

RAPPORT D'ACTIVITE
BUSINESS REVIEW **2011**



Sommaire

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PROFIL PROFILE]

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

Foncière spécialiste dans l'immobilier d'entreprise, Affine et sa filiale AffiParis possèdent et gèrent 70 immeubles d'une valeur de 709 M€ droits inclus et répartis sur une surface globale de 556 000 m². La société est présente pour l'essentiel dans les bureaux (60 %), l'immobilier commercial (11 %) et les entrepôts (27 %). Son activité est localisée à parts sensiblement égales entre l'Ile de France et les autres régions.

Affine est l'actionnaire de référence de Banimmo, foncière de repositionnement belge présente en Belgique, en France et au Luxembourg, et de Concerto European Developer, filiale spécialisée dans le montage d'opérations de développement dans l'immobilier logistique.

Dès 2003, Affine a opté pour le régime des Sociétés d'Investissements Immobiliers Cotées (SIIC). L'action Affine est cotée sur NYSE Euronext Paris (Ticker : IML FP / BTTP.PA ; code ISIN : FRO000036105) et admise au SRD (long seulement). Elle fait partie des indices CAC Mid&Small, SIIC IEIF et EPRA. AffiParis et Banimmo sont également cotées sur NYSE Euronext.

www.affine.fr

Patrimoine direct / Direct properties (Affine / AffiParis)

709 M€*

Surface / Surface area

556 000 m²

Revenus locatifs directs
Direct gross rental income

48 M€

Banimmo

392 M€*

* Droits inclus. / Transfer taxes included.

A property company specializing in commercial real estate, Affine and its subsidiary AffiParis own and manage directly 70 properties worth €709m, with a total surface area of 556,000 sqm. The firm mostly owns office properties (60%), retail properties (11%) and warehouses (27%). Its activity is distributed more or less equally between Ile-de France and the other French regions.

Affine is the reference shareholder of Banimmo, a Belgian property repositioning company with a presence in Belgium, France and Luxembourg, and of Concerto European Developer, a subsidiary specializing in managing development transactions in logistics properties.

In 2003, Affine opted for the tax treatment applicable to French real estate investment trusts (SIIC). The Affine share is listed on NYSE Euronext Paris (Ticker: IML FP/BTTP.PA; ISIN code: FRO000036105) and admitted to the deferred settlement system (long only). The Affine share is included in the CAC Mid&Small, SIIC IEIF and EPRA indices. AffiParis and Banimmo are also listed on NYSE Euronext.

www.affine.fr

Chiffres clés

Key figures

NB : Depuis le 1^{er} octobre 2011, le sous-groupe Banimmo, ainsi que Jardins des quais, sont consolidés chez Affine par mise en équivalence. Afin de permettre une bonne lisibilité des comptes de l'exercice et leur comparabilité avec ceux des exercices précédents, les comptes commentés ci-dessous sont des comptes pro forma dans lesquels le sous-groupe Banimmo et Jardins des quais sont consolidés par mise en équivalence en année pleine pour les trois années. Ces comptes (compte de résultat, bilan, cash-flow) font parties de l'annexe consolidée audité par les commissaires aux comptes.

NB: Since October 1, 2011, the Banimmo sub-group and Jardins des Quais are consolidated in Affine through the equity method. To facilitate the readability of the annual financial statements and their comparability with previous years, the consolidated financial statements commented on below are proforma statements, in which Banimmo and Jardins des Quais are consolidated through the equity method on a whole-year basis for the three years. These statements (earnings, balance sheet, cash-flow) form part of the consolidated appendices audited by the statutory auditors.

Comptes consolidés (M€)	2009	2010	2011	Consolidated statements (€m)
Revenus locatifs	54,4	50,0	48,3	Gross rental income
Résultat opérationnel courant ⁽¹⁾	34,2	34,4	34,6	Current operating profit ⁽¹⁾
Résultat net	(4,6)	10,5	16,6	Net profit
Résultat net – part du groupe	(2,9)	10,3	15,3	Net profit – group share
Résultat EPRA	15,6	16,0	18,5	EPRA earnings
Capacité d'autofinancement	33,3	27,7	19,7	Funds from operation
Investissements	39,7	24,4	25,5	Investments
dont immeubles de placement ⁽²⁾	32,8	23,6	25,3	of which Investment properties ⁽²⁾
dont autres	7,9	0,8	0,2	of which others
Juste valeur du patrimoine (droits inclus) ⁽³⁾	801	725	709	FV of investment properties (incl. TT) ⁽³⁾
Juste valeur du patrimoine (hors droits) ⁽³⁾	760	687	672	FV of investment properties (excl. TT) ⁽³⁾
Actif net réévalué EPRA (hors droits) ⁽⁴⁾	284,4	281,9	287,6	EPRA net asset value (excl. TT) ⁽⁴⁾
Dettes financières nettes	535,0	465,3	434,7	Net financial debt
LTV (%) ⁽⁵⁾	55,0	51,5	50,8	LTV (%) ⁽⁵⁾
Coût moyen de la dette (%) ⁽⁶⁾	3,8	3,7	4,0	Average cost of debt (%) ⁽⁶⁾
Taux d'occupation EPRA (%)	92,2	87,7	89,0	EPRA occupancy rate (%)
Données par action (€)	2009	2010	2011	Figures per share (€)
Résultat net (dilué)	(0,68)	0,83	1,26	Net profit (diluted)
Résultat EPRA	1,33	1,45	1,60	EPRA earnings
Dividende	1,78	2,43	1,20	Dividend
Actif net réévalué EPRA (hors droits) ⁽⁴⁾	31,41	30,26	28,97	EPRA net asset value excl TT ⁽⁴⁾
Cours de bourse	16,25	17,10	12,50	Share price

(1) Ce montant n'intègre pas en 2011 et 2010 les dépréciations sur l'activité de développement, pour respectivement 3,0 M€ et 5,4 M€, présent dans les autres produits et charges. / This amount excludes the depreciation on the development activities of €3.0m and €5.4m in 2011 and 2010 respectively and appears under other income and expenses.

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

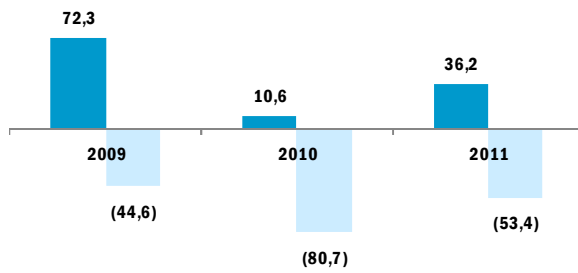
(3) Juste valeur des immeubles de placement y compris immeubles destinés à la vente droits inclus ou exclus. Le taux des droits utilisé pour les immeubles est de 6,2%. / Fair value of investment properties, including property held for sale, including or excluding transfer taxes. The transfer tax rate used for buildings is 6.2%.

(4) Y compris ORA et après neutralisation des Titres Subordonnés à Durée Indéterminée (TSDI). / Including ORA (mandatory convertible bonds) and after neutralization of Perpetual Subordinated Loan notes (PSL).

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

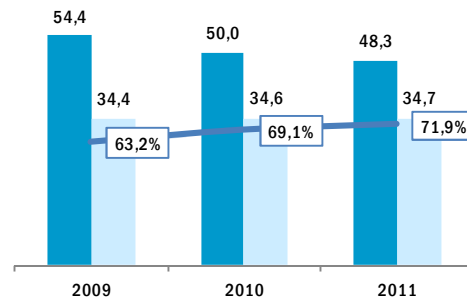
(6) Coûts de couverture inclus. / Including hedging costs.

Investissements (M€)
Investments (€m)



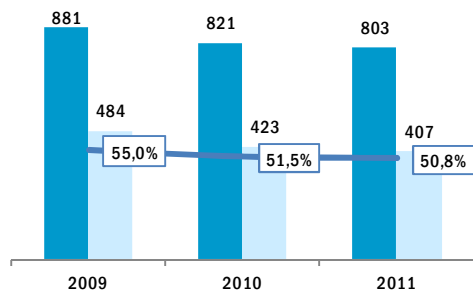
■ Investissement / Investment
■ Cession / Disposal

Performance opérationnelle (M€)
Operating performance (€m)



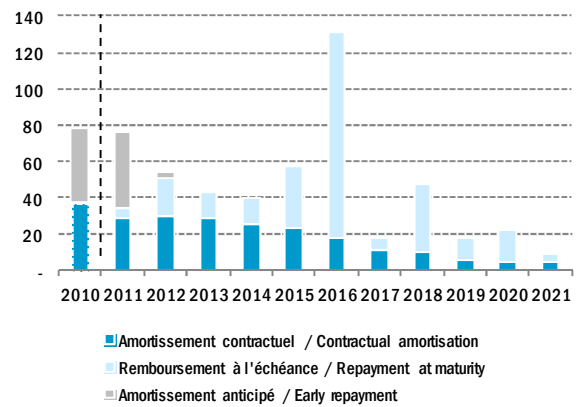
■ Revenus locatifs / Gross rental income
■ EBITDA
— EBITDA (%)

LTV (M€)
LTV (€m)



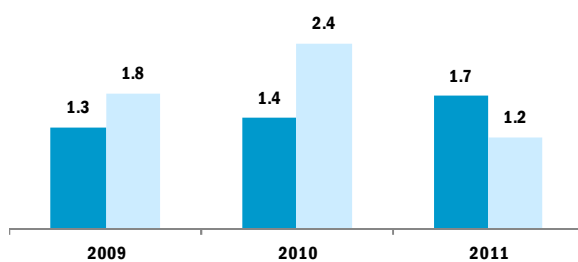
■ Valeur / Value ■ Dettes nettes / Net loan — LTV

Echéancier de la dette (M€)
Debt repayment schedule (€m)



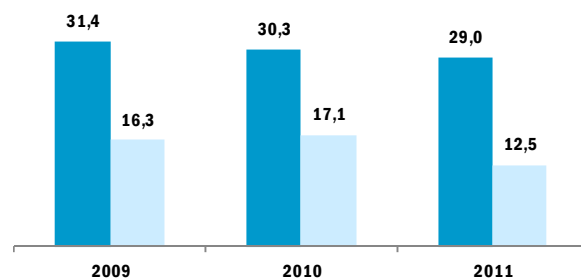
■ Amortissement contractuel / Contractual amortisation
■ Remboursement à l'échéance / Repayment at maturity
■ Amortissement anticipé / Early repayment

Résultat EPRA et dividende par action (€)
EPRA earnings and dividend per share (€)



■ Résultat EPRA par action / EPRA earnings per share
■ Dividende par action / Dividend per share

ANR EPRA par action et cours de bourse* (€)
EPRA NAV per share and share price* (€)



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

* à fin d'année. / at year-end

Faits marquants

Key events

Janvier

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

Février

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

Avril

Cession d'un ensemble immobilier de bureaux de 1 510 m² à Nantes (44).

Banimmo désigné pour la rénovation des Halles Secrétan à Paris.

Mai

Cession par Banimmo d'un ensemble immobilier de commerce de pied d'immeubles de 4 600 m² à Clamart (92).

Cession de locaux d'activités de 3 125 m² à Lezennes (59).

Juin

Achat par Affine de la participation de 9,8 % de Shy dans le capital d'AffiParis.

Augmentation de capital de 9,8 M€ par le paiement du dividende en action, souscrite par la moitié des actionnaires, dont Holdaffine.

Juillet

Cession par Banimmo d'un ensemble de 19 140 m² composé de plusieurs immeubles d'exposition, de bureaux et de surface Horeca (hôtel, restaurant, café) à Anvers, Belgique.

Cession d'une cellule commerciale de 700 m² à Arcachon (33).

January

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

February

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

April

Disposal of a 1,510 sqm office building complex in Nantes (44).

Banimmo appointed for the renovation of Les Halles Secrétan in Paris.

May

Disposal by Banimmo of a 4,600 sqm retail building complex in Clamart (92).

Disposal of 3,125 sqm of industrial premises in Lezennes (59).

June

Acquisition by Affine of Shy's 9.8% stake in AffiParis.

A €9.8m capital increase through a scrip dividend subscribed by half of the shareholders, including Holdaffine.

July

Disposal by Banimmo of a 19,140 sqm complex comprising various exhibition halls, offices and horeca (hostel, restaurant, café) premises in Antwerp, Belgium.

Disposal of a 700 sqm retail unit in Arcachon (33).

Août

Cession d'un ensemble immobilier résidentiel de 18 313 m² à Berlin.

Septembre

Cession d'un immeuble de bureaux de 1 329 m² à Marseille (13).

Cession d'un entrepôt de 4 417 m² à Gennevilliers (92).

Cession d'une résidence étudiante de 1 379 m² à Orléans (45).

Octobre

Cession d'un immeuble de bureaux de 957 m² à Paris (75).

Cession de 282 m² de bureaux à Montpellier (34).

Cession de 3 575 m² de bureaux à Rueil Malmaison (92).

Novembre

Souscription par Affine à l'augmentation de capital avec maintien du DPS de 25,7 M€ d'AffiParis, portant sa participation à 86 %.

Acquisition d'un immeuble mixte bureaux / locaux d'activité de 22 200 m² à Gennevilliers (92).

Décembre

Cession d'un immeuble mixte bureaux / locaux d'activité de 1 335 m² à Bron (69).

Acquisition d'un lot commercial de 211 m² à Arcachon (69).

Cession par Banimmo d'un immeuble de bureaux de 6 976 m² à Anvers, Belgique.

Cession par Banimmo d'un bâtiment commercial de 2 290 m² situé près d'Orléans (45).

Affine obtient l'accord de l'ACP (Autorité de Contrôle Prudentiel) pour procéder à son retrait d'agrément en qualité de société financière.

August

Disposal of an 18,313 sqm housing complex in Berlin.

October

Disposal of a 1,329 sqm office building in Marseilles (13).

Disposal of a 4,417 sqm warehouse building in Gennevilliers (92).

Disposal of a 1,379 sqm student accomodation building in Orléans (45).

October

Disposal of a 957 sqm office building in Paris (75).

Disposal of a 282 sqm of office building in Montpellier (34).

Disposal of a 3,575 sqm of office building in Rueil Malmaison (92).

November

Subscription by Affine to the AffiParis €25.7m capital increase through a rights offering, increasing its stake to 86%.

Acquisition of a 22,200 sqm mixed-use building (offices / industrials) in Gennevilliers (92).

December

Disposal of a 1,335 sqm mixed-use building (offices / industrials) in Bron (69).

Acquisition of a 211 sqm retail unit in Arcachon (33).

Disposal by Banimmo of a 6,976 sqm office building in Antwerp, Belgium.

Disposal by Banimmo of a 2,290 sqm retail building located near Orléans (45).

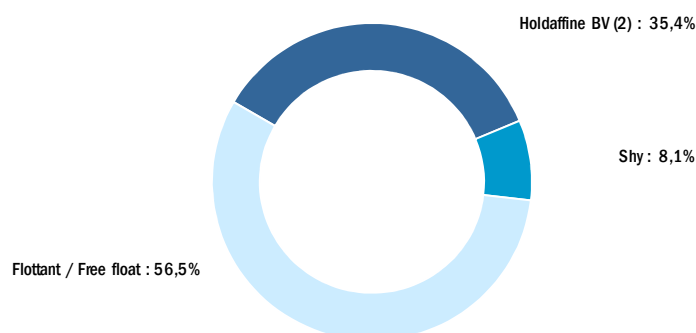
Affine obtains the agreement of the ACP (French banking authority) for withdrawal of its license as a credit institution.

Actionnariat Shareholding

Actionnariat au 31 décembre 2011

Au 31 décembre 2011, le capital social s'élève à 53 100 000 € divisé en 9 002 042 actions, en augmentation par suite de la conversion de la seconde tranche d'ORA (374 400 actions) en avril et du paiement d'une partie du dividende en actions (514 076 actions) en juin.

Répartition du capital / Breakdown of shareholding



(1) Répartition des droits de vote / Breakdown of voting rights: Holdaffine : 50,3 % ; Shy : 6,0 % Flottant / Free float: 43,7 %.

(2) Holdaffine est une société holding non cotée dont la seule activité est la détention du contrôle d'Affine. Elle est elle-même contrôlée par MAB Finances, holding d'animation du groupe Affine. / Holdaffine is an unlisted holding company whose sole activity is holding a controlling interest in Affine. Holdaffine is controlled by MAB Finances, the management company of Affine group.

Affine en bourse

Le titre Affine, coté sur NYSE Euronext Paris, fait partie des indices CAC Mid & Small, SIIC Euronext-IEIF et EPRA.

La Société Générale assure la cotation du titre en continu. Le compte de liquidité, après prise en compte des achats et ventes de l'année, comprenait 40 534 actions au 31 décembre 2011.

Depuis le 26 mai 2010, l'action Affine est éligible au Service de Règlement Différé (SRD) Long Seulement. Ce mécanisme permet l'achat du titre en n'acquittant qu'une partie de la valeur de l'acquisition. Le solde est financé par le courtier (intermédiaire financier) jusqu'à la fin du mois en cours.

Dans le cadre de l'autorisation donnée par l'Assemblée générale du 23 avril 2010, et renouvelée lors de l'Assemblée générale du 28 avril 2011, la société a acquis à travers le contrat de liquidité au cours de l'année 96 047 actions. Par ailleurs, c'est à travers ce même contrat que 189 644 titres ont été

Shareholding at 31 December 2011

At 31 December 2011, the share capital totalled €53,100,000 divided into 9,002,042 shares, an increase resulting from the conversion of the second tranche of convertibles (374,400 shares) in April and the payment of part of the dividend in shares (514,076 shares) in June.

Affine on the stock market

Affine's shares are listed on NYSE Euronext Paris, and are included in the CAC Mid & Small, SIIC Euronext-IEIF and EPRA indices.

Société Générale provides for continuous stock quotation. After taking account of purchases and sales, the liquidity account comprised 40,534 shares at 31 December 2011.

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

Under the authorization granted by the Annual General Meeting of 23 April 2010, and renewed by the Annual General Meeting of 28 April 2011, the company purchased 96,047 shares during the year through the liquidity contract. Through this same contract, 189,644 shares were sold during that

vendus au cours de cette période.

Le total des actions détenues par la société et figurant dans son bilan s'élève à 323 195 dont 40 534 actions liées à l'animation du marché et 282 661 pour conservation et remise à l'échange ou en paiement dans le cadre d'opérations éventuelles de croissance externe (soit 3,1 % du capital sur la limite de 5 % autorisée).

Au 31 décembre 2011, la valeur des actions propres inscrites au bilan est de 5,0 M€.

Le nombre moyen de transactions journalières a été de 16 810 au cours de 2011, contre 7 305 pour la même période en 2010. Le taux de rotation du capital atteint 50 % en base annualisée, ou encore 90 % pour le flottant.

A la suite de la publication de ses résultats annuels 2010, le titre Affine a enregistré une surperformance par rapport aux indices sectoriels IEIF SIIC France et EPRA Europe. La distribution du dividende d'un montant exceptionnellement élevé et les craintes macroéconomique, renforcées pendant l'été, ont totalement effacé cet écart. Au cours de l'année le titre a ainsi reculé de 26,9 % lorsque l'IEIF SIIC France affichait une baisse de 16,5 %.

Au 31 décembre 2011, le cours d'Affine s'établit à 12,5 € faisant ressortir une capitalisation boursière de 112,5 M€. La décote par rapport à l'ANR EPRA s'élève à 57 %. Depuis début 2012, le cours a suivi le mouvement général de baisse pour s'établir à 13,59 € le 17 février.

period.

The total number of treasury shares held by the company and shown in its balance sheet amounts to 323,195, of which 40,534 for market making and 282,661 for retention and remittance in exchange or in payment in connection with potential external growth transactions (i.e. 3.1% of share capital, out of the authorized limit of 5%).

At 31 December 2011, the value of the treasury shares recorded on the balance sheet was €5.0m.

The average number of daily transactions was 16,810 during 2011 versus 7,305 for the same period in 2010. The capital turnover rate was 50%, or 90% for the free float.

Following the publication of its FY10 annual results, Affine's share price outperformed the IEIF SIIC France and EPRA Europe indices. The exceptionally high dividend payment and the macroeconomic anxieties, which strengthened during the summer, totally offset this gap. This resulted in a drop of 26.9% during the year, while IEIF SIIC France posted a 16.5% decrease.

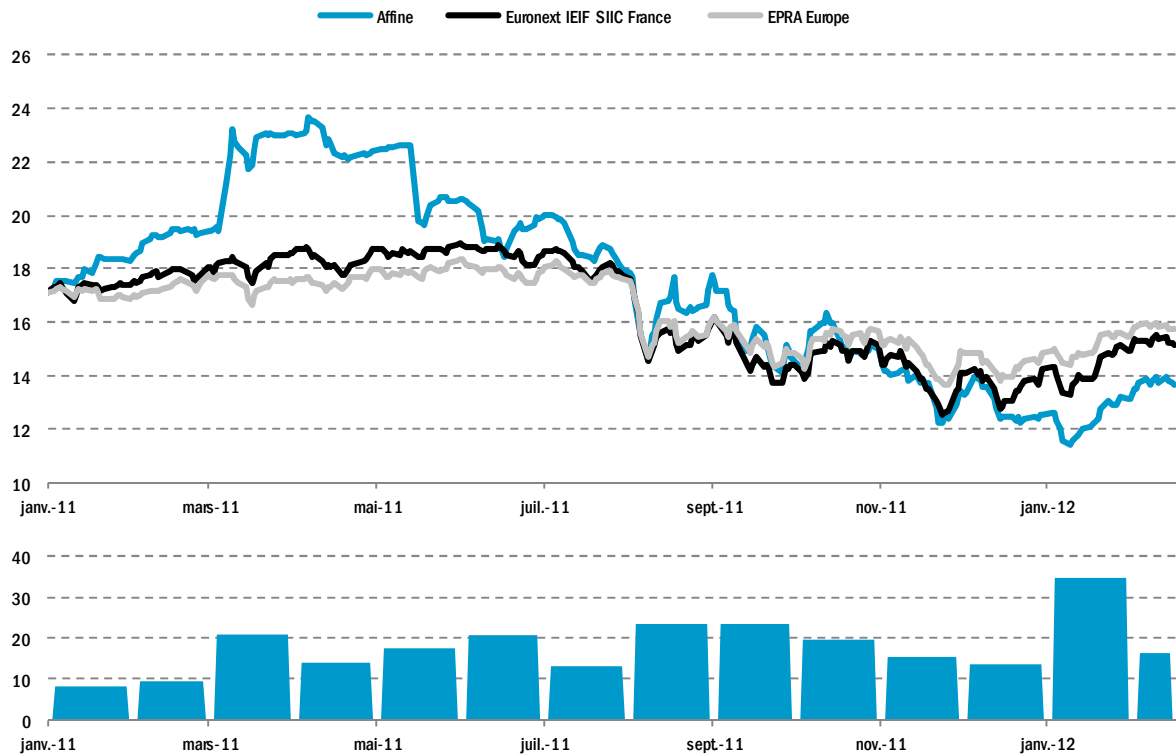
At 31 December 2011, the Affine share is trading at €12.5, giving a market capitalization of €112.5m. The discount with respect to the EPRA NAV stands at 57%. Since early 2012, the share price has followed the general downward trend of the market, and was €13.59 at the close on 17 February.

Caractéristiques boursières au 31 décembre 2011 Stock market information at 31 December 2011

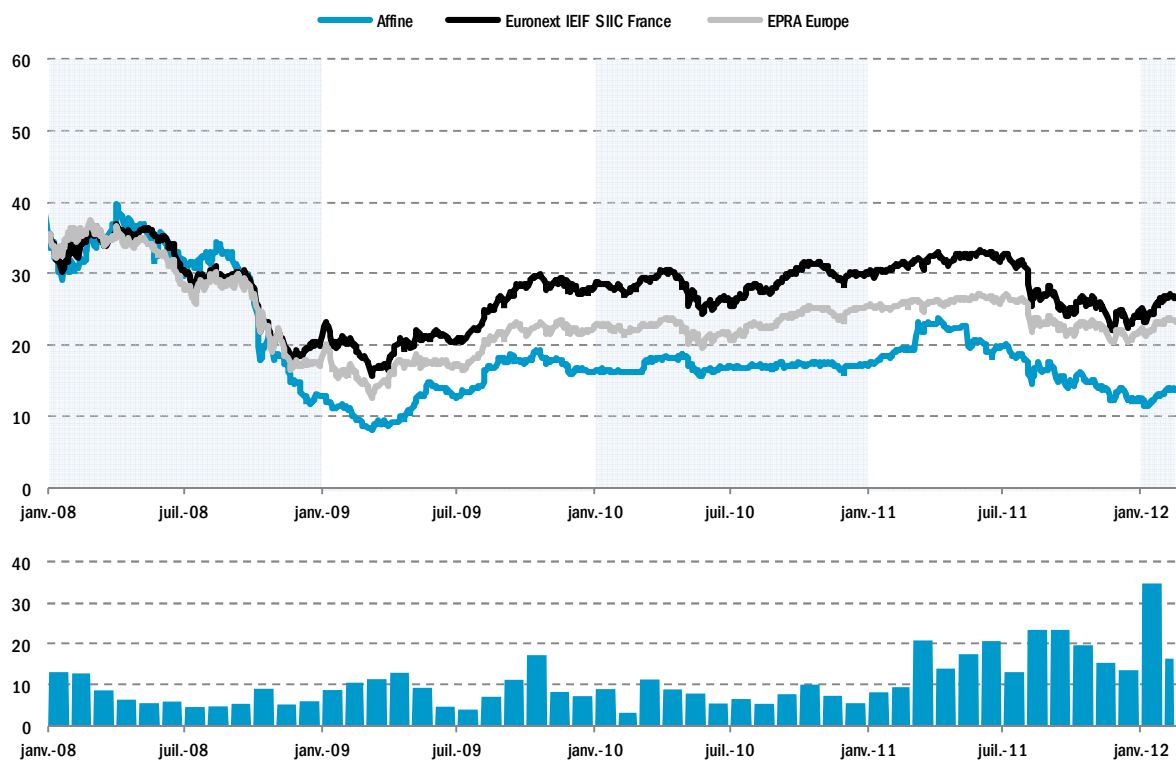
Marché / Market	NYSE Euronext Paris
Code ISIN / ISIN code	FR0000036105
Ticker Bloomberg / Reuters	IML FP / BTPP.PA
SRD / DSO	Long seulement / Long only
Indices / Indices	CAC Mid&Small, SIIC IEIF, EPRA
Nombre de titres / Shares outstanding	9 002 042
Flottant / Free float	54,1 %
Cours de clôture / Closing price	12,5 €
+ Haut & + Bas / High & Low	23,65 € / 12,2 €
Capitalisation / Market capitalization	112,5 M€
Rendement du titre / Total shareholder return ⁽¹⁾	-12,7 %

(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 (en €) et volume de transaction moyen (en milliers de titre) sur 1 an
Share price (in €) and average transaction volume (in thousands of shares) over 1 year



Cours de l'action (en €) et volume de transaction moyen (en milliers de titre) sur 4 ans
Share price (in €) and average transaction volume (in thousands of shares) over 4 years



Dividende

Pour se conformer aux obligations de distribution attachées au statut SIIC au titre de 2009-2010, Affine a distribué en 2011, un dividende d'un montant exceptionnel de 2,43 € par action (soit un total de 20,6 M€) avec l'option d'être payé soit en numéraire soit en actions nouvelles sur la base d'un cours de 19,0 €. Compte tenu du montant particulièrement élevé de cette distribution, et contrairement aux années antérieures, aucun acompte sur dividende n'a été versé en octobre.

L'option de paiement en actions a été retenue par 54,2 % des actionnaires, dont Holdaffine. Le nombre d'actions est ainsi passé de 8 487 966 à 9 002 042.

En 2011 la société souhaite revenir à un niveau de distribution habituel, en sensible retrait par rapport au dividende d'un montant exceptionnel en 2010 : le dividende proposé à l'assemblée générale s'établit ainsi à 10,8 M€, soit 1,2 € par action, procurant un rendement de 9,6 % sur le dernier cours coté de 2011.

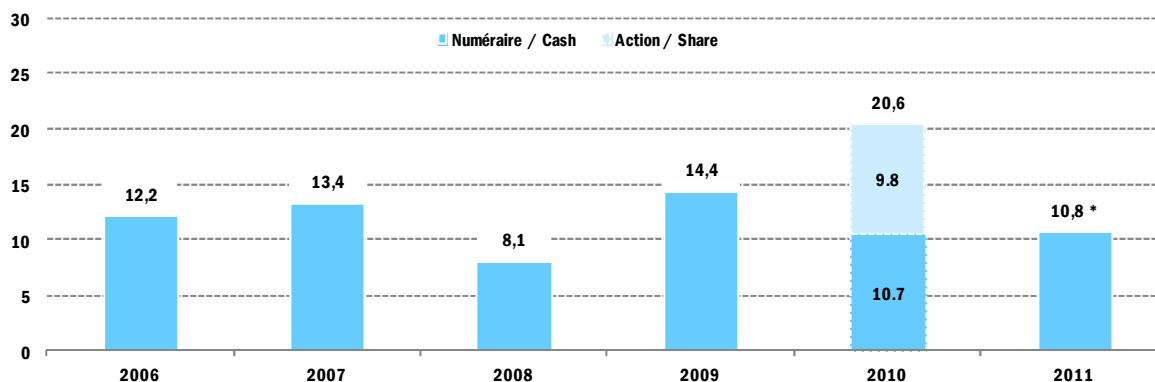
Dividends

To comply with the compulsory distribution requirements related to the French REIT (SIIC) status for the 2009-2010 fiscal year, in 2011 Affine distributed an exceptionally high dividend of €2.43 per share (i.e. a total of €20.6m), with the option to be paid either in cash or in new shares on the basis of a price of €19.0. Given the particularly high amount of this distribution, and unlike in previous years, no interim dividend was paid in October.

The option of scrip dividend payment was chosen by 54.2% of the shareholders, including Holdaffine. The number of shares thus increased from 8,487,966 to 9,002,042.

In 2011, the company wishes to come back to a common dividend payment; lower than the exceptionally high level of 2010: the total amount to be proposed to the General Meeting is therefore €10.8m, i.e. €1.2 per share, giving a yield of 9.6% on the last share price of 2011.

Dividende distribué au cours des 6 dernières années (M€) Dividend distributed over the last 6 years (€m)



* Soumis au vote des actionnaires lors de l'assemblée générale du 27 avril 2012. / Subject to approval by the General Meeting of shareholders on 27 April 2012.

Agenda de l'actionnaire

- 27 avril 2012 : Assemblée générale
- Mai 2012 : Chiffre d'affaires du premier trimestre
- Mai 2012 : Paiement du dividende (1,20 €)
- Juillet 2012 : Chiffre d'affaires et résultats semestriels 2012
- Novembre 2012 : Chiffre d'affaires du troisième trimestre

Shareholders' diary

- 27 April 2012: Annual General Meeting
- May 2012: First quarter revenues
- May 2012: Dividend payment (€1.20)
- July 2012: 2012 Half-year revenues and results
- November 2012: Third quarter revenues

GOVERNANCE GOVERNANCE]

Organe de direction Management

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

Administrateurs / Directors

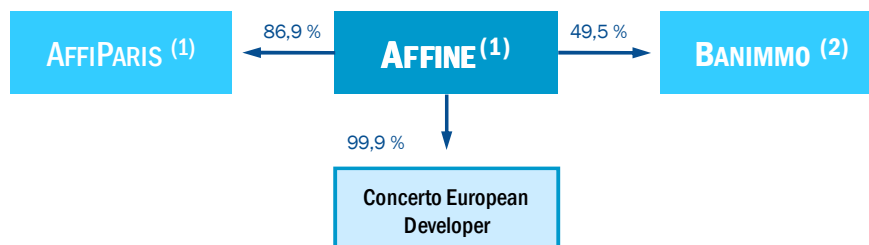
Maryse Aulagnon	Président Chairperson
Alain Chaussard	Représentant permanent de MAB-Finances, Vice-Président Permanent representative of MAB-Finances, Vice-Chairman
Arnaud de Bresson	Directeur général de Paris-Europlace Managing Director of Paris-Europlace
Stéphane Bureau	Partner – Directeur général de la gestion d'actif chez Cushman & Wakefield Partner – Managing director of asset management at Cushman & Wakefield
Jean-Louis Charon	Représentant permanent de Holdaffine – Président de Citistar Permanent representative of Holdaffine – Chairman of Citistar
Bertrand de Feydeau	Président de Foncière Développement Logements Chairman of Foncière Développement Logements
Michel Garbolino	Trustee de la Fondation Stern & Gérant de CMIL – Luxembourg Trustee of the Stern Foundation and Manager of CMIL – Luxembourg
Burkhard Leffers	Représentant permanent de LICA Permanent representative of LICA
Philippe Tannenbaum	Analyste financier senior sur l'immobilier, groupe Arkéon Senior real estate financial analyst, Arkéon group
François Tantot	Ancien Directeur général d'Aareal Bank France Former Chief Executive Officer of Aareal Bank France
Andrew Walker	Représentant permanent de Forum Partners Permanent representative of Forum Partners

Direction générale / Management

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

Structure du groupe

Group structure



(1) Société cotée sur Euronext Paris - toutes les informations financières sont disponibles sur le site affiparis.fr. / Company listed on Euronext Paris - all financial details are available on the website affiparis.fr.

(2) Société cotée sur Euronext Bruxelles toutes les informations financières sont disponibles sur le site banimmo.be. / Company listed on Euronext Brussels - all financial details are available on the website banimmo.be.

La participation d'Affine dans sa filiale AffiParis est passée de 64,9 % à 86,9 % par le rachat des titres détenus par Shy (9,8 %) en juin, sa participation à l'augmentation de capital de 25,7 M€ réalisée au mois de novembre et l'achat de titres sur le marché (0,9 %) en fin d'année.

Affine's stake in its subsidiary AffiParis increased from 64.9% to 86.9% owing to the acquisition of Shy's shares (9.8%) in June, its participation in the capital increase of €25.7m carried out in November, and the purchase of shares on the market (0.9%) at year-end.

La forte participation d'Affine dans l'augmentation de capital d'AffiParis a été obtenue par une souscription à titre irréductible directe (19,4 M€) ou par l'exercice de DPS acquis sur le marché (3,2 M€), et par une souscription complémentaire à titre réductible (2,5 M€).

Affine's strong participation in the capital increase of AffiParis was achieved through subscription as of right (€19.4m) or through the exercise of rights offering (€3.2m) acquired on the market, and through additional subscription to excess shares (€2.5m).

Par ailleurs, afin de faciliter la lecture de la performance opérationnelle de l'entité Affine/AffiParis, Affine a réduit sa participation dans Banimmo passant de 50 % à 49,5 %. Ce dernier est mis en équivalence.

In addition, in order to facilitate the readability of the operating performance of the entity Affine/AffiParis, Affine decreased its stake in Banimmo from 50% to 49.5%. This latter is consolidated through the equity method.

Données sociales et environnementales

Social and environmental information

Ressources humaines

Au 31 décembre 2011, l'effectif total d'Affine est de 51 personnes réparties en :

- 7 employés, 41 cadres et 3 mandataires sociaux
- 22 hommes et 29 femmes

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

Human resources

At 31 December 2011, Affine had 51 employees, broken down as follows:

- 7 employees, 41 managers and 3 company executives
- 22 men and 29 women

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

imputation sur le nombre de jours de RTT.

L'accord d'intéressement renouvelé le 23 juin 2009 permet de faire bénéficier le personnel des résultats de la société. Une somme de 181 K€ a ainsi été versée au cours de 2011 au titre de l'intéressement au résultat de l'exercice 2010.

Au 31 décembre 2011, les salariés du groupe Affine ne détiennent aucune participation dans le capital de leur société au titre d'un fonds commun de placement ou d'un plan d'épargne d'entreprise (article L.225-102 du Code de commerce).

Environnement

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

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

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

legal leisure days.

The profit-sharing agreement renewed on 23 June 2009 gives employees a share in the company's profits. Accordingly, an amount of €181,000 was paid out during the period in relation to the 2010 profits.

At 31 December 2011, the employees of the Affine Group had no stake in the company's share capital, either through a mutual fund or through a company savings plan (Article L.225-102 of the French Code of Commerce).

Environment

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

Beyond this awareness campaign, Affine considers that the consideration given by real estate sector to sustainable development issues in its business activities requires further harmonization and clarification. It is therefore actively involved in reflecting on best practices and in sharing its experiences within the Green Valuation Commission of the Grenelle de l'Environnement, a government environmental initiative in France, and within the "Pôle Finance Innovation - Immobilier Durable" business and research cluster of Paris Europlace.

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

Mécénat Sponsorship

Affine accompagne la Fondation Palladio

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

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

Affine soutient Pro Musicis

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

Affine participe à l'action de Proximité

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

Le groupe Affine contribue à l'Agence du Don en Nature

L'Agence du Don en Nature a pour objectif de favoriser et d'accélérer le mécénat produit afin de donner accès aux plus démunis à des produits du quotidien non alimentaires au travers de partenariats financiers et de compétence avec des entreprises. Sa démarche consiste à récupérer les produits neufs destinés à être détruit pour les redistribuer. ADN assure l'interface logistique. Le groupe Affine (à travers MAB Finances) a soutenu cette initiative en 2011.

Affine supports the Palladio Foundation

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

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

Affine sponsors Pro Musicis

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

Affine contributes to the action of Proximité

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

Affine group helps L'Agence du Don en Nature

L'Agence du Don en Nature aims to foster and accelerate product philanthropy in order to give the most disadvantaged members of society access to everyday non-food products through financial and skills partnerships with companies. Its approach consists of collecting unused products intended for destruction in order to redistribute them. ADN takes care of the logistical interface. The Affine group (through MAB Finances) supported this initiative in 2011.

Stratégie et développement Strategy and development

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

L'amélioration du patrimoine, une priorité

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

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

Le groupe souhaite reprendre parallèlement une politique active de croissance, soit par des acquisitions ponctuelles, soit par des achats de portefeuille ou de sociétés conformes aux critères de rentabilité et de risque du groupe.

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

Improving the quality of our portfolio, a priority

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

Improvement in building quality represents a medium-term priority for the group. The steep drop in value resulting from the crisis has slowed asset turnover on the market, thus reducing acquisition opportunities. It has also created significant slowdowns in the construction of new buildings. This situation is reinforced by increasingly strict construction standards related to greater user sensitivity to environmental issues.

Renovation of selected buildings meets the requirements of both tenants and shareholders. By offering a higher-quality working environment, it often allows an extension of leases, thus securing rents, and a better valuation of the property. This closer relationship with tenants creates a fair balance which is not confined solely to the financial dimension.

In parallel, the Group wishes to resume an active policy of growth, either through ad hoc building acquisitions or through the purchase of stocks or companies meeting its criteria of profitability and risk.

Optimization of the property portfolio is also reflected in continuation of the disposal of buildings that no longer meet the Group's strategy in terms of size, maturity, or cost of refurbishment to comply with environmental standards. An energy audit is currently being carried out for the main assets.

Les marchés Markets

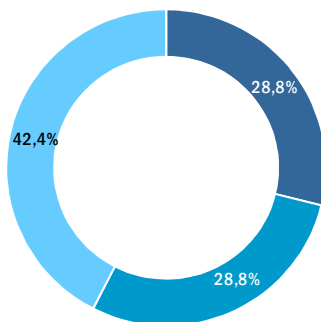
Répartition du patrimoine direct

Affine est présent sur l'ensemble des secteurs de l'immobilier d'entreprise : bureaux, logistique, commerces.

Au cours des dernières années, la réalisation de plusieurs investissements importants dans l'immobilier commercial, associée à la politique de cession, ont permis au groupe de rééquilibrer son portefeuille. Ainsi la part du commerce est passée d'un peu moins de 5 % en 2008 à plus de 11 % fin 2011 ; après prise en compte du Quai des Marques à Bordeaux détenu conjointement avec Banimmo, cette part atteint 18 %, proche de celle des entrepôts (25 %). Le patrimoine reste dominé par les bureaux : 60 % à fin 2011 contre 57 % à fin 2010.

Ce principe de diversification se retrouve également dans la répartition géographique des immeubles. Affine est présent essentiellement en France, à parts sensiblement égales entre l'Île de France et les autres régions.

Répartition géographique en valeur Breakdown of value by region



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

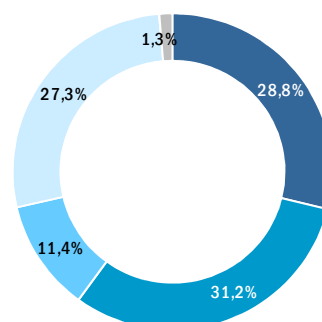
Direct portfolio breakdown

Affine is present in all commercial real estate sectors: offices, logistics and retail.

Over the last few years, a number of major investments in retail property, in conjunction with the disposal policy, have enabled the Group to rebalance its portfolio. The share of retail properties has thus increased from just under 5% in 2008 to more than 11% at the end of 2011. After taking into account the Quai des Marques retail center in Bordeaux, co-owned with Banimmo, this share rises to 18%, close to the warehouse share (25%). The property portfolio remains dominated by office premises: 60% at the end of 2011 against 57% at the end of 2010.

This principle of diversification is also found in the geographical distribution of buildings. Affine is present mainly in France, with its activities distributed more or less equally between Ile de France and the other regions.

Répartition par pôle en valeur Breakdown of value by area of expertise



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

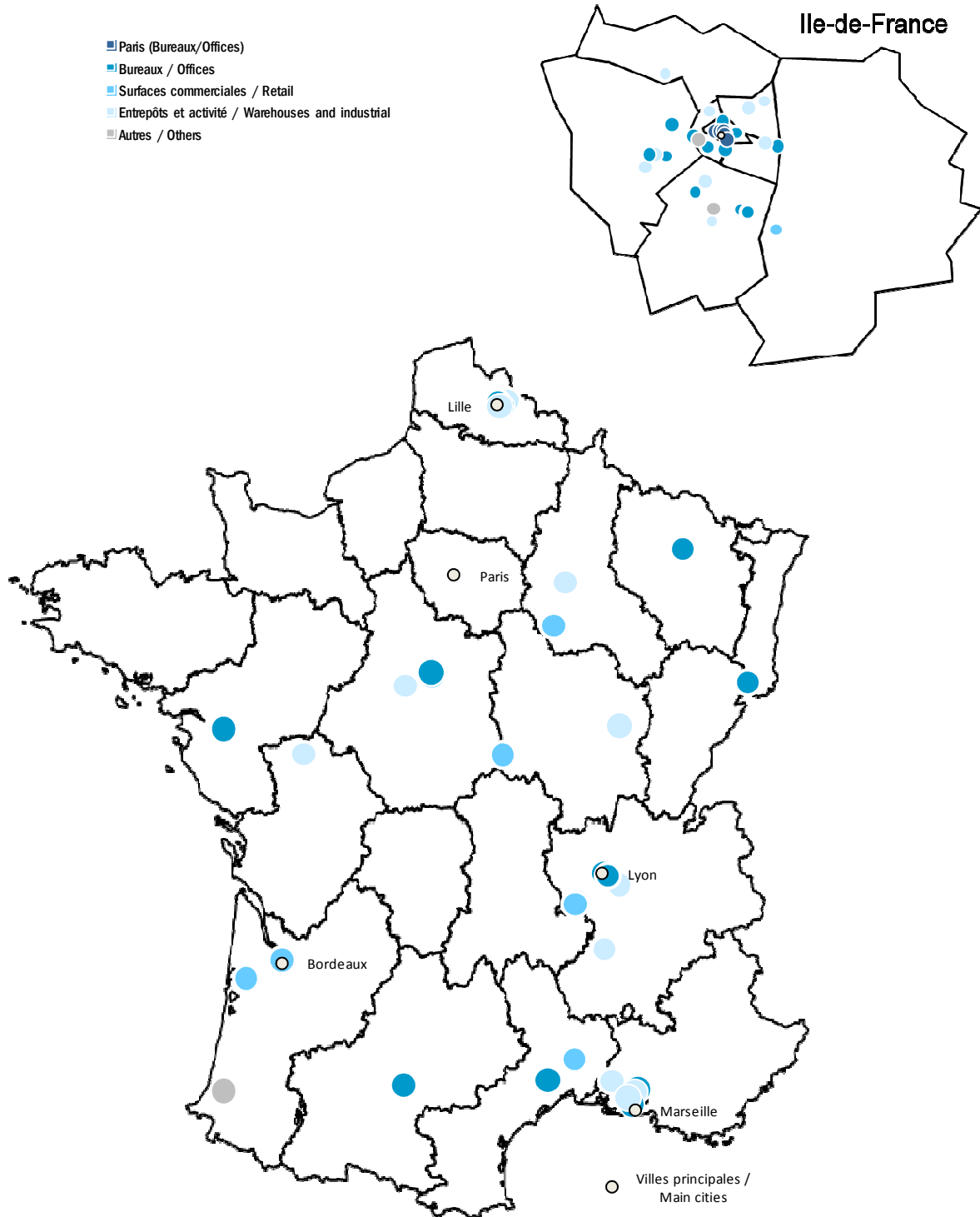
Quatre pôles de compétence

Paris, représentant un marché spécifique et étant constitué uniquement de bureaux, l'activité d'Affine se décompose en 4 pôles : Paris, Bureaux, Commerces, Entrepôts & Locaux d'Activité

Four areas of expertise

With Paris representing a specific market and comprising exclusively office properties, Affine's activity breaks down into 4 poles: Paris, Offices, Retail, Warehouses & Industrials.

