



RAPPORT DE GESTION MANAGEMENT REPORT

2011



AFFIPARIS

SOMMAIRE CONTENTS



PROFIL PROFILE

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

Sa stratégie consiste à investir à moyen/long terme dans des immeubles de bureaux, des commerces et des locaux d'activité parisiens, avec des objectifs de rendement relativement élevés. Elle peut à cette fin réaliser des travaux de remise en valeur. Afin de recentrer son patrimoine sur Paris, elle a entamé en 2008 une politique d'arbitrage de ses immeubles de petite taille hors de Paris, qui ne représentent plus que 4,7 % de la valeur totale de ses actifs.

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

The company's strategy consists of making medium and long-term investments in offices, retail and business premises in Paris with relatively ambitious targets in terms of yields; to this end, it may carry out enhancement works. In order to refocus its property portfolio in Paris, AffiParis has implemented since 2008 a disposal policy of its smaller buildings outside Paris, which now account for no more than 4.7% of the total value of its assets.

Profil Profile

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CHIFFRES CLÉS

KEY FIGURES



Comptes consolidés (M€)	2009	2010	2011	Consolidated statements (€m)
Revenus locatifs	12,8	12,2	11,0	Gross rental income
Résultat opérationnel courant	10,5	8,4	8,4	Current operating profit
Résultat net – part du groupe	(11,0)	5,1	9,2	Net profit – group share
Résultat EPRA	3,2	1,9	1,8	EPRA earnings
Cash flow opérationnel	7,9	7,1	8,7	Operating cash flow
Investissements	1,8	0,5	2,8	Investments
Cessions	5,9	8,4	8,9	Disposals
Juste valeur du patrimoine (droits inclus) ⁽¹⁾	219	214	215	FV of investment properties (incl. TT) ⁽¹⁾
Juste valeur du patrimoine (hors droits) ⁽¹⁾	206	201	202	FV of investment properties (excl. TT) ⁽¹⁾
Actif net réévalué EPRA de liquidation	39,6	44,6	78,3	Liquidation EPRA net asset value
Dettes financières nettes ⁽²⁾	138,8	135,0	124,0	Net financial debt ⁽²⁾
LTV (%)	63,4	63,2	57,6	LTV (%)
Coût moyen de la dette (%) ⁽³⁾	4,5	4,2	4,5	Average cost of debt (%) ⁽³⁾
Données par action (€)	2009	2010	2011	Figures per share (€)
Résultat net	(3,82)	1,77	2,89	Net profit
Résultat EPRA	1,10	0,66	0,58	EPRA earnings
Capacité d'autofinancement	1,22	0,77	0,36	Funds from operations
Dividende		0,42	0,22	Dividend
Actif net réévalué EPRA (hors droits) ⁽¹⁾	13,76	15,48	13,90	EPRA net asset value (excl. TT) ⁽¹⁾
Cours de bourse	7,90	7,76	7,94	Share price

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

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

(3) coûts de couvertures inclus / including hedging costs



FAITS MARQUANTS

KEY EVENTS

MAI MAY

- > Cession de locaux d'activités de 3 125 m² à Lezennes (59).
- > Sale of 3,125 sqm of industrial premises in Lezennes (59).

JUIN JUNE

- > Achat par Affine de la participation de 9,8 % de Shy dans le capital de la société.
- > Acquisition by Affine of Shy's 9.8% stake in the company's capital.

OCTOBRE OCTOBER

- > Cession de 957 m² de bureaux à Paris (75).
- > Cession de 282 m² de bureaux à Montpellier (34).
- > Sale of 957 sqm of offices in Paris (75).
- > Sale of 282 sqm of offices in Montpellier (34).

NOVEMBRE NOVEMBER

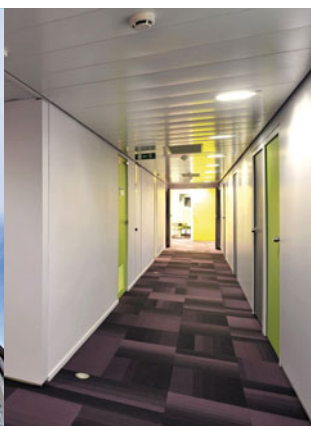
- > Augmentation de capital de 25,7 M€ avec maintien du droit préférentiel de souscription (DPS).
- > Completion of a €25.7m capital increase through a rights offering (RO).
- > Souscription d'Affine à l'augmentation de capital à titre irréductible (19,4 M€), par l'exercice de DPS (3,2 M€) et à titre réductible (2,5 M€).
- > Subscription of Affine to the capital increase through its rights (€19.4m), rights offering (€3.2m) acquired on the market and share in excess (€2.5m).

DÉCEMBRE DECEMBER

- > Lancement de la vente de l'immeuble Baudry.
- > Launching of the disposal of the Baudry building complex.



> Rue d'Enghien, Paris 10^e



> Tour Traversière, Paris 12^e



MESSAGE DU PRÉSIDENT

CHAIRMAN MESSAGE

LETTRE AUX ACTIONNAIRES

Figurant parmi les meilleures performances des SIIC en matière de parcours boursier en 2011, avec une progression de 2,3 % de son cours dans un marché en profonde crise, AffiParis a été reconnue comme une des foncières cotées les plus attractives ; ceci reflète sans doute une prise de conscience de la conjonction d'une grande qualité de son patrimoine, quasi-uniquement composé d'immeubles parisiens bien situés et bien loués, d'une décote très importante du cours par rapport à l'ANR, qui s'élevait encore à plus de 40 % à fin 2011, et de la poursuite de la croissance soutenue de son résultat. L'exercice aura en outre été marqué par une importante opération financière qui a permis de renforcer ses fonds propres de 26 M€, tandis que le LTV, indicateur sensible dans cette période troublée, poursuivait sa décroissance. Enfin, le marché a été approché en décembre en vue d'une cession possible de l'ensemble immobilier de la rue Baudry, qui occupe sans doute une part excessive dans le portefeuille de la société. Bien armée pour poursuivre son développement dans un marché parisien qui reste très porteur, AffiParis se doit également d'envisager une autre évolution : un rapprochement avec Affine, qui détient déjà 87% de son capital, pourrait permettre à ses autres actionnaires de participer au développement d'un groupe bénéficiant d'une assise et d'une visibilité élargies, et dont les titres offrent une liquidité et une rentabilité attractives.

LETTER TO SHAREHOLDERS

With a price increase of 2.3% in a market in deep crisis, AffiParis is ranked among the top SIIC performers in price changes in 2011 and has thus been recognised as one of the most attractive listed real estate companies. This reflects an acknowledgement of the combination of the high quality of its property assets, comprised almost exclusively of well-leased, well-located Paris properties; a very significant price discount in terms of NAV, which was still over 40% at the end of 2011; and the continued steady growth of its earnings.

The year has also been marked by a major financial transaction that strengthened its equity by €26m, while LTV – a sensitive indicator in this unstable period – continued to fall. Finally, the market was approached in December for a possible sale of the property complex in Rue Baudry, a maybe too large component of the company's portfolio.

Well-prepared to continue its growth in a Paris market that remains strong, AffiParis also needs to envisage another change: to combine with Affine, which already holds 87% of its capital, could allow its other shareholders to participate in the development of a group that offers a solid base, wide visibility, and shares with attractive liquidity and profitability.





ACTIONNARIAT

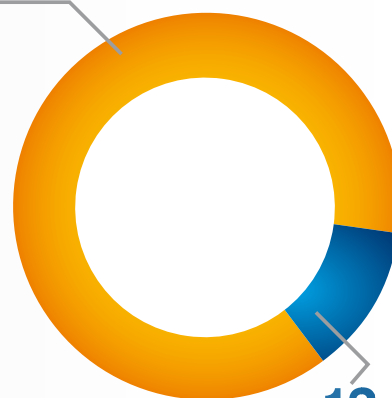
SHAREHOLDING

ACTIONNARIAT AU 31 DÉCEMBRE 2011 SHAREHOLDING AT 31 DECEMBER 2011

À la suite de l'augmentation de capital de novembre dernier, le capital social d'AffiParis s'élève au 31 décembre 2011 à 29 700 000 €, divisé en 5 651 100 actions. Le flottant représente 13,1 % du capital, le solde, soit 86,9 %, étant détenu par Affine.

Following the capital increase of last November, on 31 December 2011, the share capital of AffiParis totalled €29,700,000 divided into 5,651,100 shares. The free float represented 13.1% of the capital, with the balance (86.9%) held by Affine.

86,9 %
AFFINE



13,1 %

Flottant/Free float

AFFIPARIS EN BOURSE

Le titre AffiParis est coté sur NYSE Euronext Paris. Le contrat de liquidité signé avec la société de Bourse Gilbert Dupont assure la cotation du titre en continu. La valeur brute des 19 359 actions propres détenues par la société au 31 décembre 2011 est de 179 006 €.

L'évolution du cours d'AffiParis est restée relativement proche de celui des indices sectoriels avant de légèrement surperformer à partir de février, en liaison avec la bonne tenue du marché immobilier parisien et l'annonce du versement du premier dividende. Cet écart de surperformance a été maintenu tout au long de l'année, permettant au cours d'atteindre fin décembre 7,94 €, en hausse de 2,3 % par rapport au début 2011, contre une baisse d'environ 15 % pour les indices sectoriels. Il s'est sensiblement stabilisé depuis le début de l'année 2012 pour atteindre 7,90 € le 1^{er} février.

Le volume moyen quotidien de transactions a été de 2 069 titres au cours de 2011 contre 1 352 pour la même période en 2010. Le taux de rotation du capital sur le marché a été de 16,7 %, ou encore de 62 % par rapport au flottant.

AFFIPARIS ON THE STOCK MARKET

AffiParis shares are listed on the NYSE Euronext Paris. The liquidity agreement signed with the Gilbert Dupont brokerage house guarantees continuous stock quotation. At 31 December 2011, the gross value of the 19,359 treasury shares held by the company amounted to €179,006.

Changes in the AffiParis share price remained relatively close to that of sectorial indices, before slightly outperforming them from February, in connection with the solid performance of the Parisian real estate market and the announcement of the payment of the first dividend. This outperformance gap has remained all over the year allowing the share price to reach €7.94 at the end of December, an increase of 2.3% in comparison with early 2011 against a decrease of roughly 15% for the sectorial indices. It has stabilized since the beginning of 2012, reaching €7.90 on 1st February.

The average daily volume of transactions in 2011 was 2,069 shares, compared to 1,352 for the same period in 2010. The annualised transaction turnover was 16.7% of total capital, or 62% based on the free float.

CARACTÉRISTIQUES BOURSIÈRES AU 31 DÉCEMBRE 2011 SHARE CHARACTERISTICS AT 31 DECEMBER 2011

Marché / Market	NYSE Euronext Paris
Code ISIN / ISIN Code	FR0010148510
Bloomberg	FID FP
Reuters	FID.PA
Nombre de titres / Number of shares	5 651 100
Flottant / Float	13,1 %
Cours / Price	7,94 €
+ Haut & + Bas / High & Low	10,13 € / 7,48 €
Capitalisation / Capitalization	44,9 M€
Rendement global du titre / Total shareholder return	7,7 %

AGENDA DE L'ACTIONNAIRE SHAREHOLDER'S DIARY

- } 25 avril 2012 - Assemblée générale
25 April 2012 - Annual General Meeting
- } Mai 2012 - Chiffre d'affaires du premier trimestre
May 2012 - First quarter revenues
- } 3 Mai 2012 - Paiement du dividende
3 May 2012 - Dividend payment
- } Juillet 2012 - Chiffre d'affaires et résultats
semestriels 2012
July 2012 - 2012 Half-year revenues and results

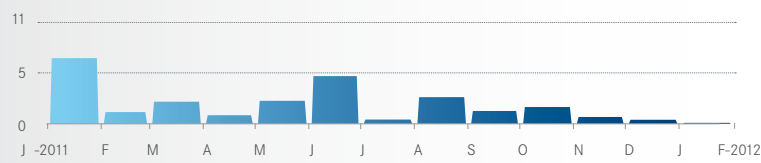
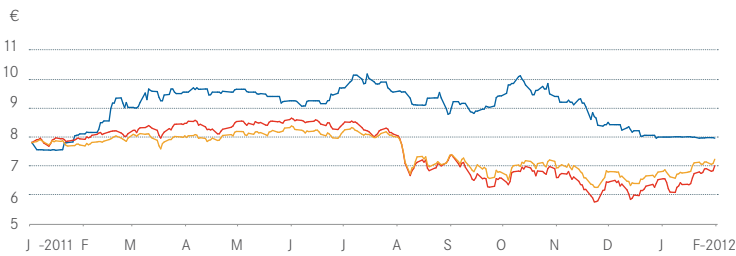
(1) (Dividende versé au cours de l'exercice [dividende 2011] + variation du cours) / Cours au 31 décembre 2010.
(Dividend paid during the year [2011 dividend] + change in the share price) / Price at 31 December 2010.

COURS DE L'ACTION AFFIPARIS (en €)

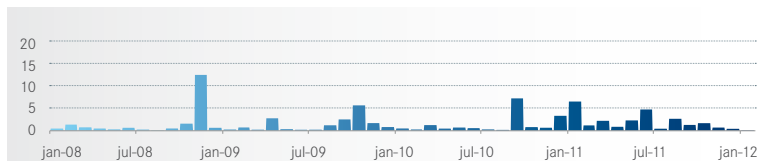
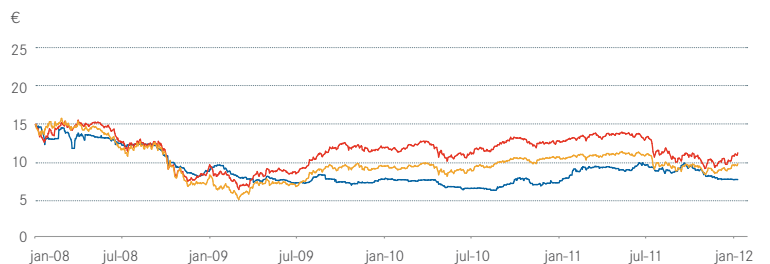
AFFIPARIS SHARE PRICE (in €)

VOLUME MOYEN DE TRANSACTION (en milliers de titres)

AVERAGE TRANSACTION VOLUME (in thousands of shares)



AffiParisEuronext IEIF SIIC France EPRA Europe



GOUVERNANCE GOVERNANCE

ORGANES DE DIRECTION

MANAGEMENT

Conseil d'Administration au 31 décembre 2011 Board of Directors at 31 December 2011

Président / Chairman

Alain Chaussard

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

Vice-Président / Vice-Chairperson

Maryse Aulagnon

Président Directeur Général d'Affine
Chairperson and C.E.O. of Affine

Charles de Jerphanion

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

Mab-Finance SAS

Représentée par **Cyril Aulagnon**
Directeur de l'immobilier d'Affine
*Represented by Cyril Aulagnon
Head of the Real Estate Department of Affine*

Didier Moinet

Gérant de Quartz
Manager of Quartz

Jean-Louis Simon

Président de Lauremma
Chairman of Lauremma

Direction générale General Management

Alain Chaussard

Directeur Général
Chief Executive Officer

Salariés Workforce

La société n'a pas de salariés, sa gestion étant assurée par Affine dans le cadre de mandats de gestion.

The company has no employees and is managed by Affine pursuant to management contracts.

Commissaires aux comptes Statutory Auditors

CAILLIAU DEDOUT ET ASSOCIÉS

Représenté par / *represented by*
Rémi Savournin

**CONSEIL AUDIT & SYNTHÈSE
MEMBRE DU RÉSEAU
ERNST & YOUNG**

Représenté par / *represented by*
Jean-Philippe Bertin





> Tour Traversière, Paris 12^e

POLITIQUE ENVIRONNEMENTALE ENVIRONMENTAL POLICY

DISPOSITIONS RELATIVES À L'INFORMATION SUR LES RISQUES INDUSTRIELS ET ENVIRONNEMENTAUX

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

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

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

PROVISIONS REGARDING INDUSTRIAL AND ENVIRONMENTAL RISK REPORTING

AffiParis aims at improving the environmental quality of its buildings, in particular through preventative measures to limit the environmental impact of building construction and renovation. This approach also helps making buildings more comfortable for users and raises their awareness of environmental issues.

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

As a result, the quality of the renovation of Tour Bercy conducted jointly with its tenant the SNCF, specifically to obtain the BREAM renovation label, allowed this operation to be nominated for the SIIC prize awarded during the SIMI in November 2010.

PATRIMOINE ASSETS

ACTIVITÉ DE L'EXERCICE

ACTIVITY FOR THE YEAR



> Rue Paul Baudry, Paris 8^e

GESTION

Au cours de l'année, 6 baux nouveaux ou renégociés représentant un loyer global annuel de 5,0 M€ pour une surface de 9 400 m² ont été signés, principalement alimenté par la prorogation de la période ferme de l'immeuble Baudry. 5 locataires ont résilié leur bail pour un loyer global annuel de 0,6 M€, dont la moitié est liée à la cession de l'actif rue Chapon.

MANAGEMENT

During the year, 6 new or renegotiated leases were signed, representing a total annual rental income of €5.0m for a floor area of 9,400 sqm, mainly driven by the extension of the firm period of the Baudry building. 5 tenants cancelled their leases, representing a total annual rental income of €600,000, half of which is related to the sale of the building Chapon.

ACQUISITIONS

Dans le cadre d'une gestion prudente dans un contexte encore incertain, AffiParis n'a pas fait d'acquisition en 2011.

ACQUISITIONS

In accordance with its prudent management policy in a context of continuing uncertainty, AffiParis made no acquisitions in 2011.

CESSIONS

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

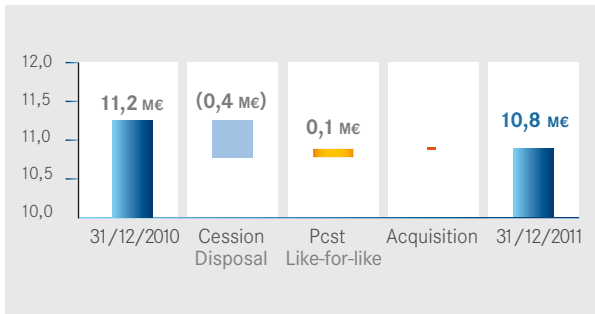
La société a cédé un local d'activité à Lezennes (3 125 m²) au mois de mai et deux lots à Montpellier (282 m²) en octobre. Par ailleurs, une cession d'opportunité a conduit le groupe à vendre l'un de ses actifs Parisiens, rue Chapon (957 m²). Ces cessions, d'un montant total de 8,8 M€, ont été réalisées à des prix en ligne avec les dernières expertises ou supérieurs.

DISPOSALS

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

In May, the company sold industrial premises in Lezennes (3,125 sqm) and in October 2 lots in Montpellier (282 sqm). Further to this, an opportunistic disposal led the group to sell one of its Parisian assets in Chapon street (957 sqm). Those €8.8m disposals were made at a price in line with the most recent appraisals or higher.

ÉVOLUTION DES LOYERS FACIAUX (M€) CHANGE IN HEADLINE RENTS (€m)

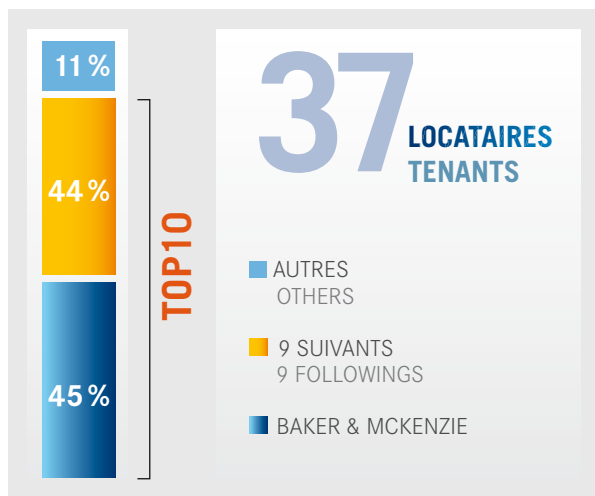


Pcst / Like-for-like : À périmètre constant. / On a like-for-like basis.

Les loyers faciaux correspondent aux loyers contractuels du bail, auxquels sont appliquées les indexations successives contractuellement prévue dans le bail hors avantages octroyés par le bailleur au bénéfice du locataire (charges non refacturées contractuellement considérées comme telles, aménagements de loyers par paliers...).

Headline rents correspond to the contractual rents of the lease, to which successive pegging operations are applied as contractually agreed in the lease, excluding advantages granted to the tenant by the owner (unbilled charges contractually considered as such, staggering of rent, etc.).

10 PREMIERS CLIENTS 10 LARGEST CUSTOMER



LE PORTEFEUILLE IMMOBILIER PROPERTY PORTFOLIO

PAR NATURE BY TYPE	Valeur Value	Surface Surface area	Loyers Rental income
Bureaux / Offices	96,9 %	61,5 %	95,7 %
Entrepôts et activités / Warehouses and industrial premises	3,1 %	38,5 %	4,3 %

PAR LOCALISATION BY LOCATION	Valeur Value	Surface Surface area	Loyers Rental income
Paris	95,3 %	53,8 %	93,7 %
Autres / Others	4,7 %	46,2 %	6,3 %

À fin 2011, le patrimoine locatif du groupe est constitué de 12 immeubles (et un ensemble de parkings) développant 41 291 m² utiles et dégagant sur la base des baux en cours un loyer annuel global de 10,8 M€ (contre 11,2 M€ à fin décembre 2010). Les loyers en vigueur au 31/12/2011 sont à périmètre constant en hausse de 1,3 % par rapport à ceux de fin 2010.

Les cinq immeubles parisiens représentent 95,3 % de la valeur et 93,7 % des loyers, avec un loyer moyen pondéré de 458 €/m².

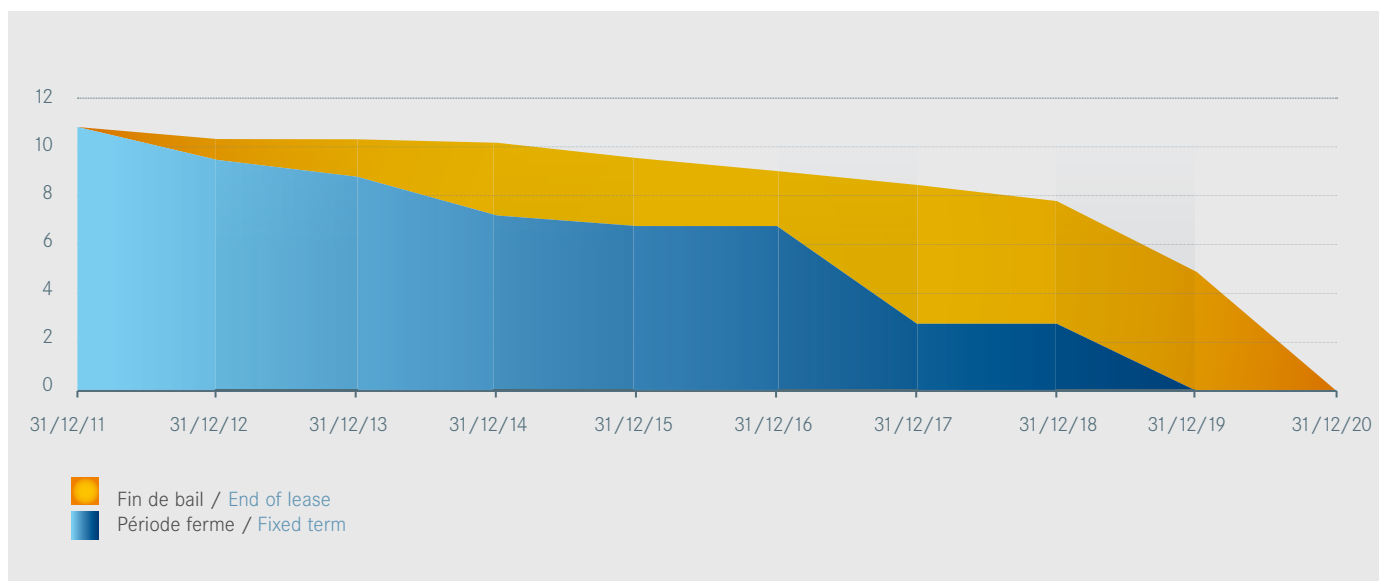
En appliquant la définition recommandée par l'EPRA (1 - loyers de marché des surfaces vacantes / loyers de marché de la surface totale), le taux d'occupation financier global est de 95,2 % (vs 95,3 % fin 2010), les immeubles parisiens étant loués à près de 97 %.

At the end of 2011, the Group's rental properties comprised 12 buildings (and a set of parking lots) that totalled 41,291 sqm of useable surface area and, on the basis of leases in effect, yielded a total annual rental income of €10.8m (compared to €11.2m at the end of December 2010). On a like-for-like basis, headline rents on 31/12/2011 increased by 1.3% compared to end of 2010.

The five buildings in Paris account for 95.3% of the value and 93.7% of the rental income, with a weighted average rent of €458/sqm.

By using the definition of EPRA Best Practice Recommendations (1 - Estimated Rental Value [ERV] of vacant spaces divided by ERV of total surfaces), the overall financial occupancy rate is 95.2% (vs 95.3% end 2010), and close to 97% for buildings in Paris.

ÉCHÉANCIER DES BAUX EN VIGUEUR AU 31 DÉCEMBRE 2011 (M€) LEASE SCHEDULE BASED ON RENTALS AT 31 DECEMBER 2011 (€m)



Le principal actif du Groupe (51 % de la valeur) est un ensemble de bureaux d'exception de 9 400 m², localisé au sein du quartier central des affaires de Paris, acquis au mois de juin 2006. Situé entre la rue Paul Baudry et la rue de Ponthieu à Paris (8^e), à proximité des Champs Élysées. Il est composé de sept immeubles indépendants communiquant encadrant un jardin central et 113 places de parking. Il est en quasi-totalité loué depuis octobre 2006 et a fait l'objet en août dernier d'un renouvellement du bail pour une période ferme de 6 ans au cabinet Baker & McKenzie, qui représente ainsi 45 % du total des loyers du groupe AffiParis.

Le Groupe a procédé à l'évaluation de la totalité de son patrimoine locatif en se basant sur des expertises externes (97,5 % de la valeur), internes (2,3 % : immeubles de petite taille en cours de cession) et sur des prix de promesses de vente (0,2 %). Au 31 décembre 2011, la juste valeur hors droits du patrimoine locatif (incluant les actifs destinés à la vente) s'élève à 202,5 M€. La valeur droits inclus atteint 215,1 M€, soit une hausse de 0,6 % par rapport au 31 décembre 2010.

