

RAPPORT D'ACTIVITÉ BUSINESS REVIEW 2012



Les procédures d'audit sont en cours de finalisation.
[Audit procedures are currently being finalized.](#)

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PROFIL PROFILE]

Notre métier : l'immobilier d'entreprise Our business: commercial property

Foncière spécialiste dans l'immobilier d'entreprise, Affine possède et gère à fin 2012 63 immeubles d'une valeur de 580 M€ droits inclus, répartis sur une surface globale de 506 000 m². La société est présente dans les bureaux (59 %), l'immobilier commercial (14 %) et les entrepôts et locaux d'activité (26 %). Ses actifs sont localisés à parts sensiblement égales entre l'Ile de France et les autres régions.

Affine est aussi l'actionnaire de référence de Banimmo, foncière de repositionnement belge active en Belgique et en France ; son patrimoine est composé à fin 2012 de 24 immeubles de bureaux et de commerce, d'une valeur de 414 M€.

Enfin sa filiale Concerto European Developer est spécialisée dans les opérations de développement 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. Banimmo est également cotée sur NYSE Euronext.

www.affine.fr

Patrimoine direct / Direct
properties ⁽¹⁾

580 M€

Surface / Surface area
506 000 m²

Revenus locatifs directs
Direct gross rental income
41 M€

Banimmo ⁽¹⁾⁽²⁾

414 M€

Affine is a property company specializing in commercial property. At the end of 2012, Affine owned and managed, 63 properties worth €580m, with a total surface area of 506,000 sqm. The firm owns office properties (59%), retail properties (14%) and warehouses and industrial premises (26%). Its activity is distributed more or less equally between Ile-de France and the other French regions.

Affine is also the reference shareholder of Banimmo, a Belgian property repositioning company with activities in Belgium and France. The firm owns 24 properties in office and retail properties worth €414m.

Lastly, its subsidiary Concerto European Developer is specialized in logistics development.

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). It is included in the CAC Mid&Small, SIIC IEIF and EPRA indexes.

Banimmo is also listed on NYSE Euronext.

www.affine.fr

(1) Droits inclus. / Transfer tax included.

(2) Incluant la juste valeur des sociétés mises en équivalence. / Including the fair value of associates.

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 et non plus par intégration globale. Afin de permettre une bonne lisibilité des comptes de l'exercice et leur comparabilité avec ceux des exercices précédents, les comptes ci-dessous sont pour 2010 et 2011 des comptes pro forma dans lesquels Banimmo et Jardins des quais sont consolidés par mise en équivalence sur la totalité de l'exercice. Les comptes de Banimmo sont en cours d'audit.

NB: Since 1 October 2011, the Banimmo sub-group and Jardins des Quais are fully consolidated in Affine's accounts instead of through the equity method. To facilitate the readability of the financial statements and their comparability with previous periods, in the consolidated financial statements below, we present proforma statements for 2010 and 2011, in which Banimmo and Jardins des Quais are consolidated through the equity method over the full financial year. Banimmo's financial statements are currently under audit review.

Comptes consolidés (M€)	2010	2011	2012	Consolidated statements (€m)
Revenus locatifs	50,0	48,3	46,4	Gross rental income
Résultat opérationnel courant ⁽¹⁾	34,4	34,6	34,5	Current operating profit ⁽¹⁾
Résultat net	10,5	16,6	4,6	Net profit
Résultat net – part du groupe	10,3	15,3	4,7	Net profit – group share
Résultat EPRA	16,0	18,5	19,9	EPRA earnings
Capacité d'autofinancement	27,7	19,7	17,9	Funds from operation
Investissements	24,4	25,5	20,5	Investments
dont immeubles de placement ⁽²⁾	23,6	25,3	20,5	of which Investment properties ⁽²⁾
dont autres	0,8	0,2	0,0	of which other
Juste valeur du patrimoine (droits inclus) ⁽³⁾	725,0	709,0	580,4	FV of investment properties (incl. TT) ⁽³⁾
Juste valeur du patrimoine (hors droits) ⁽³⁾	686,5	672,2	549,3	FV of investment properties (excl. TT) ⁽³⁾
Actif net réévalué EPRA (hors droits) ⁽⁴⁾	281,9	287,6	288,8	EPRA net asset value (excl. TT) ⁽⁴⁾
ANNR EPRA (hors droits) ⁽⁴⁾	ND / NA	317,9	308,8	EPRA NNNNAV (excl. TT) ⁽⁴⁾
Dettes financières nettes	465,3	434,7	333,8	Net financial debt
LTV (%) ⁽⁵⁾	51,5	50,8	45,5	LTV (%) ⁽⁵⁾
Coût moyen de la dette (%) ⁽⁶⁾	3,7	4,0	3,8	Average cost of debt (%) ⁽⁶⁾
Taux d'occupation EPRA (%)	87,7	89,0	87,8	EPRA occupancy rate (%)
Données par action (€)	2010	2011	2012	Figures per share (€)
Résultat net ⁽⁷⁾	0,83	1,26	0,20	Net profit ⁽⁷⁾
Résultat EPRA	1,45	1,60	1,73	EPRA earnings
Dividende	2,43	1,20	1,20	Dividend
Actif net réévalué EPRA (hors droits) ⁽⁴⁾	30,26	28,97	28,21	EPRA net asset value excl TT ⁽⁴⁾
ANNR EPRA (hors droits) ⁽⁴⁾	ND / NA	32,02	30,17	EPRA NNNNAV excl TT ⁽⁴⁾
Cours de bourse (fin de l'exercice)	17,10	12,50	12,61	Share price (end of the year)

(1) Ce montant n'intègre pas en 2010, 2011 et 2012 les dépréciations sur les immeubles en stock de l'activité de développement, pour respectivement 5,4 M€, 3,0 M€ et 1,4 M€, repris dans les autres produits et charges. / In 2010, 2011 and 2012, this amount does not include the impairment of buildings in inventory of the property development business of €5.4m, €3.0m and €1.4m respectively, which is recognised under other income and expenses.

(2) Au coût historique, en pleine propriété ou financés en crédit-bail. / At historic cost, with full ownership or under a finance lease agreement.

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

(4) Y compris ORA et après déduction des Titres Subordonnés à Durée Indéterminée (TSDI). / Including ORA (mandatory convertible bonds) and after deducting 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 des immeubles en stock. / The LTV corresponds to the ratio of net financial debt associated with investment properties to the value of investment buildings, excluding those in anticipation of completion, and including buildings in inventory.

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

(7) Après dilution des ORA. / After dilution due to ORA.

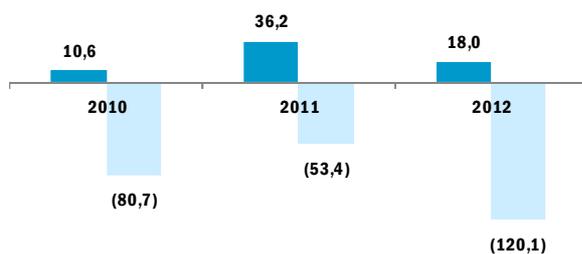
EPRA

Les mesures de performance EPRA (EPM) sont précisées dans la partie *Recommandations Best Practices de l'EPRA*.

EPRA

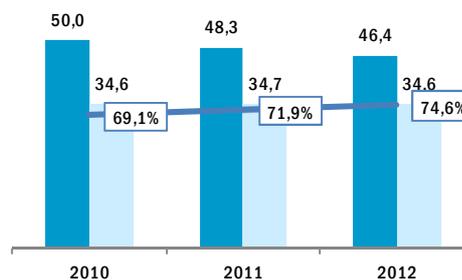
The EPRA Performance Measures (EPM) are stipulated in the *EPRA Best Practice Recommendations* section.

Investissements (M€) Investments (€m)



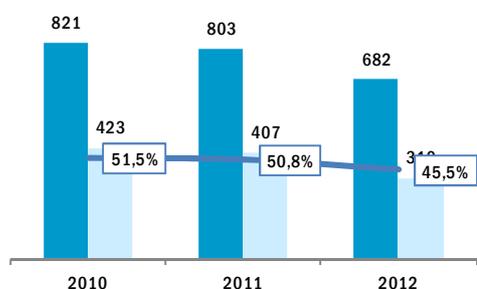
■ Investissement / Investment
■ Cession / Disposal

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



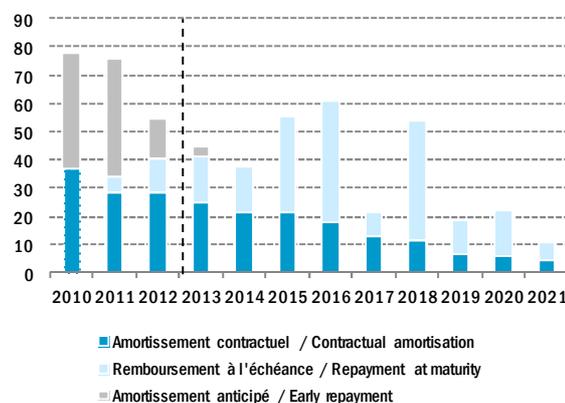
■ Revenus locatifs / Gross rental income
■ EBITDA
— EBITDA (%)

LTV (M€) LTV (€m)



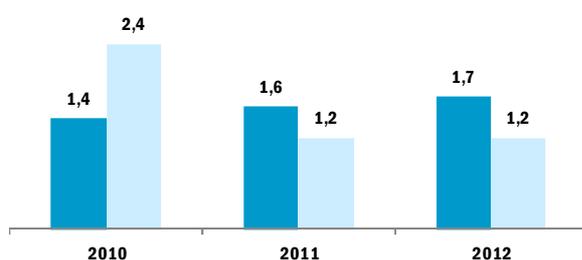
■ Valeur / Value ■ Dettes nettes / Loan — LTV

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



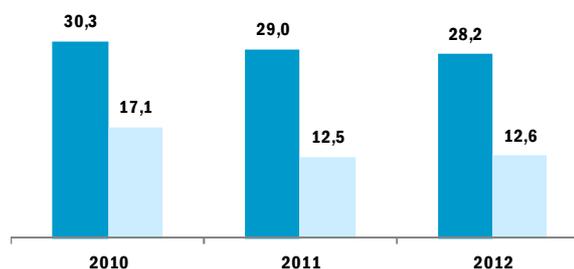
■ Amortissement contractuel / Contractual amortisation
■ Remboursement à l'échéance / Repayment at maturity
■ Amortissement anticipé / Early repayment

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

Mars

Cession de bureaux de 658 m² à Toulouse (31).

Cession de locaux d'activités de 908 m² à Lezennes (59).

Inauguration du centre-ville d'Arcachon (33), où Affine a investi dans 2 400 m² de commerce de pied d'immeubles.

Avril

Cession de bureaux de 700 m² à Valbonne (06).

Mai

Signature par Banimmo d'un contrat pour le développement d'un immeuble de bureaux clé-en-main de 8 000 m² à Charleroi (Belgique)

Livraison par Banimmo d'un immeuble à usage mixte (laboratoire et bureaux) de 7 200 m² à Gand (Belgique).

Acquisition de 6 250 m² de bureaux à Lille (59).

Cession de commerces de 4 565 m² à Vert-Saint-Denis (77).

Juin

Acquisition par Banimmo d'un site de 27 000 m² à redévelopper à Rocquencourt (78).

Cession de bureaux de 3 240 m² à Saint-Julien-les-Metz (57).

Septembre

Annonce de la fusion par absorption d'AffiParis par Affine.

Octobre

Annonce par Concerto European Developer de la construction pour Eurodif d'une plateforme logistique de 24 700 m² à Troyes (10).

Cession par Banimmo de redevances d'usufruit sur un immeuble tertiaire à Bruxelles pour un montant total

March

Sale of 658 sqm of offices in Toulouse (31).

Sale of 908 sqm of industrial premises in Lezennes (59).

Inauguration of the Arcachon (33) city centre, where Affine invested in 2,400 sqm of ground-floor retail premises.

April

Sale of 700 sqm of offices in Valbonne (06).

May

Signing by Banimmo of a contract for the development of an 8,000 sqm built to suit office building in Charleroi (Belgium).

Completion by Banimmo of a 7,200 sqm mixed-use building (laboratory and offices) in Ghent (Belgium).

Acquisition of a 6,250 sqm office building in Lille (59).

Sale of 4,565 sqm of retail outlets in Vert-Saint-Denis (77).

June

Acquisition by Banimmo of a 27,000 sqm site to be redeveloped in Rocquencourt (78).

Disposal of 3,240 sqm of offices in Saint-Julien-les-Metz (57).

September

Announcement of the merger by absorption of AffiParis by Affine.

October

Announcement by Concerto European Developer of the construction of a 24,700 sqm logistics platform for Eurodif in Troyes (10).

Sale by Banimmo of usufruct receivables on a commercial premise in Brussels for an amount of

de 11,1 M€.

Novembre

Participation d'Affine à hauteur de 5 M€ à l'émission obligataire souscrite par le fonds Micado 2018.

Décembre

Cession de bureaux de 9 400 m² à Paris, rue Paul-Baudry.

Cession de bureaux de 7 824 m² à Lille (59).

Signature par Concerto European Developer d'un nouveau bail pour un bâtiment de 10 740m² à réaliser à Sant Feliu de Buixalleu en Espagne.

Fusion-Absorption d'AffiParis par Affine approuvée par les AGE.

Signature par Concerto European Developer d'un bail avec Devanlay pour une plateforme logistique de 18 770 m² à Troyes (10).

Cession de bureaux de 1 634 m² à Saint-Ouen (93).

€11.1m.

November

Participation of Affine at €5m to the bond issue subscribed by the Fund Micado France 2018.

December

Disposal of 9,400 sqm of offices in Paris (75), rue Paul-Baudry.

Disposal of 7,824 sqm of offices in Lille (59).

Signature by Concerto European Developer of a new lease for a 10,740 sqm logistics platform to be built in Sant Feliu de Buixalleu, Spain.

Merger-absorption of AffiParis by Affine approved by the EGM.

Signature by Concerto European Developer of a lease with Devanlay for an 18,770 sqm logistics platform in Troyes (10).

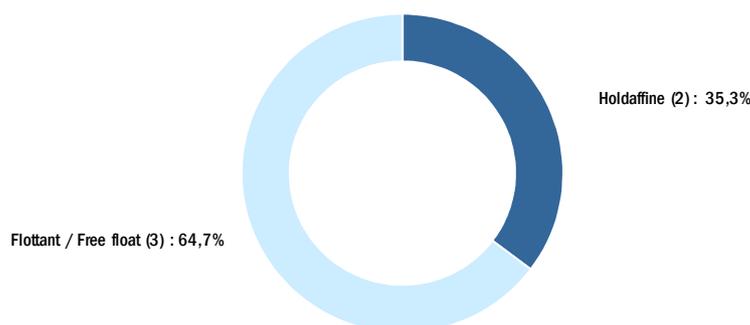
Disposal of 1,634 sqm of offices in Saint-Ouen (93).

Actionnariat Shareholders

Actionnariat au 31 décembre 2012

Au 31 décembre 2012, le capital social s'élève à 53 300 000 € divisé en 9 033 959 actions.

Répartition du capital⁽¹⁾ / Breakdown of shareholders⁽¹⁾



(1) Répartition des droits de vote / Breakdown of voting rights: Holdaffine : 50,3 % ; Flottant / Free float: 49,7 %.

(2) Holdaffine est une société holding non cotée essentiellement constituée des dirigeants et contrôlée par MAB Finances, holding d'animation du groupe Affine. / Holdaffine is an unlisted holding company mainly composed of the management and controlled by MAB Finances, Affine group's management holding company

(3) Dont La Tricogne : 6,6 % du capital et 5,0 % des droits de vote. / Of which La Tricogne: 6.6% of capital and 5.0% of voting rights

Affine en bourse

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

Un nouveau contrat de liquidité, signé le 26 juin 2012 avec Kepler Capital Markets, assure la cotation du titre en continu et a été doté de 72 945 € et de 57 464 titres Affine. Le compte de liquidité, après prise en compte des achats et ventes de l'année, comprenait 44 407 actions au 31 décembre 2012.

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 28 avril 2011, et renouvelée lors de l'Assemblée générale du 27 avril 2012, la société a acquis à travers le contrat de liquidité au cours de l'année 115 146 actions. Par ailleurs, à travers ce même contrat, 111 273 titres ont été vendus au cours de cette période.

Shareholders at 31 December 2012

At 31 December 2012, the share capital amounted to €53,300,000 divided into 9,033,959 shares.

Affine on the stock market

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

A new liquidity contract, which was signed with Kepler Capital Markets on 26 June 2012, ensures the continuous quotation of the stock, and was allocated €72,945 and 57,464 Affine shares. After taking account of the purchases and sales over the year, the liquidity account comprised 44,407 shares at 31 December 2012.

Since 26 May 2010, Affine shares are 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 (financial intermediary) until the end of the month.

Under the authorization granted by the Shareholders' Meeting of 28 April 2011, and renewed by the Shareholders' Meeting of 27 April 2012, the company purchased 115,146 shares during the year through the liquidity contract. Through this same contract, 111,273 shares were sold during that period.

Le nombre d'actions détenues par la société et figurant dans son bilan s'élève à 44 407 ; elles sont toutes liées à l'animation du marché. Afin de limiter la dilution résultant de la création de 314 576 actions nouvelles par la fusion absorption d'AffiParis par Affine, il a en effet été décidé d'annuler les 282 659 actions propres non liées à l'animation de marché fin octobre.

Au 31 décembre 2012, la valeur des actions propres inscrites au bilan est de 0,6 M€.

Le nombre moyen de transactions journalières a été de 19 895 au cours de 2012, contre 16 810 en 2011, reflétant un net renforcement de l'animation du marché du titre, principalement au cours du premier semestre. Le taux de rotation du capital atteint 56 % en base annualisée, et 87 % pour le seul flottant.

A la suite de la publication de ses résultats annuels 2011, le titre Affine a enregistré pendant quelques semaines une surperformance par rapport aux indices sectoriels IEIF SIIC France et EPRA Europe. Après le paiement du dividende, un fléchissement du cours a été enregistré à la mi-mai. Depuis, l'évolution du titre a sensiblement suivi celle de l'indice EPRA. Au cours de l'année le titre a ainsi progressé de 0,9 % lorsque l'IEIF SIIC France affichait une hausse de 21,4 %.

Au 31 décembre 2012, le cours d'Affine s'établit à 12,61 € faisant ressortir une capitalisation boursière de 113,9 M€. La décote par rapport à l'ANR EPRA s'élève à 55 %, en dépit d'un niveau de distribution parmi les plus élevés du marché. Il s'est légèrement apprécié depuis début 2013 pour atteindre 13,20 € le 25 février.

The total number of treasury shares held by the company and recognized in its balance sheet amounts to 44,407. All these shares are related to the market making. In order to limit the dilution resulting from the creation of 314,576 new shares from the merger absorption of AffiParis by Affine, 282,659 treasury shares not related to market making were cancelled in late October.

At 31 December 2012, the value of the treasury shares stated in the balance sheet was €0.6m.

The average number of daily transactions was 19,895 during 2012 compared with 16,810 in 2011, reflecting a sharp rise in the trading of Affine shares mainly over the first-half. On an annual basis, the capital turnover rate was 56%, or 87% for the free float only.

Following the publication of its FY11 annual results, Affine's share price outperformed the IEIF SIIC France and EPRA Europe indexes for a few weeks. After the dividend payment the share price decreased in mid-May. Since then, the share price trend more or less reflected the EPRA index. This resulted in a 0.9% increase during the year, while IEIF SIIC France posted a 21.4% increase.

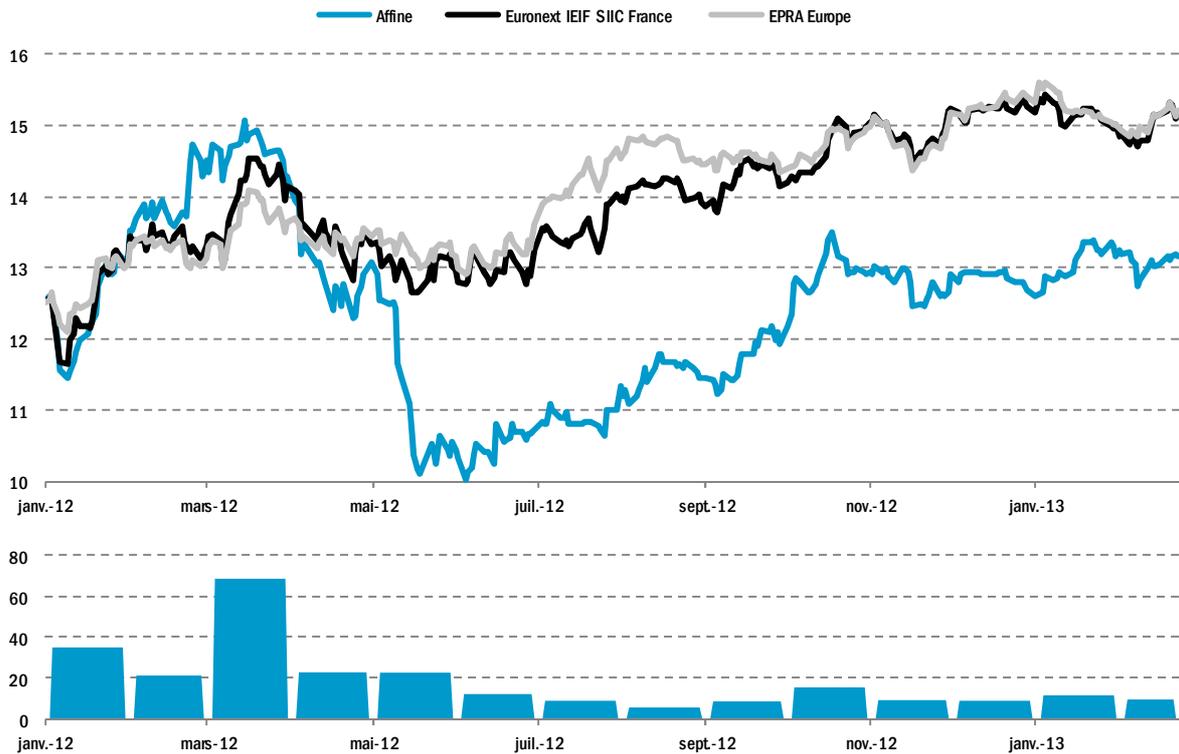
On 31 December 2012, the Affine share was trading at €12.61, giving a market capitalization of €113.9m. The discount with respect to the EPRA NAV stood at 55%, in spite of one of the highest dividend yields on the market. It has slightly increased since early 2013, reaching €13.20 on 25 February.

Caractéristiques boursières au 31 décembre 2012

Stock market information at 31 December 2012

Marché / Market	NYSE Euronext Paris
Code ISIN / ISIN Code	FR0000036105
Ticker Bloomberg / Reuters	IML FP / BTPP.PA
SRD / DSO	Long seulement / Long only
Indices / Indexes	CAC Mid&Small, SIIC IEIF, EPRA
Nombre de titres / Number of shares	9 033 959
Flottant / Free float	58,0 %
Cours de clôture / Closing price	12,61 €
+ Haut & + Bas / High & Low	15,06 € / 10,03 €
Capitalisation / Market capitalization	113,9 M€

Cours de l'action (€) et volume de transaction moyen (milliers de titre) sur 1 an
Share price (€) and average transaction volume (thousands of shares) over 1 year



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



Dividende

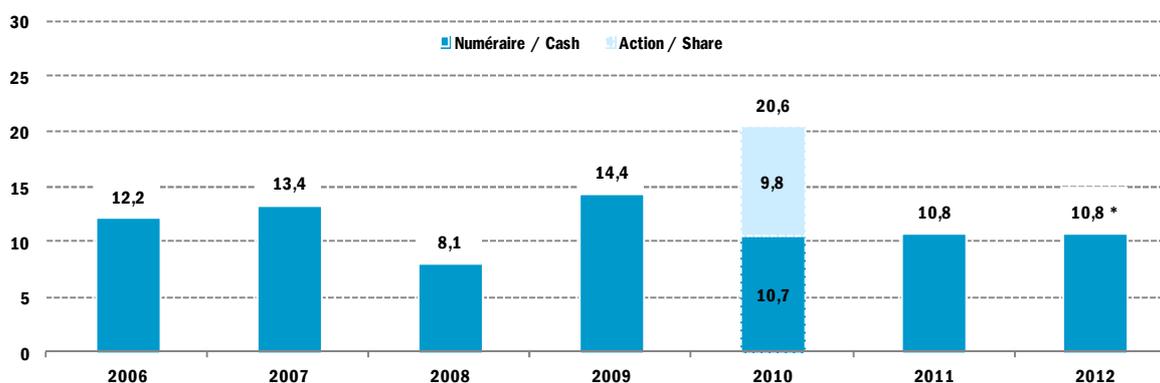
Après le versement d'un dividende d'un montant exceptionnel en 2010 de 2,43 € par action afin de répondre à des obligations de distribution antérieures liées à son statut de SIIC, la société est revenue en 2011 à un niveau de distribution de 1,2 € par action. Dans cette continuité, le dividende proposé à l'assemblée générale s'établit ainsi à 10,8 M€, soit 1,2 € par action, procurant un rendement de 9,5 % sur le dernier cours coté de 2012.

Dividends

After the payment of an exceptionally high dividend of €2.43 per share in 2010 in order to comply with previous compulsory payments related to its SIIC status, the company came back to a dividend distribution of 1.2€ per share. To follow on from that policy, the total amount to be proposed to the General Meeting is therefore €10.8m, i.e. €1.2 per share, giving a yield of 9.5% on the last share price of 2012.

Dividende distribué au cours des 7 dernières années (M€)

Dividend distributed over the last 7 years (€m)



* Soumis au vote des actionnaires lors de l'assemblée générale du 24 avril 2013. / Subject to approval by the General Meeting of shareholders on 24 April 2013.

Agenda de l'actionnaire

- 24 avril 2013 : Assemblée générale
- Mai 2013 : Chiffre d'affaires du premier trimestre
- Mai 2013 : Paiement du dividende (1,20 €)
- Juillet 2013 : Chiffre d'affaires et résultats semestriels 2013
- Novembre 2013 : Chiffre d'affaires du troisième trimestre

Shareholders' diary

- 24 April 2013: Annual General Meeting
- May 2013: First quarter revenues
- May 2013: Dividend payment (€1.20)
- July 2013: 2013 Half-year revenues and results
- November 2013: Third quarter revenues

GOVERNANCE GOVERNANCE]

Conseil d'Administration au 31 décembre 2012 Board of Directors at 31 December 2012

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	Associé et Directeur général de la gestion d'actif chez Cushman & Wakefield Partner and Managing Director of asset management at Cushman & Wakefield
Jean-Louis Charon	Représentant permanent de Holdaffine – Président de City star Permanent representative of Holdaffine – Chairman of City star
Joëlle Chauvin	Directeur Immobilier d'Aviva France Head of Real Estate at Aviva France
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
Andrew Walker	Représentant permanent de Forum Partners Permanent representative of Forum Partners

L'assemblée générale du 27 avril a procédé au renouvellement du Conseil d'administration. MM. Burkhard Leffers, François Tantot et Philippe Tannenbaum n'ont pas souhaité, pour des raisons personnelles, voir leur mandat renouvelé : le Conseil les remercie chaleureusement pour leur contribution à ses travaux et à ceux de ses comités spécialisés. Le Conseil accueille par ailleurs un nouvel administrateur, Joëlle Chauvin.

The General Shareholders' Meeting of 27 April renewed the Board of Directors. For personal reasons, messieurs Burkhard Leffers, François Tantot and Philippe Tannenbaum did not want their directorships renewed. The Board warmly thanks them for their contribution to its work and the work of its specialized committees. The Board also welcomes a new Board member, Joëlle Chauvin.

Direction générale Executive management

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

Structure du groupe

Group structure

Affine détient 99,9 % de Concerto European Developer (consolidée par intégration globale) et 49,5 % de Banimmo ; Jardins des quais est détenue à parts égales par Affine et Banimmo. Banimmo et Jardins des quais sont consolidées par mise en équivalence. Banimmo étant cotée sur NYSE Euronext Bruxelles, toutes les informations sont disponibles sur le site banimmo.be.

Fin septembre Affine et AffiParis, dont Affine détenait 87,7 % du capital, ont annoncé les modalités et termes de la fusion absorption d'AffiParis par Affine. Cette opération s'est inscrite dans une démarche de simplification de la structure et de réduction des coûts de fonctionnement du groupe, et a permis aux actionnaires minoritaires d'AffiParis de recevoir, en échange de leurs titres, des actions Affine offrant une plus grande visibilité, une liquidité très supérieure et un rendement plus élevé. Après l'obtention de l'accord de l'AMF pour déroger à l'offre publique de retrait, les assemblées générales extraordinaires des deux sociétés ont approuvé la fusion le 7 décembre.

Affine owns 99.9% of Concerto European Developer (fully consolidated) and 49.5% of Banimmo; Jardins des Quais is jointly owned by Affine and Banimmo. Banimmo and Jardins des Quais are consolidated through the equity method. As Banimmo is listed on NYSE Euronext Brussels, all details are available on the website banimmo.be.

At the end of September, Affine and AffiParis, of which Affine owned 87.7% of the capital, announced the terms and conditions of the merger by absorption of AffiParis by Affine. This transaction was in line with the Affine group's efforts to streamline its structure and cut operating costs, and allow the minority shareholders of AffiParis to receive, in exchange for their securities, Affine shares which offer greater visibility, much more liquidity and generate higher yield. Following the approval of the French financial markets authority ("AMF") that the transaction would be exempted from a prior implementation of a buy-out offer, the extraordinary general meetings of the two companies approved the merger on 7 December.

STRATEGIE STRATEGY]

Axes stratégiques Strategic vectors

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.

La qualité du patrimoine, une priorité

L'amélioration de la qualité du patrimoine représente une priorité à moyen terme. La 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.

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.

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.

Portfolio quality is a high 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. Affine mainly seeks to enhance the quality and profitability of the buildings, strengthen relationships with tenants and improve cost control.

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

Therefore the targeted renovation of selected buildings meets the requirements of both tenants and shareholders. By offering a higher-quality working environment, renovation 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 financial dimension.

The optimization of the property portfolio is also reflected in the continued 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.

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

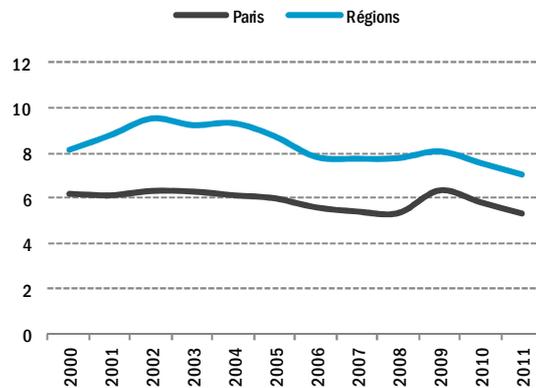
Acteur en Régions

Affine intervient dans les métropoles régionales, et ponctuellement dans des villes de moindre taille qui présentent un fort potentiel de développement, et plus particulièrement les

villes desservies par le TGV. En prenant part à la redynamisation des villes et à la définition du paysage urbain de demain, en étroite coopération avec les collectivités locales, Affine contribue au développement de leur environnement économique ainsi qu'à celui de leur tissu urbain.

L'immobilier d'entreprises régional présente une plus grande stabilité des valeurs et un rendement plus élevé qu'à Paris, marché affecté par des comportements plus spéculatifs. Par sa démarche d'investisseur long terme et sa diversification, tant géographique que par type d'actif, Affine échappe aux obstacles que peuvent rencontrer certains investisseurs sur ces marchés, notamment en raison de leur plus faible profondeur. Parmi les métropoles régionales dans lesquelles Affine est déjà bien implantée figurent notamment : Bordeaux, Lille, Lyon, Marseille, Nantes. Affine est toujours présente à Paris et en région parisienne.

Evolution du rendement locatif (%)
Change in rental yield (%)



Source : IPD

Multispécialiste

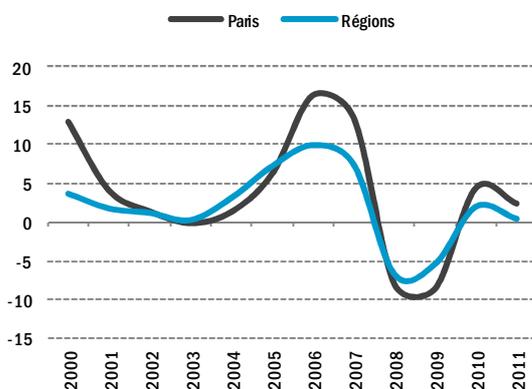
Multi-spécialiste, le groupe est en mesure de saisir les opportunités lui paraissant offrir les meilleures perspectives de création de valeur sur les trois types d'actifs que sont les bureaux, les commerces et les entrepôts. En adoptant une approche industrielle à taille humaine, Affine s'appuie sur une plateforme commune pour la gestion des immeubles, tout en permettant le traitement personnalisé des demandes de chacun de ses locataires par ses asset-managers spécialisés. Le groupe souhaite développer ce principe à moyen long-terme afin d'offrir un maximum de services et de fidéliser ses clients.

Affine operates in major French cities in the regions and occasionally in smaller towns with a strong development potential, and more specifically cities served by the high-speed train (TGV).

By helping to revitalize cities and define the urban landscape of tomorrow, through a close relationship with local communities, Affine promotes the development of their economic environment and of their urban fabric.

A regional player

Evolution de la valorisation des bureaux (%)
Change in fair value of office premises (%)



Source : IPD

Commercial properties in regional cities offer more value stability and higher yields than in Paris, where the market is affected by more speculative behaviors. Affine's long term investor approach and geographic and asset type diversification, protects the Group from the obstacles faced by some investors on these markets, especially due to their more shallow presence. Affine already has a well-established presence in regional capitals such as Bordeaux, Lille, Lyon, Marseille and Nantes. Affine is still present in Paris and the Paris region.

Multi-specialist

As a multi-specialist, the Group is capable of seizing opportunities that seem to offer the higher potential for creating value on the three asset types of offices, retail and warehouses. Affine's human-scale industrial approach is based on a single platform for property management, while enabling the tailor-made processing of requests from each of its tenants through its specialized asset managers. The Group wants to develop this principle in the medium to long term to provide more service and to increase the loyalty of its customers.

Nos marchés Our markets

Répartition du patrimoine

Affine est présent dans trois secteurs de l'immobilier d'entreprise (bureaux, logistique, commerces); il possède et gère 63 immeubles d'une valeur de 580 M€ droits inclus, répartis sur une surface globale de 506 000 m².

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 près de 14 % fin 2012 ; après prise en compte des Jardins des quais à Bordeaux détenu conjointement avec Banimm, cette part atteint 21 %, se rapprochant de celle des entrepôts. Le patrimoine reste dominé par les bureaux (59 %).

Cet objectif de diversification se retrouve également dans la répartition géographique des immeubles, répartis à parts sensiblement égales, entre l'Île de France et les autres régions.

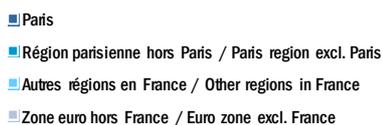
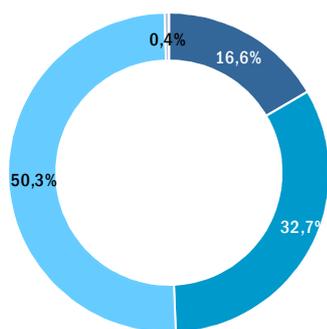
Portfolio breakdown

Affine is present in three commercial property sectors (offices, logistics and retail) and owns and manages 63 properties of a total value of €580m, with a total surface area of 506,000 sqm.

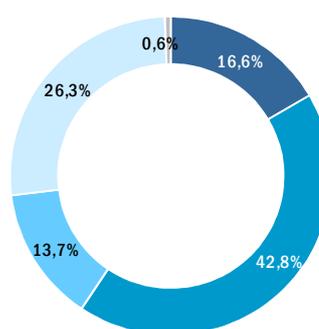
Over the last few years, a number of major investments in retail property, in conjunction with the disposal policy, have enabled the Group to rebalance its portfolio. The share of retail properties has thus increased from close to 5% in 2008 to around 14% at the end of 2012. After taking into account the Jardins des Quais, retail centre in Bordeaux, co-owned with Banimm, this share rises to 21%, close to the warehouse share. The property portfolio mainly comprises office premises (59%).

This diversification goal also applies to the geographical distribution of buildings, distributed more or less equally between Ile de France and the other regions.

Répartition géographique en valeur Breakdown of value by region



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



Quatre pôles de compétence

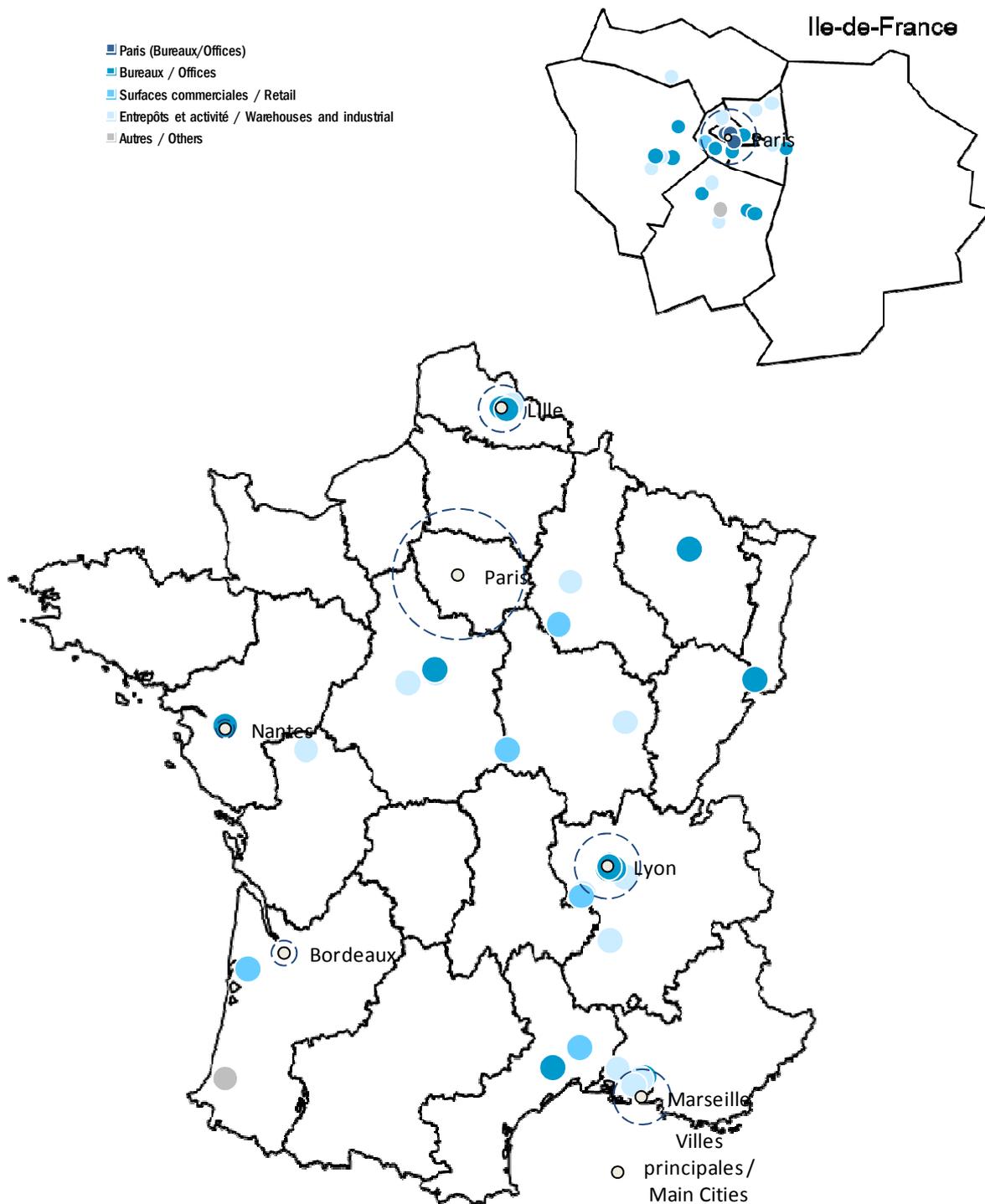
L'activité d'Affine se répartit pour l'essentiel en 4 pôles : un pôle parisien (bureaux) et trois pôles régionaux (bureaux, commerces, entrepôts & locaux d'activité).

Four areas of expertise

Affine's activity breaks down into 4 poles: a parisian pole (offices), and 3 regional poles (offices, retail, warehouses & industrial).

Cartographie du portefeuille

Map of the portfolio



Paris

En dehors de quelques commerces de pieds d'immeuble, le patrimoine parisien est constitué de bureaux. Il comprend 4 immeubles dont le principal actif est la tour Traversière, d'une superficie de 7 800 m², à proximité de la gare de Lyon et occupé par la SNCF.

La surface des immeubles parisiens est de 11 800 m² pour une juste valeur de 97 M€ droits inclus.

Régions

Bureaux

L'immobilier de bureau en régions représente 43 % du patrimoine, soit 250 M€ droits inclus. Il comporte notamment quelques grands actifs comme la tour Lille Europe, (19 000 m² au-dessus de la gare d'Euralille), ou encore l'immeuble acquis plus récemment à Lyon (4 900 m² à la limite de la Part Dieu).

Les surfaces totalisent 139 700 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 (14 000 m²), l'Espace Colbert à Nevers (5 700 m²), la Galerie Dorian à Saint Etienne (5 100 m²), et des commerces à Arcachon (2 400 m²) pour un total de 41 000 m². La juste valeur de ce secteur est de 77 M€ droits inclus.

Entrepôts et Locaux d'activités

Le patrimoine logistique du groupe Affine rassemble plusieurs types de plateformes, la plupart bi-modales (fer/route), proposant des surfaces allant jusqu'à près de 39 000 m² pour l'entrepôt de Saint-Cyr-en-Val. La surface des plateformes se situe entre 4 000 m² et 39 000 m², et pour les locaux d'activités, entre 1 600 m² et 17 000 m².

Ces actifs, d'une valeur d'environ 153 M€ droits inclus et représentant une surface totale de 308 600 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.

Paris

With the exception of a few retail properties, the Parisian portfolio consists of offices. It comprises 4 buildings, of which the main asset is the 7,800 sqm Traversière tower, close to Gare de Lyon and occupied by SNCF, the French national railway company.

The surface area of the Parisian assets is 11,800 sqm, with a fair value of €97m including transfer tax.

Regions

Offices

Office premises in the French regions represent 43% of the portfolio, i.e. €250m including transfer tax. In particular, it contains some major assets such as the Lille Europe tower (19,000 sqm over the Euralille train station) and the building acquired more recently in Lyon (4,900 sqm near the Part Dieu district).

The surface areas total 139,700 sqm divided more or less equally between the Paris region (outside Paris) and other French regions.

Retail

The commercial properties consist chiefly of city-centre retail areas such as the Les 7 Collines retail complex in Nîmes (14,000 sqm), Espace Colbert in Nevers (5,700 sqm), Galerie Dorian in Saint Etienne (5,100 sqm), and retail premises in Arcachon (2,400 sqm), giving a total of 41,000 sqm. The fair value of this sector is €77m 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 39,000 sqm for the warehouse in Saint-Cyr-en-Val. The surface area for platforms stands between 4,000 sqm and 39,000 sqm and for industrials between 1,600 sqm and 17,000 sqm.

These properties, appraised at about €153m including transfer tax and with a total surface area of 308,600 sqm, are located on the main arterial routes and in peri-urban areas.

Others

A number of buildings derived from the various phases of external growth, which do not correspond to Affine's strategy, are still in its portfolio and are in the process of being sold.