Cartographie du portefeuille Map of the portfolio



Paris

En dehors des quelques commerces de pieds d'immeuble, le patrimoine parisien est constitué de bureaux. Il comprend 5 immeubles dont les deux principaux actifs du groupe : l'immeuble Baudry, 9 400 m² situé à deux pas des Champs Elysées et loué à Baker & McKenzie ; et la tour Traversière, 7 800 m² à proximité de la gare de Lyon occupé par la SNCF.

La surface des immeubles parisiens est de 22 200 m² pour une juste valeur de 205 M€ droits inclus.

Régions

Bureaux

L'immobilier de bureau en régions représente 31 % du patrimoine, soit 223 M€ droits inclus. Il comporte notamment quelques grands actifs comme la tour Lille Europe, (12 800 m² situé en plein coeur de Lille), ou encore l'immeuble acquis plus récemment à Lyon (4 900 m² localisé à la limite de la Part Dieu).

Les surfaces totalisent 120 420 m² réparties à parts sensiblement égales entre la région parisienne (hors Paris) et les autres régions françaises.

Commerces

Le patrimoine de surfaces commerciales comprend principalement des ensembles commerciaux de centre-ville, comme le centre commercial des 7 collines à Nîmes (14 600 m²), l'Espace Colbert à Nevers (5 700 m²), la Galerie Dorian à Saint Etienne (5 100 m²), et un projet en cours de livraison à Arcachon (3 058 m²) pour un total de 46 100 m². La juste valeur de ce secteur est de 79 M€ droits inclus.

Entrepôts et Locaux d'activités

Le patrimoine logistique du groupe Affine rassemble plusieurs types de plateformes, la plupart étant bi-modales (fer/route), proposant des surfaces allant jusqu'à près de 45 000 m² pour l'entrepôt de Molina à Saint-Etienne ou 39 000 m² pour celui de Saint-Cyr-en-Val. En moyenne les plateformes sont d'une surface de 20 000 m².

Ces actifs, d'une valeur d'environ 193 M€ droits inclus et représentant une surface totale de 360 000 m², se situent sur les principaux axes de communication et dans des zones péri-urbaines.

Autres

Issus des différentes phases de croissance externe, quelques immeubles, ne répondant pas à la stratégie d'Affine, sont encore dans son portefeuille et sont en cours de cession.

Parmi ces immeubles, figurent notamment un immeuble résidentiel à Saint-Cloud, et une

Paris

With the exception of a few retail properties, the Parisian portfolio consists of offices. It comprises 5 buildings, including the group's two main assets: the 9,400 sqm Baudry building, situated closed to the Champs Elysées and leased to Baker & McKenzie, and the 7,800 sqm Traversière tower, close to Gare de Lyon, occupied by SNCF, the French national railroad company.

The surface area of the Parisian assets is 22,200 sqm, with a fair value of €205m including transfer tax.

Regions

Offices

Office premises in the French regions represent 31% of the portfolio, i.e. €223m including transfer tax. In particular, it contains some major assets such as the Lille Europe tower (12,800 sqm situated in the heart of Lille) and the building acquired more recently in Lyons (4,900 sqm situated nearby the Part Dieu district).

The surface areas total 120,420 sqm divided more or less equally between the Paris region (outside Paris) and other French regions.

Retails

The commercial properties consist chiefly of city-center retail areas such as the Les 7 Collines retail complex in Nîmes (14,600 sqm), l'Espace Colbert in Nevers (5,700 sqm), Galerie Dorian in Saint Etienne (5,100 sqm), and a project currently being delivered in Arcachon (3,058 sqm), giving a total of 46,100 sqm. The fair value of this sector is €79m including transfer tax.

Warehouses and Industrials

The logistics properties of the Affine group include several types of platform, most of these being bi-modal (rail/road), offering surface areas of up to almost 45,000 sqm for the warehouse in Molina or 39,000 sqm for the one in Saint-Cyr-en-Val. The platforms have an average surface area of 20,000 sqm.

These properties, appraised at about €193m including transfer tax and with a total surface area of 360,000 sqm, are located on the main arterial routes and in peri-urban areas.

Others

Deriving from the various phases of external growth, some buildings not conforming to Affine's strategy are still in its portfolio and are in the process of being sold.

These buildings include a residential building in Saint-Cloud (close to western Paris) and a stake in a hotel in

participation dans un hôtel dans le sud de la France.

Sociétés mises en équivalence

A compter du 1er octobre 2011, le sous-groupe Banimmo est consolidé par mise en équivalence. Son patrimoine et celui de ses participations apparaissent ainsi en tant qu'immobilier détenu de manière indirecte pour une valeur de 392 M€.

Banimmo détient et gère en direct un portefeuille de bureaux et de commerces localisé en Belgique et en France d'une valeur de 236 M€ et réparti sur 135 000 m². Elle réalise deux types d'opérations : investissement et repositionnement d'immeubles tertiaires ou commerciaux en vue de leur revente ; construction d'immeubles « clés en mains » pour de grands utilisateurs.

Banimmo détient en outre des participations dans des sociétés elle-mêmes consolidées par mise en équivalence :

- Montéa (15 %) : société immobilière (SICAFI) spécialisée dans le développement et l'acquisition de bâtiments logistiques et semi-industriels en Belgique et en France. Au 31/12/2011, le portefeuille de l'entreprise comptait 461 000 m² répartis sur 31 sites pour une valeur totale de 247 M€.
- Jardins des Quais (50 %) : centre commercial « Quai des Marques » de 15 400 m², situé à Bordeaux, détenu à parts égales par Affine et Banimmo. En conséquence, Jardins des quais est elle-même consolidée par mise en équivalence directement chez Affine.
- Grondbank The Loop (25 %) : grand projet d'aménagement et de développement de près de 370 000 m² autour du complexe Flanders Expo à Gand .
- Conferinvest (49 %) : société détenant deux centres de conférences sous enseigne Dolce à la Hulpe près de Bruxelles (36 000 m²) et Chantilly proche de Paris (17 000 m²).
- City Mall (43 %) : société spécialisée dans le développement de trois projets de centres commerciaux de centre ville situés respectivement à Verviers (29 700 m²), Namur (18 500 m²) et Charleroi.

the South of France.

Associates

Effective as of 1 October 2011, the sub-group Banimmo is consolidated as an associate. Its assets and those of its holdings thus appear as real estate held indirectly for a value of €392m.

Banimmo owns and directly manages a portfolio of offices and retails located in Belgium and France with a value of €236m and distributed over 135,000 sqm. It carries out two types of operations: investment and repositioning of commercial properties with a view to their sale; and “built-to-suit” building construction for large users.

In addition, Banimmo owns stakes in companies which are themselves consolidated through the equity method:

- Montéa (15%): property investment company (SICAFI) specializing in the development and acquisition of logistics and semi-industrial buildings in Belgium and France. At 31/12/2011, the company's portfolio totalled 461,000 sqm distributed over 31 sites with a total value of €247m.
- Jardins des Quais (50%): the 15,400 sqm “Quai des Marques” retail center, located in Bordeaux, co-owned equally by Affine and Banimmo. Consequently, Jardins des Quais is itself directly consolidated through the equity method in Affine.
- Grondbank The Loop (25%): major conversion and development project of almost 370,000 sqm on the Flanders Expo complex in Gand, Belgium.
- Conferinvest (49%): company holding two conferences centers under the Dolce in la Hulpe brand near Brussels (36,000 sqm) and Chantilly near Paris (17,000 sqm).
- City Mall (43%): company specializing in the development of three city center shopping mall projects situated respectively in Verviers (29,700 sqm), Namur (18,500 sqm) and Charleroi.

Valorisation Valuation

Patrimoine direct et indirect

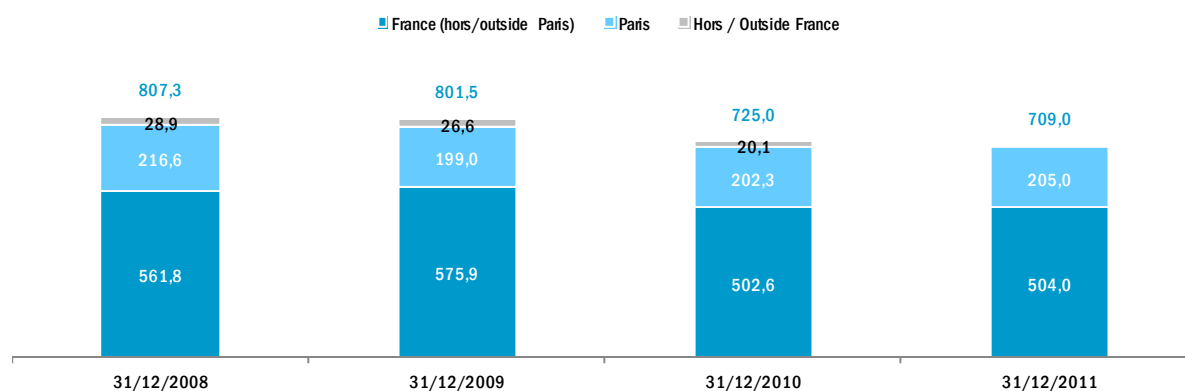
Le périmètre du groupe comprend le patrimoine d'Affine / AffiParis pour 709 M€ et celui de Banimmo pour 392 M€ droits inclus.

A fin 2011, l'évaluation du patrimoine locatif détenu directement a été réalisée par de nouvelles expertises externes pour 95 % de sa valeur et par une mise à jour interne pour les autres actifs de petite taille ou en cours de cession (en reprenant notamment le prix des actifs sous promesse).

Juste valeur du patrimoine direct (droits inclus)

La juste valeur (droits inclus) des 70 actifs immobiliers s'établit à 709 M€ contre 725 M€ à fin 2010.

Evolution de la valeur des immeubles, droits inclus (en M€) ⁽¹⁾ Change in value of properties, including transfer tax (in €m)⁽¹⁾



(1) Le patrimoine est retraité de Banimmo et du centre commercial les Jardins des quais à Bordeaux. / The portfolio is adjusted for Banimmo and the Jardins des quais retail centre in Bordeaux.

Hors droits, la valeur du patrimoine hors droits passe de 687 M€ à 672 M€. Cette variation résulte :

- de cessions à hauteur de 53 M€, dégageant 2,2 M€ de plus value liée principalement à l'immeuble situé rue Chapon ;
- de 36,2 M€ d'investissements dont 29,9 M€ d'acquisitions, 0,4 M€ de développement et 5,9 M€ d'amélioration des immeubles ;
- d'une augmentation de 0,8 M€ de la juste valeur à périmètre constant.

Direct and indirect properties

The Group's consolidation scope comprises the portfolio of Affine / AffiParis for €709m including transfer tax and of Banimmo for €392m including transfer tax.

At the end of 2011, the Group valued its direct rental properties portfolio using external appraisals for 95% of its value and internal appraisals for the remaining small assets or those being sold (including, in particular, assets with a preliminary contract for sale).

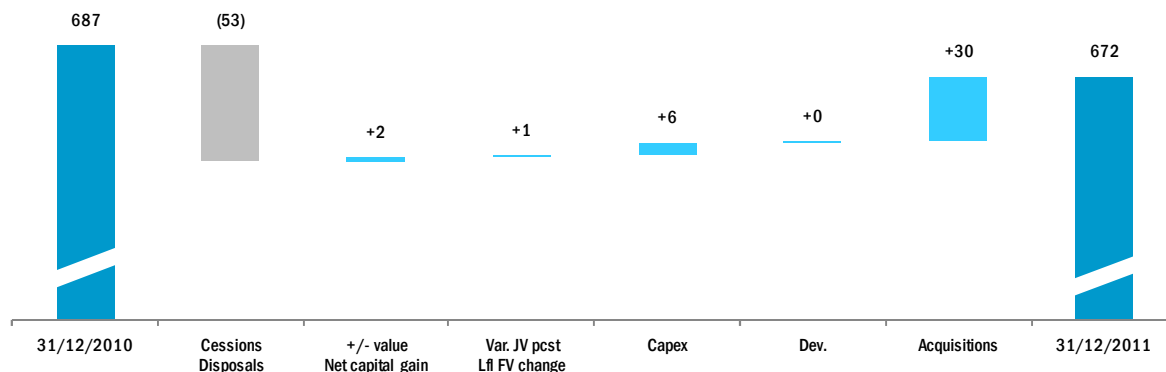
Fair value of directly owned properties (including transfer tax)

The fair value (including transfer tax) of the 70 properties stands at €709m versus €725m at the end of 2010.

Excluding transfer taxes, the value of the properties increased from €687m to €672m. This change resulted from:

- sales totalling €53m, with a net capital gain of €2.2m relating mainly to the building located at rue Chapon;
- €36.2m in investments, of which €29.9m for acquisitions, €0.4m for development and €5.9m for improvement of existing properties;
- a €0.7m increase in fair value on a like-for-like basis.

Variation de la valeur des immeubles, hors droits (M€) Change in the value of buildings, excluding transfer taxes (€m)



La valeur d'expertise du portefeuille à périmètre constant a augmenté de 0,1 % par suite de :

- une diminution de 2,9 % résultant de la baisse des loyers de marché (VLM).
- une augmentation de 2,0 % grâce à la diminution des taux de rendement retenus pour les expertises,
- une augmentation de 1,0 % résiduelle (travaux à réaliser, réversion, etc ...).

Le taux de rendement moyen ressortant des expertises est de 7,1 % et une variation négative ou positive de ce taux de 25 points de base conduirait respectivement à une hausse ou une baisse de 23,8 M€ de la valeur du patrimoine.

The portfolio's appraisal value on a like-for-like basis rose slightly by 0.1% as a result of:

- a 2.9% decrease caused by the fall in market rents (ERV).
- a 2.0% increase caused by the lower yield rates used by the appraisers,
- a residual 1.0% increase (works, reversion, ...).

The average yield resulting from the appraisals was 7.1%, and a downward or upward change of 25 basis points in this rate would lead to an increase or a decrease of the portfolio's value by €23.8m.

Sensibilité de la juste valeur à la variation de 25 pb du taux de rendement moyen Fair value sensitivity to 25 bp change in the average yield

Classe d'actif (M€) Type of asset (€m)	Juste valeur Fair value	Taux de marché Market yield	+/- 25 pb Impact
Paris (Bureaux / Offices)	193,0	5,2 %	8,9
Bureaux / Offices	209,8	7,5 %	6,8
Surfaces commerciales / Retailers	76,5	7,2 %	2,7
Entrepôts et Locaux d'Activités / Warehouses and Industrials	183,4	8,4 %	5,3
Autres / Others	9,4	10,4 %	0,1
Total	672,2	7,1 %	23,8

ACTIVITES ACTIVITIES

Foncière Property company

NB: L'activité de foncière rassemble Affine et AffiParis.

NB: The property activities brings together Affine and AffiParis.

Loyers faciaux

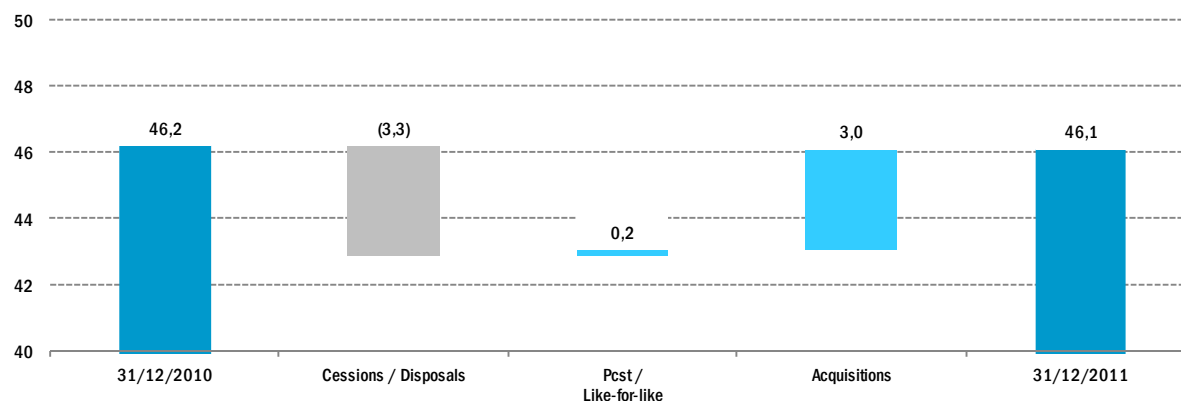
Les loyers des baux en vigueur au 31 décembre 2011 représentent un montant de 46,1 M€, en augmentation de 0,4 % à périmètre constant par rapport au 31 décembre 2010, et en baisse de 0,2 % en tenant compte des acquisitions et cessions. Cette baisse à périmètre constant s'explique principalement par des départs.

Headline rents

Leases in effect at 31 December represented an amount of €46.1m, up 0.4% on a like-for-like basis with respect to 31 December 2010, and down 0.2% taking account of acquisitions and disposals. This decrease on a like-for-like basis results mainly from departures.

Evolution des loyers faciaux (M€)

Change in headline rents (€m)



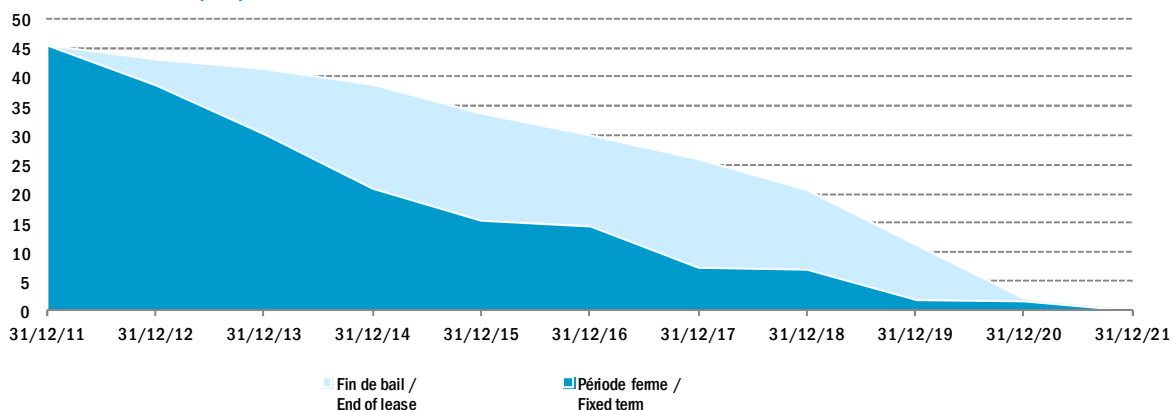
Au cours de l'année, Affine a signé 26 nouveaux baux portant sur une surface totale de 41 000 m² et un loyer annuel global de 1,4 M€. Par ailleurs, 18 locataires ont résilié leur bail, représentant au total une surface de 13 100 m² et un loyer annuel de 2,0 M€. Enfin, il y a eu 18 renégociations pour un montant de 8,8 M€, dont notamment le renouvellement du bail sur l'immeuble Baudry.

Over the year, Affine signed 26 new leases covering a total surface area of 41,000 sqm and total annual rents of €1.4m. In addition, 18 tenants cancelled their leases, representing in total a surface area of 13,100 sqm and annual rents of €2.0m. Eventually, 18 leases were renegotiated for an overall amount of €8.8m, resulting mainly from the renewal of the Baudry lease.

La durée moyenne des baux et leur période ferme s'établissent respectivement à 5,5 ans et 3,1 ans.

The average and firm-period lease durations stand respectively at 5.5 and 3.1 years.

Echéance des baux (M€) Schedule of leases (€m)

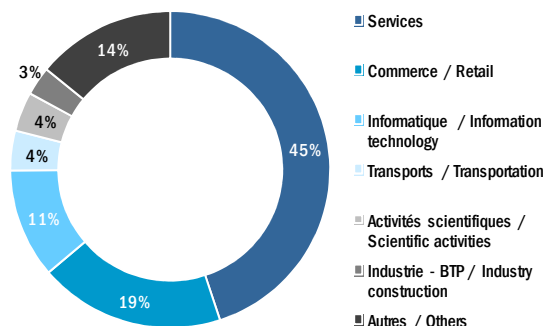


Hors loyers provenant de l'immobilier résidentiel / Excluding residential rental income

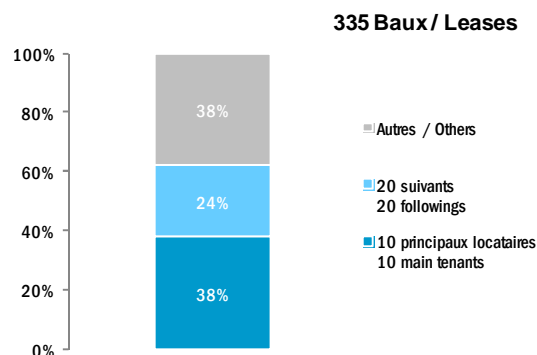
En dehors du principal locataire, Baker & McKenzie avec 10,6 %, aucun des trente plus importants locataires, qui représentent 62 % du total des loyers, n'en atteint 10 %, afin d'éviter toute concentration du risque locatif. Les locataires les plus significatifs sont : SNCF, TDF, la Mairie de Corbeil-Essonnes, l'Armée de Terre, Heidelberg, etc.

Apart from the main tenant, Baker & McKenzie with 10.6%, none of the thirty most important tenants, who represent 62% of total rents, accounted for as much as 10%, thus avoiding any concentration of rental income risk. The most significant tenants are: SNCF, TDF, the Corbeil-Essonnes municipal authority, the French armed forces (Armée de Terre), Heidelberg, etc.

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



Répartition des baux Lease breakdown



Taux d'occupation

Affine, détenant essentiellement des immeubles multi-locataires, vise un taux d'occupation normatif entre 94 % et 95 %. Son évolution stratégique, consistant notamment à investir dans des immeubles à forte création de valeur, peut conduire le groupe à acquérir des immeubles avec des taux d'occupation temporairement en deçà de ce taux moyen.

Au 31 décembre 2011, le taux d'occupation financier d'Affine (excluant les immeubles en cours de cession à l'unité ou restructuration : Saint-Cloud, et une partie de l'immeuble de Gennevilliers) s'établit à 89,0 %,

Occupancy rate

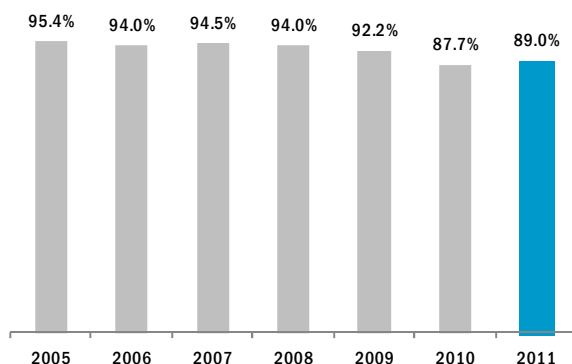
Affine, holding mainly multi-tenant buildings, aims at a normative occupancy rate of between 94% and 95%. Its strategic evolution, with a focus on investing in high added-value buildings, may lead the group to acquire properties with occupancy rates falling temporarily below this average.

At 31 December 2011, Affine's financial occupancy rate (excluding buildings currently being sold entirely or refurbished: Saint-Cloud, and part of the building in Gennevilliers) came at 89.0%, compared with 87.7%

contre 87,7 %¹ fin 2010. Le taux d'occupation s'améliore légèrement, l'arrivée de plusieurs locataires sur les sites de Leers et Saint Cyr en Val faisant plus que compenser les quelques départs enregistrés dans les commerces de Troyes et dans des bureaux à Mulhouse.

at the end of 2010. The occupancy rate improved slightly, with the arrival of several tenants on the Leers and Saint-Cyr-en-Val sites more than offsetting the few departures seen in the retail complex in Troyes and in offices in Mulhouse.

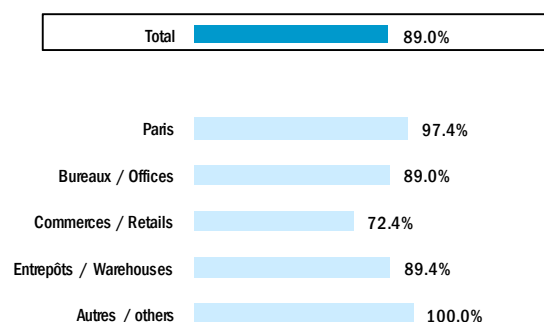
Taux d'occupation * Occupancy rate*



* Taux d'occupation financier hors immeubles en restructuration. / Financial occupancy rate excluding buildings being restructured.

62 % de la vacance financière du groupe est concentrée sur 7 actifs. Parmi eux deux ensembles commerciaux, Nevers et Arcachon, sont en cours de commercialisation, la crise économique ayant ralenti la signature de nouvelles enseignes.

Répartition du taux d'occupation par secteur Breakdown of occupancy rate by sector



62% of the group's financial vacancy is concentrated on 7 assets. Of these, two shopping centers, Nevers and Arcachon, are in the process of being let, the economic crisis having slowed the signing-up of new retailers.

Ainsi, les immeubles de commerces représentent le taux de vacance le plus élevé avec presque 28 %, celui des entrepôts étant de 11 % et celui des bureaux de 11 %. Paris représente le pôle le plus attractif avec un taux d'occupation de près de 97 %.

Thus, retail buildings represent the highest vacancy rate, with almost 28%, with the rates for warehouses and offices standing at 11% and 11% respectively. Paris is the most attractive pole, with an occupancy rate close to 97%.

Acquisitions & Cessions

Affine a fait l'acquisition en février d'un ensemble immobilier de bureaux à Lyon de 4 900 m² pour un montant de 10,5 M€. Situé à la limite de la zone de la Part-Dieu, cet ensemble bénéficie d'une bonne desserte en transport en commun. Composé de deux corps de bâtiment reliés, datant respectivement de 1984 et 2001, il bénéficie de 122 emplacements de stationnement en sous-sol. Il est loué à trois locataires, dont T Systems (filiale du groupe Deutsche Telecom) qui occupe près de 80 % des surfaces. Il présente un potentiel de revalorisation important lié à un travail de repositionnement et à son intégration dans l'extension de la zone dynamique de la Part-Dieu.

Acquisitions & Disposals

In February, Affine purchased a 4,900 sqm office building complex for an amount of €10.5m. Located near the La Part-Dieu area, this complex is well served by public transport. Consisting of two linked buildings, built in 1984 and 2001 respectively, the property has 122 underground parking lots. It is leased to three tenants, including T Systems (a subsidiary of the Deutsche Telecom Group), which occupies almost 80% of the surface area. The complex has the potential for significantly higher value through its repositioning and integration into the extension of the dynamic Part-Dieu area.

Par ailleurs, Affine a acquis en novembre un ensemble immobilier mixte (bureaux / locaux d'activité) à Gennevilliers de 22 200 m² pour 18,8 M€. Localisé dans une zone connaissant une

In addition, in November Affine acquired a 22,200 sqm mixed-use building complex (offices / industrials) at Gennevilliers for €18.8m. Located in an area that has seen accelerated business and services

¹ Le taux 2010 diffère légèrement du taux précédemment publié, le groupe utilisant dorénavant la définition recommandée par l'EPRA (1 - Loyers de marché des surfaces vacantes / loyers de marché de la surface totale).
The 2010 rate differs slightly from the previously published rate, as the Group now uses the definition recommended by the EPRA (1 - Estimated Rental Value (ERV) of vacant spaces divided by ERV of total surfaces).

tertiarisation accélérée au cours des dix dernières années, le site bénéficie d'une desserte en transport en commun qui devrait fortement se développer dans le cadre du Grand Paris. Il est composé de 8 bâtiments indépendants au sein d'un parc gardienné, et loués à une cinquantaine de locataires pour un loyer de 1,8 M€. Il présente un potentiel de revalorisation important notamment du fait des relocations et du repositionnement ; il comporte également une réserve foncière.

Enfin, dans le cadre du prolongement de la VEFA d'Arcachon, 233 m² supplémentaires ont été achetés en fin d'année.

Ces opérations s'inscrivent dans la stratégie de développement d'Affine qui vise à privilégier des immeubles présentant un important potentiel de création de valeur à court et long terme.

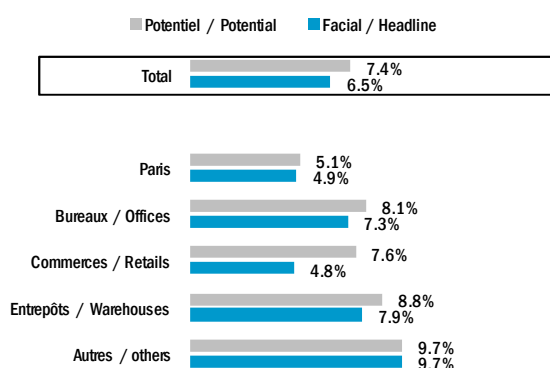
Dans le cadre de la rationalisation de son portefeuille immobilier, Affine a procédé au cours de l'année à la cession de 11 immeubles matures ou de valeur trop modeste : bureaux à Nantes (1 510 m²), Marseille (1 329 m²), Rueil Malmaison (3 575 m²), Montpellier (282 m²) et à Paris (957 m²) ; mixte (bureaux / locaux d'activité) à Bron (1 335 m²) ; entrepôts à Lezennes (3 125 m²) et à Gennevilliers (4 420 m²) ; unité commerciale à Arcachon (700 m²) ; complexe résidentiel à Berlin (18 313 m²) ; résidence universitaire à Orléans (1 380 m²). En dehors de la vente de l'actif parisien, rue Chapon, l'ensemble des cessions a été réalisée à la juste valeur de fin 2010.

Performance

La rationalisation du portefeuille se traduit par la cession d'actifs de petite taille, avec un taux d'occupation souvent élevé et offrant un rendement supérieur à la moyenne du groupe. Ce mouvement tend à réduire la performance opérationnelle brute à court terme mais favorise la performance opérationnelle nette à moyen terme par l'optimisation des coûts de structure.

Rendement du patrimoine

Rental yield of assets



development over the last ten years, the site enjoys a public transport service which should develop strongly through the Grand Paris project. It comprises 8 separate buildings housed within a guarded compound and leased to around fifty tenants for a rent of €1.8m. It offers potential for the creation of substantial additional value, particularly through lease renewals and repositioning. The property also includes a land reserve.

Finally, as part of the the extension of the building in anticipation of completion bought in Arcachon, 233 new sqm were acquired at the end of the year.

These operations are consistent with Affine's development strategy, which gives priority to buildings that offer significant potential for value creation in the short and long term.

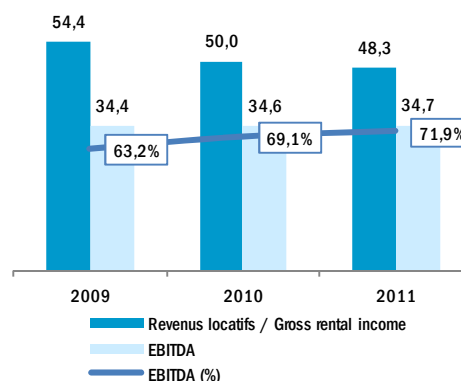
As part of its process to rationalise its property portfolio, Affine sold several non-strategic assets over the period, including 11 buildings regarded as mature or too low in value: offices in Nantes (1,510 sqm), Marseilles (1,329 sqm), Rueil Malmaison (3,575 sqm), Montpellier (282 sqm) and Paris (957 sqm); mixed-use (office / industrials) buildings in Bron (1,335 sqm); warehouses in Lezennes (3,125 sqm) and Gennevilliers (4,420 sqm); retail unit in Arcachon (700 sqm); housing complex in Berlin (18,313 sqm); student accomodation building in Orléans (1,380 sqm). Apart from the sale of the Parisian asset on rue Chapon, all the disposals were realized at fair value at the end of 2010.

Performance

The rationalization of the portfolio results in the disposal of assets of small size, often with a high occupancy rate and offering a yield above the average for the group. This movement tends to reduce gross operating performance in the short term, but favors net operating performance in the medium term thanks to the optimization of structural costs.

Evolution de la performance opérationnelle

Evolution of operating performance



Autres activités

Other businesses

Développement

CONCERTO EUROPEAN DEVELOPER

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

- Signature avec Sunclear, leader français dans la distribution de produits plastiques semi-finis, d'une opération de développement, en région parisienne, d'une plateforme logistique de 21 000 m² assorti d'un bail de 9 ans, livrable fin 2012 ;
- Finalisation d'un accord de promotion / construction d'un bâtiment logistique de 25 000 m² environ pour un groupe de distribution de premier rang en région Champagne Ardenne, livrable au premier trimestre 2013.
- Développement d'un accord avec la Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) de promotion/construction d'une plateforme logistique multimodale sur le port de Honfleur (Parc Logistique Calvados) orienté massification et mutualisation des flux logistiques.

A l'étranger :

- A Sant Feliu de Buixalleu (Espagne), la commercialisation des bâtiments à construire, d'une surface globale de 38 700 m², est en cours. La première opération signée, qui porte sur une surface de 3 700 m², a fait l'objet d'un dépôt de PC pour une livraison fin 2012.

PROMAFFINE

La société a décidé de ne plus lancer de nouvelles opérations de promotion depuis 2010. Après l'expiration du contrat d'AMO de Péricleès en juin 2011, Affine est dorénavant en charge du suivi des opérations engagées par la société jusqu'à leur achèvement.

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

- Nanterre-Seine Arche (92) : 166 logements (dont 70 à caractère social réservés par ICF La Sablière) et 1 200 m² de commerces (réservés par un investisseur) ; la construction est avancée à 44% à fin 2011. Seuls quatre lots n'ont pas encore fait l'objet d'une vente finalisée au 31/12/2011. La

Development

Concerto European Developer is a subsidiary of Affine focusing on property development projects for distribution and production logistics. It has developed its business activities, located mainly in France:

- Agreement with Sunclear, French leader in the distribution of semi-finished plastic products, to develop, in the Paris region, a logistics platform with a surface area of 21,700 sqm, let through a 9-year fixed lease, to be completed by the end of 2012;
- Finalization of an agreement with a leading retail group for the development and construction of a 25,000 sqm logistics building in the Champagne Ardenne regions, to be delivered in the first quarter of 2013.
- Development of an agreement with Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) for the promotion/construction of a multi-mode logistics platform at the port of Honfleur (Calvados Logistics Park), geared towards the standardization and pooling of logistics flows.

Abroad:

- In Sant Feliu de Buixalleu (Spain), the marketing of the warehouses to be built is in progress. The project covers a total surface area of 38,700 sqm. The first signed transaction, which concerns a surface area of 3,700 sqm, has been granted planning permission for delivery at the end of 2012.

The company has decided to stop launching new development operations since 2010. After the expiry of the Péricleès delegated project management contract in June 2011, Affine is now in charge of monitoring the operations undertaken by the company until their completion.

Two joint-development projects with Crédit Agricole Immobilier Promotion were continued by Affine during the year:

- Nanterre-Seine Arche (92): 166 apartments (of which 70 for social housing purposes, reserved by ICF La Sablière) and 1,200 sqm of retail premises (reserved by an investor); construction progress had reached 44% at year-end 2011. Only four lots were not yet definitively sold at 31/12/2011. The

cession du local d'environ 350 m² situé en pied d'immeuble est en cours de négociation ;

- Marseille 10ème : 90 % des travaux des deux premiers bâtiments sont réalisés, ces deux bâtiments ayant été vendus à des investisseurs institutionnels. Celle du bâtiment 3, commercialisé au détail, est avancée à 50% au 31/12/2011 ; une trentaine d'appartements restent disponibles à la vente sur un total de 70.

sale of the 350 sqm premises located at the foot of the building is currently being negotiated.

- Marseille 10: 90% of works on the first two tranches were completed, these two buildings having been sold to institutional investors. The third building, marketed by lot, was 50% completed at 31/12/2011. Some thirty apartments remain available for sale out of a total of 70.

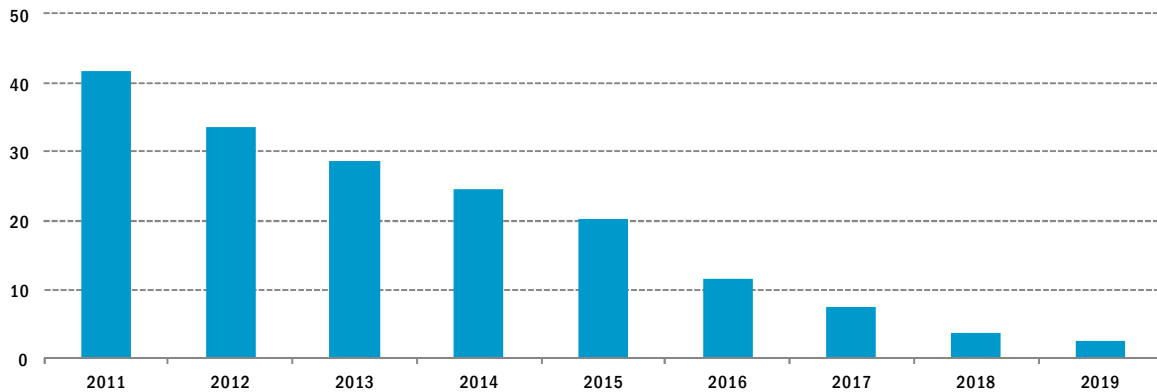
Crédit-bail

Aucune nouvelle opération n'a été réalisée depuis 2009. Par ailleurs, Affine a obtenu l'accord de l'Autorité de Contrôle Prudentiel (ACP) pour le retrait de son agrément de société financière. Elle continue à gérer son portefeuille d'opérations dont l'encours poursuit son érosion naturelle. Au cours de la période, 27 crédits preneurs ont levé l'option d'achat de leur crédit bail, dont 8 par anticipation. En conséquence les engagements bruts ont été ramenés de 163,2 M€ à fin 2010 à 90,1 M€ à fin 2011, et les engagements nets de 57,6 M€ à 40,3 M€. Le montant des redevances a poursuivi sa décroissance pour atteindre 9,9 M€ contre 14,8 M€ pour la même période en 2010.

Finance lease

No new operations have been carried out since 2009. In addition, Affine obtained agreement from the French banking authority (ACP) for withdrawal of its license as a credit institution. The company continued to manage its existing portfolio of operations, which continues its natural decline. During the period, 27 lessees exercised the option to purchase their buildings, in 8 cases earlier than the maturity date. Gross commitments therefore fell from €163.2m at year-end 2010 to €90.1m at the end of June 2011, and net commitments fell from €57.6m to €40.3m. Rents continued to decline, and were down to €9.9m versus €14.8m for the same period in 2010.

Encours de credit bail / Finance leases outstanding



Sociétés mise en équivalence

Associate

Banimmo

Au 31 décembre 2011, Banimmo détient 24 immeubles (et un terrain), pour une superficie totale de près de 135 000 m², et dégage un revenu locatif annuel de 15,9 M€ sur la base des baux en vigueur. Au cours de l'année, la société a signé 18 nouveaux baux ou renégociations pour 22 340 m² et enregistré 10 départs pour 6 490 m². A fin décembre, le taux d'occupation des immeubles de placement était de 79 %.

La nature de l'activité de Banimmo, à savoir le repositionnement ou le redéveloppement d'immeubles ou de sites, rend la juste valeur de son patrimoine plus volatile et de ce fait moins pertinente que celle d'une foncière exclusivement patrimoniale. De ce fait la société a opté en 2010 pour l'enregistrement au coût historique (IAS2) des immeubles faisant l'objet de développements ou rénovations. La valeur totale des immeubles s'élevait à fin décembre 2011 à 235,7 M€ (droits inclus) et 392 M€ en incluant la juste valeur des sociétés mises en équivalence.

Après une année 2010 marquée par d'importantes acquisitions, notamment la prise de participation dans City Mall pour le développement de centres commerciaux en centre ville, le groupe a concentré ses efforts sur la création de valeur de son patrimoine et la cession de ses actifs matures. Il a ainsi vendu à Clamart des commerces de pied d'immeubles pour 20 M€, à Anvers un ensemble se composant de plusieurs immeubles d'exposition, de bureaux et de surfaces horeca (hôtel, restaurant, café) pour 17,1 M€ et un immeuble de bureaux pour 15,5 M€, et près d'Orléans une cellule commerciale pour 2,7 M€. Par ailleurs, dans le cadre d'un appel d'offre public lancé par la ville de Paris, Banimmo a remporté le concours portant sur la rénovation des halles historiques Secrétan. Après restructuration, ces halles développeront une superficie de 3 800 m² pour un coût de rénovation de 12 M€.

Début septembre 2011, Banimmo a conclu la mise en place d'une ligne de crédit permanente de 120 M€, venant à échéance en 2016. Cette ligne est tirée au 31 décembre 2011 à hauteur de 83,3 M€.

Banimmo est tenue pour sa part, dans le cadre de la ligne de crédit qui lui est consentie, au respect notamment d'un ratio LTV de 65% sur le portefeuille sous-jacent, d'un ratio d'endettement global au niveau de la société et d'un ratio de type DSCR.

At 31 December 2011, Banimmo owned 24 buildings (and one plot of land) with a total surface area of almost 135,000 sqm, and generated annual rental income of €15.9m based on the leases in effect. During 2011, the company signed 18 new or renegotiated leases for 22,340 sqm and recorded 10 departures for 6,490 sqm. At the end of December, the occupancy rate of the investment properties was 79%.

The nature of Banimmo's activities, i.e. the repositioning and redevelopment of buildings or sites, makes its portfolio valuation more volatile and thus less accurate than that of a property company that holds only real assets. Consequently, the company opted in 2010 to use the historical cost accounting method (IAS2) for buildings forming the subject of developments or renovations. At the end of December 2011, the total value of the buildings stood at €235.7m (including transfer tax) and €392m including the fair value of associates.