À périmètre constant, la juste valeur des immeubles est en hausse de 2,4 % en raison principalement de l'effet de la diminution des taux de capitalisation utilisés dans les expertises, atténué par la légère baisse des loyers de marché.

Le taux de rendement moyen brut utilisé dans les expertises ressort à 5,6 % et une variation de 25 points de base conduirait à une hausse ou une baisse de 8,9 M€ de la valeur.

The Group's main asset (51% of value) comprises 9,400 sqm of outstanding office property located in the central business district of Paris, acquired in June 2006. The property is located between Rue Paul Baudry and Rue de Ponthieu in the 8th arrondissement, near the Champs Élysées. It comprises seven connected stand-alone buildings surrounding a central garden and 113 parking lots. Almost all of the buildings have been let to Baker & McKenzie since October 2006. The lease was renewed in last August for a firm 6-year period, representing 45% of the AffiParis Group's total rental income.

All rental properties of the Group were valued on the basis of external appraisals (97.5% of value), internal appraisals (2.3% : small-size buildings under sale) and on the prices of sales commitments (0.2%). On 31 December 2011, the fair value of the properties excluding transfer taxes totalled €202.5m (including assets held for sale). Adding transfer taxes, it was €215.1m, an increase of 0.6% compared to 31 December 2010.

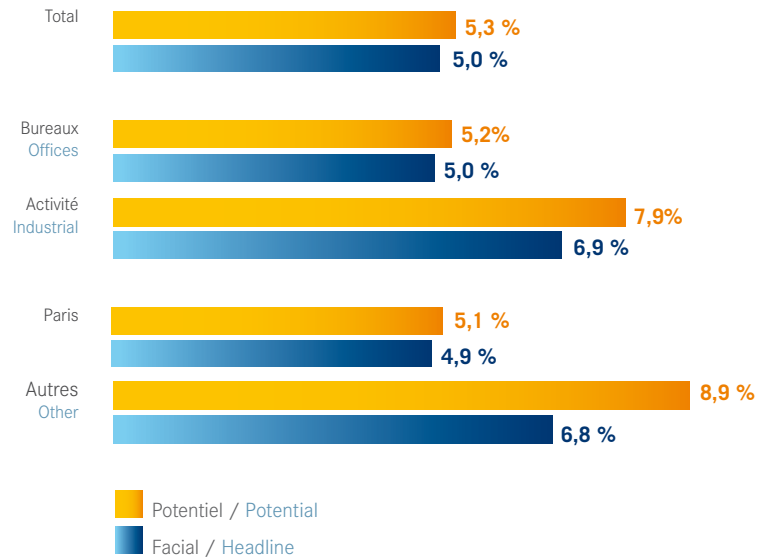
On a like-for-like basis, the fair value of the buildings increased by 2.4%, mainly due to the decrease in the capitalisation rates used in the appraisals, partially offset by lower market rents.

The gross average rate of return is 5.6% ; a variation of 25 basis points would result in a €8.9m increase or decrease in value.



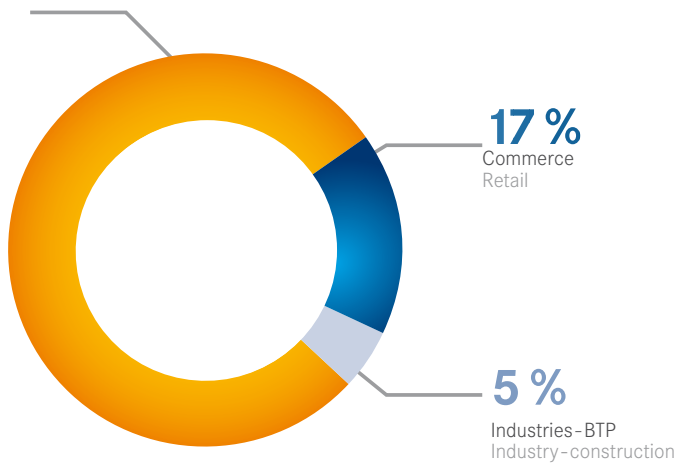
> Rue d'Enghien, Paris 10^e

RENDEMENT DU PATRIMOINE RENTAL YIELD OF ASSETS



PAR SECTEUR D'ACTIVITÉ (EN LOYER) BY BUSINESS SECTOR (IN RENT)

79 %
Services



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

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



SYNTHÈSE FINANCIÈRE FINANCIAL SUMMARY



RÉSULTATS

EARNINGS

RÉSULTATS CONSOLIDÉS

À périmètre constant les revenus locatifs enregistrent une baisse de 3,0 %, résultant principalement de départs. Après prise en compte des cessions d'immeubles réalisées depuis fin 2010, la baisse atteint 9,4 %. Le résultat opérationnel courant ressort à 8,4 M€, stable par rapport à 2010, la diminution des loyers étant compensée par la baisse des charges locatives.

CONSOLIDATED INCOME STATEMENT

On a like-for-like basis, gross rental income decreased by 3.0%, mainly owing to departures. After taking into account disposals made since the end of 2010, the decrease reached 9.4%. The current operating profit stabilizes at €8.4m compared to 2010, the decrease in rents being offset by a decrease in building expenses.

M€	2009	2010	2011	€m
Revenus locatifs	12,8	12,2	11,0	Gross rental income
Loyers nets	11,4	9,9	10,4	Net rental income
Frais de fonctionnement	(0,9)	(1,6)	(2,0)	Corporate expenses
EBITDA courant ⁽¹⁾	10,5	8,4	8,4	Current EBITDA ⁽¹⁾
Résultat opérationnel courant	10,5	8,4	8,4	Current operating profit
Autres produits et charges	0,0	0,0	0,4	Other income and expenses
Résultat des cessions d'actifs	0,1	(0,3)	2,2	Net profit or loss on disposal
Résultat opérationnel avt ajust. de valeur	10,5	8,1	11,0	Operating profit (bef. value adj.)
Solde net des ajustements de valeurs	(12,7)	3,5	4,8	Net balance of value adjustments
Résultat opérationnel net ⁽²⁾	(2,1)	11,6	15,9	Net operating profit ⁽²⁾
Coût de l'endettement financier net	(7,3)	(6,5)	(6,6)	Net financial cost
Ajustement de valeurs des instr. financiers	(1,6)	0,1	(0,1)	Fair value adjustments of hedging instr.
Impôts	0,1	(0,0)	0,0	Taxes
Divers	(0,1)	(0,1)	(0,1)	Miscellaneous
Résultat net	(11,0)	5,1	9,2	Net profit
Résultat net – part du groupe	(11,0)	5,1	9,2	Net profit – group share
Résultat net – part du groupe	(11,0)	5,1	9,2	Net profit – group share
Retraitement EPRA	14,2	(3,2)	(7,4)	EPRA adjustments
Résultat EPRA ⁽³⁾	3,2	1,9	1,8	EPRA earnings ⁽³⁾

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

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

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

L'évolution favorable de la juste valeur des immeubles (+4,8 M€) associé aux plus values de cessions (+2,2 M€), issue principalement de la vente de l'actif Chapon à Paris, permettent à AffiParis de dégager un résultat net de 9,2 M€, en nette progression (vs 5,1 M€).

Retraité des éléments non-courants, tels que la variation de juste valeur et les plus ou moins values de cessions, le résultat EPRA ressort en légère baisse de 2,3 % à 1,8 M€.

RÉSULTATS INDIVIDUELS

Le chiffre d'affaires de la société, en hausse de 8,4 %, atteint 13,4 M€ (vs 12,4 M€ en 2010). Mais en raison d'une reprise de provision moins forte que l'an passé, le produit d'exploitation baisse de 8,2 %.

Le coût de la dette connaît une légère augmentation (+1,5 %), accompagnant la hausse des taux d'intérêt.

Les dépréciations sur titres de participation (0,9 M€ vs 1,3 M€) reflètent la légère reprise de valeur des immeubles détenus par les filiales ainsi que les cessions réalisées par elles en 2011. Enfin, la contribution directe des filiales, en hausse, s'établit à 0,4 M€ vs 0,1 M€ l'an dernier.

Au total, le résultat courant s'établit à 1,6 M€ à comparer à 2,2 M€ l'année précédente. Le résultat net ressort stable à 1,6 M€ (vs 1,6 M€ en 2010).

The favourable changes in the fair value of buildings (+€4.8m) associated to the net capital gains (+€2.2m), mainly fed by the disposal of the Chapon asset in Paris, enable AffiParis to generate a sharply increased net profit of €9.2m (vs €5.1m).

Adjusted for exceptional items, such as fair value changes and net profit or loss on disposals, EPRA earning is slightly down 2.3% at €1.8m.

COMPANY INCOME STATEMENT

The company's revenues were up 8.4% and amounted to €13.4m (vs €12.4m in 2010). But, due to a lower provision cancellation than last year, the operating profit decreases by 8.2%.

The cost of debt is slightly higher (+1.5%), following the interest rates increase.

Impairments in the value of equity investments (€0.9m vs €1.3m) reflect a slight increase in the value of buildings owned by subsidiaries and disposals they realised in 2011. Finally the direct contribution of subsidiaries increased to €0.4m from €0.1m last year.

Overall, the current result was at €1.6m compared to a €2.2m the previous year. The net profit is stable at €1.6m (vs €1.6m in 2010).

CASH-FLOW

CASH FLOW

En 2011, la capacité d'autofinancement atteint 2,0 M€ contre 2,2 M€ en 2010. Hors coûts financiers, et après prise en compte d'une forte réduction d'impôts et d'une légère diminution du BFR (0,6 M€ vs 0,8 M€) le cash flow opérationnel ressort à 8,7 M€ contre 7,1 M€ en 2010.

In 2011, funds from operations reached €2.0m against €2.2m in 2010. Excluding financial costs, and after taking into account a sharp reduction in taxes and a slight decrease in WCR (€0.6m vs €0.8m), operating cash flow amounted to €8.7m against €7.1m in 2010.

M€	2009	2010	2011	€m
Cash flow opérationnel (hors coût de la dette)	7,9	7,1	8,7	Operating cash flow (excluding cost of debt)
Investissements et cessions	4,0	7,9	6,1	Investments and disposals
Financement dont coût de la dette	(12,6) (7,0)	(14,1) (6,3)	(8,7) (6,4)	Financing of which cost of debt
Variation de trésorerie	(0,7)	0,9	6,1	Change in cash position

Le cash-flow d'investissement reflète essentiellement les ventes d'immeubles ou lots à Paris, Lezennes et Montpellier, légèrement compensés par les premiers travaux de rénovation de la tour Traversière.

The investment cash flow reflects mainly the disposal of buildings or lots in Paris, Lezennes and Montpellier slightly offset by the first phase of refurbishment of Tour Traversière.

Le cash-flow financier comprend l'amortissement de la dette existante (-10,0 M€), les frais financiers (-6,4 M€) et le produit de l'augmentation de capital (6,2 M€). Au total, la trésorerie du groupe est en augmentation de 6,1 M€.

Financial cash flow comprises repayment of existing debt (-€10.0m), financial expenses (-€6.4m) and the proceeds of the capital increase (€6.2m). Overall, the Group's cash position increased by €6.1m.

BILAN

BALANCE SHEET

M€	2009	2010	2011	€m
ACTIF	216,8	211,1	216,0	ASSETS
Immeubles (hors droits) <i>dont immeubles de placement</i> <i>dont immeubles destinés à la vente</i>	206,1 185,5 20,6	201,3 190,5 10,8	202,5 89,3 113,2	Properties (excluding transfer taxes) <i>of which investment property</i> <i>of which property held for sale</i>
Autres actifs	10,7	9,8	13,5	Other assets
PASSIF	216,8	211,1	216,0	LIABILITIES
Fonds propres (avant affectation)	32,5	37,6	71,2	Shareholders' equity (before distribution)
Avance d'actionnaires	28,0	23,3	1,3	Shareholders' loan
Dettes bancaires	139,6	136,8	131,8	Bank debt
Autres passifs	16,7	13,4	11,7	Other liabilities

ACTIF NET RÉÉVALUÉ

L'ANR EPRA hors droits, soit après retraitement de la juste valeur des instruments dérivés et des impôts différés, s'élève à 78,3 M€, en forte progression par rapport à fin 2010. Celle-ci s'explique essentiellement par l'augmentation de capital de novembre mais également par la bonne performance du résultat net.

L'ANR EPRA hors droits par action (déduction faite de l'autocontrôle) passe de 15,5 € à 13,9 €, principalement en raison de l'effet dilutif (-4,2€) de l'augmentation de capital réalisée à 9,35 €. À ce niveau, le cours de bourse au 31 décembre 2011 (7,94 €) affiche une décote de 43 % par rapport à l'ANR EPRA. Droits inclus, l'ANR s'élève à 16,1 € par action.

L'ANR triple net EPRA, intégrant la juste valeur des instruments de couverture, les impôts différés et la différence entre la valeur comptable et actualisée de l'endettement, ressort à 14,2 € (hors droits) et 16,4 € (droits inclus).

FINANCEMENT

Au cours de l'année, aucun crédit n'a été contracté ou renouvelé.

Au 31 décembre 2011, la dette bancaire nette de la trésorerie et équivalents de trésorerie ressort à 124,0 M€, conduisant à un LTV de 57,6 % (contre 63,2% fin 2010). La dette bancaire nette représente 1,7 fois le total des fonds propres.

NET ASSET VALUE

EPRA NAV excluding transfer taxes, i.e. after adjustments of the fair value of derivatives and deferred taxes, totalled €78.3m, a strong improvement compared to the end of 2010. This was due to a large extent to the capital increase made in November and also to the strong performance in net profit.

EPRA NAV excluding transfer taxes per share (excluding treasury shares) goes from €15.5 to €13.9, mainly due to the dilutive effect (-€4.2) of the capital increase realised at €9.35. At this level, the share price at 31 December 2011 (€7.94) reflected a 43% discount compared to the EPRA NAV. Including transfer taxes, NAV was €16.1 per share.

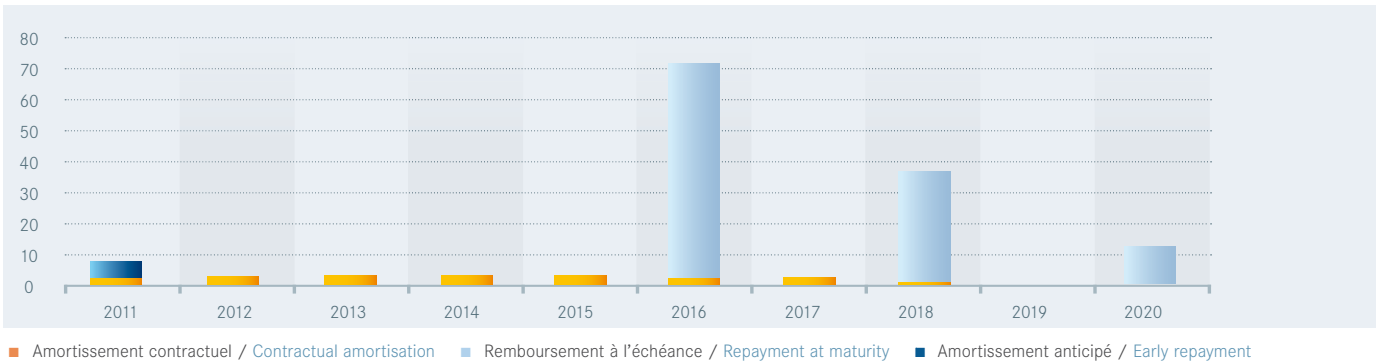
The triple net EPRA NAV, including the fair value of hedging instruments, deferred tax and the difference between the accounting and present value of the debt, amounted to €14.2 (excl. transfer tax) and €16.4 (incl. transfer tax).

FINANCING

Over the year, no credit was granted or renewed.

At 31 December 2011, bank debt net of cash and cash equivalents totalled €124.0m, resulting in an LTV ratio of 57.6% (vs 63.2% year-end 2010). Bank debt is 1.7 times the total of shareholders' equity.

ÉCHÉANCIER DE LA DETTE (M€) DEBT MATURITY SCHEDULE (€m)



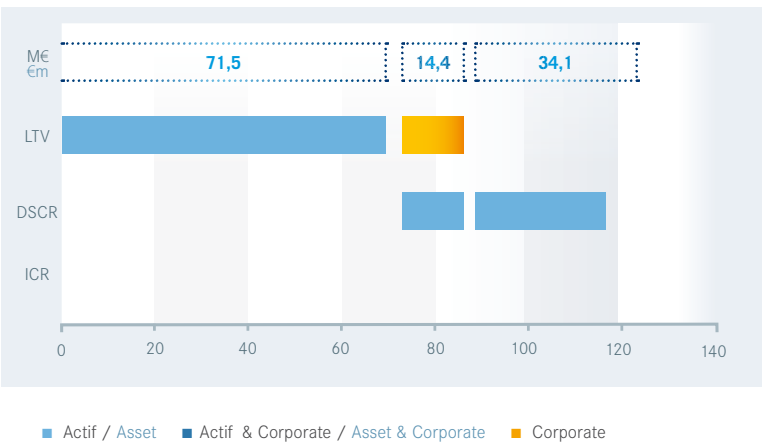
Le rapport des frais financiers à la moyenne des dettes financières nettes fait ressortir pour 2011 un coût moyen de la dette de 2,5 %, ou 4,5 % coûts de couverture inclus.

For 2011, financial charges on the average net financial debt resulted in an average cost of debt of 2.5 %, or 4.5% including hedging costs.

Les emprunts à taux variable sont en quasi-totalité couverts (92 %) par des caps ou tunnels. La société ne devra faire face à aucune échéance importante de dette avant 2016, échéance du financement de l'immeuble Baudry.

Variable rate loans are almost entirely (92%) hedged through caps or tunnels. The company will not face any significant debt maturity before 2016, repayment date of the Baudry building financing.

RÉPARTITION DES COVENANTS (M€) BREAKDOWN OF COVENANTS (€m)



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

At 31 December 2011, no compulsory early repayment is required in part or in whole on any credit due to a failure to comply with financial ratios reported on that date.



PERSPECTIVES

OUTLOOKS

Dans un marché parisien marqué par une concurrence accrue entre les investisseurs, en particulier pour les immeubles "prime", et dont a résulté une poursuite de la baisse des taux de capitalisation, AffiParis a maintenu sa politique prudente et a privilégié son désendettement et la rénovation des immeubles qu'elle détient. Elle reste néanmoins à l'écoute des opportunités qu'offrirait le marché pour réaliser des acquisitions conformes aux critères de sa politique d'investissement. Par ailleurs, conformément à sa stratégie de spécialisation dans l'immobilier parisien, AffiParis poursuit l'arbitrage des actifs situés en province.

La société a mis en vente son principal actif, situé rue Paul Baudry, avant la mise en œuvre d'un potentiel rapprochement avec Affine.

In a Parisian market marked by increased competition between investors, in particular for "premium" buildings and which resulted in a continuation of the decline in the capitalization rate, AffiParis maintained its prudent policy and favoured its debt reduction and the renovation of the buildings that it holds. It nevertheless remains open to the opportunities that will provide the market for acquisitions which meet the criteria of its investment policy. Further to this, and according to its strategy of specialization in Parisian premises, AffiParis continues the sale of its assets located outside Paris.

The firm has put up for sale its main asset, located rue Paul Baudry, before implementing a potential closer alliance with Affine.

Liste des Immeubles au 31 Décembre 2011

List of Properties at 31 December 2011

SITUATION LOCATION	LOCATAIRE TENANT	ZONE REGION	DÉPT. FRENCH DEPT.	SURFACE EN M ² SURFACE AREA IN SQM	DATE ACQUISITION ACQUISITION DATE
BUREAUX / OFFICES					
Paris 3 ^e - 19 rue Réaumur	multi locataires / <i>multi-tenant</i>	Paris	75	1 679	déc-07
Paris 8 ^e - 1 rue Paul Baudry / 58 rue de Ponthieu	Baker & McKenzie	Paris	75	9 423	juin-06
Paris 9 ^e - 12 rue Auber	multi locataires / <i>multi-tenant</i>	Paris	75	2 283	mai-08
Paris 10 ^e - 18 rue d'Enghien	G Star Row	Paris	75	1 003	mai-08
Paris 12 ^e - 2 rue Traversière	SNCF	Paris	75	7 783	mai-08
Croissy Beaubourg - 52 rue d'Emerainville	multi locataires / <i>multi-tenant</i>	RP / <i>Paris region</i>	77	993	mars-05
Plaisir - ZAC Ste Apolline - 87 rue Poiries	Axflow	RP / <i>Paris region</i>	78	1 160	mars-05
Montpellier - 1 350 Avenue Albert Einstein	multi locataires / <i>multi-tenant</i>	Prov. / <i>Other regions</i>	34	699	nov-05
Toulouse (Campus) - 1 avenue de l'Europe *	EDS Answare	Prov. / <i>Other regions</i>	31	658	nov-05
ACTIVITÉS / INDUSTRIAL					
Noisy le Grand - ZI des Richardets 25-27 allée du Closaud	>90% Départ Presse	RP / <i>Paris region</i>	93	1 645	mars-05
Chevigny St Sauveur - 36 avenue des Travaux	Conditionnement SA	Prov. / <i>Other regions</i>	21	12 985	juil-05
Lezennes - 24 rue Paul Langevin	multi locataires / <i>multi-tenant</i>	Prov. / <i>Other regions</i>	59	908	nov-05

* Actif sous-promesse de vente / Asset under sale commitment agreement

FINANCIAL & LEGAL NOTES

2011

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AFFIPARIS

This document is a free translation into English of the original French "Rapport de gestion" hereafter referred to as the "Management report". It is not a binding document. In the event of a conflict in interpretation, reference should be made to the French version, which is the authentic text.

CONSOLIDATED FINANCIAL STATEMENT

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Auditors' report on the consolidated financial statements

Financial year ended 31 December 2011

To the Shareholders,

Pursuant to the engagement assigned to us by your general shareholders' meetings, we submit to you our report for the financial year ended 31 December 2011 on:

- the audit of the consolidated financial statements of AffiParis as they are enclosed with this report;
- the justification for our assessments;
- the specific audit required by law.

The consolidated financial statements were prepared under the responsibility of the board of directors. Our responsibility is to express an opinion on these financial statements based on our audit.

I. OPINION ON THE CONSOLIDATED FINANCIAL STATEMENTS

We conducted our audit in accordance with the auditing standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free of material misstatement. An audit includes an examination, on a test basis or by using other selection methods, of evidence supporting the amounts and information shown in the consolidated financial statements. It also includes assessing the accounting principles used and significant estimates made, as well as the overall presentation of the financial statements. We believe that the information we collected is sufficient and appropriate for serving as a basis for our opinion.

We certify that the consolidated financial statements are presented fairly under IFRS as adopted by the European Union and give a true and fair view of the assets, financial position and results of the entity composed of the persons and entities included in the consolidation

II. JUSTIFICATION OF THE ASSESSMENTS

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following elements:

■ Note 7.1.7. to the financial statements pertaining to the valuation methods in the principal line items in the paragraph pertaining to investment properties states that the fair value:

- of the investment properties results from outside appraisals;
- of the buildings intended for sale results from outside and internal appraisals as well as from undertakings and instructions to sell.

Our audit consisted of:

- for the buildings receiving an outside appraisal, reviewing the valuation methodology used by the appraiser, assessing the consistency of the assumptions made and obtaining assurance that the fair value of the buildings was determined based on the aforesaid appraisals;
- for the buildings receiving an internal appraisal, reviewing the valuation methodology used by the company, assessing the consistency of the assumptions made and obtaining assurance that the fair value of the buildings was determined based on the aforesaid appraisals;
- for the value of the buildings held for sale resulting from undertakings and/or instructions to sell, reconciling the fair values of the selling prices mentioned in the aforesaid undertakings and instructions, and of the value stated in an outside appraisal with regard to the Baudry property.

These assessments fall within the scope of our audit of the consolidated financial statements, taken as a whole, and have therefore contributed to forming our opinion expressed in the first part of this report.

III. SPECIFIC VERIFICATION

We have also conducted the specific audit required by law of the information on the group given in the management report in accordance with the auditing standards applicable in France. We have no observation to make on its fairness and consistency with the consolidated financial statements.