Valeur Appraisal

Juste valeur du patrimoine direct (droits inclus)

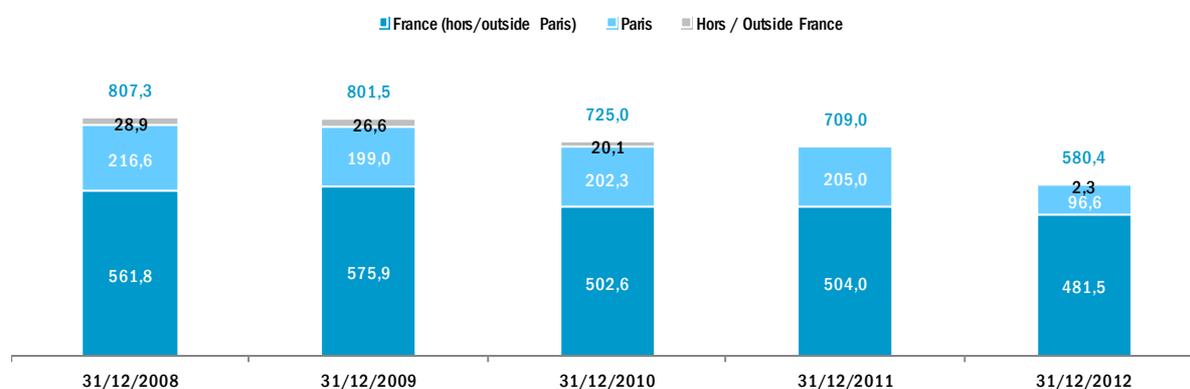
La juste valeur (droits inclus) des 63 actifs immobiliers s'établit à 580 M€ contre 709 M€ à fin 2011. Cette baisse résulte pour l'essentiel des efforts menés depuis 3 ans pour diminuer le LTV du groupe, en particulier en 2012 avec la cession pour près de 100 M€ du principal immeuble parisien que détenait AffiParis rue Paul Baudry.

Fair value of directly owned properties (including transfer taxes)

The fair value (including transfer taxes) of the 63 properties stood at €580m compared with €709m at the end of 2011. This fall results mainly from the efforts in the past 3 years to decrease the Group's LTV, particularly in 2012 by the sale by AffiParis for a price close to €100m of its main Parisian asset located in rue Paul Baudry.

Evolution de la valeur des immeubles, droits inclus (M€) ⁽¹⁾

Change in value of properties, including transfer taxes (€m)⁽¹⁾



(1) Patrimoine proforma excluant Banimmo et le centre commercial les Jardins des quais à Bordeaux. / Proforma portfolio excluding Banimmo and the Jardins des quais retail centre in Bordeaux.

Juste valeur du patrimoine direct (hors droits)

Hors droits, la valeur du patrimoine passe de 672 M€ à 549 M€. Cette variation résulte :

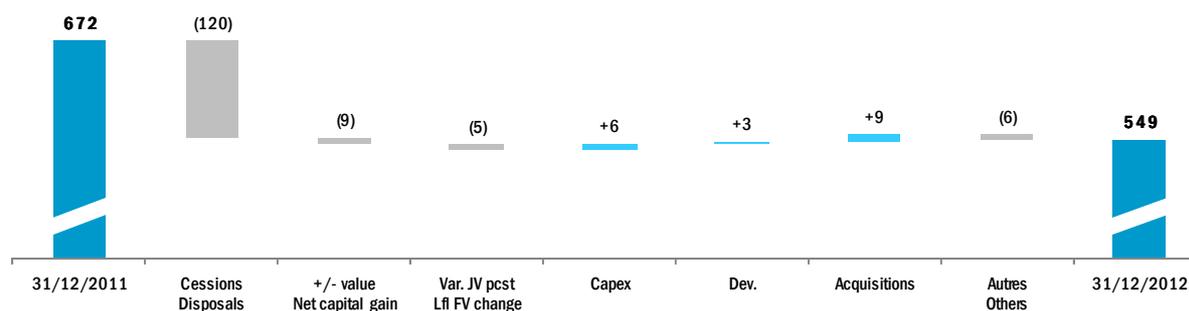
- de cessions à hauteur de 120,1 M€, dégageant une moins-value de 9,0 M€ (dont 9 M€ pour l'immeuble rue Paul Baudry) ;
- de 18,0 M€ d'investissements dont 9,3 M€ d'acquisitions, 6,1 M€ de rehaussement des immeubles et 2,6 M€ de développement logistique ;
- d'une diminution de 5,2 M€ de la juste valeur ;
- d'une diminution de 6,0 M€ liée à la sortie du patrimoine des deux bâtiments de la zone logistique de Saint Etienne Molina détruits par un incendie qui n'ont pas été reconstruits.

Fair value of directly owned properties (excluding transfer taxes)

Excluding transfer taxes, the value of the properties decreased from €672m to €549m. This change resulted from:

- sales totalling €120.1m, with a net capital loss of €9.0m (of which €9m was due to the Paul Baudry building);
- €18.0m of investments, of which €9.3m for acquisitions, €6.1m for improvement of existing properties and €2.6m of logistic development;
- a €5.2m decrease in fair value;
- a €6.0m decrease related to the exit from the portfolio of two buildings on the Saint Etienne Molina logistics destroyed by fire and not rebuilt.

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 enregistré une légère baisse de 1,3 % répartie entre :

- une diminution de 2,3 % lié à la baisse des loyers de marché (VLM).
- une baisse de 1,2 % provenant de la hausse des taux de rendement retenus pour certaines expertises,
- une augmentation de 2,2 % résiduelle (travaux à réaliser, réversion, etc ...).

Le taux de rendement moyen ressortant des expertises est de 7,5 % et une variation négative ou positive de ce taux de 25 points de base conduirait respectivement à une hausse ou une baisse de 18,2 M€ de la valeur du patrimoine.

Le taux de rendement moyen augmente de 40 points de base essentiellement en raison de la cession de l'immeuble situé rue Paul Baudry.

The slight fall of 1.3% in the portfolio's appraisal value on a like-for-like basis results from:

- a 2.3% decrease due to the fall in market rents (ERV).
- a 1.2% drop due to higher yield rates used by some appraisers,
- a residual 2.2% increase (works to be carried out, reversion, etc.).

The average yield resulting from appraisals is 7.5%. A downward or upward change of 25 basis points in this rate would lead to an increase or a decrease respectively of the portfolio's value of €18.2m.

The average yield increased by 40 basis points mainly resulting from the sale of the building located in rue Paul Baudry.

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

Fair value sensitivity to a 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)	91,0	5,6 %	3,9
Bureaux / Offices	235,2	7,6 %	7,5
Surfaces commerciales / Retail	75,1	7,1 %	2,6
Entrepôts et Locaux d'Activités / Warehouses and Industrials	144,7	8,7 %	4,1
Autres / Others	3,3	10,1 %	0,0
Total	549,3	7,5 %	18,2

ACTIVITES ACTIVITIES]

Foncière Property company

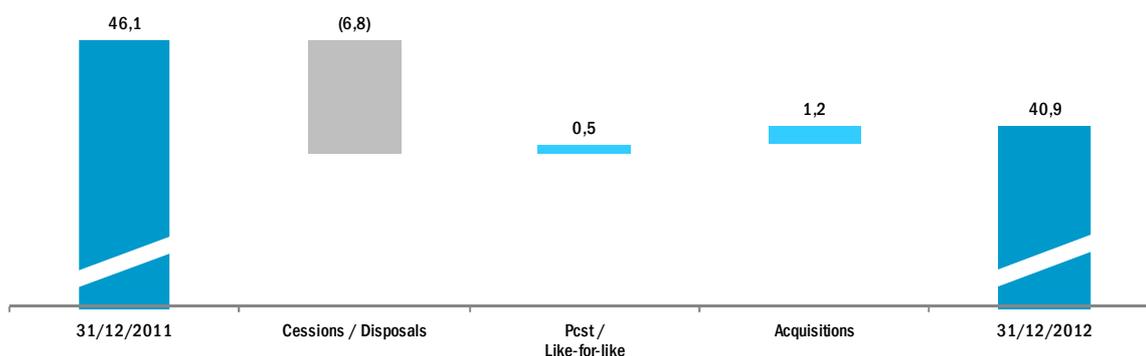
Loyers faciaux

Les loyers des baux en vigueur au 31 décembre 2012 représentent un montant de 40,9 M€, en hausse de 1,4 % à périmètre constant par rapport au 31 décembre 2011, et en baisse de 11,2 % en tenant compte des acquisitions et cessions.

Headline rents

Rents of leases in effect at 31 December 2012 accounted for €40.9m, an increase of 1.4% on a like-for-like basis compared with 31 December 2011, and a drop of 11.2% taking account of acquisitions and disposals.

Evolution des loyers faciaux (M€) Change in headline rents (€m)



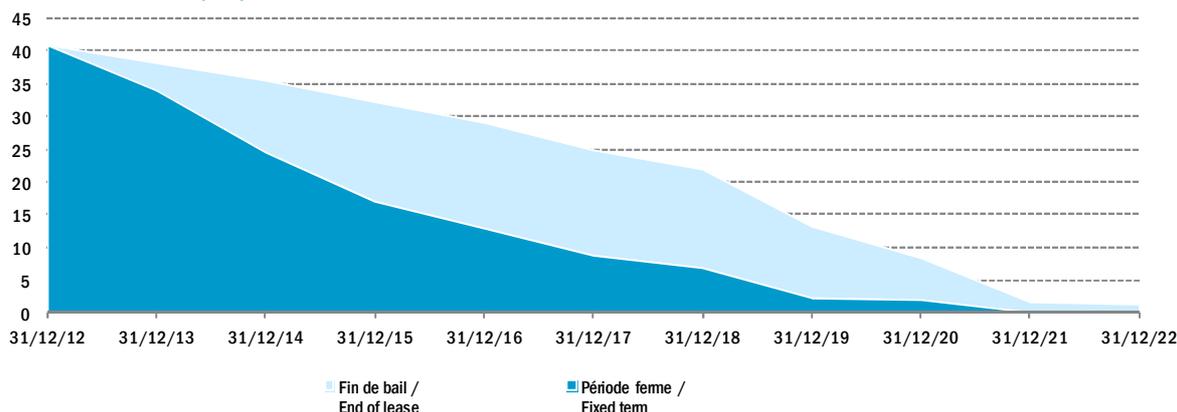
Au cours de l'année, Affine a signé 35 nouveaux baux portant sur une surface totale de 7 800 m² et un loyer annuel global de 1,2 M€. Par ailleurs, 14 locataires ont résilié leur bail, représentant au total une surface de 9 700 m² et un loyer annuel de 1,2 M€. Enfin, il y a eu 17 renégociations pour un montant de 4,4 M€.

La durée moyenne des baux et leur période ferme s'établissent respectivement à 5,1 ans et 2,8 ans.

Over the year, Affine signed 35 new leases concerning a total surface area of 7,800 sqm and total annual rents of €1.2m. Furthermore, 14 tenants cancelled their leases, representing in total a surface area of 9,700 sqm and annual rents of €1.2m. Lastly, 17 leases were renegotiated for a total amount of €4.4m.

The average term of leases and their fixed terms are 5.1 and 2.8 years respectively.

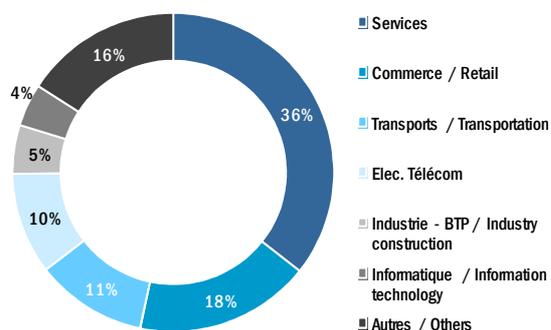
Echéance des baux (M€) Schedule of leases (€m)



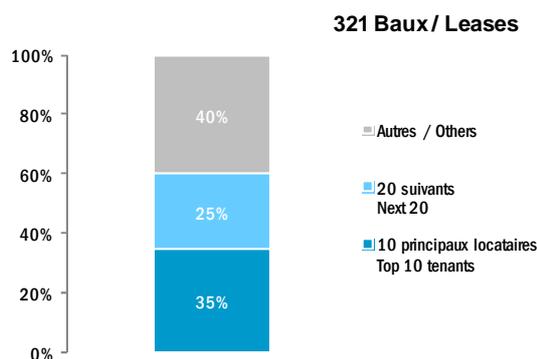
Parmi les trente plus importants locataires, qui représentent 60 % du total des loyers, aucun n'en atteint 10 %, afin d'éviter toute concentration du risque locatif. Les locataires les plus significatifs sont : SNCF, TDF, la Mairie de Corbeil-Essonnes et l'Armée.

Among the top thirty tenants, which account for 60% of total rents, none reaches 10%, thus avoiding any concentration of risk on rental income. The largest tenants are: SNCF, TDF, the Corbeil-Essonnes municipal authority, and the French army.

Par secteur d'activité (en loyer) By business sector of (rents)



Répartition des baux Lease breakdown



Taux d'occupation

Un nombre important d'immeubles étant multi-locataires, le taux d'occupation normatif s'établit entre 94 % et 95 %. La stratégie d'Affine, consistant notamment à investir dans des immeubles à forte création de valeur, peut la conduire à acquérir des immeubles avec des taux d'occupation temporairement en deçà de ce taux moyen.

Occupancy rate

As many of the buildings are occupied by multiple tenants, the effective occupancy rate ranges between 94% and 95%. Affine's strategy of focusing on investments in high added-value buildings, may lead the Group to acquire properties with occupancy rates temporarily below this average.

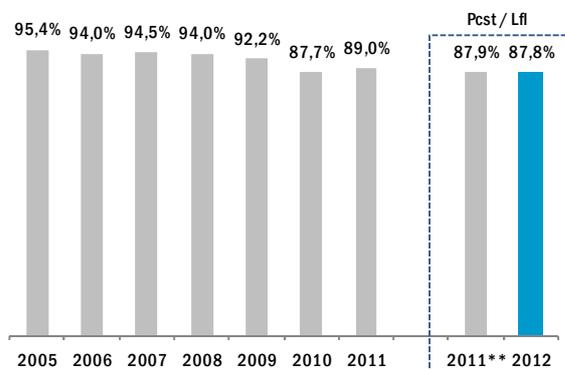
Au 31 décembre 2012, le taux d'occupation financier d'Affine (excluant les immeubles en cours de cession à l'unité ou restructuration : logements résiduels à Saint-Cloud, une partie de l'ensemble immobilier de Gennevilliers et l'immeuble de Réaumur à Paris en reconversion) reste stable à 87,8 %, contre 87,9 % fin 2011 à périmètre constant (89,0 % publié). L'arrivée de plusieurs locataires, notamment sur les sites d'Elancourt, Arcachon et Issy-les-Moulineaux, compense les départs enregistrés principalement sur

At 31 December 2012, Affine's financial occupancy rate (excluding buildings currently being sold by units or refurbished: residual residential property in Saint-Cloud, part of the building complex in Gennevilliers and the Réaumur building in Paris in reconversion) was 87.8%, compared with 87.9% at the end of 2011 on a like-for-like basis (89.0% published). The arrival of several new tenants for the Elancourt, Arcachon and Issy-les-Moulineaux sites offsets the departure of tenants from mostly the Mer, and Saint-Quentin-

les sites de Mer, Vitrolles, et Saint-Quentin-Fallavier.

Fallavier sites.

Taux d'occupation * Occupancy rate*



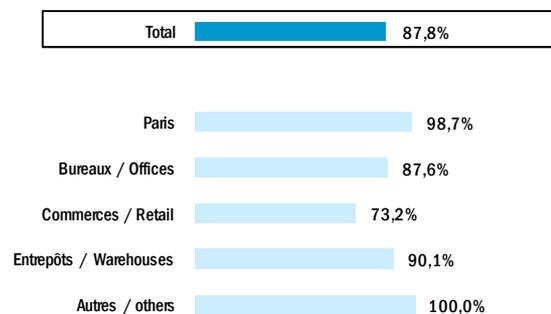
* Taux d'occupation financier hors immeubles en restructuration. / Financial occupancy rate excluding buildings being restructured.

** Calcul réalisé sur la base du périmètre de fin 2012. / Calculation based on late 2012 perimeter.

Pcst : Périmètre constant. / Lfi: like-for-like.

68 % de la vacance financière du groupe est concentrée sur 7 actifs. Parmi eux trois ensembles commerciaux, Nevers, Nîmes et Troyes, sont encore en cours de commercialisation.

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



68% of the Group's financial vacancy is due to 7 properties. Of these, three shopping centres, Nevers, Nîmes and Troyes, are still in a letting process.

Ainsi, les actifs commerciaux représentent le taux de vacance le plus élevé avec plus de 26 %, celui des entrepôts étant de 10 % et celui des bureaux de 12 %. Paris représente le pôle le plus performant avec un taux d'occupation de près de 99 % (hors Réaumur en restructuration).

Retail assets therefore have the highest vacancy rate, at more than 26%, with the rates for warehouses and offices standing at 10% and 12% respectively. The Paris segment has the highest performance, with an occupancy rate close to 99% (excluding Réaumur, which is currently being refurbished).

Investissements & Cessions

Investments & Disposals

Rénovations

Refurbishment

Faisant suite à son éco-rénovation, la tour située rue Traversière, louée entièrement à la SNCF jusqu'en 2021, a obtenu le label BREEAM. Dans la continuité de l'amélioration de l'immeuble, des travaux répondant à la réglementation PMR (Personne à Mobilité Réduite) sont en cours de réalisation.

Following its eco-renovation, the Traversière tower, fully leased by SNCF until 2021, was given the BREEAM label. In line with this policy of upgrading buildings, works complying with regulations for disabled persons are currently underway.

En parallèle, la société a entrepris des travaux de rénovation importants sur l'immeuble Auber d'une part et sur l'immeuble Réaumur d'autre part en vue de sa reconversion partielle en résidentiel.

At the same time, the company has undertaken important refurbishment works in the Auber building and on the Réaumur building for the purpose of partially reconverting it into residential property.

Acquisitions

Acquisitions

Affine a inauguré le 24 mars, aux côtés du Maire et des représentants d'Eiffage (promoteur et constructeur du site), le marché municipal d'Arcachon, qui marque le terme de la restructuration du nouveau cœur de ville, pour lequel le groupe a investi dans 2 400 m² de commerces de pied d'immeubles. Affine prévoit de renforcer sa présence dans le cœur de cette ville dynamique en achetant des commerces supplémentaires.

On 24 March, Affine, alongside the Mayor of Arcachon and representatives of Eiffage (developer and builder of the site) inaugurated the Arcachon municipal market, which marks the end of the town centre's redevelopment, for which the Group has invested in 2,400 sqm of ground-floor retail premises. Affine plans to strengthen its presence in the heart of this dynamic city by buying additional retail premises.

Par ailleurs, la société a fait l'acquisition en mai de

In May, Affine purchased 6,250 sqm of offices in the

6 250 m² de bureaux dans la tour Lilleurope. Située au cœur d'Euralille, troisième quartier d'affaires de France après la Défense (Paris) et la Part-Dieu (Lyon), et surplombant la gare TGV internationale Lille Europe, la tour occupe un des meilleurs emplacements de la ville. Elle profite d'une excellente accessibilité, tant par le rail, la voiture ou les transports en commun. Son attractivité devrait profiter du renforcement du trafic de la Gare Lille Europe, de la concentration des activités tertiaires de la Métropole au sein d'Euralille, et des projets urbanistiques à l'étude. L'acquisition de 5 étages supplémentaires, Affine étant déjà propriétaire de 10 des 20 étages, renforce ainsi sa présence dans cet immeuble emblématique. L'immeuble est loué dans sa totalité à différents locataires de premier plan parmi lesquels la SNCF et Tereos.

Cette opération s'inscrit 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 termes, par exemple dans la proximité des gares actuelles ou futures du TGV.

Cessions

L'immeuble situé rue Paul Baudry à Paris (8e) a été vendu le 4 décembre à un prix de 96 M€ net vendeur (101,8 M€ droits inclus). Cette transaction est l'aboutissement d'un processus de vente engagé fin 2011 et visant à céder un actif de grande qualité, mais représentant une part trop importante (près de 15 %) du total des immeubles du groupe (plus d'informations dans le communiqué du 04 décembre disponible sur www.affine.fr). La cession de cet immeuble a dégagé une moins-value de 8,9 M€ dans les comptes consolidés.

Dans le cadre de la rationalisation de son portefeuille immobilier, Affine a procédé, au cours de la période, à la cession de 8 immeubles matures ou de valeur trop modeste : bureaux à Paris (9 450 m²), La Madeleine (7 824 m²), Saint-Julien-les-Metz (3 240 m²), Saint-Ouen (1 634 m²), Valbonne (2 120 m²) et Toulouse (658 m²) ; locaux d'activités à Lezennes (908 m²) ; commerces à Vert-Saint-Denis (4 565 m²) ; et presque achevé la vente par appartement à Saint-Cloud. En dehors de l'immeuble situé rue Paul-Baudry, l'ensemble des cessions ont été réalisées à des prix légèrement supérieurs à la juste valeur de fin 2011 (+11 K€).

Lilleurope tower. Located in the heart of Euralille, which is France's third largest business district after La Defense (Paris) and La Part-Dieu (Lyons), it overlooks the international Lille Europe TGV station. The tower is one of the city's prime locations. It has easy access by rail, car or public transport. It should become even more attractive due to the increased traffic at the Lille Europe train station, the concentration of the city's tertiary activities in the heart of Euralille, and urban planning projects that are currently being studied. The acquisition of five additional floors, as Affine already owns 10 of its 20 floors, consolidates its presence in this iconic building. The entire building is leased to different "blue chip" tenants, which include SNCF and Tereos.

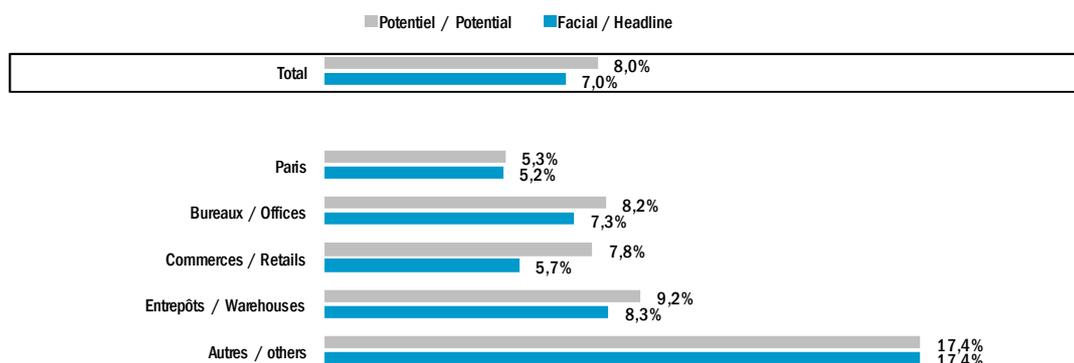
This operation is in line with Affine's development strategy, which focus on buildings that offer significant potential for value creation in the short and long terms, for instance near current or future TGV (high-speed train) stations.

Disposals

The sale of the building located rue Paul Baudry in Paris (8th District) took place on 4 December, at a net price of €96m (€101.8m including transfer taxes). This transaction is the culmination of a sale process that was launched in late 2011, in order to sell an asset that was of high quality, but accounted for a too large portion (around 15%) of the Group total properties (further details are given in the 04 December press release available at www.affine.fr). The sale of this building led to a €8.9m loss in the consolidated financial statements.

As part of its process to streamline its property portfolio, Affine sold over the period 8 buildings regarded as mature or too low in value: offices in Paris (9,450 sqm), La Madeleine (7,824 sqm), Saint-Julien-les-Metz (3,240 sqm), Saint-Ouen (1,634 sqm) Valbonne (2,120 sqm) and Toulouse (658 sqm); industrials premises in Lezennes (908 sqm); retail assets in Vert-Saint-Denis (4,565 sqm); and almost completed the sale by apartment in Saint-Cloud. Without including the building located rue Paul-Baudry, all the disposals were made at prices slightly above fair value at the end of 2011 (+€11,000).

Rendement du patrimoine Rental yield of assets



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 :

- Réalisation pour Sunclear, leader français dans la distribution de produits plastiques semi-finis, d'une plateforme logistique de 21 000 m² en région parisienne assortie d'un bail de 9 ans fermes et qui sera livrée fin avril 2013 ;
- Construction pour Eurodif, groupe européen leader dans les secteurs de la maison et de la mode, d'une plateforme logistique de 24 700 m², livrable au printemps 2013 dans le cadre d'un bail de 9 ans fermes ;
- Signature avec Solodi, filiale de Devanlay, licencié mondial de la marque Lacoste pour le textile et la maroquinerie, d'un bail de 9 ans fermes portant sur une plateforme logistique de 18 770 m², livrable début 2014 ;
- Développement d'un accord avec la Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) pour la promotion/construction d'une plateforme logistique multimodale sur le port d'Honfleur (Parc Logistique Honfleur Calvados) orienté vers la massification et mutualisation des flux logistiques.

La société est par ailleurs en lice pour d'autres projets importants dans le cadre d'appels d'offre lancés par des chargeurs.

A l'étranger, la société poursuit la commercialisation

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:

- Construction for Sunclear, French leader in the distribution of semi-finished plastic products, of a 21,700 sqm logistics platform in the Paris region. The platform is let under a 9-year fixed lease and will be completed by late April 2013;
- Construction for Eurodif, a leading European group in the home and fashion sectors, of a 24,700 sqm logistics platform, to be delivered in Spring 2013, through a 9-year fixed term lease;
- Signing of 9-year fixed term lease with Solodi, a subsidiary of Devanlay, the global license holder of the Lacoste brand for textile and leather goods, on a 18,770 sqm logistics platform, to be delivered in early 2014;
- Development of an agreement with Shema (Société Hérouvillaise d'Economie Mixte pour l'Aménagement) for the development/construction of a multi-modal logistics platform at the port of Honfleur (Calvados Honfleur Logistics Park), geared towards freight and the pooling of logistic flows.

The company is also in the running for other important projects through a tender offer launched by industrial and distribution groups.

Abroad, the company continues the marketing of the

du site de Sant Feliu de Buixalleu (Espagne), d'une surface globale de 38 700 m². La première opération, qui porte sur une surface de 3 700 m², a été livrée le 30 novembre à une filiale du groupe Barcino, société d'import/export catalane, pour une durée de 10 ans fermes. La seconde opération signée avec ILS Servicios Logísticos porte sur un bail de 10 ans fermes et concerne une plateforme logistique de 10 700 m² livrable fin 2013.

PROMAFFINE

La société a décidé de ne plus lancer de nouvelles opérations de promotion depuis 2010. Elle mène néanmoins à leur terme les opérations engagées par la société jusqu'à leur achèvement.

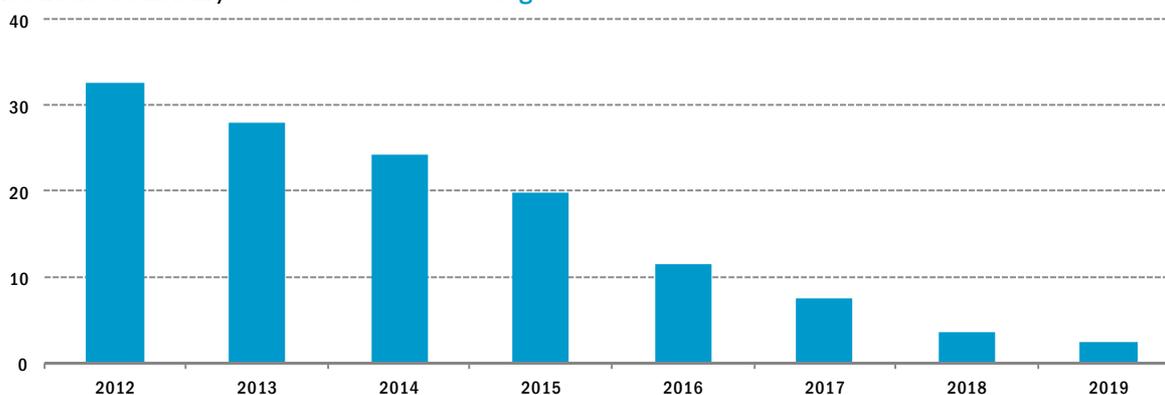
Deux opérations en co-promotion avec Crédit Agricole Immobilier Promotion ont été poursuivies au cours de l'exercice :

- Nanterre-Seine Arche (92) : 166 logements (dont 70 à caractère social) et 1 200 m² de commerces (réservés par un investisseur) ; la construction est avancée à 89 % à fin décembre 2012 ;
- Marseille 10ème : la construction des 3 bâtiments est terminée ; les taux de commercialisation sont de 100 % pour les tranches 1 et 2, et de 76 % pour la tranche 3. La commercialisation, à la vente ou à la location, du local de commerce en pied d'immeuble se poursuit.

Crédit-bail

Depuis l'accord obtenu fin 2011 de l'Autorité de Contrôle Prudentiel (ACP) pour le retrait de son agrément de société financière, Affine continue à gérer en extinction son portefeuille d'opérations. Au cours de la période, aucun crédit preneur n'a levé l'option d'achat de son crédit-bail par anticipation ; 10 levées d'options finales ont été constatées. En conséquence les engagements bruts ont été ramenés de 90,1 M€ à fin 2011 à 67,3 M€ à fin 2012, et les engagements nets de 40,3 M€ à 32,5 M€. Le montant des redevances a poursuivi sa décroissance pour atteindre 5,9 M€ contre 9,9 M€ pour la même période en 2011.

Encours de credit bail / Finance leases outstanding



site of Sant Feliu de Buixalleu (Spain) on a total surface area of 38,700 sqm. The first project, which concerns a surface area of 3,700 sqm, was delivered on 30 November to a subsidiary of the Barcino group, a Catalan import/export company. The second project signed with ILS Servicios Logísticos for a 10-year fixed term lease is related to a 10,700 sqm logistics platform, to be delivered by late 2013.

PROMAFFINE

The company decided to stop launching new development projects in 2010, but manages the run-off of projects already undertaken by the company.

Affine continued the two joint development projects with Crédit Agricole Immobilier Promotion during the year:

- Nanterre-Seine Arche (92): 166 apartments (of which 70 for social housing) and 1,200 sqm of retail premises (booked by an investor); 89% completed at the end of December 2012;
- Marseille 10th: construction of the three buildings is complete, with 100% marketed for the first two buildings and 76% for the third building. The marketing, for sale or rental of the retail premise, is in process.

Finance lease

Since it obtained, in late 2011, the agreement from the French banking oversight authority (ACP) for the withdrawal of its licence as a credit institution, Affine has continued to manage its legacy assets. During the period, no lessee exercised the option to purchase its building in advance; 10 final options were exercised. Gross outstandings therefore fell from €90.1m at year-end 2011 to €67.3m at the end of 2012, and net outstandings fell from €40.3m to €32.5m. Fees continued to decline, and were down to €5.9m compared with €9.9m for the same period in 2011.

Sociétés mise en équivalence

Associate

Banimmo

Au 31 décembre 2012, Banimmo détient 24 immeubles (et 3 terrains), pour une superficie totale de près de 155 000 m², et a dégagé un revenu locatif de 17,8 M€ en 2012. Au cours de la période, la société a signé 16 nouveaux baux ou renégociations pour 9 619 m². Aucun départ significatif n'a été enregistré sur l'exercice. A fin décembre, le taux d'occupation des immeubles de placement était de 84 %.

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. La société a donc opté depuis 2010 pour l'enregistrement au coût historique (IAS2) des immeubles faisant l'objet de développement ou rénovation. La valeur totale des immeubles s'élevait à fin décembre 2012 à 414 M€ en incluant la juste valeur des sociétés mises en équivalence.

Après un début d'année 2012 favorable à la commercialisation de surfaces rénovées, Banimmo a signé 3 importants projets au cours du second trimestre : développement de bureaux "clé-en-main" à Charleroi (Belgique), acquisition d'un site tertiaire de 27 000 m² à Rocquencourt (78) dont la reconversion est à l'étude, et de la galerie commerciale de Suresnes dont les travaux ont débuté fin 2012. Par ailleurs, le groupe a livré un immeuble à usage mixte (laboratoire et bureaux) de 7 200 m² à Gand (Belgique). Enfin, Banimmo a conclu 3 opérations de cession : une cellule commerciale résiduelle à Orléans (45), les redevances d'usufruit d'un immeuble de bureaux à Bruxelles et la vente d'une parcelle de terrain près de Liège.

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

- Montéa (12,9 %) : société immobilière (SICAFI) spécialisée dans le développement et l'acquisition de bâtiments logistiques et semi-industriels en Belgique et en France.
- Grondbank The Loop (25 %) : aménagement et développement du complexe Flanders Expo à Gand.
- Conferinvest (49 %) : exploitation de deux centres de conférences Dolce à La Hulpe et Chantilly.
- City Mall (43 %) : développement de centres

At 31 December 2012, Banimmo owned 24 buildings (and 3 plots of land) with a total surface area of almost 155,000 sqm, and generated a gross rental income of €17.8m for the year. During the period, the company signed 16 new or renegotiated leases for 9,619 sqm. No significant departure was recorded during the period. At the end of December, the occupancy rate of the investment properties was 84%.

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 only holds property. Consequently, since 2010, the company has decided to use the historical cost accounting method (IAS2) for buildings under development or refurbishment. At the end of December 2012, the total value of the buildings stood at €414m, including the fair value of associates.

After a good start to 2012 for the marketing of renovated floor space, Banimmo signed 3 major projects in the second quarter: the development of "built-to-suit" offices in Charleroi (Belgium), the acquisition in Rocquencourt (78) of a tertiary site of 27,000 sqm of which the redevelopment is under study, and of the shopping centre in Suresnes, for which work began in late 2012. Furthermore, the Group delivered a mixed-use building (laboratory and offices) of 7,200 sqm in Ghent (Belgium). Finally, Banimmo has closed three disposal transactions: a residual retail unit in Orléans (45), usufruct fees from an office building in Brussels and the sale of a plot of land near Liège.

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

- Montéa (12.9%): property investment company (SICAFI) specializing in the development and acquisition of logistics and semi-industrial buildings in Belgium and France.
- Grondbank The Loop (25%): conversion and development on the Flanders Expo complex in Ghent, Belgium.
- Conferinvest (49%): operating of two Dolce conferences centres in La Hulpe and Chantilly.
- City Mall (43%): development of city centre

commerciaux de centre-ville en Belgique.

- Jardins des Quais (50 %)

Banimmo étant cotée sur NYSE Euronext Bruxelles, toutes les informations sont disponibles sur le site banimmo.be.

Jardins des Quais

Cet ensemble immobilier de plus de 25 000 m², détenu à parité par Affine et Banimmo, est situé sur les berges de la Garonne, à proximité du centre-ville historique de Bordeaux. Il abrite des espaces commerciaux au rez-de-chaussée, dont notamment un Quai des Marques : plus de 70 unités moyen et haut de gamme, orientées majoritairement vers le prêt-à-porter et l'équipement de la maison, et des restaurants de qualité. Cet ensemble offre à l'étage des espaces de bureaux avec terrasse, loués à Ernst & Young, Laser et l'INSEEC ainsi qu'un parking public de 632 places.

Les loyers ont augmenté de 160 K€ pour atteindre 3,7 M€ essentiellement en raison de nouveaux baux signés au second semestre 2011 et en 2012.

Le taux d'occupation de 95 % est proche de son maximum et le chiffre d'affaires des commerces a progressé de 3 % par rapport à l'an dernier.

[shopping malls in Belgium.](#)

- [Jardins des Quais \(50%\).](#)

[As Banimmo is listed on NYSE Euronext Brussels, all details are available on the website \[banimmo.be\]\(http://banimmo.be\).](#)

[This large scale property of more than 25,000 sqm, held equally by Affine and Banimmo, is located on the banks of the Garonne and close to the historic centre of Bordeaux. The complex comprises ground-floor commercial spaces among which a Quai des Marques \(factory outlet\): more than 70 mid-range and high-end premises mostly 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, let to Ernst & Young, Laser, l'INSEEC and 632 parking lots.](#)

[Rental income increased by €160,000 to reach €3.7m essentially owing to new leases signed during the second half of 2011 and 2012.](#)

[The occupation rate of 95%, is close to its maximum, and the turnover of the shops and restaurants went up by 3% compared to last year.](#)

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 et non plus par intégration globale. Afin de permettre une bonne lisibilité des comptes de l'exercice et leur comparabilité avec ceux des exercices précédents, les comptes ci-dessous sont pour 2010 et 2011 des comptes pro forma dans lesquels Banimmo et Jardins des quais sont consolidés par mise en équivalence sur la totalité de l'exercice. Les comptes de Banimmo sont en cours d'audit.

NB: Since 1 October 2011, the Banimmo sub-group and Jardins des Quais are fully consolidated in Affine's accounts instead of through the equity method. To facilitate the readability of the financial statements and their comparability with previous periods, in the consolidated financial statements below, we present the 2010 and 2011 proforma statements in which Banimmo and Jardins des Quais are consolidated through the equity method over the full financial year. Banimmo's financial statements are currently under audit review.

Résultat consolidé (M€) ⁽¹⁾	2010	2011	2012	Consolidated earnings (€m) ⁽¹⁾
Revenus locatifs	50,0	48,3	46,4	Gross rental income
Loyers nets	42,6	43,1	41,3	Net rental income
Revenus des autres activités	5,1	3,6	4,3	Other income
Frais de fonctionnement	(13,1)	(12,0)	(10,9)	Corporate expenses
EBITDA courant ⁽²⁾	34,6	34,7	34,6	Current EBITDA ⁽²⁾
Résultat opérationnel courant	34,4	34,6	34,5	Current operating profit
Autres produits et charges	(4,2)	(2,6)	(1,6)	Other income and expenses
Résultat des cessions d'actifs	(0,5)	2,9	(8,5)	Net profit or loss on disposal
Résultat opérationnel avt ajust. valeur	29,7	34,9	24,5	Operating profit (before value adj.)
Solde net des ajustements de valeurs	(3,8)	1,7	(5,2)	Net balance of value adjustments
Résultat opérationnel net	25,9	36,6	19,2	Net operating profit
Coût de l'endettement financier net	(19,6)	(18,2)	(16,9)	Net financial cost
Ajustement de valeurs des instr. financiers	(0,1)	(2,3)	(1,5)	Fair value adjustments of hedging instr.
Impôts	0,3	(0,4)	0,1	Taxes
Sociétés mises en équivalence	3,0	1,3	3,4	Associates
Divers ⁽³⁾	1,1	(0,4)	0,3	Miscellaneous ⁽⁴⁾
Résultat net	10,5	16,6	4,6	Net profit
Résultat net - part du groupe	10,3	15,3	4,7	Net profit - group share

Résultat net - part du groupe	10,3	15,3	4,7	Net profit - group share
Retraitement EPRA	5,7	3,2	15,2	EPRA adjustments
Résultat EPRA ⁽⁴⁾	16,0	18,5	19,9	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 2010, 2011 et 2012 les dépréciations sur l'activité de développement, pour respectivement 5,4 M€, 3,0 M€ et 1,4 M€, repris dans les autres produits et charges. / Current EBITDA represents the current operating profit excluding current depreciation and amortization costs. In 2010, 2011 and 2012, this amount excludes the impairment of properties of the development business, which were €5.4m, €3.0m and €1.4m respectively and which are recognised under other income and expenses.

(3) Résultat net d'activités arrêtées ou en cours de cession, autres produits et charges financiers. / Net profit from activities that have been discontinued or being sold, other financial income and expenses.

(4) L'EPRA, association des foncières européennes cotées en bourse, a mis à jour en septembre 2011 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 September 2011, which give guidelines for performance measures. As detailed in the EPRA adjustments note, the EPRA earnings excludes the effects of fair value changes, gains or losses on sales and other non-recurring items.

A périmètre constant les revenus locatifs sont stables (+0,1 %). Après prise en compte des acquisitions, cessions, VEFA et de l'élément exceptionnel que représente l'incendie de deux bâtiments du complexe

On a like-for-like basis, gross rental income stabilized (+0.1%). After accounting for acquisitions, disposals, buildings in anticipation of completion (VEFA) and the exceptional item arising from the destruction by fire of

logistique de Saint-Etienne Molina, les loyers baissent de 3,8 %. Les charges locatives augmentent légèrement, conduisant à des loyers nets en recul de 4,2 %.

Le résultat opérationnel courant reste stable (-0,2 %), la hausse des bénéfices de l'activité de développement immobilier (3,2 M€ vs 1,3 M€, hors dépréciation sur stocks) et la diminution de 8,1 % des frais de fonctionnement (10,9 M€ vs 12,0 M€) permettant de plus que compenser l'érosion des revenus sur les opérations résiduelles de location financement (1,1 M€ vs 2,4 M€). L'activité de développement immobilier tire profit de la quasi-finalisation du programme résidentiel à Nanterre et de l'opération Sunclear.

Le résultat opérationnel net recule de 47 %, du fait essentiellement de la moins-value dégagée par la vente de l'immeuble Baudry (-8,9 M€), et d'une dépréciation du terrain de Sant Feliu (-1,4 M€) détenu en stock par Concerto.

Le coût de la dette nette diminue de 7,0 % à 16,9 M€, essentiellement en raison de la réduction de l'endettement. Après prise en compte de la baisse de valeur des instruments financiers (-1,5 M€ vs -2,3 M€) et de la hausse de la contribution des sociétés mises en équivalence (3,4 M€ vs 1,3 M€), le résultat net part du groupe ressort à 4,7 M€ contre 15,3 M€ en 2011.

Retraité des éléments non-courants, tels que la variation de juste valeur et les plus ou moins-values de cessions, le résultat EPRA ressort en hausse de 7,7 % à 19,9 M€ contre 18,5 M€ en 2011 (Le résultat EPRA intègre les retraitements EPRA sur l'ensemble des sociétés mises en équivalence).

two buildings of the logistic complex of Saint-Etienne Molina, rents were down 3.8 %. Service charges are slightly up leading to the 4.2% decline in net rents.

Current operating profit remained stable (-0.2%). The increase in profits from the property development activity (€3.2m vs €1.3m, excluding depreciation of inventories) and the 8.1% reduction in operating expenses (€10.9m vs €12.0m) more than offset the erosion of revenues on remaining finance lease transactions (€1.1m vs €2.4m). The property development activity benefited from the near-finalization of the residential program in Nanterre and the Sunclear project.

Net operating profit decreased by 47%, mainly from the loss incurred in the sale of the Baudry building (-€8.9m), and from an impairment of the Sant Feliu land (-€1.4m) held in inventory by Concerto.

The cost of net debt decreased by 7.0% to €16.9m, essentially owing to debt reduction. After taking into account the decrease of the fair value of financial instruments (-€1.5m vs -€2.3m) and the increase of the contribution from associates (€3.4m vs €1.3m), the Group share of net profit came out at €4.7m, compared with €15.3m in 2011.

Adjusted for exceptional items such as changes in fair value and gains or losses on disposals, EPRA earnings up 7.7% amounted to €19.9m compared with €18.5m in 2011 (EPRA earnings include EPRA adjustments for all associates).