After a 2010 marked by sizable acquisitions, particularly the acquisition of a stake in City Mall for the development of city center retail complexes, the group focused on creating value for its assets and disposing of its mature buildings. Accordingly, it sold in Clamart retail assets for €20m, in Antwerp a complex composed of different exhibition halls, offices and horeca (hostel, restaurant, café) areas for €17.1m and an office building for €15.5m, and near Orléans a retail unit for €2.7m. In addition, following a public tender offer initiated by the City of Paris, Banimmo won the contract to renovate the historic Halles Secrétan buildings. After refurbishment, this complex will cover a surface area of 3,800 sqm for a renovation cost of €12m.

In early September 2011, Banimmo negotiated a permanent credit line of €120m, expiring in 2016. At 31 December 2011, this line was drawn down by €83.3m.

In connection with the line of credit it has been granted, Banimmo is specifically required to observe an LTV ratio of 65% on the portfolio of underlying assets, an overall indebtedness ratio for the company, and a DSCR-type ratio.

Jardins des Quais

Ensemble immobilier de plus de 25 000 m² composé de 5 hangars, qui ont tous fait l'objet d'une rénovation lourde. Ce vaste ensemble situé sur les berges de la Garonne, et à proximité du centre ville historique de Bordeaux, jouit d'un emplacement privilégié avec notamment une desserte directe par tramway et bénéficie de 770 parkings. L'ensemble développe des espaces commerciaux au rez-de-chaussée, le Quai des Marques : plus de 70 unités moyen et haut de gamme, orientées prêt-à-porter et équipement de la maison, et restaurants de qualité. Cet ensemble offre à l'étage des espaces de bureaux avec terrasse.

Real estate complex of more than 25,000 sqm consisting of 5 sheds, which have all been the subject of heavy refurbishment. This vast complex, located on the banks of the Garonne and close to the historic center of Bordeaux, enjoys a prime location with a direct tram service, and has 770 parking lots. The complex develops ground-floor commercial spaces on Quai des Marques: more than 70 mid-range and high-end premises geared towards ready-to-wear clothing and household goods, and quality restaurants. The first floor of this mixed-used complex has offices with terrace areas.

SYNTHÈSE FINANCIÈRE FINANCIAL SUMMARY

Résultats consolidés Consolidated earnings

NB : Depuis le 1^{er} octobre 2011, le sous-groupe Banimmo, ainsi que Jardins des quais, sont consolidés chez Affine par mise en équivalence. Afin de permettre une bonne lisibilité des comptes de l'exercice et leur comparabilité avec ceux des exercices précédents, les comptes commentés ci-dessous sont des comptes pro forma dans lesquels le sous-groupe Banimmo et Jardins des quais sont consolidés par mise en équivalence en année pleine pour les trois années. Ces comptes (compte de résultat, bilan, cash-flow) font parties de l'annexe consolidée audité par les commissaires aux comptes.

NB: Since the 1st October 2011, the sub-group Banimmo and Jardins des Quais are consolidated in Affine through the equity method. To facilitate the readability of the annual financial statements and their comparability with previous years, the consolidated financial statements commented on below are proforma statements, in which Banimmo and Jardins des Quais are consolidated through the equity method on a whole-year basis for the three years. These statements (earnings, balance sheet, cash-flow) form part of the consolidated annex audited by the statutory auditors.

Résultat consolidé (M€) ⁽¹⁾	2009	2010	2011	Consolidated earnings (€m) ⁽¹⁾
Revenus locatifs	54,4	50,0	48,3	Gross rental income
Loyers nets	44,9	42,6	43,1	Net rental income
Revenus des autres activités	3,8	5,1	3,6	Other income
Frais de fonctionnement	(14,3)	(13,1)	(12,0)	Corporate expenses
EBITDA courant ⁽²⁾	34,4	34,6	34,7	Current EBITDA ⁽²⁾
Résultat opérationnel courant	34,2	34,4	34,6	Current operating profit
Autres produits et charges	(0,6)	(4,2)	(2,6)	Other income and expenses
Résultat des cessions d'actifs	1,5	(0,5)	2,9	Net profit or loss on disposal
Résultat opérationnel avt ajust. valeur	35,2	29,7	34,9	Operating profit (before value adj.)
Solde net des ajustements de valeurs	(36,3)	(3,8)	1,7	Net balance of value adjustments
Résultat opérationnel net	(1,1)	25,9	36,6	Net operating profit
Coût de l'endettement financier net	(19,5)	(19,6)	(18,2)	Net financial cost
Ajustement de valeurs des instr. financiers	(5,4)	(0,1)	(2,3)	Fair value adjustments of hedging instr.
Impôts	4,1	0,3	(0,4)	Taxes
Divers ⁽³⁾	17,3	4,1	0,9	Miscellaneous ⁽⁴⁾
Résultat net	(4,6)	10,5	16,6	Net profit
Résultat net - part du groupe	(2,9)	10,3	15,3	Net profit - group share
Résultat net - part du groupe	(2,9)	10,3	15,3	Net profit - group share
Retraitement EPRA	18,4	5,7	3,2	EPRA adjustments
Résultat EPRA ⁽⁴⁾	15,6	16,0	18,5	EPRA earnings ⁽⁵⁾

(1) Sur la base des comptes IFRS et des recommandations de l'EPRA. / Based on IFRS standards and EPRA recommendations.

(2) L'EBITDA courant correspond au résultat opérationnel courant hors coûts de dépréciations et d'amortissements courants. Ce montant n'intègre pas en 2011 et 2010 les dépréciations sur l'activité de développement, pour respectivement 3,0 M€ et 5,4 M€, présent dans les autres produits et charges. / Current EBITDA represents the current operating profit excluding current depreciation and amortization costs. This amount excludes the depreciation on the development activities of €3.0m and €5.4m in 2011 and 2010 respectively and appears under other income and expenses.

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

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

Les revenus locatifs sont en baisse de 3,5 %, tirés à la baisse par les cessions. Ces effets sont limités en grande partie par les acquisitions et les VEFA de Nevers et d'Arcachon. A périmètre constant, les loyers

Gross rental income decreased by about 3.5% due to disposals. These impacts are largely limited by the acquisitions and buildings in anticipation of completion in Nevers and Arcachon. On a like-for-like

de la période augmentent de 1,0 %, bénéficiant notamment de la baisse de la vacance en moyenne sur l'année. La réduction des charges locatives, résultant notamment de l'effet favorable des redevances de charges, permet aux loyers nets d'afficher une hausse de 1,1 %.

Le résultat opérationnel courant reste stable (+0,4 %), la diminution de 8,5 % des frais de fonctionnement (12,0 M€ vs 13,1 M€) permettant de compenser l'érosion naturelle des revenus sur les opérations de location financement (2,4 M€ vs 2,9 M€) et la baisse des bénéfices de l'activité de développement immobilier (1,3 M€ vs 2,2 M€), hors dépréciation sur stocks.

Le résultat opérationnel net est en forte hausse (+41 %). Cette amélioration provient principalement de la plus value de cessions (2,9 M€ vs -0,5 M€), liée essentiellement à la vente de l'immeuble situé rue Chapon, et de l'augmentation des justes valeurs des immeubles (+1,7 M€ vs -3,8 M€), auxquelles il faut ajouter une nouvelle dépréciation sur la valeur du terrain de Sant Feliu (3,0 M€ vs 5,2 M€), détenu en stock par Concerto.

Concernant les sociétés mises en équivalence, Banimmo affiche un résultat opérationnel courant en hausse de 10,8 % (10,9 M€ vs 9,8 M€). Cette augmentation provient essentiellement par la bonne performance des honoraires et commissions (2,1 M€ vs 1,3 M€), liée principalement à la réalisation de deux bâtiments "built-to-suit", et des participations (2,6 M€ vs 2,2 M€), les loyers nets restant stables. Cette progression est compensée en partie par la hausse des charges opérationnelles et administratives (-7,9 M€ vs -7,1 M€) et du coût de la dette (-7,9 M€ vs 7,3 M€). Les plus values de cessions portent le résultat courant net à 7,0 M€ contre 2,6 M€ en 2010. Après prise en compte des éléments "non-cash" tels que les variations de juste-valeur, le résultat net s'établit à 1,2 M€ (vs 0,5 M€). Jardins des Quais enregistre une amélioration des loyers nets (1,6 M€ vs 1,5 M€), grâce à une amélioration lente de son taux d'occupation, la commercialisation de l'ensemble du site devant s'achever en 2012.

Le coût de la dette nette diminue de 7,3 % et passe à 18,2 M€, la hausse des taux étant compensée par la diminution de l'endettement. Ainsi, et malgré la baisse de valeur des instruments financiers (-2,3 M€ vs -0,1 M€) et de la contribution des sociétés mises en équivalence (1,3 M€ vs 3,0 M€), le résultat net part du groupe ressort en forte hausse à 15,3 M€ contre 10,3 M€ en 2010.

Retraité des éléments non-courants, tels que la variation de juste valeur et les plus ou moins values de cessions, le résultat EPRA ressort à 18,5 M€ contre 16,0 M€ en 2010. (Le résultat EPRA intègre désormais les retraitements EPRA sur l'ensemble des sociétés mises en équivalence).

basis, rents during the period were up 1.0%, benefiting from the decrease in the average vacancy rate over the year. The reduction of rental charges, resulting mainly from the favorable effect of accounting write-offs, allowed an increase in net rents of 1.1%.

Current operating income remains stable (+0.4%). The 8.5% reduction in operating expenses (€12.0m vs €13.1m) offsets the natural erosion of revenues on finance lease transactions (€2.4m vs €2.9m) and the fall in profits from the property development activity (€1.3m vs €2.2m), excluding depreciation on inventories.

Net operating profit showed a sharp increase (41%). This improvement derives mainly from the capital gain (€2.9m vs -€0.5m), relating essentially to the building located at rue Chapon, and the increase in property fair values (+€1.7m vs -€3.8m), plus a further depreciation on the value of the Sant Feliu land (€3.0m vs €5.2m), held as stock by Concerto.

Regarding the associates, Banimmo presented a recurrent operational result up 10.8% (€10.9m vs €9.8m). This increase came essentially from the good performance of its managements fees and commissions (€2.1m vs €1.3m), pertaining mainly to the realization of two built-to-suit buildings, and from associates (€2.6m vs €2.2m), net rental incomes remaining stable. This improvement was partly offset by the increase of the operational and administrative costs (-€7.9m vs -€7.1m) and of the debt cost (-€7.9m vs -€7.3m). The capital gains allowed the net current result to amount to €7.0m against €2.6m in 2010. After taking into account non-cash items such as fair value change, the net profit came to €1.2m (vs €0.5m). Jardins des Quais registered a progression of the net rental income (€1.6m vs €1.5m), due to a slow improvement in its occupancy rate, the commercialization of the entire site to be completed in 2012.

The cost of net debt decreased by 7.3% at €18.2m, with the rise in interest rates being offset by the decrease in debt. Thus, despite the fall in the fair value of financial instruments (-€2.3m vs -€0.1m) and of the contribution from associates (€1.3m vs €3.0m), the group share of net profit rose sharply to €15.3m, against €10.3m in 2010.

Adjusted for exceptional items such as changes in fair value and gains or losses on disposals, EPRA earnings amounted to €18.5m against €16.0m in 2010. (EPRA earnings now include EPRA adjustments for all associates).

Cash-flow consolidé

Consolidated cash flow

Flux de trésorerie (M€)	2009	2010	2011	Cash Flow (€m)
Capacité d'autofinancement	33,3	27,7	19,7	Funds from operation
Capacité d'autofinancement hors coût de l'endettement et des charges d'impôts	51,1	45,9	38,8	Funds from operation excluding cost of debt and taxes
Variation du BFR	19,5	(3,1)	10,1	Change in WCR
Impôt payé	2,1	(3,3)	(0,6)	Taxes paid
Cash-flow opérationnel	73,0	39,6	48,3	Operating cash flow
Acquisitions & Investissements	(39,7)	(24,4)	(25,5)	Acquisitions & Investments
Cessions	69,5	88,4	47,2	Disposals
Divers	4,4	3,2	1,6	Others
Cash-flow d'investissement	34,3	67,1	23,3	Investment cash flow
Emprunts nouveaux	91,8	19,6	24,2	New loans
Remboursements d'emprunts	(131,4)	(94,8)	(59,6)	Loan repayments
Intérêts	(22,3)	(20,1)	(19,4)	Interest
Divers	(25,8)	(16,7)	(18,4)	Others
Cash-flow de financement	(87,7)	(112,0)	(73,0)	Financing cash flow
Variation de trésorerie	19,6	(5,2)	(1,4)	Change in cash position

La capacité d'autofinancement (hors coût de l'endettement et des charges d'impôts) du groupe a diminué de 15,6 % pour s'établir à 38,8 M€, résultant essentiellement des ventes accélérées des crédits-bails. La variation de BFR enregistre une évolution nettement positive (10,1 M€ vs -3,1 M€), principalement en raison de remboursement de crédit de TVA notamment sur les VEFA de Nevers, Arcachon et sur les travaux de la tour Traversière à Paris. Le cash-flow opérationnel ressort ainsi à 48,3 M€ contre 39,6 M€ pour la même période en 2010.

L'investissement est en légère augmentation (+4,3 %) avec un montant de 25,5 M€ contre 24,4 M€ en 2010. Il comprend pour l'essentiel l'acquisition d'ensembles immobiliers, des travaux ainsi que l'achat par Affine de la participation de 9,8 % de Shy dans AffiParis. La politique active d'arbitrage s'est poursuivie et a conduit le groupe à réaliser 47,2 M€ de cessions, en nette baisse. Les cessions ont représenté principalement des immeubles matures ou de taille insuffisante. Au total le cash-flow d'investissement ressort à 23,3 M€ contre 67,1 M€ pour la même période en 2010.

Le solde net des opérations de financement, y compris les dividendes versés (10,5 M€) et les frais financiers (19,4 M€), dégage un cash-flow négatif de 73,0 M€, les nouveaux emprunts représentant 41 % des remboursements.

Au global, la trésorerie a diminué au cours de l'année de 1,4 M€ et reste à un niveau confortable.

The Group's funds from operations (excluding cost of debt and taxes) were down 15.6% at €38.8m, essentially resulting from the accelerating sale in finance lease. The WCR change showed a sharp improvement (€10.1m vs -€3.1m), mainly driven by VAT reimbursement on the VEFA of Nevers and Arcachon and the refurbishment on the Traversière Tower in Paris. The operating cash flow totalled €48.3m, against €39.6m for the same period in 2010.

The Group's investments were slightly up (+4.3%), with an amount of €25.5m against €24.4m in 2010. This figure consists mainly of acquisitions of building complexes, refurbishment works and the purchase by Affine of Shy's 9.8% stake in AffiParis. The active disposal policy continued and helped the Group to achieve a figure of €47.2m for disposals, sharply down. Disposals mainly represented mature or under-sized buildings. Total cash flow from investments came to €23.3m, against €67.1m for the same period in 2010.

The net balance of financing operations, including dividends paid (€10.5m) and interest charges (€19.4m), generated negative cash flow of €73m, with new borrowings accounting for 41% of repayments.

Overall, the cash position decreased by €1.4m over the period and remains at a comfortable level.

Bilan consolidé

Consolidated balance sheet

Bilan consolidé (M€)	2009	2010	2011	Consolidated balance sheet (€m)
ACTIF	1 023,5	920,9	881,0	ASSET
Immeubles (hors droits)	760,2	686,5	672,2	Properties (excluding transfer taxes)
<i>dont immeubles de placement</i>	672,8	611,1	520,8	<i>of which investment properties</i>
<i>dont immeubles destinés à la vente</i>	87,4	75,4	151,4	<i>of which property held for sale</i>
Titres de participations	0,3	0,2	0,3	Equity holdings
Sociétés mises en équivalence	86,2	84,0	85,8	Equity affiliates
Trésorerie	33,0	23,7	23,3	Cash
Autres actifs	143,8	126,5	99,4	Other assets
PASSIF	1 023,5	920,9	881,0	LIABILITIES
Fonds propres (avant affectation)	364,0	362,5	362,2	Shareholders equity (before allocation)
<i>dont ORA</i>	31,0	31,7	20,8	<i>of which convertibles</i>
<i>dont TSDI</i>	73,3	73,3	73,4	<i>of which PSL</i>
Dettes bancaires	539,6	482,0	450,0	Bank debt
Autres passifs	119,9	76,4	68,8	Other liabilities

Actif net réévalué

Les fonds propres totaux sont stables au 31 décembre 2011 à 362,2 M€ (dont part du groupe : 348,5 M€), reflétant la contribution positive du résultat net (15,3 M€), et intégrant la distribution en mai de la part du dividende payé en numéraire au titre de 2010 (10,9 M€) et l'augmentation de capital. En neutralisant les quasi-fonds propres (73,3 M€ de TSDI), et après retraitement de la juste valeur des instruments dérivés et des impôts différés, l'actif net réévalué hors droits EPRA s'établit au 31 décembre 2011 à 287,6 M€. Par action, il ressort à 28,97 € (après dilution des ORA et hors autocontrôle), en diminution de 5,0 % par rapport au 31 décembre 2010, principalement en raison de l'émission d'actions nouvelles. Droits inclus, l'ANR EPRA par action s'établit à 32,89 €.

Net asset value

At 31 December 2011, total shareholders' equity was stable at €362.2m (group share €348.5m), reflecting the positive contribution of net profit (+€15.3m) and incorporating the distribution in May of the dividend paid in cash for 2010 (€10.9m) and the capital increase. After neutralising quasi-equity (€73.3m in perpetual subordinated loan notes), and after adjustments to the fair value of derivatives and deferred taxes, the EPRA net asset value excluding transfer taxes was €287.6m at 31 December 2011. NAV per share was €28.97 (after dilutions and excluding treasury shares), down 5.0% compared with 31 December 2010, mainly due to the issuing of new shares. Including transfer taxes, the NAV per share was €32.89.

ANR (M€)	2009	2010	2011	NAV (€m)
Fonds propres (avant affectation)	349,3	347,5	348,4	Shareholders' equity (before allocation)
Retraitement des TSDI	(73,3)	(73,3)	(73,4)	PSL adjustment
ANR IFRS (hors droits)	275,9	274,1	275,0	IFRS NAV
Retraitements EPRA	8,5	7,7	12,6	EPRA adjustments
ANR EPRA (hors droits)	284,4	281,9	287,6	EPRA NAV (excl. TT)
ANR EPRA (droits inclus)	326,5	322,4	326,5	EPRA NAV (incl. TT)
Nombre d'actions dilués (hors autocontrôle)	9 056 923	9 314 600	9 926 848	Diluted number of shares (excl. Tr. shares)
ANR EPRA dilué (hors droits) par action (€)	31,41	30,26	28,97	Diluted EPRA NAV (excl. TT) per share (€)

Par rapport à l'ANR EPRA hors droits, le cours de l'action au 31 décembre 2011 (12,5 €) présente une décote de 57 %.

Based on the EPRA NAV excluding transfer taxes, the share price at 31 December 2011 (€12.5) shows a discount of 57%.

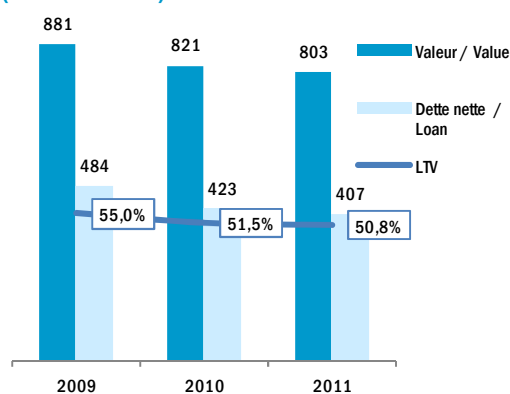
Financement

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

Le total des crédits bancaires signés pour 2011 s'élève à 50,7 M€ (hors renouvellement de lignes de crédit confirmées et comprenant un crédit-bail pour 16,5 M€), à comparer à un montant d'amortissements de la dette bancaire de 76,0 M€ sur la période.

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

Dette nette sur valeur du patrimoine LTV (Loan-to-Value)



Au 31 décembre 2011 la dette financière (nette de la trésorerie et équivalents de trésorerie) du groupe s'établit à 435 M€, contre 465 M€ à fin 2010. Elle représente 1,2 fois le montant des fonds propres.

Déduction faite de la dette allouée au crédit bail (27 M€), la dette financière nette correspondant aux immeubles de placement hors VEFA et à la part d'Affine dans la situation nette des sociétés mises en équivalence (85 M€) s'élève à 407 M€, conduisant à un LTV de 50,8 % contre 51,5 % fin 2010.

Le rapport des frais financiers sur la moyenne des dettes financières nettes fait ressortir pour l'année un coût moyen de la dette de 2,9 %, et 4,0 % coûts de couverture inclus.

La durée moyenne des dettes au 31 décembre 2011 est de 5,7 années. Ces dettes sont amorties à un rythme correspondant à la vie de l'actif sous-jacent, le

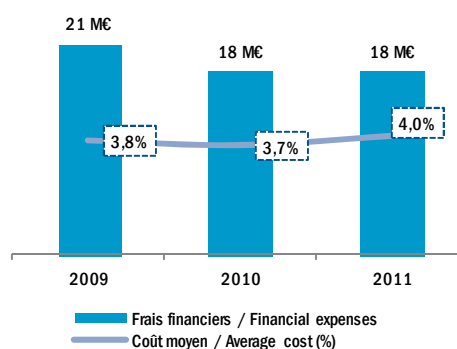
Financing

For many years, the Affine Group has implemented a prudent debt management policy based on strong relationships with its banks and dedicated per-operation medium-sized financings, secured with mortgages, long-term repayment periods, gradual amortization, and general avoidance of any financial covenants on the company itself.

During 2011, new financings totalled €50.7m (excluding renewal of confirmed lines of credit and including a finance lease of €16.5m), compared with €76.0m in amortization of bank debt over the period.

In addition, the group had confirmed short-term lines of credit totalling €19m at December 31.

Coût de la dette Cost of debt cost



At 31 December 2011, the Group's financial debt (net of cash and cash equivalents) was €435m versus €465m at year-end 2010. It represented 1.2 times the total shareholders' equity.

After deducting the debt allocated to leasing activities (€27m), the net financial debt for investment properties, excluding buildings in anticipation of completion and the Affine stake in the net value of associates (€85m), totalled €407m, resulting in an LTV ratio of 50.8% compared with 51.5% at year-end 2010.

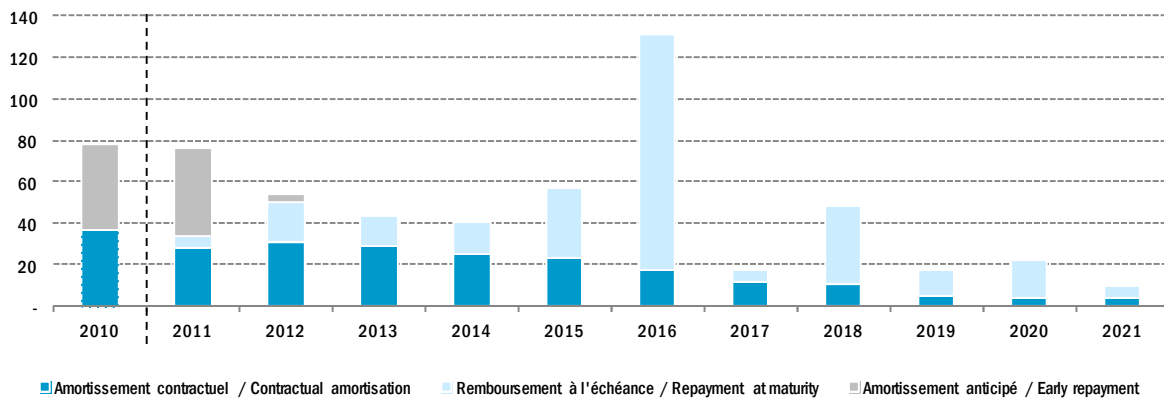
Financial costs on the average of net financial debt resulted in an average cost of debt of 2.9% for the year, or 4.0% including hedging costs.

The average maturity of debt at 31 December 2011 was 5.7 years. These debts are amortized at a pace corresponding to the life of the underlying asset, with

solde du crédit étant remboursé à l'échéance finale. Le graphique ci-dessous montre que le groupe ne doit faire face à aucune échéance majeure au cours des prochaines années, l'échéance de 2016 correspondant au remboursement du crédit finançant l'immeuble Baudry chez AffiParis qui sera cédé ou refinancé avant ou à cette date.

the balance of the loan repaid at final maturity. The graph below shows that the Group has no major maturities occurring over the next few years; the 2016 repayment corresponds to the maturing of the loan on the Baudry building in Affiparis, which will be sold or refinanced before or at that time.

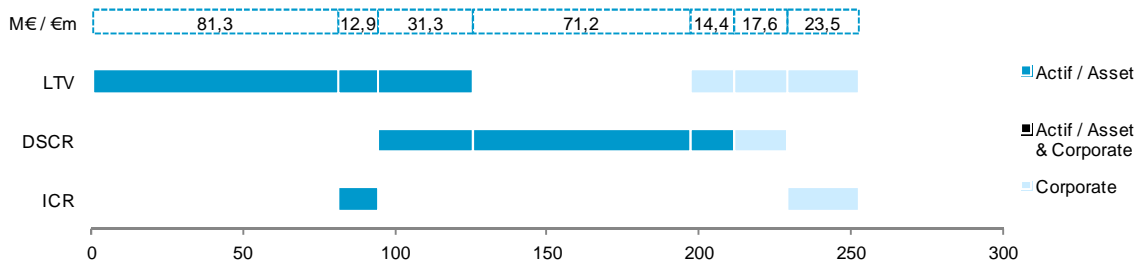
Amortissement de la dette (en M€) Debt amortization (in €m)



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

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

Répartition des covenants (€m) Breakdown of covenants (€m)



Au 31 décembre les ratios financiers sont respectés.

At 31 December, the financial ratios were respected.

Perspectives Outlook

Les incertitudes qui pèsent sur l'économie mondiale, tant du point de vue de la croissance que de celui des capacités du système financier, confortent le choix de prudence fait par Affine dans son développement.

Les priorités d'Affine en 2012 porteront sur l'identification d'investissements à fort potentiel de création de valeur, la poursuite de l'optimisation de la gestion locative, notamment au travers l'amélioration des processus du groupe, et la finalisation du programme de refinancement de 2012, déjà en cours de montage à hauteur de 90 %.

The uncertainties on the global economy, both in terms of growth and the capacity of the financial system, confirm Affine's choice of a cautious expansion.

Affine's priorities in 2012 will focus on identifying investments with strong value creation potential, continuing to streamline rental management, particularly by improving the Group's processes, and finalising the 2012 refinancing programme, 90% of which has already been set up.

Compte de résultat consolidé

Consolidated income statement

Présentation résumée en pro-forma (1) Condensed presentation in pro-forma(1)

(K€)	2009	2010	2011	(€000')
Revenus locatifs	54 412	50 006	48 269	Gross rental income
Produits et charges locatives	(8 828)	(7 200)	(5 129)	Service charge income/(expenses)
Autres produits et charges sur immeubles	(653)	(185)	(55)	Other property op. income /(expenses)
LOYERS NETS	44 931	42 620	43 084	NET RENTAL INCOME
Revenus de location financement (LF)	3 848	2 901	2 351	Income from finance leases (FL)
Revenus des opérations de développement	(87)	2 170	1 278	Income from property development
Frais de structure	(14 325)	(13 129)	(12 008)	Corporate expenses
EBITDA COURANT	34 367	34 562	34 705	CURRENT EBITDA
Amortissements et dépréciations	(138)	(126)	(122)	Amortization and depreciation
RESULTAT OPERATIONNEL COURANT	34 229	34 436	34 583	CURRENT OPERATING PROFIT
Charges nettes des provisions	(1 101)	5	(228)	Charges net of provisions
Solde des autres produits et charges	534	(4 225)	(2 383)	Net other income
Résultat cessions Immeuble de Placement	1 219	(426)	2 168	Gains on disposal of Investment Properties
Levées d'option sur immeubles en LF	296	(96)	764	Options exercised on FL properties
Résultat des cessions d'actifs d'exploitation	(20)	(7)	-	Gains on disposals of operating assets
Résultat des cessions d'actifs	1 496	(529)	2 931	Net profit or loss on disposals
RESULTAT OPERATIONNEL AVT AJUST. VALEUR	35 158	29 686	34 902	OPERATING PROFIT BEFORE VALUE ADJ.
Ajustement des valeurs des immeubles	(32 757)	(3 821)	1 679	Fair value adjustment to Properties
Ajustement de Goodwill	(3 545)	-	-	Goodwill adjustment
Solde net des ajustements de valeurs	(36 302)	(3 821)	1 679	Net balance of value adjustments
RESULTAT OPERATIONNEL NET	(1 145)	25 865	36 581	NET OPERATING PROFIT
Produits de trésorerie et équivalents de tr.	1 984	280	258	Income from cash and cash equivalents
Coût de l'endettement financier brut	(21 458)	(19 916)	(18 458)	Gross financial cost
Coût de l'endettement financier net	(19 474)	(19 636)	(18 200)	Net financial cost
Autres produits et charges financiers	9 067	(83)	(434)	Other financial income
Ajustement de valeurs des instr. financiers	(5 354)	(89)	(2 262)	Fair value adjustments to hedging instr.
RESULTAT AVANT IMPÔTS	(16 905)	6 057	15 686	PROFIT BEFORE TAX
Impôts courant	4 559	562	153	Current corporation tax
Autres impôts	(495)	(285)	(592)	Other tax
Sociétés mises en équivalence	9 070	2 975	1 312	Associates
Résultat net des activités abandonnées	(819)	1 209	-	Net profit from abandoned businesses
RESULTAT NET	(4 590)	10 518	16 558	NET PROFIT
Résultat net - Participations (2)	1 736	(199)	(1 295)	Net profit - Minority interests(2)
RESULTAT NET - PART DU GROUPE	(2 854)	10 319	15 262	NET PROFIT - GROUP SHARE
Retraitement EPRA	18 432	5 701	3 237	EPRA adjustments
RESULTAT EPRA	15 578	16 020	18 499	EPRA EARNINGS
Résultat par action (€)	(1,10)	0,53	1,19	Earnings per share
Résultat par action dilué (€)	(0,68)	0,83	1,26	Diluted earnings per share
Résultat EPRA par action (dilué) (€)	1,33	1,45	1,60	EPRA Earnings per share
Nombre d'actions (hors autocontrôle)	7 522 989	7 570 201	8 349 497	Number of shares (excl. Treasury Shares)
Nombre d'actions dilués (hors autocontrôle)	9 145 389	9 192 601	9 597 497	Number of shares diluted (excl. TS)

(1) Après retraitement de Banimmo et Jardins des Quais en mise en équivalence. / After adjustment of Banimmo and Jardins des Quais consolidated through the equity method.

(2) Participations ne donnant pas le contrôle. / Non-controlling interests

Bilan consolidé

Consolidated balance sheet

Présentation résumée en pro-forma ⁽¹⁾

Condensed presentation in pro-forma⁽¹⁾

ACTIF (K€)	2009	2010	2011	ASSETS (€ 000,)
Immeubles de placement	673 075	611 547	521 356	Investment properties
Actifs corporels	71	355	341	Tangible assets
Immobilisations incorporelles	270	228	207	Intangible assets
Actifs financiers	75 078	60 692	39 125	Financial assets
Actifs d'impôts différés	3 176	1 454	1 394	Deferred tax assets
Titres et investissements dans les sociétés mises en équivalence	86 153	83 976	85 819	Shares and investments in companies (equity method)
TOTAL ACTIFS NON COURANTS	837 822	758 252	648 243	TOTAL NON-CURRENT ASSETS
Immeubles destinés à la vente	87 407	75 365	151 363	Buildings to be sold
Branche d'activité destinée à la vente	5 067	-	-	Business sector to be sold
Prêts et créances de location-financement	618	561	6 878	Finance lease loans and receivables
Stocks	19 625	20 587	13 680	Inventory
Clients et comptes rattachés	11 066	6 694	8 904	Trade and other accounts receivable
Actifs d'impôts courants	42	184	115	Current tax assets
Autres créances	28 867	35 565	28 471	Other receivables
Trésorerie et équivalents de trésorerie	33 030	23 703	23 316	Cash and cash equivalents
TOTAL ACTIFS COURANTS	185 722	162 659	232 727	TOTAL CURRENT ASSETS
TOTAL	1 023 544	920 911	880 970	TOTAL

PASSIF (K€)	2009	2010	2011	LIABILITIES (€ 000,)
Capitaux propres (part du groupe)	349 260	347 462	348 447	Shareholders' equity (Group share)
<i>dont ORA</i>	31 036	31 662	20 763	<i>of which convertibles</i>
<i>dont TSDI</i>	73 327	73 345	73 436	<i>of which PSL</i>
Intérêts minoritaires	14 725	15 028	13 736	Minority interests
TOTAL CAPITAUX PROPRES	363 985	362 490	362 183	TOTAL SHAREHOLDERS' EQUITY
Emprunts long terme	478 141	405 055	319 837	Long-term borrowings
Passifs financiers	16 332	16 411	15 551	Financial liabilities
Provisions	2 110	910	3 027	Provisions
Dépôts et cautionnements reçus	9 308	7 458	7 145	Deposits and security payments received
Passifs d'impôts différés et non courants	3 260	364	281	Deferred and non-current tax liabilities
Divers	(0)	(0)	0	Other
TOTAL PASSIFS NON COURANTS	509 152	430 199	345 841	TOTAL LONG-TERM LIABILITIES
Branches d'activités destinées à la vente	5 020	-	-	Business sector to be sold
Passifs liés aux immeubles destinés à la vente	36 487	31 045	97 529	Liabilities relating to buildings to be sold
Dettes fournisseurs et autres	40 869	33 946	24 106	Trade payables and other accounts payable
Emprunts et dettes financières	60 902	58 993	46 621	Borrowings and financial debt
Passifs d'impôts courants	3 304	706	14	Current tax liabilities
Dettes fiscales et sociales	3 826	3 532	4 677	Tax and social charges
TOTAL PASSIFS COURANTS	150 408	128 222	172 947	TOTAL CURRENT LIABILITIES
TOTAL	1 023 544	920 911	880 970	TOTAL

(1) Après retraitement de Banimmo et Jardins des Quais en mise en équivalence. / After adjustment of Banimmo and Jardins des Quais consolidated through the equity method.

ANNEXES APPENDICES]

Liste des immeubles Affine / AffiParis List of rental properties Affine / AffiParis

Situation Location	Nom ou rue Name or street	Zone Zone	Dépt French Département number	Surface en m ² Surface area in sqm	Date acquisition Acquisition date
Bureaux / Offices					
Paris 3 ^e	19, Rue Reaumur	Paris	75	1 679	2007
Paris 8 ^e	Rue Paul-Baudry	Paris	75	9 423	2006
Paris 9 ^e	Rue Auber	Paris	75	2 283	2008
Paris 10 ^e	Rue d'Enghien	Paris	75	1 003	2008
Paris 12 ^e	« Tour Bercy » - Rue Traversière	Paris	75	7 783	2008
Croissy Beaubourg	Rue d'Emerainville	Ile-de-France	77	993	2005
Saint Germain en Laye	Rue des Gaudines	Ile-de-France	78	2 249	2002
Montigny-le-Bretonneux	« TDF St Quentin » - Rue Ampère	Ile-de-France	78	9 546	2003
Saint Germain en Laye	Rue Témara	Ile-de-France	78	1 450	2002
Elancourt	« Parc Euclide » - Rue Blaise Pascal	Ile-de-France	78	6 347	2004
Plaisir	Zac Ste Apolline, rue des Poiriers	Ile-de-France	78	1 160	2005
Évry	Rue Gaston Crémieux	Ile-de-France	91	7 572	1984
Brétigny/Orge	Route des Champcueils	Ile-de-France	91	3 564	1989
Les Ulis	« L'Odysée » - Rue de la Terre de Feu	Ile-de-France	91	3 500	2003
Corbeil Essonnes	Darblay I – Avenue Darblay	Ile-de-France	91	4 644	2003
Corbeil Essonnes	Darblay II – Rue des Petites Bordes	Ile-de-France	91	2 268	2003
Issy-les-Moulineaux	Rue Carrefour Weiden	Ile-de-France	92	2 308	2003
Saint Ouen	Rue du Docteur Bauer	Ile-de-France	93	1 654	1997
Bagnolet	Rue Sadi Carnot	Ile-de-France	93	4 056	1995
Kremlin Bicêtre	Rue Pierre Brossolette	Ile-de-France	94	1 151	2007
Kremlin Bicêtre	Boulevard du Général de Gaulle	Ile-de-France	94	1 860	2007
Valbonne - beige	Route des Lucioles - Sophia Antipolis	Régions	6	700	1992
Aix-en-Provence	« Décisium » - Rue Mahatma Gandhi	Régions	13	2 168	1994
Toulouse	Avenue de l'Europe	Régions	31	658	2005
Montpellier	Zac du Millénaire, avenue Einstein	Régions	34	699,1	2005
Nantes - Marie Galante	Rue Henri Picherit	Régions	44	3 084	2006
Orléans	Rue Léonard de Vinci / av. du Titane	Régions	45	1 159	1998
St Julien les Metz	Rue Jean Burger - Sage	Régions	57	3 240	2007
St Julien les Metz	Rue Jean Burger - Tannerie	Régions	57	5 345	2007
Lille – Lilleurope	« Tour Europe » - Parvis de Rotterdam	Régions	59	5 000	2006
Lille – Lilleurope	« Tour Europe » - Parvis de Rotterdam	Régions	59	7 765	2008
Lille - La Madeleine	« Périnor » – Rue Jeanne Maillotte	Régions	59	7 824	2005

Situation Location	Nom ou rue Name or street	Zone Region	Dépt French Département number	Surface en m ² Surface area in sqm	Date acquisition Acquisition date
Bureaux (suite) / Offices (cont.)					
Villeneuve d'Ascq	« Triopolis » - Rue des Fusillés	Régions	59	3 045	2004
Mulhouse	« L'Epicerie »	Régions	68	5 020	2008
Bron	Rue du 35 ^e Régiment d'Aviation	Régions	69	2 968	1996
Lyon Gerland	« Le Fontenay » - Rue André Bollier	Régions	69	4 060	2006
Lyon	Rue du Dauphiné	Régions	69	5 481	2005
Lyon	Bld Tchécoslovaques	Régions	69	4 912	2011
Lyon	« Le Rhodanien » - Bld Vivier Merle	Régions	69	3 472	1983
Surfaces et centres commerciaux / Retail premises					
Vert St Denis	RN6 - Cesson	Ile-de-France	77	4 565	1977
St Cloud	Rue du Calvaire	Ile-de-France	92	1 109	2004
Troyes-Barbercy St Sulpice	Quartier Les Valliers, RN19	Régions	10	5 793	2007
Troyes-Barbercy St Sulpice	Quartier Les Valliers, RN19	Régions	10	1 200	2007
Nîmes	Les 7 Collines	Régions	30	14 812	2009
Arcachon	Rue Roger Expert Et Avenue Lamartine	Régions	33	3 058	2009
St Etienne	Rue Louis Braille - Dorianvest	Régions	42	5 003	2006
Nevers	Avenue Colbert	Régions	58	5 828	2008
Entrepôts et activités / Warehouses and industrial premises					
Maurepas	Rue Marie Curie	Ile-de-France	78	8 370	2006
Trappes	Parc de Pissaloup - Av. J. d'Alembert	Ile-de-France	78	10 183	2006
Palaiseau	Rue Léon Blum	Ile-de-France	91	3 828	1995
St Germain les Arpajon	Rue des Cochets	Ile-de-France	91	16 289	1999
Aulnay-sous-Bois	Rue Jean Chaptal	Ile-de-France	93	3 488	1993
Tremblay en France	Rue Charles Cros	Ile-de-France	93	19 997	2006
Noisy le Grand	ZI des Richardets	Ile-de-France	93	1 645	2005
Cergy Pontoise	Rue du Petit Albi	Ile-de-France	95	3 213	2007
Aix les Milles	Rue Georges Claude	Régions	13	5 528	1975
Miramas	Quartier Mas des Moulières, Zac Lésud	Régions	13	12 079	2007
Chevigny St Sauveur	Avenue de Tavaux	Régions	21	12 985	2005
Bourg-les-Valence	Rue Irène Joliot Curie	Régions	26	19 521	2005
St Quentin Fallavier	Zac de Chêne La Noirée	Régions	38	20 057	1991
Mer	Za des Mardaux	Régions	41	34 127	2006
St Etienne	Molina	Régions	42	44 672	2007
Saint-Cyr-en-Val	Rue du Rond d'Eau	Régions	45	38 756	2005
Bussy-Lettrée (Courbet)	Zac n° 1 Europort - Vetry	Régions	51	19 212	2004
Roubaix - Leers	Rue de la Plaine	Régions	59	21 590	2005
Lezennes	Rue Paul Langevin	Régions	59	908	2005
Thouars	Rue Jean Devaux	Régions	79	32 000	2007
Vitrolles	ZAC d'Anjoly	Régions	13	5 880	2008
Divers / Miscellaneous					
Paris 12 (parkings)	Rue Traversière	Paris	75	0	2008
Saint-Cloud	Rue du Calvaire	Ile-de-France	92	1 692	2004
Biarritz (hotel)	Avenue de l'Impératrice	Régions	64	606	1990

Liste des immeubles de Banimmo et Jardins des Quais

List of rental properties of Banimmo and Jardins des Quais

Situation Location	Nom ou rue Name or street	Zone Region	Dépt French Département number	Surface en m ² Surface area in sqm	Date acquisition Acquisition date
Bureaux / Offices					
Colombes	Les Corvettes, avenue de Stalingrad	Ile-de-France	92	13 600	2004
Zaventem	Alma Court	Belgique		16 130	1999
Koningslo	Athena Business Centre	Belgique		17 732	2002
Bruxelles	Raketstraat, rue de la Fusée	Belgique		6 349	2004
Evere	Honeywell H3	Belgique		12 449	2001
Evere	Honeywell H5	Belgique		3 753	2001
Bruxelles	Avenue des Arts	Belgique		3 992	2006
Bruxelles	North Plaza	Belgique		14 503	2008
Bruxelles	Unilever	Belgique		13 611	2008
Kontich	Prins Boudewijhlann	Belgique		6 839	2007
Surfaces et centres commerciaux / Retail premises					
Marché Saint Germain	Saint Germain	Paris	75	3 236	2009
Paris 15 ^e	Galerie - Rue Vaugirard	Paris	75	2 083	2008
Fontenay-sous-Bois	90-94 rue Dalayrac	Ile-de-France	94	1 970	2008
Eragny	1, rue du Bas Noyer	Ile-de-France	95	12 465	2010
Bordeaux	Quai de Bacalan	Régions	33	25 386	2005
Saran	RN20	Régions	45	600	2007
Rouen	Rue de la champmeslé	Régions	76	2 848	2009

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

Glossaire

Glossary

Actif net réévalué (ANR) par action

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

Droits

Les droits correspondent aux droits de mutation (frais de notaire, droits d'enregistrement...) relatifs à la cession de l'actif ou de la société détenant cet actif.

EPRA

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

Occupation

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

Loyers faciaux

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

Loyers de marché

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

Loyers nets

Net asset value (NAV) per share

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

Transfer taxes

Transfer taxes correspond to ownership transfer taxes (conveyancing fees, stamp duty, etc.) pertaining to the disposal of the asset or of the company owning that asset.

