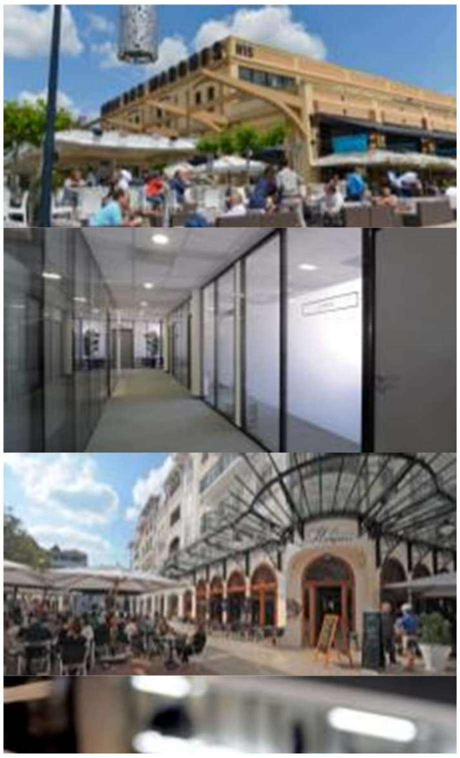
Paris, 18 February 2014, 6:00 pm

# 2013 annual consolidated financial statements

## INCREASE IN OCCUPANCY RATE AND RENTS
## SOLID FUNDAMENTALS FOR CONTINUED INVESTMENT



**CHANGE IN PORTFOLIO**

- Rents up 0.9% on a like-for-like basis
- Significant hike in occupancy rate (90.9%)
- €25.5m in acquisitions and €7.8m in disposals
- €19.9m in improvements and developments

**CONTROLLED LTV OF 46.8%**
**AND COST OF DEBT DOWN TO 3.4%**

**DECLINE IN EPRA EARNINGS**

- (-) Rental income down due to disposals in 2012
- (-) End of residential development projects
- (+) Sharp drop in financial costs
- (+) Decrease in corporate expenses

**EPRA NAV PER SHARE OF €25.0**

- (-) 3.8% reduction in fair value of buildings
- (-) Net earnings of -€8.8m due to fair value adjustments, particularly for Banimmo

**DIVIDEND OF €0.9 PER SHARE**

The Board of Directors of Affine, meeting on 17 February 2014, approved the individual and consolidated financial statements for the period ending 31 December 2013. The audit procedures are in the process of finalisation.

### 1) EARNINGS

EPRA earnings, a measurement of the company's consolidated recurring earnings, were €17.0m compared to €20.1m in 2012.

This change is due to:

- the decrease in net rents (-€6.4m or 15.6%) resulting from the major programme of disposals (€120m) conducted in 2012,
- the decline in income posted by the property development business (€0.9m vs €3.2m) caused mainly by the end of the residential development programmes (€0.3m vs €1.7m),
- a marked reduction in financial costs (-€5.5m or 32.3%) resulting from deleveraging related to the disposals, and strengthened by further improvement in the cost of financing,
- the continued reduction in corporate expenses (-8.6%),
- a decline in the contribution from associates (including Banimmo) from €2.5m to €1.9m.

There were also a number of value adjustments in the Group:

- firstly, Affine posted a €18.3m decline in fair value of buildings (as opposed to -€5.2m in 2012) and a €4.0m increase in fair value of financial instruments (versus -€1.5m in 2012) ;
- secondly, Banimmo made a significant provision for a building under redevelopment and for its

equity interest in City Mall, thus contributing €7.2m to the loss in value shown in Affine's consolidated income statement.

As a result net consolidated earnings came to a loss of €8.8m versus a profit of €4.7m in 2012.

Funds from operation were stable at €17.9m, the decline in rental income from disposals being offset in particular by reduced finance costs. As a result of the markedly positive change in WCR (€1.3m vs -€16.4m), operating cash-flow went from €16.8m in 2012 to €31.1m in 2013.

The Board of Directors decided to recommend that the Annual General Meeting fix the amount of the dividend per share payable for the financial year at €0.9, to take account of the one-time drop in the company's earnings, while maintaining the share yield comparable to that of the sector.

## 2) Activity

On a like-for-like basis, annualised headline gross rental income at the end of 2013 was up 0.9% over end of 2012, thus reflecting the efforts made in rental management. The same was true of the EPRA occupancy rate, which increased significantly from 87.8% to 90.9%, giving a gross yield on headline rents of 7.3%.