Paris and Paris La Défense, 7 February 2012
The Auditors

CAILLIAU DEDOUIT ET ASSOCIES

Rémi Savournin
Partner

CONSEIL AUDIT & SYNTHÈSE
Member of the Ernst & Young network

Jean-Philippe Bertin
Partner

1 Statement of consolidated financial position (balance sheet)

1.1 Assets

(in thousands of euros)	NOTE	31/12/2011	31/12/2010	31/12/2009
NON-CURRENT ASSETS				
Tangible assets	10	-	1	2
Investment properties	1	89,288	190,511	185,616
Financial assets	3	454	803	769
<i>Derivatives stated at fair value</i>		184	35	-
<i>Deposits and sureties paid</i>		269	767	769
TOTAL NON-CURRENT ASSETS		89,742	191,314	186,387
CURRENT ASSETS				
Assets held for sale	1 & 4	113,215	10,830	20,603
Trade notes and other receivables	7	2,477	1,836	2,692
Current tax assets	8	2	-	-
Other receivables	5	2,668	5,335	5,980
<i>Tax and social security receivables</i>	8	360	982	380
<i>Other receivables and accruals</i>		2,307	4,353	5,600
Cash and cash equivalents	3	7,865	1,740	1,159
<i>Cash equivalents</i>		-	1,130	675
<i>Cash on hand</i>		7,865	609	484
TOTAL CURRENT ASSETS		126,227	19,740	30,434
TOTAL ASSETS		215,969	211,055	216,821

1.2 Liabilities

(in thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
EQUITY				
Equity (Group share)		71,172	37,595	32,473
<i>Share capital</i>		40,866	15,270	15,230
<i>Capital</i>		29,700	15,210	15,210
<i>Premiums</i>		11,345	174	174
<i>Treasury shares</i>		(179)	(115)	(154)
<i>Consolidated reserves</i>		21,094	17,237	28,234
<i>Net income</i>		9,212	5,088	(10,990)
Non-controlling equity		-	8	19
<i>Consolidated reserves</i>		-	12	24
<i>Net income</i>		-	(4)	(5)
TOTAL EQUITY		71,172	37,602	32,493
NON-CURRENT LIABILITIES				
Long-term loans	2	56,537	129,827	131,488
Financial liabilities	3	7,441	7,365	7,554
<i>Derivatives stated at fair value</i>		7,272	7,068	7,116
<i>Other financial liabilities</i>		168	297	438
Deposits and sureties received		759	944	969
Non-current tax liabilities	8	-	13	362
TOTAL NON-CURRENT LIABILITIES		64,736	138,149	140,373
CURRENT LIABILITIES				
Liabilities linked to assets held for sale	4	73,122	4,598	5,955
Debts due to shareholders		1	1	1
Trade accounts and other payables	6	2,998	4,504	4,765
<i>Trade payables and related accounts</i>		198	141	189
<i>Other debts</i>		1,575	3,032	2,791
<i>Adjustment accounts</i>		484	1,305	997
<i>Prepaid income</i>		742	26	788
Loans and borrowings	3	3,209	25,240	30,097
<i>Borrowings from banks</i>		1,924	1,924	2,122
<i>Borrowings from shareholders</i>		1,285	23,316	27,976
Current tax liabilities	8	14	355	2,222
Tax and social security liabilities	8	504	366	810
Provisions	9	214	241	105
TOTAL CURRENT LIABILITIES		80,060	35,304	43,955
TOTAL LIABILITIES		215,969	211,055	216,821

2 Statement of consolidated comprehensive income

2.1 Consolidated Statement of Income

(in thousands of euros)	NOTE	31/12/2011	31/12/2010	31/12/2009
<i>Rental income</i>		11,041	12,181	12,812
<i>Rental income and expenses</i>		(450)	(1,946)	(1,153)
<i>Other rental income and expenses</i>		(240)	(286)	(243)
Net property income	11	10,351	9,949	11,416
<i>Income from finance lease transactions</i>		-	-	-
<i>Expenses on finance lease transactions</i>		-	-	(1)
Revenues from finance leases		-	-	(1)
<i>Other purchases and external expenses</i>		(1,828)	(1,315)	(868)
<i>Taxes, duties and similar payments</i>		(131)	(257)	(52)
<i>Employee benefit and payroll expenses</i>		-	-	-
Committed costs	12	(1,959)	(1,572)	(920)
CURRENT EBITDA		8,392	8,378	10,496
Amortisation and impairments		(1)	(1)	(1)
CURRENT OPERATING RESULT		8,391	8,376	10,495
Charges net of provisions	13	27	(136)	-
Balance of other income and expenses		356	138	1
Gain/loss on asset disposals	14	2,250	(251)	52
OPERATING RESULT BEFORE FAIR VALUE ADJUSTMENT		11,024	8,128	10,547
<i>Increases in value of investment properties</i>		5,133	4,691	434
<i>Reductions in value of investment properties</i>		(296)	(1,188)	(13,084)
Adjustment to value of investment properties		4,837	3,503	(12,651)
Balance net of value adjustments		4,837	3,503	(12,651)
NET OPERATING PROFIT		15,861	11,632	(2,104)
<i>Revenue from cash and equivalents</i>		22	21	31
<i>Gross cost of financial debt</i>		(6,574)	(6,503)	(7,340)
Net cost of financial debt		(6,552)	(6,482)	(7,309)
Other financial income and expenses		(54)	(141)	(114)
Adjustment to value of financial instruments		(55)	83	(1,566)
EARNINGS BEFORE TAXES		9,200	5,093	(11,092)
Income tax on current profit		12	(8)	(22)
Deferred taxes		-	-	172
French government - Exit tax		-	-	(53)
Share in net income of equity-consolidated companies		-	-	-
NET INCOME		9,212	5,084	(10,995)
Non-controlling equity		-	(4)	(5)
NET INCOME - GROUP SHARE		9,212	5,088	(10,990)
Earnings per share (in euros)	15	€2.89	€1.77	(€3.82)
Diluted earnings per share (in euros)	15	€2.89	€1.77	(€3.82)
EPRA RESULT				
NET INCOME - GROUP SHARE		9,212	5,088	(10,990)
EPRA restatements	15	(7,364)	(3,198)	14,158
EPRA RESULT		1,848	1,890	3,168

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

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
NET INCOME	9,212	5,084	(10,995)
Translation adjustments	-	-	-
Changes in fair value of financial assets available for sale ⁽²⁾	-	-	-
Share of the changes in fair value of financial assets held for sale transferred into income	-	-	-
Share of the change in fair value of cash flow hedges transferred into income	-	-	-
Effective portion of the change in fair value of cash flow hedges	-	-	-
Revaluation difference on fixed assets	-	-	-
Actuarial gains and losses on defined-benefit plan	-	-	-
Share of income from associates recognised directly in equity companies consolidated under the equity method	-	-	-
Tax	-	-	-
TOTAL GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	-	-	-
NET INCOME AND GAINS AND LOSSES RECOGNISED DIRECTLY IN EQUITY	9,212	5,084	(10,995)
<i>Of which group share</i>	<i>9,212</i>	<i>5,088</i>	<i>(10,990)</i>
<i>Of which non-controlling equity</i>	<i>-</i>	<i>(4)</i>	<i>(5)</i>

3 Statement of changes in equity

(in thousands of euros)	Share capital and capital reserves			Consolidated reserves	Net income, group share	Equity, group share	Equity, non-controlling equity share	Total consolidated equity
	Capital	Reserves related to share capital	Treasury stock					
EQUITY AS AT 31/12/2009	15,210	174	(155)	28,234	(10,990)	32,474	19	32,493
<i>Capital increase</i>	-	-	-	-	-	-	-	-
<i>Elimination of treasury stock</i>	-	-	40	(8)	-	32	-	32
<i>Allocation of 2009 income</i>	-	-	-	(10,990)	10,990	-	-	-
<i>Distribution of dividends</i>	-	-	-	-	-	-	(8)	(8)
Subtotal of shareholder-related transactions	-	-	40	(10,998)	10,990	32	(8)	24
<i>2010 profits</i>	-	-	-	-	5,088	5,088	(4)	5,084
Subtotal	-	-	-	-	5,088	5,088	(4)	5,084
<i>Impact of acquisitions and disposals on non-controlling interests</i>	-	-	-	-	-	-	-	-
<i>Changes in accounting policies</i>	-	-	-	-	-	-	-	-
<i>Other changes</i>	-	-	-	-	-	-	-	-
EQUITY AS AT 31/12/2010	15,210	174	(115)	17,237	5,088	37,595	8	37,602
<i>Capital increase</i>	14,490	11,171	-	(42)	-	25,619	-	25,619
<i>Elimination of treasury stock</i>	-	-	(64)	24	-	(40)	-	(40)
<i>Allocation of 2010 income</i>	-	-	-	5,088	(5,088)	-	-	-
<i>Distribution of dividends</i>	-	-	-	(1,211)	-	(1,211)	1	(1,210)
Subtotal of shareholder-related transactions	14,490	11,171	(64)	3,860	(5,088)	24,368	1	24,369
<i>2011 profits</i>	-	-	-	-	9,212	9,212	-	9,212
Subtotal	-	-	-	-	9,212	9,212	-	9,212
<i>Impact of acquisitions and disposals on non-controlling interests</i>	-	-	-	(3)	-	(3)	(8)	(11)
<i>Changes in accounting policies</i>	-	-	-	-	-	-	-	-
<i>Other changes</i>	-	-	-	-	-	-	-	-
EQUITY AS AT 31/12/2011	29,700	11,345	(179)	21,094	9,212	71,172	-	71,172

4 Consolidated cash flow statement

(in thousands of euros)

	31/12/2011	31/12/2010	31/12/2009
I. TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net profit (including non-controlling shareholdings)	9,212	5,084	(10,995)
Net depreciation and provision charges	(167)	406	241
Unrealised gains and losses from changes in fair value	(4,837)	(3,503)	12,651
Other calculated income and expenses (including discount calculations)	89	(4)	1,676
Capital gains and losses on sales of assets	(2,250)	251	(52)
- net carrying value of fixed assets sold	6,488	9,624	5,813
- income from disposals of fixed assets	(8,737)	(9,373)	(5,865)
Profits and losses from dilutions	-	-	-
Share in profits of companies consolidated under the equity method	-	-	-
Dividends and returns from income of non-consolidated companies	-	-	-
Operating cash flow after net borrowing costs and tax	2,047	2,234	3,521
Net cost of financial debt	6,353	6,387	6,915
Tax expense (including deferred taxes)	(12)	8	(97)
Operating cash flow before net borrowing costs and tax	8,388	8,629	10,339
Tax paid	(364)	(2,280)	(2,592)
Change in inventories	-	-	-
Change in trade receivables and related accounts	2,233	1,345	(156)
Change in suppliers and other debts	(2,294)	450	130
Other changes in working capital requirement related to operating activities	695	(1,025)	144
Cash flow from impact of discontinued activities	-	-	-
NET CASH FLOW FROM OPERATING ACTIVITIES	8,657	7,119	7,865
II. INVESTMENT TRANSACTIONS			
Finance leasing	-	-	-
- Cash paid for acquisitions	-	-	-
- Cash received from disposals	-	-	-
Investment properties	6,075	7,896	4,115
- Cash paid for acquisitions	(2,823)	(536)	(1,750)
- Cash received from disposals	8,897	8,432	5,865
Cash paid for acquisitions of tangible and intangible fixed assets	-	-	-
Cash received for disposals of tangible and intangible fixed assets	-	-	-
Investment subsidies received	-	-	-
Cash paid for acquisitions of financial assets	-	-	-
Cash received for disposals of financial assets	-	-	-
Consolidated shares	-	-	(110)
- Cash paid for acquisitions	-	-	(110)
- Cash received from disposals	-	-	-
- Impact of changes in consolidation	-	-	-
Dividends received (companies consolidated under equity method, non-consolidated shares)	-	-	-
Changes in loans and advances outstanding	-	-	(12)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	6,075	7,896	3,993
III. FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	6,243	-	-
- paid by shareholders of the parent company	6,243	-	-
- paid by minority interests of consolidated subsidiaries	-	-	-
Purchases and sales of treasury shares	(29)	29	(22)
Dividends paid during the financial year	(1,210)	(8)	(100)
- dividends paid to shareholders of the parent company	(1,211)	-	-
- dividends paid to minority interests of consolidated subsidiaries	1	(8)	(100)
Increase/Decrease in subordinated debt	-	-	-
Income from hybrid instruments	-	-	-
Change in guarantee deposits given and received	353	(260)	(107)
Issues or subscriptions of loans and borrowings	2,320	-	6,015
Repayments of loans and borrowings	(9,972)	(7,503)	(11,423)
Net cost of financial debt: interest paid	(6,392)	(6,329)	(7,028)
Other cash flows related to financing transactions	29	(58)	113
Cash flow from discontinued activities	-	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(8,657)	(14,128)	(12,553)
Net change in cash (i+ii+iii)	6,075	887	(695)
Cash and cash equivalents at opening	1,735	847	1,542
Cash and cash equivalents at closing	7,810	1,735	847
Net change in cash	6,075	887	(695)

Cash and equivalents

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010	As at 31/12/2009
Cash equivalents: SICAV (unit trust companies) (*1)	-	1,127	674
Bank account overdrafts	7,865	609	484
Bank overdrafts	(55)	(1)	(311)
CASH EQUIVALENTS AT CLOSING	7,810	1,735	847

(*1) According to the IFRS7 nomenclature, the fair value of marketable securities corresponds to a price quoted on an active market

5 Change in shares forming capital

Shares authorised, issued and paid up

	At opening	Capital reduction	Capital increase	At closing
Number of shares	2,898,000	-	2,753,100	5,651,100
Capital in euros	15,210,000	-	14,490,000	29,700,000

Treasury shares

	As at 31/12/2010	Purchases	Sales	Capital gains or losses	As at 31/12/2011
In thousands of euros	115	571	(539)	33	179
In numbers	15,555	62,650	(58,846)	-	19,359

6 Corporate information

On 2 February 2012, the Board of Directors of AffiParis approved the annual financial statements for the year ending 31 December 2011 and authorised their publication. AffiParis is a *société anonyme* (French limited public company) listed in compartment C of Euronext Paris since March 2007.

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

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

■ Compliance with the criteria required by the application of the SIIC Law 4 of 01/02/2010

Since it opted for SIIC status, AffiParis has been more than 60% owned by Affine, which itself has SIIC status. Given this situation, as a subsidiary of a SIIC which holds more than 60% of its capital, AffiParis is not required to limit its capital holding by a majority shareholder.

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

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

7 Notes to the consolidated financial statements

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 AffiParis Group's financial statements are drawn up pursuant to the IAS (International Accounting Standards) /IFRS (International Reporting Standards) as adopted by the European Union.

Since the AffiParis Group is neither affected by the IAS 39 exclusion pertaining to accounting for financial instruments, nor by the standards not yet adopted by the European Union, these statements also comply with the IASB's IFRS.

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

The accounting principles applied are identical to those used in preparing the consolidated annual financial statement for the financial year ended 31 December 2010, except for the adoption of the new standards and interpretations whose application is mandatory for financial years starting on or after 1 January 2011 (see list below). These new standards, amendments and interpretations have no material impact on the Group's financial statements.

■ Standards, interpretations and amendments to existing standards, whose application is mandatory in 2011:

- Amendment to IAS 32: Amendment regarding the accounting for rights issues
- Revised IAS 24: Revision of the standard on disclosures regarding related transactions
- 2010 improvements
- Amendments to IFRIC 14: Prepayments of a minimum funding requirement
- IFRIC 19: Extinguishing financial liabilities with equity instruments
- Standards, interpretations and amendments to existing standards not applied in advance to the 2011 financial statements.
- IFRS 7: Disclosures in the context of financial assets transfers

■ Standards, interpretations and amendments already published by the IASB but not yet endorsed by the European Union:

- IFRS 9: Financial instruments
- IAS 12: Recovery of underlying assets
- IFRS 10 Consolidated financial statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of interests in other entities
- Revised IAS 27 Separate financial statements

- Revised IAS 28 Investments in associates and joint ventures
- IFRS 13 Fair value measurement
- Amendments to IAS 19 Employee benefits
- Amendments to IAS 1 Presentation of items of Other Comprehensive Income

The impact of the texts published by the IASB on the financial statements for the year ended 31 December, 2011 and not yet in force in the European Union, is currently being analysed. The Group does not expect any material impact on the financial statements.

The business activities of the consolidated companies are not seasonal.

The financial statements are expressed in thousands of euros.

7.1.2 – COMPARABILITY OF THE FINANCIAL STATEMENTS

The 2010 financial statements were 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, the 2009 financial year has been restated in this new format.

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

All the Group companies are fully consolidated.

7.1.3.3 - Closing date

All consolidated companies end their financial year on 31 December.

7.1.4 – 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.

The factors likely to lead to significant adjustments during the 2012 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 is found in Note 1 – Real Estate portfolio buildings – paragraph entitled “Sensitivity to changes in the assumptions used to measure fair value”.

Fair value of financial instruments

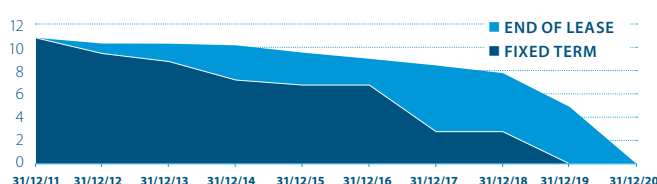
The nature of the assumptions used by the independent appraisers may have far-reaching impacts on the change in fair value included directly on the income statement.

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):

(in thousands of euros)	-100BP	-50BP	+50BP	+100BP
Change in FV of financial hedging instruments	(2,745)	(1,461)	1,044	2,226

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

Schedule of leases effective as at 31 December 2011



7.1.5 – AGREEMENTS

7.1.5.1 - 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 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 (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 agreements and are thus subject to IAS 39.

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

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

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

7.1.6 – 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.

Because the AffiParis Group opted for the fair value method provided for in IAS 40, the change in value of investment properties has an impact on earnings.

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.

7.1.7 – MEASUREMENT POLICY FOR MAJOR ITEMS

7.1.7.1 - 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 the value appearing in an offer, a commitment or a mandate for sale.

The methodology for determining the fair value of investment properties consists of using the value of the buildings obtained by capitalising the rental income and/or 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 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, to actual Group transactions, and to transactions announced in the market.

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

For the statements for the financial year ending 31 December 2011, the appraisals were performed by Cushman & Wakefield.

Unless there is a properly substantiated exception, the AffiParis Group uses values provided by this independent appraiser.

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

Cushman & Wakefield applied the income capitalisation 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 either until each lease renewal date, in the case where the current rent is higher than the market rent considered, or up to the lease expiry date where the current rent is lower than the market rent considered.

7.1.7.2 - Property, plant and equipment and buildings under construction

Property, plant and equipment include operating buildings that do not conform to the provisions of the IAS 40 standard, technical facilities, office and IT equipment, fixtures and fittings and vehicles.

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 amortisation by components and impairments of value.

Depreciation is calculated according to 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

No AffiParis property falls under the purview of IAS16.

7.1.7.3 - 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: "Current assets held for sale".

The decision taken by AffiParis Group General Management in 2007 to dispose of assets located outside Paris is being implemented. In 2011, the AffiParis General Management decided to dispose of a Parisian asset, thus raising the number of assets held for sale to eight as at 31/12/2011.

- the value of two of them corresponds to external appraisals,
- the value of one of them corresponds to an offer to sell signed by the two parties concerned.
- the five others were valued on the basis of in-house appraisals reflecting their probable sale value.

By correlation, the liabilities directly related to these assets have been reclassified in "Debts linked to liabilities held for sale".

The gain or loss on the 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.

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Gain or loss on sale	2,250	(251)	52

7.1.7.4 - Doubtful receivables

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

7.1.7.5 - Impairment of assets

■ Impairment of goodwill

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

If the recoverable value is less than its carrying value, it is irreversibly written off in the consolidated results for the year. There was no goodwill as at 31 December 2011.

■ Impairment of doubtful receivables

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

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

7.1.7.6 - Financial instruments

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

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

- Investment securities are recorded as trading assets,
- Unconsolidated securities are recorded as "assets available for sale". As at 31 December 2011, AffiParis had no unconsolidated securities.

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

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

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

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

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

■ Financial assets at fair value through the income statement

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

- Equity investments are measured on the basis of either their market price (listed instruments) or on the basis of their net asset value or discounted future cash flows if the amount is sufficiently significant;
- Derivatives are valued by discounting future flows estimated on the basis of an interest rate curve at the balance sheet date. The company uses 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 assets at fair value through the income statement

These liabilities pertain to debt related to derivatives.

Derivative instruments are valued by discounting estimated future cash flows on the yield curve of the three-month Euribor as at 31/12/2011 to the ten-year segment. The company uses 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.

This information is provided in paragraph "7.6 Management of financial risk".

7.1.7.7 - Provisions

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

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

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

7.1.7.8 - Treasury shares

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

7.1.7.9 - Income tax

Consolidated tax expense includes deferred taxes.

■ Current tax

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

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

All Group companies which have opted for this tax system are, for their investment property activity, exempt from tax on current earnings and on capital gains from disposals.

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

■ Deferred taxes

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

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

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

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

The rates applicable to the year ended 31 December 2011 are as follows:

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

In accordance with the standard:

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

7.1.7.10 - Employee benefits

The Group had no employees as at 31 December 2011, and therefore IAS 19 on retirement benefit payments is not applicable to the Group's consolidated statements.

7.2 - Segment reporting

Segment reporting reflects management's view and is prepared on the basis of the internal reporting used to implement the allocation of resources and evaluate performance. The data in the report is prepared in accordance with the accounting principles used by the Group.

Affiparis deals exclusively with investment property. Segment analysis is conducted according to one aspect: the geographic sector:

- Paris
- Paris region
- Other regions

(in thousands of euros)

	31/12/2011	31/12/2010	31/12/2009
PARIS			
Rental income	10,284	10,632	10,409
Rental income and expenses	(299)	(1,085)	(343)
Other rental income and expenses	(142)	(21)	(121)
Net rental income	9,843	9,527	9,945
Income from property disposals	2,335	-	-
Change in FV	4,963	4,516	(9,222)
PARIS REGION			
Rental income	332	546	711
Rental income and expenses	(43)	(157)	(66)
Other rental income and expenses	(60)	(20)	(18)
Net rental income	229	369	628
Income from property disposals	-	24	-
Change in FV	(90)	(220)	(1,034)
OTHER REGIONS			
Rental income	425	1,003	1,692
Rental income and expenses	(108)	(704)	(744)
Other rental income and expenses	(38)	(245)	(104)
Net rental income	279	54	844
Income from property disposals	(85)	(275)	52
Change in FV	(36)	(793)	(2,394)
Committed costs	(1,959)	(1,572)	(920)
Amortisation and impairments	(1)	(1)	(1)
Charges net of provisions	27	(136)	
Balance of other income and expenses	356	138	(0)
Gain/loss on asset disposals	-	-	-
NET OPERATING INCOME	15,861	11,632	(2,104)
Net cost of financial debt	(6,552)	(6,482)	(7,309)
Other financial income and expenses	(54)	(141)	(114)
Adjustment to value of financial instruments	(55)	83	(1,566)
PROFIT / LOSS BEFORE TAX	9,200	5,093	(11,092)
Taxes	12	(8)	97
Share in net income of equity-consolidated companies	-	-	-
Net earnings profit or loss after tax from discontinued activities	-	-	-
NET INCOME	9,212	5,084	(10,995)
Non-controlling equity	-	4	5
Net income - Group share	9,212	5,088	(10,990)

OTHER INFORMATION

Unallocated assets include cash and cash equivalents.

Unallocated liabilities include equity and the Affine current account.

As at 31/12/2011 (in thousands of euros)	Paris	Paris region	Other regions	Total
Segment assets	196,318	3,871	7,117	207,307
Unallocated assets	-	-	-	8,662
TOTAL CONSOLIDATED ASSETS	-	-	-	215,969
Segment liabilities	179,465	1,203	934	181,601
Unallocated liabilities	-	-	-	34,367
TOTAL CONSOLIDATED LIABILITIES	-	-	-	215,969

As at 31/12/2010 (in thousands of euros)	Paris	Paris region	Other regions	Total
Segment assets	194,681	4,381	10,087	209,149
Unallocated assets	-	-	-	1,905
TOTAL CONSOLIDATED ASSETS	-	-	-	211,055
Segment liabilities	174,307	3,659	6,591	184,557
Unallocated liabilities	-	-	-	26,497
TOTAL CONSOLIDATED LIABILITIES	-	-	-	211,055

As at 31/12/2009 (in thousands of euros)	Paris	Paris region	Other regions	Total
Segment assets	189,610	7,284	18,553	215,447
Unallocated assets	-	-	-	1,374
TOTAL CONSOLIDATED ASSETS	-	-	-	216,821
Segment liabilities	177,300	4,108	11,943	193,352
Unallocated liabilities	-	-	-	23,469
TOTAL CONSOLIDATED LIABILITIES	-	-	-	216,821

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

As at 31/12/2011 (in thousands of euros)	Paris	Paris region	Other regions	Total
	5,601	-	-	5,601
	3,471	-	-	3,471
Tenants representing more than 10%:	9,072	-	-	9,072
Tenants representing less than 10%:	4,653	394	534	5,581
INCOME FROM INVESTMENT PROPERTIES AS AT 31/12/2011	13,725	394	534	14,653

As at 31/12/2010 (in thousands of euros)	Paris	Paris region	Other regions	Total
	4,910	-	-	4,910
	3,847	-	-	3,847
Tenants representing more than 10%:	8,757	-	-	8,757
Tenants representing less than 10%:	3,694	669	832	5,195
INCOME FROM INVESTMENT PROPERTIES AS AT 31/12/2010	12,452	669	832	13,953

As at 31/12/2009 (in thousands of euros)	Paris	Paris region	Other regions	Total
	5,106	-	-	5,106
	3,942	-	-	3,942
Tenants representing more than 10%:	9,048	-	-	9,048
Tenants representing less than 10%:	3,778	934	2,364	7,076
INCOME FROM INVESTMENT PROPERTIES AS AT 31/12/2009	12,826	934	2,364	16,124

7.3 - Key events of the year

SHAREHOLDING

Affine has, during the financial year,

- redeemed Shy's 9.8% share in the company's capital,
- subscribed to the capital increase by capitalising the €19,376,000 shareholder loan and by exercising the rights issues that it purchased on the market for €3,182,000,
- subscribed for excess shares in the capital increase for the amount of €2,495,000.
- After completing this transaction, Affine holds 86.01% of the capital.

Affine has continued to buy AffiParis shares, and as at 31 December 2011, it holds 86.93% of AffiParis.

DISPOSALS

- Disposal of industrial premises totalling 3,125 m² in Lezennes (59).
- Disposal of 957 m² of offices in Paris (75).
- Disposal of 282 m² of offices in Montpellier (34).

SHAREHOLDERS' EQUITY

Capital increase and increase of the associated reserves of €25,661,000, with through a rights offering

CURRENT ASSETS HELD FOR SALE

The Baudry Ponthieu building was reclassified as property held for sale on the basis of an outside appraisal value less the marketing fees (See § 7.5.1 Assets held for sale).

7.4 - Scope of consolidation

	31/12/2011			31/12/2010			31/12/2009		
	Method	% of control	% of interest	Method	% of control	% of interest	Method	% of control	% of interest
PARIS									
AFFIPARIS		Parent company			Parent company			Parent company	
SCI BERCY PARKINGS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
SCI NUMERO 2	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
PARIS REGION									
SCI NUMERO 1	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
SCI PM MURS	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
SCI GOUSSINVEST	IG	100.00%	100.00%	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI GOUSSIMO 1	-	-	-	IG	100.00%	99.58%	IG	100.00%	99.58%
OTHER REGIONS									
SC HOLDIMMO	IG	100.00%	100.00%	IG	99.58%	99.58%	IG	99.58%	99.58%
SARL COSMO	IG	99.90%	99.90%	IG	99.90%	99.48%	IG	99.90%	99.48%
SCI 36	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
SCI 28-32 PLACE DE GAULLE	-	-	-	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI COSMO MARSEILLE	IG	100.00%	100.00%	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI COSMO MONTPELLIER	IG	100.00%	100.00%	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI COSMO TOULOUSE	IG	100.00%	100.00%	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI COSMO NANTES	-	-	-	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI COSMO LILLE	IG	100.00%	100.00%	IG	100.00%	99.58%	IG	100.00%	99.58%
SCI DU BEFFROI	IG	100.00%	100.00%	IG	100.00%	99.58%	IG	100.00%	99.58%

UNIVERSAL TRANSFER OF ASSETS AND LIABILITIES

During the year 2011, the assets and liabilities of four companies were fully merged:

- Cosmo Nantes transferred all of its assets and liabilities to Holdimmo on 1 January 2011;
- Goussimo 1 transferred all of its assets and liabilities to Goussinvest on 1 January 2011;
- The company 28 located 32 Place Charles de Gaulle transferred all of its assets and liabilities to Holdimmo on 30 June, 2011;
- PM Murs transferred all of its assets and liabilities to AffiParis on 30 June 2011.