Cash-flow consolidé Consolidated cash flow

Flux de trésorerie (M€)	2010	2011	2012	Cash Flow (€m)
Capacité d'autofinancement	27,7	19,7	17,9	Funds from operation
Capacité d'autofinancement hors coût de l'endettement et des charges d'impôts	45,9	38,8	33,3	Funds from operation excluding cost of debt and taxes
Variation du BFR	(3,1)	10,1	(16,4)	Change in WCR
Impôt payé	(3,3)	(0,6)	(0,0)	Taxes paid
Cash-flow opérationnel	39,6	48,3	16,8	Operating cash flow
Investissements	(24,4)	(25,5)	(20,5)	Investments
Cessions	88,4	47,2	131,2	Disposals
Divers	3,2	1,6	0,8	Other
Cash-flow d'investissement	67,1	23,3	111,5	Investment cash flow
Emprunts nouveaux	19,6	24,2	35,9	New loans
Remboursements d'emprunts	(94,8)	(59,6)	(123,8)	Loan repayments
Intérêts	(20,1)	(19,4)	(16,5)	Interest
Divers (dont dividende)	(16,7)	(18,4)	(15,7)	Other (including dividend)
Cash-flow de financement	(112,0)	(73,0)	(120,2)	Financing cash flow
Variation de trésorerie	(5,2)	(1,4)	8,2	Change in cash position

La capacité d'autofinancement est en baisse de 1,8 M€ à 17,9 M€ en raison essentiellement du recul des revenus locatifs résultant des cessions ; hors coût de l'endettement et des charges d'impôts elle a diminué de 14,2 % pour s'établir à 33,3 M€.

La variation de BFR enregistre une évolution fortement négative (-16,4 M€ vs 10,1 M€) principalement en raison des projets de développement, des mouvements de TVA et de la gestion de trésorerie de filiales. Les mises en chantier, étant facturées ou stockées en fonction de l'état d'avancement du projet, viennent alimenter les créances clients ou stocks pour 11,0 M€. Affine a enregistré par ailleurs cette année une créance de TVA de 1,5 M€ contre un encaissement de 6,7 M€ en 2011. Enfin le groupe participe à la gestion de trésorerie de ses sociétés mises en équivalence (essentiellement Jardins des Quais et développement résidentiel) avec une nouvelle avance de 4,6 M€ en 2012 contre une remontée de 2,9 M€ l'an passé. Le cash-flow opérationnel ressort ainsi à 16,8 M€ contre 48,3 M€ pour la même période en 2011.

Les flux d'investissement sont en retrait avec un montant de 20,5 M€ (comprenant 8,8 M€ de travaux) contre 25,5 M€ (6,6 M€) pour 2011. La politique active d'arbitrage s'est poursuivie et a conduit le groupe à réaliser 131,2 M€ de cessions, dont notamment la vente de l'immeuble situé rue Paul-Baudry (96 M€) à Paris 8ème. Au total le cash-flow d'investissement ressort à 111,5 M€ contre 23,3 M€ pour la même période en 2011. Ce montant prend en compte l'indemnisation de 6,4 M€ reçue à la suite du sinistre sur le site de Saint Etienne Molina.

Le solde net des opérations de financement, y compris le remboursement lié à l'emprunt attaché à l'immeuble situé rue Paul-Baudry (70,2 M€), les dividendes distribués (10,6 M€) et les frais financiers (16,5 M€), dégage un cash-flow négatif de 120,2 M€.

Au global, la trésorerie a augmenté au cours de l'année de 8,2 M€ pour atteindre 27,1 M€ en fin d'année.

The Group's funds from operations fell by €1.8m to €17.9m, mainly due to a decrease of rental income resulting from disposals; excluding cost of debt and taxes, funds from operations fell 14.2% and settled at €33.3m.

The WCR change dropped sharply (-€16.4m vs €10.1m) mainly due to the development projects, VAT and the management of subsidiaries cash movements. The initiation of different projects are charged or kept in inventory on the basis of their level of completion, they are recognized under trade receivables or inventories for €11.0m. Affine also recorded this year a VAT credit of €1.5m against an inflow of €6.7m in 2011. Lastly, the Group participates in the cash management of its associates companies consolidated under the equity method (primarily Jardins des Quais and residential development) with a new advance of €4.6m in 2012 against €2.9m money back last year. Operating cash flow was thus €16.8m versus €48.3m for the same period in 2011.

Cash-flow for investments went down, amounting to €20.5m (including €8.8m of works) compared with €25.5m (€6.6m) in 2011. The active disposal policy continued and helped the Group to achieve a figure of €131.2m of disposals, mainly fed by the sale of the building located rue Paul-Baudry (€96m) in Paris 8th. Total cash flow from investments came to €111.5m, compared to €23.3m for the same period in 2011. This amount includes the compensation of €6.4m received following the damages on the Saint Etienne Molina site.

The net balance of financing transactions, including the repayment of the loan related to the building located rue Paul-Baudry (€70.2m), the dividends distributed (€10.8m) and financial charges (€9.0m), generated a negative cash flow of €120.2m.

Overall, the cash position increased by €8.2m over the period to reach €27.1m.

Bilan consolidé

Consolidated balance sheet

Bilan consolidé (M€)	2010	2011	2012	Consolidated balance sheet (€m)
ACTIF	920,9	881,0	762,2	ASSETS
Immeubles (hors droits)	686,5	672,2	549,3	Properties (excluding transfer taxes)
<i>dont immeubles de placement</i>	<i>611,1</i>	<i>520,8</i>	<i>522,0</i>	<i>of which investment properties</i>
<i>dont immeubles destinés à la vente</i>	<i>75,4</i>	<i>151,4</i>	<i>27,3</i>	<i>of which property held for sale</i>
Titres de participations	0,2	0,3	0,1	Equity holdings
Sociétés mises en équivalence	84,0	85,8	89,6	Equity affiliates
Trésorerie	23,7	23,3	32,6	Cash
Autres actifs	126,5	99,4	90,7	Other assets
PASSIF	920,9	881,0	762,2	LIABILITIES
Fonds propres (avant affectation)	362,5	362,2	351,4	Shareholders' equity (before allocation)
<i>dont ORA</i>	<i>31,7</i>	<i>20,8</i>	<i>20,8</i>	<i>of which convertibles</i>
<i>dont TSDI</i>	<i>73,3</i>	<i>73,4</i>	<i>73,2</i>	<i>of which PSL</i>
Dettes bancaires	482,0	450,0	360,9	Bank debt
Autres passifs	76,4	68,8	49,8	Other liabilities

Actif net réévalué

Les fonds propres totaux au 31 décembre 2012 diminuent de 3,0 % à 351,4 M€ (dont part du groupe : 351,4 M€). Après déduction des quasi-fonds propres (73,2 M€ de TSDI), et après retraitement de la juste valeur des instruments dérivés et des impôts différés, l'actif net réévalué EPRA hors droits s'établit au 31 décembre 2012 à 288,8 M€ (+0,4 %). Par action, il ressort à 28,21 € (après dilution des ORA et hors autocontrôle), en diminution de 2,6 % par rapport au 31 décembre 2011, mais il convient de tenir compte d'un accroissement de 3,1 % du nombre d'actions à l'occasion de la fusion entre Affine et AffiParis. Droits inclus, l'ANR EPRA par action s'établit à 31,65 €.

Net asset value

At 31 December 2012, total shareholders' equity decreased by 3.0% to €351.4m (group share €351.4m). After deducting quasi-equity (€73.2m 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 €288.8m at 31 December 2012 (+0.4%). NAV per share was €28.21 (after ORA dilution and excluding treasury shares), down 2.6% compared with 31 December 2011, given that the number of shares increased by 3.1% owing to the merger by absorption of AffiParis by Affine. Including transfer taxes, the NAV per share was €31.65.

ANR (M€)	2010	2011	2012	NAV (€m)
Fonds propres (avant affectation) pdg	347,5	348,4	351,4	Shareholders' equity (before allocation) gs
Retraitement des TSDI	(73,3)	(73,4)	(73,2)	PSL adjustment
ANR IFRS (hors droits)	274,1	275,0	278,2	IFRS NAV (excl. TT)
Retraitements EPRA	7,7	12,6	10,6	EPRA adjustments
ANR EPRA (hors droits)	281,9	287,6	288,8	EPRA NAV (excl. TT)
ANR EPRA (droits inclus)	322,4	326,5	324,0	EPRA NAV (incl. TT)
Nombre d'actions dilués (hors autocontrôle)	9 314 600	9 926 848	10 237 552	Diluted number of shares (excl. Tr. shares)
ANR EPRA dilué (hors droits) par action (€)	30,26	28,97	28,21	Diluted EPRA NAV (excl. TT) per share (€)

(1) PdG:part du groupe. / Gs: group share.

Par rapport à l'ANR EPRA hors droits, le cours de l'action au 31 décembre 2012 (12,61 €) présente une décote de 55 %.

Enfin, l'ANR triple net EPRA, intégrant la juste valeur des instruments de couverture, les impôts différés et la différence entre la valeur comptable et actualisée de l'endettement, ressort à 30,2 € (hors droits) et 33,6 € (droits inclus).

Based on the EPRA NAV excluding transfer taxes, the share price at 31 December 2012 (€12.61) showed a discount of 55%.

Finally, The EPRA triple net NAV, including the fair value of hedging instruments, deferred tax and the difference between the accounting and present value of the debt, amounted to €30.2 (excl. transfer tax) and €33.6 (incl. transfer tax).

Financement

La politique de financement basée sur des relations de longue durée avec ses banques et des financements dédiés par opérations, de taille moyenne, avec octroi de sûretés réelles, de longue durée et amortissables, permet à Affine de continuer à bénéficier d'un accès aux financements bancaires à des conditions favorables.

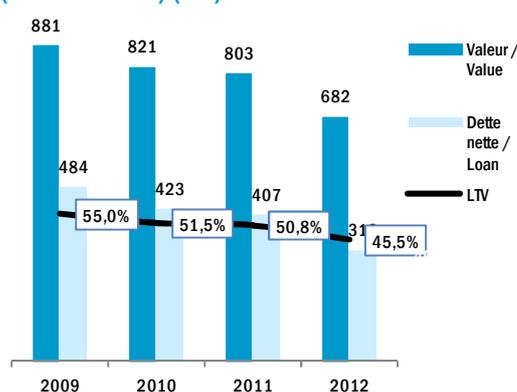
La part importante représentée par les actifs en régions, plus stables et plus rentables que les actifs parisiens et la diversification de son patrimoine lui confèrent un profil de risque résilient.

Affine dispose ainsi d'une bonne visibilité pour piloter son passif en maintenant un profil de dette bien réparti dans le temps et en évitant en principe tout covenant financier sur la société, et peut ainsi optimiser l'usage de ses fonds propres en maintenant un LTV relativement élevé, bien qu'en sensible diminution (45,5 % vs 50,8 %).

Le total des crédits bancaires signés pour 2012 s'élève à 35,9 M€, à comparer à un montant d'amortissements de la dette bancaire de 123,8 M€ sur la période.

Le groupe dispose par ailleurs au 31 décembre 2012 de lignes de crédit à court terme confirmées pour un montant total de 19 M€.

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



Au 31 décembre 2012 la dette financière (nette de la trésorerie et équivalents de trésorerie) du groupe s'établit à 334 M€, contre 435 M€ à fin 2011. Elle représente 0,9 fois le montant des fonds propres.

Déduction faite de la dette allouée au crédit-bail (23 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 et déconsolidées (88 M€) s'élève à

Financing

The financing policy based on long-term relationships with its banks and dedicated per-transaction medium-sized financings, secured with mortgages and with long-term repayment periods, enables Affine to benefit from an access to bank financing on competitive terms.

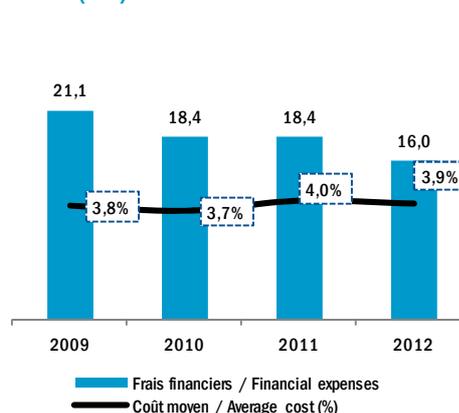
Affine has a resilient risk profile thanks to the large proportion of non-Parisian assets in its portfolio, more stable and more profitable than Parisian assets and the diversification of its portfolio.

Affine therefore has a high visibility to manage its liabilities by keeping a smooth debt profile, while avoiding in general any financial covenant on the company itself. This allows Affine to optimize the use of its equity by maintaining a relatively high although significantly declining LTV (45.5% vs 50.8%).

New bank loans contracted in 2012 amounted to €35.9m, compared to the €123.8m spent on amortization bank debt over the period.

In addition, the Group has secured short-term lines of credit totalling €19m at 31 December.

Coût de la dette (M€) Cost of debt (€m)



At 31 December 2012, the Group's financial debt (net of cash and cash equivalents) was €334m compared with €435m at year-end 2011. It corresponds to 0.9 times total shareholders' equity.

After deducting the debt allocated to finance lease activities (€23m), the net financial debt for investment properties, excluding buildings in anticipation of completion, and the Affine stake in the net value of associates and deconsolidated

310 M€, conduisant à un LTV en nette diminution de 45,5 %, contre 50,8 % fin 2011.

(€88m), totalled €310m, resulting in an LTV ratio of 45.5%, clearly down compared with 50.8% at year-end 2011.

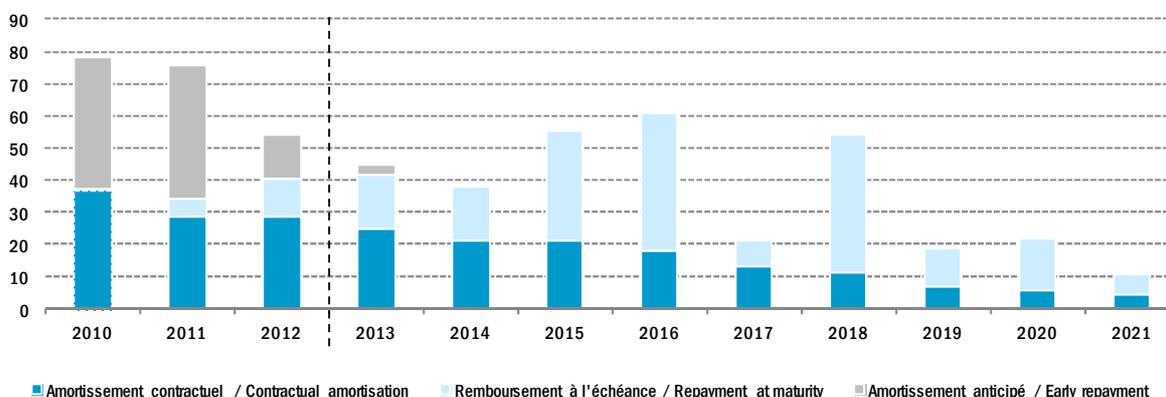
Le rapport des frais financiers sur la moyenne des dettes financières nettes fait ressortir pour l'année un coût moyen annuel de la dette de 2,5 % (3,8 % coûts de couverture inclus).

Financial costs on the average of net financial debt resulted in an annual average cost of debt of 2.5% for the year (3.8% including hedging costs).

La durée moyenne de la dette au 31 décembre 2012 est de 5,7 années. Les dettes sont amorties à un rythme correspondant à la vie de l'actif sous-jacent, le solde du crédit étant remboursé à l'échéance finale. Le graphique ci-dessous montre que le groupe ne doit faire face à aucune échéance majeure au cours des prochaines années.

At 31 December 2012, the average maturity of debt was 5.7 years. Debts are amortized at a pace corresponding to the life of the underlying asset, with the balance of the loan repaid at final maturity. The graph below shows that the Group has no major maturities occurring over the next years.

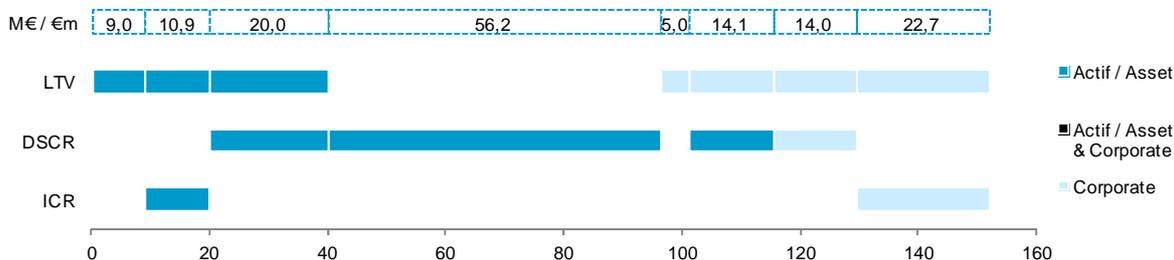
Amortissement de la dette (M€) Debt amortization (€m)



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

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

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



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

At 31 December 2012, no compulsory early repayment was required in part or in whole on any credit due to a failure to comply with financial ratios reported on that date.

Perspectives Outlook

Dans un contexte qui reste marqué par une stagnation de l'activité économique, la fragilisation d'un grand nombre d'entreprises et des incertitudes pesant encore sur la situation financière mondiale, Affine renforce ses moyens d'analyse de risques et a adopté une politique de prudence qu'elle poursuivra en 2013.

La cession de l'immeuble rue Paul Baudry lui confère les moyens de renouer avec une politique d'investissements sélective, au demeurant nécessaire pour compenser la perte de loyer entraînée par cette cession. Conjuguée à la poursuite de la baisse des frais généraux, elle devrait permettre d'assurer une bonne tenue du résultat EPRA (résultat net courant – part du groupe). L'évolution du résultat net dépendra en outre de celle de la valeur des immeubles, elle-même directement liée à l'environnement économique et financier.

L'amélioration de la qualité du patrimoine par l'engagement de travaux significatifs, une gestion rapprochée de la relation avec les clients, le maintien d'une situation financière saine, resteront les priorités d'Affine dans ce contexte incertain.

In a context still marked by sluggish economic activity, the weakening of a large number of companies and persistent uncertainties about the global financial situation, Affine has decided to strengthen its risk analysis resources and has adopted a prudent policy which it intends to continue in 2013.

The disposal of the Paul Baudry building has given Affine the resources to renew its selective investment policy, which has become necessary to compensate for the loss of rent caused by this disposal. Combined with the continued decline of overheads, Affine should be able to report robust performance for its EPRA earnings (current net profit – group share). Furthermore, change in net profit will depend on the value of properties, which is also directly linked to the economic and financial environment.

In this uncertain context, Affine will focus on improving the quality of its assets by investing in extensive refurbishments, closely managing customer relations, while maintaining a sound financial position.

Compte de résultat consolidé

Consolidated income statement

Présentation résumée ⁽¹⁾

Condensed presentation⁽¹⁾

(K€)	2010	2011	2012	(€000')
Revenus locatifs	50 006	48 269	46 427	Gross rental income
Produits et charges locatives	(7 200)	(5 129)	(4 406)	Service charge income/(expenses)
Autres produits et charges sur immeubles	(185)	(55)	(761)	Other property income /(expenses)
LOYERS NETS	42 620	43 084	41 261	NET RENTAL INCOME
Revenus de location financement (LF)	2 901	2 351	1 066	Income from finance leases (FL)
Revenus des opérations de développement	2 170	1 278	3 228	Income from property development
Frais de structure	(13 129)	(12 008)	(10 937)	Corporate expenses
EBITDA COURANT ⁽²⁾	34 562	34 705	34 618	CURRENT EBITDA⁽¹⁾
Amortissements et dépréciations	(126)	(122)	(115)	Amortization and depreciation
RESULTAT OPERATIONNEL COURANT	34 436	34 583	34 503	CURRENT OPERATING PROFIT
Charges nettes des provisions	5	(228)	(230)	Charges net of provisions
Solde des autres produits et charges	(4 225)	(2 383)	(1 320)	Net other income
Résultat cessions Immeuble de Placement	(426)	2 168	(8 884)	Gains on disposal of Investment Properties
Levées d'option sur immeubles en LF	(96)	764	382	Options exercised on FL properties
Résultat des cessions d'actifs d'exploitation	(7)	-	-	Gains on disposals of operating assets
Résultat des cessions d'actifs	(529)	2 931	(8 501)	Net profit or loss on disposals
RESULTAT OPERATIONNEL AVT AJUST. VALEUR	29 686	34 902	24 451	OPERATING PROFIT BEFORE VALUE ADJ.
Ajustement des valeurs des immeubles	(3 821)	1 679	(5 217)	Fair value adjustment to Properties
Ajustement de Goodwill	-	-	-	Goodwill adjustment
Solde net des ajustements de valeurs	(3 821)	1 679	(5 217)	Net balance of value adjustments
RESULTAT OPERATIONNEL NET	25 865	36 581	19 234	NET OPERATING PROFIT
Produits de trésorerie et équivalents de tr.	280	258	469	Income from cash and cash equivalents
Coût de l'endettement financier brut	(19 916)	(18 458)	(17 404)	Gross financial cost
Coût de l'endettement financier net	(19 636)	(18 200)	(16 935)	Net financial cost
Autres produits et charges financiers	(83)	(434)	293	Other financial income
Ajustement de valeurs des instr. financiers	(89)	(2 262)	(1 506)	Fair value adjustments to hedging instr.
RESULTAT AVANT IMPÔTS	6 057	15 686	1 085	PROFIT BEFORE TAX
Impôts courant	562	153	(95)	Current corporation tax
Autres impôts	(285)	(592)	240	Other tax
Sociétés mises en équivalence	2 975	1 312	3 401	Associates
Résultat net des activités abandonnées	1 209	-	-	Net profit from abandoned businesses
RESULTAT NET	10 518	16 558	4 632	NET PROFIT
Résultat net - Participations ⁽³⁾	(199)	(1 295)	80	Net profit - Minority interests ⁽³⁾
RESULTAT NET - PART DU GROUPE	10 319	15 262	4 712	NET PROFIT - GROUP SHARE
Retraitement EPRA	5 701	3 237	15 218	EPRA adjustments
RESULTAT EPRA	16 020	18 499	19 930	EPRA EARNINGS
Résultat par action (€)	0,53	1,19	0,06	Earnings per share
Résultat par action dilué (€)	0,83	1,26	0,20	Diluted earnings per share
Résultat EPRA par action (dilué) (€)	1,45	1,60	1,73	EPRA Earnings per share
Nombre d'actions (hors autocontrôle)	7 570 201	8 349 497	8 696 290	Number of shares (excl. Treasury Shares)
Nombre d'actions dilués (hors autocontrôle)	9 192 601	9 597 497	9 944 290	Number of shares diluted (excl. TS)

(1) Comptes pro forma pour 2010 et 2011, après retraitement de Banimmo et Jardins des Quais en mise en équivalence pour 2010 et 2011. / Pro forma statements for 2010 and 2011 after adjustment of Banimmo and Jardins des Quais consolidated through the equity method in 2010 and 2011.

(2) l'EBITDA courant correspond au résultat opérationnel courant hors coûts de dépréciations et d'amortissements courants. Ce montant n'intègre pas en 2010, 2011 et 2012 les dépréciations sur l'activité de développement, pour respectivement 5,4 M€, 3,0 M€ et 1,4 M€, repris dans les autres produits et charges. / Current EBITDA represents the current operating profit excluding current depreciation and amortization costs. In 2010, 2011 and 2012, this amount excludes the impairment of properties of the development business, which were €5.4m, €3.0m and €1.4m respectively and which are recognised under other income and expenses.

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

Bilan consolidé

Consolidated balance sheet

Présentation résumée ⁽¹⁾

Condensed presentation⁽¹⁾

ACTIF (K€)	2010	2011	2012	ASSETS (€ 000,)
Immeubles de placement	611 547	521 356	522 589	Investment properties
Actifs corporels	355	341	287	Tangible assets
Immobilisations incorporelles	228	207	520	Intangible assets
Actifs financiers	60 692	39 125	29 379	Financial assets
Actifs d'impôts différés	1 454	1 394	1 497	Deferred tax assets
Titres et investissements dans les sociétés mises en équivalence	83 976	85 819	89 560	Shares and investments in companies (equity method)
TOTAL ACTIFS NON COURANTS	758 252	648 243	643 831	TOTAL NON-CURRENT ASSETS
Immeubles destinés à la vente	75 365	151 363	27 255	Buildings to be sold
Branche d'activité destinée à la vente	-	-	-	Business sector to be sold
Prêts et créances de location-financement	561	6 878	4 763	Finance lease loans and receivables
Stocks	20 587	13 680	14 397	Inventory
Clients et comptes rattachés	6 694	8 904	6 567	Trade and other accounts receivable
Actifs d'impôts courants	184	115	91	Current tax assets
Autres créances	35 565	28 471	32 673	Other receivables
Trésorerie et équivalents de trésorerie	23 703	23 316	32 580	Cash and cash equivalents
TOTAL ACTIFS COURANTS	162 659	232 727	118 325	TOTAL CURRENT ASSETS
TOTAL	920 911	880 970	762 157	TOTAL

PASSIF (K€)	2010	2011	2012	LIABILITIES (€ 000,)
Capitaux propres (part du groupe)	347 462	348 447	351 434	Shareholders' equity (Group share)
<i>dont ORA</i>	31 662	20 763	20 770	<i>of which convertibles</i>
<i>dont TSDI</i>	73 345	73 436	73 215	<i>of which PSL</i>
Intérêts minoritaires	15 028	13 736	(26)	Minority interests
TOTAL CAPITAUX PROPRES	362 490	362 183	351 408	TOTAL SHAREHOLDERS' EQUITY
Emprunts long terme	405 055	319 837	310 003	Long-term borrowings
Passifs financiers	16 411	15 551	9 934	Financial liabilities
Provisions	910	3 027	1 726	Provisions
Dépôts et cautionnements reçus	7 458	7 145	6 915	Deposits and security payments received
Passifs d'impôts différés et non courants	364	281	0	Deferred and non-current tax liabilities
Divers	(0)	0	0	Other
TOTAL PASSIFS NON COURANTS	430 199	345 841	328 578	TOTAL LONG-TERM LIABILITIES
Branches d'activités destinées à la vente	-	-	-	Business sector to be sold
Passifs liés aux immeubles destinés à la vente	31 045	97 529	13 837	Liabilities relating to buildings to be sold
Dettes fournisseurs et autres	33 946	24 106	17 796	Trade payables and other accounts payable
Emprunts et dettes financières	58 993	46 621	46 382	Borrowings and financial debt
Passifs d'impôts courants	706	14	0	Current tax liabilities
Dettes fiscales et sociales	3 532	4 677	4 156	Tax and social charges
TOTAL PASSIFS COURANTS	128 222	172 947	82 171	TOTAL CURRENT LIABILITIES
TOTAL	920 911	880 970	762 157	TOTAL

(1) Comptes pro forma pour 2010 et 2011 après retraitement de Banimmo et Jardins des Quais en mise en équivalence. / Pro forma statements for 2010 and 2011 after adjustment of Banimmo and Jardins des Quais consolidated through the equity method.

Recommandations Best Practices EPRA EPRA Best Practices Recommendations

L'EPRA, association des foncières européennes cotées, a mis à jour en septembre 2011 un guide sur les mesures de performances du rapport intitulé « Best Practice Recommendation »⁽¹⁾.

The European Public Real Estate Association (EPRA) issued in September 2011 an update of the Best Practices Recommendations report⁽¹⁾, which give guidelines for performance measures.

Affine s'inscrit dans cette recherche d'homogénéité de la communication financière, qui vise à améliorer la qualité et la comparabilité de l'information, et à fournir aux investisseurs les principaux agrégats recommandés par l'EPRA. La société publie ainsi le résultat EPRA, le résultat EPRA par action, l'ANR EPRA, l'ANR EPRA par action, l'ANNR EPRA, l'ANNR EPRA par action et le taux de vacance EPRA.

Affine supports the financial communication homogenization approach designed to improve the quality and comparability of information and supplies its investors with most of the EPRA recommendations. The company therefore publishes the EPRA Earnings, the EPRA earnings per share, the EPRA NAV, the EPRA NAV per share, the EPRA NNNAV, the EPRA NNNAV per share and the EPRA vacancy rate.

Définition des mesures de performance EPRA (EPM) EPRA Performance Measures (EPM) definition

Indicateurs EPRA / EPRA indicators	Définition EPRA ⁽¹⁾ / EPRA Definition ⁽¹⁾
Résultats EPRA EPRA Earnings	Résultat récurrent provenant des activités opérationnelles Recurring earnings from core operational activities
Actif Net Réévalué EPRA EPRA Net Asset Value	Actif Net Réévalué ajusté incluant les actifs et investissements valorisés en valeur de marché et excluant certains éléments non significatifs pour une société avec un profil d'investissement immobilier à long terme Net Asset Value adjusted to include properties and other investment interests at fair value and to exclude certain items not expected to crystallise in a long-term investment property business model
Actif Net Réévalué EPRA Triple Net EPRA NNNAV	Actif Net Réévalué EPRA ajusté incluant la valeur de marché (i) des instruments financiers, (ii) de la dette et (iii) des impôts différés EPRA NAV adjusted to include the fair values of (i) financial instruments, (ii) debt and (iii) deferred taxes
Taux de vacance EPRA EPRA vacancy rate	Ratio entre le loyer de marché des surfaces vacantes et le loyer de marché de la surface totale Estimated Market Rental Value (ERV) of vacant space divided by ERV of the whole portfolio

(1) Le rapport est disponible sur le site de l'EPRA : www.epra.com/ / The report is available on the EPRA website: www.epra.com.

Mesures de performance EPRA (EPM) EPRA Performance Measures (EPM)

(K€)	2010	2011	2012	(€000')
Résultat EPRA	16 020	18 499	19 930	EPRA earnings
Actif Net Réévalué EPRA (hors droits)	281 863	287 564	288 777	EPRA net asset value (excl. TT)
ANNR EPRA (hors droits)	ND / NA	317 906	308 817	EPRA NNNAV (excl. TT)
Taux d'occupation EPRA (%)	87,7	89,0	87,8	EPRA occupancy rate (%)
Données par action (€)	2010	2011	2012	Figures per share (€)
Résultat EPRA	1,45	1,60	1,73	EPRA earnings
Actif net réévalué EPRA (hors droits)	30,26	28,97	28,21	EPRA net asset value excl TT
ANNR EPRA (hors droits)	ND / NA	32,02	30,17	EPRA NNNAV excl TT

Résultat EPRA (Présentation EPRA - méthode indirecte)

EPRA Earnings (EPRA presentation - indirect method)

(K€)	2010	2011	2012	(€000')
Résultat net - part du groupe	10 319	15 262	4 712	Net profit - Group share
Ajust. des valeurs des immeubles de placement	3 821	(1 679)	5 217	Value adjustments for investment properties
Résultat des cessions d'actif	529	(2 931)	8 501	Net profit or loss on disposal
Ajustement des Goodwill	-	-	-	Goodwill adjustment
Ajustement de valeur des instruments financiers	89	2 262	1 506	Fair value adjustments of hedging instr.
Élément non cash des sociétés MEE	(1 057)	1 258	(906)	Associates non-cash item
Résultat net d'impôt des activités abandonnées	(1 209)	-	-	Net profit from discontinued operations
Impôts non-courants, différés et exit tax	(399)	463	(197)	Non-current tax, deferred and exit tax
Autres éléments non-courants ⁽¹⁾	4 304	3 045	1 258	Other non-recurring items ⁽¹⁾
Intérêts minoritaires des éléments ci-dessus	(378)	819	(162)	Minority interests in above items above
Résultat EPRA	16 020	18 499	19 930	EPRA earnings

(1) Ce montant n'intègre pas en 2010, 2011 et 2012 les dépréciations sur l'activité de développement, pour respectivement 5,4 M€, 3,0 M€ et 1,4 M€, repris dans les autres produits et charges. / In 2010, 2011 and 2012, this amount excludes the impairment of properties of the development business, which were €5.4m, €3.0m and €1.4m respectively and which are recognised under other income and expenses.

Résultat EPRA (Présentation courant/non-courant - méthode directe) ⁽¹⁾

EPRA Earnings (Recurring / non-recurring presentation - direct method)⁽¹⁾

(K€)	2010	2011	2012	(€000')
Revenus locatifs	50 006	48 269	46 427	Gross rental income
Loyers nets	42 620	43 084	41 261	Net rental income
Revenus des autres activités	5 071	3 629	4 294	Other income
Frais de fonctionnement	(13 129)	(12 008)	(10 937)	Corporate expenses
EBITDA courant ⁽²⁾	34 562	34 705	34 618	Current EBITDA⁽²⁾
Résultat opérationnel courant	34 436	34 583	34 503	Current operating profit
Coût de l'endettement financier net	(19 636)	(18 200)	(16 935)	Net financial cost
Impôts (courant)	(121)	23	(51)	Taxes (current)
Sociétés mises en équivalence (courant)	1 918	2 569	2 495	Associates (current)
Divers (courant) ⁽³⁾	0	(0)	(0)	Miscellaneous (current) ⁽³⁾
Résultat net courant	16 596	18 975	20 012	Net current profit
Résultat EPRA (Résultat net courant - Pdg ⁽⁴⁾)	16 020	18 499	19 930	EPRA Earnings (Net current profit - Gs⁽⁴⁾)
Autres produits et charges	(4 220)	(2 612)	(1 550)	Other income and expenses
Résultat des cessions d'actifs	(529)	2 931	(8 501)	Net profit or loss on disposal
Solde net des ajustements de valeurs	(3 821)	1 679	(5 217)	Net balance of value adjustments
Ajustement de valeurs des instr. financiers	(89)	(2 262)	(1 506)	Fair value adjustments of hedging instr.
Impôts (non-courant)	399	(463)	197	Taxes (non-current)
Sociétés mises en équivalence (n-c)	1 057	(1 258)	906	Associates (non-current)
Divers (non-courant) ⁽³⁾	1 126	(433)	293	Miscellaneous (non-current) ⁽³⁾
Résultat net non-courant	(6 078)	(2 418)	(15 380)	Net non-current profit
Résultat net non-courant - pdg ⁽⁴⁾	(5 701)	(3 237)	(15 218)	Net non-current profit - group share⁽⁴⁾
Résultat net	10 518	16 558	4 632	Net profit
Résultat net - part du groupe	10 319	15 262	4 712	Net profit - group share

(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 2010, 2011 et 2012 les dépréciations sur l'activité de développement, pour respectivement 5,4 M€, 3,0 M€ et 1,4 M€, repris dans les autres produits et charges. / Current EBITDA represents the current operating profit excluding current depreciation and amortization costs. In 2010, 2011 and 2012, this amount excludes the impairment of properties of the development business, which were €5.4m, €3.0m and €1.4m respectively and which are recognised under other income and expenses.

(3) Résultat net d'activités arrêtées ou en cours de cession, autres produits et charges financiers. / Net profit from activities that have been discontinued or being sold, other financial income and expenses.

(4) Pdg signifiant part du groupe. / Gs standing for group share.

Résultat EPRA par action EPRA Earnings per share

(K€)	2010	2011	2012	(€000')
Résultat net - part du groupe	10 319	15 262	4 712	Net profit – Group share
Coût des TSDI	(2 698)	(3 149)	(2 696)	PSL charges
Coût des ORA	(3 637)	(2 151)	(1 498)	Convertibles charges
Résultat net - part du groupe ajusté pour le calcul du résultat par action	3 985	9 962	518	Net profit – Group share adjusted for the earnings per share
Réintégration du coût des ORA 1 et 2	3 637	2 151	1 498	Convertibles adjustments
Résultat net - part du groupe ajusté pour le calcul du résultat dilué par action (après conversion des ORA)	7 622	12 113	2 016	Net profit – Group share adjusted for the diluted earnings per share (after convertibles charges)
Retraitement EPRA	5 701	3 237	15 218	EPRA adjustments
Résultat EPRA ajusté du coût des TSDI pour le calcul du résultat EPRA par action	13 323	15 349	17 233	EPRA earnings adjusted for the PSL charges
Résultat par action (€)	0,53	1,19	0,06	Earnings per share (€)
Résultat dilué par action (€)	0,83	1,26	0,20	Diluted earnings per share (€)
Résultat EPRA par action (€)	1,45	1,60	1,73	EPRA earnings per share (€)
Nombre d'actions				Number of shares
Nombre d'actions en circulation	8 113 566	9 002 042	9 033 959	Outstanding number of shares
Nombre moyen d'actions en autocontrôle	(543 365)	(652 545)	(337 669)	Average treasury shares
Nombre moyen d'actions (hors autocontrôle)	7 570 201	8 349 497	8 696 290	Average number of shares (excl.Tr. shares)
Nombre d'actions nouvelles en remboursement des ORA	1 622 400	1 248 000	1 248 000	Number of convertible shares
Nombre moyen d'actions dilués (hors autocontrôle)	9 192 601	9 597 497	9 944 290	Average diluted number of shares (excl.Tr. shares)

ANR IFRS IFRS NAV

(K€)	2010	2011	2012	(€000')
Fonds propres (avant affectation)	347 462	348 447	351 434	Shareholders' equity (before allocation)
dont ORA	31 662	20 763	20 770	of which convertibles
dont TSDI	73 345	73 436	73 215	of which PSL
dont autocontrôle	(6 777)	(4 952)	(571)	Of which treasury shares
dont autres	249 232	259 200	258 019	Of which other
Retraitement des TSDI	(73 345)	(73 436)	(73 215)	PSL adjustments
ANR IFRS dilué hors droits	274 117	275 011	278 219	Diluted IFRS NAV
Droits de transfert (pdg ¹)	40 492	38 915	35 201	Transfer tax (gs ¹)
ANR IFRS dilué droits inclus	314 609	313 926	313 419	Diluted IFRS NAV incl. TT ²
ANR IFRS dilué hors droits par action	29,43	27,70	27,18	Diluted IFRS NAV per share
ANR IFRS dilué droits inclus par action	33,78	31,62	30,61	Diluted IFRS NAV incl. TT² per share
Nombre d'actions				Number of shares
Nombre d'actions en circulation	8 113 566	9 002 042	9 033 959	Outstanding number of shares
Autocontrôle	(421 366)	(323 194)	(44 407)	Treasury shares
ORA convertie	1 622 400	1 248 000	1 248 000	Exercised convertibles
Nombre d'actions dilués (hors autocontrôle)	9 314 600	9 926 848	10 237 552	Diluted number of shares (excl. treasury shares)

(1) PdG signifiant part du groupe. / Gs standing for group share.

(2) TT standing for transfer tax

**ANR EPRA
EPRA NAV**

(K€)	2010	2011	2012	(€000')
ANR IFRS dilué hors droits	274 117	275 011	278 219	Diluted IFRS NAV
Retraitements EPRA	7 746	12 553	10 559	EPRA adjustments
dont juste valeur des instruments financiers	9 497	14 282	12 630	of which fair value of financial instruments
- Actif - Dérivés à la juste valeur (pdg ¹)	4 030	2 670	1 365	Derivatives at fair value (gs ¹) - Asset -
- Passif - Dérivés à la juste valeur (pdg ¹)	13 526	16 953	13 996	Derivatives at fair value (gs ¹) - Liabilities -
dont impôts différés net	(1 750)	(1 729)	(2 072)	of which net deferred tax
- Actif d'impôts différés (pdg ¹)	3 282	3 683	3 966	Asset deferred tax (gs ¹)
- Passif d'impôts différés (pdg ¹)	1 531	1 955	1 894	Liabilities deferred tax (gs ¹)
ANR EPRA hors droits	281 863	287 564	288 777	EPRA NAV
ANR EPRA droits inclus	322 355	326 479	323 978	EPRA NAV incl. TT ²
ANR EPRA hors droits par action	30,26	28,97	28,21	EPRA NAV per share
ANR EPRA droits inclus par action	34,61	32,89	31,65	EPRA NAV incl. TT ² per share

(1) Pdg signifiant part du groupe. / Gs standing for group share.

(2) TT standing for transfer tax

**ANNR EPRA
EPRA NNAV**

(K€)	2010	2011	2012	(€000')
Retraitement EPRA	(7 746)	(12 553)	(10 559)	EPRA adjustments
Variation de JV de la dette	ND / NA	42 895	30 599	Change of the debt fair value
ANNR EPRA hors droits	ND / NA	317 906	308 817	EPRA NNAV
ANNR EPRA droits inclus	ND / NA	356 820	344 018	EPRA NNAV incl. TT ²
ANNR EPRA hors droits par action	ND / NA	32,02	30,17	EPRA NNAV per share
ANNR EPRA droits inclus par action	ND / NA	35,94	33,60	EPRA NNAV incl. TT ² per share

**Taux de vacance EPRA
EPRA Vacancy rate**

Classe d'actif (M€)	Loyers faciaux	Surface locative (m ²)	VLM ¹ sur vacant	VLM ¹	Taux de vacance
Type of asset (€m)	Headline rents	Lettable space (sqm)	ERV ¹ on vacant	ERV ¹	Vacancy rate
Paris (Bureaux / Offices)	5,0	11 767	0,1	5,3	1,3%
Bureaux / Offices	18,2	139 736	2,3	18,7	12,4%
Surfaces commerciales / Retails	4,4	40 957	1,7	6,2	26,8%
Entrepôts et Locaux d'Activités / Warehouses and Industrials	12,8	308 551	1,4	14,5	9,9%
Autres / Others	0,3	4 602	0,0	0,3	0,0%
Total	40,7	505 612	5,5	45,0	12,2%

(1) VLM correspond à la Valeur Locative de Marché, soit le loyer de marché tel qu'estimé par les experts. / ERV corresponds to Estimated Rental Value by the appraisers.

LTV (dette nette / valeur du patrimoine)
LTV (net debt / portfolio value)

(K€)	2010	2011	2012	(€000')
Dette financière nette	465 266	434 689	333 787	Net financial debt
Dette allouée à la location-financement	(41 983)	(27 287)	(23 392)	Debt allocated to lease financing
Dette allouée aux titres de participation				Debt allocated to investment securities
Dette allouée à l'activité de développement				Debt allocated to development business
Dette nette pour immeubles de placement	423 283	407 402	310 396	<i>Debt for investment properties</i>
Valeur des immeubles (droits inclus)	724 956	709 048	580 447	Value of properties (incl. TT)
Sociétés foncières mises en équivalence	83 771	83 692	87 594	Property companies on equity basis
Retraitement VEFA & Immobilisation	12 392	10 002	14 397	VEFA & Fixed assets adjustments
Valeur du patrimoine droits inclus retraitée	821 119	802 741	682 438	Adjusted portfolio value incl. taxes
LTV	51,5%	50,8%	45,5%	LTV

INFORMATIONS RSE* CSR INFORMATION*

* La Responsabilité Sociale de l'Entreprise (RSE) intègre l'ensemble des informations traitant des aspects sociaux, environnementaux, sociétaux et économiques de l'entreprise dans ses activités et dans ses interactions avec ses parties prenantes, telle que définie par le décret du 24 avril 2012 relatif aux obligations de transparence des entreprises en matière sociale et environnementale.

Dans ce cadre, trois niveaux de déclarations sont utilisés, qui sont ceux proposés par France GBC dans son guide Reporting RSE :

Niveau corporate : limité aux immeubles utilisés par la société pour son usage propre (siège social).

Niveau activité : limité aux immeubles correspondant au chiffre d'affaires avec trois périmètres :

- 1) Aucune information disponible
- 2) Information disponible uniquement pour les parties communes gérées
- 3) Information disponible pour l'ensemble

Niveau parties prenantes : intégrant l'impact environnemental des projets dans leur ensemble, de leur construction à leur utilisation.

En cohérence avec la méthode de consolidation, les trois niveaux concernent Affine et ses filiales consolidées par intégration globale (Banimmo et Jardins des Quais étant par conséquent exclues du champ des déclarations).

* Corporate Social Responsibility (CSR) includes all information pertaining to the social, environmental, societal and economic aspects of the company's operations and interactions with its stakeholders, as defined by the decree of 24 April 2012 regarding corporate social and environmental transparency requirements.

Three levels of reporting are used, which are those recommended by France GBC in its CSR Reporting guide:

Corporate level: limited to buildings used by the company for its own use (head office).

Operational level: limited to buildings associated with revenues, with three areas of scope:

- 1) No available information
- 2) Information available only for managed common parts
- 3) Information available for the entire building

Stakeholder level: incorporating the environmental impact of programmes in their entirety, from construction to use.

