



RAPPORT D'ACTIVITE
BUSINESS REVIEW

2010

SOMMAIRE

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PROFIL PROFILE

Un métier : l'immobilier d'entreprise One business: commercial property

Le groupe Affine est structuré autour de trois foncières.

Affine, société dotée du statut de SIIC et cotée sur NYSE Euronext Paris, intervient comme investisseur (bureaux, entrepôts, commerces) dans toute la France ; c'est aussi un établissement de crédit au titre de son activité de crédit-bailleur. L'action Affine fait partie des indices CAC Mid & Small, SIIC IEIF et EPRA. Au 31 décembre 2010, sa capitalisation boursière s'élève à 139 M€ environ et son patrimoine propre est évalué à 563 M€ droits inclus.

Banimmo, foncière belge cotée sur NYSE Euronext Bruxelles, est détenue par Affine (50 %) et les dirigeants de la société (29 %). Elle intervient plus particulièrement dans le repositionnement et le redéveloppement d'immeubles en Belgique, en France et au Luxembourg. Au 31 décembre 2010, sa capitalisation boursière est de 162 M€ et son patrimoine est estimé à 436 M€ droits inclus, dont 284 M€ en immeubles.

AffiParis est une SIIC cotée sur NYSE Euronext Paris, spécialisée dans l'immobilier d'entreprise parisien. Au 31 décembre 2010, sa capitalisation boursière atteint 22 M€ et la valeur de son patrimoine s'établit à 214 M€ droits inclus.

Affine détient également **Concerto European Developer**, filiale spécialisée dans le montage d'opérations de développement et d'investissement dans l'immobilier logistique principalement en France.

The Affine Group is structured around three property companies.

Affine, a company with French REIT (SIIC) status, listed on NYSE Euronext Paris, operates as an investor (offices, warehouses, stores) throughout France. It is also a credit institution in respect of its finance lease business. The Affine share is included in the CAC Mid & Small, SIIC IEIF and EPRA indexes. At 31 December 2010, its market capitalisation represented approximately €139m and its rental properties were estimated at €563m including transfer taxes.

Banimmo, a Belgian property company listed on NYSE Euronext Brussels, is owned by Affine (50%) and the company's management (29%). It is mainly dedicated to renovating and repositioning buildings in Belgium, France and Luxembourg. At 31 December 2010, its market capitalisation was €162m and its assets were estimated at €436m including transfer taxes, with buildings representing €284m.

AffiParis, a French REIT (SIIC) listed on NYSE Euronext Paris, is specialised in commercial property in Paris. At 31 December 2010, its market capitalisation was €22m and the value of its assets came to €214m including transfer taxes.

Affine also holds **Concerto European Developer**, a subsidiary specialised in setting up development and investment projects in logistics property, mainly in France.

Chiffres clés (en M€)

Key figures (in €m)

Comptes consolidés (M€)	2008*	2009*	2010	Consolidated statements (€m)
Revenus locatifs	73,5	77,2	70,6	Gross rental income
Résultat opérationnel courant	44,3	42,8	44,6	Current operating profit
Résultat net – part du groupe	(37,5)	(5,7)	10,3	Net profit – group share
Résultat EPRA	ND	16,2	17,6	EPRA earnings
Cash flow opérationnel	47,7	74,1	20,8	Operating cash flow
Investissements	194,0	119,0	96,7	Investments ¹
<i>dont immeubles de placement</i> ⁽¹⁾	182,0	119,0	48,5	<i>of which Investment properties</i> ⁽¹⁾
<i>dont autres</i>	12,0	-	48,3	<i>of which others</i>
Juste valeur du patrimoine (droits inclus) ⁽²⁾	1 141,2	1 088,5	1 059,8	FV of investment properties (incl. TT) ⁽²⁾
Juste valeur du patrimoine (hors droits) ⁽²⁾	1 086,7	1 038,0	1 009,9	FV of investment properties (excl. TT) ⁽²⁾
Actif net réévalué EPRA (hors droits) ⁽³⁾⁽⁶⁾	329,1	284,3	286,0	EPRA net asset value (excl. TT) ⁽³⁾⁽⁶⁾
Dettes financières nettes	753,6	692,5	717,9	Net financial debt
LTV (%) ⁽⁴⁾	56,6%	58,1%	58,5%	LTV (%) ⁽⁴⁾
Coût moyen de la dette ⁽⁵⁾	5,3%	3,8%	3,9%	Average cost of debt ⁽⁵⁾
Données par action (€)	2008*	2009*	2010	Figures per share (€)
Résultat net (dilué)	(4,53)	(0,99)	0,83	Net profit (diluted)
Résultat EPRA	ND	1,40	1,62	EPRA earnings
Capacité d'autofinancement (dilué)	ND	3,2	2,5	Funds from operation (diluted)
Dividende	1,00	1,78	2,43	Dividend
Actif net réévalué EPRA (hors droits) ⁽²⁾⁽⁶⁾	34,69	31,39	30,70	EPRA net asset value excl TT ⁽²⁾⁽⁶⁾
Cours de bourse	13,00	16,25	17,10	Share price

* Après retraitement de BFI en « Résultat net d'impôt des activités arrêtées ou en cours de cession ». / After restatement of BFI in "After-tax profit from businesses that have been discontinued or are being sold".

(1) Au coût historique, en pleine propriété ou financés en crédit-bail. / At historic cost, in full ownership or lease financed.

(2) Juste valeur des immeubles de placement y compris immeubles destinés à la vente droits inclus ou exclus. Le taux des droits utilisé pour les immeubles est de 6,2% en France et 2,5% en Belgique. / Fair value of investment properties, including property held for sale, including or excluding transfer taxes. Transfer tax rates for buildings are 6.2% for France and 2.5% for Belgium.

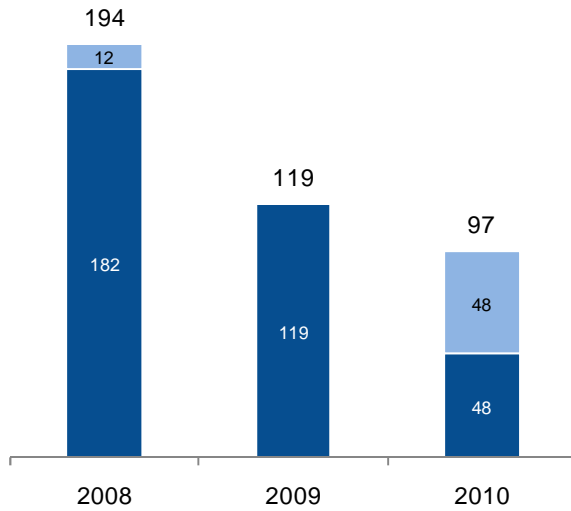
(3) Y compris ORA. / Including ORA (mandatory convertible bonds).

(4) Le LTV correspond au ratio de la dette financière nette associée aux immeubles de placement sur la valeur des immeubles de placement hors VEFA et incluant les immeubles en stock / The LTV corresponds to the ratio of the net financial debt associated to investment properties excluding buildings in anticipation of completion and including buildings in stock.

(5) Coûts de couvertures inclus / including hedging costs.

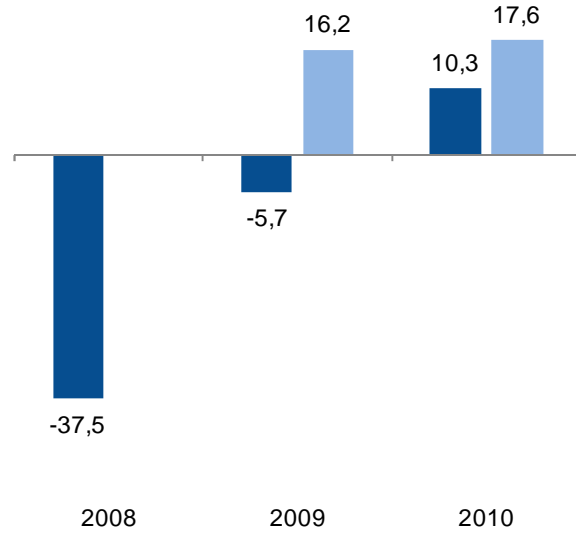
(6) Après neutralisation des Titres Subordonnés à Durée Indéterminée (TSDI). / After neutralisation of perpetual subordinated loan notes (PSL).

Investissements engagés (M€)
Investments committed (€m)



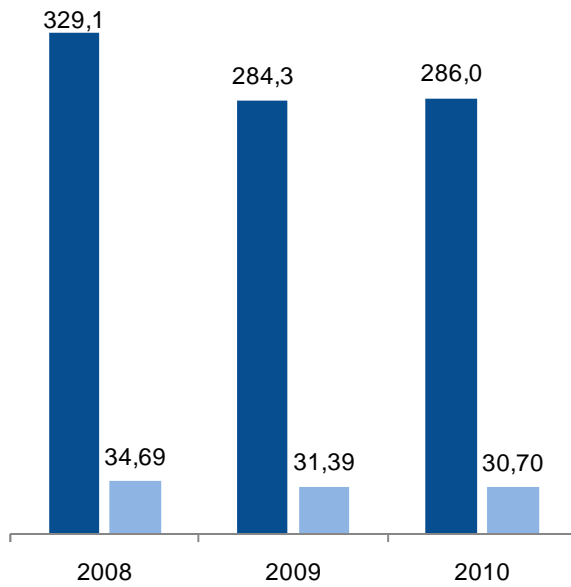
- Immeubles de placement / Rental properties
- Location-financement / Lease-finance
- Titre de participation / Equity investments
- Croissance externe / External growth

Résultats (M€)
Profits (€m)



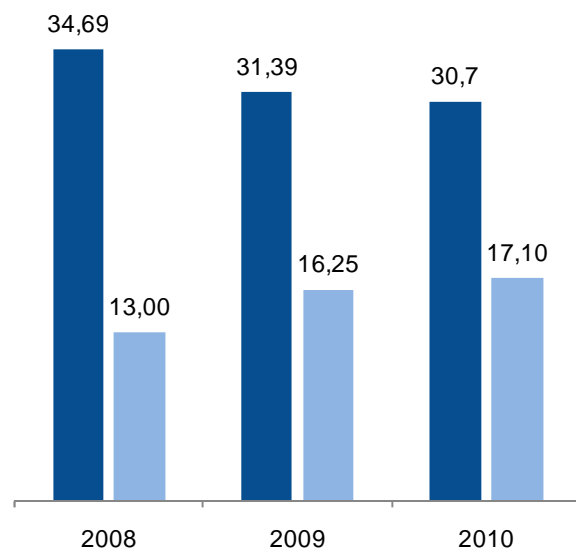
- Résultat net consolidé - part du groupe / Consolidated net profit - Group share
- Résultat EPRA / EPRA earnings

Actif net réévalué EPRA (M€)
EPRA Net asset value (€m)



- ANR EPRA / EPRA NAV
- Par action / Per share (€)

ANR EPRA par action et cours de bourse de clôture (€)
EPRA NAV per share and share price end of year (€)



- ANR EPRA (hors droits) / EPRA NAV (excl. TT)
- Cours de bourse / Share price

Stratégie et développement

Strategy and development

Après une phase de recentrage sur son activité de foncière et de rééquilibrage de son patrimoine au profit des commerces, Affine entend poursuivre sa stratégie d'optimisation de la gestion de son patrimoine. Celle-ci a notamment pour objectif l'amélioration de la qualité et de la rentabilité des immeubles, le développement des relations avec les locataires et une meilleure maîtrise des coûts.

L'amélioration de la qualité du patrimoine représente une priorité pour le groupe à moyen terme. La forte baisse des valeurs entraînée par la crise à l'ensemble du marché a freiné la rotation des actifs, réduisant ainsi les opportunités d'acquisitions. De même, elle a engendré d'importants ralentissements dans la mise en chantier de nouveaux bâtiments avec le risque de faire naître une relative pénurie sur certains marchés. Un sentiment renforcé avec l'arrivée de standards de construction toujours plus exigeants associés à une plus grande sensibilité de l'utilisateur aux problématiques environnementales.

La rénovation ciblée du parc immobilier du groupe répond ainsi aux exigences à la fois des locataires et des actionnaires. En proposant un espace de travail de meilleure qualité aux utilisateurs, elle permet souvent un rallongement des baux – sécurisant ainsi les loyers – et une meilleure valorisation des biens. Un juste équilibre résultant d'une plus grande proximité avec les locataires qui ne se limite pas qu'à la seule dimension financière.

Le groupe souhaite reprendre parallèlement une politique active de croissance, soit par des acquisitions ponctuelles, soit par des achats de portefeuilles ou de sociétés. La reprise progressive du marché de l'investissement immobilier dans l'ensemble de la France a permis la réalisation de trois opérations conformes aux critères de rentabilité et de risque du groupe en fin d'année.

L'optimisation du portefeuille immobilier se traduit également par la poursuite des arbitrages de bâtiments ne répondant plus à la stratégie du groupe selon des critères de taille, de maturité ou de coût de mise à niveau en matière environnementale. Un audit énergétique est en cours de réalisation pour les principaux actifs du portefeuille.

After a phase of refocusing on property activity and rebalancing its property portfolio towards retail buildings, Affine wishes to continue its strategy of optimizing portfolio management. The main aims are to improve the quality and profitability of the buildings, to strengthen relationships with tenants and to improve cost control.

Improvement in building quality represents a medium-term priority for the Group. The steep drop in value resulting from the crisis slowed asset turnover, thereby reducing acquisition opportunities. This drop also created significant slowdowns in the construction of new buildings, with the risk of creating a relative shortage on certain markets. This sentiment is reinforced by the increasingly strict construction standards related to greater user sensitivity of environmental issues.

Renovation of selected buildings meets the requirements of both tenants and shareholders. By offering a higher-quality working environment to users, it often allows an extension of leases – thus securing rents – and a better valuation of property. This fair compromise results mainly from a closer relationship with tenants, which is more than simply financial.

In addition, the Group wishes to resume an active growth policy either through isolated building acquisitions, or through the purchase of portfolios or companies. The progressive upturn of the French property investment market allowed the Group to complete three investment transactions meeting its criteria of profitability and risk in late 2010.

Property portfolio optimisation also results in the continuation of the disposal of buildings that no longer meet the Group strategy in terms of size, maturity, or the cost of refurbishment to comply with environmental standards. An energy audit is carried out for the main assets of the portfolio.

Faits marquants

Key events

Janvier

Nouveau contrat de liquidité signé avec la Société Générale.

Février

Exécution de la cession de BFI.

Cession d'un immeuble de bureaux de 2 781 m² à Valbonne (06).

Mars

Cession d'un immeuble à usage mixte bureaux / activités de 1 192 m² à Tremblay (93).

Cession d'un immeuble à usage mixte bureaux / activités de 2 337 m² à Vénissieux (69).

Avril

Signature avec H&M d'un bail dans le nouvel ensemble commercial Espace Colbert à Nevers (58).

Acquisition d'un ensemble de commerces de pieds d'immeubles de 2 848 m² à Rouen (76).

Cession d'un immeuble d'activité de 4 089 m² à Buc (77).

Cession d'un immeuble de bureaux de 5 790 m² à Villeurbanne (69).

AG vote un dividende de 1,2 € par action.

Mai

Éligibilité de l'action Affine au Service de Règlement Différé (SRD) Long Seulement.

Succès du placement de 75 M€ d'obligations assorties de warrants par Banimmo.

Juin

Cession d'un plateau de bureaux de 377 m² à Paris Bercy (75).

Cession d'un immeuble de bureaux de 817 m² à Malakoff (92).

Cession d'un entrepôt de 10 505 m² à Vilvoorde (Belgique).

Annnonce d'un dividende complémentaire de 0,58 €, à proposer lors de la prochaine AG.

January

New liquidity contract signed with Société Générale.

February

Execution of the disposal of BFI.

Sale of a 2,781 sqm office building in Valbonne (06).

March

Sale of a 1,192 sqm mixed-use building (offices and industrials) in Tremblay (93).

Sale of a 2,337 sqm mixed-use building (offices and industrials) in Venissieux (69).

April

Signature of a lease with H&M for premises in the new Espace Colbert retail centre in Nevers (58).

Acquisition of a 2,848 sqm retail complex in Rouen (76).

Sale of a 4,089 sqm industrial building in Buc (77).

Sale of a 5,790 sqm office building in Villeurbanne (69).

GM approval for a dividend of €1.2 per share.

May

Eligibility of the Affine share for the "Long Only" Deferred Settlement Order (DSO).

Success of the placement of €75m worth of bonds with warrants by Banimmo.

June

Sale of a 377 sqm office floor in Paris Bercy (75).

Sale of a 817 sqm office building in Malakoff (92).

Sale of a 10,505 sqm warehouse in Vilvoorde (Belgium).

Announcement of a €0.58 bonus dividend, to be proposed at the next GM.

Juillet

Cession d'une participation minoritaire dans un centre commercial de 3 715 m² à Val d'Yerres (91).

Cession d'un immeuble de bureaux de 2 835 m² à Goussainville (95).

Août

Accord stratégique conclu entre Banimmo et le groupe City Mall pour la reprise de Foruminvest Belgique et Luxembourg, spécialisé dans le développement de centres commerciaux en coeur de ville.

Septembre

Cession d'un immeuble de bureaux de 1 199 m² à Croissy Beaubourg (77).

Octobre

Cession d'une plateforme logistique de 63 477 m² à Mer (41).

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

Cession d'un immeuble de bureaux de 880 m² à Aix-en-provence (13).

Versement d'un dividende complémentaire de 0,58 € par action.

Novembre

Cession d'un immeuble de bureaux de 764 m² à Bayeux (14).

Décembre

Acquisition de deux lots totalisant 12 000 m² au sein d'un centre commercial à Eragny (95).

Cession d'un immeuble de bureaux de 1 138 m² à Pantin (93).

Cession d'un immeuble de bureaux de 16 201 m² à Nice (06).

Cession d'un immeuble de bureaux de 346 m² à Hesdin (62).

July

Sale of a minority stake in a 3,715 sqm shopping centre in Val d'Yerres (91).

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

August

Strategic agreement signed between Banimmo and the group City Mall to acquire Foruminvest Belgium and Luxembourg, a group specialised in the development of city centre shopping complexes.

September

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

October

Sale of a 63,477 sqm logistics platform in Mer (41).

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

Sale of a 880 sqm office building in Aix-en-Provence (13).

Payment of a bonus dividend of €0.58 per share.

November

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

December

Acquisition of two units totalling 12,000 sqm in a retail centre in Eragny (95).

Sale of a 1,138 sqm office building in Pantin (93).

Sale of a 16,201 sqm office building in Nice (06).

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

Événements post-clôture

Post closure events

Janvier

Banimmo demande la radiation de la cotation de son action sur NYSE Euronext Paris (le titre reste coté sur NYSE Euronext Bruxelles).

Février

Acquisition d'un immeuble de bureaux de 4 900 m² à Lyon (69).

January

Banimmo files for the delisting of its shares on NYSE Euronext Paris (the shares remain listed on NYSE Euronext Brussels).

February

Acquisition of a 4,900 sqm office building in Lyon (69).

Actionnariat Shareholding

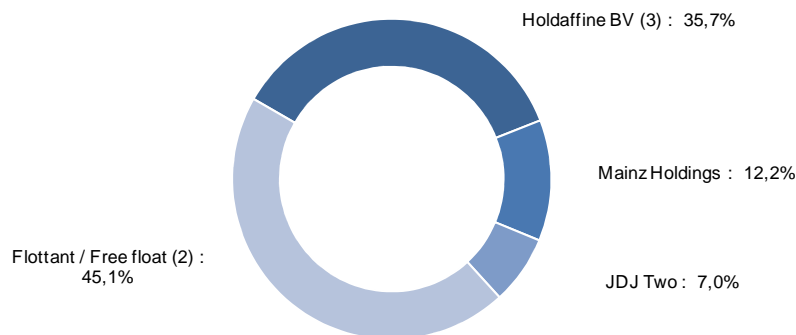
Actionnariat au 31 décembre 2010

Au 31 décembre 2010, le capital social s'élève à 47 800 000 € divisé en 8 113 566 actions.

Shareholding at 31 December 2010

At 31 December 2010, the share capital totalled €47,800,000 divided into 8,113,566 shares.

Répartition du capital / Breakdown of shareholding



(1) Répartition des droits de vote / Breakdown of voting rights:

- Holdaffine : 52,2 %
- Mainz Holdings : 8,9 %
- JDJ Two : 5,9 %
- Flottant / Free float: 33,0 %

(2) dont AXA Investment Managers 3,5 % du capital (5,0 % des droits de vote) / Of which AXA Investment Managers has 3.5% of the capital (5.0% of the voting rights).

(3) Holdaffine est une société holding non cotée dont la seule activité est la détention du contrôle d'Affine. Elle ne détient pas de participation dans d'autres sociétés et n'a aucune dette. Holdaffine is an unlisted holding company whose sole activity is holding a controlling interest in Affine. It does not have investments in other companies or any debt.

Affine en bourse

Le titre Affine, coté sur NYSE Euronext Paris, fait partie des indices SBF 250 (CAC Small90), SIIC Euronext-IEIF et EPRA.

Un nouveau contrat de liquidité signé le 21 janvier 2010 avec la Société Générale assure la cotation du titre en continu et a été doté de 150 000 € et de 399 450 titres Affine. Le compte de liquidité, après prise en compte des achats et ventes de l'année, comprenait 134 131 actions au 31 décembre 2010.

Depuis le 26 mai dernier, l'action Affine est éligible au Service de Règlement Différé (SRD) Long Seulement. Ce mécanisme permet aux investisseurs / actionnaires l'achat du titre en ne s'acquittant que d'une partie de la valeur de l'acquisition. Le solde est financé par le courtier (intermédiaire financier) jusqu'à la fin du mois en cours.

Dans le cadre de l'autorisation donnée par l'Assemblée générale du 29 avril 2009 et renouvelée lors de l'Assemblée générale du 23 avril 2010, la société a acquis au cours de l'année 158 805 actions, dont 125 183 à travers le contrat de liquidité. Par ailleurs, c'est à travers ce même contrat que 399 231

Affine on the stock market

Affine's shares are listed on NYSE Euronext Paris, and are included in the SBF 250 (CAC Small90), SIIC Euronext-IEIF and EPRA indexes.

A new liquidity contract signed with Société Générale on 21 January 2010 provides for continuous stock quotation, and was allocated €150,000 and 399,450 Affine shares. After taking account of the purchases and sales over the year, the liquidity account comprised 134,131 shares at 31 December 2010.

Since 26 May 2010, the Affine share is eligible for the "long only" Deferred Settlement Order. This mechanism allows investors / shareholders to buy the share with only a partial payment of the value of the acquisition. The remainder is financed by the broker (the financial intermediary) until the end of the current month.

Under the authorisation granted by the Annual General Meeting of 29 April 2009, and renewed by the Annual General Meeting of 23 April 2010, the company purchased 158,805 shares during the year, of which 125,183 were through the liquidity contract. Through this same contract, 399,231 shares were

titres ont été vendus au cours de cette période.

Le total des actions détenues par la société et figurant à l'actif de son bilan s'élève à 421 367 dont 134 131 actions liées à l'animation du marché, 13 560 pour l'attribution gratuite d'actions et 273 676 pour conservation et remise à l'échange ou en paiement dans le cadre d'opérations éventuelles de croissance externe (soit 3,4 % du capital sur la limite de 5 % autorisé).

Au 31 décembre 2010, la valeur des actions propres inscrites au bilan est de 6,8 M€.

Le nombre moyen de transactions journalières a été de 7 305 au cours de 2010, contre 9 274 pour la même période en 2009. Le taux de rotation du capital atteint 23,2 %, ou encore 55,8 % sur la base du flottant.

A la suite de la publication de ses résultats annuels 2009, le titre Affine a enregistré une surperformance par rapport aux indices sectoriels IEIF SIIC France et EPRA Europe. Cette surperformance s'est progressivement érodée pendant l'été, période au cours de laquelle le secteur des foncières a connu un regain de faveur des marchés. Depuis, le cours de bourse d'Affine a présenté une relative stabilité et sa performance annuelle s'est alignée sur celle de l'indice IEIF SIIC France depuis mi-novembre. Cela se traduit par une croissance de 5,2 % lorsque l'IEIF SIIC France affiche une croissance de 6,7 %.

Au 31 décembre 2010, le cours d'Affine s'établissait à 17,10 € faisant ressortir une capitalisation boursière de 138,7 M€. La décote par rapport à l'ANR EPRA s'élevait à 44 %. Depuis début 2011, le cours a sensiblement progressé pour s'établir à 19,57 € le 3 mars.

sold during this period.

The total number of shares held as treasury which appears under assets in the balance sheet amounts to 421,367, of which 134,131 are intended for market making, 13,560 for the allocation of bonus shares and 273,676 for retention and remittance in exchange or in payment in connection with potential external growth transactions (i.e. 3.4% within the authorised limit of 5% of the share capital).

At 31 December 2010, the value of the treasury shares recorded on the balance sheet was €6.8m.

The average number of daily transactions was 7,305 during 2010 versus 9,274 for the same period in 2009. The capital turnover rate was 23.2%, or 55.8% based on the free float.

Following the publication of the FY09 annual results, the Affine share price outperformed the IEIF SIIC France and EPRA Europe indexes. This outperformance disappeared progressively during the summer, during which period the property sector regained market favour. Since this time, the Affine share price has remained fairly stable and its annual performance has been in line with that of the IEIF SIIC France index since mid-November. This results in growth of 5.2%, with IEIF SIIC France posting growth of 6.7%.

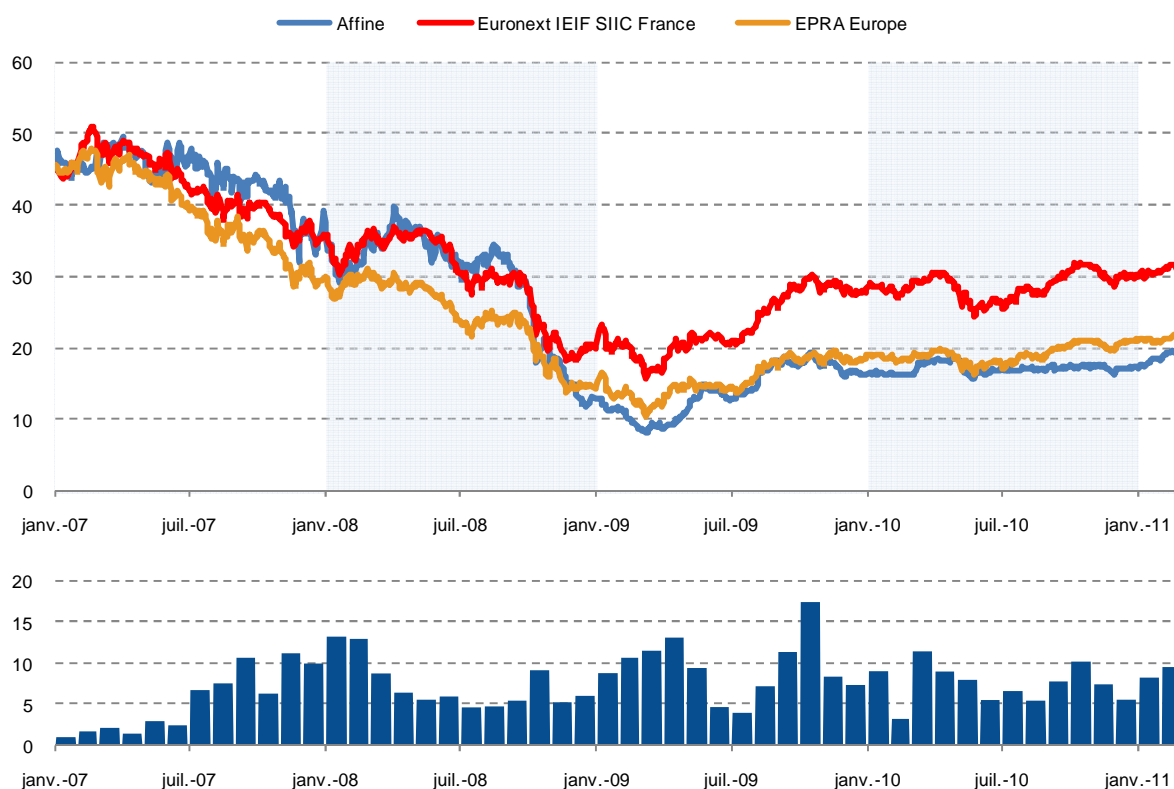
At 31 December 2010, the Affine share was trading at €17.10 leading to a market capitalisation of €138.7m. The discount in relation to the EPRA NAV came to 44%. Since early 2011, the share price has slightly improved and was €19.57 at the close on 3 March.

Caractéristiques boursières au 31 décembre 2010 Stock market information at 31 December 2010

Marché / Market	NYSE Euronext Paris
Code ISIN / ISIN code	FR0000036105
Bloomberg	IML FP
Reuters	BTPP.PA
SRD / DSO	Long seulement / Long only
Nombre de titres / Shares outstanding	8 113 566
Flottant / Free float	45,1 %
Cours de clôture / Closing price	17,10 €
+ Haut & + Bas / High & Low	18,80 € / 15,72 €
Capitalisation / Market capitalisation	138,7 M€
Rendement du titre / Total shareholder return ⁽¹⁾	14,3 %

(1) (Dividende versé au cours de l'exercice [solde du dividende 2010 et dividende complémentaire] + variation du cours) / Cours au 31 décembre 2009.
(Dividend paid during the year [balance of 2009 dividend and Bonus dividend] + change in the share price) / Price at 31 December 2009.

Cours de l'action (en €) et volume de transaction moyen (en milliers de titre) Share price (in €) and average transaction volume (in thousands of shares)



Dividende

Affine proposera à la prochaine assemblée générale le 28 avril le vote d'un dividende de 2,43 € par action (soit un total de 19,7 M€), au titre de l'exercice 2010, offrant l'option d'être distribué soit en numéraire soit en action nouvelle. Ce dividende porte le rendement du titre Affine à 14,2 % par rapport au cours du 31 décembre 2010.

Après un dividende réduit à titre de précaution en

Dividends

Affine will propose to the forthcoming General Meeting on 28 April that a vote be held regarding a dividend of €2.43 per share (i.e. €19.7m), for fiscal year 2010, distributed either in cash or in new share. This dividend takes the return on Affine shares to 14.2% based on the share price at 31 December 2010.

After a precautionary reduced dividend in 2009

2009 (8,1 M€), les dividendes en 2010 (14,5 M€) et 2011 permettent ainsi de retrouver un niveau particulièrement élevé de distribution comparé aux années antérieures : 12,1 M€ en 2007 et 13,4 M€ en 2008, résultant directement de l'obligation de distribution des bénéfices et plus-values de cessions attachée au statut SIIC.

(€8.1m), the 2010 (€14.5m) and 2011 dividends make it possible to regain a particularly high distribution level in comparison with those of previous years: €12.1m in 2007 and €13.4m in 2008, resulting directly from the compulsory distribution of profit and capital gains on sales related to the SIIC status (French REIT).

Agenda de l'actionnaire

- 28 avril 2011 : Assemblée générale
- 16 mai 2011 : Paiement du dividende en action ou en numéraire (2,43 €)
- 16 mai 2011 : Chiffre d'affaires du premier trimestre
- Septembre 2011 : Chiffre d'affaires et résultats semestriels 2011

Shareholders' diary

- 28 April 2011: Annual General Meeting
- 16 May 2011: Dividend payment in share or in cash (€2.43)
- 16 May 2011: First quarter revenues
- September 2011: 2011 Half-year revenues and results

GOVERNANCE

GOVERNANCE

Organe de direction Management

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

Administrateurs / Directors

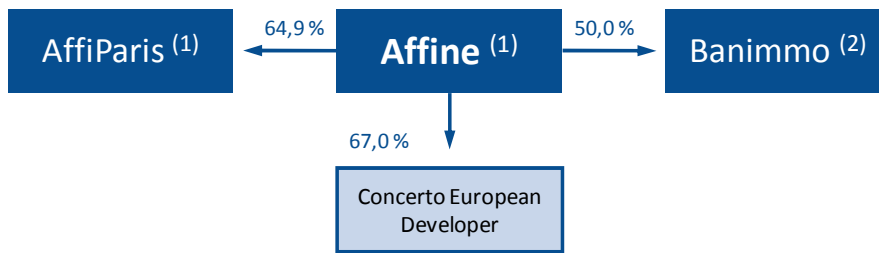
Maryse Aulagnon	Président Chairperson
Alain Chaussard	Représentant permanent de MAB-Finances, Vice-Président Permanent representative of MAB-Finances, Vice-Chairman
Arnaud de Bresson	Directeur général de Paris-Europlace Managing Director of Paris-Europlace
Stéphane Bureau	Partner – Directeur général de la gestion d'actif chez Cushman & Wakefield Partner – Managing director of asset management at Cushman & Wakefield
Jean-Louis Charon	Représentant permanent de Holdaffine Permanent representative of Holdaffine
Bertrand de Feydeau	Président de Foncière Développement Logements Chairman of Foncière Développement Logements
Michel Garbolino	Trustee Fondation Stern & Président de CMIL – Luxembourg Trustee of the Stern Foundation and Chairman of CMIL – Luxembourg
Ariel Lahmi	Président Directeur Général de Beekman Reim Chairman and Chief Executive Officer of Beekman Reim
Burkhard Leffers	Représentant permanent de LICA Permanent representative of LICA
Philippe Tannenbaum	Senior Advisor Institut de l'Épargne Immobilière et Financière
François Tantot	Ancien Directeur général d'Aareal Bank France Former Chief Executive Officer of Aareal Bank France
Andrew Walker	Représentant permanent de Forum Partners Permanent representative of Forum Partners

Direction générale / Management

Maryse Aulagnon	Directeur Général Chief Executive Officer
Alain Chaussard	Directeur Général Délégué Co-Chief Executive Officer

Structure du groupe

Group structure



(1) Société cotée sur Euronext Paris. / Company listed on Euronext Paris.

(2) Société cotée sur Euronext Bruxelles. / Company listed on Euronext Brussels.

Données sociales et environnementales

Social and environmental information

Ressources humaines

Au 31 décembre 2010, l'effectif total du groupe était de 79 personnes réparties en :

- 35 employés, 41 cadres et 3 mandataires sociaux
- 33 hommes et 46 femmes
- 55 en France (dont 5 chez Banimmo) et 24 en Belgique (Banimmo).

Affine a signé en décembre 2001 un accord sur la réduction du temps de travail et l'instauration d'un horaire variable dans le cadre d'une durée annuelle de 1 600 heures. La « journée de solidarité » instituée par la loi du 30 juin 2004 a été mise en œuvre par imputation sur le nombre de jours de RTT.

L'accord d'intéressement signé le 23 juin 2009 permet de faire bénéficier le personnel des résultats de la société. Une somme de 278 K€ a ainsi été versée au cours de 2010 au titre de l'intéressement au résultat de l'exercice 2009.

La formation a porté sur deux axes : technique et linguistique. Le budget formation d'Affine représente 1,35 % de la masse salariale (supérieur au minimum légal de 0,9 %) et 22 collaborateurs en ont bénéficié en 2010.

Au 31 décembre 2010, les salariés du groupe Affine ne détiennent aucune participation dans le capital de leur société au titre d'un fonds commun de placement ou d'un plan d'épargne d'entreprise (article L.225-102 du Code de commerce).

Human resources

At 31 December 2010, the Group has 79 employees, broken down as follows:

- 35 employees and 41 managers, and 3 company representatives
- 33 men and 46 women,
- 55 in France (of whom 5 at Banimmo) and 24 in Belgium (Banimmo).

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

The profit sharing agreement signed on 23 June 2009 gives employees a share in their company's profits. Accordingly, an amount of €278,000 was paid out during the period related to 2009 profits.

Staff training focuses on two main areas: technical and linguistic. Affine's training budget represented 1.35% of the payroll (above the legal minimum of 0.9%) and 22 employees received training in 2010.

At December 31 2010, employees of the Affine Group have no holdings in the company's share capital through a mutual fund or company savings plan (Article L.225-102 of the French Code of Commerce).

Environnement

Affine a initié une réflexion Développement Durable en considérant l'impact de son activité de foncière sur l'environnement. Cette démarche est orientée vers le diagnostic environnemental de son patrimoine et la sensibilisation des locataires aux problématiques environnementales. Affine est convaincue que la réduction de l'empreinte écologique passe d'abord par une réflexion menée en commun avec les locataires sur l'utilisation des locaux et la mise en place de systèmes plus économes en ressources environnementales, la mesure de l'impact sur l'énergie, l'eau, les déchets et le carbone, et l'évaluation d'investissements de remise aux normes des immeubles du patrimoine les plus énergivores. La signature d'un bail vert en 2010, ou la recherche de labellisations environnementales sont des exemples d'applications concrètes de ces principes dans l'activité opérationnelle d'Affine.

Au-delà de cette campagne de sensibilisation, Affine estime que la réflexion du secteur immobilier concernant la prise en compte de problématiques de Développement Durable dans ses métiers reste encore à harmoniser et préciser. Elle s'est impliquée également dans le partage de ses expériences et conclusions concernant son patrimoine, au sein de la Commission Valorisation Verte du Grenelle de l'Environnement, ainsi que dans le Pôle Finance Innovation – Immobilier Durable dans le cadre de Paris Europlace.

Cette démarche s'inscrit dans un objectif de responsabilité sociétale du groupe, et de préservation de la valeur de son patrimoine. Cette réflexion environnementale a amené Affine à repenser sa stratégie de patrimoine, afin de faire de la performance environnementale un guide dans sa politique d'investissement et d'arbitrage. Affine vise, en effet, à acquérir de façon privilégiée des bâtiments qui, d'ores et déjà, se conforment aux critères les plus avancés de performance environnementale, ou qui pourraient s'y conformer en impliquant des investissements limités. Similairement, le groupe arbitre les actifs qui feraient apparaître un risque de perte de valeur selon cette approche environnementale.

Environment

Affine has initiated a sustainable development review by considering the impact of its property business on the environment. This process is oriented towards environmental diagnosis of its buildings and raising tenants' awareness of environmental issues. Affine believes that reducing the ecological footprint starts with reflection conducted jointly with tenants on the use of the premises and the establishment of systems that are more efficient in the use of environmental resources, measuring the impact on energy, water, waste and carbon, and the valuation of investments to upgrade the portfolio's less efficient buildings in terms of energy consumption. The signing of a green lease in 2010 and efforts to attain green status are concrete examples of these principles in Affine's operational activity.

Beyond this awareness campaign, the Affine considers that reflection of the real estate sector on the inclusion of sustainable development issues in its business needs further harmonisation and clarification. It has also been involved in sharing its experiences and conclusions on its properties within the Green Valuation Commission of the *Grenelle de l'Environnement*, a government environmental initiative in France, and within the *Pôle Finance Innovation – Immobilier Durable* business and research cluster as part of Paris Europlace.

This approach comes under the Group's objective of social responsibility and the preservation of the value of its properties. This environmental review has led Affine to rethink its property strategy in order to make environmental performance a guide in its investment and disposal policy. Affine is aiming to prioritise the acquisition of buildings which already comply with the most advanced environmental performance criteria, or which could comply with them with limited investment. Similarly, the Group disposes of assets that reveal a risk of loss of value in this environmental approach.

Mécénat Sponsorship

Affine accompagne la Fondation Palladio

Issue d'une initiative originale dans le secteur de l'immobilier, la Fondation Palladio se consacre à la formation, à la recherche et au rayonnement de l'industrie immobilière sous l'égide de la Fondation de France.

Autour de ses membres fondateurs et de ses mécènes, parmi lesquels figure Affine, la Fondation Palladio réunit les entreprises, les organisations professionnelles, les collectivités, les pouvoirs publics et les personnalités de tous horizons qui veulent donner aux jeunes générations les moyens et les outils pour inventer et pour agir dans ce domaine.

Affine soutient Pro Musicis

Depuis 2001 Affine soutient cette association fondée par Eugène Merlet qui a pour mission d'aider dans leur carrière des jeunes musiciens, en leur organisant des concerts publics, en échange de « concerts de partage » offerts par ces musiciens à ceux qui vivent dans l'isolement, la souffrance ou la pauvreté (personnes âgées, handicapés, personnes en centre de réhabilitation, sans-abri, détenus, etc).

Affine participe à l'action de Proximité

Cette association a notamment pour objectif de mettre en place un tutorat de personnes engagées dans la vie active au profit de jeunes en difficultés, soit dans leur parcours scolaire, soit dans leur insertion professionnelle. Trois cadres d'Affine ont ainsi pris en charge chacun un jeune en difficulté d'insertion.

Affine supports the Palladio Foundation

From an original initiative in the real estate sector, the Palladio Foundation is dedicated to training, research and the promotion of the real estate industry under the aegis of the Fondation de France.

Based around its founding members and charitable sponsors (among them Affine) the Palladio Foundation rallies businesses, professional organisations, communities, local authorities and public figures from all backgrounds who want to give young people the means and tools to invent and to act in this field.

Affine sponsors Pro Musicis

Affine has been supporting this association, established by Eugène Merlet, since 2001. Pro Musicis is dedicated to enhancing the careers of young musicians by organising public concerts for them, in exchange for "community service concerts" performed by these musicians for those who live in isolation, suffering or poverty (the elderly, disabled, people living in rehabilitation centres, the homeless, prisoners, etc).

Affine contributes to the action of Proximité

This association aims to set up a system of tutorship provided by individuals engaged in active life for the benefit of young people in difficulty, either for their schooling or for their professional integration. Three Affine managers each undertook to support a young person with difficulties in integration.

LE GROUPE THE GROUP

Les immeubles Properties

Stratégie

Créé en 1990, le groupe Affine est présent sur l'ensemble des secteurs de l'immobilier d'entreprise : bureaux, logistique, commerces.

Au cours des deux dernières années, la réalisation de plusieurs investissements importants dans l'immobilier commercial, associée à la politique de cession a permis au groupe de rééquilibrer son portefeuille. Ainsi la part du commerce est passée d'un peu moins de 14 % en 2008 à plus de 22 % fin 2010, un niveau supérieur à celui des entrepôts (16 %). Le patrimoine reste dominé par les bureaux avec 56 % à fin 2010 contre 55 % à fin 2009.

Cette logique de diversification se retrouve également dans la répartition géographique des immeubles. Le groupe Affine est présent essentiellement en France, à parts sensiblement égales entre l'Île de France et les autres régions, et en Belgique à travers Banimmo.

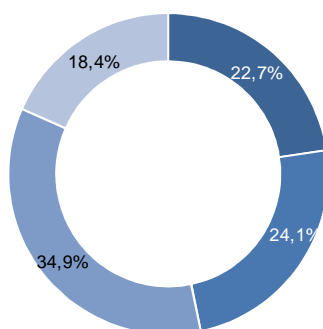
Strategy

Founded in 1990, the Affine Group is present on all business property sectors: offices, logistics, retail.

Over the last two years, a number of major investments in retail property, combined with a disposal policy, have enabled the Group to rebalance its portfolio. The share of retail has thus increased from just under 14% in 2008 to more than 22% in late 2010, above the warehouse share (16%). The property portfolio remains dominated by office premises with 56% at year-end 2010 against 55% at year-end 2009.

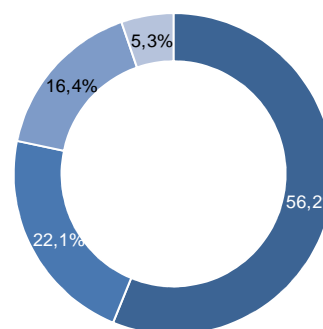
This logic of diversification is also found in the geographical distribution of buildings. The Affine Group is present mainly in France – almost equally between the Ile de France and other regions – and in Belgium, through Banimmo.

Répartition géographique en valeur Breakdown of value by region



- Paris
- Région parisienne hors Paris / Paris region excl. Paris
- Autres régions en France / Other regions in France
- Zone euro hors France / Euro zone excl. France

Répartition en valeur par nature d'actif Breakdown of value by type of asset



- Bureaux / Offices
- Surfaces commerciales / Retail
- Entrepôts et activité / Warehouses and industrial
- Autres / Others

Bureaux

L'immobilier de bureau constitue le secteur le plus important du patrimoine du groupe Affine, en raison notamment des portefeuilles d'AffiParis, filiale constituée en quasi-totalité de bureaux (97 %) à Paris, et de Banimmo, dont l'activité est majoritairement axée sur le repositionnement de ce type d'actif (62 %).

Les surfaces de bureaux vont de 700 m² à près de 18 000 m² réparties à parts sensiblement égales entre la région parisienne, les autres régions françaises et la Belgique.

Entrepôts et activités

Le patrimoine logistique du groupe Affine rassemble plusieurs types de plateformes, la plupart étant bi-modales (fer/route), proposant des surfaces allant de 5 000 m² à 45 000 m².

Ce patrimoine se situe sur les principaux axes de communication du territoire français et dans des zones péri-urbaines.

Commerces

Le patrimoine de surfaces commerciales comprend principalement des ensembles commerciaux de centre-ville, comme le Quai des Marques à Bordeaux (15 400 m²), le centre commercial des 7 collines à Nîmes (14 600 m²) ou celui « des Hauts » de Clamart (8 000 m²), l'Espace Colbert à Nevers (5 700 m²), la Galerie Dorian à Saint Etienne (5 100 m²), et des projets en cours de rénovation ou développement à Arcachon et Paris (Galerie Vaugirard et Marché St Germain).

Offices

Office premises are the most important sector of the Affine group properties, owing to AffiParis portfolio, subsidiary made up almost exclusively of offices (97%) in Paris, and to Banimmo, whose activity is mainly focused on the repositioning of this type of asset (62%).

Office surface areas range from 700 sqm to about 18,000 sqm spread in substantially equal shares between the Paris region, the other French regions and Belgium.

Warehouses and activities

Logistics properties of the Affine group gather several types of platforms, most being bi-modal (rail/road) proposing surface areas ranging from 5,000 sqm to 45,000 sqm.

These properties are located on the main arterial routes in mainland France and in peri-urban areas.

Retail

The commercial properties of the Affine Group primarily include city-centre retail areas like the Quai des Marques in Bordeaux (15,400 sqm), the Les 7 Collines retail complex in Nimes (14,600 sqm), the "Les Hauts" complex in Clamart (8,000 sqm), l'Espace Colbert in Nevers (5,700 sqm), Galerie Dorian in Saint Etienne (5,100 sqm), and projects under renovation or development in Arcachon and Paris (Galerie Vaugirard and Marché St Germain).

Activité de la période

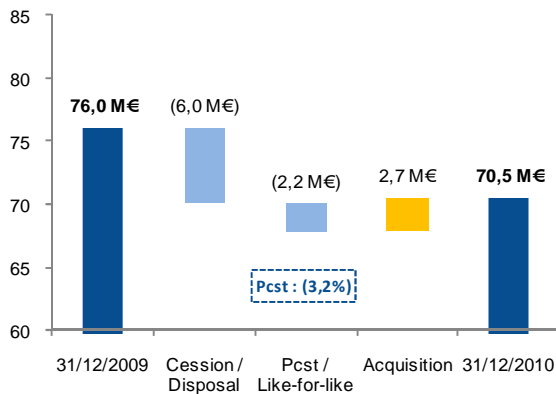
Activity for the period

2010 a enregistré une baisse à périmètre constant des loyers faciaux de 3,2 % principalement liée à l'augmentation de la vacance financière : celle-ci est passée de 7,9 % fin 2009 à 11,6 % à fin juin 2010, pour se redresser progressivement ensuite et s'établir à 11,2 % en fin d'année grâce aux premiers effets de l'important effort de relocation entrepris par le groupe. Cette baisse résulte également des renégociations des baux en vue d'allonger leur durée.

2010 registered a 3.2% decline in headline rents on a like-for-like basis, related mainly to the increase in the financial vacancy: this rose from 7.9% end of 2009 to 11.6% end of June 2010 and then slightly recovered to 11.2% end of year, thanks to the major effort for reletting undertaken by the Group. This decline results as well from lease renegotiations allowing an extension of those one.

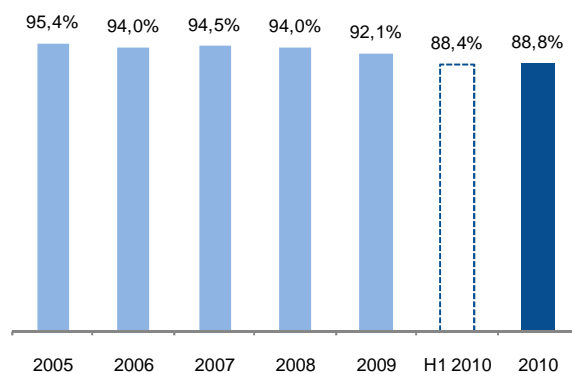
Evolution des loyers faciaux

Change in headline rents



Taux d'occupation*

Occupancy rate



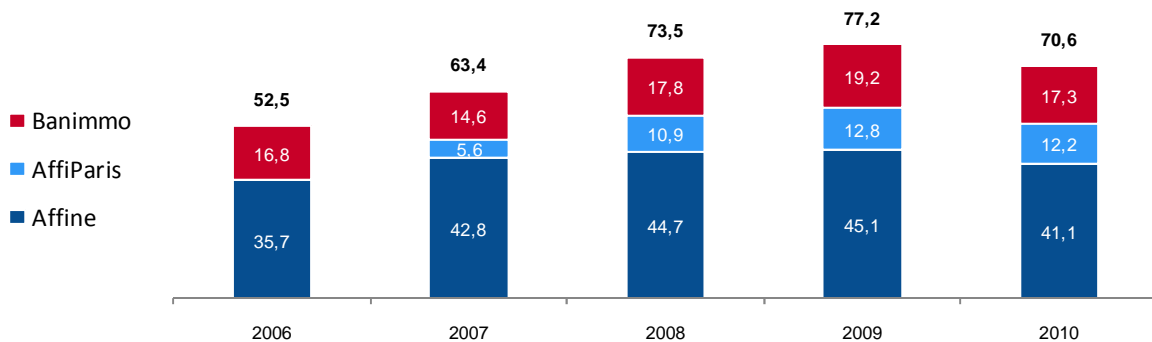
* Taux d'occupation financier hors immeubles en restructuration et hors Banimmo
 * Financial occupancy rate excluding buildings being restructured and Banimmo

Au cours de l'année, le montant des loyers bruts perçus s'est élevé à 70,6 M€, en baisse de 8,6 % par rapport à la même période en 2009 et répartis à hauteur de 58,2 % pour Affine, 17,3 % pour AffiParis et 24,5 % pour Banimmo.

This year, the amount of gross rental income totalled €70.6m, down 8.6% compared with the same period in 2009 and broken down as follows: 58.2% for Affine (and dedicated companies), 17.3% for AffiParis and 24.5% for Banimmo.

Revenus locatifs (en M€)

Gross rental income (in €m)



Valeur des immeubles, droits inclus

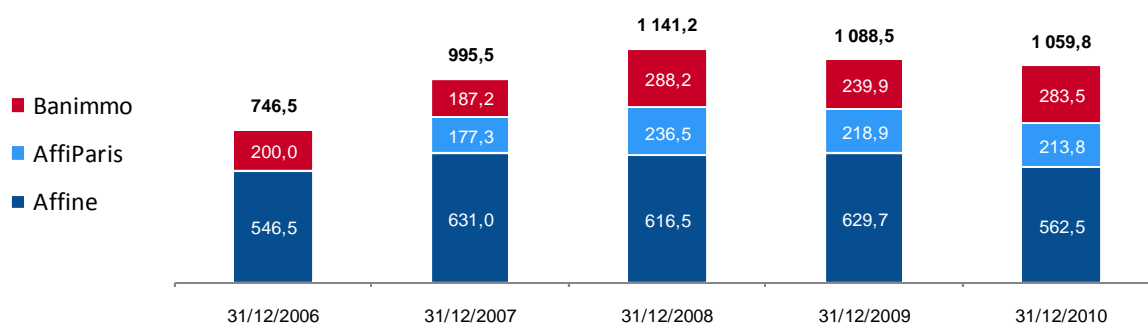
Le groupe a procédé à l'évaluation de son patrimoine locatif à fin décembre 2010 par de nouvelles expertises externes pour 97 % de sa valeur et par mise à jour interne pour les autres actifs de petite taille ou en cours de cession (en reprenant notamment le prix des actifs sous promesse). La valeur (droits inclus) des 98 actifs immobiliers s'établit à 1 060 M€, contre 1 089 M€ à fin 2009.