EPRA

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

Occupancy

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

Headline rents

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

Market rents

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

Net rental income

Les loyers nets correspondent aux revenus locatifs diminués des charges locatives nettes.

Loyers potentiels

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

Loan-to-value (LTV)

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

Patrimoine locatif

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

Périmètre constant

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

Rendements

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

Taux d'occupation

Le taux d'occupation financier est égal aux loyers de marché des surfaces occupées divisés par les loyers de marché de la surface totale.

Taux de vacance

Le taux de vacance financier est égal à 1 moins le taux d'occupation.

Valeur locative de marché (VLM)

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

Net rental income corresponds to gross rental income less net service charges.

Potential rents

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

Loan-to-value (LTV)

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

Properties

The rental portfolio corresponds to investment buildings which are not under renovation on the closing date.

Like-for-like portfolio

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

Yield

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

Occupancy rate

The financial occupancy rate is equal to the Estimated Rental Value (ERV) of occupied surface areas divided by the ERV of the total surface area.

Vacancy rate

The financial vacancy rate is equal to 1 minus the occupancy rate.

Gross estimated rental value (ERV)

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



**Financial information regarding the issuer's portfolio, the
financial position and income**

**Consolidated financial statements
Financial year ended 31.12.11**

PROFORMA

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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	2	341	355	71
Investment properties	1	521,356	611,547	673,075
Intangible assets	2	207	228	270
<i>Goodwill</i>		-	-	-
Other intangible assets		207	228	270
Financial assets	4	39,125	60,692	75,078
Finance leases and related receivables		30,673	53,729	68,631
Assets held for sale	5	269	210	279
Derivatives stated at fair value		2,607	3,756	2,470
Deposits and sureties paid		4,812	2,979	3,212
Loans		765	18	487
Deferred tax assets	1	1,394	1,454	3,176
Shares and investments in companies (equity method)	1			
	0	85,819	83,976	86,153
Total non-current assets		648,243	758,252	837,822
Current assets				
Assets held for sale	1 & 5	151,363	75,365	87,407
Business sectors held for sale	5	-	-	5,067
Finance lease loans and receivables		6,878	561	618
Inventories	9	13,680	20,587	19,625
Accounts receivables	8	8,904	6,694	11,066
Related receivables for investment property		8,164	5,461	10,500
Receivables related to investment properties		739	1,234	565
Receivables on business centres		-	-	-
Current tax assets		115	184	42
Other receivables	6	28,471	35,565	28,867
Tax and social security receivables		4,097	6,183	3,147
Other receivables and adjustment accounts		24,374	29,383	25,719
Cash and cash equivalents	4	23,316	23,703	33,030
Cash equivalents		465	2,200	2,855
Cash		22,851	21,503	30,175
Total current assets		232,727	162,659	185,722
TOTAL ASSETS		880,970	920,911	1,023,544

1.2. Liabilities

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Equity				
Equity (Group share)		348,447	347,462	349,260
Capital and related amounts		86,637	64,970	61,997
Share capital		53,100	47,800	47,800
Premiums		38,489	23,947	23,947
Treasury stock		(4,952)	(6,777)	(9,750)
Consolidated reserves		246,539	272,170	292,558
Unrealised or deferred gains and losses		8	3	(7)
Unrealised gains or losses on derivatives		-	-	-
Unrealised gains or losses on assets available for sale		8	3	(7)
Net income (loss)		15,262	10,319	(2,854)
Interim dividend payment		-	-	(2,434)
Shareholdings that do not give control		13,736	15,028	14,725
Consolidated reserves		12,441	14,830	16,461
Net income (loss)		1,295	199	(1,736)
Total equity		362,183	362,490	363,985
Non-current liabilities				
Long-term loans	3	319,837	405,055	478,141
Financial liabilities	4	15,551	16,411	16,332
Derivatives stated at fair value		14,136	12,772	12,366
Hedging derivatives		-	-	-
Other financial liabilities		1,415	3,639	3,966
Provisions	12	3,027	910	2,110
Deposits and sureties received		7,145	7,458	9,308
Deferred tax liabilities	11	281	351	2,899
Non-current tax liabilities		-	13	362
Other liabilities		-	-	-
Total non-current liabilities		345,841	430,199	509,152
Current liabilities				
Debts linked to business sectors held for sale	5	-	-	5,020
Debts linked to assets held for sale	5	97,529	31,045	36,487
Amounts owed to stockholders		1	1	1
Trade accounts payable and other debts	7	24,106	33,946	40,869
Trade accounts payables and related accounts		2,465	3,068	3,867
Other debts		11,029	10,912	23,533
Adjustment accounts		5,976	12,731	11,588
Deferred income		4,635	7,235	1,881
Loans and borrowings	4	46,620	58,993	60,901
Current tax liabilities		14	706	3,304
Tax and social security debts	13	4,677	3,532	3,826
Provisions	12	-	-	-
Total current liabilities		172,947	128,222	150,408
TOTAL LIABILITIES		880,970	920,911	1,023,544

2. Statement of consolidated comprehensive income

2.1. Consolidated Income Statement

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Rental revenue		48,269	50,006	54,412
Rental revenue and expenses		(5,129)	(7,200)	(8,828)
Other property revenue and expenses		(55)	(185)	(653)
Net property income	14	43,084	42,620	44,931
Revenue from finance leases		2,792	3,270	4,273
Expenses on finance leases		(441)	(369)	(425)
Revenue from finance leases	15	2,351	2,901	3,848
Revenue from real estate transactions		7,619	13,144	17,476
Expenses on real estate transactions		(9,310)	(16,333)	(17,489)
Income (loss) on real estate development transactions	15	(1,691)	(3,189)	(13)
Other purchases and external expenses		(5,575)	(5,960)	(7,289)
Taxes and related expenses		(506)	(936)	(895)
Personnel costs		(5,927)	(6,233)	(6,142)
Committed costs		(12,008)	(13,129)	(14,325)
Recurring EBITDA		31,736	29,203	34,440
Depreciation and impairment		(122)	(126)	(138)
Income from recurring operations		31,614	29,077	34,303
Charges net of provisions	16	(228)	5	(1,101)
Balance of other revenue and expenses		586	1,133	460
Gains (losses) on real-estate sales		2,168	(426)	1,219
Option exercised on finance lease properties		764	(96)	296
Gains (losses) on sale of operating assets		-	(7)	(20)
Income (loss) from asset disposals	17	2,931	(529)	1,496
Operating income before fair value adjustment		34,902	29,686	35,158
I Upward adjustment of value of investment properties		16,634	16,977	10,939
Downward adjustment of value of investment properties		(14,955)	(20,798)	(43,696)
Adjustment of value of investment properties		1,679	(3,821)	(32,757)
Adjustment of <i>Goodwill</i>	18	-	-	(3,545)
Balance net of value adjustments		1,679	(3,821)	(36,302)
Net operating income (loss)		36,581	25,865	(1,145)
Revenue from cash and cash equivalents		258	280	1,984
Gross cost of financial debt		(18,458)	(19,916)	(21,458)
Net cost of financial debt	19	(18,200)	(19,636)	(19,474)
Other financial revenue and expenses		(434)	(83)	9,067
Adjustment of value of financial instruments		(2,262)	(89)	(5,354)
Income before tax		15,686	6,057	(16,905)
Tax on recurring income	20	153	562	4,559
Deferred taxes	20	(592)	(285)	(442)
Exit tax	20	-	-	(53)
Share of income in companies accounted for by the equity method	21	1,312	2,975	9,070
Net income (loss) after tax from discontinued activities	22	-	1,209	(819)
Net income		16,558	10,518	(4,590)
Non-controlling interests		1,295	199	(1,736)
NET INCOME (LOSS) - GROUP SHARE		15,262	10,319	(2,854)
Earnings per share (€)	23	1,83	1,36	(0,38)
Diluted earnings per share (€)	23	1,59	1,12	(0,31)
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (TSDI) (€)	23	1,19	0,53	(1,10)
Diluted earnings per share restated to reflect perpetual subordinated loan notes (TSDI) (€)	23	1,26	0,83	(0,68)
EPRA INCOME (LOSS)				
NET INCOME (LOSS) - GROUP SHARE		15,262	10,319	(2,854)
EPRA restatements	23	3,237	5,701	18,432
EPRA INCOME		18,499	16,020	15,578

2.2. Statement of net income and gains and losses taken directly to equity

In thousands of euros	No te	31/12/ 2011	31/12/ 2010	31/12/ 2009
Net income (loss)		16,558	10,518	(4,590)
Currency translation adjustments		-	-	-
Changes in fair value of financial assets available for sale ⁽¹⁾		(321)	322	(16,808)
Share of the changes in fair value of financial assets available for sale transferred into income statement		-	-	-
Effective portion of the change in fair value of cash flow hedges		-	-	-
Share of the change in fair value of cash flow hedges transferred to income		-	-	-
Revaluation difference on non-current assets		-	-	-
Actuarial gains and losses on defined-benefit systems		-	-	-
Share of gains and losses taken directly to equity in companies consolidated under the equity method		-	-	-
Income tax		-	-	-
Total gains and losses taken directly to equity		(321)	322	(16,808)
Net income and gains and losses taken directly to equity		16,236	10,840	(21,398)
Of which Group share		14,941	10,641	(19,662)
Of which non-controlling interests		1,295	199	(1,736)

3. Statement of changes in equity

(in thousands of euros)	Capital and related reserves	Reserves related to	Treasur	Consolidate	Total gains and losses taken directly to equity	Net income (loss), group share	Group equity	Shareholder s' equity held by non-controlling interests	Total consolidated equity
	Capital	share capital	y stock	d reserves					
Equity as at 31.12.09	47,800	128,310	(9,750)	187,492	(7)	(2,794)	351,051	89,156	440,207
Shift of BANIMMO, MONTEA & Jardin des Quais to equity method consolidation	-	-	-	703	-	(60)	643	(74,431)	(73,788)
Recognition of interim dividend payments	-	-	-	(2,434)	-	-	(2,434)	-	(2,434)
Equity as at 31.12.09 PROFORMA	47,800	128,310	(9,750)	185,761	(7)	(2,854)	349,260	14,725	363,985
Capital increase	-	-	-	-	-	-	-	-	-
Cancellation of treasury stock	-	-	2,973	1,367	-	-	4,340	-	4,340
Preference share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	644	-	(5,218)	-	-	(4,575)	-	(4,575)
Transactions involving share-based payments	-	-	-	-	-	-	-	-	-
Appropriation of 2009 income (loss)	-	-	-	(2,854)	-	2,854	-	-	-
Bonus shares	-	-	-	(341)	-	-	(341)	-	(341)
Distribution of dividends	-	-	-	(11,492)	-	-	(11,492)	(7)	(11,499)
Dividends on treasury stock	-	-	-	781	-	-	781	-	781
Preference dividends	-	-	-	(1,643)	-	-	(1,643)	-	(1,643)
Sub-total of shareholder-related transactions	-	644	2,973	(19,401)	-	2,854	(12,930)	(7)	(12,937)
Changes in gains and losses taken directly to equity	-	-	-	-	9	-	9	-	9
2010 income	-	-	-	-	-	10,319	10,319	199	10,518
Subtotal	-	-	-	-	9	10,319	10,328	199	10,527
Effect of acquisitions and disposals on non-controlling interests	-	-	-	9	-	-	9	37	46
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies consolidated under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	794	-	-	794	75	869
Equity as at 31/12/2010	47,800	128,953	(6,777)	167,164	2	10,319	347,462	15,028	362,490
Capital increase	5,300	4,533	-	(66)	-	-	9,767	568	10,335
Cancellation of treasury stock	-	-	1,825	256	-	-	2,081	-	2,081
Preference share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	(799)	-	(5,119)	-	-	(5,918)	-	(5,918)
Transactions involving share-based payments	-	-	-	-	-	-	-	-	-
Appropriation of 2010 income (loss)	-	-	-	10,319	-	(10,319)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(20,426)	-	-	(20,426)	(427)	(20,853)
Dividends on treasury stock	-	-	-	748	-	-	748	-	748
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	5,300	3,734	1,825	(14,288)	-	(10,319)	(13,748)	140	(13,608)
Changes in gains and losses recognised directly in equity	-	-	-	-	6	-	6	-	6
2011 net income	-	-	-	-	-	15,262	15,262	1,295	16,558
Subtotal	-	-	-	-	6	15,262	15,268	1,295	16,564
Effect of acquisitions and disposals on non-controlling interests	-	-	-	17	-	-	17	(2,732)	(2,715)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies consolidated under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	(552)	-	-	(552)	4	(548)
Equity as at 31.12.11 PROFORMA	53,100	132,687	(4,952)	152,341	8	15,262	348,447	13,736	362,182

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 income (loss) (including non-controlling interests)	16,558	10,518	(4,590)
Net increase (decrease) in depreciation and provisions	(7,432)	6,298	6,474
Unrealised gains and losses from changes in fair value	(1,679)	3,821	32,757
Other calculated income and expenses (including discount calculations)	1,207	(1,697)	10,555
Capital gains or losses on sales of assets	12,401	11,699	(1,011)
- <i>net carrying value of fixed assets sold</i>	59,347	100,359	73,413
- <i>income from disposals of fixed assets</i>	(46,946)	(88,660)	(74,424)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(1,312)	(2,975)	(9,070)
Dividends and returns from income of non-consolidated companies	(2)	(13)	(1,798)
Cash flow from operations after net borrowing costs and tax	19,741	27,651	33,316
Net cost of financial debt	18,582	18,562	21,810
Tax expense (including deferred taxes)	440	(277)	(4,064)
Cash flow from operations before net cost of debt and tax	38,763	45,936	51,061
Income tax paid	(588)	(3,270)	2,114
Change in inventories	3,055	(263)	12,651
Change in trade accounts receivable	394	(3,595)	(608)
Change in trade accounts payable	(1,916)	1,459	(3,480)
Other changes in working capital requirement related to operating activities	8,573	(668)	10,924
Impact of discontinued activities	-	-	347
Net cash flows from operating activities	48,281	39,599	73,010
II – INVESTMENT TRANSACTIONS			
Finance lease	10,680	3,580	4,093
- <i>Cash paid for acquisitions</i>	(38)	(258)	(5)
- <i>Cash received from disposals</i>	10,718	3,837	4,098
Investment properties	9,576	60,922	8,126
- <i>Cash paid for acquisitions</i>	(25,267)	(23,617)	(32,766)
- <i>Cash received from disposals</i>	34,843	84,539	40,892
Cash paid for acquisitions of tangible and intangible fixed assets	(87)	(387)	(594)
Cash received for disposals of tangible and intangible fixed assets	-	11	3
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	(2)	(64)
Cash received for disposals of financial assets	-	-	24,517
Consolidated shares	2,045	(3)	(6,521)
- <i>Cash paid for acquisitions</i>	-	(20)	(6,336)
- <i>Cash received from disposals</i>	1,633	29	(2)
- <i>Impact of changes in consolidation</i>	412	(12)	(183)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,211	4,625	5,808
Change in loans and advances outstanding	(92)	(144)	(907)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	(1,455)	(186)
Net cash flow related to investment transactions	23,334	67,147	34,275
III – FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	568	-	-
- <i>paid by shareholders of the parent company</i>	568	-	-
- <i>paid by minority interests of consolidated subsidiaries</i>	-	-	-
Purchases and sales of treasury shares	1,971	4,337	(4,952)
Dividends paid during the year:	(10,537)	(11,235)	(6,686)
- <i>dividends paid to shareholders of the parent company</i>	(10,116)	(11,227)	(6,404)
- <i>Dividends paid to minority interests of consolidated subsidiaries</i>	(421)	(8)	(282)
Change in non-controlling interests without loss of control	(3,196)	-	-
Increase/Decrease in subordinated debts	-	-	-
Loss from hybrid securities	(5,300)	(6,335)	(5,427)
Change in guarantee deposits given and received	(2,658)	(4,937)	(9,180)
Issues or subscriptions of loans and borrowings	24,249	19,595	91,785
Repayments of loans and borrowings	(59,559)	(94,826)	(131,367)
Net cost of financial debt: interest paid	(19,370)	(20,063)	(22,292)
Other cash flows related to financing activities	787	1,502	482
Cash flow from discontinued activities	-	-	(68)
Net cash flows from financing transactions	(73,045)	(111,962)	(87,703)
NET CHANGE IN CASH (I+II+III)	(1,430)	(5,216)	19,582
Cash and cash equivalents at beginning of period	20,342	25,557	5,975
Cash and cash equivalents at end of period	18,911	20,342	25,557
NET CHANGE IN CASH	(1,430)	(5,215)	19,582

Cash and equivalents

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Savings bank, central bank, post office	3	3	8
Liquid bank assets	22,848	21,491	31,117
Liquid bank assets in other assets	465	1,069	748
Investment securities (*1)	-	1,127	2,022
Sub-total (1)	23,316	23,690	33,895
Bank overdrafts	(4,405)	(3,348)	(8,311)
Bank overdrafts in other liabilities	-	-	(26)
Sub-total (2)	(4,405)	(3,348)	(8,337)
Total (1) + (2)	18,911	20,342	25,557

(*1): The fair value of investment securities corresponds to a price quoted on an active market.

5. Change in number of shares comprising the capital

Shares authorised, issued and paid up

	At beginning of period	Capital increase after converting convertible bonds	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 end of period
Number of shares	8,113,566	374,400	514,076	-	9,002,042
Share capital in euros	47,800,000	2,205,728	3,028,611	65,661	53,100,000

Treasury shares

	As at 31.12.10	Acquisitions	Sales	Allocation of shares to personnel	As at 31.12.11
In thousands of euros	6,777	1,756	3,401	179	4,952
In numbers	421,367	96,047	189,645	4,575	323,194

6. Scope of consolidation at the closing date

	31/12/2011			31/12/2010			31/12/2009		
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest
AFFINE									
2/4 BLD HAUSSMANN SAS	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%
GESFIMMO (formerly AFFINE DEVELOPPEMENT 1 SAS)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
AFFINE DEVELOPPEMENT 2 SAS	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
AFFINVESTOR GmbH	-	-	-	IG	94.00%	94.00%	IG	94.00%	94.00%
ARCA VILLE D'ETE SCI (formerly CAPUCINES 2 SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
ATIT SC (formerly ANJOU SC)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
BERCYMMO SARL	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
BRETIGNY SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES III SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES IV SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES V SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAPUCINES VI SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CARDEV	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
COUR CAPUCINES SA	IG	100.00%	99.99%	IG	100.00%	99.99%	IG	100.00%	99.99%
DORIANVEST SARL	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
LES 7 COLLINES	IG	95.00%	95.00%	IG	95.00%	95.00%	IG	95.00%	95.00%
LES JARDINS DES QUAIS SNC	EM	50.00%	74.75%	EM	50.00%	74.75%	EM	50.00%	74.75%
LUMIERE SAS	-	-	-	IG	67.91%	67.91%	IG	67.91%	67.91%
NEVERS COLBERT SCI (formerly CAPUCINES I SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
SIPEC SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
ST ETIENNE - MOLINA SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
TARGET REAL ESTATE SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
TRANSAFFINE SNC	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
AFFIPARIS SA	IG	86.93%	86.93%	IG	64.88%	64.88%	IG	64.88%	64.88%
SCI 28-32 PLACE DE GAULLE	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%
BERCY PARKINGS SCI	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
SARL COSMO	IG	99.90%	86.84%	IG	99.90%	64.54%	IG	99.90%	64.54%
SCI COSMO LILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO MARSEILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO MONTPELLIER	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO NANTES	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI COSMO TOULOUSE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI DU BEFFROI	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
SCI GOUSSIMO 1	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%
SC GOUSSINVEST	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%
HOLDIMMO SC	IG	99.58%	86.93%	IG	99.58%	64.61%	IG	99.58%	64.61%
SCI NUMERO 1	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
SCI NUMERO 2	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
SCI PM MURS	-	-	-	IG	100.00%	64.88%	IG	100.00%	64.88%
SCI 36	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%
BANIMMO SA	EM	49.99%	49.51%	EM	49.99%	49.51%	EM	49.99%	49.51%
BFI SAS (formerly EDOUARD VII Facilité SAS)	-	-	-	-	-	-	IG	97.99%	97.99%
CAPUCINE INVESTISSEMENTS SA	IG	99.77%	99.77%	IG	99.77%	99.77%	IG	95.00%	95.00%
CONCERTO Développement SAS	IG	99.99%	99.99%	IG	70.29%	69.27%	IG	70.29%	69.28%

Consolidated statements PROFORMA as at 31 December 2011

AULNES Développement SAS	EM	50.00%	50.00%	EM	50.00%	34.64%	EM	50.00%	34.64%	
CHAVORNAY PARC SA	PI	50.00%	50.00%	PI	50.00%	34.64%	PI	50.00%	34.64%	
		31/12/2011				31/12/2010				31/12/2009

	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest
CONCERTO BALKANS SRL	-	-	-	-	-	-	IG	100.00%	69.28%
CONCERTO Développement Iberica SL	IG	100.00%	99.99 %	IG	100.00%	69.27%	IG	100.00%	69.28%
CONCERTO LOGISTIC PARK MER	IG	99.99%	99.98%	IG	99.99%	69.27%	IG	99.99%	69.27%
MGP SUN SARL ^{(1) (2)}	-	-	-	EM	10.00%	6.93%	EM	10.00%	6.93%
PROMAFFINE SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
BOURGTHEROULDE - L'EGLISE	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%
DOLE SARL	-	-	-	-	-	-	PI	50.00%	50.00%
LUCE CARRE D'OR SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%
MARSEILLE 88 CAPELETTE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%
NANTERRE TERRASSES 12 SCI	PI	50.00%	50.00%	PI	50.00%	50.00%	PI	50.00%	50.00%
29 COPERNIC SCI	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%

7. Notes and comments

7.1. Notes to the statement of financial position

Note 1 – Real Estate portfolio buildings

Buildings in the real estate portfolio include:

- 54 assets recorded as investment properties, and
- 16 assets classified as buildings held for sale.

- Affine:

44 of the 48 Affine-owned assets, representing 93.8% of the fair value of the rental portfolio, were valued by independent appraisers (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Among the 44 assets, two (representing 3.6% of the fair value of the rental portfolio) were internally reassessed; the outside appraisal was not considered. One asset, accounting for 5.2% of the rental portfolio, was internally appraised. Three properties, representing 0.9% of the fair value of the rental portfolio, were appraised according to the sale price mentioned in the signed sale mandate, or a signed purchase offer.

- Other companies:

- For Affine-dedicated subsidiaries:

Eight of the nine properties held by Affine subsidiaries, representing 93.7% of the fair value of the portfolio, were assessed on December 31, 2011 by two independent appraisers (Foncier Entreprise and Cushman & Wakefield). One asset, accounting for 6.3 % of the rental portfolio, was internally appraised.

- For AffiParis:

Seven assets were valued by the independent property appraiser Cushman & Wakefield; these represent 97.5% of the fair value of the property portfolio. Two of these assets were reclassified in "Properties held for sale". Of the six other assets recorded as properties held for sale, one is valued on the basis of an accepted sale offer; this asset represents 0.2% of the fair value of the corporate portfolio. The other five, representing 2.3% of the fair value of the portfolio, were appraised internally.

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

. Each appraiser states its independence and confirms the values of the real-estate assets appraised by its services, without taking responsibility for those made by other firms.

Summary table of changes in fair value

At 31.12.11:

In thousands of euros		01/01/2011	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2011
	Industrial premises, warehouses	165,720	30,770	-	(3,180)	116	193,426
By asset type*	Offices	395,887	3,295	-	(14,891)	8,069	392,360
	Commercial	84,656	2,094	-	(1,585)	(8,662)	76,503
	Other	40,248	-	(19,800)	(12,731)	2,155	9,872
	Paris – business district	123,547	404	-	-	387	124,339
	Paris – outside business district	66,922	2,412	-	(5,240)	4,576	68,670
By area*	Paris region – outside Paris	188,827	20,175	-	(17,511)	2,332	193,823
	Other French cities	288,346	13,167	-	(9,635)	(6,547)	285,330
	Other	18,870	-	(19,800)	-	930	-

* excluding initial direct costs of €557,000 as at 31/12/2011

At 31.12.10:

In thousands of euros		01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
	Industrial premises, warehouses	205,673	2,163	13,070	(43,763)	(11,423)	165,720
By asset type*	Offices	422,327	1,971	(13,070)	(26,575)	11,234	395,887
	Commercial	82,522	6,741	-	(1,656)	(2,951)	84,656
	Other	49,711	9	-	(8,790)	(681)	40,248
	Paris – business district	121,554	68	-	-	1,925	123,547
	Paris – outside business district	65,836	345	-	(1,850)	2,591	66,922
By area*	Paris region – outside Paris	208,115	577	-	(19,195)	(669)	188,827
	Other French cities	339,178	9,895	-	(53,690)	(7,038)	288,346
	Other	25,550	-	-	(6,050)	(630)	18,870

* excluding initial direct costs of €401,000 as at 31.12.10

At 31.12.09:

In thousands of euros		01/01/2009	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2009 ¹
	Industrial premises, warehouses	196,811	14,922	-	(2,568)	(3,492)	205,673
By asset type*	Offices	479,974	2,659	2,521	(41,469)	(21,358)	422,327
	Commercial	32,871	54,706	-	-	(5,055)	82,522
	Other	53,371	33	(301)	(540)	(2,852)	49,711
	Paris – business district	131,624	292	-	(2,640)	(7,722)	121,554
	Paris – outside business district	72,319	167	-	(4,800)	(1,850)	65,836
By area*	Paris region – outside Paris	231,110	1,211	-	(8,496)	(15,710)	208,115
	Other French cities	299,841	70,590	2,521	(28,641)	(5,133)	339,178
	Other	28,133	60	(301)	-	(2,342)	25,550

* excluding initial direct costs of €250,000 as at 31.12.09

Reconciliation between values in financial position and appraisals from independent experts

Investment property:

In thousands of euros	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	276,973	277,643	(670)	(€670,000) concerning two properties for which a fair value below the appraised value was recorded as the result of a management decision
Crédit Foncier Expertise (formerly Ad Valorem)	81,510	81,510	-	
BNP Real Estate	143,520	143,520	-	
Internal appraisals	18,796	18,796	-	
Marketing fees	557	-	557	
Investment properties at 31/12/2011	521,357	521,469	(113)	

In thousands of euros	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	311,309	312,560	(1,251)	including (€653,000) on the Baudry property, because the payment deferment granted to the main tenant was cancelled as it had already been recognised in the accounts, and (€599,000) due to the recognition of works on the Traversière high-rise building.
Ad Valorem	80,390	80,390	-	
CBRE	67,593	67,593	-	
BNP Real Estate	140,862	140,862	-	
Under construction	10,993	10,993	-	
Marketing fees	401	-	401	
Investment properties at 31.12.10	611,547	612,398	(851)	

In thousands of euros	Values used	Appraisals	Differential	Comments
Cushman & Wakefield	159,254	160,200	(946)	(€946,000) breaks down into (€1,046,000) on the Baudry building because the payment deferment granted to the main tenant was cancelled, and €176,000 linked to the recognition of works
BNP Real Estate	218,941	218,845	96	Recognition of €96,000 for works
Ad Valorem	184,110	184,110	-	
Jones Lang Lasalle	36,850	36,850	-	
CBRE	8,050	8,050	-	
Foncier Expertise	1,045	1,045	-	
Acquisition	34,812	-	34,812	The cost of the acquisition made on 07/12/2009 was used for fair value on 31/12/2009
Internal appraisals	6,050	-	6,050	
Under construction	23,714	-	23,714	The construction of the properties concerned began before 01/01/2009; they are stated at historic cost
Marketing fees	250	-	250	
Investment properties at 31/12/2009	673,075	609,100	63,976	

Assets held for sale:

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	135,982	136,953	(971)	of which (€685,000) in appraisal fees for the Baudry property appraised by Cushman and (€276,000) on fees for the same property, since the payment deferment granted to the main tenant was cancelled because it had already been recognised in the accounts.
Internal appraisals	11,532	-	11,532	
Mandates, offers for sale and commitments to sell	3,849	-	3,849	
Non-current assets classified as held for sale as at 31/12/2011	151,363	136,953	14,410	

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	63,065	63,325	(260)	For one property, the Group used an acquisition offer instead of an appraisal.
Internal appraisals	4,630	-	4,630	
Mandates, offers for sale and commitments to sell	7,670	-	7,670	
Non-current assets classified as held for sale as at 31.12.10	75,365	63,325	12,040	

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	41,450	41,450	-	
Internal appraisals	6,555	-	6,555	
Mandates, offers for sale and commitments to sell	39,402	29,480	9,922	Out of 12 assets, 5 were appraised externally at the same time
Non-current assets held for sale as at 31.12.09	87,407	70,930	16,477	

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 was 7.1% at 31.12.11.

On the basis of the average rate of return at December 31, 2011, a change of 25 basis points would have an inversely proportional effect of €23.8 million on the Group's portfolio value.

Changes in the fair value of properties

In thousands of euros

	Leases *	in progress	assets held for sale	TOTAL
As at 31.12.08	677,064	24,257	61,936	763,257
Increases	35,451	36,660	209	72,320
Acquisitions during the year	35,451	36,660	209	72,320
Decreases	(32,203)	(60)	(12,313)	(44,577)
Write-off	-	-	-	-
Disposals	(32,203)	(60)	(12,313)	(44,577)
Change in scope of consolidation	-	-	-	-
Change in fair value	(21,556)	-	(11,202)	(32,757)
Transfers between line items	(10,395)	(38,382)	48,777	-
Change in initial direct costs	19	-	-	19
Sector transfers	2,521	(301)	-	2,220
As at 31.12.09	650,902	22,173	87,407	760,483
Increases	1,185	9,503	195	10,884
Acquisitions during the year	1,185	9,503	195	10,884
Decreases	(61,255)	(44)	(19,486)	(80,785)
Write-off	-	-	-	-
Disposals	(61,255)	(44)	(19,486)	(80,785)
Change in scope of consolidation	-	-	-	-
Change in fair value	(1,314)	-	(2,507)	(3,821)
Transfers between line items	10,706	(20,462)	9,755	-
Change in initial direct costs	151	-	-	151
Sector transfers	-	-	-	-
As at 31.12.10	600,377	11,171	75,365	686,912
Increases	30,558	5,651	20	36,230
Acquisitions during the year	30,558	5,651	20	36,230
Decreases	(8,675)	(11)	(23,701)	(32,387)
Write-off	-	-	-	-
Disposals	(8,675)	(11)	(23,701)	(32,387)
Change in scope of consolidation	-	-	(19,800)	(19,800)
Change in fair value	521	-	1,158	1,679
Transfers between line items	(107,296)	(11,096)	118,320	(71)
Change in initial direct costs	156	-	-	156
Sector transfers	-	-	-	-
As at 31.12.11	515,640	5,716	151,363	672,719

Note 2 – Tangible fixed Property, plant & equipment, and intangible assets

In thousands of euros	31/12/2009	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2010	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2011
Tangible assets									
Gross	749	359	(349)	-	759	55	-	-	814
Amortisation	(678)	(61)	335	-	(404)	(70)	-	-	(473)
Net	71	298	(14)	-	355	(14)	-	-	341
Intangible assets									
Gross	671	28	(37)	-	662	31	-	-	693
Amortisation	(401)	(65)	32	-	(434)	(53)	-	-	(487)
Net	270	(37)	(5)	-	228	(21)	-	-	207
Goodwill									
Gross	9,593	-	-	-	9,593	-	-	-	9,593
Amortisation	(9,593)	-	-	-	(9,593)	-	-	-	(9,593)
Net	-	-	-	-	-	-	-	-	-

Note 3 – Long-term loans

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	317,413	38,258	142,850	136,305
- Fixed rate	16,957	3,054	10,417	3,485
- Variable rate	300,456	35,204	132,433	132,819
Finance lease commitment hedge accounts	4,505	3,306	529	670
Deferred borrowing costs at EIR	(2,081)	(580)	(1,167)	(334)
Total at 31.12.11	319,836	40,984	142,212	136,640

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	402,990	37,766	135,606	229,618
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	4,865	993	3,031	841
Deferred borrowing costs at EIR	(2,800)			
Total at 31.12.10	405,055	38,759	138,636	230,460

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	474,218	76,252	114,738	283,228
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	7,498	1,181	3,465	2,852
Deferred borrowing costs at EIR	(3,575)			
Total at 31.12.09	478,141	77,433	118,203	286,081

The average term of the debts as at December 31, 2011 is 5.7 years.

Note 4 – Other financial assets and liabilities

At 31.12.11:

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	30,673	-	-	19,523	11,150
Assets available for sale	269	-	-	-	269
Derivatives stated at fair value	2,607	-	-	2,607	-
Deposits and sureties paid	4,812	-	-	-	4,812
Loans	765	-	-	749	15
Total non-current financial assets	39,125	-	-	22,879	16,246
Current					
Other receivables	-	-	-	-	-
Cash and equivalents	23,316	23,316	-	-	-
Cash equivalents: SICAVs	-	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-	-
Settlement accounts for securities	465	465	-	-	-
Bank account overdrafts	22,851	22,851	-	-	-
Total current financial assets	23,316	23,316	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	14,136	-	-	13,896	240
Discounted premiums payable	1,415	-	-	1,415	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	15,551	-	-	15,311	240
Current					
Loans and borrowings	46,620	15,926	30,694	-	-
Less than one year	36,249	5,170	31,079	-	-
Finance lease commitment hedge accounts	3,093	2,979	113	-	-
Deferred borrowing costs at EIR	(616)	(117)	(499)	-	-
Accrued interest on loans	1,197	1,197	-	-	-
Bank overdrafts	4,405	4,405	-	-	-
Current accounts and related debt	2,292	2,292	-	-	-
Total current financial liabilities	46,620	15,926	30,694	-	-

At 31.12.10:

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non current					
Finance lease transactions and related receivables	53,729	2,805	7,481	26,056	17,387
Assets available for sale	210	-	-	-	210
Derivatives stated at fair value	3,756	-	-	3,756	-
Deposits and sureties paid	2,979	-	-	-	2,979
Loans	18	2	-	-	16
Total non-current financial assets	60,692	2,807	7,481	29,812	20,592
Current: Cash and equivalents					
Cash equivalents: SICAVs	1,127	1,127	-	-	-
Restatement of SICAVs at fair value	4	4	-	-	-
Settlement accounts for securities	1,069	1,069	-	-	-
Bank account overdrafts	21,503	21,503	-	-	-
Total cash and equivalents	23,703	23,703	-	-	-
FINANCIAL LIABILITIES					
Non current					
Long-term financial instruments	16,411	304	879	8,786	6,442
Treasury certificates	-	-	-	-	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	16,411	304	879	8,786	6,442
Current: Loans and borrowings					
Less than one year	49,058	6,762	42,296	-	-
Finance lease commitment hedge accounts	3,253	461	2,792	-	-
Deferred borrowing costs at EIR	(178)	(35)	(144)	-	-
Accrued interest on loans	1,041	1,041	-	-	-
Bank overdrafts	3,348	3,348	-	-	-
Current and related accounts	2,471	2,471	-	-	-
Total debts and financial liabilities	58,993	14,048	44,944	-	-

At 31.12.09:

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non current					
Finance lease transactions and related receivables	68,631	3,139	12,025	31,694	21,772
Assets available for sale	279	-	-	-	279
Derivatives stated at fair value	2,470	-	-	2,470	-
Deposits and sureties paid	3,212	-	-	-	3,212
Loans	487	11	-	476	-
Total non-current financial assets	75,078	3,150	12,025	34,640	25,263
Current: Cash and equivalents					
Cash equivalents: SICAVs	2,022	2,022	-	-	-
Restatement of SICAVs at fair value	85	85	-	-	-
Settlement accounts for securities	748	748	-	-	-
Bank account overdrafts	30,175	30,175	-	-	-
Total cash and equivalents	33,030	33,030	-	-	-
FINANCIAL LIABILITIES					
Non current					
Long-term financial instruments	16,332	271	848	7,131	8,082
Commercial paper	-	-	-	-	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	16,332	271	848	7,131	8,082
Current: Loans and borrowings					
Less than one year	54,712	36,358	18,354	-	-
Finance lease commitment hedge accounts	3,929	273	3,656	-	-
Deferred borrowing costs at EIR	(177)	(34)	(143)	-	-
Accrued interest on loans	1,231	1,231	-	-	-
Bank overdrafts	-	-	-	-	-
Current and related accounts	1,206	1,206	-	-	-
Total debts and financial liabilities	60,901	39,034	21,867	-	-

Note 5 – Assets classified as held for sale

In thousands of euros		31/12/2011		31/12/2010		31/12/2009	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Business activity		-	-	-	-	5,067	5,020
	Buildings held for sale	151,363	-	75,365	-	87,407	-
Investment property	Loans	-	96,300	-	29,934	-	35,163
	Guarantee deposits	-	1,229	-	1,111	-	1,323
	Sub-total	151,363	97,529	75,365	31,045	87,407	36,487
Financial assets available for sale	Shares	204	-	20	-	21	-
	Related receivables	65	-	76	-	104	-
	Sub-total	269	-	96	-	125	-
	TOTAL	151,632	97,529	75,461	31,045	92,600	41,507

Note 6 – Other assets

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Government – tax and social security receivables	4,097	6,183	3,147
Sub-total (1)	4,097	6,183	3,147
Suppliers	215	480	190
Client accounts	8,997	10,230	9,969
Subscribed share capital not paid up	-	-	14
Loans to related companies	1,211	1,391	1,187
Other miscellaneous receivables	10,742	11,385	5,148
Bad debt provisions, other receivables	(631)	(533)	(533)
Miscellaneous	-	-	-
Other receivables	20,534	22,952	15,975
Revenue accruals	2,482	5,251	6,671
Prepaid expenses	1,357	1,180	3,073
Adjustment accounts	3,839	6,430	9,745
Sub-total (2)	24,374	29,383	25,719
Total (1) + (2)	28,471	35,565	28,867

Note 7 – Other liabilities

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Trade payables and related accounts	2,414	2,966	3,766
Fixed asset payables and related accounts	51	102	101
Trade payables and related accounts	2,465	3,068	3,867
Other customer payables	1,270	980	530
Other payables	8,666	9,538	21,941
Payments received as a result of activation of guarantees (finance leases)	190	336	1,028
Discounted premiums payable - current	903	-	-
Miscellaneous	-	58	34
Other debts	11,029	10,912	23,533
Expenses to pay	5,976	12,731	11,588
Deferred income	4,635	7,235	1,881
Total	24,106	33,946	40,869

Note 8 - Trade loans and receivables

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Receivables from sales of fixed assets	534	-	5,000
Ordinary receivables	6,802	5,627	5,163
Doubtful receivables	3,142	3,489	2,968
Impairment of doubtful receivables	(1,574)	(2,421)	(2,065)
Total	8,904	6,694	11,066

At 31.12.11:

In thousands of euros		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	9,624	3,415	1,416	2,218	746	1,830
Provision	1,460	-	-	73	71	1,316
Net	8,164	3,415	1,416	2,144	675	514
SERVICES						
Gross	853	257	-	299	160	137
Provision	114	-	-	-	-	114
Net	739	257	-	299	160	23
TOTAL						
Gross	10,478	3,672	1,416	2,517	906	1,967
Provision	1,574	-	-	73	71	1,430
Net	8,904	3,672	1,416	2,444	835	538

At 31.12.10:

In thousands of euros		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	7,735	2,609	619	1,249	1,062	2,196
Provision	2,275	-	69	35	534	1,637
Net	5,461	2,609	551	1,213	528	559
SERVICES						
Gross	1,380	490	-	237	262	391
Provision	146	-	-	-	-	146
Net	1,234	490	-	237	262	245
TOTAL						
Gross	9,116	3,099	619	1,486	1,324	2,587
Provision	2,421	-	69	35	534	1,783
Net	6,694	3,099	551	1,451	790	804

At 31.12.09:

In thousands of euros		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	12,419	6,807	1,103	2,545	977	986
Provision	1,918	-	30	595	662	632
Net	10,500	6,807	1,073	1,950	315	354
SERVICES						
Gross	712	296	24	215	-	176
Provision	146	-	-	-	-	146
Net	565	296	24	215	-	30
TOTAL						
Gross	13,130	7,104	1,127	2,760	977	1,162
Provision	2,065	-	30	595	662	778
Net	11,066	7,104	1,097	2,165	315	384

Note 9 – Inventories

At 31.12.11:

In thousands of euros	31/12/2010	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2011
Net inventory	20,587	6,354	-	9,184	(19,170)	(3,274)	13,680

At 31.12.10:

In thousands of euros	31/12/2009	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2010
Net inventory	19,625	7,554	-	(1,487)	-	(5,106)	20,587

At 31.12.09:

In thousands of euros	31/12/2008	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2009
Net inventory	32,305	3,733	(230)	(257)	(15,999)	74	19,625

Note 10 – Contribution of companies consolidated under the equity method

In thousands of euros	31/12/2011					31/12/2010					31/12/2009
	Current	%	Total assets	Revenue s exc. tax	Net profit/loss	Current	%	Total assets	Revenue s exc. tax	Net profit/loss	Current
Aulnes développement	-	-	-	-	-	5	34.6%	22	-	-	5
Paris 29 Copernic	7	50%	725	-	13	(141)	50.0%	882	-	(283)	(292)
2/4 Haussmann	-	-	-	-	-	(22)	50.0%	1,641	-	-	(22)
Cap 88	7	40%	5,541	7,113	9	1,038	40.0%	8,144	12,749	3,142	(219)
Marseille 88 Capelette	(824)	40%	10,802	618	(1,530)	(808)	40.0%	14,109	875	(763)	(510)
Jardin des Quais	26,703	74.75%	16,178	4,827	(1,356)	23,525	74.75%	20,161	4,450	(1,274)	18,838
Banimmo	59,926	49.51%	376,048	17,502	1,156	62,109	49.51%	410,320	17,466	456	69,745
Montéa	-	-	-	-	-	205	7.0%	258,799	17,097	11,419	205
MGP Sun Sarl	-	-	-	-	-	(1,936)	6.9%	231	-	(128)	(1,599)
Total	85,819					83,976					86,152

Note 11 – Deferred taxes

In thousands of euros		As at 31.12.11	As at 31.12.10	As at 31.12.09
Assets	Investment property	1,393	1,136	2,891
	Securities at fair value via equity	-	-	-
	Derivatives	-	266	255
	Other items	1	52	30
	Total	1,394	1,454	3,176
Liabilities	Financial assets available for sale	-	-	-
	Financial assets at fair value	-	-	-
	Investment properties at FV of non-SIIC subsidiaries	553	169	2,601
	Finance leases (lessee)	-	-	-
	Goodwill assigned to properties	-	89	172
	Finance leases (lessor)	-	-	-
	Derivatives	(196)	(4)	-
	Deferment of borrowing costs	(76)	32	60
	Tax losses carried forward	-	-	-
	Other items	-	65	65
Total	281	351	2,899	

Note 12 – Provisions

In thousands of euros	Balance	Allowances	Reversals	Change in	Balance	Allowances	Reversals	Change in	Balance
	31/12/09	for the year	for the year	scope	31/12/10	for the year	for the year	scope	31/12/11
Provision for diverse risks (customer disputes)	-	-	-	-	-	-	-	-	-
Provision for tax risk	145	229	(145)	-	229	384	(209)	-	404
Provision for pension costs	391	24	(20)	-	395	57	(3)	-	448
Provision for miscellaneous expenses	1,575	123	(1,411)	-	287	3,197	(1,309)	-	2,175
Total	2,110	375	(1,575)	-	910	3,638	(1,521)	-	3,027

Note 13 – Tax and social security liabilities

In thousands of euros	As at 31.12.11	As at 31.12.10	As at 31.12.09
Staff	1,710	893	1,228
Tax liabilities (VAT, taxes)	2,968	2,638	2,598
Total	4,677	3,532	3,826

7.2. Notes to the income statement

Note 14 – Net property income

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Rental revenue	48,269	50,006	54,412	(1,737)	(4,407)
Rental revenue and expenses	(5,129)	(7,200)	(8,828)	2,071	1,628
Re-billed expenses	13,292	12,102	13,939	1,189	(1,837)
Rebillable expenses	(13,348)	(12,744)	(13,809)	(603)	1,065
Non rebillable expenses	(4,763)	(6,206)	(7,494)	1,443	1,288
Miscellaneous expenses	(48)	(148)	(135)	100	(13)
Lease fees	(263)	(205)	(1,330)	(57)	1,124
Depreciation charges	-	-	-	-	-
Other property revenue and expenses	(55)	(185)	(653)	130	468
Other revenues	355	347	407	8	(60)
Net losses on doubtful receivables	(410)	(532)	(1,060)	122	528
Net property income	43,084	42,620	44,931	465	(2,311)

The rental income, rebillable expenses and non-rebillable expenses items concern investment properties and assets held for sale.

