change in suppliers and other creditors	450	130	586
Other changes in working capital requirement related to operating activities	(1,025)	144	799
Impact from discontinued activities			
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>7,119</b>	<b>7,865</b>	<b>8,249</b>
<b>II – INVESTMENT TRANSACTIONS</b>			
Finance lease			<b>212</b>
- Cash paid for acquisitions			
- Cash received for disposals			212
Investment properties	<b>7,896</b>	<b>4,115</b>	<b>(67,252)</b>
- Cash paid for acquisitions	(536)	(1,750)	(73,012)
- Cash received from disposals	8,432	5,865	5,760
Cash paid for acquisitions of property, plant and equipment and tangible assets			
Cash received for disposals of tangible and intangible fixed assets			
Investment subsidies received			
Cash paid for acquisitions of financial assets			
Cash received for disposals of financial assets			
Consolidated shares		<b>(110)</b>	<b>(333)</b>
- Cash paid for acquisitions		(110)	(333)
- Cash received for disposals			
- Impact of changes in consolidation			
Dividends received (companies consolidated under the equity method, non-consolidated shares)			
Change in loans and advances outstanding		(12)	(11)
Other cash flows related to investment activities			401
Cash flow from discontinued activities			
<b>Net cash flows from investing activities</b>	<b>7,896</b>	<b>3,993</b>	<b>(66,983)</b>
<b>III – FINANCING TRANSACTIONS</b>			
Amounts received from shareholders in capital increases			
- paid by shareholders of the parent company			
- paid by minority interests of consolidated subsidiaries			
Purchases and sales of treasury shares	29	(22)	(158)
Dividends paid during the year	<b>(8)</b>	<b>(100)</b>	<b>(14)</b>
- dividends paid to shareholders of the parent company			
- dividends paid to minority interests of consolidated subsidiaries	(8)	(100)	(14)
Increase/decrease in hybrid instruments			
Remuneration from hybrid instruments			
Change in guarantee deposits given and received	(260)	(107)	(746)
Issues or subscriptions of loans and borrowings		6,015	79,190
Repayments of loans and borrowings	(7,503)	(11,423)	(10,820)
Net cost of debt: interest paid	(6,329)	(7,028)	(8,527)
Other cash flows related to financing activities	(58)	113	653
Cash flow from discontinued activities			
<b>NET CASH FLOW FROM FINANCING TRANSACTIONS</b>	<b>(14 128)</b>	<b>(12 553)</b>	<b>59 579</b>
<b>NET CHANGE IN CASH (I+II+III)</b>	<b>887</b>	<b>(695)</b>	<b>846</b>
<b>Impact of foreign currency transactions</b>			
<b>Cash and cash equivalents at opening</b>	<b>847</b>	<b>1 542</b>	<b>696</b>
<b>Cash and cash equivalents at closing</b>	<b>1 735</b>	<b>847</b>	<b>1 542</b>
<b>NET CHANGE IN CASH</b>	<b>887</b>	<b>(695)</b>	<b>846</b>

## Cash and equivalents

€ thousands	At 31/12/2010	At 31/12/2009	At 31/12/2008
Cash equivalents: SICAV	1,127	674	184
Bank account overdrafts	609	484	1,378
Bank overdrafts	(1)	(311)	(20)
<b>Cash equivalents at year end</b>	<b>1,735</b>	<b>847</b>	<b>1,542</b>

## Change in number of shares comprising the capital

### Shares authorised, issued and paid up

	At opening	Distribution of dividends as shares	Incorporation of reserves	At close
Number of shares	2,898,000	-	-	2,898,000
Share capital in euros	15,210,000	-	-	15,210,000

### Treasury stock

	At 31/12/2009	Acquisitions	Sales	At 31/12/2010
€ thousands	154	255	(294)	115
In numbers	20,117	33,861	38,423	15,555

## Corporate information

On 10 February 2011, the Board of Directors of AffiParis approved the annual financial statements for the year ending 31 December 2010 and authorised their publication. AffiParis is a *société anonyme* (French public limited company) listed in Compartment C of Euronext Paris since 5 March 2007 and first traded on 9 March 2007.

AffiParis is a real estate company whose primary activity is acquiring business buildings in Paris (offices, warehouses, retail) for the purpose of renting them directly or through one of its dedicated subsidiaries.

In 2007, it also adopted tax status as a French listed real estate investment trust (SIIC for the French acronym). Its registered office is at 5 rue Saint George, Paris 9.

Compliance with the criteria required by the application of the SIIC Law 4 of 01/02/2010: Since it opted for SIIC status, AffiParis has been more than 60% owned by Affine, which itself has SIIC status. Given this comment, as a subsidiary of a SIIC which holds more than 60% of its capital, AffiParis is not required to limit its capital holding by a majority shareholder.

Since the AffiParis Group is engaged in renting buildings, it has adopted the practice of a breakdown into geographic zones as described in the note on “Segment Reporting” below. The main events during the year are described and should be consulted in the separate management report.

The statements of the AffiParis Group are consolidated by Affine using the full consolidation method.

## Notes to consolidated financial statements

### ***Accounting principles and policies***

#### **Accounting basis and presentation of the financial statements**

In accordance with EC regulation No. 1606/2002 of 19 July 2002, the AffiParis Group's financial statements are drawn up pursuant to IAS/IFRS (International Accounting Standards/International Financial Reporting Standards), as adopted by the European Union, and available on the website [http://ec.europa.eu/internal\\_market/accounting/ias/index\\_fr.htm](http://ec.europa.eu/internal_market/accounting/ias/index_fr.htm), applicable on the balance sheet date. Since the AffiParis Group is not affected by the IAS 39 exclusion pertaining to accounting for financial instruments, nor by the standards not yet adopted by the European Union, these statements also comply with the IASB's IFRS.

International accounting standards are published by the IASB ((International Accounting Standards Board) and adopted by the European Union. They include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their mandatory application interpretations effective on the reporting date.

The adoption by the European Union of the standards and interpretations below has no impact on the Group's financial statements:

- IFRS 2 as amended - “Group Cash-settled Share-Based Payment Transactions”;
- IFRS 3 revised – “Business Combinations”;
- IAS 27 amended - “Consolidated and Separate Financial Statements”: The change in valuation of interests not conferring control has no impact on the Group's financial statements since the negative interests were already apportioned between the Group and the participations not conferring control given that the latter were jointly and severally liable for an indefinite period;
- IAS 32 amended - “Classification of Rights Issues”;
- IAS 39 amended - “Eligible Hedged Items”;
- IFRIC 15 - “Agreements for the Construction of Real Estate”;
- IFRIC 16 - “Hedges of a Net Investment in a Foreign Operation”;
- IFRIC 17 - “Distributions of Non-cash Assets to Owners”;
- IFRIC 18 - “Transfers of Assets from Customers”.

The published standards, interpretations and amendments which are mandatory but have not yet been approved by the European Union should not have a material impact on the Group's financial statements.

The Group did not bring forward the application of standards and interpretations which are not mandatory on 1 January 2010.

The business activities of the consolidated companies are not seasonal.

The financial statements are presented in thousands of euros.

## **Comparability of the financial statements**

The financial statements were slightly modified in 2010 resulting in the presentation of more detailed information in response to the recommendations set forth by EPRA, the primary aim of which is to ensure greater transparency in the real estate sector.

In order to ensure better comparability, financial years 2008 and 2009 have been restated using this new format

## **Scope and method of consolidation**

### Companies included in the consolidation

The consolidation includes the Group's parent company as well as all other companies over which it directly and indirectly exercises:

- Exclusive control,
- Joint control,
- Significant influence.

Exclusive control automatically exists when the parent company holds over 50% of the voting rights, and is presumed when the parent company holds 40% to 50%. In the latter case, control is evidenced if the parent company has the power to appoint or dismiss the majority of the members of the management or executive bodies or if it has most of the voting rights in the management or executive bodies.

Contractual exclusive control exists when the parent company exercises a dominant influence over the company by virtue of a contract or clauses in the articles of association, which comply with national law, even if the dominating company is not a shareholder or partner in this company.

Joint control exists when strategic, financial and operational decisions related to the business require unanimous agreement of the parties sharing control. Joint control must be defined under a contractual agreement.

Significant influence automatically exists when the parent company holds over 20% of the voting rights; below this limit, significant influence may be shown by representation on the executive bodies or participation in strategic decisions.

### Consolidation method

**All Group companies have been fully consolidated.**

### Balance sheet date

All consolidated companies have a financial year end of 31 December.

## Use of estimates and assumptions

Preparing the consolidated financial statements requires the use of estimates and assumptions that may affect the amounts set out in the financial statements and the accompanying notes. These particularly relate to real estate valuations and the fair value of derivatives. Amounts confirmed during the disposal of these assets may differ from these estimates.

Significant factors likely to lead to material adjustments of amounts during the 2010 period specifically include:

- Fair value of investment properties: the nature of the assumptions used by the independent appraisers may have significant impacts on both the change in fair value which is directly reported in the income statement, and on the value in assets of the real-estate portfolio. These assumptions include in particular:

- The market rental value (MRV),
- The market rate of return,
- Works to be carried out.

The impact of simulations of sensitivity to the change in rates of return compared with the rate of return of 31 December 2010 of the change in fair value is shown in Note 1 – Portfolio properties, in the section entitled: Sensitivity to changes in the assumption used to value fair value

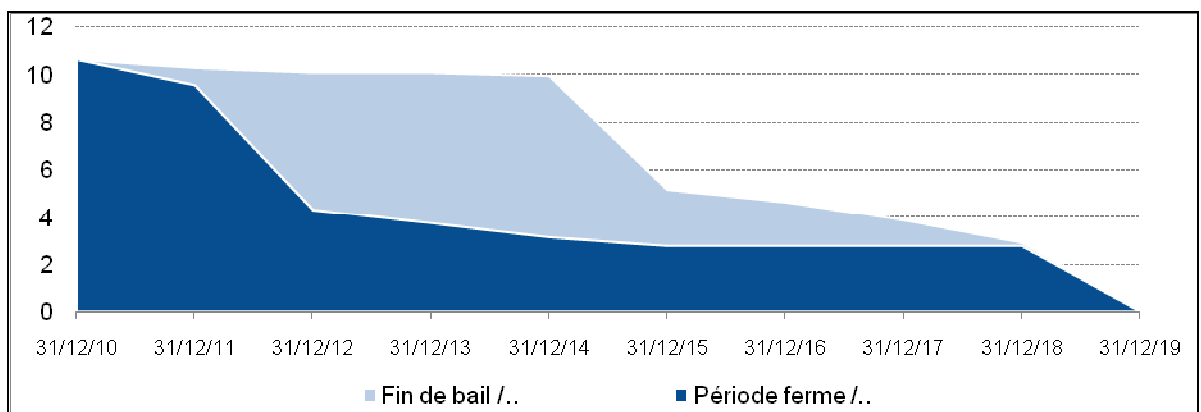
- Fair value of financial instruments: the nature of the assumptions used by the appraisers may have significant impacts on the change in fair value which is posted directly in the income statement.

**An increase or decrease of 50 or 100 interest rate base points (3-month Euribor) would have the following impact on the valuation of financial instruments:**

€ thousands	-100BP	-50BP	+50BP	+100BP
Variation of fair value of financial instruments used for hedging	(3,323)	(1,630)	1,579	3,118

- Vacancy risk linked to possibilities of leave and/or end of lease:

Schedule of leases effective as at 31 December 2010



## Contracts

### Investment property leases

Investment property leases comprise operating leases in respect of property owned by the Group or leased by the Group under a finance lease.

Leases whereby the lessor retains almost all the risks and benefits inherent in the ownership of the asset are classified as investment property leases.

IAS 17 provides for the financial consequences of all the provisions of the finance lease to be amortised over the fixed term of the lease. This straight-line amortisation of the rent results in accrued income being recognised over an exemption period, or the early years of the lease in the case of gradual or staged rental payments.

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

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

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

The treatment of admission fees depends on a substantive analysis of the payment made (IAS 17):

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

## Investment property

IFRS draw a distinction between investment properties (governed by IAS 40) and other property, plant and equipment (governed by IAS 16).

Investment properties are real estate (land or buildings) held by the owner or lessee under a lease to earn rental income or appreciate the value or both, rather than to use them in production or to provide goods and services, for administrative purposes, or to sell them in the ordinary course of business.

The AffiParis Group has opted for the fair value method provided for under IAS 40; any changes in investment property values are posted to income (see "Property portfolio valuation method" below).

Initial direct costs for negotiating and implementing agreements (for example, commissions and legal fees) are recognised in the amount of the leased asset and amortised over the fixed life of the lease agreement (IAS 17).

Properties held under finance leases must be capitalised and are subject to IAS 40 for the lessee. The following methods were used for restatement:

- Recording the asset as an investment property in the assets on the balance sheet for the residual amount;
- Parallel entry in liabilities of a loan equal to the property's entry price;
- Cancellation in the consolidated statements of the fee recorded in operating expenses in the company statements, with offsetting entries of a financial expense and progressive loan repayments.

Minimum lease rental payments are broken down between interest costs and repayment of the liability.

## Valuation methods of principal items

### Investment property valuation method

- Fair value

Investment properties are initially valued at cost, including transaction costs. After the properties are initially recorded, they are valued at fair value, with the change in fair value from one year to another posted to the income statement. Fair value is calculated as at the reporting dates, excluding registration fees, valued either by a certified independent property appraiser or by an internal appraiser.

The methodology for determining fair value of properties is to use the value of the properties obtained by capitalising the rents. This method of capitalisation reflects such things as the rental revenues from existing lease contracts and assumptions on rental revenues for future lease contracts, taking current market conditions into consideration.