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:

- five assets recorded as investment property
- and eight assets classified as buildings held for sale.

For the statements closing on 31 December 2011, AffiParis' entire portfolio was subject to internal or external appraisals:

- Seven assets (five investment properties and two buildings held for sale) were valued by the independent appraiser Cushman & Wakefield; these buildings represent 97.5% of the gross value of the portfolio,

- Five assets classified as buildings held for sale were given an internal valuation; they account for 2.3% of the gross value of the portfolio.

- The value of an asset classified under buildings held for sale corresponds to a sales commitment signed by the two parties involved; it represents 0.2% of the gross value of the portfolio.

■ Summary table of changes in fair value

As at 31 December 2011 (in thousands of euros)	01/01/2011	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2011
BY ASSET TYPE						
Industrial premises, warehouses	6,640	20	-	(900)	160	5,920
Offices	194,335	2,816	-	(5,588)	4,571	196,135
Business	-	-	-	-	-	-
Others	323	-	-	-	107	430
BY ZONE						
Paris	190,469	2,816	-	(5,240)	4,963	193,009
IDF - outside Paris	3,420	-	-	-	(90)	3,330
Other regions	7,410	20	-	(1,248)	(36)	6,147

As at 31 December 2010 (in thousands of euros)	01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
BY ASSET TYPE						
Industrial premises, warehouses	7,150	-	-	-	(510)	6,640
Offices	198,617	495	-	(8,843)	4,066	194,335
Business	-	-	-	-	-	-
Others	376	-	-	-	(53)	323
BY ZONE						
Paris	185,540	412	-	-	4,516	190,469
IDF - outside Paris	6,123	-	-	(2,483)	(220)	3,420
Other regions	14,480	83	-	(6,360)	(793)	7,410

As at 31 December 2009 (in thousands of euros)	01/01/2009	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2009
BY ASSET TYPE						
Industrial premises, warehouses	7,840	55	-	-	(745)	7,150
Offices	215,676	555	-	(5,813)	(11,801)	198,617
Business	-	-	-	-	-	-
Others	480	-	-	-	(104)	376
BY ZONE						
Paris	194,303	459	-	-	(9,222)	185,540
IDF - outside Paris	7,150	7	-	-	(1,034)	6,123
Other regions	22,543	144	-	(5,813)	(2,394)	14,480

■ Reconciliation between values in the statement of financial position and appraisals from independent experts

Investment property

As at 31 December 2011 (in thousands of euros)	Fair value used	Appraisals	Differential
Cushman and Wakefield	89,270	89,270	-
Marketing fees	18	-	18
INVESTMENT PROPERTIES AS AT 31/12/2011	89,288	89,270	18

As at 31 December 2010 (in thousands of euros)	Fair value used	Appraisals	Differential ⁽¹⁾
Cushman and Wakefield ⁽¹⁾	190,469	191,720	(1,251)
Marketing fees	42	-	42
INVESTMENT PROPERTIES AS AT 31/12/2010	190,511	191,720	(1,209)

(1) of which (653) thousand euros for the Baudry building, since the postponement of payment granted to the main tenant was cancelled, and had already been recorded in the accounts, and (599) million euros connected with taking works done on the Traversière tower building into account.

As at 31 December 2009 (in thousands of euros)	Fair value used	Appraisals	Differential ⁽¹⁾
Cushman and Wakefield ⁽¹⁾	101,354	102,300	(946)
BNP Real Estate ⁽¹⁾	79,286	79,190	96
Jones Lang Lasalle	4,900	4,900	-
Marketing fees	76	-	76
INVESTMENT PROPERTIES AS AT 31/12/2009	185,616	186,390	(774)

(1) of which (1.026) million euros for the Baudry building appraised by Cushman, since the postponement of payment granted to the main tenant was cancelled, and had already been recorded in the accounts, and 176 million euros arising from taking works into account.

Buildings held for sale

As at 31 December 2011 (in thousands of euros)	Fair value used	Appraisals	Differential ⁽¹⁾
Cushman and Wakefield ⁽¹⁾	108,139	109,100	(961)
Mandates, offers for sale and internal appraisals	5,077	-	5,077
BUILDINGS CLASSIFIED AS HELD FOR SALE AS AT 31/12/2011	113,215	109,100	4,115

(1) of which (685) thousand euros on the Baudry building appraised by Cushman in fees and (276) thousand euros on the same building, since the postponement of payment granted to the main tenant was cancelled, and had already been recorded in the accounts.

As at 31 December 2010 (in thousands of euros)	Fair value used	Appraisals	Differential
Cushman and Wakefield	4,300	4,300	-
Mandates, offers for sale and internal appraisals	6,530	-	6,530
BUILDINGS CLASSIFIED AS HELD FOR SALE AS AT 31/12/2010	10,830	4,300	6,530

As at 31 December 2009 (in thousands of euros)	Fair value used	Appraisals	Differential
Jones Lang Lasalle ⁽¹⁾	10,100	10,300	(200)
Mandates, offers for sale and internal appraisals	10,503	-	10,503
BUILDINGS CLASSIFIED AS HELD FOR SALE AS AT 31/12/2009	20,603	10,300	10,303

1) An acquisition cost was preferred over an appraised value

■ 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 2011 was 5.6%, compared with 5.7% at 31 December 2010.

On the basis of an average rate of return of 5.6%, a change of 25 basis points would tilt the change in the Group's portfolio value in the other direction by €8.9 million.

■ Changes in the fair value of properties

(in thousands of euros)	Leased	In progress	Non-current assets classified as held for sale	Total
AS AT 31/12/2009	185,616	-	20,603	206,219
Acquisitions during the financial year	56	357	83	495
Write-off	-	-	-	-
Disposals	-	-	(8,843)	(8,843)
Change in scope	-	-	-	-
Change in fair value	4,516	-	(1,013)	3,503
Transfers between line items	-	-	-	-
Change in initial direct costs	(34)	-	-	(34)
Sector transfers	-	-	-	-
AS AT 31/12/2010	190,154	357	10,830	201,341
Acquisitions during the financial year	164	2,653	20	2,837
Write-off	-	-	-	-
Disposals	(5,240)	-	(1,248)	(6,488)
Change in scope	-	-	-	-
Change in fair value	4,721	-	116	4,837
Transfers between line items	(100,519)	(2,977)	103,497	-
Change in initial direct costs	(24)	-	-	(24)
Sector transfers	-	-	-	-
AS AT 31/12/2011	89,256	32	113,215	202,503

Note 2 – Long-term loans

As at 31 December 2011 (in thousands of euros)		Balance sheet items	Final maturity		
			From 1 to 2 years	From 2 to 5 years	More than 5 years
	<i>Of which fixed rate</i>	-	-	-	-
Bank loans	<i>Of which variable rate</i>	57,364	1,781	5,910	49,673
	Total	57,364	1,781	5,910	49,673
Deferred borrowing costs at EIR		(827)	(200)	(536)	(91)
TOTAL AS AT 31/12/2011		56,537	1,581	5,374	49,582

As at 31 December 2010 (in thousands of euros)		Balance sheet items	Final maturity		
			From 1 to 2 years	From 2 to 5 years	More than 5 years
	<i>Of which fixed rate</i>	3,717	331	3,386	-
Bank loans	<i>Of which variable rate</i>	127,138	1,501	5,741	119,896
	Total	130,855	1,832	9,127	119,896
Deferred borrowing costs at EIR		(1,028)	(194)	(596)	(238)
TOTAL AS AT 31/12/2010		129,827	1,638	8,531	119,658

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

Note 3 – Other financial assets and liabilities

(in thousands of euros)		31/12/2011	31/12/2010	31/12/2009
FINANCIAL ASSETS				
	Finance leases and related receivables	-	-	-
	Financial assets at fair value via income	-	-	-
Non-current	Derivatives stated at fair value	184	35	-
	Deposits and sureties paid	269	767	769
	Loans	-	-	-
	TOTAL NON-CURRENT FINANCIAL ASSETS	454	803	769
	Cash equivalents: SICAV (unit trust company)	-	1,127	674
	Restatement of SICAVs at fair value	-	4	1
Current: cash and cash equivalents	Bank account overdrafts	7,865	609	484
	TOTAL CURRENT FINANCIAL ASSETS: CASH AND CASH EQUIVALENTS	7,865	1,740	1,159
FINANCIAL LIABILITIES				
	Long-term financial instruments	7,441	7,365	7,554
Non-current	Treasury bills	-	-	-
	Related debts	-	-	-
	TOTAL NON-CURRENT FINANCIAL LIABILITIES	7,441	7,365	7,554
	Less than one year	1,591	1,576	1,453
	Deferred borrowing costs at EIR	(185)	(178)	(177)
Current: Loans and borrowings	Accrued interest on loans	463	492	509
	Bank overdrafts	55	1	311
	Affine current and related accounts	1,285	23,349	28,001
	TOTAL CURRENT FINANCIAL LIABILITIES: LOANS AND BORROWINGS	3,209	25,240	30,098

Note 4 – Items classified as held for sale

(in thousands of euros)		31/12/2011		31/12/2010		31/12/2009	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
	Buildings classified as held for sale	113,215	-	10,830	-	20,603	-
Investment property	Loans	-	72,824	-	4,346	-	5,480
	Guarantee deposits	-	297	-	252	-	475
	TOTAL	113,215	73,122	10,830	4,598	20,603	5,955
Financial assets available for sale	Securities	-	-	-	-	-	-
	Related receivables	-	-	-	-	-	-
	TOTAL	-	-	-	-	-	-
TOTAL		113,215	73,122	10,830	4,598	20,603	5,955

Note 5 – Other assets

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
<i>French government - Tax and social security receivables</i>	360	982	380
Subtotal	360	982	380
<i>Suppliers</i>	28	22	10
<i>Client accounts</i>	1	1	1
<i>Subscribed share capital not paid up</i>	-	-	-
<i>Loans to related companies</i>	-	-	-
<i>Public notaries</i>	202	254	301
<i>Other diverse debtors</i>	1,361	2,093	1,631
<i>Miscellaneous bad debt provisions</i>	(606)	(533)	(533)
<i>Miscellaneous</i>	-	-	-
Other receivables	987	1,837	1,410
Accruals	1,308	2,502	4,167
Prepaid expenses	13	14	22
TOTAL	2,668	5,335	5,980

Note 6 – Other liabilities

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
<i>Trade payables and related accounts</i>	183	141	148
<i>Fixed asset payables and related accounts</i>	14	-	41
Trade payables and related accounts	198	141	189
<i>Other customer payables</i>	182	162	48
<i>Payments due on equity investments</i>	-	-	-
<i>Outstanding tenant credit notes</i>	1,283	2,507	2,489
<i>Other payables</i>	98	351	266
<i>Miscellaneous</i>	12	12	(12)
Other debts	1,575	3,032	2,791
Expenses payable	484	1,305	997
Prepaid income	742	26	788
TOTAL	2,998	4,504	4,765

Note 7 – Trade loans and receivables

(in thousands of euros)	31/12/2011			31/12/2010			31/12/2009		
	Gross	Provision	Net	Gross	Provision	Net	Gross	Provision	Net
Ordinary receivables	1,703	-	1,703	1,571	-	1,571	2,426	-	2,426
Disposals of fixed assets	-	-	-	-	-	-	-	-	-
Doubtful receivables	1,315	542	774	772	507	265	753	486	267
TOTAL	3,019	542	2,477	2,343	507	1,836	3,179	486	2,692

Note 8 – Taxes

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
ASSETS			
Deferred tax asset	-	-	-
Current tax asset			
<i>Corporate income tax</i>	2	-	-
Tax and social security receivables			
<i>Personnel</i>	-	-	-
<i>Tax liabilities (VAT, taxes)</i>	360	982	380
Subtotal	360	982	380
TOTAL	363	982	380
LIABILITIES			
Deferred tax liability	-	-	-
Non-current tax liability			
<i>French government - Exit tax</i>	-	13	362
Current tax liability			
<i>Corporate income tax</i>	-	5	-
<i>French government - Exit tax</i>	14	350	2,222
Subtotal	14	355	2,222
Tax and social security liabilities			
<i>Personnel</i>	-	-	-
<i>Tax liabilities (VAT, taxes)</i>	504	366	810
Subtotal	504	366	810
TOTAL	517	734	3,394

The Listed Real Estate Investment Trust status (SIIC in its French acronym) allows real estate companies to benefit from exemption of tax on ordinary profits from rental activities and capital gains on building disposals. The deferred taxes correspond to transactions made outside the field of application of the SIIC regime.

No deferred tax was recorded at 31/12/2011 in the consolidated accounts of AffiParis.

Note 9 - Provisions

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
START OF FINANCIAL YEAR	241	105	105
Allocations	-	136	-
Disposals and write-backs	(27)	-	-
Change in scope	-	-	-
Transfers between line items	-	-	-
END OF FINANCIAL YEAR	214	241	105

Note 10 – Tangible fixed and intangible assets

(in thousands of euros)	31/12/2009	Acquisitions, Allocations	Sales, Reversals	31/12/2010	Acquisitions, Allocations	Sales, Reversals	31/12/2011
INTANGIBLE ASSETS							
Gross	-	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-
NET	-	-	-	-	-	-	-
TANGIBLE FIXED ASSETS							
Gross	20	-	-	20	-	-	20
Amortization	(17)	(1)	-	(19)	(1)	-	(20)
NET	2	(1)	-	1	(1)	-	-

7.5.2 – NOTES TO THE INCOME STATEMENT

Note 11 – Net rental income on investment properties

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
Rental income	11,041	12,181	12,812	(1,140)	(631)
Rental income and expenses	(450)	(1,946)	(1,153)	1,495	(793)
<i>Reinvoiced expenses</i>	3,612	1,771	3,312	1,840	(1,541)
<i>Rebillable expenses</i>	(3,624)	(2,481)	(3,365)	(1,143)	884
<i>Non-rebillable expenses</i>	(395)	(1,208)	(665)	812	(543)
<i>Miscellaneous expenses</i>	-	-	-	-	-
<i>Lease fees</i>	(42)	(29)	(435)	(14)	407
<i>Amortisation expenses</i>	-	-	-	-	-
Other rental income and expenses	(240)	(286)	(243)	46	(43)
<i>Other income</i>	19	6	6	13	-
<i>Cost of risk</i>	(259)	(292)	(249)	33	(43)
NET RENTAL INCOME ON INVESTMENT PROPERTIES	10,351	9,949	11,416	402	(1,467)

The decrease in rental income is primarily due to:

- Disposals totalling €717,000
- Terminations totalling €240,000

Note 12 - Committed costs

Committed costs include costs that are not directly linked to the property rental activity. These are costs associated with the head office (management fees, insurance, entertainment expenses, business tax, corporate social contribution, etc.).

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
Other purchases and external expenses	1,828	1,315	868	513	447
Taxes, duties and similar payments	131	257	52	(126)	205
Employee benefit and payroll expenses	-	-	-	-	-
TOTAL	1,959	1,572	920	387	652

The increase in committed costs is essentially the result of the provision of services delivered by Affine which were re-evaluated in order to align them with market conditions.

Note 13 - Net provision expense

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
Provisions for risks	-	(127)	-	127	(127)
Provisions for charges	-	(9)	-	9	(9)
Reversals of provisions for risks	27	-	-	27	-
TOTAL	27	(136)	-	163	(136)

Note 14 - Gain/loss on asset disposals

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
Proceeds from sales of fixed assets	8,737	9,373	5,865	(636)	3,508
Net carrying value of properties sold	(6,488)	(9,624)	(5,813)	3,136	(3,810)
GAIN / LOSS ON INVESTMENT PROPERTY SALES	2,250	(251)	52	2,500	(302)

Note 15 - Results, dividends and NAV per share

■ EPRA earnings

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Net income - Group share	9,212	5,088	(10,990)
Adjustment to value of investment properties	(4,837)	(3,503)	12,651
Gain / loss on asset disposals	(2,250)	251	(52)
Other non-recurring items	(329)	138	113
Adjustment to goodwill	-	-	-
Adjustment to value of financial instruments	55	(83)	1,566
Non-current and deferred taxes, French government - Exit tax	(12)	-	(119)
Minority interests in the items above	9	-	-
EPRA EARNINGS	1,848	1,890	3,168

■ Earnings per share

	31/12/2011	31/12/2010	31/12/2009
Net income - Group share	9,211,949	5,088,474	(10,990,300)
EPRA earnings	1,848,354	1,890,360	3,168,173
Number of shares in circulation at end of accounting period	5,651,100	2,898,000	2,898,000
Average number of treasury shares	(2,466,559)	(22,679)	(19,537)
Average number of shares (excluding treasury shares)	3,184,541	2,875,321	2,878,463
Impact of dilutive instruments	-	-	-
Average number of diluted shares (excluding treasury shares)	3,184,541	2,875,321	2,878,463
Earnings per share (in euros)	2.89	1.77	(3.82)
Diluted earnings per share (in euros)	2.89	1.77	(3.82)
EPRA EARNINGS PER SHARE (IN EUROS)	0.58	0.66	1.10

In October 2010, EPRA, the European Public Real Estate Association, updated a guide on performance measurement. As explained in the note on EPRA restatements, EPRA earnings exclude changes in fair value, capital gains or losses on disposal, other non-recurrent items and other items of comprehensive income.

■ IFRS NAV

(in euros)	31/12/2011	31/12/2010	31/12/2009
<i>Equity (before allocation) - IFRS NAV excluding rights</i>	71,172,341	37,594,603	32,473,456
<i>Transfer taxes</i>	12,596,544	12,480,517	12,780,869
Diluted IFRS NAV including rights	83,768,884	50,075,120	45,254,326
<i>Number of shares in circulation</i>	5,651,100	2,898,000	2,898,000
<i>Treasury shares</i>	(19,359)	(15,555)	(20,117)
Number of shares (excluding treasury shares)	5,631,741	2,882,445	2,877,883
IFRS NAV EXCLUDING RIGHTS PER SHARE	12.64	13.04	11.28
DILUTED IFRS NAV INCLUDING RIGHTS PER SHARE	14.87	17.37	15.72

■ EPRA NAV

(in euros)	31/12/2011	31/12/2010	31/12/2009
IFRS NAV excluding rights	71,172,341	37,594,603	32,473,456
EPRA restatements	7,087,984	7,032,546	7,115,926
<i>of which fair value of financial instruments</i>	7,087,984	7,032,546	7,115,926
<i>of which net deferred taxes</i>	-	-	-
EPRA NAV excluding rights	78,260,325	44,627,149	39,589,382
EPRA NAV including rights	90,856,869	57,107,666	52,370,251
EPRA NAV EXCLUDING RIGHTS PER SHARE	13.90	15.48	13.76
EPRA NAV INCLUDING RIGHTS PER SHARE	16.13	19.81	18.20

■ ANNNR EPRA

(in euros)	31/12/2011	31/12/2010	31/12/2009
EPRA NAV excluding rights	78,260,325	44,627,149	39,589,382
<i>of which fair value of financial instruments</i>	(7,087,984)	(7,032,546)	(7,115,926)
<i>of which adjustment of debt values</i>	8,773,968	6,998,050	nd
<i>of which net deferred taxes</i>	-	-	-
ANNNR EPRA excluding rights	79,946,308	44,592,653	nd
ANNNR EPRA including rights	92,542,852	57,073,170	nd
ANNNR EPRA EXCLUDING RIGHTS PER SHARE	14.20	15.47	ND
ANNNR EPRA INCLUDING RIGHTS PER SHARE	16.43	19.80	ND

7.6 - Management of financial risk

7.6.1 – CARRYING AMOUNT OF FINANCIAL INSTRUMENTS BY CATEGORY

	Carrying amount				Fair value
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
As at 31 December 2011 (in thousands of euros)					
Derivatives stated at fair value	-	-	-	-	-
Current and non-current securities available for sale	-	-	-	-	-
Other current and non-current financial assets	-	-	454	454	454
Trade accounts and related receivables	-	-	2,477	2,477	2,477
Other receivables *	-	-	1,818	1,818	1,818
Cash and cash equivalents	-	-	7,865	7,865	7,865
TOTAL FINANCIAL ASSETS	-	-	12,613	12,613	12,613

* excluding prepaid expenses, calls for costs, tax and payroll receivables

	Carrying amount			Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Total	Total
As at 31 December 2011 (in thousands of euros)				
Derivatives stated at fair value	7,441	-	7,441	7,441
Loans and debts to financial institutions	-	131,285	131,285	131,285
Guarantee deposits	-	1,056	1,056	1,056
Trade accounts and other payables *	-	973	973	973
TOTAL FINANCIAL LIABILITIES	7,441	133,314	140,755	140,755

* excluding prepaid income and calls for rental costs.

	Carrying amount				Fair value
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
As at 31 December 2010 (in thousands of euros)					
Derivatives stated at fair value	-	-	-	-	-
Current and non-current securities available for sale	-	-	-	-	-
Other current and non-current financial assets	-	-	803	803	803
Trade accounts and related receivables	-	-	1,836	1,836	1,836
Other receivables *	-	-	3,675	3,675	3,675
Cash and cash equivalents	1,130	-	609	1,740	1,740
TOTAL FINANCIAL ASSETS	1,130	-	6,923	8,053	8,053

* excluding prepaid expenses, calls for costs, tax and payroll receivables .

	Carrying amount			Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Total	Total
As at 31 December 2010 (in thousands of euros)				
Derivatives stated at fair value	7,365	-	7,365	7,365
Loans and debts to financial institutions	-	136,065	136,065	131,324
Guarantee deposits	-	1,196	1,196	1,196
Trade accounts and other payables *	-	1,971	1,971	1,971
TOTAL FINANCIAL LIABILITIES	7,365	139,231	146,596	141,855

* excluding accrued income and calls for rental expenses.

	Carrying amount				Fair value
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
As at 31 December 2009 (in thousands of euros)					
Derivatives stated at fair value	-	-	-	-	-
Current and non-current securities available for sale	-	-	-	-	-
Other current and non-current financial assets	-	-	769	769	769
Trade accounts and related receivables	-	-	2,692	2,692	2,692
Other receivables *	-	-	4,844	4,844	4,844
Cash and cash equivalents	675	-	484	1,159	1,159
TOTAL FINANCIAL ASSETS	675	-	8,789	9,465	9,465

* excluding prepaid expenses, calls for costs, tax and payroll receivables

	Carrying amount			Fair value
	Liabilities in fair value through profit or loss	Liabilities at amortised cost	Total	Total
As at 31 December 2009 (in thousands of euros)				
Derivatives stated at fair value	7,554	-	7,554	7,554
Loans and debts to financial institutions	-	139,064	139,064	139,064
Guarantee deposits	-	1,444	1,444	1,444
Trade accounts and other payables *	-	1,488	1,488	1,488
TOTAL FINANCIAL LIABILITIES	7,554	141,996	149,550	149,550

* excluding prepaid income and calls for rental costs

7.6.2 – IMPACT OF FINANCIAL INSTRUMENTS ON FINANCIAL POSITION AND PERFORMANCE

The AffiParis Group:

- did not use the fair value per option for any financial asset or liability,
- holds no compound collateral or instruments issued with multiple derivatives,
- did not experience any default or failed performance with respect to its loans.

No asset was reclassified or written off during the financial year.

7.6.3 – NATURE AND SCOPE OF RISKS RELATED TO FINANCIAL INSTRUMENTS

7.6.3.1 - Credit risk

AffiParis had zero credit risk as at 31 December 2011 since it no longer had any finance lease activity.

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

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

7.6.3.2 - Liquidity risk

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

It uses mainly two tools to monitor its risk:

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

■ Summary of value losses on financial assets

As at 31 December 2011 (in thousands of euros)	Balance sheet item	Not due	Due for			
			30 days or more	more than 30 and less than 180 days	more than 180 days and less than one year	more than one year
Gross	3,019	361	1,022	321	223	1,092
Losses linked to trade receivables	(542)	-	-	(17)	2	(527)
NET	2,477	361	1,022	304	225	565

As at 31 December 2011 (in thousands of euros)	Balance as at 1 January	Allocations	Reversal for use	Reversals for non-use	Other changes	Balance as at 31 December
CHANGE IN LOSSES LINKED TO TRADE RECEIVABLES	507	57	(21)	-	-	542

As at 31 December 2010 (in thousands of euros)	Balance sheet item	Not due	Due for			
			30 days or more	more than 30 and less than 180 days	more than 180 days and less than one year	more than one year
Gross	2,343	766	493	253	142	689
Losses linked to trade receivables	(507)	-	-	-	(82)	(425)
NET	1,836	766	493	253	60	264

As at 31 December 2010 (in thousands of euros)	Balance as at 1 January	Allocations	Reversal for use	Reversals for non-use	Other changes	Balance as at 31 December
CHANGE IN LOSSES LINKED TO TRADE RECEIVABLES	486	72	(24)	(28)	-	507

As at 31 December 2009 (in thousands of euros)	Balance sheet item	Not due	Due for			
			30 days or more	more than 30 and less than 180 days	more than 180 days and less than one year	more than one year
Gross	3,179	1,631	665	57	279	548
Losses linked to trade receivables	(486)	-	-	-	(241)	(245)
NET	2,692	1,631	665	57	38	302

As at 31 December 2009 (in thousands of euros)	Balance as at 1 January	Allocations	Reversal for use	Reversals for non-use	Other changes	Balance as at 31 December
CHANGE IN LOSSES LINKED TO TRADE RECEIVABLES	247	244	(3)	(1)	-	486

7.6.3.3 - Interest rate risk

The AffiParis Group favours the use of floating rate debt, which, before hedges, represented almost €130,652,000, or 99% of its bank debt as at 31 December 2011 (excluding debts related to investments and bank overdrafts).

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

- A cap contracted for a notional amount of €27,975,000 guaranteeing a maximum rate of 4%;

- Four tunnels with a notional amount of €92,435,000 guaranteeing rates ranging from 3.80% to 5.40%.

Market risk is assessed using the value-at-risk approach, i.e. by estimating the net maximum loss that the portfolio of financial instruments could suffer under 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 7.8% of its unhedged debt.