Note 15 – Income (loss) from other activities

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Income (loss) from finance lease transactions (1)	2,351	2,901	3,848	(550)	(947)
Rent and similar	9,248	14,238	18,791	(4,990)	(4,553)
Depreciation and provisions subject to Articles 64 and 57	(6,828)	(11,078)	(13,790)	4,250	2,712
Change in underlying reserve	(233)	(166)	(791)	(67)	625
Net losses on doubtful receivables	604	276	62	328	214
Expenses on finance leases	(441)	(369)	(425)	(72)	56
Income (loss) from property development activities (2)	(1,691)	(3,189)	(13)	1,498	(3,175)
Revenue	11,285	7,099	30,314	4,185	(23,215)
Rentals of properties in inventory	-	-	-	-	-
Changes in inventories	(3,665)	6,095	(12,839)	(9,760)	18,933
Net losses on doubtful receivables	-	(49)	-	50	(50)
Expenses on real estate transactions	(9,310)	(16,333)	(17,489)	7,023	1,156
Rental expenses on properties in inventory	-	-	-	-	-
Income (loss) from other activities (1) + (2)	660	(288)	3,834	948	(4,122)

Note 16 – Reversal (allocations) of provisions

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
Provisions for contingencies	(243)	(229)	(1,069)	(14)	840
Provisions for losses	(57)	(32)	(220)	(25)	188
- Reversals of provisions for contingencies	68	102	175	(34)	(73)
- Reversals of provisions for losses	3	20	13	(17)	7
Reversal of exceptional provisions	-	145	-	(145)	145
Total	(228)	5	(1,101)	(233)	1,106

Note 17 - Gain/loss on asset disposals

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Proceeds from sales of fixed assets	34,554	84,810	45,796	(50,256)	39,014
Net carrying value of properties sold	(32,387)	(85,236)	(44,577)	52,850	(40,660)
Income (loss) of investment property sales	2,168	(426)	1,219	2,594	(1,645)
Option exercised on finance lease properties	764	(96)	296	860	(392)
Net operating asset disposals	-	(7)	(20)	7	13
Total	2,931	(529)	1,496	3,461	(2,025)

Note 18 – Change in value of goodwill

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
CONCERTO DEVELOPPEMENT SAS	-	-	(3,661)	-	3,661
AFFIPARIS	-	-	116	-	(116)
Change in goodwill values	-	-	(3,545)	-	3,545

Note 19 - Net cost of financial debt

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Revenue from cash and equivalents	258	280	1,984	(22)	(1,705)
Dividends	2	14	1,784	(11)	(1,770)
Loans to customers	124	210	126	(86)	84
Regular receivables accounts	123	47	45	76	3
Trading securities	9	9	29		(20)
Gross cost of financial debt	(18,458)	(19,916)	(21,458)	1,459	1,542
Interest on loans	(13,696)	(13,803)	(16,863)	106	3,060
Income and expenses from derivatives	(4,998)	(6,306)	(4,603)	1,308	(1,703)
Subordinated debt expenses	158	(8)	(5)	165	(2)
Income and expenses from current accounts	79	200	13	(121)	187
Total	(18,200)	(19,636)	(19,474)	1,437	(163)

Note 20 – Income tax

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Tax due	153	562	4,559	(409)	(3,997)
Change in deferred tax	(592)	(285)	(442)	(308)	157
Exit tax	-	-	(53)	-	53
Total	(440)	277	4,064	(717)	(3,787)

	Theoretical tax (expense) - income	
	Base	
Consolidated profit / loss before tax	16,997	(5,665)
Result of exempted sector Sicomi-SIIC	(31,411)	10,469
Share of companies consolidated under the equity method	1,225	(408)
Share of changes in goodwill	0	(0)
Add-backs – deductions	3,616	(1,205)
<i>Impairment of goodwill</i>	-	-
<i>Amortisation of fair value increment</i>	-	-
<i>Provisions excluding tax</i>	-	-
<i>Companies subject to IT</i>	3,925	(1,308)
<i>Other addbacks - deductions</i>	(309)	103
Consolidation restatements	(4,439)	1,479
<i>Impact of permanent differences</i>	(181)	60
<i>Impact of timing differences taxed at smaller rate</i>	(3,246)	1,082
<i>Impact of liability method</i>	(1,012)	337
Miscellaneous	-	-
Consolidated theoretical tax	(14,011)	4,670
<i>of which companies making a tax loss</i>	(14,895)	4,964
<i>of which companies making a tax profit</i>	884	(294)
Use of tax losses	14,611	(5,134)
Tax after deduction of losses	599	(464)
<u>Tax without base:</u>	-	-
Tax credit	-	-
Annual flat-rate tax and tax adjustments	-	24
Tax due outside France	-	-
	-	-
Income tax burden recorded	-	(440)
TAXES	-	153
DEFERRED TAXES	-	(592)
TOTAL	-	(440)

Note 21 – Share of earnings of associated companies consolidated by the equity method

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Share in net income (loss)	1,312	2,975	9,070	(1,663)	(6,095)
Losses on shares consolidated under the equity method	-	-	-	-	-
Gains on shares consolidated under the equity method	-	-	-	-	-
Total	1,312	2,975	9,070	(1,663)	(6,095)

Note 22 - Net profit or loss after tax from discontinued activities

This item corresponds to the profit net of tax for the company BFI, which was sold at the beginning of 2010.

Note 23 – Results, dividends and NAV per share

Net profit/loss

The convertible bonds (ORA) issued by Affine on 15 October 2003 and 29 June 2005, and the perpetual subordinated loan notes (TSDI) it issued on 13 July 2007 are accounted for as equity. The revenue on these securities is recognised as dividends, with the Group share of net income (loss) adjusted for the calculation of the net income (loss), diluted income (loss) and EPRA earnings per share.

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

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Net income (loss) – Group share	15,262	10,319	(2,854)
Cost of perpetual subordinated loan notes (TSDI)	(3,149)	(2,698)	(3,374)
Cost of 1 & 2 convertible bonds (ORA)	(2,151)	(3,637)	(2,073)
Net income (loss) – Group share, adjusted for earnings per share calculation	9,962	3,985	(8,301)
Reinclusion of cost of 1 & 2 convertible bonds (ORA)	2,151	3,637	2,073
Net income (loss) - Group, adjusted for diluted earnings per share calculation (after conversion of convertible bonds [ORA])	12,113	7,622	(6,228)
EPRA restatement	3,237	5,701	18,432
EPRA income (loss) adjusted for cost of perpetual subordinated loan notes (TSDI) for calculating EPRA earnings per share	15,350	13,323	12,204

	31/12/2011	31/12/2010	31/12/2009
Number of shares in circulation at balance sheet date	9,002,042	8,113,566	8,113,566
Average number of treasury shares	(652,545)	(543,365)	(590,577)
Average number of shares (excluding treasury shares)	8,349,497	7,570,201	7,522,989
Average number of new shares issued for redeeming 1 & 2 convertible bonds (ORA)	1,248,000	1,622,400	1,622,400
Average number of diluted shares (excluding treasury shares)	9,597,497	9,192,601	9,145,389
Earnings per share (€)	1.19	0.53	(1.10)
Diluted earnings per share (€)	1.26	0.83	(0.68)
Earnings per share (€)	1.60	1.45	1.33

IFRS Net Asset Value (NAV)

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Equity (before appropriation)	348,447	347,462	349,260
<i>of which, convertible bonds (ORA)</i>	20,763	31,662	31,036
<i>of which perpetual subordinated loan notes (TSDI)</i>	73,436	73,345	73,327
<i>of which treasury stock</i>	(4,952)	(6,777)	(9,750)
<i>of which others</i>	259,200	249,232	254,647
Restatement of perpetual subordinated loan notes (TSDI)	(73,436)	(73,345)	(73,327)
Diluted IFRS NAV excluding transfer taxes	275,011	274,117	275,933
Transfer taxes	38,915	40,492	42,049
Diluted IFRS NAV, including transfer taxes	313,926	314,609	317,982
Number of shares			
Number of shares in circulation	9,002,042	8,113,566	8,113,566
Treasury shares	(323,194)	(421,366)	(679,043)
Converted convertible bonds (ORA)	1,248,000	1,622,400	1,622,400
Number of diluted shares (excluding treasury shares)	9,926,848	9,314,600	9,056,923
IFRS NAV, excluding transfer taxes per share	27.70	29.43	30.47
Diluted IFRS NAV, including transfer taxes per share	31.62	33.78	35.11

EPRA NAV

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
EPRA restatements	12,553	7,746	8,512
<i>of which fair value of financial instruments:</i>	14,282	9,497	9,145
<i>x Assets, derivatives at fair value</i>	(2,670)	(4,030)	(3,158)
<i>x Liabilities - derivatives at fair value</i>	16,953	13,526	12,303
<i>of which net deferred taxes</i>	(1,729)	(1,750)	(633)
<i>Deferred tax assets</i>	(3,683)	(3,282)	(4,429)
<i>Deferred tax liabilities</i>	1,955	1,531	3,795
EPRA NAV excl. transfer taxes	287,564	281,863	284,445
Transfer taxes	38,915	40,492	42,049
EPRA NAV including transfer taxes	326,479	322,355	326,494
EPRA NAV excluding transfer taxes per share	28.97	30.26	31.41
EPRA NAV including transfer taxes per share	32.89	34.61	36.05



**Financial information regarding the issuer's portfolio, the
financial position and income**

**Consolidated financial statements
Financial year ended 31.12.11**

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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	2	341	1,883	1,503
Investment properties	1	521,356	773,651	834,073
Intangible assets	2	207	283	466
<i>Goodwill</i>		-	-	-
Other intangible assets		207	283	466
Financial assets	4	39,125	113,426	95,776
Finance leases and related receivables		30,673	53,729	68,631
Assets held for sale	5	269	15,641	5,118
Derivatives stated at fair value		2,607	4,334	3,859
Deposits and sureties paid		4,812	4,752	5,353
Loans		765	34,970	12,816
Deferred tax assets	11	1,394	5,147	2,867
Shares and investments in companies (equity method)	10	85,819	41,911	22,119
Total non-current assets		648,243	936,300	956,803
Current assets				
Assets held for sale	1 & 5	151,363	75,365	87,407
Business sectors held for sale	5	-	-	5,067
Finance lease loans and receivables		6,878	561	618
Inventories	9	13,680	183,474	144,646
Accounts receivable	8	8,904	13,667	25,287
Related receivables for investment property		8,164	12,433	24,722
Receivables related to investment properties		739	1,234	565
Receivables on business centres		-	-	-
Current tax assets		115	1,030	459
Other receivables	6	28,471	44,272	32,540
Tax and social security receivables		4,097	9,791	6,198
Other receivables and adjustment accounts		24,374	34,481	26,343
Cash and cash equivalents	4	23,316	27,853	34,785
Cash equivalents		465	2,200	2,855
Cash		22,851	25,653	31,931
Total current assets		232,727	346,222	330,810
TOTAL ASSETS		880,970	1,282,522	1,287,613

1.2. Liabilities

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Equity				
Equity (group share)		348,447	346,771	348,617
Capital and related amounts		86,637	64,970	61,997
Share capital		53,100	47,800	47,800
Premiums		38,489	23,947	23,947
Treasury stock		(4,952)	(6,777)	(9,750)
Consolidated reserves		246,460	271,153	291,854
Unrealised or deferred gains and losses		8	327	(7)
Unrealised gains or losses on derivatives		-	-	-
Unrealised gains or losses on assets available for sale		8	327	(7)
Net income		15,341	10,320	(2,794)
Interim dividend payment		-	-	(2,434)
Shareholdings that do not give control		13,736	83,329	89,156
Consolidated reserves		12,441	83,022	83,241
Net income		1,295	307	5,915
Total equity		362,183	430,100	437,773
Non-current liabilities				
Long-term loans	3	319,837	634,891	622,917
Financial liabilities	4	15,551	40,877	36,961
Derivatives stated at fair value		14,136	19,310	17,283
Hedging derivatives		-	-	-
Other financial liabilities		1,415	21,567	19,678
Provisions	12	3,027	4,797	8,756
Deposits and sureties received		7,145	10,278	11,911
Deferred tax liabilities	11	281	2,735	1,870
Non-current tax liabilities		-	13	362
Other liabilities		-	-	-
Total non-current liabilities		345,841	693,591	682,777
Current liabilities				
Debts linked to business sectors held for sale	5	-	-	5,020
Debts linked to assets held for sale	5	97,529	31,045	36,487
Amounts owed to stockholders		1	107	76
Trade accounts payable and other debts	7	24,106	49,076	53,528
Trade accounts payable and related accounts		2,465	8,112	10,496
Other debts		11,029	17,329	26,085
Adjustment accounts		5,976	13,340	11,728
Deferred income		4,635	10,295	5,218
Loans and borrowings	4	46,620	72,292	63,365
Current tax liabilities		14	1,174	3,361
Tax and social security debts	13	4,677	5,138	5,227
Provisions	12	-	-	-
Total current liabilities		172,947	158,832	167,063
TOTAL LIABILITIES		880,970	1,282,522	1,287,613

2. Statement of consolidated comprehensive income

2.1. Consolidated Income Statement

(In thousands of euros)	Note	31/12/2011	31/12/2010	31/12/2009
Rental revenue		56,866	70,567	77,178
Rental revenue and expenses		(7,425)	(12,001)	(14,793)
Other property revenue and expenses		709	1,004	453
Net property revenue	14	50,150	59,570	62,838
Revenue from finance leases		2,792	3,270	4,273
Expenses on finance leases		(441)	(369)	(425)
Revenue from finance leases	15	2,351	2,901	3,848
Revenue from real estate transactions		7,619	13,144	17,476
Expenses on real estate transactions		(9,310)	(15,933)	(17,489)
Revenue from real estate development transactions	15	(1,691)	(2,789)	(13)
Other purchases and external expenses		(7,877)	(10,410)	(13,579)
Taxes and related expenses		(573)	(1,008)	(948)
Personnel costs		(7,070)	(8,888)	(8,932)
Committed costs		(15,520)	(20,307)	(23,460)
Recurring EBITDA		35,290	39,375	43,213
Depreciation and impairment		(182)	(285)	(463)
Income from recurring operations		35,108	39,090	42,750
Charges net of provisions	16	(569)	(674)	(586)
Balance of other revenue and charges		573	1,029	636
Gains (losses) on real-estate sales		4,482	(333)	24,530
Option exercised on finance lease properties		764	(96)	296
Gains (losses) on sale of operating assets		4	(16)	(20)
Income (loss) from asset sales	17	5,250	(445)	24,806
Operating income before fair value adjustment		40,362	39,000	67,606
Upward adjustment of value of investment properties		17,588	21,044	12,655
Downward adjustment of value of investment properties		(15,698)	(23,862)	(51,232)
Adjustment of value of investment properties		1,890	(2,818)	(38,577)
Adjustment of <i>Goodwill</i>	18	-	-	(3,545)
Balance net of value adjustments		1,890	(2,818)	(42,122)
Net operating income		42,252	36,181	25,484
Revenue from cash and cash equivalents		410	570	2,265
Gross cost of financial debt		(22,208)	(28,185)	(27,590)
Net cost of financial debt	19	(21,798)	(27,615)	(25,325)
Other financial revenue and expenses		(49)	108	3,057
Adjustment of value of financial instruments		(2,712)	(2,910)	(7,622)
Income before tax		17,693	5,764	(4,406)
Tax on recurring income	20	44	280	5,131
Deferred taxes	20	(472)	305	7,651
Exit tax	20	-	-	(53)
Share of income (loss) in companies accounted for by the equity method	21	(629)	3,069	(4,382)
Net income (loss) after tax from discontinued activities	22	-	1,209	(819)
Net income		16,636	10,627	3,122
Non-controlling interests		1,295	307	5,915
NET INCOME (LOSS) - GROUP SHARE		15,341	10,320	(2,794)
Earnings per share (€)	23	1,84	1,36	(0,37)
Diluted earnings per share (€)	23	1,60	1,12	(0,31)
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (TSDI) (€)	23	1,20	0,53	(1,10)
Diluted earnings per share restated to reflect perpetual subordinated loan notes (TSDI) (€)	23	1,27	0,83	(0,67)
EPRA INCOME (LOSS)				
NET INCOME (LOSS) - GROUP SHARE		15,341	10,320	(2,794)
EPRA restatements	23	2,783	7,279	19,009
EPRA INCOME		18,123	17,599	16,215

2.2. Statement of net income and gains and losses taken directly to equity

In thousands of euros	No te	31/12/2 011	31/12/20 10	31/12/20 09
Net income		16,636	10,627	3,122
Currency translation adjustments		-	-	-
Changes in fair value of financial assets available for sale ⁽¹⁾		(321)	649	(16,808)
Share of the changes in fair value of financial assets available for sale transferred to income statement		-	-	-
Effective portion of the change in fair value of cash flow hedges		-	-	-
Share of the change in fair value of cash flow hedges transferred to income statement		-	-	-
Revaluation difference on non-current assets		-	-	-
Actuarial gains and losses on defined-benefit systems		-	-	-
Share of gains and losses taken directly to equity in companies consolidated under the equity method		-	-	-
Income tax		-	-	-
Total gains and losses taken directly to equity		(321)	649	(16,808)
Net income and gains and losses taken directly to equity		16,315	11,276	(13,686)
Of which Group share		15,020	10,645	(19,602)
Of which non-controlling interests		1,295	631	5,915

⁽¹⁾ Altaréa securities in 2009 and Montéa en 2010

3. Statement of changes in equity

(in thousands of euros)	Capital	Capital and related reserves Reserves related to share capital	Treasury stock	Consolidated reserves	Total gains and losses taken directly to equity	Net income (loss) group share	Group equity	Equity held by non-controlling interests	Total consolidated equity
Equity as at 31.12.09 (published)	47,800	128,310	(9,750)	187,230	(7)	(5,701)	347,882	85,988	433,869
Interim dividends paid	-	-	-	(2,434)	-	-	(2,434)	-	(2,434)
Banimmo properties transferred to inventories	-	-	-	262	-	2,907	3,169	3,169	6,338
Equity as at 31.12.09 (restated)	47,800	128,310	(9,750)	185,058	(7)	(2,794)	348,617	89,157	437,773
Cancellation of treasury stock	-	-	2,973	1,367	-	-	4,340	-	4,340
Equity portion of compound instruments	-	644	-	(5,218)	-	-	(4,575)	-	(4,575)
Appropriation of 2009 income (loss)	-	-	-	(2,794)	-	2,794	-	-	-
Bonus shares	-	-	-	(341)	-	-	(341)	-	(341)
Distribution of dividends	-	-	-	(11,489)	-	-	(11,489)	(5,167)	(16,656)
Dividends on treasury stock	-	-	-	781	-	-	781	-	781
Preference dividends	-	-	-	(1,697)	-	-	(1,697)	(1,697)	(3,395)
Sub-total of shareholder-related transactions	-	644	2,973	(19,391)	-	2,794	(12,981)	(6,864)	(19,846)
Changes in gains and losses taken directly to equity	-	-	-	-	333	-	333	324	658
2010 income	-	-	-	-	-	10,320	10,320	307	10,627
Subtotal	-	-	-	-	333	10,320	10,654	631	11,285
Effect of acquisitions and disposals on non-controlling interests	-	-	-	6	-	-	6	37	43
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	472	-	-	472	367	839
Equity as at 31/12/2010	47,800	128,953	(6,777)	166,147	327	10,320	346,771	83,329	430,100
Capital increase	5,300	4,533	-	(66)	-	-	9,767	568	10,335
Cancellation of treasury stock	-	-	1,825	256	-	-	2,081	-	2,081
Preference-share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	(799)	-	(5,119)	-	-	(5,918)	-	(5,918)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2010 income (loss)	-	-	-	10,320	-	(10,320)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(20,426)	-	-	(20,426)	(427)	(20,853)
Dividends on treasury stock	-	-	-	748	-	-	748	-	748
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	5,300	3,734	1,825	(14,287)	-	(10,320)	(13,748)	140	(13,608)
Changes in gains and losses recognised directly in equity	-	-	-	-	(318)	-	(318)	-	(318)
2011 income	-	-	-	-	-	15,341	15,341	1,295	16,636
Subtotal	-	-	-	-	(318)	15,341	15,023	1,295	16,318
Effect of acquisitions and disposals on non-controlling interests	-	-	-	40	-	-	40	(71,033)	(70,993)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	362	-	-	362	4	366
Equity as at 31.12.11	53,100	132,688	(4,952)	152,262	9	15,341	348,447	13,736	362,183

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 income (including non-controlling interest)	16,636	10,627	3,122
Net increase (decrease) in depreciation and provisions	(7,347)	3,296	10,672
Unrealised gains and losses from changes in fair value	(1,896)	2,818	38,577
Other calculated income and expenses (including discount calculations)	1,655	758	6,357
Capital gains or losses on sales of assets	9,735	11,585	(5,190)
- <i>net carrying value of fixed assets sold</i>	79,014	101,036	186,128
- <i>income from disposals of fixed assets</i>	(69,279)	(89,451)	(191,318)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	631	(3,069)	4,382
Dividends and returns from income of non-consolidated companies	(85)	(244)	(1,879)
Cash flow from operations after net borrowing costs and tax	19,330	25,771	56,040
Net cost of financial debt	22,051	26,494	30,110
Tax expense (including deferred taxes)	428	(585)	(12,729)
Cash flow from operations before net cost of debt and tax	41,809	51,679	73,421
Income tax paid (including deferred tax)	(545)	(3,933)	1,518
Change in inventories: Storage	(8,552)	(26,598)	(55,384)
Change in inventories: Destocking	19,484	1,452	62,072
Change in trade accounts receivable	151	(5,115)	(48)
Change in trade accounts payable	(1,388)	2,395	(3,786)
Other changes in working capital requirement related to operating activities	8,344	475	9,159
Impact of discontinued activities	-	-	347
Net cash flows from operating activities	59,303	20,356	87,301
II – INVESTMENT TRANSACTIONS			
Finance leases	10,680	3,580	4,093
- <i>Cash paid for acquisitions</i>	(38)	(258)	(5)
- <i>Cash received from disposals</i>	10,718	3,837	4,098
Investment properties	15,131	68,790	37,305
- <i>Cash paid for acquisitions</i>	(26,767)	(24,163)	(44,037)
- <i>Cash received from disposals</i>	41,898	92,954	81,341
Cash paid for acquisitions of tangible and intangible fixed assets	(266)	(566)	(721)
Cash received for disposals of tangible and intangible fixed assets	8	68	79
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	(9,294)	(64)
Cash received for disposals of financial assets	5,456	461	24,517
Consolidated shares	(2,202)	(31,295)	(12,503)
- <i>Cash paid for acquisitions</i>	-	(31,637)	(9,767)
- <i>Cash received from disposals</i>	1,633	354	151
- <i>Impact of changes in consolidation</i>	(3,835)	(12)	(2,886)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	2,028	1,667	3,449
Change in loans and advances outstanding	(7,634)	(22,771)	318
Other cash flows related to investment activities	-	(389)	(270)
Cash flow from discontinued activities	-	(1,455)	(186)
Net cash flow investment activities	23,200	8,795	56,016
III – FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	568	-	-
- <i>paid by shareholders of the parent company</i>	568	-	-
- <i>paid by minority interests of consolidated subsidiaries</i>	-	-	-
Purchases and sales of treasury shares	1,957	4,337	(5,219)
Dividends paid during the year:	(11,840)	(19,238)	(13,865)
- <i>dividends paid to shareholders of the parent company</i>	(10,116)	(11,227)	(6,404)
- <i>Dividends paid to minority interests of consolidated subsidiaries</i>	(1,724)	(8,011)	(7,461)
Change in non-controlling interests without loss of control	(3,196)	-	-
Increase/Decrease in subordinated debt	-	-	-
Loss from compound instruments	(5,300)	(6,335)	-
Change in guarantee deposits given and received	(2,620)	(4,363)	(7,740)
Issues or subscriptions of loans and borrowings	50,802	117,741	153,045
Repayments of loans and borrowings	(96,403)	(96,646)	(234,196)
Net cost of financial debt: interest paid	(23,873)	(29,115)	(30,956)
Other cash flow related to financing activities	1,823	2,621	846
Cash flow from discontinued activities	-	-	(68)
Net cash flow from financing transactions	(88,083)	(30,998)	(138,152)
NET CHANGE IN CASH (I+II+III)	(5,581)	(1,847)	5,164
Cash and cash equivalents at beginning of period	24,492	26,339	21,175
Cash and cash equivalents at end of period	18,911	24,492	26,339
NET CHANGE IN CASH	(5,581)	(1,847)	5,164

Cash and equivalents

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Savings bank, central bank, post office	116	121	127
Liquid bank assets	22,735	25,524	32,754
Liquid bank assets in other assets	465	1,070	748
Investment securities (*1)	-	1,127	2,022
Sub-total (1)	23,316	27,840	35,650
Bank overdrafts	(4,405)	(3,348)	(9,285)
Bank overdrafts in other liabilities	-	-	(26)
Sub-total (2)	(4,405)	(3,348)	(9,311)
Total (1) + (2)	18,911	24,492	26,339

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

5.Change in number of shares comprising the capital

Shares authorised, issued and paid up

	At beginning of period	Capital increase after converting convertible bonds	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 end of period
Number of shares	8,113,566	374,400	514,076	-	9,002,042
Share capital in euros	47,800,000	2,205,728	3,028,611	65,661	53,100,000

Treasury shares

	As at 31.12.10	Acquisitions	Sales	Allocation of shares to personnel	As at 31.12.11
In thousands of euros	6,777	1,756	3,401	179	4,952
In numbers	421,367	96,047	189,645	4575	323,194

6. Corporate information

On 21 February 2012, the Board of Directors of Affine SA approved the financial statements for the year ended 31.12.11 and authorised their publication. Affine is a *société anonyme* (public limited company) listed in Compartment C of Euronext Paris; it is included in the SBF 250 index, the CAC Small90 index and the EPRA index.

It has also, together with some of its subsidiaries, adopted the tax status of a listed real-estate investment trust (French acronym "SIIC") for its rental real estate business.

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

The SIIC must comply with a ceiling on their capital ownership of 60% (equity or voting rights) by a single shareholder or several shareholders acting in concert under Article L.223-10 of the French Commercial Code.

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

Affine requested and was granted the withdrawal of its status as a financial corporation approved for the marketing of finance lease contracts.

The Group's main business activities are set out in the "Segment reporting" note below. The main events of the year are described and can be consulted in the Annual Report.

The financial statements of the Affine group have been consolidated by MAB Finances SAS 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.

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 ending on December 31, 2010, except for the adoption of the new standards and interpretations whose application is obligatory for financial years opened from January 1, 2011 onwards (see list below). These new standards, amendments and interpretations have no significant 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 classification of pre-emptive rights
- IAS 24R: Revision of the standard governing the information to furnish concerning transactions with related parties
- 2010 improvements
- Amendments to IFRIC 14: Progress payments in the context of a minimum financing 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: Information to be furnished in the framework of transfers of financial assets

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 Partnership
- IFRS 12 Information to be provided regarding interests held in other entities
- IAS 27R Individual financial statements
- IAS 28R Holdings in associated companies and joint ventures
- IFRS 13 Fair value measurement
- Amendments to IAS 19 Employee benefits
- Amendments to IAS 1 Presentation of other components of the total income (loss)

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

The business activities of the consolidated companies are not seasonal.

The financial statements are presented 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.

The financial statements are presented according to the accounting standards for corporations after the withdrawal of the approval of our former status as a financial corporation granted to Affine on December 19, 2011.

To ensure better comparability, the 2009 and 2010 financial years are presented in this new format.

At the end of the third quarter of 2011, Affine passed below the threshold of a 50% shareholding in the Banimmo company; on that date, it held 49.51% of the share capital.

As a consequence of passing below the threshold, the method of consolidation of the Banimmo group within Affine changed. As from October 1, 2011, Banimmo is consolidated in the Affine Group accounts by the equity method, rather than by full consolidation as was previously the case. Thus, the exclusive control in terms of the IFRS can no longer be demonstrated from that date forward.

7.1.3. Consolidation scope and policy

7.1.3.1. Companies included in the consolidation

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

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

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

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

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

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

7.1.3.2. Consolidation method

Companies under exclusive control are fully consolidated and those under significant influence are consolidated under the equity method. Companies under joint control may be either proportionately consolidated or consolidated under the equity method pursuant to IAS 31 §30 and 38)

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

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

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

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

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

7.1.3.3. Closing date

All consolidated companies end their financial year on 31 December.

7.1.4. Business combinations and purchases of separate assets

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

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

7.1.4.1. Business combinations

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

The acquisition method consists of:

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

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

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

7.1.4.2. Acquisitions of individual assets

These are recognised at their purchase cost, which generally corresponds to their fair value.

7.1.5. Use of estimates and assumptions

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

The factors likely to lead to significant adjustments during the 2012 period specifically include:

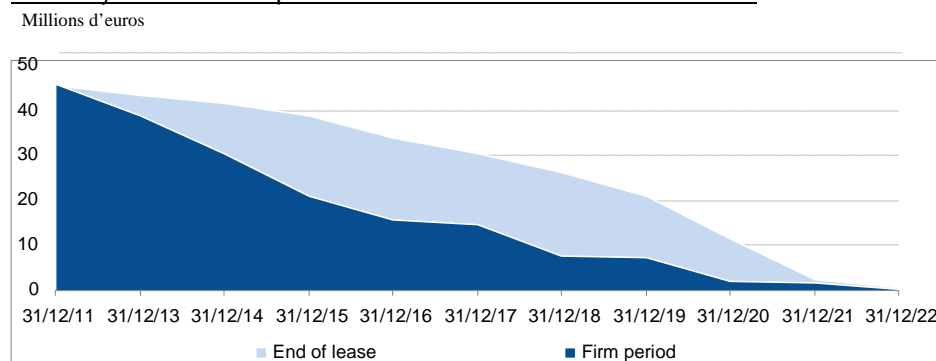
Fair value of investment properties: the nature of the assumptions used by the independent appraisers may have far-reaching impacts on both the change in fair value which is directly reported in the income statement, and on the value in assets of the real-estate portfolio.

These assumptions include in particular:

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

The impact of simulations of sensitivity to the change in rates of return on fair value is found in Note 1 – Property portfolio – paragraph entitled “Sensitivity to changes in the assumptions used to assess fair value”.

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



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 taken directly to 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 as of 31/12/2011 to the ten-year segment):

In thousands of euros	-100BP	-50BP	+50BP	+100BP
Change in FV of financial hedging instruments	(6,139)	(3,120)	3,168	6,435

7.1.6. Contracts

7.1.6.1. Finance leases

IAS 17 requires a lease to be classified as a finance lease where it transfers to the lessee almost all the risks and benefits of ownership of an asset. All other leases are classified as investment property leases.

All the property lease contracts in Affine’s portfolio are finance leases under IAS 17. The lessor carries a receivable on its balance sheet corresponding to the present value of the conditional rents receivable.

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

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

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

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

7.1.6.2. Investment property leases

Investment property leases comprise operating leases 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 recognised as a reduction in rental income over the term of the lease on a straight-line basis, unless another systematic method is representative of the way in which the benefit pertaining to the leased asset is consumed over time.

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

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

The treatment of 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.

7.1.7. Investment property

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

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

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

Because the Affine 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.

Revenue from investment properties:

Investment property revenue includes rent and similar income (for example: occupancy compensation,

signing fees, parking income) invoiced for the offices, retail premises and storage facilities over the period.

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

Expenses on investment properties

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

7.1.8. Measurement policy for major items

7.1.8.1. Investment property

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

The methodology for determining the fair value of investment properties consists of using the value of the buildings obtained by capitalising the rental revenue 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 appraisal firms applied the revenue capitalisation method together with the discounted cash flow (DCF) method and the multiples method. The first method consists of capitalising 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.

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

Most buildings in the portfolio are appraised twice a year by independent appraisal firms. For the 31.12.11 reporting, the appraisers used were as follows:

- Cushman & Wakefield,
- Foncier Expertise,
- BNP Real Estate.

Unless otherwise justified, the Affine Group uses values provided by independent appraisers.

A company valuation is carried out internally for buildings whose value is not significant on the balance sheet date.

7.1.8.2. Property, plant and equipment and buildings under construction

Property, plant and equipment includes operational buildings not meeting the requirements of IAS 40. In application of the preferential method in IAS 16, property, plant and equipment are:

- recorded at acquisition cost corresponding to the price paid, including directly related costs of acquisition and renovation to market standards (transfer duties, fees, other costs, etc);
- valued at historic cost less cumulative depreciation per component and impairment losses.

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
- Real estate held for own use is depreciated on the basis of the FSIF (*Fédération des Sociétés Immobilières et Foncières*) grid used by Affine for its real estate held for investment in the company financial statements.

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

7.1.8.3. Intangible assets

Intangible assets are governed by IAS 38.

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

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

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

7.1.8.4. Assets held for sale

Where the carrying amount of an asset is to be recovered by selling it rather than through its continued use, IFRS 5 requires the asset to be posted to a specific balance sheet account: "Assets held for sale".

As at 31.12.11, 16 assets are shown in this line;

- the value of six of them corresponds to external appraisals,
- the value of four of them corresponds to signed mandates, offers accepted by both parties and/or commitments to sell,
- the six 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 assets held for sale”.

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

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Gain / loss from disposal	4,482	(333)	24,530

7.1.8.5. Inventories and construction contracts

- **Inventories**

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

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

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

- **Construction contracts and sales before completion (VEFA)**

For real estate development activities, the margin and revenue from real estate activities are recognised in Affine’s statements using the percentage of completion method.

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

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

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

7.1.8.6. Accounts receivable

Accounts receivable mainly comprise operating lease and finance lease receivables. These elements are valued at amortised cost. Once a receivable has been overdue for over six months at the end of the financial year, or the when the customer’s situation leads to the conclusion that a risk is present (receivership, major financial difficulties, etc.), the receivable is transferred to the " bad debt" account.

7.1.8.7. Impairment of assets

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

Operating buildings

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

Other property, plant and equipment and intangible assets

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

- **Impairment of finance leases**

Impairment of finance lease receivables is posted to "Trade loans and receivables" (see Note 3 to the financial position statement).

Finance leases are stated based on their recovery value. When a lessee is deemed to be at risk (e.g. very bleak financial position, mounting unpaid debts, receivership), impairment is recognized if the difference between the carrying value of the receivable and the present value of future estimated cash flows discounted at the original effective interest rate is negative. No lease is currently affected.

- **Impairment of inventories**

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

- **Impairment of goodwill**

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

If the recoverable value is less than its carrying value, an impairment charge is recognised in the income statement for the year.

- **Impairment of bad debt**

Invoices classified as bad debts are systematically written off for their full amount excluding tax, less

any deposits or guarantees received.

7.1.8.8. Financial instruments

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

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

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

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

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

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

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

The Affine Group has developed a macro-hedging strategy for its debt based on swaps and caps. However, given the problem of demonstrating the effectiveness of this hedging and its maintenance over time, Affine has not sought to implement the option provided under IAS 39, which would make it possible to recognise changes in the fair value of derivatives via equity, except for the non-effective portion of the hedge, which would still be recognised in profit or loss. Consequently, the Affine 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, including convertible bonds (ORA) and perpetual subordinated loan notes (TSDI), are recorded as a deduction from the nominal value of the loan and recognised by being incorporated into the calculation of the effective interest rate.

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

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

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

- Equity investments are valued on the basis of either their market price (for listed instruments) or on the basis of their net asset value or their discounted future cash flows if the amount of the line is sufficiently material;
- Equity investments are valued on the basis of either their market price (listed instruments) or on the basis of their net asset value or their discounted future cash flows;
- 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.

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

These liabilities pertain to debt related to derivatives. The debt is valued by discounting future cash flows (for which the company is committed to the banks offering these hedges) calculated by Finance Active.

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

- **Convertible Bonds (ORA)**

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

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

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

Annual interest

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

- An interim dividend on November 15, corresponding to a fixed interim payment of €0.518 per underlying share multiplied by the exchange ratio (that is, €323.23 per bond at this time);
- The remainder on the day the dividend is paid.

Early redemption at the Company's discretion

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

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

Early redemption at the holder's discretion

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

- **Perpetual subordinated loan notes (TSDI)**

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

Term of the TSDI

The TSDI are issued for an unlimited term.

Redemption procedures

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

Form of the TSDI

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

Ranking of the TSDI

The TSDI and related interest constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or future ordinary subordinated bonds. They rank above all equity securities issued by Affine, investment loans granted to Affine, and lowest ranking subordinated bonds, and they rank after existing or future unsubordinated bonds. In the event of Affine's liquidation, the TSDI will be redeemed at their nominal value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, equity securities issued by Affine and investment loans granted to Affine.

Annual interest

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

If an Ordinary General Meeting of Shareholders:

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

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

Since Affine is not obliged to pay coupons or to redeem the TSDI, whether or not an event outside its control occurs, under IAS 32 all the TSDI must therefore be classified as equity instruments. Distributions in respect of these instruments, net of any tax, will be treated as dividend distributions.

7.1.8.10.Provisions

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

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

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

7.1.8.11.Treasury shares

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

7.1.8.12. Income tax

Consolidated tax expense includes deferred taxes.

- **Current tax**

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

- an SIIC segment allowing exemption of tax on ordinary profits from rental activities, capital gains on building disposals and shareholdings and dividends from subsidiaries that choose;
- A former SICOMI segment exempt from tax on current earnings, which is applicable to finance lease agreements prior to 1993;
- A tax segment applying to 'free' finance leases ("CBL") signed with effect from 1 January 1993 and to general finance leases ("CBG") signed prior to 1 January 1996;
- Other business is taxable.

- **Deferred taxes**

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

Under the balance sheet liability method, deferred tax is calculated based on the actual or expected tax rate in the year when the 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 assets and liabilities posted directly to equity is also posted to equity.

The rates applicable to the year ended December 31, 2007 are as follows:

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

In accordance with the standard:

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

7.1.8.13. Employee benefit obligations

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

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

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

Consolidated statements as at 31 December 2011

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

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

Employees hired as from January 1, 2012 will fall under the collective real estate industry agreement.

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

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

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

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

7.2. Segment reporting

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

No modification has been made in the definition of the segments since December 31, 2010.

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

Segment analysis is conducted along two main lines:

1/ Type of business

- "Finance leases",
- "French real estate",
- "Belgian real estate",
- "Property development",

2/ Geographical segment

- Paris
- Paris region
- France
- Outside France

7.2.1. By type of business

o At 31.12.11:

in thousands of euros	Finance leasing	French real estate	Belgian real estate	Property developmen t	Total
Rental revenue	-	50,276	6,590	-	56,866
NET PROPERTY INCOME	-	44,337	5,813	-	50,150
<i>Revenue from other activities</i>	2,351	-	-	(1,691)	660
<i>Committed costs</i>	-	-	-	-	(15,520)
Current EBITDA					35,290
Depreciation and impairment	-	-	-	-	(182)
CURRENT OPERATING INCOME					35,108
<i>Other income and expenses</i>	-	-	-	-	4
<i>Profit (loss) from asset disposals</i>	764	2,168	2,315	-	5,250
OPERATING INCOME					40,362
<i>Balance net of value adjustments</i>	-	2,460	(570)	-	1,890
NET OPERATING PROFIT					42,252
<i>Net cost of financial debt</i>	-	-	-	-	(21,798)
<i>Adjustment to value of financial instruments</i>	-	-	-	-	(2,712)
<i>Tax</i>	-	-	-	-	(428)
<i>Share of securities consolidated by the equity method</i>	-	1,110	(539)	(1,200)	(629)
<i>Miscellaneous</i>	-	-	-	-	(49)
NET INCOME					16,636

Consolidated statements as at 31 December 2011

In thousands of euros	Finance lease	French real estate	Belgian real estate	Property development	Business centres	Total
Segment assets	37,579	700,814	-	27,595	-	765,989
Shares in EM associates	-	26,909	59,720	(810)	-	85,819
Unallocated assets	-	-	-	-	-	29,162
Total consolidated assets	-	-	-	-	-	880,970
Segment liabilities	8,441	486,120	-	9,357	-	503,917
Non-segment liabilities	-	-	-	-	-	377,052
Total consolidated liabilities	-	-	-	-	-	880,970
Investment expenses	-	36,158	115	-	-	36,274
Amortisation expense	-	-	-	-	-	(182)
Other non-disbursed expenses	0	476	99	2,987	-	3,562

o At 31.12.10:

in thousands of euros	Finance leasing	French real estate	Belgian real estate	Property development	Total
Rental revenue	-	53,247	17,320	-	70,567
NET PROPERTY INCOME	-	44,639	14,931	-	59,570
<i>Revenue from other activities</i>	2,901	-	-	(2,789)	112
<i>Committed costs</i>	-	-	-	-	(20,307)
Current EBITDA					39,375
Depreciation and impairment	-	-	-	-	(285)
CURRENT OPERATING INCOME					39,090
<i>Other revenue and expenses</i>	-	-	-	-	355
<i>Profit (loss) from asset disposals</i>	(96)	(426)	94	-	(445)
OPERATING INCOME					39,000
<i>Balance net of value adjustments</i>	-	159	(2,978)	-	(2,818)
NET OPERATING PROFIT					36,181
<i>Net cost of financial debt</i>	-	-	-	-	(27,615)
<i>Adjustment to value of financial instruments</i>	-	-	-	-	(2,910)
<i>Tax</i>	-	-	-	-	585
<i>Miscellaneous</i>	-	-	-	-	4,386
NET INCOME					10,627

In thousands of euros	Finance lease	French real estate	Belgian real estate	Property development	Business centres	Total
Segment assets	54 301	770 668	177 693	197 825	-	1 200 487
Shares in EM associates	-	-	43 814	(1 903)	-	41 911
Unallocated assets	-	-	-	-	-	40 124
Total consolidated assets	-	-	-	-	-	1 282 522
Segment liabilities	9 209	529 640	262 773	11 176	-	812 798
Non-segment liabilities	-	-	-	-	-	469 725
Total consolidated liabilities	-	-	-	-	-	1 282 523
Investment expenses	-	10 884	19 718	-	-	30 601
Amortisation expense	-	-	-	-	-	285
Other non-disbursed expenses	37	1 170	249	5 226	-	6 682

7.2.2. By geographic sector

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

At 31.12.11:

In thousands of euros	Paris	Paris region	Other regions	Outside France	Total
Revenue from activities	6,920	32,538	42,402	7,320	89,181
Interest and income on finance lease transactions	243	973	973	-	2,188

OTHER INFORMATION

Segment assets	196,577	226,748	288,930	10,267	722,522
Unallocated assets	-	-	-	-	158,448
Total consolidated assets	-	-	-	-	880,970
Investment expenses	2,816	20,175	13,167	-	36,158

At 31.12.10:

In thousands of euros	Paris	Paris region	Other regions	Outside France	Total
Revenue from activities	14,953	38,565	44,766	31,183	129,465
Interest and revenue on finance lease transactions	220	1,044	1,731	0	2,993

OTHER INFORMATION

Segment assets	232,927	286,793	365,936	199,393	1,085,049
Unallocated assets	-	-	-	-	197,473
Total consolidated assets	-	-	-	-	1,282,522
Investment expenses	412	688	9,905	19,597	30,601

7.3. Key events of the year

Evaluation

At its request, the Banimmo shares were delisted from the NYSE Euronext Paris, but are still listed on NYSE Euronext Brussels.