The principal assumptions used to estimate the fair value relate to the following: current rents, future rents expected based on fixed lease commitments; vacant periods; the building's current occupancy rate and its maintenance requirements; and the appropriate capitalisation rates equivalent to the return on investment. These valuations are regularly compared with market data relating to return on investment, actual Group transactions, and transactions announced by the market.

Future expenses are charged to the carrying value of the asset only if it is probable that the future economic benefits associated with the asset will remain owned by the Group and that the cost of this asset can be reliably estimated. All other expenses for repair and maintenance are recognised in the statement of income for the period during which they are incurred.

For the 31 December 2010 reporting date, the appraisals were performed by Cushman & Wakefield.

Except when there are justified reasons, AffiParis Group uses the values provided by the independent appraisers.

A company valuation is carried out internally for buildings whose value is not material on the reporting date.

- Valuation methods used by external appraisers

The property appraisal firm Cushman & Wakefield replaced BNP Paribas Real Estate and Jones Lang Lassalle as appraisers for the AffiParis Group portfolio.

It used the income capitalisation method and the discounted cash flow methods. The appraisal firm capitalised the market rent at the market capitalisation rate then corrected the differences in value between the rents under consideration and the market rental values estimated on the appraisal day, discounted at the capitalisation rate, over the outstanding period until each lease renewal date.

### Property, plant and equipment and buildings under construction

Property, plant and equipment comprise operating buildings not complying with the provisions of IAS 40, technical facilities, office and IT equipment, fixtures and fittings, and vehicles.

Under the preferred method of IAS 16, property, plant and equipment are:

- recorded at acquisition cost, corresponding to the price paid including directly related costs of acquisition and renovation to market standards (transfer duties, fees, other costs etc);
- valued at historical cost less cumulative depreciation by components and impairments of value.

Depreciation periods are as follows:

Office equipment: 3 to 5 years  
IT equipment: 3 years  
Fixtures and fittings: 5 to 10 years  
Vehicles: 4 to 5 years  
Furniture: 4 to 10 years

No AffiParis property falls under IAS 16.

#### Non-current assets held for sale

Where the carrying amount of a non-current asset is to be recovered through disposal rather than through continued use, IFRS 5 requires the asset to be posted to a specific balance sheet account, "Non-current assets held for sale".

The decision to dispose of non-Paris assets was made by the General Management of the AffiParis Group in 2007 and is still being implemented.

Seven assets are presented on a separate line of the balance sheet: **Note 6 – Items held for sale;**

- the value of two of them corresponds to signed mandates and/or offers for sale accepted by the two parties,
- the value of one of them corresponds to an outside appraisal,
- the others were valued on the basis of internal appraisals reflecting their probable sale value.

Correlatively, the liabilities directly related to these assets have been reclassified as "non-current liabilities held for sale".

- Disposal of assets

The gain or loss on sale of an investment property is calculated in relation to the most recent fair value recorded in the balance sheet at the close of the preceding financial year (see 7.3).

#### Doubtful receivables

Once a receivable has been overdue for over six months at the end of the financial year, it is transferred to the "doubtful receivables" account. The same applies when a counterparty's situation leads to the conclusion that there is a risk (receivership, major financial difficulties, etc.).

#### Impairment of assets

- **Impairment of goodwill**

Goodwill is recorded in the balance sheet at cost. Once a year, it is subjected to review and impairment tests. At the date of acquisition, the goodwill is allocated to one or more cash-generating units that are forecast to derive economic benefits from the acquisition; consequently, the legal entity is the equivalent of a cash-flow-generating unit. Any impairment of this goodwill is based on the recoverable value of the relevant cash-generating units. The recoverable value of a cash-generating unit is calculated based on the most appropriate method.

If the recoverable value is less than its carrying value, it is irreversibly written off in the consolidated results for the year. There was no goodwill as at 31 December 2010.



- **Impairment of doubtful receivables**

A provision for impairment of doubtful receivables is made when there is an objective indicator of the Group's inability to recover all the amounts due under the original terms of the transaction. Significant financial difficulties encountered by a debtor (likelihood of cessation of payments or financial restructuring) and delinquency or default represent indicators that could lead to impairment of a receivable.

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

#### Financial instruments

The measurement and recognition of financial instruments and the required disclosures defined by IAS 39 and 32 and IFRS 7.

The financial assets held by the AffiParis Group are accounted for as follows:

- Investment securities are recorded as trading assets,
- Unconsolidated securities are recorded as "assets available for sale". As at 31 December 2010, AffiParis did not hold any of these.

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

Value changes are recognised directly on the income statement.

Classification as a hedge is strictly defined and must be documented from the outset; prospective and retrospective effectiveness tests must be carried out.

The AffiParis Group has developed a macro-hedging strategy for its debt based on collars and caps. However, given the problem of demonstrating the effectiveness of this hedging and its maintenance over time, AffiParis has not sought to implement the option provided under IAS 39, which would make it possible to recognise changes in the fair value of derivatives via equity, except for the non-effective portion of the hedge, which would still be recognised in income. Consequently, the AffiParis Group classifies derivatives as trading assets.

All financial liabilities are recognised in the balance sheet at depreciated cost except for derivatives that are recognised at fair value.

Issuing costs for loans are recorded as a deduction from the nominal value of the loan and recognised by being incorporated into the calculation of the effective interest rate.

- **Financial assets at fair value through profit or loss** <<

The main methods and assumptions applied to calculate the fair value of financial assets are as follows:

- Investment securities are valued at market price;
- Investments are measured on the basis of either their market price (listed instruments) or on the basis of their net asset value or discounted future cash flows if the amount of the item is sufficiently significant;
- Derivatives are valued by discounting future flows estimated on the basis of an interest rate curve at the balance sheet date. The company has for the first time used the discounting provided by the company Finance Active; a comparison of these figures with those provided by the various banks with whom the hedging transactions are entered into is satisfactory. This method of determination corresponds to level 3 of the fair value hierarchy of IFRS 7.

- **Financial liabilities at fair value through profit or loss**

These liabilities pertain to debt related to derivatives.

The debt is valued by discounting future cash flows for which the company is committed to the bank counterparties providing these hedges.

This data is provided in the section entitled "6. Management of financial risk."

#### Provisions

Provisions are recognised where the Group has a current liability (whether legal or implicit) stemming from a past event, where it is likely that an outflow of resources representing financial benefits will be required to settle the liability and where the amount of the liability can be reliably valued.

Where the Group expects the provision to be reimbursed, for example under an insurance policy, the reimbursement is recorded as a separate asset provided reimbursement is virtually certain.

If there is a significant time-value impact, provisions are determined by discounting expected future cash flows at a pre-tax discount rate that reflects the current market assessment of the time-value of money and, if applicable, the risks specific to the liability. Where the provision is discounted, the increase in provision relating to the passage of time is recognised as an interest expense.

#### Treasury stock

These shares are posted directly to equity just like gains and losses on disposals.

#### Tax

Consolidated tax expense includes deferred taxes.

- **Current tax**

AffiParis opted for the listed real estate investment trust (Société d'Investissements Immobiliers Cotées (SIIC)) tax regime on 1 April 2007; this regime also applies to its subsidiaries not subject to corporate income tax.

Subsidiaries subject to corporate income tax opted for this regime on 1 January 2008.

All Group companies which have opted for this special tax treatment are exempt from tax on current earnings and on capital gains on disposal in their investment property operations.

Activities that are not eligible for SIIC tax treatment shall continue to be taxed at the standard rate

- **Deferred tax**

Pursuant to IAS 12, deferred tax arises on timing differences between the carrying amounts of assets and liabilities and their tax values.

Under the balance sheet liability method, deferred tax is calculated based on the actual or expected tax rate in the year when the assets will be realised or the liabilities paid.

The effects of changes in the tax rate from one year to another are posted to income for the year in which the change is recognised, unless the changes affect a tax asset or liability originally recognised in equity.

Deferred tax relating to items posted directly to equity is also posted to equity.

The rates applicable to the year ended 31 December 2010 are as follows:

AffiParis (SIIC segment)	0%
AffiParis (taxed segment)	33.33%
Subsidiaries (that have opted for or are not subject to income tax)	0%

In accordance with the standard:

- Deferred taxes cannot be discounted,
- Deferred tax assets and liabilities are offset by entities subject to the same tax authority.

#### Employee benefits

The Group had no employees as at 31 December 2010, and therefore IAS 19 on retirement benefit payments is not applicable to the Group's consolidated statements.

### **Segment reporting**

Segment reporting reflects management's view and is prepared on the basis of the internal reporting used to implement the allocation of resources and evaluate performance.

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

AffiParis deals exclusively with investment property. The segment analysis is therefore performed using one single basis: the geographic sector.

Geographic sectors:

- Paris
- Paris region
- Other regions

The following tables show, for each geographic sector, information on income from ordinary activities, investments and certain information on assets.

	31/12/2010	31/12/2009	31/12/2008	
Paris	Rental income	10,632	10,409	8,126
	Rental revenues and expenses	(1,085)	(343)	(143)
	Other income and expenses on properties	(21)	(121)	(106)
	Net rental income	<b>9,527</b>	<b>9,945</b>	<b>7,876</b>
	Profit/loss from disposals of properties			
	Change in fair value	4,516	(9,222)	(7,078)
Paris region	Rental income	546	711	653
	Rental revenues and expenses	(157)	(66)	(25)
	Other income and expenses on properties	(20)	(18)	4
	Net rental income	<b>369</b>	<b>628</b>	<b>631</b>
	Profit/loss from disposals of properties	24		
	Change in fair value	(220)	(1,034)	(1,113)
Other regions	Rental income	1,003	1,692	2,135
	Rental revenues and expenses	(704)	(744)	(536)
	Other income and expenses on properties	(245)	(104)	(43)
	Net rental income	<b>54</b>	<b>844</b>	<b>1,557</b>
	Profit from disposals of properties	(275)	52	(480)
	Change in fair value	(793)	(2,394)	(2,020)
	Overhead costs	(1,572)	(920)	(949)
	Depreciation and impairment	(1)	(1)	(2)
	Charges net of provisions	(136)		187
	Balance of other income and expenses	138	(0)	129
	Profit/loss from operating asset disposals			
	<b>NET OPERATING PROFIT</b>	<b>11,632</b>	<b>(2,104)</b>	<b>(1,262)</b>
	Net cost of financial debt	(6,482)	(7,309)	(7,561)
	Other financial income and expenses	(141)	(114)	(115)
	Adjustment in value of financial instruments	83	(1,566)	(6,705)
	<b>PROFIT/LOSS BEFORE TAX</b>	<b>5,093</b>	<b>(11,092)</b>	<b>(15,644)</b>
	Tax	(8)	97	1,094
	Share in net profit/loss of companies accounted for under the equity method			
	Net earnings from discontinued activities			
	<b>Net profit</b>	<b>5,084</b>	<b>(10,995)</b>	<b>(14,550)</b>
	Participations not conferring control	4	5	34
	<b>Net profit – Group share</b>	<b>5,088</b>	<b>(10,990)</b>	<b>(14,516)</b>

## OTHER INFORMATION

Unallocated assets comprise cash and cash equivalents.  
Unallocated liabilities comprise equity and the Affine current account.

**31 December 2010***(in thousands of euros)*

	Paris	Paris region	Other regions	Total
Segment assets	194,681	4,381	10,087	209,149
Unallocated assets				1,905
<b>Total consolidated assets</b>				<b>211,055</b>
Segment liabilities	174,307	3,659	6,591	184,557
Unallocated liabilities				26,497
<b>Total consolidated liabilities</b>				<b>211,055</b>

**31 December 2009***(in thousands of euros)*

	Paris	Paris region	Other regions	Total
Segment assets	189,610	7,284	18,553	215,447
Unallocated assets				1,374
<b>Total consolidated assets</b>				<b>216,821</b>
Segment liabilities	177,300	4,108	11,943	193,352
Unallocated liabilities				23,469
<b>Total consolidated liabilities</b>				<b>216,821</b>

**31 December 2008***(in thousands of euros)*

	Paris	Paris region	Other regions	Total
Segment assets	198,246	8,121	26,210	232,577
Unallocated assets				1,795
<b>Total consolidated assets</b>				<b>234,372</b>
Segment liabilities	187,932	5,096	21,623	214,651
Unallocated liabilities				19,721
<b>Total consolidated assets</b>				<b>234,372</b>

Two of AffiParis' tenants account for more than 10% of the total income from investment properties:

	Paris	Paris region	Other regions	TOTAL	
	4,910	4,910		4,910	
	3,847	3,847		3,847	
Tenants representing more than 10%:	8,757	8,757	-	8,757	
Tenants representing less than 10%:	5,195	3,694	669	832	5,195
<b>Income from investment properties as at 31/12/2010</b>	<b>13,953</b>	<b>12,452</b>	<b>669</b>	<b>832</b>	<b>13,953</b>

	Paris	Paris region	Other regions	TOTAL	
	5,106	5,106		5,106	
	3,942	3,942		3,942	
Tenants representing more than 10%:	9,048	9,048	-	-	9,048
Tenants representing less than 10%:	7,076	3,778	934	2,364	7,076
<b>Income from investment properties as at 31/12/2009</b>	<b>16,124</b>	<b>12,826</b>	<b>934</b>	<b>2,364</b>	<b>16,124</b>

	Paris	Paris region	Other regions	TOTAL	
	4,451	4,451		4,451	
	2,094	2,094		2,094	
Tenants representing more than 10%:	6,545	6,545	-	-	6,545
Tenants representing less than 10%:	6,900	2,865	889	3,145	6,900
<b>Income from investment properties as at 31/12/2008</b>	<b>13,445</b>	<b>9,410</b>	<b>889</b>	<b>3,145</b>	<b>13,445</b>

## Key events of the year

### Impact on equity

The Combined General Meeting of 24 December 2010 decided, first, to increase the share capital by €11,482,000 through the capitalisation of this sum taken from the "Revaluation gains and losses" account and then to reduce the capital by €11,482,000 by deducting the loss carried forward as stated in the appropriation of income.