Value of properties, transfer tax included

At the end of December 2010, the Group valued its rental properties portfolio using external appraisals for 97% of its value and internal appraisals for the remaining small assets or those being sold (particularly including assets with a preliminary contract for sale). The value (transfer tax included) of the 98 properties totalled €1,060m, versus €1,089m at year-end 2009.

Evolution de la valeur des immeubles, droits inclus (en M€)

Change in value of properties, transfer tax included (in €m)



Valeur des immeubles, hors droits

La valeur du patrimoine hors droits diminue de 1 038 M€ à 1 010 M€. Cette variation résulte :

- de cessions à hauteur de 80 M€, à un prix moyen proche des expertises antérieures, et dégageant une moins value de 0,3 M€ ;
- de 48 M€ d'investissements immobilier dont 24 M€ d'acquisitions, 6 M€ de développement et 18 M€ de « capex » ;
- d'une baisse de 3 M€ de la juste valeur à périmètre constant.
- Chez Banimmo d'un ajustement de 7 M€ à la hausse lié au passage en IAS2 permettant de reclasser certains actifs immobiliers en stock et de les conserver à leur coût historique d'acquisition afin de favoriser la lecture de l'activité développement de cette société.

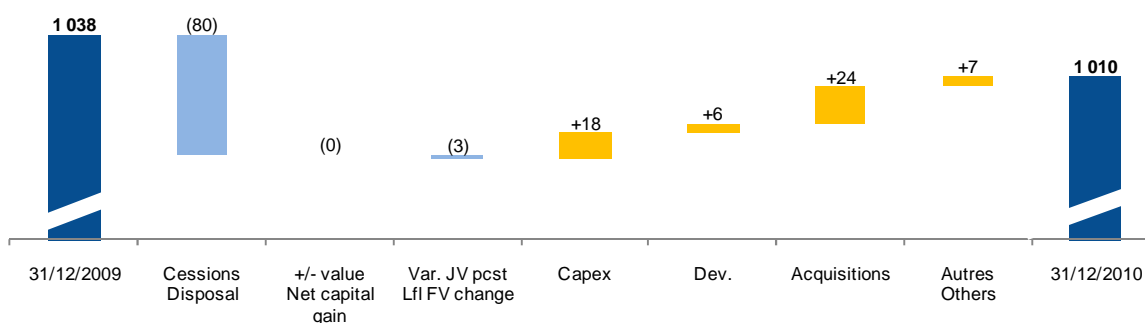
Value of properties, transfer tax excluded

The value of properties excluding transfer taxes decreased from €1,038m to €1,010m. This change resulted from:

- sales totalling €80m, at an average price close to previous appraisals, with €0.3m in capital loss;
- €48m in investments of which €24m in acquisitions, €6m in developments and €18m in capex;
- a €3m drop in fair value on a like-for-like basis.
- For Banimmo, a €7m upward adjustment related to the new IAS2 accounting norm permitting the reclassification of certain inventoried property assets and to maintain them at their historical acquisition cost in order to favour the reading of the company's development activities.

Variation de la valeur des immeubles hors droits (en M€) au 31 décembre 2010

Change in the value of buildings excluding transfer taxes (in €m) at 31 December 2010



Après avoir légèrement diminué (-0,9 %) au premier semestre, la juste valeur à périmètre constant a amorcé son redressement au second semestre (+0,8 %). Sur l'ensemble de l'année, la baisse s'établit à -0,2 % et se décompose en :

- une augmentation de 0,4 % résultant de la reprise des loyers de marché.
- une augmentation de 3,2 % grâce à la diminution des taux de rendement retenus pour les expertises,
- une baisse de 3,8 % provenant de plusieurs effets dont essentiellement la diminution du taux d'occupation.

Le taux de rendement moyen ressortant des expertises est de 7,3 % et une variation négative ou positive de ce taux de 25 points de base conduirait respectivement à une hausse ou une baisse de 28,6 M€ de la valeur du patrimoine.

After a slight decline (-0.9%) over the first half, the fair value on a like-for-like basis began to revive over the second half (+0.8%). Over the full year, this decline came to 0.2% and can be broken down as follows:

- a 0.4% increase resulting from the upturn in market rents.
- a 3.2% increase due to a decrease in the yield rate used by the appraisers,
- a 3.8% drop due to several effects, including the decrease of the occupancy rate.

The average yield from the appraisals came to 7.3% and an upward or downward change of 25 basis points in this rate would lead to an increase or a decrease of the portfolio's value by €28.6m.

Sensibilité de la juste valeur à la variation de 25 pb du taux de rendement moyen

Fair value sensitivity to 25 bp change in the average yield

Classe d'actif (M€) Type of asset (€m)	Juste valeur Fair value	Taux Yield	+/- 25 pb Impact
Bureaux / Offices	567	6,9 %	17,7
Surfaces commerciales / Retail	223	7,5 %	4,8
Entrepôts et activités / Warehouses and industrials	166	8,7 %	4,7
Autres / Others	53	6,9 %	1,4
Total	1 010	7,3 %	28,6

SYNTHÈSE FINANCIÈRE

FINANCIAL SUMMARY

Résultats

Earnings

Résultats consolidés

NB: Depuis 2008, les comptes présentés et commentés dans ce rapport sont établis en normes IFRS en présentation commerciale. Cette présentation fait l'objet en 2010 de légères modifications afin de répondre davantage aux recommandations établies par l'EPRA, dont l'objectif premier est une plus grande transparence du secteur immobilier. Les comptes en présentation bancaire sont fournis dans le rapport financier.

Consolidated earnings

NB: Since 2008, the statements referred to in this report have been prepared in accordance with IFRS corporate accounting standards. In 2010, this presentation was slightly adjusted to meet EPRA Best Practice Recommendations, the main aim of which is to improve transparency of the property sector. Statements based on banking standards are provided in the financial report.

Résultat consolidé (M€) ⁽¹⁾	2008 ⁽⁷⁾	2009 ⁽⁷⁾	2010	Consolidated (€m) ⁽¹⁾
Revenus locatifs	73,5	77,2	70,6	Gross rental income
Loyers nets	63,5	62,8	59,6	Net rental income
Revenus des autres activités	8,2	3,8	5,6	Other income
Frais de fonctionnement	(27,8)	(23,5)	(20,3)	Corporate expenses
EBITDA courant ⁽²⁾	43,9	43,2	44,9	Current EBITDA ⁽²⁾
Résultat opérationnel courant	43,2	42,8	44,6	Current operating profit
Autres produits et charges	4,0	0,0	(5,1)	Other incomes and expenses
Résultat des cessions d'actifs	7,0	24,8	(0,4)	Net profit or loss on disposal
Résultat opérationnel avt ajust. valeur	54,1	67,6	39,0	Operating profit (before value adj.)
Solde net des ajustements de valeurs ⁽³⁾	(46,8)	(47,2)	(2,8)	Net balance of value adjustments ⁽³⁾
Résultat opérationnel net ⁽⁴⁾	7,3	20,4	36,2	Net operating profit⁽⁴⁾
Coût de l'endettement financier net	(35,8)	(25,3)	(27,6)	Net financial cost
Ajustement de valeurs des instr. financiers	(12,6)	(7,6)	(2,9)	Fair value adjustments of hedging instr.
Impôts	4,1	12,0	0,6	Taxes
Divers ⁽⁵⁾	(0,2)	(2,1)	4,4	Miscellaneous ⁽⁵⁾
Résultat net	(37,3)	(2,7)	10,6	Net profit
Résultat net – part du groupe	(37,5)	(5,7)	10,3	Net profit – group share

Résultat net – part du groupe	(5,7)	10,3	Net profit – group share
Retraitement EPRA	21,9	7,3	EPRA adjustments
Résultat EPRA ⁽⁶⁾	16,2	17,6	EPRA earnings⁽⁶⁾

(1) Sur la base des comptes IFRS en présentation commerciale et des recommandations de l'EPRA. / Based on IFRS standards for corporate accounting and EPRA recommendations.

(2) L'EBITDA courant correspond au résultat opérationnel courant hors coûts de dépréciations et d'amortissements courants. Ce montant n'intègre pas en 2010 la dépréciation de Sant Feliu (5,2 M€) présent dans les autres produits et charges. / Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. This amount excludes the depreciation on Sant Feliu (€5.2m) in 2010 and appears under the other incomes and expenses.

(3) Y compris la dépréciation d'un goodwill de 3,5 M€ en 2009. / Including a depreciation in Goodwill of €3.5m in 2009.

(4) Le résultat opérationnel net correspond au résultat courant après prise en compte des variations de valeurs, incluant les variations des écarts de goodwill contrairement aux années antérieures / The net operating profit represents the operating profit after the value change, including goodwill change, unlike previous years.

(5) Quote-part de sociétés mise en équivalence, résultat net d'activités arrêtées ou en cours de cession, autres produits et charges financiers. / Share in companies consolidated using the equity method, net profit from activities that have been discontinued or are being sold, other financial income.

(6) 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-récurrents. / The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in October 2010, which give 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-recurring items.

(7) Le résultat d'Abcd a été pris en compte jusqu'à sa date de sortie du périmètre en 2008, soit à hauteur de 0,17 M€. Par ailleurs, afin de mieux refléter les composantes du résultat et de son évolution, la contribution de BFI n'apparaît que sous la rubrique « Résultat net d'impôt des activités arrêtées ou en cours de cession », soit « Divers » dans cette présentation. / The profit of Abcd has been included until the date of its disposal in 2008 from the scope of consolidation, and totalled €0.17m. In addition, to more clearly reflect the components of the profit and its changes, the contribution of BFI appears under the heading "After-tax profit from businesses that have been discontinued or are being sold", i.e. "Miscellaneous" in this presentation.

Les revenus locatifs sont en retrait de 8,6 % en raison de la vacance mais également des restructurations et cessions. A périmètre constant, les loyers de la période baissent de 6,2 %. La forte réduction des charges locatives, en raison des cessions fin 2009 (en particulier la vente de l'immeuble de Mobistar chez Banimmo) et du rattachement des frais liés aux ventes au résultat de cessions, permet de limiter la baisse des loyers nets à -5,2 %.

L'augmentation du taux de vacance, qui explique plus de la moitié de cette baisse des loyers, résulte soit de difficultés financières du locataire, soit de la rationalisation des surfaces immobilières occupées par les grands groupes. A ce phénomène s'ajoutent les délais de franchise pour les nouveaux baux signés, qui décalent les premiers paiements de loyers de 3 à 6 mois en général, ainsi que les renégociations de loyers souvent associées à un rallongement des baux.

Par ailleurs, les départs de locataires programmés chez Banimmo pour la restructuration de deux bâtiments expliquent près d'un cinquième de cette contraction des revenus locatifs.

Enfin les cessions, réalisées en grande partie au cours du second semestre 2009, ont contribué à cette compression des loyers mais cet effet est compensé par les acquisitions.

Le résultat opérationnel courant, en hausse de 4,3 %, profite de la reprise des bénéfices pour l'activité de développement immobilier, hors dépréciation sur stocks, (2,7 M€ vs 0,0 M€) et de la diminution de 13,4 % des frais de fonctionnement (20,3 M€ vs 23,5 M€), permettant de plus que compenser l'érosion naturelle des revenus sur les opérations de location-financement (2,9 M€ vs 3,8 M€).

Le résultat opérationnel net est en forte hausse (+77 %), alors même qu'aucune plus value de cession n'a été enregistrée, contrairement à 2009 (24,8 M€). Cette amélioration provient pour l'essentiel d'un arrêt de la baisse des justes valeurs des immeubles, presque marginale au regard des deux dernières années (-2,8 M€ contre près de -47 M€ en 2009 et 2008) à laquelle il faut ajouter une dépréciation sur la valeur du terrain de Sant Feliu (-5,2 M€), détenu en stock par Concerto.

En outre l'exercice 2010 n'a bénéficié, contrairement à l'an dernier, ni du remboursement de la créance de carry back (4,9 M€), ni du produit de cession de la participation d'Affine dans Altaréa (la participation ayant été cédée fin 2009). L'augmentation du coût de la dette nette, principalement liée à l'absence du dividende d'Altaréa (1,7 M€), est plus que compensée par une baisse de valeurs des instruments financiers de moindre amplitude qu'au cours des deux années antérieures (-2,9 M€ contre près de -10 M€) et d'une forte amélioration de la contribution des sociétés mises en équivalence

Gross rental income declined by 8.6% due to vacancy but also to refurbishments and divestments. On a like-for-like basis, rents during the period drop 6.2%. The steep reduction of rental charges, due to disposals made in late 2009 (particularly the sale of Banimmo's Mobistar building) and the matching of sales-related costs to the profit on disposals, makes it possible to limit the decline in net rents to -5.2%.

The increase in vacancy rate, which accounts for more than half of this fall in rents, results either from financial difficulties of the tenant, or the rationalisation of property surfaces occupied by major groups. This phenomenon is supplemented by the rent-free period for newly-signed leases, which as a general rule postpones the first payments by 3 to 6 months, and rent renegotiations often attached to an extension of leases.

In addition, scheduled departures of Banimmo tenants for the restructuring of two buildings accounts for nearly a fifth of this contraction in rental income.

Finally, the disposals, mainly conducted during the second half of 2009, have contributed to this rent compression, but this effect is offset by acquisitions.

Current operating income, up 4.3%, benefits from the upturn in profitability of the property development activity, excluding depreciation on inventories (€2.7m vs €0.0m) and the 13.4% reduction in operating expenses (€20.3m vs €23.5m). These items more than offset the natural erosion of revenue on finance lease transactions (€2.9m vs €3.8m).

Net operating profit showed a sharp increase (+77%), even though no capital gain has been recorded, unlike 2009 (€24.8m). This improvement comes essentially from a halt in the fall of property fair values, almost marginal in comparison with the last two years (-€2.8m vs nearly -€47m in 2009 and 2008) to which it is necessary to add a depreciation to the value of Sant Feliu land (-€5.2m), held as stock by Concerto.

In addition, unlike last year, 2010 benefited neither from the repayment of the carryback (€4.9m), nor from the capital gain on disposal of the Altaréa stake (Affine's stake was disposed late 2009). However, the increase in the cost of net debt, mainly related to the absence of the Altaréa dividend (€1.7m), is more than offset by a slighter decrease in values of financial instruments than that of the two previous years (-€2.9m against nearly -€10m) and a significant improvement in the contribution from associates (€3.1m vs -€4.4m), particularly Jardin des Quais and Banimmo investments. Net income group share came

(3,1 M€ vs -4,4 M€), notamment chez Jardin des Quais et les participations de Banimmco. Le résultat net part du groupe ressort ainsi en forte hausse à 10,3 M€ contre une perte de 5,7 M€ en 2009.

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 17,6 M€ contre 16,2 M€ en 2009.

Résultats consolidés Ancienne présentation

Le tableau de la marge opérationnelle utilisé pour les exercices précédents 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).

Présentation antérieure / previous presentation

Résultat consolidé (M€) ⁽¹⁾	2008 ⁽⁷⁾⁽⁸⁾	2009 ⁽⁸⁾	2010	Consolidated income statement (€m) ⁽¹⁾
Immeuble de placement	63,5	62,8	59,6	Investment properties
Location financement	5,9	3,8	2,9	Lease finance
Développement immobilier ⁽²⁾	2,2	(0,0)	(2,8)	Property development
Divers	1,1	0,6	1,0	Miscellaneous
Marge opérationnelle ⁽³⁾	72,9	67,3	60,7	Operating margin ⁽²⁾
Résultat financier ⁽⁴⁾	(35,5)	(31,2)	(27,5)	Financial income ⁽³⁾
Charges d'exploitation et divers	(25,7)	(24,5)	(21,3)	Operating and miscellaneous
Impôts sur les sociétés	(2,8)	5,1	0,3	Corporate income tax
Résultat courant	8,8	16,7	12,2	Current profit
Plus-values nettes de cession	7,0	24,8	(0,4)	Net capital gains on property sales
Résultat courant après cession	15,8	41,5	11,8	Current profit after property sales
Variation de juste valeur des immeubles ⁽⁵⁾	(46,9)	(43,7)	(2,8)	Change in fair value of properties
Variation de juste valeur des instr. financiers	(12,6)	(7,6)	(2,9)	Change in fair value of financial instruments
Divers ⁽⁶⁾	(0,4)	0,2	4,3	Miscellaneous ⁽⁴⁾
Impôts différés net d'exit taxe	6,8	6,9	0,3	Deferred tax net of exit tax
Résultat net comptable	(37,3)	(2,7)	10,6	Net income (loss) after tax
Dont part du groupe	(37,5)	(5,7)	10,3	Of which Group share

(1) Sur la base des comptes IFRS en présentation commerciale. / Based on IFRS standards for corporate accounting.

(2) Hors variation de valeur de Sant Feliu. / Excluding change in value of Sant Feliu.

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

(4) Hors profit de dilution et variation de juste valeur. / Excluding profit from dilution and change in fair value.

(5) Y compris variation de valeur de Sant Feliu. / Including change in value of Sant Feliu.

(6) Quote-part de sociétés mise en équivalence, variation des écarts d'acquisition, résultat net d'activités arrêtées ou en cours de cession, en 2007 profit de dilution lié à l'OPV de Banimmco et en 2009 une plus value de cession de 9,0 M€ des titres Altaréa. / Share in companies consolidated using the equity method, changes in goodwill, net profit from activities that have been discontinued or are being sold, profit dilution related to the Banimmco IPO in 2007 and net capital gain of €9m for the sale of Altaréa shares in 2009.

(7) Le résultat d'Abcd a été pris en compte jusqu'à sa date de sortie du périmètre en 2008, soit à hauteur de 0,17 M€. / Abcd profit has been included until the date of its disposal from the scope of consolidation in 2008, and totalled €0.17m.

(8) Afin de mieux refléter les composantes du résultat et de son évolution, la contribution de BFI n'apparaît que sous la rubrique « Résultat net d'impôt des activités arrêtées ou en cours de cession », soit « Divers » dans cette présentation. / To more clearly reflect the components of the profit and its changes, the contribution of BFI appears under the heading "After-tax profit from businesses that have been discontinued or are being sold", i.e. "Miscellaneous" in this presentation.

to €10.3m, against a loss of €5.7m in 2009.

Adjusted for exceptional items such as fair value changes and net profit or loss on disposals, EPRA earnings amounted to €17.6m against €16.2m in 2009.

Consolidated earnings Previous presentation

The operating margin table used for the previous years has been replaced by a presentation more in line with best practices and with improved legibility of the financial appendices. From now on, EPRA earnings represent the current net profit from the property activity *stricto sensu* (i.e. net profit - group share excluding changes in fair value, gains or losses on sales and other non-current items).

Cash-flow consolidé

Consolidated cash flow

Flux de trésorerie (M€)	2008	2009	2010	Cash Flow (€m)
Capacité d'autofinancement (hors coût de l'endettement)	50,0	54,3	51,7	Funds from operation (excluding cost of debt)
Variation du BFR	(1,4)	18,0	(27,4)	Change in WCR
<i>dont Azuqueca</i>		14,5		<i>of which Azuqueca</i>
<i>dont IAS2</i>			(24,9)	<i>of which IAS2</i>
Impôt	(3,6)	1,5	(3,9)	Taxes
Divers (activité destinée à être cédée)	2,7	0,3	-	Other (business held for sale)
Cash-flow opérationnel	47,7	74,1	20,4	Operating cash flow
Cash-flow opérationnel (hors Azuqueca & IAS2)	47,7	59,6	45,2	Operating cash flow (excluding Azuqueca & IAS2)
Cash-flow opérationnel – part du groupe		62,9	30,2	Operating cash flow – Group share
Acquisitions & Investissements	(223,4)	(109,4)	(88,7)	Acquisitions & Investments
Cessions	56,5	178,2	97,7	Disposals
Divers	(4,2)	0,4	(0,2)	Others
Cash-flow d'investissement	(171,1)	69,2	8,8	Investment cash flow
Emprunts nouveaux	272,8	153,0	117,7	New loans
Remboursements d'emprunts	(107,8)	(234,2)	(96,6)	Loan repayments
Intérêts	(41,6)	(31,0)	(29,1)	Interest
Divers	(21,5)	(26,0)	(23,0)	Others
Cash-flow de financement	101,9	(138,2)	(31,0)	Financing cash flow
Variation de trésorerie	(21,5)	5,2	(1,8)	Change in cash position

La capacité d'autofinancement (hors coût de l'endettement) du groupe, affectée par le recul des produits locatifs, a diminué de 4,8 % pour s'établir à 51,7 M€. Le BFR enregistre une très forte variation résultant de la cession d'Azuqueca en 2009 (14,5 M€), immeuble détenu en stock par l'activité développement, et du passage à la norme comptable IAS2 par Banimmo (-24,9 M€). L'adoption de cette nouvelle norme implique que les immeubles en restructurations sont dorénavant détenus en stocks. Ces derniers sont donc amenés à capitaliser tous les frais de rénovation qui étaient précédemment intégrés dans les cash-flows d'investissement. Le cash-flow opérationnel ressort ainsi à 20,8 M€ contre 74,1 M€ en 2009.

L'activité d'investissement du groupe est en retrait avec un montant de 89,2 M€ contre 109,4 M€ en 2009. Il comprend pour Banimmo les deux acquisitions de commerces pour 24,6 M€ (12 M€ à Rouen et 12,6 M€ à Eragny), les 54,2 M€ de prise de participation dans City Mall et les 9 M€ dans l'augmentation de capital de Montea, et enfin le paiement de l'acquisition en VEFA de Nevers pour Affine. La politique active d'arbitrage s'est poursuivie et a conduit le groupe à réaliser 97,7 M€ de cessions, en dessous des attentes compte tenu de délais plus longs dans la vente d'un actif de taille importante. Les cessions ont représenté principalement des immeubles matures ou de taille insuffisante chez Affine et AffiParis. Au total le cash-flow d'investissement ressort à 8,3 M€ contre -69,2 M€ pour la même période en 2009.

The Group's self-financing capability (excluding cost of debt), affected by the lower rental incomes, dropped 4.8% at €51.7m. The WCR shows a sharp change resulting from the disposal of the Azuqueca platform in 2009 (€14.5m), a building held in inventory by the development activity, and Banimmo's transition to the IAS2 accounting standard (-€24.9m). Adoption of this new standard means that from now on buildings under refurbishment are held in inventory. These buildings are led to capitalize all the restructuring costs previously integrated in the investment cash flow. The operating cash flow totalled €20.8m, against €74.1m in 2009.

The Group's investment activity decreased with an amount of €89.2m against €109.4m in 2009. For Banimmo, this includes the acquisition of two retail properties for €24.6m, (€12m in Rouen and €12.6m in Eragny), the €54.2m stake in City Mall and €9m in the Montea capital increase, and payment of the complex in Nevers bought in anticipation of completion. The active disposal policy has continued and has helped the Group reach €97.7m of disposals, below expectations taking account of the longer timescale for the sale of a large building. Disposals mainly represented mature or under-sized buildings for Affine and AffiParis. Total cash flow from investments came to €8.3m, against -€69.2m for the same period in 2009.

Le solde net des opérations de financement, y compris les dividendes versés (19,2 M€) et les frais financiers (29,1 M€), dégage un cash-flow négatif de 31,0 M€ (vs -138,2 M€ au 2009), les remboursements représentant 82 % des nouveaux emprunts.

Au global, la trésorerie a diminué au cours de l'année de 1,8 M€ et reste à un niveau confortable.

The net balance of financing transactions, including dividends paid (€19.2m) and interest (€29.1m), generated negative cash flow of €31m (vs -€138.2m in 2009), with new borrowings against repayments at 82%.

Overall, the cash position decreased by €1.8m over the period and remains at a comfortable level.

Bilan consolidé Consolidated balance sheet

Bilan consolidé (M€)	2008	2009	2010	Consolidated balance sheet (€m)
ACTIF	1 393,4	1 282,3	1 282,5	ASSET
Immeubles (hors droits)	1 086,7	1 038,0	1 009,9	Properties (excluding transfer taxes)
<i>dont immeubles de placement</i>	<i>982,5</i>	<i>950,6</i>	<i>772,5</i>	<i>of which investment properties</i>
<i>dont immeubles destinés à la vente</i>	<i>104,2</i>	<i>87,4</i>	<i>75,4</i>	<i>of which property held for sale</i>
<i>dont immeubles en rénovation</i>	<i>-</i>	<i>-</i>	<i>162,0</i>	<i>of which property in refurbishment</i>
Titres de participations	33,8	5,1	15,6	Equity holdings
Sociétés mises en équivalence	28,1	22,1	41,9	Equity affiliates
Trésorerie	27,1	34,8	27,9	Cash
Autres actifs	217,8	182,3	187,2	Other assets
PASSIF	1 393,4	1 282,3	1 282,5	LIABILITIES
Fonds propres (avant affectation)	475,5	431,4	430,1	Shareholders equity (before allocation)
<i>dont ORA</i>	<i>30,7</i>	<i>31,0</i>	<i>31,7</i>	<i>of which convertibles</i>
<i>dont TSDI</i>	<i>74,1</i>	<i>73,3</i>	<i>73,3</i>	<i>of which PSL</i>
Dettes bancaires	773,8	701,9	742,4	Bank debt
Autres passifs	144,1	149,0	110,0	Other liabilities

Actif net réévalué

Les fonds propres totaux sont stables au 31 décembre 2010 à 430,1 M€ (dont part du groupe : 346,8 M€), reflétant la contribution positive du résultat net (10,6 M€), et intégrant la distribution en mai et en octobre d'un dividende important au titre de 2009 (14,4 M€). En neutralisant les quasi-fonds propres que constituent les produits de l'émission de 75 M€ de TSDI en juillet 2007, et après retraitement de la juste valeur des instruments dérivés et des impôts différés, l'actif net réévalué hors droits EPRA s'établit donc au 31 décembre 2010 à 286,0 M€, soit 30,70 € par action (après dilution des ORA et hors autocontrôle), en diminution de 2,2 % par rapport au 31 décembre 2009. Droits inclus, l'ANR EPRA par action s'établit à 36,06 €.

Net asset value

Total shareholders' equity was stable at €430.1m on 31 December 2010 (of which Group share: €346.8m), reflecting the positive contribution of the net profit (+€10.6m), and the distribution in May and October of a major dividend for 2009 (€14.4m). After neutralising the quasi-equity represented by the €75m perpetual subordinated loan notes issue in July 2007, and after adjustments of the fair value of derivatives and deferred taxes, the EPRA net asset value excluding transfer taxes was €286.0m at 31 December 2010, or €30.70 per share (after dilutions and excluding treasury shares), down 2.2% compared to 31 December 2009. Transfer taxes included, the NAV per share was €36.06.

ANR par action (€)	2008	2009	2010	NAV per share (€)
Fonds propres (avant affectation)	385,3	345,4	346,8	Shareholders' equity (before allocation)
Retraitement des TSDI	-74,1	-73,3	-73,3	PSL adjustment
ANR IFRS dilué (hors droits)	311,3	272,1	273,4	IFRS NAV (diluted)
Retraitements EPRA	17,8	12,1	12,6	EPRA adjustments
ANR EPRA dilué (hors droits)	329,1	284,3	286,0	Diluted EPRA NAV (excl. TT)
ANR EPRA dilué (droits inclus)	386,7	334,8	335,9	Diluted EPRA NAV (incl. TT)
Nombre d'actions dilués (hors autocontrôle)	9 486 084	9 056 923	9 314 600	diluted number of shares (excl. Tr. shares)
ANR EPRA dilué (hors droits) par action	34,69	31,39	30,70	Diluted EPRA NAV (excl. TT) per share

Par rapport à ces ANR, le cours de l'action au 31 décembre 2010 (17,10€) présente une décote allant de 44 % à 53 %.

Depuis fin juin 2010, la seconde tranche d'ORA d'un montant de 10 M€, dont le prix d'émission s'élève à 26,73 €, est exerçable, au gré du souscripteur, à hauteur de 374 400 actions représentant une dilution potentielle de 4,4 %. Son impact est déjà pris en compte dans le calcul de l'ANR par action.

Financement

Le groupe Affine met en œuvre depuis de nombreuses années une gestion prudente de sa dette basée sur des relations fidèles avec ses banques et des financements dédiés par opérations, de taille moyenne, avec octroi de sûretés réelles, de longue durée et amortissables, et excluant en principe tout covenant financier sur la société.

Le total des crédits bancaires signés pour l'année 2010 par Affine s'élève à 20,4 M€ (hors lignes de crédit confirmées), à comparer à un montant total d'amortissements de la dette bancaire de 75,3 M€ sur la période.

Affine disposait par ailleurs au 31 décembre de lignes de crédit à court terme confirmées pour un montant total de 19 M€.

AffiParis a signé un avenant sur un crédit en cours pour un montant de 2,3 M€

Banimmo dispose pour sa part auprès d'un pool bancaire d'une ligne permanente de 147,5 M€ (le montant antérieur de 190 M€ a été diminué de 42,5 M€ à la suite de l'émission obligataire). Cette ligne est tirée au 31 décembre 2010 à hauteur de 80,2 M€. Elle sera ramenée à 50 M€ en septembre 2011 et entièrement échue en septembre 2012. Par ailleurs, Banimmo avait signé en 2009 quatre nouvelles facilités de crédit pour un montant global de 98,9 M€. En 2010, deux nouvelles facilités de crédit ont été signées pour un montant de 22,5 M€. Ces nouveaux crédits sont dédiés à des actifs immobiliers spécifiques et permettent à la société de retrouver une souplesse d'utilisation du crédit syndiqué principal en vue de saisir des opportunités d'acquisition. En mai 2010, la société a procédé à une émission obligataire avec warrant pour un montant de 75 M€, échéance 2015. Cette opération permet à la société de continuer à diversifier ses sources de financement et de consolider ses ressources à moyen terme.

Au 31 décembre 2010 la dette financière (nette de la trésorerie et équivalents de trésorerie) du groupe s'établit à 718 M€, contre 693 M€ à fin 2009. Elle

Based on these NAVs, the share price at 31 December 2010 (€17.10) shows a discount ranging from 44% to 53%.

Since the end of June 2010, the secondary tranche of mandatory convertible bond issues of €10m, with an issue price of €26.73, can be exercised by the subscriber for 374,400 shares, representing a potential dilution of 4.4%. Impact on the NAV per share is already factored into the calculation.

Financing

For many years, the Affine Group has implemented a prudent debt management policy based on strong relationships with its banks and financing tied to specific and medium-size operations, secured with mortgages, long-term repayment periods, gradual amortisation and the general avoidance of financial covenants on the company itself.

During the year, the total new financing signed by Affine was €20.4m (excluding confirmed lines of credit), compared to €75.3m in total amortisation of bank debt over the period.

In addition, Affine currently has confirmed short-term lines of credit totalling €19m at December 31.

AffiParis signed an amendment for an existing credit for an amount of €2.3m.

Banimmo has a permanent line of €147.5m (the previous amount of €190m was decreased by €42.5m following the bond issue) from a banking pool. At 31 December 2010, this line was drawn down by €80.2m. It will be reduced to €50m in September 2011 and will expire entirely in September 2012. In addition, Banimmo signed four new credit facilities in 2009 for a total amount of €98.9m. In 2010, two new credit facilities of €22.5m were signed. These new facilities are dedicated to specific buildings and give the company the availability of the syndicated credit in order to grasp acquisition opportunities. In May 2010, the firm issued a bond with warrant for €75m, which will reach maturity in 2015. This allows the firm to pursue the diversification of its financing sources and to consolidate its medium term resources.

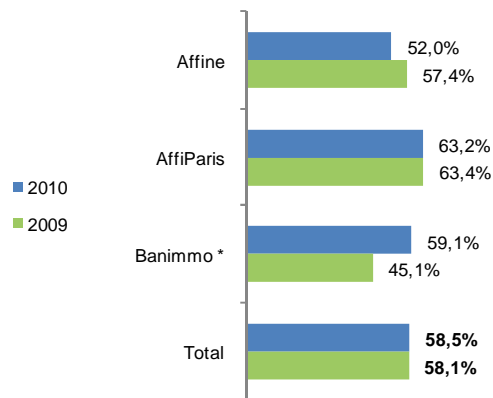
At 31 December 2010, the Group's financial debt (net of cash and cash equivalents) was €718m versus €693m at year-end 2009. It represented 1.7 times

représente 1,7 fois le montant des fonds propres.

Déduction faite de la dette allouée au crédit bail (42 M€), la dette financière nette correspondant aux immeubles de placement hors VEFA (et aux sociétés mises en équivalence soit 82 M€) s'élève à 676 M€, conduisant à un LTV de 58,5 % contre 58,1 % fin 2009.

Le rapport des frais financiers sur la moyenne des dettes financières nettes fait ressortir pour l'année un coût moyen de la dette de 2,7 %, et 3,9 % coûts de couverture inclus.

LTV (Loan-to-Value)

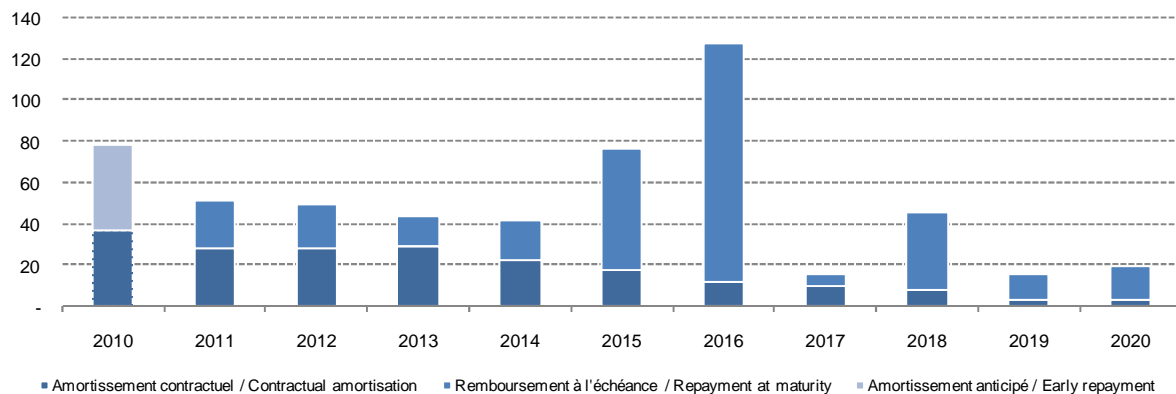


* Dette sur total actif / Debt on total assets

Hors Banimmo (financée pour une large part par une ligne de crédit), la durée moyenne des dettes au 31 décembre 2010 est de 5,8 années. Ces dettes sont amorties à un rythme correspondant à la vie de l'actif sous-jacent, le solde du crédit étant remboursé à l'échéance finale. Le graphique ci-dessous montre que le groupe ne doit faire face à aucune échéance majeure au cours des prochaines années.

Amortissement de la dette hors Banimmo (en M€)

Debt amortisation excluding Banimmo (in €m)

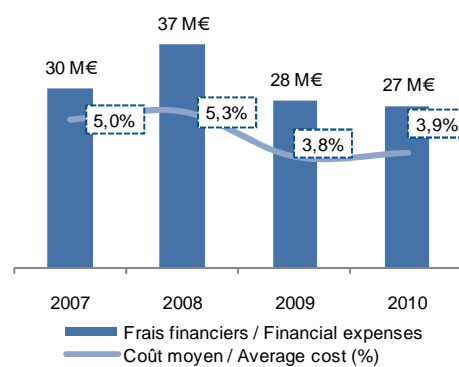


equity.

After deducting the debt allocated to leasing activities (€42m), the net financial debt for investment properties (and companies accounted for by the equity method for €82m) totalled €676m, resulting in an LTV ratio of 58.5% compared to 58.1% at year-end 2009.

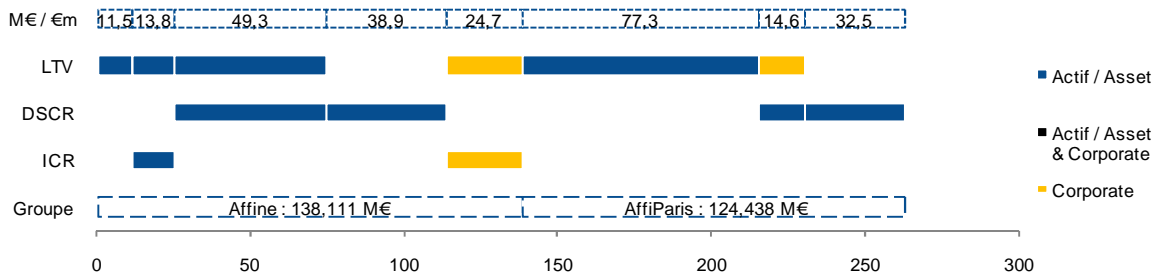
Financial costs on the average net financial debt resulted in an average cost of debt of 2.7%, or 3.9% including hedging costs for 2010.

Coût de la dette / Financial cost



Excluding Banimmo (financed mainly through a line of credit), the average maturity of debt at 31 December 2010 was 5.8 years. These debts are amortised at a pace corresponding to the life of the underlying asset, with the balance of the loan repaid at final maturity. The graph below shows that the Group has no major maturities occurring over the next few years.

Répartition des covenants hors Banimmo (€m) Breakdown of covenants (€m) excluding Banimmo



Le tableau ci-dessus fait apparaître le montant des dettes d’Affine et AffiParis assorties de « covenants » sur l’actif financé, et exceptionnellement sur la société.

Banimmo est tenue pour sa part, dans le cadre de la ligne de crédit qui lui est consentie, au respect notamment d’un ratio LTV sur le portefeuille sous-jacent et de deux ratios de type DSCR.

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.

The chart above shows the amounts of debt for Affine and AffiParis which are subject to covenants on the financed asset, and exceptionally on the company.

In connection with the line of credit it has been granted, Banimmo is specifically required to observe an LTV ratio on the portfolio of underlying assets and two DSCR-type ratios.

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

Perspectives Outlook

Le second semestre 2010 a enregistré une légère amélioration sensible de la situation locative et de la valeur des immeubles, appelée à se poursuivre en 2011.

La poursuite des cessions d’actifs non stratégiques devrait contribuer à renforcer la structure financière, tandis que le groupe s’attachera en fonction des opportunités à renforcer son effort d’investissement

Le groupe poursuivra en outre sa gestion patrimoniale visant à améliorer la qualité et la rentabilité de ses bâtiments, notamment par d’importants travaux de rénovation et de redéveloppement

The second half 2010 registered a slight improvement in the rental situation and in property value, which should continue in 2011.

Continuation of the disposal of non-strategic assets should strengthen the financial structure, while the Group will strive to increase its investments according to opportunities.

The Group will continue its strategy focused on improving the quality and profitability of its portfolio, particularly through major refurbishment and redevelopment projects.

LES SOCIÉTÉS

THE COMPANIES

Les sociétés foncières

The real estate companies

Affine

NB : les informations commentées dans cette partie concernent la sous-consolidation d’Affine et de ses filiales (sous-groupes Banimmo et AffiParis exclus).

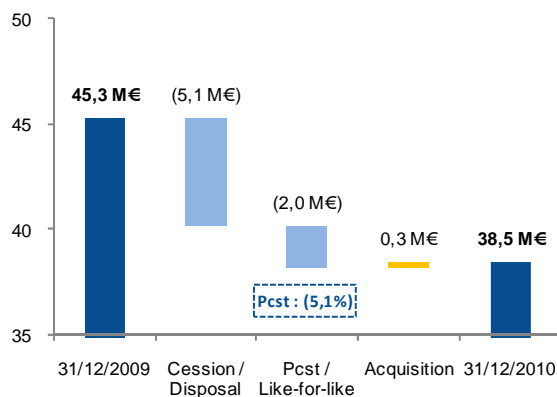
1-Activité de foncière

Le portefeuille d’Affine comprend 64 immeubles en France répartis entre la région parisienne (hors Paris) et les autres régions, ainsi qu’un ensemble immobilier résidentiel en Allemagne. Il développe 534 000 m² et sa valeur (droits inclus) est estimée au 31 décembre 2010 à 562,5 M€.

A périmètre constant, cette valeur est en baisse de 0,4 % par rapport à celle à fin 2009.

Evolution des loyers faciaux

Change in headline rents



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

Les loyers des baux en vigueur au 31 décembre représentent un montant de 38,5 M€, en diminution de 5,1 % à périmètre constant, par rapport au 31 décembre 2009 et de 15,1 % en tenant compte des cessions.

Au cours de l’année, Affine a signé 40 baux ou renégociations portant sur une surface totale de 101 100 m² et un loyer annuel global de 5,3 M€. Par ailleurs, 8 locataires ont résilié leur bail, représentant au total une surface de 5 300 m² et un loyer annuel de 1,0 M€.

Affine

NB: The information contained in this section concerns the sub-consolidation of Affine and its subsidiaries (excluding Banimmo and AffiParis sub-groups).

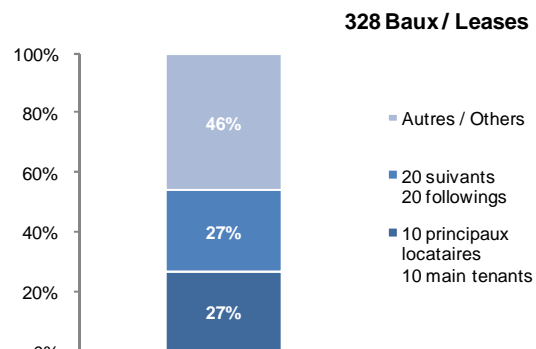
1-Rental property activities

The portfolio of Affine includes 64 buildings in the Paris region (excluding the city of Paris) and other regions in France, as well as a housing complex in Germany. It totals 534,000 sqm and its value (transfer tax included) is estimated at €562.5m at 31 December 2010.

On a like-for-like basis, its value is down 0.4% compared to its level at year-end 2009.

Répartition des baux

Lease breakdown



Leases in effect at 31 December represented an amount of €38.5m, down 5.1% on a like-for-like basis compared to 31 December 2009, and down 15.1% taking into account the disposals.

Over the year, Affine signed 40 leases or renegociations covering a total surface are of 101,100 sqm and a total annual lease of €5.3m. In addition, 8 tenants cancelled their leases, representing in total a surface of 5,300 sqm and an annual rent of €1.0m.

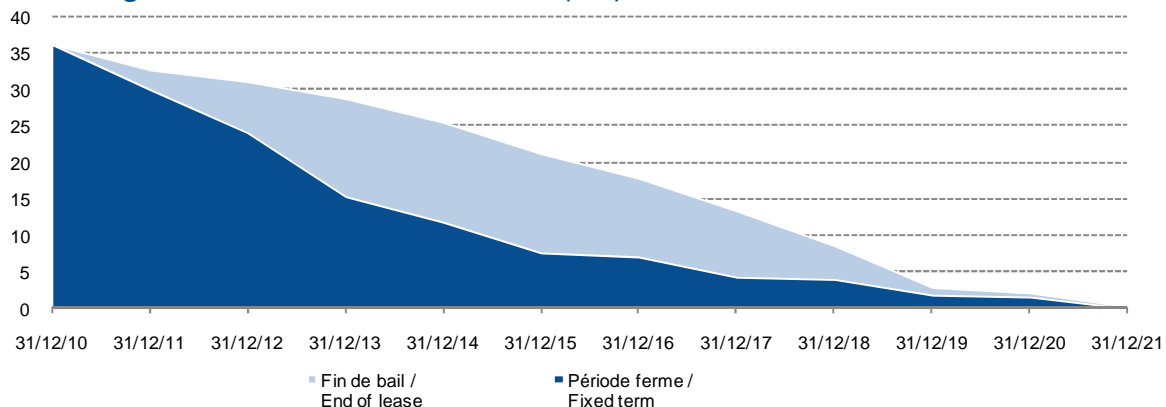
Parmi les trente plus importants locataires, qui représentent 54 % du total des loyers, aucun d'entre eux n'en atteint 10 %, afin d'éviter toute concentration du risque locatif. Les locataires les plus significatifs sont : TDF, la Mairie de Corbeil-Essonnes, l'Armée de Terre, Heidelberg, etc.

Au 31 décembre 2010, le taux d'occupation financier du patrimoine d'Affine et de ses structures dédiées (excluant les immeubles en cours de cession à l'unité : Saint-Cloud ; ou de développement : Arcachon) s'établissait à 87,1 %, contre 86,4 % fin juin 2010 et 90,8 % fin 2009. L'augmentation du taux de vacance est due au départ de plusieurs locataires principalement situés sur les sites de Trappes, de Leers, de Saint Etienne Molina et d'Elancourt. Ces départs résultent soit de difficultés financières du locataire, pouvant aboutir à sa mise en liquidation, soit de la rationalisation des surfaces immobilières occupées par les grands groupes ; au 31 décembre, les principales vacances proviennent pour 52 400 m² des entrepôts et locaux d'activités, les bureaux et commerces représentant environ 12 000 m² chacun.

Among the top thirty tenants, who represent 54% of total rents, none accounted for as much as 10%, thus avoiding any concentration of risk to rental income. The most significant tenants are: TDF, the Corbeil-Essonnes municipal authority, the French armed forces (Armée de Terre), Heidelberg, etc.

At 31 December 2010, the financial occupancy rate of the properties belonging to Affine and its dedicated entities (excluding buildings under retail sale (Saint-Cloud) or development (Arcachon)) was 87.1%, compared to 86.4% at the end of June and 90.8% at year-end 2009. The increase in vacancy rate is due to the departure of several tenants mainly located on the sites of Trappes, Leers, Saint Etienne Molina and Elancourt. These departures result either from financial difficulties of the tenant carrying the risk of bankruptcy, or as a consequence of the rationalisation of property space occupied by the major groups. At 31 December, warehouses and industrials account for 52,400 sqm of main vacancies, with offices and retail premises each accounting for 12,000 sqm.

Evolution des loyers en fonction de la durée des baux (M€) Rent change as a function of lease duration (€m)



Exclus les loyers provenant de l'immobilier résidentiel / Excluding residential rental income

Au cours de l'année 2010, Affine a notamment signé avec le groupe H&M un bail portant sur une surface de près de 1 000 m² dans son nouveau site commercial Espace Colbert. Situé en plein cœur de Nevers (58), en bordure de la zone piétonne du centre-ville, cet ensemble, acquis en 2008 en VEFA auprès d'Eiffage, se compose d'environ 5 000 m² de commerces de détail autour d'un hypermarché Carrefour Market et 1 000 m² de bureaux et parkings. L'ouverture du site est intervenue en septembre 2010.

Par ailleurs une autre opération commerciale de centre-ville est en cours de réalisation à Arcachon (33), où Affine a acquis, en 2009 en VEFA auprès d'Eiffage, 2 790 m² de commerces de détail (ainsi qu'une résidence de tourisme). Situé en face de

During 2010, Affine signed a lease with H&M for premises covering near 1,000 sqm in the new Espace Colbert retail complex. Located in the centre of Nevers (58) near to the city centre's pedestrian zone, this complex was acquired in 2008 in anticipation of completion from Eiffage and consists of approximately 5,000 sqm of retail premises around a Carrefour Market hypermarket with 1,000 sqm of offices and parking spaces. It opened in September 2010.

In addition, another city centre commercial project is underway in Arcachon (33), where Affine acquired 2,790 sqm of retail sales space (as well as a tourist residence) from Eiffage in anticipation of completion in 2009. This complex, located just in front of the

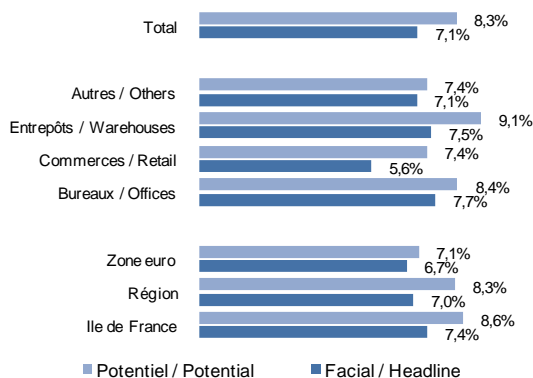
l'Hôtel de Ville et du marché, cet ensemble est livrable partiellement à mi-2011 et pour le solde début 2012.

Dans le cadre de la rationalisation de son portefeuille immobilier, Affine a procédé au cours de l'année à la cession de 11 immeubles matures ou de valeur trop modeste : bureaux à Valbonne (2 780 m²), Villeurbanne (5 790 m²), Malakoff (796 m²), Paris Bercy (377 m²), Aix-en-Provence (880 m²), et à Pantin (1 138 m²); immeubles à usage mixte (bureaux / activités) à Tremblay (1 190 m²) et Vénissieux (2 340 m²); locaux d'activité à Buc (4 090 m²); entrepôts à Mer (63 477 m²) et à Vilvorde en Belgique (10 505 m²); ainsi qu'une participation minoritaire dans un centre commercial à Val d'Yerres (3 715 m²). Ces cessions dégagent une plus value par rapport à leur prix de revient historique de 13,3 M€ et de -0,2 M€ par rapport à leur juste valeur de fin 2009.

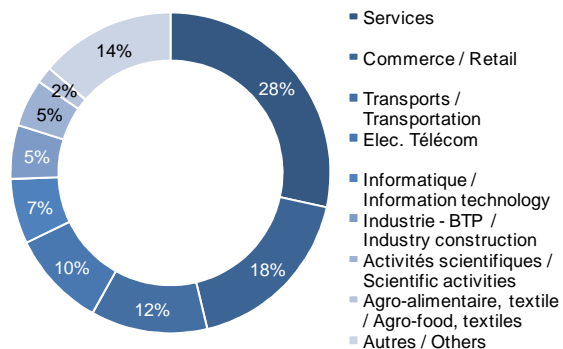
Town Hall and the market, is due to be partially delivered in mid-2011 and the remainder in early 2012.

As part of its process to rationalise its property portfolio, Affine sold several non-strategic assets over the period, including 11 buildings considered mature or under-sized: offices in Valbonne (2,780 sqm), Villeurbanne (5,790 sqm), Malakoff (796 sqm), Paris Bercy (377 sqm), Aix-en-Provence (880 sqm) and in Pantin (1,138 sqm); mixed-use buildings (offices and industrials) in Tremblay (1,190 sqm) and Venissieux (2,340 sqm); industrial premises in Buc (4,090 sqm); warehouses in Mer (63,477 sqm) and in Vilvorde in Belgium (10,505 sqm); and a minority equity investment in a shopping centre at Val d'Yerres (3,715 sqm). Altogether, these disposals resulted in a capital gain of €13.3m over their cost price and of -€0.2m over their fair value at the end of 2009.

Rendement du patrimoine Rental yield of assets



Par secteur d'activité (en loyer) By sector of activity (in rent)



2-Activité de développement

CONCERTO EUROPEAN DEVELOPER

Filiale d'Affine ayant pour métier le montage d'opérations de développement et d'investissement destinées à la logistique de distribution et de production, Concerto European Developer a poursuivi ses opérations situées pour l'essentiel en France:

- Partenaire de MGPA dans la joint-venture Logiffine, Concerto European Developer a signé deux baux représentant une surface d'environ 30 000 m² répartie entre les sites logistiques de Montéluçon (26) et Hem (59), achevant ainsi la commercialisation du portefeuille de Logiffine avec 61 200 m² loués en 24 mois ;
- Après la livraison en octobre 2009 à son locataire But International d'un bâtiment de 62 000 m², la plateforme a été cédée en octobre 2010 à

2-Development activities

Concerto European Developer is a subsidiary of Affine that sets up property development and investment projects for distribution and production logistics. It has mainly developed its business activities in France:

- As a partner of MGPA in the Logiffine joint venture, Concerto European Developer signed three leases representing a surface area of approximately 30,000 sqm split between the logistics sites of Hem (59) and Montéluçon (26). This completes the marketing of Logiffine's portfolio with 61,200 sqm let in 24 months;
- Following the delivery in October 2009 of a 62,000 sqm building to its tenant, But International, the platform was sold in October

Commerz Real. Concerto European Developer étudie la seconde phase du développement de la ZAC des Portes de Chambord à Mer (41) en vue de réaliser jusqu'à 65 000 m² de surface logistique dès que sa commercialisation sera achevée ;

- Renouvellement de l'accord avec la Communauté d'Agglomération Cap Calais pour le développement d'une surface de 8,3 ha ;
- Finalisation d'un accord de promotion/construction d'un bâtiment logistique de 20 000 m² environ pour un groupe industriel international de premier rang en région parisienne – livraison dernier trimestre 2012.

A l'étranger :

- A Sant Feliu de Buixalleu (Espagne), la commercialisation des bâtiments à construire, d'une surface globale de 38 700 m², est en cours. La première opération signée porte sur une surface de 3 700 m² et a fait l'objet d'un dépôt de PC pour une livraison fin 2012 ;
- En Suisse, dans le cadre du développement d'un parc logistique au Nord de Lausanne, Concerto European Developer étudie la commercialisation et le développement d'un premier bâtiment de 24 000 m².