In keeping with the consolidation method of accounting, the above three levels apply to Affine and its fully consolidated subsidiaries (therefore excluding Banimmo and Jardins des Quais).

Informations sociales Social information

Emploi

Effectif total et répartition des salariés par sexe, par âge et par zone géographique

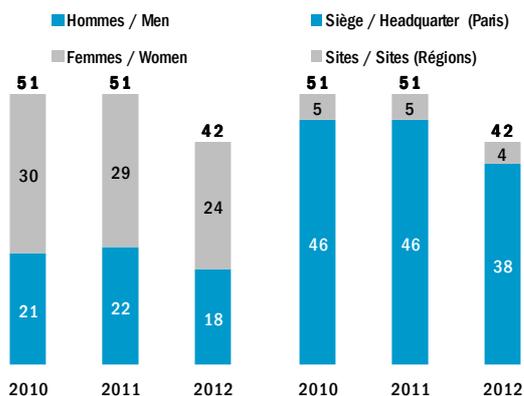
Au 31 décembre 2012, l'effectif total du groupe est de 42 personnes : 7 employés, 32 cadres et 3 mandataires sociaux. La répartition hommes/femmes est la suivante : 24 femmes (dont 5 employées, 18 cadres et 1 mandataire social) et 18 hommes (dont 2 employés, 14 cadres et 2 mandataires sociaux).

Employment

Total workforce and breakdown of employees by gender, age and geographical area

At 31 December 2012, the Group had 42 employees, broken down as follows: 7 employees, 32 managers and 3 executives. The male/female breakdown is as follows: 24 women (5 employees, 18 managers and 1 executive) and 18 men (2 employees, 14 managers and 2 executive).

Répartition des effectifs par sexe et localisation Workforce breakdown by gender and location



Embauches et licenciements

Au cours de l'exercice, 1 recrutement a été réalisé par le groupe en contrat à durée indéterminée ; le nombre de départs (départ à la retraite, démission, licenciement) s'est élevé à 9 personnes.

Il n'existe pas de plan de réduction des effectifs au sein du groupe.

Rémunérations et leur évolution

Une fois par an au minimum les directeurs rencontrent leurs collaborateurs pour une évaluation individuelle, occasion de faire le point sur les réalisations, les objectifs de performance, les perspectives d'évolution de carrière et les éventuels besoins de formation. Le processus d'évaluation permet en outre au collaborateur d'obtenir chaque année une appréciation complète de ses compétences et des aspects à développer.

Le montant total des rémunérations brutes versées aux salariés en 2012 s'élève à 3,5 M€, soit une augmentation de 1,3 % par personne par rapport à l'exercice précédent. Les charges sociales employeur seul représentent 54 % du salaire brut.

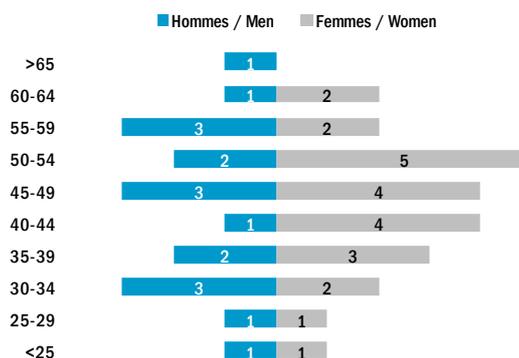
Contrairement aux exercices antérieurs, aucune somme n'a été versée en 2012 au titre de l'intéressement au résultat de l'exercice 2011. Un nouvel accord d'intéressement a été signé comme indiqué ci-après dans la rubrique « Bilan des accords collectifs ».

Au 31 décembre 2012, 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).

Organisation du travail

Organisation du temps de travail

Pyramide des âges Age pyramid



Recruitment and redundancies

The Group recruited 1 employee during the period on permanent contract; 9 people left the company (due to retirement, resignation or lay-off).

The Group has no plans to downsize.

Salaries and changes

At least once a year, managers meet their employees for an individual assessment. This is an opportunity to take stock of achievements, review performance targets and career development prospects, and identify any training needs. The appraisal process also enables employees to receive a full yearly appraisal of their skills and areas for development.

In 2012 employee gross salaries totalled €3.5m, up 1.3% per employee compared with the previous financial year. Social Security contributions for the employers accounted for 54% of gross salary.

Unlike in previous financial years, no amount was paid out in 2012 in respect of 2011 profit sharing. A new profit-sharing agreement was signed as stated below under "Collective bargaining agreements".

At 31 December 2012, employees of the Affine Group had no holdings in the company's share capital through a mutual fund or company savings plan (Article L.225-102 of the French Commercial Code).

Organisation of labour

Organisation of working hours

La durée du temps de travail pour les salariés travaillant à temps plein est de 1 607 heures par an. Il y a un salarié à temps partiel.

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

Absentéisme

Le nombre total de jour d'absence en 2012 a été de 212 jours contre 273 en 2011, soit 4,6 jours par salarié contre 5,4 en 2011. Les causes de l'absentéisme dans la société sont principalement la maladie et les congés maternité.

Relations sociales

Organisation du dialogue social, notamment procédures d'information et de consultation du personnel et de négociation avec celui-ci

Le personnel est représenté au sein d'Affine par des délégués du personnel qui se chargent de réunir les questions ou remarques que les salariés souhaitent présenter à la direction générale, d'en discuter, et le cas échéant de trouver un accord satisfaisant pour l'ensemble des parties ; les décisions prises à la suite de ces réunions sont portées dans un compte rendu à la connaissance de l'ensemble des salariés.

Les questions du personnel sont exprimées soit par discussion, soit par courriel, soit par une boîte aux lettres mise à la disposition du personnel.

Les réunions hebdomadaires des directeurs font l'objet d'un relevé de décisions diffusé à l'ensemble des salariés.

Des réunions générales d'information sont organisées par la direction générale en cours d'année, pour présenter au personnel les résultats annuels et semestriels ou toutes questions importantes sur l'organisation ou la marche de la société.

Au sein des locaux sont affichés l'ensemble de la communication obligatoire ainsi que les communiqués de presse du groupe. Ces derniers sont également transmis par courriel aux salariés au même moment qu'aux administrateurs, investisseurs et journalistes.

Bilan des accords collectifs

En 2012, les accords collectifs suivants ont été signés :

Changement de convention collective :

Le retrait du statut d'établissement de crédit obtenu par Affine en décembre 2011 a eu pour conséquence un changement de convention collective. Affine ne relève donc plus de la convention collective des sociétés financières mais de celle de l'immobilier, qui

Full-time employees work 1,607 hours per year. There is one part-time employee.

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

Absenteeism

An total of 212 days were lost in 2012 compared with 273 in 2011, i.e. 4,6 days per employee compared to 5,4 in 2011. Causes of absenteeism in the company were mainly illness and maternity leave.

Employee and management relations

Dialogue organised between management and employees, especially procedures for providing information to employees and the consulting and negotiation process

Affine employees are represented by delegated staff members who take charge of gathering questions and remarks that the employees want to present to management, to discuss about it and if necessary to seek an agreement that suits all parties; decisions taken during those meetings are brought in record to the attention of for all employees.

Staff questions are expressed through discussion, by email or via a mailbox available to staff.

Decisions made at weekly managers' meetings are released to all staff.

General information meetings are held by general management throughout the year to present annual and half-yearly results to staff or to discuss important issues relating to the company's organisation or functioning.

All mandatory notices are posted on company premises, as are the Group's press releases. The latter are also emailed to employees at the same time as they are sent to board members, investors and journalists.

Collective bargaining agreements

The following collective agreements were signed in 2012:

Change in the collective labour agreement:

The withdrawal of the credit institution status obtained by Affine in December 2011 led to a change in the collective labour agreement. Accordingly, Affine is not anymore associated to the financial companies collective labour agreement but to the property sector

s'applique obligatoirement aux entreprises du secteur auquel Affine est désormais rattachée.

La convention des sociétés financières a continué néanmoins à s'appliquer pendant une période transitoire expirant théoriquement le 19 mars 2013, ramenée avec l'accord des salariés au 1er janvier 2013.

Les modalités d'application de la nouvelle convention collective ont été négociées avec les délégués du personnel et les avenants aux contrats de travail correspondants ont ainsi été signés par les salariés.

Nouvel accord d'intéressement :

Parallèlement à la dénonciation anticipée de l'accord d'intéressement arrivant à échéance le 31 décembre 2012, un nouvel accord a été signé le 8 juin 2012 par l'ensemble du personnel pour une application au titre de l'exercice 2012. Le résultat opérationnel consolidé (avant ajustements de juste valeur) diminué du coût de l'endettement financier a été retenu comme base de calcul de l'intéressement.

Accord sur l'aménagement du temps de travail :

L'application de l'accord collectif du 21 décembre 2011 relatif à l'aménagement du temps de travail n'a pas été remise en cause par le changement d'activité de la société ; toutefois certaines clauses ont été précisées et actualisées pour tenir compte de l'évolution de l'activité de la société et de la législation.

Santé et sécurité

Conditions de santé et de sécurité au travail

Depuis 2010, les collaborateurs du groupe évoluent dans de nouveaux locaux ; ce nouvel environnement permet d'améliorer les échanges entre les collaborateurs et la qualité du travail en offrant un espace plus convivial, neuf, et bénéficiant des dernières technologies en terme de confort visuel (système d'éclairage) et d'ergonomie.

Le groupe veille également au bien-être de ses collaborateurs en offrant le choix entre l'accès à un restaurant d'entreprise et des tickets restaurants, et en organisant des manifestations festives pour la fin de l'année ou à l'occasion d'événements marquants l'année, tels que l'arrivée ou le départ d'un collaborateur ou encore un mariage ou une naissance, une proximité rendue possible par la taille humaine de la société.

Le groupe a également mis en place une campagne de vaccination contre la grippe saisonnière depuis 2000.

Conformément à la réglementation applicable, l'évaluation des risques dans l'entreprise a été réalisée. Les résultats de cette évaluation ont été retranscrits dans le document unique de sécurité.

Bilan des accords signés avec les organisations syndicales ou les représentants du personnel en matière de santé et de sécurité au travail

agreement, which by law applies to companies in the property sector, with which Affine is now associated.

However, the financial companies agreement will continue to apply for a transition period expiring theoretically on 19 March 2013, brought back to 1 January 2013 with employees agreement.

The terms for applying the new collective labour agreement were negotiated with staff representatives and the corresponding employment contract amendments were signed by employees.

New profit-sharing agreement:

In parallel with the early termination of the profit-sharing agreement expiring on 31 December 2012, a new agreement was signed on 8 June 2012 by all staff for application in respect of the 2012 financial year, with profit-sharing premiums based on consolidated operating income (before fair value adjustments) less borrowing costs.

Agreement to adjust working hours:

The company's change in activity did not affect the application of the collective agreement of 21 December 2011 regarding the adjustment of working hours. However, some clauses were clarified and updated to reflect changes in the company's operations and in legislation.

Health and safety

Health and safety in the workplace

Since 2010, employees are in new premises: this new environment aims to improve information sharing among employees and enhance the quality of their work by providing a new and more convivial work space equipped with the latest technology in terms of visual comfort (lighting system) and ergonomics.

The Group also ensures the wellbeing of its employees, for instance by offering access either to a staff canteen or to lunch vouchers, and by organising festive events for the end-of-year party or to celebrate special occasions such as the arrival or departure of an employee, a marriage or a birth. These kinds of close-knit events are possible because of the company's small size.

The Group has also organised seasonal flu vaccination campaigns since 2000.

In accordance with applicable regulations, an assessment was made of risks within the company. The results of this assessment were reported in the special document on safety and security.

Workplace health and safety agreements signed with trade unions or employee representatives

The Group did not sign any specific agreements

Le groupe n'a pas signé d'accord spécifique en matière de santé et de sécurité au travail.

Accidents du travail, notamment leur fréquence et leur gravité, ainsi que les maladies professionnelles

La société n'a enregistré aucun accident de travail ni aucune maladie professionnelle.

Formation

Politiques mises en œuvre en matière de formation

L'évaluation individuelle annuelle est l'occasion de faire le point sur les éventuels besoins de formation. La politique mise en place vise à s'assurer que les collaborateurs possèdent ou acquièrent les compétences et l'autonomie nécessaire pour prendre des décisions en adéquation avec leurs responsabilités.

La formation a porté sur deux axes : technique et linguistique. Le budget formation d'Affine représente 0,92 % de la masse salariale (minimum légal de 0,9 %) ; 28 collaborateurs en ont bénéficié en 2012.

Des cours d'anglais sont dispensés deux fois par semaine dans les locaux de la société.

Dans le cadre de l'implémentation d'un nouveau système d'information, l'ensemble des collaborateurs a suivi une formation afin de comprendre les enjeux de ce nouvel outil et d'en assurer la maîtrise.

Nombre total d'heures de formation

Le nombre total d'heures de formation a été de 1 154 heures en 2012.

Égalité de traitement

Mesures prises en faveur de l'égalité entre les femmes et les hommes

La société s'attache à offrir les mêmes opportunités de développement au sein du groupe aux femmes et aux hommes. La société compte en 2012 deux directeurs féminins et deux directeurs masculins.

Mesures prises en faveur de l'emploi et de l'insertion des personnes handicapées

La société travaille dès qu'elle en a la possibilité avec des prestataires employant des handicapés.

Affine a versé en 2012 à l'Association du fonds d'insertion professionnelle des travailleurs handicapés (Agefiph) une somme de 7 369 €.

Politique de lutte contre les discriminations

Le groupe est attentif aux enjeux de la discrimination

regarding health and safety in the workplace.

Workplace accidents, particularly frequency and seriousness, and occupational illnesses

The company recorded no workplace accident or occupational illness.

Training

Implemented training policies

Potential training needs are assessed during yearly individual appraisals. The Group's training policy is designed to ensure that employees have, or can acquire, the skills and autonomy required to make decisions in line with their responsibilities.

Staff training focuses on two main areas: technical and linguistic. Affine's training budget accounts for 0.92% of payroll (legal minimum of 0.9%); 28 employees benefited from training in 2012.

English lessons are given twice a week in the company's offices.

When a new information system was implemented, all employees received training to understand the issues of this new tool and to master its use.

Total number of training hours

The total number of training hours in 2012 was 1,154.

Equal treatment

Measures taken to promote equality between men and women

The company offers the same opportunities for career advancement within the Group to men and women. In 2012 the company had two female and two male senior managers.

Measures taken to promote the employment and integration of people with disabilities

The company works whenever it can with contractors who employ disabled people.

In 2012, Affine contributed €7,369 to France's Fund Management Organisation for the Professional Integration of People with Disabilities (AGEFIPH), which supports the integration of disabled people into the workforce.

Anti-discrimination policy

The Group is aware of discrimination issues and

et s'attache à ce qu'il n'y ait aucune discrimination lors des recrutements et dans les évolutions de carrière ou de rémunérations.

Conformément à la réglementation, Affine et les sociétés affiliées au sens de l'article L 2331-1 du Code du Travail ont mis en place en décembre 2009, un plan en faveur de l'emploi des seniors pour les salariés du groupe. Ce plan, valable jusqu'en 2012 prévoit notamment d'anticiper l'évolution des carrières professionnelles, de développer les compétences, de favoriser l'accès des salariés de plus de 50 ans à la formation, et d'aménager la transition des salariés entre activité professionnelle et retraite. Le plan est actuellement en cours de réactualisation.

Promotion et respect des stipulations des conventions fondamentales de l'Organisation Internationale du Travail

L'activité du groupe se limite au territoire de la Communauté Européenne, ce qui implique notamment le respect des stipulations en matière de :

- liberté d'association et du droit de négociation collective,
- d'absence de discriminations en matière d'emploi et de profession,
- d'absence de travail forcé ou obligatoire et de travail des enfants.

strives to avoid any discrimination when hiring new staff and in career development or evolution of remuneration.

In accordance with the law, Affine and its associated companies, as defined in Article L 2331-1 of the French Labour Code, introduced a plan in 2009 to promote jobs for seniors applicable to employees of the Group. The plan was valid until the end of 2012 and included provisions for anticipating career changes, developing skills, promoting access to training for employees over the age of 50, and helping employees transition into retirement. The plan is under an renewal process.

Promoting and upholding the fundamental conventions of the International Labour Organisation

The Group's business is limited to the European Community, which requires, in particular, compliance with stipulations regarding:

- freedom of association and the right to collective bargaining,
- elimination of discrimination in respect of employment and occupation,
- elimination of all forms of forced or compulsory labour and child labour.

Informations environnementales Environmental information

Politique générale en matière environnementale

Organisation de la société pour prendre en compte les questions environnementales, et le cas échéant les démarches d'évaluation ou de certification en matière d'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 de baux verts, ou la recherche de

General environmental policy

Organisation of the company to take into account environmental issues and, where appropriate, processes for environmental assessment or certification

Affine initiated a sustainable development review that considered the impact of its property business on the environment. This process is geared towards making an environmental diagnosis of the Group's 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, installing systems that use natural resources sparingly, measuring the impact on energy, water, waste and carbon, and evaluating investments to upgrade the portfolio's less energy efficient buildings and ensure their compliance with standards. The signing of green leases and efforts to obtain environmental certifications, especially BREEAM Refurbishment for existing assets and HQE for development

labellisations environnementales, en particulier BREEAM Rénovation pour le patrimoine existant et HQE pour les opérations de développement menées par Concerto, en particulier, 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 significatif 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 ne peuvent pas être aisément adaptés aux critères environnementaux.

Le processus de *reporting* des données environnementales va être révisé afin de tenir compte des évolutions du cadre réglementaire prévues dans la loi dite « Grenelle II ». Les axes d'amélioration identifiés concerne la mise en place d'un processus permettant la collecte des informations environnementales, la définition des indicateurs les plus pertinents et les plus adaptés, et la consolidation des différents agrégats afin de faciliter l'analyse des données.

Au niveau corporate, à l'occasion de son déménagement, la société a investi dans une installation d'éclairage à détection de présence dans les salles de réunions et les couloirs, limitant ainsi la consommation d'énergie.

Au niveau activité, la société recherche, à l'occasion de la rénovation de ses immeubles, le meilleur compromis entre l'amélioration du patrimoine existant en termes de consommation de fluides et le rendement à moyen terme.

Depuis 2011, la société a signé 5 baux verts.

Actions de formation et information des salariés en matière de protection de l'environnement

En sa qualité de foncière, Affine est consciente qu'au delà des qualités techniques d'un immeuble en terme environnemental, le comportement de l'utilisateur est la clé dans la consommation de tout type de fluide.

programmes, led in particular by Concerto, are examples of how these principles are being applied to Affine's operating activities.

Beyond this awareness campaign, Affine believes that the consideration given by the property sector to sustainable development issues in its business activities still needs to be standardised and clarified. It is therefore actively involved in discussing best practices and sharing its experiences within the Green Valuation Commission of France's Grenelle de l'Environnement, a multi-party environmental initiative, and within the "Pôle Finance Innovation – Immobilier Durable", the finance, innovation and sustainable real estate division of Paris Europlace.

This approach is in line with the Group's objective of social responsibility and preserving the value of its properties. This environmental forum has led Affine to rethink its property strategy in order to make environmental performance a significant criterion in its investment and disposal policy. Affine aims to focus on the acquisition of buildings which already comply with the most advanced environmental performance criteria, or which could achieve such compliance with limited investment. Similarly, the Group is disposing of assets that cannot be readily adapted to environmental criteria.

The process for reporting environmental data is to be revised to take account of regulatory changes under what is known as the "Grenelle II" Act. The areas identified for improvement include establishing a process to collect environmental data, defining the most relevant and suitable indicators, and consolidating aggregates to facilitate data analysis.

At the corporate level, when the company moved headquarters, it invested in a presence detection lighting system in conference rooms and corridors to reduce energy consumption.

At the operational level, when refurbishing its buildings the company looks for the best compromise between improving existing assets in terms of utility consumption, and improving performance in the medium term.

The company has signed 5 green leases since 2011.

Employee training and information on environmental protection

As a property company, Affine is aware that beyond a building's environment-related technical qualities, user behaviour plays a key role in the use of any kind of utility.

Dans le cadre de la formation de ses « asset managers », le groupe a organisé une journée d'information sur la qualité énergétique des bâtiments traitant du niveau de performance actuel, de la réglementation, des techniques envisageables, des actions à mettre en place...

Au niveau activité, un plan de sensibilisation des locataires ou utilisateurs est lancé.

Moyens consacrés à la prévention des risques environnementaux et des pollutions

La nature de l'activité d'Affine ne présente pas de danger particulier pour l'environnement.

En dehors des bureaux et des commerces, les entrepôts peuvent selon les locataires présenter des risques plus ou moins importants pour l'environnement.

Les sites logistiques nécessitant une autorisation d'exploiter disposent d'un bassin de confinement des eaux d'extinction d'incendie d'un volume suffisant. La quantité d'eau à retenir est estimée au vu de l'étude des dangers, prenant en considération les besoins en eau des sapeurs pompiers, la réserve d'eau pour le moyen de protection (type sprinkler) et le volume d'eau lié aux intempéries, en tenant compte de la rapidité des moyens d'intervention ainsi que de la nature des matières stockées. Les eaux ainsi récupérées, potentiellement polluées, sont maintenues isolées du réseau d'eaux pluviales par une vanne manuelle ou automatique.

Montant des provisions et garanties pour risques en matière d'environnement, (sauf si cette information est de nature à causer un préjudice sérieux à la société dans un litige en cours)

Au regard de la nature non risquée de l'activité d'Affine, aucune provision ou garantie pour risques en matière d'environnement n'a été faite.

Pollution et gestion des déchets

Mesures de prévention, de réduction ou de réparation de rejets dans l'air, l'eau et le sol affectant gravement l'environnement

En dehors des mesures prises concernant la mise en place d'un bassin de confinement des eaux d'extinction d'incendie, aucun autre type de risque de pollution n'a été identifié et donc considéré.

Mesures de prévention, de recyclage et d'élimination des déchets

Une politique efficace de gestion des déchets doit se fonder sur une coopération active avec les locataires. Ceux-ci sont régulièrement informés sur les systèmes de gestion des déchets et des équipements de tri du site. Les baux ou « baux verts », selon les cas, peuvent prévoir des exigences minimum en matière de tri et de

As part of its asset manager training, the Group organised an information day focusing on the energy performance of buildings and addressing, among other issues, current performance levels, regulations, potential technology and new initiatives to be implemented.

On an operational level, a plan has been introduced to raise awareness among tenants and users.

Means employed to prevent environmental risks and pollution

The nature of Affine's business does not pose any particular danger to the environment.

Excluding offices and retail complexes, warehouses could, depending on the tenants, present environmental risks of varying degrees of severity.

Logistics sites requiring an operating licence have containment ponds with sufficient volume of water for fire extinguishing. The amount of water to be held in these ponds is estimated based on a hazard analysis and takes into account the water that would be needed by fire crews, the water supply required for protection purposes (sprinklers, for example), the volume of water related to heavy rains, the speed of emergency responses and the nature of the materials being stored. Water recuperated from these ponds is potentially polluted and kept separate from the rainwater network by a valve operated manually or automatically.

Amount of provisions and guarantees for environmental risk, (except in cases where such information is likely to cause serious damage to the company in an ongoing dispute)

With regard to Affine's operations posing no risk, no provision or guarantee for environmental risk has been made.

Pollution and waste management

Measures to prevent, reduce or repair air, water and soil emissions that seriously impact the environment

Apart from the steps taken regarding the establishment of a containment pond for fire extinguishing purposes, no other type of pollution risk has been identified and thus considered.

Measures to prevent, recycle and dispose of waste

An effective waste management policy must be based on active cooperation with tenants, who are regularly informed about the site's waste management systems and sorting equipment. Leases or "green leases", where applicable, may stipulate minimum requirements in terms of waste recycling and sorting.

At warehouses, tenants have to separate ordinary

recyclage des déchets.

Concernant les entrepôts, les locataires sont tenus d'effectuer un tri entre les déchets industriels banals (DIB) et déchets industriels souillés (DIS).

Prise en compte des nuisances sonores et le cas échéant de toute autre forme de pollution spécifique à une activité

Sur les sites logistiques une intensité sonore maximum est définie. Tous les 2 ans, l'administration a la possibilité de demander une étude afin de vérifier le bon respect de ces limites.

Utilisation durable des ressources

Consommation d'eau et approvisionnement en fonction des contraintes locales

Le groupe s'appuie sur une étroite coopération avec ses clients/locataires afin de réduire la consommation d'eau des actifs existants. Les baux « verts », les comités de développement durable organisés avec les locataires ainsi que les études portant spécifiquement sur l'eau permettent de sensibiliser les différentes parties prenantes à cet enjeu de préservation de la ressource en eau.

S'agissant des projets de développement, rénovation et extension, l'efficacité des équipements installés est un facteur déterminant qui guide les choix techniques (toilettes, extincteurs, système d'extinction incendie à eau, système de climatisation, etc.) permettant de s'engager dans une démarche de limitation de la consommation d'eau.

Au niveau corporate, la consommation en eau a été de 271 m³ en 2012.

Consommation de matières premières et mesures prises pour améliorer l'efficacité de leur utilisation

A l'occasion de rénovations ou de nouveaux chantiers, le groupe étudie la possibilité de réutiliser les structures et matériaux existants. Par ailleurs, les matériaux à faible impact sur l'environnement et les produits et matériaux recyclés sont privilégiés.

La société collecte l'ensemble des cartouches d'imprimante utilisées, pour les remettre à une association spécialisée dans ce type de recyclage.

Consommation d'énergie, mesures prises pour améliorer l'efficacité énergétique et recours aux énergies renouvelables

La stratégie immobilière d'Affine, se caractérisant par des immeubles en grande majorité multi-locataires et d'une taille moyenne proche de 10 M€, ne permet pas au groupe d'envisager pour le moment la mise en place d'une politique spécifique quant à la négociation d'achat électrique pour l'ensemble de son parc immobilier, permettant de favoriser une source de production d'énergie qui serait plus « verte ».

industrial waste from contaminated industrial waste.

Consideration of noise pollution and, where applicable, any other form of pollution specific to an activity

A maximum sound intensity has been established for logistics sites. Every two years, local authorities may request a study to check compliance with these limits.

Sustainable use of resources

Water consumption and supply based on local requirements

The Group relies on close cooperation with its customers and tenants to reduce water consumption in its existing buildings. "Green" leases, sustainable development committees organised with tenants, and specific water-related studies help educate the various stakeholders about the challenge of conserving water resources.

For development, refurbishment and extension programmes, the effectiveness of installed equipment is a decisive factor when it comes to making technical choices (toilets, extinguishers, water-based fire extinguishing systems, air-conditioning systems, etc.) and is part of the drive to reduce water consumption.

At the corporate level, water consumption was 271 m³ in 2012.

Consumption of raw materials and measures taken to improve the efficiency of their use

For refurbishment or new projects, the Group studies the possibility of re-using existing structures and materials. Preference is given to materials with low environmental impact and recycled products or materials.

The company collects all the used cartridges and give them to an association specialized in this kind of recycling.

Energy consumption, measures taken to improve energy efficiency and use of renewable energies

Affine's property strategy, characterised for the most part by multi-tenanted buildings with an average size close to €10 million, does not allow the Group at present to envisage implementing a specific policy regarding negotiations to purchase power for all its properties as a means of promoting a "greener" energy production source.

Utilisation des sols

Le processus de « *due diligence* » pour les acquisitions et les investissements intègre une évaluation des risques techniques, réglementaires, environnementaux et d'hygiène et de sécurité, y compris les risques tels que la pollution des sols.

Par ailleurs, dans les cas spécifiques de risque de pollution par un des clients du groupe, la société s'assure en coopération avec celui-ci que l'ensemble des mesures de sécurité sont respectées.

Changement climatique

Rejets de gaz à effet de serre

Le *reporting* du groupe agrège les émissions de gaz à effet de serre (GES) liées à la consommation d'énergie des bâtiments, converties en une unité d'équivalent CO2 (CO2e).

Au niveau corporate, la société a enregistré une dépense énergétique de 255 020 Kwh qui correspond à une consommation de gaz à effet de serre de 15,3 tonnes.

Adaptation aux conséquences du changement climatique

Pour réduire ses émissions de CO2 et atténuer l'impact de ses activités sur le climat, le groupe s'emploie à réduire la consommation énergétique de son parc immobilier lors des rénovations. A ce stade, aucun processus de suivi généralisé n'a été mis en place permettant d'identifier les évolutions favorables de ces investissements. Un programme de relevé d'information et de tableaux de suivi devrait être développé courant 2013.

Protection de la biodiversité

Mesures prises pour préserver ou développer la biodiversité

Le groupe adopte une approche pragmatique pour favoriser la biodiversité et l'écologie sur les sites existants en mettant en avant les espaces verts, même si la très forte densité urbaine de la plupart des sites limite la capacité à développer cette démarche. Elle s'attache également à ce que les nouveaux projets prennent en compte la protection de la faune existante sur le site.

Use of soil

The *due diligence* process for acquisitions and investments comprises an assessment of technical, regulatory, environmental, and safety and security risks, including risks such as soil pollution.

In the specific case of pollution risk by one of the Group's customers, the company works in cooperation with that customer to ensure compliance with all safety measures.

Climate change

Greenhouse gas emissions

The Group's reporting combines the greenhouse gas emissions (GHGE) linked to a building's energy consumption, converted into units of CO2 equivalent (CO2e).

At the corporate level, the company's energy expenditure was 255,020 kWh, corresponding to a greenhouse gas consumption of 15.3 tonnes.

Adapting to the consequences of climate change

To reduce its CO2 emissions and limit the impact of its operations on the climate, the Group strives to reduce the energy consumption of its buildings at the time of refurbishment. At present, no general monitoring process has been set up to identify the positive results of this investment. A programme to record information and tracking tables is expected to be developed in 2013.

Biodiversity protection

Measures taken to safeguard or develop biodiversity

The Group's pragmatic approach to promoting biodiversity and ecology at its existing sites involves making the most of green spaces, even though the very heavy urban density at most sites limit the ability to develop this initiative. The company also ensures that new projects take account of safeguarding a site's existing fauna.

Informations sociétales Societal information

Impact territorial, économique et social de

Regional, economic and social impact of the

I'activité de la société

Impact en matière d'emploi et de développement régional

Affine intervient en étroite concertation avec les métropoles régionales et des villes de taille moyenne présentant un fort potentiel de développement. En investissant soit sur son patrimoine existant pour la rénovation soit sur de nouveaux projets, elle génère de l'emploi direct lié aux travaux ; puis la disponibilité de locaux de bureaux, commerces ou entrepôts, permettent le développement d'activités de différentes natures, elles-mêmes génératrices d'emplois.

Impact sur les populations riveraines ou locales

En prenant part à la redynamisation des villes, Affine favorise le développement de leur environnement économique ainsi que celui de leur tissu urbain.

Relations entretenues avec les personnes ou organisations intéressées par l'activité de la société

Conditions du dialogue avec ces personnes ou organisations (associations d'insertion, établissements d'enseignement, associations de défense de l'environnement, associations de consommateurs et populations riveraines)

La société est très engagée dans le secteur de l'immobilier et accompagne notamment 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.

Actions de partenariat ou de mécénat

Au delà de son engagement dans son secteur d'activité, Affine diversifie ses actions de partenariat et de mécénat.

Depuis 2001 Affine soutient Pro Musicis, une 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

company's activities

Impact on employment and regional development

Affine intervenes in close relationship with regional capitals and moderate size towns with strong development potential. By investing either in its existing assets through refurbishment or in new projects, the company generates jobs directly related to the work being undertaken. In addition, the availability of office, retail and warehouse space leads to the development of a variety of businesses, which generate further jobs.

Impact on local and neighboring populations

By helping to revitalise towns and cities, Affine is boosting the development of the economic environment and urban fabric of these locations.

Relationships with persons or organisations interested in the company's business activities

Conditions for interacting with the above (non-profit organisations focusing on workplace integration and environmental protection, and associations for consumers and neighbouring populations)

The company is very much involved in the property sector and is a sponsor of the Palladio Foundation.

The Palladio Foundation sprang from an original initiative on the part of property sector stakeholders and is dedicated to training, research and the promotion of the property industry. It operates under the aegis of the Fondation de France.

With the support of its founding members and sponsors (including Affine), the Palladio Foundation brings together businesses, professional organisations, communities, local authorities and public figures from all backgrounds who wish to give young people the means and tools to come up with ideas and become involved in the property field.

Partnership or sponsorship initiatives

In addition to its commitment to its industry sector, Affine diversifies its partnership and sponsorship initiatives.

Since 2001, Affine has supported Pro Musicis, a non-profit association dedicated to enhancing the careers of young musicians. It organises public concerts for these musicians in exchange for "community outreach concerts" performed for people who are isolated or suffering from illness or poverty (the elderly, people with disabilities or living in rehabilitation centres, the homeless, prisoners, etc.).

Affine also supports the initiatives of Proximité. The

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 (à travers MAB Finance) contribue à l’Agence du Don en Nature depuis sa création. Celle-ci 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.

Sous-traitance et fournisseurs

Prise en compte dans la politique d'achat des enjeux sociaux et environnementaux

Compte tenu des faibles volumes impliqués et de la nature des produits achetés, la possibilité de contrôler différentes informations telles que le poids ou l’origine des matériaux utilisés pour l’ensemble des projets a été considérée comme trop complexe et non pertinente.

Importance de la sous-traitance et prise en compte dans les relations avec les fournisseurs et les sous-traitants de leur responsabilité sociale et environnementale

Le groupe privilégie les contrats de sous-traitance locaux favorisant ainsi le développement économique régional et limitant l’empreinte carbone des projets.

Dans cette même logique, Concerto European Developer, filiale spécialisée dans les opérations de développement logistique, propose de manière systématique à ces clients des bâtiments avec la certification LEED. Considérée comme étant la plus pertinente dans l’immobilier industriel au regard de sa visibilité et compréhension au niveau international, elle évalue l’impact environnemental des chantiers, les consommations d’eau, l’efficacité énergétique des bâtiments, le choix des matériaux utilisés, la qualité environnementale des intérieurs et l’innovation.

Loyauté des pratiques

Actions engagées pour prévenir la corruption

Les opérations jugées sensibles telles que les ventes d’immeuble ou de société ou les projets de travaux significatifs de construction ou de rénovation font l’objet d’appels d’offres assortis de procédures adéquates notamment en ce qui concerne la connaissance des intermédiaires, qui font l’objet d’une vigilance particulière dès l’entrée en relation d’affaires.

Par ailleurs, comme prévu dans les textes traitant de

primary goal of this non-profit association is to establish a system whereby working individuals mentor disadvantaged youth, either in their schooling or their search for employment. Two Affine managers have each supported a young person in their efforts to enter the workforce.

The Affine Group (through MAB Finance) has been a supporter of the Agence du Don en Nature (ADN) association since its creation. ADN’s goal is to foster and step up product philanthropy by establishing financial and skills-based partnerships with companies so that the most disadvantaged members of society can have access to everyday non-food products. Its approach consists of collecting unused products intended for destruction and redistributing them. ADN handles the logistical interface.

Sub-contractors and suppliers

Social and environmental challenges incorporated into the Group’s purchasing policy

Given the low volume and nature of purchased products, the possibility of monitoring information, such as the weight or origin of materials used in the Group’s programmes, was considered too complex and irrelevant.

Importance of sub-contracting and taking into account the social and environmental responsibility of suppliers and sub-contractors

The group favours local subcontracting agreements which promote regional economic development and limit the carbon footprint of the project.

In the same logic, Concerto European Developer, a subsidiary specialized in logistics development operations, offers systematically to its customers buildings with LEED certification. Considered as being the most relevant in the real estate industry owing to its visibility and understanding at the international level, it assesses the environmental impact of the building, water consumption, energy efficiency of buildings, the choice of the materials used, the environmental quality of the interiors and innovation.

Maintaining best practices

Anti-corruption initiatives

Procedures are in place to oversee programmes considered sensitive, such as company or building sales, or significant construction project or renovation work. Calls for tenders include knowing the intermediaries involved, who are subject to special vigilance as soon as a business relationship is established.

As required by texts related to the money-laundering, the company declares, when making an acquisition,

la lutte contre le blanchiment de capitaux, la société déclare que les fonds engagés, lors d'une acquisition, ne proviennent pas d'origine criminel.

Mesures prises en faveur de la santé et de la sécurité des consommateurs

L'ensemble des immeubles du groupe répondent aux exigences réglementaires en la matière.

Autres actions engagées en faveur des droits de l'Homme

Aucune action particulière n'a été engagée à ce titre.

that committed capital doesn't come from suspect origin.

Measures taken regarding consumer health and safety

All of the Group's buildings meet regulatory standards in this regard.

Other initiatives undertaken to promote human rights

No specific initiatives were undertaken in this regard.

ANNEXES APPENDICES

Liste des immeubles List of rental properties

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					
Paris 3 ^e	19, Rue Reaumur	Paris	75	1 679	2007
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
Montigny-le-Bretonneux	« TDF St Quentin » - Rue Ampère	Ile-de-France	78	9 546	2003
Saint Germain en Laye	Rue des Gaudines	Ile-de-France	78	2 249	2002
Saint Germain en Laye	Rue Témar	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
Trappes	Parc de Pissaloup - Av. J. d'Alembert	Ile-de-France	78	10 183	2006
Évry	Rue Gaston Crémieux	Ile-de-France	91	7 572	1984
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
Tremblay en France	Rue Charles Cros	Ile-de-France	93	19 997	2006
Bagnole	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
Aix-en-Provence	« Décisium » - Rue Mahatma Gandhi	Régions	13	2 168	1994
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 - 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 - Lilleurope	« Tour Europe » - Parvis de Rotterdam	Régions	59	6 262	2012
Villeneuve d'Ascq	« Triopolis » - Rue des Fusillés	Régions	59	3 045	2004
Mulhouse	« L'Épicerie »	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

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.)					
Lyon	Rue du Dauphiné	Régions	69	5 481	2005
Lyon	Bld Tchecoslovaques	Régions	69	4 912	2011
Lyon	« Le Rhodanien » - Bld Vivier Merle	Régions	69	3 472	1983
Surfaces et centres commerciaux / Retail premises					
St Cloud	Rue du Calvaire	Ile-de-France	92	1 109	2004
Troyes-Barbère St Sulpice	Quartier Les Valliers, RN19	Régions	10	5 793	2007
Troyes-Barbère St Sulpice	Quartier Les Valliers, RN19	Régions	10	1 200	2007
Nîmes	Les 7 Collines	Régions	30	17 882	2009
Arcachon	Rue Roger Expert Et Avenue Lamartine	Régions	33	3 180	2009
St Etienne	Rue Louis Braille - Dorianvest	Régions	42	5 003	2006
Nevers	Avenue Colbert	Régions	58	5 828	2008
Locaux activités / Industrial premises					
Maurepas	Rue Marie Curie	Ile-de-France	78	8 370	2006
Palaiseau	Rue Léon Blum	Ile-de-France	91	3 828	1995
Gennevilliers	7/14 rue du Fossé Blanc	Ile-de-France	92	16 624	2011
Aulnay-sous-Bois	Rue Jean Chaptal	Ile-de-France	93	3 488	1993
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
Vitrolles	ZAC d'Anjoly	Régions	13	5 880	2008
Chevigny St Sauveur	Avenue de Tavaux	Régions	21	12 985	2005
Entrepôts / Warehouses					
St Germain les Arpajon	Rue des Cochets	Ile-de-France	91	16 289	1999
Miramas	Quartier Mas des Moulières, Zac Lésud	Régions	13	12 079	2007
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	33 359	2007
Saint-Cyr-en-Val	Rue du Rond d'Eau	Régions	45	38 756	2005
Bussy-Lettrée (Courbet)	Zac n° 1 Europort - Vatry	Régions	51	19 212	2004
Roubaix - Leers	Rue de la Plaine	Régions	59	21 590	2005
Thouars	Rue Jean Devaux	Régions	79	32 000	2007
Sant Feliu de Buixalleu	Parc de Gaserans - Sant Feliu	Espagne		3 680	2012
Divers / Miscellaneous					
Paris 12 (parkings)	Rue Traversière	Paris	75	0	2008
Brétigny/Orge	Route des Champcueils	Ile-de-France	91	3 564	1989
Saint-Cloud	Rue du Calvaire	Ile-de-France	92	1 261	2004
Biarritz (hotel)	Avenue de l'Impératrice	Régions	64	606	1990

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>

Foncière

Selon l'EPRA, le cœur de métier de ces sociétés est de générer des revenus locatifs et des plus-values de cession sur les immeubles de placement détenus à long terme (immobilier d'entreprise et résidentiels par exemple bureaux, appartements, commerces, entrepôt).

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...).

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>

Property company

According to EPRA, the core business of these companies is to earn income through rent and capital appreciation on investment property held for the long term (commercial and residential buildings e.g. offices, apartments, retail, warehouse).

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.).

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

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 EPRA

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 EPRA

Le taux de vacance financier est égal à 1 moins le

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

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 and equivalent properties and the sum of investment and equivalent properties .

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.

EPRA 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.

EPRA vacancy rate

The financial vacancy rate is equal to 1 minus the

taux d'occupation.

occupancy rate.

Valeur locative de marché (VLM)

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

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,
financial position and income**

**Consolidated financial statements
Financial year ended 31 December 2012**

PROFORMA

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Furthermore, for detailed information, please refer to the contents of the Consolidated Notes to the financial statements.