In terms of rentals, Affine signed 35 new leases covering a total surface area of 23,900 sqm and total annual rent of €1.3m. In addition, 19 tenants cancelled their leases, representing a total surface area of 10,600 sqm and annual rent of €1.6m. Lastly, 35 tenants renegotiated their rents for an amount of €3.9m.

At the end of 2013, Affine became sole owner of the retail and office properties at Les Jardins des Quais in Bordeaux by purchasing Banimmo's 50% stake for €25.5m. During the year, Affine also continued investing to improve the quality of its buildings (€9.5m) and to sell mature or small assets (7 buildings for a total of €7.8m).

## 3) Net Asset Value

At the end of December 2013, the fair value of investment properties was €594m (excluding transfer taxes), down 3.8% on a like-for-like basis versus the end of 2012.

EPRA Net Asset Value (excluding transfer taxes), after deducting quasi-equity (PSL: perpetual subordinated loan notes) and after adjustments to the fair value of derivatives and deferred taxes, was down 11.3% to €256.0m due to the negative earnings for the year and the 2012 related distribution (dividends and payment of the BRS [bonds redeemable in shares] and PSL). NAV per share (excluding treasury shares and after dilution due to bonds redeemable in shares) declined from €28.2 to €25.0.

Finally, EPRA triple net NAV (excluding transfer taxes), including the fair value of hedging instruments, deferred tax and the difference between the accounting value and discounted value of the debt, amounted to €28.2 per share.

## 4) Financing

€47.6m in new loans were set up during the period and paid off a total of €41.9m.

At 31 December 2013, the net financial debt was €347m (versus €334m at year-end 2012). For its specific property business, the LTV ratio (net bank debt/market value of buildings including transfer taxes, excluding those in anticipation of completion, plus property inventories, plus net position of associates) was 46.8% versus 45.5% at the end of 2012.

The average cost of debt for 2013 was 1.9% (or 3.4% including hedging costs, versus 3.8% in 2012). The company took advantage of the particularly low rates to optimise hedging on its debt by entering into new swaps in June (€55m) and caps (€62m) on very attractive terms. The average term of debt was 5.7 years. There are no significant debts maturing in the next few years.

## 5) Outlook

The strategy for improving the portfolio will be continued in 2014 and its structural effects should start to be felt, in particular regarding value adjustments. After the acquisition of all of Jardins des Quais in Bordeaux in December 2013, the rebound in investment remains a key objective, relying on a sound financial footing, and in line with the strategic policy which is based on a balance between the Paris region and major French cities.

## 6) Calendar

- 23 April 2014: First-quarter revenues
- 30 April 2014: Annual General Meeting
- 12 May 2014: Dividend payment (€0.90)
- 31 July 2014: 2014 half-year revenues and earnings
- 22 October 2014: Third quarter revenues

## CONSOLIDATED EARNINGS

| (€m) (1) | 2011 | 2012 | 2013 |
|---|---|---|---|
| Gross rental income | 48.3 | 46.4 | 40.2 |
| **Net rental income** | **43.1** | **41.3** | **34.8** |
| Other income | 3.6 | 4.3 | 1.9 |
| Operating expenses | (12.0) | (10.9) | (10.0) |
| **Current EBITDA (2)** | **34.7** | **34.6** | **26.7** |
| **Current operating profit** | **34.6** | **34.5** | **26.5** |
| Other income and expenses | (2.6) | (1.6) | (2.7) |
| Net profit or loss on disposals | 2.9 | (8.5) | (0.1) |
| **Operating profit (before value adjustments)** | **34.9** | **24.5** | **23.7** |
| Net balance of value adjustments | 1.7 | (5.2) | (18.4) |
| **Net operating profit** | **36.6** | **19.2** | **5.4** |
| Net financial cost | (18.2) | (16.9) | (11.5) |
| Fair value adjustments of financial instr. | (2.3) | (1.5) | 4.0 |
| Taxes | (0.4) | 0.1 | (1.4) |
| Associates | 1.3 | 3.4 | (5.3) |
| Miscellaneous(3) | (0.4) | 0.3 | (0.1) |
| **Net profit** | **16.6** | **4.6** | **(8.8)** |
| **Net profit – Group share** | **15.3** | **4.7** | **(8.8)** |

(1) Based on IFRS financial statements and EPRA recommendations.
(2) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. In 2011, 2012 and 2013, this amount excludes the impairment of properties of the development business, which were €3.0m, €1.4m and €1.2m respectively and which are recognised under other income and expenses.
(3) Net profit from activities that have been discontinued or are being sold, other financial income and expenses.