Résultat (sous-consolidation) :

Le résultat opérationnel net est en fort retrait par rapport à l'exercice précédent : -5,7 M€ contre 3,4 M€. Cette évolution est principalement liée à la dépréciation sur le terrain de Sant Feliu (-5,2 M€) et à l'absence de plus value de cession, contrairement à 2009. Compte tenu du résultat financier (-0,8 M€), de l'impact négatif de la quote-part de résultat de la société mise en équivalence Logiffine (0,3 M€), et de la reprise d'impôts différés le résultat net consolidé ressort à -5,6 M€ contre 0,9 M€ en 2009.

PROMAFFINE

La société a décidé de ne plus lancer de nouvelles opérations de promotion et a confié à Périclès Développement la gestion des opérations en cours par des contrats de maîtrise d'ouvrage déléguée (Bréguet, Marseille et Nanterre) ou de délégation de promotion immobilière (Dreux).

Trois opérations en co-promotion avec Crédit Agricole Immobilier Promotion ont été poursuivies au cours de l'exercice :

- Nanterre-Seine Arche (92) : programme de 166 logements (dont 70 à caractère social réservés

2010 to Commerz Real. Concerto European Developer is studying the second phase of development of the Portes de Chambord ZAC (integrated development zone) in Mer (41) aiming to create up to 65,000 sqm of logistics premises, as soon as marketing of the properties has been completed;

- Agreement renewed with the Communauté d'Agglomération Cap Calais for the development of a logistics area of 8.3 ha;
- Agreement reached with a leading international industrial group for the development and construction of a 20,000 sqm logistics building in the Paris region – Completion expected end 2012.

Outside France:

- At Sant Feliu de Buixalleu (Spain), the marketing of buildings to be built is under process. It comprises a total surface area of 38,700 sqm. The first signed transaction concerns a surface area of 3,700 sqm and has been the subject of a planning permission for delivery year-end 2012;
- In Switzerland, as part of a development for a logistics park to the north of Lausanne, Concerto European Developer is studying the marketing and development of an initial 24,000 sqm building.

Results (sub-consolidation):

Net operating profit is in strong decline compared to the previous year: -€5.7m against €3.4m. This evolution is mainly the result of the depreciation of the land of Sant Feliu (-5.2m) and the absence of net capital gain on disposal as opposed to 2009. After deduction of the financial result (-€0.8m), the negative impact of the equity investment in Logiffine (€0.3m), and the deferred taxes the loss reached €5.6m against a profit of €0.9m for the previous year.

The company has decided to launch no more new development operations of development and has delegated the management of ongoing operations to Périclès Développement through delegated project management contracts (Breguet, Marseilles and Nanterre) or property development (Dreux) delegation contracts.

Three joint-development projects with Crédit Agricole Immobilier Promotion have continued over the period:

- Nanterre-Seine Arche (92): a programme of 166 flats (70 of which are for social housing reserved

en décembre par ICF La Sablière) et 1 200 m² de commerces (réservés en décembre par un investisseur); 90 % des logements en vente au détail sont actuellement pré commercialisés ;

- Marseille 10ème : 50% des travaux de la tranche 1 et 2 sont réalisés, la livraison est prévue pour la fin de l'année 2011. 50% des locaux de la tranche 3, dont les travaux viennent de démarrer, sont commercialisés.
- Paris 11ème, rue Bréguet : rénovation lourde d'un immeuble d'environ 20 000 m² cédé par la Poste, qui en reprendrait à bail une partie après rénovation.

La société a cédé le 16 décembre 2010 à Crédit Agricole Immobilier Promotion la participation de 10% qu'elle détenait dans la SCI Paris Bréguet.

Par ailleurs, un programme de dix-huit maisons individuelles labellisées « BBC » à Dreux (28) a été livré à Foncière Logement.

Résultat (sous-consolidation) :

Le résultat opérationnel net, en forte hausse, ressort à 1,8 M€ contre 0 l'an dernier, notamment grâce aux produits dégagés par la sortie de l'opération de Bréguet. Compte tenu des frais financiers et du résultat des sociétés mises en équivalence (Copernic et Capelette notamment), le résultat net consolidé s'établit à 2,0 M€ contre -0,7 M€ en 2009.

3-Activité de crédit-bail

Aucune nouvelle opération n'a été réalisée en 2010, et les encours poursuivent leur érosion naturelle. Au cours de la période, 33 crédits preneurs ont levé l'option d'achat de leur crédit bail, dont 2 par anticipation. En conséquence les engagements bruts ont été ramenés de 207,9 M€ à fin 2009 à 163,2 M€ à fin 2010, et les engagements nets de 72,7 M€ à 57,6 M€. Le montant des redevances a poursuivi sa décroissance pour atteindre 14,8 M€ contre 19,5 M€ pour la même période en 2009.

by ICF La Sablière in December) and 1,200 sqm of retail premises (reserved in December by an investor). 90% of accommodation for sale is currently pre-marketed;

- Marseille 10: 50% of the first two tranches has been completed; deliver is expected end of 2011. 50% of the third tranche – the construction of which has just begun – have been marketed.
- Paris 11, rue Bréguet: heavy refurbishment of a 20,000 sqm building disposed by La Poste (French state-owned postal service), who will sign a lease for a portion after renovation.

On 16 December 2010, the company sold the 10% stake it held in the SCI Paris Bréguet to Crédit Agricole Immobilier Promotion.

Finally, a programme of eighteen individual "BBC"-rated (low-energy consumption) houses was delivered to Foncière Logement in Dreux (28).

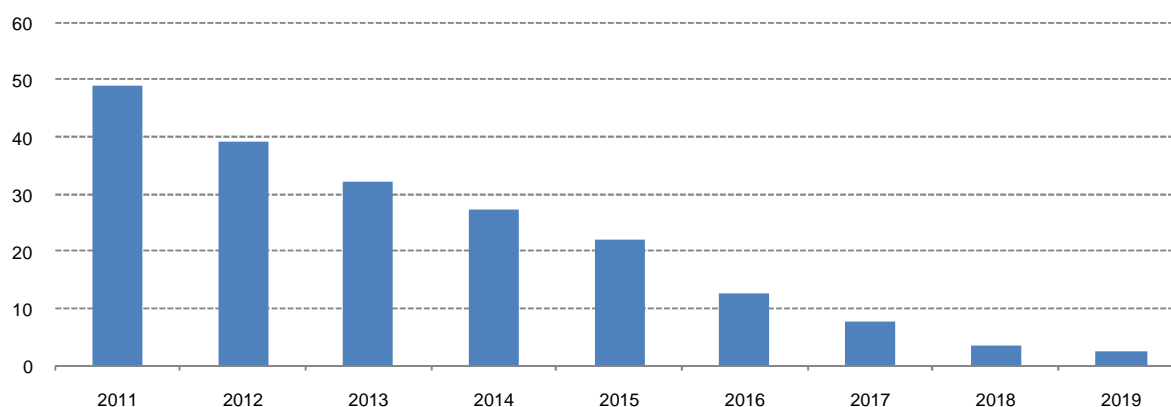
Results (sub-consolidation):

Net operating profit, in sharp increase, came to €1.8m against null profit last year, owing to income generated by the operation in Bréguet. Taking into account the financial costs and the result of companies accounted for under the equity method (Copernicus and Capelette mainly), consolidated net income stood at €2.0m against -€0.7m in 2009.

3-Finance lease activities

There were no new transactions in 2010 and the existing portfolio continued its natural decline. During the period, 33 lessees exercised their option to purchase their buildings, of which 2 in anticipation. Gross commitments therefore decreased from €207.9m at year-end 2009 to €163.2m at year-end 2010, and net commitments fell from €72.7m to €57.6m. Fees continued to decline, and were down at €14.8m versus €19.5m for the same period in 2009.

Encours de credit bail / Finance leases outstanding



Au titre de ses activités de crédit bail immobilier, Affine dispose du statut d'établissement de crédit et est soumise à la réglementation bancaire dont celle relative au respect des ratios prudentiels.

Due to its finance lease activities, Affine has the status of a credit institution and is subject to banking regulations, including those relating to compliance with prudential ratios.

	SEUILS RÉGLEMENTAIRE* REGLEMENTARY THRESHOLD*	AFFINE	
Ratio de solvabilité *			Solvency ratio
Rapport entre les fonds propres nets et le total des risques pondérés	8 %	30,0 %	Net equity capital dividend by total weighted risks
Coefficient de liquidité			Liquidity ratios
Au titre du mois de janvier 2011	100 %	283 %	For the month of January 2011
Contrôle des grands risques consolidés :			Control of consolidated major risks:
Rapport entre les engagements par débiteur et les fonds propres nets			Commitments by debtor divided by net equity capital
Seuil de déclaration	10 %	aucune / none	Declaration threshold
Limite absolue	25 %	aucune / none	Absolute limit

*Affine est soumise à l'Autorité de Contrôle Prudentiel au seuil de 20%. / Pursuant to the Prudential Control Authority, Affine is subject to a 20% threshold.

4-Résultats (sous-consolidation)

4-Results (sub-consolidation)

Résultat consolidé (M€) ⁽¹⁾	2008 ⁽⁶⁾	2009 ⁽⁶⁾	2010	Consolidated income statement (€m) ⁽¹⁾
Revenus locatifs	45,1	45,5	41,1	Gross rental income
Loyers nets	38,1	35,5	34,7	Net rental income
Revenus des autres activités	7,3	3,8	5,2	Other income
Frais de structure	(17,9)	(14,0)	(12,9)	Corporate expenses
EBITDA courant ⁽²⁾	27,5	25,3	27,0	Current EBITDA ⁽²⁾
Résultat opérationnel courant	27,2	25,3	26,8	Current operating profit
Autres produits et charges	1,5	(0,5)	(4,1)	Other incomes and expenses
Résultat des cessions d'actifs	3,8	1,4	(0,3)	Net profit or loss on disposal
Résultat opérationnel avt ajust. valeur	32,5	26,2	22,4	Operating profit (before value adj.)
Solde net des ajustements de valeurs	(34,2)	(19,6)	(3,3)	Net balance of value adjustments
Résultat opérationnel net ⁽³⁾	(1,7)	6,6	19,1	Net operating profit ⁽³⁾
Coût de l'endettement financier net	(14,0)	(7,1)	(8,5)	Net financial cost
Ajustement de valeurs des instr. financiers	(4,3)	(3,9)	0,1	Fair value adjustments of hedging instr.
Impôts	2,6	7,3	0,3	Taxes
Divers ⁽⁴⁾	1,3	(3,4)	3,4	Miscellaneous ⁽⁴⁾
Résultat net	(16,1)	(0,5)	14,4	Net profit
Résultat net – part du groupe	(17,1)	(3,2)	13,6	Net profit – group share
Résultat net – part du groupe	(17,1)	(3,2)	13,6	Net profit – group share
Retraitement EPRA	38,6	24,8	4,8	EPRA adjustments
Résultat EPRA ⁽⁵⁾	21,5	21,6	18,4	EPRA earnings ⁽⁵⁾

(1) Sur la base des comptes IFRS en présentation commerciale et des recommandations de l'EPRA. / Based on IFRS standards for corporate accounting and EPRA recommendations.

(2) L'EBITDA courant correspond au résultat opérationnel courant hors coûts de dépréciations et d'amortissements courants. Ce montant n'intègre pas en 2010 la dépréciation de Sant Feliu (5,2 M€) présent dans les autres produits et charges. / Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. This amount excludes the depreciation on Sant Feliu (€5.2m) in 2010 and appears under the other incomes and expenses.

(3) Le résultat opérationnel net correspond au résultat courant après prise en compte des variations de valeurs, incluant les variations des écarts de goodwill contrairement aux années antérieures / The net operating profit represents the operating profit after the value change, including goodwill change, unlike previous years.

(4) Quote-part de sociétés mise en équivalence, résultat net d'activités arrêtées ou en cours de cession, autres produits et charges financiers. / Share in companies consolidated using the equity method, net profit from activities that have been discontinued or are being sold, other financial income.

(5) 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-récurrents. / The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in October 2010, which give 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-recurring items.

(6) Le résultat d'Abcd a été pris en compte jusqu'à sa date de sortie du périmètre en 2008, soit à hauteur de 0,17M€. Par ailleurs, afin de mieux refléter les composantes du résultat et de son évolution, la contribution de BFI n'apparaît que sous la rubrique « Résultat net d'impôt des activités arrêtées ou en cours de cession », soit « Divers » dans cette présentation / The profit of Abcd has been included until the date of its disposal in 2008 from the scope of consolidation, and totalled €0.17m. In addition, To more clearly reflect the components of the profit and its changes, the contribution of BFI appears under the heading "After-tax profit from businesses that have been discontinued or are being sold", i.e. "Miscellaneous" in this presentation.

Les revenus locatifs déclinent de 9,8 % en raison de la vacance mais également des cessions. La forte réduction des charges locatives, liée principalement au rattachement des charges de ventes au résultat des cessions, à la diminution des honoraires de locations ainsi qu'une reprise de provision sur des travaux, permet de limiter la baisse des loyers nets à -2,4 %.

L'augmentation du taux de vacance représente la principale cause à cette baisse des loyers qui est partiellement compensée par l'excédent des loyers issus des acquisitions par rapport à ceux attachés aux immeubles cédés.

Le résultat opérationnel courant, en hausse de 6,2 %, profite de la reprise des bénéficiaires pour l'activité de développement immobilier, hors dépréciation sur stocks, (2,3 M€ vs 0,0 M€) et de la diminution de 8,3 % des frais de fonctionnement, permettant de plus que compenser l'érosion naturelle des revenus sur les opérations de location-financement (2,9 M€ vs 3,7 M€).

Le résultat opérationnel net présente une très forte hausse, provenant pour l'essentiel de la très faible baisse des justes valeurs des immeubles comparé aux années précédentes (-3,3 M€ contre -19,6 M€ en 2009 et -34,2 M€ en 2008).

En outre l'exercice 2010 n'a bénéficié, contrairement à l'an dernier, ni du remboursement de la créance de carry back (4,9 M€), ni du produit de cession de la participation d'Affine dans Altaréa (cédée fin 2009). L'augmentation du coût de la dette nette, principalement liée à l'absence du dividende d'Altaréa (1,7 M€), est plus que compensée par une reprise de valeurs des instruments financiers (0,1 M€ contre près de -4 M€ par an en 2009 et 2008). Le résultat net part du groupe ressort ainsi en forte hausse à 13,6 M€ contre une perte de 3,2 M€ en 2009.

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 18,4 M€ contre 21,6 M€ en 2009.

Gross rental income declined by 9.8% due to vacancy and disposals. The steep reduction of rental charges, mainly due to the matching of sales-related costs to the profit on disposals, lower marketing fees and carry-back of provision on work, makes it possible to limit the decline in net rents to -2.4%.

The increase in vacancy rate represents the main cause of this drop in rental income, partially balanced by rental incomes from acquisitions which more than offset those from disposals.

Current operating income, up 6.2%, benefits from the upturn in profitability of the property development activity, excluding depreciation on inventories (€2.3m vs €0.0m) and the 8.3% reduction in operating expenses. These items more than offset the natural erosion of revenue on finance lease transactions (€2.9m vs €3.7m).

Net operating profit showed a very sharp increase, coming essentially from the very small decline in property fair values compared to previous years (-€3.3m vs -€19.6m in 2009 and -€34.2m in 2008).

In addition, unlike last year, 2010 benefited neither from the repayment of the carryback (€4.9m), nor from the capital gain on disposal of the Altaréa stake (disposed late 2009). The increase in the cost of net debt, mainly related to the absence of the Altaréa dividend (€1.7m), is more than offset by an upturn in the values of financial instruments (€0.1m against nearly -€4m per year in 2009 and 2008). Net income group share came to €13.6m against a loss of €3.2m in 2009.

Adjusted for exceptional items, such as fair value changes and net profit or loss on disposals, EPRA earnings amounted to €18.4m against €21.6m in 2009.

Au sein de la sous-consolidation Affine, Les Jardins des Quais, détenue à parité par Affine et Banimmo, est propriétaire d'un centre « Quais des marques » à Bordeaux (33). Cet ensemble immobilier, dont le taux d'occupation continue de s'améliorer (82 % contre 79 % à fin 2009) a réalisé un revenu locatif de 3,3 M€ contre 3,2 M€. Principalement en raison des honoraires de commercialisation, le résultat net ressort à -1,3 M€ contre -1,5 M€ en 2009.

Within the Affine sub-consolidation, Les Jardins des Quais, held equally by Affine and Banimmo, is owner of the "Quais des marques" shopping centre in Bordeaux (33). The occupancy rate of the complex has continued to improve (82% against 79% at end 2009) and gross rental income reached €3.3m against €3.2m in 2009. Mainly resulting from marketing costs, the net loss amounted to €1.3m compared to a loss of €1.5m in 2009.

5-Résultats (sous-consolidation) 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).

5-Results (sub-consolidation) Previous presentation

The operating margin table used for the previous years has been replaced by a presentation more in line with best practices and with improved legibility of the financial appendices. From now on, EPRA earnings represent the current net profit from the property activity *stricto sensu* (i.e. net profit - group share excluding changes in fair value, gains or losses on sales and other non-current items).

(M€)	2008	2009	2010	(€m)
Immeubles de placement	38,1	35,5	34,7	Investment properties
Location financement	5,9	3,8	2,9	Finance lease
Développement immobilier	1,3	(0,0)	(3,2)	Property development
Divers	2,0	0,6	1,2	Miscellaneous
Marge opérationnelle ⁽¹⁾	47,4	39,9	35,6	Operating margin ⁽¹⁾
Résultat financier ⁽¹⁾	(11,8)	(18,2)	(6,0)	Financial income ⁽¹⁾
Charges d'exploitation et divers	(18,7)	(15,2)	(12,9)	Operating and miscellaneous expenses
Impôts sur les sociétés	(0,9)	4,6	0,6	Corporate income tax
Résultat courant	16,1	11,2	17,3	Current profit
Plus-values nettes de cession	3,8	1,4	(0,3)	Net capital gains on property sales
Résultat courant après cession	19,9	12,6	17,0	Current profit after property sales
Variation de juste valeur des immeubles ⁽²⁾	(33,8)	(19,6)	(3,3)	Change in fair value of properties ⁽²⁾
Variation de juste valeur des instruments financiers	(4,3)	(3,9)	0,1	Change in fair value of financial instruments
Divers ⁽³⁾	(1,4)	7,6	0,9	Miscellaneous ⁽³⁾
Impôts différés	3,5	2,7	(0,3)	Deferred tax
Résultat net comptable	(16,1)	(0,5)	14,4	Net income (loss) after tax
Dont part du groupe	(17,1)	(3,2)	13,6	Of which Group share

NB : Les comptes consolidés d'Affine et de ses filiales dédiées sont établis en normes IFRS et conformément au plan comptable commercial.

NB: The consolidated statements of Affine and its dedicated subsidiaries are prepared in accordance with IFRS standards and comply with business accounting principles.

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

(2) Y compris variation de valeur de Sant Feliu. / Including Sant Feliu change in value.

(3) Quote-part de sociétés mise en équivalence, variation des écarts d'acquisition, résultat net d'activités arrêtées ou en cours de cession, en 2009 une plus value de cession de 9,0 M€ des titres Altaréa. / Share in companies consolidated using the equity method, changes in goodwill, net profit from activities that have been discontinued or are being sold, in 2009 net capital gain of €9m for the sale of Altaréa shares.

6-Résultats (comptes individuels)

Les comptes individuels d'Affine, établis en normes bancaires, conduisent à un résultat d'exploitation de 7,3 M€, contre 24,4 M€ en 2009 ; cette évolution résulte de plusieurs facteurs :

- une contribution nette des produits de location simple en retrait de 15,5 M€ (16,2 M€ vs 31,6 M€), principalement en raison de la baisse

6-Results (company statements)

Affine's company statements, prepared in accordance with French banking standards, show an operating profit of €7.3m versus €24.4m in 2009. This change is attributable to several factors:

- a lower net contribution from rental properties of €15.5m (€16.2m vs €31.6m), resulting mainly from the decline of rents, down €6.8m (€27.5m

des loyers de 6,8 M€ (27,5 M€ vs 34,3 M€) et des plus-values de cessions ramenées de 11,1 M€ en 2009 à 5,0 M€ en 2010 ;

- la poursuite de la baisse de la contribution du crédit-bail (3,7 M€ vs 5,8 M€) ;
- l'impact positif de 3,1 M€, lié à la progression des dividendes versés par les filiales (15,5 M€ vs 12,4 M€ en 2009) ;

L'ensemble de ces facteurs conduit à un résultat courant avant impôt en légère progression (+0,7 %) et ressort à 7,7 M€.

Ne bénéficiant pas de la reprise de carry-back de 4,6 M€, contrairement à 2009, le résultat net s'établit à 6,5 M€ contre 10,9 M€.

vs €34.3m) and the reduction of capital gains from sales from €11.1m in 2009 to €5.0m in 2010;

- the continuing decline of the contribution from leasing activities (€3.7m vs €5.8m);
- the €3.1m positive impact, related to the increase in dividends paid by subsidiaries (€15.5m vs €12.4m in 2009);

All of these factors lead to a slight increase in current pre-tax result (+0.7%) at €7.7m.

Not benefiting from a return in carry-back of €4.6m, contrary to 2009, the net profit comes to €6.5m against €10.9m.

Banimmo

1-Activités

Au 31 décembre 2010, Banimmo détient 20 immeubles (et un terrain), pour une superficie totale de près de 175 000 m², et dégage un revenu locatif annuel de 20,9 M€ sur la base des baux en vigueur au 31 décembre. Au cours de l'année, la société a signé 33 nouveaux baux ou renégociations pour 28 442 m². A fin décembre, le taux d'occupation était de 88,1 % et le rendement de 8,4 %.

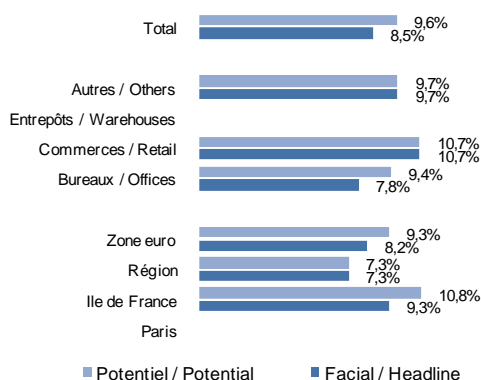
La nature de l'activité de Banimmo, à savoir le repositionnement ou le redéveloppement d'immeubles ou de sites, rend la valeur de son patrimoine plus volatile et de ce fait moins pertinente que celle d'une foncière plus traditionnelle comme Affine ou AffiParis. Elle s'élevait à fin décembre 2010 à 283,5 M€ (droits inclus) et a enregistré une baisse de 2,6 % à périmètre constant.

1-Activities

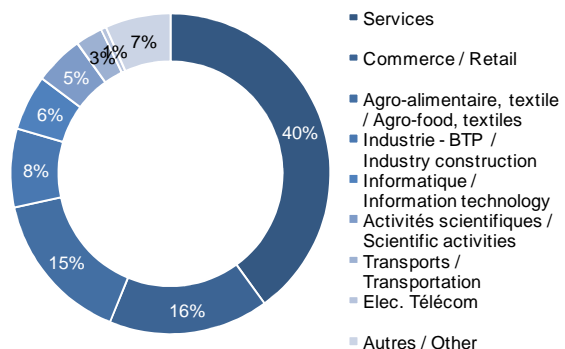
At December 31 2010, Banimmo owns 20 buildings (and a plot of land) with a total surface area of almost 175,000 sqm and generates annual rental income of €20.9m based on leases in effect at 31 December. During the first half, the company signed 33 new or renegotiated leases for 28,442 sqm. At the end of the year, the occupancy rate was 88.1% and the yield was 8.4%.

The nature of Banimmo's activities, i.e. the repositioning and redevelopment of buildings or sites, makes its portfolio valuation more volatile and thus less accurate than that of a more traditional property company like Affine or AffiParis. At the end of December 2010, it stood at €283.5m (transfer tax included) and posted a decrease of 2.6% on a like-for-like basis.

Rendement du patrimoine Rental yield of assets



Par secteur d'activité (en loyer) By sector of activity (in rent)



Après une année 2009 marquée par d'importantes cessions, particulièrement au second semestre, aucune vente n'a été réalisée au cours de 2010. Le groupe a concentré ses efforts sur la recherche d'opportunités d'investissement. Il a ainsi conclu deux acquisitions : des commerces en pied d'immeuble dans le centre ville de Rouen pour 12,0 M€ en avril, et une surface commerciale dans le centre commercial à Eragny (95) pour 12,6 M€ en décembre. En Belgique, un accord a été négocié avec City Mall et son animateur P. Huon, ancien responsable de Foruminvest en Belgique, portant pour la reprise des activités belges de Foruminvest et notamment le développement de centres commerciaux en centre ville à Verviers, Namur et Charleroi. L'accord signé en août prévoit un financement par Banimmo en fonds propres et prêts subordonnés de 54 M€. Cet investissement, couplé aux dossiers réalisés en France renforce notablement le poids des commerces au sein de Banimmo, offrant ainsi un portefeuille plus diversifié et plus défensif.

2-Activité des participations

Banimmo est un actionnaire important de quatre sociétés, qui font l'objet d'une mise en équivalence dans ses comptes :

- Conferinvest (49 %) détient deux centres de conférences à La Hulpe (Belgique) et Chantilly (60), gérés par Dolce. Le chiffre d'affaires est en hausse de 14,6 % par rapport à la même période en 2009, et l'excédent brut d'exploitation s'est établi à 7,3 M€ (+42 %) ;
- Jardins des quais à Bordeaux (50 %) : voir plus haut ;
- Grondbank The Loop (25 %), en charge du développement d'un site à Gand (Belgique) ;
- Montea (15 %) : adoptant une attitude prudente et sélective, cette SICAFI, spécialisée dans l'immobilier logistique a procédé en 2010 à la cession de trois bâtiments semi-industriels, ne répondant plus à ses critères, et à deux investissements pour une superficie totale de 88 000 m². Au 31 décembre 2010 la juste valeur de ses actifs a augmenté de 0,2 % à périmètre constant pour atteindre 233,5 M€. Le résultat net courant, hors variation des justes valeurs, augmente de 6,7 % à 7,9 M€. Le résultat net s'élève à 8,2 M€ contre une perte de 10,7 M€ en 2009 en raison pour l'essentiel d'une moindre baisse de la juste valeur des immeubles (-1,9 M€ vs -16,0 M€).

3-Résultats (sous-consolidation)

NB : L'analyse des résultats est effectuée sur la base

After a year in 2009 marked by major disposals, especially during the second half, no sale was concluded during 2010. The Group has focused on new investment opportunities, and has concluded two acquisitions: ground-floor retail premises in city-centre buildings in Rouen for €12.0m in April; and retail premises in a retail complex in Eragny (95) for €12.6m in December. In Belgium, an agreement was negotiated with City Mall for the acquisition of Foruminvest Belgium activities and for the development of city centre retail complexes in Verviers, Namur and Charleroi. The agreement signed in August anticipates financing by Banimmo through equity and subordinated loans for €54m. This investment, combined with projects in France, significantly strengthens the weight of retail for Banimmo, thus providing a more diversified and defensive portfolio.

2-Equity investments

Banimmo is a significant shareholder in four companies, which are accounted for by the equity method:

- Conferinvest (49%) owns two conference centres in La Hulpe (Belgium) and Chantilly (60), managed by Dolce. Revenues increased by 14.6% compared to the same period in 2009, and EBITDA stood at €7.3m (+42%);
- Jardins des Quais in Bordeaux (50%): see above;
- Grondbank The Loop (25%), responsible for developing a site in Ghent (Belgium);
- Montea (15%): adopting a prudent and selective attitude, this SICAFI, specialised in logistics buildings, sold three buildings no longer meeting its criteria during 2010, and two investments for a total surface of 88,000 sqm. At the end of December 2010, the fair value of its assets increased by 0.2% to €233.5m on a like-for-like basis. Net current result, excluding changes in fair values, increased by 6.7% to €7.9m. The net result is a profit of €8.2m versus a loss of €10.7m in 2009, due mainly to the lower drop in the fair value of its buildings (-€1.9m vs -€16.0m).

3-Results (sub-consolidation)

NB: The analysis of the results is based on the

des comptes publiés par Banimmo le 23 février 2011.

La baisse des loyers nets consolidé (de 16,2 M€ à 14,3 M€) résulte de la vente des différents actifs survenue au second semestre 2009 et au départ contractuel de locataires sur deux actifs entrés en phase active de repositionnement. Mais l'évolution favorable des sociétés mises en équivalence (Montéa pour l'essentiel) conduit à un résultat opérationnel récurrent de 12,4 M€ contre 6,6 M€ il y a un an.

Après prise en compte du résultat financier (-7,3 M€ hors variation de juste valeur), de l'impôt sur les sociétés (-0,3 M€) et des plus values de cessions, le résultat courant net atteint 5,2 M€ (vs 18,1 M€).

Compte tenu des variations de juste valeur sur les immeubles (-3,0 M€) et sur instruments financiers (-2,7 M€), marginalement compensées par un produit d'impôts différés (0,6 M€), le résultat net ressort à 0,5 M€, contre -16,9 M€ l'année précédente.

Banimmo est cotée sur NYSE Euronext Bruxelles. Au 31 décembre 2010, son cours s'établissait à 14,25 €, en baisse de 5,7 % depuis le début de l'année, et sa capitalisation boursière s'élevait à 161,8 M€.

AffiParis

1-Activité

Le patrimoine locatif du groupe est constitué au 31 décembre 2010 de 13 immeubles (et d'un ensemble de parkings) développant environ 45 800 m² et dégageant sur la base des baux en cours un loyer en année pleine de 11,2 M€ ; les six immeubles parisiens représentent 95 % de sa valeur et 93 % des loyers. Le taux d'occupation financier global est de 94,9 %, les immeubles parisiens étant loués à plus de 97 %.

Dans le cadre d'une gestion prudente dans un contexte encore incertain, AffiParis n'a pas réalisé de nouveaux investissements en 2010. Conformément à sa stratégie de spécialisation dans l'immobilier parisien, le groupe poursuit une politique d'arbitrage de ses immeubles hors de Paris. Ces cessions, d'un montant total de 8,7 M€, ont été réalisées à des prix en ligne avec les dernières expertises.

La juste valeur du patrimoine, telle qu'elle résulte des expertises de fin décembre, s'élève à 213,8 M€ (droits inclus), en baisse de 2,4 % par rapport à fin 2009, mais en hausse de 1,8 % à périmètre constant.

2-Résultats (sous-consolidation)

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, dont -1,5 % à

statements published by Banimmo on 23 February, 2011.

The drop in consolidated net rents (from €16.2m to €14.3m) results from the disposal of various assets during the second half of 2009 and the contractual departure of tenants from two assets that entered an active repositioning phase. However, the favourable evolution of associates (mainly Montea) leads to a recurrent operational result of €12.4m, compared to €6.6m a year ago.

After accounting for financial income (-€7.3m excluding the change in fair value), corporate income tax (-€0.3m), and capital gain on disposal the net current result comes to €5.2m (vs €18.1m).

After taking into account the changes in the fair value of buildings (-€3.0m) and financial instruments (-€2.7m), partially offset by deferred taxes income (€0.6m), net profit was €0.5m versus -€16.9m in the previous year.

Banimmo is listed on NYSE Euronext Brussels. At 31 December 2010, its price was €14.25, down 5.7% year-to-date, and its market capitalisation was €161.8m.

1-Activities

At 31 December 2010, the rental properties of the Group consisted of 13 buildings (and parking lots) with an area of about 45,800 sqm which generated €11.2m based on leases in effect for the whole year. The six buildings in Paris represent 95% of the portfolio's value and 93% of rents. The total occupancy rate is 94.9%, and the Paris buildings are more than 97% let.

In keeping with its policy of prudent management in a still uncertain economic environment, AffiParis did not make any new investment in 2010. In accordance with its strategy of specialising in Paris real estate, the Group is continuing its policy of disposing of its properties outside Paris. These disposals, totalling €8.7m, were made at prices in line with those of the most recent appraisals.

The fair value of properties appraised at the end of December totalled €213.8m (transfer tax included), a 2.4% decrease compared to year-end 2009, but up 1.8% on a like-for-like basis.

2-Results (sub-consolidation)

Disposals carried out during the year, in addition to lease renegotiations, resulted in a 4.9% fall in gross rental income, of which a 1.5% drop on a like-for-like

périmètre constant. Le résultat opérationnel courant ressort à 8,4 M€, en raison de cette baisse des loyers et de la hausse des charges provenant pour l'essentiel de la comptabilisation des arriérés de redevances de charges des trois dernières années.

L'augmentation des charges est plus que compensée par l'amélioration de la juste valeur des immeubles (+3,5 M€), suivant en cela la tendance constatée pour l'immobilier de qualité à Paris, et du coût de l'endettement (+0,8 M€), qui permettent à AffiParis de dégager un bénéfice net positif de 5,1 M€, contre une perte de 11,0 M€ en 2009.

Retraité des éléments non-courants (variation de juste valeur et plus ou moins values de cessions), le résultat EPRA s'établit à 1,9 M€ contre 3,2 M€ en 2009.

AffiParis est cotée sur NYSE Euronext Paris. Au 31 décembre 2010, son cours s'établissait à 7,76 €, en baisse de 1,8 % par rapport au début d'année, et sa capitalisation s'élevait à 22,5 M€.

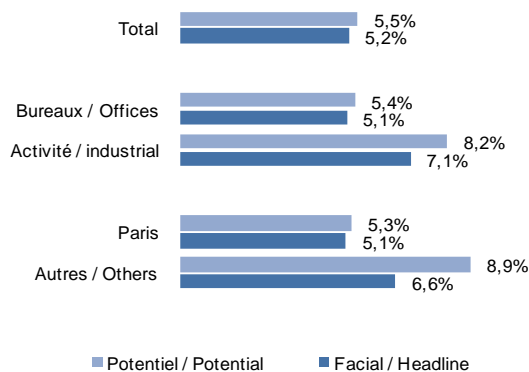
basis. Current operating profit was €8.4m versus €10.5m the previous year due to this drop in rental income and an increase in expenses, primarily attributable to the accounting write-offs of past due service charges for the last three years.

The increase in expenses was more than offset by the rise of the fair value of buildings (+€3.5m), which kept pace with the trend for quality properties in Paris, and the cost of debt (€0.8m), which allowed AffiParis to post a net profit of €5.1m, versus a loss of €11.0m in 2009.

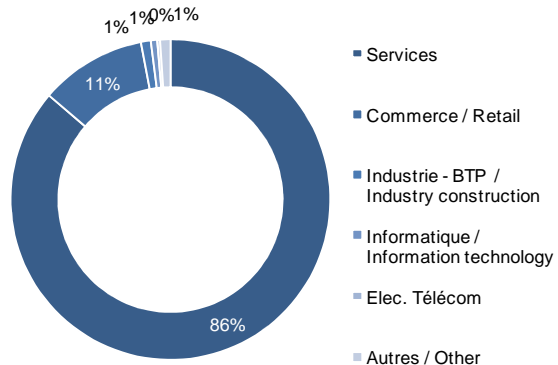
Restated for non-current items (changes in fair value and gains or losses on disposals), EPRA earnings was €1.9m, versus €3.2m in 2009.

AffiParis is listed on NYSE Euronext Paris. At 31 December 2010, its share price was €7.76, down 1.8% compared to the beginning of the year, and its market capitalisation was €22.5m.

Rendement du patrimoine Rental yield of assets



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



Compte de résultat consolidé

Consolidated income statement

(Présentation commerciale résumée)
(Limited business presentation)

Compte de résultat consolidé (K€)	2008	2009	2010	Consolidated income statement (€000')
Revenus locatifs	73 463	77 178	70 567	Gross rental income
Produits et charges locatives	(11 021)	(14 793)	(12 001)	Service charge income/(expenses)
Autres produits et charges sur immeubles	1 103	453	1 004	Other property op. income /(expenses)
LOYERS NETS	63 546	62 838	59 570	NET RENTAL INCOME
Revenus de location financement (LF)	5 943	3 848	2 901	Income from finance leases (FL)
Revenus des opérations de développement	2 245	(13)	(2 789)	Income from property development
Frais de structure	(27 832)	(23 460)	(20 307)	Corporate expenses
EBITDA COURANT	43 902	43 213	39 375	CURRENT EBITDA
Amortissements et dépréciations	(723)	(463)	(285)	Amortisations and depreciations
RESULTAT OPERATIONNEL COURANT	43 179	42 750	39 090	CURRENT OPERATING PROFIT
Charges nettes des provisions	1 734	(586)	(674)	Charges net of provisions
Solde des autres produits et charges	2 221	636	1 029	Net other income
Résultat cessions Immeuble de Placement	6 139	24 530	(333)	Gains on disposal of Investment Properties
Levées d'option sur immeubles en LF	830	296	(96)	Options exercised on FL properties
Résultat des cessions d'actifs d'exploitation	0	(20)	(16)	Gains on disposal of operating assets
Résultat des cessions d'actifs	6 969	24 806	(445)	Net profit or loss on disposal
RESULTAT OPERATIONNEL	54 102	67 606	39 000	OPERATING PROFIT
Ajustement des valeurs des immeubles	(46 852)	(43 676)	(2 818)	Fair value adjustment to IP
Ajustement de Goodwill	60	(3 545)	-	Goodwill adjustment
Solde net des ajustements de valeurs	(46 792)	(47 221)	(2 818)	Net balance of value adjustments
RESULTAT OPERATIONNEL NET	7 310	20 385	36 181	NET OPERATING PROFIT
Produits de trésorerie et équivalents de tr.	2 824	2 265	570	Income from cash and cash equivalents
Coût de l'endettement financier brut	(38 619)	(27 590)	(28 185)	Gross financial cost
Coût de l'endettement financier net	(35 795)	(25 325)	(27 615)	Net financial cost
Autres produits et charges financiers	239	3 057	108	Other financial income
Ajustement de valeurs des instr. financiers	(12 648)	(7 622)	(2 910)	Fair value adjustments of hedging instr.
RESULTAT AVANT IMPÔTS	(40 894)	(9 505)	5 764	PROFIT BEFORE TAX
Impôts courant	(1 312)	5 131	280	Current corporation tax
Autres impôts	5 385	6 883	305	Other tax
Sociétés mises en équivalence	975	(4 382)	3 069	Associates
Résultat net des activités abandonnées	(1 406)	(819)	1 209	Net profit of abandoned businesses
RESULTAT NET	(37 252)	(2 693)	10 627	NET PROFIT
Intérêts minoritaires	(270)	(3 008)	(307)	Minority interests
RESULTAT NET – PART DU GROUPE	(37 521)	(5 701)	10 320	NET PROFIT – GROUP SHARE
Retraitement EPRA		21 916,2	7 279,1	EPRA adjustments
RESULTAT EPRA		16 215,3	17 599,4	EPRA EARNINGS
Résultat par action (€)	(5,70)	(1,48)	0,53	Earnings per share
Résultat par action dilué (€)	(4,53)	(0,99)	0,83	Diluted earnings per share
Résultat EPRA par action (dilué) (€)		1,40	1,62	EPRA Earnings per share
Nombre d'actions (hors autocontrôle)	7 952 899	7 522 989	7 570 201	Number of shares (excl. Treasury Shares)
Nombre d'actions dilués (hors autocontrôle)	9 575 299	9 145 389	9 192 601	Number of shares diluted (excl. TS)

Les comptes de BFI sont isolés sur les lignes « Branche d'activité destinée à la vente » au Bilan et sur la ligne « Résultat des activités arrêtées ou en cours de cession » au compte de résultat. / BFI's statements are confined to the lines "Business sector to be sold" on the balance sheet and "Profit from businesses that have been discontinued or are being sold" in the income statement.

Par ailleurs, les emprunts liés aux immeubles destinés à la vente ont été reclassés au passif sur la ligne « Passifs liés aux immeubles destinés à la vente ». / In addition, loans related to buildings held for sale have been reclassified in liabilities on the line "Liabilities related to buildings to be sold".

Bilan consolidé

Consolidated balance sheet

(Présentation commerciale résumée)
(Condensed business presentation)

ACTIF (K€)	2008	2009	2010	ASSETS (€ 000,)
Immeubles de placement	984 039	951 575	773 651	Investment properties
Actifs corporels	2 802	1 503	1 883	Tangible assets
Immobilisations incorporelles	4 434	466	283	Intangible assets
Actifs financiers	127 334	95 776	113 426	Financial assets
Actifs d'impôts différés	1 536	4 182	5 147	Deferred tax assets
Titres et investissements dans les sociétés mises en équivalence	28 064	22 119	41 911	Shares and investments in companies (equity method)
TOTAL ACTIFS NON COURANTS	1 148 209	1 075 621	936 300	TOTAL LONG-TERM ASSETS
Immeubles destinés à la vente	104 249	87 407	75 365	Buildings to be sold
Branche d'activité destinée à la vente	6 437	5 067	0	Business sector to be sold
Prêts et créances de location-financement	562	618	561	Finance lease loans and receivables
Stocks	33 199	20 520	183 474	Inventory
Clients et comptes rattachés	18 990	25 287	13 667	Trade and other accounts receivable
Actifs d'impôts courants	594	459	1 030	Current tax assets
Autres créances	54 130	32 540	44 272	Other receivables
Trésorerie et équivalents de trésorerie	27 062	34 785	27 853	Cash and cash equivalents
TOTAL ACTIFS COURANTS	245 223	206 683	346 222	TOTAL CURRENT ASSETS
TOTAL	1 393 431	1 282 304	1 282 522	TOTAL

PASSIF (K€)	2008	2009	2010	LIABILITIES (€ 000,)
Capitaux propres (part du groupe)	385 344	345 448	346 771	Shareholders' equity (Group share)
<i>dont ORA</i>	30 692	31 036	31 662	<i>of which convertibles</i>
<i>dont TSDI</i>	74 090	73 327	73 345	<i>of which PSL</i>
Intérêts minoritaires	90 141	85 988	83 329	Minority interests
TOTAL CAPITAUX PROPRES	475 486	431 436	430 100	TOTAL SHAREHOLDERS' EQUITY
Emprunts long terme	517 432	622 917	635 117	Long-term borrowings
Passifs financiers	40 831	36 961	40 877	Financial liabilities
Provisions	3 762	8 756	4 797	Provisions
Dépôts et cautionnements reçus	11 637	11 911	10 278	Deposits and security payments received
Passifs d'impôts différés et non courants	11 942	2 899	2 748	Deferred and non-current tax liabilities
Divers	2 629	362	0	Other
TOTAL PASSIFS NON COURANTS	588 233	683 805	693 817	TOTAL LONG-TERM LIABILITIES
Branches d'activités destinées à la vente	5 054	5 020	0	Business sector to be sold
Passifs liés aux immeubles destinés à la vente	27 492	36 487	31 045	Liabilities related to buildings to be sold
Dettes fournisseurs et autres	65 602	53 528	49 076	Trade payables and other accounts payable
Emprunts et dettes financières	218 881	63 440	72 173	Borrowings and financial debt
Passifs d'impôts courants	4 838	3 361	1 174	Current tax liabilities
Dettes fiscales et sociales	7 846	5 227	5 138	Tax and social debt
TOTAL PASSIFS COURANTS	329 712	167 063	158 606	TOTAL CURRENT LIABILITIES
TOTAL	1 393 431	1 282 304	1 282 522	TOTAL

Compte de résultat consolidé part du groupe

Consolidated income statement group share

(Présentation commerciale résumée)
(Limited business presentation)

Compte de résultat consolidé (K€)	2008	2009	2010	Consolidated income statement (€000')
Revenus locatifs		61 937	56 160	Gross rental income
Produits et charges locatives		(11 798)	(9 161)	Service charge income/(expenses)
Autres produits et charges sur immeubles		3	503	Other property op. income /(expenses)
LOYERS NETS		50 142	47 501	NET RENTAL INCOME
Revenus de location financement (LF)		3 848	2 901	Income from finance leases (FL)
Revenus des opérations de développement		55	1 071	Income from property development
Frais de structure		(17 938)	(16 123)	Corporate expenses
EBITDA COURANT		36 107	35 349	CURRENT EBITDA
Amortissements et dépréciations		(294)	(203)	Amortisations and depreciations
RESULTAT OPERATIONNEL COURANT		35 813	35 146	CURRENT OPERATING PROFIT
Charges nettes des provisions		(857)	(259)	Charges net of provisions
Solde des autres produits et charges		706	1 209	Net other income
Résultat cessions Immeuble de Placement		12 859	(3 004)	Gains on disposal of Investment Properties
Levées d'option sur immeubles en LF		296	(96)	Options exercised on FL properties
Résultat des cessions d'actifs d'exploitation		(13)	(10)	Gains on disposal of operating assets
Résultat des cessions d'actifs		13 143	(3 109)	Net profit or loss on disposal
RESULTAT OPERATIONNEL		48 804	32 986	OPERATING PROFIT
Ajustement des valeurs des immeubles		(35 376)	(3 197)	Fair value adjustment to IP
Ajustement de Goodwill		(3 545)	-	Goodwill adjustment
Solde net des ajustements de valeurs		(38 921)	(3 197)	Net balance of value adjustments
RESULTAT OPERATIONNEL NET		9 883	29 789	NET OPERATING PROFIT
Produits de trésorerie et équivalents de tr.		2 372	822	Income from cash and cash equivalents
Coût de l'endettement financier brut		(21 999)	(21 897)	Gross financial cost
Coût de l'endettement financier net		(19 627)	(21 074)	Net financial cost
Autres produits et charges financiers		6 093	(138)	Other financial income
Ajustement de valeurs des instr. financiers		(5 972)	(1 425)	Fair value adjustments of hedging instr.
RESULTAT AVANT IMPÔTS		(9 622)	7 152	PROFIT BEFORE TAX
Impôts courant		4 739	418	Current corporation tax
Autres impôts		4 700	(337)	Other tax
Sociétés mises en équivalence		(2 624)	1 878	Associates
Résultat net des activités abandonnées		(612)	1 209	Net profit of abandoned businesses
RESULTAT NET		(3 420)	10 320	NET PROFIT
Intérêts minoritaires		(0)	0	Minority interests
RESULTAT NET – PART DU GROUPE		(3 420)	10 320	NET PROFIT – GROUP SHARE
Retraitement EPRA		21 916	7 279	EPRA adjustments
RESULTAT EPRA		16 215	17 599	EPRA EARNINGS
Résultat par action (€)		(1,48)	0,53	Earnings per share
Résultat par action dilué (€)		(0,99)	0,83	Diluted earnings per share
Résultat EPRA par action (dilué) (€)		1,40	1,62	EPRA Earnings per share
Nombre d'actions (hors autocontrôle)		7 522 989	7 570 201	Number of shares (excl. Treasury Shares)
Nombre d'actions dilués (hors autocontrôle)		9 145 389	9 192 601	Number of shares diluted (excl. TS)

Les comptes de BFI sont isolés sur les lignes « Branche d'activité destinée à la vente » au Bilan et sur la ligne « Résultat des activités arrêtées ou en cours de cession » au compte de résultat. / BFI's statements are confined to the lines "Business sector to be sold" on the balance sheet and "Profit from businesses that have been discontinued or are being sold" in the income statement.

Par ailleurs, les emprunts liés aux immeubles destinés à la vente ont été reclassés au passif sur la ligne « Passifs liés aux immeubles destinés à la vente ». / In addition, loans related to buildings held for sale have been reclassified in liabilities on the line "Liabilities related to buildings to be sold".