The share capital amounted to €15,210,000 as at 31 December 2010.

### Disposals

In accordance with its strategy of specialising in Paris real-estate, AffiParis continued to dispose of its assets located outside Paris. Five buildings and one plot of land were accordingly sold in the financial year 2010 and the total impact of these disposals on the consolidated financial statements was limited to €(251,000):

- Disposal of an office property of 1,199 sqm. in Crossiy Beaubourg for a total of €1,000,000, generating a book capital gain of €219,000 at the company holding this asset. The impact in the consolidated financial statements is €24,000.
- Disposal of an office property of 764 sqm. in Bayeux for a total of €500,000, generating a book capital gain of €107,000 at the company holding this asset. The impact in the consolidated financial statements is €100,000.
- Disposal of an office property of 346 sqm. in Hesdin for a total of €160,000, generating a book capital loss of €7,000 at the company holding this asset. The impact in the consolidated financial statements is €100,000.
- Disposal of an office property of 2,835 sqm. in Goussainville for a total of €1,507,000, generating a book capital gain of €278,000 at the company holding this asset. The impact in the consolidated financial statements is zero.
- Disposal of an office property of 16,188 sqm. in Nice for a total of €5,464,000, generating a book capital loss of €436,000 at the company holding this asset. The impact in the consolidated financial statements is €(87,000).
- A plot of land in Bernay; the impact in the consolidated financial statements is €12,000.

## Consolidation methods and scope

	2010			2009			2008		
	Method	% control	% interests	Method	% control	% interests	Method	% control	% interests
<b>Paris</b>									
AFFIPARIS	Parent company			Parent company			Parent company		
SCI BERCY PARKINGS	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%
SCI NUMERO 2	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%
<b>Paris region</b>									
SCI NUMERO 1	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%
SCI PM MURS	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%
SC HOLDIMMO	full consol.	99,58%	99,58%	full consol.	99,58%	99,58%	full consol.	98,06%	98,06%
SCI GOUSSINVEST	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI GOUSSIMO 1	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
<b>Other regions</b>									
SARL COSMO	full consol.	99,90%	99,48%	full consol.	99,90%	99,48%	full consol.	99,90%	97,96%
SCI 36	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%	full consol.	100,00%	100,00%
SCI 28-32 PLACE DE GAULLE	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI COSMO MARSEILLE	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI COSMO SAINT-ETIENNE								100,00%	98,06%
SCI COSMO MONTPELLIER	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI COSMO TOULOUSE	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI COSMO NANTES	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI COSMO LILLE	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%
SCI COSMO NANCY								100,00%	98,06%
SCI COSMO VALBONNE								100,00%	98,06%
SCI DU BEFFROI	full consol.	100,00%	99,58%	full consol.	100,00%	99,58%	full consol.	100,00%	98,06%

## Notes and comments

### Notes on status of financial position

#### Note 1 – Portfolio properties

Portfolio properties comprise:

- Seven assets recorded as investment property
- and seven assets recorded as properties held for sale.

For the statements closing on 31 December 2010, AffiParis' entire portfolio was subject to internal or external appraisals:

- Eight properties were subject to valuation by the independent real estate experts Cushman & Wakefield; these assets represent 96.8% of the portfolio's gross value:

One of these assets has been reclassified under "Non-current assets held for sale",

- Of the 6 other assets recorded as properties held for sale,
  - Two are valued in accordance with a mandate or an offer for sale that has been accepted; these assets represent 0.9% of the gross value of the portfolio;
  - The four others have been the subject of an internal appraisal; they represent 2.3% of the gross value of the portfolio.

#### Summary table of changes in fair value

At 31 December 2010

	€ thousands	01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
By asset type	Industrial premises, warehouses	7,150	-	-	-	(510)	6,640
	Office	198,617	495	-	(8,843)	4,066	194,335
	Trade	-	-	-	-	-	-
	Other	376	-	-	-	(53)	323
By area	Paris	185,540	412	-	-	4,516	190,469
	Paris region – outside Paris	6,123	-	-	(2,483)	(220)	3,420
	Other regions	14,480	83	-	(6,360)	(793)	7,410

At 31 December 2009

	€ thousands	01/01/2009	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2009
By asset type	Industrial premises, warehouses	7,840	55	-	-	(745)	7,150
	Office	215,676	555	-	(5,813)	(11,801)	198,617
	Trade	-	-	-	-	-	-
	Other	480	-	-	-	(104)	376
By area	Paris	194,303	459	-	-	(9,222)	185,540
	Paris region – outside Paris	7,150	7	-	-	(1,034)	6,123
	Other regions	22,543	144	-	(5,813)	(2,394)	14,480



At 31 December 2008

	€ thousands	01/01/2008	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2008
By asset type	Industrial premises, warehouses	11,250	27	-	(2,750)	(687)	7,840
	Office	155,717	73,132	-	(3,650)	(9,522)	215,676
	Trade	-	-	-	-	-	-
	Other	-	310	-	-	170	480
By area	Paris	127,697	73,044	-	-	(6,438)	194,303
	Paris region – outside Paris	8,000	263	-	-	(1,113)	7,150
	Other regions	31,270	161	-	(6,400)	(2,488)	22,543

Work performed in 2010 amounted to €495,000 as opposed to € 610,000 in 2009 and €1,157,000 in 2008.

## Reconciliation between the values shown in the report on the financial position and the values determined in appraisals by independent experts

- Investment property

€ thousands	Fair value used	Appraisals	Differential
Cushman and Wakefield	190,469	191,720	(1,251) <sup>(1)</sup>
Marketing fees	42		42
<b>Investment properties as at 31/12/2010</b>	<b>190,511</b>	<b>191,720</b>	<b>(1,209)</b>

<sup>(1)</sup> including €(653,000) on the Baudry property, because the payment postponement granted to the main tenant was cancelled, having already been recognised in the financial statements, and €(599,000) linked to the recognition of work on the Traversière tower property.

€ thousands	Fair value used	Appraisals	Differential
Cushman and Wakefield	101 354	102 300	(946) <sup>(1)</sup>
BNP Real Estate,	79 286	79 190	96 <sup>(1)</sup>
Jones Lang Lasalle	4 900	4 900	-
Marketing fees	76		76
<b>Investment properties as at 31/12/2009</b>	<b>185 616</b>	<b>186 390</b>	<b>(774)</b>

<sup>(1)</sup> including €(1,026,000) on the Baudry property appraised by Cushman, because the payment postponement granted to the main tenant was cancelled, having already been recognised in the financial statements, and €176,000 linked to the recognition of works.

(€ thousands)	Fair value used	Appraisals	Differential
BNP Real Estate,	188,203	191,130	(2,927) <sup>(1)</sup>
Jones Lang Lasalle	6,100	6,300	(200) <sup>(1)</sup>
Marketing fees	-		-
<b>Investment properties as at 31/12/2008</b>	<b>194,303</b>	<b>197,430</b>	<b>(3,127)</b>

<sup>(1)</sup> including €(2,116,000) on the Baudry property, because the payment postponement granted to the main tenant was cancelled, having already been recognised in the financial statements, and €(1, 011,000) linked to the in-house downward revision of appraisals.

- **Properties held for sale**

€ thousands	Fair value used	Appraisals	Differential
Cushman and Wakefield	4,300	4,300	-
Mandates, offers and in-house appraisals	6,530	-	6,530
<b>Properties held for sale as at 31/12/2010</b>	<b>10,830</b>	<b>4,300</b>	<b>6,530</b>

€ thousands	Fair value used	Appraisals	Differential
Jones Lang Lasalle	10,100	10,300	(200) <sup>(1)</sup>
Mandates, offers and in-house appraisals	10,503	-	10,503
<b>Properties held for sale as at 31/12/2009</b>	<b>20,603</b>	<b>10,300</b>	<b>10,303</b>

<sup>(1)</sup> An offer to buy value has been preferred over an appraisal value.

€ thousands	Fair value used	Appraisals	Differential
Jones Lang Lasalle	11,500	11,500	-
Mandates, offers and in-house appraisals	18,193	-	18,193
<b>Properties held for sale as at 31/12/08</b>	<b>26,693</b>	<b>11,500</b>	<b>18,193</b>

### Sensitivity to changes in the assumptions used to measure fair value

On the basis of the portfolio value excluding registration fees and estimated disposal costs, the average rate of return as at 31 December 2010 was 5.7% compared with 6.3% as at 31 December 2009.

On the basis of an average rate of return for the year, a change of 25 basis points would tilt the Group's net worth in the other direction by €8.6 million (or 4.18%).

- Changes in fair value of properties

€ thousands	Leased	In progress	Non-current assets held for sale	Total
<b>31/12/2008</b>	<b>194,179</b>	<b>124</b>	<b>29,693</b>	<b>223,996</b>
Acquisitions during the year	459		152	611
Write-off				-
Disposals			(5,813)	(5,813)
Change in consolidation				-
Change in fair value	(9,222)		(3,429)	(12,651)
Transfers between line items	124	(124)		-
Change in initial direct costs	76			76
Transfers of category				-
<b>At 31/12/2009</b>	<b>185,616</b>	<b>-</b>	<b>20,603</b>	<b>206,219</b>
Acquisitions during the year	56	357	83	495
Write-off				-
Disposals	-		(8,843)	(8,843)
Change in consolidation				-
Change in fair value	4,516		(1,013)	3,503
Transfers between line items	-	-		-
Change in initial direct costs	(34)			(34)
Transfers of category				-
<b>At 31/12/2010</b>	<b>190,154</b>	<b>357</b>	<b>10,830</b>	<b>201,341</b>

## Note 2 – Long-term loans

€ thousands		Balance sheet items	Final maturity		
			1 to 2 years	2 to 5 years	Over 5 years
	Of which fixed rate	3,717	331	3,386	
Bank loans	Of which variable rate	127,138	1,501	5,741	119,896
	<b>Total</b>	<b>130,855</b>	<b>1,832</b>	<b>9,127</b>	<b>119,896</b>
	Deferred borrowing costs at EIR	(1,028)	(194)	(596)	(238)
	<b>Total at 31/12/2010</b>	<b>129,827</b>	<b>1,638</b>	<b>8,531</b>	<b>119,659</b>

€ thousands		Balance sheet items	Final maturity		
			1 to 2 years	2 to 5 years	Over 5 years
	Of which fixed rate	4,024	306	1,082	2,635
Bank loans	Of which variable rate	128,662	1,302	5,322	122,039
	<b>Total</b>	<b>132,686</b>	<b>1,608</b>	<b>6,404</b>	<b>124,674</b>
	Deferred borrowing costs at EIR	(1,198)	(192)	(594)	(411)
	<b>Total at 31/12/2009</b>	<b>131,488</b>	<b>1,416</b>	<b>5,810</b>	<b>124,263</b>

€ thousands		Balance sheet items	Final maturity		
			1 to 2 years	2 to 5 years	Over 5 years
	Of which fixed rate	4,306	283	998	3,025
Bank loans	Of which variable rate	134,148	1,170	4,604	128,373
	<b>Total</b>	<b>138,454</b>	<b>1,453</b>	<b>5,603</b>	<b>131,398</b>
	Deferred borrowing costs at EIR	(1,927)	(236)	(927)	(764)
	<b>Total at 31/12/08</b>	<b>136,527</b>	<b>1,217</b>	<b>4,675</b>	<b>130,634</b>

## Note 3 – Other financial assets &amp; liabilities

€ thousands		31/12/2010	31/12/2009	31/12/2008	
Financial assets		Finance lease transactions and related receivables			
		Assets at fair value via income			
		Assets available for sale			
	Non-current	Derivatives stated at fair value	35		
		Hedging derivatives			
		Deposits and sureties paid	767	769	640
		Loans			
		<b>Total non-current financial assets</b>	<b>803</b>	<b>769</b>	<b>640</b>
	Current:	Cash equivalents: SICAVs	1,127	674	184
	Cash and equivalents	Restatement of SICAVs at fair value	4	1	2
	Bank account overdrafts	609	484	1,378	
	<b>Total cash &amp; cash equivalents</b>	<b>1,740</b>	<b>1,159</b>	<b>1,564</b>	
Financial liabilities		Forward financial instruments			
	Non-current	Commercial paper	-	-	-
		Related debts	-	-	-
		<b>Total non-current financial liabilities</b>	<b>7,365</b>	<b>7,554</b>	<b>6,145</b>
		Less than one year	1,576	1,453	1,308
		Deferred borrowing costs at EIR	(178)	(177)	227
		Accrued interest on loans	492	509	602
	Current	Bank overdrafts	1	311	20
		Affine current account	23,315	27,976	21,962
		Payables on current accounts	34	25	27
	<b>Total loans &amp; financial debts</b>	<b>25,240</b>	<b>30,098</b>	<b>24,146</b>	