■ Analysis of the sensitivity of cash flows for floating rate instruments (loans financing assets held for sale are excluded)

Sensitivity to interest rate variation (in thousands of euros)	Amount outstanding as at 31/12/2011	Interest charges 2012	Interest charges 2013	Interest charges 2014	Interest charges 2015
Fall by 100 basis points, 2011 projected rate		4,561	4,533	4,453	4,367
Fall by 50 basis points, 2011 projected rate		3,962	3,891	3,822	3,748
AS AT 31/12/2011	130,653				
On-maturity accounts and borrowings	130,188				
Term loans - Current - fixed rate	-				
Term loans - Current - floating rate	1,591				
- fixed rate	(1,126)				
AS AT 31/12/2011	130,653				

Sensitivity to interest rate variation (in thousands of euros)	Amount outstanding as at 31/12/2010	Interest charges 2011	Interest charges 2012	Interest charges 2013	Interest charges 2014
Fall by 100 basis points, 2010 projected rate		(1,300)	(1,290)	(1,270)	(1,251)
Fall by 50 basis points, 2010 projected rate		(648)	(643)	(633)	(624)
AS AT 31/12/2010	128,408				
On-maturity accounts and borrowings	130,855				
Term loans - Current - fixed rate	306				
Term loans - Current - floating rate	1,270				
-fixed rate (SCI 2)	(4,024)				
AS AT 31/12/2010	128,408				

Sensitivity to interest rate variation (in thousands of euros)	Amount outstanding as at 31/12/2010	Interest charges 2011	Interest charges 2012	Interest charges 2013	Interest charges 2014
Fall by 100 basis points, 2009 projected rate		(1,311)	(1,299)	(1,288)	(1,140)
Fall by 50 basis points, 2009 projected rate		(656)	(649)	(644)	(570)
AS AT 31/12/2009	129,964				
On-maturity accounts and borrowings	132,686				
Term loans - Current - fixed rate	283				
Term loans - Current - floating rate	1,170				
-fixed rate(SCI 2)	(4,306)				
AS AT 31/12/2009	129,832				

The impact of an interest rate hike is identical in absolute value and of the opposite sign of that of a fall.

7.6.3.4 - Foreign exchange risk

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

7.6.3.5 - Counterparty risk

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

■ Breakdown of bank debt

(in thousands of euros)	As at 31/12/2011	In %
HSH NORDBANK	71,513	54.27%
SOCIETE GENERALE	34,116	25.89%
CREDIT AGRICOLE	14,373	10.91%
BNP	5,550	4.21%
SAARLB	4,916	3.73%
Divers	1,311	1.00%
TOTAL⁽¹⁾	131,779	100.00%

⁽¹⁾The total corresponds to long-term loans totalling €57,364,000 (Note 2), short-term loans of €1,591,000 (Note 3) and loans linked to liabilities held for sale totalling €72,824,000 (Note 4).

7.6.3.6 - Financial structure ratio

The LTV, fees included, is calculated in relation to the bank debt; it stood at 57.6% as at 31 December 2011 compared to 63.2% as at 31 December 2010 and 63.4% as at 31 December 2009.

This ratio is lower than the levels permitted under the financial covenants linked to loans.

7.6.3.7 - Financial covenants

The Group's loan agreements have covenants relating to:

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

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 2011, 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.

7.7 - Commitments and guarantees**7.7.1 – COMMITMENTS AND GUARANTEES GIVEN****7.7.1.1 - Bank loans**

- Commitments made: mortgages and other guarantees given in connection with the following loans:

(in thousands of euros)	31/12/2011	31/12/2010	31/12/2009
HSH NORDBANK of €9 million	1,126	6,833	7,313
PALATINE of €952 million	-	-	719
BRED of €396 million	-	-	286
PALATINE - BRED de €10 million	-	-	-
HSH NORDBANK of €58 million	57,100	57,100	57,100
HSH NORDBANK of €5 million	312	312	312
BNP Paribas of €6.2 million	5,550	5,760	5,950
HSH NORDBANK of €13.275 million	12,975	13,075	13,175
Crédit Agricole of €15.206 million	14,373	14,628	14,869
Société Générale of €33.6 K€	31,912	32,491	32,987
Société Générale of €2.32 million	2,204	-	-
SaarLB of €5.3 million	4,916	5,042	5,154

7.7.1.2 - Minimum payments required under finance leases in which the Group is lessee

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

Finance lease agreements, where Affine is lessee, are agreements without specific provisions.

(in thousands of euros)	Minimum payments	Current value of minimum payments
Less than 1 year	269	234
From 1 to 5 years	1,091	1,019
More than 5 years	58	58
Minimum total lease payments	1,419	
Amounts representing financing charges	(107)	
Discounted value of minimum lease payments	1,311	1,311

7.7.1.3 - Other commitments

None.

7.7.2 – COMMITMENTS AND GUARANTEES RECEIVED

7.7.2.1 - Minimum guaranteed revenues under operating leases for which the Group is lessor

(in thousands of euros)	Minimum payments	Current value of minimum payments
Less than 1 year	10,483	7,284
From 1 to 5 years	37,490	29,038
More than 5 years	17,234	14,998
Minimum total lease payments	65,207	
Amounts representing financing charges	(13,886)	
Discounted value of minimum lease payments	51,320	51,320

7.8 - Related party disclosures

7.8.1 - REMUNERATION OF MANAGEMENT AND ADMINISTRATION BODIES

During 2011, attendance fees of €35,000 were paid to members of the Board of Directors.

7.8.2 - AFFIPARIS TRANSACTIONS WITH AFFILIATES

(in thousands of euros)		31/12/2011	31/12/2010	31/12/2009
	<i>Current Account</i>	(1,285)	(23,315)	(27,976)
Affine	<i>Financial expenses</i>	446	510	453
	<i>Operating expenses</i>	1,421	917	253

7.9 - Post balance sheet events

None.

7.10 - Fees of statutory auditors and members of their networks

(in euros)	CONSEIL AUDIT & SYNTHESE			CAILLAU DEDOUIT & ASSOCIES			KPMG		
	Amount, excluding taxes			Amount, excluding taxes			Amount, excluding taxes		
	31/12/2011	31/12/2010	31/12/2009	31/12/2011	31/12/2010	31/12/2009	31/12/2011	31/12/2010	31/12/2011
Audit									
<i>Statutory auditors, certifications, review of individual and consolidated financial statements</i>	70,000	70,000	86,000	95,000	70,000	86,000	-	20,000	27,500
<i>Other reviews and services directly linked to the statutory auditors' engagement</i>	9,930	-	-	9,930	-	-	-	-	-
SUBTOTAL	79,930	70,000	86,000	104,930	70,000	86,000	-	20,000	27,500
Other services rendered by the networks to fully-consolidated subsidiaries									
<i>Legal, tax, social</i>	-	-	-	-	-	-	-	-	-
<i>Others</i>	-	-	-	-	-	-	-	-	-
SUBTOTAL	-	-	-	-	-	-	-	-	-
TOTAL	79,930	70,000	86,000	104,930	70,000	86,000	-	20,000	27,500

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Auditors' report on the annual financial statements

Financial year ended 31 December 2011

To the Shareholders,

Pursuant to the engagement assigned to us by your general shareholders' meetings, we submit to you our report for the financial year ended 31 December 2011 on:

- the audit of the annual financial statements of AffiParis as enclosed with this report;
- the justification of our assessments;
- the specific audits and reporting required by law.

The annual financial statements were prepared under the responsibility of the Board of Directors. Our responsibility is to express an opinion on these financial statements based on our audit.

1. OPINION ON THE FINANCIAL STATEMENTS

We conducted our audit in accordance with the auditing standards applicable in France. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual financial statements are free of material misstatement. An audit includes an examination, on a test basis or by using other selection methods, of evidence supporting the amounts and information shown in the annual financial statements. It also entails assessing the accounting principles applied, making significant estimates and the overall presentation of the financial statements. We believe that the information we collected is sufficient and appropriate for serving as a basis for our opinion

We certify that the annual financial statements are presented fairly under French accounting rules and principles and give a true and fair view of the results of the company's operations for the year ended and its financial position and assets at the end of this financial year.

2. JUSTIFICATION OF THE ASSESSMENTS

In accordance with the provisions of Article L. 823-9 of the French Commercial Code relating to the justification of our assessments, we hereby inform you of the following elements:

- At each account closing, independent property appraisers conduct appraisals of the property assets using the

procedures described in paragraph 5.3.4.1 of the notes to the financial statements. As indicated in that paragraph, the company may have to write down the value of its property assets if the net book value exceeds their appraised value. We have verified that this accounting method was applied correctly.

- The equity securities appearing on your company's balance sheet asset side are valued using the procedures presented in paragraph 5.3.2.1 of the notes to the financial statements. We have assessed the methods used by your company and verified the calculation of the impairments.

The assessments thus given fall within the framework of the procedure we followed in auditing the annual financial statements, considered as a whole, and have therefore contributed to the formation of our opinion expressed in the first part of this report.

3. SPECIFIC CHECKS AND INFORMATION

We have also performed the specific checks required by law and mandated by the professional standards applicable in France.

We have no comment on the fairness and concordance with the annual financial statements of the information given in the board of directors' management report and in the documents sent to the shareholders regarding the financial position and the financial statements.

Concerning the information provided pursuant to Article L. 225-102-1 of the French Commercial Code on remuneration and benefits paid to the company officers and on the commitments made to them, we have audited their consistency with the financial statements or with the data used to prepare those financial statements and, where applicable, with the evidence gathered by your company from companies which control your company or are controlled by it. On the basis of our audit, we certify the accuracy and fairness of that information.

As required by law, we obtained assurance that the various information pertaining to equity and controlling interest and to the identity of the holders of equity and voting rights were reported to you in the management report.

Paris and Paris-La Défense, on 7 February 2012
The Statutory Auditors

CAILLIAU DEDOUIT ET ASSOCIES

CONSEIL AUDIT & SYNTHÈSE
Member of the Ernst & Young network

Rémi Savournin

Jean-Philippe Bertin

1. Assets

(in thousands of euros)	Notes	31/12/2011			31/12/2010
		Gross	Amortisation & Impairments	Net	Net
Subscribed share capital not called up		-	-	-	-
<u>CAPITALISED ASSETS</u>					
Intangible assets					
<i>Set-up costs</i>		-	-	-	-
<i>Research and development costs</i>		-	-	-	-
<i>Concessions, patents, licences, software</i>		-	-	-	-
<i>Goodwill</i>		-	-	-	-
<i>Other intangible assets</i>		-	-	-	-
<i>Intangible assets under construction</i>		-	-	-	-
<i>Prepayments and interim payments</i>		-	-	-	-
Tangible assets					
<i>Land</i>		81,695	-	81,695	81,695
<i>Buildings</i>		112,985	14,859	98,126	96,671
<i>Technical facilities, equipment and industrial tools</i>		-	-	-	-
<i>Other tangible assets</i>		20	20	0	1
<i>Property, plant & equipment under construction</i>		32	-	32	357
<i>Prepayments and interim payments</i>		-	-	-	-
Financial assets					
<i>Shareholdings</i>	3 & 4	14,547	8,849	5,697	5,808
<i>Receivables related to equity investments</i>		-	-	-	-
<i>Long-term portfolio investment securities</i>		-	-	-	-
<i>Other investment securities</i>		-	-	-	-
<i>Loans</i>		-	-	-	-
<i>Other long-term financial assets</i>		175	-	175	172
	1 & 2	209,452	23,728	185,724	184,703
<u>CURRENT ASSETS</u>					
Inventories and work-in-progress					
<i>Raw materials and other supplies</i>		-	-	-	-
<i>Work-in-progress (goods and services)</i>		-	-	-	-
<i>Semi-finished and finished products</i>		-	-	-	-
<i>Commodities</i>		-	-	-	-
Amounts paid on account					
Receivables					
<i>Trade receivables and associated accounts</i>	6 & 7	1,728	120	1,608	1,257
<i>Other receivables</i>	6 & 7	5,182	180	5,001	8,192
<i>Subscribed share capital – called, not paid up</i>		-	-	-	-
Investment securities					
<i>Treasury shares</i>	8	179	21	158	115
<i>Other securities</i>	8	0	-	0	1,127
<i>Cash instruments</i>		-	-	-	-
Cash					
Prepaid expenses					
	10	1	-	1	2
		14,865	321	14,544	11,747
Deferred charges over several years					
	9	2,249	-	2,249	2,264
Loan redemption premiums					
Translation adjustment assets					
		-	-	-	-
		-	-	-	-
GRAND TOTAL		226,566	24,049	202,517	198,714

2. Liabilities

(in thousands of euros)	Notes	31/12/2011	31/12/2010
		Net	Net
Equity			
<i>Share capital (including paid: 15 210)</i>		29,700	15,210
<i>Bond, merger and share premiums</i>		11,345	174
<i>Revaluation reserves</i>		20,954	20,954
<i>Equity method evaluation difference</i>		-	-
<i>Legal reserve</i>		158	77
<i>Statutory or contractual reserves</i>		-	-
<i>Regulated reserves</i>		-	-
<i>Other reserves</i>		1,546	1,587
<i>Retained earnings</i>		331	-
Income or loss for the year		1,574	1,623
<i>Investment subsidies</i>		-	-
<i>Regulated provisions</i>		-	-
	11	65,609	39,627
Other own equity			
<i>Income from issue of equity securities</i>		-	-
<i>Conditional advances</i>		-	-
<i>Other own equity</i>		-	-
Provisions			
<i>Provisions for risks</i>		100	127
<i>Provisions for charges</i>		-	-
Debts			
<i>Convertible bonds</i>		-	-
<i>Other bonds</i>		-	-
<i>Borrowings and debts from lending institutions</i>		130,970	131,678
<i>Loans and borrowings</i>		3,519	24,347
<i>Amounts received on accounts in progress</i>		-	77
<i>Trade payables and related accounts</i>		147	117
<i>Tax and social security debts</i>		325	186
<i>Fixed asset payables and related payables</i>		14	0
<i>Other debts</i>		1,117	2,555
<i>Cash instruments</i>		-	-
<i>Prepaid income</i>	14	716	-
	12	136,807	158,961
Translation adjustment liabilities		-	-
GRAND TOTAL		202,517	198,714

3. Income statement

(in thousands of euros)	Notes	31/12/2011			31/12/2010
		France	Exports	Total	Total
Operating revenues					
<i>Production sold (services)</i>		13,415		13,415	12,378
Net revenues	15	13,415		13,415	12,378
<i>Prior period adjustments and transfers of expenditures</i>	15			2,353	4,841
<i>Other revenues</i>	15			44	1
				15,813	17,219
Operating expenses					
<i>Other purchases and external expenses</i>	16			4,619	3,717
<i>Taxes, levies and similar payments</i>	16			832	749
<i>Payroll and wages</i>	16				
<i>Social security costs</i>	16				
<i>Depreciation expense, impairments and provisions</i>					
- <i>For fixed assets: Depreciation charges</i>	16			3,505	3,533
- <i>For fixed assets: depreciation expense</i>					
- <i>On current assets: depreciation expense</i>	16			140	116
- <i>For risks and expenses provision allowances</i>					
<i>Other expenses</i>	16			233	45
				9,329	8,160
NET OPERATING INCOME	17			6,484	9,060
Share in the profit or loss of joint transactions				439	112
<i>Profit allocated or loss transferred</i>	18			449	323
<i>Accrued loss or transferred profit</i>	18			10	210
Financial income					
<i>From equity investments</i>				111	393
<i>Other investment securities and receivables from capitalised asset</i>					
<i>Other interest and similar income</i>				27	(62)
<i>Reversals on impairments, provisions and transfer of charges</i>				2,815	327
<i>Net income from disposals of investment securities</i>	19			13	2
				2,965	661
Financial expenses					
<i>Depreciation expense, impairments and provisions</i>				853	1,337
<i>Interest and similar expenses</i>				7,434	6,253
<i>Net charges on investment securities sales</i>	19				
				8,286	7,590
NET FINANCIAL INCOME AND EXPENSES	19			(5,321)	(6,929)
PRE-TAX PROFIT				1,602	2,243
Exceptional income					
<i>On management transactions</i>					
<i>On capital transactions</i>				355	5,705
<i>Reversals on impairments, provisions and transfers of charges</i>				27	
				382	5,705
Exceptional expenses					
<i>On management transactions</i>				33	-
<i>On capital transactions</i>				377	6,198
<i>Depreciation expense, impairments and provisions</i>				-	127
				410	6,325
EXCEPTIONAL INCOME (LOSS)	20			(28)	(620)
Employee profit-sharing					
Income tax	21				
Total income				19,609	23,908
Total expenses				18,035	22,285
PROFIT OR LOSS	21			1,574	1,623

4. Corporate information

On 2 February 2011, the Board of Directors of AffiParis SA approved the financial statements for the year ended 31 December 2011 and authorised their publication.

AffiParis adopted tax status as a French listed real estate investment trust (SIIC for the French acronym).

Its registered office is at 5 rue Saint Georges, Paris 9.

5. Notes to the consolidated financial statements

5.1. - Accounting principles and policies

AffiParis SA is the parent company of the AffiParis consolidated group.

The balance sheet and income statement are prepared in compliance with the provisions of French law and in accordance with French generally accepted accounting principles (PCG art. 531-1§ 1).

The general accounting conventions have been applied, in compliance with the principle of prudence, according to the following accounting postulates:

- Going concern principle
- Consistency of the accounting standards and practices from one financial year to the next
- Separation of accounting periods

and pursuant to the rules governing the preparation and

presentation of annual financial statements set out in the law of 30 April 1983 and the implementing decree of 29 November 1983.

The basic method applied for valuing items recorded in the accounts is the historical cost method, except for the accounting consequences of opting for the SIIC regime (free revaluation).

Fixed assets are accounted for on a component basis as from 1 January 2005.

The financial statements are presented in thousands of euros.

5.2. - Comparability of the financial statements

The accounting principles and methods of calculation adopted in the financial statements for the financial year are identical to those used in the financial statements of the previous year.

5.3. - Measurement policy for major items

5.3.1. - TANGIBLE ASSETS

5.3.1.1. - Investment property

■ Gross value

The gross value of properties includes the cost of land and constructions as well as acquisition costs.

Pursuant to Notice no. 2003-C of 11 June 2003 of the CNC Emergency Committee, AffiParis used the option given to it to carry out a downward revision of the initial revaluation of its eligible assets during two reporting periods. This option expired on 1 January 2009.

■ 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:

	Recent offices		Activities		Haussmann-style offices	
	Allocation by components	Amortisation term	Allocation by components	Amortisation term	Allocation by components	Amortisation term
Carcass	50.00%	60 ans	60.00%	30 ans	65.00%	100 ans
Roof, facades, tightness	17.50%	30 ans	10.00%	30 ans	20.00%	30 ans
General Technical Installations	22.50%	20 ans	25.00%	20 ans		
Fixtures	10.00%	15 ans	5.00%	10 ans	15.00%	10 ans

5.3.1.2. - Other tangible assets

Amortisation terms:

OFFICE FURNITURE	5 YEARS
IT HARDWARE	3 YEARS

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

5.3.2. - FINANCIAL ASSETS

5.3.2.1. - Investment securities

The gross value of investment securities corresponds to their net carrying amount as at 1 April 2007, having served as the basis for the revaluation following the choice of the SIIC regime, less the downward adjustments on the initial revaluation of eligible assets.

As at 31 December 2011, the gross value of the securities totalled €14,547,000, compared with €15,625,000 as at 31 December 2010; this difference is due to the Universal Transfer of Assets from SC Pm Murs (€1,089,000) and to the acquisition of shareholdings in Holdimmo for €11,000.

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.

As at 31 December 2011, the impairment of securities totalled €8,849,000 compared with €9,817,000 as at 31 December 2010.

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 related companies include subsidiaries likely to be fully consolidated in the same consolidating entity as AffiParis.

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.

5.3.2.2. - Other long-term financial assets

This includes, on one hand, all the assigned accounts granted to banks for refinancing operations and other shares of loans for the operating lease business (working capital, security deposit, etc.).

5.3.3. - RECEIVABLES: TRADE RECEIVABLES AND RELATED ACCOUNTS

Receivables are valued at their face value. 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.).

The analysis of outstanding receivables according to these criteria is explained in detail in Note 2 on related receivables.

5.3.4. - ASSETS WRITTEN DOWN FOR IMPAIRMENT

5.3.4.1. - Impairment of investment properties

The entire property portfolio of five buildings was subject to an external appraisal on 31 December 2011 by the firm of Cushman & Wakefield.

When the net carrying amount is greater than the value given in the appraisal, the value is written down to reflect the difference. This impairment can be written back if the appraised value subsequently increases.

A reversal of provisions was recognised at 31 December 2011 for four buildings.

(in thousands of euros)	As at 01.01.11	Additions	Reversals	As at 31.12.11
Impairments of assets	(3,136)	-	2,171	(965)

5.3.4.2. - Impairments for doubtful receivables

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

(in thousands of euros)	For trade receivables	For subsidiaries' current accounts	For diverse debtors	Total
IMPAIRMENTS AS AT 31/12/2010	(124)	(1,015)	(218)	(1,357)
Additions	(17)	-	(123)	(140)
Reversals	21	1,015	161	1,197
IMPAIRMENTS AS AT 31/12/2011	(120)	0	(180)	(300)

5.3.5. - INVESTMENT SECURITIES

5.3.5.1. - Investment securities

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

5.3.5.2. - Treasury shares

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

	31/12/2010	Acquisitions / Additions	Disposals / Reversals	31/12/2011
Number of shares	15,555	62,650	58,846	19,359
Net impairment (in thousands of euros)	0.2	20.8	-	21.0

5.3.6. - SHAREHOLDERS' EQUITY

The minutes of the Combined General Shareholders' Meeting of 27 April 2011 provided, in its third resolution, for the allocation of the 2010 earnings of €1,623,000, less the allocation to the legal reserve (€81,000), as follows:

- Dividends : €1,217,000,
- Retained earnings: €325,000.

At the meeting of the Board of Directors held on 24 November 2011, the share capital was set at €29,700,000, divided into 5,651,100 shares, with no indication of their par value.

Monitoring table of the revaluation reserves by capitalised asset item (€ thousand):

	As at 01/01/2011	Allocation and disposal	As at 31/12/2011
Tangible assets	18,811	-	18,811
Financial assets	2,143	-	2,143
TOTAL	20,954	-	20,954

5.3.7. - BORROWING COSTS DEFERRAL METHOD

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

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

The methods for deferring borrowing costs are described in detail in note 4.

In 2011 there was no material fact with respect to the deferral of borrowing costs.

5.3.8. - FORWARD FINANCIAL INSTRUMENTS

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

At the end of each reporting period, all these instruments are valued by counterparty credit institutions.

Caps and collars:

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

As at 31 December 2011, the fair value of caps and collars held by the Company amounted to -€7,088,000 versus -€7,033,000 as at 31 December 2010.

The payment of premiums corresponds to an expense of €152,000 in 2011 versus €165,000 in 2010.

5.3.9. - TAX

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

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

- dividends received from subsidiaries which have opted for SIIC status must be fully redistributed during the period in which they are incurred.

5.3.10. - EMPLOYEE BENEFITS AND COMPENSATION

€35,000 was paid as directors' fees in 2011.

6. Key events of the year

6.1. - Key events affecting the portfolio

6.1.1. - INVESTMENT PROPERTY

AffiParis made no investments during the 2011 financial year. The company did, however, pursue its policy of executing works to develop its property portfolio; improvements were made to the Baudry, Auber and Bercy properties during the year for €3,141,000 (of which €2,700,000 were invested in Bercy and in diverse building improvements, as well as in the renovation of the heating, air conditioning and ventilation system).

6.1.2. - EQUITY INVESTMENTS AND SHARES IN AFFILIATED COMPANIES

No equity investment was disposed of during the financial year. Nevertheless, AffiParis:

- Cancelled its shares in the PM Murs company after executing the Universal Transfer of Assets of 30 June 2011 for a total of €1,089,000,
- Purchased the shares of Holdimmo held until 12 December 2011 by Claude Mortreux for €11,000; AffiParis now holds 100% of the shares.

6.2. - Key events affecting equity and debts

6.2.1. - SHAREHOLDING AND CAPITAL INCREASE

■ Shareholding

During the first half of 2011, Affine

- purchased the shares held by Shy,
- subscribed to the capital increase by capitalising its €19.4 million shareholder loan and, by exercising the rights that it purchased on the market for €3.2 million,
- subscribed for excess shares in the capital increase for the amount of €2.5 million.
- After completing this transaction, Affine holds 86.01% of the capital.

Affine has continued to buy AffiParis shares, and as at 31 December 2011, it had 86.29% of AffiParis.

■ Capital increase

On 24 November 2011, the company launched a capital increase through a rights offering, whose main characteristics are as follows:

- Number of new shares: 2,753,100 shares
- Subscription price: €9.35 per share (of which €5.248 is the nominal price and €4.102 is the issue premium)
- Gross equity from the issue: €25.742,000
- At the end of the subscription period (from 26/10/2011 through 08/11/2011), the share capital amounted to €29,658,000 divided into 5,651,100 shares, and the issue premium was €11,345,000.
- The Board of Directors decided to round off the share capital at €29.7 million by incorporating free reserves.

As at 31 December 2011, the share capital of AffiParis totals €29.7 million, divided into 5,651,100 shares. Affine SA holds 86.93% of the share capital.

	At opening	Capital increase	Distribution of dividends as shares	Capital increase through incorporation of free reserves to round off the total share capital after distributing the dividends as shares	At close
Number of shares	2,898,000	2,753,100	-	-	5,651,100
Share capital in euros	15,210,000	14,490,000	-	-	29,700,000

6.2.2. - FINANCING AND REFINANCING

During the financial year, a new credit line of €2,320,000 was arranged to finance the works on the Bercy property.

After selling off the Chapon property to Sci Numéro 2, Affine partially reimbursed the loan from Nordbank.

As at 31 December 2011, prepayments to the Affine shareholder account amounted to €1,285,000 versus €23,584,000 in 2010.

6.2.3. - PROVISIONS FOR RISKS AND CHARGES

This involves a provision for risk of €100,000 for the Lexisnexis litigation.

6.2.4. - POST REPORTING PERIOD EVENTS

None.

7. Additional information

7.1. - Segment revenues

AffiParis pursued only real estate activity during the 2011 financial year. Its total revenues were €13,415,000.

7.2. - Other events

- On 27 July 2011, Ariel Lahmi resigned from his position as a member of the Board of Directors.
- Nicolas Cheminais, formerly Deputy Chief Executive Officer, resigned from his duties on 24 November 2011.

7.3. - Consolidating company

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

7.4. - Exposure to interest rate risk

The analysis of the sensitivity of cash flows for floating rate instruments is presented in the Notes to the consolidated financial statements (See § 7.6.3.3 of the Notes).

7.4.1. - KEY EVENTS AFFECTING OFF-BALANCE SHEET ITEMS

7.4.1.1. - Derivatives

In 2011 there was no material fact with respect to derivatives.