Bilan consolidé part du groupe

Consolidated balance sheet group share

(Présentation commerciale résumée)
(Condensed business presentation)

ACTIF (K€)	2008	2009	2010	ASSETS (€ 000,)
Immeubles de placement		745 089	637 656	Investment properties
Actifs corporels		785	1 118	Tangible assets
Immobilisations incorporelles		365	255	Intangible assets
Actifs financiers		89 007	71 233	Financial assets
Actifs d'impôts différés		2 886	8 403	Deferred tax assets
Titres et investissements dans les sociétés mises en équivalence		11 157	21 544	Shares and investments in companies (equity method)
TOTAL ACTIFS NON COURANTS		849 289	740 208	TOTAL LONG-TERM ASSETS
Immeubles destinés à la vente		80 155	70 506	Buildings to be sold
Branche d'activité destinée à la vente		3 529	0	Business sector to be sold
Prêts et créances de location-financement		618	561	Finance lease loans and receivables
Stocks		14 679	98 060	Inventory
Clients et comptes rattachés		17 439	9 848	Trade and other accounts receivable
Actifs d'impôts courants		251	578	Current tax assets
Autres créances		40 461	68 957	Other receivables
Trésorerie et équivalents de trésorerie		33 069	25 090	Cash and cash equivalents
TOTAL ACTIFS COURANTS		190 199	273 599	TOTAL CURRENT ASSETS
TOTAL		1 039 489	1 013 808	TOTAL

PASSIF (K€)	2008	2009	2010	LIABILITIES (€ 000,)
Capitaux propres (part du groupe)		349 144	351 919	Shareholders' equity (Group share)
<i>dont ORA</i>		31 036	31 662	<i>of which convertibles</i>
<i>dont TSDI</i>		73 327	73 345	<i>of which PSL</i>
Intérêts minoritaires		1	1	Minority interests
TOTAL CAPITAUX PROPRES		349 145	351 920	TOTAL SHAREHOLDERS' EQUITY
Emprunts long terme		497 778	401 124	Long-term borrowings
Passifs financiers		24 086	26 036	Financial liabilities
Provisions		5 390	2 736	Provisions
Dépôts et cautionnements reçus		10 053	8 513	Deposits and security payments received
Passifs d'impôts différés et non courants		2 407	7 068	Deferred and non-current tax liabilities
Divers		0	0	Other
TOTAL PASSIFS NON COURANTS		539 714	445 477	TOTAL LONG-TERM LIABILITIES
Branches d'activités destinées à la vente		3 753	0	Business sector to be sold
Passifs liés aux immeubles destinés à la vente		34 395	28 501	Liabilities related to buildings to be sold
Dettes fournisseurs et autres		45 344	40 490	Trade payables and other accounts payable
Emprunts et dettes financières		60 478	142 329	Borrowings and financial debt
Passifs d'impôts courants		2 466	803	Current tax liabilities
Dettes fiscales et sociales		4 194	4 287	Tax and social debt
TOTAL PASSIFS COURANTS		150 630	216 410	TOTAL CURRENT LIABILITIES
TOTAL		1 039 489	1 013 808	TOTAL

LISTE DES IMMEUBLES

RENTAL PROPERTIES LIST

Situation	Nom ou rue	Zone	Dépt	Surface en m ²	Taux d'occupation financier	Date acquisition
Location	Name or street	Region	French Département number	Surface area in sqm	Financial occupancy rate	Acquisition date
Entrepôts et activités / Warehouses and industrial premises						
Maurepas	Rue Marie Curie	RP	78	8 370	100%	2006
Trappes	Parc de Pissaloup – Av. J. d'Alembert	RP	78	10 183	22%	2006
Palaiseau	Rue Léon Blum	RP	91	3 828	100%	1995
St Germain les Arpajon	Rue des Cochets	RP	91	16 289	100%	1999
Gennevilliers - Les Mercières *	Route Principale du Port	RP	92	4 417	100%	2006
Aulnay-sous-Bois	Rue Jean Chaptal	RP	93	3 488	100%	1993
Tremblay en France	Rue Charles Cros	RP	93	19 997	100%	2006
Noisy le Grand	ZI des Richardets	RP	93	1 645	100%	2005
Cergy Pontoise	Rue du Petit Albi	RP	95	3 213	100%	2007
Aix les Milles	Rue Georges Claude	Province	13	5 528	100%	1975
Miramas	Quartier Mas des Moulières, Zac Lésud	Province	13	12 079	100%	2007
Chevigny St Sauveur	Avenue de Tavaux	Province	21	12 985	92%	2005
Bourg-les-Valence	Rue Irène Joliot Curie	Province	26	19 521	100%	2005
St Quentin Fallavier	Zac de Chêne La Noirée	Province	38	20 057	26%	1991
Mer	Za des Mardaux	Province	41	34 127	96%	2006
St Etienne	Molina	Province	42	44 672	86%	2007
Saint-Cyr-en-Val	Rue du Rond d'Eau	Province	45	38 756	78%	2005
Bussy-Lettrée (Courbet)	Zac n° 1 Europort – Vatry	Province	51	19 212	100%	2004
Roubaix – Leers	Rue de la Plaine	Province	59	21 590	33%	2005
Lezennes	Rue Paul Langevin	Province	59	4 133	66%	2005
Thouars	Rue Jean Devaux	Province	79	32 000	100%	2007
Vitrolles	ZAC d'Anjoly	Province	13	5 880	100%	2008
Bureaux / Offices						
Paris 3 ^e	Rue Réaumur	Paris	75	1 613	100%	2007
Paris 3 ^e	Rue Chapon	Paris	75	957	97%	2005
Paris 8 ^e	Rue de Ponthieu	Paris	75	9 423	94%	2006
Paris 9 ^e	Rue Auber	Paris	75	2 291	100%	2008
Paris 10 ^e	Rue d'Enghien	Paris	75	1 003	100%	2008
Paris 12 ^e	« Tour Bercy » - Rue Traversière	Paris	75	7 783	100%	2008
Croissy Beaubourg	Rue d'Emerainville	RP	77	1 034	72%	2005
Saint Germain en Laye	Rue des Gaudines	RP	78	2 249	100%	2002
Montigny-le-Bretonneux	« TDF St Quentin » - Rue Ampère	RP	78	9 546	100%	2003
Saint Germain en Laye	Rue Témar	RP	78	1 450	100%	2002
Elancourt	« Parc Euclide » - Rue Blaise Pascal	RP	78	6 347	55%	2004
Plaisir	Zac Ste Apolline, rue des Poiriers	RP	78	1 160	100%	2005
Évry	Rue Gaston Crémieux	RP	91	7 572	100%	1984
Brétigny/Orge	Route des Champcueils	RP	91	3 564	100%	1989

Situation	Nom ou rue	Zone	Dépt	Surface en m ²	Taux d'occupation financier	Date acquisition
Location	Name or street	Region	French Département number	Surface area in sqm	Financial occupancy rate	Acquisition date
Bureaux (suite) / Offices (cont.)						
Les Ulis	« L'Odysée » - Rue de la Terre de Feu	RP	91	3 500	100%	2003
Corbeil Essonnes	Darblay I – Avenue Darblay	RP	91	4 644	100%	2003
Corbeil Essonnes	Darblay II – Rue des Petites Bordes	RP	91	2 268	100%	2003
Issy-les-Moulineaux	Rue Carrefour Weiden	RP	92	2 308	77%	2003
Rueil Malmaison	Passage Saint Antoine	RP	92	3 575	82%	1980
Colombes	Les Corvettes, avenue de Stalingrad	RP	92	13 600	72%	2004
Saint Ouen	Rue du Docteur Bauer	RP	93	1 654	100%	1997
Bagnolet	Rue Sadi Carnot	RP	93	4 056	84%	1995
Kremlin Bicêtre	Rue Pierre Brossolette	RP	94	1 151	69%	2007
Kremlin Bicêtre	Boulevard du Général de Gaulle	RP	94	1 860	80%	2007
Valbonne - beige	Route des Lucioles - Sophia Antipolis	Province	06	700	0%	1992
Aix-en-Provence	« Décisium » - Rue Mahatma Gandhi	Province	13	2 168	92%	1994
Marseille	Rue André Roussin	Province	13	1 329	100%	1998
Toulouse	Avenue de l'Europe	Province	31	662	0%	2005
Montpellier	Zac du Millénaire, avenue Einstein	Province	34	1 128	22%	2005
Nantes	Route de Paris – Lot 8	Province	44	749	66%	1992
Nantes	Route de Paris – Lot 9	Province	44	761	100%	1992
Nantes - Marie Galante	Rue Henri Picherit	Province	44	3 084	100%	2006
Orléans	Rue Léonard de Vinci / av. du Titane	Province	45	1 159	100%	1998
St Julien les Metz	Rue Jean Burger - Sage	Province	57	3 240	100%	2007
St Julien les Metz	Rue Jean Burger - Tannerie	Province	57	5 345	81%	2007
Lille – Lilleurope	« Tour Europe » - Parvis de Rotterdam	Province	59	5 000	100%	2006
Lille – Lilleurope	« Tour Europe » - Parvis de Rotterdam	Province	59	7 765	98%	2008
Lille - La Madeleine	« Périnor » – Rue Jeanne Maillotte	Province	59	7 824	85%	2005
Villeneuve d'Ascq	« Triopolis » - Rue des Fusillés	Province	59	3 045	100%	2004
Mulhouse	« L'Epicierie »	Province	68	5 020	89%	2008
Bron	Rue du 35 ^e Régiment d'Aviation	Province	69	4 303	71%	1996
Lyon Gerland	« Le Fontenay » - Rue André Bollier	Province	69	4 060	100%	2006
Lyon	« Le Dauphiné » - Rue du Dauphiné	Province	69	5 481	100%	2005
Lyon	« Le Rhodanien » - Bld Vivier Merle	Province	69	3 472	100%	1983
Zaventem	Alma Court	Belgique		16 130	97%	1999
Koningslo	Athena Business Centre	Belgique		17 732	79%	2002
Bruxelles	Raketstraat, rue de la Fusée	Belgique		8 242	100%	2004
Evere	Honeywell H3	Belgique		12 449	96%	2001
Evere	Honeywell H5	Belgique		3 753	65%	2001
Antwerp	Lange LozanaStraat	Belgique		7 536	100%	2000
Bruxelles	Avenue des Arts	Belgique		3 992	32%	2006
Bruxelles	North Plaza	Belgique		14 503	44%	2008
Bruxelles	Unilever	Belgique		13 611	65%	2008
Kontich	Prins Boudewijhlann	Belgique		6 839	37%	2007
Surfaces et centres commerciaux / Retail premises						
Marché Saint Germain	Saint Germain	Paris	75	3 236	100%	2009
Paris 15 ^e	Galerie – Rue Vaugirard	Paris	75	2 083	33%	2008
Vert St Denis	RN6 - Cesson	RP	77	4 565	100%	1977
St Cloud	Rue du Calvaire	RP	92	1 109	85%	2004
Clamart	Avenue du Général de Gaulle	RP	92	8 017	98%	2007
Fontenay-sous-Bois		RP	94	1 970	100%	2008
Eragny	1, rue du Bas Noyer	RP	95	12 465	100%	2010

Situation	Nom ou rue	Zone	Dépt	Surface en m ²	Taux d'occupation financier	Date acquisition
Location	Name or street	Region	French Département number	Surface area in sqm	Financial occupancy rate	Acquisition date
Surfaces et centres commerciaux (suite) / Retail premises (cont.)						
Troyes-Barbery St Sulpice	Quartier Les Valliers, RN19	Province	10	5 793	100%	2007
Troyes-Barbery St Sulpice	Quartier Les Valliers, RN19	Province	10	1 200	100%	2007
Nîmes		Province	30	17 882	100%	2009
Bordeaux	Quai de Bacalan	Province	33	25 386	82%	2005
Arcachon		Province	33	2 790		2009
St Etienne	Rue Louis Braille - Dorianvest	Province	42	5 003	78%	2006
Saran	RN20	Province	45	2 890	100%	2007
Nevers	Avenue Colbert	Province	58	5 745		2008
Rouen	Rue de la champmeslé	Province	76	2 848	100%	2009
Antwerp	Bouwcentrum	Belgique		23 480	100%	2007
Hôtels restaurants / Hotel and restaurants						
Orléans (Résid. étudiants)	Route du Faubourg Madeleine	Province	45	1 379	100%	1989
Biarritz	Avenue de l'Impératrice	Province	64	606	96%	1990
Divers / Miscellaneous						
Paris 12 (parkings)	Rue Traversière	Paris	75	0	100%	2008
Saint-Cloud	Rue du Calvaire	RP	92	3 275	62%	2004
Berlin	Goerzallee - Zehlendorf	Allemagne		18 313	94%	2005

RP : Région parisienne (hors Paris) / Paris region (Paris city excluded)

N.S. / N.M. : Non Significatif / Non Meaningful

* : Actif sous-promesse de vente / Asset under sales agreement

Glossaire

Glossary

Actif net réévalué (ANR) par action

Fonds propres attribuables aux détenteurs de la maison mère divisé par le nombre d'actions dilués hors autocontrôle.

EPRA

European Public Real Estate Association, est une association dont la mission consiste à promouvoir, développer et représenter le secteur immobilier à l'échelle Européen. <http://www.epra.com>

Occupation

Un local est dit occupé à la date de clôture, si un locataire bénéficie d'un droit sur le local, rendant impossible la prise d'effet d'un bail sur le même local par un tiers à la date de clôture ; ce droit existe au titre d'un bail, que celui-ci ait ou non pris effet à la date de clôture, ou que le locataire ait, ou non, délivré un congé au bailleur, ou que le bailleur ait, ou non, délivré un congé au locataire. Un local est vacant s'il n'est pas occupé.

Loyers faciaux

Les loyers faciaux correspondent aux loyers contractuels du bail, auxquels sont appliquées les indexations successives contractuellement prévues 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...).

Loyers effectifs

Les loyers effectifs correspondent aux loyers annualisés considérés comme récurrents dans le cadre de la valorisation de l'immeuble à la date de clôture.

Loyers de marché

Les loyers de marché correspondent aux loyers qui seraient atteints si les locaux devaient être reloués à la date de clôture.

Loyers potentiels

Les loyers potentiels correspondent à la somme des loyers faciaux et des loyers de marché des locaux vacants.

Net asset value (NAV) per share

Equity attributable to owners of the Parent divided by the fully diluted number of shares in issue at the period end excluding treasury shares.

EPRA

European Public Real Estate Association. Its mission is to promote, develop and represent the public real estate sector at a European scale. <http://www.epra.com>

Occupancy

Premises are said to be occupied on the closing date if a tenant has a right on the premises, making it impossible to enter into a lease for the same premises with a third party on the closing date; this right exists for a lease, whether or not it is effective on the closing date, whether or not the tenant has delivered notice to the lessor, or whether or not the the lessor has delivered notice to the tenant. Premises are vacant if they are not occupied.

Headline rents

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.)

Effective rents

Effective rents correspond to annualised rents considered as recurrent in the context of valuing the building on the closing date.

Market rents

Market rents correspond to rents that would be achieved if the premises were re-let on the closing date.

Potential rents

Potential rents correspond to the sum of headline rents and the market rents of vacant premises.

Loan-to-value (LTV)

Le ratio LTV groupe correspond au rapport de la dette nette liée aux immeubles de placements et assimilés sur la somme des immeubles de placements et assimilés.

Patrimoine locatif

Le patrimoine locatif correspond aux immeubles de placements qui ne font pas l'objet d'une restructuration à la date de clôture.

Périmètre constant

Le périmètre constant comprend tous les immeubles qui sont présents dans le portefeuille immobilier depuis le début de la période, mais excluant ceux qui ont été acquis, vendu ou ayant fait l'objet d'un développement pendant cette période.

Rendements

Les rendements faciaux, effectif, potentiel correspondent respectivement aux loyers faciaux, effectifs, potentiels divisés par la valeur vénale droits inclus des immeubles du patrimoine locatif à la date de clôture.

Taux d'occupation

Le taux d'occupation financier est égal aux loyers faciaux divisés par les loyers potentiels.

Valeur locative de marché (VLM)

La valeur locative de marché des espaces vacantes comme définie deux fois par an par les experts immobiliers externes.

Loan-to-value

Group LTV is the ratio of net debt related to investment properties and equivalent to the sum of investment properties and equivalent.

Properties

The rental portfolio corresponds to investment buildings which have not been subject to restructuring on the closing date.

Like-for-like portfolio

The like-for-like portfolio includes all properties which have been in the portfolio since the beginning of the period, but excludes those acquired, sold or included in the development programme at any time during the period.

Yield

Headline, effective and potential yield correspond respectively to headline, effective and potential rent divided by the market value including transfer taxes of buildings in the rental portfolio on the closing date.

Occupancy rate

The financial occupancy rate is equal to the headline rent divided by potential rent.

Gross estimated rental value (ERV)

The estimated market rental value of lettable space as determined biannually by the Group's external appraisers.

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Part 2: Financial Appendix

A. Consolidated Financial Statements Financial year ended 31 December 2010

Business presentation

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1. Statement of consolidated financial position (balance sheet)

1.1. Assets

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
NON-CURRENT ASSETS					
Tangible assets	2	1,883	1,503	1,503	2,802
Investment property	1	773,651	951,575	834,073	984,039
Intangible assets	2	283	466	466	4,434
<i>Goodwill</i>					3,661
Other intangible assets		283	466	466	773
Financial assets	4	113,426	95,776	95,776	127,334
Finance lease transactions and related receivables		53,729	68,631	68,631	87,008
Assets available for sale		15,641	5,118	5,118	33,841
Derivatives stated at fair value		4,334	3,859	3,859	86
Deposits and sureties paid		4,752	5,353	5,353	5,514
Loans		34,970	12,816	12,816	884
Deferred tax assets	11	5,147	4,182	2,867	1,536
Shares and investments in companies (equity method)	10	41,911	22,119	22,119	28,064
TOTAL LONG-TERM ASSETS		936,300	1,075,621	956,803	1,148,208
CURRENT ASSETS					
Property held for sale	5	75,365	87,407	87,407	104,249
Business lines held for sale	5		5,067	5,067	6,437
Finance lease loans and receivables		561	618	618	562
Inventories	9	183,474	20,520	144,646	33,199
Trade receivables and related accounts	8	13,667	25,287	25,287	18,990
Related receivables for investment property		12,433	24,722	24,722	17,526
Receivables for property development		1,234	565	565	1,464
Receivables on business centres					
Current tax assets		1,030	459	459	594
Other receivables	6	44,272	32,540	32,540	54,130
Tax and social security receivables		9,791	6,198	6,198	16,731
Other receivables and adjustment accounts		34,481	26,343	26,343	37,399
Cash and cash equivalents	4	27,853	34,785	34,785	27,062
Cash equivalents		2,200	2,855	2,855	2,167
Cash		25,653	31,931	31,931	24,894
TOTAL CURRENT ASSETS		346,222	206,683	330,810	245,223
TOTAL ASSETS		1,282,522	1,282,304	1,287,613	1,393,431

(1) Please see section 7.1 "Comparability of financial statements".

1.2. Liabilities

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
EQUITY					
Shareholders' equity (Group share)		346,771	345,448	348,617	385,344
Equity capital		64,970	61,997	61,997	65,653
Share capital		47,800	47,800	47,800	47,800
Premiums		23,947	23,947	23,947	23,947
Treasury stock		(6,777)	(9,750)	(9,750)	(6,094)
Consolidated reserves		271,153	291,593	291,854	344,063
Unrealised or deferred gains and losses		327	(7)	(7)	16,801
Unrealised gains or losses on derivatives					
Unrealised gains or losses on available for sale assets		327	(7)	(7)	16,801
Consolidated profit		10,320	(5,701)	(2,794)	(37,521)
Interim dividend payment			(2,434)	(2,434)	(3,651)
MINORITY INTERESTS		83,329	85,988	89,156	90,141
Minority share of consolidated reserves		83,022	82,979	83,241	89,872
Minority share of consolidated profit		307	3,008	5,915	270
TOTAL EQUITY		430,100	431,436	437,773	475,486
NON-CURRENT LIABILITIES					
Long-term loans	3	634,891	622,917	622,917	517,432
Financial liabilities	4	40,877	36,961	36,961	40,831
Derivatives stated at fair value		19,310	17,283	17,283	6,931
Hedging derivatives					3,218
Other financial liabilities		21,567	19,678	19,678	30,681
Provisions	12	4,797	8,756	8,756	3,762
Deposits and sureties received		10,278	11,911	11,911	11,637
Deferred tax liabilities	11	2,735	2,899	1,870	9,308
Non-current tax liabilities		13	362	362	2,634
Other liabilities					2,629
TOTAL LONG-TERM LIABILITIES		693,591	683,805	682,777	588,233
CURRENT LIABILITIES					
Business lines held for sale	5		5,020	5,020	5,054
Liabilities associated with assets held for sale	5	31,045	36,487	36,487	27,492
Shareholder liabilities		107	76	76	1
Trade payables and other payables	7	49,076	53,528	53,528	65,602
Trade payables and related liabilities		8,112	10,496	10,496	31,506
Other liabilities		17,329	26,085	26,085	14,912
Adjustment accounts		13,340	11,728	11,728	15,168
Prepaid income		10,295	5,218	5,218	4,016
Loans and borrowings	4	72,292	63,365	63,365	218,882
Current tax liabilities		1,174	3,361	3,361	4,838
Tax and social security liabilities	13	5,138	5,227	5,227	7,846
Provisions					
TOTAL CURRENT LIABILITIES		158,832	167,063	167,063	329,712
TOTAL LIABILITIES		1,282,522	1,282,304	1,287,613	1,393,431

(1) Please see section 7.1, "Comparability of financial statements".

2. Statement of consolidated comprehensive income

2.1. Consolidated income statement

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
Rental income		70,567	77,178	77,178	73,463
Rental revenue and expenses		(12,001)	(14,793)	(14,793)	(11,021)
Other property revenue and expenses		1,004	453	453	1,103
Net property income	14	59,570	62,838	62,838	63,546
Income from finance lease transactions	15	2,901	3,848	3,848	5,943
Revenue from finance lease transactions		3,270	4,273	4,273	6,724
Expenses on finance lease transactions		(369)	(425)	(425)	(781)
Income from real estate development activities	15	(2,789)	(13)	(13)	2,245
Revenue from real estate transactions		13,144	17,476	17,476	79,494
Expenses for property transactions		(15,933)	(17,489)	(17,489)	(77,249)
Profit/(loss) on business centre activities					(7)
Revenue from business centre activities					
Expenses on business centre activities					(7)
Overhead costs		(20,307)	(23,460)	(23,460)	(26,746)
<i>Other purchases and external expenses</i>		<i>(10,410)</i>	<i>(13,579)</i>	<i>(13,579)</i>	<i>(14,681)</i>
<i>Taxes, duties and related payments</i>		<i>(1,008)</i>	<i>(948)</i>	<i>(948)</i>	<i>(1,133)</i>
<i>Employee costs</i>		<i>(8,888)</i>	<i>(8,932)</i>	<i>(8,932)</i>	<i>(10,933)</i>
Current EBITDA		39,375	43,213	43,213	44,980
Depreciation and impairment		(285)	(463)	(463)	(723)
CURRENT OPERATING PROFIT		39,090	42,750	42,750	44,257
Charges net of provisions	16	(674)	(586)	(586)	1,734
Balance of other income and expenses		1,029	636	636	1132
Receivables on disposals of investment properties		(333)	24,530	24,530	6,139
Option exercised on finance lease properties		(96)	296	296	830
Profit (loss) from operating asset disposals		(16)	(20)	(20)	
Profit (loss) from asset disposals	17	(445)	24,806	24,806	6,969
OPERATING PROFIT		39,000	67,606	67,606	54,091
<i>Increase in value of investment properties</i>		<i>21,044</i>	<i>12,874</i>	<i>12,655</i>	<i>5,046</i>
<i>Reductions in the value of investment properties</i>		<i>(23,862)</i>	<i>(56,549)</i>	<i>(51,232)</i>	<i>(51,898)</i>
Adjustment to value of investment properties		(2,818)	(43,676)	(38,577)	(46,852)
Adjustment to <i>Goodwill</i>			(3,545)	(3,545)	60
NET BALANCE OF VALUATION ADJUSTMENTS		(2,818)	(47,221)	(42,122)	(46,792)
NET OPERATING PROFIT		36,181	20,385	25,484	7,299
Revenue from cash and equivalents		570	2,265	2,265	2,824
Gross cost of financial debt		(28,185)	(27,590)	(27,590)	(38,608)
Net cost of financial debt		(27,615)	(25,325)	(25,325)	(35,784)
Other financial income and expenses		108	3,057	3,057	239
Adjustment to value of financial instruments		(2,910)	(7,622)	(7,622)	(12,648)
PRE-TAX PROFIT		5,764	(9,505)	(4,406)	(40,894)
Tax on current profit		280	5,131	5,131	(1,312)
Deferred taxes		305	6,936	7,651	6,838
Exit tax			(53)	(53)	(1,453)
Share in profits of companies accounted for under the equity method		3,069	(4,382)	(4,382)	975
Net profit or loss after tax from discontinued activities		1,209	(819)	(819)	(1,406)
NET PROFIT		10,627	(2,693)	3,122	(37,252)
Minority interests		(307)	(3,008)	(5,915)	(270)
NET PROFIT - GROUP SHARE		10,320	(5,701)	(2,794)	(37,521)
Earnings per share (€)		1.36	(0.76)	(0.37)	(4.72)
Diluted earnings per share (€)		1.12	(0.62)	(0.31)	(3.92)

(1) Please see section 7.1, "Comparability of financial statements".

2.2. Statement of net income and gains and losses recognised directly in equity

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
Net profit		10,627	(2,693)	3,122	(37,252)
Translation adjustments					
Changes in fair value of available-for-sale financial assets		649	(16,808)	(16,808)	(25,531)
Share of the changes in fair value of financial assets held for sale transferred into income					
Effective portion of the change in fair value of cashflow hedges					
Share of the change in fair value of cashflow hedges transferred into income					
Revaluation difference on fixed assets					
Actuarial gains and losses on defined-benefit systems					
Share of profits and losses in companies consolidated under the equity method					
Tax					6,986
Total gains and losses recognised directly in equity			(16,808)	(16,808)	(18,545)
Net income and gains and losses recognised directly in equity		11,276	(19,501)	(13,686)	(55,797)
	Of which Group share	10,645	(22,509)	(19,602)	(56,067)
	Of which minority interests	631	3,008	5,915	270

*Altaréa securities in 2009 and in 2008 and Montéa securities in 2010.

3. Statement of changes in equity

(in thousands of euros)	Share capital and capital reserves			Consolidated reserves	Total gains and losses recognised directly in equity	Net profit – Group share	Equity – Group share	Equity – minority interests	Total consolidated equity
	Share capital	Reserves related to share capital	Treasury stock						
Equity at 31/12/2008	47,800	128,729	(6,094)	239,280	16,801	(37,521)	388,995	90,142	479,137
Elimination of treasury stock			(3,656)	(213)			(3,869)		(3,869)
Equity component of hybrid instruments		(419)		(4,497)			(4,916)		(4,916)
2008 net profit allocation				(37,521)		37,521			
Certificate of deposit attached to a building				161			161		161
Bonus shares				(1,228)			(1,228)		(1,228)
Dividend distribution				(8,114)			(8,114)	(5,980)	(14,094)
Dividends on treasury stock				512			512		512
Priority dividends				(836)			(836)		(836)
Sub-total of shareholder-related transactions	-	(419)	(3,656)	(51,736)	-	37,521	(18,290)	(5,980)	(24,270)
Changes in gains and losses recognised directly in equity					(16,808)		(16,808)		(16,808)
Earnings in 2009						(5,701)	(15,085)	3,008	(2,693)
Sub-total	-	-	-	-	(16,808)	(5,701)	(22,509)	3,008	(19,501)
Impact of acquisitions and disposals on minority interests				151			151	(651)	(500)
Other changes				(465)			(465)	(531)	(996)
Equity as at 31/12/2009	47,800	128,310	(9,750)	187,230	(7)	(5,701)	347,882	85,988	433,869
Elimination of treasury stock			2,973	1,367			4,340		4,340
Equity component of hybrid instruments		644		(5,218)			(4,575)		(4,575)
2009 net profit allocation				(5,701)		5,701			
Bonus shares				(341)			(341)		(341)
Dividend distribution				(13,923)			(13,923)	(5,167)	(19,090)
Dividends on treasury stock				781			781		781
Priority dividends				(1,697)			(1,697)	(1,697)	(3,395)
Sub-total of shareholder-related transactions	-	644	2,973	(24,732)	-	5,701	(15,415)	(6,864)	(22,278)
Changes in gains and losses recognised directly in equity					333		333	324	658
2010 net profit						10,320	10,320	307	10,627
Sub-total	-	-	-	-	333	10,320	10,654	631	11,285
Impact of acquisitions and disposals on minority interests				6			6	37	43
Changes in accounting policies				3,169			3,169	3,169	6,337
Other changes				472			472	367	839
Equity as at 31/12/2010	47,800	128,953	(6,777)	166,147	327	10,320	346,771	83,329	430,100

4. Consolidated cash flow statement

(€ thousands)	31/12/2010	31/12/2009	31/12/2009 restated	31/12/2008
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES				
Consolidated net profit/loss (including minority interests)	10,627	(2,693)	3,122	(37,252)
Net depreciation and provision charges	3,296	10,672	10,672	3,791
Unrealised gains and losses from changes in fair value	2,818	43,676	38,577	46,852
Other calculated income and expenses (including discount calculations)	758	6,357	6,357	3,007
Capital gains or losses on sales of assets	11,585	(24,322)	(5,190)	(2,644)
- <i>net carrying value of fixed assets sold</i>	<i>101,036</i>	<i>166,996</i>	<i>186,128</i>	<i>51,042</i>
- <i>income from disposals of fixed assets</i>	<i>(89,451)</i>	<i>(191,318)</i>	<i>(191,318)</i>	<i>(53,686)</i>
Dilution profits and losses	-	-	-	-
Share in profits of companies consolidated under the equity method	(3,069)	4,382	4,382	2,554
Dividends and returns from income of non-consolidated companies	(244)	(1,879)	(1,879)	(1,783)
Operating cash flow after net borrowing costs and tax	25,771	36,193	56,040	14,525
Net cost of financial debt	26,494	30,110	30,110	39,526
Tax expense (including deferred taxes)	(585)	(12,013)	(12,729)	(4,073)
Operating cash flow before net borrowing costs and tax	51,679	54,290	73,421	49,978
Tax paid	(3,933)	1,518	1,518	(3,603)
Change in inventories Inventory accumulation	(26,598)	(533)	(55,384)	(11,014)
Change in inventories Destocking	1,452	13,185	62,072	355
Change in trade receivables and related accounts	(5,115)	(48)	(48)	16,283
Change in suppliers and other debts	2,395	(3,786)	(3,786)	(7,879)
Other changes in working capital requirement related to operating activities	475	9,159	9,159	888
Impact of discontinued activities	-	347	347	2,738
NET CASH FLOW FROM OPERATING ACTIVITIES	20,356	74,132	87,301	47,746
II – INVESTMENT TRANSACTIONS				
Finance lease	3,580	4,093	4,093	3,067
- <i>Cash paid for acquisitions</i>	<i>(258)</i>	<i>(5)</i>	<i>(5)</i>	<i>(27)</i>
- <i>Cash received from disposals</i>	<i>3,837</i>	<i>4,098</i>	<i>4,098</i>	<i>3,094</i>
Investment properties	68,790	50,473	37,305	(170,638)
- <i>Cash paid for acquisitions</i>	<i>(24,163)</i>	<i>(98,887)</i>	<i>(44,037)</i>	<i>(199,315)</i>
- <i>Cash received from disposals</i>	<i>92,954</i>	<i>149,360</i>	<i>81,341</i>	<i>28,677</i>
Cash paid for acquisitions of tangible and intangible fixed assets	(566)	(721)	(721)	(686)
Cash received for disposals of tangible and intangible fixed assets	68	79	79	56
Investment subsidies received	-	-	-	-
Cash paid for acquisitions of financial assets	(9,294)	(64)	(64)	(9,916)
Cash received for disposals of financial assets	461	24,517	24,517	46
Consolidated shares	(31,295)	(12,502)	(12,503)	2,312
- <i>Cash paid for acquisitions</i>	<i>(31,637)</i>	<i>(9,767)</i>	<i>(9,767)</i>	<i>(13,448)</i>
- <i>Cash received from disposals</i>	<i>354</i>	<i>151</i>	<i>151</i>	<i>24,616</i>
- <i>Impact of changes in consolidation</i>	<i>(12)</i>	<i>(2,886)</i>	<i>(2,886)</i>	<i>(8,856)</i>
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,667	3,449	3,449	3,449
Change in loans and advances outstanding	(22,771)	318	318	(3,472)
Other cash flows related to investment activities	(389)	(270)	(270)	5,011
Cash flow from discontinued activities	(1,455)	(186)	(186)	(356)
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,795	69,184	56,016	(171,127)
III – FINANCING TRANSACTIONS				
Amounts received from shareholders in capital increases	-	-	-	5
- paid by shareholders of the parent company	-	-	-	5
- paid by minority interests of consolidated subsidiaries	-	-	-	-
Purchases and sales of treasury shares	4,337	(5,219)	(5,219)	(4,109)
Dividends paid during the year	(19,238)	(13,865)	(13,865)	(22,987)
- <i>dividends paid to shareholders of the parent company</i>	<i>(11,227)</i>	<i>(6,404)</i>	<i>(6,404)</i>	<i>(12,933)</i>
- <i>dividends paid to minority interests of consolidated subsidiaries</i>	<i>(8,011)</i>	<i>(7,461)</i>	<i>(7,461)</i>	<i>(10,054)</i>
Increase/Decrease in subordinated debts	-	-	-	-
Income from hybrid securities	(6,335)	-	-	-
Change in guarantee deposits given and received	(4,363)	(7,740)	(7,740)	3,586
Issues or subscriptions of loans and borrowings	117,741	153,045	153,045	272,752
Repayments of loans and borrowings	(96,646)	(234,196)	(234,196)	(107,753)
Net cost of financial debt: interest paid	(29,115)	(30,956)	(30,956)	(41,562)
Other cash flows related to financing transactions	2,621	846	846	2,036
Cash flow from discontinued activities	-	(68)	(68)	(78)
NET CASH FLOW FROM FINANCING TRANSACTIONS	(30,998)	(138,152)	(138,152)	101,890
NET CHANGE IN CASH (I+II+III)	(1,847)	5,164	5,164	(21,492)
Cash and cash equivalents at opening	26,339	21,175	21,175	42,667
Cash and cash equivalents at closing	24,492	26,339	26,339	21,175
NET CHANGE IN CASH	(1,847)	5,164	5,164	(21,492)

CASH AND EQUIVALENTS

(€ thousands)	Notes	31/12/2010	31/12/2009	31/12/2008
Savings bank, central bank, post office		121	127	133
Liquid bank assets	11	25,524	32,754	26,778
Liquid bank assets in other assets	7	1,070	748	265
Investment securities	11	1,127	2,022	1,842
Sub-total (1)		27,840	35,650	29,018
Bank overdrafts	11	(3,348)	(9,285)	(7,648)
Bank overdrafts in other liabilities			(26)	(194)
- Credit line (1)				
Sub-total (2)		(3,348)	(9,311)	(7,842)
Total (1) + (2)		24,492	26,339	21,175

5. Change in shares forming capital

Shares authorised, issued and paid up

	At opening	Distribution of dividends as shares	Incorporation of reserves	At close
Number of shares	8,113,566	-	-	8,113,566
Share capital in euros	47,800,000	-	-	47,800,000

Treasury stock

	At 31/12/2009	Acquisitions	Sales	At 31/12/2010
(€ thousands)	9,750	2,669	(5,642)	6,777
Number	679,043	158,805	(416,481)	421,367

6. Corporate information

On 3 March 2011, the Board of Directors of Affine SA approved the financial statements for the year ended 31 December 2010 and authorised their publication. Affine is a *société anonyme* (public limited company) listed in Compartment C of Euronext Paris; it is included in the SBF 250 index, the CAC Small90 index and the EPRA index.

It has also, together with some of its subsidiaries, adopted the tax status of a listed real-estate investment trust (French acronym "SIIC") for its rental real estate business. Affine is a financial institution authorised to market finance leases.

Its registered office is at 5 square Edouard VII, Paris 9.

Compliance with the shareholding ceiling for SIIC investment trusts. SIIC vehicles should respect a ceiling on their capital ownership of 60% (equity or voting rights) by one shareholder or several shareholders acting in concert under Article L.223-10 of the French Commercial Code.

Affine complies with this provision. AffiParis, which is more than 60% owned by Affine, is not subject to this requirement.

The Group's main business activities are set out in the "Segment reporting" note below. The main events during the year are described and should be consulted in the separate management report.

The financial statements of the Affine Group are fully consolidated by the finance company MAB Finances SAS.

7. Notes to the consolidated financial statements

7.1. Comparability of financial statements

Banimmo has adopted a new accounting standard, specifically, IAS 2, allowing certain property assets to be included in inventories and carried at historical cost.

The adoption of this standard complies mostly with the aim of improving the understanding and coherence of the accounts, in particular for non-speculative development activities. Indeed, the fair value concept (IAS 40) applied to all portfolio assets is less pertinent for assets under development or undergoing in-depth renovation, in respect of changes in annual values and in the short term of assets of which the development has a multi-year horizon (five to seven years) before their final sale.

Thus when an asset is acquired with a clear and established intent for its (re)development with a view to its ultimate sale, the asset shall now be classified in inventories and valued at cost plus the amount of works.

On this basis, certain assets appearing in the “Investment properties” caption (carried at fair value in accordance with IAS 40) have been reclassified in inventories via the caption “Other adjustment accounts and other assets” (carried at historical cost based on IAS 2).

This change of accounting policy was applied to the 2010 accounts, with restated 2009 accounts presented.

Impacts of change in policy applied to Banimmo

- Balance sheet

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
Investment property	773,651	951,575	834,073	984,039
Deferred tax assets	5,147	4,182	2,867	1,536
TOTAL LONG-TERM ASSETS	936,300	1,075,621	956,803	1,148,208
Inventories	183,474	20,520	144,646	33,199
TOTAL CURRENT ASSETS	346,222	206,683	330,810	245,223
TOTAL ASSETS	1,282,522	1,282,304	1,287,613	1,393,431

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
EQUITY				
Shareholders' equity (Group share)	346,771	345,448	348,617	385,344
Consolidated reserves	271,153	291,593	291,854	344,063
Consolidated profit	10,320	(5,701)	(2,794)	(37,521)
MINORITY INTERESTS	83,329	85,988	89,156	90,141
Minority share of consolidated reserves	83,022	82,979	83,241	89,872
Minority share of consolidated earnings	307	3,008	5,915	270
TOTAL EQUITY	430,100	431,436	437,773	475,486
Deferred tax liabilities	2,735	2,899	1,870	9,308
TOTAL LONG-TERM LIABILITIES	693,817	683,805	682,777	588,233
TOTAL LIABILITIES	1,282,522	1,282,304	1,287,613	1,393,431

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Income Statement

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
Adjustment to value of investment properties	(2,818)	(43,676)	(38,577)	(46,852)
Adjustment to goodwill		(3,545)	(3,545)	60
NET BALANCE OF VALUATION ADJUSTMENTS	(2,818)	(47,221)	(42,122)	(46,792)
NET OPERATING PROFIT	36,181	20,385	25,484	7,310
PROFIT BEFORE INCOME TAXES	5,764	(9,505)	(4,406)	(40,894)
Deferred taxes	305	6,936	7,651	6,838
NET PROFIT	10,627	(2,693)	3,122	(37,252)
MINORITY INTERESTS	(307)	(3,008)	(5,915)	(270)
NET PROFIT - GROUP SHARE	10,320	(5,701)	(2,794)	(37,521)

Statement of cash flows

(€ thousands)	31/12/10	31/12/09	31/12/2009 restated
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net profit (including minority interests)	10,627	(2,693)	3,122
	-	-	-
Unrealised gains and losses from changes in fair value	2,818	43,676	38,577
Capital gains or losses on sales of assets	11,585	(24,322)	(5,190)
- net carrying value of fixed assets sold	101,036	166,996	186,128
- income from disposals of fixed assets	(89,451)	(191,318)	(191,318)
	-	-	-
Operating cash flow after net cost of debt and tax	25,771	36,193	56,040
Tax expense (including deferred taxes)	(585)	(12,013)	(12,729)
	-	-	-
Operating cash flow before net cost of debt and tax	51,679	54,290	73,421
Change in inventories	(25,146)	12,651	6,688
NET CASH FLOW FROM OPERATING ACTIVITIES	20,356	74,132	87,301
II – INVESTMENT TRANSACTIONS	-	-	-
	-	-	-
Investment properties	68,790	50,473	37,305
- Cash paid for acquisitions	(24,163)	(98,887)	(44,037)
- Cash received from disposals	92,954	149,360	81,341
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,795	69,184	56,016

Segment reporting and EPRA presentation

The Group accounts in 2010 were also subject to slight changes resulting in the presentation of more detailed information, to respond to the recommendations issued by EPRA which are primarily aimed at greater transparency in the real estate sector. To ensure better comparability, 2008 and 2009 are presented in this new format.

Lastly, the segment reporting has been changed, to detail the rental sector in French and Belgian real estate and include aggregates that comply with EPRA recommendations.

With the exception of the points raised above, the accounting principles and methods of calculation adopted in the financial statements at 31 December 2010 are identical to those used in the financial statements of the previous period.

7.2. Notes to the statement of financial position

Note 1 – Real Estate portfolio buildings

Buildings in the real estate portfolio include:

- 64 assets recorded as investment properties, and
- 21 assets recorded as properties held for sale

- **Affine:**

48 of the 52 buildings under operating leases, or 98.24% of the rental portfolio's fair value, were subject to external appraisals at the end of 2010 by six independent appraisal firms: Ad Valorem, BNP Real Estate, CBRE, Cushman & Wakefield and Foncier Expertise. Among the four buildings, the value appearing in the sale offer or commitment was chosen.

- **Other companies:**

- For Affine-dedicated subsidiaries:

10 of the 11 buildings included in Affine's subsidiaries, or 94.37% of the rental portfolio's fair value, were subject to external appraisals at the end of 2010 by four appraisal firms: Ad Valorem, BNP Real Estate, CBRE and Cushman & Wakefield. One building under construction, representing 5.63% of fair value, is estimated at its historical cost.

- For AffiParis:

Eight assets were valued by an independent appraiser, Cushman & Wakefield. These assets represent 96.8% of the fair value of net assets. One of them has been reclassified in the caption "Non-current properties held for sale". Out of the six other assets recorded as properties held for sale, two are valued on the basis of a mandated or accepted offer for sale; these assets represent 0.9% of the gross value of net assets. The other four are valued internally and represent 2.3% of the gross value of net assets.

- For Banimmo:

For the reporting at 31 December 2010, the entire investment properties portfolio of Banimmo, i.e. 8 buildings, was appraised by an independent appraisal firm, De Crombrughe & Partners.

Properties purchased during the year and those subject to a purchase offer or sales commitment are stated at market value. Properties for which a sale procedure has begun are shown on a separate line in the balance sheet. The gain or loss on sale of an investment property is calculated in relation to the most recent fair value recorded in the balance sheet at the close of the preceding financial year.

The market values are determined excluding transfer duties and acquisition fees. Each appraiser asserts its independence and confirms the values of the real-estate assets appraised by its services, without taking responsibility for those made by other firms and agrees to the enclosure of this statement.

Summary table of changes in fair value

o 31 December 2010:

(€ thousands)		01/01/2010	Acquisitions or works	Transfers ⁽¹⁾	Disposals	Changes in fair value	31/12/2010
By asset type	Industrial premises, warehouses	205,673	2,163	9,450	(43,763)	(7,803)	165,720
	Office	574,394	2,094	(69,186)	(26,575)	4,684	485,411
	Commerce	194,926	6,754	(44,476)	(1,656)	982	156,529
	Other	63,001	9	(13,290)	(8,790)	(681)	40,248
By area	Paris – business district	121,554	68	-	-	1,925	123,547
	Paris – outside business district	65,836	345	(1)	(1,850)	2,591	66,922
	Paris region – outside Paris	304,713	688	(70,436)	(19,195)	(2,300)	213,470
	Other French cities	374,529	9,905	12,670	(53,690)	(3,080)	340,334
	Other	171,362	15	(59,736)	(6,050)	(1,955)	103,636

⁽¹⁾ The Transfers column corresponds to the transition of ten properties initially classified in IAS 40 and now reclassified under IAS 2 for Banimmo.

o At 31 December 2009

(€ thousands)		01/01/2009	Acquisitions or works	Transfers ⁽¹⁾	Disposals	Changes in fair value	31/12/2009
By asset type	Industrial premises, warehouses	196,811	14,922	-	(2,568)	(3,492)	205,673
	Office	694,519	28,340	2,521	(118,138)	(32,848)	574,394
	Retail*	126,969	86,007	-	(14,243)	(3,807)	194,926
	Other	68,395	293	(1,619)	(540)	(3,529)	63,001
By area	Paris – business district	131,624	292	-	(2,640)	(7,722)	121,554
	Paris – outside business district	72,319	167	-	(4,800)	(1,850)	65,836
	Paris region – outside Paris	297,639	31,336	-	(8,496)	(15,766)	304,713
	Other French cities	333,802	71,821	2,521	(28,641)	(4,973)	374,529
	Other	251,310	25,947	(1,619)	(90,913)	(13,364)	171,362

⁽¹⁾ The Transfers column corresponds to the transition of the two buildings initially classified in IAS 16, which have been reclassified in IAS 40, and the reclassification of a plot of land in inventories and a building in IAS 16.

* In the "Retail" section we can see that in the Acquisitions or works column there is an increase of €86.007.000, including €69.366.000 relating to buildings under construction and an acquisition for €34.812.000.

o 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	180,579	38,761		(3,350)	(19,179)	196,811
	Offices*	600,141	178,790		(57,840)	(26,573)	694,519
	Retail	98,797	30,451		(7,191)	4,913	126,969
	Other	72,875	1,467		(2,237)	(3,709)	68,395
By area	Paris – business district	114,700	20,937		-	(4,013)	131,624
	Paris – outside business district	65,897	52,156		(43,900)	(1,833)	72,319
	Paris region – outside Paris	293,522	29,496		(12,777)	(12,602)	297,639
	Other French cities	305,796	56,192		(6,750)	(21,436)	333,802
	Other	172,476	90,688		(7,191)	(4,663)	251,310

* In the "Offices" section, in the Acquisitions or works column an increase of €178.782 should be noted, of which:

- €73,132,000 is from acquisitions on the AffiParis Group,
- €19,696,000 on Affine,
- €81,419,000 on Banimmo.

Reconciliation between values in financial position and appraisals from independent experts

Investment property

o At 31 December 2010

(€ thousands)	Values used	Appraisals	Differential	Comments
Cushman	311,309	312,560	(1,251)	including (€653,000) on the Baudry property, because the payment postponement granted to the main tenant was cancelled as it had already been recognised in the accounts for (€599,000) linked to the recognition of works on the Traversière high-rise building.
Ad Valorem	80,390	80,390	-	
CBRE	115,933	115,933	-	
BNP Real Estate	140,862	140,862	-	
Crombrugge	113,057	113,057	-	
Under construction	10,993	10,993		
Marketing fees	1,108	-	1,108	
Investment property at 31/12/2010	773,651	773,795	(144)	

o At 31 December 2009

(€ thousands)	Values used	Appraisals	Differential	Comments
Cushman & Wakefield	203,614	204,560	(946)	(€946,000) breaks down into (€1,046,000) on the Baudry building because the deferred payment granted to the main tenant is cancelled, and €176,000 linked to the recognition of works
BNP Real Estate	218,941	218,845	96	Recognition of €96,000 of works
Ad Valorem	184,110	184,110	-	
Jones Lang Lassalle	36,850	36,850	-	
De Crombrugge & Partners	233,401	241,476	(8,075)	Differentials stem from the Belgian tax provisions (sale of companies is tax free)
CBRE	8,050	8,050	-	
Foncier Expertise	1,045	1,045	-	
Purchase	34,812	-	34,812	The cost of the acquisition made on 07/12/2009 served as fair value on 31/12/2009
Internal appraisals	6,050	-	6,050	
Under construction	23,714	-	23,714	The construction of the relevant properties began before 01/01/2009, they are at historic cost
Marketing fees	988	-	988	
Investment properties at 31/12/2009	951,575	894,936	56,640	

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o At 31 December 2008

(€ thousands)	Values used	Appraisals	Differential	Comments
Cushman & Wakefield	116,491	123,410	(6,919)	of which (€2,599,000) corresponds to one of the buildings of which a portion is reclassified in IAS 16, and on another building the appraiser did not take our share but the pool
BNP Real Estate	356,226	363,269	(7,043)	For 4 assets the Group used a lower value than the appraisals for an amount of (€1,851,000), (€2,116,000) eliminated on the discounted receivable already integrated in the appraisal value and (€2,626,000) linked to the elimination of an internal sale.
Ad Valorem	231,758	243,330	(11,572)	The differential corresponds to two buildings sold in 2008 but for which appraisals had been launched (€10,200,00).
Jones Lang Lassalle	6,100	6,300	(200)	The book fair values were revised downwards compared with the appraisals
De Crombrughe & Partners	240,318	246,310	(5,993)	Differentials are due to the Belgian tax provisions
CBRE	9,000	9,000	-	
Internal appraisal	8,501	-	8,501	
Under construction	15,416	-	15,416	The buildings in question are stated at historic cost.
Marketing fees	230	-	230	
Investment properties at 31/12/2008	984,039	991,619	(7,580)	

Properties purchased during the year and those subject to a purchase offer or sales commitment are stated at market value.

Property held for sale

o At 31 December 2010

(€ thousands)	Values used	External appraisals	Differential	Comments
External appraisals	63,065	63,325	(260)	For one property the Group has used an acquisition offer instead of an appraisal.
Internal appraisals	4,630	-	4,630	
Mandates, offers for sale and commitments to sell	7,670	-	7,670	
Non-current assets held for sale at 31/12/2010	75,365	63,325	12,040	

o At 31 December 2009

(€ thousands)	Values used	Appraisals	Differential	Comments
External appraisals	41,450	41,450	-	
Internal appraisals	6,555	-	6,555	
Mandates, offers for sale and commitments to sell	39,402	29,480	9,922	Out of 12 assets, 5 were appraised externally at the same time
Non-current assets held for sale at 31/12/2009	87,407	70,930	16,477	

- o At 31 December 2008

(€ thousands)	Values used	Appraisals	Differential	Comments
External appraisals	84,108	88,364	(4,257)	(€2,555,000) stem from values used in accounting that were lower than the appraisal value and (€1,702,000) from the Belgian tax provisions
Mandates, offers for sale and internal valuation	20,141	-	20,141	
Non-current assets held for sale	104,249	88,364	15,884	

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 at 31 December 2010 was 7.3%.

On the basis of an average rate of return for the year of 7.3%, an additional change of 25 basis points would tilt the change in the Group's portfolio value in the other direction by €28.6 million.

Changes in the fair value of properties

(€ thousands)	Leases	In progress	Non-current properties held for sale	TOTAL
At 31/12/2007	893,064	18,657	38,257	949,978
Increases	202,574	51,778	134	254,487
Acquisitions during the year	202,574	51,778	134	254,487
Decreases	(79,023)			(79,023)
Write-off				
Disposals	(79,023)			(79,023)
Change in consolidation	6,789			6,789
Change in fair value	(54,008)		7,156	(46,852)
Transfers between line items	(14,286)	(43,100)	58,702	1,316
Change in initial direct costs	1,593			1,593
Sector transfers				
At 31/12/2008	956,703	27,335	104,249	1,088,288
Increases	71,929	57,400	209	129,538
Acquisitions during the year	71,929	57,400	209	129,538
Decreases	(75,429)	(47,747)	(12,313)	(135,489)
Write-off				
Disposals	(75,429)	(47,747)	(12,313)	(135,489)
Change in consolidation				
Change in fair value	(32,474)		(11,202)	(43,676)
Transfers between line items	8,046	(14,510)	6,464	-
Change in initial direct costs	(605)			(605)
Sector transfers	1,228	(301)		926
At 31/12/2009	929,398	22,177	87,407	1,038,982
Increases	1,321	9,503	195	11,019
Acquisitions during the year	1,321	9,503	195	11,019
Decreases	(61,793)	(44)	(19,486)	(81,323)
Write-off				
Disposals	(61,793)	(44)	(19,486)	(81,323)
Change in consolidation				
Change in fair value	227		(2,507)	(2,281)
Transfers between line items	(106,796)	(20,462)	9,755	(117,502)
Change in initial direct costs	119			119
Sector transfers				
At 31/12/2010	762,477	11,175	75,365	849,015

Note 2 – Property, plant and equipment and intangible assets

(€ thousands)	31/12/08	Acquisitions Allocations	Sales Reversals	Inter-item transfers and changes in scope	31/12/09	Acquisitions Allocations	Sales Reversals	Inter-item transfers and changes in scope	31/12/10
Property, plant and equipment	Gross 4,269	75	(59)	(1,384)	2,900	521	(349)	-	3,073
	Amortisation and depreciation (1,467)	(136)	26	180	(1,397)	(128)	335	-	(1,190)
	Net 2,802	(61)	(33)	(1,204)	1,503	393	(14)	-	1,883
Intangible assets	Gross 1,818	95	(87)	(236)	1,590	45	(102)	(187)	1,346
	Amortisation and depreciation (1,045)	(327)	11	236	(1,125)	(157)	32	187	(1,063)
	Net 773	(231)	(76)	-	466	(113)	(70)	-	283
Goodwill	Gross 9,877		(285)		9,593				9,593
	Impairment losses (6,217)	(3,661)	285		(9,593)				(9,593)
	Net 3,661	(3,661)	-	-	-	-	-	-	-

Note 3 – Long-term loans

(€ thousands)	Balance sheet items	1 to 2 years	2 to 5 years	Over 5 years
Bank loans	634,636	55,784	313,329	265,522
Balances to cover finance lease commitments	4,865	993	3,031	841
Deferred borrowing costs at EIR	(4,610)			
Total at 31/12/2010	834,891	56,777	316,360	266,364

(€ thousands)	Balance sheet items	1 to 2 years	2 to 5 years	Over 5 years
Bank loans	619,265	136,122	169,572	313,571
Balances to cover finance lease commitments	7,498	1,181	3,465	2,852
Deferred borrowing costs at EIR	(3,846)			
Total at 31/12/2009	622,917	137,303	173,036	316,423

(€ thousands)	Balance sheet items	1 to 2 years	2 to 5 years	Over 5 years
Bank loans	510,993	53,519	174,251	283,223
Balances to cover finance lease commitments	10,045	2,046	5,129	2,869
Deferred borrowing costs at EIR	(3,606)			
Total at 31/12/08	517,432	55,566	179,380	286,092

Note 4 – Other financial assets and liabilities

(€ thousands)		31/12/2010	31/12/2009	31/12/2008	
Financial assets	Non-current	Finance lease transactions and related receivables	53,729	68,631	87,008
		Assets available for sale	15,641	5,118	33,841
		Derivatives stated at fair value	4,334	3,859	86
		Deposits and sureties paid	4,752	5,353	5,514
		Loans	34,970	12,816	884
	Total non-current financial assets	113,426	95,776	127,334	
	Current: Cash and equivalents	Cash equivalents: SICAVs	1,127	2,022	1,760
		Restatement of SICAVs at fair value	4	85	62
		Settlement accounts for securities	1,069	748	265
		Bank account overdrafts	25,653	31,931	24,975
Total cash and equivalents		27,853	34,785	27,062	
Financial liabilities	Non current	Long-term financial instruments	22,949	21,249	10,744
		Commercial paper	18,000	15,750	30,675
		Related debts	(72)	(38)	(588)
	Total non-current financial liabilities	40,877	36,961	40,831	
Current	Less than one year	59,821	57,125	212,589	
	Finance lease commitment hedge accounts	3,253	3,929	1,978	
	Deferred borrowing costs at EIR	(178)	(177)	(203)	
	Accrued interest on loans	3,577	1,276	3,589	
	Bank overdrafts	3,348			
Current and related accounts	2,471	1,212	929		
Total debts and financial liabilities	72,292	63,365	218,882		

Note 5 – Items held for sale

(€ thousands)		31/12/2010		31/12/2009		31/12/2008	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Business activity	Société BFI			5,067	5,020	6,437	5,054
	Properties held for sale	75,365		87,407		104,249	
Investment property	Loans		29,934		35,163		26,351
	Guarantee deposits		1,111		1,323		1,141
	Sub-total	75,365	31,045	87,407	36,487	104,249	27,492
Financial assets available for sale	Securities	13,897		3,306		32,328	
	Related receivables	76		104		30	
	Sub-total	13,973		3,410		32,358	
TOTAL		89,338	31,045	95,885	41,507	143,044	32,546

Note 6 – Other assets

(€ thousands)		31/12/2010	31/12/2009	31/12/2008
Government – tax and social security receivables		9,791	6,198	16,731
Sub-total		9,791	6,198	16,731
Trade payables		755	291	434
Client accounts		6,548	5,464	5,262
Subscribed share capital not paid up		0	14	15
Loans to related companies		3,142	2,902	13,353
Other miscellaneous receivables		12,806	5,376	7,324
Bad debt provisions, other receivables		(533)	(533)	(533)
Miscellaneous		-	-	-
Other receivables		22,717	13,513	25,854
Accruals		9,260	8,620	9,108
Prepaid expenses		2,504	4,209	2,438
Adjustment accounts		11,764	12,829	11,545
Sub-total		34,481	26,343	37,399
Total		44,272	32,540	54,130

Note 7 – Other liabilities

(€ thousands)		31/12/2010	31/12/2009	31/12/2008
Trade payables and related accounts		2,991	3,804	4,642
Fixed asset payables and related accounts		5,121	6,692	26,864
Trade payables and related liabilities		8,112	10,496	31,506
Other customer payables		4,135	609	6,468
Other payables		12,799	24,414	8,039
Payments received for CBI guarantee deposits		336	1,028	351
Miscellaneous		58	34	55
Other liabilities		17,329	26,085	14,912
Charges payable		13,340	11,728	15,168
Prepaid income		10,295	5,218	4,016
Total		49,076	53,528	65,602

Note 8 – Trade loans and receivables

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
Receivables on disposals of fixed assets-investment properties		13,160	5,380
Ordinary receivables	12,260	10,967	12,791
Doubtful receivables	5,080	4,480	3,408
Provisions for doubtful receivables	(3,674)	(3,320)	(2,590)
Total	13,667	25,287	18,990

Note 9 – Inventories

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
Properties in inventories (IAS 2)	162,888		
Property development inventory	27,322	22,241	35,089
Finance expense inventories (property development)	214	122	27
Provision on inventories	(6,949)	(1,843)	(1,917)
Total	183,474	20,520	33,199

Note 10 – Contribution of companies consolidated under the equity method

(€ thousands)	31/12/2010					31/12/2009					31/12/2008
	Carrying	%	Total balance sheet	Revenues exc. tax	Profit	Carrying	%	Total balance sheet	Revenues exc. tax	Profit	
MGP Sun Sarl	(1,936)	7%	231	-	(128)	(1,599)	7%	8,424	-	(8,139)	(777)
Aulnes développement	5	35%	22	-	-	6	35%	22	-	10	
Paris 29 Copernic	(141)	50%	882	-	(283)	(292)	50%	736	881	(584)	(163)
2/4 Boulevard Haussmann	(22)	50%	1,641	-	-	(22)	50%	1,641	-	(32)	(6)
Lothaire développement	-	-	-	-	-	-	-	357	-	NS	-
Cap 88	1,038	40%	8,144	12,749	3,142	(219)	40%	6,500	-	(172)	(57)
Marseille 88 Capelette	(808)	40%	14,109	875	(763)	(510)	40%	13,081	997	(262)	(430)
Montéa	18,369	7%	258,799	17,097	11,419	19,649	12%	216,264	16,334	(10,673)	23,889
Immocert Tserclaes	-	-	-	-	-	181	25%	1,061	-	20	176
P.D.S.M.	5,194	25%	1,442	-	200	1,631	25%	1,443	-	(7)	906
Schoonmeers	-	-	-	-	-	3,264	37%	1,554	-	(5)	4,102
PPF Brittany sca	-	-	-	-	-	-	-	-	-	(25)	4
PPF Brittany GP sarl	-	-	-	-	-	-	17%	30	-	(21)	-
Conferinvest	854	24%	100,843	35,796	1,684	29	24%	44,305	19,572	(2,841)	421
City Mall invest	5,711	15%	104,754	-	(586)						
City Mall Dev	13,648	13%									
Total	41,911					22,119					28,064

Note 11 – Deferred taxes

(€ thousands)		31/12/2010	31/12/2009	31/12/2008
ACTIF	Investment property	1,282	1,913	1,343
	Derivatives	2,109	1,386	113
	Other items	1,756	883	80
	Total	5,147	4,182	1,536
LIABILITIES	Financial assets available for sale		-	-
	Financial assets at fair value		-	18
	Non-SIIC subsidiaries' investment properties at fair value	2407	2,601	6,629
	Lease contracts (lessee)	-	-	1,404
	Goodwill assigned to buildings	89	172	3,282
	Lease contracts (lessor)		-	
	Derivatives	(4)	-	(49)
	Deferment of borrowing costs	32	60	60
	Tax losses carried forward		-	(293)
	Other items	211	65	(1,744)
Total	2,735	2,899	9,308	

Note 12 – Provisions

(€ thousands)	Opening 31/12/2010	Carried forward for the year	Provision for the year	Opening 31/12/2009	Carried forward for the year	Provision for the year	Opening 31/12/2008
Provision for various customer dispute risks	-	-	-	-	-	-	-
Provision for tax risk	229	(145)	229	145	(55)	145	55
Provision for pension costs	395	(20)	24	391	(13)	76	328
Provision for miscellaneous expenses	4,173	(5,403)	1,356	8,221	(635)	5,476	3,379
Total	4,797	(5,568)	1,609	8,756	(703)	5,697	3,762

The item “Provision for miscellaneous expenses” mainly includes those relating to Banimmo, with in particular:

- €2,419,000 relating to the commitment taken on by Banimmo to guarantee the rental income of the Atlantic House building for six years.
- €1,000,000 linked to the decontamination of the “Albert Building” asset in Antwerp, sold in 2006.