## Note 4 – Items held for sale

(€ thousands)		31/12/2010		31/12/2009		31/12/2008	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
<b>Branch of activity</b>							
	Properties held for sale	10,830		20,603		29,693	
<b>Investment property</b>	Loans		4,346		5,480		11,659
	Guarantee deposits		252		475		571
	<b>Total</b>	<b>10,830</b>	<b>4,598</b>	<b>20,603</b>	<b>5,955</b>	<b>29,693</b>	<b>12,230</b>
<b>Financial assets available for sale</b>	Securities						
	Related receivables						
	<b>Total</b>						
<b>Total</b>		<b>10,830</b>	<b>4,598</b>	<b>20,603</b>	<b>5,955</b>	<b>29,693</b>	<b>12,230</b>

**Note 5 – Other assets**

€ thousands	31/12/2010	31/12/2009	31/12/2008
Government – tax and social security receivables	982	380	363
<b>Sub-total</b>	<b>982</b>	<b>380</b>	<b>363</b>
Trade payables	22	10	1
Client accounts	1	1	9
Subscribed share capital not paid up	-	-	-
Loans to related companies	-	-	-
Public notaries	254	301	647
Other miscellaneous receivables	2,093	1,631	1,612
Miscellaneous bad debt provisions	(533)	(533)	(541)
Miscellaneous	-	-	-
<b>Other receivables</b>	<b>1,837</b>	<b>1,410</b>	<b>1,728</b>
Accruals	2,502	4,167	3,655
Prepaid expenses	14	22	27
<b>Total</b>	<b>5,335</b>	<b>5,980</b>	<b>5,772</b>

**Note 6 – Other liabilities**

€ thousands	31/12/2010	31/12/2009	31/12/2008
Trade payables and related accounts	141	148	370
Fixed asset payables and related accounts	-	41	1,181
<b>Trade payables and related liabilities</b>	<b>141</b>	<b>189</b>	<b>1,551</b>
Other customer payables	162	48	50
Payments due on equity investments			11
Outstanding from tenants	2,507	2,489	2,289
Other payables	351	266	236
Miscellaneous	12	(12)	-
<b>Other liabilities</b>	<b>3,032</b>	<b>2,791</b>	<b>2,587</b>
Expenses payable	1,305	997	943
Prepaid income	26	788	14
<b>Total</b>	<b>4,504</b>	<b>4,765</b>	<b>5,095</b>

**Note 7 - Trade loans and receivables**

(€ thousands)	31/12/2010			31/12/2009			31/12/2008		
	Gross	Provision	Net	Gross	Provision	Net	Gross	Provision	Net
Ordinary receivables	1,571		1,571	2,426		2,426	2,100		2,100
Disposals of non-current assets									
Doubtful receivables	772	507	265	753	486	267	513	247	266
<b>Total</b>	<b>2,343</b>	<b>507</b>	<b>1,836</b>	<b>3,179</b>	<b>486</b>	<b>2,692</b>	<b>2,614</b>	<b>247</b>	<b>2,367</b>

## Note 8 – Taxes

€ thousands		31/12/2010	31/12/2009	31/12/2008	
Assets	Deferred tax assets	-	-	-	
	Current tax assets			29	
		Corporate income tax			
		Staff		-	
	Tax and social security receivables	Tax liabilities (VAT, taxes)	982	380	363
	Sub-total	982	380	363	
	<b>Total</b>	<b>982</b>	<b>380</b>	<b>392</b>	
Liabilities	Deferred tax liabilities	-	-	218	
	Non-current tax liabilities	French government - Exit Tax	13	362	2,634
		Corporate income tax	5	-	-
	Current tax liabilities	French government - Exit Tax	350	2,222	2,144
		Sub-total	355	2,222	2,144
		Staff	-	-	-
	Tax and social security liabilities	Tax liabilities (VAT, taxes)	366	810	542
		Sub-total	366	810	542
	<b>Total</b>	<b>734</b>	<b>3,394</b>	<b>5,538</b>	

The SIIC tax status enables tax exemptions to be given on current profit from rental activities and on capital gains. Deferred taxes correspond to transactions performed outside the scope to which SIIC tax treatment applies.

No deferred tax was stated as at 31 December 2010 in the consolidated financial statements of AffiParis.

## Note 9 – Provisions

€ thousands		31/12/2010	31/12/2009	31/12/2008
<b>Start of year</b>		<b>105</b>	<b>105</b>	<b>292</b>
Allowances		136		
Disposals and reversals				(187)
Change in consolidation				
Transfers between line items				
<b>End of year</b>		<b>241</b>	<b>105</b>	<b>105</b>

## Note 10 – Property, plant and equipment and intangible assets

€ thousands		31/12/2008	Acquisitions, provisions	Disposals, reversals	31/12/2009	Acquisitions, provisions	Disposals, reversals	31/12/2010
Intangible assets	Gross				-			-
	Amortn & deprecn				-			-
	Net	-	-	-	-	-	-	-
Property, plant and equipment	Gross	20			20			20
	Amortn & deprecn	(16)	(1)		(17)	(1)		(19)
	Net	<b>3</b>	<b>(1)</b>	-	<b>2</b>	<b>(1)</b>	-	<b>1</b>

## Notes to the income statement

## Note 11 – Net rental income on investment properties

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
<b>Rental income</b>	<b>12,181</b>	<b>12,812</b>	<b>10,914</b>	<b>(631)</b>	<b>1,898</b>
<b>Rental revenues and expenses</b>	<b>(1,946)</b>	<b>(1,153)</b>	<b>(704)</b>	<b>(793)</b>	<b>(448)</b>
Re-invoiced charges	1,771	3,312	2,531	(1,541)	781
Rebillable expenses	(2,481)	(3,365)	(2,561)	884	(804)
Non rebillable expenses	(1,208)	(665)	(329)	(543)	(336)
Lease fees	(29)	(435)	(346)	407	(90)
Allowances for tax amortisation					
<b>Other income and expenses on properties</b>	<b>(286)</b>	<b>(243)</b>	<b>(145)</b>	<b>(43)</b>	<b>(98)</b>
Cost of risk	(292)	(249)	(147)	(43)	(102)
Miscellaneous	6	6	2	0	4
<b>Net rents on investment properties</b>	<b>9,949</b>	<b>11,416</b>	<b>10,064</b>	<b>(1,467)</b>	<b>1,352</b>

Explanations of changes in rental revenues and expenses:

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Reinvoiced expenses for the year	2,638	3,123	2,583	(485)	540
Reinvoiced expenses for previous years	(866)	189	(52)	(1,055)	241
<b>Re-invoiced charges</b>	<b>1,771</b>	<b>3,312</b>	<b>2,531</b>	<b>(1,540)</b>	<b>780</b>
	(0)	1	(0)	0	(0)
Impact of disposals				(466)	(332)
Impact of acquisitions					761
Impact of rendering charges for previous years				(1,055)	241
Miscellaneous				(19)	111
				<b>(1,540)</b>	<b>781</b>

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Expenses reinvoiced for the year	(2,582)	(3,084)	(2,561)	502	(522)
Expenses reinvoiced for previous years	101	(282)		383	(282)
<b>Rebillable expenses</b>	<b>(2,481)</b>	<b>(3,365)</b>	<b>(2,561)</b>	<b>884</b>	<b>(804)</b>
	0	(0)	(0)	1	(0)
Impact of disposals				473	307
Impact of acquisitions					(952)
Miscellaneous				412	(159)
				<b>885</b>	<b>(804)</b>

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Expenses reinvoiced for the year		(1,067)	(568)	(270)	(499)
Expenses reinvoiced for previous years		(141)	(97)	(59)	(44)
<b>Non rebillable expenses</b>		<b>(1,208)</b>	<b>(665)</b>	<b>(329)</b>	<b>(543)</b>
			0	0	(0)
Impact of maintenance work (including asbestos removal at Bercy in 2010)					(394)
Impact of disposals					15
Impact of acquisitions					(140)
Miscellaneous					(164)
					<b>(543)</b>
					<b>(335)</b>

## Note 12 – Earnings from other activities

In euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Reversals of trade receivables, bad debt provisions			7		(7)
Rent and similar income			42		(42)
Change in underlying reserve			2		(2)
Depreciation charges			(39)		39
Other income and expenses		(1)	(1)	1	0
<b>Earnings from other activities</b>		<b>(1)</b>	<b>10</b>	<b>1</b>	<b>(11)</b>

## Note 13 – Overhead costs

Overhead costs are costs not directly related to the property lease business. They are costs related to head office (rent, insurance, representation costs, fees, professional tax, corporate social solidarity charge etc.)

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Other purchases and external expenses	1,315	868	935	447	(68)
Taxes, duties and related payments	257	52	14	205	38
Employee costs					
<b>Total</b>	<b>1,572</b>	<b>920</b>	<b>949</b>	<b>652</b>	<b>(30)</b>

The €652,000 change between 2010 and 2009 is mainly due to the review of the terms of the provision of services invoiced by Affine following the signing of new contracts with effect from 1 July 2010.

## Note 14 – Charges net of provisions

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Provisions for risks	127		(187)	127	187
Provisions for charges	9			9	
<b>Total</b>	<b>136</b>		<b>(187)</b>	<b>136</b>	<b>187</b>

## Note 15 – Gain/loss on asset disposals

In thousands of euros	31/12/2010	31/12/2009	31/12/2008	Change 2010/2009	Change 2009/2008
Proceeds from sales of fixed assets	9,373	5,865	5,760	3,508	105
Net carrying amount of properties sold	(9,624)	(5,813)	(6,400)	(3,810)	587
<b>Profit/loss from sales of investment properties</b>	<b>(251)</b>	<b>52</b>	<b>(640)</b>	<b>(302)</b>	<b>692</b>
<b>Option exercised on finance lease properties</b>			<b>160</b>	<b>-</b>	<b>(160)</b>
<b>Profit/loss from operating asset disposals</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>(251)</b>	<b>52</b>	<b>(480)</b>	<b>(302)</b>	<b>531</b>



## Note 16 – Results, dividends and NAV per share

- EPRA profit/loss

EPRA restatement (€ thousands)	31/12/2010	31/12/2009	31/12/2008
<b>Net profit – Group share</b>	<b>5,088</b>	<b>(10,990)</b>	<b>(14,516)</b>
Adjustment in value of investment properties	(3,503)	12,651	10,039
Profit from asset disposals	251	(52)	480
Other non-recurrent items	138	113	(191)
Goodwill adjustment			173
Adjustment in value of financial instruments	(83)	1,566	6,705
Non-current, deferred tax and exit tax		(119)	(1,103)
Minority interests and items above			
<b>EPRA profit/loss</b>	<b>1,890</b>	<b>3,168</b>	<b>1,586</b>

- Earnings per share

Earnings per share	2010	2009	2008
<b>Net profit – Group share</b>	5,088,474	(10,990,300)	(14,515,983)
<b>EPRA profit/loss</b>	<b>1,890,360</b>	<b>3,168,173</b>	<b>1,586,237</b>
Number of shares outstanding at balance sheet date	2,898,000	2,898,000	2,898,000
Average number of treasury shares	(22,679)	(19,537)	(8,341)
Average number of shares (non-treasury)	2,875,321	2,878,463	2,889,659
Impact of dilutive instruments	-	-	-
<b>Average number of diluted shares (non-treasury)</b>	<b>2,875,321</b>	<b>2,878,463</b>	<b>2,889,659</b>
Earnings per share (€)	1.77	(3.82)	(5.02)
Diluted earnings per share (€)	1.77	(3.82)	(5.02)
<b>EPRA earnings per share (€)</b>	<b>0.66</b>	<b>1.10</b>	<b>0.55</b>

EPRA, an association of European real estate companies listed on the stock exchange, in October 2010 published a guide on performance measurement. The EPRA result, as specified in the note on EPRA adjustments, excludes changes in fair value, capital gains or losses on disposals, other non-recurrent items and other total profit/loss items.

- Dividends

The dividend for the year 2010 is €0.42 per share.