Share capital

Forum European Realty Income II LP requested the conversion of its 600 convertible bonds to shares, and consequently subscribed 374,400 new shares created for a par value of €2,205,000. The difference between the par value of the convertible bonds converted and the total par value of the shares issued was recorded as a part of the issue premium.

The dividend paid for the financial year ended on December 31, 2010 paid partly in shares gave rise to the creation of 514,076 new shares, raising the share capital to €50,006,000.

When the preceding transactions were completed, the share capital rose to €53,034,000.

On June 8, 2011 the board of directors of Affine decided to round off the share capital to €53,100,000 by including €66,000 taken from reserves.

Shareholdings and consolidation method

Deconsolidation of MGP SUN SARL.

Consolidation of Banimmo by the equity method as from October 1, 2011.

Affine, the principal shareholder of AffiParis, participated in the share capital increase launched on October 24, 2011, on the one hand, as of right by inclusion of its shareholder account up to €19,376,000 and by exercising the pre-emptive right it acquired on the market, leading to a subscription of up to €3,182,000, and, on the other hand, in the form of excess shares for a total of €2,495,000. As of November 29, 2011, Affine holds 4,860,756 shares representing 86.01% of the company's share capital.

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

Assets available 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.

7.4.Scope of consolidation

Scope of consolidation at the closing date

	31/12/2011			31/12/2010			31/12/2009			Business sector
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
AFFINE	Parent company			Parent company			Parent company			FF - LF
2/4 BLD HAUSSMANN SAS	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%	DI
GESFIMMO (formerly AFFINE DEVELOPPEMENT 1 SAS)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
AFFINE DEVELOPPEMENT 2 SAS	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
AFFINVESTOR Gmbh	-	-	-	IG	94.00%	94.00%	IG	94.00%	94.00%	FF
ARCA VILLE D'ETE SCI (formerly CAPUCINES 2 SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
ATIT SC (formerly ANJOU SC)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	DI
BERCYMMO SARL	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
BRETIGNY SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES III SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES IV SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES V SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CAPUCINES VI SCI	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
CARDEV	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
COUR CAPUCINES SA	IG	100.00%	99.99%	IG	100.00%	99.99%	IG	100.00%	99.99%	FF
DORIANVEST SARL	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
LES 7 COLLINES LES JARDINS DES	IG	95.00%	95.00%	IG	95.00%	95.00%	IG	95.00%	95.00%	FF
QUAIS SNC	EM	50.00%	74.75%	IG	100.00%	75.00%	IG	100.00%	75.00%	FF
LUMIERE SAS	-	-	-	IG	67.91%	67.91%	IG	67.91%	67.91%	DI
NEVERS COLBERT SCI (formerly CAPUCINES I SCI)	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
SIPEC SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
ST ETIENNE - MOLINA SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
TARGET REAL ESTATE SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	FF
TRANSAFFINE SNC	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	DI
AFFIPARIS SA	IG	86.93%	86.93%	IG	64.88%	64.88%	IG	64.88%	64.88%	FF
SCI 28-32 PLACE DE GAULLE	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
BERCY PARKINGS SCI	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF
SARL COSMO	IG	99.90%	86.84%	IG	99.90%	64.54%	IG	99.90%	64.54%	FF
SCI COSMO LILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO MARSEILLE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO MONTPELLIER	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO NANTES	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI COSMO TOULOUSE	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI DU BEFFROI	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SCI GOUSSIMO 1	-	-	-	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
SC GOUSSINVEST	IG	100.00%	86.93%	IG	100.00%	64.61%	IG	100.00%	64.61%	FF
HOLDIMMO SC	IG	100.00%	86.93%	IG	99.58%	64.61%	IG	99.58%	64.61%	FF
SCI NUMERO 1	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF

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SCI NUMERO 2	IG	100.00%		86.93%		IG	100.00%		64.88%		IG	100.00%		64.88%		FF Business sector
		31/12/2011			31/12/2010			31/12/2009								
		Consolidation method	% control	% interest	Consolidation method		% control	% interest	Consolidation method	% control		% interest				
SCI PM MURS	-	-	-	IG	100.00%	64.88%	IG	100.00%	64.88%	FF						
SCI 36	IG	100.00%	86.93%	IG	100.00%	64.88%	IG	100.00%	64.88%	FF						
BANIMMO SA	EM	49.99%	49.51%	IG	50.00%	50.00%	IG	50.00%	50.00%	FB						
BFI SAS (formerly EDOUARD VII Facilité SAS) CAPUCINE INVESTISSEMENTS SA	-	-	-	-	-	-	IG	97.99%	97.99%	CA						
CONCERTO Développement SAS	IG	99.77%	99.77%	IG	99.77%	99.77%	IG	95.00%	95.00%	FF						
AULNES Développement SAS	IG	99.99%	99.99%	IG	70.29%	69.27%	IG	70.29%	69.28%	DI						
CHAVORNAY PARC SA	EM	50.00%	50.00%	EM	50.00%	34.64%	EM	50.00%	34.64%	DI						
CONCERTO BALKANS SRL	PI	50.00%	50.00%	PI	50.00%	34.64%	PI	50.00%	34.64%	DI						
CONCERTO Développement Iberica SL	-	-	-	-	-	-	IG	100.00%	69.28%	DI						
CONCERTO LOGISTIC PARK MER	IG	100.00%	99.99%	IG	100.00%	69.27%	IG	100.00%	69.28%	DI						
MGP SUN SARL ^{(1) (2)}	IG	99.99%	99.98%	IG	99.99%	69.27%	IG	99.99%	69.27%	DI						
PROMAFFINE SAS	-	-	-	EM	10.00%	6.93%	EM	10.00%	6.93%	FF						
BOURGTHEROULDE - L'EGLISE	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	DI						
CAP 88	-	-	-	IG	100.00%	100.00%	IG	100.00%	100.00%	DI						
DOLE SARL	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	DI						
LUCE CARRE D'OR SCI	-	-	-	-	-	-	PI	50.00%	50.00%	DI						
MARSEILLE 88 CAPELETTE	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	DI						
NANTERRE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	DI						
TERRASSES 12 SCI	PI	50.00%	50.00%	PI	50.00%	50.00%	PI	50.00%	50.00%	DI						
29 COPERNIC SCI	EM	50.00%	50.00%	EM	50.00%	50.00%	EM	50.00%	50.00%	DI						

LF: Finance leasing
 FRE: French real estate
 BRE: Belgian real estate
 PD: Property development
 CA: Business centres

The scope of the holdings under Banimmo for the 2010 and 2009 financial years can be consulted in the Affine reference document regarding the financial year closed on 31/12/2010.

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:

- 54 assets recorded as investment properties, and
- 16 assets classified as buildings held for sale.

- Affine:

44 of the 48 Affine-owned assets, representing 93.8% of the fair value of the rental portfolio, were valued by independent appraisers (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Among the 44 assets, two (representing 3.6% of the fair value of the rental portfolio) were internally reassessed; the outside appraisal was not considered. One asset, accounting for 5.2% of the rental portfolio, was internally appraised. Three properties, representing 0.9% of the fair value of the rental portfolio, were appraised according to the sale price mentioned in the signed sale mandate, or a signed purchase offer.

- Other companies:

- For Affine-dedicated subsidiaries:

Eight of the nine properties held by Affine subsidiaries, representing 93.7% of the fair value of the portfolio, were assessed on December 31, 2011 by two independent appraisers (Foncier Entreprise and Cushman & Wakefield). One asset, accounting for 6.3 % of the rental portfolio, was internally appraised.

- For AffiParis:

Seven assets were valued by the independent property appraiser Cushman & Wakefield; these represent 97.5% of the fair value of the property portfolio. Two of these assets were reclassified in "Properties held for sale". Of the six other assets recorded as properties held for sale, one is valued on the basis of an accepted sale offer; this asset represents 0.2% of the fair value of the corporate portfolio. The other five, representing 2.3% of the fair value of the portfolio, were appraised internally.

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

. Each appraiser states its independence and confirms the values of the real-estate assets appraised by its services, without taking responsibility for those made by other firms.

Summary table of changes in fair value

At 31.12.11:

		01/01/2011	Acquisitions or works	Change in scope of consolidati on	Disposals	Changes in fair value	31/12/2011
In thousands of euros							
By asset type*	Industrial premises, warehouses	165,720	30,770	-	(3,180)	116	193,426
	Offices	485,411	3,410	(88,896)	(14,891)	7,326	392,360
	Commercial	156,529	2,094	(66,292)	(8,121)	(7,707)	76,503
	Other	40,248		(19,800)	(12,731)	2,155	9,872
By area*	Paris – business district	123,547	404	-	-	387	124,339
	Paris – outside business district	66,922	2,412	-	(5,240)	4,576	68,670
	Paris region – outside Paris	213,470	20,216	(24,764)	(17,511)	2,413	193,823
	Other French cities	340,334	13,167	(52,821)	(9,635)	(5,715)	285,330
	Other	103,636	75	(97,403)	(6,536)	228	-

* excluding initial direct costs of €557,000 as at 31/12/2011

The 'Change in scope of consolidation' column includes some Banimmo and Jardin des Quais properties appraised at their fair value on September 30, 2011. Due to Banimmo's change of consolidation method, the fair value of the Jardin des Quais and Banimmo property portfolios is no longer entered in the real estate portfolio item as at 31/12/2011, although it is used for the valuation of the Jardin de Quais and Banimmo shares consolidated by Affine according to the equity method.

At 31.12.10:

		01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
In thousands of euros							
By asset type*	Industrial premises, warehouses	215,123	2,163	-	(43,763)	(7,803)	165,720
	Offices	505,208	2,094	-	(26,575)	4,684	485,411
	Commercial	150,450	6,754	-	(1,656)	982	156,529
	Other	49,710	9	-	(8,790)	(681)	40,248
By area*	Paris – business district	121,554	68	-	-	1,925	123,547
	Paris – outside business district	65,835	345	-	(1,850)	2,591	66,922
	Paris region – outside Paris	234,277	688	-	(19,195)	(2,300)	213,470
	Other French cities	387,200	9,905	-	(53,690)	(3,080)	340,334
	Other	111,625	15	-	(6,050)	(1,955)	103,636

* excluding initial direct costs of €1,108,000 as at 31.12.10

The 31/12/2009 figures include the reclassification under AS 2 of 10 Banimmo properties initially classified under IAS 40 in 2009. This explains the addition of the 'Transfer' column published in 2010 to the table in the 2009 statement.

At 31.12.09:

		01/01/2009	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2009
In thousands of euros							
By asset type*	Industrial premises, warehouses	196,811	14,922	9,450	(2,568)	(3,492)	215,123
	Offices	694,519	28,340	(66,665)	(118,138)	(32,848)	505,208
	Commercial	126,969	86,007	(44,476)	(14,243)	(3,807)	150,450
	Other	68,395	293	(14,909)	(540)	(3,529)	49,710
By area*	Paris – business district	131,624	292	-	(2,640)	(7,722)	121,554
	Paris – outside business district	72,319	167	(1)	(4,800)	(1,850)	65,835
	Paris region – outside Paris	297,639	31,336	(70,436)	(8,496)	(15,766)	234,277
	Other French cities	333,802	71,821	15,191	(28,641)	(4,973)	387,200
	Other	251,310	25,947	(61,355)	(90,913)	(13,364)	111,625

* excluding initial direct costs of €988,000 as at 31.12.09

The 'Transfer' column corresponds to the reclassification to IAS 2 of 10 properties initially classified under IAS 40 by Banimmo (for €117,502,000) and to the transfer to IAS 40 of two properties initially classified under IAS 16 (for €902,000).

Reconciliation between values in financial position and appraisals from independent experts

Investment property:

In thousands of euros	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	276,973	277,643	(670)	(€670,000) concerning two properties for which a fair value below the appraised value was recorded as the result of a management decision
Foncier Expertise (formerly Ad Valorem)	81,510	81,510	-	
BNP Real Estate	143,520	143,520	-	
Internal appraisals	18,796	18,796	-	
Under construction			-	
Marketing fees	557	-	557	
Investment properties at 31/12/2011	521,357	521,469	(113)	

In thousands of euros	Values used	Appraisals	Variance	Comments
Cushmann & Wakefield	311,309	312,560	(1,251)	including (653,000) on the Baudry property, because the payment deferment granted to the main tenant was cancelled as it had already been recognised in the accounts and €599,000 due to the recognition of works on the Traversière high-rise building.
Ad Valorem	80,390	80,390	-	
CBRE	115,933	115,933	-	
BNP Real Estate	140,862	140,862	-	
Crombrughe	113,057	113,057	-	
Under construction	10,993	10,993	-	
Marketing fees	1,108	-	1,108	
Investment properties at 31.12.10	773,651	773,795	(144)	

In thousands of euros	Values used	Appraisals	Differential	Comments
Cushmann & Wakefield	203,614	204,560	(946)	(€946,000) breaks down into (€1,046,000) on the Baudry building because the payment deferment granted to the main tenant was cancelled, and €176,000 due to the recognition of works
BNP Real Estate	218,941	218,845	96	Recognition of €96,000 for works
Ad Valorem	184,110	184,110	-	
Jones Lang Lassalle	36,850	36,850	-	
Crombrughe	115,899	123,713	(7,814)	Variances due to Belgian tax (no tax is levied on the sale of companies)
CBRE	8,050	8,050	-	
Foncier Expertise	1,045	1,045	-	
Acquisitions	34,812	-	34,812	The cost of the acquisition made on 07/12/2009 was used for fair value on 31/12/2009
Internal appraisals	6,050	-	6,050	
Under construction	23,714	-	23,714	The construction of the properties concerned began before 01/01/2009; they are stated at historic cost
Marketing fees	988	-	988	
Investment properties at 31.12.09	834,073	777,173	56,901	

Assets held for sale:

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	135,982	136,953	(971)	of which (685,000) on the Baudry property appraised by Cushman and (276,000) on fees for the same property, since the payment deferment granted to the main tenant was cancelled because it had already been recognised in the accounts.
Internal appraisals	11,532	-	11,532	
Mandates, offers for sale and commitments to sell	3,849	-	3,849	
Non-current assets classified as held for sale as at 31/12/2011	151,363	136,953	14,410	

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	63,065	63,325	(260)	For one property, the Group used an purchase offer instead of an appraisal.
Internal appraisals	4,630	-	4,630	
Mandates, offers for sale and commitments to sell	7,670	-	7,670	
Non-current assets classified as held for sale as at 31.12.10	75,365	63,325	12,040	

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	41,450	41,450	-	
Internal appraisals	6,555	-	6,555	
Mandates, offers for sale and commitments to sell	39,402	29,480	9,922	Out of 12 assets, 5 were appraised externally at the same time
Non-current assets for sale as at 31.12.09	87,407	70,930	16,477	

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 was 7.1% at 31.12.11.

On the basis of the average rate of return at December 31, 2011, a change of 25 basis points would have an inversely proportional effect of €23.8 million on the Group's portfolio value.

Changes in the value of properties

In thousands of euros	Leases	in progress	assets held for sale	TOTAL
As at 31.12.08	956,703	27,335	104,249	1,088,288
Increases	71,929	57,400	209	129,538
Acquisitions during the year	71,929	57,400	209	129,538
Decreases	(75,429)	(47,747)	(12,313)	(135,489)
Write-off	-	-	-	-
Disposals	(75,429)	(47,747)	(12,313)	(135,489)
Change in scope of consolidation	-	-	-	-
Change in fair value	(32,474)	-	(11,202)	(43,676)
Transfers between line items	(109,456)	(14,510)	6,464	(117,502)
Change in initial direct costs	(605)	-	-	(605)
Sector transfers	1,228	(301)	-	926
As at 31.12.09	811,896	22,177	87,407	921,480
Increases	1,321	9,503	195	11,019
Acquisitions during the year	1,321	9,503	195	11,019
Decreases	(61,793)	(44)	(19,486)	(81,323)
Write-off	-	-	-	-
Disposals	(61,793)	(44)	(19,486)	(81,323)
Change in scope of consolidation	-	-	-	-
Change in fair value	227	-	(2,507)	(2,281)
Transfers between line items	10,706	(20,462)	9,755	-
Change in initial direct costs	119	-	-	119
Sector transfers	-	-	-	-
As at 31.12.10	762,477	11,175	75,365	849,015
Increases	30,673	5,651	20	36,345
Acquisitions during the year	30,673	5,651	20	36,345
Decreases	(15,211)	(11)	(23,701)	(38,923)
Write-off	-	-	-	-
Disposals	(15,211)	(11)	(23,701)	(38,923)
Change in scope of consolidation	(155,865)	(4)	(19,800)	(175,668)
Change in fair value	732	-	1,158	1,890
Transfers between line items	(107,296)	(11,096)	118,320	(71)
Change in initial direct costs	130	-	-	130
Sector transfers	-	-	-	-
As at 31.12.11	515,641	5,716	151,363	672,718

Note 2 –Property, plant, equipment and intangible assets

In thousands of euros	31/12/2009	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2010	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2011
Tangible assets									
Gross	2,900	521	(349)	-	3,073	111	-	(2,369)	814
Amortisation	(1,397)	(128)	335	-	(1,190)	(100)	-	817	(473)
Net	1,503	393	(14)	-	1,883	10	-	(1,553)	341
Intangible assets									
Gross	1,590	45	(102)	(187)	1,346	155	(4)	(803)	693
Amortisation	(1,125)	(157)	32	187	(1,063)	(81)	-	657	(487)
Net	466	(113)	(70)	-	283	74	(4)	(146)	207
Goodwill									
Gross	9,593	-	-	-	9,593	-	-	-	9,593
Amortisation	(9,593)	-	-	-	(9,593)	-	-	-	(9,593)
Net	-	-	-	-	-	-	-	-	-

Note 3 – Long-term loans

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	317,413	38,258	142,850	136,305
- Fixed rate	16,957	3,054	10,417	3,485
- Variable rate	300,456	35,204	132,433	132,819
Finance lease commitment hedge accounts	4,505	3,306	529	670
Deferred borrowing costs at EIR	(2,081)	(580)	(1,167)	(334)
Total at 31.12.11	319,836	40,984	142,212	136,640

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	634,636	55,784	313,329	265,522
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	4,865	993	3,031	841
Deferred borrowing costs at EIR	(4,610)			
Total at 31.12.10	634,891	56,777	316,360	266,364

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	619,265	136,122	169,572	313,571
- Fixed rate				
- Variable rate				
Finance lease commitment hedge accounts	7,498	1,181	3,465	2,852
Deferred borrowing costs at EIR	(3,846)			
Total at 31.12.09	622,917	137,303	173,036	316,423

The average term of the debts as at December 31, 2011 is 5.7 years.

Note 4 – Other financial assets and liabilities

At 31.12.11:

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	30,673	-	-	19,523	11,150
Assets available for sale	269	-	-	-	269
Derivatives stated at fair value	2,607	-	-	2,607	-
Deposits and sureties paid	4,812	-	-	-	4,812
Loans	765	-	-	749	15
Total non-current financial assets	39,125	-	-	22,879	16,246
Current					
Other receivables	-	-	-	-	-
Cash and equivalents	23,316	23,316	-	-	-
Cash equivalents: SICAVs	-	-	-	-	-
Restatement of SICAVs at fair value	-	-	-	-	-
Settlement accounts for securities	465	465	-	-	-
Bank account overdrafts	22,851	22,851	-	-	-
Total current financial assets	23,316	23,316	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	14,136	-	-	13,896	240
Discounted premiums payable	1,415	-	-	1,415	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	15,551	-	-	15,311	240
Current					
Loans and borrowings	46,620	15,926	30,694	-	-
Less than one year	36,249	5,170	31,079	-	-
Finance lease commitment hedge accounts	3,093	2,979	113	-	-
Deferred borrowing costs at EIR	(616)	(117)	(499)	-	-
Accrued interest on loans	1,197	1,197	-	-	-
Bank overdrafts	4,405	4,405	-	-	-
Current accounts and related debt	2,292	2,292	-	-	-
Total current financial liabilities	46,620	15,926	30,694	-	-

At 31.12.10:

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	53,729	2,805	7,481	26,056	17,387
Assets available for sale	15,641	-	-	-	15,641
Derivatives stated at fair value	4,334	-	-	4,312	22
Deposits and sureties paid	4,752	-	-	-	4,752
Loans	34,970	179	-	32,325	2,466
Total non-current financial assets	113,426	2,983	7,481	62,693	40,269
Current: Cash and equivalents					
Cash equivalents: SICAVs	1,127	1,127	-	-	-
Restatement of SICAVs at fair value	4	4	-	-	-
Settlement accounts for securities	1,069	1,069	-	-	-
Bank account overdrafts	25,653	25,653	-	-	-
Total cash and equivalents	27,853	27,853	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	22,949	304	936	15,267	6,442
Treasury certificates	18,000	-	18,000	-	-
Related debts	(72)	-	(72)	-	-
Total non-current financial liabilities	40,877	304	18,864	15,267	6,442
Current: Loans and borrowings					
Less than one year	59,821	7,075	52,746	-	-
Finance lease commitment hedge accounts	3,253	461	2,792	-	-
Deferred borrowing costs at EIR	(178)	(35)	(144)	-	-
Accrued interest on loans	3,577	3,577	-	-	-
Bank overdrafts	3,348	3,348	-	-	-
Current and related accounts	2,471	2,471	-	-	-
Total debts and financial liabilities	72,292	16,898	55,394	-	-

At 31.12.09:

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
FINANCIAL ASSETS					
Non-current					
Finance lease transactions and related receivables	68,631	3,139	12,025	31,694	21,772
Assets available for sale	5,118	-	-	-	5,118
Derivatives stated at fair value	3,859	-	-	3,739	120
Deposits and sureties paid	5,353	-	-	-	5,353
Loans	12,816	18	-	12,726	72
Total non-current financial assets	95,776	3,157	12,025	48,159	32,435
Current: Cash and equivalents					
Cash equivalents: SICAVs	2,022	2,022	-	-	-
Restatement of SICAVs at fair value	85	85	-	-	-
Settlement accounts for securities	748	748	-	-	-
Bank account overdrafts	31,931	31,931	-	-	-
Total cash and equivalents	34,785	34,785	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	21,249	271	1,253	11,643	8,082
Commercial paper	15,750	10,250	5,500	-	-
Related debts	(38)	(38)	-	-	-
Total non-current financial liabilities	36,961	10,483	6,753	11,643	8,082
Current: Loans and borrowings					
Less than one year	57,125	37,851	19,274	-	-
Finance lease commitment hedge accounts	3,929	273	3,656	-	-
Deferred borrowing costs at EIR	(177)	(34)	(143)	-	-
Accrued interest on loans	1,276	1,276	-	-	-
Bank overdrafts	-	-	-	-	-
Current and related accounts	1,212	1,212	-	-	-
Total debts and financial liabilities	63,365	40,577	22,788	-	-

Note 5 – Assets held for sale

In thousands of euros	31/12/2011		31/12/2010		31/12/2009	
	Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Business activity	-	-	-	-	5,067	5,020
Buildings held for sale	151,363	-	75,365	-	87,407	-
Investment property	-	96,300	-	29,934	-	35,163
Guarantee deposits	-	1,229	-	1,111	-	1,323
Sub-total	151,363	97,529	75,365	31,045	87,407	36,487
Financial assets available for sale	204	-	13,897	-	3,306	-
Related receivables	65	-	76	-	104	-
Sub-total	269	-	13,973	-	3,410	-
TOTAL	151,632	97,529	89,338	31,045	95,885	41,507

Note 6 – Other assets

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Government – tax and social security receivables	4,097	9,791	6,198
Sub-total (1)	4,097	9,791	6,198
Suppliers	215	755	291
Client accounts	8,997	6,548	5,464
Subscribed share capital not paid up	-	-	14
Loans to related companies	1,211	3,142	2,902
Other miscellaneous receivables	10,742	12,806	5,376
Bad debt provisions, other receivables	(631)	(533)	(533)
Miscellaneous	-	-	-
Other receivables	20,534	22,717	13,513
Revenue accruals	2,482	9,260	8,620
Prepaid expenses	1,357	2,504	4,209
Adjustment accounts	3,839	11,764	12,829
Sub-total (2)	24,374	34,481	26,343
Total (1) + (2)	28,471	44,272	32,540

Note 7 – Other liabilities

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Trade payables and related accounts	2,414	2,991	3,804
Fixed asset payables and related accounts	51	5,121	6,692
Trade payables and related accounts	2,465	8,112	10,496
Other customer payables	1,270	4,135	609
Other payables	8,666	12,799	24,414
Payments received as a result of activation of guarantees (finance leases)	190	336	1,028
Discounted premiums payable - current	903	-	-
Miscellaneous	-	58	34
Other debts	11,029	17,329	26,085
Expenses to pay	5,976	13,340	11,728
Deferred income	4,635	10,295	5,218
Total	24,106	49,076	53,528

Note 8 - Trade loans and receivables

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Receivables from sales of fixed assets	534	-	13,160
Ordinary receivables	6,802	12,260	10,967
Doubtful receivables	3,142	5,080	4,480
Impairment of doubtful receivables	(1,574)	(3,674)	(3,320)
Total	8,904	13,667	25,287

At 31.12.11:

In thousands of euros		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	9,624	3,415	1,416	2,218	746	1,830
Impairment	1,460	-	-	73	71	1,316
Net	8,164	3,415	1,416	2,144	675	514
SERVICES						
Gross	853	257	-	299	160	137
impairment	114	-	-	-	-	114
Net	739	257	-	299	160	23
TOTAL						
Gross	10,478	3,672	1,416	2,517	906	1,967
impairment	1,574	-	-	73	71	1,430
Net	8,904	3,672	1,416	2,444	835	538

At 31.12.10:

In thousands of euros		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	15,960	4,397	201	1,054	2,060	8,248
impairment	3,527	-	69	35	589	2,835
Net	12,433	4,397	132	1,019	1,471	5,413
SERVICES						
Gross	1,380	490	-	237	262	391
impairment	146	-	-	-	-	146
Net	1,234	490	-	237	262	245
TOTAL						
Gross	17,341	4,887	201	1,292	2,322	8,639
impairment	3,674	-	69	35	589	2,981
Net	13,667	4,887	132	1,256	1,733	5,658

At 31.12.09:

In thousands of euros		Not due	30 days at most	Due over 30 days and within 180 days	Due over 180 days and within 1 year	more than a year
INVESTMENT PROPERTIES						
Gross	27,895	15,241	1,300	2,722	1,042	7,590
impairment	3,174	-	30	595	662	1,887
Net	24,722	15,241	1,270	2,127	381	5,703
SERVICES						
Gross	712	296	24	215	-	176
impairment	146	-	-	-	-	146
Net	565	296	24	215	-	30
TOTAL						
Gross	28,607	15,537	1,324	2,937	1,042	7,766
impairment	3,320	-	30	595	662	2,034
Net	25,287	15,537	1,294	2,342	381	5,732

Note 9 – Inventories

At 31.12.11:

In thousands of euros	31/12/2010	Acquisitions	Disposals	Change in scope of consolidation	Change in inventories	Change in impairments / inventories	31/12/2011
Net inventory	183,474	2,438	(8,465)	(156,861)	(3,632)	(3,274)	13,680

At 31.12.10:

In thousands of euros	31/12/2009	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2010
Net inventory	144,646	32,915	12,506	(1,486)	-	(5,106)	183,474

At 31.12.2009:

In thousands of euros	31/12/2008	Acquisitions or works	Change in scope of consolidation	Transfers	Disposals	Change in impairments / inventories	31/12/2009
Net inventory	33,199	3,733	(230)	123,869	(15,999)	74	144,646

Note 10 – Contribution of companies consolidated under the equity method

In thousands of euros	31/12/2011					31/12/2010					31/12/2009
	Value	%	Total assets	Revenues exc. tax	Net profit/losses	Value	%	Total assets	Revenues exc. tax	Net profit/losses	Value
MGP Sun Sarl	-	-	-	-	-	(1,936)	7%	231	-	(128)	(1,599)
Aulnes développement	-	-	-	-	-	5	35%	22	-	-	6
Paris 29 Copernic	7	50.00 %	725	-	13	(141)	50%	882	-	(283)	(292)
2/4 Haussmann	-	-	-	-	-	(22)	50%	1,641	-	-	(22)
Cap 88	7	40.00 %	5,541	7,113	9	1,038	40%	8,144	12,749	3,142	(219)
Marseille 88 Capelette	(824)	40.00 %	10,802	618	(1,530)	(808)	40%	14,109	875	(763)	(510)
Jardin des Quais	26,703	74.75 %	16,178	4,827	(1,356)	-	-	-	-	-	-
Banimmo	59,926	49.51 %	376,048	17,502	1,156	-	-	-	-	-	-
Montéa	-	-	-	-	-	18,369	7%	258,799	17,097	11,419	19,649
Immocert Tserclaes	-	-	-	-	-	-	-	-	-	-	181
P.D.S.M.	-	-	-	-	-	5,194	25%	1,442	-	200	1,631
Schoonmeers	-	-	-	-	-	-	-	-	-	-	3,264
Conferinvest	-	-	-	-	-	854	24%	100,843	35,796	1,684	29
City Mall invest	-	-	-	-	-	5,711	15%	104,754	-	(586)	-
City Mall Dev	-	-	-	-	-	13,648	13%	-	-	-	-
Total	85,819					41,911					22,119

Note 11 – Deferred taxes

In thousands of euros		31/12/2011	31/12/2010	31/12/2009 ^(*)
Assets	Investment property	1,393	1,282	598
	Securities at fair value via equity	-	-	-
	Derivatives	-	2,109	1,386
	Other items	1	1,756	883
	Total	1,394	5,147	2,867
Liabilities	Financial assets available for sale	-	-	-
	Financial assets at fair value	-	-	-
	Investment properties at FV of non-SIIC subsidiaries	553	2,407	1,573
	Finance leases (lessee)	-	-	-
	Goodwill assigned to properties	-	89	172
	Finance leases (lessor)	-	-	-
	Derivatives	(196)	(4)	-
	Deferment of borrowing costs	(76)	32	60
	Tax losses carried forward	-	-	-
	Other items	-	211	65
Total	281	2,735	1,870	

^(*) The deferred tax on inventories was restated for the investment properties and properties at FV held by non-SIIC subsidiaries.

Note 12 – Provisions

In thousands of euros	31/12/09				31/12/10				Balance 31/12/11
	Balance	Allowances for the year	Reversals for the year	Change in scope	Balance	Allowances for the year	Reversals for the year	Change in scope	
Provision for diverse risks (customer disputes)	-	-	-	-	-	-	-	-	-
Provision for tax risk	145	229	(145)	-	229	384	(209)	-	404
Provision for pension costs	391	24	(20)	-	395	57	(3)	-	448
Provision for miscellaneous expenses	8,221	1,356	(5,403)	-	4,173	2,286	(378)	(3,907)	2,175
Total	8,756	1,609	(5,568)	-	4,797	2,727	(590)	(3,907)	3,027

The 'Provision for miscellaneous expenses' item is mainly composed of provisions related to MGP Sun SARL with, in particular, €1,925,000 related to the net equity of MGP Sun.

Note 13 – Tax and social security liabilities

In thousands of euros	As at 31.12.11	As at 31.12.10	31/12/2009
Staff	1,710	1,341	1,710
Tax liabilities (VAT, taxes)	2,968	3,796	3,518
Total	4,677	5,138	5,227

7.5.2. Notes to the income statement

Banimmo and Jardin des Quais contribute to the income statement flow for nine months up to their holding percentage.

Note 14 – Net property revenue

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Rental revenue	56,866	70,567	77,178	(13,700)	(6,612)
Rental revenue and expenses	(7,425)	(12,001)	(14,793)	4,576	2,792
Re-billed expenses	20,159	17,735	24,035	2,424	(6,300)
Rebillable expenses	(20,147)	(18,820)	(22,456)	(1,326)	3,636
Non rebillable expenses	(6,698)	(9,782)	(13,693)	3,084	3,911
Miscellaneous expenses	(48)	(534)	(547)	487	13
Lease fees	(691)	(599)	(2,132)	(93)	1,533
Depreciation charges	-	-	-	-	-
Other property revenue and expenses	709	1,004	453	(295)	551
Other revenues	1,147	1,706	1,742	(559)	(36)
Net losses on doubtful receivables	(437)	(701)	(1,289)	264	588
Net property income	50,150	59,570	62,838	(9,420)	(3,268)

In 2010 and 2009, rental income, rebillable expenses and non-rebillable expenses items concerned the investment properties, assets held for sale and properties listed in inventory by Banimmo.

Note 15 – Income (loss) from other activities

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Income (loss) from finance lease transactions (1)	2,351	2,901	3,848	(550)	(947)
Rent and similar	9,248	14,238	18,791	(4,990)	(4,553)
Depreciation and provisions subject to Articles 64 and 57	(6,828)	(11,078)	(13,790)	4,250	2,712
Change in underlying reserve	(233)	(166)	(791)	(67)	625
Net losses on doubtful receivables	604	276	62	328	214
Expenses on finance leases	(441)	(369)	(425)	(72)	56
Income (loss) from property development activities (2)	(1,691)	(2,789)	(13)	1,098	(2,775)
Revenue	11,285	7,099	30,314	4,185	(23,215)
Rentals of properties in inventory	-	-	-	-	-
Changes in inventories	(3,665)	6,095	(12,839)	(9,760)	18,933
Net losses on doubtful receivables	-	(49)	-	50	(50)
Expenses on real estate transactions	(9,310)	(15,933)	(17,489)	6,623	1,556
Rental expenses on properties in inventory	-	-	-	-	-
Income (loss) from other activities (1) + (2)	660	112	3,834	548	(3,722)

Note 16 – Reversal (allocations) of provisions

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	Variation 2011/2010	Variation 2010/2009
Provisions for contingencies	(585)	(1,462)	(1,069)	877	(393)
Provisions for losses	(57)	(32)	(220)	(25)	188
- Reversals of provisions for contingencies	68	131	639	(63)	(507)
- Reversals of provisions for losses	5	544	65	(539)	479
Reversal of exceptional provisions	-	145	-	(145)	145
Total	(569)	(674)	(586)	105	(89)

Note 17 - Gain/loss on asset disposals

In thousands of euros	31/12/2011 1	31/12/2010 0	31/12/2009	2011/2010 change	2010/2009 change
Proceeds from sales of fixed assets	51,667	84,904	162,614	(33,237)	(77,710)
Net carrying value of properties sold	(47,185)	(85,236)	(138,084)	38,051	52,848
Income (loss) of investment property sales	4,482	(333)	24,530	4,815	(24,862)
Option exercised on finance lease properties	764	(96)	296	860	(392)
Net operating asset disposals	4	(16)	(20)	20	4
Total	5,250	(445)	24,806	5,695	(25,251)

Note 18 – Change in value of goodwill

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
CONCERTO DEVELOPPEMENT SAS	-	-	(3,661)	-	3,661
AFFIPARIS	-	-	116	-	(116)
BANIMMO	-	-	-	-	-
Change in goodwill values	-	-	(3,545)	-	3,545

Note 19 - Net cost of financial debt

In thousands of euros	31/12/2011 1	31/12/2010 0	31/12/2009 9	2011/2010 change	2010/2009 change
Revenue from cash and equivalents	410	570	2,265	1,994	(1,695)
Dividends	85	245	1,865	(160)	(1,620)
Loans to customers	163	19	34	2,298	(15)
Regular receivables accounts	154	297	336	(144)	(39)
Trading securities	9	83	6	(74)	77
Investment securities	-	(74)	23	74	(98)
Gross cost of financial debt	(22,208)	(28,185)	(27,590)	3,822	(595)
Term loans to clientele	-	19	(81)	(19)	100
Term loans of a financial nature	(15,842)	(18,382)	(22,790)	2,540	4,408
Bond issues	(1,444)	(2,476)	-	1,032	(2,476)
Income and expenses from derivatives	(6,011)	(8,599)	(4,788)	2,588	(3,810)
Subordinated debt expenses	158	(8)	(5)	165	(2)
Income and expenses from current accounts	931	1,260	74	(2,483)	1,186
Total	(21,798)	(27,615)	(25,325)	5,817	(2,289)

Note 20 – Income tax

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Tax due	44	280	5,131	(235)	(4,851)
Change in deferred tax	(472)	305	7,651	(778)	(7,346)
Exit tax			(53)		53
Total	(428)	585	12,729	(1,013)	(12,144)

	Theoretical tax (expense) - income	
	Base	
Consolidated profit / loss before tax	17,064	(5,688)
Result of exempted sector Sicomi-SIIC	(31,411)	10,469
Share of companies consolidated under the equity method	1,169	(390)
Share of changes in goodwill	0	(0)
Add-backs – deductions	3,616	(1,205)
<i>Amortisation of goodwill</i>	-	-
<i>Amortisation of fair value increment</i>	-	-
<i>Provisions excluding tax</i>	-	-
<i>Companies subject to IT</i>	3,925	(1,308)
<i>Other addbacks - deductions</i>	(309)	103
Consolidation restatements	(3,881)	1,477
<i>Impact of permanent differences</i>	(181)	60
<i>Impact of timing differences taxed at smaller rate</i>	(2,688)	1,079
<i>Impact of liability method</i>	(1,012)	337
Miscellaneous	-	-
Consolidated theoretical tax	(13,443)	4,664
<i>of which companies making a tax loss</i>	(14,895)	4,964
<i>of which companies making a tax profit</i>	1,452	(301)
Use of tax losses	13,408	(4,733)
Tax after deduction of losses	(36)	(69)
Tax without base:		
Tax credit	-	-
Annual flat-rate tax and tax adjustments	-	24
Tax due outside France	-	(383)
Income tax burden recorded	-	(428)
TAXES	-	44
DEFERRED TAXES	-	(472)
TOTAL	-	(428)

Note 21 – Share of earnings of associated companies consolidated by the equity method

In thousands of euros	31/12/2011	31/12/2010	31/12/2009	2011/2010 change	2010/2009 change
Share in net income (loss)	(629)	3,069	(4,382)	(3,698)	7,451
Losses on shares consolidated under the equity method	-	(180)	-	180	(180)
Gains on shares consolidated under the equity method	-	180	-	(180)	180
Total	(629)	3,069	(4,382)	(3,698)	7,451

Note 22 - Net profit or loss after tax from discontinued activities

This item corresponds to the profit net of tax for the company BFI, which was sold at the beginning of 2010.

Note 23 – Results, dividends and NAV per share

Net profit/loss

The convertible bonds (ORA) issued by Affine on 15 October 2003 and 29 June 2005, and the perpetual subordinated loan notes (TSDI) it issued on 13 July 2007 are accounted for as equity. The revenue on these securities is recognised as dividends, with the Group share of net income (loss), adjusted for the calculation of the net income (loss), diluted income (loss) and EPRA earnings per share.

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

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Net income (loss) – Group share	15,341	10,320	(2,794)
Cost of perpetual subordinated loan notes (TSDI)	(3,149)	(2,698)	(3,374)
Cost of 1 & 2 convertible bonds (ORA)	(2,151)	(3,637)	(2,073)
Net income (loss) - Group share, adjusted for earnings per share calculation	10,041	3,986	(8,240)
Reinclusion of cost of 1 & 2 convertible bonds (ORA)	2,151	3,637	2,073
Net income (loss) - Group share, adjusted for diluted earnings per share calculation (after conversion of convertible bonds [ORA])	12,192	7,623	(6,167)
EPRA restatement	2,783	7,279	19,009
EPRA income adjusted for cost of perpetual subordinated loan notes (TSDI) for calculating EPRA earnings per share	14,975	14,902	12,842

	31/12/2011	31/12/2010	31/12/2009
Number of shares in circulation at balance sheet date	9,002,042	8,113,566	8,113,566
Average number of treasury shares	(652,545)	(543,365)	(590,577)
Average number of shares (excluding treasury shares)	8,349,497	7,570,201	7,522,989

Consolidated statements as at 31 December 2011

Average number of new shares issued for redeeming 1 & 2 convertible bonds (ORA)	1,248,000	1,622,400	1,622,400
Average number of diluted shares (excluding treasury shares)	9,597,497	9,192,601	9,145,389
Earnings per share (€)	1,20	0,53	(1,10)
Diluted earnings per share (€)	1,27	0,83	(0,67)
Earnings per share (€)	1,56	1,62	1,40

7.6. Management of financial risk

7.6.1. Carrying amount of financial instruments by category

	31/12/2011				
	Carrying amount			Fair value	
	Assets in fair value through profit or loss	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value through the income statement	2,607	-	-	2,607	2,607
Financial assets at fair value through the income statement	179	-	-	179	179
Financial assets available for sale	-	90	-	90	90
Trade loans and receivables (1)	-	-	39,488	39,488	39,488
Accounts receivable (2)	-	-	8,904	8,904	8,904
Other receivables (3)	-	-	25,885	25,885	25,885
Cash and equivalents (4)	-	-	23,316	23,316	23,316
Total financial assets	2,786	90	97,592	100,468	100,468

(1) This item includes other customer loans (€6,937,000) as well as finance lease transactions and related receivables (€37,551,000).

(2) This item includes receivables related to investment properties (8,164,000) and receivables for services rendered (739,000)

(3) On the one hand, this account includes ordinary accounts receivable for €8,997,000, and, on the other hand, the item Other assets (€37,049,000), less net inventories (€13,680,000), securities settlement accounts (€465,000), prepaid expenses (€1,357,000), tax and social security receivables (€3,680,000) and accrued rental expenses rebilled to lessees (€733,000).

	31/12/2011				
	Carrying amount			Fair value	
	Liabilities stated at fair value through income statement	Liabilities at amortised cost	Liabilities	Total	Total
Derivatives stated at fair value through income statement	16,454	-	-	16,454	16,454
Borrowings and debts from lending institutions (5)	-	352,162	-	352,162	352,162
Amounts owed to customers	-	-	9,890	9,890	9,890
Guarantee deposits (3)	-	7,145	-	7,145	7,145
Accounts payable (4)	-	13,769	-	13,769	13,769
Cash and equivalents (4)	-	-	4,405	4,405	4,405
Total financial liabilities	16,454	373,076	14,295	403,825	403,825

(3) this item corresponds to deposits received included in other liabilities

(4) This item corresponds to Other liabilities (35,025,000) after deducting tax and social security liabilities (4,677,000), deposits received (7,145,000), deferred income IP (1,492,000), and accrued rental expenses rebilled to lessees (7,942,000).

(5) In the absence of an assessment of the fair value of the debt at December 31, 2011, the book values were shown in the 'Fair value' column.