1. Statement of consolidated financial position (balance sheet)

1.1. Assets

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Non-current assets				
Property, plant and equipment	2	287	341	355
Investment property	1	522,589	521,356	611,547
Intangible assets	2	520	207	228
Other intangible assets		520	207	228
Financial assets	4	29,379	39,125	60,692
Finance leases and related receivables		23,815	30,673	53,729
Assets held for sale	5	79	269	210
Derivatives stated at fair value		1,365	2,607	3,756
Deposits and sureties paid		3,896	4,812	2,979
Loans		223	765	18
Deferred tax assets	11	1,497	1,394	1,454
Shares and investments in companies (equity method)	10	89,560	85,819	83,976
Total non-current assets		643,831	648,243	758,252
Current assets				
Assets held for sale	1 & 5	27,255	151,363	75,365
Finance lease loans and receivables		4,763	6,878	561
Inventory	9	14,397	13,680	20,587
Trade receivables and other accounts	8	6,567	8,904	6,694
Receivables for investment properties		6,426	8,164	5,461
Receivables related to investment properties		141	739	1,234
Current tax assets		91	115	184
Other receivables	6	32,673	28,471	35,565
Tax and social security receivables		5,281	4,097	6,183
Other receivables and adjustment accounts		27,392	24,374	29,383
Cash and cash equivalents	4	32,580	23,316	23,703
Cash equivalents		3,345	465	2,200
Cash on hand		29,235	22,851	21,503
Total current assets		118,325	232,727	162,659
TOTAL ASSETS		762,157	880,970	920,911

1.2. Liabilities

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Equity				
Equity (Group share)		351,434	348,447	347,462
Capital and related amounts		94,019	86,637	64,970
Share capital		53,300	53,100	47,800
Premiums		41,290	38,489	23,947
Treasury stock		(571)	(4,952)	(6,777)
Consolidated reserves		252,703	246,539	272,170
Unrealised gains or losses on assets available for sale		-	8	3
Net profit (loss)		4,712	15,262	10,319
Non-controlling interests		(26)	13,736	15,028
Consolidated reserves		54	12,441	14,830
Net profit (loss)		(80)	1,295	199
Total shareholders' equity		351,408	362,183	362,490
Non-current liabilities				
Long-term loans	3	310,003	319,837	405,055
Financial liabilities	4	9,934	15,551	16,411
Derivatives stated at fair value		9,320	14,136	12,772
Other financial liabilities		613	1,415	3,639
Provisions	12	1,726	3,027	910
Deposits and sureties received		6,915	7,145	7,458
Deferred tax liabilities	11		281	351
Non-current tax liabilities		-	-	13
Total non-current liabilities		328,578	345,841	430,199
Current liabilities				
Debts linked to assets held for sale	5	13,837	97,529	31,045
Amounts owed to stockholders			1	1
Trade accounts payable and other debts	7	17,796	24,106	33,946
Trade accounts payable and related accounts		3,031	2,465	3,068
Other debts		8,734	11,029	10,912
Adjustment accounts		5,217	5,976	12,731
Deferred income		813	4,635	7,235
Loans and borrowings	4	46,382	46,620	58,993
Deferred tax liabilities			14	706
Tax and social security debts	13	4,156	4,677	3,532
Total current liabilities		82,171	172,947	128,222
TOTAL LIABILITIES		762,157	880,970	920,911

2. Statement of consolidated comprehensive income

2.1. Consolidated profit and loss statement

(In thousands of euros)	Note	31/12/201 2	31/12/201 1	31/12/201 0
Gross rental income		46,427	48,269	50,006
Rental revenue and expenses		(4,406)	(5,129)	(7,200)
Other property income and expenses		(761)	(55)	(185)
Net property revenue	1 4	41,261	43,084	42,620
Revenue from finance leases		1,001	2,792	3,270
Expenses on finance leases		65	(441)	(369)
Revenue from finance leases	1 5	1,066	2,351	2,901
Revenue from real estate transactions		26,727	7,619	13,144
Expenses on real estate transactions		(24,920)	(9,310)	(16,333)
Revenue from real estate development transactions	1 5	1,806	(1,691)	(3,189)
Other purchases and external expenses		(4,948)	(5,575)	(5,960)
Taxes and related expenses		(237)	(506)	(936)
Personnel costs		(5,752)	(5,927)	(6,233)
Overhead costs		(10,937)	(12,008)	(13,129)
Recurring EBITDA		33,196	31,736	29,203
Depreciations and impairment		(115)	(122)	(126)
Profit from recurring operations		33,081	31,614	29,077
Charges net of provisions	1 6	(230)	(228)	5
Balance of other revenue and expenses		102	586	1,133
Profit / loss from Gains (losses) on real-estate sales		(8,884)	2,168	(426)
Option exercised on finance lease properties		382	764	(96)
Net Gains (losses) on sale of operating assets		-	-	(7)
Gains on asset disposals	1 7	(8,501)	2,931	(529)
Operating income before fair value adjustment		24,451	34,902	29,686
Upward adjustment of value of investment properties		12,258	16,634	16,977
Downward adjustment of value of investment properties		(17,475)	(14,955)	(20,798)
Adjustment of value of investment properties		(5,217)	1,679	(3,821)
Balance net of value adjustments		(5,217)	1,679	(3,821)
Net operating profit		19,234	36,581	25,865
Revenue from cash and cash equivalents		469	258	280
Gross cost of financial debt		(17,404)	(18,458)	(19,916)
Net cost of debt	1 8	(16,935)	(18,200)	(19,636)
Other financial revenue and expenses		293	(434)	(83)
Adjustment of value of financial instruments		(1,506)	(2,262)	(89)
Income before tax		1,085	15,686	6,057
Tax on recurring income	1 9	(95)	153	562
Deferred taxes	1 9 2	240	(592)	(285)
Share of income in companies accounted for by the equity method	0	3,401	1,312	2,975
Net income (loss) after tax from discontinued activities		-	-	1,209
Net profit (loss)		4,632	16,558	10,518
Non-controlling interests		(80)	1,295	199
NET INCOME (LOSS) - GROUP SHARE		4,712	15,262	10,319
Earnings per share (€)		0.54	1.83	1.36
Diluted earnings per share (€)		0.47	1.59	1.12
Diluted earnings per share restated to reflect subordinated loan notes (TSDI)		0.06	1.19	0.53
Diluted earnings per share restated to reflect subordinated loan notes (TSDI) (€)		0.20	1.26	0.83

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

In thousands of euros	Note	31/12/2012	31/12/2011	31/12/2010
Net profit (loss)		4,632	16,558	10,518
Currency translation adjustments		-	-	-
Changes in fair value of financial assets available for sale ⁽¹⁾		-	(321)	322
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		-	-	-
Tax		-	-	-
Total gains and losses taken directly to equity		-	(321)	322
Net income and gains and losses recognised directly in equity		4,632	16,236	10,840
Of which Group share		4,712	14,941	10,641
Of which non-controlling interests		(80)	1,295	199

3. Statement of changes in equity

(in thousands of euros)	Capital and related reserves			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
	Share capital	Reserves related to share capital	Treasury stock						
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)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
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 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 accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	(552)	-	-	(552)	4	(548)
Equity as at 31/12/11	53,100	132,687	(4,952)	152,341	8	15,262	348,447	13,736	362,182
Capital increase	1,867	5,468	-	(12)	-	-	7,324	-	7,324
Cancellation of treasury stock	(1,667)	(2,668)	4,335	-	-	-	-	-	-
Cancellation of treasury stock	-	-	47	(87)	-	-	(40)	-	(40)
Preference-share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	(213)	-	(4,051)	-	-	(4,264)	-	(4,264)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2011 income (loss)	-	-	-	15,262	-	(15,262)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(10,807)	-	-	(10,807)	(158)	(10,965)
Dividends on treasury stock	-	-	-	401	-	-	401	-	401
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	200	2,588	4,381	707	-	(15,262)	(7,386)	(158)	(7,544)
Changes in gains and losses recognised directly in equity	-	-	-	-	(9)	-	(9)	-	(9)
2012 income	-	-	-	-	-	4,712	4,712	(80)	4,632
Subtotal	-	-	-	-	(9)	4,712	4,703	(80)	4,623
Effect of acquisitions and disposals on non-controlling interests	-	-	-	5,558	-	-	5,558	(13,523)	(7,965)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	114	-	-	114	-	114
Equity as at 31/12/2012	53,300	135,275	(571)	158,718	-	4,712	351,434	(26)	351,408

4. Consolidated cash flow statement

In thousands of euros

	31/12/2012	31/12/2011	31/12/2010
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	4,632	16,558	10,518
Net increase (decrease) in depreciation and provisions	1,988	(7,432)	6,298
Unrealised gains and losses from changes in fair value	5,217	(1,679)	3,821
Other calculated income and expenses (including discount calculations)	(3,125)	1,207	(1,697)
Capital gains or losses on sales of assets	12,603	12,401	11,699
- <i>net carrying value of fixed assets sold</i>	143,259	59,347	100,359
- <i>income from disposals of fixed assets</i>	(130,656)	(46,946)	(88,660)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(3,401)	(1,312)	(2,975)
Dividends and returns from income of non-consolidated companies	-	(2)	(13)
Cash flow from operations after net borrowing costs and tax	17,914	19,741	27,651
Net cost of debt	15,493	18,582	18,562
Tax expense (including deferred taxes)	(145)	440	(277)
Cash flow from operations before net cost of debt and tax	33,262	38,763	45,936
Income tax paid	(41)	(588)	(3,270)
Changes in inventories	(10,957)	3,055	(263)
Change in trade receivables and other accounts	2,776	394	(3,595)
Change in trade accounts payable	(1,454)	(1,916)	1,459
Other changes in working capital requirement related to operating activities	(6,773)	8,573	(668)
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	16,812	48,281	39,599
II – INVESTMENT TRANSACTIONS			
Finance leases	3,900	10,680	3,580
- <i>Cash paid for acquisitions</i>	-	(38)	(258)
- <i>Cash received for disposals</i>	3,900	10,718	3,837
Investment properties	106,777	9,576	60,922
- <i>Cash paid for acquisitions</i>	(20,522)	(25,267)	(23,617)
- <i>Cash received for disposals</i>	127,299	34,843	84,539
Cash paid for acquisitions of tangible and intangible fixed assets	(375)	(87)	(387)
Cash received for disposals of tangible and intangible fixed assets	-	-	11
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	-	(2)
Cash received for disposals of financial assets	24	-	-
Consolidated shares	(3)	2,045	(3)
- <i>Cash paid for acquisitions</i>	-	-	(20)
- <i>Cash received for disposals</i>	-	1,633	29
- <i>Impact of changes in consolidation</i>	(3)	412	(12)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	847	1,211	4,625
Change in loans and advances outstanding	373	(92)	(144)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	(1,455)
Net cash flow investment transactions	111,543	23,334	67,147
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 stock	(15)	1,971	4,337
Dividends paid out during the financial year	(10,565)	(10,537)	(11,235)
- <i>dividends paid to shareholders of the parent company</i>	(10,406)	(10,116)	(11,227)
- <i>paid to minority interests of consolidated subsidiaries</i>	(159)	(421)	(8)
Change in non-controlling interests without loss of control	(323)	(3,196)	-
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from compound instruments	(4,194)	(5,300)	(6,335)
Change in guarantee deposits given and received	(1,690)	(2,658)	(4,937)
Issues or subscriptions of loans and borrowings	35,915	24,249	19,595
Repayments of loans and borrowings	(123,797)	(59,559)	(94,826)
Net cost of debt: interest paid	(16,531)	(19,370)	(20,063)
Other cash flows related to financing activities	1,037	787	1,502
Cash flow from discontinued activities	-	-	-
Net cash flow from financing transactions	(120,161)	(73,045)	(111,962)
NET CHANGE IN CASH (I+II+III)	8,194	(1,430)	(5,216)
Cash and cash equivalents at beginning of period	18,911	20,342	25,557
Cash and cash equivalents at end of period	27,106	18,911	20,342
NET CHANGE IN CASH	8,194	(1,430)	(5,215)

Cash and equivalents

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Savings bank, central bank, post office	3	3	3
Liquid bank assets	29,219	22,848	21,491
Liquid bank assets in other assets	361	465	1,069
Investment securities (*1)	2,984	-	1,127
Sub-total (1)	32,566	23,316	23,690
Bank overdrafts	(5,460)	(4,405)	(3,348)
Bank overdrafts in other liabilities	-	-	-
Sub-total (2)	(5,460)	(4,405)	(3,348)
Total (1) + (2)	27,106	18,911	20,342

(*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	Increase in capital following the merger	Decrease in capital through cancellation of treasury stock	Increase in capital through incorporation of free reserves to round off the capital amount	At end of period
Number of shares	9,002,042	314,576	(282,659)	-	9,033,959
Share capital in euros	53,100,000	1,855,577	(1,667,310)	11,732	53,300,000

Treasury stock

	At 31/12/2011	Acquisitions	Sales	Cancellation	At 31/12/2012
In thousands of euros	4,952	1,403	(1,449)	(4,335)	571
In numbers	323,194	115,146	(111,274)	(282,659)	44,407

6. Scope of consolidation at the balance sheet date

	31/12/2012			31/12/2011			31/12/2010			Business sector
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
AFFINE	Parent company			Parent company			Parent company			FF - LF
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 %	FF
AFFINVESTOR GmbH	-	-	-	-	-	-	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 %	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 %	FF
CAPUCINES IV SCI	-	-	-	-	-	-	IG	100.00 %	100.00 %	FF
CAPUCINES V SCI	-	-	-	-	-	-	IG	100.00 %	100.00 %	FF
CAPUCINES VI SCI	-	-	-	-	-	-	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 CAPUCINE INVESTISSEMENTS SA	IG	99.77%	99.77%	IG	99.77%	99.77%	IG	99.77%	99.77%	FF
LUMIERE SAS	-	-	-	-	-	-	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
PARVIS LILLE SCI	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 %	DI
AFFIPARIS SA	IG	87.65%	87.65%	IG	86.93%	86.93%	IG	64.88%	64.88%	FF
SCI 28-32 PLACE DE GAULLE	-	-	-	-	-	-	IG	100.00 %	64.61%	FF
BERCY PARKINGS SCI	IG	100.00 %	87.65%	IG	100.00 %	86.96%	IG	100.00 %	64.88%	FF
SARL COSMO	-	-	-	IG	99.90%	86.84%	IG	99.90%	64.54%	FF
SCI COSMO LILLE	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI COSMO MARSEILLE	IG	100.00 %	87.65%	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI COSMO MONTPELLIER	IG	100.00 %	87.65%	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI COSMO NANTES	-	-	-	-	-	-	IG	100.00 %	64.61%	FF
SCI COSMO TOULOUSE	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI DU BEFFROI	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI GOUSSIMO 1	-	-	-	-	-	-	IG	100.00 %	64.61%	FF
SC GOUSSINVEST	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
HOLDIMMO SC	IG	100.00 %	87.65%	IG	100.00 %	86.93%	IG	99.58%	64.61%	FF

Consolidated financial statements at 31 December 2012

	31/12/2012			31/12/2011			31/12/2010			
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Business sector
SCI NUMERO 1	IG	100.00%	87.65%	IG	100.00%	86.93%	IG	100.00%	64.88%	FF
SCI NUMERO 2	-	-	-	IG	100.00%	86.93%	IG	100.00%	64.88%	FF
SCI PM MURS	-	-	-	-	-	-	IG	100.00%	64.88%	FF
SCI 36	IG	100.00%	87.65%	IG	100.00%	86.93%	IG	100.00%	64.88%	FF
BANIMMO SA	EM	49.99%	49.51%	EM	49.99%	49.51%	EM	49.99%	49.51%	FB
LES JARDINS DES QUAIS SNC	EM	50.00%	74.75%	EM	50.00%	74.75%	EM	50.00%	74.75%	FF
CONCERTO Développement SAS	IG	99.99%	99.99%	IG	99.99%	99.99%	IG	70.29%	69.27%	DI
CHAVORNAY PARC SA	PI	50.00%	50.00%	PI	50.00%	50.00%	PI	50.00%	34.64%	DI
CONCERTO BUCHERES SCI	IG	100.00%	99.99%	-	-	-	-	-	-	-
CONCERTO Développement Iberica SL	IG	100.00%	99.99%	IG	100.00%	99.99%	IG	100.00%	69.27%	DI
CONCERTO FERRIERES EN BRIE SC	IG	100.00%	99.99%	-	-	-	-	-	-	-
CONCERTO LOGISTIC PARK MER	IG	99.99%	99.98%	IG	99.99%	99.98%	IG	99.99%	69.27%	DI
PROMAFFINE SAS	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	DI
BOURGTHEROULDE - L'EGLISE	-	-	-	-	-	-	IG	100.00%	100.00%	DI
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	DI
LUCE CARRE D'OR SCI	IG	100.00%	100.00%	IG	100.00%	100.00%	IG	100.00%	100.00%	DI
MARSEILLE 88 CAPELETTE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	DI
NANTERRE 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

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:

- 50 assets recorded as investment properties, and
- 13 assets classified as buildings held for sale.

53 of the 63 assets held by the Group, representing 95% of the fair value of the rental portfolio, were valued by independent appraisers (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Two assets, accounting for 3.2% of the rental portfolio, were internally appraised. Eight assets representing 1.8% of the rental assets portfolio fair value were valued according to a signed sales offer, commitment to sell or a sale mandate.

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 previous financial year.

Market values are determined excluding transfer duties and acquisition costs. 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 December 2012

In thousands of euros		01/01/2012	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2012
By asset type	Industrial premises, warehouses	193,426	4,910	-	(6,552)	(6,855)	184,928
	Office	392,360	12,320	-	(120,528)	1,355	285,507
	Commercial	76,503	727	-	(3,280)	1,181	75,131
	Other	9,872	13	-	(5,289)	(898)	3,698
By area	Paris – business district	124,339	583	-	(103,739)	917	22,100
	Paris – outside business district	68,670	969	-	-	(789)	68,850
	Paris region – outside Paris	193,823	1,760	-	(11,499)	(4,215)	179,868
	Other French cities	285,330	12,043	-	(20,411)	(832)	276,129
	Other	-	2,616	-	-	(300)	2,316
Initial direct costs							579
							549,843

At 31 December 2011

In thousands of euros		01/01/2011	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2011
By asset type	Industrial premises, warehouses	165,720	30,770	-	(3,180)	116	193,426
	Office	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
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	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	-
Initial direct costs							557
							672,719

At 31 December 2010

In thousands of euros		01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
By asset type	Industrial premises, warehouses	205,673	2,163	13,070	(43,763)	(11,423)	165,720
	Office	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
By area	Paris – business district	121,554	68	-	-	1,925	123,547
	Paris – outside business district	65,836	345	-	(1,850)	2,591	66,922
	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
Initial direct costs							401
							686,912

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

Investment property

In thousands of euros	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	272,861	272,861	-	
Crédit Foncier Expertise (formerly Ad Valorem)	74,250	74,250	-	
BNP Real Estate	158,746	158,746	-	
Internal appraisals	16,154	15,650	504	Regarding the St Etienne Molina property, for which a fair value above the appraised value was recorded as the result of a management decision.
Marketing fees	579	-	579	
Investment properties at 31/12/2012	522,589	521,507	1,083	

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	521,356	521,469	(114)	

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 31/12/2010	611,547	612,398	(851)	

Assets held for sale:

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	15,830	15,830	-	
Internal appraisals	1,588	-	1,588	
Mandates, offers for sale and commitments to sell	9,836	-	9,836	
Non-current assets for sale as at 31 December 2012	27,255	15,830	11,424	

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 for sale as at 31 December 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 for sale as at 31 December 2010	75,365	63,325	12,040	

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 7.5% at 31 December 2012.

On the basis of the average rate of return at 31 December 2012, a change of 25 basis points would have an inversely proportional effect of €18.2 million on the Group's portfolio value.

Changes in the value of properties

In thousands of euros

	Rental	In progress	Non-current assets held for sale	TOTAL
At 31 December 2009	650,902	22,173	87,407	760,483
Increases	1,185	9,503	195	10,884
<i>Acquisitions</i>	1,185	9,503	195	10,884
Decreases	(61,255)	(44)	(19,486)	(80,785)
<i>Write-off</i>	-	-	-	-
<i>Disposals</i>	(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	-	-	-	-
At 31 December 2010	600,377	11,171	75,365	686,912
Increases	30,558	5,651	20	36,230
<i>Acquisitions</i>	30,558	5,651	20	36,230
Decreases	(8,675)	(11)	(23,701)	(32,387)
<i>Write-off</i>	-	-	-	-
<i>Disposals</i>	(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	-	-	-	-
At 31 December 2011	515,640	5,716	151,363	672,719
Increases	20,820	2,334	795	23,948
<i>Acquisitions</i>	20,820	2,334	795	23,948
Decreases	(24,773)	(428)	(116,427)	(141,628)
<i>Write-off</i>	-	-	-	-
<i>Disposals</i>	(24,773)	(428)	(116,427)	(141,628)
Change in scope of consolidation	()	-	-	()
Change in fair value	(2,293)	-	(2,924)	(5,217)
Transfers between line items	8,870	(3,318)	(5,552)	-
Change in initial direct costs	22	-	-	22
Sector transfers	-	-	-	-
At 31 December 2012	518,285	4,304	27,255	549,843

Note 2 – Property, plant, equipment and intangible assets

In thousands of euros	31/12/2010	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2011	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2012
Property, plant and equipment									
Gross	759	55	-	-	814	17	(20)	-	812
Amortisation	(404)	(70)	-	-	(473)	(71)	20	-	(525)
Net	355	(14)	-	-	341	(54)	(0)	-	287
Intangible assets									
Gross	662	31	-	-	693	357	-	(25)	1,026
Amortisation	(434)	(53)	-	-	(487)	(43)	-	24	(506)
Net	228	(21)	-	-	207	314	-	(1)	520
Goodwill									
Gross	9,593	-	-	-	9,593	-	-	(949)	8,643
Impairments	(9,593)	-	-	-	(9,593)	-	-	949	(8,643)
Net	-	-	-	-	-	-	-	-	-

Note 3 – Long-term loans

In thousands of euros		1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	306,764	40,859	129,568	136,337
- Fixed rate	19,952	7,150	5,507	7,295
- Variable rate	286,813	33,709	124,062	129,041
Finance lease commitment hedge accounts	4,715	168	4,339	208
Deferred borrowing costs at EIR	(1,476)	(393)	(729)	(355)
Total at 31/12/2012	310,003	40,634	133,179	136,190

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 December 2011	319,837	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 December 2010	405,055	38,759	138,636	230,460

The average term of debts as at 31 December 2012 was 5.7 years.

Note 4 – Other financial assets and liabilities

At 31 December 2012:

In thousands of euros	Balance sheet items	from 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	23,815	-	-	17,352	6,463
Assets available for sale	79	-	-	-	79
Derivatives stated at fair value	1,365	-	-	1,365	-
Deposits and sureties paid	3,896	-	-	-	3,896
Loans	223	-	-	207	16
Total non-current financial assets	29,379	-	-	18,924	10,454
Current					
Cash and equivalents	32,580	32,580	-	-	-
<i>Cash equivalents: SICAVs</i>	2,984	2,984	-	-	-
<i>Restatement of SICAVs at fair value</i>	1	1	-	-	-
<i>Settlement accounts for securities</i>	361	361	-	-	-
<i>Bank account overdrafts</i>	29,235	29,235	-	-	-
Total current financial assets	32,580	32,580	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Financial instruments	9,320	-	890	7,721	709
Discounted premiums payable	613	-	-	613	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	9,934	-	890	8,334	709
Current					
Loans and borrowings	46,382	12,625	33,757	-	-
<i>Less than one year</i>	39,437	6,116	33,321	-	-
<i>Finance lease commitment hedge accounts</i>	261	67	195	-	-
<i>Deferred borrowing costs at EIR</i>	(423)	(83)	(340)	-	-
<i>Accrued interest on loans</i>	813	813	-	-	-
Derivative instruments - Discounted premiums payable	744	162	582	-	-
<i>Bank overdrafts</i>	5,460	5,460	-	-	-
<i>Current and related accounts</i>	89	89	-	-	-
Total current financial liabilities	46,382	12,625	33,757	-	-

Consolidated financial statements at 31 December 2012

At 31 December 2011:

In thousands of euros	Balance sheet items	from 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					
Cash and equivalents	23,316	23,316	-	-	-
<i>Settlement accounts for securities</i>	465	465	-	-	-
<i>Bank account overdrafts</i>	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
Commercial paper	1,415	-	-	1,415	-
Total non-current financial liabilities	15,551	-	-	15,311	240
Current					
Loans and borrowings	46,620	15,926	30,694	-	-
<i>Less than one year</i>	36,249	5,170	31,079	-	-
<i>Finance lease commitment hedge accounts</i>	3,093	2,979	113	-	-
<i>Deferred borrowing costs at EIR</i>	(616)	(117)	(499)	-	-
<i>Accrued interest on loans</i>	1,197	1,197	-	-	-
<i>Bank overdrafts</i>	4,405	4,405	-	-	-
<i>Current and related accounts</i>	2,292	2,292	-	-	-
Total current financial liabilities	46,620	15,926	30,694	-	-

Consolidated financial statements at 31 December 2012

At 31 December 2010:

In thousands of euros	Balance sheet items	from 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	23,703	23,703	-	-	-
<i>Cash equivalents: SICAVs</i>	1,127	1,127	-	-	-
<i>Restatement of SICAVs at fair value</i>	4	4	-	-	-
<i>Settlement accounts for securities</i>	1,069	1,069	-	-	-
<i>Bank account overdrafts</i>	21,503	21,503	-	-	-
Total current financial assets	23,703	23,703	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	16,411	304	879	8,786	6,442
Commercial paper	-	-	-	-	-
Related debts	-	-	-	-	-
Total non-current financial liabilities	16,411	304	879	8,786	6,442
Current					
Loans and borrowings	58,993	14,048	44,944	-	-
<i>Less than one year</i>	49,058	6,762	42,296	-	-
<i>Finance lease commitment hedge accounts</i>	3,253	461	2,792	-	-
<i>Deferred borrowing costs at EIR</i>	(178)	(35)	(144)	-	-
<i>Accrued interest on loans</i>	1,041	1,041	-	-	-
<i>Bank overdrafts</i>	3,348	3,348	-	-	-
<i>Current and related accounts</i>	2,471	2,471	-	-	-
Total current financial liabilities	58,993	14,048	44,944	-	-

Note 5 – Assets held for sale

In thousands of euros		31/12/2012		31/12/2011		31/12/2010	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Investment property	Buildings held for sale	27,255	-	151,363	-	75,365	-
	Loans	-	13,348	-	96,300	-	29,934
	Guarantee deposits	-	489	-	1,229	-	1,111
	Sub-total	27,255	13,837	151,363	97,529	75,365	31,045
Financial assets	Shares	13	-	204	-	20	-
	Related receivables	66	-	65	-	76	-
	Sub-total	79	-	269	-	96	-
TOTAL		27,333	13,837	151,632	97,529	75,461	31,045

Note 6 – Other assets

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Government – tax and social security receivables	5,281	4,097	6,183
Sub-total (1)	5,281	4,097	6,183
Suppliers	595	215	480
Client accounts	9,714	8,997	10,230
Loans to related companies	146	1,211	1,391
Other miscellaneous receivables	8,876	10,742	11,385
Bad debt provisions, other receivables	(381)	(631)	(533)
Other	(45)	-	-
Other receivables	18,906	20,534	22,952
Revenue accruals	7,874	2,482	5,251
Prepaid expenses	612	1,357	1,180
Adjustment accounts	8,486	3,839	6,430
Sub-total (2)	27,392	24,374	29,383
Total (1) + (2)	32,673	28,471	35,565

Note 7 – Other liabilities

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Trade payables and related payables	2,902	2,414	2,966
Fixed asset payables and related accounts	129	51	102
Trade accounts payable and related accounts	3,031	2,465	3,068
Other customer payables	1,312	1,270	980
Other payables	7,345	8,666	9,538
Payments received as a result of activation of finance leases guarantees	76	190	336
Discounted premiums payable - current	-	903	-
Other	-	-	58
Other debts	8,734	11,029	10,912
Expenses payable	5,217	5,976	12,731
Deferred income	813	4,635	7,235
Total	17,796	24,106	33,946

Note 8 – Trade loans and receivables

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Receivables from sales of fixed assets	-	534	-
Ordinary receivables	5,211	6,802	5,627
Doubtful receivables	3,551	3,142	3,489
Impairment of doubtful receivables	(2,196)	(1,574)	(2,421)
Total	6,567	8,904	6,694

Consolidated financial statements at 31 December 2012

At 31 December 2012:

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	8,526	2,869	88	2,582	354	2,634
Provision	(2,100)	-	(85)	(559)	(169)	(1,287)
Net	6,426	2,869	3	2,023	185	1,347
SERVICES						
Gross	237	6	-	115	-	115
Provision	(96)	-	-	-	-	(96)
Net	141	6	-	115	-	20
TOTAL						
Gross	8,763	2,875	88	2,697	354	2,749
Provision	(2,196)	-	(85)	(559)	(169)	(1,382)
Net	6,567	2,875	3	2,138	185	1,366

At 31 December 2011:

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 December 2010:

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

Note 9 – Inventories

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Properties in inventories (IAS 2)	-	-	-
Property development inventory	25,276	23,622	27,322
Finance expense inventories (property development)	413	281	214
Impairment of property development properties	(11,291)	(10,223)	(6,949)
Total	14,397	13,680	20,587

Note 10 – Contribution of companies consolidated under the equity method

In thousands of euros	31/12/2012					31/12/2011					31/12/2010
	Present	%	Total assets	Revenues exc. tax	Net profit/loss	Present	%	Total assets	Revenues exc. tax	Net profit/loss	Present
Aulnes development	-	-	-	-	-	-	-	-	-	-	5
Paris 29 Copernic	(88)	50%	570	-	(177)	7	50%	725	-	13	(141)
2/4 Haussmann	-	-	-	-	-	-	-	-	-	-	(22)
Cap 88	1,418	40%	9,993	11,176	3,528	7	40%	5,541	7,113	9	1,038
Marseille 88 Capelette :	469	40%	11,633	240	624	(824)	40%	10,802	618	(1,530)	(808)
Jardin des Quais	28,470	74.75%	13,126	4,996	(695)	26,703	74.75%	16,178	4,827	(1,356)	23,525
Banimmo	59,290	49.51%	401,307	11,686	2,678	59,926	49.51%	376,048	17,502	1,156	62,109
Montéa	-	-	-	-	-	-	-	-	-	-	205
MGP Sun Sarl	-	-	-	-	-	-	-	-	-	-	(1,936)
Total	89,560					85,820					83,976

Note 11 – Deferred taxes

In thousands of euros	At 31/12/2012	At 31/12/2011	At 31/12/2010
Assets			
Investment property	(92)	1,393	1,136
Securities at fair value via equity	103	-	-
Derivatives	88	-	266
	1,393	-	-
Other items	4	1	52
Total	1,497	1,394	1,454
Liabilities			
Financial assets available for sale	-	-	-
Financial assets at fair value	-	-	-
Investment properties at FV of non-SIIC subsidiaries	-	553	169
Finance leases (lessee)	-	-	-
Goodwill assigned to properties	-	-	89
Finance leases (lessor)	-	-	-
Derivatives	-	(196)	(4)
Deferment of borrowing costs	-	(76)	32
Tax losses carried forward	-	-	-
Other items	-	-	65
Total	-	281	351

Note 12 – Provisions

In thousands of euros	Balance 31/12/10	Allowances for the year	Reversals for the year	Change in consolidation scope	Balance 31/12/11	Allowances for the year	Reversals for the year	Transfer of item to item	Balance 31/12/12
Provision for diverse risks (customer disputes)	-	-	-	-	-	112	-	363	475
Provision for tax risk	229	384	(209)	-	404	149	(61)	(100)	392
Provision for pension costs	395	57	(3)	-	448	79	-	-	527
Provision for miscellaneous expenses	287	3,197	(1,309)	-	2,175	1,182	(1,100)	(1,925)	332
Total	910	3,638	(1,521)	-	3,027	1,522	(1,161)	(1,662)	1,726

Note 13 – Tax and social security liabilities

In thousands of euros	At 31/12/2012	At 31/12/2011	At 31/12/2010
Social security liabilities	1,720	1,710	893
Tax liabilities (VAT, taxes)	2,436	2,968	2,638
Total	4,156	4,677	3,532

7.2. Notes to the income statement

Note 14 – Net property revenue

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Gross rental income	46,427	48,269	50,006	(1,841)	(1,737)
Rental revenue and expenses	(4,406)	(5,129)	(7,200)	724	2,071
Re-billed expenses	12,855	13,292	12,102	(436)	1,189
Rebillable expenses	(12,899)	(13,348)	(12,744)	449	(603)
Non rebillable expenses	(4,119)	(4,763)	(6,206)	644	1,443
Miscellaneous expenses	(5)	(48)	(148)	42	100
Lease fees	(238)	(263)	(205)	25	(57)
Other property income and expenses	(761)	(55)	(185)	(706)	130
Other revenues	167	355	347	(188)	8
Net losses on doubtful receivables	(928)	(410)	(532)	(518)	122
Net property revenue	41,261	43,084	42,620	(1,823)	465

Rental income, rebillable expenses and non-rebillable expenses concern investment properties and assets held for sale.

Note 15 – Income (loss) from other activities

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Income (loss) from finance lease transactions (1)	1,066	2,351	2,901	(1,285)	(550)
Rent and similar	5,340	9,248	14,238	(3,908)	(4,990)
Depreciation and provisions subject to Articles 64 and 57	(3,871)	(6,828)	(11,078)	2,956	4,250
Change in underlying reserve	(469)	(233)	(166)	(237)	(67)
Net losses on doubtful receivables	1	604	276	(603)	328
Expenses on finance leases	65	(441)	(369)	506	(72)
Income (loss) from property development activities (2)	1,806	(1,691)	(3,189)	3,497	1,498
Revenue	22,052	11,285	7,099	10,767	4,185
Changes in inventories	4,964	(3,665)	6,095	8,629	(9,760)
Net losses on doubtful receivables	(289)	-	(49)	(289)	50
Expenses on real estate transactions	(24,920)	(9,310)	(16,333)	(15,610)	7,023
Income (loss) from other activities (1) + (2)	2,872	660	(288)	2,212	948

Note 16 – Reversal (allocations) of provisions

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Provisions for contingencies	(38)	(243)	(229)	204	(14)
Provisions for losses	(317)	(57)	(32)	(261)	(25)
Reversals of provisions for contingencies	93	68	102	25	(34)
Reversals of provisions for losses	33	3	20	30	(17)
Reversal of exceptional provisions	-	-	145	-	(145)
Total	(230)	(228)	5	(1)	(233)

Note 17 – Gain/loss on asset disposals

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Proceeds from sales of fixed assets	126,766	34,554	84,810	92,211	(50,256)
Net carrying value of properties sold	(135,649)	(32,387)	(85,236)	(103,263)	52,850
Income (loss) of investment property sales	(8,884)	2,168	(426)	(11,051)	2,594
Option exercised on finance lease properties	382	764	(96)	(381)	860
Net Gains (losses) on sale of operating assets	-	-	(7)	-	7
Total	(8,501)	2,931	(529)	(11,433)	3,461

Note 18 – Net cost of financial debt

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Revenue from cash and cash equivalents	469	258	280	211	(22)
Dividends		2	14	(2)	(11)
Loans to customers	141	124	210	17	(86)
Regular receivables accounts	301	123	47	178	76
Trading securities	27	9	9	18	-
Gross cost of financial debt	(17,404)	(18,458)	(19,916)	1,054	1,459
Borrowing costs	(11,807)	(13,696)	(13,803)	1,889	106
Income and expenses from derivatives	(5,625)	(4,998)	(6,306)	(628)	1,308
Subordinated debt expenses	(8)	158	(8)	(166)	165
Income and expenses from current accounts	37	79	200	(42)	(121)
Total	(16,935)	(18,200)	(19,636)	1,265	1,437

Note 19 – Income tax

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Tax due	(95)	153	562	(247)	(409)
Change in deferred tax	240	(592)	(285)	833	(308)
Total	145	(440)	277	585	(717)

	Base	Theoretical tax (expense) - income
Consolidated profit / loss before tax	4,486	(1,495)
Result of exempted sector Sicomi-SIIC	(4,589)	1,530
Share of companies consolidated under the equity method	(3,401)	1,134
Share of changes in goodwill	1	(0)
Add-backs – deductions	(820)	273
<i>Amortisation of goodwill</i>	-	-
<i>Amortisation of fair value increment</i>	-	-
<i>Provisions excluding tax</i>	-	-
<i>Companies subject to IT</i>	-	-
<i>Other addbacks - deductions</i>	(820)	273
Consolidation restatements	(5,533)	1,844
<i>Impact of permanent differences</i>	(1,975)	658
<i>Impact of timing differences taxed at smaller rate</i>	(0)	0
<i>Impact of liability method</i>	(3,558)	1,186
Other	-	-
Consolidated theoretical tax	(9,856)	3,285
<i>of which companies making a tax loss</i>	(9,869)	3,289
<i>of which companies making a tax profit</i>	13	(4)
Use of tax losses	1,123	(374)
Tax losses not carried on balance sheet	8,143	(2,714)
Tax after deduction of losses	(590)	197
<u>Tax without base:</u>	-	-
Tax credit	-	-
Annual flat-rate tax and tax adjustments	-	(51)
Tax due outside France	-	-
Income tax burden recorded	-	145
TAXES	-	(95)
	-	240
TOTAL	-	145

Note 20 – Share of earnings of associated companies consolidated by the Equity method

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Share in net income (loss)	3,401	1,312	2,975	2,089	(1,663)
NCV of EM securities	-	-	-	-	-
Price of EM securities	-	-	-	-	-
Total	3,401	1,312	2,975	2,089	(1,663)



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

**Consolidated financial statements
Financial year ended 31 December 2012**

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1. Statement of consolidated financial position (balance sheet)

1.1. Assets

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Non-current assets				
Property, plant and equipment	2	287	341	1,883
Investment property	1	522,589	521,356	773,651
Intangible assets	2	520	207	283
Other intangible assets		520	207	283
Financial assets	4	29,379	39,125	113,426
Finance leases and related receivables		23,815	30,673	53,729
Assets held for sale	5	79	269	15,641
Derivatives stated at fair value		1,365	2,607	4,334
Deposits and sureties paid		3,896	4,812	4,752
Loans		223	765	34,970
Deferred tax assets	11	1,497	1,394	5,147
Shares and investments in companies (equity method)	10	89,560	85,819	41,911
Total non-current assets		643,831	648,243	936,300
Current assets				
Assets held for sale	1 & 5	27,255	151,363	75,365
Finance lease loans and receivables		4,763	6,878	561
Inventory	9	14,397	13,680	183,474
Trade receivables and other accounts	8	6,567	8,904	13,667
Receivables for investment properties		6,426	8,164	12,433
Receivables related to investment properties		141	739	1,234
Current tax assets		91	115	1,030
Other receivables	6	32,673	28,471	44,272
Tax and social security receivables		5,281	4,097	9,791
Other receivables and adjustment accounts		27,392	24,374	34,481
Cash and cash equivalents	4	32,580	23,316	27,853
Cash equivalents		3,345	465	2,200
Cash on hand		29,235	22,851	25,653
Total current assets		118,325	232,727	346,222
TOTAL ASSETS		762,157	880,970	1,282,522

1.2.Liabilities

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Equity				
Equity (Group share)		351,434	348,447	346,771
Capital and related amounts		94,019	86,637	64,970
Share capital		53,300	53,100	47,800
Premiums		41,290	38,489	23,947
Treasury stock		(571)	(4,952)	(6,777)
Consolidated reserves		252,703	246,460	271,153
Unrealised gains or losses on assets available for sale		-	8	327
Net profit (loss)		4,712	15,341	10,320
Non-controlling interests		(26)	13,736	83,329
Consolidated reserves		54	12,441	83,022
Net profit (loss)		(80)	1,295	307
Total shareholders' equity		351,408	362,183	430,100
Non-current liabilities				
Long-term loans	3	310,003	319,837	634,891
Financial liabilities	4	9,934	15,551	40,877
Derivatives stated at fair value		9,320	14,136	19,310
Other financial liabilities		613	1,415	21,567
Provisions	12	1,726	3,027	4,797
Deposits and sureties received		6,915	7,145	10,278
Deferred tax liabilities	11	-	281	2,735
Non-current tax liabilities		-	-	13
Total non-current liabilities		328,578	345,841	693,591
Current liabilities				
Debts linked to assets held for sale	5	13,837	97,529	31,045
Amounts owed to stockholders			1	107
Trade accounts payable and other debts	7	17,796	24,106	49,076
Trade accounts payable and related accounts		3,031	2,465	8,112
Other debts		8,734	11,029	17,329
Adjustment accounts		5,217	5,976	13,340
Deferred income		813	4,635	10,295
Loans and borrowings	4	46,382	46,620	72,292
Deferred tax liabilities		-	14	1,174
Tax and social security debts	13	4,156	4,677	5,138
Total current liabilities		82,171	172,947	158,832
TOTAL LIABILITIES		762,157	880,970	1,282,522

2. Statement of consolidated comprehensive income

2.1. Consolidated profit and loss statement

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Gross rental income		46,427	56,866	70,567
Rental revenue and expenses		(4,406)	(7,425)	(12,001)
Other property income and expenses		(761)	709	1,004
Net property revenue	1 4	41,261	50,150	59,570
Revenue from finance leases		1,001	2,792	3,270
Expenses on finance leases		65	(441)	(369)
Revenue from finance leases	1 5	1,066	2,351	2,901
Revenue from real estate transactions		26,727	7,619	13,144
Expenses on real estate transactions		(24,920)	(9,310)	(15,933)
Revenue from real estate development transactions	1 5	1,806	(1,691)	(2,789)
Other purchases and external expenses		(4,948)	(7,877)	(10,410)
Taxes and related expenses		(237)	(573)	(1,008)
Personnel costs		(5,752)	(7,070)	(8,888)
Overhead costs		(10,937)	(15,520)	(20,307)
Recurring EBITDA		33,196	35,290	39,375
Depreciations and impairment		(115)	(182)	(285)
Profit from recurring operations		33,081	35,108	39,090
Charges net of provisions	1 6	(230)	(569)	(674)
Balance of other revenue and expenses		102	573	1,029
Profit / loss from Gains (losses) on real-estate sales		(8,884)	4,482	(333)
Option exercised on finance lease properties		382	764	(96)
Net Gains (losses) on sale of operating assets		-	4	(16)
Gains on asset disposals	1 7	(8,501)	5,250	(445)
Operating income before fair value adjustment		24,451	40,362	39,000
Upward adjustment of value of investment properties		12,258	17,588	21,044
Downward adjustment of value of investment properties		(17,475)	(15,698)	(23,862)
Adjustment of value of investment properties		(5,217)	1,890	(2,818)
Balance net of value adjustments		(5,217)	1,890	(2,818)
Net operating profit		19,234	42,252	36,181
Revenue from cash and cash equivalents		469	410	570
Gross cost of financial debt		(17,404)	(22,208)	(28,185)
Net cost of debt	1 8	(16,935)	(21,798)	(27,615)
Other financial revenue and expenses		293	(49)	108
Adjustment of value of financial instruments		(1,506)	(2,712)	(2,910)
Income before tax		1,085	17,693	5,764
Tax on recurring income	1 9	(95)	44	280
Deferred taxes	1 9 2	240	(472)	305
Share of income in companies accounted for by the equity method	0	3,401	(629)	3,069
Net income (loss) after tax from discontinued activities		-	-	1,209
Net profit (loss)		4,632	16,636	10,627
Non-controlling interests		(80)	1,295	307
NET INCOME (LOSS) - GROUP SHARE		4,712	15,341	10,320
Earnings per share (€)		0.54	1.84	1.36
Diluted earnings per share (€)		0.47	1.60	1.12
Diluted earnings per share restated to reflect subordinated loan notes (TSDI)		0.06	1.20	0.53
Diluted earnings per share restated to reflect subordinated loan notes (TSDI) (€)		0.20	1.27	0.83

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

In thousands of euros	Note	31/12/2012	31/12/2011	31/12/2010
Net profit (loss)		4,632	16,636	10,627
Currency translation adjustments		-	-	-
Changes in fair value of financial assets available for sale ⁽¹⁾		-	(321)	649
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		-	-	-
Tax		-	-	-
Total gains and losses taken directly to equity		-	(321)	649
Net income and gains and losses recognised directly in equity		4,632	16,315	11,276
Of which Group share		4,712	15,020	10,645
Of which non-controlling interests		(80)	1,295	631

⁽¹⁾ Montéa securities in 2010 and 2011

3. Statement of changes in equity

(in thousands of euros)	Share 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 December 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 December 2011	53,100	132,688	(4,952)	152,262	9	15,341	348,447	13,736	362,183
Capital increase	1,867	5,468	-	(12)	-	-	7,324	-	7,324
Cancellation of treasury stock	(1,667)	(2,668)	4,335	-	-	-	-	-	-
Cancellation of treasury stock	-	-	47	(87)	-	-	(40)	-	(40)
Preference-share issue	-	-	-	-	-	-	-	-	-
Equity portion of compound instruments	-	(213)	-	(4,051)	-	-	(4,264)	-	(4,264)
Share-based payment transactions	-	-	-	-	-	-	-	-	-
Appropriation of 2011 income (loss)	-	-	-	15,341	-	(15,341)	-	-	-
Bonus shares	-	-	-	-	-	-	-	-	-
Distribution of dividends	-	-	-	(10,807)	-	-	(10,807)	(158)	(10,965)
Dividends on treasury stock	-	-	-	401	-	-	401	-	401
Preference dividends	-	-	-	-	-	-	-	-	-
Sub-total of shareholder-related movements	200	2,588	4,381	786	-	(15,341)	(7,386)	(158)	(7,544)
Changes in gains and losses recognised directly in equity	-	-	-	-	(9)	-	(9)	-	(9)
2012 income	-	-	-	-	-	4,712	4,712	(80)	4,632
Subtotal	-	-	-	-	(9)	4,712	4,703	(80)	4,623
Effect of acquisitions and disposals on non-controlling interests	-	-	-	5,558	-	-	5,558	(13,523)	(7,965)
Changes in accounting methods	-	-	-	-	-	-	-	-	-
Share of changes in equity of companies accounted for under the equity method	-	-	-	-	-	-	-	-	-
Other changes	-	-	-	114	-	-	114	-	114
Equity as at 31 December 2012	53,300	135,276	(571)	158,718	-	4,712	351,433	(26)	351,408

4. Consolidated cash flow statement

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	4,632	16,636	10,627
Net increase (decrease) in depreciation and provisions	1,988	(7,347)	3,296
Unrealised gains and losses from changes in fair value	5,217	(1,896)	2,818
Other calculated income and expenses (including discount calculations)	(3,125)	1,655	758
Capital gains or losses on sales of assets	12,603	9,735	11,585
- <i>net carrying value of fixed assets sold</i>	143,259	79,014	101,036
- <i>income from disposals of fixed assets</i>	(130,656)	(69,279)	(89,451)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(3,401)	631	(3,069)
Dividends and returns from income of non-consolidated companies	-	(85)	(244)
Cash flow from operations after net borrowing costs and tax	17,914	19,330	25,771
Net cost of debt	15,493	22,051	26,494
Tax expense (including deferred taxes)	(145)	428	(585)
Cash flow from operations before net cost of debt and tax	33,262	41,809	51,679
Income tax paid	(41)	(545)	(3,933)
Change in WCR linked to property development (Inventories, trade receivables and other related accounts payable)	(10,957)	8,416	(26,998)
Change in trade receivables and other accounts	2,776	2,538	(4,247)
Change in trade accounts payable	(1,454)	(1,260)	3,379
Other changes in working capital requirement related to operating activities	(6,773)	8,344	475
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	16,812	59,303	20,356
II – INVESTMENT TRANSACTIONS			
Finance leases	3,900	10,680	3,580
- <i>Cash paid for acquisitions</i>	-	(38)	(258)
- <i>Cash received for disposals</i>	3,900	10,718	3,837
Investment properties	106,777	15,131	68,790
- <i>Cash paid for acquisitions</i>	(20,522)	(26,767)	(24,163)
- <i>Cash received for disposals</i>	127,299	41,898	92,954
Cash paid for acquisitions of tangible and intangible fixed assets	(375)	(266)	(566)
Cash received for disposals of tangible and intangible fixed assets	-	8	68
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	-	(9,294)
Cash received for disposals of financial assets	24	5,456	461
Consolidated shares	(3)	(2,202)	(31,295)
- <i>Cash paid for acquisitions</i>	-	-	(31,637)
- <i>Cash received for disposals</i>	-	1,633	354
- <i>Impact of changes in consolidation</i>	(3)	(3,835)	(12)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	847	2,028	1,667
Change in loans and advances outstanding	373	(7,634)	(22,771)
Other cash flows related to investment activities	-	-	(389)
Cash flow from discontinued activities	-	-	(1,455)
Net cash flow investment transactions	111,543	23,200	8,795
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 stock	(15)	1,957	4,337
Dividends paid out during the financial year	(10,565)	(11,840)	(19,238)
- <i>dividends paid to shareholders of the parent company</i>	(10,406)	(10,116)	(11,227)
- <i>paid to minority interests of consolidated subsidiaries</i>	(159)	(1,724)	(8,011)
Change in non-controlling interests without loss of control	(323)	(3,196)	-
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from compound instruments	(4,194)	(5,300)	(6,335)
Change in guarantee deposits given and received	(1,690)	(2,620)	(4,363)
Issues or subscriptions of loans and borrowings	35,915	50,802	117,741
Repayments of loans and borrowings	(123,797)	(96,403)	(96,646)
Net cost of debt: interest paid	(16,531)	(23,873)	(29,115)
Other cash flows related to financing activities	1,037	1,823	2,621
Cash flow from discontinued activities	-	-	-
Net cash flow from financing transactions	(120,161)	(88,083)	(30,998)
NET CHANGE IN CASH (I+II+III)	8,194	(5,581)	(1,847)
Cash and cash equivalents at beginning of period	18,911	24,492	26,339
Cash and cash equivalents at end of period	27,106	18,911	24,492
NET CHANGE IN CASH	8,194	(5,581)	(1,847)

As from fiscal year 2012, the change of WCR linked to the property development activity includes inventories, trade receivables and payables. Fiscal year 2010 and 2011 were accordingly corrected to ensure better comparability.