Note 13 – Tax and social security liabilities

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
Staff	1,341	1,710	1,889
Tax liabilities (VAT, taxes)	3,796	3,518	5,956
Total	5,138	5,227	7,846

7.3. Notes to the income statement

Note 14 – Net property income

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010/2009	Change 2009/2008
Rental income	70,567	77,178	73,463	(6,612)	3,715
Miscellaneous income and expenses	(12,001)	(14,793)	(11,021)	2,792	(3,772)
Re-invoiced charges	17,735	24,035	14,744	(6,300)	9,292
Rebillable expenses	(18,820)	(22,456)	(13,551)	3,636	(8,905)
Non rebillable expenses	(9,782)	(13,693)	(12,588)	3,911	(1,105)
Miscellaneous expenses	(534)	(547)	(482)	13	(65)
Lease fees	(599)	(2,132)	853	1,533	(2,985)
Allowances for tax amortisation	(0)		4	(0)	(4)
Other property income and expenses	1,004	453	1,103	551	(650)
Other income	1,706	1,742	1,123	(36)	619
Cost of risk	(701)	(1,289)	(20)	588	(1,269)
Net property income	59,570	62,838	63,546	(3,268)	(707)

Note 15 – Earnings from other activities

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010/2009	Change 2009/2008
Rent and similar	14,238	18,791	24,044	(4,553)	(5,253)
Depreciation and provisions subject to Articles 64 and 57	(11,078)	(13,790)	(15,987)	2,712	2,197
Change in underlying reserve	(166)	(791)	(1,329)	625	538
Cost of risk	276	62	(4)	214	66
Expenses on finance leases	(369)	(425)	(781)	56	356
Profit from finance lease transactions (1)	2,901	3,848	5,943	(947)	(2,095)
Revenues	7,099	30,314	48,037	(23,215)	(17,722)
Changes in inventories	6,095	(12,839)	31,507	18,933	(44,346)
Cost of risk	(49)	0	(50)	(50)	50
Expenses for property transactions	(15,933)	(17,489)	(77,249)	1,556	59,760
Profit from property development activities (2)	(2,789)	(13)	2,245	(2,775)	(2,258)
				0	0
Earnings from other activities (1) + (2)	112	3,834	8,188	(3,722)	(4,353)

Note 16 – Net provision expense

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010/2009	Change 2009/2008
Provisions for risks	(1,462)	(1,069)	(524)	(393)	(545)
Provisions for charges	(32)	(220)	(379)	188	158
- Reversals of provisions for risks	131	639	2,101	(507)	(1,462)
- Reversals of provisions for charges	544	65	535	479	(470)
Reversal of exceptional provisions	145			145	
Total	(674)	(586)	1,734	(89)	(2,318)

Note 17 – Gain/loss on asset disposals

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010/2009	Change 2009/2008
Proceeds from sales of fixed assets	84,904	162,614	25,666	(77,710)	136,948
Net carrying value of properties sold	(85,236)	(138,084)	(19,527)	52,848	(118,556)
Result of investment property sales	(333)	24,530	6,139	(24,862)	18,391
Option exercised on finance lease properties	(96)	296	830	(392)	(533)
Net operating asset disposals	(16)	(20)	0	4	(20)
Total	(445)	24,806	6,969	(25,251)	17,838

Note 18 – Results, dividends and NAV per share

Earnings per share

The convertible bonds issued by Affine on 15 October 2003 and 29 June 2005, and the indefinite subordinated securities it issued on 13 July 2007 are accounted for as equity. The income on these is recognised as dividends, with the net profit for the Group adjusted for the calculation of the result, diluted result and EPRA result per share.

EPRA is a trade association of stock market listed European real estate companies and in October 2010 updated a guide on performance measurement. As explained in the note on EPRA restatements, the EPRA result excludes changes in fair value, capital gains or losses on disposal, other non-recurrent items and other items of comprehensive income.

(€ thousands)	31/12/2010	31/12/2009	31/12/2009 ⁽¹⁾ restated	31/12/2008
Net profit – Group share	10,320	(5,701)	(2,793.7)	(37,521)
Cost of subordinated debt securities	(2,698)	(3,374)	(3,374)	(5,881)
Cost of convertible bonds 1 & 2	(3,637)	(2,073)	(2,073)	(1,930)
Profit for period attributable to Group, adjusted for earnings per share calculation	3,986	(11,147)	(8,240)	(45,332)
Reinclusion of cost of convertible bonds 1 and 2	3,637	2,073	2,073	1,930
Profit for period attributable to Group, adjusted for diluted earnings per share calculation (after conversion of convertible bonds)	7,623	(9,075)	(6,167)	(43,402)
EPRA restatement	7,279	21,916	19,009	
EPRA result adjusted for cost of subordinated debt securities for calculating EPRA earnings per share	14,902	12,842	12,842	
Number of shares in circulation at period-end	8,113,566	8,113,566	8,113,566	8,113,566
Average number of treasury shares	(543,365)	(590,577)	(590,577)	(160,667)
Average number of shares (excluding treasury shares)	7,570,201	7,522,989	7,522,989	7,952,899
Average number of new shares in redemption of convertible bonds 1 & 2	1,622,400	1,622,400	1,622,400	1,622,400
Average number of diluted shares (excluding treasury shares)	9,192,601	9,145,389	9,145,389	9,575,299
Earnings per share (€)	0.53	(1.48)	(1.10)	(5.70)
Diluted earnings per share (€)	0.83	(0.99)	(0.67)	(4.53)
Earnings per share (€)	1.62	1.40	1.40	-

(1) Please see section 7.1.2 “Comparability of financial statements”.

Dividend per share

The dividend for 2010 was €2.43 per share.

Consolidated financial statements at 31 December 2010 – Business presentation

NAV per share

(€ thousands)	31/12/2010	31/12/2009	31/12/2009 ⁽¹⁾ restated	31/12/2008
Shareholders' equity (before allocation)	346,771	345,448	348,617	385,344
<i>of which, convertible bonds</i>	31,662	31,036	31,036	30,692
<i>of which perpetual subordinated loan notes</i>	73,345	73,327	73,327	74,090
<i>of which treasury shares</i>	(6,777)	(9,750)	(9,750)	(6,094)
<i>of which others</i>	248,541	250,835	254,004	286,656
Restatement of perpetual subordinated loan notes	(73,345)	(73,327)	(73,327)	(74,090)
Diluted NAV excluding fees	273,426	272,121	275,290	311,254
EPRA restatements	12,564	12,141	12,428	17,836
Fair value of financial instruments	14,976	13,424	13,424	10,063
<i>x Assets, derivatives at fair value</i>	4,334	3,859	3,859	86
<i>x Liabilities, derivatives at fair value</i>	19,310	17,283	17,283	10,149
of which net deferred taxes	(2,411)	(1,284)	(996)	7,773
<i>x Deferred tax assets</i>	5,147	4,182	5,210	1,536
<i>x Deferred tax liabilities</i>	2,735	2,899	4,214	9,308
EPRA NAV excl. rights	285,990	284,262	287,718	329,090
Transfer taxes	49,905	50,532	50,532	57,581
Diluted IFRS NAV including rights	323,331	322,653	325,822	368,835
EPRA NAV including rights	335,896	334,794	338,250	386,671
Number of shares				
Number of shares in circulation	8,113,566	8,113,566	8,113,566	8,113,566
Treasury shares	(421,366)	(679,043)	(679,043)	(249,882)
Converted convertible bonds	1,622,400	1,622,400	1,622,400	1,622,400
Number of diluted shares (excluding treasury shares)	9,314,600	9,056,923	9,056,923	9,486,084
NAV per share (€)				
IFRS NAV excluding rights per share	29.35	30.05	30.40	32.81
EPRA NAV excluding rights per share	30.70	31.39	31.77	34.69
Diluted IFRS NAV rights included per share	34.71	35.63	35.97	38.88
EPRA NAV rights included per share	36.06	36.97	37.35	40.76



Part 2: Financial Appendix

A. Consolidated Financial Statements Financial year ended 31 December 2010

Banking presentation

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1. Statement of consolidated financial position (balance sheet)

1.1. Assets

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 ⁽¹⁾ restated	31/12/2008
SAVINGS BANK, CENTRAL BANKS, POST OFFICE		121	122	122	130
FINANCIAL ASSETS AT FAIR VALUE VIA INCOME	11	7,132	7,673	7,673	3,392
Bonds and other fixed-income securities					
Equities and other variable-income securities		2,798	3,815	3,815	3,306
Derivatives		4,334	3,859	3,859	86
FINANCIAL ASSETS AVAILABLE FOR SALE	6	13,973	3,410	3,410	32,358
LOANS AND ADVANCES TO CREDIT INSTITUTIONS	11	25,720	31,808	31,808	24,845
Ordinary debit balances		25,524	31,808	31,808	24,765
Term loans and accounts		188			
Related receivables		9			80
Finance lease transactions and related receivables					
TRADE LOANS AND RECEIVABLES	3	112,587	115,990	115,990	126,237
Other trade credit		38,082	16,000	16,000	14,472
Ordinary debit balances		6,548	5,464	5,464	5,262
Related receivables for investment property		12,433	24,722	24,722	17,526
Trade receivables (services rendered)		1,234	565	565	1,464
Finance lease transactions and related receivables		54,290	69,239	69,239	87,513
FINANCIAL ASSETS HELD TO MATURITY		2			
CURRENT TAX ASSETS		1,030	459	459	594
DEFERRED TAX ASSETS	5	5,147	4,182	2,867	1,536
ACCRUAL ACCOUNTS AND MISCELLANEOUS ASSETS	7	223,718	52,955	177,082	77,967
Interim dividends paid out during the financial year			2,434	2,434	3,651
Other accrual accounts and miscellaneous assets		223,718	50,521	174,648	74,316
ASSETS CLASSIFIED AS HELD FOR SALE	6		5,067	5,067	6,437
NON-CURRENT ASSETS HELD FOR SALE	1 & 6	75,365	87,407	87,407	104,249
INVESTMENTS IN COMPANIES CONSOLIDATED UNDER THE EQUITY METHOD	4	41,911	22,119	22,119	28,064
INVESTMENT PROPERTIES	1	773,651	951,575	834,073	984,039
Properties under operating leases		773,651	951,575	834,073	984,039
PROPERTY, PLANT AND EQUIPMENT	2	1,883	1,503	1,503	2,802
INTANGIBLE ASSETS	2	283	466	466	773
GOODWILL	2				3,661
TOTAL ASSETS		1,282,522	1,284,738	1,290,047	1,397,082

(1) Please see section 7.1.2 "Comparability of financial statements".

1.2. Liabilities

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
CENTRAL BANKS, POST OFFICE					
FINANCIAL LIABILITIES AT FAIR VALUE VIA INCOME	11	22,949	21,249	21,249	10,744
HEDGING DERIVATIVES					
PAYABLES DUE TO FINANCIAL INSTITUTIONS		618,402	673,617	673,617	723,167
Ordinary credit balances	11	3,353	25,432	25,432	6,718
Term accounts & borrowings	9	615,050	648,185	648,185	716,449
TRADE PAYABLES	12	10,589	12,639	12,639	12,952
Ordinary credit balances		2,471	1,212	1,212	929
Term accounts & borrowings		8,118	11,427	11,427	12,023
DEBT SECURITIES	11	96,120	15,712	15,712	30,087
CURRENT TAX LIABILITIES		1,187	3,722	3,722	7,472
DEFERRED TAX LIABILITIES	5	2,735	2,899	1,870	9,308
ACCRUAL ACCOUNTS AND MISCELLANEOUS LIABILITIES	8	64,599	70,768	70,768	87,908
LIABILITIES CLASSIFIED AS HELD FOR SALE	6		5,020	5,020	5,054
DEBTS RELATING TO NON-CURRENT ASSETS HELD FOR SALE	6	31,045	36,487	36,487	27,492
PROVISIONS FOR RISKS AND CHARGES	10	4,797	8,756	8,756	3,762
SUBORDINATED DEBTS					
EQUITY		430,100	433,870	440,207	479,137
EQUITY - GROUP SHARE		346,771	347,882	351,051	388,995
SHARE CAPITAL AND RELATED RESERVES		169,977	166,360	166,360	170,435
Share capital		47,800	47,800	47,800	47,800
Premiums		23,947	23,947	23,947	23,947
Equity component of hybrid instruments (ORA)		105,006	104,363	104,363	104,782
Treasury stock		(6,777)	(9,750)	(9,750)	(6,094)
CONSOLIDATED RESERVES		166,147	187,230	187,492	239,281
UNREALISED OR DEFERRED GAINS OR LOSSES		327	(7)	(7)	16,801
Unrealised gains or losses on derivatives					2
Unrealised gains or losses on available for sale assets		327	(7)	(7)	16,799
NET PROFIT (LOSS) FOR THE YEAR		10,320	(5,701)	(2,794)	(37,521)
MINORITY INTERESTS		83,329	85,988	89,156	90,142
Minority share of consolidated reserves		83,022	82,979	83,241	89,872
Minority share of consolidated earnings		307	3,008	5,915	270
TOTAL LIABILITIES		1,282,522	1,284,738	1,290,047	1,397,082

(1) Please see section 7.1.2, "Comparability of financial statements".

2. Statement of consolidated comprehensive income

2.1. Consolidated income statement

(€ thousands)	Note	31/12/2010	31/12/2009 published	31/12/2009 restated ⁽¹⁾	31/12/2008
INTEREST AND RELATED INCOME	13	5,645	5,653	5,653	8,026
On loans and receivables due from financial institutions		1,536	1,111	1,111	1,015
On trade loans and receivables		1,115	332	332	283
On finance lease transactions		2,994	4,211	4,211	6,728
INTEREST AND RELATED EXPENSES	13	(30,321)	(29,447)	(29,447)	(40,714)
On payables due to financial institutions		(27,579)	(28,736)	(28,736)	(39,950)
On trade payables		(258)	(706)	(706)	(760)
On debt securities		(2,476)			
On subordinated debt		(8)	(5)	(5)	(5)
COMMISSIONS (INCOME)					
COMMISSIONS (EXPENSES)		(343)	(340)	(340)	(1,421)
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME	14	(2,897)	(8,834)	(8,834)	(13,715)
GAINS OR LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE	15	(203)	10,832	10,832	3,743
INCOME FROM OTHER ACTIVITIES	16	251,145	313,797	313,578	219,564
Income from finance lease transactions		18,396	17,776	17,776	15,135
Income from real estate transactions		35,646	17,528	17,528	79,543
Income from investment properties		195,253	277,154	276,935	120,022
Other miscellaneous operating income		1,849	1,339	1,339	4,864
EXPENSES ON OTHER ACTIVITIES	16	(191,963)	(269,683)	(264,366)	(187,953)
Expenses on finance leases		(18,207)	(17,318)	(17,318)	(14,380)
Expenses on real estate transactions		(33,427)	(17,615)	(17,615)	(75,474)
Expenses on investment properties		(138,834)	(233,461)	(228,144)	(97,190)
Other miscellaneous operating expenses		(1,495)	(1,289)	(1,289)	(909)
NET BANKING INCOME		31,064	21,978	27,077	(12,469)
GENERAL OPERATING EXPENSES DEPRECIATION AND PROVISIONS FOR INTANGIBLE ASSETS, PROPERTY, PLANT & EQUIPMENT	17	(19,964)	(23,120)	(23,120)	(26,411)
	18	(285)	463	463	723
GROSS OPERATING INCOME		10,815	(1,604)	3,494	(39,603)
COST OF RISK	19	(5,138)	(4,334)	(4,334)	(1,397)
NET OPERATING INCOME		5,677	(5,938)	(839)	(40,999)
SHARE OF EARNINGS OF ASSOCIATED COMPANIES (CONSOLIDATED UNDER THE EQUITY METHOD)	20	3,069	(4,382)	(4,382)	975
NET GAINS OR LOSSES ON OTHER ASSETS	21	87	(21)	(21)	46
CHANGE IN GOODWILL	22		(3,545)	(3,545)	60
PRE-TAX PROFIT		8,833	(13,887)	(8,788)	(39,918)
INCOME TAX CHARGE	23	585	12,013	12,729	4,073
PROFIT AFTER TAX ON DISCONTINUED OPERATIONS OR THOSE BEING SOLD		1,209	(819)	(819)	(1,406)
NET PROFIT		10,627	(2,693)	3,122	(37,252)
MINORITY INTERESTS		(307)	(3,008)	(5,915)	(270)
NET PROFIT - GROUP SHARE	25	10,320	(5,701)	(2,794)	(37,521)
Earnings per share (€)		1.36	(0.76)	(0.37)	(4.72)
Diluted earnings per share (€)		1.12	(0.62)	(0.31)	(3.92)

(1) Please see section 7.1.2 "Comparability of financial statements".

2.2. Statement of net income and gains and losses recognised directly in equity

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 ⁽¹⁾ restated	31/12/2008
Net profit	10,627	(2,693)	3,122	(37,252)
Translation adjustments				
Changes in fair value of financial assets available for sale	649	(16,808)	(16,808)	(25,531)
Share of the changes in fair value of financial assets held for sale transferred into income				
Effective portion of the change in fair value of cashflow hedges				
Share of the change in fair value of cashflow hedges transferred into income				
Revaluation difference on fixed assets				
Actuarial gains and losses on defined-benefit plans				
Share of income from companies consolidated under the equity method				
Tax				6,986
Total gains and losses recognised directly in equity		(16,808)	(16,808)	(18,545)
Net income and gains and losses recognised directly in equity	11,276	(19,501)	(13,686)	(55,797)
Of which Group share	10,645	(22,509)	(19,601)	(56,067)
Of which minority interests	631	3,008	5,915	270

(1) Please see section 7.1.2 “Comparability of financial statements”.

(2) Altaréa securities in 2009 and 2008 and Montéa securities in 2010

3. Statement of changes in equity

(in thousands of euros)

	Share capital and capital reserves			Consolidated reserves	Total gains and losses recognised directly in equity	Net profit – Group share	Equity – Group share	Equity – minority interests	Total consolidated equity
	Share capital	Reserves related to share capital	Treasury stock						
Equity as at 31/12/2008	47,800	128,729	(6,094)	239,280	16,801	(37,521)	388,995	90,142	479,137
Elimination of treasury stock			(3,656)	(213)			(3,869)		(3,869)
Equity component of hybrid instruments		(419)		(4,497)			(4,916)		(4,916)
2008 net profit allocation				(37,521)		37,521			
Certificate of deposit attached to a building				161			161		161
Bonus shares				(1,228)			(1,228)		(1,228)
Dividend distribution				(8,114)			(8,114)	(5,980)	(14,094)
Dividends on treasury stock				512			512		512
Priority dividends				(836)			(836)		(836)
Sub-total of shareholder-related transactions	-	(419)	(3,656)	(51,736)	-	37,521	(18,290)	(5,980)	(24,270)
Changes in gains and losses recognised directly in equity					(16,808)		(16,808)		(16,808)
Earnings in 2009						(5,701)	(15,085)	3,008	(2,693)
Sub-total	-	-	-	-	(16,808)	(5,701)	(22,509)	3,008	(19,501)
Impact of acquisitions and disposals on minority interests				151			151	(651)	(500)
Other changes				(465)			(465)	(531)	(996)
Equity as at 31/12/2009	47,800	128,310	(9,750)	187,230	(7)	(5,701)	347,882	85,988	433,869
Elimination of treasury stock			2,973	1,367			4,340		4,340
Equity component of hybrid instruments		644		(5,218)			(4,575)		(4,575)
2009 net profit allocation				(5,701)		5,701			
Bonus shares				(341)			(341)		(341)
Dividend distribution				(13,923)			(13,923)	(5,167)	(19,090)
Dividends on treasury stock				781			781		781
Priority dividends				(1,697)			(1,697)	(1,697)	(3,395)
Sub-total of shareholder-related transactions	-	644	2,973	(24,732)	-	5,701	(15,415)	(6,864)	(22,278)
Changes in gains and losses recognised directly in equity					333		333	324	658
2010 net profit						10,320	10,320	307	10,627
Sub-total	-	-	-	-	333	10,320	10,654	631	11,285
Impact of acquisitions and disposals on minority interests				6			6	37	43
Changes in accounting policies				3,169			3,169	3,169	6,337
Other changes				472			472	367	839
Equity as at 31/12/2010	47,800	128,953	(6,777)	166,147	327	10,320	346,771	83,329	430,100

4. Consolidated statement of cash flows

(€ thousands)	31/12/2010	31/12/2009	31/12/2009 restated	31/12/2008
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES				
Consolidated net profit (including minority interests)	10,627	(2,693)	3,122	(37,252)
Net depreciation and provision charges	3,296	10,672	10,672	3,791
Unrealised gains and losses from changes in fair value	2,818	43,676	38,577	46,852
Other calculated income and expenses (including discount calculations)	758	6,357	6,357	3,007
Capital gains or losses on sales of assets	11,585	(24,322)	(5,190)	(2,644)
- <i>net carrying value of fixed assets sold</i>	101,036	166,996	186,128	51,042
- <i>income from disposals of fixed assets</i>	(89,451)	(191,318)	(191,318)	(53,686)
Dilution profits and losses	-	-	-	-
Share in profits of companies consolidated under the equity method	(3,069)	4,382	4,382	2,554
Dividends and returns from income of non-consolidated companies	(244)	(1,879)	(1,879)	(1,783)
Operating cash flow after net borrowing costs and tax	25,771	36,193	56,040	14,525
Net cost of financial debt	26,494	30,110	30,110	39,526
Tax expense (including deferred taxes)	(585)	(12,013)	(12,729)	(4,073)
Operating cash flow before net borrowing costs and tax	51,679	54,290	73,421	49,978
Tax paid	(3,933)	1,518	1,518	(3,603)
Change in inventories Stocking	(26,598)	(533)	(55,384)	(11,014)
Change in inventories Destocking	1,452	13,185	62,072	355
Change in trade receivables and related accounts	(5,115)	(48)	(48)	16,283
Change in suppliers and other debts	2,395	(3,786)	(3,786)	(7,879)
Other changes in working capital requirement related to operating activities	475	9,159	9,159	888
Impact of discontinued activities	-	347	347	2,738
NET CASH FLOW FROM OPERATING ACTIVITIES	20,356	74,132	87,301	47,746
II – INVESTMENT TRANSACTIONS				
Finance lease	3,580	4,093	4,093	3,067
- <i>Cash paid for acquisitions</i>	(258)	(5)	(5)	(27)
- <i>Cash received from disposals</i>	3,837	4,098	4,098	3,094
Investment properties	68,790	50,473	37,305	(170,638)
- <i>Cash paid for acquisitions</i>	(24,163)	(98,887)	(44,037)	(199,315)
- <i>Cash received from disposals</i>	92,954	149,360	81,341	28,677
Cash paid for acquisitions of tangible and intangible fixed assets	(566)	(721)	(721)	(686)
Cash received for disposals of tangible and intangible fixed assets	68	79	79	56
Investment subsidies received	-	-	-	-
Cash paid for acquisitions of financial assets	(9,294)	(64)	(64)	(9,916)
Cash received for disposals of financial assets	461	24,517	24,517	46
Consolidated shares	(31,295)	(12,502)	(12,503)	2,312
- <i>Cash paid for acquisitions</i>	(31,637)	(9,767)	(9,767)	(13,448)
- <i>Cash received from disposals</i>	354	151	151	24,616
- <i>Impact of changes in consolidation</i>	(12)	(2,886)	(2,886)	(8,856)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,667	3,449	3,449	3,449
Change in loans and advances outstanding	(22,771)	318	318	(3,472)
Other cash flows related to investment activities	(389)	(270)	(270)	5,011
Cash flow from discontinued activities	(1,455)	(186)	(186)	(356)
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,795	69,184	56,016	(171,127)
III – FINANCING TRANSACTIONS				
Amounts received from shareholders in capital increases	-	-	-	5
- paid by shareholders of the parent company	-	-	-	5
- paid by minority interests of consolidated subsidiaries	-	-	-	-
Purchases and sales of treasury shares	4,337	(5,219)	(5,219)	(4,109)
Dividends paid during the year	(19,238)	(13,865)	(13,865)	(22,987)
- <i>dividends paid to shareholders of the parent company</i>	(11,227)	(6,404)	(6,404)	(12,933)
- <i>dividends paid to minority interests of consolidated subsidiaries</i>	(8,011)	(7,461)	(7,461)	(10,054)
Increase/Decrease in subordinated debt	-	-	-	-
Income from hybrid instruments	(6,335)	-	-	-
Change in guarantee deposits given and received	(4,363)	(7,740)	(7,740)	3,586
Issues or subscriptions of loans and borrowings	117,741	153,045	153,045	272,752
Repayments of loans and borrowings	(96,646)	(234,196)	(234,196)	(107,753)
Net cost of financial debt: interest paid	(29,115)	(30,956)	(30,956)	(41,562)
Other cash flows related to financing transactions	2,621	846	846	2,036
Cash flow from discontinued activities	-	(68)	(68)	(78)
NET CASH FLOW FROM FINANCING TRANSACTIONS	(30,998)	(138,152)	(138,152)	101,890
NET CHANGE IN CASH (I+II+III)	(1,847)	5,164	5,164	(21,492)
Cash and cash equivalents at opening	26,339	21,175	21,175	42,667
Cash and cash equivalents at closing	24,492	26,339	26,339	21,175
NET CHANGE IN CASH	(1,847)	5,164	5,164	(21,492)

CASH AND EQUIVALENTS

(€ thousands)	Notes	31/12/2010	31/12/2009	31/12/2008
Savings bank, central bank, post office		121	127	133
Liquid bank assets	11	25,524	32,754	26,778
Liquid bank assets in other assets	7	1,070	748	265
Investment securities	11	1,127	2,022	1,842
Sub-total (1)		27,840	35,650	29,018
Bank overdrafts	11	(3,348)	(9,285)	(7,648)
Bank overdrafts in other liabilities			(26)	(194)
- Credit line (1)				
Sub-total (2)		(3,348)	(9,311)	(7,842)
Total (1) + (2)		24,492	26,339	21,175

5. Change in number of shares forming capital

Shares authorised, issued and paid up

	At opening	Distribution of dividends as shares	Incorporation of reserves	At close
Number of shares	8,113,566	-	-	8,113,566
Share capital in euros	47,800,000	-	-	47,800,000

Treasury stock

	At 31/12/2009	Acquisitions	Sales	At 31/12/2010
€ thousands	9,750	2,669	(5,642)	6,777
Number	679,043	158,805	(416,481)	421,367

6. Corporate information

On 3 March 2011, the Board of Directors of Affine SA approved the financial statements for the year ended 31 December 2010 and authorised their publication. Affine is a *société anonyme* (public limited company) listed in Compartment C of Euronext Paris; it is included in the SBF 250 index, the CAC Small90 index and the EPRA index.

It has also, together with some of its subsidiaries, adopted listed real-estate investment trust ('SIIC') tax status for its rental property business. Affine is also a financial institution authorised to market finance leases.

Its registered office is at 5 square Edouard VII, Paris 9.

SIIC vehicles are required to respect a ceiling on their capital ownership of 60% (equity or voting rights) by one shareholder or several shareholders acting in concert under Article L.223-10 of the French Commercial Code

Affine complies with this provision. AffiParis, which is more than 60%-owned by Affine, is not subject to this requirement.

The Group's main business activities are set out in the "Segment reporting" note below. The main events during the year are described and should be consulted in the separate management report.

The financial statements of the Affine Group are fully consolidated by the finance company MAB Finances SAS.

7. Notes to the consolidated accounts

7.1. Accounting principles and policies

7.1.1. Accounting basis and presentation of the financial statements

In accordance with EC regulation No. 1606/2002 of 19 July 2002, the Affine Group's financial statements are drawn up pursuant to the IAS (International Accounting Standards) /IFRS (International Reporting Standards) applicable at the end of the reporting period, as adopted by the European Union.

International accounting standards are published by the IASB (International Accounting Standards Board) and adopted by the European Union. They include the IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), as well as their mandatory application interpretations effective on the closing date. The IFRS system is available at the website http://ec.europa.eu/internal_market/accounting/ias/index_en.htm.

The new standards and the amendments to the existing standards, applicable on 1 January 2009 and published in the Official Journal of the European Union on the accounts closing date have been applied.

- Revised IAS 27 “Consolidated and Separate Financial Statements”.

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

- Revised IFRS 2 “Group Cash-settled Share-based Payment”;
- Revised IFRS 3 “Business combinations”;
- IFRIC 15 “Agreements for the Construction of Real Estate”;
- IFRIC 16 “Hedges of a Net Investment in a Foreign Currency”;
- IFRIC 17 “Distributions of Non-cash Assets to Owners”;
- IFRIC 18 “Transfers of Assets from Customers”;
- Revised IAS 32 “Classification of rights issues”;
- Revised IAS 39 “Eligible Hedged Items”.

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 pre-empt the application of standards and interpretations which are not mandatory on 1 January 2010.

The business activities of the consolidated companies are not seasonal.

As a credit institution, Affine must present its accounts in a banking format.

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

7.1.2. Comparability of the financial statements

Banimmo has adopted a new accounting standard, specifically, IAS 2, allowing certain property assets to be included in inventories and carried at historical cost.

The adoption of this standard complies mostly with the aim of improving the understanding and coherence of the accounts, in particular for non-speculative development activities. Indeed, the fair value concept (IAS 40) applied to all portfolio assets is less pertinent for assets under development or undergoing in-depth renovation, in respect of changes in annual values and in the short term of assets of which the development has a multi-year horizon (five to seven years) before their final sale.

Thus when an asset is acquired with a clear and established intent for its (re)development with a view to its ultimate sale, the asset shall now be classified in inventories and valued at cost plus the amount of works.

On this basis, certain assets appearing in the “Investment properties” caption (carried at fair value in accordance with IAS 40) have been reclassified in inventories via the caption “Other adjustment accounts and other assets” (carried at historical cost based on IAS 2).

This change of accounting policy was applied to the 2010 accounts, with restated 2009 accounts presented.

Impacts of change in policy applied to Banimmo

▪ Balance sheet

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 restated
DEFERRED TAX ASSETS	5,147	4,182	2,867
OTHER ADJUSTMENT ACCOUNTS AND OTHER ASSETS	223,718	50,521	174,648
INVESTMENT PROPERTIES	773,651	951,575	834,073
TOTAL ASSETS	1,282,522	1,284,738	1,290,047

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 restated
DEFERRED TAX LIABILITIES	2,735	2,899	1,870
CONSOLIDATED RESERVES, group share	166,147	187,230	187,492
PROFIT FOR PERIOD Group share	10,320	(5,701)	(2,794)
Minority share of consolidated reserves	83,022	82,979	83,241
Minority share of consolidated earnings	307	3,008	5,915
TOTAL LIABILITIES	1,282,522	1,284,738	1,290,047

▪ Income Statement

(€ thousands)	31/12/2010	31/12/2009 published	31/12/2009 restated
INCOME FROM INVESTMENT PROPERTIES	195,253	277,154	276,935
EXPENSES FOR INVESTMENT PROPERTIES	138,834	233,461	228,144
INCOME TAX CHARGE	585	12,013	12,729
NET PROFIT	10,627	(2,693)	3,122
	<i>MINORITY INTERESTS</i>	<i>(3,008)</i>	<i>(5,915)</i>
	<i>NET PROFIT - GROUP SHARE</i>	<i>(5,701)</i>	<i>(2,794)</i>

▪ Statement of cash flows

(€ thousands)	31/12/10	31/12/09	31/12/2009 restated
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net profit (including minority interests)	10,627	(2,693)	3,122
	-	-	-
Unrealised gains and losses from changes in fair value	2,818	43,676	38,577
Capital gains or losses on sales of assets	11,585	(24,322)	(5,190)
- net carrying value of fixed assets sold	101,036	166,996	186,128
- income from disposals of fixed assets	(89,451)	(191,318)	(191,318)
	-	-	-
Operating cash flow after net cost of debt and tax	25,771	36,193	56,040
Tax expense (including deferred taxes)	(585)	(12,013)	(12,729)
	-	-	-
Operating cash flow before net cost of debt and tax	51,679	54,290	73,421
Change in inventories	(25,146)	12,651	6,688
NET CASH FLOW FROM OPERATING ACTIVITIES	20,356	74,132	87,301
II – INVESTMENT TRANSACTIONS	-	-	-
	-	-	-
Investment properties	68,790	50,473	37,305
- Cash paid for acquisitions	(24,163)	(98,887)	(44,037)
- Cash received from disposals	92,954	149,360	81,341
NET CASH FLOWS FROM INVESTING ACTIVITIES	8,795	69,184	56,016

▪ Segment reporting and EPRA presentation

The accompanying notes in 2010 were also subject to slight changes resulting in the presentation of more detailed information, to respond to the recommendations issued by EPRA, which are primarily aimed at greater transparency in the real estate sector. To ensure better comparability, 2008 and 2009 are presented with this new format in the following notes: 7.2 Segment reporting and Note 25 – Results, Dividends and NAV per share.

Lastly, the segment reporting has been changed, to detail the rental sector in French and Belgian real estate and include aggregates that comply with EPRA recommendations.

With the exception of the points raised above, the accounting principles and methods of calculation adopted in the financial statements as at 31 December 2010 are identical to those used in the financial statements of the previous period.

7.1.3. Consolidation scope and policy

7.1.3.1. Companies included in the consolidation

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

- exclusive control,
- joint control,
- significant influence.

Exclusive control automatically exists when the parent company holds at least 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.

7.1.3.2. Consolidation method

Companies under exclusive control are fully consolidated and those under significant influence are consolidated under the equity method. Businesses under joint control may be consolidated using proportionate consolidation or the equity method of consolidation (IAS 31, §25 and 31) depending on whether or not they fulfil the requirements stated above.

- **Joint ventures (companies proportionately consolidated)**

The joint venture partners in Promaffine real-estate development transactions are companies recognized for their competence and financial strength.

The Company is not aware of any liabilities for which the Affine Group would be jointly liable with the joint investor.

- **Associates (companies accounted for under the equity method)**

The Company is not aware of any liabilities for which the Affine Group would be jointly liable with the other investors.

7.1.3.3. Balance sheet date

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

7.1.4. Business combinations and purchases of separate assets

The distinction between acquisitions of separate assets (IAS 40) and business combinations (IFRS 3) is as follows:

- An entity holding a property or set of properties meets the definition of a business combination and falls under the scope of application of IFRS 3 if the acquired entity corresponds to a business as defined by IFRS 3. Under IFRS 3, a business is defined as an integrated set of activities and assets that is capable of being conducted or managed for the purpose of providing a return or generating lower costs or other economic benefits. If an entity gains control over one or more entities which are not businesses, the grouping of these entities is not considered as a business combination.
- For acquisitions of securities not considered as business combinations, the identifiable assets and liabilities are recognised at cost without recognition of goodwill. These operations usually correspond to transactions on separate assets, groups of assets which do not constitute a business and on the securities of companies holding such assets.

7.1.4.1. Business combinations

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

The acquisition method consists of:

- Identifying the purchaser,
- Determining the acquisition date,
- Evaluating the acquisition cost,
- Allocating the cost of the business combination through recognising identifiable definite and potential assets and liabilities at their fair value.

Goodwill represents a payment made in expectation of future economic benefits generated by assets that cannot be identified individually and carried separately. Goodwill is initially recognised as an asset at cost; it cannot be amortised but may be tested annually for impairment.

An excess in the purchaser's interest over the cost of the business combination (negative goodwill) is recorded on the income statement.

7.1.4.2. Acquisitions of separate assets

Such assets are recorded under the acquisition method, in principle, at fair value.

7.1.5. Use of estimates and assumptions

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

Material factors likely to lead to material adjustments during the 2011 period specifically include:

- Fair value of investment properties: the nature of the assumptions used by the independent appraisers may have far-reaching impacts on both the change in fair value which is directly reported in the income statement, and on the value in assets of the 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 sensitivity simulations on the change in rates of return on fair value can be found in the section entitled "Property portfolio valuation method".

- Fair value of financial instruments: the nature of the assumptions used by the independent appraisers may have far-reaching impacts on both the change in fair value included directly on the income statement. .

An increase or decrease of 50 or 100 basis points in interest rates would have the following effects on the valuation of financial instruments (valuation made based on the yield curve of the three-month Euribor to the ten-year segment):

(€ thousands)	-100BP	-50BP	+50BP	+100BP
Change in FV of financial hedging instruments	(7,319)	(3,698)	3,799	7,722

- Vacancy risk linked to possibilities of leave and/or end of lease: Rents for leases in effect on 31 December 2010 for which a suspension or termination of the lease is contractually possible in 2011 could have a €3,877,000 impact on the 2011 income statement. Please see the management report for more information.

7.1.6. Contracts

7.1.6.1. Finance leases

IAS 17 requires a lease to be classified as a finance lease where it transfers to the lessee almost all the risks and benefits inherent in the ownership of an asset. All other leases are classified as investment property leases. All the property leases in Affine's portfolio are finance leases under IAS 17. The lessor carries a receivable on its balance sheet corresponding to the current value of the conditional rents receivable.

When a finance lease is renegotiated, the difference between the new financial base and the previously recorded carrying value is directly posted to the income statement.

IAS 17 specifies that initial direct costs incurred in negotiating and setting up leases must be included in the initial investment amount and deducted from the finance income over the term of the lease.

The lessor's net profit on the transaction corresponds to the amount of interest on the loan. This interest is calculated using the effective interest rate ("EIR") method. The effective interest rate is the rate that balances the cumulative discounted value of minimum lease payments and the residual value not covered by a guarantee. The periodic interest rate used to calculate financial income is constant pursuant to IAS 17.

Guarantee deposits paid by lessees are treated by Affine as part of the rights and obligations arising from finance leases and are thus subject to IAS 17.

7.1.6.2. 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 contracts and are thus subject to IAS 39.

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

The treatment of signing 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.

7.1.7. 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 by the lessee under a finance lease, to earn rental income or appreciate the capital value or both, rather than to use them for production, the provision of goods and services, or for administrative purposes, or to sell them in the ordinary course of business.

If repairs are carried out on investment properties, they remain in this category as investment properties under construction.

Affine Group has opted for the fair value method provided for under IAS 40 and any changes in investment property values are posted to income (see “Investment properties 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.

Income from investment properties:

Investment property income includes rent and similar income, for example: occupancy compensation, signing fees, parking income) invoiced for the offices, retail premises and storage facilities over the period.

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

Expenses on investment properties

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

7.1.8. Main items measurement policies

7.1.8.1. Investment property

Investment properties are initially valued at cost, including transaction costs. After the properties are initially recorded, they are valued at fair value, with the change in fair value from one year to another posted to the income statement. The fair value is calculated based on the value excluding registration fees prepared either by an external property appraiser, an internal appraisal or that appearing in an offer, a commitment or a mandate for sale.

The methodology for determining the fair value of a investment property consists of using the value of the buildings obtained by capitalising the rental income and the market price for recent transactions involving properties with similar characteristics. This method of capitalisation reflects such things as the rental revenues from existing lease contracts and assumptions on rental revenues for future lease contracts, taking current market conditions into consideration.

The appraisal firms applied the income capitalisation method together with the discounted cash flow (DCF) method and the comparables method.

They capitalised a market rent at a market capitalisation rate after deducting the differences between the rents under consideration and the market rental values estimated on the appraisal day, discounted at the current financial rate, over the outstanding period until each lease renewal date.

One of them combined this valuation method by calculating the arithmetic mean of the valuations determined according to the capitalisation method and the comparables method.

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.

Most buildings in the portfolio are valued twice a year by independent appraisal firms. For the 31 December 2010 reporting, the appraisers used were as follows:

Ad Valorem,
BNP Real Estate,
CBRE,
Cushman & Wakefield,
Foncier Expertise,
De Crombrugghe & Partners.

Unless there is a properly substantiated exception, Affine uses values provided by independent appraisers.

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

7.1.8.2. Property, plant and equipment and buildings under construction

Property, plant and equipment includes operational buildings not meeting the requirements of IAS 40.

In application of the preferential method in 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 historic cost less cumulative depreciation by components and impairments of value.

Depreciation is calculated on the straight line method based on the anticipated useful life:

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

Operating buildings are amortised on the basis of the FSIF (*Fédération des Sociétés Immobilières et Foncières*) grid used by Affine for its investment properties in the individual financial statements.

When a building under construction for the purpose of later use as an investment property is completed, it is recorded as an investment property (IAS 40) at its fair value; the difference between the fair value at this date and the previous book value is recognised in the income statement under changes in fair value.

7.1.8.3. Intangible assets

Intangible assets are governed by IAS 38.

An intangible asset is recognised in the balance sheet where and only where it is likely that the future economic benefits attributable to the asset will flow to the company, where it has control over the asset and where the cost of the asset can be reliably measured. Assets that do not satisfy these criteria are expensed or included in goodwill in the case of business combinations.

The amortisable amount of an intangible fixed asset is amortised using a straight-line model, over the best estimate of its useful life, which cannot normally exceed twenty years.

Generally speaking, the residual value, the amortisation period and the amortisation method are reviewed on a regular basis. Any change is recognised prospectively as an adjustment to future amortisation.

7.1.8.4. Non-current assets held for sale

Where the carrying amount of a non-current asset is to be recovered through a sale 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”

As at 31 December 2010, 21 assets are shown in this line;

- the value of 11 of them corresponds to external appraisals,
- the value of six of them corresponds to signed mandates, offers accepted by both parties and/or commitments to sell,
- the four others were valued on the basis of internal appraisals reflecting their probable sale price.

By correlation, the liabilities directly related to these assets have been reclassified in “Liabilities linked to non-current liabilities held for sale”.

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

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008
Result of disposal	(333)	24,691	6,139

Assets classified as held for sale

When the sale of an entire business sector is planned, it must be isolated on a specific line. The activities and cash flow must be clearly distinguished.

7.1.8.5. Inventories and construction contracts

• Inventories

The buildings purchased, whatever their initial rental situation, solely with a view to their resale after redevelopment or physical and/or commercial repositioning in the normal course of business of Bannimo are carried in inventories, in accordance with IAS 2.

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

Inventories largely consist of land, property reserves and property promotion costs incurred.

- **Construction contracts and *Ventes en l'Etat Futur d'Achèvement* (sales of property in a state of partial completion – “VEFA”)**

For real estate development activities, the margin and revenues for real estate activities are recognised in Affine's statements using the percentage of completion method.

Costs of construction and VEFA contracts are cost prices directly attributable to the contract; marketing expenses are not taken to inventory but borrowing costs are. Marketing and management fees are recorded as expenses.

When it is probable that the total cost of a contract will exceed total income, the Group records a loss at termination as an expense for the period.

The profit or loss upon completion is taken from the projected margin set out in the project budget.

The percentage of completion is determined using the method that most reliably measures the work or services carried out and accepted, depending on their nature. The method used is either the proportion of the cost of work and services carried out at the balance sheet date in relation to the anticipated total contract costs, or a certificate of progress issued by a professional.

7.1.8.6. Doubtful receivables

Regardless of the business sector, 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.).

Outstanding receivables are included in “non-performing receivables” when they have been classified as doubtful for at least one year, or in the event of the expiry or termination of a finance lease.

Outstanding receivables restructured based on non-market terms are posted to performing receivables in a specific sub-category until their ultimate maturity. No outstanding amounts have been identified as falling into this category.

Impairment of assets

- **Impairment of property, plant and equipment and intangible assets**

Operating buildings

When recognising an impairment loss for an amortisable asset, the charge must be adjusted for future years, so that the revised carrying amount of the asset, less its residual value, can be depreciated over the remainder of its useful life. The carrying value of an asset that has risen as a result of the reversal of an impairment loss must not exceed the carrying amount that would have been determined (after depreciation) had no impairment loss been recognised for this asset over previous financial years.

Other property, plant and equipment and intangible assets

At each balance sheet date, the company must assess the possible existence of indicators demonstrating that an asset may have been impaired. If such an indicator exists, the recoverable value of the asset should be estimated (impairment test). An impairment loss is the amount by which the carrying amount of an asset exceeds its recoverable value. This is equal to the higher of the fair value of the selling price net of disposal costs and its value in use.

Any impairment loss is recognised in income, as is any reversal.

- **Impairment of finance leases**

Impairment of finance lease receivables is posted to “Trade loans and receivables” (see Note 3 to the consolidated balance sheet).

Finance leases are stated based on their recovery value. When a lessee is deemed to be at risk (e.g. very bleak financial

position, mounting unpaid debts, receivership), an impairment loss is determined if the difference between the carrying value of the receivable and the present value of future estimated cash flows discounted at the original effective interest rate is negative. No lease is currently affected.

- **Impairment of inventories**

At each balance sheet date, the forecast cost is compared to the expected selling price, net of marketing costs. If the sale price is lower than the cost, an impairment loss is recognised for the portion relating to work in progress (the loss corresponding to work to be completed is recognised as a provision for liabilities).

- **Impairment of goodwill**

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

If the recoverable value is less than its carrying amount, it is irreversibly written off in the consolidated results for the period.

- **Impairment of doubtful receivables**

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

For free lease financing transactions, the non-matured portion of the receivable thus written off – which is included under “other trade credit” – is also written off, determined under the same conditions.

7.1.8.7. Financial instruments

The valuation and recognition of financial instruments and the required disclosures are set out under IAS 39 and 32 and IFRS 7.

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

- Investment securities are recorded as trading assets,
- Unconsolidated securities are recorded as “assets available for sale”.

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

Changes in value are recognised directly in income, except in two situations where they are recognised in equity as follows:

- When the derivative is classified as a cash flow hedge,
- When the derivative is classified as a net investment hedge.

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

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

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

Issuing costs for loans, including convertible bonds (ORA) and perpetual subordinated loan notes (TSDI), are recorded as a deduction from the nominal value of the loan and recognised by being incorporated into the calculation of the effective interest rate.

These payables or receivables are discounted and interest expense or income is taken to the income statement over the loan repayment period. Accordingly, the exit tax owed pursuant to SIIC status are subject to discounting in the Group's

financial statements.

- **Financial assets at fair value through the income statement**

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

- Equity investments are valued on the basis of either their market price (for listed instruments) or on the basis of their net asset value or their discounted future cash flows if the amount of the line is sufficiently material;
- Equity investments are valued on the basis of either their market price (listed instruments) or on the basis of their net asset value or their discounted future cash flows;
- Derivatives are valued by discounting future cash flows estimated on the basis of an interest rate curve at the balance sheet date. For the first time, the company used the update provided by the firm Finance Active; the comparison of these figures with those issued by the various banks with whom the hedging is contracted is satisfactory. This method of determination corresponds to level 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 banks offering these hedges calculated by Finance Active.

7.1.8.8. Recognition of convertible bonds (ORA) and perpetual subordinated loan notes (TSDI)

Convertible Bonds (ORA)

1st issue: 2,000 convertible bonds with a nominal value of €10,000 issued on 15 October 2003, for a period of 20 years, redeemable on maturity at the original issue price of €50 per share (200 shares per convertible bond), adjusted for the possible dilutive effects of financial transactions on the share capital.

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

Affine's General Meeting of Shareholders held on 26 April 2007 decided to execute a three-for-one stock split on Affine shares by allocating three new shares for every old share effective on 2 July 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest

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

- On 15 November, an interim payment of €0.518 per underlying share multiplied by the conversion ratio (i.e. currently €323.23 € per bond),
- The remainder on the day the dividend is paid.

Early redemption at the Company's discretion

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

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

Early redemption at the holder's discretion

From 15 October 2013, convertible bond holders shall be entitled to request, at any time, excluding the period from 15 November to 31 December inclusive in any year, the redemption of all or some of their convertible bonds at the conversion rate, i.e. currently 624 shares (after adjustment) per convertible bond.