- NAV per share

	2010	2009	2008
<b>Shareholders' equity (before allocation)</b>	<b>37,594,603</b>	<b>32,473,456</b>	<b>43,508,580</b>
<b>Diluted liquidation IFRS NAV</b>	<b>37,594,603</b>	<b>32,473,456</b>	<b>43,508,580</b>
EPRA restatements	7,032,546	7,115,926	5,768,138
<i>o/w fair value of financial instruments</i>	<i>7,032,546</i>	<i>7,115,926</i>	<i>5,55,376</i>
<i>o/w net deferred taxes</i>	-	-	<i>217,762</i>
<b>Liquidation EPRA NAV</b>	<b>44,627,149</b>	<b>39,589,382</b>	<b>49,276,718</b>
<i>o/w fair value of financial instruments</i>	<i>(7,032,546)</i>	<i>(7,115,926)</i>	<i>(5,550,376)</i>
<i>o/w adjustment of value of debt</i>	<i>6,998,050</i>	<i>na</i>	<i>na</i>
<i>o/w net deferred taxes</i>	-	-	<i>(217,762)</i>
<b>EPRA liquidation NNNAV</b>	<b>44,592,654</b>	<b>na</b>	<b>na</b>
Transfer charges	12,480,517	12,780,869	13,887,780
<b>Diluted replacement IFRS NAV</b>	<b>50,075,120</b>	<b>45,254,326</b>	<b>57,396,360</b>
<b>Replacement NAV</b>	<b>57,107,666</b>	<b>52,370,251</b>	<b>63,164,498</b>
<b>EPRA replacement NNNAV</b>	<b>57,073,170</b>	<b>na</b>	<b>na</b>
<b>Number of shares</b>			
Number of outstanding shares	2,898,000	2,898,000	2,898,000
Treasury	(15,555)	(20,117)	(15,654)
<b>Number of shares (non-treasury)</b>	<b>2,882,445</b>	<b>2,877,883</b>	<b>2,882,346</b>
<b>NAV per share (€)</b>			
Diluted IFRS liquidation NAV per share	13.04	11.28	15.09
<b>EPRA liquidation NAV per share</b>	<b>15.48</b>	<b>13.76</b>	<b>17.10</b>
<b>EPRA liquidation NNNAV per share</b>	<b>15.47</b>		
IFRS diluted replacement NAV per share	17.37	15.72	19.91
EPRA replacement NAV per share	19.81	18.20	21.91
EPRA replacement NNNAV per share	19.80		

**Management of financial risk****Carrying amount of financial instruments by category**

€ thousands	31/12/2010				
	Carrying amount			Fair value	
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value					
Current and non-current securities available for sale					
Other current and non-current financial assets			803	803	803
Trade accounts and related receivables			1,836	1,836	1,836
Other receivables*			3,675	3,675	3,675
Cash and equivalents	1,130		609	1,740	1,740
<b>Total financial assets</b>	<b>1,130</b>	<b>-</b>	<b>6,923</b>	<b>8,053</b>	<b>8,053</b>

\* excluding prepaid expenses, expense calls and tax receivables

€ thousands	31/12/2010			
	Carrying amount		Fair value	
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Total	Total
Derivatives stated at fair value	7,365		7,365	7,365
Loans from credit institutions		136,065	136,065	131,324
Guarantee deposits		1,196	1,196	1,196
Trade accounts and other payables*		1,971	1,971	1,971
<b>Total financial liabilities</b>	<b>7,365</b>	<b>139,231</b>	<b>146,596</b>	<b>141,855</b>

\* excluding accrued income and calls for rental expenses

€ thousands	31/12/2009				
	Carrying amount			Fair value	
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value					
Current and non-current securities available for sale					
Other current and non-current financial assets			769	769	769
Trade accounts and related receivables			2,692	2,692	2,692
Other receivables*			4,844	4,844	4,844
Cash and equivalents	675		484	1,159	1,159
<b>Total financial assets</b>	<b>675</b>	<b>-</b>	<b>8,789</b>	<b>9,465</b>	<b>9,465</b>

\*excluding prepaid expenses, expense calls and tax receivables

€ thousands	31/12/2009			
	Carrying amount			Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Total	Total
Derivatives stated at fair value	7,554		7,554	7,554
Loans from credit institutions		139,064	139,064	139,064
Guarantee deposits		1,444	1,444	1,444
Trade accounts and other payables**		1,488	1,488	1,488
<b>Total financial liabilities</b>	<b>7,554</b>	<b>141,996</b>	<b>149,550</b>	<b>149,550</b>

\*excluding accrued income and calls for rental expenses

€ thousands	31/12/2008				
	Carrying amount			Fair value	
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value					
Current and non-current securities available for sale					
Other current and non-current financial assets			640	640	640
Trade accounts and related receivables			2,367	2,367	2,367
Other receivables*			4,672	4,672	4,672
Cash and equivalents	186		1,378	1,564	1,564
<b>Total financial assets</b>	<b>186</b>	<b>-</b>	<b>9,056</b>	<b>9,242</b>	<b>9,242</b>

\*excluding prepaid expenses, expense calls and tax receivables

€ thousands	31/12/2008			
	Carrying amount			Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Total	Total
Derivatives stated at fair value	6,145		6,145	6,145
Loans from credit institutions		150,343	150,343	150,343
Guarantee deposits		1,459	1,459	1,459
Trade accounts and other payables**		2,792	2,792	2,792
<b>Total financial liabilities</b>	<b>6,145</b>	<b>154,594</b>	<b>160,739</b>	<b>160,739</b>

\*excluding accrued income and calls for rental expenses

## Impact of financial instruments on financial position and performance

The AffiParis Group:

- has not used the fair value option for any financial asset or liability,
- has no collateral or hybrid instruments issued with multiple derivatives,
- has not experienced any default or failed performance with respect to its loans

No asset was reclassified or derecognised in the financial year.

## Nature and scope of risks related to financial instruments:

### Credit risk

AffiParis had zero credit risk as at 31 December 2010 since it no longer had any finance lease activity.

The AffiParis Group maintained a selective policy in terms of the financial strength of its clients, the business sectors in which they operate, and the quality of buildings.

Overdue financial assets are always less than 180 days old. Beyond that period, the loan due is written off in full after deduction of any guarantees.

### Liquidity risk

The AffiParis Group manages its liquidity risk by bank refinancings and, as needed, by advances from its principal shareholder Affine.

It monitors its risk primarily with two tools:

- a daily cash statement prepared by Affine's finance department and sent to general management after viewing all bank accounts,
- a 2-year monthly cash situation forecast provided by the management controller to general management; at this time actual monthly cash and forecast cash are reconciled and discrepancies analysed.

### Summary of value losses on financial assets

	31/12/2010					
	Balance sheet item	Not due	within 30 days	Past due by Due over 30 days and within 180 days	Due over 180 days and within 1 year	over 1 year
€ thousands						
Gross	2,343	766	493	253	142	689
Losses linked to trade receivables	(507)	-	-	-	(82)	(425)
Net	1,836	766	493	253	60	264

	31/12/2010					Balance as at December 31
	Balance as at 1 January	Allowances	Reversal for use	Reversals for non use	Other changes	
Change in losses linked to trade receivables	486	72	(24)	(28)	-	507

	31/12/2009					
	Balance sheet item	Not due	within 30 days	Past due by Due over 30 days and within 180 days	Due over 180 days and within 1 year	over 1 year
€ thousands						
Gross	3,179	1,631	665	57	279	548
Losses linked to trade receivables	(486)				(241)	(245)
Net	2,692	1,631	665	57	38	302

	31/12/2009					Balance as at December
	Balance as at 1 January	Allowances	Reversal for use	Reversals for non use	Other changes	
€ thousands						

<b>Change in losses linked to trade receivables</b>	<b>247</b>	<b>244</b>	<b>(3)</b>	<b>(1)</b>	<b>-</b>	<b>486</b>
-----------------------------------------------------	------------	------------	------------	------------	----------	------------

€ thousands	31/12/2008					
	Balance sheet item	Not due	within 30 days	Past due by Due over 30 days and within 180 days	Due over 180 days and within 1 year	over 1 year
Gross	2,613	1 860	18	128	193	414
Losses linked to trade receivables	(247)				(55)	(191)
<b>Net</b>	<b>2,367</b>	<b>1 860</b>	<b>18</b>	<b>128</b>	<b>138</b>	<b>223</b>

€ thousands	31/12/2008					
	Balance as at 1 January	Allowances	Reversal for use	Reversals for non use	Other changes	Balance as at December 31
<b>Change in losses linked to trade receivables</b>	<b>239</b>	<b>56</b>	<b>(48)</b>	<b>-</b>	<b>-</b>	<b>247</b>

### Interest rate risk

The AffiParis Group favours the use of floating rate debt, which, before hedges, represented, at €129,945,000, or almost 95% of its bank debt as at 31 December 2010 (excluding debts related to investments and bank overdrafts).

The Group hedges its interest rate exposure by market transactions (caps and tunnels) contracted with leading banking institutions.

- A cap taken out for a notional amount of €29,925,000 guaranteeing a maximum rate of 4%;
- Four tunnels with a notional amount of €93,579,000 guaranteeing rates ranging from 3.80% to 5.40%.

Market risk is assessed using the value-at-risk approach, that is, by estimating the net maximum loss that our portfolio of financial instruments would suffer in normal market conditions.

Interest rates constitute the risk variable both for financial assets and for bank loans, the principal financial liabilities. The company is exposed to interest rate risk on 9.8% of its unhedged debt.

*Sensitivity analysis of cash flows for floating rate instruments (borrowings to finance assets held for sale are excluded)*

Sensitivity to interest rate variation (€ thousand)	Amounts outstanding as at 31/12/2010	Interest charges 2011	Interest charges 2012	Interest charges 2013	Interest charges 2014
Fall by 100 basis points, 2010 projected rate		(1,300)	(1,290)	(1,270)	(1,251)
Fall by 50 basis points, 2010 projected rate		(648)	(643)	(633)	(624)
<b>At 31/12/2010</b>	<b>128,408</b>				
On-maturity accounts & borrowings	130,855				
Term loans – Current – fixed rate	306				
Term loans – Current – floating rate	1,270				
-Fixed rate (SCI 2)	(4,024)				
<b>At 31/12/2010</b>	<b>128,408</b>				

The impact of an upward change is identical in absolute value.

Sensitivity to interest rate variation (€ thousand)	Amounts outstanding as at 31/12/2009	Interest charges 2010	Interest charges 2011	Interest charges 2012	Interest charges 2013	Interest charges 2014
Fall by 100 basis points, 2009 projected rate		(1,311)	(1,299)	(1,288)	(1,140)	(1,286)
Fall by 50 basis points, 2009 projected rate		(656)	(649)	(644)	(570)	(661)
<b>At 31/12/2009</b>	<b>129,964</b>					
On-maturity accounts & borrowings	132,686					
Term loans – Current – fixed rate	283					
Term loans – Current – floating rate	1,170					
-Fixed rate (SCI 2)	(4,306)					
<b>At 31/12/2009</b>	<b>129,832</b>					

The impact of an upward change is identical in absolute value

Sensitivity to interest rate variation (€ thousand)	Amounts outstanding as at 31/12/2009	Interest charges 2009	Interest charges 2010	Interest charges 2011	Interest charges 2012	Interest charges 2013
Fall by 100 basis points, 2008 projected rate		(1,368)	(1,353)	(1,343)	(1,332)	(1,316)
Fall by 50 basis points, 2008 projected rate		(684)	(676)	(671)	(666)	(660)
<b>At 31/12/2008</b>	<b>135,195</b>					
On-maturity accounts & borrowings	138,454					
Term loans – Current – fixed rate	261					
Term loans – Current – floating rate	1,047					
-Fixed rate (SCI 2)	(4,567)					
<b>At 31/12/2008</b>	<b>135,195</b>					

The impact of an upward change is identical in absolute value

### Exchange rate risk

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

### Counterparty risk

The AffiParis Group is committed to investing its cash and taking out derivatives only with reputable banking institutions with high credit ratings. It also ensures that its resources are diversified so that it is not overly reliant on a single lender.

Distribution of the bank debt:

(€ thousands)	At 31/12/2010	As %
HSH NORDBANK	77,320	56.5%
Société Générale	32,491	23.8%
Crédit Agricole	14,628	10.7%
BNP	5,760	4.2%
Saarl Bank	5,042	3.7%
Miscellaneous	1,537	1.1%
<b>TOTAL<sup>(1)</sup></b>	<b>136,777</b>	<b>100.0%</b>

<sup>(1)</sup> The total corresponds to long term borrowings for €130,855,000 (Note 2), short term borrowings for €1,576,000 (Note 3) and borrowings related to assets held for sale for €4,346,000 (Note 4).

## Financial structure ratio

The LTV ratio, fees included, is calculated in relation to the bank debt; it stood at 63.2% as at 31 December 2010 compared with 63.4% as at 31 December 2009 and 62.9% as at 31 December 2008. This ratio is lower than the levels permitted under the financial covenants pertaining to borrowings.

## Financial covenants

The Group's loan agreements have covenants relating to:

- LTV (Loan To Value);
- Debt Service Coverage Ratio (DSCR).

Under the terms of these credit agreements, failure to comply with these ratios constitutes a requirement for partial or early repayment to re-establish the ratio to its contractual level. As at 31 December 2010, no compulsory prepayment in part or in whole of any loan resulted from a failure to comply with the financial ratios to be reported on that date.

## Commitments and warranties

### Commitments and warranties provided

## Bank loans

Table of commitments (€ thousands)	31/12/2010	31/12/2009	31/12/2008
Commitments given: mortgages and other guarantees given in connection with the following loans:			
HSH NORDBANK (€ 9,000,000)	6,833	7,313	7,753
PALATINE (€ 952,000)	-	719	777
BRED (€396,000)	-	286	317
PALATINE - BRED (€10,000,000)	-	-	5,307
HSH NORDBANK (€58,000,000)	57,100	57,100	57,100
HSH Nordbank (€5,000,000)	312	312	4,625
BNP Paribas (€6,200,000)	5,760	5,950	6,120
HSH Nordbank (€13,275,000)	13,075	13,175	13,275
Crédit Agricole (€15,206,000)	14,628	14,869	15,097
Société Générale (€33,600,000)	32,491	32,987	33,407
SaarLB (€5,300,000)	5,042	5,154	5,254
Commitments received	-	-	-



Minimum mandatory payments under finance leases for which the Group is the lessee

(Note: finance leases are restated to show the net carrying value of properties in assets and a loan in liabilities)

(€ thousands)	Minimum payments	Current value of minimum payments
Less than 1 year	258	226
1 to 5 years	1,062	985
Over 5 years	332	326
Minimum total lease payments	1,652	
Amounts representing financing charges	(115)	
Discounted value of minimum lease payments	1,537	1,537

Finance lease agreements, where AffiParis is lessee, relate to agreements without specific provisions.

#### Other commitments

AffiParis signed a memorandum of agreement with the tenant of the Traversière property dated 14 October 2010 for the purpose of agreeing financial procedures for the renovation and development work to be carried out in the building:

- AffiParis undertook to participate in the work to the extent of €1,000,000 excluding tax. As at 31 December 2010, the work performed amounted to €250,000;
- AffiParis also undertook to improve the hearing, ventilation and air-conditioning system by no later than 30 May 2011, representing a cost of €1,499,000. As at 31 December 2010, the only outlay was the fees relating to this work, representing €52,000.