8. Information regarding balance sheet and income statement items

8.1. - Notes to the Company's balance sheet

NOTE 1 – FIXED ASSETS, DEPRECIATION AND IMPAIRMENT

	31/12/2010	Acquisitions, Allocations	Revaluations	Sales, Reversals	31/12/2011
TANGIBLE ASSETS					
Gross	191,875	2,816		41	194,732
Amortization	(10,014)	(3,898)		-	(13,913)
Impairments	(3,136)			2,171	(965)
NET	178,724	(1,082)	-	2,212	179,855
FINANCIAL ASSETS					
Gross	15,797	13		(1,089)	14,721
Amortization					-
Impairments	(9,817)	(832)		1,800	(8,849)
NET	5,980	(819)	-	711	5,872
TOTAL					
Gross	207,672	2,830	-	(1,048)	209,453
Amortization	(10,014)	(3,898)	-	-	(13,913)
Impairments	(12,953)	(832)	-	3,971	(9,814)
Depreciation and impairment	(22,968)	(4,730)	-	3,971	(23,727)
NET	184,703	(1,901)	-	2,922	185,725

Equity investments and shares in affiliated companies

(in thousands of euros)	SIREN No.	Capital	Reserves of SCIs having opted for income tax	Share held	Net carrying amount of securities held		Loans and prepayments granted not yet refunded	Amount of sureties and endorsements provided by the company	Revenues exc. tax	Net profit/loss	Dividends collected	Remarks
					Gross	Net						Provisions on receivables
SCI Numéro 1	481,352,417	10	(610)	100.00%	1,301	1,301	971	-	398	(90)	-	-
SCI Numéro 2	483,175,808	10	(1,025)	100.00%	257	257	(1,546)	-	372	2,417	-	-
SCI 36	420,434,094	8	2,379	100.00%	2,733	2,705	1,778	-	386	215	-	-
SCI PM Murs (*)	409,157,435	0										
SCI Holdimmo	391,203,189	11		100.00%	9,944	1,145	117	-	(3)	449	-	-
SCI Bercy Parkings	414,710,129	2		100.00%	310	288	174	-	25	(10)	-	-
					14,547	5,697						

(*) company merged through universal transfer of assets on 30/06/2011

NOTE 2 - STATEMENT OF RECEIVABLES MATURITY DATES

(in thousands of euros)	As at 31.12.11	Within one year or more	Between one and five years
FOR CAPITALISED ASSETS			
Receivables related to equity investments	-	-	-
Loans	-	-	-
Other long-term financial assets	175	175	-
	175	175	-
FOR CIRCULATING ASSETS			
Bad debts or under litigation	417	417	-
Other trade receivables*	1,312	1,312	-
TRADE RECEIVABLES AND ASSOCIATED ACCOUNTS	1,728	1,728	-
Assets to be received	19	19	-
State – Value added tax	237	237	-
Group and associated companies**	3,039	3,039	-
Other payables	1,886	1,886	-
OTHER RECEIVABLES	5,182	5,182	-
PREPAID EXPENSES	1	1	-
TOTAL	7,085	7,085	-

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

** Cash advances to subsidiaries made in connection with a group agreement.

Impairment of current assets

(in thousands of euros)	Amount at the beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairment on trade receivables	124	17	21	120
Other impairments	1,233	123	1,176	180
TOTAL IMPAIRMENTS	1,357	140	1,197	301

Revenue accruals

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Receivables	907	1,106
Trade receivables and related accounts	348	640
Subsidiary earnings	449	323
Other receivables	110	143
TOTAL	907	1,106

NOTE 3 - BREAKDOWN OF INVESTMENT SECURITIES

Investment securities and treasury shares

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Shares and other variable-income securities		
SICAV*	-	1,127
Treasury stock**	179	115
TOTAL	179	1,241

* Investment securities were subscribed and subsequently sold during the financial year to the Crédit Agricole for €1,127,000 in 2010.

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

Impairment of treasury shares

(in thousands of euros)	Amount at beginning of period	Additions	Reversals	Amount at end of period
Treasury stock impairments	0	21	-	21

NOTE 4 - EXPENSES DEFERRED OVER SEVERAL FINANCIAL YEARS

(in thousands of euros)	Net amount at beginning of period	Increases	Amortisation expense in the period	Update of amortisation plan	Net amount at end of period
Expenses deferred over several years	2,264	-	15	-	2,249
Loan redemption premiums	-	-	-	-	-

These deferred expenses concern the following borrowing costs:

(in thousands of euros)	Charges	Initial amortisation period
HSH Nordbank (€35,000,000)	741	10 years
HSH Nordbank (€23,000,000)	500	10 years
HSH Nordbank (€5,000,000)	18	10 years
HSH Nordbank (€13,275,000)	491	8 years
BNP (€6,200,000)	72	10 years
Crédit Agricole (€15,206,000)	130	12 years
Société Générale (€33,600,000)	200	10 years
SAARLBanque (€5,300,000)	78	10 years
Société Générale (€2,320,000)	18	7 years
TOTAL	2,249	

NOTE 5 - EQUITY**Statement of changes in equity**

(in thousands of euros)	Capital	Premiums	Revaluation reserve	Reserves, including retained earnings	Earnings for the period	Total
As at 31/12/2010	15,210	174	20,954	1,665	1,623	39,626
Capital increase	14,490	11,293		(42)		25,741
Share capital increase through capitalisation of issue premium						-
Share in earnings					1,574	1,574
Allocation issuance fees/costs		(122)				(122)
Revaluation of fixed assets						-
Disposal of property				-		-
Interim dividend on treasury stock					6	6
Clearance of previous losses						-
Distribution during the year					(1,217)	(1,217)
Appropriation to reserves				412	(412)	-
AS AT 31/12/2011	29,700	11,345	20,954	2,035	1,574	65,609

As at 31 December 2011, AffiParis' share capital was composed of €5,651,100 shares without par value (see §5.3.6).

Breakdown of reserves

(in thousands of euros)	As at 31/12/2010	Share capital round up	As at 31/12/2011
Legal reserve	77		158
Free reserve	1,587	(41)	1,546
Statutory reserves			
Retained earnings			331
TOTAL	1,665	(41)	2,035

Statement of changes in revaluation reserves

(in thousands of euros)	Revaluation reserve as at 31/12/2010	Allocation to the revaluation reserve	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31/12/2011
				On fixed assets sold	On amortisation of the revalued share	
Baudry-Ponthieu	18,811					18,811
Nice	-			-		-
Shares	2,143					2,143
TOTAL	20,954	-	-	-	-	20,954

Provisions recorded on the balance sheet

- Regulated provisions: None
- Provisions for risks and charges: A €100,000 operating provision was accrued during the 2010 financial year to deal with two lawsuits involving tenants. €27,000 were reversed during the 2011 financial year.

NOTE 6 - PREPAID INCOME

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Operating revenues	716	-
Financial income	-	-
Exceptional income	-	-
TOTAL	716	-

Prepaid income mainly refers to rents billed in the first quarter of 2012.

NOTE 7 - STATEMENTS OF DEBT MATURITY DATES

(in thousands of euros)	As at 31/12/2011	Within one year or more	Between one and five years	Over 5 years
Loans from credit institutions	130,970	2,617	78,680	49,673
Loans and borrowings	688	688		
Trade payables and related accounts	161	161		
Income tax	14	14		
Value added tax	290	290		
Other taxes, duties and related payables	21	21		
Group and associated companies	2,831	2,831		
Other debts	1,117	1,117		
Prepaid income	716	716		
TOTAL	136,807	8,455	78,680	49,673

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 31/12/2011, 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.

Expenses payable

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Borrowings and debts from lending institutions	462	461
Tax and social security debts	21	23
Other debts	270	1,207
TOTAL	753	1,691

8.2. - Notes to the company's income statement**NOTE 8 - OPERATING INCOME****Income from investment property transactions**

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Rental income	9,911	10,796
Re-invoiced charges	3,504	1,582
	13,415	12,378
Reversals of depreciations and provisions	2,353	4,677
Other revenues	44	1
TOTAL	15,813	17,056

Transfers of expenses and other income

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Operating expense transfers	0	164
TOTAL	-	164

NOTE 9 - OPERATING EXPENSES**General operating expenses**

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Other administrative costs		
Taxes payable	832	749
Other purchases and external expenses	4,619	3,717
TOTAL	5,451	4,466

The increase in administrative fees in 2011 is due to:

- The revision of the terms of service provision invoiced by Affine after signing new contracts going into effect on 1 July 2010.
- Increases in expenses on properties that are partly reinvoiced.

Depreciation expense and impairments

(in thousands of euros)

	As at 31/12/2011	As at 31/12/2010
Depreciation expense on buildings	3,505	3,533
<i>Headquarters depreciation expense</i>	1	1
<i>Investment property depreciation expense</i>	3,488	3,519
<i>Allowance for deferred expenses</i>	15	13
Impairment expense on fixed assets	-	-
<i>Investment property depreciation expense</i>		
Impairment expense on current assets	140	116
<i>Provision for doubtful receivables</i>	17	59
<i>Provision for other payables</i>	123	57
TOTAL	3,645	3,649

Breakdown of depreciation and amortisation for the period

(in thousands of euros)

	Straight-line amortisation	Straight-line amortisation
Intangible assets		
<i>Concessions, software programs</i>	-	-
Tangible assets	3,489	3,520
<i>Buildings</i>	3,488	3,519
<i>Other tangible assets</i>	1	1
TOTAL	3,489	3,520

Other expenses

(in thousands of euros)

	As at 31/12/2011	As at 31/12/2010
Related receivables for investment properties	193	17
Directors fees	35	26
Other management expenses	5	2
TOTAL	233	45

NOTE 10 - SHARE OF EARNINGS FROM JOINT TRANSACTIONS

(in thousands of euros)

	As at 31/12/2011	As at 31/12/2010
Profit allocated or loss transferred	439	112
<i>Holdimmo earnings</i>	449	(205)
<i>PM Murs earnings</i>	-	323
<i>Bercy Parkings earnings</i>	(10)	(6)

NOTE 11 - FINANCIAL INCOME

Financial income

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
<i>Interest on current account</i>	111	133
<i>Dividends</i>	-	260
Interest income from equity investments	111	393
<i>Interest on locked-in accounts</i>	13	14
<i>Miscellaneous</i>	14	(76)
Other interest and similar income	27	(62)
Reversals of provisions	2,815	327
Net income from disposals of investment securities	13	2
TOTAL	2,965	661

Financial expenses

(in thousands of euros)	As at 31/12/2011	As at 31/12/2010
Interests on Affine current account	448	510
Interest on credit balances	2	10
Interest on loans	3,146	2,402
Expenses on caps, swaps and tunnels	2,750	3,330
Miscellaneous	1,087	1
Provision allowances	853	1,337
TOTAL	8,286	7,590

NOTE 12 - INCOME TAX

(in thousands of euros)	Income before tax	Income tax	Net income
Current income	1,602	-	1,602
Extraordinary earnings	(28)	-	(28)
Exit Tax	-	-	-
TOTAL	1,574	-	1,574

9. Statutory auditors' fees reported in the income statement

(in thousands of euros)	CONSEIL AUDIT & SYNTHESE, member of the Ernst & Young network		CAILLAU DEDOUIT & ASSOCIÉS	
	Amount: excl. VAT		Amount: excl. VAT	
	31/12/2011	31/12/2010	31/12/2011	31/12/2010
Audit				
Statutory auditors, certifications, review of individual and consolidated financial statements	70.00	70.00	70.00	70.00
Other reviews and services directly linked to the statutory auditors' engagement	9.93	-	9.93	-
SUBTOTAL	79.93	70.00	79.93	70.00
Other services rendered by the networks to subsidiaries				
fully consolidated	-	-	-	-
Legal, tax, social	-	-	-	-
SUBTOTAL	0.00	0.00	0.00	0.00
TOTAL	79.93	70.00	79.93	70.00

10. Balance sheet and income statement items

Balance sheet and income statement items (in thousands of euros)	Amount concerning the companies		
	Related companies	Companies with which the company has an equity connection	Amount of debts or receivables represented by commercial paper
Subscribed share capital not called up	-	-	-
Prepayments and interim payments on intangible assets	-	-	-
Prepayments and interim payments on property, plant & equipment	-	-	-
Shareholdings	14,547	-	-
Receivables related to equity investments	-	-	-
Loans	-	-	-
Other investment securities	-	-	-
Other long-term financial assets	-	-	-
Amounts paid on account	-	-	-
Trade receivables and related accounts	-	-	-
Other receivables	3,039	-	-
Subscribed share capital called up but not paid up	-	-	-
Investment securities	-	-	-
Cash	-	-	-
Convertible bonds	-	-	-
Other bonds	-	-	-
Borrowings and debts from lending institutions	-	-	-
Sundry financial borrowings and debts	(2,831)	-	-
Amounts received on accounts in progress	-	-	-
Trade payables and related accounts	-	-	-
Fixed asset payables and related payables	-	-	-
Other debts	-	-	-
Operating expenses	(1,421)	-	-
Operating revenues	110	-	-
Financial expenses	(458)	-	-
Financial income	1,576	-	-

11. Off-balance sheet

Commitments given

Mortgages and other guarantees given in connection with the following loans

Table of commitments (in thousands of euros)

	31/12/2011	31/12/2010
HSH Nordbank (€3,500,000)	1,126	2,809
PALATINE (€952,000)	-	-
BRED (€396,000)	-	-
HSH Nordbank (€58,000,000)	57,100	57,100
HSH Nordbank (€5,000,000)	312	312
BNP Paribas (€6,200,000)	5,550	5,760
HSH Nordbank (€13,275,000)	12,975	13,075
Crédit Agricole (€15,206,000)	14,373	14,628
Société Générale (€33,600,000)	31,912	32,491
Société Générale (€2,320,000)	2,204	-
SaarLB (€5,300,000)	4,916	5,042
Commitments received	-	-
TOTAL	130,468	131,217

Hedging financial instruments

In thousands of euros

Type	Conditions	Start date:	End date	Outstandings hedged	Valuation
CAP	4%	06/07/2006	01/07/2013	27,975	0
Tunnel	[3.91% ; 5.0%]	19/05/2008	19/05/2015	14,373	(1,264)
Tunnel	[3.8% ; 5.0%]	16/06/2008	15/06/2016	40,600	(4,243)
Tunnel	[3.8% ; 5.4%]	26/05/2008	22/04/2013	5,550	(196)
Tunnel	[4,5% ; 4,75% / 5,05%]	30/05/2008	30/05/2013	31,912	(1,570)

Commitments received

None.

12. Statement of the Company's results for the last five years

Nature of the indications (in euros)	2007 (9 months)	2008	2009	2010	2011
<u>I. CAPITAL AT END OF PERIOD</u>					
Share capital	15,011,640	15,011,640	15,210,000	15,210,000	29,700,000
Number of existing common shares	2,898,000	2,898,000	2,898,000	2,898,000	5,651,100
Number of existing dividend-bearing shares (without voting rights)	-	-	-	-	-
Maximum number of future shares to be created					
- Through conversion of bonds	-	-	-	-	-
- By exercise of subscription rights	-	-	-	-	-
<u>II. TRANSACTIONS AND RESULTS FOR THE PERIOD</u>					
Revenues excluding tax	4,295,746	9,819,626	13,239,260	12,377,820	13,415,364
Earnings before tax, employees profit-sharing, depreciation and amortisation	(787,600)	6,227,339	4,406,359	1,718,798	876,863
Tax on profits	290,794	-	98,790	-	-
Employee profit-sharing for the year					
Earnings after tax, employees profit-sharing, depreciation and amortisation	(2,684,533)	(2,017,249)	(11,481,497)	1,622,900	1,574,497
Distributed earnings				1,217,160	-
<u>III. EARNINGS PER SHARE</u>					
Earnings after tax, employees profit-sharing but before depreciation and amortisation	(0.37)	2.15	1.49	0.59	0.16
Earnings after tax, employees profit-sharing, depreciation and amortisation	(0.93)	(0.70)	(3.96)	0.56	0.28
Dividend allocated to each share	-	-	-	0.42	-
<u>VI. STAFF</u>					
Average workforce during the period	4	-	-	-	-
Total wage bill for the period	157,746	-	-	-	-
Amount of sums paid under employee benefits for the period (social security, social works)	46,595	-	-	-	-

AGREEMENTS

Statutory auditors' special report on regulated agreements and commitments

General shareholders' meeting called to approve the financial statements for the year ended 31 December 2011

To the Shareholders,

In our capacity as your company's statutory auditors, we submit to you our report on related-party agreements and commitments.

It is our responsibility to report to you, based on the information given to us, the basic features and terms of the agreements and commitments of which we have been advised or which we may have discovered during our assignment, without having to issue an opinion on their usefulness and their merits or find whether other agreements and commitments existed. It is your responsibility, under the terms of Article R. 225-31 of the French Commercial Code, to assess the interest attached to entering into these agreements and commitments with a view to their approval.

Moreover, it is our responsibility, when necessary, to report to you the information mentioned in Article R0.225-31 of the French Commercial Code pertaining to the execution, during the preceding financial year, of the agreements and commitments already approved by the general shareholders' meeting.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence consisted of verifying the consistency of information provided to us with the original documents on which it was based.

AGREEMENTS AND COMMITMENTS SUBJECT TO THE APPROVAL OF THE GENERAL SHAREHOLDERS' MEETING

Agreements and commitments authorized during the preceding financial year

Pursuant to Article L. 225-40 of the French Commercial Code, we have been advised of the following agreements and commitments that were previously approved by a vote of your board of directors.

■ With Affine

Directors concerned

Mr. Alain Chaussard, Mrs. Maryse Aulagnon and Mab Finances.

Agreement on intragroup centralised cash and prepayment management dated 22 December 2011 to take effect on 1 January 2012, authorised by the board of directors on 15 December 2011.

Nature and purpose

Under the terms of this agreement, Affine undertakes to ensure the optimisation of your company's financing through the centralised management of its general financing needs and surpluses.

Methods

The agreement provides for payment of advances through the payment of interest calculated on a pro-rata basis at the EONIA rate plus 200 base points, and invoiced quarterly to your company by Affine on the basis of cash advances granted during the previous quarter.

The agreement further provides that the remuneration of the management activity is included in the compensation paid by your company to Affine under service provision agreements (including administrative services and, in particular, cash management). The compensation paid for administrative services is considered to correspond to up to 5% of the cash management.

Agreements and commitments already approved by the general shareholders' meeting

Agreements and commitments approved during previous financial years whose performance continued during the financial year just ended

Pursuant to Article R.225-30 of the French Commercial Code, we were informed that the performance of the following agreements and commitments approved during previous financial years continued into the financial year just ended.

■ With Affine

a) Administrative services agreement dated 21 December 2010 between your company and Affine, effective retroactively as at 1 July 2010

Nature and purpose

Under the terms of this agreement, Affine undertakes to provide your company with services in the following areas: administration and finance, accounting and management, legal, computer and stock market auditing.

Methods

The agreement provides for compensation in the form of a half-yearly provision whose invoiced amount is based on the time spent by Affine in providing the aforesaid services.

For the financial year ended 31 December 2011, the total compensation for this agreement was set at €300,000, exclusive of taxes.

b) Property management authorization dated 21 December 2010 between Affine and your company regarding the real property of AffiParis and its subsidiaries, effective retroactively as at 1 July 2010**Nature and purpose**

Under the terms of this agreement, Affine undertakes to provide your company with property management assistance.

Methods

The agreement provides for compensation equal to 3% of rent billed over the previous half-year by your company and its subsidiaries for their real property.

For the financial year ended 31 December 2011, the total compensation for this agreement was set at €385,000, exclusive of taxes.

c) Asset management services agreement dated 21 December 2010 between Affine and your company regarding the real property of AffiParis and its subsidiaries, effective retroactively as at 1 July 2010**Nature and purpose**

Under the terms of this agreement, Affine undertakes to provide your company with asset management consulting and assistance for the real property held by your company and its subsidiaries.

Methods

The agreement provides for compensation equal to 0.3% of the restated value of the real property at the end of the corresponding half-year.

For the financial year ended 31 December 2011, the total compensation for this agreement was set at €615,000, exclusive of taxes.

Paris and Paris-La Défense, 8 February 2012

The Statutory Auditors

CAILLIAU DEDOUIT ET ASSOCIES
Rémi Savournin

Conseil Audit & Synthèse
Member of the Ernst & Young net
Jean-Philippe Bertin

TEXT OF THE RESOLUTIONS

SUBMITTED TO THE COMBINED GENERAL MEETING OF 25 APRIL 2012

Ordinary resolutions

FIRST RESOLUTION

(Approval of the annual financial statements for the fiscal year ended on 31 December 2011)

The General Meeting of Shareholders, ruling under the conditions of a quorum with the majority required for ordinary general meetings, having reviewed the reports of the Board of Directors and the Chairman and the reports of the Statutory Auditors, approves the consolidated financial statements for the fiscal year ending on 31 December 2011, as presented, showing a profit of €1,574,497.

SECOND RESOLUTION

(Approval of the consolidated financial statements for the fiscal year ended on 31 December 2011)

The General Meeting of Shareholders, ruling under the conditions of a quorum with the majority required for ordinary general meetings, having reviewed the reports of the Board of Directors and the Chairman and the reports of the Statutory Auditors, approves the consolidated financial statements for the fiscal year ending on 31 December 2011, as presented, showing a profit of €9,211,933.25.

THIRD RESOLUTION

(Discharge for directors)

The General Shareholders' Meeting, ruling under the conditions of quorum with the majority required for ordinary general meetings, grants the directors full discharge for their management for the financial year ended on 31 December 2011.

FOURTH RESOLUTION

(Allocation of income)

Based on the proposal of the Board of Directors, the General Meeting of Shareholders, ruling under the conditions of a quorum with the majority required for ordinary general meetings, resolves to allocate the fiscal year's earnings as follows:

Net profit for the financial year	€1,574 497.00
Allocation to the legal reserve	-€78,724.85
Balance	€1,495,772.15
To which is added the amount carried forward from the preceding fiscal year or a distributable profit of	€331,125.69
	€1,826,897.84

as follows:

Dividend	€1,243,242.00
Ordinary reserves	€583,655,84

Consequently, a dividend of €0.22 is due to each of the 5,651,100 shares comprising the share capital, which will be paid on or after 03 May 2012.

In application of Article 243 bis of the General Tax Code, the General Meeting of Shareholders took note that the dividends distributed for the three preceding financial years were as follows:

Financial year	Dividends
2008	none
2009	none
2010	€0.42

If the company holds treasury shares at the time the dividend is paid, the earnings attached to those shares are not paid out and will be posted to the "carried forward" item.

FIFTH RESOLUTION

(Regulated agreements and commitments)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, having read the special report of the Statutory Auditors on the transactions addressed in Article L.225-38 of the Commercial Code, took note of the conclusions of this report and approved the relevant agreements and commitments.

SIXTH RESOLUTION

(Authorisation given to the Board of Directors to purchase company shares)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, authorised the Board of Directors to purchase the company's shares in accordance with the provisions of Articles L.225-209 et seq. of the French Commercial Code for a period of 18 months.

These purchases may be carried out for the following purposes:

- increasing share liquidity through a liquidity contract compliant with the professional code of ethics recognised by the French Financial Markets Authority,
- the allocation of shares to employees insofar as this is permitted by law,
- the purchase for retention and exchange or as payment within the context of possible external growth operations,
- cancellation of shares, subject to the General Meeting's adoption of the 13th Resolution presented below.

The purchases and sales of shares carried out under this authorisation are to be executed within the following limits:

- the number of shares that may be purchased may not exceed 10% of the company's capital, i.e. 565,110 shares, with the stipulation that the number of shares purchased for the purpose of retention and exchange or as payment in connection with a merger, demerger or contribution transaction may not exceed 5% of the company's capital, i.e. 282,555 shares; the purchase price must not exceed €15 per share;
- the maximum amount of funds used to carry out this share repurchase program will be €8,476,650;
- the maximum number of shares that may be purchased, as well as the maximum purchase price, will be adjusted in the event of the allocation of bonus shares or split of the shares comprising the company's capital, based on the number of shares existing before and after these transactions.

These share purchases may be carried out by any means, including by acquisition of blocks of shares, and at the times that the Board of Directors deems appropriate, including during a public offering, subject to the limits of stock exchange regulations.

The General Meeting of Shareholders gives full powers to the Board of Directors, with authority to delegate them, to issue any stock exchange orders, enter into any agreements, perform any formalities and declarations, and, more generally, do whatever is necessary to complete the transactions carried out in application of this resolution.

This authorisation replaces the authorisation given by the Combined General Meeting of Shareholders on 27 April 2011 (Fifth Resolution), subject to the initiation of a share repurchase program by the Board of Directors.

SEVENTH RESOLUTION (Renewal of the directorship of Alain Chaussard)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, decided to renew the directorship of Alain Chaussard for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the fiscal year ending in 2014.

EIGHTH RESOLUTION (Renewal of the directorship of Maryse Aulagnon)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, decided to renew the directorship of Maryse Aulagnon for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the fiscal year ending in 2014.

NINTH RESOLUTION (Renewal of the directorship of Didier Moinet)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, decided to renew the directorship of Didier Moinet for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the fiscal year ending in 2014.

TENTH RESOLUTION (Renewal of the directorship of Jean-Louis Simon)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, decided to renew the directorship of Jean-Louis Simon for a period of three years, to expire at the conclusion of the Meeting convened to approve the financial statements for the fiscal year ending in 2014.

ELEVENTH RESOLUTION (Appointment of Statutory Auditors)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, having taken note of the expiry of the appointment of Conseil Audit et Synthèse, the statutory auditing firm that had held that appointment to date, and of the alternate accounting firm, decided to appoint:

- KPMG Audit, 1 cours Valmy 92923 PARIS LA DEFENSE as statutory auditor,
- and
- KPMG Audit FS2, 1 cours Valmy 92923 PARIS LA DEFENSE as alternate auditor,

for a term of six financial years to expire at the conclusion of the meeting convened to approve the financial statements for the financial year ending 31 December 2017.

TWELFTH RESOLUTION (Setting directors' fees)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, resolves to allocate to the directors a total amount of €35,350 as directors' fees for the 2012 financial year.

Extraordinary decisions

THIRTEENTH RESOLUTION (Authorisation to cancel the shares purchased in connection with the company's purchase of its own shares)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, authorised the Board of Directors (with authority to subdelegate subject to conditions set by the law) for a period of 18 months:

- to cancel, on one or more occasions, the company shares purchased in connection with the implementation of the authorisation given in the Sixth Resolution voted above, within the limit of 10% of the capital per 24-month period;
- to correspondingly reduce the authorised share capital.

