

2011 Annual consolidated results

STRONG RISE IN NET PROFIT

KEY FIGURES

(€m)	2009	2010	2011
Gross rental income	12.8	12.2	11.0
Net rental income	11.4	9.9	10.4
Current operating profit	10.5	8.4	8.4
Net operating profit	(2.1)	11.6	15.9
Net profit – Group share	(11.0)	5.1	9.2
EPRA earnings	3.2	1.9	1.8
Fair Value of investment properties (incl. TT*)	219	214	215
EPRA Net Asset Value per share (excl. TT*) (€)	13.8	15.5	13.9

* Transfer taxes

The Board of Directors of AffiParis, which met on 2 February 2012, approved the individual and consolidated financial statements as of 31 December 2011. Audits are now being finalised.

1) STRONG RISE IN NET PROFIT

The improvement in the fair value of investment properties (+€4.8m) combined with gains on disposals (+€2.2m) allowed AffiParis to nearly double its net profit to €9.2m versus €5.1m in 2010.

Current operating profit was €8.4m, unchanged from 2010, with the drop in rental revenues, driven by disposals, and increase in management fees offset by an improvement of the re-invoicing rental charges.

Restated for non-current items, such as the change in fair value and gains on disposals, EPRA earnings were slightly down by 2.3% to €1.8m.

In 2011, funds from operations therefore came to €2.0m versus €2.2m in 2010. Excluding financial expenses, and after taking into account a sharp reduction in taxes paid and slight improvement in WCR (€0.6m vs. €0.8m), operating cash flow totalled €8.7m versus €7.1m in 2010.

2) SIGNIFICANT IMPROVEMENT OF THE LTV

The ratio of net bank debt to the fair value of buildings, transfer taxes included, (LTV) improved to 57.6% compared to 63.2% in 2010.

The €25.7m capital increase completed in November allowed AffiParis to boost shareholders' equity relatively to its high debt levels, reducing its net debt to equity ratio from 2.6x to 1.7x.

The average term of debt is 5.5 years, with no significant maturity occurring before 2016.

A comparison of financial expenses to the average net financial debt in 2011 showed an average cost of debt of 2.5%, or 4.5% including hedging costs.

3) INCREASE IN THE FAIR VALUE OF ASSETS

AffiParis did not make any new acquisitions in 2010. In accordance with its strategy of specialising in Paris real estate, the Group is continuing its policy of disposing of its non-Paris assets, which account for less than 5% of the total

The company sold business premises in Lezennes (3,125 sqm) in May and in Montpellier (282 sqm) in October. In addition, an opportunistic sale led the group to dispose of one of its Paris assets, rue Chapon (957 sqm). These disposals, totalling €8.8m, were made at prices in line with those of the most recent appraisals, or higher in the case of rue Chapon.

At the end of 2011, the fair value of buildings was €215.1m (transfer taxes included), up 2.4% on a like-for-like basis, and 0.6% after taking into account disposals and capex.

The EPRA financial occupancy rate was 95.2%, versus 95.3% at the end of 2010. For buildings in Paris, this rate was close to 97%.

4) SHARE PRICE AT A HEAVY DISCOUNT

EPRA NAV excluding transfer taxes, after restatement of the fair value of derivatives and deferred taxes, declined from €15.5 to €13.9 taking into account the dilutive effect of the capital increase in November. Transfer taxes included, it came to €16.1.

At 31 December 2011, the share price reflected a 43% discount compared to the EPRA NAV excluding transfer taxes.

5) DIVIDEND

AffiParis will propose to the next General Meeting on 25 April a dividend for 2011 of €0.22 per share (totalling €1.2m).

6) OUTLOOK

In a Paris market experienced heavy competition among investors, particularly for prime real estate, which has induced a continuing decline in capitalization rates, AffiParis has maintained its prudent policy and has focused on shedding debt and renovating the buildings it owns. It remains, however, open to opportunities for acquisitions in the market which would be consistent with its investment criteria. Furthermore, in accordance with its strategy of specializing in Paris real estate, AffiParis should complete the disposal of properties located outside Paris by 2012-2013. Lastly, the company has put up for sale its principal Parisian asset located in rue Paul-Baudry and is investigating potential modalities of getting closer with Affine.

7) SCHEDULE

- 25 April 2012: Annual General Meeting
- May 2012: First quarter revenues
- May 2012: Payment of dividend
- July 2012: 2012 Half-year revenues and results

CONSOLIDATED EARNINGS

(€m)	2009	2010	2011
Gross rental income	12.8	12.2	11.0
Net rental income	11.4	9.9	10.4
Corporate expenses	(0.9)	(1.6)	(2.0)
Current EBITDA⁽¹⁾	10.5	8.4	8.4
Current operating profit	10.5	8.4	8.4
Other income and expenses	0.0	0.0	0.4
Net profit or loss on disposals	0.1	(0.3)	2.2
Operating profit (before value adjustments)	10.5	8.1	11.0
Net balance of value adjustments	(12.7)	3.5	4.8
Net operating profit⁽²⁾	(2.1)	11.6	15.9
Net financial costs	(7.3)	(6.5)	(6.6)
Fair value adjustments of hedging instr.	(1.6)	0.1	(0.1)
Taxes	0.1	(0.0)	0.0
Miscellaneous	(0.1)	(0.1)	(0.1)
Net profit	(11.0)	5.1	9.2
Net profit – Group share	(11.0)	5.1	9.2

(1) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs.

(2) Net operating profit corresponds to operating profit after the change in value adjustments.

EPRA EARNINGS

(€m)	2009	2010	2011
Net income – Group share	(11.0)	5.1	9.2
Change in fair value of investment properties	12.7	(3.5)	(4.8)
Profit from asset disposals	(0.1)	0.3	(2.2)
Change in goodwill	-	-	-
Change in fair value of financial instruments	1.6	(0.1)	0.1
Non-current, deferred and exit taxes	(0.1)	0.0	(0.0)
Other non-current items	0.1	0.1	(0.3)
EPRA earnings⁽³⁾	3.2	1.9	1.8

(3) The European Public Real Estate Association (EPRA) issued Best Practices Policy Recommendations in October 2010, which gives guidelines for performance measures. As detailed in the EPRA adjustments note, the EPRA earnings measure excludes the effects of fair value changes, gains or losses on sales and other non-current items.



About AffiParis

Specialised in commercial property in Paris, particularly office property, AffiParis holds assets comprising 12 buildings with a value of €215m and a total surface area of 41,000 sqm as at the end of December 2011.

AffiParis adopted the special tax treatment applicable to listed real estate investment trusts (SIIC) in 2007. Its shares are traded on NYSE Euronext Paris (Ticker: FID FP / FID.PA; code ISIN: FR0010148510)

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INVESTOR RELATIONS

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