Cash and equivalents

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Savings bank, central bank, post office	3	116	121
Liquid bank assets	29,219	22,735	25,524
Liquid bank assets in other assets	361	465	1,070
Investment securities (*1)	2,984	-	1,127
Sub-total (1)	32,566	23,316	27,840
Bank overdrafts	(5,460)	(4,405)	(3,348)
Bank overdrafts in other liabilities	-	-	-
Sub-total (2)	(5,460)	(4,405)	(3,348)
Total (1) + (2)	27,106	18,911	24,492

(*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	Increase in capital following the merger	Decrease in capital through cancellation of treasury stock	Increase in capital through incorporation of free reserves to round off the capital amount	At end of period
Number of shares	9,002,042	314,576	(282,659)	-	9,033,959
Share capital in euros	53,100,000	1,855,577	(1,667,310)	11,732	53,300,000

Treasury stock

	At 31/12/2011	Acquisitions	Sales	Cancellation	At 31/12/2012
In thousands of euros	4,952	1,403	(1,449)	(4,335)	571
In numbers	323,194	115,146	(111,274)	(282,659)	44,407

6. Corporate information

Following the loss of the status of financial corporation, Affine changed its name to a Affine RE but maintained Affine as its trade mark.

On 26 February 2013, the Board of Directors of Affine RE approved the financial statements for the year ended 31 December 2013 and authorised their publication. Affine is a *société anonyme* (French 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.

SIICs 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.

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 found in paragraph 7.3 and in the Annual Report.

The financial statements of the Affine group are fully consolidated by MAB Finances SAS in its financial statements.

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 on 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 31 December 2011, except for the adoption of the new standards and interpretations that is mandatory for financial years beginning on or after 1 January 2012 (see list below). These new standards, amendments and interpretations have no significant impact on the Group's financial statements.

Standards, interpretations and amendments to the existing standards adopted by the European Union, whose application is mandatory in 2012:

- IFRS 7: Disclosures about the transfers of financial assets
- Amendment to IAS 1: Presentation of other items of comprehensive income (mandatory application for financial years beginning on or after 1 July 2012)

Standards, interpretations and amendments to the existing standards adopted by the European Union, without mandatory application in 2012:

- Amendments to IAS 12: Deferred tax: recovery of underlying assets (applicable at the latest for financial years beginning on or after 1 January 2013).
- Revised IAS 19: Employee benefits (applicable at the latest for financial years beginning on or after 1 January 2013).
- Amendment to IFRS 1: Severe hyperinflation and removal of fixed dates for first-time adopters (applicable at the latest for financial years beginning on or after 1 January 2013).
- Amendments to IFRS 7: Disclosures on offsetting financial assets and financial liabilities (applicable at the latest for financial years beginning on or after 1 January 2013).
- IFRS 13: Fair value measurement (applicable at the latest for financial years beginning on or after 1 January 2013).
- Revised IAS 27: Individual financial statements (applicable at the latest for financial years beginning on or after 1 January 2014).
- Revised IAS 28: Investments in associates and joint ventures (applicable at the latest for financial years beginning on or after 1 January 2014).
- Amendment to IAS 32: Presentation, offsetting financial assets and liabilities (applicable at the latest for financial years beginning on or after 1 January 2014).
- IFRS 10: Consolidated financial statements (applicable at the latest for financial years beginning on or after 1 January 2014).
- IFRS 11: Joint arrangements (applicable at the latest for financial years beginning on or after 1 January 2014).
- IFRS 12: Disclosure of interests in other entities (applicable at the latest for financial years beginning on or after 1 January 2014).
- IFRIC 20: Stripping costs in the production phase of a surface mine (effective for financial years beginning on or after 1 January 2013).

The Group has not opted for the early application of any of these standards.

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

- IFRS 9: Financial instruments
- Amendment to IFRS 1: Government loans.
- Annual improvements to the IFRS (2009-2011).
- Transition guide (Amendments to IFRS 10, 11 and 12)

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

After Affine obtained the withdrawal of its status as a financial corporation on 19 December 2011, the annual financial statements have since been published with a commercial presentation.

To ensure better comparability, the 2010 and 2011 financial years are presented in this new format.

At the end of the third quarter 2011, Affine fell below the 50% holding threshold of Banimmo and consequently changed the consolidation method by consolidating it under the equity method as well as the SNC Jardin des Quais, jointly owned with Affine and Banimmo. Pro forma financial statements were prepared to ensure the comparability of the three financial years.

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 of a subsidiary is considered as the power to influence its financial and operational policies in order to profit from its activities. It results:

- from the direct or indirect holding of the majority of voting rights in the subsidiary,
- or the power to appoint or dismiss the majority of the members of the administrative, management or supervisory bodies of the subsidiary or bring together the majority of the voting rights to the meetings of these bodies,
- or to be able to exercise dominant influence on a subsidiary, through a contract or statutory clauses.

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 recognised 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 acquisition of individual assets

The difference between acquisitions of individual 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 that 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 individual 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 acquirer,
- Determining the acquisition date,
- Measuring the acquisition cost,
- Allocating the cost of the business combination through the recognition of certain and contingent 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 taken to income.

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.

Factors likely to lead to significant adjustments during the 2013 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 measure fair value”.

Fair value of financial instruments: the nature of the assumptions used by the independent appraisers may have far-reaching impacts on the change in fair value 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 December 2012 to the ten-year segment):

In thousands of euros	-100BP	-50BP	+50BP	+100BP
Change in FV of hedging financial instruments	(1,360)	(1,036)	1,473	2,975

7.1.6. Leases

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 draws 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 billable to tenants, unrecovered rental charges (due to leases and vacancy of premises), costs payable by the owner, those relating to work, of disputes, bad debts and 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 from the value excluding registration duties (the registration duties are deducted from the “taxes included” value (in the case of properties liable to this regime) or notary expenses (if it is a property sold under the real estate VAT regime and which applies to buildings delivered or extensively refurbished less than five years ago). The deducted amounts are calculated on a flat basis of 6.2% of the “duties excluded” value of the first scenario and includes all expenses, tax payables or other, borne during a sale. In the second scenario, the deducted amounts are calculated on a flat-price basis of 1.8% of the value excluding tax.) prepared by an external property appraiser, an internal appraiser or as shown on an offer, a preliminary agreement or a sale mandate.

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 adopted discount rates are based on the comparables of the most relevant transactions with respect to the building’s quality, its rental situation, the economic climate of the investment market both locally and nationally. In the DCF method, the property appraisers independently prepare their estimates of current and future cash flows and apply risk factors, either to the cash flows (for example future rent levels, growth rates, required investments, vacant periods, and rent arrangements) or to the rate of return or discount rate.

The principal assumptions used to estimate 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 December 2012 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.

Appraisals made by internal appraisers are not induced for quantitative thresholds, General Management cannot retain the appraisal value when new events occur.

7.1.8.2. Property, plant and equipment and buildings under construction

Property, plant and equipment includes operational buildings that do not meet 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
- Operating buildings: are amortised based on the FSIF (*Fédération des Sociétés Immobilières et Foncières*) grid used by Affine for its investment properties in the company statements.

When a building under construction for future 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 prior book value is recorded in the income statement in value adjustments.

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 through a probable sale within one year, rather than through its continued use, IFRS 5 requires the asset to be posted to a specific balance sheet account: "Current assets held for sale".

As at 31 December 2012, 13 assets are shown in this line;

- the value of four of them corresponded to external appraisals,
- the value of eight of them corresponded to signed mandates, offers accepted by both parties and/or commitments to sell,
- A value was measured on the basis of internal appraisal reflecting the probable sale price.

Consequently, 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	31/12/2012	31/12/2011	31/12/2010
Gain or loss on sale	(8,884)	4,482	(333)

7.1.8.5.Inventories and construction contracts

- **Inventory**

Buildings purchased, regardless of 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 off-plan sales (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 off-plan sales agreement 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 upon termination as an expense for the period.

The profit or loss upon termination 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 items 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.

All impairments are recognised in income, as are all reversals.

- **Impairment of finance leases**

Impairment of finance lease receivables is posted to "Trade loans and receivables" (see Note 8 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 recognised 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 doubtful receivables**

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 investments are recorded as “assets available for sale”.

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

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, which requires prospective and retrospective effectiveness tests to 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 December 2012 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 concern 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 15 November 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 full (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 stock

These shares are posted to equity in the same way as capital gains or losses from disposals.

7.1.8.12. 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 carrying amounts of assets and liabilities and their tax values.

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

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

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

The rates applicable to the year ended 31 December 2012 are as follows:

French companies excluding SIIC	33.33%
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;

	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.

Due to the loss of its status as a lending institution, Affine's employees are covered by the real estate collective bargaining agreement as of 01 January 2013.

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 provided by management control, used by the Principal Operational Decision-Maker (General Management) to implement the allocation of resources and evaluate performance.

There is no longer a "Belgian real estate" sector for the 2012 fiscal year due to the change of consolidation method for Banimmo.

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

Segment analysis is based on the nature of activity:

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

By relying on the new information system set up by Affine, changes may be made to segment reporting in 2013.

- o At 31 December 2012:

in thousands of euros	Finance leasing	French real estate	Belgian real estate	Property development	Total
Gross rental income	-	46,427	-	-	46,427
NET PROPERTY INCOME	-	41,261	-	-	41,261
<i>Revenue from other activities</i>	1,066	-	-	1,806	2,872
<i>Overhead costs</i>	-	-	-	-	(10,937)
Recurring EBITDA					33,196
Depreciations and impairment	-	-	-	-	(115)
CURRENT OPERATING INCOME					33,081
<i>Other revenue and expenses</i>	-	-	-	-	(128)
<i>Gains on asset disposals</i>	382	(8,884)	-	-	(8,501)
OPERATING INCOME					24,451
<i>Balance net of value adjustments</i>	-	(5,217)	-	-	(5,217)
NET OPERATING PROFIT					19,234
<i>Net cost of financial debt</i>	-	-	-	-	(16,935)
<i>Adjustment of value of financial instruments</i>	-	-	-	-	(1,506)
<i>Tax</i>	-	-	-	-	145
<i>Share of securities consolidated by the equity method</i>	-	753	1,104	1,544	3,401
<i>Other</i>	-	15	-	-	293
NET INCOME					4,632

In thousands of euros	Finance leases	French real estate	Belgian real estate	Property development	Total
Segment assets	28,611	575,202	-	33,500	637,313
Shares in EM associates	-	28,739	59,085	1,736	89,560
Unallocated assets	-	-	-	-	35,284
Total consolidated assets	-	-	-	-	762,157
Segment liabilities	5,083	385,366	-	8,173	398,622
Non-segment liabilities	-	-	-	-	363,535
Total consolidated liabilities	-	-	-	-	762,157
Investment expenses	-	23,948	-	-	23,948
Amortisation expense	-	-	-	-	(115)
Other non-disbursed expenses	0	1,209	-	1,916	3,125

o At 31 December 2011:

in thousands of euros	Finance leasing	French real estate	Belgian real estate	Property development	Total
Gross rental income	-	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>Overhead costs</i>	-	-	-	-	(15,520)
Recurring EBITDA	-	-	-	-	35,290
Depreciations and impairment	-	-	-	-	(182)
CURRENT OPERATING INCOME	-	-	-	-	35,108
<i>Other revenue and expenses</i>	-	-	-	-	4
<i>Gains on 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 of 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>Other</i>	-	-	-	-	(49)
NET INCOME	-	-	-	-	16,636

In thousands of euros	Finance leases	French real estate	Belgian real estate	Property development	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	-	476	99	2,987	3,562

7.3.Key events of the year

Share capital

On 28 September 2012, General Management on the authority of the Board of Directors decided to cancel all the 282,659 treasury stock held by Affine and give it full power to recognise a reduction of €1,667,000 in the share capital. The capital was thus reduced from €53,100,000 to €51,433,000.

Affine carried out the merger by absorption of AffiParis, with a retroactive accounting and fiscal effect to the net asset bases contributed on 01 January 2012.

The minutes of the Extraordinary General Meeting (EGM) of 07 December 2012 validated the final completion of the merger by absorption of AffiParis by Affine and the correlative increase of Affine's share capital in consideration for the contributions under the merger. Pursuant to this transaction, the share capital is set at €53,288,000 divided into 9,033,959 shares and the merger premium at €5,953,000.

The minutes of the Board of Directors of 13 December 2012 decided to raise the capital to €53,300,000, through incorporation of a sum of €12,000 debited from the free reserves.

Financing

In November, Affine invested up to €5 million in the mandatory issue subscribed by the Micado 2018 fund.

7.4. Scope of consolidation

Scope of consolidation at the balance sheet date

	31/12/2012			31/12/2011			31/12/2010			Business sector
	Consolidation method	% control	% interest	Consolidation method	% control	% interest	Consolidation method	% control	% interest	
AFFINE	Parent company			Parent company			Parent company			FF - LF
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 %	FF
AFFINVESTOR Gmbh	-	-	-	-	-	-	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 %	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 %	FF
CAPUCINES IV SCI	-	-	-	-	-	-	IG	100.00 %	100.00 %	FF
CAPUCINES V SCI	-	-	-	-	-	-	IG	100.00 %	100.00 %	FF
CAPUCINES VI SCI	-	-	-	-	-	-	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 CAPUCINE INVESTISSEMENTS SA	IG	95.00%	95.00%	IG	95.00%	95.00%	IG	95.00%	95.00%	FF
LUMIERE SAS	-	-	-	-	-	-	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
PARVIS LILLE SCI	IG	100.00 %	100.00 %	-	-	-	-	-	-	FF
SIPEC SAS	-	-	-	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 %	DI
AFFIPARIS SA	-	-	-	IG	86.93%	86.93%	IG	64.88%	64.88%	FF
SCI 28-32 PLACE DE GAULLE	-	-	-	-	-	-	IG	100.00 %	64.61%	FF
BERCY PARKINGS SCI	IG	100.00 %	100.00 %	IG	100.00 %	86.93%	IG	100.00 %	64.88%	FF
SARL COSMO	-	-	-	IG	99.90%	86.84%	IG	99.90%	64.54%	FF
SCI COSMO LILLE	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI COSMO MARSEILLE	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI COSMO MONTPELLIER	IG	100.00 %	100.00 %	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI COSMO NANTES	-	-	-	-	-	-	IG	100.00 %	64.61%	FF
SCI COSMO TOULOUSE	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI DU BEFFROI	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
SCI GOUSSIMO 1	-	-	-	-	-	-	IG	100.00 %	64.61%	FF
SC GOUSSINVEST	-	-	-	IG	100.00 %	86.93%	IG	100.00 %	64.61%	FF
HOLDIMMO SC	IG	100.00 %	100.00 %	IG	100.00 %	86.93%	IG	99.58%	64.61%	FF

Consolidated financial statements at 31 December 2012

		%	%		%			%			
SCI NUMERO 1	IG	100.00	100.00	IG	100.00	86.93%	IG	100.00	64.88%	FF	
SCI NUMERO 2	-	-	-	IG	100.00	86.93%	IG	100.00	64.88%	FF	
SCI PM MURS	-	-	-	-	-	-	IG	100.00	64.88%	FF	
SCI 36	IG	100.00	100.00	IG	100.00	86.93%	IG	100.00	64.88%	FF	
		31/12/2012			31/12/2011			31/12/2010			
	Consolidatio n method	% control	% interest	Consolidatio n method	% control	% interest	Consolidatio n method	% control	% interest	Busines s sector	
BANIMMO SA	EM	49.99%	49.51%	EM	49.99%	49.51%	IG	50.00%	50.00%	FB	
LES JARDINS DES								100.00			
QUAIS SNC	EM	50.00%	74.75%	EM	50.00%	74.75%	IG	%	75.00%	FF	
CONCERTO											
Développement											
SAS	IG	99.99%	99.99%	IG	99.99%	99.99%	IG	70.29%	69.27%	DI	
CHAVORNAY PARC											
SA	-	-	-	PI	50.00%	50.00%	PI	50.00%	34.64%	DI	
CONCERTO											
BUCHERES SCI	IG	100.00	99.99%	-	-	-	-	-	-	-	
CONCERTO											
Développement											
Iberica SL	IG	100.00	99.99%	IG	100.00	99.99%	IG	100.00	69.27%	DI	
CONCERTO											
FERRIERES EN											
BRIE SC	IG	100.00	99.99%	-	-	-	-	-	-	-	
CONCERTO											
LOGISTIC PARK											
MÉR	-	-	-	IG	99.99%	99.98%	IG	99.99%	69.27%	DI	
		100.00	100.00		100.00	100.00		100.00	100.00		
PROMAFFINE SAS	IG	%	%	IG	%	%	IG	%	%	DI	
BOURGTHEROULD								100.00	100.00		
E - L'EGLISE	-	-	-	-	-	-	IG	%	%	DI	
CAP 88	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	DI	
LUCE CARRE D'OR								100.00	100.00		
SCI	IG	%	%	IG	%	%	IG	%	%	DI	
MARSEILLE 88											
CAPELETTE	EM	40.00%	40.00%	EM	40.00%	40.00%	EM	40.00%	40.00%	DI	
NANTERRE											
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	

FL: Finance leases
 FRE: French real estate
 BRE: Belgian real estate
 PD: Property development

Several companies were created this year:

- On 28 March 2012, PARVIS LILLE
- On 14 February 2012, CONCERTO FERRIERE EN BRIE
- On 09 July 2012, CONCERTO BUCHERES

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:

- 50 assets recorded as investment properties, and
- 13 assets classified as buildings held for sale.

53 of the 63 assets held by the Group, representing 95% of the fair value of the rental portfolio, were valued by independent appraisers (BNP Real Estate, Cushman & Wakefield, Foncier Expertise). Two assets, accounting for 3.2% of the rental portfolio, was internally appraised. Eight assets representing 1.8% of the rental assets portfolio fair value were valued according to a signed sales offer, sales commitment or a sale mandate.

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 December 2012

In thousands of euros		01/01/2012	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2012
By asset type	Industrial premises, warehouses	193,426	4,910	-	(6,552)	(6,855)	184,928
	Office	392,360	12,320	-	(120,528)	1,355	285,507
	Commercial	76,503	727	-	(3,280)	1,181	75,131
	Other	9,872	13	-	(5,289)	(898)	3,698
By area	Paris – business district	124,339	583	-	(103,739)	917	22,100
	Paris – outside business district	68,670	969	-	-	(789)	68,850
	Paris region – outside Paris	193,823	1,760	-	(11,499)	(4,215)	179,868
	Other French cities	285,330	12,043	-	(20,411)	(832)	276,129
	Other	-	2,616	-	-	(300)	2,316
						Initial direct costs	579
							549,843

At 31 December 2011

In thousands of euros		01/01/2011	Acquisitions or works	Change in scope of consolidation	Disposals	Changes in fair value	31/12/2011
By asset type	Industrial premises, warehouses	165,720	30,770	-	(3,180)	116	193,426
	Office	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	-
						Initial direct costs	557
							672,718

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 December 2010

In thousands of euros		01/01/2010	Acquisitions or works	Transfers	Disposals	Changes in fair value	31/12/2010
By asset type	Industrial premises, warehouses	215,123	2,163	-	(43,763)	(7,803)	165,720
	Office	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
						Initial direct costs	1,108
							849,016

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

Investment property:

In thousands of euros	Values used	Appraisals	Variance	Comments
Cushman & Wakefield	272,861	272,861	-	
Crédit Foncier Expertise (formerly Ad Valorem)	74,250	74,250	-	
BNP Real Estate	158,746	158,746	-	
Internal appraisals	16,154	15,650	504	Regarding a property for which a fair value greater than the appraisal value was retained on management decision, to reflect improvements made to the building during the financial year.
Marketing fees	579	-	579	
Investment properties at 31 December 2012	522,589	521,507	1,083	

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	-	
CBRE			-	
BNP Real Estate	143,520	143,520	-	
Internal appraisals	18,796	18,796	-	
Marketing fees	557	-	557	
Investment properties at 31 December 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	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 December 2010	773,651	773,795	(144)	

Assets held for sale:

In thousands of euros	Values used	External appraisals	Variance	Comments
External appraisals	15,830	15,830	-	
Internal appraisals	1,588	-	1,588	
Mandates, offers for sale and commitments to sell	9,836	-	9,836	
Non-current assets for sale as at 31 December 2012	27,255	15,830	11,424	

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 for sale as at 31 December 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 for sale as at 31 December 2010	75,365	63,325	12,040	

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 7.5% at 31 December 2012.

On the basis of the average rate of return at 31 December 2012, an additional change of 25 basis points would have an inversely proportional effect of €18.2 million on the Group's portfolio value.

Changes in the value of properties

In thousands of euros	Rental	In progress	Assets held for sale	TOTAL
At 31 December 2009	811,896	22,177	87,407	921,480
Increases	1,321	9,503	195	11,019
<i>Acquisitions</i>	1,321	9,503	195	11,019
Decreases	(61,793)	(44)	(19,486)	(81,323)
<i>Disposals</i>	(61,793)	(44)	(19,486)	(81,323)
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
At 31 December 2010	762,477	11,175	75,365	849,016
Increases	30,673	5,651	20	36,345
<i>Acquisitions</i>	30,673	5,651	20	36,345
Decreases	(15,211)	(11)	(23,701)	(38,923)
<i>Disposals</i>	(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
As at 31 December 2011	515,641	5,716	151,363	672,718
Increases	20,820	2,334	795	23,948
<i>Acquisitions</i>	20,820	2,334	795	23,948
Decreases	(24,773)	(428)	(116,427)	(141,628)
<i>Disposals</i>	(24,773)	(428)	(116,427)	(141,628)
Change in fair value	(2,293)	-	(2,924)	(5,217)
Transfers between line items	8,870	(3,318)	(5,552)	-
Change in initial direct costs	22	-	-	22
At 31 December 2012	518,285	4,304	27,255	549,843

Note 2 – Property, plant and equipment and intangible assets

In thousands of euros	31/12/2010	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2011	Acquisitions, Allocations	Sales, Reversals	Inter-item transfers and changes in scope	31/12/2012
Property, plant and equipment									
Gross	3,073	111	-	(2,369)	814	17	(20)	-	812
Amortisation	(1,190)	(100)	-	817	(473)	(71)	20	-	(525)
Net	1,883	10	-	(1,553)	341	(54)	(0)	-	287
Intangible assets									
Gross	1,346	155	(4)	(803)	694	357	-	(25)	1,026
Amortisation	(1,063)	(81)	-	657	(487)	(43)	-	24	(506)
Net	283	74	(4)	(146)	207	314	-	(1)	520
Goodwill									
Gross	9,593	-	-	-	9,593	-	-	(949)	8,643
Impairments	(9,593)	-	-	-	(9,593)	-	-	949	(8,643)
Net	-	-	-	-	-	-	-	-	-

Note 3 – Long-term loans

In thousands of euros	Balance sheet items	1 to 2 years	2 to 5 years	Longer than 5 years
Bank loans	306,764	40,859	129,568	136,337
- Fixed rate	19,952	7,150	5,507	7,295
- Variable rate	286,813	33,709	124,062	129,041
Finance lease commitment hedge accounts	4,715	168	4,339	208
Deferred borrowing costs at EIR	(1,476)	(393)	(729)	(355)
Total at 31/12/2012	310,003	40,634	133,179	136,190

In thousands of euros	Balance sheet items	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 31/12/2011	319,837	40,984	142,212	136,640

In thousands of euros	Balance sheet items	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 31/12/2010	634,891	56,777	316,360	266,364

The average term of debts as at December 31, 2012 was 5.7 years.

Note 4 – Other financial assets and liabilities

At 31 December 2012:

In thousands of euros	Balance sheet items	from 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	23,815	-	-	17,352	6,463
Assets available for sale	79	-	-	-	79
Derivatives stated at fair value	1,365	-	-	1,365	-
Deposits and sureties paid	3,896	-	-	-	3,896
Loans	223	-	-	207	16
Total non-current financial assets	29,379	-	-	18,924	10,454
Current					
Cash and equivalents	32,580	32,580	-	-	-
<i>Cash equivalents: SICAVs</i>	2,984	2,984	-	-	-
<i>Restatement of SICAVs at fair value</i>	1	1	-	-	-
<i>Settlement accounts for securities</i>	361	361	-	-	-
<i>Bank account overdrafts</i>	29,235	29,235	-	-	-
Total current financial assets	32,580	32,580	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Financial instruments	9,320	-	890	7,721	709
Discounted premiums payable	613	-	-	613	-
Total non-current financial liabilities	9,934	-	890	8,334	709
Current					
Loans and borrowings	46,382	12,625	33,757	-	-
<i>Less than one year</i>	39,437	6,116	33,321	-	-
<i>Finance lease commitment hedge accounts</i>	261	67	195	-	-
<i>Deferred borrowing costs at EIR</i>	(423)	(83)	(340)	-	-
<i>Accrued interest on loans</i>	813	813	-	-	-
<i>Derivative instruments - Discounted premiums payable</i>	744	162	582	-	-
<i>Bank overdrafts</i>	5,460	5,460	-	-	-
<i>Current and related accounts</i>	89	89	-	-	-
Total current financial liabilities	46,382	12,625	33,757	-	-

Consolidated financial statements at 31 December 2012

At 31 December 2011:

In thousands of euros	Balance sheet items	from 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					
Cash and equivalents	23,316	23,316	-	-	-
<i>Settlement accounts for securities</i>	465	465	-	-	-
<i>Bank account overdrafts</i>	22,851	22,851	-	-	-
Total current financial assets	23,316	23,316	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Financial instruments	14,136	-	-	13,896	240
Commercial paper	1,415	-	-	1,415	-
Total non-current financial liabilities	15,551	-	-	15,311	240
Current					
Loans and borrowings	46,620	15,926	30,694	-	-
<i>Less than one year</i>	36,249	5,170	31,079	-	-
<i>Finance lease commitment hedge accounts</i>	3,093	2,979	113	-	-
<i>Deferred borrowing costs at EIR</i>	(616)	(117)	(499)	-	-
<i>Accrued interest on loans</i>	1,197	1,197	-	-	-
<i>Bank overdrafts</i>	4,405	4,405	-	-	-
<i>Current and related accounts</i>	2,292	2,292	-	-	-
Total current financial liabilities	46,620	15,926	30,694	-	-

At 31 December 2010:

In thousands of euros	Balance sheet items	from 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	27,853	27,853	-	-	-
<i>Cash equivalents: SICAVs</i>	1,127	1,127	-	-	-
<i>Restatement of SICAVs at fair value</i>	4	4	-	-	-
<i>Settlement accounts for securities</i>	1,069	1,069	-	-	-
<i>Bank account overdrafts</i>	25,653	25,653	-	-	-
Total current financial assets	27,853	27,853	-	-	-
FINANCIAL LIABILITIES					
Non-current					
Long-term financial instruments	22,949	304	936	15,267	6,442
Commercial paper	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	72,292	16,898	55,394	-	-
<i>Less than one year</i>	59,821	7,075	52,746	-	-
<i>Finance lease commitment hedge accounts</i>	3,253	461	2,792	-	-
<i>Deferred borrowing costs at EIR</i>	(178)	(35)	(144)	-	-
<i>Accrued interest on loans</i>	3,577	3,577	-	-	-
<i>Bank overdrafts</i>	3,348	3,348	-	-	-
<i>Current and related accounts</i>	2,471	2,471	-	-	-
Total current financial liabilities	72,292	16,898	55,394	-	-

Note 5 – Assets held for sale

In thousands of euros		31/12/2012		31/12/2011		31/12/2010	
		Assets	Liabilities	Assets	Liabilities	Assets	Liabilities
Investment property	Buildings held for sale	27,255	-	151,363	-	75,365	-
	Loans	-	13,348	-	96,300	-	29,934
	Guarantee deposits	-	489	-	1,229	-	1,111
	Sub-total	27,255	13,837	151,363	97,529	75,365	31,045
Financial assets	Shares	13	-	204	-	15,565	-
	Related receivables	66	-	65	-	76	-
	Sub-total	79	-	269	-	15,641	-
TOTAL	27,333	13,837	151,632	97,529	91,006	31,045	-

Note 6 – Other assets

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Government – tax and social security receivables	5,281	4,097	9,791
Sub-total (1)	5,281	4,097	9,791
Suppliers	595	215	755
Client accounts	9,714	8,997	6,548
Loans to related companies	146	1,211	3,142
Other miscellaneous receivables	8,876	10,742	12,806
Bad debt provisions, other receivables	(381)	(631)	(533)
Other	(45)	-	-
Other receivables	18,906	20,534	22,717
Revenue accruals	7,874	2,482	9,260
Prepaid expenses	612	1,357	2,504
Adjustment accounts	8,486	3,839	11,764
Sub-total (2)	27,392	24,374	34,481
Total (1) + (2)	32,673	28,471	44,272

Note 7 – Other liabilities

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Trade payables and related payables	2,902	2,414	2,991
Fixed asset payables and related accounts	129	51	5,121
Trade accounts payable and related accounts	3,031	2,465	8,112
Other customer payables	1,312	1,270	4,135
Other payables	7,345	8,666	12,799
Payments received as a result of activation of guarantees (finance leases)	76	190	336
Discounted premiums payable - current	-	903	-
Other	-	-	58
Other debts	8,734	11,029	17,329
Expenses payable	5,217	5,976	13,340
Deferred income	813	4,635	10,295
Total	17,796	24,106	49,076

In 2012, discounted premiums payable were reclassified on the line “Loans and borrowings” of current liabilities because they relate to derivative instruments (see note 4 – Other financial assets and liabilities)

Note 8 – Trade loans and receivables

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Receivables from sales of fixed assets	-	534	-
Ordinary receivables	5,211	6,802	12,260
Doubtful receivables	3,551	3,142	5,080
Impairment of doubtful receivables	(2,196)	(1,574)	(3,674)
Total	6,567	8,904	13,667

At 31 December 2012:

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	8,526	2,869	88	2,582	354	2,634
Impairment	(2,100)	-	(85)	(559)	(169)	(1,287)
Net	6,426	2,869	3	2,023	185	1,347
SERVICES						
Gross	237	6	-	115	-	115
Impairment	(96)	-	-	-	-	(96)
Net	141	6	-	115	-	20
TOTAL						
Gross	8,763	2,875	88	2,697	354	2,749
Impairment	(2,196)	-	(85)	(559)	(169)	(1,382)
Net	6,567	2,875	3	2,138	185	1,366

At 31 December 2011:

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 December 2010:

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

Note 9 – Inventories

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Properties in inventories (IAS 2)	-	-	162,888
Property development inventory	25,276	23,622	27,322
Finance expense inventories (property development)	413	281	214
Impairment of property development properties	(11,291)	(10,223)	(6,949)
Total	14,397	13,680	183,474

Note 10 – Contribution of companies consolidated under the equity method

In thousands of euros	31/12/2012					31/12/2011					31/12/2010
	Present	%	Total assets	Revenues exc. tax	Net profit/loss	Present	%	Total assets	Revenues exc. tax	Net profit/loss	Present
MGP Sun Sarl	-	-	-	-	-	-	-	-	-	-	(1,936)
Aulnes development	-	-	-	-	-	-	-	-	-	-	5
Paris 29 Copernic	(88)	50.00%	570	-	(177)	7	50.00%	725	-	13	(141)
2/4 Haussmann	-	-	-	-	-	-	-	-	-	-	(22)
Cap 88	1,418	40.00%	9,993	11,176	3,528	7	40.00%	5,541	7,113	9	1,038
Marseille 88 Capelette :	469	40.00%	11,633	240	624	(824)	40.00%	10,802	618	(1,530)	(808)
Jardin des Quais	28,470	74.75%	13,126	4,996	(695)	26,703	74.75%	16,178	4,827	(1,356)	-
Banimmo	59,290	49.51%	401,307	11,686	2,678	59,926	49.51%	376,048	17,502	1,156	-
Montéa	-	-	-	-	-	-	-	-	-	-	18,369
P.D.S.M.	-	-	-	-	-	-	-	-	-	-	5,194
Conferinvest	-	-	-	-	-	-	-	-	-	-	854
City Mall invest	-	-	-	-	-	-	-	-	-	-	5,711
City Mall Dev	-	-	-	-	-	-	-	-	-	-	13,648
Total	89,560					85,819					41,911

Note 11 – Deferred taxes

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
ASSETS			
Investment property	(92)	1,393	1,282
Deferment of borrowing costs	103	-	-
Derivatives	88	-	2,109
Internal capital gains	1,393	-	-
Other items	4	1	1,756
Total	1,497	1,394	5,147
LIABILITIES			
Investment properties at FV of non-SIIC subsidiaries	-	553	2,407
Goodwill assigned to properties	-	-	89
Derivatives	-	(196)	(4)
Deferment of borrowing costs	-	(76)	32
Other items	-	-	211
Total	-	281	2,735

Note 12 – Provisions

In thousands of euros	Balance 31/12/2010	Allowances for the year	Reversals for the year	Variation in scope	Balance 31/12/2011	Allowances for the year	Reversals for the year	Transfer of item to item	Balance 31/12/2012
Provision for diverse risks (customer disputes)	-	-	-	-	-	112	-	363	475
Provision for tax risk	229	384	(209)	-	404	149	(61)	(100)	392
Provision for pension costs	395	57	(3)	-	448	79	-	-	527
Provision for miscellaneous expenses	4,173	2,286	(378)	(3,907)	2,175	1,182	(1,100)	(1,925)	332
Total	4,797	2,727	(590)	(3,907)	3,027	1,522	(1,161)	(1,662)	1,726

Note 13 – Tax and social security liabilities

In thousands of euros	At 31 December 2012	At 31 December 2011	At 31 December 2010
Social security liabilities	1,720	1,710	1,341
Tax liabilities (VAT, taxes)	2,436	2,968	3,796
Total	4,156	4,677	5,138

7.5.2. Notes to the income statement

Note 14 – Net property revenue

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Gross rental income	46,427	56,866	70,567	(10,439)	(13,700)
Rental revenue and expenses	(4,406)	(7,425)	(12,001)	3,020	4,576
Re-billed expenses	12,855	20,159	17,735	(7,303)	2,424
Rebillable expenses	(12,899)	(20,147)	(18,820)	7,248	(1,326)
Non rebillable expenses	(4,119)	(6,698)	(9,782)	2,580	3,084
Miscellaneous expenses	(5)	(48)	(534)	42	487
Lease fees	(238)	(691)	(599)	454	(93)
Other property income and expenses	(761)	709	1,004	(1,470)	(295)
Other revenues	167	1,147	1,706	(979)	(559)
Net losses on doubtful receivables	(928)	(437)	(701)	(491)	264
Net property revenue	41,261	50,150	59,570	(8,889)	(9,420)

In 2010 and 2011, 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	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Income (loss) from finance lease transactions (1)	1,066	2,351	2,901	(1,285)	(550)
Rent and similar	5,340	9,248	14,238	(3,908)	(4,990)
Depreciation and provisions subject to Articles 64 and 57	(3,871)	(6,828)	(11,078)	2,956	4,250
Change in underlying reserve	(469)	(233)	(166)	(237)	(67)
Net losses on doubtful receivables	1	604	276	(603)	328
Expenses on finance leases	65	(441)	(369)	506	(72)
Income (loss) from property development activities (2)	1,806	(1,691)	(2,789)	3,497	1,098
Revenue	22,052	11,285	7,099	10,767	4,185
Changes in inventories	4,964	(3,665)	6,095	8,629	(9,760)
Net losses on doubtful receivables	(289)	-	(49)	(289)	50
Expenses on real estate transactions	(24,920)	(9,310)	(15,933)	(15,610)	6,623
Income (loss) from other activities (1) + (2)	2,872	660	112	2,212	548

Note 16 – Reversal (allocations) of provisions

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Provisions for contingencies	(38)	(585)	(1,462)	547	877
Provisions for losses	(317)	(57)	(32)	(261)	(25)
- Reversals of provisions for contingencies	93	68	131	25	(63)
- Reversals of provisions for losses	33	5	544	27	(539)
Reversal of exceptional provisions	-	-	145	-	(145)
Total	(230)	(569)	(674)	339	105

Note 17 – Gain/loss on asset disposals

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Proceeds from sales of fixed assets	126,766	51,667	84,904	75,099	(33,237)
Net carrying value of properties sold	(135,649)	(47,185)	(85,236)	(88,464)	38,051
Income (loss) of investment property sales	(8,884)	4,482	(333)	(13,366)	4,815
Option exercised on finance lease properties	382	764	(96)	(381)	860
Net Gains (losses) on sale of operating assets	-	4	(16)	(4)	20
Total	(8,501)	5,250	(445)	(13,751)	5,695

Note 18 – Net cost of financial debt

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Revenue from cash and cash equivalents	469	410	570	58	(160)
Dividends	-	85	245	(85)	(160)
Loans to customers	141	163	19	(22)	144
Regular receivables accounts	301	154	297	147	(144)
Trading securities	27	9	83	18	(74)
Investment securities	1	-	(74)	1	74
Gross cost of financial debt	(17,404)	(22,208)	(28,185)	4,805	5,976
Term loans to clientele	-	-	19	-	(19)
Term loans of a financial nature	(11,807)	(15,842)	(18,382)	4,035	2,540
Bond issues	-	(1,444)	(2,476)	1,444	1,032
Income and expenses from derivatives	(5,625)	(6,011)	(8,599)	385	2,588
Subordinated debt expenses	(8)	158	(8)	(166)	165
Income and expenses from current accounts	37	931	1,260	(894)	(329)
Total	(16,935)	(21,798)	(27,615)	4,863	5,817

Note 19 – Income tax

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Tax due	(95)	44	280	(139)	(235)
Change in deferred tax	240	(472)	305	713	(778)
Total	145	(428)	585	574	(1,013)

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	Base	Theoretical tax (expense) - income
Consolidated profit / loss before tax	4,486	(1,495)
Result of exempted sector Sicomi-SIIC	(4,589)	1,530
Share of companies consolidated under the equity method	(3,401)	1,134
Share of changes in goodwill	1	(0)
Add-backs – deductions	(820)	273
<i>Amortisation of goodwill</i>	-	-
<i>Amortisation of fair value increment</i>	-	-
<i>Provisions excluding tax</i>	-	-
<i>Companies subject to IT</i>	-	-
<i>Other addbacks - deductions</i>	(820)	273
Consolidation restatements	(5,533)	1,844
<i>Impact of permanent differences</i>	(1,975)	658
<i>Impact of timing differences taxed at smaller rate</i>	(0)	0
<i>Impact of liability method</i>	(3,558)	1,186
Other	-	-
Consolidated theoretical tax	(9,856)	3,285
<i>of which companies making a tax loss</i>	(9,869)	3,289
<i>of which companies making a tax profit</i>	13	(4)
Use of tax losses	1,123	(374)
Tax losses not carried on balance sheet	8,143	(2,714)
Tax after deduction of losses	(590)	197
<u>Tax without base:</u>		
Tax credit	-	-
Annual flat-rate tax and tax adjustments	-	(51)
Tax due outside France	-	-
Income tax burden recorded	-	145
TAXES	-	(95)
DEFERRED TAXES	-	240
TOTAL	-	145

Note 20 – Share of earnings of associated companies consolidated by the equity method

In thousands of euros	31/12/2012	31/12/2011	31/12/2010	2012/2011 change	2011/2010 change
Share in net income (loss)	3,401	(629)	3,069	4,030	(3,698)
NCV of EM securities	-	-	(180)	-	180
Price of EM securities	-	-	180	-	(180)
Total	3,401	(629)	3,069	4,030	(3,698)

Note 21 – Earnings per share

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) and diluted income (loss).