2nd issue: 600 convertible bonds with a nominal value of €16,682, issued on 29 June 2005 for a period of 20 years, redeemable on maturity at the original issue price of €83.41 per share (200 shares per convertible bond), adjusted for the potential dilutive effects of financial transactions on the share capital).

After a bonus issue of 4% of shares to shareholders on 23 November 2005, this ratio rose to 208 shares per convertible bond. Affine's General Meeting of Shareholders held on 26 April 2007 decided to execute a three-for-one stock split on Affine shares by allocating three new shares for every old share effective on 2 July 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest

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

- On 15 November, an interim payment corresponding to the one paid to shareholders (with a minimum amount of €0.4 per underlying share) multiplied by the conversion rate, i.e. currently €249.60 per bond,
- The remainder on the day the dividend is paid.

Early redemption at the Company's discretion

From 29 June 2010, the Company may convert all or some of the convertible bonds to shares if the average share closing price over 40 consecutive trading sessions exceeds the adjusted issue price.

As of 29 December 2010, the Company may redeem in cash all or some of the convertible bonds, by giving prior notice of ten business days, at a price guaranteeing the initial subscriber, on the date of actual redemption, after taking into account the coupons paid in previous years and interest payable for the period from the most recent interest payment date before the early redemption to the date of actual redemption, a gross yield to maturity of 11%.

Early redemption at the holder's discretion

As of June 29, 2010, holders of convertible bonds will have the right to request redemption at any time of all or some of their convertible bonds at the conversion rate, i.e. currently 624 shares (after adjustment) per bond.

After reviewing the nature of the convertible bonds issued by the Affine group, we consider that to the extent where there is no case in which the Affine group could be required to redeem all or part of the convertible bonds in cash and the interest payment and assumption of interim payments to make are subject to the existence of a dividend distribution to shareholders, all of the issues are included in equity on inception.

Consequently, given that these are equity instruments, the after-tax amounts of all payments made on the convertible bonds, including interim payments, are posted to equity. Accordingly, there is no charge against income.

Payment of the interim dividend payable on 15 November of a given year becomes certain on the date of the General Meeting of Shareholders approving the financial statements for the preceding year. A debt corresponding to the discounted value of the interim dividend is therefore recorded in liabilities and equity on that date. As such, the only impact on income would be the cancellation of the discounting effect for six months on the interim dividend, which is not material.

Perpetual subordinated loan notes (TSDI)

On 13 July 2007, Affine issued €75 million of perpetual subordinated loan notes (TSDI) represented by 1,500 TSDI each with a €50,000 nominal value. The issue was placed with foreign investors, and the notes are listed on the *Marché Réglementé* (regulated market) of the Luxembourg stock exchange.

Term of the TSDI

The TSDI are issued for an unlimited term.

Redemption procedures

The TSDI may be redeemed in their entirety (and not in part) at the discretion of the Issuer, at any interest payment date with effect from 13 July 2017, for their nominal value plus unpaid accrued interest (including deferred interest) subject to the prior approval of the General Secretariat of the Prudential Control Authority.

Form of the TSDI

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

Ranking of the TSDI

The TSDI and related interest constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or

future ordinary subordinated bonds. They rank above all equity securities issued by Affine, investment loans granted to Affine, and lowest ranking subordinated bonds, and they rank after existing or future unsubordinated bonds. In the event of Affine's liquidation, the TSDI will be redeemed at their nominal value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, equity securities issued by Affine and investment loans granted to Affine.

Annual interest

Each TSDI bears interest with effect from the date of issue based on its nominal value at a floating quarterly interest rate equal to the 3-month Euribor plus a margin per annum, payable quarterly in arrears on 13 July, 13 October, 13 January and 13 April of every year, the first time being 13 October 2007. The margin is 2.80% per annum with effect from 13 July 2007 inclusive until the first early redemption date (exclusive) and thereafter 3.80% per annum.

If an Ordinary General Meeting of Shareholders:

- establishes, before an interest payment date, that there are no distributable earnings,
- or establishes that there are distributable earnings, but has not made or approved a dividend in any form, nor effected a payment in respect of any share class with the exception of a dividend required by the law applying to the issuer due to its status as a listed real estate investment trust ("SIIC") and former SICOMI.

Affine may defer the payment of interest, and the interest thus deferred will accrue interest until the next date on which interest is paid.

Since Affine is not obliged to pay coupons or to redeem the TSDI, whether or not an event outside its control occurs, under IAS 32 all the TSDI must therefore be classified as equity instruments.

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

7.1.8.9. 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 reimbursement of a portion of the risk amount covered by a provision, for example under an insurance policy, the reimbursement is recorded as a separate asset provided reimbursement is virtually certain.

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

7.1.8.10. Treasury stock

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

7.1.8.11. Tax

Consolidated tax expense includes deferred taxes.

- **Current tax**

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

- an SIIC segment allowing exemption of tax on ordinary profits from rental activities, capital gains on building disposals and shareholdings and dividends from subsidiaries that choose:
- a former SICOMI segment exempt from tax on current earnings, which is applicable to finance lease agreements prior to 1993;
- a tax segment applying to 'free' finance leases ("CBL") signed with effect from 1 January 1993 and to 'general'

finance leases (“CBG”) signed prior to 1 January 1996;
 - Other business is taxable.

• **Deferred taxes**

Pursuant to IAS 12, deferred tax arises on timing differences between the book values 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 asset will be realised or the liabilities paid.

The impact of changes in the tax rate from one fiscal year to another is recorded in the income of the year during which the change occurs, unless the changes concern a tax asset or liability originally posted to equity.

Deferred tax relating to assets and liabilities posted directly to equity is also posted to equity.

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

French companies excluding SIIC	33.33%
German companies	15.82%
Belgian companies	33.99%

In accordance with the standard:

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

7.1.8.12. Employee benefits

The Group recognises all staff benefits on the balance sheet. These benefits largely relate to pensions and other post-employment benefits. The cost of employee benefits is accounted for in the year when the rights are vested.

Affine’s employees come under the National Collective Bargaining Agreement governing financial companies dated 22 November 1968, as amended on 3 October 2008. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined contribution scheme.

The allowances follow the same tax and social security regime as redundancy payments, as modified by the law of 25 June 2008 modernising the labour market;

	Voluntary retirement	Forced retirement
Over 10 years’ employment	½ month	1/5 of the monthly salary per year
More than 15 years’ employment	1 month	1/5 of the monthly salary for the first 10 years and 2/15 beyond the 10 th year
More than 20 years’ employment	1.5 months	
More than 30 years’ employment	2 months	

The applicable base is one twelfth of the gross pay over the final twelve months preceding redundancy or, if more beneficial, one third of the final three months.

With regard to employee share ownership schemes, IFRS 2 provides for systematic expensing, for both shares to be issued and existing shares, and regardless of the hedging strategy.

Actuarial gains or losses are not isolated. They are recognised in income and not in equity.

Affine uses the intrinsic value accounting method to value bonus share schemes: the valuation is based on the share price on the date of the initial grant. No assumed probability of future employment is factored into the calculation during the vesting period.

The expense is amortised over the 3-year vesting period, with no discounting.

7.1.9. Segment reporting

Application by Affine Group of IFRS 8 in place of IAS 14 as at 31 December 2010 required adapting segment reporting to the statement of consolidated income presented in the section on Financial Summaries in the Management Report.

Segment reporting reflects management's view and is prepared on the basis of the internal reporting used by the Principal Operational Decision-Maker (Senior Management) 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.

The segment analysis has two aspects:

1/ Type of business

- "Finance leases",
- "French real estate",
- "Belgian real estate"
- "Property development",
- "Business centres",
- Other.

2/ Geographical segment

- Paris
- Paris region
- France
- Outside France

7.2. Segment reporting

7.2.1. By type of business

- At 31 December 2010

	Finance leasing	French real estate	Belgian real estate	Property development	Total
INCOME FROM OTHER ACTIVITIES					
Income from investment properties		53,247	17,320		70,567
Rental income		53,247	17,320		70,567
INCOME FROM OTHER ACTIVITIES					
Income from investment properties		12,988	5,752		18,739
EXPENSES ON OTHER ACTIVITIES					
Expenses on investment properties		(21,596)	(8,141)		(29,736)
NET RENTS		44,639	14,931		59,570
INTEREST AND RELATED INCOME					
On finance leases	2,994				2,994
INTEREST AND RELATED EXPENSES					
On trade payables	(379)				(379)
INCOME FROM OTHER ACTIVITIES					
Income from finance leases	3,485				3,485
Income from real estate transactions				35,646	35,646
EXPENSES ON OTHER ACTIVITIES					
Expenses on finance leases	(3,200)				(3,200)
Expenses on real estate transactions				(33,427)	(33,427)
COST OF RISK				(5,008)	(5,008)
<i>Income from other activities</i>					112
COMMISSIONS (EXPENSES)					(343)
GENERAL OPERATING EXPENSES					
Staff costs					(8,888)
Other administrative costs					(11,075)
<i>Overhead costs</i>					(20,307)
Current EBITDA					39,375
DEPRECIATION AND PROVISIONS FOR INTANGIBLE ASSETS, PROPERTY, PLANT & EQUIPMENT					(285)
CURRENT OPERATING PROFIT					39,090
INCOME FROM OTHER ACTIVITIES					
Other miscellaneous operating income					1,849
EXPENSES ON OTHER ACTIVITIES					
Other miscellaneous operating expenses					(1,495)
<i>Other income and expenses</i>					355
INCOME FROM OTHER ACTIVITIES					
Income from finance leases	14,912				14,912
Income from investment properties		84,810	94		84,904
EXPENSES ON OTHER ACTIVITIES					
Expenses on finance leases	(15,008)				(15,008)
Expenses on investment properties		(85,236)			(85,236)
NET GAINS OR LOSSES ON OTHER ASSETS					(16)
<i>Profit from asset disposals</i>					(445)
OPERATING PROFIT					39,000
INCOME FROM OTHER ACTIVITIES					
Income from investment properties		20,957	86		21,044

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	Finance leasing	French real estate	Belgian real estate	Property development	Total
EXPENSES ON OTHER ACTIVITIES					
Expenses on investment properties		(20,798)	(3,064)		(23,862)
<i>Balance net of value adjustments</i>					(2,818)
NET OPERATING PROFIT					36,181
INTEREST AND RELATED INCOME					
On loans and receivables due from financial institutions					297
On trade loans and receivables					1,177
INTEREST AND RELATED EXPENSES					
On payables due to financial institutions					(26,980)
On trade payables					122
On debt securities					(2,476)
On subordinated debt					(8)
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME					
					9
GAINS OR LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE					
					245
<i>Net cost of financial debt</i>					(27,615)
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME					
					(2,910)
<i>Fair value of financial instruments</i>					(2,910)
INCOME TAX CHARGE					
					585
<i>Tax</i>					585
INTEREST AND RELATED INCOME					
On loans and receivables due from financial institutions					1,239
On trade loans and receivables					(62)
INTEREST AND RELATED EXPENSES					
On payables due to financial institutions					(598)
On trade payables					(1)
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME					
					5
GAINS OR LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE					
					(448)
COST OF RISK					
					(130)
SHARE OF EARNINGS OF ASSOCIATED COMPANIES (CONSOLIDATED UNDER THE EQUITY METHOD)					
					3,069
NET GAINS OR LOSSES ON OTHER ASSETS					
					103
PROFIT FROM DISCONTINUED ACTIVITIES OR OPERATIONS BEING SOLD					
					1,209
<i>Miscellaneous</i>					4,386
NET PROFIT					10,627

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(€ thousands)	Finance leasing	French real estate	Belgian real estate	Property development	Business centres	Total
OTHER INFORMATION						
Segment assets	54,301	770,668	177,693	197,825		1,200,487
Share in equity-method companies			43,814	(1,903)		41,911
Unallocated assets						40,124
Total consolidated assets						1,282,522

Segment liabilities	9,209	529,640	262,773	11,176		812,797
Non-segment liabilities						469,725
Total consolidated liabilities						1,282,522

Investment expenses		10,884	19,718			30,601
Depreciation and amortisation						285
Other non-disbursed expenses	37	1,170	249	5,226		6,682

o At 31 December 2009

	Finance leasing	French real estate	Belgian real estate	Property development	Total
INCOME FROM OTHER ACTIVITIES					
Income from investment properties		57,933	19,245		77,178
Rental income		57,933	19,245		77,178
INCOME FROM OTHER ACTIVITIES					
Income from investment properties		15,088	9,401		24,489
EXPENSES ON OTHER ACTIVITIES					
Expenses on investment properties		(26,474)	(12,354)		(38,828)
NET RENT		46,546	16,292		62,838
INTEREST AND RELATED INCOME					
On trade loans and receivables		1			1
On finance leases	4,211				4,211
INTEREST AND RELATED EXPENSES					
On trade payables		(526)			(526)
INCOME FROM OTHER ACTIVITIES					
Income from finance leases	4,228				4,228
Income from real estate transactions				17,528	17,528
Other miscellaneous operating income					
EXPENSES ON OTHER ACTIVITIES					
Expenses on finance leases	(4,065)				(4,065)
Expenses on real estate transactions				(17,615)	(17,615)
Other miscellaneous operating expenses					
COST OF RISK					74
<i>Income from other activities</i>					3,834
COMMISSIONS (EXPENSES)					(340)
GENERAL OPERATING EXPENSES					
Staff costs					(8,932)
Other administrative costs					(14,188)
<i>Overhead costs</i>					(23,460)
Ordinary EBITDA					43,213
DEPRECIATION AND PROVISIONS					
FOR INTANGIBLE ASSETS, PROPERTY, PLANT & EQUIPMENT					(463)
CURRENT OPERATING PROFIT					42,750
INCOME FROM OTHER ACTIVITIES					
Other miscellaneous operating income					1,339

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EXPENSES ON OTHER ACTIVITIES	Finance leasing	French real estate	Belgian real estate	Property development	Total
Other miscellaneous operating expenses					(1,289)
<i>Other income and expense</i>					49
INCOME FROM OTHER ACTIVITIES					
Income from finance leases	13,549				13,549
Income from investment properties		45,796	116,818		162,614
EXPENSES ON OTHER ACTIVITIES					
Expenses on finance leases	(13,252)				(13,252)
Expenses on investment properties		(44,577)	(93,507)		(138,084)
NET GAINS OR LOSSES ON OTHER ASSETS					(20)
<i>Profit from asset disposals</i>					24,806
OPERATING PROFIT					67,606
INCOME FROM OTHER ACTIVITIES					
Income from investment properties		11,669	1,205		12,874
EXPENSES ON OTHER ACTIVITIES					
Expenses on investment properties		(43,696)	(12,853)		(56,549)
<i>Balance net of value adjustments</i>					(43,675)
CHANGE IN GOODWILL					(3,545)
NET OPERATING PROFIT					20,385
INTEREST AND RELATED INCOME					
On loans and receivables due from financial institutions					336
On trade loans and receivables					207
INTEREST AND RELATED EXPENSES					
On payables due to financial institutions					(27,638)
On trade payables					(180)
On subordinated debt					(5)
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME					90
GAINS OR LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE					1,865
<i>Net cost of financial debt</i>					(25,325)
NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME					(7,622)
<i>Fair value of financial instruments</i>					(7,622)
INCOME TAX CHARGE					12,013
<i>Tax</i>					12,013
INTEREST AND RELATED INCOME					
On loans and receivables due from financial institutions					774
On trade loans and receivables					124
INTEREST AND RELATED EXPENSES					
On payables due to financial institutions					(1,098)
On debt securities					
NET GAINS OR LOSSES FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH INCOME					(1,301)
GAINS OR LOSSES ON FINANCIAL ASSETS AVAILABLE FOR SALE					8,967
COST OF RISK					(4,408)
SHARE OF EARNINGS OF ASSOCIATED COMPANIES (CONSOLIDATED UNDER THE EQUITY METHOD)					(4,382)
NET GAINS OR LOSSES ON OTHER ASSETS					(1)
PROFIT FROM DISCONTINUED ACTIVITIES OR BEING SOLD					(819)
<i>Miscellaneous</i>					(2,144)
NET PROFIT					(2,693)

(€ thousands)	Finance leasing	French real estate	Belgian real estate	Property development	Business centres	Total
OTHER INFORMATION						
Segment assets	69,287	836,517	269,573	32,755	3,994	1,212,126
Shares in EM associates	0	296	22,902	-1,078		22,119
Unallocated assets						50,429
Total consolidated assets						1,284,738
Segment liabilities	65,618	544,616	165,304	30,296		805,834
Non-segment liabilities						478,904
Total consolidated liabilities						1,284,738
Investment liabilities		73,526	56,012			129,538
Amortisation and depreciation						556
Other non-disbursed expenses	212	1,467	232		35	1,946

7.2.2. By geographic sector

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

- o At 31 December 2010

	Paris	Parisian region	Other regions	Outside France	Total
Income from activities	14,953	38,565	44,766	31,183	129,465
Interest and income on finance lease transactions	220	1,044	1,731		2,993
OTHER INFORMATION					
Segment assets	232,927	286,793	365,936	199,393	1,085,049
Unallocated assets					197,473
Total consolidated assets					1,282,522

Investment expenses	412	688	9,905	19,597	30,601
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- o At 31 December 2009

	Paris	Parisian region	Other regions	Outside France	Total
Income from activities	9,432	41,141	59,871	13,614	124,057
Interest and income on finance lease transactions	152	1,162	2,896		4,210
OTHER INFORMATION					
Segment assets	256,371	300,959	386,131	189,812	1,133,273
Unallocated assets					151,466
Total consolidated assets					1,284,738

Investment expenses	30,376	1,253	72,023	25,887	129,538
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- o At 31 December 2008

	Paris	Parisian region	Other regions	Outside France	Total
Income from activities	10,697	37,641	74,102	53,027	175,466
Interest and income on finance lease transactions	244	1,857	4,627		6,727
OTHER INFORMATION					
Segment assets	212,457	353,030	359,310	282,236	1,207,032
Unallocated assets					190,050
Total consolidated assets					1,397,082
Investment expenses	53,316	25,388	68,870	62,098	209,672

7.3. Key events of the year

- Implementation on 12 February 2010 of the contract to sell shares between Affine and BFI signed on 30 December 2009; impact of €1,209,000 on the accounts;
- Acquisition by Banimmo of 25% equity interest in City Mall Développement on 27 August 2010;
- Placement of €75,000,000 in bonds with warrants by Banimmo on 4 May 2010;
- Payment by Affine of an additional dividend of €0.58 per share in October 2010.

- Acquisitions
 - a retail complex of 2,848 m² in Rouen (76);
 - a retail complex of 12,000 m² in Eragny (95).

- Disposals
 - 11 office buildings with total surface area of 33,128 m²,
 - five buildings for mixed offices/activities, with total surface area of 81,600 m²,
 - one retail complex with surface area of 3,715 m².

7.4. Consolidation scope

Scope of consolidation at the closing date

	Consolidation method	2010		Consolidation method	2009		2008		Business segment
		% control	% interest		% control	% interest	Consolidation method	% interest	
AFFINE (parent company)									FF - LF
2/4 BLD HAUSSMANN SAS	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	PD
AFFINE DEVELOPPEMENT 1 SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
AFFINE DEVELOPPEMENT 2 SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
AFFINVESTOR GmbH	FC	94.00%	94.00%	FC	94.00%	94.00%	FC	94.00%	FRE
ARCA VILLE D'ETE SCI (formerly CAPUCINES 2 SCI)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
ANJOU SC (formerly ATIT SC)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	PD
BERCYMMO SARL	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
BRETIGNY SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
CAPUCINES III SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
CAPUCINES IV SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
CAPUCINES V SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
CAPUCINES VI SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
CARDEV	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
COUR CAPUCINES SA	FC	100.00%	99.99%	FC	100.00%	99.99%	FC	99.70%	FRE
DORIANVEST SARL	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
7 Collines:	FC	95.00%	95.00%	FC	95.00%	95.00%	-	-	FRE
LES JARDINS DES QUAIS SNC	FC	100.00%	75.00%	FC	100.00%	75.00%	FC	75.00%	FRE
LUMIERE SAS	FC	67.91%	67.91%	FC	67.91%	67.91%	FC	67.91%	PD
NEVERS COLBERT SCI (formerly CAPUCINES I SCI)	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
SIPEC SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
ST ETIENNE - MOLINA SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	95.00%	FRE
TARGET REAL ESTATE SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	FRE
TRANSAFFINE SNC	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	100.00%	PD
WEGALAN	-	-	-	-	-	-	FC	100.00%	FRE
AFFIPARIS SA	FC	64.88%	64.88%	FC	64.88%	64.88%	FC	63.74%	FRE
SCI 28-32 PLACE DE GAULLE	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
BERCY PARKINGS SCI	FC	100.00%	64.88%	FC	100.00%	64.88%	FC	63.74%	FRE
SARL COSMO	FC	99.90%	64.54%	FC	99.90%	64.54%	FC	62.44%	FRE
SCI COSMO LILLE	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
SCI COSMO MARSEILLE	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
SCI COSMO MONTPELLIER	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
SCI COSMO NANCY	-	-	-	-	-	-	FC	62.50%	FRE
SCI COSMO NANTES	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
SCI COSMO SAINT ETIENNE	-	-	-	-	-	-	FC	62.50%	FRE
SCI COSMO TOULOUSE	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE

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	Consolidation method	2010		Consolidation method	2009		2008		Business segment
		% control	% interest		% control	% interest	Consolidation method	% interest	
SCI COSMO VALBONNE				-	-	-	FC	62.50%	FRE
SCI DU BEFFROI	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
SCI GOUSSIMO 1	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
SC GOUSSINVEST	FC	100.00%	64.61%	FC	100.00%	64.61%	FC	62.50%	FRE
HOLDIMMO SC	FC	99.58%	64.61%	FC	99.58%	64.61%	FC	62.50%	FRE
SCI NUMERO 1	FC	100.00%	64.88%	FC	100.00%	64.88%	FC	63.74%	FRE
SCI NUMERO 2	FC	100.00%	64.88%	FC	100.00%	64.88%	FC	63.74%	FRE
SCI PM MURS	FC	100.00%	64.88%	FC	100.00%	64.88%	FC	63.74%	FRE
SCI 36	FC	100.00%	64.88%	FC	100.00%	64.88%	FC	63.74%	FRE
BANIMMO SA ⁽¹⁾	FC	50.00%	50.00%	FC	50.00%	50.00%	FC	50.00%	BRE
ALMA COURT INVEST SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
BANIMMO FRANCE SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
BANIMMO RETAIL 1 SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
BOUWEN EN WONEN SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
CLAMART RETAIL SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
COMULEX SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
COFERINVEST SA	EM	49.00%	24.50%	EM	49.00%	24.50%	EM	24.50%	BRE
EEKLO INVEST	-	-	-	-	-	-	FC	50.00%	BRE
EUDIP TWO SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
GP BETA II SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
GRONDBANK THE LOOP SA	EM	33.38%	12.52%	EM	33.38%	12.52%	EM	12.52%	BRE
H4 INVEST	-	-	-	-	-	-	FC	50.00%	BRE
IMMO 'T SERVICES SA	-	-	-	EM	50.00%	25.00%	EM	25.00%	BRE
IMMO KONINGSLO SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
IMMO PROPERTY SERVICES SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
LES CORVETTES INVEST SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
LEX 84 SA	FC	99.98%	49.99%	FC	99.98%	49.99%	FC	50.00%	BRE
LOZANA INVEST SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
MAGELLIN SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
MFSB SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
MONTEA SCA ⁽¹⁾	EM	14.80%	7.40%	EM	23.26%	11.63%	EM	11.63%	BRE
PARIS MARCHÉ ST GERMAIN SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	-	-	BRE
PARIS VAUGIRARD SAS	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
PICARDIE INVEST	-	-	-	-	-	-	FC	50.00%	BRE
PPF BRITANY	-	-	-	-	-	-	EM	16.66%	BRE
PPF BRITTANY GP SARL	0	-	-	EM	33.33%	16.66%	EM	16.66%	BRE
PROJECT DEVELOPPEMENT SURVEY AND MANAGEMENT	EM	50.00%	25.00%	EM	50.00%	25.00%	EM	25.00%	BRE
RAKET INVEST SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
RHONE ARTS SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
SCHOONMEERS – BUGTEN SA	EM	50.00%	37.50%	EM	50.00%	37.50%	EM	37.50%	BRE

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	Consolidation method	2010		Consolidation method	2009		2008		Business segment
		% control	% interest		% control	% interest	Consolidation method	% interest	
BANIMMO ERAGNY SAS	FC	100.00%	50.00%						BRE
CITY MALL DEVELOPMENT SA	EM	25.00%	12.50%						BRE
CITY MALL INVESTMENT SA	EM	30.00%	15.00%						BRE
LE BAS NOYER SC	FC	100.00%	50.00%						BRE
TERVUEREN INVEST SA	FC	100.00%	50.00%	FC	100.00%	50.00%	FC	50.00%	BRE
BFI SAS (formerly EDOUARD VII Facilité SAS)	O	-	-	FC	97.99%	97.99%	FC	70.69%	BC
CAPUCINES INVESTISSEMENTS SA	FC	99.77%	99.77%	FC	95.00%	95.00%	FC	95.00%	FRE
LES VALLIERS	-	-	-	-	-	-	FC	95.00%	FRE
CONCERTO Développement SAS	FC	70.29%	69.27%	FC	70.29%	69.28%	FC	69.28%	PD
AULNES Développement SAS	EM	50.00%	34.64%	EM	50.00%	34.64%	FC	34.64%	PD
CHAVORNAY PARC SA	PC	50.00%	34.64%	PC	50.00%	34.64%	PC	34.64%	DI
CONCERTO BALKANS SRL	O	-	-	FC	100.00%	69.28%	FC	69.28%	PD
CONCERTO Développement Iberica SL	FC	100.00%	69.27%	FC	100.00%	69.28%	FC	48.49%	PD
CONCERTO LOGISTIC PARK MER	FC	99.99%	69.27%	FC	99.99%	69.27%	FC	69.27%	PD
LOTHAIRE DEVELOPPEMENT	-	-	-	-	-	-	EM	34.64%	PD
MGP SUN SARL ^{(1) (2)}	EM	10.00%	6.93%	EM	10.00%	6.93%	EM	6.93%	FRE
PROMAFFINE SAS	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	70.00%	PD
BOURGTHEROULDE - L'EGLISE	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	70.03%	PD
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	28.00%	PD
DOLE SARL	O	-	-	PC	50.00%	50.00%	PC	35.00%	PD
IVRY 34 WESTERMEYER	-	-	-	-	-	-	FC	70.03%	PD
LUCE CARRE D'OR SCI	FC	100.00%	100.00%	FC	100.00%	100.00%	FC	70.03%	PD
MARSEILLE - 220 LA TIMONE SCI	-	-	-	-	-	-	FC	70.03%	PD
MARSEILLE 88 CAPELETTE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	28.00%	PD
NANTERRE TERRASSES 12 SCI	PC	50.00%	50.00%	PC	50.00%	50.00%	PC	35.00%	PD
29 COPERNIC SCI	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	35.00%	PD
SOISSONS - GOURAUD	-	-	-	-	-	-	FC	70.03%	PD

FL: Finance leasing
 FRE: French real estate
 BRE: Belgian real estate
 PD: Property development
 BC: Business centres
 O: Other

7.5. Notes and comments

7.5.1. Notes to the statement of financial position

Note 1 – Real Estate portfolio buildings

Buildings in the real estate portfolio include:

- 64 assets recorded as investment properties and
- 21 assets recorded as properties held for sale

- Affine:

48 of the 52 buildings under operating leases, or 98.24% of the rental portfolio's fair value, were subject to external appraisals at the end of 2010 by six independent appraisal firms: Ad Valorem, BNP Real Estate, CBRE, Cushman & Wakefield and Foncier Expertise. Among the other four buildings the value appearing in the sale offer or commitment has been used.

- Other companies:

- For Affine-dedicated subsidiaries:

10 of the 11 buildings included in Affine's subsidiaries, or 94.37% of the rental portfolio's gross value, were subject to external appraisals at the end of 2010 by four appraisal firms: Ad Valorem, BNP Real Estate, CBRE and Cushman & Wakefield. One building under construction, representing 5.63% of the fair value, is estimated at its historical cost.

- For AffiParis:

Eight assets were valued by the independent appraiser Cushman & Wakefield; these represent 96.8% of the fair value of net assets. One of these has been classified in "Non-current properties held for sale". Out of the six other assets recorded as properties held for sale, two are valued on the basis of an accepted sale offer or commitment; making up 0.9% of the fair value of net assets, and the other four are appraised internally and make up 2.3% of the fair value of net assets.

- For Banimmo:

For the reporting at 31 December 2010, the entire investment properties portfolio of Banimmo, i.e. 8 buildings, was appraised by an independent appraisal firm, De Crombrughe & Partners.

Properties purchased during the year and those subject to a purchase offer or sales commitment are stated at market value. Properties for which a sale procedure has begun are shown on a separate line in the balance sheet. The gain or loss on sale of an investment property is calculated in relation to the most recent fair value – recorded in the balance sheet at the close of the preceding financial year.

The market values are determined excluding transfer duties and acquisition fees. Each appraiser asserts its independence and confirms the values of the real-estate assets appraised by its services, without taking responsibility for those made by other firms.

Summary table of changes in fair value

o 31 December 2010:

(€ thousands)		01/01/2010	Acquisitions or works	Transfers ⁽¹⁾	Disposals	Changes in fair value	31/12/2010
By asset type	Industrial premises, warehouses	205,673	2,163	9,450	(43,763)	(7,803)	165,720
	Office	574,394	2,094	(69,186)	(26,575)	4,684	485,411
	Commerce	194,926	6,754	(44,476)	(1,656)	982	156,529
	Other	63,001	9	(13,290)	(8,790)	(681)	40,248
By area	Paris – business district	121,554	68	-	-	1,925	123,547
	Paris – outside business district	65,836	345	(1)	(1,850)	2,591	66,922
	Paris region – outside Paris	304,713	688	(70,436)	(19,195)	(2,300)	213,470
	Other French cities	374,529	9,905	12,670	(53,690)	(3,080)	340,334
	Other	171,362	15	(59,736)	(6,050)	(1,955)	103,636

⁽¹⁾ The Transfers column corresponds to the transition of the nine buildings initially classified in IAS 40 and are now reclassified in IAS 2.

o At 31 December 2009

(€ thousands)		01/01/2009	Acquisitions or works	Transfers ⁽¹⁾	Disposals	Changes in fair value	31/12/2009
By asset type	Industrial premises, warehouses	196,811	14,922	-	(2,568)	(3,492)	205,673
	Office	694,519	28,340	2,521	(118,138)	(32,848)	574,394
	Retail*	126,969	86,007	-	(14,243)	(3,807)	194,926
	Other	68,395	293	(1,619)	(540)	(3,529)	63,001
By area	Paris – business district	131,624	292	-	(2,640)	(7,722)	121,554
	Paris – outside business district	72,319	167	-	(4,800)	(1,850)	65,836
	Paris region – outside Paris	297,639	31,336	-	(8,496)	(15,766)	304,713
	Other French cities	333,802	71,821	2,521	(28,641)	(4,973)	374,529
	Other	251,310	25,947	(1,619)	(90,913)	(13,364)	171,362

⁽¹⁾ The Transfers column corresponds to the transition of the two buildings initially classified in IAS 16, which have been reclassified in IAS 40, and the reclassification of a plot of land in inventories and a building in IAS 16.

* In the "Retail" section we can see that in the Acquisitions or works column there is an increase of €86,007,000, including €69,366,000 relating to €34,554,000 for buildings under construction and an acquisition for €34,812,000.

o 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	180,579	38,761		(3,350)	(19,179)	196,811
	Offices*	600,141	178,790		(57,840)	(26,573)	694,519
	Retail	98,797	30,451		(7,191)	4,913	126,969
	Other	72,875	1,467		(2,237)	(3,709)	68,395
By area	Paris – business district	114,700	20,937		-	(4,013)	131,624
	Paris – outside business district	65,897	52,156		(43,900)	(1,833)	72,319
	Paris region – outside Paris	293,522	29,496		(12,777)	(12,602)	297,639
	Other French cities	305,796	56,192		(6,750)	(21,436)	333,802
	Other	172,476	90,688		(7,191)	(4,663)	251,310

* In the "Offices" section, in the Acquisitions or works column an increase of €178,782 should be noted, of which:

- €73,132,000 is from acquisitions on the AffiParis Group,
- €19,696,000 on Affine,
- €81,419,000 on Banimmo

Reconciliation between values appearing on the statement of financial position and appraisals by independent experts

Investment property

- At 31 December 2010

(€ thousands)	Values chosen	Appraisals	Differential	Comments
Cushman	311,309	312,560	(1,251)	including (€653,000) on the Baudry property, because the payment postponement granted to the main tenant was cancelled as it had already been recognised in the accounts for (€599,000) linked to the recognition of works on the Traversière high-rise building.
Ad Valorem	80,390	80,390	-	
CBRE	115,933	115,933	-	
BNP Real Estate	140,862	140,862	-	
Crombrugge	113,057	113,057	-	
Under construction	10,993	10,993		
Marketing fees	1,108	-	1,108	
Investment properties at 31/12/2010	773,651	773,795	(144)	

- At 31 December 2009

(€ thousands)	Values chosen	Appraisals	Differential	Comments
Cushman & Wakefield	203,614	204,560	(946)	(€946,000) breaks down into (€1,046,000) on the Baudry building because the deferred payment granted to the main tenant is cancelled, and €176,000 linked to the recognition of works
BNP Real Estate	218,941	218,845	96	Recognition of €96,000 of works
Ad Valorem	184,110	184,110	-	
Jones Lang Lassalle	36,850	36,850	-	
De Crombrugge & Partners	233,401	241,476	(8,075)	Differentials stem from the Belgian tax provisions (sale of companies is tax free)
CBRE	8,050	8,050	-	
Foncier Expertise	1,045	1,045	-	
Purchase	34,812	-	34,812	The cost of the acquisition made on 07/12/2009 served as fair value on 31/12/2009
Internal appraisal	6,050	-	6,050	
Under construction	23,714	-	23,714	The construction of the relevant properties began before 01/01/2009, they are at historic cost
Marketing fees	988	-	988	
Investment properties at 31/12/2009	951,575	894,936	56,640	

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o At 31 December 2008

(€ thousands)	Values chosen	Appraisals	Differential	Comments
Cushman & Wakefield	116,491	123,410	(6,919)	of which (€2,599,000) corresponds to one of the buildings of which a portion is reclassified in IAS 16, and on another building the appraiser did not take our share but the pool
BNP Real Estate	356,226	363,269	(7,043)	For 4 assets the Group used a lower value than the appraisals for an amount of (€1,851,000), (€2,116,000) eliminated on the discounted receivable already integrated in the appraisal value and (€2,626,000) linked to the elimination of an internal sale.
Ad Valorem	231,758	243,330	(11,572)	The differential corresponds to two buildings sold in 2008 but for which appraisals had been launched (€10,200,00).
Jones Lang Lassalle	6,100	6,300	(200)	The book fair values were revised downwards compared with the appraisals
De Crombrugge & Partners	240,318	246,310	(5,993)	Differentials are due to the Belgian tax provisions
CBRE	9,000	9,000	-	
Internal appraisals	8,501	-	8,501	
Under construction	15,416	-	15,416	The buildings in question are stated at historic cost.
Marketing fees	230	-	230	
Investment properties at 31/12/2008	984,039	991,619	(7,580)	

Properties purchased during the year and those subject to a purchase offer or sales commitment are stated at market value.

Property held for sale

o At 31 December 2010

(€ thousands)	Values chosen	External appraisals	Differential	Comments
External appraisals	63,065	63,325	(260)	For one property the Group has used a purchase offer instead of an appraisal.
Internal appraisals	4,630	-	4,630	
Mandates, offers for sale and commitments to sell	7,670	-	7,670	
Non-current assets held for sale	75,365	63,325	12,040	

o At 31 December 2009

(€ thousands)	Values chosen	Appraisals	Differential	Comments
External appraisals	41,450	41,450	-	
Internal appraisals	6,555	-	6,555	
Mandates, offers for sale and commitments to sell	39,402	29,480	9,922	Out of 12 assets, 5 were appraised externally at the same time
Non-current assets held for sale at 31/12/2009	87,407	70,930	16,477	

- o At 31 December 2008

(€ thousands)	Values chosen	Appraisals	Differential	Comments
External appraisals	84,108	88,364	(4,257)	(€2,555,000) stem from values used in accounting that were lower than the appraisal value and (€1,702,000) from the Belgian tax provisions
Mandates, offers for sale and internal valuation	20,141	-	20,141	
Non-current assets held for sale	104,249	88,364	15,884	

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 7.3%.

On the basis of an average rate of return for the year of 7.3%, an additional change of 25 basis points would tilt the change in the Group's portfolio value in the other direction by €28.6 million.

Changes in value of properties

(€ thousands)	Leases	In progress	Non-current properties held for sale	TOTAL
At 31/12/2007	893,064	18,657	38,257	949,978
Increases	202,574	51,778	134	254,487
Acquisitions during the year	202,574	51,778	134	254,487
Decreases	(79,023)			(79,023)
Write-off				
Disposals	(79,023)			(79,023)
Change in consolidation	6,789			6,789
Change in fair value	(54,008)		7,156	(46,852)
Transfers between line items	(14,286)	(43,100)	58,702	1,316
Change in initial direct costs	1,593			1,593
Sector transfers				
At 31/12/2008	956,703	27,335	104,249	1,088,288
Increases	71,929	57,400	209	129,538
Acquisitions during the year	71,929	57,400	209	129,538
Decreases	(75,429)	(47,747)	(12,313)	(135,489)
Write-off				
Disposals	(75,429)	(47,747)	(12,313)	(135,489)
Change in consolidation				
Change in fair value	(32,474)		(11,202)	(43,676)
Transfers between line items	8,046	(14,510)	6,464	-
Change in initial direct costs	(605)			(605)
Sector transfers	1,228	(301)		926
At 31/12/2009	929,398	22,177	87,407	1,038,982
Increases	1,321	9,503	195	11,019
Acquisitions during the year	1,321	9,503	195	11,019
Decreases	(61,793)	(44)	(19,486)	(81,323)
Write-off				
Disposals	(61,793)	(44)	(19,486)	(81,323)
Change in consolidation				
Change in fair value	227		(2,507)	(2,281)
Transfers between line items	(106,796)	(20,462)	9,755	(117,502)
Change in initial direct costs	119			119
Sector transfers				
At 31/12/2010	762,477	11,175	75,365	849,015

Note 2 – Property, plant and equipment and intangible assets

(€ thousands)		31/12/2008	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2009	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2010
Property, plant and equipment	Gross	4,269	75	(59)	(1,384)	2,900	521	(349)	-	3,073
	Amortisation and depreciation	(1,467)	(136)	26	180	(1,397)	(128)	335	-	(1,190)
	Net	2,802	(61)	(33)	(1,204)	1,503	393	(14)	-	1,883
Intangible assets	Gross	1,818	95	(87)	(236)	1,590	45	(102)	(187)	1,346
	Amortisation and depreciation	(1,045)	(327)	11	236	(1,125)	(157)	32	187	(1,063)
	Net	773	(231)	(76)	-	466	(113)	(70)	-	283
Goodwill	Gross	9,877		(285)		9,593				9,593
	Impairment losses	(6,217)	(3,661)	285		(9,593)				(9,593)
	Net	3,661	(3,661)	-	-	-	-	-	-	-

Note 3 – Trade loans and receivables

(€ thousands)		At 31/12/2010			At 31/12/2009			At 31/12/2008		
		Gross	impairment	Net	Gross	impairment	Net	Gross	impairment	Net
Other customer receivables(1)	Loans to related companies	38,513	608	37,905	15,978		15,978	14,459		14,459
	Related receivables	177		177	23		23	13		13
	Sub-total	38,689	608	38,082	16,000		16,000	14,472		14,472
Ordinary debit balances(2)	Loans to related companies	6,323	8	6,315	5,294	8	5,286	5,158	8	5,151
	Related receivables	233		233	177		177	111		111
	Sub-total	6,556	8	6,548	5,472	8	5,464	5,270	8	5,262
Investment property	Ordinary receivables	11,056		11,056	10,431		10,431	11,351		11,351
	Fixed asset disposals				13,160		13,160	5,380		5,380
	Doubtful receivables excl. termination charges	4,904	3,527	1,377	4,304	3,174	1,131	3,271	2,476	795
	Doubtful receivables and termination charges									
	Invoices to be issued									
Sub-total	15,960	3,527	12,433	27,895	3,174	24,722	20,002	2,476	17,526	
Services provided	Ordinary receivables	1,204		1,204	536		536	1,284		1,284
	Invoices to be issued							156		156
	Doubtful receivables	176	146	30	176	146	30	137	114	23
	Sub-total	1,380	146	1,234	712	146	565	1,578	114	1,464
Finance leases and related receivables(3)	Amounts outstanding	53,729		53,729	68,631		68,631	87,008		87,008
	Ordinary receivables incl. tax	1,103		1,103	1,524		1,524	1,735		1,735
	Doubtful receivables incl. tax excl. termination charges	887	725	162	1,097	847	250	863	635	229
	Doubtful receivables and termination charges							381		381
	Receivables on fixed asset disposals									
	Prepaid income	(704)		(704)	(1,165)		(1,165)	(1,840)		(1,840)
Sub-total	55,015	725	54,290	70,086	847	69,239	88,148	635	87,513	
TOTAL	117,601	5,014	112,587	120,165	4,175	115,990	129,470	3,233	126,237	

(1) This line item includes prepayments representing the cumulative discrepancy between the amount of rents invoiced and cash calls under the terms of non-SICOMI (professional leasing company) finance lease agreements and cash advances to Group companies.

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(2) Cash advances

(3) Outstanding balances on leased properties decrease at the contractual rate (normal termination, exercise of purchase options or termination).

Lease outstandings:

(€ thousands)	31/12/2009	Acquisition / Allocation	Change in consolidation	Sale/reversal	31/12/2010
Gross	201,511	275		(45,205)	156,581
Financial writedown	132,880	11,078		(41,106)	102,852
Net	68,631	(10,803)		(4,099)	53,729

€ thousands)	31/12/2008	Acquisition / Allocation	Change in consolidation	Sale/reversal	31/12/2009
Gross	238,751	5		(37,245)	201,511
Financial writedown	151,742	13,790		(32,652)	132,880
Net	87,008	(13,785)		(4,593)	68,631

€ thousands)	31/12/2007	Acquisition / Allocation	Change in consolidation	Sale/reversal	31/12/2008
Gross	267,688			(28,938)	238,751
Financial writedown	161,100	15,947		(25,306)	151,742
Net	106,589	(15,947)		(3,632)	87,008

Customer receivable schedule

o At 31 December 2010

(€ thousands)		Balance sheet item	Not due	30 days at most	Due since Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
Investment properties	Gross	15,960	4,397	201	1,054	2,060	8,248
	Provision	3,527		69	35	589	2,835
	Net	12,433	4,397	132	1,019	1,471	5,413
Services provided	Gross	1,380	490		237	262	391
	Provision	146					146
	Net	1,234	490		237	262	245
Finance lease	Gross	1,990	505		621	24	841
	Provision	725			13	20	693
	Net	1,265	505		608	4	148
Total	Gross	19,331	5,392	201	1,912	2,345	9,480
	Provision	4,399		69	48	608	3,674
	Net	14,932	5,392	132	1,864	1,737	5,806

o At 31 December 2009

(€ thousands)

	Balance sheet item	Not due	Due since				
			30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year	
Investment properties	Gross	14,735	2,080	1,300	2,722	1,042	7,590
	Provision	3,174		30	595	662	1,887
	Net	11,561	2,080	1,270	2,127	380	5,703
Services provided	Gross	712	296	24	215		176
	Provision	146					146
	Net	566	296	24	215		30
Finance lease	Gross	2,621	551	394	632	195	849
	Provision	847		6	24	182	635
	Net	1,774	551	388	608	13	214
Total	Gross	18,067	2,928	1,718	3,569	1,238	8,615
	Provision	4,167	-	36	619	843	2,668
	Net	13,900	2,928	1,682	2,950	395	5,947

o At 31 December 2008

(€ thousands)

	Balance sheet item	Not due	Due since				
			30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year	
Investment properties	Gross	14,622	2,109	111	3,948	763	7,692
	Provision	2,476	-	13	100	301	2,062
	Net	12,146	2,109	98	3,848	462	5,630
Services provided	Gross	1,578	1,265	-	109	38	166
	Provision	114	-	-	-	-	114
	Net	1,464	1,265	-	109	38	52
Finance lease	Gross	2,979	353	7	1,390	18	1,212
	Provision	635	-	6	6	11	612
	Net	2,344	353	1	1,384	7	600
Total	Gross	19,179	3,727	118	5,446	819	9,070
	Provision	3,225	-	19	106	312	2,788
	Net	15,954	3,727	99	5,340	507	6,282

Use of provisions for impairment of receivables

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

(€ thousands)	31/12/08	Allowances	Reversal	Other changes	31/12/09	Allowances	Reversal	Other changes	31/12/10
Investment properties	2,476	1,666	(952)	(17)	3,174	1,166	(812)	-	3,527
Services provided	114	32	-	-	146	-	-	-	146

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Finance lease	635	212	-	-	847	37	(158)	-	725
Total	3,225	1,911	(952)	(17)	4,167	1,203	(970)	-	4,399

Note 4 – Contribution from companies consolidated under the equity method

(€ thousands)	31/12/2010					31/12/2009					31/12/2008
	Carrying	%	Total balance sheet	Revenues exc. tax	Profit	Carrying	%	Total balance sheet	Revenues exc. tax	Profit	Carrying
MGP Sun Sarl	(1,936)	7%	231	-	(128)	(1,599)	7%	8,424	-	(8,139)	(777)
Aulnes développement	5	35%	22	-	-	6	35%	22	-	10	
Paris 29 Copernic	(141)	50%	882	-	(283)	(292)	50%	736	881	(584)	(163)
2/4 Boulevard Haussmann	(22)	50%	1,641	-	-	(22)	50%	1,641	-	(32)	(6)
Lothaire développement	-	-	-	-	-	-	-	357	-	NS	-
Cap 88	1,038	40%	8,144	12,749	3,142	(219)	40%	6,500	-	(172)	(57)
Marseille 88 Capelette	(808)	40%	14,109	875	(763)	(510)	40%	13,081	997	(262)	(430)
Montéa	18,369	7%	258,799	17,097	11,419	19,649	12%	216,264	16,334	(10,673)	23,889
Immo-cert Tserclaes	-	-	-	-	-	181	25%	1,061	-	20	176
P.D.S.M.	5,194	25%	1,442	-	200	1,631	25%	1,443	-	(7)	906
Schoonmeers	-	-	-	-	-	3,264	37%	1,554	-	(5)	4,102
PPF Brittany sca	-	-	-	-	-	-	-	-	-	(25)	4
PPF Brittany GP sarl	-	-	-	-	-	-	17%	30	-	(21)	-
Conferinvest	854	24%	100,843	35,796	1,684	29	24%	44,305	19,572	(2,841)	421
City Mall invest	5,711	15%			(586)						
City Mall Dev	13,648	13%	104,754	-							
Total	41,911					22,119					28,064

Note 5 – Deferred taxes

Deferred taxes correspond to operations performed outside the scope of the SIIC system or those by Group companies that have not chosen this system.

(€ thousands)		At 31/12/2010	At 31/12/2009	At 31/12/2008
ACTIF	Investment property	1,282	1,913	1,343
	Derivatives	2,109	1,386	113
	Other items	1,756	883	80
	Total	5,147	4,182	1,536
LIABILITIES	Financial assets available for sale		-	-
	Financial assets at fair value		-	18
	Non-SIIC subsidiaries' investment properties at fair value	2407	2,601	6,629
	Lease contracts (lessee)	-	-	1,404
	Goodwill assigned to buildings	89	172	3,282
	Lease contracts (lessor)		-	
	Derivatives	(4)	-	(49)
	Deferment of borrowing costs	32	60	60
	Tax losses carried forward		-	(293)
Other items	211	65	(1,744)	
Total	2,735	2,899	9,308	

Note 6 – Items held for sale

(€ thousands)		31/12/2010		31/12/2009		31/12/2008	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Business line	Société BFI			5,067	5,020	6,437	5,054
	Properties held for sale	75,365		87,407		104,249	
Investment property	Loans		29,934		35,163		26,351
	Guarantee deposits		1,111		1,323		1,141
	Sub-total	75,365	31,045	87,407	36,487	104,249	27,492
Financial assets available for sale	Securities	13,897		3,306		32,328	
	Related receivables	76		104		30	
	Sub-total	13,973		3,410		32,358	
TOTAL		89,338	31,045	95,885	41,507	143,044	32,546

Note 7 – Other assets

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008
Subscribed share capital not paid up	-	14	15
Government – tax and social security receivables	9,631	5,924	16,553
Deposits paid	4,719	5,322	5,486
Interim dividend		2,434	3,651
Supplier debit balances	755	291	434
Other miscellaneous receivables	10,985	4,541	5,953
Amounts due from customers (construction contracts and deliveries in a partial state of completion)	1,728	390	2,368
Gross inventories (property development)	190,209	22,241	35,089
Finance expense inventories (property development)	214	122	27
Impairment of inventories	(6,949)	(1,843)	(1,917)
Securities settlement accounts	1,069	748	265
Miscellaneous	133	30	28
Prepaid expenses	2,504	4,209	2,438
Accruals	8,720	8,531	7,576
Total	223,718	52,955	77,967

Variation in net inventory item:

- At 31 December 2010

(€ thousands)	01/01/2010	Acquisitions or works	Change in consolidation	Transfers ⁽¹⁾	Disposals	Change in impairment/inventories (2)	31/12/2010
Stock Net	20,520	32,437	12,506	122,640	0	(4,629)	183,474

(1) including €117,503,000 in transfers of investment properties held by Banimmco (see § 7.1.2 on the comparability of financial statements) and €6,624,000

(2) including €5,226,000 in impairment / inventories of IBERICA, €478,000 reversal of provision / inventory at BANIMMO, €120,000 reversal of provision / inventory

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- At 31 December 2009

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(€ thousands)	01/01/2009	Acquisitions or works	Change in consolidation	Transfers	Disposals	Change in impairment/inventories (2)	31/12/2009
Stock Net	33,199	3,733	(230)	(230)	(15,999)	47	20,520

o At 31 December 2008

(€ thousands)	01/01/2008	Acquisitions or works	Change in consolidation	Transfers	Disposals	Change in impairment/inventories (2)	31/12/2008
Net inventory	25,652	10,823	(838)	(117)	(623)	(1,697)	33,199

Note 8 – Other liabilities

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008
Government (VAT, taxes, etc)	3,796	3,518	5,956
Other tax and social security liabilities	969	1,201	1,408
Staff	372	509	482
Deposits received	10,278	11,911	11,637
Trade payables	8,080	10,479	31,488
Finance lease lessee loans			0
Balances to be disbursed on investments	32	17	17
Payments received for guarantee deposits	336	1,028	351
Dividends payable	107	76	1
Remaining payments on securities	0	14	14
Other miscellaneous payables	12,799	24,414	8,041
Amounts due to customers (construction contracts and buildings in a state of partial completion)	6,989	263	137
Securities settlement accounts		26	194
Interest to pay on swaps			0
Other expenses payable	13,340	11,728	15,168
Prepaid income	3,306	4,955	3,879
Investment subsidies			2,629
Miscellaneous	4,193	629	6,506
Total	64,599	70,768	87,908

Note 9 – Payables due to financial institutions

○ At 31 December 2010

(€ thousands)		Balance sheet items	less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Bank loans	Fixed rate	57,421	611	1,409	11,858	38,335	5,208
	Variable rate	561,321	1,455	3,600	40,888	255,063	260,315
	Total	618,741	2,066	5,009	52,746	293,398	265,522
	Related debts	1,097	1,097				
	Deferred borrowing costs at EIR	(4,789)					
	Total at 31/12/2010	615,050	3,162	5,009	52,746	293,398	265,522

○ At 31 December 2009

(€ thousands)		Balance sheet items	less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Bank loans	Fixed rate	81,363	3,069	947	4,707	50,666	21,973
	Variable rate	569,582	5,205	3,185	14,567	255,028	291,598
	Total	650,945	8,274	4,132	19,274	305,694	313,571
	Related debts	1,263	1,263				
	Deferred borrowing costs at EIR	(4,023)					
	Total at 31/12/2009	648,185	9,537	4,132	19,274	305,694	313,571

○ At 31 December 2008

(€ thousands)		Balance sheet items	less than one month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Bank loans	Fixed rate	107,990	11,550	1,096	15,981	57,067	22,294
	Variable rate	608,745	11,133	159,706	17,429	162,701	257,776
	Total	716,735	22,684	160,803	33,411	219,768	280,070
	Related debts	3,522	3,522				
	Deferred borrowing costs at EIR	(3,808)					
	Total at 31/12/08	716,449	26,205	160,803	33,411	219,768	280,070

Note 10 – Provisions

(€ thousands)	Opening 31/12/2010	Carried forward for the year	Provision for the year	Opening 31/12/2009	Carried forward for the year	Provision for the year	Opening 31/12/2008
Provision for various customer dispute risks	-	-	-	-	-	-	-
Provision for tax risk	229	(145)	229	145	(55)	145	55
Provision for pension costs	395	(20)	24	391	(13)	76	328
Provision for miscellaneous expenses	4,173	(5,403)	1,356	8,221	(635)	5,476	3,379
Total	4,797	(5,568)	1,609	8,756	(703)	5,697	3,762

The provision for miscellaneous expenses mainly includes allowances relating to Banimm, in particular with:

- €2,419,000 linked to the commitment assumed by Banimm to guarantee the rental income of the Atlantic House building for six years.
- €1,000,000 linked to the decontamination of the “Albert Building” asset in Antwerp, sold in 2006.