Consolidated statements as at 31 December 2011

In thousands of euros	31/12/2010				
	Assets in fair value through income statement	Carrying amount			Fair value
		Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value through income statement	4,334	-	-	4,334	4,334
Financial assets stated at fair value through income statement	1,668	-	-	1,668	1,668
Financial assets available for sale	-	13,973	-	13,973	13,973
Trade loans and receivables (1)	-	-	92,372	92,372	92,372
Accounts receivable (2)	-	-	13,667	13,667	13,667
Other receivables (3)	-	-	30,977	30,977	30,977
Cash and equivalents	1,127	-	26,714	27,840	27,844
				184,83	
Total financial assets	7,128	13,973	163,730	1	184,835

(1) This item includes other amounts owed by customers (€38,082,000) as well as finance lease transactions and related receivables (€54,290,000).

(2) This item includes receivables related to investment properties (€12,433,000) and receivables for services rendered (€1,234,000).

(3) On the one hand, this account includes ordinary accounts receivable for €6,548,000, and, on the other hand, the item Other assets (€223,718,000), less net inventories (€183,474,000), securities settlement accounts (€1,069,000), prepaid expenses (€2,504,000), tax and social security receivables (€9,631,000) and accrued rental expenses rebilled to lessees (€2,611).

In thousands of euros	31/12/2010				
	Liabilities stated at fair value through income statement	Carrying amount			Fair value
		Liabilities at amortised cost	Liabilities	Total	Total
Derivatives stated at fair value through income statement	22,949	-	-	22,949	22,949
Borrowings and debts from lending institutions (3)	-	615,050	-	615,05	615,050
Amounts owed to customers	-	-	10,589	10,589	10,589
Guarantee deposits (1)	-	10,278	-	10,278	10,278
Accounts payable (2)	-	36,661	-	36,661	36,661
Cash and equivalents	-	-	3,353	3,353	3,353
				698,87	
Total financial liabilities	22,949	661,989	13,942	9	698,879

(1) this item corresponds to deposits received included in other liabilities

(2) This item corresponds to Other liabilities (€64,599) after deducting tax and social security liabilities (€5,138,000), deposits received (€10,278,000), deferred income IP (€3,306,000), and accrued rental expenses rebilled to lessees (€9,215,000).

(3) In the absence of an assessment of the fair value of the debt at December 31, 2010, the book values were shown in the 'Fair value' column.

Consolidated statements PROFORMA as at 31 December 2011

<i>In thousands of euros</i>	31/12/2009				
	Carrying amount			Fair value	
	Assets stated at fair value through income statement	Assets available for sale	Loans and receivables	Total	Total
Derivatives stated at fair value through income statement	3,859	-	-	3,859	3,859
Financial assets at fair value through income statement	1,708	-	-	1,708	1,708
Financial assets available for sale	-	3,410	-	3,410	3,410
Trade loans and receivables (1)	-	-	85,240	85,240	85,240
Accounts receivable (2)	-	-	25,287	25,287	25,287
Other receivables (3)	-	-	25,969	25,969	25,969
Cash and equivalents (4)	2,022	-	32,678	34,700	34,785
Total financial assets	7,588	3,410	169,174	180,172	180,257

(1) This item includes other amounts owed by customers (€16,000,000) as well as finance lease transactions and related receivables (€69,239,000).

(2) This item includes receivables related to investment properties (€24,722,000) and receivables for services rendered (€565,000).

(3) On the one hand, this account includes ordinary accounts receivable for €5,464,000, and, on the other hand, the item Other assets less net inventories (€20,520,000), securities settlement accounts (€748,000), prepaid expenses (€4,209,000), tax and social security receivables (€5,924,000) and accrued rental expenses rebilled to lessees (€1,049,000).

<i>In thousands of euros</i>	31/12/2009				
	Carrying amount			Fair value	
	Liabilities stated at fair value through income statement	Liabilities at amortised cost	Liabilities	Total	Total
Derivatives stated at fair value	21,249	-	-	21,249	21,249
Borrowings and debts from lending institutions (3)	-	648,185	-	648,185	648,185
Amounts owed to customers	-	-	12,639	12,639	12,639
Guarantee deposits (1)	-	11,911	-	11,911	11,911
Accounts payable (2)	-	40,551	-	40,551	40,551
Cash and equivalents	-	-	25,432	25,432	25,432
Total financial liabilities	21,249	700,648	38,070	759,967	759,967

(1) this item corresponds to deposits received included in other liabilities

(2) This item corresponds to Other liabilities (€70,715) after deducting tax and social security liabilities (€5,227,000), deposits received (€11,911,000), prepaid income (€4,955,000) securities settlement accounts (€26,000) and accrued rental expenses rebilled to lessees (€8,098,000).

(3) In the absence of an assessment of the fair value of the debt at December 31, 2009, the book values were shown in the 'Fair value' column.

The Affine 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.

7.6.2. Nature and scope of risks related to financial instruments

7.6.2.1. Credit risk

In 2011, the Affine Group maintained a selective policy in terms of the financial strength of its customers, the business sectors in which they operate, their geographic locations, and the quality of the buildings.

A group of customers is defined as customers who exercise direct or indirect control over one another, and persons who are bound by cross-guarantee agreements or who have a preponderant business relationship with one another, particularly when they are bound by subcontracting or franchising agreements. Currently, no group of customers exceeds the threshold of 10% of equity in terms of net risk.

Properties reported as of potential concern to the Group undergo an annual expert property appraisal.

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

7.6.2.2. Liquidity risk

The Affine Group monitors its risk primarily with two tools:

- a daily cash statement prepared by the finance department and sent to general management after reviewing all bank accounts,
- a 2-year monthly cash situation forecast provided by the management controller to general management; at this time actual monthly cash and forecast cash are reconciled and discrepancies analysed. A cash forecast is submitted to the two Boards of Directors convened to approve the financial statements of the Group.

In 2011, the Affine Group continued to finance its development partially through debts.

The Group's loan agreements have covenants relating to:

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

Failure to comply with these ratios constitutes an event of default calling for partial or accelerated repayment to restore the ratio to its contractual level.

As at 31.12.11, no compulsory prepayment in part or in whole of any loan resulted from a failure to comply with the financial ratios to be reported on that date.

7.6.2.3. Interest rate risk

The Affine Group favours the use of floating rate debt, which, before hedges, represented almost 93% of its bank debt as at 31.12.11 (excluding debts related to equity investments and bank overdrafts).

The Group hedges its interest rate exposure by market transactions (caps, swaps and tunnels) contracted with leading banking institutions. Thus, during the financial year, the companies as a whole subscribed two caps and three swaps for a notional amount of €42,035,000, guaranteeing minimum rates ranging from 1.8% to 2.8%; the companies consolidated under the equity method subscribed two collars and four swaps for a notional amount of €75,000,000, guaranteeing rates between 2.25% and 4%.

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 the major financial assets and for bank loans, the principal financial liabilities. The company is exposed to interest rate risk on 13 % of its unhedged debt.

Analysis of sensitivity of cash flows for variable-rate instruments

(This analysis does neither includes the loans to finance the assets held for sale nor the loans taken out by the Concerto group).

At 31.12.11:

Sensitivity to change in interest rate in thousands of euros	2012 expenses	2013 expenses	2014 expenses	2015 expenses
Increase of 50 basis points, 2011 projected rate	12,924	11,866	10,719	9,102
Increase of 100 basis points, 2011 projected rate	14,899	13,797	12,551	10,862

At 31.12.10:

Sensitivity to change in interest rate in thousands of euros	2011 expenses	2012 expenses	2013 expenses	2014 expenses
Increase of 50 basis points, 2011 projected rate	10,530	9,590	8,770	7,515
Increase of 100 basis points, 2011 projected rate	12,636	11,485	10,584	9,100

At 31.12.09:

Sensitivity to change in interest rate in thousands of euros	2010 expenses	2011 expenses	2012 expenses	2013 expenses
Increase of 50 basis points, 2009 projected rate	4,358	4,117	3,679	3,408
Increase of 100 basis points, 2009 projected rate	5,247	5,011	4,559	4,168

7.6.2.4. Foreign exchange risk

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

7.6.2.5. Counterparty risk

The Affine Group is committed to investing its cash and contracting derivatives only with reputable banking institutions. As at 31.12.11, no bank represented more than 18.30 % of the total refinancing debt (apart from companies consolidated under the equity method).

7.7. Management of capital risk

The Affine Group's objectives in capital management consist of assuring the Group's continuing operations so as to provide a return to shareholders while conserving a capital structure that efficiently achieves the goal of limiting the cost of capital.

The Affine Group's objectives with respect to equity are to:

- operate at a high level of solvency.
- foster harmonious internal and external growth.

• Liquidity Contract

With regard to the liquidity contract entrusted by Affine to Société Générale, the following means are recorded in the liquidity account as at 31/12/2011:

- Number of shares: 40,534 Affine shares compared with 134,131 shares as at 31/12/2010;
- Cash balance of the liquidity account: €264,000 compared with €865,000 as at 31/12/2010.

7.8. Commitments and guarantees

7.8.1. Financial commitments and guarantees given

7.8.1.1. Loans and bank overdrafts

• GUARANTEES

In thousands of euros	Balance sheet items	less than 1 month	1 to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	over 5 years
<u>Non-current debts</u>							
covered by guarantees	226,183	-	-	-	25,744	108,929	91,510
covered by pledges	37,908	-	-	-	4,216	12,920	20,772
no guarantee or pledge	53,322	-	-	-	8,297	21,002	24,023
<u>Current debts</u>							
covered by guarantees	118,933	420	2,808	25,220	3,207	85,143	2,135
covered by collateral	5,616	58	190	4,291	242	777	58
neither collateral nor guarantees	8,071	451	1,615	6,005	-	-	-

Guarantees: these sureties include the registered mortgages.

Collateral: This concerns the collateral of borrowing companies' shares in favour of the banks.

When the loan is simultaneously guaranteed by a guarantee and collateral, the surety is classified as "guarantee".

• **Financing commitments**

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Commitments to lending institutions	-	-	-
Commitments to customers	-	-	275
Total	-	-	275

7.8.1.2. Minimum payments required under finance leases in which the Group is lessee

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

In thousands of euros	Minimum payments	Present value of minimum payments
Less than 1 year	13,513	10,633
1 to 5 years	44,937	36,947
Over 5 years	58,982	51,151
Minimum total lease payments	117,432	
Amounts representing financing charges	(18,701)	
Discounted value of minimum lease payments	98,730	98,730

Finance lease contracts, where Affine is lessee, relate to contracts without specific provisions.

7.8.1.3. Minimum payments required under operating leases in which the Group is lessee

	Minimum payments	Current value of minimum payments
Less than 1 year	479	467
1 to 5 years	1,973	1,866
Over 5 years	1,867	1,767
Minimum total lease payments	4,319	
Amounts representing financing charges	219	
Discounted value of minimum lease payments	4,100	4,100

The operating lease (lessee position) mainly concerns the rental revenue of Affine headquarters.

7.8.2. Commitments and guarantees received

7.8.2.1. Loans and bank overdrafts

- GUARANTEES**

<i>In thousands of euros</i>	31/12/2011	31/12/2010	31/12/2009
Commitments to lending institutions	2,556	2,399	3,380
Commitments to clients	9,396	14,120	18,448
Total	11,951	16,519	21,828

- Financing commitments**

<i>In thousands of euros</i>	31/12/2011	31/12/2010	31/12/2009
Commitments received from lending institutions	24,988	85,755	55,538
Commitments received from clients			-
Total	24,988	85,755	55,538

7.8.2.2. Minimum guaranteed revenue under finance leases for which the Group is lessor

(Note: finance leases are restated to show a receivable equal to the lease's remaining outstanding amount due under the contract)

<i>In thousands of euros</i>	Minimum payments	Present value of minimum payments
Less than 1 year	5,876	5,049
1 to 5 years	18,793	16,652
Longer than 5 years	8,439	8,140
Minimum lease payments	33,107	
Amounts representing financing charges	(3,267)	
Discounted value of minimum lease payments	29,841	29,841
Residual values of minimum lease payments	-	-

Finance lease contracts where Affine is the lessor relate to contracts without specific provisions. Three types of agreements exist within the Group:

- former Sicomi contracts, some of which were signed prior to 1993 and some prior to 1996: the average term of these leases is 15 years;
- so-called free leases (CBL) signed from 1993 onward, which have an average term of 15 years;
- general leases (CBG) signed from 1996 onward, which have an average term of 12 years.

Future minimum receivable subleasing payments for non-cancellable subleasing contracts are included in operating lease commitments as lessor, in the same way as other operating lease contracts.

7.8.2.3. Minimum guaranteed revenues under operating leases for which the Group is lessor

The table below shows the data regarding Affine, AffiParis and its subsidiaries. Affine's other direct subsidiaries are not included.

	Minimum payments	Present value of minimum payments
Less than 1 year	35,269	22,282
1 to 5 years	110,194	76,398
Over 5 years	36,780	31,008
Minimum total lease payments	182,243	
Amounts representing financing charges	(52,553)	
Discounted value of minimum lease payments	129,689	129,688

All Affine Group assets are located in France and Europe. Operating lease contracts in France, where Affine is lessor, generally relate to 3/6/9-year commercial leases; only the lessee can terminate the lease at the end of each three-year period by giving six months' notice (as local use dictates) by registered letter with return receipt. The parties can, however, contractually waive this three-year renewal provision by providing for a firm leasing period longer than three years.

Rent is normally paid on a quarterly basis in advance and is indexed annually and in its entirety on the INSEE construction cost index or the French Commercial Rent Index (ILC). Rent may be progressive or constant and may include exemptions or ceilings; these must, however be determined when the lease is signed and last for its entire term. The lessee generally bears all charges, real estate taxes, and office taxes.

In some cases, Affine applies a variable portion in its rents, but this is marginal.

7.9. Employee benefits and compensation

7.9.1. Average weighted workforce during the financial year

As at 30/09/2011, there was a staff of 78, broken down as follows:

- Officers: 3
- Managers: 46
- Employees: 29

From 30/09/2011, in response to Banimmo's change of integration method,

- Officers: 3
- Managers: 41
- Employees: 7

7.9.2. Individual training rights

Group employees have accumulated rights to 3,494 training hours.

7.9.3. Bonus shares

The allocation of bonus shares decided by the Board of Directors on 10.12.08, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 4,575 shares in 2011.

The expense for fiscal year 2011, calculated in accordance with IFRS 2, was €173,000 in 2010.

7.9.4. Pensions and other post-employment benefits

Pensions payable through various mandatory pension schemes are managed by specialist external organisations. Contributions due for the financial year were recognised in the income statement in the amount of €437,000 as at 31.12.11 versus €417,000 as at 31.12.10.

Provisions are accrued for retirement commitments in the financial statements according to the assumption of retirement and amounted to €395,000 as at 31 December 2011 versus €391,000 as at 31 December 2010. The actuarial assumptions used for calculating the provision include:

	2011	2010	2009
Discount rate:	3.80 %	3.59 %	3.97%
Staff turnover:	13% up to 50 years, 3% thereafter	14% up to 50 years, 3% thereafter	16% up to 50 years, 3% thereafter
Wage rise adjustment coefficient	1.58 %	1.58 %	1,76%
INSEE TD-TV mortality table	06-08	04-06	04-06

The discount rate corresponds to the most recent average rate of return on bonds issued by private companies.

The calculation of the provision for retirement allowances was performed by ADP, an independent firm.

This provision takes social security charges into consideration.

7.10. Related party disclosures

7.10.1. Payment to executive officers

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Short-term benefits (wages, premiums, etc.)	1206	1 457	1,326
Post-employment benefits	89	88	110
Other long-term benefits	26	39	38
Share-based payments			-
Recognised benefits	1,421	1,584	1 474
Severance pay	327	321	318
Benefits not recognised	327	321	318

Executive officers are defined as persons performing the duties of Chairman & CEO or CEO of the Group's companies.

7.10.1.1. Remuneration of management and administration bodies

Gross remuneration paid to the officers and executives of Group companies amounted to €1,286,000 in financial year 2011 compared with €1,285,000 in 2010.

Other assorted defined benefits provided to the Group's officers and executives are:

- Company car: one representing an expense of €4,500 in 2011;
- Severance pay: a clause providing for the payment of an amount equal to one year's total remuneration paid by all Group companies;
- Contributions to pension funds paid during the year: €89,000;
- GSC contribution, for €22,000.

Directors' fees paid by Group companies in 2011 amounted to €139,000 compared with €173,000 in 2010.

7.10.1.2. Bonus shares

None

7.10.2. Affine transactions with affiliates

7.10.2.1. Loans granted to related parties

Loans granted to related parties are those made with companies consolidated under the equity method.

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
MGP SUN SARL	1,206	1,203	1,070
Dolce la Hulpe	-	1,476	-
Dolce Chantilly	-	492	-
City Mall Invest	-	20,160	-
Schoonmeers-Bugten SA	-	16	-
P.D.S.M. SCARL	-	59	-
Conferinvest SA	-	14,464	13,965
Total loans granted to related parties	1,206	37,870	15,035
MGP SUN SARL	3	6	5
Dolce la Hulpe	-	46	-
Dolce Chantilly	-	13	-
City Mall Invest	-	569	-
Schoonmeers-Bugten SA	-	1	-
P.D.S.M. SCARL	-	3	-
Conferinvest SA	-	294	17
Total interest income on loans granted	3	932	19

MGP SUN SARL was deconsolidated on July 1, 2011. Dolce la Hulpe, Dolce Chantilly, City Mall Invest, Schoonmeers-Bugten SA, P.D.S.M. SCARL, and Conferinvest SA are subsidiaries of Banimmo, a company consolidated under the equity method as at 01/10/2011.

No guarantee was received.

7.10.2.2. Other transactions with affiliates

MAB-Finances, in its capacity as Affine's management holding company, signed an agreement with Affine for the provision of administrative, financial and operational development services, for which an expense of €182,000 (a partial amount taking into account the fraction included in the remuneration of

the executives) impacts the 2011 financial statements, compared with €248,000 in 2010.

7.11. Fees of statutory auditors and members of their networks

At 31.12.11:

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse				Mazars			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010	2011	2010
Auditing, certification, review of individual and consolidated financial statements																
Issuer	198	195	40%	42%	198	195	94%	91%	-	-	0%	-	-	-	-	-
Fully consolidated subsidiaries	263	264	54%	58%	-	20	0%	9%	70	70	88%	100%	-	127	-	89%
Other tasks and services directly linked to the auditing engagement																
Issuer	12	-	2%	-	12	-	6%	-	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	17	-	4%	-	-	-	0%	-	10	-	12%	-	-	-	-	-
Sub-total	490	459	100%	100%	210	215	100%	100%	80	70	100%	100%	-	127	-	89%
Other services rendered by the networks to fully-consolidated subsidiaries																
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	11%
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	11%
TOTAL	490	459	100%	100%	210	215	100%	100%	80	70	100%	100%	-	142	-	100%

At 31.12.10:

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse				Mazars				Price Waterhouse Coopers			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
Auditing, certification, review of individual and consolidated financial statements																				
Issuer	195	153	42%	33%	195	155	91%	85%	-	-	-	-	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	264	312	58%	67%	20	28	9%	15%	70	86	100%	100%	127	-	89%	-	-	191	-	93%
Other tasks and services directly linked to the auditing engagement																				
Issuer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fully consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15	-	7%
Sub-total	459	465	100%	100%	215	182	100%	100%	70	86	100%	100%	127	-	89%	-	-	206	-	100%
Other services rendered by the networks to fully-consolidated subsidiaries																				
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-	15	-	11%	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-	15	-	11%	-	-	-	-	-
TOTAL	459	465	100%	100%	215	182	100%	100%	70	86	100%	100%	142	-	100%	-	-	206	-	100%

7.12. Post reporting period events

None

8.Pro forma

8.1. Statement of consolidated financial position (balance sheet)

8.1.1. Assets

(In thousands of euros)

31/12/2011 31/12/2010 31/12/2009

Non-current assets

Tangible assets	341	355	71
Investment properties	521,356	611,547	673,075
Intangible assets	207	228	270
<i>Goodwill</i>	-	-	-
Other intangible assets	207	228	270
Financial assets	39,125	60,692	75,078
Finance leases and related receivables	30,673	53,729	68,631
Assets held for sale	269	210	279
Derivatives stated at fair value	2,607	3,756	2,470
Deposits and sureties paid	4,812	2,979	3,212
Loans	765	18	487
Deferred tax assets	1,394	1,454	3,176
Shares and investments in companies (equity method)	85,819	83,976	86,153

Total non-current assets	648,243	758,252	837,822
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Current assets

Assets held for sale	151,363	75,365	87,407
Business sectors held for sale	-	-	5,067
Finance lease loans and receivables	6,878	561	618
Inventories	13,680	20,587	19,625
Accounts receivables	8,904	6,694	11,066
Related receivables for investment property	8,164	5,461	10,500
Receivables related to investment properties	739	1,234	565
Receivables on business centres	-	-	-
Current tax assets	115	184	42
Other receivables	28,471	35,565	28,867
Tax and social security receivables	4,097	6,183	3,147
Other receivables and adjustment accounts	24,374	29,383	25,719
Cash and cash equivalents	23,316	23,703	33,030
Cash equivalents	465	2,200	2,855
Cash	22,851	21,503	30,175

Total current assets	232,727	162,659	185,722
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TOTAL ASSETS	880,970	920,911	1,023,544
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8.1.2. Liabilities

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Equity			
Equity (Group share)	348,447	347,462	349,260
Capital and related amounts	86,637	64,970	61,997
Share capital	53,100	47,800	47,800
Premiums	38,489	23,947	23,947
Treasury stock	(4,952)	(6,777)	(9,750)
Consolidated reserves	246,539	272,170	292,558
Unrealised or deferred gains and losses	8	3	(7)
Unrealised gains or losses on derivatives	-	-	-
Unrealised gains or losses on assets available for sale	8	3	(7)
Net income	15,262	10,319	(2,854)
Interim dividend payment	-	-	(2,434)
Shareholdings that do not give control	13,736	15,028	14,725
Consolidated reserves	12,441	14,830	16,461
Net income	1,295	199	(1,736)
Total shareholders' equity	362,183	362,490	363,985
Non-current liabilities			
Long-term loans	319,837	405,055	478,141
Financial liabilities	15,551	16,411	16,332
Derivatives stated at fair value	14,136	12,772	12,366
Hedging derivatives	-	-	-
Other financial liabilities	1,415	3,639	3,966
Provisions	3,027	910	2,110
Deposits and sureties received	7,145	7,458	9,308
Deferred tax liabilities	281	351	2,899
Non-current tax liabilities	-	13	362
Other liabilities	-	-	-
Total non-current liabilities	345,841	430,199	509,152
Current liabilities			
Debts linked to business sectors held for sale	-	-	5,020
Debts linked to assets held for sale	97,529	31,045	36,487
Amounts owed to stockholders	1	1	1
Trade accounts payable and other debts	24,106	33,946	40,869
Trade accounts payable and related accounts	2,465	3,068	3,867
Other debts	11,029	10,912	23,533
Adjustment accounts	5,976	12,731	11,588
Deferred income	4,635	7,235	1,881
Loans and borrowings	46,620	58,993	60,901
Current tax liabilities	14	706	3,304
Tax and social security debts	4,677	3,532	3,826
Provisions	-	-	-
Total current liabilities	172,947	128,222	150,408
TOTAL LIABILITIES	880,970	920,911	1,023,544

8.2.Statement of consolidated comprehensive income

8.2.1.Consolidated Income Statement

(In thousands of euros)	31/12/2011	31/12/2010	31/12/2009
Rental revenue	48,269	50,006	54,412
Rental revenue and expenses	(5,129)	(7,200)	(8,828)
Other property income and expenses	(55)	(185)	(653)
Net property revenue	43,084	42,620	44,931
Revenue from finance leases	2,792	3,270	4,273
Expenses on finance leases	(441)	(369)	(425)
Revenue from finance leases	2,351	2,901	3,848
Revenue from real estate transactions	7,619	13,144	17,476
Expenses on real estate transactions	(9,310)	(16,333)	(17,489)
Revenue from real estate development transactions	(1,691)	(3,189)	(13)
Other purchases and external expenses	(5,575)	(5,960)	(7,289)
Taxes and related expenses	(506)	(936)	(895)
Personnel costs	(5,927)	(6,233)	(6,142)
Committed costs	(12,008)	(13,129)	(14,325)
Recurring EBITDA	31,736	29,203	34,440
Depreciation and impairment	(122)	(126)	(138)
Income from recurring operations	31,614	29,077	34,303
Charges net of provisions	(228)	5	(1,101)
Balance of other revenue and expenses	586	1,133	460
Profit / loss from Gains (losses) on real-estate sales	2,168	(426)	1,219
Option exercised on finance lease properties	764	(96)	296
Net Gains (losses) on sale of operating assets	-	(7)	(20)
Income (loss) from asset sales	2,931	(529)	1,496
Operating income before fair value adjustment	34,902	29,686	35,158
Upward adjustment of value of investment properties	16,634	16,977	10,939
Downward adjustment of value of investment properties	(14,955)	(20,798)	(43,696)
Adjustment of value of investment properties	1,679	(3,821)	(32,757)
Adjustment of <i>Goodwill</i>	-	-	(3,545)
Balance net of value adjustments	1,679	(3,821)	(36,302)
Net operating income	36,581	25,865	(1,145)
Revenue from cash and cash equivalents	258	280	1,984
Gross cost of financial debt	(18,458)	(19,916)	(21,458)
Net cost of financial debt	(18,200)	(19,636)	(19,474)
Other financial revenue and expenses	(434)	(83)	9,067
Adjustment of value of financial instruments	(2,262)	(89)	(5,354)
Income before tax	15,686	6,057	(16,905)
Tax on recurring income	153	562	4,559
Deferred taxes	(592)	(285)	(442)
Exit tax	-	-	(53)
Share of income in companies accounted for by the equity method	1,312	2,975	9,070
Net income (loss) after tax from discontinued activities	-	1,209	(819)
Net income (loss)	16,558	10,518	(4,590)
Non-controlling interests	1,295	199	(1,736)
NET INCOME (LOSS) - GROUP SHARE	15,262	10,319	(2,854)
Earnings per share (€)	1,83	1,36	(0,38)
Diluted earnings per share (€)	1,59	1,12	(0,31)
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (€)	1,19	0,53	(1,10)
Diluted earnings per share restated to reflect subordinated loan notes (TSDI) (€)	1,26	0,83	(0,68)
EPRA INCOME (LOSS)			
NET INCOME (LOSS) - GROUP SHARE	15,262	10,319	(2,854)
EPRA restatements	3,237	5,701	18,432
EPRA INCOME	18,499	16,020	15,578

8.2.2. Statement of net income and gains and losses taken directly to equity

In thousands of euros	31/12/2 011	31/12/2 010	31/12/2 009
Net income	16,558	10,518	(4,590)
Currency translation adjustments	-	-	-
Changes in fair value of financial assets available for sale ⁽¹⁾	(321)	322	(16,808)
Share of the changes in fair value of financial assets available for sale transferred to income statement	-	-	-
Effective portion of the change in fair value of cash flow hedges	-	-	-
Share of the change in fair value of cash flow hedges transferred to income statement	-	-	-
Revaluation difference on non-current assets	-	-	-
Actuarial gains and losses on defined-benefit systems	-	-	-
Share of gains and losses taken directly to equity in companies consolidated under the equity method	-	-	-
Income tax	-	-	-
Total gains and losses taken directly to equity	(321)	322	(16,808)
Net income and gains and losses recognised directly in equity	16,236	10,840	(21,398)
Of which Group share	14,941	10,641	(19,662)
Of which non-controlling interests	1,295	199	(1,736)

8.3. 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 income (loss) (including non-controlling interests)	16,558	10,518	(4,590)
Net increase (decrease) in depreciation and provisions	(7,432)	6,298	6,474
Unrealised gains and losses from changes in fair value	(1,679)	3,821	32,757
Other calculated income and expenses (including discount calculations)	1,207	(1,697)	10,555
Capital gains or losses on sales of assets	12,401	11,699	(1,011)
- <i>net carrying value of fixed assets sold</i>	59,347	100,359	73,413
- <i>income from disposals of fixed assets</i>	(46,946)	(88,660)	(74,424)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(1,312)	(2,975)	(9,070)
Dividends and returns from income of non-consolidated companies	(2)	(13)	(1,798)
Cash flow from operations after net borrowing costs and tax	19,741	27,651	33,316
Net cost of financial debt	18,582	18,562	21,810
Tax expense (including deferred taxes)	440	(277)	(4,064)
Cash flow from operations before net cost of debt and tax	38,763	45,936	51,061
Income tax paid (including deferred tax)	(588)	(3,270)	2,114
Change in inventories	3,055	(263)	12,651
Change in trade accounts receivables	394	(3,595)	(608)
Change in trade accounts payable	(1,916)	1,459	(3,480)
Other changes in working capital requirement related to operating activities	8,573	(668)	10,924
Impact of discontinued activities	-	-	347
Net cash flows from operating activities	48,281	39,599	73,010
II – INVESTMENT TRANSACTIONS			
Finance leases	10,680	3,580	4,093
- <i>Cash paid for acquisitions</i>	(38)	(258)	(5)
- <i>Cash received from disposals</i>	10,718	3,837	4,098
Investment properties	9,576	60,922	8,126
- <i>Cash paid for acquisitions</i>	(25,267)	(23,617)	(32,766)
- <i>Cash received from disposals</i>	34,843	84,539	40,892
Cash paid for acquisitions of tangible and intangible fixed assets	(87)	(387)	(594)
Cash received for disposals of tangible and intangible fixed assets	-	11	3
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	(2)	(64)
Cash received for disposals of financial assets	-	-	24,517
Consolidated shares	2,045	(3)	(6,521)
- <i>Cash paid for acquisitions</i>	-	(20)	(6,336)
- <i>Cash received from disposals</i>	1,633	29	(2)
- <i>Impact of changes in consolidation</i>	412	(12)	(183)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	1,211	4,625	5,808
Change in loans and advances outstanding	(92)	(144)	(907)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	(1,455)	(186)
Net cash flow investment transactions	23,334	67,147	34,275
III – FINANCING TRANSACTIONS			
Amounts received from shareholders in capital increases	568	-	-
- <i>paid by shareholders of the parent company</i>	568	-	-
- <i>paid by minority interests of consolidated subsidiaries</i>	-	-	-
Purchases and sales of treasury shares	1,971	4,337	(4,952)
Dividends paid during the year:	(10,537)	(11,235)	(6,686)
- <i>dividends paid to shareholders of the parent company</i>	(10,116)	(11,227)	(6,404)
- <i>paid to minority interests of consolidated subsidiaries</i>	(421)	(8)	(282)
Change in non-controlling interests without loss of control	(3,196)	-	-
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from compound instruments	(5,300)	(6,335)	(5,427)
Change in guarantee deposits given and received	(2,658)	(4,937)	(9,180)
Issues or subscriptions of loans and borrowings	24,249	19,595	91,785
Repayments of loans and borrowings	(59,559)	(94,826)	(131,367)
Net cost of financial debt: interest paid	(19,370)	(20,063)	(22,292)
Other cash flows related to financing activities	787	1,502	482
Cash flow from discontinued activities	-	-	(68)
Net cash flow from financing transactions	(73,045)	(111,962)	(87,703)
NET CHANGE IN CASH (I+II+III)	(1,430)	(5,216)	19,582
Cash and cash equivalents at beginning of period	20,342	25,557	5,975
Cash and cash equivalents at end of period	18,911	20,342	25,557
NET CHANGE IN CASH	(1,430)	(5,215)	19,582

Cash and equivalents

In thousands of euros	31/12/2011	31/12/2010	31/12/2009
Savings bank, central bank, post office	3	3	8
Liquid bank assets	22,848	21,491	31,117
Liquid bank assets in other assets	465	1,069	748
Investment securities (*1)	-	1,127	2,022
Sub-total (1)	23,316	23,690	33,895
Bank overdrafts	(4,405)	(3,348)	(8,311)
Bank overdrafts in other liabilities	-	-	(26)
Sub-total (2)	(4,405)	(3,348)	(8,337)
Total (1) + (2)	18,911	20,342	25,557

(*1): The fair value of investment securities corresponds to a price quoted on an active market.



Management Report Financial year ended 31.12.11

2nd part: Financial Reports

B. Annual Financial Statements Financial year ended 31.12.11

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1. Balance Sheet - Assets

	Notes...	31/12/2011			31/12/2010
		Gross	Amortisations & depreciations	Net	Net
(In thousands of euros)					
Subscribed share capital not called up					
NON-CURRENT ASSETS					
Intangible assets					
Set-up costs					
Research and development costs					
Concessions, patents, licences, software					
Internally generated goodwill		23,895		23,895	23,895
Other intangible assets		15,461	452	15,009	16,783
Intangible assets under construction		31		31	-
Advances and prepayments					
Property, plant and equipment					
Land	1	55,841		55,841	59,817
Buildings		276,323	99,653	176,670	192,860
Technical facilities, equipment and industrial tools					
Other Property, plant and equipment		769	434	335	350
Property, plant & equipment under construction		2,209		2,209	1,562
Advances and prepayments					
Financial investments					
Equity investments	2	194,837	33,308	161,529	126,282
Loans to equity associates		164		164	155
Long-term portfolio investment securities					
Other investments					
Loans	3	710		710	160
Other financial assets		4,374		4,374	2,006
		574,615	133,847	440,768	423,869
CURRENT ASSETS					
Inventories and work in progress					
Raw materials and other supplies					
Work in progress (goods and services)					
Semi-finished and finished products					
Commodities					
Prepayments					
Receivables					
Trade receivables and associated accounts	4	5,794	961	4,833	4,387
Other receivables		69,473	5,934	63,538	101,118
Subscribed share capital – called up, not paid					
Investment securities					
Treasury shares		4,952	788	4,164	6,777
Other securities					
Cash instruments	5				
Cash and cash equivalents					
		5,701		5,701	14,421
Prepaid expenses	6	1,398		1,398	1,118
		87,318	7,683	79,635	127,821
Deferred expenses	7	2,889		2,889	3,177
Loan redemption premiums					
Unrealised foreign exchange losses					
TOTAL ASSETS		664,822	141,530	523,292	554,868

2. Balance Sheet - Liabilities

(In thousands of euros)	Notes...	31/12/2011	31/12/2010
		Net	Net
EQUITY			
Share capital (of which 53,100 paid up)		53,100	47,800
Additional paid-in capital, merger premiums, share premiums		38,489	23,947
Revaluation reserves		9,267	12,750
Equity method adjustment			
Legal reserve		4,806	4,806
Statutory or contractual reserves			
Regulated reserves			
Other reserves		65,496	34,339
Retained income		-	41,149
Income or loss for the year		(16,199)	6,475
Investment subsidies		-	-
Regulated provisions		6,340	5,179
	8	161,300	176,445
OTHER EQUITY			
Proceeds from issue of participating shares			
Advances subject to covenants			
Other equity		95,960	106,610
	8	95,960	106,610
PROVISIONS			
Provisions for contingencies			
Provisions for losses	8	1,810	561
DEBTS			
Convertible bond issues			
Other bond issues			
Bank borrowings		215,482	235,851
Miscellaneous loans and borrowings		35,906	25,041
Advances and deposits on outstanding orders	9	895	417
Trade payables and related accounts		1,845	2,080
Tax and social security debts		3,004	2,943
Liabilities in respect of non-current assets		47	50
Other debts		5,912	4,099
Cash instruments			
Deferred income	10	1,130	771
		264,221	271,252
Unrealised foreign exchange gains			
TOTAL LIABILITIES		523,292	554,868

3. Income Statement

(In thousands of euros)

	Notes...	31/12/2011			31/12/2010
		France	Exports	Total	Total
Operating revenues					
Production sold (services)		51,269		51,269	55,725
Net revenue		51,269		51,269	55,725
Reversals of impairment and provisions, and cost transfers written back				18,807	14,311
Other revenue				-	-
	11			70,076	70,036
Operating expenses					
Other purchases and external expenses				(14,756)	(16,641)
Taxes and related expenses				(6,653)	(7,127)
Payroll and wages				(3,314)	(3,401)
Social security costs				(1,559)	(1,547)
Depreciation expense, impairments and provisions					
- On non-current assets: Depreciation charges				(14,350)	(17,541)
- On non-current assets: impairment charges				(2,164)	(6,585)
- On current assets: Impairment charges				(165)	(619)
- For contingencies and losses: charges to provisions				(1,307)	(138)
Other expenses				(990)	(123)
	12			(45,258)	(53,722)
NET OPERATING INCOME				24,818	16,314
Share loss of joint operations				(7,058)	(1,707)
Profit allocated or loss transferred					
Loss allocated or profit transferred	13			(7,058)	(1,707)
Financial income					
Investments in associates				3,027	15,689
Other investment securities and receivables from capitalised assets				-	-
Other interest and similar income				2,504	2,247
Reversals on impairments, provisions and transfer of charges				6,672	11,878
Foreign exchange gains				-	-
Net income from disposals of investment securities				174	1,334
				12,378	31,149
Financial expenses					
Depreciation expense, impairments and provisions				(18,658)	(6,026)
Interest and similar expenses				(14,878)	(16,529)
Foreign exchange losses				-	-
Net charges on investment securities sales				-	-
				(33,536)	(22,555)
NET FINANCIAL INCOME LOSS	14			(21,158)	8,593
PRE-TAX RECURRING INCOME (LOSS)				(3,398)	23,200
Exceptional income					
On management transactions				216	305
On capital transactions				25,492	27,816
Reversals on impairments, provisions and transfers of charges				54	-
				25,762	28,121
Exceptional expenses					
On management transactions				(9)	(3,567)
On capital transactions				(37,390)	(40,036)
Depreciation expense, impairments and provisions				(1,190)	(1,268)
				(38,588)	(44,870)
TOTAL NON-RECURRING ITEMS	15			(12,825)	(16,749)
Income tax	16			24	24
Total revenue				108,217	129,306
Total expenses				(124,416)	(122,831)
INCOME OR LOSS				(16,199)	6,475

4. Corporate information

On 21.02.12, the Board of Directors of Affine SA approved the financial statements for the year ended 31.12.11 and authorised their publication.

Affine has adopted the tax status of a listed real-estate investment trust (French acronym: SIIC).

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

5. Notes to the annual financial statements

5.1. Accounting principles and policies

Affine SA is the parent company of the consolidated Affine group. Affine requested and was granted the withdrawal of its status as a financial company as from December 19, 2011; its accounts are, therefore, not presented according to the banking regulations in force, but prepared in compliance with the provisions of French law and in accordance with French GAAP (PCG art.531-1§ 1). In order to ensure comparability with the 2010 financial year, the financial statements for that year are also presented according to these provisions.

The accounting policies have been applied, in compliance with the principle of prudence, according to the following accounting principles:

- Business continuity
- Consistency of the accounting standards and practices from one financial year to the next
- Independence of the financial years

and pursuant to the rules governing the preparation and presentation of annual financial statements set out in the law of April 30, 1983 and the implementing decree of November, 29 1983.

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

Non-current assets are accounted for on a component basis as from January 1, 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.

The shift from the French Uniform Accounting System for Lending Institutions (PCEC) to the Uniform Code of Accounts (PCG) had no significant impact on the financial statements.

5.3. Measurement policy for major items

5.3.1. Intangible assets

The intangible assets item mainly comprises:

- internally generated goodwill,
- value of the contracts in which Affine is the lessee,
- computer software packages.

5.3.1.1. Internally generated goodwill

Absorption through the total transfer of assets and liabilities (TUP) of subsidiaries that are holders of a property finance lease agreement results in the capitalisation of technical merger discounts representing the value of the real estate assets on acquisition of these companies.

- Allocation of losses

Because each of these companies owns a building, the merger loss is thus attached to the building at the time of the total transfer of assets and liabilities.

- Methods of impairment

The net asset value is calculated according to the earnings outlook and/or returns obtained. As at 31.12.11, the values of buildings did not require any write-downs.

- Methods of removing losses

When buildings are sold to third parties, the losses are expensed in the income statement.

5.3.1.2. Description of lessee finance leases

(In thousands of euros)	Land	Buildings	Installations	Other	Total
Original value		71,128			71,128
Amortization					
- Total from previous years		20,274			20,274
- charges for the year		3,216			3,216
TOTAL		47,637			47,637
PAID FEES:					
- Total from previous periods		29,193			29,193
- charges for the year		4,384			4,384
TOTAL		33,577			33,577
FEES PAYABLE:					
- within one year or more		5,627			5,627
- between one and five years		17,341			17,341
- within more than five years		13,091			13,091
TOTAL		36,059			36,059
RESIDUAL VALUE					
- within one year or more		-			-
- between one and five years		1,924			1,924
- within more than five years		6,605			6,605
TOTAL		8,529			8,529

5.3.2. Property, plant and equipment

5.3.2.1. Properties rented under finance leases

5.3.2.1.1. Gross value

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

5.3.2.1.2. Amortisation

Finance lease properties acquired prior to January 1, 2000 are amortised on a straight line basis over a maximum period of 40 years. Acquisition costs are amortised on a straight line basis over a maximum period of 5 years, prorated where applicable.

Finance lease properties acquired since January 1, 2000 are amortised according to the financial method corresponding to the financial amortisation of the finance lease, with the acquisition costs amortised first.

5.3.2.1.3. Article 64 provision

Finance lease properties of the Sicomi sector prior to January 1, 1996 give rise to the recognition of an Article 64 provision insofar as the financial amortisation of the contract is higher than the book amortisation. This provision amounted to €4,399,000 at 31.12.11.

5.3.2.1.4. Article 57 provision (new real-estate finance lease legislation)

Leases signed on or after January 1, 1996 are subject to the new finance lease legislation.

The properties give rise to the recognition of an Article 57 provision insofar as the financial amortisation is greater than the book amortisation.

Furthermore, this provision is also recognised for properties reassigned under finance leases coming under this status once, on the date of renegotiation, the net carrying amount of the property is greater than the financial value of the lease.

This provision amounted to €2,057,000 at 31.12.11.

5.3.2.2. Temporarily un-leased finance lease properties

Properties with legally terminated finance lease contracts are transferred to temporarily un-leased finance lease properties (TUL) if the lessee loans are billed in the form of occupancy compensation and to investment properties for the others.

The provisions of Articles 64 or 57 concerning these properties thus apply once again, the existing provisions for impairment are transferred and new provisions can then be set up if necessary. A new amortisation plan is calculated on a straight line basis over the outstanding period for the net carrying amount on the transfer date.

At 31.12.11, there was no TUL in the Company.

5.3.2.3. Investment property

5.3.2.3.1. Gross value

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

5.3.2.3.2. Amortisation

Since January 1, 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:

	Offices		Activities		Other	
	Allocation by component	Amortisation period	Allocation by component	Amortisation period	Allocation by component	Amortisation period
Building shell	50.00%	60 years	60.00%	30 years	40.00%	50 years
Roof, external walls and waterproofing	17.50%	30 years	10.00%	30 years	20.00%	25 years
Technical general installations	22.50%	20 years	25.00%	20 years	25.00%	20 years
Fixtures and fittings	10.00%	15 years	5.00%	10 years	15.00%	15 years

Acquisition costs are included in the four components in proportion to their share.

The percentages and amortisation periods stem from the decisions made by representative professional bodies, the results of which were adapted to the Affine portfolio.

5.3.2.4. Other tangible assets

Amortisation periods:

- 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

These non-current assets are amortised on a straight-line basis.