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Net income (loss) – Group share	4,712	15,341	10,320
Cost of perpetual subordinated loan notes (TSDI)	(2,696)	(3,149)	(2,698)
Cost of 1 & 2 convertible bonds (ORA)	(1,498)	(2,151)	(3,637)
Net income (loss) - Group share, adjusted for earnings per share calculation	518	10,041	3,986
Reinclusion of cost of 1 & 2 convertible bonds (ORA)	1,498	2,151	3,637
Net income (loss) - Group share, adjusted for diluted earnings per share calculation (after conversion of convertible bonds [ORA])	2,016	12,192	7,623
	31/12/2012	31/12/2011	31/12/2010
Number of shares in circulation at balance sheet date	9,033,959	9,002,042	8,113,566
Average number of treasury shares	(337,669)	(652,545)	(543,365)
Average number of shares (excluding treasury shares)	8,696,290	8,349,497	7,570,201
Average number of new shares issued for redeeming 1 & 2 convertible bonds (ORA)	1,248,000	1,248,000	1,622,400
Average number of diluted shares (excluding treasury shares)	9,944,290	9,597,497	9,192,601
Earnings per share (€)	0.54	1.84	1.36
Diluted earnings per share (€)	0.47	1.60	1.12
Earnings per share restated to reflect convertible bonds (ORA) and perpetual subordinated loan notes (€)	0.06	1.20	0.53
Diluted earnings per share restated to reflect subordinated loan notes (TSDI) (€)	0.20	1.27	0.83

7.6. Management of financial risk

7.6.1. Carrying amount of financial instruments by category

	31/12/2012				
	Assets stated at 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	1,365	-	-	1,365	1,365
Financial assets at fair value through income statement	-	-	-	-	-
Financial assets available for sale	-	79	-	79	79
Trade loans and receivables (1)	-	-	28,730	28,730	28,730
Accounts receivable (2)	-	-	6,567	6,567	6,567
Other receivables (3)	-	-	29,866	29,866	29,866
Cash and equivalents	2,984	-	29,595	32,579	32,580
Total financial assets	4,349	79	94,759	99,187	99,187

(1) This item includes other amounts owed by customers (€153,000) as well as finance lease transactions and related receivables (€28,577,000).

(2) This item includes receivables related to investment properties (€6,426,000) and receivables for services rendered (€141,000).

(3) On the one hand, this account includes ordinary overdrafts for €9,714,000, and, on the other hand, the item Other assets (€41,317,000), less net inventories (€14,397,000), securities settlement accounts (€361,000), prepaid expenses (€612,000), tax and social security receivables (€5,131,000) and accrued rental expenses rebilled to lessees (€664,000).

	31/12/2012				
	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	10,678	-	-	10,678	10,678
Borrowings and debts from lending institutions (3)	-	358,450	-	358,450	358,450
Amounts owed to customers	-	-	5,066	5,066	5,066
Guarantee deposits (1)	-	7,405	-	7,405	7,405
Accounts payable (2)	-	10,701	-	10,701	10,701
Cash and equivalents (2)	-	-	5,473	5,473	5,473
Total financial liabilities	10,678	376,555	10,539	397,772	397,772

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

(2) This item corresponds to Other liabilities (€28,867,000) after deducting tax and social security liabilities (€4,156,000), deposits received (€6,916,000), deferred income IP (€813,000), and accrued rental expenses rebilled to lessees (€6,281,000).

(3) In the absence of an assessment of the fair value of the debt at 31 December 2012, the book values were shown in the 'Fair value' column.

	31/12/2011				
	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	2,607	-	-	2,607	2,607
Financial assets at fair value through 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	-	-	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 (€1,937,000) 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 overdrafts 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 (€3,926,000) 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 (3)	-	352,162	-	352,162	352,162
Amounts owed to customers	-	-	9,890	9,890	9,890
Guarantee deposits (1)	-	7,145	-	7,145	7,145
Accounts payable (2)	-	13,769	-	13,769	13,769
Cash and equivalents (2)	-	-	4,405	4,405	4,405
Total financial liabilities	16,454	373,076	14,295	403,825	403,825

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

(2) 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).

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

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	31/12/2010				
	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	4,334	-	-	4,334	4,334
Financial assets 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
Total financial assets	7,128	13,973	163,730	184,831	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 overdrafts 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), prepaid expenses (€2,504,000), tax and social security receivables (€9,631,000) and accrued rental expenses rebilled to lessees (€2,611).

	31/12/2010				
	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	22,949	-	-	22,949	22,949
Borrowings and debts from lending institutions (3)	-	615,050	-	615,050	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 (2)	-	-	3,353	3,353	3,353
Total financial liabilities	22,949	661,989	13,942	698,879	698,879

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

(2) This item corresponds to Other liabilities (€64,599,000) after deducting tax and social security liabilities (€5,138,000), deposits received (€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.

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 2012, 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 viewing all bank accounts,
- a 3-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.

The Group's loan agreements have covenants relating to:

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

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

As at 31 December 2012, 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 95% of its bank debt as at 31 December 2012 (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. Accordingly during the financial year, Affine subscribed to two swaps for a notional amount of €13,562,000 guaranteeing maximum rates of 1.4% to 2.2%.

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 11% of its unhedged debt (excluding finance leases).

Analysis of sensitivity of cash flows for variable-rate instruments

(This analysis does not include the loans taken to finance assets held for sale).

At 31 December 2012

Sensitivity to change in interest rate in thousands of euros	2013 expenses	2014 expenses	2015 expenses	2016 expenses
Increase of 50 basis points, 2012 projected rate	7,524	6,527	5,643	4,812
Increase of 100 basis points, 2012 projected rate	9,126	8,052	7,088	6,109

At 31 December 2011

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 December 2010

Sensitivity to change in interest rate in thousands of euros	2011 expenses	2012 expenses	2013 expenses	2014 expenses
Increase of 50 basis points, 2010 projected rate	10,530	9,590	8,770	7,515
Increase of 100 basis points, 2010 projected rate	12,636	11,485	10,584	9,100

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 December 2012, no bank represented more than 20.83% 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 Kepler Capital Markets (Paris), the new company replacing Société Générale, the following means were recorded in the liquidity account as at 31 December 2012:

- Number of shares: 44,407 Affine shares compared with 40,534 shares as at 31 December 2011;
- Cash balance of the liquidity account: €207,000 compared with €264,000 as at 31 December 2011.

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	from 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	220,846	-	-	-	23,212	105,987	91,647
covered by collateral	37,138	-	-	-	7,706	9,562	19,869
neither collateral nor guarantees	43,780	-	-	-	9,941	14,019	19,820
<u>Current debts</u>							
covered by guarantees	41,019	1,861	3,179	24,536	5,528	2,019	3,895
covered by collateral	4,216	-	199	4,017	-	-	-
neither collateral nor guarantees	7,629	1,036	1,429	5,165	-	-	-

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	31/12/2012	31/12/2011	31/12/2010
Commitments to lending institutions	-	-	-
Commitments to customers	-	-	-
Total	-	-	-

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	Fees	
Less than 1 year	7,453	9,212
1 to 5 years	23,219	27,705
Over 5 years	38,716	42,957
Total minimum capital payments	69,388	
Amounts representing interest expense	10,485	
Discounted value of minimum lease payments	79,873	79,873

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

In thousands of euros	Rents indexed	Rents basis
Less than 1 year	507	467
1 to 5 years	2,029	1,866
Over 5 years	906	833
Minimum total lease payments	3,442	
Indexation	275	
Discounted value of minimum lease payments	3,166	3,166

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**

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Commitments to lending institutions	1,313	2,556	2,399
Commitments to clients	6,598	9,396	14,120
Total	7,911	11,951	16,519

- **Financing commitments**

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Commitments received from lending institutions	19,000	24,988	85,755
Commitments received from clients	-	-	-
Total	19,000	24,988	85,755

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 outstanding amount due under the lease contract)

In thousands of euros	Minimum payments	Present value of minimum payments
Less than 1 year	5,108	4,962
1 to 5 years	23,085	22,672
Longer than 5 years	7,422	7,380
Minimum lease payments	35,615	
Amounts representing interest expense	(600)	
Discounted value of minimum lease payments	35,015	35,015
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;
- “free leases” (CBL) signed from 1993 onward, which have an average term of 15 years;
- general leases (CBG) signed as from 1996, 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 includes the data regarding Affine. Affine's subsidiaries are not included.

In thousands of euros	Minimum payments	Present value of minimum payments
Less than 1 year	30,607	22,912
1 to 5 years	96,205	74,447
Over 5 years	38,571	36,369
Minimum total lease payments	165,383	
Amounts representing interest expense	(31,654)	
Discounted value of minimum lease payments	133,729	133,729

All Affine Group assets and liabilities are located in France. 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

The group's average workforce (including Banimmco) was 73 people; the breakdown is as follows:

- Officers: 3
- Managers: 40
- Employees: 30

7.9.2. Individual training rights

Group employees have accumulated rights to 3,310 training hours.

7.9.3. 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 €367,000 as at 31 December 2012 versus €437,000 as at 31 December 2011.

Provisions are accrued for retirement commitments in the financial statements according to the assumption of retirement and amounted to €527,000 as at 31 December 2012 versus €448,000 as at 31 December 2011. The actuarial assumptions used for calculating the provision include the following:

	2012	2011	2010
Discount rate:	3.15%	3.80%	3.59%
Staff turnover:	10% up to 50 years, 3% thereafter	13% up to 50 years, 3% thereafter	14% up to 50 years, 3% thereafter
Wage rise adjustment coefficient	1.78%	1.58%	1.58%
INSEE TD-TV mortality table	08-10	06-08	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	31/12/2012	31/12/2011	31/12/2010
Short-term benefits (wages, premiums, etc.)	1,241	1,206	1 457
Post-employment benefits	94	89	88
Other long-term benefits	30	26	39
Share-based payments			
Recognised benefits	1,365	1,321	1,584
Severance pay	390	327	321
Benefits not recognised	390	327	321

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 €1,373,000 in financial year 2012 compared with €1,286,000 in 2011.

Other assorted defined benefits provided to the Group's officers and executives are:

- Company car: one representing an expense of €454,000 in 2012;
- 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: €94,000;
- GSC contribution, for €26,000.

Directors' fees paid by Group companies in 2012 amounted to €139,000, the same as in 2011.

7.10.2. Affine transactions with affiliates

7.10.2.1. Loans and advances granted to related parties

Loans and advances granted to related parties are those made with companies consolidated under the equity method.

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
MGP SUN SARL	2,743	1,206	1,203
JARDIN DES QUAIS	5,254	1,296	-
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
Total loans granted to related parties	7,997	2,502	37,870
MGP SUN SARL	60	3	6
JARDIN DES QUAIS	132	77	-
Dolce la Hulpe	-	-	46
Dolce Chantilly	-	-	13
City Mall Invest	-	-	569
Schoonmeers-Bugten SA	-	-	1
P.D.S.M. SCARL	-	-	3
Conferinvest SA	-	-	294
Total interest income on loans granted	192	80	932

MGP SUN SARL was deconsolidated on 1 July, 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 October 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 €223,000 (a partial amount taking into account the fraction included in the remuneration of the executives) impacts the 2012 financial statements, compared with €182,000 in 2011.

7.11. Fees of statutory auditors and members of their networks

At 31 December 2012:

	Cailliau Dedouit et Associés				KPMG				Conseil Audit & Synthèse			
	Amount: excl. VAT		%		Amount: excl. VAT		%		Amount: excl. VAT		%	
	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011
Auditing, certification, review of individual and consolidated financial statements												
Issuer	180	198	60%	40%	180	198	93%	94%	-	-	-	-
Fully consolidated subsidiaries	121	263	40%	54%	-	-	-	-	-	70	-	88%
Other tasks and services directly linked to the auditing engagement												
Issuer	1	12	0%	2%	13	12	7%	6%	-	-	-	-
Fully consolidated subsidiaries	-	17	-	4%	-	-	-	-	-	10	-	12%
Sub-total	302	490	100%	100%	193	210	100%	100%	-	80	-	100%
Other services rendered by the networks to fully-consolidated subsidiaries												
Legal, tax, social	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	302	490	100%	100%	193	210	100%	100%	-	80	-	100%

At 31 December 2011:

	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%

7.12. Post reporting period events

None

8.Pro forma

The pro forma statements reflect the change in the holding percentage of Banimmo and Jardin des Quais as at 1 October 2011 for 49.99% and 74.75% respectively instead of 50.00% and 75.00% which has led to a change of consolidation method (from Full consolidation to Consolidation under the equity method).

For the purpose of presenting the 2010 pro forma financial statements, Banimmo and Jardin des Quais have been considered as consolidated under the equity method since 2010.

8.1.Statement of consolidated financial position (balance sheet)

8.1.1.Assets

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Non-current assets				
Tangible assets		287	341	355
Investment property		522,589	521,356	611,547
Intangible assets		520	207	228
Goodwill		-	-	-
Other intangible assets		520	207	228
Financial assets		29,379	39,125	60,692
Finance leases and related receivables		23,815	30,673	53,729
Assets held for sale		79	269	210
Derivatives stated at fair value		1,365	2,607	3,756
Deposits and sureties paid		3,896	4,812	2,979
Loans		223	765	18
Deferred tax assets		1,497	1,394	1,454
Shares and investments in companies (equity method)		89,560	85,819	83,976
Total non-current assets		643,831	648,243	758,252
Current assets				
Assets held for sale		27,255	151,363	75,365
Finance lease loans and receivables		4,763	6,878	561
Inventory		14,397	13,680	20,587
Trade receivables and other accounts		6,567	8,904	6,694
Receivables for investment properties		6,426	8,164	5,461
Receivables related to investment properties		141	739	1,234
Current tax assets		91	115	184
Other receivables		32,673	28,471	35,565
Tax and social security receivables		5,281	4,097	6,183
Other receivables and adjustment accounts		27,392	24,374	29,383
Cash and cash equivalents		32,580	23,316	23,703
Cash equivalents		3,345	465	2,200
Cash on hand		29,235	22,851	21,503
Total current assets		118,325	232,727	162,659
TOTAL ASSETS		762,157	880,970	920,911

8.1.2. Liabilities

(In thousands of euros)	Note	31/12/2012	31/12/2011	31/12/2010
Equity				
Equity (Group share)		351,434	348,447	347,462
Capital and related amounts		94,019	86,637	64,970
Share capital		53,300	53,100	47,800
Premiums		41,290	38,489	23,947
Treasury stock		(571)	(4,952)	(6,777)
Consolidated reserves		252,703	246,539	272,170
Unrealised gains or losses on assets available for sale		-	8	3
Net profit (loss)		4,712	15,262	10,319
Non-controlling interests		(26)	13,736	15,028
Consolidated reserves		54	12,441	14,830
Net profit (loss)		(80)	1,295	199
Total shareholders' equity		351,408	362,183	362,490
Non-current liabilities				
Long-term loans	3	310,003	319,837	405,055
Financial liabilities	4	9,934	15,551	16,411
Derivatives stated at fair value		9,320	14,136	12,772
Other financial liabilities		613	1,415	3,639
Provisions	12	1,726	3,027	910
Deposits and sureties received		6,915	7,145	7,458
Deferred tax liabilities	11		281	351
Non-current tax liabilities		-	-	13
Total non-current liabilities		328,578	345,841	430,199
Current liabilities				
Debts linked to assets held for sale	5	13,837	97,529	31,045
Amounts owed to stockholders			1	1
Trade accounts payable and other debts	7	17,796	24,106	33,946
Trade accounts payable and related accounts		3,031	2,465	3,068
Other debts		8,734	11,029	10,912
Adjustment accounts		5,217	5,976	12,731
Deferred income		813	4,635	7,235
Loans and borrowings	4	46,382	46,620	58,993
Deferred tax liabilities			14	706
Tax and social security debts	13	4,156	4,677	3,532
Total current liabilities		82,171	172,947	128,222
TOTAL LIABILITIES		762,157	880,970	920,911

8.2.Statement of consolidated comprehensive income

8.2.1.Consolidated profit and loss statement

(In thousands of euros)	Note	31/12/201 2	31/12/201 1	31/12/201 0
Gross rental income		46,427	48,269	50,006
Rental revenue and expenses		(4,406)	(5,129)	(7,200)
Other property income and expenses		(761)	(55)	(185)
Net property revenue		41,261	43,084	42,620
Revenue from finance leases		1,001	2,792	3,270
Expenses on finance leases		65	(441)	(369)
Revenue from finance leases		1,066	2,351	2,901
Revenue from real estate transactions		26,727	7,619	13,144
Expenses on real estate transactions		(24,920)	(9,310)	(16,333)
Revenue from real estate development transactions		1,806	(1,691)	(3,189)
Other purchases and external expenses		(4,948)	(5,575)	(5,960)
Taxes and related expenses		(237)	(506)	(936)
Personnel costs		(5,752)	(5,927)	(6,233)
Overhead costs		(10,937)	(12,008)	(13,129)
Recurring EBITDA		33,196	31,736	29,203
Depreciations and impairment		(115)	(122)	(126)
Profit from recurring operations		33,081	31,614	29,077
Charges net of provisions		(230)	(228)	5
Balance of other revenue and expenses		102	586	1,133
Profit / loss from Gains (losses) on real-estate sales		(8,884)	2,168	(426)
Option exercised on finance lease properties		382	764	(96)
Net Gains (losses) on sale of operating assets		-	-	(7)
Gains on asset disposals		(8,501)	2,931	(529)
Operating income before fair value adjustment		24,451	34,902	29,686
Upward adjustment of value of investment properties		12,258	16,634	16,977
Downward adjustment of value of investment properties		(17,475)	(14,955)	(20,798)
Adjustment of value of investment properties		(5,217)	1,679	(3,821)
Balance net of value adjustments		(5,217)	1,679	(3,821)
Net operating profit		19,234	36,581	25,865
Revenue from cash and cash equivalents		469	258	280
Gross cost of financial debt		(17,404)	(18,458)	(19,916)
Net cost of debt		(16,935)	(18,200)	(19,636)
Other financial revenue and expenses		293	(434)	(83)
Adjustment of value of financial instruments		(1,506)	(2,262)	(89)
Income before tax		1,085	15,686	6,057
Tax on recurring income		(95)	153	562
Deferred taxes		240	(592)	(285)
Share of income in companies accounted for by the equity method		3,401	1,312	2,975
Net income (loss) after tax from discontinued activities		-	-	1,209
Net profit (loss)		4,632	16,558	10,518
Non-controlling interests		(80)	1,295	199
NET INCOME (LOSS) - GROUP SHARE		4,712	15,262	10,319
Earnings per share (€)		0.54	1.83	1.36
		0.47	1.59	1.12
Diluted earnings per share (€)		0.06	1.19	0.53
Diluted earnings per share restated to reflect subordinated loan notes (TSDI)		0.20	1.26	0.83
Diluted earnings per share restated to reflect subordinated loan notes (TSDI) (€)		0.20	1.26	0.83

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

In thousands of euros	Note	31/12/2012	31/12/2011	31/12/2010
Net profit (loss)		4,632	16,558	10,518
Currency translation adjustments		-	-	-
Changes in fair value of financial assets available for sale ⁽¹⁾		-	(321)	322
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		-	-	-
Tax		-	-	-
Total gains and losses taken directly to equity		-	(321)	322
Net income and gains and losses recognised directly in equity		4,632	16,236	10,840
Of which Group share		4,712	14,941	10,641
Of which non-controlling interests		(80)	1,295	199

8.2.3. Statement of transition from the published income statement to proforma

(In thousands of euros)	31/12/2011 Published	Transition from FC to EMC	31/12/2011 Proforma	31/12/2010 Published	Transition from FC to EMC	31/12/2010 Proforma
Gross rental income	56,866	(8,597)	48,269	70,567	(20,561)	50,006
Rental revenue and expenses	(7,425)	2,296	(5,129)	(12,001)	4,801	(7,200)
Other property income and expenses	709	(765)	(55)	1,004	(1,190)	(185)
Net property revenue	50,150	(7,066)	43,084	59,570	(16,950)	42,620
Revenue from finance leases	2,792	-	2,792	3,270	-	3,270
Expenses on finance leases	(441)	-	(441)	(369)	-	(369)
Revenue from finance leases	2,351	-	2,351	2,901	-	2,901
Revenue from real estate transactions	7,619	-	7,619	13,144	-	13,144
Expenses on real estate transactions	(9,310)	-	(9,310)	(15,933)	(400)	(16,333)
Revenue from real estate development transactions	(1,691)	-	(1,691)	(2,789)	(400)	(3,189)
Other purchases and external expenses	(7,877)	2,302	(5,575)	(10,410)	4,450	(5,960)
Taxes and related expenses	(573)	67	(506)	(1,008)	72	(936)
Personnel costs	(7,070)	1,143	(5,927)	(8,888)	2,655	(6,233)
Overhead costs	(15,520)	3,512	(12,008)	(20,307)	7,178	(13,129)
Recurring EBITDA	35,290	(3,554)	31,736	39,375	(10,172)	29,203
Depreciations and impairment	(182)	60	(122)	(285)	160	(126)
Profit from recurring operations	35,108	(3,494)	31,614	39,090	(10,013)	29,077
Charges net of provisions	(569)	340	(228)	(674)	679	5
Balance of other revenue and expenses	573	12	586	1,029	105	1,133
Profit / loss from Gains (losses) on real-estate sales	4,482	(2,315)	2,168	(333)	(94)	(426)
Option exercised on finance lease properties	764	-	764	(96)	-	(96)
Net Gains (losses) on sale of operating assets	4	(4)	-	(16)	9	(7)
Gains on asset disposals	5,250	(2,319)	2,931	(445)	(85)	(529)
Operating income before fair value adjustment	40,362	(5,460)	34,902	39,000	(9,314)	29,686
Upward adjustment of value of investment properties	17,588	(954)	16,634	21,044	(4,066)	16,977
Downward adjustment of value of investment properties	(15,698)	743	(14,955)	(23,862)	3,064	(20,798)
Adjustment of value of investment properties	1,890	(211)	1,679	(2,818)	(1,002)	(3,821)
Adjustment of <i>Goodwill</i>	-	-	-	-	-	-
Balance net of value adjustments	1,890	(211)	1,679	(2,818)	(1,002)	(3,821)
Net operating profit	42,252	(5,671)	36,581	36,181	(10,316)	25,865
Revenue from cash and cash equivalents	410	(153)	258	570	(290)	280
Gross cost of financial debt	(22,208)	3,751	(18,458)	(28,185)	8,268	(19,916)
Net cost of debt	(21,798)	3,598	(18,200)	(27,615)	7,978	(19,636)
Other financial revenue and expenses	(49)	(385)	(434)	108	(191)	(83)
Adjustment of value of financial instruments	(2,712)	450	(2,262)	(2,910)	2,821	(89)
Income before tax	17,693	(2,008)	15,686	5,764	293	6,057
Tax on recurring income	44	108	153	280	282	562
Deferred taxes	(472)	(120)	(592)	305	(590)	(285)
Exit tax	-	-	-	-	-	-
Share of income in companies accounted for by the equity method	(629)	1,941	1,312	3,069	(94)	2,975
Net income (loss) after tax from discontinued activities	-	-	-	1,209	-	1,209
Net profit (loss)	16,636	(79)	16,558	10,627	(109)	10,518
Non-controlling interests	1,295	()	1,295	307	(108)	199
NET INCOME (LOSS) - GROUP SHARE	15,341	(79)	15,262	10,320	(1)	10,319

8.3. Consolidated cash flow statement

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES			
Consolidated net income (loss) (including non-controlling interests)	4,632	16,558	10,518
Net increase (decrease) in depreciation and provisions	1,988	(7,432)	6,298
Unrealised gains and losses from changes in fair value	5,217	(1,679)	3,821
Other calculated income and expenses (including discount calculations)	(3,125)	1,207	(1,697)
Capital gains or losses on sales of assets	12,603	12,401	11,699
- <i>net carrying value of fixed assets sold</i>	143,259	59,347	100,359
- <i>income from disposals of fixed assets</i>	(130,656)	(46,946)	(88,660)
Dilution profits and losses	-	-	-
Share in profits of companies consolidated under the equity method	(3,401)	(1,312)	(2,975)
Dividends and returns from income of non-consolidated companies	-	(2)	(13)
Cash flow from operations after net borrowing costs and tax	17,914	19,741	27,651
Net cost of debt	15,493	18,582	18,562
Tax expense (including deferred taxes)	(145)	440	(277)
Cash flow from operations before net cost of debt and tax	33,262	38,763	45,936
Income tax paid	(41)	(588)	(3,270)
Changes in inventories	(10,957)	540	(2,103)
Change in trade receivables and other accounts	2,776	2,782	(2,728)
Change in trade accounts payable	(1,454)	(1,789)	2,432
Other changes in working capital requirement related to operating activities	(6,773)	8,573	(668)
Impact of discontinued activities	-	-	-
Net cash flows from operating activities	16,812	48,281	39,599
II – INVESTMENT TRANSACTIONS			
Finance leases	3,900	10,680	3,580
- <i>Cash paid for acquisitions</i>	-	(38)	(258)
- <i>Cash received for disposals</i>	3,900	10,718	3,837
Investment properties	106,777	9,576	60,922
- <i>Cash paid for acquisitions</i>	(20,522)	(25,267)	(23,617)
- <i>Cash received for disposals</i>	127,299	34,843	84,539
Cash paid for acquisitions of tangible and intangible fixed assets	(375)	(87)	(387)
Cash received for disposals of tangible and intangible fixed assets	-	-	11
Investment subsidies	-	-	-
Cash paid for acquisitions of financial assets	-	-	(2)
Cash received for disposals of financial assets	24	-	-
Consolidated shares	(3)	2,045	(3)
- <i>Cash paid for acquisitions</i>	-	-	(20)
- <i>Cash received for disposals</i>	-	1,633	29
- <i>Impact of changes in consolidation</i>	(3)	412	(12)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	847	1,211	4,625
Change in loans and advances outstanding	373	(92)	(144)
Other cash flows related to investment activities	-	-	-
Cash flow from discontinued activities	-	-	(1,455)
Net cash flow investment transactions	111,543	23,334	67,147
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 stock	(15)	1,971	4,337
Dividends paid out during the financial year	(10,565)	(10,537)	(11,235)
- <i>dividends paid to shareholders of the parent company</i>	(10,406)	(10,116)	(11,227)
- <i>paid to minority interests of consolidated subsidiaries</i>	(159)	(421)	(8)
Change in non-controlling interests without loss of control	(323)	(3,196)	-
Increase/Decrease in subordinated debts	-	-	-
Income/Loss from compound instruments	(4,194)	(5,300)	(6,335)
Change in guarantee deposits given and received	(1,690)	(2,658)	(4,937)
Issues or subscriptions of loans and borrowings	35,915	24,249	19,595
Repayments of loans and borrowings	(123,797)	(59,559)	(94,826)
Net cost of debt: interest paid	(16,531)	(19,370)	(20,063)
Other cash flows related to financing activities	1,037	787	1,502
Cash flow from discontinued activities	-	-	-
Net cash flow from financing transactions	(120,161)	(73,045)	(111,962)
NET CHANGE IN CASH (I+II+III)	8,194	(1,430)	(5,216)
Cash and cash equivalents at beginning of period	18,911	20,342	25,557
Cash and cash equivalents at end of period	27,106	18,911	20,342
NET CHANGE IN CASH	8,194	(1,430)	(5,215)

Consolidated financial statements at 31 December 2012

Cash and equivalents

In thousands of euros	31/12/2012	31/12/2011	31/12/2010
Savings bank, central bank, post office	3	3	3
Liquid bank assets	29,219	22,848	21,491
Liquid bank assets in other assets	361	465	1,069
Investment securities (*1)	2,984	-	1,127
Sub-total (1)	32,566	23,316	23,690
Bank overdrafts	(5,460)	(4,405)	(3,348)
Bank overdrafts in other liabilities	-	-	-
Sub-total (2)	(5,460)	(4,405)	(3,348)
Total (1) + (2)	27,106	18,911	20,342

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

8.4. Statement of transition from published consolidated cash flows to proforma

In thousands of euros	31/12/2011 Published	Transition from FC to EMC	31/12/2011 Proforma	31/12/2010 Published	Transition from FC to EMC	31/12/2010 Proforma
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES						
Consolidated net income (loss) (including non-controlling interests)	16,636	(79)	16,558	10,627	(109)	10,518
Net increase (decrease) in depreciation and provisions	(7,347)	(85)	(7,432)	3,296	3,002	6,298
Unrealised gains and losses from changes in fair value	(1,896)	217	(1,679)	2,818	1,002	3,821
Other calculated income and expenses (including discount calculations)	1,655	(447)	1,207	758	(2,455)	(1,697)
Capital gains or losses on sales of assets	9,735	2,666	12,401	11,585	114	11,699
- net carrying value of fixed assets sold	79,014	(19,667)	59,347	101,036	(677)	100,359
- income from disposals of fixed assets	(69,279)	22,333	(46,946)	(89,451)	791	(88,660)
Dilution profits and losses	-	-	-	-	-	-
Share in profits of companies consolidated under the equity method	631	(1,943)	(1,312)	(3,069)	94	(2,975)
Dividends and returns from income of non-consolidated companies	(85)	82	(2)	(244)	232	(13)
Cash flow from operations after net borrowing costs and tax	19,330	411	19,741	25,771	1,881	27,651
Net cost of debt	22,051	(3,469)	18,582	26,494	(7,932)	18,562
Tax expense (including deferred taxes)	428	12	440	(585)	308	(277)
Cash flow from operations before net cost of debt and tax	41,809	(3,046)	38,763	51,679	(5,744)	45,936
Income tax paid	(545)	(43)	(588)	(3,933)	662	(3,270)
Change in WCR linked to property development (Inventories, trade receivables and other related accounts payable)	10,932	(7,877)	3,055	(25,146)	24,883	(263)
Change in trade receivables and other accounts	151	243	394	(5,115)	1,519	(3,595)
Change in trade accounts payable	(1,388)	(529)	(1,916)	2,395	(935)	1,459
Other changes in working capital requirement related to operating activities	8,344	229	8,573	475	(1,143)	(668)
Impact of discontinued activities	-	-	-	-	-	-
Net cash flows from operating activities	59,303	(11,022)	48,281	20,356	19,243	39,599
II – INVESTMENT TRANSACTIONS						
Finance leases	10,680	-	10,680	3,580	-	3,580
- Cash paid for acquisitions	(38)	-	(38)	(258)	-	(258)
- Cash received for disposals	10,718	-	10,718	3,837	-	3,837
Investment properties	15,131	(5,555)	9,576	68,790	(7,869)	60,922
- Cash paid for acquisitions	(26,767)	1,500	(25,267)	(24,163)	546	(23,617)
- Cash received for disposals	41,898	(7,054)	34,843	92,954	(8,415)	84,539
Cash paid for acquisitions of tangible and intangible fixed assets	(266)	179	(87)	(566)	179	(387)
Cash received for disposals of tangible and intangible fixed assets	8	(8)	-	68	(57)	11
Investment subsidies	-	-	-	-	-	-
Cash paid for acquisitions of financial assets	-	-	-	(9,294)	9,292	(2)
Cash received for disposals of financial assets	5,456	(5,456)	-	461	(461)	-
Consolidated shares	(2,202)	4,247	2,045	(31,295)	31,292	(3)
- Cash paid for acquisitions	-	-	-	(31,637)	31,617	(20)
- Cash received for disposals	1,633	-	1,633	354	(325)	29
- Impact of changes in consolidation	(3,835)	4,247	412	(12)	-	(12)
Dividends received (companies consolidated under the equity method, non-consolidated shares)	2,028	(816)	1,211	1,667	2,958	4,625
Change in loans and advances outstanding	(7,634)	7,543	(92)	(22,771)	22,628	(144)
Other cash flows related to investment activities	-	-	-	(389)	389	-
Cash flow from discontinued activities	-	-	-	(1,455)	-	(1,455)
Net cash flow investment transactions	23,200	134	23,334	8,795	58,352	67,147
III – FINANCING TRANSACTIONS						
Amounts received from shareholders in capital increases	568	-	568	-	-	-
- paid by shareholders of the parent company	568	-	568	-	-	-
- paid by minority interests of consolidated subsidiaries	-	-	-	-	-	-
Purchases and sales of treasury stock	1,957	14	1,971	4,337	-	4,337
Dividends paid out during the financial year	(11,840)	1,303	(10,537)	(19,238)	8,004	(11,235)
- dividends paid to shareholders of the parent company	(10,116)	-	(10,116)	(11,227)	-	(11,227)
- paid to minority interests of consolidated subsidiaries	(1,724)	1,303	(421)	(8,011)	8,004	(8)
Change in non-controlling interests without loss of control	(3,196)	-	(3,196)	-	-	-
Increase/Decrease in subordinated debts	-	-	-	-	-	-
Income/Loss from compound instruments	(5,300)	-	(5,300)	(6,335)	-	(6,335)
Change in guarantee deposits given and received	(2,620)	(38)	(2,658)	(4,363)	(574)	(4,937)
Issues or subscriptions of loans and borrowings	50,802	(26,553)	24,249	117,741	(98,146)	19,595
Repayments of loans and borrowings	(96,403)	36,844	(59,559)	(96,646)	1,820	(94,826)
Net cost of debt: interest paid	(23,873)	4,504	(19,370)	(29,115)	9,052	(20,063)
Other cash flows related to financing activities	1,823	(1,035)	787	2,621	(1,120)	1,502
Cash flow from discontinued activities	-	-	-	-	-	-
Net cash flow from financing transactions	(88,083)	15,038	(73,045)	(30,998)	(80,964)	(111,962)
NET CHANGE IN CASH (I+II+III)	(5,581)	4,150	(1,430)	(1,847)	(3,369)	(5,216)
Cash and cash equivalents at beginning of period	24,492	(4,150)	20,342	26,339	(782)	25,557
Cash and cash equivalents at end of period	18,911	()	18,911	24,492	(4,150)	20,342
NET CHANGE IN CASH	(5,581)	4,150	(1,430)	(1,847)	(3,369)	(5,216)



31 December 2012 Management Report

2nd part: Financial Reports

B. Annual Financial Statements Financial year ended 31 December 2012

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1. Balance sheet assets

	Notes	31/12/2012			31/12/2011
		Gross	Dep., amort. & impairments	Net	Net
(In thousands of euros)					
Subscribed share capital not called up					
CAPITALISED ASSETS					
Intangible assets					
Set-up costs					
Research and development costs					
Concessions, patents, licences, software					
Goodwill		19,711		19,711	23,895
Other intangible assets		21,119	490	20,629	15,009
Intangible assets in progress		377		377	31
Prepayments and interim payments					
Property, plant and equipment					
Land	1	71,907		71,907	55,841
Constructions		312,909	98,679	214,230	176,670
Technical facilities, equipment and industrial tools					
Other property, plant and equipment		787	503	284	335
Property, plant & equipment under construction		2,576		2,576	2,209
Prepayments and interim payments					
Long-term financial assets					
Equity investment securities	2	104,824	28,333	76,491	161,529
Receivables related to investment securities	3	9,066		9,066	164
Capitalised securities for the business					
Other capitalised securities					
Loans	3	149		149	710
Other long-term financial assets		3,676		3,676	4,374
		547,100	128,005	419,095	440,768
CURRENT ASSETS					
Inventories and work-in-progress					
Raw materials and other supplies					
Work-in-progress (goods and services)					
Semi-finished and finished products					
Commodities					
Amounts paid on account					
Receivables					
Trade receivables and other accounts	4	5,598	1,174	4,424	4,833
Other receivables		89,633	10,816	78,818	63,538
Subscribed share capital – called, not paid up					
Investment securities					
Treasury stock		571	-	571	4,164
Other securities		2,984		2,984	
Cash instruments	5				
Cash on hand					
		7,095		7,095	5,701
Prepaid expenses	6	689		689	1,398
		106,570	11,990	94,580	79,635
Expenses deferred over several years	7	3,065		3,065	2,889
Loan redemption premiums					
Translation adjustment assets					
GRAND TOTAL		656,735	139,995	516,740	523,292

2. Balance sheet liabilities

(In thousands of euros)	Notes	31/12/2012	31/12/2011
		Net	Net
EQUITY			
Share capital (including 53,300 paid)		53,300	53,100
Bond, merger and share premiums		41,290	38,489
Revaluation reserves		7,530	9,267
Equity method evaluation difference			
Legal reserve		4,806	4,806
Statutory or contractual reserve			
Regulated reserves			
Other reserves		56,419	65,496
Retained earnings		(15,798)	-
Income or loss for the year		(20,196)	(16,199)
Investment subsidies		-	-
Regulated provisions		5,373	6,340
	8	132,725	161,300
QUASI-EQUITY			
Income from issue of equity securities			
Conditional advances			
Other own equity		95,739	95,960
	8	95,739	95,960
PROVISIONS			
Provisions for risks			
Provisions for charges	8	1,304	1,810
DEBTS			
Convertible bonds			
Other bonds		5,000	
Borrowings and debts from lending institutions		254,745	215,482
Loans and borrowings		13,542	35,906
Amounts received on accounts in progress	9	887	895
Trade payables and related payables		4,927	1,845
Tax and social security debts		2,085	3,004
Fixed asset payables and related payables		56	47
Other debts		4,747	5,912
Cash instruments			
Deferred income	10	984	1,130
		286,972	264,221
Translation adjustment liabilities			
GRAND TOTAL		516,740	523,292

3. Consolidated income

	Notes	31/12/2012			31/12/2011
		France	Export	Total	Total
Operating revenue					
Production sold (services)		58,283		58,283	51,269
Net revenues		58,283		58,283	51,269
Prior period adjustments and transfers of expenditures				7,325	18,807
Other revenues				-	-
	11			65,609	70,076
Operating expenses					
Other purchases and external expenses				(18,529)	(14,756)
Taxes and related expenses				(6,473)	(6,653)
Payroll and wages				(3,296)	(3,314)
Social security charges				(1,498)	(1,559)
Depreciation expense, impairments and provisions					
- For fixed assets: Depreciation expenses				(17,084)	(14,350)
- For fixed assets: depreciation expense				(1,722)	(2,164)
- On current assets: depreciation expense				(420)	(165)
- For risks and expenses provision allowances				(381)	(1,307)
Other expenses				(603)	(990)
	12			(50,006)	(45,258)
NET OPERATING INCOME/LOSS				15,603	24,818
Share in the profit or loss of joint transactions				(1,054)	(7,058)
Profit allocated or loss transferred				932	
Accrued loss or transferred profit	13			(1,986)	(7,058)
Financial income					
Equity investments				5,926	3,027
Other interest and similar income				2,947	2,504
Reversals on impairments, provisions and transfer of charges				850	6,672
Net income from disposals of investment securities				-	174
				9,724	12,378
Financial expenses					
Depreciation expense, impairments and provisions				(12,176)	(18,658)
Interest and similar expenses				(23,828)	(14,878)
Net charges on investment securities sales				(104)	-
				(36,108)	(33,536)
NET FINANCIAL INCOME AND EXPENSES	14			(26,384)	(21,158)
PRE-TAX PROFIT				(11,835)	(3,398)
Exceptional income					
On management transactions				161	216
On capital transactions				127,096	25,492
Reversals on impairments, provisions and transfers of charges				19,162	54
				146,418	25,762
Exceptional expenses					
On management transactions				(468)	(9)
On capital transactions				(153,295)	(37,390)
Depreciation expense, impairments and provisions				(983)	(1,190)
				(154,745)	(38,588)
EXCEPTIONAL INCOME (LOSS)	15			(8,327)	(12,825)
Income tax	16			(34)	24
Total income				222,683	108,217
Total expenses				(242,879)	(124,416)
PROFIT OR LOSS				(20,196)	(16,199)

4. Individual cash flow statements

€ thousands	31/12/2012	31/12/2011
I – TRANSACTIONS RELATED TO OPERATING ACTIVITIES		
Individual net income/loss	(20,196)	(16,199)
Net increase (decrease) in depreciation and provisions	5,892	12,904
Other calculated income and expenses (including discount calculations)	740	(1,121)
Capital gains or losses on sales of assets	26,616	11,599
- <i>net carrying value of fixed assets sold</i>	151,606	36,686
- <i>income from disposals of fixed assets</i>	(124,989)	(25,087)
Dividends and returns from income of non-consolidated companies	(4,872)	4,031
Operating cash flow after net borrowing costs and tax	8,180	11,214
Net cost of debt	19,261	13,751
Income tax burden	34	(24)
Operating cash flow before net cost of debt and tax	27,476	24,941
Income tax paid	(42)	33
Change in trade receivables and other accounts	3,895	1,313
Change in trade accounts payable	(1,325)	1,189
Other changes in working capital requirement related to operating activities	(33,904)	5,490
NET CASH FLOW FROM OPERATING ACTIVITIES	(3,900)	32,965
II – INVESTMENT TRANSACTIONS		
Finance leases	3,900	10,680
- <i>Cash paid for acquisitions</i>		(38)
- <i>Cash received for disposals</i>	3,900	10,718
Investment properties	111,569	(819)
- <i>Cash paid for acquisitions</i>	(5,710)	(12,816)
- <i>Cash received for disposals</i>	117,279	11,997
Cash paid for acquisitions of tangible and intangible fixed assets	(375)	(83)
Cash received for disposals of tangible and intangible fixed assets		
Cash paid for acquisitions of financial assets		
Cash received for disposals of financial assets	24	
Consolidated shares	12,719	1,729
- <i>Cash paid for acquisitions</i>		0
- <i>Cash received for disposals</i>	4,354	1,633
- <i>Impact of changes in consolidation</i>	8,364	97
Dividends received	1,518	1,990
Change in loans and advances outstanding	539	(539)
Other cash flows related to investment activities		
NET CASH FLOWS FROM INVESTING ACTIVITIES	129,894	12,957
III – FINANCING TRANSACTIONS		
Amounts received from shareholders in capital increases		
Purchases and sales of treasury stock	(15)	1,999
Dividends paid during the year:	(10,564)	(10,116)
Change in non-controlling interests without loss of control	(316)	(8,861)
Income/Loss from compound instruments	(4,194)	(5,300)
Change in guarantee deposits given and received	(2,326)	(3,167)
Issues or subscriptions of loans and borrowings	22,569	14,526
Repayments of loans and borrowings	(113,187)	(34,692)
Net cost of debt: interest paid	(18,748)	(8,972)
Other cash flows related to financing activities	3,680	347
NET CASH FLOW FROM FINANCING ACTIVITIES	(123,100)	(54,236)
NET CHANGE IN CASH (I+II+III)	2,893	(8,314)
Impact of foreign currency transactions		
Cash and cash equivalents at the beginning of the period	2,965	11,278
Cash and cash equivalents at end of period	5,858	2,965
NET CHANGE IN CASH	2,893	(8,314)

CASH AND CASH EQUIVALENTS

In thousands of euros	31/12/12	31/12/11
Savings bank, central bank, post office	2	115
Liquid bank assets	6,733	5,121
Liquid bank assets in other assets	361	465
Investment securities	2,984	0
Sub-total (1)	10,079	5,701
Bank overdrafts	(4,221)	(2,736)
Bank overdrafts in other liabilities		
- Credit line (1)		
Sub-total (2)	(4,221)	(2,736)
Total (1) + (2)	5,858	2,965

5. Corporate information

On 26 February 2013, the Board of Directors of Affine RE SA approved the financial statements for the year ended 31 December 2013 and authorised their publication.

Affine adopted the tax status of a French listed real estate investment trust (SIIC for the French acronym) in 2003.

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

6. Notes to the consolidated financial statements

6.1. Accounting principles and policies

Affine RE SA is the parent company of the Affine consolidated group. The financial statements are prepared in compliance with the provisions of French law and in accordance with French generally accepted accounting principles (PCG art. 531-1§ 1).

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

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

and pursuant to the rules governing the preparation and presentation of annual financial statements set out in the law of 30 April 1983 and the implementing decree of 29 November 1983.