**FOURTEENTH RESOLUTION
(Modification of the articles of the by-laws regarding the age limit applied to the Chairman of the Board of Directors, Chief Executive Officer and the Directors)**

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for ordinary general meetings, decided to set the age limit for performing the duties of Chair, Chief Executive Officer and Director at 70 years.

It therefore makes the following amendments to the by-laws:

■ **Article 14.2 of the by-laws relative to the Chair's age shall be amended to read:**

"No one can be appointed Chair of the Board of Directors if he or she is more than 70 years old. If the incumbent Chair exceeds that age, he or she is considered automatically to have resigned."

■ **The 7th paragraph of article 16 of the by-laws regarding the age of the Chief Executive Officer shall be amended to read:**

"To perform his or her duties, the Chief Executive Officer must be less than 70 years old. When, during his or her term of office, this age limit is exceeded, the Chief Executive Officer shall be considered to have resigned his or her post, and a new Chief Executive Officer shall be appointed."

■ **Article 13.4 of the by-laws relative to the Directors' age shall be amended to state that:**

"4. No one can be appointed Director if he or she is more than 70 years old."

**FIFTEENTH RESOLUTION
(Delegation of authority to the Board of Directors to increase the share capital through a rights offering)**

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.228-92 and L.228-93 of the Commercial Code:

- 1) Delegated to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of ordinary company shares or any securities giving access by any means, immediately or in the future, to the ordinary shares of the company or of any company in which it directly or indirectly owns over half the capital; these securities may also be denominated in foreign currency or any other monetary unit established by reference to several currencies. The delegation thus granted to the Board of Directors is valid for 26 months beginning on the date of this Meeting.
- 2) Decided that the total amount of the capital increases that may be carried out immediately or in the future may not exceed €15,000,000 in par value, an amount to which may be added, if applicable, the additional amount of shares to be issued to preserve, in accordance with the law, the rights of owners of securities giving rights to shares.
- 3) Decided that the shareholders have, in proportion to the total amount of their shares, rights to the securities issued

by virtue of this resolution, as well as, if applicable, a right to excess shares if the Board of Directors so decides.

- 4) Decided that if the subscriptions through the rights issue, if applicable, have not absorbed an entire share issue or the issue of securities as defined above, the Board of Directors may use the powers provided for in the law and, in particular, offer all or part of the unsubscribed securities to the public.
- 5) Took note of the principle that, in case this delegation of authority is used, the decision to issue securities giving access to the share capital will entail, to the benefit of the holders of issued securities, the shareholders' express renunciation of their rights issue with regard to the shares of capital to which the securities issued will grant right.
- 6) Decided that the Board of Directors shall have at its disposal, within the limits set above, necessary powers primarily to set the terms of the issue or issues, and particularly to set the share issue price, to provide for the possibility of paying up the subscription in cash or by compensation with due debt liquid payables or a combination of these two means, to certify the execution of the resulting capital increases and make the relevant modifications of the Articles of Association, to allocate, on its sole initiative, the expenses generated by the capital increases to the total amount of the related premiums and to deduct from this total amount the sums required to raise the legal reserve to one tenth of the new capital after each increase and, more generally, to do what may be necessary in such matters.
- 7) Noted that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 20 April 2010.

**SIXTEENTH RESOLUTION
(Delegation of authority to the Board of Directors to increase the share capital without a rights offering)**

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special reports of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.225-135, L.228-92 and L.228-93 of the Commercial Code:

- 1) Delegated to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of ordinary company shares or any securities giving access by any means, immediately or in the future, to the ordinary shares of the company or of any company in which it directly or indirectly owns over half the capital; these securities may also be denominated in foreign currency or any other monetary unit established by reference to several currencies. The delegation thus granted to the Board of Directors is valid for 26 months beginning on the date of this Meeting.
- 2) Decided that the total amount of the share capital increases that may thus be executed immediately or in the future, may not exceed €15,000,000 in par value, with this amount charged against the ceiling set in the preceding

resolution, increased, if applicable, by the par amount of the supplemental shares that may be issued, in case of new financial transactions, to preserve the rights of holders of marketable securities giving rights to capital shares, with this amount charged against the ceiling set in the preceding resolution.

- 3) Resolved to cancel the rights offering for shareholders for these securities, which will be issued in accordance with regulations, and to confer upon the Board of Directors the power to institute, if applicable, a priority right for shareholders to subscribe to these securities in application of the provisions of Article L.225-135 of the Commercial Code.
- 4) Decided that the issue price of the shares to issue, as well as those to be issued by exercising securities, will be set by the Board of Directors and will be at least equal to the minimum authorised by the applicable legislation.
- 5) Resolved that if the subscriptions do not absorb the entire issue, the Board of Directors may limit the total amount of the transaction to the subscribed total, provided that the said total reaches at least three quarters of the issue executed.
- 6) Took note of the principle that, in case this delegation of authority is used, the decision to issue securities giving access to the share capital will entail, to the benefit of the holders of issued securities, the shareholders' express renunciation of their rights issue with regard to the shares of capital to which the securities issued will grant right.
- 7) Decided that the Board of Directors shall have at its disposal, within the limits set above, necessary powers primarily to set the terms of the issue or issues, to provide for the possibility of paying up the subscription in cash or by compensation with due debt liquid payables or a combination of these two means, to certify the execution of the resulting capital increases and make the relevant modifications of the Articles of Association, to allocate, on its sole initiative, the expenses generated by the capital increases to the total amount of the related premiums and to deduct from this total amount the sums required to raise the legal reserve to one tenth of the new capital after each increase and, more generally, to do what may be necessary in such matters.
- 8) Noted that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 20 April 2010.

SEVENTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase capital by incorporating reserves, profits or premiums)

The Extraordinary General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special report of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129 to L225-6 and L225-130 of the Commercial Code:

- 1) Delegated to the Board of Directors, with the power of delegation and subdelegation within the limits of the law,

for a period of 26 months, the authority to decide on one or more capital increases by the capitalisation of premiums, reserves, profits or other sums for which capitalisation is permitted under laws and regulations, and by means of bonus share grants or increases in the par value of existing shares; and resolved that the total amount of capital increases that may thus be carried out, increased by the amount necessary to preserve, in accordance with the law, the rights of owners of securities giving the right to shares, and independently of the ceiling set in 15th resolution above, may not exceed the amount of reserves, premiums or income cited above that existed at the time of the capital increase.

- 2) Resolved that the Board of Directors will have, within the limits set above, the powers needed to primarily establish the amount and nature of the reserves and premiums to incorporate into the capital, to determine the number of shares to issue or the total amount by which the par value of the existing shares comprising the capital will be increased, to decide the date, which may be retroactive, from which the new shares will be entitled to dividends or the date from which the increase of the par value will take effect, to certify the execution of the resulting capital increase, to make the concomitant amendments to the Articles of Association, and, more generally, to do what is required in such matters.
- 3) Noted that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 20.04.10.

EIGHTEENTH RESOLUTION

(Delegation of authority to the Board of Directors to increase the share capital without a rights offering via a private placement)

The General Meeting of Shareholders, ruling under conditions of a quorum with the majority required for extraordinary general meetings, having taken note of the report of the Board of Directors and the special reports of the Statutory Auditors, and in accordance with the provisions of Articles L.225-129-2, L.225-135, L.225-136, L.228-92 and L.228-93 of the Commercial Code:

- 1) Delegated to the Board of Directors, with the power of delegation and subdelegation within the limits of the law, the authority to decide on one or more capital increases by the issuance, within or outside France, in euros, of ordinary company shares or any securities giving access by any means, immediately or in the future, to the ordinary shares of the company or of any company in which it directly or indirectly owns over half the capital; these securities may also be denominated in foreign currency or any other monetary unit established by reference to several currencies. The delegation thus granted to the Board of Directors is valid for twenty-six months beginning on the date of this Meeting.
- 2) Resolved that the issue of capital shares will be executed without the rights issue through an offer cited in Section II of article L.411-2 of the French Monetary and Financial Code, and accordingly decided to eliminate the rights offering for shareholders to shares and securities to be issued in compliance with the applicable legislation.

- 3) Decided that the issuance of capital securities carried out by an offering as described in Section II of Article L.411-2 of the Monetary and Financial Code will be limited to 10% of the capital per year, with this amount charged against the total ceiling set in resolution 13 above.
- 4) Decided that the issue price of the shares will be determined by the Board of Directors according to the following terms: it will be equal to an amount ranging between 80% and 120% of the average closing prices on the twenty last trading days preceding the date that the issue price is set.
- 5) Resolved that if the subscriptions do not absorb the entire issue, the Board of Directors may limit the total amount of the transaction to the subscribed total, provided that the said total reaches at least three quarters of the issue executed.
- 6) Took note of the principle that, in case this delegation of authority is used, the decision to issue securities giving access to the share capital will entail, to the benefit of the holders of issued securities, the shareholders' express renunciation of their rights issue with regard to the shares of capital to which the securities issued will grant right.
- 7) Decided that the Board of Directors shall have at its disposal, within the limits set above, necessary powers primarily to set the terms of the issue or issues, to certify the execution of the resulting capital increases and make the relevant modifications of the Articles of Association, to allocate, on its sole initiative, the expenses generated by the capital increases to the total amount of the related premiums and to deduct from this total amount the sums required to raise the legal reserve to one tenth of the new capital after each increase and, more generally, to do what may be necessary in such matters.
- 8) Noted that this delegation renders null and void the delegation granted by the Combined General Meeting of Shareholders on 20.04.10.

NINETEENTH RESOLUTION (Powers)

All powers are given to the bearer of a copy or an abstract of the minutes of this General Meeting of Shareholders to perform all filings and publications required by current legislation.

CORPORATE OFFICER

List of posts held and duties performed in all companies by directors and managers during financial year ending December 31, 2011

(Article L.225-102-1 paragraph 3 of the French Commercial Code)

MANAGERS

MR. ALAIN CHAUSSARD

- AFFIPARIS (SA, listed company), chairman and chief executive officer, 2011 financial statements
- AFFINE (SA, listed company), executive vice president, permanent representative of Mab-Finances, vice-chairman, director, 2012 financial statements
- BANIMMO (SA, listed company), Belgium, representative of Holdaffine, director
- AFFINE DEVELOPPEMENT II (SAS), representative of Affine, chairman (until June 30, 2011)
- ARCA VILLE D'ETE (SCI), representative of Affine, manager,
- CONCERTO DEVELOPPEMENT (SAS), chairman (until May 23, 2011); representative of Affine, chairman (since May 23, 2011),
- CONCERTO DEVELOPPEMENT IBERICA (SL), Spain, representative of Concerto Développement, manager
- CONCERTO LOGISTIC PARK MER (SCI), representative of Concerto Développement, manager
- COUR DES CAPUCINES (SA), chairman and chief executive officer,
- ST ETIENNE MOLINA (SAS), representative of Affine, chairman,
- AFFINVESTOR GmbH, Germany, manager (until August 31, 2011)
- CARDEV (SA), Belgium, representative of Affine, Chairman of the Board of Directors
- SC HOLDIMMO, representative of AffiParis, manager
- SCI COSMO MONTPELLIER, representative of AffiParis, which in turn represents Holdimmo, manager
- SCI COSMO TOULOUSE, representative of AffiParis, which in turn represents Holdimmo, manager
- SCI COSMO MARSEILLE, representative of AffiParis, which in turn represents Holdimmo, manager
- SCI COSMO LILLE, representative of AffiParis, which in turn represents Holdimmo, manager
- SCI DU BEFFROI, representative of AffiParis, which in turn represents Holdimmo, manager
- SCI DU 28 A 32 PLACE CHARLES DE GAULLE, representative of AffiParis, which in turn represents Holdimmo, manager (until June 30, 2011)
- GOUSSINVEST (SCI), representative of AffiParis, which in turn represents Holdimmo, manager
- SCI NUMERO 1, manager
- SCI NUMERO 2, manager
- SARL COSMO, manager (until May 11, 2011), representative of AffiParis, which in turn represents Holdimmo, liquidator (since May 11, 2011)
- SCI 36, manager,
- PM MURS (SCI), manager (until June 30, 2011)

- SCI AULNES DEVELOPPEMENT, representative of Concerto Développement, joint manager
- TARGET REAL ESTATE, representative of Affine, chairman (since December 12, 2011)

■ Posts held outside the Affine group:

- MGP SUN sarl (Luxembourg), manager

■ Other duties

- CAPUCINE INVESTISSEMENTS (SAS), Representative of Mab-Finances, Member of the management committee (until May 27, 2011)
- MAB-FINANCES (SAS), Executive vice president,
- PROMAFFINE (SAS), Member of the management committee (until May 27, 2011),
- CENTRALE IMMOBILIER, Chairman
- SOCIETE DES GRANDS INTERPRETES, Chairman
- FEDERATION DES SOCIETES IMMOBILIERES ET FONCIERES (FSIF), Board member
- INSTITUT DE L'ÉPARGNE IMMOBILIÈRE ET FONCIÈRE, Board member
- PROMUSICIS, Board member.

MR. NICOLAS CHEMINAIS

■ Posts held in the Affine Group

- AFFIPARIS (SA, listed company), director, executive vice president, until November 24, 2011
- COUR DES CAPUCINES (SA), director, until December 12, 2011
- TARGET REAL ESTATE (SAS), chairman, until December 12, 2011
- DORIANVEST (SARL), manager, until December 12, 2011
- BERCYMMO (SARL), manager, until December 30, 2011
- LES JARDINS DES QUAIS (SNC), joint manager, until December 12, 2011
- BERCY PARKINGS (SCI), manager, until December 12, 2011
- SCI BRÉTIGNY, manager, until December 12, 2011
- AFFINVESTOR (GmbH), Germany, manager, until August 31, 2011

■ Posts held outside the group

- EOS INVESTMENT MANAGERS (SARL), manager
- SCI PCVI WISSOUS, manager
- PCVM (SARL), manager

■ Other duties

- CAPUCINE INVESTISSEMENTS (SAS), member of the management committee, until May 27, 2011
- AFFINE (SA), real estate director, until January 4, 2012

DIRECTORS

MRS. MARYSE AULAGNON

■ Posts held in the Affine Group

- AFFIPARIS (SA, listed company), director, vice-chairwoman, 2011 financial statements
- AFFINE (SA, listed company), chairwoman and chief executive officer, 2011 financial statements
- BANIMMO (SA, listed company), Belgium, representative of Affine, chairwoman,
- GESFIMMO (previously known as Affine Développement I (SAS), representative of Affine, chairwoman (until November 29, 2011)
- ATIT (SC), manager (until March 23, 2011), representative of Affine, chairwoman (since March 23, 2011)
- 2/4 HAUSSMANN, representative of Atit, liquidator,
- CAPUCINE INVESTISSEMENTS (SAS), representative of Affine, chairwoman,
- CAPUCINES III (SCI), representative of Affine, manager (until June 30, 2011),
- CAPUCINES IV (SCI), representative of Affine, manager (until June 30, 2011),
- CAPUCINES V (SCI), representative of Affine, manager (until June 30, 2011),
- CAPUCINES VI (SCI), representative of Affine, manager (until June 30, 2011),
- COUR DES CAPUCINES (SA), representative of Mab-Finances, director,
- LES 7 COLLINES (SAS), representative of Affine, chairwoman,
- LUMIERE (SAS), representative of Affine, liquidator (until June 29, 2011),
- MAB-FINANCES (SAS), chairwoman,
- NEVERS COLBERT (SCI), representative of Affine, manager,
- PROMAFFINE (SAS), chairwoman (until May 27, 2011), representative of Affine, chairwoman (since May 27, 2011)
- SCI BOURGTHEROULDE L'ÉGLISE (SCI), representative of Affine, manager (until June 30, 2011),
- SCI LUCE PARC-LECLERC (SCI), representative of Promaffine, manager,
- SCI NANTERRE TERRASSES 12 (SCI), representative of Promaffine, manager,
- SCI PARIS 29 COPERNIC (SCI), representative of Promaffine, manager,
- SIPEC (SAS), representative of Affine, chairwoman,
- TRANSAFFINE (SNC), manager (until June 30, 2011)
- AFFINVESTOR GmbH, Germany, manager (until August 31, 2011),
- SCI BRETIGNY (SCI), representative of Affine, manager (until December 12, 2011),
- JARDINS DES QUAIS (SNC), representative of Affine, manager (until December 12, 2011),
- HOLDAFFINE (BV), The Netherlands, director

■ Posts held outside the Affine group:

- Air France KLM (SA, listed company), director
- BPCE (SA), member of the Supervisory Board

■ Other duties :

- CONCERTO DEVELOPPEMENT (SAS), Representative of Mab-Finances, Member of the management committee
- Community service: Le Siècle, French American Foundation, German Marshall Fund, Femmes Forum, Terrafemina, Fondation IEP (prix Aulagnon-Bettan), board member of I.F.A.

MR. CYRIL AULAGNON

■ Posts held in the Affine group

- AFFIPARIS (SA, listed company), representative of Mab-Finances, director, 2012 financial statements
- BANIMMO (SA, listed company), Belgium, representative of Mab-Finances, director
- CHAVORNAY PARK SA (Switzerland), representative of Concerto Développement, director
- DORIANVEST (Sarl), manager (until December 12, 2011)

■ Posts held outside the Affine group

- MGP SUN sarl (Luxembourg), manager

■ Other duties

- AFFINE (SA, listed company), Head of development and strategy

MR. CHARLES DE JERPHANION

■ Posts held in the Affine group:

- AFFIPARIS (SA, listed company), director, 2012 financial statements

■ Posts held outside the Affine group

- IGC Promotion (Casino group), Chief Executive Officer

MR. ARIEL LAHMI

■ Posts held in the Affine group

- AFFIPARIS (SA, listed company), director, until July 5, 2011
- AFFINE (SA, listed company), director, until July 5, 2011

■ Posts held outside the Affine group

- BEEKMAN REIM (LLC), USA, chairman
- COURCELLES INVEST (SARL), manager,
- DAN REAL ESTATE (SCI), manager,
- JDJ ONE (LLC), USA, chairman,
- JDJ TWO (SA), Luxembourg, managing director,
- JDJ 26 (SA), Luxembourg, chairman,
- JDJ 8 (SA), Luxembourg, chairman

MR. DIDIER MOINET

■ Posts held in the Affine group

- AFFIPARIS (SA, listed company), director, 2011 financial statements

■ Posts held outside the group

- QUARTZ (Sarl), manager
- CMIL Sarl (Luxembourg): manager
- Foncière Rocade Sarl (Luxembourg): manager
- La Nouvelle République Du Centre Ouest: Member of the Supervisory Board

MR. JEAN-LOUIS SIMON

■ Posts held in the Affine group

- AFFIPARIS (SA, listed company), director, 2011 financial statements

■ Posts held outside the Affine group

- ANGLES (SAS), chairman until June 2011

■ Other duties

- Eurl LAUREMMA, technical manager

Information regarding transactions effected with company securities by the managers, persons in the same category and their close associates

(article L. 621-18-2 of the French Monetary and Financial Code)

For the period ending December 31, 2011, the company received no statement concerning transactions involving AffiParis shares undertaken by executives, persons of a similar status and related parties, in compliance with Article L.621-18-2 of the French Monetary and Financial Code.

Information regarding remuneration and all types of benefits paid during the financial year ending December 31, 2011 to each corporate officer by the group companies

(article L. 225-102-1 of the French Commercial Code)

TABLE 1 - SUMMARY TABLE OF THE REMUNERATIONS AND OPTIONS, AND SHARES ALLOTTED TO EACH MANAGING CORPORATE OFFICER

This table concerns only those managing corporate officers as this notion is defined in article L 225-185 of the French Commercial Code – that is, Chairman of the Board of Directors, Chief Executive Officer, and the Executive Vice President.

	2010	2011
<u>ALAIN CHAUSSARD</u> <u>CHAIRMAN OF THE BOARD – CHIEF EXECUTIVE OFFICER</u>		
Remunerations due for the financial year (detailed in Table 2)	€399,002	€413,768
Valuation of options allotted during the financial year	None	None
Valuation of performance shares allotted during the financial year	10,050 Affine shares acquired on the basis of the price as at December 31,2010 10050 x €17.10 or €171,855	None
<u>NICOLAS CHEMINAIS</u> <u>EXECUTIVE VICE PRESIDENT</u>		
Remunerations due for the financial year (detailed in Table 2)	€188,316	€180,218
Valuation of options allotted during the financial year (detailed in Table 4)	None	None
Valuation of performance options allotted during the financial year (detailed in Table 6)	None	None

TABLE 2 - SUMMARY TABLE OF THE REMUNERATIONS PAID TO EACH MANAGING CORPORATE OFFICER

All the remunerations are paid by Affine, except for the directors' fees, part of which are paid by AffiParis.

	2010		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
ALAIN CHAUSSARD* CHAIRMAN AND CHIEF EXECUTIVE OFFICER				
Fixed remuneration (paid by Affine)	€321,470	€321,470	€327,250	€327,250
Variable remuneration** (paid by Affine)	€40,000	€40,000	€50,000	€50,000
Exceptional remuneration (paid by Affine)	None	None	None	None
Directors' fees	€15,783 of which €4,605 paid by AffiParis	€15,783 of which €4,605 paid by AffiParis	€15,783 of which €4,418 paid by AffiParis	€15,783 of which €4,418 paid by AffiParis
In-kind benefits*** (paid by Affine)	21,750€	21,750€	21,081€	21,081€
TOTAL	€399,002	€399,002	€413,768	€413,768
NICOLAS CHEMINAIS EXECUTIVE VICE PRESIDENT				
Fixed remuneration (paid by Affine)	€153,711	€153,711	€155,800	€155,800
Variable remuneration** (paid by Affine)	€30,000	€30,000	€20,000	€20,000
Exceptional remuneration (paid by Affine)	None	None	None	None
Directors' fees (paid by AffiParis)	€4,605	€4,605	€4,418	€4,418
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€188,316 of which €4,605 paid by AffiParis	€188,316 of which €4,605 paid by AffiParis	€180,218 €4,418 paid by AffiParis	€180,218 €4,418 paid by AffiParis

* Mr. Chaussard is entitled to severance pay (to be paid by Affine).

** The variable and exceptional remunerations reflect the beneficiary's contribution to generating the Affine Group's income. The variable and exceptional remunerations are determined through an annual analysis conducted by the Affine Remunerations Committee. This analysis is conducted by assessing qualitative and quantitative criteria, and is then submitted to the Affine Board of Directors.

*** This includes the contribution in consideration of the guaranteed social contributions of company executives or managers. These contributions were, for the 2011 financial year, €16,524 and €4,557 for a company car for the 2011 financial year.

TABLE 3 - DIRECTOR'S FEES AND OTHER REMUNERATIONS RECEIVED BY THE NON-MANAGING CORPORATE OFFICERS

All the remunerations are paid by Affine, except for the directors' fees, part of which are paid by AffiParis. The individual amount of the directors' fees is determined according to the number of times a director attends the meetings of the Board of Directors.

	2010		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
MARYSE AULAGNON				
Fixed remuneration (paid by Mab-Finances and Affine)	€259,089	€259,089	€254,214	€254,214
Variable remuneration (paid by Affine)	None	None	None	None
Exceptional remuneration (paid by Affine)	None	None	None	None
Directors' fees (paid by AffiParis)	€14,861 of which €3,684 paid by AffiParis	€14,861 of which €3,684 paid by AffiParis	€15,437 of which €4,418 paid by AffiParis	€15,437 of which €4,418 paid by AffiParis
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€120,410 of which €4,605 paid by AffiParis	€120,410 of which €4,605 paid by AffiParis	€165,641 of which €4,418 paid by AffiParis	€165,641 of which €4,418 paid by AffiParis

	2010		2011	
	Amounts due	Amounts paid	Amounts due	Amounts paid
CYRIL AULAGNON				
Fixed remuneration (paid by Affine)	€105,805	€105,805	€131,223	€131,223
Variable remuneration (paid by Affine)	None	None	None	None
Exceptional remuneration (paid by Affine)	€10,000	€10,000	€30,000	€30,000
Directors' fees (paid by AffiParis)	€4,605	€4,605	€4,418	€4,418
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€120,410 of which €4,605 paid by AffiParis	€120,410 of which €4,605 paid by AffiParis	€165,641 of which €4,418 paid by AffiParis	€165,641 of which €4,418 paid by AffiParis
CHARLES DE JERPHANION				
Fixed remuneration (paid by Affine)	None	None	None	None
Variable remuneration (paid by Affine)	None	None	None	None
Exceptional remuneration (paid by Affine)	None	None	None	None
Directors' fees (paid by AffiParis)	€4,605	€4,605	€4,418	€4,418
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€4,605 of which €4,605 paid by AffiParis	€4,605 of which €4,605 paid by AffiParis	€4,418 of which €4,418 paid by AffiParis	€4,418 of which €4,418 paid by AffiParis
ARIEL LAHMI				
Fixed remuneration (paid by Affine)	€59,903	€59,903	None	None
Variable remuneration (paid by Affine)	None	None	None	None
Exceptional remuneration (paid by Affine)	€119,808	€119,808	None	None
Directors' fees (paid by AffiParis)	€14,630 of which €3,454 paid by AffiParis	€14,630 of which €3,454 paid by AffiParis	€13,333 of which €3,314 paid by AffiParis	€13,333 of which €3,314 paid by AffiParis
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€194,341 of which €3,454 paid by AffiParis	€194,341 of which €3,454 paid by AffiParis	€13,333 of which €3,314 paid by AffiParis	€13,333 of which €3,314 paid by AffiParis
DIDIER MOINET				
Fixed remuneration (paid by Affine)	None	None	None	None
Variable remuneration (paid by Affine)	None	None	None	None
Exceptional remuneration (paid by Affine)	None	None	None	None
Directors' fees (paid by AffiParis)	€3,684	€3,684	€4,418	€4,418
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€3,684 of which €3,684 paid by AffiParis	€3,684 of which €3,684 paid by AffiParis	€4,418 of which €4,418 paid by AffiParis	€4,418 of which €4,418 paid by AffiParis
JEAN-LOUIS SIMON				
Fixed remuneration (paid by Affine)	None	None	None	None
Variable remuneration (paid by Affine)	None	None	None	None
Exceptional remuneration (paid by Affine)	None	None	None	None
Directors' fees (paid by AffiParis)	€4,605	€4,605	€4,418	€4,418
In-kind benefits (paid by Affine)	None	None	None	None
TOTAL	€4,605 of which €4,605 paid by AffiParis	€4,605 of which €4,605 paid by AffiParis	€4,418 of which €4,418 paid by AffiParis	€4,418 of which €4,418 paid by AffiParis

* This includes a compensation received as a result of the breach of the employment contract and the termination of post as Chairman of Concerto Développement.