Note 11 – Other financial assets and liabilities

o At 31 December 2010

(€ thousands)

		Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
Financial assets at FV through income	Equities and other variable-income securities	Investment securities	1,668	1,668		
		Trading securities	1,127	1,127		
		FV on trading securities	4	4		
		TOTAL	2,798	2,798		
Derivatives		CAPS	4,312		4,312	
		COLLARS	22			22
		TOTAL	4,334		4,312	22
Loans and receivables from financial institutions		Ordinary debit balances	25,524	25,524		
		Term loans and accounts	188	188		
		Related receivables	9	9		
		TOTAL	25,720	25,720		
Other customer receivables		Loans to related companies	37,905	1,289	1,757	32,393
		Related receivables	177	177		
		TOTAL	38,082	1,466	1,757	32,393
Ordinary debit balances		Loans to related companies	6,315	6,315		
		Related receivables	233	233		
		TOTAL	6,548	6,548		
Trade loans and receivables		Income from investment properties	12,433	11,779	324	330
		Trade receivables (services rendered)	1,234	1,234		
Finance lease transactions and related receivables		Amounts outstanding	53,729	2,805	7,481	26,056
		Ordinary receivables	1,103	1,103		
		Doubtful receivables excluding TC	887	887		
		Provisions for doubtful receivables excl. TC	(725)	(725)		
		Prepaid income	(704)	(704)		
		TOTAL	54,290	3,366	7,481	26,056
		TOTAL	112,587	24,392	9,562	58,779
Total at 31/12/2010		145,439	52,911	9,562	63,091	
Financial liabilities at FV through income	Derivatives	CAPS	(46)		(46)	
		COLLARS	592		592	
		FLOORS	5,023		5,023	
		SWAPS	4,057		57	2,186
		TUNNELS	9,684			5,308
		Discounted premiums payable	3,639	304	879	2,204
		TOTAL	22,949	304	936	15,267
		TOTAL	3,353	3,353		
Liabilities to financial institutions	Ordinary credit balances	Accounts	3,348	3,348		
		Related debts	4	4		
		TOTAL	3,353	3,353		
		TOTAL	618,402	11,524	52,746	293,398
Trade payables	On-maturity accounts & borrowings	Loans	618,741	7,075	52,746	293,398
		Related debts	1,097	1,097		
		Deferred borrowing costs at EIR	(4,789)			
		TOTAL	618,050	8,172	52,746	293,398
Trade payables	Ordinary credit balances	Ordinary accounts	2,404	2,404		
		Related debts	67	67		
		TOTAL	2,471	2,471		
		TOTAL	10,589	2,932	2,792	4,024
Debt securities		Commercial paper	93,716		18,000	75,716
		Related debts	2,404		2,404	
		TOTAL	96,120		20,404	75,716
Total at 31/12/2010		748,060	14,760	76,878	388,405	

TC: Termination charge

o At 31 December 2009

(€ thousands)			Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years
Bonds and fixed-income securities							
Financial assets at FV through income	Equities and other variable-income securities	Investment securities	1,708	1,708			
		Trading securities	2,022	2,022			
		FV on trading securities	85	85			
		Related receivables					
		TOTAL	3,815	3,815			
		Derivatives					
		CAPS	3,739			3,739	
		COLLARS	120				120
		TOTAL	3,859			3,739	120
Loans and receivables from financial institutions							
		Ordinary debit balances	31,808	31,808			
		Related receivables					
		TOTAL	31,808	31,808			
Other customer receivables							
		Loans to related companies	15,978	2,056	1,089	12,760	72
		Related receivables	23	18		4	
		TOTAL	16,000	2,075	1,089	12,764	72
Ordinary debit balances							
		Loans to related companies	5,286	5,286			
		Related receivables	177	177			
		TOTAL	5,464	5,464			
Income from investment properties							
		TOTAL	24,722	24,722			
Trade loans and receivables							
		Trade receivables (services rendered)	565	565			
		Amounts outstanding	68,631	3,139	12,025	31,694	21,772
		Ordinary receivables	1,524	1,524			
		Doubtful receivables excluding TC	1,097	1,097			
		Provisions for doubtful receivables excl. TC	(847)	(847)			
		Prepaid income	(1,165)	(1,165)			
		TOTAL	69,239	3,747	12,025	31,694	21,772
		TOTAL	115,990	36,573	13,115	44,458	21,845
		Total at 31/12/2009	155,472	72,196	13,115	48,197	21,892
Financial liabilities at FV through income							
		Derivatives					
		CAPS	397			397	
		COLLARS	364			364	
		FLOORS	3,626		405	3,221	
		SWAPS	3,625			2,030	1,595
		TUNNELS	9,271			3,132	6,138
		Discounted premiums payable	3,966	271	848	2,498	349
		TOTAL	21,249	271	1,253	11,642	8,082
Liabilities to financial institutions							
		Ordinary credit balances					
		Accounts	25,419	25,419			
		Related debts	13	13			
		TOTAL	25,432	25,432			
		Loans	650,945	12,406	19,274	305,694	313,571
		Related debts	1,263	1,263			
		Deferred borrowing costs at EIR	(4,023)				
		TOTAL	648,185	13,669	19,274	305,694	313,571
		TOTAL	694,866	39,372	20,527	317,336	321,633
Trade payables							
		Ordinary credit balances					
		Ordinary accounts	1,153	1,153			
		Related debts	59	59			
		TOTAL	1,212	1,212			
		On-maturity accounts & borrowings					
		Ordinary accounts	11,427	273	3,656	4,646	2,852
		Related debts					
		TOTAL	11,427	273	3,656	4,646	2,852
		TOTAL	12,639	1,484	3,656	4,646	2,852
Debt securities							
		Commercial paper	15,750	10,250	5,500		
		Related debts	(38)	(38)			

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			TOTAL	15,712	10,212	5,500		
Total at 31/12/2009				723,216	51,068	28,430	310,340	316,423
TC: Termination charge								
○ At 31 December 2008								
(€ thousands)								
			Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	Over 5 years	
Bonds and fixed-income securities								
Financial assets at FV through income	Equities and other variable-income securities	Investment securities	1,484	1,484				
		Trading securities	1,760	1,760				
		FV on trading securities	62	62				
		Related receivables						
		TOTAL	3,306	3,306				
Derivatives	CAPS		86		14	73		
	TOTAL	86			14	73		
Loans and receivables from financial institutions	Ordinary debit balances		24,765	24,765				
	Related receivables		80	80				
	TOTAL	24,845	24,845					
Other customer receivables	Loans to related companies		14,459	1,038	68	1,026	12,326	
	Related receivables		13	13				
	TOTAL	14,472	1,052	68	1,026	12,326		
Ordinary debit balances	Loans to related companies		5,151	5,151				
	Related receivables		111	111				
	TOTAL	5,262	5,262					
Trade loans and receivables	Income from investment properties		17,526	15,964	335	1,227		
	Trade receivables (services rendered)		1,464	1,464				
	Finance lease transactions and related receivables	Amounts outstanding		87,008	4,863	14,187	40,438	27,521
		Ordinary receivables		1,735	1,735			
		Doubtful receivables excluding TC		863	863			
		Doubtful receivables with TC		381	381			
		Provisions for doubtful receivables excl. TC		(635)	(635)			
Prepaid income		(1,840)	(1,840)					
TOTAL	87,513	5,367	14,187	40,438	27,521			
TOTAL	126,237	29,109	14,590	42,691	39,847			
Total at 31/12/08			154,474	57,346	14,590	42,691	39,847	
Financial liabilities at FV through income	Derivatives	CAPS	355			355		
		FLOORS	1,280			1,280		
		SWAPS	1,776			676	1,099	
		TUNNELS	6,739			2,219	4,520	
		Discounted premiums payable	595	39	117	438		
		TOTAL	10,744	39	117	4,968	5,620	
Liabilities to financial institutions	Ordinary credit balances	Accounts	6,711	6,711				
		Related debts	7	7				
		TOTAL	6,718	6,718				
		Loans	716,735	183,486	33,411	219,768	280,070	
TOTAL	Related debts	3,522	3,522					
	Deferred borrowing costs at EIR	(3,808)						
	TOTAL	716,449	187,008	33,411	219,768	280,070		
TOTAL	723,167	193,726	33,411	219,768	280,070			
Trade payables	Ordinary credit balances	Ordinary accounts	869	869				
		Related debts	60	60				
		TOTAL	929	929				
	On-maturity accounts & borrowings	Ordinary accounts	12,023	942	1,037	7,176	2,869	
		Related debts						
TOTAL	12,023	942	1,037	7,176	2,869			
TOTAL	12,952	1,870	1,037	7,176	2,869			
Debt securities	Commercial paper		30,675	12,020	18,655			

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	Related debts	(588)	(588)			
	TOTAL	30,087	11,432	18,655		
Total at 31/12/08		776,950	207,067	53,220	231,912	288,559

TC: Termination charge

Note 12 – Trade payables

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
Ordinary credit balances ⁽¹⁾	2,404	1,153	869
Other amounts owed			
Related debts	67	59	60
Sub-total	2,471	1,212	929
On-maturity accounts & borrowings ⁽²⁾	8,118	11,427	12,023
Related debts			
Sub-total	8,118	11,427	12,023
Total	10,589	12,639	12,952

(1) Corresponds to current accounts of shareholders in non-group or equity-method associates

(2) Corresponds to commitment coverage (free lease)

7.5.2. Notes to the income statement

Note 13 – Interest, income and related expenses

		31/12/2010			31/12/2009			31/12/2008		
		Income	Expenses	Income-expense	Income	Expenses	Income-expense	Income	Expenses	Income-expense
Credit institutions	Interest on ordinary debit, credit accounts	297	(170)	128	336	(632)	(296)	730	(144)	586
	Interest on spot loans and accounts									
	Interest on term loans and accounts	918	(26,980)	(26,062)	48	(27,638)	(27,590)	45	(39,432)	(39,387)
	Miscellaneous interest income	200	(27)	173	64	(5)	59	48	(18)	30
	Financing commitments	121	(378)	(257)	662	(436)	226	192	(308)	(115)
	Guarantee commitments		(24)	(24)		(24)	(24)		(47)	(47)
	Total	1,536	(27,579)	(26,043)	1,111	(28,736)	(27,625)	1,015	(39,950)	(38,934)
Customer base	Interests on ordinary debit/credit balances	1,097	102	1,199	296	(99)	197	218	(42)	176
	Interest on other term debit/credit balances	18		18	34		34	55		55
	Interest on term loans – financial clients		19	19		(81)	(81)		(3)	(3)
	Interest on FL commitment hedge accounts		(325)	(325)		(424)	(424)		(538)	(538)
	Interest on lessee loans and FL deposit guarantees		(55)	(55)		(102)	(102)		(177)	(177)
	Interest on prepayments/def.int. from FL				1		1	6		6
	Miscellaneous interest income and expenses				1		1	4		4
Total	1,115	(258)	857	332	(706)	(374)	283	(760)	(477)	
Finance lease operations	Rent and similar	14,238		14,238	18,791		18,791	24,044		24,044
	Allowances for tax amortisation	(8,564)		(8,564)	(10,534)		(10,534)	(12,000)		(12,000)
	Provision allowances	(2,514)		(2,514)	(3,256)		(3,256)	(3,987)		(3,987)
	Other	(166)		(166)	(791)		(791)	(1,329)		(1,329)
Total	2,994		2,994	4,211		4,211	6,728		6,728	
Subordinated debts	Subordinated debt expenses		(8)	(8)		(5)	(5)		(5)	(5)
	Total		(2,476)	(2,476)		(5)	(5)		(5)	(5)
Total	5,645	(30,321)	(24,676)	5,653	(29,447)	(23,794)	8,026	(40,714)	(32,688)	

FL: Finance lease

Note 14 – Results on assets at FV through income

(€ thousands)		At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Interest on fixed-income securities	Bonds					
	Investment securities					
	Sub-total					
Dividends and other income from variable-income securities	Trading securities			8		(8)
	Investment securities			33		(33)
	Sub-total			41		(41)
Changes in fair value of financial assets or liabilities	Bonds					
	Trading securities	81			80	
	Investment securities	(74)	23	32	(98)	(9)
	Debt securities					
	Sub-total	7	24	32	(17)	(8)
Capital gains or losses on disposals	Bonds					
	Trading securities	2	6	106	(4)	(100)
	Investment securities			77		(77)
	Sub-total	2	6	183	(4)	(177)
Derivatives (trading)	Interest income		60	706	(60)	(646)
	Interest charges		(1,301)	(337)	1,301	(965)
	Changes in fair value	(2,910)	(7,622)	(12,648)	4,711	5,027
	Capital gains on disposals					
	Capital losses on disposals			(1,692)		1,692
	Sub-total	(2,910)	(8,863)	(13,971)	5,953	5,107
Net foreign exchange transactions	Foreign exchange gains	5			5	()
	Foreign exchange losses		()	()		
	Sub-total	5	()		5	()
Total		(2,897)	(8,834)	(13,715)	5,937	4,881

Note 15 – Income on financial assets available for sale

This item records the capital gain or loss realised on the sale of financial assets and non-group dividends due to holding these financial assets.

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Dividends received	247	1,865	3,998	(1,618)	(2,133)
Disposal price	461	8,967	-	(24,052)	8,967
Carrying amount of sold assets	(432)	0	(255)	(432)	255
Reversal of impairment losses					
Impairment losses	(478)			(478)	
Total	(203)	10,832	3,743	(11,035)	7,089

Note 16 – Gross margins

Gross margin on investment property

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Rent and similar	70,567	76,784	73,370	(6,218)	3,415
Income from real estate investment trusts					
Termination allowances		394	94	(394)	300
Re-invoicing income	17,735	24,035	14,744	(6,300)	9,292
Disposal price of fixed assets sold	84,904	162,614	25,666	(77,710)	136,948
Positive changes in fair value	21,044	12,874	5,046	8,170	7,827
Miscellaneous income	1,706	1,742	1,123	(36)	619
Recovery of written-off receivables	163	5	7	158	(2)
Bad debts	(261)	(547)	(948)	286	401
Impairment/reversals on properties					
Impairment/reversals on doubtful receivables	(603)	(747)	921	144	(1,668)
Subtotal of income	195,253	277,154	120,022	(81,901)	157,132
Losses from real estate investment trusts	(1)			(1)	
Marketing fees	(599)	(2,132)	(1,974)	1,533	(158)
Rebillable expenses	(18,820)	(22,456)	(13,551)	3,636	(8,905)
Non rebillable expenses	(10,316)	(14,240)	(10,239)	3,925	(4,001)
Net carrying amount of fixed assets sold	(85,236)	(138,084)	(19,527)	52,848	(118,556)
Changes in fair value	(23,862)	(56,549)	(51,898)	32,687	(4,651)
Subtotal of expenses	(138,834)	(233,461)	(97,190)	94,627	(136,271)
Total	56,419	43,693	22,832	12,726	20,861

Gross margin on finance lease transactions

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Termination allowances			935		(935)
Re-invoiced charges	3,167	4,056	4,240	(889)	(183)
Disposal price of fixed assets sold	3,837	4,098	889	(261)	3,210
Reversals of provisions	11,074	9,450	9,861	1,624	(410)
Miscellaneous income	42	110	156	(68)	(46)
Impairment/reversals on properties					
Impairment/reversals on doubtful receivables	122	(212)	763	334	(975)
Impairment/reversals on accruals					
Recovery of written-off receivables	157	274	6	(117)	268
Bad debts	(3)		(1,714)	(3)	1,714
Subtotal of income	18,396	17,776	15,135	620	2,642
Depreciation expense on un-leased properties					
Net carrying amount of fixed assets sold	(15,008)	(13,252)	(9,919)	(1,755)	(3,333)
Rebillable expenses	(3,167)	(4,057)	(4,353)	890	296
Non rebillable expenses	(32)	(4)	(102)	(29)	99
Miscellaneous expenses		(5)	(6)	5	1
Subtotal of expenses	(18,207)	(17,318)	(14,380)	(890)	(2,937)
Total	189	459	754	(270)	(296)

Gross margin on real estate transactions

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Proceeds from disposals		14,502	18,954	(14,502)	(4,452)
Changes in inventories	6,095	(12,839)	31,507	18,933	(44,346)
Income from property development contracts	5,005	15,594	29,063	(10,588)	(13,469)
Project management fees	2,094	219	20	1,875	199
Joint property development deals					
Miscellaneous proceeds from day-to-day management		52		(52)	52
Subtotal of income	13,194	17,528	79,543	(4,334)	(62,016)
Charges on development contracts	(10,802)	(16,319)	(75,473)	(5,518)	59,154
Development contract work	(43)	(1139)		1,096	(1,139)
Retrocession of fees					
Tax	(130)	(142)	(1)	12	(141)
Other expenses	-	(14)		14	(14)
Subtotal of expenses	(10,975)	(17,615)	(75,474)	(6,640)	57,859
Total	2,219	(87)	4,069	2,307	(4,157)

Gross margin on other operating activities

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Re-invoiced charges	130	577	869	(447)	(292)
Reversal of provisions for liabilities and charges	820	703	2,636	117	(1,933)
Transfers of charges	36	11	1,112	25	(1,101)
Other miscellaneous bank operating income*	862*	48	247	815	(199)
Income from movable property leases					
Other miscellaneous business centre income					
Subtotal of income	1,849	1,339	4,864	510	(3,525)
Provisions for liabilities and charges	(1,495)	(1,289)	(902)	(205)	(387)
Expenses to be deferred					
Other miscellaneous bank operating expenses			1		
Other non rebillable business centre expenses			(7)		7
Subtotal of expenses	(1,495)	(1,289)	(909)	(205)	(380)
Total	355	49	3,955	305	(3,905)

* including €650,000 in compensation after discontinuing the Lumière project

Note 17 – Operating costs

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Staff costs					
Salaries and wages	(5,878)	(6,373)	(6,851)	496	478
Social security costs	(2,352)	(2,490)	(3,090)	138	600
Pension costs					
Profit sharing	(659)	(69)	(992)	(590)	923
Total	(8,888)	(8,932)	(10,933)	44	2,001
Other administrative costs					
Tax	(1,008)	(948)	(1,133)	(60)	184
External services	(10,067)	(13,239)	(14,345)	3,173	1,106
Total	(11,075)	(14,188)	(15,478)	3,113	1,290
Total	(19,964)	(23,120)	(26,411)	3,156	3,291

Note 18 – Amortisation, depreciation and provisions

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Amortisation allowance for intangible assets	(157)	(329)	(368)	171	39
Amortisation allowance for property, plant and equipment	(128)	(134)	(355)	6	221
Total	(285)	(463)	(723)	177	260

Note 19 – Cost of risk

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Net impairment on fixed-income securities			635		(635)
Net impairment on trade receivables	(130)			(130)	
Gains or losses on trade receivables			(82)		82
Net impairment on trade receivables (services)					
Gains or losses on trade receivables (services)	(50)			(50)	
Net impairment on trade receivables BC					
Gains or losses on trade receivables BC					
Net impairment of inventories	(4,959)	74	(1,775)	(5,032)	1,849
Net impairment of other assets		(4,408)	(176)	4,408	(4,232)
Total	(5,138)	(4,334)	(1,397)	(804)	(2,937)

Note 20 – Share of earnings of associated companies consolidated under the equity method

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Share in net profit	3,069	(4,382)	(2,554)	7,451	(1,828)
Carrying amount of securities in EM associates sold	(180)		(21,285)	(180)	21,285
Disposal price of EM securities	180		24,815	180	(24,815)
Total	3,069	(4,382)	975	7,451	(5,357)

Note 21 – Net gains or losses on other assets

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Net operating asset disposals	Disposal price	68	90	(22)	34
	Net carrying amount	(84)	(110)	26	(55)
	Reversals of provisions	199			199
	Provisions				
Total	182	(20)		202	(20)
Net consolidated securities transactions	Disposal price		4	(4)	(42)
	Net carrying amount	(96)	(5)		(90)
	Reversals of provisions				
	Provision allowances				
Total	(95)	(1)	46	(94)	(47)
Total	87	(21)	46	108	(68)

Note 22 – Change in value of goodwill

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
CONCERTO DEVELOPPEMENT SAS BUSINESS FACILITY INTERNATIONAL		(3,661)		3,661	(3,661)
AFFIPARIS		116	559	(116)	(444)
MONTEA			(64)		64
LES VALLIERS			(435)		435
Total		(3,545)	60	3,545	(3,605)

Note 23 – Income tax

Reconciliation of the consolidated tax charge and the tax due in company financial statements

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008	Change 2010 / 2009	Change 2009 / 2008
Tax due	280	5,131	(1,312)	(4,851)	6,443
Change in deferred tax	305	6,883	5,385	(6,577)	1,498
Total	585	12,013	4,073	(11,428)	7,941

Reconciliation between the effective tax rate and the applicable tax rate

	Base	Theoretical tax (expense) - income
Pre-tax consolidated profit	10,042	(3,347)
Result of exempted sector Sicomi-SIIC	(15,221)	5,073
Share of companies consolidated under the equity method	(480)	160
Share in change in goodwill	1	(0)
Add-backs – deductions	(5,449)	1,816
<i>Goodwill</i>		
<i>Goodwill amortisation</i>		
<i>Non-tax provisions</i>		
<i>Companies subject to IT.</i>	(4,006)	1,335
<i>Other addbacks - deductions</i>	(1,443)	481
Restatement consolidation	(14,727)	5,417
<i>Impact of permanent differences</i>	(5,614)	1,871
<i>Impact of timing differences taxed at smaller rate</i>	(4,501)	2,009
<i>Impact of liability method</i>	(4,612)	1,537
Miscellaneous		40
Theoretical consolidated tax	(25,834)	9,159
<i>of which companies making a tax loss</i>	(27,631)	9,758
<i>of which companies making a tax profit</i>	1,797	(599)
Use of tax losses	12,882	(8,076)
Tax after deduction of losses	(12,952)	1,083
Tax without base:		
Tax credit		
Annual flat-rate tax and tax adjustments		(121)
Tax due outside France		(377)
Recognised tax due		585
TAXES		585
TOTAL		585

Note 24 – Profit/loss after tax on discontinued operations or those being sold

This item corresponds to the profit net of tax for the company BFI, which was sold at the beginning of 2010

Note 25 – Results, Dividends and NAV per share

Earnings per share

The convertible bonds issued by Affine on 15 October 2003 and 29 June 2005, and the indefinite subordinated securities it issued on 13 July 2007 are accounted for as equity. The income on these is recognised as dividends, with the net profit for the Group adjusted for the calculation of the result, diluted result and EPRA result per share.

EPRA is a trade association of stock market listed European real estate companies, which in October 2010 updated a guide on performance measurement. As explained in the note on EPRA restatements, the EPRA result excludes changes in fair value, capital gains or losses on disposal, other non-recurrent items and other items of comprehensive income.

(€ thousands)	31/12/2010	31/12/2009	31/12/2009 ⁽¹⁾ restated	31/12/2008
Net profit – Group share	10,320	(5,701)	(2,793.7)	(37,521)
Cost of subordinated debt securities	(2,698)	(3,374)	(3,374)	(5,881)
Cost of convertible bonds 1 & 2	(3,637)	(2,073)	(2,073)	(1,930)
Profit for period attributable to Group, adjusted for earnings per share calculation	3,986	(11,147)	(8,240)	(45,332)
Reinclusion of cost of convertible bonds 1 and 2	3,637	2,073	2,073	1,930
Profit for period attributable to Group, adjusted for diluted earnings per share calculation (after conversion of convertible bonds)	7,623	(9,075)	(6,167)	(43,402)
EPRA restatement	7,279	21,916	19,009	
EPRA result adjusted for cost of subordinated debt securities for calculating EPRA earnings per share	14,902	12,842	12,842	
Number of shares in circulation on balance-sheet date	8,113,566	8,113,566	8,113,566	8,113,566
Average number of treasury shares	(543,365)	(590,577)	(590,577)	(160,667)
Average number of shares excluding treasury shares	7,570,201	7,522,989	7,522,989	7,952,899
Average number of new shares in redemption of convertible bonds 1 & 2	1,622,400	1,622,400	1,622,400	1,622,400
Average number of diluted shares (excluding treasury shares)	9,192,601	9,145,389	9,145,389	9,575,299
Earnings per share (€)	0.53	(1.48)	(1.10)	(5.70)
Diluted earnings per share (€)	0.83	(0.99)	(0.67)	(4.53)
EPRA earnings per share (€)	1.62	1.40	1.40	-

(1) Please see section 7.1.2 “Comparability of financial statements”.

NAV per share

(€ thousands)	31/12/2010	31/12/2009	31/12/2009 ⁽¹⁾ restated	31/12/2008
Shareholders' equity (before allocation)	346,771	345,448	348,617	385,344
<i>of which convertible bonds</i>	31,662	31,036	31,036	30,692
<i>of which subordinated debt securities</i>	73,345	73,327	73,327	74,090
<i>of which treasury shares</i>	(6,777)	(9,750)	(9,750)	(6,094)
<i>of which others</i>	248,541	250,835	254,004	286,656
<i>Restatement of subordinated debt securities</i>	(73,345)	(73,327)	(73,327)	(74,090)
Diluted IFRS NAV excluding rights	273,426	272,121	275,290	311,254
EPRA restatements	12,564	12,141	12,428	17,836
of which fair value of financial instruments	14,976	13,424	13,424	10,063
<i>x Assets – derivatives at fair value</i>	4,334	3,859	3,859	86
<i>x Liabilities - derivatives at fair value</i>	19,310	17,283	17,283	10,149
of which, net deferred taxes	(2,411)	(1,284)	(996)	7,773
<i>x Deferred tax assets</i>	5,147	4,182	5,210	1,536
<i>x Deferred tax liabilities</i>	2,735	2,899	4,214	9,308
EPRA NAV (excl. rights)	285,990	284,262	287,718	329,090
Transfer charges	49,905	50,532	50,532	57,581
Diluted IFRS NAV, including rights	323,331	322,653	325,822	368,835
EPRA NAV including rights	335,896	334,794	338,250	386,671
Number of shares				
Number of shares in circulation	8,113,566	8,113,566	8,113,566	8,113,566
Treasury shares	(421,366)	(679,043)	(679,043)	(249,882)
Converted convertible bonds	1,622,400	1,622,400	1,622,400	1,622,400
Number of diluted shares (excluding treasury shares)	9,314,600	9,056,923	9,056,923	9,486,084
RNA per share (€)				
IFRS NAV excluding rights per share	29.35	30.05	30.40	32.81
EPRA NAV excluding rights per share	30.70	31.39	31.77	34.69
Diluted IFRS NAV rights included per share	34.71	35.63	35.97	38.88
EPRA NAV rights included per share	36.06	36.97	37.35	40.76

(1) Please see section 7.1.2 "Comparability of financial statements".

Dividend per share

The dividend for the period ending 31 December 2010 proposed to the General Meeting on 8 April 2011 was €2.43 per share.

7.6. Management of financial risk

7.6.1. Carrying amount of financial instruments by category

- o At 31 December 2010

(€ 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 through profit or loss	4,334			4,334	4,334
Financial assets at fair value via income	1,668			1,668	1,668
Financial assets available for sale		13,973		13,973	13,973
Trade loans and receivables (1)			92,372	92,372	92,372
Trade accounts and related receivables (2)			13,667	13,667	13,667
Other receivables (3)			30,977	30,977	30,977
Cash and equivalents	1,127		26,714	27,840	27,844
Total financial assets	7,128	13,973	163,730	184,831	184,835

(1) This item includes other trade loans (€38,082,000) and finance lease transactions and related receivables (€54,290,000).

(2) This item includes receivables from investment properties (€12,433,000) and receivables for services rendered (€1,234,000).

(3) This item includes, first, ordinary debit accounts for €6,548,000 (note 223,718,000) and, second, the Other assets item (€223,718,000) subject to deduction of net inventories (€183,474,000), accounts for securities settlement (€1,069,000), prepaid expenses (€2,504,000), tax and payroll receivables (€9,631,000) and calls for costs (€2,611,000).

(€ thousands)	31/12/2010				
	Carrying amount				Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Debts	Total	Total
Derivatives stated at fair value through profit or loss	22,949			22,949	22,949
Loans and debts to financial institutions		615,050		615,050	615,050
Trade payables			10,589	10,589	10,589
Guarantee deposits (1)		10,278		10,278	10,278
Trade accounts and other payables (2)		36,661		36,661	36,661
Cash and equivalents			3,353	3,353	3,353
Total financial liabilities	22,949	661,989	13,942	698,879	698,879

(1) this item corresponds to deposits received included in other liabilities.

(2) This item corresponds to Other liabilities (€64,599,000) after deducting tax and social security liabilities (€5,138,000), deposits received above (€10,278,000), accrued income IP (€3,306,000) and calls for rental expenses (€9,215,000)

o At 31 December 2009

(€ thousands)	31/12/2009				Fair value Total
	Carrying amount			Total	
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables		
Derivatives stated at fair value through profit or loss	3,859			3,859	3,859
Financial assets at fair value through profit or loss	1,708			1,708	1,708
Financial assets available for sale		3,410		3,410	3,410
Trade loans and receivables (1)			85,240	85,240	85,240
Trade accounts and related receivables (2)			25,287	25,287	25,287
Other receivables (3)			25,969	25,969	25,969
Cash and equivalents (4)	2,022		32,678	34,700	34,785
Total financial assets	7,588	3,410	169,174	180,172	180,257

(1) This item includes other trade loans (€16,000,000) and finance lease transactions and related receivable (€69,239,000).

(2) This item includes receivables from investment properties (€24,722,000) and receivables for services rendered (€565,000).

(3) This item includes, first, ordinary debit accounts for €5,464,000 and, second, the Other assets item subject to deduction of net inventories (€20,520,000), accounts for securities settlements (€748,000), prepaid expenses (€4,209,000), tax and payroll receivables (€5,924,000) and calls for costs (€1,049,000).

(€ thousands)	31/12/2009				Fair value Total
	Carrying amount			Total	
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Debts		
Derivatives stated at fair value	21,249			21,249	21,249
Loans and debts to financial institutions		648,185		648,185	648,185
Trade payables			12,639	12,639	12,639
Guarantee deposits (1)		11,911		11,911	11,911
Trade accounts and other payables (2)		40,551		40,551	40,551
Cash and equivalents			25,432	25,432	25,432
Total financial liabilities	21,249	700,648	38,070	759,967	759,967

(1) this item corresponds to deposits received included in other liabilities

(2) this item corresponds to Other liabilities (€70,715,000) after deducting tax and social security liabilities (€5,227,000), deposits received above (€11,911,000), accrued income (€4,955,000), securitisation settlement accounts (€26,000) and calls for rental costs (€8,098,000).

- At 31 December 2008

(€ 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 through profit or loss	86			86	86
Financial assets at fair value via income	1,484			1,484	1,484
Financial assets available for sale		32,358		32,358	32,358
Trade loans and receivables (1)			101,985	101,985	101,985
Trade accounts and related receivables (2)			18,990	18,990	18,990
Other receivables (3)			29,619	29,619	29,619
Cash and equivalents (4)	1,760		25,159	26,920	26,982
Total financial assets	3,330	32,358	175,753	211,441	211,503

(1) This item includes other trade loans (€14,472,000) and finance lease transactions and related receivables (€87,513,000).

(2) This item includes receivables from investment properties (€17,526,000) and receivables for services rendered (€1,464,000).

(3) This account firstly includes ordinary debtor accounts for €5,262,000 (note 9-5) and the item Other assets, less net inventories (€33,199,000), securities settlement accounts (€265,000), prepaid income (€2,438,000), tax and payroll receivables (€16,553,000) and calls for costs (€1,155,000).

(€ thousands)	31/12/2008				
	Carrying amount				Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Debts	Total	Total
Derivatives stated at fair value	10,744			10,744	10,744
Loans and debts to financial institutions		716,449		716,449	716,449
Trade payables			12,952	12,952	12,952
Guarantee deposits (1)		11,637		11,637	11,637
Trade accounts and other payables (2)		60,291		60,291	60,291
Cash and equivalents			6,718	6,718	6,718
Total financial liabilities	10,744	788,377	19,670	818,790	818,790

(1) this item corresponds to deposits received included in other liabilities.

(2) This item corresponds to Other liabilities (€87,908,000) after deducting tax and social security liabilities (€7,846,000), deposits received above (€11,637,000), accrued income (€3,879,000), securities settlement accounts (€194,000) and calls for rental charges (€4,061,000).

Affine Group:

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

No asset was reclassified or written off during the financial year.

7.6.2. Nature and scope of risks related to financial instruments:

7.6.2.1. Credit risk

In 2010, the Affine Group maintained a selective policy in terms of the financial strength of its customers, the business sectors in which they operate, their geographic locations, and the quality of the buildings.

In accordance with regulatory requirements (CRB No. 93-05), the company limits its lease commitments to a client or group to 25% of its shareholders' equity (i.e. on 31 December 2010 to €99m, cf. Declaration 4003i, control of major and gross risks on a consolidated basis).

This internal limit is reviewed annually, but is not necessarily adjusted. An additional rule limits the total of risks with an individual amount higher than 10% of equity to eight times the amount of equity.

A group of customers means customers who exercise direct or indirect control over one another, and persons who are bound by cross-guarantee agreements or who have a preponderant business relationship with one another, particularly when they are bound by subcontracting or franchising agreements.

Currently, no group of customers exceeds the threshold of 10% of equity in terms of net risk.

Properties reported as of potential concern to the Group undergo an annual expert property appraisal.

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

7.6.2.2. Liquidity risk

The Affine Group monitors its risk primarily with two tools:

- a daily cash statement prepared by the finance department and sent to general management after reviewing 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. A cash forecast is submitted to the two Boards of Directors convened to approve the financial statements of the Group.

From a regulatory perspective, the Group's liquidity position is shown by changes in the liquidity coefficient which is communicated to the Prudential Control Authority on a quarterly basis.

In 2010, the Affine group continued to finance its growth through leverage, with its LTV ratio equalling 58.5% on 31 December 2010 compared with 58.1% on 31 December 2009, including the rights on buildings and the value of equity-method associates.

This ratio is lower than the levels permitted under the financial covenants pertaining to debt.

The Group's loan agreements have covenants relating to:

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

Failure to comply with these ratios constitutes an event of default calling for partial or accelerated repayment to restore the ratio to its contractual level.

As at 31 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.

7.6.2.3. Interest rate risk

The Affine Group favours the use of floating rate debt, which, before hedges, represented almost 91% of its bank debt as at 31 December 2010 (excluding debts related to equity investments and bank overdrafts).

The Group hedges its interest rate exposure by market transactions (caps, swaps and tunnels) contracted with leading banking institutions. Thus, in the year, it took out four caps for a notional amount of €40,817,000, guaranteeing a maximum rate of 2.5%–2.8%.

Market risk is assessed using the value-at-risk approach, i.e. by estimating the net maximum loss that our portfolio of financial instruments could 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 8% of its unhedged debt.

Analysis of the sensitivity of cash flows for floating rate instruments (loans financing assets held for sale, the Banimmo and Concerto Group facilities, are excluded).

- At 31 December 2010

	Charges 2011	Charges 2012	Charges 2013	Charges 2014
<u>Sensitivity to interest rate variation (€ thousand)</u>				
Increase by 50 basis points, 2010 projected rate	10,530	9,590	8,770	7,515
Increase by 100 basis points, 2010 projected rate	12,636	11,485	10,584	9,100

- At 31 December 2009

	Charges 2010	Charges 2011	Charges 2012	Charges 2013
<u>Sensitivity to interest rate variation (€ thousand)</u>				
Increase by 50 basis points, 2009 projected rate	4,358	4,117	3,679	3,408
Increase by 100 basis points, 2009 projected rate	5,247	5,011	4,559	4,168

- At 31 December 2008

	Charges 2010	Charges 2011	Charges 2012	Charges 2013
<u>Sensitivity to interest rate variation (€ thousand)</u>				
Increase by 50 basis points, 2008 projected rate	2,818	2,477	2,021	1,844
Increase by 100 basis points, 2008 projected rate	4,495	4,380	3,937	3,397

7.6.2.4. Exchange rate risk

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

7.6.2.5. Counterparty risk

The Affine Group is committed to investing its cash and contracting derivatives only with reputable banking institutions. As at 31 December 2010, no bank represented more than 17.9% of the total refinancing debt.

7.7. Management of capital risk

The Affine Group's objectives in capital management consist of assuring the Group's continuing operations so as to provide a return to shareholders as well as creating a capital structure that efficiently achieves the goal of limiting the cost of capital.

The Affine Group's objectives with respect to equity are to:

- operate at a high level of solvency,
- foster harmonious internal and external growth.

The quantitative objective is to maintain a solvency ratio greater than 20% through the combination of margins on real estate assets, the management of dividend payout and gearing levels, and through calling on the market both for capital and financial instruments included in equity (such as convertible bonds and perpetual subordinated loan notes).

7.8. Commitments and guarantees

7.8.1. Financial commitments and guarantees given

7.8.1.1. Loans and bank overdrafts

- **Guarantees**

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
Pledge of securities	27,580	38,101	74,435
Unnotified Dailly Law assignments and mortgages	288,524	304,834	205,936
Mortgages and rent assignment agreements	-	-	2,082
Dailly Law assignment and mortgage agreements	149,912	169,167	2,465
Rent assignment agreements	1,516	1,980	2,425
Total	467,332	514,082	287,343
Commitments to financial institutions	135,241	137,865	149,032
Commitments to clients	1,600	1,600	58,307
Total	136,841	139,465	207,339

- **Financing commitments**

(€ thousands)	31/12/2010	At 31/12/2009	At 31/12/2008
Commitments to financial institutions	-	-	-
Commitments to customers	-	275	-
Total	-	275	-

7.8.1.2. Minimum payments required under finance leases in which the Group is lessee

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

	Minimum payments	Present value of minimum payments
Less than 1 year	11,986	9,796
1 to 5 years	41,713	35,710
Over 5 years	44,429	38,828
Minimum total lease payments	98,128	
Amounts representing financing charges	(13,794)	
Discounted value of minimum lease payments	84,334	84,334

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

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

	Minimum payments	Present value of minimum payments
Less than 1 year	832	760
1 to 5 years	4,388	3,767
Over 5 years	11,446	8,435
Minimum total lease payments	16,666	
Amounts representing financing charges	3,704	
Discounted value of minimum lease payments	12,962	12,962

Operating lease contracts (lessee position), relate mainly to rents from the head offices of Affine and BFI.

7.8.2. Commitments and guarantees received

7.8.2.1. Loans and bank overdrafts

- Guarantees

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008
Commitments to financial institutions	2,399	3,380	4,920
Commitments to clients	14,120	18,448	22,806
Total	16,519	21,828	27,726

- Financing commitments

(€ thousands)	At 31/12/2010	At 31/12/2009	At 31/12/2008
Commitments received from financial institutions	85,755	55,538	44,634
Commitments received from clients		-	-
Total	85,755	55,538	44,634

7.8.2.2. Minimum guaranteed revenues under finance leases for which the Group is lessor

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

	Minimum payments	Present value minimum payments
Less than 1 year	10,458	5,114
1 to 5 years	25,896	11,647
Over 5 years	13,186	10,089
Minimum lease payments	49,540	
Amounts representing financing charges	-22,691	
Discounted value of minimum lease payments	26,849	26,849
Residual value of minimum lease payments	2,835	

Finance lease contracts where Affine is the lessor relate to contracts without specific provisions.

Three types of agreements exist within the Group:

- former Sicomi contracts, some of which were signed prior to 1993 and some prior to 1996: the average term of these leases is 15 years;
- so-called free leases (CBL) signed from 1993 onward, which have an average term of 15 years;
- general leases (CBG) signed from 1996 onward, which have an average term of 12 years

Future minimum receivable subleasing payments for non-cancellable subleasing contracts are included in operating lease commitments as lessor, in the same way as other operating lease contracts.

7.8.2.3. Minimum guaranteed revenues under operating leases for which the Group is lessor

	Minimum payments	Present value of minimum payments
Less than 1 year	55,464	42,671
1 to 5 years	172,038	133,789
Over 5 years	71,238	57,914
Minimum total lease payments	298,740	
Amounts representing financing charges	(64 365)	
Discounted value of minimum lease payments	234,375	234,375

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

Rent is normally paid on a quarterly basis in advance and is indexed annually and in its entirety on the INSEE construction cost index. Rent may be progressive or constant and may include exemptions or ceilings; these must, however be determined when the lease is signed and last for its entire term. The lessee generally bears all charges, real estate taxes, and office taxes.

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

7.9. Employee benefits and remuneration

7.9.1. Average weighted workforce during the financial year

The average workforce was 82 people, split into the following categories:

- Officers: 3
- Management: 41
- Employees: 35

7.9.2. Individual training rights

Group employees have accumulated rights to 3,508 training hours.

7.9.3. Bonus shares

The allocation of bonus shares decided by the Board of Directors on 10 December 2007, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 6,900 treasury shares.

Income for 2010, calculated in accordance with IFRS 2, totalled €173,000 compared with €426,000 for 2009. This income is offset by the charge recognised at the time of the actual allocations.

The number of shares authorised by the Board of Directors in 2008 was 4,575.

7.9.4. Pensions and other post-employment benefits

Pensions payable through various mandatory pension schemes are managed by specialist external organisations. Contributions due for the financial year were recognised in income in the amount of €417,000 for 31 December 2010 compared with €331,000 as at 31 December 2009.

Provisions are accrued for retirement commitments in the financial statements according to the assumption of retirement and amounted to €395,000 as at 31 December 2010 versus €391,000 as at 31 December 2009. The actuarial assumptions used for calculating the provision include:

	2010	2009	2008
Discount rate:	3.59%	3.97%	4.54%
Staff turnover:	14%	16%	15%
	Up to 50 years, 3% thereafter	Up to 50 years, 3% thereafter	Up to 50 years, 3% thereafter
Employee revaluation coefficient	1.58%	1.76%	1.96%
INSEE TD-TV 03-05 mortality table for 2008 and INSEE TD-TV 04-06 mortality table for 2009 Mortality table INSEE TD-TV latest version.			

The discount rate corresponds to the most recent average rate of return on bonds issued by private companies. The calculation of the provision for retirement allowances was performed by ADP, an independent firm. This provision takes social security charges into consideration.

7.10. Related party disclosures

7.10.1. Payment to managers

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
Short-term benefits (wages, premiums, etc.)	1,457	1,326	1,904
Post-employment benefits	88	110	138
Other long-term benefits	39	38	28
Share-based payments		-	-
Recognised benefits	1,584	1,474	2,070
Severance pay	321	318	315
Non-recognised benefits	321	318	315

7.10.1.1. Remuneration of management and administration bodies

Gross remuneration paid to the officers and executives of Group companies amounted to €1,285,000 in financial year 2010 compared with €1,529,000 in 2009.

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

- Company car: one representing an expense of €4,560 in 2010;
- Severance pay: a clause providing for the payment of an amount equal to one year's total remuneration paid by all Group companies;
- Contributions to pension funds paid during the year: €88,000.
- GSC contribution, for €34,000.

Directors' fees paid by Group companies in 2010 amounted to €173,000 compared with €171,000 in 2009.

7.10.1.2. Bonus shares

The allocation of bonus shares decided by the Board of Directors on 10 December 2007, as authorised by the Combined General Meeting of 9 November 2005, led to a transfer of ownership of 10,050 treasury shares.

Income for 2010, calculated in accordance with IFRS 2, totalled €444,000 versus a charge of €759,000 in 2009. This income is offset by the charge recognised at the time of the actual allocations.

Number of shares authorised by the Board of Directors:

The number of shares authorised by the Board of Directors of 10 December 2007 is 10,050.

7.10.2. Affine transactions with related parties

7.10.2.1. Loans granted to related parties

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

(€ thousands)	31/12/2010	31/12/2009	31/12/2008
MGP SUN SARL	1,203	1,070	1,054
Dolce la Hulpe	1,476		
Dolce Chantilly	492		
City Mall Invest	20,160		
Schoonmeers-Bugten SA	16		
P.D.S.M SCARL	59		
Coferinvest SA	14,464	13,965	13,230
Total loans granted to related parties	37,870	15,035	14,284
MGP SUN SARL	6	5	6
Dolce la Hulpe	46		
Dolce Chantilly	13		
City Mall Invest	569		
Schoonmeers-Bugten SA	1		
P.D.S.M SCARL	3		
Coferinvest SA	294	17	7
Total interest income on loans granted	932	19	13

Except for the loans with Conferinvest SA, Dolce Chantilly, Dolce La Hulpe SA and City Mall Invest, the loans to associates do not have a due date and bear the following interest rates:

- to MGP SUN SARL, at a fixed rate of 0.50%.
- to Dolce la Hulpe, at the 3M Euribor plus a margin of 2.5% on €980,000 and at the 3M Euribor plus a spread of 2.25% on €490,000.
- to Dolce Chantilly, at the 3M Euribor plus a margin of 2.25% on €490,000.
- to City Mall Invest, a subordinated loan at a fixed rate of 8%.
- to Schoonmeers-Bugten SA at a fixed rate of 6%.
- to PDSM SCARL, at a fixed rate of 5%.
- to Conferinvest SA, subordinated loan at 6-month EURIBOR plus a margin of 1.75% payable under certain conditions precedent.
- to Conferinvest SA, a subordinated loan at the rate of the 3M Euribor plus a spread of 2.25% on €1,470,000.
- to Conferinvest SA, a subordinated loan at the rate of the 3M Euribor plus a spread of 3.5% on €735,000.

No guarantee has been received.

7.10.2.2. Other transactions with related parties

MAB-Finances, in its capacity as Affine's management holding company, has signed an agreement with Affine for the provision of administrative, financial and operational development services, for which an expense of €248,000 (a partial amount taking into account the fraction included in the senior officers' remuneration) is included in the financial statements for 2010, against €226,000 for 2009.

7.11. Fees of statutory auditors and members of their networks

o At 31 December 2010

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse				Mazars				Price Waterhouse Coopers			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Audit																				
Auditing, certification, review of individual and consolidated financial statements																				
Issuer:	195	153	42%	33%	195	155	91%	85%	0	0	0%	0%	0	0	0%	0%	0	-	0%	0%
Fully consolidated subsidiaries	264	312	58%	67%	20	28	9%	15%	70	86	100%	100%	127	0	89%	0%	0	191	0%	93%
Other tasks and services directly linked to the auditing engagement																				
Issuer:		-	0%	0%	0	0%	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
Fully consolidated subsidiaries		-	0%	0%	0	0%	0%	0%	0	0	0%	0%	0	0	0%	0%	0	15	0%	7%
Sub-total	459	465	100%	100%	215	182	100%	100%	70	86	100%	100%	127	0	89%	0%	0	206	0%	100%
Other services rendered by the networks to fully-consolidated subsidiaries																				
Legal, tax, social	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%
Other	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	15	0	11%	0%	0	0	0%	0%
Sub-total	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	15	0	11%	0%	0	0	0%	0%
TOTAL	459	465	100%	100%	215	182	100%	100%	70	86	100%	100%	142	0	100%	0%	0	206	0%	100%

o At 31 December 2009

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse				Mazars				Price Waterhouse Coopers				
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	
Audit																					
Auditing, certification, review of individual and consolidated financial statements																					
Issuer:	153	283	33%	45%	155	186	85%	86%	0	0	0%	0%	0	0	0%	0%	-	-	0%	0%	
Fully consolidated subsidiaries	312	340	67%	53%	28	30	15%	10%	86	89	100%	100%	0	0	0%	0%	191	189	93%	85%	
Other tasks and services directly linked to the auditing engagement																					
Issuer:	-	6	0%	1%	0	10	0%	4%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	
Fully consolidated subsidiaries	-	6	0%	1%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	15	33	7%	15%	
Sub-total	465	636	100%	100%	182	226	100%	100%	86	89	100%	100%	0	0	0%	0%	206	222	100%	100%	
Other services rendered by the networks to fully-consolidated subsidiaries																					
Legal, tax, social	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	
Other	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	
Sub-total	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	0	0	0%	0%	
TOTAL	465	636	100%	100%	182	226	100%	100%	86	88	100%	100%	0	0	0%	0%	206	222	100%	100%	

7.12. Post reporting period events

None.