## Commitments and warranties received

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

(€ thousands)	Minimum payments	Current value of minimum payments
Less than 1 year	11,153	6,381
1 to 5 years	39,528	21,810
Over 5 years	15,346	7,923
Minimum total lease payments	66,027	
Amounts representing financing charges	(29,913)	
Discounted value of minimum lease payments	36,114	36,114

## Related party disclosures

### Remuneration of management and administration bodies

During 2010, attendance fees of €35,000 were paid to members of the Board of Directors.

### AffiParis transactions with affiliates

€ thousands		31/12/2010	31/12/2009	31/12/2008
	Current account	(23,315)	(27,976)	(21,961)
Affine	Interest expenses	510	453	694
	Operating expenses	917	253	224

### Post balance sheet events

None

### Fees of statutory auditors and members of their networks

In euros	CONSEIL AUDIT & SYNTHESE			CAILLAU DEDOUIT & ASSOCIES			KPMG		
	Amount: excl. VAT			Amount: excl. VAT			Amount: excl. VAT		
	31/12/10	31/12/09	31/12/08	31/12/10	31/12/09	31/12/08	31/12/10	31/12/09	31/12/08
<b>Audit</b>									
Statutory auditors, certifications, review of individual and consolidated financial statements	70,000	86,000	88,500	70,000	86,000	85,000	20,000	27,500	30,113
Other reviews and services directly linked to the statutory auditors' engagement						7,018			
<b>Sub-total</b>	<b>70,000</b>	<b>86,000</b>	<b>88,500</b>	<b>70,000</b>	<b>86,000</b>	<b>92,018</b>	<b>20,000</b>	<b>27,500</b>	<b>30,113</b>
<b>Other services rendered by the networks to fully-consolidated subsidiaries</b>									
Legal, tax, social									
Other									
<b>Sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>70,000</b>	<b>86,000</b>	<b>88,500</b>	<b>70,000</b>	<b>86,000</b>	<b>92,018</b>	<b>20,000</b>	<b>27,500</b>	<b>30,113</b>

In 2008, the firm of Price Waterhouse Cooper received €22,106 as remuneration for auditing and certifying the consolidated financial statements of 31 December 2007.



**AFFIPARIS**

## **Part 2: Financial Appendix**

### **B. Annual Financial Statements Financial year ended 31 December 2010**

**BALANCE SHEET ASSETS**

	Notes	31/12/2010			31/12/2009
		Gross	Amort. Impairment.	Net	Net
Subscribed share capital not called up					
<b>CAPITALISED ASSET</b>					
<b>Intangible assets</b>					
Set-up costs					
Research and development costs					
Concessions, patents, licences, software					
Goodwill					
Other intangible assets					
Intangible assets under construction					
Prepayments and interim payments					
<b>Property, plant and equipment</b>					
Land		81,695		81,695	82,675
Constructions		109,803	13,132	96,671	100,269
Plants, machinery and industrial tools					
Other property, plant & equipment		20	19	1	2
Property, plant & equipment under construction		357		357	176
Prepayments and interim payments					40
<b>Long-term financial assets</b>					
Equity investments		15,625	9,817	5,808	7,145
Receivables related to equity investments					
Capitalised securities in the portfolio business					
Other capitalised securities					
Loans					
Other long-term financial assets		172		172	171
	<b>1</b>	<b>207,671</b>	<b>22,968</b>	<b>184,703</b>	<b>190,477</b>
<b>CURRENT ASSET</b>					
<b>Inventories and work-in-progress</b>					
Raw materials and other supplies					
Work-in-progress (goods and services)					
Semi-finished and finished products					
Commodities					
<b>Amounts paid on account</b>					5
<b>Receivables</b>					
Trade receivables and related accounts	<b>4</b>	1,381	124	1,257	2,042
Other receivables	<b>4</b>	9,425	1,233	8,192	9,482
Subscribed share capital – called, not paid up					
<b>Investment securities</b>					
Treasury stock	<b>5</b>	115	0	115	153
Other securities	<b>5</b>	1,127		1,127	674
Cash instruments					
<b>Cash</b>		1,055		1,055	876
Prepaid expenses	<b>6</b>	2		2	11
		<b>13,104</b>	<b>1,357</b>	<b>11,747</b>	<b>13,243</b>
Deferred charges over several years	<b>7</b>	2,264		2,264	2,258
Loan redemption premiums					
Translation adjustment Asset					
<b>GRAND TOTAL</b>		<b>223,039</b>	<b>24,325</b>	<b>198,714</b>	<b>205,978</b>

**BALANCE SHEET LIABILITIES**

	Notes	31/12/2010	31/12/2009
		Net	Net
<b>EQUITY</b>			
Share capital (paid 15,210)		15,210	15,210
Additional paid-in capital from issue, merger or contribution		174	174
Revaluation reserves		20,954	33,905
Equity method evaluation difference			
Legal reserve		77	77
Statutory or contractual reserves			
Regulated reserves			
Other reserves		1,587	118
Carry forwards			
<b>Income or loss for the year</b>		1,623	(11,481)
Investment subsidies			
Regulated provisions			
	<b>8</b>	<b>39,626</b>	<b>38,004</b>
<b>OTHER OWN EQUITY</b>			
Income from issue of equity securities			
Conditional advances			
Other own equity			
<b>PROVISIONS</b>			
Provisions for risks	<b>8</b>	127	
Provisions for charges			
<b>DEBTS</b>			
Convertible bonds			
Other bonds			
Loans and debts to financial institutions		131,678	134,267
Loans and borrowings		24,347	28,848
Amounts received on accounts in progress		77	
Trade payables and related accounts		117	113
Tax and social security liabilities		186	2,555
Fixed asset payables and related payables			19
Other liabilities		2,555	1,385
Cash instruments			
Prepaid income	<b>10</b>		788
	<b>9</b>	<b>158,961</b>	<b>167,975</b>
Translation adjustment Liability			
<b>GRAND TOTAL</b>		<b>198,714</b>	<b>205,979</b>

INCOME STATEMENT	Notes	31/12/2010			31/12/2009
		France	Exports	Total	Total
<b>Operating income</b>					
Production sold (services)		12,378		12,378	13,239
<b>Net revenues</b>		<b>12,378</b>		<b>12,378</b>	<b>13,239</b>
Reversals of provisions and cost transfers				4,841	110
Other income				1	
	<b>11</b>			<b>17,219</b>	<b>13,349</b>
<b>Operating expenses</b>					
Other purchases and external expenses				3,717	3,167
Taxes, duties and related payments				749	633
Salaries and wages					
Social security costs					
Depreciation and amortisation expense, impairments and provisions					
- For fixed assets: allowances for amortisation and depreciation				3,533	3,955
- For fixed assets: impairment provisions					6,848
- On current assets: impairment provisions				116	39
Provisions for risks and expenses provision allowances					
Other expenses				45	49
	<b>12</b>			<b>8,160</b>	<b>14,691</b>
<b>NET OPERATING INCOME</b>				<b>9,060</b>	<b>(1,341)</b>
<b>Share in the profit or loss of joint transactions</b>	<b>13</b>			<b>112</b>	<b>1,857</b>
Allocated profit or transferred loss				323	1,857
Accrued loss or transferred profit				210	
<b>Interest income</b>					
From equity investments				393	259
Other investment securities and receivables from capitalised asset					
Other interest and similar income				(62)	82
Reversals on impairments, provisions and transfer of charges				327	43
Unrealised exchange gain					
Net income from disposals of investment securities				2	5
	<b>14</b>			<b>661</b>	<b>389</b>
<b>Interest expenses</b>					
Amortisation expense, impairments and provisions				1,337	5,330
Interest and related expenses				6,253	6,888
Unrealised exchange losses					
Net charges on investment securities sales					
	<b>14</b>			<b>7,590</b>	<b>12,218</b>
<b>NET FINANCIAL INCOME</b>				<b>(6,929)</b>	<b>(11,829)</b>
<b>PRE-TAX PROFIT</b>				<b>2,243</b>	<b>(11,313)</b>
<b>Exceptional income</b>					
On management transactions					
On capital transactions				5,705	1
Reversals on impairments, provisions and transfers of charges					
				<b>5,705</b>	<b>1</b>
<b>Exceptional costs</b>					
On management transactions				-	4
On capital transactions				6,198	66
Depreciation expense, impairments and provisions				127	
				<b>6,325</b>	<b>70</b>
<b>EXCEPTIONAL INCOME (LOSS)</b>				<b>(620)</b>	<b>(69)</b>
Employee profit-sharing					
Income tax	<b>15</b>				99
<b>Total income</b>				<b>23,908</b>	<b>15,596</b>
<b>Total costs</b>				<b>22,285</b>	<b>27,077</b>
<b>PROFIT OR LOSS</b>	<b>15</b>			<b>1,623</b>	<b>(11,481)</b>

# Notes to the annual financial statements

## 1. HIGHLIGHTS OF THE YEAR

### 1.1. PRINCIPAL EVENTS AFFECTING THE PORTFOLIO

#### 1.1.1. Operating lease

AffiParis made no investment during the 2010 financial year. However, it continued its policy of implementing work in its portfolio of properties, with improvements made to the properties in Nice, Baudry and Auber during the year for €151,000.

The SNCF lease on the Traversière building was renewed with effect from 1 January 2011. AffiParis at the same time signed a memorandum of agreement with the tenant dated 14 October 2010 to agree on financial procedures for the renovation and development work to be implemented in the building:

- AffiParis undertook to participate in the work to the extent of €1,000,000 excluding tax. As at 31 December 2010, the work carried out came to €250,000 and its net carrying amount was €23,000;
- A report identifying materials and products containing asbestos found the presence of asbestos-based materials in the joints of the building's partitions. The entire cost of the asbestos removal work performed by SNCF was borne by AffiParis and amounts to €311,000;
- Under this agreement, AffiParis undertook to improve the heating, ventilation and air conditioning system by no later than 30 May 2011, representing a cost of €1,499,000. As at 31 December 2010, only the fees related to this work had been incurred, representing €52,000.

The property in Nice was sold on 23 December 2010 for €5,500,000.

#### 1.1.2. Equity investments and shares in affiliated companies

No equity investment was sold during the financial year.

### 1.2. PRINCIPAL EVENTS AFFECTING EQUITY AND DEBT

#### 1.2.1. Financing and refinancing

A new loan of €2,320,000 was taken out during the year to finance the work on the Bercy property but no draw-down has yet been made on it.

At the same time, AffiParis refunded €2,341,000, including €719,000 of early repayments.

As at 31 December 2010, prepayments to the Affine shareholder account amounted to €23,584,000 versus €27,976,000 in 2009.

## 1.2.2. Equity

### 1.2.2.1. Revaluation reserve

The minutes of the Combined Annual General Meeting of 20 April 2010 state in its third resolution that the 2009 result, that is, €(11,481,000) would be appropriated to the “Carry forwards” account;

The minutes of the Combined Annual General Meeting of 24 December 2010 state:

- In its first resolution, the decision to increase the share capital by €11,482,000 by incorporating part of the “Revaluation reserves” account. The share capital is accordingly increased to €26,692,000.

The capital increase was carried out by raising the par value of each of the 2,898,000 shares composing the share capital from €5.248 to €9.210.

- In its second resolution, the decision to reduce the share capital by €11,482,000 through allocation to the loss carried forward in order to bring the share capital down from €26,692,000 to €15,210,000.

In accordance with these resolutions, the share capital was set at €15,210,000 divided into 2,898,000 shares without statement of their par value.

On 23 December 2010, the Company sold a property complex in Nice. This asset had been revalued. Due to this sale, the corresponding revaluation reserve is transferred to free reserves.

Revaluation reserves by capitalised asset item (€ thousand):

	At 01/01/2010	Allocation and disposal	At 31/12/2010
Property, plant and equipment	31,762	(11,482)	20,280
Property, plant and equipment sale		(1,469)	(1,469)
Total property, plant and equipment	31,762	(12,950)	18,811
Financial assets	2,143		2,143
<b>Total</b>	<b>33,905</b>	<b>(12,950)</b>	<b>20,954</b>

### 1.2.2.2. Deferment of borrowing costs

The procedures for deferring borrowing costs are detailed in section 2.6.3.3.

In 2010 there was no material fact with respect to the deferral of borrowing costs.

### 1.2.2.3. Shareholding structure

As at 31 December 2010 the share capital of AffiParis totals €15,210,000 divided into 2,898,000 shares. The share capital is 64.9% held by Affine SA.

## 1.3. OTHER EVENTS

The Combined Annual General Meeting of 20 April 2010 resolved to renew the appointments of the incumbent Statutory Auditors Cailliau Débouis et Associés, and the alternate auditor Mr. Didier Cardon, for a term of six financial years ending following the Meeting called to approve the financial statements of 2015.

The Board of Directors meeting dated 7 September 2010, decided, subject to approval by the next Ordinary General Meeting, to transfer the Company’s registered office from 4 square Edouard VII Paris 9 to 5 rue Saint Georges Paris 9.



## 1.4. PRINCIPAL EVENTS AFFECTING OFF-BALANCE SHEET

### 1.4.1. Derivatives

In 2010 there was no material fact with respect to derivatives.

### 1.4.2. Post reporting period events

No significant events occurred after the reporting period that would not have been taken into account in the preparation of the annual financial statements.

## 2. ACCOUNTING PRINCIPLES AND MEASUREMENT METHODS

The accounting principles and methods of calculation adopted in the financial statements for the period are identical to those used in the financial statements of the previous period. The financial statements are prepared in accordance with French chart of accounts (PCG) and with generally accepted accounting principles (PCG Art. 531-1§ 1).