TABLE 4

■ **Stock options for new or existing shares allotted during the financial year to each corporate officer by the issuer and by all the companies in the Group**

The company did not allot any stock options for new or existing shares.

TABLE 5

■ **Stock options for new or existing shares exercised by each corporate officer**

Since the company did not allot any stock options for new or existing shares, no stock option was exercised.

TABLE 6

■ **Bonus shares allotted to corporate officers**

No AffiParis bonus shares were allotted to the corporate officers. The allotments of bonus shares affect Affine shares only.

TABLE 7

■ **Bonus shares that became available to each corporate officer**

No AffiParis bonus shares were allotted to the corporate officers.

TABLE 8

■ **History of stock options for new or existing shares**

The company did not allot any stock options.

TABLE 9

■ **Stock options for new or existing shares granted to the top ten employees who are not corporate officers and options exercised by them**

The company has no employees.

TABLE 10

The table below concerns only the Chairman and Chief Executive Officer and the Executive Vice President. The indemnities are payable by Affine.

Managing corporate officers	Employment contracts	Supplementary pension plan	Indemnity or benefit due or that may become due because of cessation or change of duties	Indemnities arising from a covenant not to compete
<u>ALAIN CHAUSSARD</u>	None	None	One year of overall gross compensation if the net earnings in Affine's individual financial statements are at least equal to 3% of its equity; if this condition is not met, performance may be assessed on the basis of the consolidated financial statements.	None
<u>NICOLAS CHEMINAIS</u>	Affine Real Estate Manager	None	None	None

CORPORATE GOVERNANCE AND INTERNAL CONTROL

Chairman's report on corporate governance and internal control

(article L225-37 of the Commercial Code) for financial year ended 31 December 2011

I - Corporate governance

During its session of 15 December 2011, the Board of Directors adopted the Middenext Code of governance for small and mid-caps (Vamps, in the French acronym), published in December 2009. The company's organisation, its Board of Directors and its work are compliant with the recommendations of this Code.

The Board's attention was also drawn to the vigilance points mentioned in this code.

The internal rules and regulations concerning the functioning of the Board were amended as a consequence of adopting the Middenext Code.

1. CONDITIONS GOVERNING THE PREPARATION AND ORGANISATION OF THE WORK OF THE BOARD OF DIRECTORS

The Extraordinary General Meeting of 21 April 2006 changed the legal form of the company from that of a simplified joint stock company (*société par actions simplifiée*) to a public limited company (*société anonyme*) managed by a Board of Directors.

a. Membership of the Board of Directors

Article 13 of the Articles of Association of the Company provides that the Board of Directors shall comprise at least three members and no more than 18.

As of 31 December 2011, the Board comprised six directors:

- Mr. Alain Chaussard, Chairman of the Board of Directors
- Mrs. Maryse Aulagnon, Vice-Chairwoman
- Mr. Charles de Jerphanion
- Mab Finances, represented by Mr. Cyril Aulagnon
- Mr. Didier Moinet
- Mr. Jean-Louis Simon

Mr. Ariel Lahmi and Mr. Nicolas Cheminais resigned from their positions as directors for personal reasons (on 5 July 2011 and 24 November 2011, respectively).

Directors are appointed for a term of three financial years (since the Combined General Meeting of 26 July 2007).

Pursuant to the criteria set forth in the Middenext Code, three directors are independent: Messrs. Charles de Jerphanion, Didier Moinet and Jean-Louis Simon, who constitute half of the Board membership.

The Board of Directors is aware of the question of balanced representation of men and women among its members, and

particularly of the deadlines to adhere to in order to comply with the appropriate legal provisions. This point was presented at the Board meeting of 10 February 2011, and the company will fulfil the legal obligation to attain a proportion of women on the Board of at least 20%. The intention is to accomplish this, at the latest, by the end of the first Ordinary General Shareholders' Meeting to be held in 2014.

Article 13.1 of the company's by-laws states that each Director must be a registered holder of at least one registered share during the entire term of his or her directorship.

b. General management

When it appointed Mr. Alain Chaussard as Chairman of the Board at its meeting of 23 April 2007, the Board of Directors agreed to combine the positions of Chairman of the Board of Directors and Chief Executive Officer.

Mr. Nicolas Cheminais, who was appointed Executive Vice President by the Board of Directors at its meeting of 23 April 2007, resigned from his duties with effect from 24 November 2011.

c. Frequency of meetings

The Board met eight times during the course of the 2011 financial year, on the following dates:

- 10 February 2011 (approval of the 2010 financial statements)
 - 09 June 2011 (implementation of the share purchase programme)
 - 27 July 2011 (review of the accounts of the first half of 2011 and of the provisional budget for the year 2011; resignation of Mr. Ariel Lahmi from his Directorship effective 5 July 2011)
 - 21 September 2011 (plan for the cash increase of the share capital through a rights offering)
 - 21.10.2011 (share capital increase: setting the final issue conditions)
 - 24 November 2011 (observation of the capital share increase; resignation of Mr. Nicolas Cheminais from his posts as Executive Vice President and Director)
 - 29 November 2011 (strategy regarding the Baudry property).
 - 15 November 2011 (refinancing arrangements, adoption of the Middenext governance code)
- Directors' attendance averaged 98%.

d. Convening of meetings and information conveyed to directors

Meetings are convened in writing (including electronic mail, provided that a system can be implemented to authenticate the Chairman's signature) and signed by the Chairman of the Board of Directors.

Prior to all meetings, each director receives a dossier that enables him or her to take fully-informed decisions at the meetings. Unless the meeting convened is urgent, this dossier is sent to the director within the week preceding the week of the Board meeting, but may subsequently be supplemented by any other document that may help the director take a decision.

The Board of Directors may carry out valid business if at least half of the directors are present.

The internal regulations instituted the possibility of conducting meetings using videoconference or telecommunications technology that would transmit at least the participants' voices and meet the technical requirements for a continuous, simultaneous broadcast of the deliberations.

The Board of Directors meets at least once each quarter. The dates of these meetings are decided during the previous year and in the month of December at the latest. Moreover, Article 14-1 of the by-laws provides that the Board of Directors must meet as often as the interest of the company requires.

Once a year, the Board must meet to evaluate its work and the conditions under which they were able to perform it.

e. Powers of the Board of Directors

The Board of Directors determines the company's business strategy and supervises its implementation. Subject to the powers expressly granted by law to shareholders' meetings and within the limits of the corporate purpose, the Board examines any issues concerning the smooth running of the company and controls, through its deliberations, all business concerning it.

The Board of Directors shall at any time carry out the monitoring and verifications that it considers appropriate.

Whenever a member of the Board so requests, the Chairman will provide any additional information and documents that the Board member wishes to receive.

f. Specialised Committees

The Board of Directors created an Investment and Arbitrage Committee whose purpose is to examine real estate asset acquisition and sale proposals of any kind, including in the form of acquisitions of shares or interests of companies holding such assets, and to provide the Board with recommendations.

This Committee is composed of: Mr. Alain Chaussard, Mrs. Maryse Aulagnon, Mr. Charles de Jerphanion and Mab-Finances, represented by Mr. Cyril Aulagnon.

The Investment and Arbitrage Committee has the authority to execute disposal and acquisition transactions in amounts up to €10,000,000 per transaction; the Board is informed of transactions accepted by the Committee; the Committee must report to the Board of Directors on its activities.

Beyond that, the Committee has an advisory role; decisions are taken by the Board of Directors.

In accordance with the provisions of Article L823-20 of the French Commercial Code, the company does not have to set up a specialised committee to monitor questions concerning the

preparation and control of accounting and financial information. The company is in fact controlled by Affine which is subject to the provisions of Article L823-19 of the French Commercial Code and which has set up this specialised committee.

Thus, Affine, the company that controls AffiParis, examines, in its Accounts Committee, all issues concerning the preparation and control of the accounting and financial information of AffiParis.

2 – LIMITATIONS ON POWERS OF THE CHIEF EXECUTIVE OFFICER (CEO) AND THE EXECUTIVE VICE PRESIDENT IMPOSED BY THE BOARD OF DIRECTORS

No limits have been placed by the Board of Directors on the powers of the CEO, who is vested with the broadest powers to act in all circumstances on behalf of the Company.

The CEO shall exercise these powers within the confines of the corporate purpose, and subject to the powers expressly granted by law to general shareholders' meetings and to the Board of Directors.

3- REMUNERATION OF CORPORATE OFFICERS

Corporate officers do not receive any other remuneration than that paid to directors in the form of directors' fees.

4- OTHER INFORMATION REQUIRED BY ARTICLE L225-37 OF THE FRENCH COMMERCIAL CODE

The conditions relating to the participation of shareholders in general meetings are specified in Article 19.1 of the company's Articles of Association.

Furthermore, all data concerning the capital structure and the elements likely to have an impact in case of a tender offer are mentioned in the Management Report presented at the general meeting.

5- MANDATES ENTRUSTED TO AFFINE

Management of the company is carried out by Affine under a service contract dated 28 December 2007 which terminated on 1 July 2010, on which date three new contracts entered into force between AffiParis and Affine, putting Affine in charge of administrative and financial management, property management and asset management.

II – Organisation and description of internal control procedures

The purpose of AffiParis is to manage and develop real estate assets in France, and in particular in Paris, either directly or through subsidiaries that it fully controls.

Operations furthering the business of the Group, as well as the way they are recorded in the financial statements, are verified, with the general purpose of ensuring that the legislation, regulations and standards in force are complied with and that everything possible is done to prevent the occurrence of events that might damage the Group. The main control procedures introduced to ensure the reliability and security of operations are briefly described below.

The internal control of AffiParis is exercised by Affine, in the framework of the management mandates entrusted to it.

1. INTERNAL CONTROL PROCEDURES LINKED WITH THE PROTECTION OF ASSETS

The Company regularly verifies and ensures the compliance of technical facilities that could have an impact on the environment or on people's safety (fire-fighting equipment, ventilation, air conditioning, electrical installations and lifts, etc.).

Conformity with environmental standards (asbestos, lead and parasites) is also checked by external appraisers during each transaction (acquisition, sale and mortgage financing).

The Company also calls on the services of accredited appraisers to carry out these controls and investigations.

2. INTERNAL CONTROL PROCEDURES CONCERNING RENTAL AND COMMERCIAL MANAGEMENT OF ASSETS

Acquisitions and sales of assets require the authorisation of the Board of Directors. Marketing of assets is carried out by external service providers. The objectives (price, deadlines, prospective buyers) are determined by General Management.

3. INTERNAL CONTROL PROCEDURES CONCERNING FINANCIAL RISK

All questions in this area are systematically examined by General Management which regularly reviews the Company's cash management and financing requirements.

4. INTERNAL CONTROL PROCEDURES CONCERNING LEGAL AND LITIGATION RISK

The Group's business involves the signature of acquisition and sale contracts for buildings and condominiums. These deeds are notarised, thereby giving them greater security and limiting the Company's potential liability. Lease agreements are prepared based on generic documents drawn up by lawyers specialising in this field.

Risks are monitored by General Management in collaboration with the competent Affine departments and the various legal advisors who ensure that the regulations applicable to the Company's business are complied with and the interests of the Group furthered.

5. INTERNAL CONTROL PROCEDURES CONCERNING THE PREPARATION OF FINANCIAL AND ACCOUNTING INFORMATION

The organisation and missions of the accounts department are defined in the Affine Group accounting procedures manual.

Affine's accounting and management control department is responsible for the accounting management of all the AffiParis Group companies within the framework of a mandate entrusted to Affine by AffiParis, and sub-mandates signed between AffiParis and its subsidiaries.

Most of the transactions are directly reported in the accounts using software which receives data from the different departments (Management, Corporate and administrative departments etc.). A few entries may be input manually.

Furthermore, the accounting procedures used by the Group are defined in the accounting procedures manual.

The department was strengthened by the addition of an accounts controller.

The consolidated financial statements are drawn up for the whole of the AffiParis Group. The group notion includes the parent company AffiParis and all of its subsidiaries; all of the companies that make up the Group have the same internal control system.

The accounts of all of the companies are kept in-house using the same consolidated accounting software package for both AffiParis and Affine.

The consolidated financial statements are produced by a team whose members are chosen from Affine's accounting management and management control department.

The main controls carried out during the preparation of the consolidated accounts concern, in particular:

- Checking control percentage variations in order to ensure that the correct consolidation method is applied;
- Justification of consolidation restatements (application of IFRS);
- Analysis and justification of the main differences from the statements drawn up by Management Control.

The internal control system applied at AffiParis and carried out by Affine comprises two levels:

a) First level controls

The first-level controls correspond to all of the means continuously implemented by the operating entities to guarantee the legality, security and proper execution of the transactions that are carried out, as well as compliance with the due care provisions linked to the surveillance of risks of all types associated with the transactions.

The result is that units responsible for initiating transactions are independent from units responsible for validating them.

First level controls are carried out by:

- operating staff at the inception of each transaction,
- management as part of its supervisory role or at the request of general management.

b) Second level controls

Second-level controls verify, at suitable intervals, the lawfulness and compliance of transactions, primarily by examining:

- the effectiveness of first-level controls,
- compliance with procedures and procedure updating,
- the suitability of existing systems for the measurement and monitoring of all risks associated with transactions.

These controls are carried out by the Internal Controller who reports directly to general management.

Each accounts closing is the subject of controls by General Management which analyses deviations from forecasts.

Off balance sheet commitments are transmitted to the Board of Directors.

Financial and accounting information is verified by the Statutory Auditors and presented to the Board of Directors with explanations.

Auditors' report on the report made by the Chairman of the Board of Directors of AffiParis

prepared in application of Article L.225-235 of the French Commercial Code

To the Shareholders,

In our capacity as AFFIPARIS's statutory auditors and pursuant to Article L225-235 of the French Commercial Code, we submit our report on the report prepared by your company's chairman in accordance with Article 225-37 of the French Commercial Code for the financial year ended 31 December 2011.

The chairman is responsible for preparing and submitting a report for approval by the board of directors describing the internal control and risk management procedures implemented within the company together with the other information required by Article L.225-37 of the French Commercial Code pertaining to corporate governance.

It is our role to:

- report to you our observations made on the basis of the information contained in the chairman's report concerning the internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information, and
- certify that the report includes the other information required by Article L. 225-37 of the French Commercial Code with the understanding that it is not our responsibility to verify the fairness of this other information.

We have carried out our work in accordance with the professional auditing standards applicable in France

INFORMATION CONCERNING THE INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES PERTAINING TO THE PREPARATION AND PROCESSING OF ACCOUNTING AND FINANCIAL INFORMATION

Our professional standards require that we perform the due diligence necessary to assess the fairness of the information concerning the internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information contained in the chairperson's report. These checks consist of:

- reviewing the internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information underlying the information presented in the chairman's report and the existing documentation;
- reviewing the work done to prepare this information and the existing documentation;
- determining whether any major deficiencies in the internal control pertaining to the preparation and processing of the accounting and financial information that we may have uncovered in the performance of our audit were properly disclosed in the chairman's report.

On the basis of this work, we have no observation to make on the information concerning the company's internal control and risk management procedures pertaining to the preparation and processing of the accounting and financial information contained in the report of the chairperson of the board of directors prepared pursuant to Article L. 225-37 of the French Commercial Code.

OTHER INFORMATION

We certify that the report of the chairman of the board of directors contains the other information required by Article L. 225-37 of the French Commercial Code.

Paris et Paris-La Défense, on 7 February 2012

The Auditors

CAILLIAU DEDOUIT ET ASSOCIES
Remi SAVOURNIN

CONSEIL AUDIT & SYNTHÈSE
Member of the Ernst & Young network

Jean Philippe Bertin

TRANSACTIONS ON THE SHARE CAPITAL

Auditors' report on capital reduction

Combined general shareholders' meeting of 25 April 2012 - Thirteenth resolution

To the Shareholders

In our capacity as your company's statutory auditors and pursuant to our engagement as set forth in Article L. 225-209 of the French Commercial Code in cases of capital reduction by cancellation of shares purchased, we have drafted this to inform you of our assessment of the causes and conditions of the planned share capital reduction.

Your board of directors asks that you grant it full powers for an eighteen-month period to cancel, within the limit of 10% of its share capital and for a period of twenty-four months, the shares purchased as the result of the implementation of an

authorisation for your company to purchase its own shares in the context of the provisions of the article cited above.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence has led us to examine whether the causes and conditions of the proposed share equity reduction, which will not affect the equality of the shareholders, are legitimate.

We have no observation to make on the causes and conditions of the planned capital reduction.

Paris et Paris-La Défense, on 9 February 2012

The Auditors

CAILLIAU DEDOUIT ET ASSOCIES
Remi SAVOURNIN

CONSEIL AUDIT & SYNTHÈSE
Member of the Ernst & Young network
Jean Philippe Bertin

Auditors' report on the issuance of common shares and other securities with or without rights issue

Combined general shareholders' meeting of 5 April 2012
Fifteenth, sixteenth and eighteenth resolutions

To the Shareholders

In our capacity as your company's statutory auditors and pursuant to our engagement as set forth in the French Commercial Code in Articles L.228-92 and L.225-135 thereof, we present to you our report on the motions to delegate to the board of directors the issuance of various securities with or without rights issue, these being transactions which you are required to vote on.

Your board of directors proposes to you, on the basis of our report, to delegate to the board, for a period of 26 months, the power to decide on the transactions listed below and to set the final terms of these issues; the board further proposes to you, when necessary, that it have the power to eliminate your preemptive subscription right.

- the issue of common shares or securities giving access immediately or in the future to your company's share capital, in accordance with Article L.228-93 of the French Code of Commerce, of any company in which it directly or indirectly owns over half the capital, with rights issue (15th resolution),
- the issue of common shares and securities giving access immediately or in the future to your company's share capital, in accordance with Article L.228-93 of the French Code of Commerce, of any company in which it directly or indirectly owns over half the capital, without rights issue (16th resolution),
- issue of common shares and securities giving access immediately or in the future to your company's share capital, in accordance with Article L.228-93 of the French Code of Commerce, of any company in which it directly or indirectly owns over half the capital, without rights issue through offerings as described in Section II of Article L.411-2 of the Monetary and Financial Code, limited to 10% of the share capital per year (18th resolution) .

Within the limit of an overall ceiling of 15 million euros for the 15th, 16th and 18th resolutions, the total par amount of the share capital increases that may be carried out immediately or

in the future regarding under the purview of each of the 15th and 16th resolutions, may not exceed €15 million.

It is incumbent on your board of directors to prepare a report in accordance with Articles R.225-113 ff. of the French Commercial Code. Our responsibility is to express our opinion on the fairness of the figures derived from the financial statements, on the motion to cancel the rights issue and on certain other information concerning the transactions given in this report.

We have performed the due diligence which we deem necessary in respect of the professional doctrine of the French Association of Chartered Accountants relating to this engagement. This due diligence consisted of verifying the content of the board of directors' report relating to these transactions and the procedures for determining the price of the equity securities to be issued.

Subject to the subsequent review of the issuance terms which may be decided, we have no observation to make on the procedures used to determine the issue price of the equity securities to be issued given in the board of directors' report with respect to the 16th and 18th resolutions.

Since this report does not spell out the procedures for setting the price at which the equity securities are to be issued in the context of the implementation of the 15th resolution, we cannot render an opinion on how the issue price is to be computed.

Because the final terms under which the issues will be carried out have not been determined, we cannot render an opinion on those terms nor, consequently, on the proposal to cancel the rights issue that is made to you in the 16th and 18th resolutions.

Pursuant to Article R.225-116 of the French Commercial Code, we will prepare a supplemental report, as needed, at the time your board of directors uses these authorisations in the event of issues of securities giving access to the share capital, and in case of issues without rights.

Paris et Paris-La Défense, on 9 February 2012

The Auditors

CAILLIAU DEDOUIT ET ASSOCIES
Remi SAVOURNIN

CONSEIL AUDIT & SYNTHÈSE
Member of the Ernst & Young network
Jean Philippe Bertin

Summary of delegations of authority for share capital increase

(Article L225-100 paragraph 7 of the French Commercial Code)

Delegation of authority granted to the Board of Directors by the Combined General Meeting of 20 April 2010
(nullifying the delegation granted by the Combined General Meeting of 27 April 2009)

	Amount authorised	Term	Use
Delegation of authority for capital increase through a rights offering (9th resolution)	€15,000,000	26 months (until 19 June 2012)	Board of Directors' meeting of 21 October 2011: Issue of 2,753,100 shares at the unit price of €9.35, thus effecting a share capital increase of 14,448,268.80 euros (with an aggregate issue premium of €11,293,216.20) Board of Directors' meeting of 24 November 2011: capital increase by incorporation of reserves of €41,731.20 Total: €14,490,000
Delegation of authority for capital increase without a rights offering (10th resolution)	€15,000,000 (charged against the ceiling above)	26 months (until 19 June 2012)	None
Delegation of authority for a capital increase without a rights offering through private placement (11th resolution)	10% of the capital per year (charged against the ceiling above)	26 months (until 19 June 2012)	None

OTHER INFORMATION

(BOARD OF DIRECTORS' REPORT - ARTICLE L225-100 OF THE FRENCH COMMERCIAL CODE)

DESCRIPTION OF RISKS AND UNCERTAINTIES

The risks, and particularly the risks associated with financial instruments, that the company faces are mentioned in Article 7.6 of the notes to the consolidated financial statement.

MATURITY DATES OF TRADE PAYABLES

In accordance with Article L441-6-1 of the French Commercial Code, the outstanding trade payables as at 31 December 2010 and at 31 December 2011, arranged by maturity dates, are shown in the table below:

(en euros)	from 1 to 60 days	from 61 to 180 days	from 181 to 360 days	Over 361 days	total
2010	42,451	0	0	74,633	117,084
2011	50,373	1,263	0	74,959	126,595

STATUTORY AUDITORS' FEES

The fees paid to the Statutory Auditors are indicated in the notes to the consolidated financial statements (section 7.10) and in the notes to the company's financial statements (section 9).

TOTAL AMOUNTS BY CATEGORY OF THE GENERAL EXPENSES REINCORPORATED INTO TAXABLE PROFITS AFTER A TAX ADJUSTMENT

€5,675 (penalties resulting from a tax audit)

POST REPORTING PERIOD EVENTS

The events that took place after the close of the financial year are indicated in section 7.0 of the notes to the consolidated financial statement.

DIVIDENDS PAID DURING THE PAST THREE FINANCIAL YEARS

In application of Article 243 *bis* of the French General Tax Code, the dividends distributed for the three preceding financial years were as follows:

Financial year	Dividends
2008	none
2009	none
2010	€0.42

TOTAL AMOUNT OF CERTAIN NON-DEDUCTIBLE EXPENSES (SUMPTUARY EXPENSES), ACCORDING TO THE FRENCH GENERAL TAX CODE, ARTICLES 39.4 AND 223 QUARTER

None

EXTRAORDINARY DECISIONS

1 - AUTHORISATION TO CANCEL THE SHARES PURCHASED IN CONNECTION WITH THE COMPANY'S PURCHASE OF ITS OWN SHARES

We propose that the Board of Directors be granted the authority, with the power to subdelegate under the terms stipulated by the law and for a period of 18 months:

- to cancel, on one or more occasions, the company shares purchased in connection with the implementation of the authorisation given in the Sixth Resolution voted above, within the limit of 10% of the capital per 24-month period;
- to correspondingly reduce the authorised share capital.

2 – MODIFICATIONS OF THE ARTICLES OF ASSOCIATION (AGE LIMIT FOR THE BOARD CHAIRMAN, THE CHIEF EXECUTIVE AND THE MEMBERS OF THE BOARD)

We remind you that the text of Article 14 of the Articles of Association, regarding the organization and management of the Board of Directors, states as follows:

“No one can be appointed Chairman of the Board of Directors if he or she is more than 65 years old. If the incumbent Chairman exceeds that age, he or she is considered automatically to have resigned.”

The same age limit applies to the positions of Chief Executive Officer (Article 16 of the Articles of Association). As for the Board members, one third of the sitting members must not exceed the age of 65 (Article 13 of the Articles of Association).

The General Meeting of Shareholders is asked to set the age limit for all Directors and corporate officers at 70. The text of Articles 13, 14 and 16 of the Articles will be amended accordingly.

3 - PROPOSAL TO DELEGATE AUTHORITY TO THE BOARD OF DIRECTORS FOR THE PURPOSE OF INCREASING THE SHARE CAPITAL

a) The Combined General Shareholder's Meeting of 20 April 2010 granted the Board of Directors the authority to increase the share capital (with or without a rights offering). The proposal is made to grant new delegations of authority for a term of 26 months.

The authorisations will give the Board of Directors the possibility to choose the most favourable issue types and methods in the light of the wide diversity of securities and the constant changes in stock markets.

The Board may thus issue common shares of the company or all securities giving access through all means, immediately or forward, to common shares of the company or of a company in which it directly or indirectly holds more than half of the capital.

The issue of these securities may not result in the increase of the share capital of the company by a total amount greater than €15 million, without taking into account the adjustments that may be made in compliance with the law.

These issues may be made while maintaining or withdrawing the rights offering.

The Board of Directors will exercise these powers, which are needed primarily to establish the terms of the issue or issues, to make provision for the possibility of paying up the subscription in cash or by compensation with due debt liquid payables or a combination of these two means, to certify the execution of the resulting capital increases and make the relevant amendments to the Articles of Association.

- b) The Board will also have the power to decide on an increase by incorporating premiums, reserves, profits or other sources into the capital, whose capitalisation shall be possible from the legal and regulatory standpoints, by making free share allocations or raising the par value of the existing shares.
- c) The Combined General Shareholders' Meeting of 20 April 2010 further granted the Board of Directors the authority to execute a possible share capital increase without a rights offering and executable by private placement (for the benefit of qualified investors but also of a restricted circle of investors) at the level of 10% of the share capital per year. The proposal is made to renew this delegation of authority for 26 months as from the date of the Meeting.
- d) Because the company has no employees, no proposal will be made to the General Meeting for a draft resolution aimed at arranging a share capital increase within the framework of the provisions of Articles L.225-129-6 and L225-138-1 of the French Commercial Code.

DECLARATION BY PERSONS RESPONSIBLE FOR THE FINANCIAL REPORT

(ARTICLE L.451-1-2 OF THE FRENCH MONETARY AND FINANCE CODE)

I hereby declare that, to my knowledge, the financial statements have been drafted in accordance with applicable accounting standards and provide an accurate view of the assets, financial situation and results of the company and of all companies included in the consolidation, and that the attached management report presents an accurate picture of the business activity, results, and financial situation of the company and all companies included in the consolidation, as well as a description of the risks and uncertainties facing them.

Alain Chaussard
Chief Executive Officer

Manager, Financial Communication
& Investor Relations

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