Part 2: Financial Appendix

B. Annual Financial Statements Financial year ended 31 December 2010

Banking presentation

ASSETS (€ thousands)	Notes	31/12/2010	31/12/2009
SAVINGS BANK, CENTRAL BANK, POST OFFICE		116	117
RECEIVABLES DUE FROM FINANCIAL INSTITUTIONS	[1]	13,236	25,423
Ordinary debit balances		13,227	25,423
Term loans and accounts		-	-
Related receivables		9	-
TRANSACTIONS WITH CUSTOMERS	[2]	94,791	92,557
Other trade credit		160	11,247
Ordinary debit balances		94,631	81,310
BONDS AND OTHER FIXED-INCOME SECURITIES	[3]	-	-
BONDS AND OTHER VARIABLE-INCOME SECURITIES	[3]	-	172
EQUITY INVESTMENTS AND OTHER LONG-TERM SECURITIES	[4]	20	19
SHARES IN AFFILIATES	[4]	126,416	127,304
FINANCE LEASE AND SIMILAR OPERATIONS	[5]	58,316	73,833
Fixed assets under finance lease		57,599	72,757
Temporarily un-leased property		-	-
Fixed property under construction		-	5
Provisions for impairment		(548)	(702)
Related receivables		1,265	1,774
OPERATING LEASE	[6]	200,310	225,427
Leased property		200,311	222,982
SCI shares and current accounts		1	1
Fixed property under construction		1,562	1,774
Provisions for impairment		(4,686)	(1,705)
Related receivables		3,122	2,374
INTANGIBLE ASSETS	[6]	40,678	40,711
PROPERTY, PLANT AND EQUIPMENT	[6]	350	49
TREASURY STOCK	[7]	6,777	9,750
OTHER ASSETS	[7]	8,940	12,430
Interim dividends paid out during the financial year		-	2,434
Other assets		8,940	9,996
ADJUSTMENT ACCOUNTS	[7]	4,918	6,907
TOTAL ASSETS		554,868	614,700

LIABILITIES (€ thousands)	Notes	31/12/2010	31/12/2009
PAYABLES DUE TO FINANCIAL INSTITUTIONS	[8]	235,725	293,685
Ordinary credit balances		3,138	17,993
Term accounts & borrowings		232,587	275,692
TRANSACTIONS WITH CUSTOMERS	[9]	14,609	9,250
Ordinary credit balances		8,172	20
Other amounts owed		-	-
Term accounts & borrowings		6,437	9,230
DEBT SECURITIES	[10]	-	-
Cash notes		-	-
Interbank market securities		-	-
Negotiable Debt Securities		-	-
Bonds		-	-
Other debts represented by a security		-	-
OTHER LIABILITIES	[11]	15,384	17,611
ADJUSTMENT ACCOUNTS	[11]	5,533	4,753
PROVISIONS FOR RISKS AND CHARGES	[12]	561	1,835
SUBORDINATED DEBTS	[13]	106,610	105,974
Bonds convertible into shares (ORA)		30,973	30,354
Perpetual subordinated loan notes (TSDI)		75,637	75,620
RESERVE FOR GENERAL BANKING RISKS (RGBR)	[14]	-	-
OWN EQUITY EXCLUDING RGBR	[15]	176,445	181,592
SUBSCRIBED CAPITAL		47,800	47,800
SHARE PREMIUMS		23,947	23,947
RESERVES		39,146	36,931
REVALUATION RESERVES		12,750	14,965
REGULATED RESERVES AND INVESTMENT SUBSIDIES		5,179	3,911
RETAINED EARNINGS		41,149	43,144
EARNINGS PENDING APPROPRIATION		-	-
NET PROFIT (LOSS) FOR THE YEAR		6,475	10,895
TOTAL LIABILITIES		554,868	614,700

(€ thousands)

31/12/2010

31/12/2009

COMMITMENTS GIVEN

FINANCING COMMITMENTS	-	275
Commitments to financial institutions	-	-
Commitments to customers	-	275
GUARANTEE COMMITMENTS	60,925	63,374
Commitments to financial institutions	-	-
Commitments to clients	60,925	63,374

COMMITMENTS RECEIVED

FINANCING COMMITMENTS	19,000	4,490
Commitments received from financial institutions	19,000	4,490
Commitments received from clients	-	-
GUARANTEE COMMITMENTS	16,519	21,828
Commitments received from financial institutions	2,399	3,380
Commitments received from clients	14,120	18,448

Income Statement	(€ thousands)	Notes	31/12/2010	31/12/2009
INTEREST AND RELATED INCOME			2,185	2,160
Interest and related income due from financial institutions		[16]	40	103
Interests and related income due from customers		[17]	2,145	2,057
Interest and related income on bonds and other fixed-interest securities		[18]	-	-
INTEREST AND RELATED EXPENSES			(16,589)	(17,374)
Interest and related expenses owed to financial institutions		[19]	(9,762)	(11,332)
Interest and related expenses owed to customers		[20]	(492)	(595)
Interest and related expenses on bonds and other fixed-interest securities		[21]	-	-
Fixed-term subordinated debts		[22]	(6,335)	(5,447)
INCOME ON FINANCE LEASES AND SIMILAR OPERATIONS		[23]	29,549	33,345
EXPENSES ON FINANCE LEASES AND SIMILAR OPERATIONS		[24]	(25,897)	(27,561)
INCOME ON OPERATING LEASE TRANSACTIONS		[25]	37,860	54,569
EXPENSES ON OPERATING LEASE TRANSACTIONS		[26]	(21,695)	(22,943)
INCOME FROM VARIABLE-INCOME SECURITIES			15,531	12,388
COMMISSIONS (INCOME)		[27]	-	-
COMMISSIONS (EXPENSES)		[28]	(118)	(1,056)
GAINS OR LOSSES ON TRADING PORTFOLIO TRANSACTIONS		[29]	1,334	1,591
GAINS OR LOSSES ON INVESTMENT AND RELATED PORTFOLIO TRANSACTIONS		[30]	-	-
OTHER BANK OPERATING INCOME		[31]	3,590	2,338
OTHER BANK OPERATING EXPENSES		[32]	(4,636)	(2,235)
NET BANKING INCOME			21,114	35,222
GENERAL OPERATING EXPENSES		[33]	(14,357)	(15,197)
Staff costs			(5,044)	(4,456)
Other administrative costs			(9,313)	(10,742)
DEPRECIATION AND PROVISIONS FOR INTANGIBLE ASSETS, PROPERTY, PLANT & EQUIPMENT		[34]	(115)	(103)
GROSS OPERATING INCOME			6,642	19,922
COST OF RISK		[35]	646	4,492
NET OPERATING INCOME			7,288	24,414
GAINS OR LOSSES ON CAPITALISED ASSETS		[36]	431	(16,749)
PRE-TAX PROFIT			7,719	7,665
EXCEPTIONAL INCOME (LOSS)			-	-
INCOME TAX			24	4,564
ALLOWANCES/REVERSALS OF RGBR AND REGULATED RESERVES			(1,268)	(1,334)
NET PROFIT			6,475	10,895

1. Accounting principles and policies

1.1. Accounting basis and presentation of the financial statements

The balance sheet and income statement have been prepared and presented in accordance with the provisions of the French Accounting Board (*Comité de la Réglementation Comptable*) and the instructions of the French Banking and Finance Regulation Board (*Comité de la Réglementation Bancaire et Financière*) in force, applicable to real estate companies. The chart of accounts used is the chart of accounts for financial institutions.

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

1.2. Comparability of the financial statements

Given the duration of the exemption periods currently granted, Affine decided to change its accounting policy in 2010, choosing to apportion the financial results of all arrangements defined in the lease agreement over the fixed term of the lease. This straight-line amortisation of rents results in the recognition of accrued income over an exemption period, or the early years of the lease in the case of gradual or staged rental payments.

All the benefits agreed upon when negotiating or renewing an investment property lease are recognised as part of the consideration accepted for the use of the leased asset, regardless of the nature, form and payment date of these benefits. 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.

In the individual financial statements on 31 December 2010, the effect of the change in accounting policy is reflected by an impact on equity of €771,000 and on the income statement of €955,000.

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.

1.3. Measurement policy for major items

1.3.1 Investment securities

The gross value of securities corresponds to the net carrying amount as at 1 January 2003 which was used as the basis for the revaluation which followed the election for SIIC status.

The net asset value of investment securities is calculated on the basis of the share in the net position adjusted to reflect unrealised gains on intangible and tangible items. In the case of subsidiaries with a service provision activity, with few capitalised assets, or in the absence of the latest financial statements, the net asset value is measured according to the earnings outlook and/or returns obtained.

Items classified as portfolio activity securities (TIAP) include investments made with the purpose of obtaining regular income and capital gain in the medium term, without the intention of making a sustainable investment in the development of the issuing company, or of participating actively in its operational management.

Investment securities and shares in affiliated 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 the company issuing those securities or to keep control. Within this category, shares in affiliated companies include subsidiaries likely to be

fully consolidated in the same consolidating entity as Affine.

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

1.3.2 Trading securities

As Affine is a financial institution, investment securities are recorded at their fair value in the books.

1.3.3 Intangible assets

The major part of the intangible assets item is comprised of merger discounts, the value of contracts for which Affine was a lessee, and IT software packages.

1.3.3.1 Description of merger discounts

Absorption through the total transfer of assets and liabilities of subsidiaries that are holders of a finance lease agreement, results in the capitalisation of technical merger discounts representing the value of the real estate assets on acquisition of those companies.

- Allocation of discounts

Since each of these companies owns a building, the merger discount is therefore attached to the building at the time of the total transfer of assets and liabilities.

- Methods of impairment

The net asset value is calculated according to the earnings outlook and/or returns obtained. As at 31 December 2010, the values of buildings did not require any writedowns in values.

- Methods of removing discounts

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

1.3.3.2 Description of finance lease contracts (lessee)

Headings	Land	Constructions	Plant and equipment	Other	Total
Original value		57,532			57,532
Amortisation:					
- aggregate from previous periods		(19,330)			(19,330)
- allocations for the period		(3,702)			(3,702)
TOTAL		34,500			34,500
PAID FEES:					
- aggregate from previous periods		30,120			30,120
- allocations for the period		4,488			4,488
TOTAL		34,608			34,608
OUTSTANDING FEES PAYABLE:					
- within one year		4,256			4,256
- between one and five years +		13,285			13,285
- over five years		4,390			4,390
TOTAL		21,931			21,931
- within one year					
- between one and five years +		480			480
- more than five years		1,924			1,924
		1,605			1,605
TOTAL		4,009			4,009

1.3.4 Finance-lease properties

1.3.4.1 Gross values

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

1.3.4.2 Amortisation

Finance lease properties acquired prior to 1 January 2000 are amortised on a straight line basis over a maximum period of 40 years. Acquisition costs are amortised on a straight line basis over a maximum period of 5 years, prorated by time where applicable.

Finance lease properties acquired since 1 January 2000 are amortised according to the financial method corresponding to the financial amortisation of the finance lease contract, with the acquisition costs amortised first.

1.3.4.3 Article 64 provision

Finance lease properties of the Sicomi sector prior to 1 January 1996 give rise to the recognition of an Article 64 provision insofar as the financial amortisation of the contract is higher than the book amortisation. This provision amounted to €19,051,000 as at 31 December 2010.

1.3.4.4 Article 57 provision (new real estate leasing system)

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

The properties give rise to the recognition of an Article 57 provision insofar as the financial amortisation is greater than the book amortisation.

Furthermore, this provision is also recognised for properties refinanced by a finance lease that falls under this legislation insofar as on the date of renegotiation the net carrying amount of the property is greater than the financial value of the contract.

This provision amounted to €1,845,000 as at 31 December 2010.

1.3.4.5 Underlying reserve

Where the book amortisation is greater than the financial amortisation, the difference results in the recognition of an underlying reserve which is not stated in the individual financial statements. It amounted to €783,000 as at 31 December 2010 versus €949,000 as at 31 December 2009.

1.3.5 Temporarily un-leased finance lease properties

Properties with legally-terminated finance lease contracts are transferred to temporarily un-leased finance lease properties (TUL) if the lessee loans are billed in the form of occupancy compensation and to operating leases for the others.

Articles 64 or 57 provisions concerning these properties are then reversed, the existing provisions for impairment are transferred and new provisions can then be accrued if necessary. A new amortisation plan is calculated on a straight line basis over the outstanding period for the net carrying amount on the transfer date.

As at 31 December 2010, there was no TUL in the Company.

1.3.6 Operating lease properties

1.3.6.1 Gross value

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

1.3.6.2 Amortisation

Since 1 January 2005, Affine has amortised properties on a component basis. The gross value of the properties is broken down into 4 components according to the type of construction, as follows:

	Office		Activities		Other	
	Allocation by component	Amortisation period	Allocation by component	Amortisation period	Allocation by component	Amortisation period
Building shell	50.00%	60 years	60.00%	30 years	40.00%	50 years
Roof, external walls and waterproofing	17.50%	30 years	10.00%	30 years	20.00%	25 years
Technical general installations	22.50%	20 years	25.00%	20 years	25.00%	20 years
Fixtures and fittings	10.00%	15 years	5.00%	10 years	15.00%	15 years

Acquisition costs are included in the four components in proportion to their share.

The percentages and amortisation periods stem from the decisions made by representative professional bodies, whose results were adapted to the Affine portfolio.

1.3.7 Doubtful receivables – CRC regulation N° 2002 -03

For finance lease as well as operating lease operations, once a receivable has been overdue for over six months at the end of the reporting period, it is transferred to the “doubtful receivables” account. The same applies when analysis of a counterparty’s situation points to the existence of risk (receivership, major financial difficulties, etc.).

CRC regulation No. 2002-03 introduces in its section I entitled “Accounting identification of credit risk” an accounting classification for outstanding receivables: next to doubtful receivables, the category of non-performing doubtful receivables has been created. In addition, a category of restructured outstanding receivables has been identified within performing receivables.

Outstanding receivables are now included in “non-performing receivables” when they have been classified as doubtful for at least one year, or in the event of the expiry or termination of a finance lease agreement.

Outstanding receivables restructured based on non-market terms are identified under performing receivables in a specific sub-category until their ultimate maturity. No outstanding amounts have been identified as falling into this category.

The analysis of outstanding receivables according to these criteria is explained in detail in Note 5 on related receivables. No discounting effect impacts the impairment amounts recorded for doubtful finance lease receivables.

1.3.8 Assets written down for impairment

1.3.8.1 Finance lease properties

Properties re-leased at a financial value lower than their net carrying amount are written down for asset impairment based on the difference. This concerns two properties for total impairment of €548,000 on 31 December 2010, after a net reversal of €154,000 in the year.

Properties for which the lessees are in difficulty may also be written down for impairment. As at 31 December 2010, no such impairment had been recognised.

1.3.8.2 Operating lease properties

The 52 properties under operating leases were appraised externally at end-2010 by four appraisal firms, Ad Valorem, BNP Real Estate, CBRE and Cushman and Wakefield.

Two properties were written down for impairment again during the period for €4,071,000 and five others for a reversal of €1,090,000.

Total impairments amounted to €4,686,000 as at 31 December 2010 and concern four buildings.

1.3.8.3 Impairments for doubtful receivables

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

For free lease financing transactions, the non-matured portion of the receivable thus written off – which is included under “other trade credit” – is also written off under the same conditions.

Termination compensation is recognised, in the case of termination of a finance lease agreement, under “doubtful finance lease receivables”. It is normally fully written off for its total amount excluding taxes after deduction of guarantees received.

No amount was recognised in the accounts on 31 December 2010.

(€ thousands)	Customer base	Finance lease	Rental	Other assets	Total
Impairments as at 31/12/2009	3,406	847	1,336	-	5,589
Allowances	49	37	582		668
Reversals	-695	-158	-402		-1,255
Reversals/compensation for termination		-			-
Impairments as at 31/12/2010	2,760	726	1,516	-	5,002

As the net situation of Cardev was a loss, Affine wrote off in its accounts a portion of its shareholder current account and the entire value of the securities that it held.

1.3.9 Treasury stock

The gross value of treasury stock corresponds to its historic cost. Affine had 421,367 treasury shares as at 31 December 2010.

At the end of the reporting period, impairment must be recognised in the Company's financial statements if the net asset value, made up of the average stock market price of the last month of the reporting period is lower than the purchase price. No impairment was recognised on 31 December 2010.

1.3.10 Equity

1.3.10.1 Convertible Bonds (ORA)

1st issue:

2,000 convertible bonds with a nominal value of €10,000 issued on 15 October 2003, for a period of 20 years, redeemable on maturity at the original issue price of €50 per share (200 shares per convertible bond), adjusted for the possible dilutive effects of financial transactions on the share capital.

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

Affine's General Meeting of Shareholders held on 26 April 2007 decided to execute a three-for-one stock split on Affine shares by allocating three new shares for every old share effective on 2 July 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest

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

- On 15 November, an interim payment of €0.518 per underlying share multiplied by the conversion ratio (i.e. currently €323.23 € per bond),
- the remainder on the day the dividend is paid out.

Early redemption at the Company's discretion

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

From 15 October 2013, the Company may redeem all or some of the convertible bonds in cash by giving prior notice of 30 calendar days, at a price guaranteeing the initial subscriber, on the actual redemption date, after taking into account coupons paid in previous years and the interest payable for the period between the last interest payment date before the early redemption date and the actual redemption date, a gross actuarial return of 11%.

Early redemption at the holder's discretion

From 15 October 2013, convertible bond holders shall be entitled to request, at any time, excluding the period from 15 November to 31 December inclusive in any year, the redemption of all or some of their convertible bonds at the conversion rate, i.e. currently 624 shares (after adjustment) per convertible bond.

2nd issue:

600 convertible bonds with a nominal value of €16,682, issued on 29 June 2005 for a period of 20 years, redeemable on maturity at the original issue price of €83.41 per share (200 shares per convertible bond), adjusted for the potential dilutive effects of financial transactions on the share capital).

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

Affine's General Meeting of Shareholders held on 26 April 2007 decided to execute a three-for-one stock split on Affine shares by allocating three new shares for every old share effective on 2 July 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest

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

- On 15 November, an interim payment corresponding to the one paid to shareholders (with a minimum amount of €0.4 per underlying share) multiplied by the conversion rate, i.e. currently €249.60 per bond,
- the remainder on the day the dividend is paid out.

Early redemption at the Company's discretion

From 29 June 2010, the Company may convert all or some of the convertible bonds to shares if the average share closing price over 40 consecutive trading sessions exceeds the adjusted issue price.

As of 29 December 2010, the Company may redeem in cash all or some of the convertible bonds, by giving prior notice of ten business days, at a price guaranteeing the original subscriber, on the date of actual redemption, after taking into account the coupons paid in previous years and interest payable for the period from the most recent interest payment date before the early redemption to the date of actual redemption, a gross actuarial return of 11%.

Early redemption at the holder's discretion

As of June 29, 2010, holders of convertible bonds will have the right to request redemption at any time of all or some of their convertible bonds at the conversion rate, i.e. currently 624 shares (after adjustment) per bond.

1.3.10.2 Perpetual subordinated loan notes (TSDI)

On 13 July 2007, Affine issued €75,000,000 of perpetual subordinated loan notes (TSDI) represented by 1,500 securities each with a nominal value of €50,000. The issue was placed with foreign investors, and the notes are listed on the *Marché Réglementé* (regulated market) of the Luxembourg stock exchange.

Term of the TSDI

The TSDI are issued for an unlimited term.

Redemption procedures

The TSDI may be redeemed in their entirety (and not in part) at the discretion of the Issuer, at any interest payment date with effect from 13 July 2017, for their nominal value plus unpaid accrued interest (including deferred interest) subject to the prior approval of the General Secretariat of the Banking Commission.

Form of the TSDI

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

Ranking of the TSDI

The TSDI and related interest constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or future ordinary subordinated bonds. They rank above all equity securities issued by Affine, investment loans granted to Affine, and lowest ranking subordinated bonds, and they rank after existing or future unsubordinated bonds. In the event of Affine's liquidation, the TSDI will be redeemed at their nominal value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, investment loans granted to Affine and investment securities issued by it.

Annual interest

Each TSDI will bear interest with effect from the date of issue based on its nominal value at a floating quarterly interest rate of 3-month Euribor plus a margin of 2.80% per annum, payable quarterly in arrears on 13 July, 13 October, 13 January and 13 April of every year and for the first time on 13 October 2007. The margin is 2.80% per annum with effect from 13 July 2007 inclusive until the first early redemption date (exclusive) and thereafter 3.80% per annum.

If an Ordinary General Meeting of Shareholders:

- establishes, before an interest payment date, that there are no distributable earnings,
- or establishes the existence of distributable benefits, but has neither paid nor voted a dividend in any form whatsoever, nor made any payment for any category of share with the exception of a dividend the distribution of which would be legally mandatory for the issuer under the applicable law due to its status as a listed real estate investment trust (SIIC in French) and former SICOMI;

Affine may defer the payment of interest, and the interest thus deferred will accrue interest until the next date on which interest is paid.

1.3.11 Borrowing costs deferral method

In 2002, Affine adopted the preferred method of deferring borrowing costs.

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

1.3.12 Forward financial instruments

All transactions carried out by the Group on forward financial instruments are over the counter transactions reported in 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 the comprehensive management of the Company's refinancing and its interest rate risk, these contracts are considered as macro-hedging instruments.

At the end of each reporting period, all these instruments are valued by the counterparty credit institution.

1.3.12.1 Caps and Tunnels

Premiums paid are reported on a suspense account at payment and expensed over the life of the forward instrument. The potential interest rate differential to be received is measured each quarter and booked in parallel to the surplus expenses on the hedged item.

As at 31 December 2010, the fair value of caps, collars and tunnels held by the Company totalled (€1,808,000). In 2010, caps, collars and tunnels represented an expense of €2,205,000.

1.3.12.2 Interest rate swaps

As at 31 December 2010, the fair value of the swaps held by the Company totalled (€2,338,000). In 2010, they represented a net expense of €1,429,000.

1.3.13 Tax

Listed Real Estate Investment Trust status (SIIC for the French acronym)

Affine acquired through the total transfer of all the assets and liabilities of Gennevilliers and Marie Galante two finance lease contracts on 1 January 2008; these finance lease contracts will only fall under the SIIC sector when the option is exercised and after payment of the exit tax.

Immobail, which became Affine after merging with Sovabail, had abandoned its status as a SICOMI (professional leasing company) on 1 April 1993. Therefore, all contracts entered into by that company since that date are subject to corporate income tax under the common law regime. This change of status does not affect the tax regime regulating the old finance lease contracts of the SICOMI sector of Immobail and Sovabail.

The adoption with effect from 1 January 2003 of French listed real-estate investment trust status (SIIC) makes the benefit of the corporate income tax exemption on SIIC segment revenues contingent on meeting 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.

1.3.14 Employee benefits and compensation

1.3.14.1 Retirement commitments

Affine's employees come under the National Collective Bargaining Agreement governing financial companies dated 22 November 1968, as amended on 1 November 2008. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined-benefit scheme.

The allowances referred to in this section are subject to the same fiscal and social system as redundancy allowances:

	Voluntary retirement	Forced retirement
Over 10 years' employment	½ month	1/5 of the monthly salary per year
More than 15 years' employment	1 month	1/5 of the monthly salary for the first
More than 20 years' employment	1.5 months	10 years and 2/15 beyond the 10 th year
More than 30 years' employment	2 months	

The applicable base is one twelfth of the gross pay (excluding bonuses or similar benefits of an annual or exceptional nature) over the final twelve months preceding redundancy or, if more beneficial, one third of the final three months.

For prudential reasons, provisions are recognised for the retirement commitments in Affine's financial statements based on the assumption of retirement at 65 years of age; they totalled €388,000 as at 31 December 2010.

The assumptions used in the calculation of the provision are as follows:

- Discount rate: 3.59%
- Staff turnover: 14% before 50 years and 3% above
- Wage rise: 1.58%
- Mortality table INSEE TD-TV 04-06.

1.3.14.2 Individual training rights (French acronym DIF)

Employees have accumulated rights to 3.374 training hours.

1.3.14.3 Average weighted workforce during the financial year

The average workforce was 43 people, split into the following categories:

Officers:	2
Management:	33
Employees:	8

An action plan to promote the employment of senior citizens was set up in 2009.

1.3.14.4 Employee profit-sharing scheme

The allocation of bonus shares decided by the Board of Directors on 10 December 2007, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 6,900 treasury shares, which had a negative impact of €303,000 on earnings.

The number of shares allocated to employees for 2010 is identical to that of 2009, i.e. 7,200 shares.

The additional allocations decided by the Board of Directors on 10 December 2008 pertaining to 4,575 bonus shares granted to certain employees led to the recognition of an estimated liability of €59,000.

1.3.14.5 Directors' profit sharing scheme

The allocation of bonus shares decided by the Board of Directors on 10 December 2007, as authorised by the Combined General Meeting of 9 November 2005, led to a transfer of ownership of 10,050 treasury shares, which had a negative impact of €723,000 on earnings.

1.3.14.6 Remuneration of management and administration bodies

The amount of gross remuneration paid to the Company's corporate officers amounted to €481,000.

Other in-kind benefits for Affine corporate officers include:

- Guaranteed Social Contributions (unemployment benefits for company heads and directors): €17,000 in 2010;
- Company car: one representing a leasing expense of €12,000 in 2010;
- Severance pay: this pay must be contingent on a performance condition linked to Affine's results. It represents one year of overall gross compensation if the net earnings in Affine's individual financial statements is at least equal to 3% of its equity, if this condition is not met, the performance may be assessed on the basis of the consolidated financial statements;
- Contributions to pension funds paid during the year: €60,000.

The amount of directors' fees paid to directors (including corporate officers) as well as the amount of compensation for the hiring and audit committee totalled €112,000. The amount of commitments contracted for the retirement allowance for corporate officers totalled €162,000.

2. Key events of the year

2.1. Key events affecting the portfolio

2.1.1 Finance lease

In 2010, options on 33 contracts were exercised, 2 of them ahead of schedule; the latter generated a comprehensive disposal gain of €18,000.

2.1.2 Operating lease

Affine did not make any investment in 2010. However, it continued its policy of improving its real-estate portfolio, for a total amount of €2,435,000.

The rental net assets were subject to changes affecting 11 properties, in the amount of €21,946,000.

The conclusion of new leases signed in 2010 had a €1,316,000 impact on rents.

2.1.3 Equity investments and shares in affiliated companies

Affine:

- sold its equity investment in BFI on 30 December 2009 with effect from 12 February 2010.
- participated in the capital increase of Capucine Investissements in the amount of €826,000 through offsetting its current account.

2.2. Key events affecting equity and debts

2.2.1 Financing and refinancing

Affine obtained €3,000,000 in new refinancing during the year. Amounts repaid equalled €42,983, of which €24,300,000 was early repayment. Affine has €19,000,000 in overdraft lines, which remains fully unused at 31 December 2010.

2.2.2 Equity

As at 31 December 2010, 8,113,566 Affine shares were in circulation representing capital of €47,800,000. No option for conversion into shares was proposed on payment of the dividend balance for the 2009 period.

2.2.3 Provisions for risks and charges

A provision for risks and charges regarding the sale of BFI securities was recognized for an amount of €114,000 as at 31 December 2010. The latter corresponds to the commitment made by AFFINE to the acquirer.

2.3. Key events affecting off-balance sheet items

2.3.1 Derivatives

A new cap was contracted in the year for a total notional amount of €3,500,000.

2.3.2 Post reporting period events

None.

3. ADDITIONAL INFORMATION

3.1. Segment revenues (€ thousands)

	2010			
	Total	Finance lease	Rental	Subsidiaries/Loans
Revenues	73,805	20,633	46,853	6,319

3.2. Distribution requirements

3.2.1 For the Sicomi segment

Profits from operations that are fully or partly exempted from corporate income tax pursuant to the special tax plan for SICOMIs must be distributed in the amount of 85% of the exempted fraction.

Pursuant to Article 36 of the Company's Articles of Association, as amended by the Extraordinary General Meeting of 28 July 2000, the distribution of early disposal gains from the Sicomi segment can be deferred over 3 years.

3.2.2 For the SIIC segment

The distribution conditions described in the chapter on "taxes" allow for the deferral over 2 years of the distribution from capital gains on property disposals. The distribution for 2010 capital gains will be deferred.

3.2.3 Monitoring of required distributions

(€ thousands)	Deferred obligations	Earnings	Distribution requirements	Distribution years	
				2011	Carry forward
Retained earnings	2009	10,350		10,350	
Sicomi profit		(261)			
Gain on sale of Sicomi		0	85%	0	0
Sicomi tax result at 31/12/2010		(261)		0	
Result of SIIC lease		(1,626)	85%	-	
Result of SIIC sale		4,480	50%	2,240	9
Dividend from SIIC subsidiaries		9,357	100%	9,357	9,357
SIIC tax result at 31/12/2010		12,211		11,597	
distribution limited to tax result and capped at accounting result					
Accounting result at 31/12/2010		6,475			
Carry forwards		41,149			
Available reserves		34,339			
Distributable result at 31/12/2010		81,963			
Total		10,350		11,597	2,231

3.2.4 Consolidating company

The financial statements of the Affine group are fully consolidated by MAB Finances SAS.

4. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

4.1. Notes to the balance sheet

Note 1 – Receivables from financial institutions

(€ thousands)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
On demand	13,236	13,236	-	-	-
Accounts	13,227	13,227			
Related receivables	9	9			
On maturity	-	-	-	-	-
Loans	-				
Related receivables	-				
Total at 31/12/2010	13,236	13,236	-	-	-

Note 2 – Trade transactions

(€ thousands)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
Other trade credit net	160	50	42	68	-
Loans	160	50	42	68	-
Related receivables	-	-	-	-	-
Ordinary debit balances	94,631	94,631	-	-	-
Loans	94,631	94,631			
Related receivables	-				
Total at 31/12/2010	94,791	94,681	42	68	-

Note 3 – Bonds, equities and other fixed and variable-income securities

(€ thousands)	31/12/2010	31/12/2009
Bonds and other fixed-income securities	-	-
Investment securities	-	-
Related receivables	-	-
Equities and other variable-income securities	-	172
Trading securities	-	172
Investment securities		
Investment stocks		
Related receivables		
Total	-	172

Note 4 – Equity investments, shares in affiliated companies, other securities held for the long term

	%	Net 2010	Net 2009	SIREN No.	Rev. exc. tax 2009	Capital and reserves 2009	Profit (or loss) 2009
EQUITY INVESTMENTS		20	21				
OSEO (ex-Sofaris)	NS	7	7	NC	NC	NC	NC
Altaréa	NS	-	2	335,480,877	760,210	437,960	-116,710
Habitat et Humanisme	NS	12	12	NC	NC	81,952	1,215

Shares in affiliated companies

(€ thousands)

	SIREN No.	Capital and reserves	Percentage held	Net carrying amount of securities held		Loans and advances	Amount of sureties	Revenues exc. tax	Profit	Provisions on receivables with Affine
				Gross	Net					
SAS Affine développement 1	492,580,287	18	100.00%	72	-	(1)		-	(24)	-
SAS Affine développement 2	492,580,527	26	100.00%	72	3	(8)		-	(23)	-
Affinvestor	HRB 92642 B	(1,329)	94.00%	588	37	4,838		1,904	201	-
SA Affiparis	379,219,405	38,003	64.88%	34,733	28,930	23,315		12,378	1,623	-
Sci Arca ville d'été	492,410,964	201	99.99%	201	201	1,693	8,015	89	(230)	-
SC Atit	379,839,277	4	100.00%	4	4	110		-	(12)	-
Banimmo	Belgium	145,027	50.00%	67,243	67,243	-		5,630	4,077	-
SCI Bourghethroulde	493,825,004	71	0.10%	0	0	(16)		-	(2)	-
SCI Bretigny	451,849,021	4	99.90%	1	1	1,369		1,013	155	-
SCI Capucines 3	492,410,683	16	99.99%	16	16	5		-	(12)	-
SCI Capucines 4	507,469,724	16	99.99%	16	5	2		-	(11)	-
SCI Capucines 5	507,471,522	16	99.99%	16	5	2		-	(11)	-
SCI Capucines 6	507,469,930	16	99.99%	16	5	2		-	(11)	-
SAS Capucine investissements	388,162,117	43	99.77%	849	128	1,684	1,000	622	123	-
SA Cardev	RPM Brussels 0887,494,174	(2,755)	98.39%	61	-	2,837		-	(50)	(2,759)
Concerto Développement SAS	421,156,019	73	66.98%	10,728	3,485	18,887		1,163	(11,236)	-
SA Cour des Capucines	429,694,698	503	99.98%	940	940	1,951		147	(51)	-
SAS Saint-Etienne Molina	500,702,055	166	100.00%	937	937	6,605	16,650	1,697	(545)	-
SNC Les Jardins des Quais	432,710,747	20	50.00%	3,436	3,436	3,681	17,755	4,450	(1,274)	-
SAS Les 7 collines	518,379,433	(1,343)	95.00%	35	35	4,302		3,279	(237)	-
SCI Luce parc leclerc	492,803,572	1	0.10%	0	-	2		-	95	-
SAS Lumière	420,133,712	(494)	67.91%	0	-	-		-	626	-
Sci Nevers colbert	492,344,809	102	99.99%	101	101	14,575		518	(774)	-
SAS Promaffine	382,079,317	765	100.00%	5,105	1,690	7,370	12,052	4,599	924	-
SAS Sipec	569,804,818	5,107	100.00%	17,600	17,600	(8,133)		760	4,334	-
SAS Target Real Estate	410,970,412	319	100.00%	8,752	1,436	4,160		-	1,322	-
SNC Transaffine	382,680,767	26	100.00%	26	26	(15)		-	(12)	-
TOTAL				151,547	Assets	97,391			(4,093)	(2,759)
					Liabilities	(8,172)				
						89,219				

Dividends received in 2010 from entities: 15,526

- Banimmo 5,678
 - Target 635
 - Sipec 9,212
 - Atit 1

Note 5 – Finance leasing transactions

Depreciation, amortisation and impairment

(€ thousands)		31/12/2009	Acquisitions, Allocations	Remeasurements	Sales, Reversals	31/12/2010
	Gross	207,931	280		(45,044)	163,168
Finance lease	Depreciation, amortisation and provisions Art. 64 and 57	(135,170)	(11,504)		41,106	(105,568)
	Impairment losses	(702)			154	(548)
	Net	72,059	(11,224)	-	(3,784)	57,051

Related receivables

(€ thousands)	At 31/12/2010	At 31/12/2009
Ordinary receivables incl. tax	1,103	1,524
Receivables on fixed asset disposals		
Doubtful receivables incl. tax excl. termination charges		
Non-performing receivables incl. tax excl. termination charges	887	1,097
Non-performing receivables incl. tax on termination charges	-	-
Provisions for doubtful receivables excl. termination charges		
Provisions for non-performing receivables excl. termination allowances	(725)	(847)
Provisions for non-performing receivables on termination allowances	-	-
Total	1,265	1,774

* The provisions are for the amount (excluding tax) of receivables.

Note 6 – Operating lease, intangible assets, property, plant & equipment

Amortisation, depreciation and impairment

(€ thousands)		31/12/2009	Acquisitions, Allocations	Transfers between line items	Sales, Reversals	31/12/2010
Rental properties portfolio	Gross	262,683	2,434	-	(23,155)	241,963
	Amortisation	(37,927)	(7,509)		5,346	(40,089)
	Impairment losses	(1,705)	(4,071)		1,090	(4,686)
	Net	223,052	(9,146)	-	(16,719)	197,188
Intangible assets	Gross	41,051	28		-	41,078
	Amortisation	(340)	(61)		-	(400)
	Impairment losses					-
	Net	40,711	(33)	-	-	40,678
Property, plant and equipment	Gross	586	355		(223)	718
	Amortisation	(537)	(54)		223	(367)
	Impairment losses					-
	Net	49	301	-	1	351

Breakdown of related receivables

(€ thousands)	At 31/12/2010	At 31/12/2009
Ordinary receivables incl. tax	1,011	1,634
Accruals	1,552	142
Doubtful receivables incl. tax excl. termination charges	2,074	1,934
Doubtful receivables on termination charges incl. tax		
Provisions for doubtful receivables excl. termination allowances	(1,515)	(1,336)
Provisions for doubtful receivables on termination allowances		
Total	3,122	2,374

Note 7 – Adjustment accounts and other assets

(€ thousands)	At 31/12/2010	At 31/12/2009
Other assets	8,940	12,430
Government – tax and social security receivables	153	126
Deposits paid	2,778	2,638
Interim dividend	-	2,434
Working capital and calls for co-ownership charges paid	4,424	2,000
Receivable amount on sales of buildings	-	5,000
Other miscellaneous receivables	1,586	232
Adjustment accounts	4,918	6,907
Net trade accounts (services rendered)	526	42
Prepaid expenses on caps	269	280
Other prepaid expenses	850	2,494
Expenses to be deferred	3,177	4,090
Accruals	96	-
Total	13,858	19,337

Breakdown of movements on treasury stock

(€ thousands)	As at 31/12/2009	Acquisitions	Sales	Capital losses	Capital gains	Carried forward impairment	As at 31/12/2010
Total	9,750	2,669	(5,642)	-	-	-	6,777

Note 8 – Payables due to financial institutions

(€ thousands)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
On demand	3,138	3,138	-	-	-
Accounts	3,138	3,138			
Related debts					
On maturity	232,587	4,881	30,414	114,253	83,039
Loans	232,071	4,364	30,414	114,253	83,039
Related debts	517	517			
Total at 31/12/2009	235,725	8,019	30,414	114,253	83,039

Note 9 – Trade transactions

(€ thousands)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
Other on-demand debts	8,172	8,172	-	-	-
Ordinary accounts	8,172	8,172			
Other amounts owed					
Related debts					
Other on-maturity debts	6,437	384	2,684	3,369	-
On-maturity accounts & borrowings	6,437	384	2,684	3,369	-
Related debts					
Total at 31/12/2009	14,609	8,556	2,684	3,369	-

Note 10 – Securitised debt

None.

Note 11 – Adjustment accounts and other liabilities

(€ thousands)	At 31/12/2010	At 31/12/2009
Other liabilities	15,384	17,611
Government (Income tax, VAT)	1,293	843
Exit tax	-	51
Other tax and social security liabilities	662	608
Staff	1	156
Deposits received	6,402	7,636
Trade payables	542	544
Finance lease loans	2,354	2,869
Balances to be disbursed on investments	32	17
Payments received for guarantee deposits	83	100
Dividends payable	-	-
Remaining payments on securities	0	0
Other miscellaneous payables	4,016	4,787
Adjustment accounts	5,533	4,753
Interest to pay on caps and swaps	125	177
Expenses payable (operating leases)	1,049	484
Expenses payable (finance leases)	-	-
Operating expenses payable	1,494	1,486
Subsidiary deficits	1,677	1,025
Prepaid income (operating leases)	44	211
Prepaid income (finance leases)	727	1,188
Prepaid operating income	-	-
Miscellaneous	417	183
Total	20,917	22,364

Note 12 – Provisions for risks and charges

(€ thousands)	Opening balance	Provision for the year	Carried forward for the year and used	Carried forward for the year and not used	Change in consolidation	Closing balance
Provision for various customer dispute risks	1,033	114	1,033			114
Provision for tax risk						
Provision for pension costs	365	23				388
Provision for miscellaneous expenses	437		378			59
Total at 31/12/2010	1,835	137	1,411	0	0	561

Note 13 – Subordinated debts

Convertible Bonds (ORA)

(€ thousands)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
Fixed term	30,973		964	30,009	
Accounts	30,009			30,009	
Related debts	964		964		
Indefinite term					
Accounts					
Related debts					
Total at 31/12/2010	30,973		964	30,009	

Perpetual subordinated loan notes

(€ thousands)	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
Fixed term					
Accounts					
Related debts					
Indefinite term	75,637	637	-	-	75,000
Accounts	75,000				75,000
Related debts	637	637			
Total at 31/12/2010	75,637	637	-	-	75,000

Note 14 – Reserve for general banking risks

None.

Note 15 – Equity

Statement of changes in equity

(€ thousands)	Share capital	Premiums	Regulated provisions	Reserves and retained earnings	Earnings for the period	Revaluation reserves	Total
At 31/12/2008	47,800	23,947	2,586	72,187	12,566	17,907	176,993
Share in earnings					10,895		10,895
Distribution during the year					- 8,114		- 8,114
Appropriation to reserves				4,453	- 4,453		-
Appropriation to retained earnings				2,942		- 2,942	-
Free reserves on operating lease sales							
Net subsidies and accelerated amortisation			1,325				1,325
Share capital increase							189
Share capital round up							-
Interim dividend on treasury stock				492			492
At 31/12/2009	47,800	23,947	3,911	80,074	10,895	14,965	181,592
Share in earnings					6,475		6,475
Distribution during the year				- 4,706	- 9,736		- 14,442
Allocation to reserves and retained earnings				1,158	- 1,158		0
Free reserves on operating lease sales				2,215		- 2,215	0
Net subsidies and accelerated amortisation			1,268				1,268
Interim dividend on treasury stock				755			755
Share capital round up							-
Dividends on treasury stock				26			26
Change in policy – straight-line amortisation of rents				597			597
Change in policy – straight-line amortisation of marketing fees				174			174
At 31/12/2010	47,800	23,947	5,179	80,293	6,475	12,750	176,445

Break down of reserves

(€ thousands)	31/12/2010	At 31/12/2009
Legal reserve	4,806	4,806
Statutory reserve		
Other reserves	34,339	32,125
Total	39,146	36,931

Shares authorised, issued and paid up

	At opening	Distribution of dividends as shares	Incorporation of reserves	At close
Number of shares	8,113,566			8,113,566
Share capital in euros	47,800,000			47,800,000

Statement of changes in revaluation reserves

(€ thousands)	Revaluation reserve as at 01/01/03	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31/12/2010
			Relating to fixed assets sold	Relating to amortisation of the revalued share	
LYON BRON	1,444				1,444
ISTRES	48		(48)		-
AGEN	106	(105)	(1)		-
ST QUENTIN FALLAVIER	995			(18)	978
NANTES LOT N°8	97				97
EVRY	319				319
BUC	254	(254)			-
NANTES LOT No. 9	112			(1)	111
ECULLY	(35)	35			-
DAGNEUX	435		(407)	(28)	-
ARNAGE	(2)		2		-
BRETIGNY SUR ORGE	214				214
VITROLLES	(19)	19			-
TRAPPES	1,218	(606)	(589)	(22)	-
ANTONY	386	(349)	(37)		-
AIX EN PROVENCE	502			(1)	501
QUINCY SOUS SENART	1,045	(1,038)	(7)		-
LANNEMEZAN	(0)	0			-
ANGERS	98		(98)		-
ORLEANS	(48)	48			-
ST-OUEN L'AUMONE	583	(134)	(424)	(25)	-
BRIANCON	144		(144)		-
VITROLLES	(21)	21			-
AIX EN PROVENCE	75		(75)		-
SAINT OUEN	349			(12)	338
NANTES	54		(54)		-
LE LARDIN ST LAZARE	20		(20)		-
FRONTIGNON	(6)	6			-
BIARRITZ	143				143
MARSEILLE 16ème	170				170
VENISSIEUX	222		(210)	(12)	-
MALAKOFF	467		(467)		-
ORLEANS	134				134
TOLBIAC MASSENA PARIS	2,939		(2,939)		-
VILLENEUVE D'ASCQ	18		(18)		-
SATOLAS-ET-BONCE	332		(332)		-
BAILLY	428		(428)		-
SOPHIA ANTIPOLIS (JUNON-JUPITER)	291		(291)		-
SOPHIA ANTIPOLIS (MINERVE)	165		(165)		-
SOPHIA ANTIPOLIS (OREADES)	(91)	91			-
TOLBIAC	5,390		(5,390)		-
AIX-EN-PROVENCE	1,183			(20)	1,163
BELLERIVE-SUR-ALLIER	848		(848)		-
SAINT MICHEL SUR ORGE	542	(214)	(328)		-
AULNAY-SOUS-BOIS	160		(160)		-
CORBAS ST-PRIEST	123		(119)	(4)	-
L'ISLE D'ABEAU	477		(465)	(13)	-
CERGY PONTOISE	135		(135)		-
BRIGNAIS	182		(182)		-
RUEIL Passage St-Antoine	2,704			(58)	2,645
CALUIRE	40		(40)		-
VERT ST DENIS	1,381	(32)		(75)	1,273
TRONCHET 2EME	1,356	(47)	(1295)	(14)	-
RUE CASTEJA	1,431	(1,098)	(333)		-
LE RHODANIEN	622	(271)			351
LOGELBACH	75		(75)		-
PANTIN - "TOUR ESSOR"	(44)	44			-
BAGNOLET	1,025				1,025
REAUMUR	2,485	(1,027)	(1,458)		-
PALaiseau	801	(475)		(4)	322
NOISY LE GRAND "LE SARI"	(55)		55		-
NOISY PARKING	(6)		6		-
NOISY PARKING	(9)		9		-
SCEAUX ILOT CHARAIRE	50	(17)	(33)		-
COUDRAY MONCEAU	87		(87)		-
SOPHIA ANTIPOLIS (Valbonne Rose)	1,257		(1,257)		-
SOPHIA ANTIPOLIS (Valbonne Rose)	74		(65)	(9)	-
CHAMPLAN	137		(65)	(72)	-
VILLEURBANNE	149	(37)	(112)		-
BONDY	94		(94)		-

(€ thousands)	Revaluation reserve as at 1/01/2003	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31/12/2010
			Relating to fixed assets sold	Relating to amortisation of the revalued share	
BONSAI RENNES	57		(57)		-
BONSAI HOUSSEN	100		(100)		-
CLERMONT 2	41		(41)		-
CLERMONT 1	189		(189)		-
AVIGNON	69		(69)		-
SOPHIA ANTIPOLIS (Valbonne Beige)	126				126
SAVIGNY LE TEMPLE	2,971	(1,367)	(1,604)		-
VITROLLES	578	(185)			393
LOGNES	1,264	(321)	(943)		-
ST GERMAIN LES ARPAJON	1,536	(535)			1,001
MARSEILLE GRAND ECRAN	(218)	218			-
VILLEURBANNE	(323)	323			-
VITROLLES 1	11		(11)		-
VITROLLES 2	72	(72)			-
RILLIEUX	526	(79)	(427)	(19)	-
AVIGNON	443		(443)		-
TREMBLAY EN FRANCE	134		(134)		-
IMMEUBLE A SEVRES	232		(230)	(2)	-
PARIS TOUR BERCY	8,947		(8,767)	(179)	-
Total	53,038	(7,459)	(32,240)	(590)	12,750

4.2. Notes to the corporate income statement

Note 16 – Income on transactions with financial institutions

(€ thousands)	At 31/12/2010	At 31/12/2009
Interest on ordinary debit balances	30	39
Interest on overnight loans and accounts	-	-
Interest on term loans and accounts	-	-
Income on caps	-	-
Income on swaps	-	3
Miscellaneous interest income	10	62
Total	40	103

Note 17 – Income on trade transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Interest on other trade credit	-	-
Interest on prepayments/def.int. from finance leases	-	1
Interest on ordinary debit balances	2,146	1,701
Miscellaneous interest income	(1)	354
Total	2,145	2,057

Note 18 – Income on bonds and other fixed-interest securities

None.

Note 19 – Expenses on transactions with financial institutions

(€ thousands)	At 31/12/2010	At 31/12/2009
Interest on ordinary credit balances	16	243
Interest on term loans and accounts	6,052	8,570
Expenses on caps	1,103	636
Expenses on swaps	1,429	1070
Expenses on tunnels	386	289
Expenses on collars	716	451
Expenses on financing commitments to financial institutions	60	73
Expenses on guarantee commitments to financial institutions	-	-
Total	9,762	11,332

Note 20 – Expenses on trade transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Interest on term loans – financial clients	-	-
Interest on ordinary credit balances	111	55
Interest on finance lease commitment hedge accounts	325	424
Interest on lessee loans and financial lease deposit guarantees	56	116
Total	492	595

Note 21 – Expenses on bonds and other fixed-interest securities

None.

Note 22 – Indefinite term subordinated debts

(€ thousands)	At 31/12/2010	At 31/12/2009
Expenses on convertible bonds	3,637	2,073
Expenses on perpetual subordinated loan notes	2,698	3,374
Total	6,335	5,447

Note 23 – Income on finance lease transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Rent and similar income	14,812	19,447
Termination allowances		
Re-invoiced charges	3,167	4,057
Capital gains on disposals	23	143
Reversals of provisions (Article 64 or 57)	11,074	9,450
Miscellaneous income	42	110
Impairment/reversals on properties	154	77
Impairments/reversals for doubtful receivables	122	(212)
Impairment/reversals on accruals	-	-
Recovery of written-off receivables	157	274
Bad debts	(3)	-
Total	29,549	33,345

Note 24 – Expenses on finance lease transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Allowances for tax amortisation	8,990	10,943
Impairments (Article 64 or 57)	2,514	3,256
Capital losses on finance lease disposals	11,194	9,297
Rebillable expenses	3,167	4,057
Non rebillable expenses	32	8
Total	25,897	27,561

Note 25 – Income on operating lease transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Rent and similar	27,321	34,076
Income from real estate investment trusts	158	252
Termination allowances	-	394
Re-invoiced charges	8,082	9,547
Capital gains on disposals	4,983	11,101
Miscellaneous income	355	385
Impairment/reversals on properties	(2,982)	(419)
Impairments/reversals for doubtful receivables	(179)	(506)
Impairment/reversals on accruals	-	-
Recovery of written-off receivables	148	5
Bad debts	(26)	(266)
Total	37,860	54,569

Note 26 – Expenses on operating lease transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Allowances for tax amortisation	7,509	8,370
Losses from real estate investment trusts	1,707	1,017
Rebillable expenses	8,082	9,547
Non rebillable expenses	3,014	4,008
Capital losses on operating lease disposals	1,383	-
Total	21,695	22,943

Note 27 – Commissions (income)

(€ thousands)	At 31/12/2010	At 31/12/2009
Commissions on cash services rendered	-	-
Commissions on securities	-	-
Financial services rendered	-	-
Total	-	-

Note 28 – Commissions (expenses)

(€ thousands)	At 31/12/2010	At 31/12/2009
Commissions on cash transactions	68	1,003
Commissions on securities	2	10
Financial services rendered	47	43
Total	118	1,056

Note 29 – Gains or losses on trading portfolio transactions

(€ thousands)	At 31/12/2010	At 31/12/2009
Balance of securities trading transactions	1,334	1,591
Gains on securities transactions	2,061	1
Losses on securities transactions (*)	(726)	(1,274)
Reversal of impairment losses		2,864
Impairment losses		
Net foreign exchange transactions		
Foreign exchange gains		
Foreign exchange losses		
Total	1,334	1,591

Note 30 – Gains or losses on investment portfolio transactions

None.

Note 31 – Other bank operating income

(€ thousands)	At 31/12/2010	At 31/12/2009
Re-invoiced charges	2,152	1,290
Reversal of impairments for risks and charges	1,411	120
Transfers of charges	21	902
Other bank operating income	6	26
Total	3,590	2,338

Note 32 – Other bank operating charges

(€ thousands)	At 31/12/2010	At 31/12/2009
Impairments for risks and charges	138	1,127
Reinvoiced income		
Expenses to be deferred	928	1,101
Other miscellaneous bank operating expenses	3,571	7
Total	4,636	2,235

Note 33 – General operating expenses

(€ thousands)	At 31/12/2010	At 31/12/2009
Staff costs	5,044	4,456
Salaries and wages	3,190	2,868
Social security costs	1,642	1,376
Pension costs	-	-
Profit sharing	212	212
Other administrative costs	9,313	10,742
Tax	412	577
External services	8,901	10,164
Total	14,357	15,197

Note 34 – Depreciation, amortisation and provisions for property, plant and equipment and intangible assets

(€ thousands)	At 31/12/2010	At 31/12/2009
Depreciation provision for intangible assets	61	38
Depreciation provision for operating property, plant and equipment	54	65
Total	115	103

Note 35 – Cost of risk

(€ thousands)	At 31/12/2010	At 31/12/2009
Reversals of impairments of trade receivables	695	7,374
Reversals of impairments of trade receivables (subsidiaries)	(49)	(2,882)
Non-recoverable trade receivables (subsidiaries)		
Impairments on inventories		
Impairments expenses based on other assets		
Reversals trade impairments in adjustment accounts		
Trade impairments in adjustment accounts		
Total	(646)	(4,492)

Note 36 – Gains or losses on capitalised assets

(€ thousands)	At 31/12/2010	At 31/12/2009
Net operating asset disposals	-	3
Capital gains on disposals	-	3
Capital losses on disposals		
Balance of transactions on long-term securities	431	(16,752)
Capital gains on disposals	-	8,967
Capital losses on disposals	(4,775)	-
Net impairments	5,206	(25,719)
Foreign exchange losses	-	-
Total	431	(16,749)

Data that fall under several line items

(€ thousands)	Related companies	Companies with which the Company has an equity investment connection
ASSETS		
Trade transactions (excluding impairments)	97,391	
Equity-investments and other long-term securities		
Shares in affiliates (excluding impairments)	151,546	
Operating lease	1	
Adjustment accounts - Asset	526	
LIABILITIES		
Trade transactions	8,172	
Adjustment accounts - Liability		
INTEREST INCOME AND EXPENSES		
Trade interest income	2,145	
Trade interest charges	111	
DIVIDENDS	15,684	5

Notes to off-balance sheet items

No material off-balance sheet commitment defined according to the accounting standards in force (COB Bulletin 375 – January 2003), has been omitted from this presentation.

Note 37 – Other commitments not shown in the publishable off-balance sheet

(€ thousands)	At 31/12/2010	At 31/12/2009
FOREIGN CURRENCY TRANSACTIONS		
- Forward forex transactions		
COMMITMENTS ON FORWARD FINANCIAL INSTRUMENTS		
- Other transactions, swap, collar	60,485	67,682
- Other contingent transactions, cap and tunnels	162,895	209,823
OTHER COMMITMENTS		
Other securities granted as collateral		
- Pledge of securities	27,580	38,101
- Unnotified Dailly Law assignments and mortgages	202,024	231,789
- Mortgages and rent assignment agreements	-	-
- Dailly Law assignment and mortgage agreements	1,112	1,807
- Unnotified Dailly Law assignments	-	-
- Rent assignment agreements	1,516	1,980

Maturity of interest rate instruments

(€ thousands)	Outstanding as at 31/12/2010	0 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Macro hedging transactions					
Over the counter market					
Firm transactions					
Swaps and collars	60,485	682	2,335	32,444	25,026
Contingent transactions					
Caps and tunnels	162,895	12,600	47,749	102,546	-
Total	223,381	13,282	50,083	134,990	25,026

Interest rate risk

Affine is exposed to interest rate risk linked to the change of interest rates on its floating rate loans, which it hedges primarily through swaps, caps, collars and tunnels contracted from foremost banking institutions. As at 31 December 2010, floating rate financial debt amounted to €193,321,000.

Financial covenants

The Group's loan agreements have covenants relating to:

- LTV (Loan To Value);
- ICR (Interest Coverage Ratio);
- DSCR (Debt service coverage ratio).

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. 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.

5. FEES OF THE STATUTORY AUDITORS REPORTED IN THE INCOME STATEMENT

<i>(€ thousands)</i>	Cailliau Dedouit et Associés		KPMG Audit	
	Amount		Amount	
	2010	2009	2010	2009
Auditing, certification, review of accounts	283	252	248	191
Other tasks directly linked to the auditing engagement	0	6	0	0
Other services	0	0	0	0
Total	283	258	248	191