5.3.3. Financial investments

5.3.3.1. Equity investments

The gross value of securities corresponds to the net carrying amount as at January 1, 2003, which was used as the basis for the revaluation which followed the election of SIIC status.

The inventory value of the equity investments is determined on the basis of: the share in the net equity corrected to reflect the unrealised capital gains on tangible and intangible elements; its profitability and future prospects, and for the companies listed with the ANR or the price quoted on the stock market. In the case where subsidiaries have a service provision activity, with little capital, or in the absence of the latest financial statements, the net asset value is determined according to the earnings outlook and/or returns obtained.

Equity investments are considered to be securities that are considered to be beneficial to the company's business when held over the long term, especially because they enable it to exert influence on the company issuing these securities or to give it control.

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 equity investments are incorporated in the cost price of these securities. Acquisition costs include transfer costs, professional fees, commissions and legal fees linked to the acquisition. These fees are amortised over five years as from the securities acquisition date.

5.3.3.2. Loans

These are advances paid to personnel and an advance payment to Holdaffine.

5.3.3.3. Other long-term financial investments

This includes, on one hand, all the accounts of guarantees granted to banks for refinancing operations, and, on the other hand, portions of loans for the investment property business (working capital, security deposits, etc.).

5.3.4. Trade receivables and associated accounts

Receivables are valued at their nominal value. Both for finance lease as well as investment property transactions, once a receivable has been due 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 presents a real risk (receivership, major financial difficulties, etc.).

The breakdown of outstanding receivables according to these criteria is shown in Note 5.5.3 "doubtful receivables". No discounting effect impacts the impairment amounts on doubtful finance-lease receivables.

5.3.5. Impairment of non-current assets

5.3.5.1. Impairments of properties rented under finance leases

Properties re-let at a financial value lower than their net carrying amount give rise to an impairment loss being recognised for the difference. Because of a reversal of €548,000 recognised during the financial year, the impairment inventory was zero, at December 31, 2011.

Impairment losses may also be recognised on properties for which the lessees have financial difficulties. At 31.12.11, no such impairment had been recognised.

5.3.5.2. Impairment of investment properties

The 48 investment properties were externally appraised at the end of 2011 by three appraisal firms:

- BNP Real Estate,
- Foncier Expertise,
- Cushman & Wakefield.

Affine compares the fair values to the net carrying amounts and recognises an impairment loss on the property if the fair value is less than the net carrying value at the end of the financial year.

Impairment was again recognised on three properties, in the amount of €885,000, and a reversal, in the amount of €459,000, was recognised for one building.

Total impairment amounted to €5,112,000 at 31.12.11 and affected five properties.

5.3.5.3. Impairment doubtful receivables

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

For free finance-lease transactions, the non-matured portion of the receivable for which a provision has been recognised – which is shown under "other amounts owed by customers" – is the subject of a provision being recognised under the same conditions.

Termination compensation is recognised, in the case of termination of a finance lease agreement, under "doubtful finance-lease receivables". It is normally fully written off for its total amount excluding taxes after deduction of guarantees received. No impairment was recognised as at 31.12.11.

In thousands of euros	Customer base	Financial lease	Rental	Other assets	Total
Impairment as at 31.12.10	2,760	725	1,515		5,001
Charges	3,175	0	165		3,340
Reversals	-	(388)	(1,057)		(1,445)
Reversals on compensation for termination	-				-
Impairment as at 31.12.11	5,935	338	624	-	6,896

5.3.5.4. Impairment of other receivables

As the net equity of certain companies held by Affine was negative, Affine recognised a provision in its accounts for a portion of its shareholder current account (after recognising a provision for the entire value of the securities it holds).

5.3.6. Investment securities

These comprise only the company's own 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	Share allocations	31/12/2011
Number of shares	421,367	96,047	189,645	4,575	323,194
Net impairments (in thousands of euros)	-	788			788

5.3.7. Shareholders' equity and other equity

5.3.7.1. Convertible Bonds (ORA)

Two thousand convertible bonds with a par value of €10,000 were issued on October 15, 2003 for a period of 20 years. They are redeemable on maturity at the original issue price of €50 per share (200 shares per convertible bond), adjusted for the possible dilutive effects of financial transactions on the share capital.

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

The Affine general shareholders' meeting held on April 26, 2007 decided to multiply the number of Affine shares by three through the issue of three new shares for every old share with effect from July 2, 2007. Accordingly, the exchange ratio has been raised to 624 shares per convertible bond.

Annual interest

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

- An interim dividend on November 15, corresponding to a fixed interim payment of €0.518 per underlying share multiplied by the exchange ratio (that is, €323.23 per bond at this time);
- The remainder on the day the dividend is paid.

Early redemption at the Company's discretion

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

From October 15, 2013, the Company may redeem all or some of the convertible bonds in cash by giving prior notice of 30 calendar days, at a price guaranteeing the initial subscriber, on the actual redemption date, after taking into account coupons paid in previous years and the interest payable for the period between the last interest payment date before the early redemption date and the actual redemption date, a gross actuarial return of 11%.

Early redemption at the holder's discretion

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

5.3.7.2. Perpetual subordinated loan notes (TSDI)

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

Term of the TSDI

The TSDI are issued for an unlimited term.

Redemption procedures

The TSDI may be redeemed in their entirety (and not in part) at the discretion of the Issuer, at any interest payment date with effect from 13 July 2017, for their par value plus unpaid accrued interest (including deferred interest).

Form of the TSDI

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

Ranking of the TSDI

The TSDI and related interest constitute ordinary subordinated bonds, which are direct, unconditional, unsecured and issued for an unlimited term by Affine. They have the same ranking, without priority between them or vis-à-vis other existing or future ordinary subordinated bonds. They rank above all equity securities issued by Affine, investment loans granted to Affine, and lowest ranking subordinated bonds, and they rank after existing or future unsubordinated bonds. In the event of Affine's liquidation, the TSDI will be redeemed at their par value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, investment loans granted to Affine and investment securities issued by it.

Annual interest

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

If an Ordinary General Meeting of Shareholders:

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

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

5.3.8. Borrowing costs deferral method

In 2002, Affine 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.

5.3.9. Forward financial Instruments

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

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

5.3.9.1. Caps and Tunnels

Premiums paid are reported on a suspense account at payment and expensed over the life of the forward instrument. The potential interest rate differential to be received is measured each quarter and booked in parallel to the surplus expenses on the hedged item.

As at December 31, 2011, the fair value of the caps, collars and tunnels held by the Company totalled (€2,864,000); in 2011, the financial instruments generated an expense of €1,635,000.

5.3.9.2. Interest rate swaps

As at December 31, 2011, the fair value of the swaps held by the Company totalled (€13,229,000). In 2011, they represented a net expense of €1,162,000.

5.3.10. Tax

Immobail, which became Affine after merging with Sovabail, had abandoned its status as a SICOMI (professional leasing company) on April 1, 1993. Therefore, all contracts entered into by that company since that date are subject to corporate income tax under the common law regime. This change of status does not affect the tax regime regulating the old finance lease contracts of the SICOMI sector of Immobail and Sovabail.

The adoption with effect from 1 January 2003 of French listed real-estate investment trust status (SIIC) makes the benefit of the corporate income tax exemption on SIIC segment revenues subject to the three distribution conditions below being met:

- 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.

5.3.11. Employee benefits and compensation

5.3.11.1. Retirement commitments

Affine's employees come under the National Collective Bargaining Agreement governing financial companies dated November 22, 1968, as amended on November 1, 2008. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined-benefit scheme.

The allowances referred to in this section are subject to the same tax and social system as redundancy allowances:

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

The applicable base is one twelfth of the gross pay (excluding bonuses or similar benefits of an annual or exceptional nature) over the final twelve months preceding redundancy or, if more beneficial, one third of the final three months.

For prudential reasons, provisions are recognised for the retirement commitments in Affine's financial statements based on the assumption of retirement at 65 years of age; they totalled €445,000 as at 31.12.11.

The actuarial assumptions used in the calculation of the provision are as follows:

- discount rate: 3.80%
- staff turnover: 12.52% before 50 years and 3% above
- Wage rise adjustment coefficient: 1.58%
- Mortality table INSEE TD-TV 06-08.

After the withdrawal of the approval of our former status as a financial corporation granted to Affine on December 19, 2011, Affine will shift to the real estate industry collective agreement in the coming months.

5.3.11.2. Individual training rights (French acronym DIF)

Employees have accumulated rights to 3,424 training hours.

5.3.11.3. Average weighted workforce during the financial year

The average workforce was 45 people, split into the following categories:

Officers:	2
Managers:	36
Employees:	7

5.3.11.4. Employee profit-sharing scheme

The allocation of bonus shares decided by the Board of Directors on 10.12.08, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 4,575 treasury shares, which had a negative impact of €179,000 on earnings.

5.3.12. Employee benefits and compensation

5.3.12.1. Directors' profit sharing scheme

None

5.3.12.2. Remuneration of management and administration bodies

The amount of gross remuneration paid to the Company's corporate officers amounted to €494,000.

Other benefits of all types for Affine corporate officers include:

- Guaranteed Social Contributions (unemployment benefits for company heads and directors): €17,000 in 2011 ;
- Company car: one representing a leasing expense of €5,000 in 2011;
- Severance pay: this pay must be contingent on a performance condition linked to Affine's results. It represents one year of overall gross compensation if the net earnings in Affine's individual financial statements is at least equal to 3% of its equity, if this condition is not met, the performance may be assessed on the basis of the consolidated financial statements;
- Contributions to pension funds paid during the year: €61,000.

The amount of directors' fees paid to directors (including corporate officers) as well as the amount of compensation for the hiring and audit committees totalled €117,000. The total amount of commitments contracted for the retirement allowance for corporate officers totalled €188,000.

6. Key events of the year

6.1. Key events affecting the portfolio

6.1.1. Finance lease

Affine produced no finance lease contracts in 2011. Options on 27 contracts were exercised, eight of them ahead of schedule; the latter generated a comprehensive disposal gain of €1,310,000.

6.1.2. Investment property

Affine made two investments during the 2011 period.

- In February, a 4,900-square-metre office building in Lyon (69): Lyon Tchecoslovaque;
- In November, a real estate complex used for industrial activities and offices occupying 22,200 square metres at Gennevilliers (92), through a finance lease agreement.

The company has also pursued its policy of improving its real-estate portfolio, for a total amount of €3,519,000.

The conclusion of new leases signed in 2011 had a €3,290,000 impact on rents.

Affine has also exercised the option on two finance lease contracts: Nantes Picherit and Gennevilliers. The first was held in the property portfolio and the second was sold.

Disposals during the 2011 financial year:

Property No.	Disposal date	Carrying amount	Disposal price	+ or – Book values	Fair values
NANTES	Apr. 2011	1,258	1,990	732	1,990
MARSEILLE	Sept. 2011	1,109	2,060	951	1,850
GENNEVILLIERS	Sept. 2011	1,899	2,330	431	2,280
ORLEANS	Sept. 2011	863	1,500	637	1,500
RUEIL MALMAISON	Oct. 2011	3,521	3,850	329	4,000
QUINCY SOUS SENART	Dec. 2011	-	276	276	-
LYON BRON (PARTIAL)	Dec. 2011	1,076	1,071	(5)	1,307
	Total	9,726	13,077	3,351	12,927

6.1.3. Equity investments and shares in affiliated companies

Purchase and disposal of shares:

- Affine, the principal shareholder of AffiParis, participated in the share capital increase launched on October 24, 2011, on one hand, as of right by inclusion of its shareholder account up to €19,400,000 and by exercising the pre-emptive rights it acquired on the market, leading to a subscription of up to €3,200,000, and, on the other hand, in the form of excess shares for a total of €2,500,000. As at November 29, 2011, Affine

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holds 4,860,756 shares representing 86.01% of the company's share capital. Subsequently, Affine continued to purchase shares and, as at December 31, 2011, the company holds 86.93% of AffiParis.

- Affine sold its share in Affinvestor on August 31, 2011.
- Affine sold 56,243 shares of its holding in Banimmco; the latter firm holds no more than 49.51% as at December 31, 2011.

Companies absorbed by universal transfer of assets:

NAMES OF COMPANIES	DATE	LIQUIDATION SURPLUS	UNFAVOURABLE VARIANCE ON MERGER
LUMIERE	30/06/2011	83	
TRANSAFFINE	30/06/2011		3
AFFINEDEVELOPPEMENT 2	30/06/2011		79
CAPUCINES 3	30/06/2011		10
CAPUCINES 4	30/06/2011		10
CAPUCINES 5	30/06/2011		10
CAPUCINES 6	30/06/2011		10
TOTAL		83	121

Recapitalised companies:

NAMES OF COMPANIES	TOTAL AMOUNT
CONCERTO	12,999
COUR DES CAPUCINES	250
GESFIMMO	100
TARGET	1,500
AFFIPARIS	25,619
ETIENNE MOLINA	1,600
TOTAL	42,068

6.2. Key events affecting equity and debts

6.2.1. Financing and refinancing

During the financial year, Affine obtained €14,526,000 in new refinancing; loan payments due totalled €34,692,000, of which early repayments accounted for €18,601,000. Affine has €19,000,000 in overdraft facilities; as at 31.12.11, all of those facilities remained unused.

6.2.2. Shareholders' equity

Forum European Realty Income II LP requested the conversion of its 600 convertible bonds to shares, and consequently subscribed 374,400 new shares created for a par value of €2,205,728.04. The difference between the par value of the convertible bonds redeemed and the total par value of the shares issued was recorded as a part of the issue premium.

The dividend paid for the financial year ended on December 31, 2010, paid partly in shares, gave rise to the creation of 514,076 new shares, raising the share capital to €50,006,000.

When the preceding transactions were completed, the share capital rose to €53,034,000.

On June 8, 2011 the board of directors of Affine decided to round off the share capital to €53,100,000 by including €66,000 taken from reserves. As at 31 December 2011, 9,002,042 Affine share were in circulation.

	At opening	Capital increase after converting convertible bonds	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	8,113,566	374,400	514,076	-	9,002,042
In thousands of euros	47,800	2,206	3,028	66	53,100

6.3. Provisions for risks and charges

In compliance with rule 2000-06 of the French Accounting Board regarding liabilities, these provisions are defined as liabilities whose due date or amount are not precisely set.

A provision for risk linked to shareholdings was established to cover the net position of the subsidiaries when the position is negative and at such time as the assets associated with that position have been depreciated.

As at 31 December 2011, this item totalled €1,810,000 compared with €561,000 as at 31 December 2010.

6.4. Post reporting period events

None

7. ADDITIONAL INFORMATION

7.1. Segment revenues (in thousands of euros)

	2011			
	Total	Finance lease	Rental	Subsidiaries/Loans
Revenues	51,269	12,384	36,096	2,790

The revenue figure includes essentially the revenues linked to the following activities:

- Rental income,
- Finance leasing income,
- Service provisions.

In order to be closer to economic reality, the benefits offered to tenants (for example: grace periods for rental payments) are spread out over the firm term of the lease without taking indexation into account.

7.2. Distribution requirements

7.2.1. For the Sicomi segment

Profits from operations that are fully or partly exempted from corporate income tax pursuant to the special tax plan for SICOMIs must be distributed in the amount of 85% of the exempted fraction.

Pursuant to Article 36 of the Company's Articles of Association, as amended by the Extraordinary General Meeting of July 28, 2000, the distribution of early disposal gains from the Sicomi segment can be deferred over 3 years.

7.2.2. For the SIIC segment

The distribution conditions described in the chapter on taxes allow for the deferral over two years of the distribution from capital gains on property disposals.

7.3. Consolidating company

The financial statements of the Affine group are fully consolidated by MAB Finances SAS.

8. IV - INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

8.1. Notes to the balance sheet

Note 1 – Tangible and intangible assets, amortisations and impairments

In thousands of euros		31/12/2010	Acquisitions, Allocations	Revaluations	Sales, Transfers Reversals	31/12/2011
Finance lease	Gross	163,168	-		(73,060)	90,108
	Amortisation and provisions Art. 64 and 57	(105,568)	(7,271)		63,071	(49,768)
	Impairments	(548)	-		548	-
	Net	57,051	(7,271)	-	(9,440)	40,340
Rental properties portfolio	Gross	241,963	15,852		(13,550)	244,266
	Amortisation	(40,089)	(7,403)		2,719	(44,774)
	Impairments	(4,686)	(885)		459	(5,112)
	Net	197,188	7,564	-	(10,372)	194,380
Intangible assets	Gross	41,110	-		(1,722)	39,387
	Amortisation	(400)	(52)		-	(452)
	Impairments					-
	Net	40,709	(52)	-	(1,722)	38,935
Tangible assets	Gross	717	52			769
	Amortisation	(367)	(67)		-	(434)
	Impairments					-
	Net	350	(15)	-	-	335
Total	Gross	446,958	15,905	-	(88,332)	374,530
	Amortisation	(146,425)	(14,792)	-	65,790	(95,427)
	Impairments	(5,234)	(885)	-	1,008	(5,112)
	Depreciation and impairment	(151,659)	(15,678)	-	66,797	(100,539)
	Net	295,299	227	-	(21,535)	273,990

Note 2 – Financial investments

	%	Net 2011	Net 2010	SIREN No.	Revenues exc. tax 2010	SHARE CAPITAL AND RESERVES	2010 PROFIT / LOSS
Equity investment shares: non-affiliated companies		20	20				
Sofaris	NS	7	7	NC	NC	NC	NC
Habitat et Humanism	NS	12	12	NC	NC	NC	NC

Equity investment shares: affiliated companies

In thousands of euros	SIREN No.	Capital and reserves	Percentage held	Net carrying amount of securities held		Loans and advances	Amount of sureties	Revenues exc. tax	Net profit/loss	Dividends collected	Provisions on receivables with Affine
				Gross	Net						
Affiparis	379 219 405	64,035	86.93%	62,969	62,969	1,285		13,415	1,574	790	
Sci Arca ville d'été	492 410 964	201	100.00%	201	201	3,492	10,013	358	(1,085)		
SC Atit	379 839 277	4	100.00%	4	4	100			(14)		
Jardins des Quais	432 710 747	20	50.00%	3,436	3,436	1,296	6,897	4,827	(1,356)		
Banimmo RPM Bruxelles		143,860	49.51%	66,577	66,577			5,828	2,808	1,987	
SCI Bretigny	451 849 021	4	99.90%	1	1	1,441		1,099	164		
SAS Capucine investissements	388 162 117	82	99.77%	849	-	1,563	1,000	601	(2,858)	84	(1,563)
SA Cardev RPM Brussels 0887.494.174		(2,805)	98.39%	61	-	2,916	-	-	(94)		(2,852)
SAS Concerto Développement	421 156 019	2,896	99.99%	23,727	6,549	9,307	-	290	(866)		-
SA Cour des Capucines	429 694 698	702	99.99%	1,190	1,190	(186)		301	(101)		
SAS Etienne Molina	500 702 055	1,222	100.00%	2,537	1,469	4,994	14,710	1,895	(318)		-
Gesfimmo	492 580 287	95	100.00%	172	81	6		-	(13)		-
Les 7 Collines	518 379 433	(1,580)	95.00%	35	-	10,606		3,146	(526)		(744)
SCI Luce parc leclerc	492 803 572	1	0.10%	0	0	6		-	(32)	0	
Sci Nevers colbert	492 344 809	102	100.00%	101	101	13,267	2,500	981	(5,246)		
SAS Promaffine	382 079 317	1,690	100.00%	5,105	1,905	7,140	1,600	776	(798)		-
SAS Sipec	569 804 818	9,441	100.00%	17,600	17,026	(14,264)		464	5,162	-	
SAS Target	410 970 412	2,507	100.00%	10,252	-	4,458			(3,293)		(776)
TOTAL				194,817	Assets	61,878					(5,934)
					Liabilities	(14,450)					
						47,428					

Note 3 – Loans and other financial investments

In thousands of euros	Balance sheet items	Within one year or more	Between one and five years
Loans	710	10	700
Loans	710	10	700
Related receivables	-	-	-
Other long-term financial investments	4,374	4,374	
Loans	4,374	4,374	
Related receivables			
Total at 31.12.11	5,084	4,384	700

Note 4 – Receivables: statement of maturity dates

FOR CIRCULATING ASSETS	As at 31.12.11	Within one year or more	Between one and five years
Doubtful finance lease receivables	402	402	
Doubtful investment property receivables	970	970	
Finance lease revenue accruals	0	0	
Investment property revenue accruals	2,086	2,086	
Other finance lease receivables	866	866	
Other investment property receivables	1,469	1,469	
Trade receivables and associated accounts	5,794	5,794	
Prepayments and interim payments made	77	77	
Employee and related payables	-	-	
Social security and other social welfare agencies			
State - Income tax	90	90	
State – Value added tax	54	54	
State – Other taxes, duties and related payments			
Amount to receive on sales of buildings	534	534	
Working capital and calls for co-ownership charges paid	6,534	6,534	
Group and associated companies	61,878	61,878	
Other payables	307	307	
Other receivables	69,473	69,473	
Prepaid expenses	1,398	1,398	
Total	76,665	76,665	

Impairment of circulating assets

In thousands of euros	Amount at the beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairments on inventories and work-in-progress				
Impairment on trade receivables, finance leasing	725	0	388	338
Impairment on trade receivables, investment properties	1,515	165	1,057	624
Other impairments	2,759	3,175	0	5,934
Total impairments	5,000	3,340	1,445	6,896

Revenue accruals

In thousands of euros	As at 31.12.11	As at 31.12.10
Financial investments		
Receivables related to equity investments		
Other long-term financial assets		
Receivables	2,087	2,057
Trade receivables and related accounts	2,087	2,057
Staff		
Social services organizations		
State		
Subsidiary earnings		
Other receivables		
Investment securities		
Cash		
Total	2,087	2,057

Note 5 – Breakdown of investment securities and cash

Investment securities

In thousands of euros	As at 31.12.11	As at 31.12.10
Treasury shares	4,952	6,777
Total	4,952	6,777

Impairment of investment securities

In thousands of euros	Amount at the beginning of period	Increases, allowances	Decreases, reversals	Amount at end of period
Impairments on SICAV				
Treasury stock impairments	-	788		788
Total impairments	-	788	0	788

Cash

In thousands of euros	As at 31.12.11	As at 31.12.10
Cash		
Cash	2	2
Banque de France account	113	114
Bank accounts	5,121	13,227
Revenue accruals on bank accounts	0	9
Brokerage accounts	465	1,069
Total	5,701	14,421

Note 6 - Prepaid expenses

In thousands of euros	As at 31.12.11	As at 31.12.10
Operating expenses	1,191	849
Financial expenses	208	270
Exceptional expenses		
Total	1,398	1,119

Note 7 – Expenses deferred over several financial years

In thousands of euros	Net amount at beginning of period	Increases, allowances	Amortisation expense in the period	Update of amortisation plan	Amount at end of period
Expenses deferred over several years	3,177	548	836		2,889
Loan redemption premiums					

These deferred expenses concern the following borrowing costs:

In thousands of euros	Charges	Initial amortisation period
Crédit Agricole "Les Ulis" (€3,500,000)	58	16 years
Crédit Agricole (€10,600,000)	154	10 years
Wurtemberger (€300,000)	6	12 years
Wurtemberger (€2,415,000)	6	12 years
Landesbank Saar (€3,650,000)	50	10 years
Eurohypo Elancourt (€9,600,000)	74	10 years
Landesbank Saar (€3,190,000)	44	10 years
Société Générale (€5,200,000)	74	7 years
Crédit Agricole (€18,000,000)	121	10 years
Hsbc (€14,000,000)	74	10 years
CFF Bussy lettree (€8,650,000)	99	10 years
CFF Facam (€7,000,000)	41	10 years
SG Sofréavia (€8,400,000)	86	10 years
Natixis Lille Europe (€15,505,000)	131	10 years
Saarl B (€7,200,000)	6	10 years
Saarl B (€3,500,000)	19	5 years
CFF Tremblay (€3,500,000)	72	8 years
Saarl B Mulhouse (€5,400,000)	21	10 years
Hsbc Darblay (€13,360,000)	165	7 years
SG (€15,400,000)	217	7 years
SG le Rhodanien (€5,250,000)	78	10 years
BECM (€6,000,000)	114	5 years
CIC Lyonnaise de Banque (€7,350,000)	64	10 years
Oséo Aulnay (€2,375,000)	42	10 years
Oséo Nantes (€4,800,000)	84	12 years
Hypovereinsbank B (€26,700,000)	121	10 years
Allegemeine (€17,130,000)	152	16 years
Entenial (€8,000,000)	0	12 years
CFF (€450,000)	2	12 years
CFF (€5,400,000)	22	12.5 years
CFF Panhard (€10,500,000)	39	12 years
CFF Limay (€6,845,000)	30	12 years
CFF CBI (€12,000,000)	45	5 years
Aaréal (€7,000,000)	0	10 years
BNP Paribas (€17,630,000)	178	5 years
CBI Gennevilliers Plus (€18,796,000)	156	12 years
TSDI perpetual subordinated loan notes	243	5 years
Total	2,889	

Note 8 - Shareholders' equity and other equity

▪ Statement of changes in equity

In thousands of euros	Capital	Premiums	Regulated provisions	Consolidated	Earnings for the period	Revaluation reserves	Total
As at 31.12.10	47,800	23,947	5,179	80,294	6,475	12,750	176,445
Net subsidies and accelerated amortisation			1,161				1,161
Free reserves on operating lease sales				3,483		(3,483)	-
Interim dividend on treasury stock				742			742
Conversion to ORA	2,206	7,803					10,009
Interim dividend on treasury stock				(66)			(66)
Allocation to retained earnings					-		-
Conversion of dividends to shares	3,029	6,739					9,768
Share capital round up	66			-			66
Share in earnings					(16,199)		(16,199)
Distribution during the year				(14,151)	(6,475)		(20,626)
As at 31.12.11	53,100	38,489	6,340	70,303	(16,199)	9,267	161,300

▪ Other own equity

Convertible Bonds (ORA)

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
fixed term	20,232	-	232	-	20,000
Accounts	20,000				20,000
Related debts	232		232		-
indefinite term	-	-	-	-	-
Accounts					
Related debts					
Total at 31.12.11	20,232	-	232	-	20,000

Perpetual subordinated loan notes

In thousands of euros	Balance sheet items	0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
fixed term	-	-	-	-	-
Accounts					
Related debts					
indefinite term	75,728	728	-	-	75,000
Accounts	75,000				75,000
Related debts	728	728			
Total at 31.12.11	75,728	728	-	-	75,000

▪ Breakdown of reserves

In thousands of euros	31/12/2011	31/12/2010
Legal reserve	4,806	4,806
Statutory reserves		
Other reserves	65,496	34,339
Total	70,303	39,146

▪ Statement of changes in revaluation reserves

In thousands of euros	Revaluation reserve as at 01.01.03	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31.12.11
			On fixed assets sold	Relating to amortisation of the revalued share	
LYON BRON	1,444		(459)		985
ISTRES	48		(48)		-
AGEN	106	(105)	(1)		0
ST QUENTIN FALLAVIER	995			(18)	978
NANTES LOT N°8	97		(97)		-
EVRY	319				319
BUC	254	(254)			-
NANTES LOT No. 9	112		(111)	(1)	(0)
ECULLY	(35)	35			-
DAGNEUX	435		(407)	(28)	(0)
ARNAGE	(2)		2		-
BRETIGNY SUR ORGE	214				214
VITROLLES	(19)	19			-
TRAPPES	1,218	(606)	(589)	(22)	(0)
ANTONY	386	(349)	(37)		0
AIX EN PROVENCE	502			(1)	501
QUINCY SOUS SENART	1,045	(1,038)	(7)		-
LANNEMEZAN	(0)	0			-
ANGERS	98		(98)		-
ORLEANS	(48)	48			-
ST-OUEN L'AUMONE	583	(134)	(424)	(25)	-
BRIANCON	144		(144)		-
VITROLLES	(21)	21			-
AIX EN PROVENCE	75		(75)		-
SAINT OUEN	349			(12)	338
NANTES	54		(54)		-
LE LARDIN ST LAZARE	20		(20)		-
FRONTIGNAN	(6)	6			-
BIARRITZ	143				143
MARSEILLE 16ème	170		(170)		-
VENISSIEUX	222		(210)	(12)	-
MALAKOFF	467		(467)		-
ORLEANS	134				134
TOLBIAC MASSENA PARIS	2,939		(2,939)		-
VILLENEUVE D'ASCQ	18		(18)		-
SATOLAS-ET-BONCE	332		(332)		-
BAILLY	428		(428)		-
SOPHIA ANTIPOLIS (JUNON-JUPITER)	291		(291)		-
SOPHIA ANTIPOLIS (MINERVE)	165		(165)		-
SOPHIA ANTIPOLIS (OREADES)	(91)	91			-
TOLBIAC	5,390		(5,390)		-
AIX-EN-PROVENCE	1,183			(20)	1,163
BELLERIVE-SUR-ALLIER	848		(848)		-
SAINT MICHEL SUR ORGE	542	(214)	(328)		-
AULNAY-SOUS-BOIS	160		(160)		-
CORBAS ST-PRIEST	123		(119)	(4)	0
L'ISLE D'ABEAU	477		(465)	(13)	(0)
CERGY PONTOISE	135		(135)		-
BRIGNAIS	182		(182)		-
RUEIL Passage St-Antoine	2,704		(2,645)	(58)	0
CALUIRE	40		(40)		-
VERT ST DENIS	1,381	(32)		(75)	1,273

Annual statements as at 31 December 2011

In thousands of euros	Revaluation reserve as at 01.01.03	Value adjustment	On fixed assets sold	Relating to amortisation of the revalued share	Revaluation reserve as at 31.12.11
TRONCHET 2EME	1,356	(47)	(1,295)	(14)	(0)
RUE CASTEJA	1,431	(1,098)	(333)		0
			Share transferred to a distributable reserve account		
LE RHODANIEN	622	(271)			351
LOGELBACH	75		(75)		-
PANTIN - "TOUR ESSOR"	(44)	44			-
BAGNOLET	1,025				1,025
REAUMUR	2,485	(1,027)	(1,458)		(0)
PALaiseAU	801	(475)		(4)	322
NOISY LE GRAND "LE SARI"	(55)		55		-
NOISY PARKING	(6)		6		-
NOISY PARKING	(9)		9		-
SCEAUX ILOT CHARAIRE	50	(17)	(33)		0
COUDRAY MONCEAU	87		(87)		-
SOPHIA ANTIPOLIS (Valbonne Rose)	1,257		(1,257)		0
SOPHIA ANTIPOLIS (Valbonne Rose)	74		(65)	(9)	(0)
CHAMPLAN	137		(65)	(72)	0
VILLEURBANNE	149	(37)	(112)		-
BONDY	94		(94)		-
BONSAI RENNES	57		(57)		-
BONSAI HOUSSEN	100		(100)		-
CLERMONT 2	41		(41)		-
CLERMONT 1	189		(189)		-
AVIGNON	69		(69)		(0)
SOPHIA ANTIPOLIS (Valbonne Beige)	126				126
SAVIGNY LE TEMPLE	2,971	(1,367)	(1,604)		-
VITROLLES	578	(185)			393
LOGNES-CROISSY BEAUBOURG	1,264	(321)	(943)		-
ST GERMAIN LES ARPAJON	1,536	(535)			1,001
MARSEILLE GRAND ECRAN	(218)	218			-
VILLEURBANNE	(323)	323			-
VITROLLES 1	11		(11)		-
VITROLLES 2	72	(72)			-
RILLIEUX	526	(79)	(427)	(19)	0
AVIGNON	443		(443)		-
TREMBLAY EN FRANCE	134		(134)		-
IMMEUBLE A SEVRES	232		(230)	(2)	0
PARIS TOUR BERCY	8,947		(8,767)	(179)	0
Total	53,038	(7,459)	(35,722)	(590)	9,267

▪ Provisions for risks and charges

In thousands of euros	Opening balance	Allowance for the year	Reversal for the year used	Reversal for the year not used	Change in consolidation	Closing balance
Provision for diverse risks (customer disputes)	114					114
Provision for tax risk	-	1,250				1,250
Provision for pension costs	388	57				445
Provision for miscellaneous expenses	59			59		0
Total at 31.12.11	561	1,307	-	59	-	1,809

Note 9 – Statements of debt maturity dates

In thousands of euros	As at 31.12.11	Within one year or more	Between one and five years	Over 5 years
Convertible bonds				
Other bonds				
Loans from credit institutions	214,640	31,006	144,301	39,333
Loans and borrowings	14,432	14,432		
Prepayments and interim payments received	895	895		
Trade payables and related accounts	198	198		
Employee and related payables				
Social security and other social welfare agencies	400	400		
Income tax				
Value added tax	1,425	1,425		
Bonds				
Other taxes, duties and related payables				
Fixed asset payables and related payables	47	47		
Group and associated companies	14,450	14,450		
Other debts	5,912	5,912		
Previously recorded income	1,130	1,130		
Total	253,529	69,895	144,301	39,333

▪ Expenses to pay

In thousands of euros	As at 31.12.11	As at 31.12.10
Convertible bonds		
Other bonds		
Loans from credit institutions	842	642
Sundry financial borrowings and debts	7,023	1,677
Trade payables and related accounts	1,647	1,555
Tax and social security debts	1,179	1,296
Liquid assets, expenses payable	0	4
Other debts		
Total	10,692	5,174

Note 10 - Prepaid income

In thousands of euros	As at 31.12.11	As at 31.12.10
Operating revenues	1,130	771
Total	1,130	771

8.2. Notes to the corporate income statement

Note 11 - Operating income

- **Production sold: Revenue**

In thousands of euros	As at 31.12.11	As at 31.12.10
Rental revenue	9,852	14,764
Re-invoiced charges	2,531	3,192
Finance lease	12,384	17,955
Rental revenue	27,865	27,308
Re-invoiced charges	8,231	8,310
Investment property	36,096	35,618
Revenue from related activities	2,790	2,152
Operation	2,790	2,152
Total	51,269	55,725

- **Prior period adjustments and transfers of expenditures**

In thousands of euros	As at 31.12.11	As at 31.12.10
Reversals of finance lease provisions	16,654	11,387
Reversals of investment property provisions	1,516	1,492
Transfers of charges	578	21
Reversals of operation provisions	59	1,411
Total	18,807	14,311

Note 12 – Operating expenses

- **General operating expenses**

In thousands of euros	As at 31.12.11	As at 31.12.10
Other administrative costs	(21,409)	(23,768)
Taxes payable	(6,653)	(7,127)
Other purchases and external expenses	(14,756)	(16,641)
Personnel costs	(4,873)	(4,949)
Total	(26,282)	(28,717)

▪ **Depreciation expense and impairments**

In thousands of euros	As at 31.12.11	As at 31.12.10
Depreciation expense on buildings	(14,350)	(17,541)
Amortisation allowance for intangible assets	(52)	(61)
Headquarters depreciation expense	(67)	(54)
Finance lease depreciation expense	(5,992)	(8,990)
Investment property depreciation expense	(7,403)	(7,509)
Allowance for deferred expenses	(836)	(928)
Impairment expense on fixed assets	(2,164)	(6,585)
Finance lease impairment expense	(1,278)	(2,514)
Investment property impairment expense	(885)	(4,071)
Impairment expense on current assets	(165)	(619)
Doubtful finance lease receivables	(0)	(37)
Doubtful investment property receivables	(165)	(582)
Impairment of other payables		
Provisions for liabilities and charges	(1,307)	(138)
Impairment of subsidiaries	(1,250)	(114)
Retirement depreciation	(57)	(23)
Total	(17,986)	(24,882)

▪ **Breakdown of depreciation and amortisation for the period**

In thousands of euros	As at 31.12.11	As at 31.12.10
Intangible assets	(52)	(61)
Concessions, software programs	(52)	(61)
Tangible assets	(13,462)	(16,553)
Land		
Buildings	(13,395)	(16,499)
Technical facilities, equipment and industrial tools		
Other tangible assets	(67)	(54)
Property, plant & equipment under construction		
Prepayments and interim payments		
Total	(13,514)	(16,614)

▪ **Other expenses**

In thousands of euros	As at 31.12.11	As at 31.12.10
Related receivables for investment properties	(833)	(26)
Irrecoverable financed lease receivables	-	(3)
Directors fees	(122)	(90)
Other management expenses	(36)	(4)
Total	(990)	(123)

Note 13 – Share of earnings from joint transactions

In thousands of euros	As at 31.12.11	As at 31.12.10
Profit allocated or loss transferred	(7,058)	(1,707)
Atit profit (loss)	(14)	(12)
Jardins des Quais profit (loss)	(679)	(637)
Sci Nevers Colbert profit (loss)	(5,246)	(774)
Sci Arca ville d'été profit (loss)	(1,085)	(230)
Capucines III profit (loss)		(12)
Capucines IV profit (loss)	(11)	(10)
Capucines V profit (loss)	(11)	(10)
Capucines VI profit (loss)	(11)	(10)
Transaffine profit (loss)	-	(12)

Note 14 – Financial income (loss)

In thousands of euros	As at 31.12.11	As at 31.12.10
Interest on current account	2,258	2,146
Dividends	3,027	15,689
Interest income from equity investments	5,285	17,835
Other interest and similar income	246	101
Reversals of impairments on securities and current accounts	6,672	11,878
Net income from disposals of investment securities	174	1,334
Total financial income	12,378	31,149
Interest on current account	(293)	(111)
Interest on credit balances	(1)	(16)
Interest on loans	(6,150)	(6,052)
Expenses on caps, swaps and tunnels	(2,796)	(3,634)
ORA expenses	(2,151)	(3,637)
TSDI expenses	(3,149)	(2,698)
Miscellaneous	(338)	(381)
Impairment expenses on securities and current accounts	(17,870)	(6,026)
Impairment expense on treasury shares	(788)	
Total financial expenses	(33,536)	(22,555)
Total financial income	(21,158)	8,593

Note 15 – Exceptional income or loss

In thousands of euros	As at 31.12.11	As at 31.12.10
On management transactions	216	305
Recovery on amortised receivables from investment properties	-	148
Recovery on amortised receivables from finance leases	216	157
On capital transactions	25,492	27,816
Disposal price of fixed assets sold	1,633	2,001
Disposal price of finance lease fixed assets sold	10,752	3,837
Disposal price of investment property fixed assets sold	13,077	21,946
Miscellaneous	30	31
Reversals on impairments, provisions and transfers of charges	54	-
Capital cost allowances	28	-
Miscellaneous	26	-
Total exceptional income	25,762	28,121
On management transactions	(9)	(3,567)
Miscellaneous exceptional charges	(9)	(3,567)
On capital transactions	(37,390)	(40,036)
Carrying amount of the asset elements sold, financial assets	(1,254)	(6,776)
Carrying amount of the asset elements sold, finance lease	(25,706)	(15,008)
Carrying amount of the asset elements sold, investment properties	(9,726)	(17,808)
Sales fees on investment properties	(375)	(346)
Miscellaneous	(328)	(98)
Depreciation, amortization and provisions	(1,190)	(1,268)
Capital cost allowances	(1,190)	(1,268)
Total exceptional expenses	(38,588)	(44,870)
Total exceptional profit (loss)	(12,825)	(16,749)

Sales of finance lease assets generate a net expense of €14,954,000; this amount is to be compared with the reversals of provisions, articles 64 and 57, which can be found in current income for €16,264,000.

Note 16 – Income tax

In thousands of euros	Income before taxes	Income tax	Net income
Recurring income (loss)	(3,398)		(3,398)
Extraordinary earnings	(12,825)	(24)	(12,801)
Exit tax			
Total	(16,223)	(24)	(16,199)

Elements involving various items of the balance sheet and income statement

ITEMS (in gross values)	Amount concerning the companies		
	Related companies	With which the company has a shareholding link	Amount of debts or receivables represented by commercial paper
In thousands of euros			
Subscribed share capital not called up			
Prepayments and interim payments on intangible assets			
Shareholdings	124,804	70,013	
Receivables related to equity investments	164		
Loans	539		
Other investment securities			
Other long-term financial assets			
Amounts paid on account			
Trade receivables and related accounts			
Other receivables	60,582	1,296	
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	14,450		
Amounts received on orders in progress			
Trade payables and related accounts			
Fixed asset payables and related payables			
Other purchases and external expenses	318		
Revenues (service provisions)	2,650	140	
Interest income from equity investments	1,040	1,987	
Other interest and similar income	2,155	103	
Interest and related expenses	(293)		

Notes to off-balance sheet items

<i>In thousands of euros</i>	31/12/2011	31/12/2010
COMMITMENTS MADE		
FINANCIAL COMMITMENTS	-	-
Commitments to lending institutions	-	-
Commitments to customers	-	-
INDEMNITY UNDERTAKINGS	48,498	60,925
Commitments to lending institutions	-	-
Commitments to clients and subsidiaries	48,498	60,925
COMMITMENTS RECEIVED		
FINANCIAL COMMITMENTS	24,988	19,000
Commitments received from financial institutions	24,988	19,000
Commitments received from clients		
INDEMNITY UNDERTAKINGS	11,951	16,519
Commitments received from financial institutions	2,556	2,399
Commitments received from clients	9,396	14,120

Note 17 – Other commitments not shown in the publishable off-balance sheet

<i>(In thousands of euros)</i>	Balance sheet items	less than 1 month	1 to 3 months	3 months to 1 year	1 year to 2 years	2 years to 5 years	over 5 years
<u>Non-current debts</u>							
covered by guarantees	135,139				9,004	95,487	30,647
covered by pledges	14,000				3,500	10,500	
no guarantee or pledge	50,493				7,537	18,933	24,023
<u>Current debts</u>							
covered by guarantees	39,067	281	2,155	19,189	885	14,420	2,135
covered by pledges	3,630			3,630			
no guarantee or pledge	7,359	451	1,374	5,535	0	0	0

Guarantees: these security interests include the mortgages recorded.

Pledges: These concern the pledges of shares in borrowing companies for the benefit of the banks.

When the loan is simultaneously guaranteed by a guarantee and a pledge, the security interest is classified in "guarantee".

Maturity of interest rate instruments

In thousands of euros	Outstandings at 31.12.2011	0 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years
Macro hedging transactions					
Over the counter market					
Firm transactions					
Swaps and collars	74,487	711	5,944	67,832	
Contingent transactions					
Caps and tunnels	119,368	2,534	7,415	102,114	7,306
Total	193,855	3,245	13,359	169,946	7,306

A new cap was contracted during the financial year for a total notional amount of €7,241,000.

Two swaps were subscribed: one took effect in 2011 for a notional amount of €17,630,000. The other will take effect in 2012 for an amount of €9,800,000.

Interest rate risks

Affine is exposed to interest rate risk linked to the change of interest rates on its floating rate loans, which it hedges primarily through market transactions (swaps, caps, collars and tunnels) contracted from foremost banking institutions.

As at 31.12.11, floating rate financial debt amounted to €185,760,000.

Financial covenants

The Group's loan agreements have covenants relating to:

- LTV (Loan To Value);
- ICR (Interest Coverage Ratio) ;
- DSCR (Debt service coverage ratio).

According to the terms of these credit agreements, failure to comply with these ratios constitutes a requirement for partial or early repayment to re-establish the ratio at its contractual level. As at 31.12.11, 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.

9. FEES OF THE STATUTORY AUDITORS REPORTED IN THE INCOME STATEMENT

<i>In thousands of euros</i>	Cailliau Dedouit et Associés		KPMG Audit	
	Amount		Amount	
	2011	2010	2011	2010
Auditing, certification, review of accounts	208	283	208	248
Other tasks directly linked to the auditing engagement	-	-	-	-
Other services	2	-	2	-
Total	210	283	210	248