### 2.1. Presentation of the financial statements

The financial statements are presented in thousands of euros (€ thousands).

### 2.2. Investment securities

The gross value of securities is comprised of the purchase cost and related expenses or by the contribution value. It corresponds to the values re-measured on 1 April 2007, the date of the decision to become an SIIC, less the downward adjustments on the initial revaluation of eligible assets.

As at 31 December 2010, the gross value of the securities amounted to €15,625,000, with no movement on the year ended.

The net asset value of equity investments is calculated on the basis of the share in the net position adjusted to reflect unrealised gains or losses on intangible and tangible items.

As at 31 December 2010, impairment of securities was €9,817,000 compared with €8,480,000 as at 31 December 2009.

Investment securities and shares in related companies include securities held for the long-term because of their utility to the company's business, specifically because they allow it to exert influence on or control the company issuing those securities. Within this category, shares in related companies include subsidiaries likely to be fully consolidated in the same consolidating entity as AffiParis.

The expenses linked to the acquisition of investment securities are incorporated into their cost price. Acquisition costs include transfer costs, professional fees, commissions and legal fees linked to the acquisition.

### 2.3. Investment securities

The gross value comprises the purchase cost excluding related expenses. If the net asset value is less than the gross value, the value is written down to reflect the difference.

### 2.4. Treasury stock

The gross value comprises the purchase cost excluding related expenses. If the net asset value, comprising the average stock market price recorded in the last month of the reporting period, is less than the gross value, the value is written down to reflect the difference.

	31/12/2009	Acquisitions / Provisions	Disposals / Reversals	31/12/2010
Number of shares	20,117	33,861	38,423	15,555
Net impairment (in € thousands)	1.9		1.7	0.2

## 2.5. Amortisation of property, plant & equipment

Depreciation periods are as follows:

Office furniture	5 years
IT equipment	3 years

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

## 2.6. Operating lease properties

### 2.6.1. Gross value

The gross value of properties includes the cost of land and constructions as well as acquisition costs. Pursuant to Notice no. 2003-C of 11 June 2003 of the CNC Emergency Committee, AffiParis had used the option given to it to carry out a downward revision of the initial revaluation of its eligible assets during two reporting periods. This option expired on 1 January 2009.

The whole property portfolio, that is, five properties under operating leases, were the subject of an external appraisal on 31 December 2010 by the firm Cushman & Wakefield.

### 2.6.2. Amortisation

Buildings under operating leases are amortised on a component basis. The amortisable amount corresponds to the gross value of the asset after deducting the land value.

The gross value of properties is broken down into 4 components by applying percentages depending on the type of construction, as follows:

	Recent offices		Activities		"Haussman" offices	
	Allocation by components	Depreciation period	Allocation by components	Depreciation period	Allocation by components	Depreciation period
Structural work	50,00%	60 years	60,00%	30 years	65,00%	100 years
Roof, external walls and waterproofing	17,50%	30 years	10,00%	30 years	20,00%	30 years
Technical general installations	22,50%	20 years	25,00%	20 years		
Fixtures and fittings	10,00%	15 years	5,00%	10 years	15,00%	10 years

### 2.6.3. Impairment losses

#### 2.6.3.1. Operating lease properties:

If the net asset value is greater than the appraisal value, impairment is recognised to reflect the difference. This impairment may be reversed if the appraisal value is subsequently increased.

As at 31 December 2010, four properties were the subject of provision reversals.

(€ thousands)	At 01/01/2010	Allowances	Reversals	At 31/12/2010
Impairment of assets	(7,790)	-	4,654	(3,136)

**2.6.3.2. Doubtful receivables:**

Impairments to receivables are determined on a contract by contract basis, taking the existing guarantees into account.

An impairment is recognised as soon as a receivable remains due for more than 180 days.

(€ thousands)	On trade receivables	On current accounts of subsidiaries	On miscellaneous debtors	Total
<b>Impairments as at 31/12/2009</b>	<b>(88)</b>	<b>(1,341)</b>	<b>(161)</b>	<b>(1,590)</b>
Allowances	(59)	-	(57)	(116)
Reversals	23	325		348
<b>Impairments as at 31/12/2010</b>	<b>(124)</b>	<b>(1,015)</b>	<b>(218)</b>	<b>(1,357)</b>

**2.6.3.3. Borrowing costs deferral method**

In 2008, the Company adopted the preferred method of deferring borrowing costs.

The borrowing costs (arranging fees, professional fees and related costs) are amortised over the term of the underlying loan according to loan amortisation methods.

**2.6.3.4. Forward financial instruments**

All transactions carried out by the Company on forward financial instruments are over-the-counter transactions which are reported under off-balance sheet commitments. They are carried out as hedges for refinancing transactions; the Company does not carry out speculative transactions. Entered into in connection with comprehensive management of the Company's refinancing and its interest rate risk, these contracts are considered as macro-hedging instruments.

**2.6.3.5. Caps and collars**

Premiums paid are expensed when paid. The potential interest rate differential to be received is measured each quarter and booked in parallel to the surplus expenses on the hedged item.

As at 31 December 2009, the fair value of caps and collars held by the Company amounted to €(7,033,000) versus €(7,116,000) as at 31 December 2009.

The payment of premiums corresponds to an expense of €165,000 in 2010 versus €174,000 in 2009.

**2.6.3.6. Tax**

The adoption with effect from 1 April 2007 of status as a French listed real-estate investment trust (SIIC) makes the benefit of exemption for corporate income tax on SIIC segment revenues subject to compliance with the three distribution conditions below:

- 85% of profits from property leasing operations must be distributed prior to the end of the period following the period in which they were incurred;
- 50% of capital gains from sales of buildings, equity investments in companies with an identical object to SIIC companies, or securities of subsidiaries subject to corporate income tax which have opted for SIIC status, must be distributed prior to the end of the second period following the period in which they were incurred;
- dividends received from subsidiaries which have opted for SIIC status must be fully redistributed during the period in which they are incurred.

The accounting result for 2010 totalled €1,623,000, re-integrations amounted to €298,000 and deductions to €23,000, which leads to a taxable result of €(1,898,000).

**2.6.3.7. Remuneration of management and administration bodies**

€26,000 was paid as directors' fees in 2010.

### **3. ADDITIONAL INFORMATION**

#### **3.1. Segment revenues (€ thousand)**

AffiParis's sole business in 2010 was the property business. Its revenues amounted to €12,378,000.

#### **3.2. Consolidating company**

The financial statements of AffiParis are consolidated by Affine using the full consolidation method.

#### **3.3. Exposure to interest rate risk**

The breakdown of cash flow sensitivity for floating rate instruments is shown in the notes to the consolidated financial statements (see section 6.6.3.3 of the notes).

## 1. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

### 1.1. Notes to the Company's balance sheet

#### Note 1 – Fixed assets, amortisation, depreciation and impairments

		31/12/2009	Acquisitions, provisions	Revaluations	Disposals, reversals	31/12/2010
Property, plant and equipment	Gross	198,763	452		(7,340)	191,875
	Amortn & deprecn	(7,811)	(3,520)		1,317	(10,014)
	Impairment losses	(7,790)			4,654	(3,136)
	Net	183,162	(3,068)	-	(1,370)	178,724
Long-term financial assets	Gross	15,796	1			15,797
	Amortn & deprecn					-
	Impairment losses	(8,480)			(1,337)	(9,817)
	Net	7,316	1	-	(1,337)	5,980
Total	<b>Gross</b>	<b>214,559</b>	<b>453</b>	-	<b>(7,340)</b>	<b>207,671</b>
	Amortn & deprecn	(7,811)	(3,520)	-	1,317	(10,014)
	Impairment losses	(16,270)	-	-	3,317	(12,953)
	<b>Depreciation and impairment</b>	<b>(24,081)</b>	<b>(3,520)</b>	-	<b>4,634</b>	<b>(22,968)</b>
	<b>Net</b>	<b>190,477</b>	<b>(3,067)</b>	-	<b>(2,707)</b>	<b>184,703</b>

#### Note 2- Equity investments and shares in related companies

(€ thousands)	SIREN No.	Share capital	Reserves and results of SCIs having opted for income tax	Share held	Net carrying amount of securities held		Loans and prepayments granted not yet refunded	Amount of sureties and endorsements provided by the company	Revenues exc. tax	Profit	Dividends received	Remarks Provisions on receivables
					Gross	Net						
SCI Numero 1	481 352 417	10	(610)	100.00%	1,301	1,278	910	-	357	(106)		
SCI Numero 2	483 175 808	10	(1,025)	100.00%	257	0	1,962	-	337	325		1,015
SCI 36	420 434 094	8	2,379	100.00%	2,733	2,387	1,871	-	342	(118)	260	
SCI PM Murs	409 157 435	2		100.00%	1,089	2		-	172	323	323	
SCI Holdimmo	391 203 189	11		99.58%	9,934	1,966	1,311	-	(21)	(206)		
SCI Bercy Parkings	414 710 129	2		100.00%	310	176	192	-	24	(6)		

#### Note 3 – Detailed change in inventories and work in progress

None

**Note 4 – Statement of receivables maturity dates**

(€ thousands)	At 31/12/2010	Within one year	Between one and five years
<b>FOR CAPITALISED ASSETS</b>			
Receivables from equity investments	-	-	-
Loans	-	-	-
Other long-term financial assets	172	172	-
	<b>172</b>	<b>172</b>	<b>-</b>
<b>FOR CIRCULATING ASSETS</b>			
Bad debts or under litigation	193	193	-
Other trade receivables*	1,188	853	335
Trade receivables and related accounts	<b>1,381</b>	<b>1,046</b>	<b>335</b>
Prepayments and interim payments made	-	-	-
Employee and related payables	-	-	-
Social security and other social welfare agencies	-	-	-
State - Income tax	-	-	-
State – Value added tax	826	826	-
State – Other taxes, duties and related payments	-	-	-
Amount to receive on sales of buildings	-	-	-
Working capital and calls for co-ownership charges paid	-	-	-
Group and associated companies**	6,247	6,247	-
Other payables	2,352	2,352	-
Other receivables	<b>9,425</b>	<b>9,425</b>	<b>-</b>
<b>Prepaid expenses</b>	<b>2</b>	<b>2</b>	<b>-</b>
<b>Total</b>	<b>10,980</b>	<b>10,645</b>	<b>335</b>

\* When the lease agreement was signed, the main tenant of the Baudry-Ponthieu building was granted the option of deferring the payment for the first two quarters of 2007 over the following twenty quarters, that is, until 1 July 2012.

\*\* Cash advances to subsidiaries made under a Group agreement.

**Impairment of current assets**

(€ thousands)	Amount at the beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairments on inventories and work-in-progress				
Impairment on trade receivables	88	59	23	124
Other impairments	1,504	57	327	1,233
<b>Total impairments</b>	<b>1,593</b>	<b>116</b>	<b>350</b>	<b>1,357</b>

**Receivable income**

(€ thousands)	At 31/12/2010	At 31/12/2009
<b>Long-term financial assets</b>	-	-
Receivables from equity investments		
Other long-term financial assets		
<b>Receivables</b>	<b>1,106</b>	<b>3,556</b>
Trade accounts and related receivables	640	1,605
Staff		
Social welfare agencies		
French State		
Subsidiary earnings	323	1,857
Other receivables	143	94
<b>Investment securities</b>		
<b>Cash</b>		
<b>Total</b>	<b>1,106</b>	<b>3,556</b>

**Note 5 – Breakdown of investment securities**

(€ thousands)	At 31/12/2010	At 31/12/2009
<b>Equities and other variable-income securities</b>		
SICAV*	1,127	674
Treasury stock	115	154
<b>Total</b>	<b>1,241</b>	<b>828</b>

\* Investment securities were subscribed during the period from Crédit Agricole for €1,127,000 versus €674,000 in 2009.

\*\*Movements on treasury stock are related to a liquidity agreement signed with PSI Gilbert Dupont in 2007.

**Prepaid expenses**

(€ thousands)	At 31/12/2010	At 31/12/2009
Operating expenses	2	11
Interest expenses		
Exceptional costs		
<b>Total</b>	<b>2</b>	<b>11</b>

**Note 7 – Deferred expenses over several years**

(€ thousands)	Net amount at beginning of period	Increases	Amortisation & depreciation expense in the period	Update of amortisation & depreciation plan	Net amount at end of period
Deferred charges over several years	2,258	19	13		2,264
Bond redemption premiums					

The deferred expenses concern the following borrowing costs:

(€ thousands)	Expenses	Initial depreciation period
HSH Nordbank fees (€35,000,000)	741	10 years
HSH Nordbank fees (€23,000,000)	500	10 years
HSH Nordbank fees (€5,000,000)	18	10 years
HSH Nordbank fees (€13,275,000)	494	8 years
BNP fees (€6,200,000)	75	10 years
Crédit Agricole fees (€15,206,000)	133	12 years
Société Générale fees (€33,600,000)	204	10 years
SAARL Banque fees (€5,300,000)	80	10 years
Société Générale (€2,320,000)	19	7 years
<b>Total</b>	<b>2,264</b>	

**Note 8 – Equity Statement of changes in equity**

(€ thousands)	Share capital	Premiums	Revaluation reserve	Reserves	Earnings for the period	Total
<b>At 31/12/2009</b>	<b>15,210</b>	<b>174</b>	<b>33,905</b>	<b>195</b>	<b>(11,481)</b>	<b>38,004</b>
Share capital increase	11,482		(11,482)			-
Share capital increase through capitalisation of issue premium						-
Share in earnings					1,623	1,623
Allocation issuance fees/costs						-
Revaluation of fixed assets						-
Disposal of property			(1,469)	1,469		-
Change in borrowing costs deferral methods						-
Clearance of previous losses	(11,482)			11,482		-
Distribution during the year						-
Appropriation to reserves				(11,481)	11,481	-
<b>At 31/12/2010</b>	<b>15,210</b>	<b>174</b>	<b>20,954</b>	<b>1,665</b>	<b>1,623</b>	<b>39,626</b>

As at 31 December 2010, the share capital of AffiParis comprises 2,898,000 no par value shares (see 1.2.2).