## EPRA EARNINGS

| (€m) | 2011 | 2012 | 2013 |
|---|---|---|---|
| **Net profit – Group share** | **15.3** | **4.7** | **(8.8)** |
| Value adjustments for investment and development properties (1) | 1.3 | 6.6 | 21.7 |
| Net profit or loss on disposals | (2.9) | 8.5 | 0.1 |
| Goodwill adjustment | - | - | - |
| Fair value adjustment of hedging instruments | 2.3 | 1.5 | (4.0) |
| Non-current tax, deferred and exit tax | 0.5 | (0.2) | 0.9 |
| Adjustments for associates | 1.3 | (0.9) | 7.2 |
| Minority interests in respect of the above | 0.8 | (0.2) | - |
| **EPRA earnings (4)** | **18.4** | **20.1** | **17.0** |

(4) The European Public Real Estate Association (EPRA) issued Best Practice Recommendations in September 2011 which give guidelines for performance measures. Additional guidances were released in January 2014. As detailed in the EPRA adjustments note, EPRA earnings essentially excludes the effects of fair value changes and gains or losses on sales. EPRA earnings for 2011 and 2012 were adjusted by reintegrating other operational and financial income and expenses.

**EPRA EARNINGS (RECURRING/NON-RECURRING PRESENTATION - DIRECT METHOD)**

| (€000') | 2011 | 2012 | 2013 |
|---|---|---|---|
| Gross rental income | 48,269 | 46,427 | 40,230 |
| **Net rental income** | **43,084** | **41,261** | **34,830** |
| Other income | 3,629 | 4,294 | 1,911 |
| Corporate expenses | (12,008) | (10,937) | (9,993) |
| **Current EBITDA** (2) | **34,705** | **34,618** | **26,748** |
| **Current operating profit** | **34,583** | **34,503** | **26,480** |
| Other income and expenses | 357 | (128) | 676 |
| Net financial cost | (18,200) | (16,935) | (11,462) |
| Taxes (current) | 23 | (51) | (497) |
| Associates (current) | 2,569 | 2,495 | 1,914 |
| Miscellaneous (current) (3) | (434) | 293 | (98) |
| **Net current profit** | **18,899** | **20,176** | **17,013** |
| **EPRA earnings (Net current profit – Gs (5))** | **18,423** | **20,094** | **17,009** |
| | | | |
| Other income and expenses (non-current) | (2,969) | (1,422) | (3,332) |
| Net profit or loss on disposals | 2,931 | (8,501) | (91) |
| Net balance of value adjustments | 1,679 | (5,217) | (18,371) |
| Fair value adjustments of hedging instr. | (2,262) | (1,506) | 4,032 |
| Taxes (non-current) | (463) | 197 | (854) |
| Associates (non-current) | (1,258) | 906 | (7,224) |
| Miscellaneous (non-current ) (3) | 0 | 0 | (0) |
| **Net non-current profit** | **(2,341)** | **(15,544)** | **(25,840)** |
| **Net non-current profit – gs (5)** | **(3,160)** | **(15,382)** | **(25,840)** |
| | | | |
| **Net profit** | **16,558** | **4,632** | **(8,828)** |
| **Net profit– group share** | **15,262** | **4,712** | **(8,831)** |

(5) Pdg means Group share.

## ABOUT AFFINE GROUP

*Affine is a property company specialising in commercial property. At the end of 2013, Affine owned 60 properties with a total value of €627m, inclusive of transfer taxes, with a total surface area of 549,000 sqm. The company owns office properties (54%), retail properties (21%), warehouses and industrial premises (25%). Its assets are fairly evenly divided between Ile-de-France (Paris region) and other French regions.*

*Affine is also the reference shareholder (49.5%) of Banimmo, a Belgian property repositioning company with operations in Belgium and France. At the end of 2013, Banimmo owned 19 office and retail properties worth €367m. Finally, the Group also has a 99.9%-owned subsidiary Concerto European Developer which specialises in logistics development.*

*Total Group assets amount to €993m.*

*In 2003, Affine opted for French real estate investment trust (SIIC) status. Affine shares are listed on NYSE Euronext Paris (Ticker: IML FP / BTTP.PA; ISIN: FR0000036105) and admitted to the deferred settlement system (long only). It is included in the CAC Mid&Small, SIIC IEIF and EPRA indexes. Banimmo is also listed on NYSE Euronext.* www.affine.fr

## CONTACT

**INVESTOR RELATIONS**
Frank Lutz
+33 (0)1 44 90 43 53 – frank.lutz@affine.fr

**PRESS RELATIONS**
Watchowah – Didier Laurens
+33 (0)6 85 38 03 62 – didier.laurens@watchowah.com