**Break down of reserves**

(€ thousands)	At 31/12/2009	Transfer of revaluation reserve of fixed assets sold	At 31/12/2010
Legal reserve	77		77
Free reserve	118	1,469	1,587
Statutory reserve			
Carry forwards			
<b>Total</b>	<b>195</b>	<b>1,469</b>	<b>1,665</b>

**Statement of changes in revaluation reserves**



(€ thousands)	Revaluation reserve as at 31/12/2009	Allocation to the revaluation reserve	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31/12/2010
				On fixed assets sold	On amortisation of the revalued share	
Baudry-Ponthieu	30,293	(11,482)				18,811
Nice	1,469			(1,469)		(0)
Securities	2,143					2,143
<b>Total</b>	<b>33,905</b>	<b>(11,482)</b>	-	<b>(1,469)</b>	-	<b>20,954</b>

### Provisions recorded on the balance sheet

**Regulated provisions:** None

**Provisions for risks and expenses:** an operating provision of €127,000 was set aside in 2010 to deal with two legal disputes relating to tenancies.

### Note 9 – Statements of debt maturity dates

(€ thousands)	At 31/12/2010	Within one year	Between one and five years	Over 5 years
Convertible bonds	-			
Other bonds	-			
Loans from credit institutions	131,678	1,945	9,837	119,896
Loans and borrowings	763	763		
Prepayments and interim payments received	77	77		
Trade payables and related accounts	117	117		
Employee and related payables	-	-		
Social security and other social welfare agencies	-	-		
Income tax	39	26	13	
Value added tax	124	124		
Bonds				
Other taxes, duties and related payables	23	23		
Fixed asset payables and related payables				
Group and associated companies**	23,584	23,584		
Other liabilities	2,555	2,555		
Prepaid income				
<b>Total</b>	<b>158,961</b>	<b>29,215</b>	<b>9,850</b>	<b>119,896</b>

The Company's loans are subject to agreements with certain types of covenants. According to the terms of these credit agreements, failure to comply with these ratios constitutes a requirement for partial or early repayment to re-establish the ratio at its contractual level.

The Company was in compliance with all covenants as at 31 December 2010.

**Expenses payable**

(€ thousands)	At 31/12/2010	At 31/12/2009
Convertible bonds		
Other bonds		
Loans from credit institutions	461	474
Loans and other borrowings		
Trade payables and related payables		
Social security and other social welfare agencies	23	26
Fixed asset payables and related payables		
Liquid assets, expenses payable		
Other payables	1,207	391
<b>Total</b>	<b>1,691</b>	<b>891</b>

**Note 10 - Prepaid income**

(€ thousands)	At 31/12/2010	At 31/12/2009
Operating income	-	788
Interest income	-	-
Exceptional income	-	-
<b>Total</b>	<b>-</b>	<b>788</b>

Prepaid income in 2009 mainly referred to rents billed in the first quarter of 2010.

## 1.2. Notes to the company's income statement

## Note 11 - Operating income

## Income from finance lease transactions

AffiParis has not conducted any finance leasing since 2008.

## Income from operating lease transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Rental income	10,796	10,587
Re-invoiced charges	1,582	2,652
	<b>12,378</b>	<b>13,239</b>
Reversals of provisions*	4,677	1
Other income	1	0
<b>Total</b>	<b>17,056</b>	<b>13,240</b>

\* Following the increase in the appraisal value of three properties and the sale of a fourth, a reversal of provisions for impairment was posted in the financial statements for €4,654,000.

## Transfers of expenses and other income

(€ thousands)	At 31/12/2010	At 31/12/2009
Operating expense transfers	164	109
Transfers of interest expenses		
Other income		
<b>Total</b>	<b>164</b>	<b>109</b>

These are mainly services rebilled to Group subsidiaries amounting to €145,000 in 2010.

## Note 12 – Operating expenses

## General operating expenses

(€ thousands)	At 31/12/2010	At 31/12/2009
<b>Other administrative costs</b>		
Tax	749	633
Other purchases and external expenses	3,717	3,167
<b>Total</b>	<b>4,466</b>	<b>3,800</b>

The increase in administrative costs in 2010 comes from:

- the increase in duties and taxes following reform of the professional tax;
- the review of the terms of service billed by Affine following the signing of new agreements with effect from 1 July 2010.

(€ thousands)	At 31/12/2010	At 31/12/2009
<b>Depreciation expense on buildings</b>	<b>3,533</b>	<b>3,954</b>
Amortisation allowance for intangible assets		
Headquarters depreciation expense	1	1
Finance lease depreciation expense		
Operating lease depreciation expense	3,519	3,613
Allowance for deferred expenses	13	340
<b>Impairment expense on fixed assets</b>	<b>-</b>	<b>6,848</b>
Operating lease fixed asset depreciation expense		6,848
<b>Impairment expense on current assets</b>	<b>116</b>	<b>39</b>
Impairment of doubtful receivables	59	39
Other miscellaneous depreciation expenses	57	
<b>Total</b>	<b>3,649</b>	<b>10,841</b>

**Break down of depreciation and amortisation for the period**

(€ thousands)	Straight-line amortisation	Degrressive amortisation
<b>Intangible assets</b>	-	
Concessions, software programs		
<b>Property, plant and equipment</b>	<b>3,520</b>	
Land		
Constructions	3,519	
Plants, machinery and industrial tools		
Other property, plant & equipment	1	
Property, plant & equipment under construction		
Prepayments and interim payments		
<b>Grand total</b>	<b>3,520</b>	

**Other expenses**

(€ thousands)	At 31/12/2010	At 31/12/2009
Irrecoverable operating lease receivables	17	9
Director's fees:	26	40
Other management expenses	2	0
<b>Total</b>	<b>45</b>	<b>49</b>

**Note 13 – Share of earnings from joint transactions**

(€ thousands)	At 31/12/2010	At 31/12/2009
<b>Profit allocated or loss transferred</b>	<b>112</b>	<b>1 857</b>
Holdimmo earnings	(205)	1 805
PM Murs earnings	323	49
Bercy Parkings earnings	(6)	3

**Note 14 – Financial income**

**Interest income**

(€ thousands)	At 31/12/2010	At 31/12/2009
Interest on current accounts	133	160
Interests on Affine current account	-	-
Dividends	260	99
<b>Interest income from equity investments</b>	<b>393</b>	<b>259</b>
<b>Other securities and receivables from capitalised assets</b>	<b>-</b>	<b>-</b>
Interest on locked-in accounts	14	1
Income from financial instruments	-	2
Miscellaneous	(76)	79
<b>Other interest and similar income</b>	<b>(62)</b>	<b>82</b>
<b>Reversals of provisions</b>	<b>327</b>	<b>43</b>
<b>Net income from disposals of investment securities</b>	<b>2</b>	<b>5</b>
<b>Total</b>	<b>661</b>	<b>389</b>

**Interest expenses**

(€ thousands)	At 31/12/2010	At 31/12/2009
Interests on Affine current account	510	451
Interest on credit balances	10	2
Interest on loans	2,402	3,824
Expenses on caps, swaps and tunnels	3,330	2,585
Miscellaneous	1	26
Provision allowances	1,337	5,330
<b>Total</b>	<b>7,590</b>	<b>12,218</b>

**Note 15 – Income tax**

(€ thousands)	Pre-tax profit	Tax	Net profit
Operating income	2,243	-	2,243
Exceptional income or loss	(620)	-	(620)
Exit tax		-	-
<b>Total</b>	<b>1,623</b>	<b>-</b>	<b>1,623</b>

**Statutory Auditors' fees**

In euros	CONSEIL AUDIT & SYNTHÈSE		CAILLAU DEDOUIT & ASSOCIES	
	Amount: excl. VAT		Amount: excl. VAT	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
<b>Audit</b>				
Statutory auditors, certifications, review of individual and consolidated financial statements	70,000	86,000	70,000	86,000
Other reviews and services directly linked to the statutory auditors' engagement				
<b>Sub-total</b>	<b>70,000</b>	<b>86,000</b>	<b>70,000</b>	<b>86,000</b>
<b>Other services rendered by the networks to subsidiaries fully consolidated</b>				
Legal, tax, social				
Other				
<b>Sub-total</b>				
<b>Total</b>	<b>70,000</b>	<b>86,000</b>	<b>70,000</b>	<b>86,000</b>

The Combined Annual General Meeting of 20 April 2010 decided to renew the appointments of the incumbent Statutory Auditors Cailliau Dedouit et Associés, and the alternate auditor Mr. Didier Cardon for a term of six years expiring at the end of the meeting called to approve the financial statements of 2015.

**Data that falls under several balance sheet and income statement items**

Balance sheet and income statement items (€ thousands)	Amount concerning		
	Related companies	Companies with which the company has an equity connection	Amount of debts or receivables represented by commercial paper
Subscribed share capital not called up	-	-	-
Prepayments and interim payments on intangible assets	-	-	-
Prepayments and interim payments on property, plant & equipment	-	-	-
Equity investments	15,625	-	-
Receivables related to equity investments	-	-	-
Loans	-	-	-
Other capitalised securities	-	-	-
Other long-term financial assets	-	-	-
Amounts paid on account	-	-	-
Trade accounts and related receivables	-	-	-
Other receivables	6,247	-	-
Subscribed share capital called up but not paid up	-	-	-
Investment securities	-	-	-
Cash on hand	-	-	-
Convertible bonds	-	-	-
Other bonds	-	-	-
Loans and debts to credit institutions	-	-	-
Loans and other borrowings	(23,584)	-	-
Amounts received on accounts in progress	-	-	-
Trade payables and other payables	-	-	-
Fixed asset payables and related payables	-	-	-
Other payables	-	-	-
Operating expenses	(917)	-	-
Operating income	144	-	-
Interest expenses	(720)	-	-
Interest income	1,042	-	-

**Off balance sheet**

**Commitments given**

**Mortgages and other guarantees given in connection with the following loans:**

Commitments (€ thousands)	31/12/2010	31/12/2009
HSH NORDBANK (€3,500,000)	2,809	3,006
PALATINE (€952,000)	-	719
BRED (€396,000)	-	286
HSH NORDBANK (€58,000,000)	57,100	57,100
HSH Nordbank (€5,000,000)	312	312
BNP Paribas (€6,200,000)	5,760	5,950
HSH Nordbank (€13,275,000)	13,075	13,175
Crédit Agricole (€15,206,000)	14,628	14,869
Société Générale (€33,600,000)	32,491	32,987
SaarLB (€5,300,000)	5,042	5,154

**Hedging instruments**

€ thousands

Type	Conditions	Start date	End date	In-progress hedged	Valuation
Cap	4%	06/07/2006	01/07/2013	29,925	35
Tunnel	[3.91%; 5.0%]	19/05/2008	19/05/2015	14,628	(1,137)
Tunnel	[3.8%; 5.0%]	16/06/2008	15/06/2016	40,700	(3,286)
Tunnel	[3.8%; 5.4%]	26/05/2008	22/04/2013	5,760	(302)
Tunnel	[4.5%; 4.75%/ 5.05%]	30/05/2008	30/05/2013	32,491	(2,342)

**Commitments received**

None.

**Statement of the Company's results in the last five years**

Nature of indications (€ thousands)	31/03/2007 (15 months)	2007 (9 months)	2008	2009	2010
<b>I. Capital at end of period</b>					
Share capital	15,011,640	15,011,640	15,011,640	15,210,000	15,210,000
Number of existing common shares	2,898,000	2,898,000	2,898,000	2,898,000	2,898,000
Number of existing dividend-bearing shares (without voting rights)					
Maximum number of future shares to be created					
- Through conversion of bonds					
- By exercise of subscription rights					
<b>II. Transactions and results for the period</b>					
Revenues excluding tax	1,313,562	4,295,746	9,819,626	13,239,260	12,377,820
Earnings before tax, employees profit-sharing, depreciation and amortisation	1,003,908	(787,600)	6,227,339	4,406,359	1,718,798
Corporate income tax	1,742,411	290,794	-	98,790	-
Employee profit-sharing for the year					
Earnings after tax, employees profit-sharing, depreciation and amortisation	(2,091,240)	(2,684,533)	(2,017,249)	(11,481,497)	1,622,900
Distributed earnings					
<b>III. Earnings per share</b>					
Earnings after tax, employees profit-sharing but before depreciation and amortisation	(0.26)	(0.37)	2.15	1.49	0.59
Earnings after tax, employees profit-sharing, depreciation and amortisation	(0.74)	(0.93)	(0.70)	(3.96)	0.56
Divided allocated to each share	-	-	-	-	-
<b>VI. Staff</b>					
Average workforce during the period	6	4	-	-	-
Total wage bill for the period	446,849	157,746	-	-	-
Amount of sums paid under employee benefits for the period (social security, social works)	172,745	46,595			

**Maturity dates of trade payables**

In euros

In accordance with Article L441-6-1 of the French Commercial Code, the outstanding trade payables as at 31 December 2010, arranged by maturity dates, are shown in the table below:

between 1 and 60 days	between 61 and 180 days	between 181 and 360 days	Over 361 days	TOTAL
42,451			74,633	117,084