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

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

The financial statements are presented in thousands of euros.

6.2. 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.

All the entries regarding the disposal of Concerto shares have been regrouped under extraordinary earnings.

6.3. Measurement policy for major items

6.3.1. Intangible assets

The intangible assets item mostly comprises:

- goodwill,
- the value of leases for which Affine is the lessee,
- and computer software programs.

6.3.1.1. Goodwill

The absorption through the total transfer of assets and liabilities or merger of subsidiaries, who hold a property finance lease agreement, has led to the capitalisation of technical merger losses, representative of the value of the property assets at the acquisition of these companies.

- Allocation of merger losses

As each of the companies hold a building, the merger loss was attached to that building at the time of the total transfer of assets and liabilities or when the merger took place.

- Impairment procedures

The inventory value is appraised according to the earnings outlook and/or returns obtained. As at 31 December 2012, the values of properties had not led to an impairment of values.

- Procedures for removing merger losses

When the buildings are sold to third parties, the merger losses is expensed in the income statement.

6.3.1.2. Description of lessee finance leases

(In thousands of euros)	Land	Buildings	Plants & equipment	Other	Total
Original value		66,444			66,444
Amortization:					
- Prior year aggregates		14,712			14,712
- allowances for the period		4,360			4,360
TOTAL		47,372			47,372
FEES PAID:					
- Prior year aggregates		20,755			20,755
- allowances for the period		5,493			5,493
TOTAL		26,248			26,248
OUTSTANDING FEES PAYABLE:					
- within one year		4,246			4,246
- between one and five years		12,826			12,826
- more than five years		10,185			10,185
TOTAL		27,258			27,258
RESIDUAL VALUE					
- within one year		1,924			1,924
- between one and five years		1,000			1,000
- more than five years		5,605			5,605
TOTAL		8,529			8,529
Amt. Taken into account in the period					
Note: Finance lease fees					5,493

6.3.1.1. Intangible assets in progress

Following the decision to change the information system for fiscal year 2013, the expenses inherent in the new software package were entered as fixed assets in progress for an amount of €377,000 at 31 December 2012 compared to €31,000 at 31 December 2011. They will be recognised as assets on 1 January 2013.

6.3.2. Property, plant and equipment

6.3.2.1. Buildings rented through a finance lease

6.3.2.1.1. Gross value

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

6.3.2.1.2. Depreciation and Amortisation

Finance-leased buildings acquired prior to 1 January 2000 are depreciated on a straight-line basis over a maximum period of 40 years. Acquisition costs are amortised on a straight line over a maximum period of five years, on a prorated basis if necessary.

Finance-leased buildings acquired since 1 January 2000 are depreciated according to the financial method corresponding to the financial amortisation of the finance lease agreement, with the acquisition costs amortised first.

6.3.2.1.3. Article 64 Provision

An Article 64 provision is accrued for finance-leased buildings of the Sicomi segment pre-dating 1 January 1996 provided that the financial amortisation of the lease exceeds the accounting amortisation. This provision amounted to €1,689,000 on 31 December 2012.

6.3.2.1.4. Article 57 Provision (new real estate Finance Lease regime)

Leases signed on or after 1 January 1996, are subject to the new finance lease legislation.

Article 57 provisions are accrued for the buildings in so far as the financial amortisation exceeds the accounting amortisation.

Furthermore, this provision is also accrued for buildings replaced under a finance lease agreement that fall under this regime provided that on the renegotiation date, the net carrying amount of the building exceeds the financial value of the lease.

This provision amounted to €1,159,000 at 31 December 2012.

6.3.2.2. Temporary unleased finance lease buildings

Buildings, whose finance lease agreements have been legally terminated, are transferred into the temporarily unleased buildings (ITNL) category if the finance lessees are billed in the form of occupancy allowances and as investment property for the others.

The Articles 64 or 57 provisions pertaining to these buildings are then reversed, the existing provisions for impairment are transferred and new provisions can be accrued if necessary. A new amortisation plan is calculated by amortising on a straight line over the outstanding period the net carrying amount on the transfer date.

As at 31 December 2012, there was no ITNL in the company.

6.3.2.3. Investment property

6.3.2.3.1. Gross value

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

6.3.2.3.2. Depreciation

Since 1 January 2005, Affine has depreciated buildings on a component basis. The gross value of the properties is broken down into 4 components according to the type of construction, as follows:

	Office		Industrial premises		Other	
	Component-based allocation	Amortisation term	Component-based allocation	Depreciation period	Component-based allocation	Depreciation period
Structural works	50.00%	60 years	60.00%	30 years	40.00%	50 years
Roofing, façades and waterproofing	17.50%	30 years	10.00%	30 years	20.00%	25 years
General technical 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 incorporated into the four components and prorated to reflect their proportion.

The depreciation percentages and periods used are derived from the works of professional representative bodies, whose findings have been adapted to Affine's portfolio.

6.3.2.4. Other property, plant and equipment

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

6.3.3. Long-term financial assets

6.3.3.1. Investment securities

The gross value of securities corresponds to their net carrying amount as at 1 January 2003, which served as the basis for the revaluation that followed the change to the SIIC regime.

The net asset value of investment securities is calculated on the basis of the share in the net position adjusted to reflect unrealised gains on intangible and tangible items., their profitability and future outlook, and for listed companies, the NAV or price on the stock market. In the case of subsidiaries with a low capital services activity, or in the absence of the most recent financial statements, net asset value is measured according to the earnings outlook and/or the returns obtained.

The investment securities category includes securities held for the long term because of their utility to the company's business, specifically because they allow it to exert influence on the company issuing those securities or to keep control.

Pursuant to the Emergency Committee of the CNC [French national accounting committee] no. 2005-J of 6 December 2005, the fees linked to the acquisition of investment securities are incorporated into the cost price of these securities. Acquisition costs include transfer costs, professional fees, commissions and legal fees linked to the acquisition. These costs are amortised over five years from the securities acquisition date.

- ✓ Receivables related to investment securities

The Concerto loan, initially classified as "other receivables" has been reclassified under "receivables related to investment securities".

6.3.3.2. Loans

This includes advances to employees.

6.3.3.3. Other long-term financial assets

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

6.3.4. Trade receivables and other accounts

Receivables are valued at their face value. For both the finance lease business and the investment property business, once a receivable has been overdue for over six months at the end of the financial year, it is transferred to the "doubtful receivables" account. The same applies when a counterparty's situation leads to the conclusion that there is a risk (receivership, major financial difficulties, etc.).

The analysis of outstanding receivables according to these criteria is explained in the details of doubtful receivables in Note 6.3.5.3. No discount effect has an impact on the amount of impairments for finance lease doubtful receivables.

6.3.5. Capitalised assets written down for impairment

6.3.5.1. Impairment of finance-leased buildings

The difference, if lower, between the net carrying amount of a re-leased building and its financial value is written down for asset impairment. There were no impairments as at 31 December 2012.

Buildings for which the finance lessees are facing problems may also be impaired. No such impairment existed on 31 December 2012.

6.3.5.2. Impairment of investment properties

At the end of 2012, 43 of the 48 Investment properties were externally appraised by three appraisal firms:

- BNP Real Estate,
- Crédit Foncier Expertise,
- Cushmann & Wakefield.

Affine compares the fair values to the net carrying amounts and recognises the asset as impaired if the fair value is lower than the net carrying amount.

An impairment of €1,213,000 was recognised for four buildings during the period and €1,349,000 was written back for four other buildings.

Total impairments amounted to €5,940,000 at 31 December 2012 and concerns eight assets.

6.3.5.3. Impairments for doubtful receivables

Impairments of 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 thus written down – which is included under "other trade credit" – is also written down, determined under the same conditions.

Termination charges are booked, in case of a breach of finance lease agreement, under "doubtful receivables on finance lease transactions". Impairment is normally recognised for 100% of their amount excluding taxes subject to the deduction of guarantees received. No amount had been booked as at 31 December 2012.

In thousands of euros	Finance lease	Rental	Total
Impairments as at 31 December 2011	338	624	960
Additions	0	420	420
Reversals	(1)	(440)	(441)
Change in scope of consolidation		234	234
Impairments as at 31 December 2012	337	837	1,174

6.3.5.4. Impairments of other receivables

As the net positions of certain companies held by Affine show losses, Affine recognised its shareholder current account as partially impaired (after fully writing down all the shares it holds).

In thousands of euros	Other receivables
Impairments as at 31 December 2011	5,935
Additions	4,690
Reversals	(0)
Change in scope of consolidation	191
Impairments as at 31 December 2012	10,816

6.3.6. Investment securities

Investment securities include treasury stock and securities that do not represent a corporate equity share held for the purpose of achieving short-term profits.

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.

	31/12/2011	Acquisitions/ Additions	Disposals/ Reversals	Cancellation of shares	31/12/2012
Number of shares	323,194	115,146	111,274	282,659	44,407
Net impairments (in thousands of euros)	788	-	788		-

6.3.7. Equity and quasi-equity

6.3.7.1. Convertible Bonds (ORA)

Affine issued 2,000 convertible bonds with a nominal value of €10,000 on 15 October 2003, for a 20-year period, 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.

The Affine general meeting held on 26 April 2007, decided to divide the number of Affine shares by three by issuing 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 15 November 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%.

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.

6.3.7.2. 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 full (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 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 nominal value after all priority or unsecured creditors have been repaid, but before redeeming the lowest ranking subordinated bonds, equity securities and investment loans granted to Affine.

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 13 July, 13 October, 13 January and 13 April every year and for the first time on 13 October 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 the ordinary general meeting:

- 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.

6.3.8. 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.

6.3.9. Forward financial Instruments

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

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

6.3.9.1. Caps and Tunnels

Premiums paid are recorded in a suspense account when paid and expensed over the life of the forward instrument. The potential interest rate differential to be received is measured each quarter and booked in parallel to the surplus expenses on the hedged item.

As at 31 December 2012, the fair value of caps, collars and tunnels held by the company amounted to (€4,910,000); in 2012, financial instruments represented an expense of €7,409,000.

6.3.9.2. Interest rate swaps

At 31 December 2012, the fair value of swaps held by the company amounted to (€4,051,000). In 2012, they represented a net expense of €3,407,000.

6.3.10. Tax

The company Immobail, which became Affine after merging with Sovabail, had abandoned its Sicomi status on 1 April 1993. Consequently, all contracts entered into by this company since that date have been subject to corporate income tax under the standard tax treatment. This change of status does not affect the preferred tax treatment of the former finance lease agreements of the Sicomi segment of Immobail and Sovabail.

The adoption with effect from 1 January 2003 of the status of a French listed real-estate investment trust (SIIC) makes the benefit of exemption for corporate income tax on SIIC segment revenues subject to compliance with the three distribution conditions below:

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

6.3.11. Employee benefits and compensation

6.3.11.1. Pension commitments

Affine's employees still come under the National Collective Bargaining Agreement governing financial companies dated 22/11/1968, as amended on 1 November 2008. This Agreement does not provide for any retirement allowance other than the one provided by the general system. The pension plan is a defined benefits scheme.

The allowances follow the same tax and social treatment as the redundancy allowance:

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

The applicable base is one twelfth of the gross pay (excluding annual or exceptional bonus or gratuity) over the final twelve months preceding redundancy or, if more beneficial, one third of the final three months.

By precaution, Affine accrues provisions in its financial statements for pension commitments according to an assumed retirement age of 65 years. Retirement provisions amounted to €514,000 on 31 December 2012.

The assumptions used to calculate the provision are as follows:

- Discount rate: 3.15%
- Staff turnover: 10.34% before 50 years and 3% beyond
- Wage raise: 1.78%
- Mortality table INSEE TD-TV 6-08.

Following the withdrawal of the status as a Financial Corporation obtained on 19 December 2011, Affine will switch to the real estate collective bargaining agreement as of 1 January 2013.

6.3.11.2. Individual training rights (DIF)

Employees have accumulated rights to 3,279 training hours.

6.3.11.3. Average weighted workforce during the financial year

The group had an average workforce of 40, broken down by category as follows:

Corporate officers:	2
Managers:	30
Employees:	8

6.3.11.4. Employee profit-sharing scheme

The allocation of bonus shares decided by the Board of Directors on 10 December 2008, as authorised by the combined General Meeting of 9 November 2005, led to a transfer of ownership of 4,575 shares.

No impact was observed in 2012.

6.3.12. Benefits and compensation granted to executives

6.3.12.1. Executives' profit sharing scheme

None

6.3.12.2. Remuneration of management and administration bodies

Gross compensations paid to the company's officers amounted to €510,500.

The other benefits in kind provided to Affine's corporate officers include:

- Guaranteed Social Contributions (unemployment benefits for company heads and directors): €17,000 in 2012;
- Company car: representing a rental expense of €5,000 in 2012;
- Severance pay: this compensation must be contingent on a performance condition linked to Affine's earnings. It represents one year of overall gross compensation if the net earnings in Affine's individual financial statements are at least equal to 3% of its equity; if this condition is not met, performance may be assessed on the basis of the consolidated financial statements.
- Contributions to pension funds paid during the year: €63,000.

The amount of directors' fees paid to directors (including corporate officers) as well as the amount of the fees of the commitment committee and the audit committee totalled €161,000. Commitments made for pension payments for corporate officers amounted to €221,300.

7. Key events of the year

7.1. Key events affecting the portfolio

On 7 December 2012, the merger of AffiParis by Affine was completed on the following terms:

- Evaluation on the basis of the net carrying amounts shown on the balance sheet of AffiParis on 31 December 2011, i.e., €64,366,000 after distribution of the dividend;
- Remuneration of the compensations made under the merger according to a ratio of 0.46 Affine share for one AffiParis share;
- Issue of 314,576 new shares;
- Setting the merger date with retroactive effect from an accounting and tax viewpoint at 1 January 2012;
- Merger premium of €5,953,000;
- Creation of a technical merger loss of €5,646,000.

7.1.1. Finance leases

Final options were exercised on 16 leases.

7.1.2. Investment property

Affine made a single investment in fiscal 2012 regarding the Périnor building, which was sold on its acquisition date.

It also continued its restructuring policy within its real estate portfolio for a total amount of €5,692,000.

The new leases signed in 2012 had an impact of €1,287,000 on rents and leases linked to the merger had an impact of €9,892,000.

Disposals during the 2012 financial year:

Building No.	Date of disposal	NCA	Disposal price	Accounting gains/losses	Fair values
VALBONNE	April-12	667	1,013	346	962
VERT SAINT DENIS	May-12	1,266	2,900	1,634	3,280
SAINT JULIEN LES METZ	June-12	5,011	5,243	232	5,460
SIPEC/GREVIN	July-12	7	30	23	
SIPEC/NATHAN	July-12	110	235	125	
SIPEC/TRODE	Sept.-12	7	16	9	
SIPEC/CHAMARD	Sept.-12	130	270	140	
SIPEC/BLEU AZUR	Oct.-12	545	1,095	550	2,666
SIPEC/ERBEIA	Oct.-12	255	660	405	
SIPEC/RELLIER	Oct.-12	94	180	86	
SIPEC/COVET	Oct.-12	124	156	32	
SIPEC/ZERATH	Nov.-12	95	150	55	
VAL D'YERRES(earn-out)	Nov.-12	-	262	262	
PERINOR LA MADELEINE	Dec.-12	6,564	7,500	936	7,000
SAINT OUEN	Dec.-12	1,756	3,000	1,244	2,930
BAUDRY	Dec.-12	103,509	96,000	(7,509)	103,739
6 buildings and 9 flats/parking spaces	Total	120,139	118,711	(1,429)	126,037

7.1.3. Equity investments and shares in affiliated companies

Acquisition and disposal of securities:

- Through the Affine/AffiParis merger by absorption, Affine acquired the shares of companies formerly held by AffiParis: Holdimmo, SCI Numéro 1, SCI 36, la SCI Cosmo Montpellier and Bercy Parkings.
- Affine sold its equity investments in Concerto to Promaffine on 25 October 2012.
- Total transfer of the assets and liabilities of SIPEC on 1 July 2012.
- Affine disposed of the SOFARIS shares.

Fully-transferred or merged companies:

NAME OF COMPANIES	DATE	Impact on the balance sheet		Income on earnings	
		Technical loss	Gain	Loss	
SIPEC	01/07/2012				1,021
AFFIPARIS	01/01/2012	5,646			
SCI NUMERO 2	29/06/2012				170
TOTAL		5,646	0		1,191

The losses generated by SIPEC and SCI Numéro 2 were directly expensed. The technical loss recognised for AffiParis was booked under assets in the balance sheet and subjected to an impairment test.

No impairment had to be recognised on 31 December 2012.

Recapitalised companies: none

7.2. Key events affecting debts and equity

7.2.1. Financing and refinancing

During the financial year, Affine obtained €17,569,000 of new refinancing and €133,265,000 through the merger with AffiParis and Sipec; matured payments totalled €113,187,000, of which €82,023,000 of

early redemptions. Affine has €19,000,000 of overdrafts; as at 31 December 2012 all the lines were unused.

In November 2012, Affine invested up to €5,000,000 in the mandatory issue subscribed by the Micado 2018 fund.

7.2.2. Equity

- The minutes of the Combined General Meeting (CGM) of 27 April 2012 approved the financial statements for the year ended 31 December 2011. It proposed the change of Affine's name into Affine R.E. while Affine retains the trade mark.
- The dividend paid for the year ended 31 December 2011 was taken from the ordinary reserves for the amount of €10,802,000.
- On 28 September 2012, on the authority of the Board of Directors, the General Management decided to cancel all the 282,659 treasury shares held by Affine and gave it full power to recognise a reduction of €1,667,000 in the share capital. The capital was thus reduced from €53,100,000 to €51,433,000.
- The minutes of the Extraordinary General Meeting (EGM) of 7 December 2012 approved the final completion of the merger by absorption of AffiParis by Affine and the correlative increase of Affine's share capital in consideration for the contributions under the merger. At the end of this transaction, the share capital was set at €53,288,000 divided into 9,033,959 shares.
- The minutes of the Board of Directors of 13 December 2012 decided to raise the capital to €53,300,000, through incorporation of a sum of €12,000 debited from the free reserves.

	At beginning of period	Cancellation of treasury shares	Distribution of dividends as shares	Treasury stock	Capital increase through incorporation of free reserves to round off the total share capital after distributing the dividends as shares	Merger	At end of period
Number of shares	9,002,042			(282,659)		314,576	9,033,959
Capital (€ thousand)	53,100			(1,667)	12	1,856	53,300

7.3. Provisions for risks and charges

Pursuant to regulation 2000-06 of the French accounting regulation committee on liabilities, provisions are defined as liabilities for which the maturity date or amount are not precisely known.

A provision for risk linked to equity investments is accrued to hedge the net position of subsidiaries when that position is negative and in so far as the assets related to said subsidiaries have been impaired.

As at 31 December 2012, this item amounted to €1,304,000 compared to €1,810,000 at 31 December 2011.

7.4. Post reporting period events

None

8. ADDITIONAL INFORMATION

8.1. Segment revenues (€ thousand)

	2012			
	Total	Finance leases	Rental	Subsidiaries/loans
Revenue	58,283	7,428	49,338	1,517

Revenues mainly include income from the activities below:

- Rental proceeds,
- Finance lease proceeds,
- Services.

To better reflect the economic reality, the benefits given to tenants (e.g: rent holidays) are deferred over the fixed term of the lease without taking account of indexation.

8.2. Distribution obligations

8.2.1. Of the Sicomi segment

Profits from transactions that are totally or partially exempted from corporate income tax, in application of the Sicomi preference treatment, must be distributed on the basis of 85% of the tax-tree portion.

Pursuant to Article 36 of the company's bylaws, amended by the Extraordinary General Meeting of 28 July 2000, the distribution of capital gains from early disposal of a Sicomi segment asset can be deferred over three years.

8.2.2. Of the SIIC segment

The distribution conditions described in the "taxes" chapter allow the deferral over two years of distribution from the capital gains on property disposals.

8.3. Consolidating company

The financial statements of the Affine group are fully consolidated by MAB Finances SAS in its financial statements.

9. INFORMATION ON BALANCE SHEET AND INCOME STATEMENT ITEMS

9.1. Notes on the social balance sheet

Note 1 – Intangible assets and property, plant and equipment, depreciations and impairments

In thousands of euros		31/12/2011	Acquisitions, Allocations	Change in scope of consolidation	Sales, transfers, Reversals	31/12/2012
Finance lease	Gross	90,108	-		(22,783)	67,325
	Depreciations and provisions art 64 and 57	(49,768)	(4,332)		19,299	(34,801)
	Impairments	-			-	-
	Net	40,340	(4,332)	-	(3,484)	32,524
Rental Assets	Gross	244,265	12,819	197,792	(134,809)	320,067
	Depreciations	(44,774)	(10,606)	(14,310)	11,752	(57,938)
	Impairments	(5,112)	(1,213)	(965)	1,349	(5,940)
	Net	194,380	1,000	182,517	(121,708)	256 189
Intangible assets	Gross	39,387	388	5,646*	(4,215)	41,207
	Depreciations	(452)	(38)		-	(490)
	Impairments					-
	Net	38,935	350	5,646	(4,215)	40,716
Property, plant and equipment	Gross	769	17	20	(20)	787
	Depreciations	(434)	(69)	(20)	20	(503)
	Impairments					-
	Net	335	(52)	-	-	284
Total	Gross	374,529	13,225	203,458	(161,827)	429,385
	Depreciations	(95,427)	(15,045)	(14,330)	31,071	(93,732)
	Impairments	(5,112)	(1,213)	(965)	1,349	(5,940)
	Depreciations and impairment	(100,539)	(16,258)	(15,295)	32,420	(99,673)
	Net	273,990	(3,033)	188,163	(129,407)	329,713

* from the Affine/AffiParis merger

Note 2 – Long-term financial assets

	%	Net 2012	Net 2011	SIREN No.	Rev. exc. tax 2012	CAPITAL AND RESERVES	2012 NET PROFIT/LOSS
Equity investment securities: Non-affiliated companies		12	20				
Sofaris	NS	-	7	NC	NC	NC	NC
Habitat et Humanisme	NS	12	12	NC	NC	NC	NC

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Equity investment securities: affiliated companies

In thousands of euros	SIREN No.	Capital and reserves	% of holding	Net carrying amount of securities held		Loans & advances	Sureties, endorsements and guarantees	Revenues exc. tax	Net profit/loss	Dividends collected and to be received
				Gross	Net					
Sci Arca ville d'été	492,410,964	201	100.00%	201	201	5,046	6,406	616	(677)	
SC Atit	379,839,277	4	100.00%	4	4	1,275			(188)	
Jardins des Quais	432,710,747	20	50.00%	3,436	3,436	5,254	4,996	4,996	(695)	
Banimmo	RPM Brussels	141,911	49.51%	66,577	66,577		17,630	5,106	2,382	
SCI Bretigny	451,849,021	4	99.90%	1	1	2,391		1,174	211	
SAS Capucine investissements	388,162,117	(2,776)	99.77%	849	-	3,133	1,000	269	(668)	
SA Cardev	RPM Brussels 0887.494.174	(2,899)	98.39%	61	-	3,020	-	-	(115)	
SA Cour des Capucines	429,694,698	600	99.98%	1,190	1,190	894		240	(94)	
SAS Etienne Molina	500,702,055	903	100.00%	2,537	1,175	8,570	14,128	1,425	(2,004)	
Gesfimm	492,580,287	81	100.00%	172	95	927		-	13	
Les 7 collines	518,379,433	(2,106)	95.00%	35	-	12,445	28,423	3,172	(1,272)	
SCI Luce parc leclerc	492,803,572	1	0.10%	0	0	8		-	(25)	
Sci Nevers colbert	492,344,809	102	100.00%	101	101	9,749	2,500	458	(767)	
SAS Promaffine	382,079,317	891	100.00%	5,105	-	7,724	-	223	(1,986)	
SAS Target	410,970,412	(786)	100.00%	10,252	-	5,314			(411)	
SCI PARVIS LILLE	750,601,775	1	99.90%	1	1	3,575	6,562	1,089	129	
SCI CONCERTO FERRIERES-EN-BRIE	539,929,075	1	0.10%	0	0	-	7,500	10,725	1,249	
SCI CONCERTO BUCHERES (1)	752,600,718	1	0.10%	0	0	-	8,160	-	(47)	
SC HOLDIMMO	391,203,189	11	100.00%	9,944	188	(151)		-	591	
SCI NUMERO 1	481,352,417	(690)	100.00%	1,301	505	2,047		418	(67)	
SCI 36	420,434,094	2,504	100.00%	2,733	2,733	(1,237)	3,023	508	95	
SCI BERCY PARKINGS	414,710,129	2	100.00%	310	271	1,157		25	(7)	
TOTAL				104,812	Assets	72,530				
				(0)	Liabilities	(1,388)				
						71,142				

(1) of which €3,446,000 paid out as at 31 December 2012

Note 3 – Loans and other long-term financial assets

In thousands of euros	Balance sheet items	Within one year	Between one and five years
Loans	9,215	9,097	118
Loans	149	30	118
Related receivables	9,066	9,066	-
Other long-term financial assets	3,676	1,674	2,002
Loans	3,676	1,674	2,002
Related receivables			
Total at 31/12/2012	12,891	10,771	2,120

Note 4 – Receivables: statement of maturity dates

FOR CURRENT ASSETS	At 31/12/2012	Within one year	Between one and five years
Finance lease doubtful receivables	401	401	
Investment property doubtful receivables	1,647	1,647	
Finance lease receivable income	13	13	
Investment property receivable income	2,354	2,354	
Other finance lease trade receivables	38	38	
Other investment property trade receivables	1,144	1,144	
Trade receivables and other accounts	5,598	5,598	
Prepayments and interim payments made	324	324	
Employee and related payables	-	-	
Social security and other social agencies	-	-	
State - Income tax	90	90	
State - Value added tax	139	139	
State - Other taxes, duties and related payables	41	41	
Amount receivable on property sales	-	-	
Working capital and paid calls for condominium charges	5,341	5,341	
Group and associated companies	83,528	83,528	
Other payables	171	171	
Other receivables	89,633	89,633	
Prepaid expenses	689	689	
Total	95,920	95,920	

Impairment of current assets

In thousands of euros	Amount at the beginning of period	Increases, allowances	Change in scope of consolidation	Decreases, reversals	Amount at end of period
Impairments on inventories and in progress					
Impairments on finance lease trade receivables	338	0		1	337
Impairments on investment property trade receivables	624	420	234	440	837
Other impairments	5,934	4,690	191	0	10,816
Total impairments	6,896	5,110	425	441	11,990

Revenue accruals

In thousands of euros	At 31/12/2012	At 31/12/2011
Long-term financial assets		
Receivables		
Trade receivables and other accounts	2,367	2,087
Subsidiary earnings	931	
Investment securities		
Cash on hand		
Total	3,298	2,087

Note 5 – Breakdown of investment securities and cash on hand

In thousands of euros	At 31/12/2012	At 31/12/2011
Investment securities		
SICAV	2,984	
Treasury stock	571	4,952
Total	3,555	4,952

Impairments 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	-	788	-

Cash on hand

In thousands of euros	At 31/12/2012	At 31/12/2011
Cash on hand		
Cash	2	2
Banque de France account	-	113
Bank accounts	6,733	5,121
Brokerage accounts	361	465
Total	7,095	5,701

Note 6 – Prepaid expenses

In thousands of euros	At 31/12/2012	At 31/12/2011
Operating expenses	542	1,191
Financial expenses	147	208
Total	689	1,398

Note 7 – Expenses deferred over several financial years

In thousands of euros	Net amount at beginning of period	allowances	Increase in new borrowings	Change in scope of consolidation	Decreases	Amount at end of period
Expenses deferred over several years	2,889	(2,548)	430	2,294	-	3,065

These deferred expenses concern the following borrowing costs:

In thousands of euros	Charges	Initial amortisation period
Crédit Agricole "Les Ulis" (€3,500K)	51	16 years
Crédit Agricole (€10,600K)	143	10 years
Landesbank Saar (€3,650K)	47	10 years
Eurohypo Elancourt (€9,600K)	33	10 years
Landesbank Saar (€3,190K)	42	10 years
Crédit Agricole (€18,000K)	96	10 years
Hsbc (€14,000K)	69	10 years
CFF Bussy lettree (€8,650K)	94	10 years
CFF Facam (€7,000K)	39	10 years
SG Sofréavia (€8,400K)	83	10 years
Natixis Lille Europe (€15,505K)	126	10 years
Saarl B (€7,200K)	6	10 years
CFF Tremblay (€3,500K)	69	8 years
Saarl B Mulhouse (€5,400K)	20	10 years
HSBC Darblay (€13,360K)	155	7 years
SG (€15,400K)	182	7 years
SG le Rhodanien (€5,250K)	74	10 years
BECM (€6,000K)	109	5 years
CIC Lyonnaise de Banque (€7,350K)	60	10 years
Oséo Aulnay (€2,375K)	38	10 years
Oséo Nantes (€4,800K)	79	12 years
Oséo 3 actifs (€8,700K)	131	10 years
Crédit Agricole les Arpajons (€5,369K)	107	12 years
Caisse d'Epargne BFC (€1,750K)	30	12 years
Caisse d'Epargne NFE (€1,750K)	30	12 years

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In thousands of euros	Charges	Initial amortisation period
Crédit Agricole (Sipac) (€10,400K)	16	4 years
Allegemeine (€17,130K)	135	16 years
CFF (€450K)	2	12 years
CFF (€5,400K)	19	12,5 years
CFF Panhard (€10,500K)	34	12 years
CFF Limay (€6,845K)	28	12 years
CFF CBI (€12,000K)	30	5 years
BNP Paribas Fortis (€17,630K)	138	5 years
CBI Gennevilliers Plus (€18,796K)	148	12 years
BNP Réaumur (€6,200K)	69	10 years
Crédit Agricole Auber (€15,206K)	128	12 years
Société Générale Bercy (€33,600K)	196	10 years
Saarl Enghien (€5,300K)	76	10 years
Société Générale Bercy (€2,300K)	16	10 years
Société Générale emprunt obligataire (€5,000K)	118	6 years
Total	3,065	

Note 8 – Equity and quasi-equity

▪ Statement of changes in equity

In thousands of euros	Share capital	Premiums	Regulated provisions	Reserves	Earnings for the period	Revaluation reserves	Total
At 31 December 2011	53,100	38,489	6,340	70,303	(16,199)	9,267	161,300
Net subsidies and excess tax depreciation			(967)				(967)
Free reserves on LS sales				1,737		(1,737)	-
Interim dividend on treasury stock				397			397
Treasury stock	(1,667)	(2,668)					(4,335)
Share capital round up	12			(12)			-
Affiparis merger	1,856	5,468		4			7,328
Appropriation to reserves				(16,199)			(16,199)
Distribution during the 2012 financial year				(10,802)	16,199		5,396
Share in earnings					(20,196)		(20,196)
At 31 December 2012 in euros	53,300	41,290	5,373	45,428	(20,196)	7,530	132,725

Perpetual subordinated loan notes

In thousands of euros	Balance sheet items	from 0 to 3 months	3 months to 1 year	1 year to 5 years	over 5 years
fixed term	-	-	-	-	-
unlimited term	75,508	508	-	-	75,000
Accounts	75,000				75,000
Related debts	508	508			
Total at 31/12/2012	75,508	508	-	-	75,000

▪ **Breakdown of reserves**

In thousands of euros	31/12/2012	31/12/2011
Legal reserve	4,806	4,806
Other reserves	56,419	65,496
Total	61,225	70,303

▪ **Statement of changes in revaluation reserves**

In thousands of euros	Revaluation difference generated on 01/01/2003	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31/12/2012
			On fixed assets sold	On 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 N°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		(338)	(12)	(0)
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)	(1,273)	(75)	0
TRONCHET 2EME	1,356	(47)	(1,295)	(14)	(0)
RUE CASTEJA	1,431	(1,098)	(333)		0

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LE RHODANIEN

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(271)

351

In thousands of euros	Revaluation difference generated on 1/1/2003	Value adjustment	Share transferred to a distributable reserve account		Revaluation reserve as at 31/12/2012
			On fixed assets sold	On amortisation of the revalued share	
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)		0
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)	(37,459)	(590)	7,530

▪ 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		93			21
Provision for subsidiary risk	1,250	-	893			357
Provision for pension costs	445	69				514
Provision for miscellaneous expenses	-	312			100	412
Total at 31/12/2012	1,809	381	986	0	100	1,304

Note 9 – Statements of debt maturity dates

In thousands of euros	At 31/12/2012	Within one year	Between one and five years	Over 5 years
Convertible bonds				
Other bonds	5,000		5,000	
Loans from credit institutions	254,745	25,439	143,889	85,416
Loans and borrowings	12,153	12,153		
Prepayments and interim payments received	887	887		
Trade payables and related payables	4,927	4,927		
Employee and related payables	561	561		
Social security and other agencies	354	354		
Income tax	706	706		
Value added tax	464	464		
Fixed asset payables and related payables	56	56		
Group and associated companies	1,388	1,388		
Other debts	4,747	4,747		
Deferred income	984	984		
Total	286,972	52,667	148,889	85,416

▪ **Expenses payable**

In thousands of euros	At 31/12/2012	At 31/12/2011
Convertible bonds		
Other bonds		
Loans from credit institutions	960	842
Sundry financial borrowings and debts	0	7,023
Trade accounts payable and related accounts	4,730	1,647
Tax and social security debts	1362	1,179
Cash on hand, expenses payable	13	0
Other debts		
Total	7,064	10,692

Note 10 – Deferred income

In thousands of euros	At 31/12/2012	At 31/12/2011
Rents	984	1,130
Total	984	1,130

9.2. Notes to the individual income statement

Note 11 - Operating revenue

Production sold: Revenues

In thousands of euros	At 31/12/2012	At 31/12/2011
Rents	5,944	9,852
Re-billed expenses	1,484	2,531
Finance leases	7,428	12,384
Rents	38,377	27,865
Re-billed expenses	10,757	7,889
Other revenues	203	342
Investment properties⁽¹⁾	49,338	36,096
Revenue from related activities	1,518	2,790
Operating	1,518	2,790
Total	58,283	51,269

(1) Including change in consolidation scope on rents (€9,892,000) and on rebilled expenses (€1,409,000)

Prior period adjustments and transfers of expenditures

In thousands of euros	At 31/12/2012	At 31/12/2011
Reversals of finance lease provisions	4,119	16,654
Reversals of investment property provisions	1,790	1,516
Transfers of expenditures	430	578
Reversals of operating provisions	986	59
Total	7,325	18,807

Including change in consolidation scope of €971,000.

Note 12 – Operating expenses

General operating expenses

In thousands of euros	At 31/12/2012	At 31/12/2011
Other administrative costs	(25,002)	(21,409)
Taxes payable	(6,473)	(6,653)
	Operating	(44)
	Operating lease	(5,368)
	Finance lease	(1,062)
Other purchases and external expenses	(18,529)	(14,756)
	Operating	(9,813)
	Operating lease	(8,294)
	Finance lease	(422)
Personnel costs	(4,794)	(4,873)
Total	(29,796)	(26,282)

Including change in consolidation scope: (€2,241,000)

▪ **Depreciation, amortisation and impairment expense**

In thousands of euros	At 31/12/2012	At 31/12/2011
Depreciation expense on buildings	(17,084)	(14,350)
Amortisation allowance for intangible assets	(38)	(52)
Headquarters depreciation expense	(69)	(67)
Depreciation expense of finance-leased assets	(3,823)	(5,992)
Depreciation expense of investment property assets	(10,606)	(7,403)
Allowance for deferred expenses	(2,548)	(836)
Impairment expense on fixed assets	(1,722)	(2,164)
Impairments of finance leased assets	(509)	(1,278)
Impairments of investment property assets	(1,213)	(885)
Impairment expense on current assets	(420)	(165)
Impairments finance lease doubtful receivables	(0)	(0)
Impairments investment property doubtful receivables	(420)	(165)
Impairments other debtors		
Provisions for risks and charges	(381)	(1,307)
Impairments subsidiaries	-	(1,250)
Impairment pension	(69)	(57)
Impairment of exceptional risks and charge	(312)	-
Total	(19,607)	(17,986)

Including change in scope of consolidation: (5,642 K€)

▪ **Breakdown of depreciations and amortisations for the period**

In thousands of euros	At 31/12/2012	At 31/12/2011
Intangible assets	(38)	(52)
Concessions, software programs	(38)	(52)
Property, plant and equipment	(14,498)	(13,462)
Buildings	(14,429)	(13,395)
Other property, plant and equipment	(69)	(67)
Total	(14,536)	(13,514)

▪ **Other expenses**

In thousands of euros	At 31/12/2012	At 31/12/2011
Unrecoverable investment property receivables	(444)	(833)
Unrecoverable finance lease receivables	-	-
Directors' fees and compensation of the commitment committee	(159)	(122)
Other management expenses	-	(36)
Total	(603)	(990)

Including expenses incurred by the change in consolidation scope: €46,000

Note 13 – Share of earnings from joint transactions

In thousands of euros	At 31/12/2012	At 31/12/2011
Profit allocated or loss transferred	(1,054)	(7,058)
Holdimmo	591	
Brétigny	211	
Parvis Lille	129	
Ferrières	1	
Atit earnings	(188)	(14)
Jardins des Quais earnings	(347)	(679)
Sci Nevers Colbert earnings	(767)	(5,246)
Arca ville d'Eté earnings	(677)	(1,085)
Capucines IV earnings		(11)
Capucines V earnings		(11)
Capucines VI earnings		(11)
Luce parc Leclerc earnings	(0)	-
Bercy Parkings earnings	(7)	
Sci Bucheres earnings	(0)	-

Note 14 – Financial income/expense

In thousands of euros	At 31/12/2012	At 31/12/2011
Interest on current account	1,658	2,258
Dividends	5,926	3,027
Interest income from equity investments	7,585	5,285
Other interest and similar income	1,289	246
Reversals of impairments on securities and current accounts	850	6,672
Net revenue from disposals of investment securities	0	174
Total financial revenue	9,724	12,378
Interest on current account	(181)	(293)
Interest on credit balances	(10)	(1)
Interest on loans	(8,371)	(6,150)
Expenses on caps, swaps and tunnels	(11,024)	(2,796)
Expenses on convertible bonds	(1,498)	(2,151)
Expenses on TSDI	(2,696)	(3,149)
Other	(48)	(338)
Impairment expense on securities and current accounts	(12,176)	(17,870)
Impairment expense on treasury stock	-	(788)
Net charges on sale of investment securities	(104)	-
Total financial charges	(36,108)	(33,536)
Total financial income/loss	(26,384)	(21,158)

Including financial charges incurred by the change in consolidation scope: (€5,818,000)

Note 15 – Extraordinary earnings

In thousands of euros	At 31/12/2012	At 31/12/2011
On management transactions	161	216
Recovery on amortised receivables investment properties	15	-
Recovery on amortised receivables finance lease	-	216
Other Is revenues	11	-
Other exceptional revenues	1	-
Termination charges	133	
On capital transactions	127,096	25,492
Sale price of sold long-term financial assets	4,378	1,633
Sale price of sold finance lease assets	3,866	10,752
Sale price of sold investment property fixed assets	118,711	13,077
Other	141	30
Reversals on impairments, provisions and transfers of charges	19,162	54
Tax allowed excess depreciation	1,950	28
Long-term financial assets	17,178	-
Other	34	26
Total exceptional revenue	146,418	25,762
On management transactions	(468)	(9)
Other exceptional charges	(468)	(9)
On capital transactions	(153,295)	(37,390)
Carrying amounts of sold asset items LT financial assets	(23,734)	(1,254)
Carrying amounts of sold asset items finance lease	(7,602)	(25,706)
Carrying amounts of sold asset items investment property	(120,139)	(9,726)
Sale expenses on investment property	(1,814)	(375)
Other	(5)	(328)
Depreciation expense, impairments and provisions	(983)	(1,190)
Excess tax depreciation	(983)	(1,190)
Total exceptional charges	(154,745)	(38,588)
Total extraordinary earnings	(8,327)	(12,825)

Disposals of finance-leased assets show a net expense of €3,736,000. This amount should be compared to the reversals of Art. 64 and 57 provisions found in current income for €4,118,000.

Including change in consolidation scope: (€7,909,000)

Note 16 – Income tax

In thousands of euros	Profit before tax	Tax	Net profit (loss)
Current income	(11,835)		(11,835)
Extraordinary earnings	(8,327)	34	(8,361)
Exit tax			
Total	(20,162)	34	(20,196)

Note 17 – Items from several balance sheet & income statement items

ITEMS (in gross value)	Amount concerning		
	Related companies	Companies with which Affine has an equity investment connection	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	34,799	70,013	
Receivables related to equity investments	9,066		
Loans	-		
Other investment securities			
Other long-term financial assets			
Amounts paid on account			
Trade receivables and other accounts			
Other receivables	77,477	5,616	
Subscribed share capital called up but not paid up			
Investment securities			
Cash on hand			
Convertible bonds			
Other bonds			
Borrowings and debts from lending institutions			
Sundry financial borrowings and debts	(1,388)		
Amounts received on orders in progress		(707)	
Trade accounts payable and related accounts	(1,985)		
Fixed asset payables and related payables			
Other purchases and external expenses	(360)		
Revenues (Services)	1,011	507	
Interest income from equity investments	4,408	1,518	
Other interest and similar income	1,526	132	
Interest and related expenses	(181)		
Joint property development deals - expenses	(1,639)	(347)	
Joint property development deals - revenue	931	1	

9.3. Notes to the off-balance sheet statement

In € thousands

31/12/2012

31/12/2011

COMMITMENTS GIVEN

FINANCING COMMITMENTS	-	-
Commitments to lending institutions	-	-
Commitments to customers	-	-
GUARANTEE COMMITMENTS	92,850	48,498
Commitments to lending institutions	-	-
Commitments to clients and subsidiaries	92,850	48,498

COMMITMENTS RECEIVED

FINANCING COMMITMENTS	19,000	24,988
Commitments received from lending institutions	19,000	24,988
Commitments received from clients	-	-
GUARANTEE COMMITMENTS	7,911	11,951
Commitments received from lending institutions	1,313	2,556
Commitments received from clients	6,598	9,396

Note 17 – Other commitments not included in the publishable off-balance sheet statement

(In thousands of euros)	Balance sheet items	less than 1 month	from 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	198,351	0			21,869	99,374	77,109
covered by collateral	10,500	0			3,500	7,000	
neither collateral nor guarantees	14,192	0			3,621	6,158	4,412
	223,043	0	0	0	28,990	112,532	81,521
<u>Current debts</u>							
covered by guarantees	20,249	1,861	2,633	9,493	347	2,019	3,895
covered by collateral	3,500			3,500			
neither collateral nor guarantees	2,760	363	340	2,057			
	26,508	2,224	2,972	15,050	347	2,019	3,895

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".

Maturity dates of interest rate instruments

In thousands of euros	Outstanding at 31/12/2012	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 + collars	120,601	1,037	6,972	69,134	43,458
Caps + floors					
Caps + tunnel	114,531	3,632	10,043	93,976	6,879
Total	235,132	4,669	17,015	163,110	50,337

A swap subscribed in 2011 became effective in 2012 for a notional amount of €9,800,000.

Interest rate risks

Affine is exposed to the risk linked to interest rate fluctuations on floating rate debts, which it mostly hedges through market transactions (swaps, caps, collars and tunnels) contracted with leading banking institutions.

At 31 December 2012, the floating rate financial debt amounted to €238,384,000.

Financial covenants

The Group's loans are subject to agreements with certain types of covenants:

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

According to the terms of these credit agreements, failure to comply with these ratios constitutes an event of default calling for partial or accelerated repayment to re-establish the ratio at its contractual level. As at 31 December 2012, 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.

10. STATUTORY AUDITORS' FEES REPORTED IN THE INCOME STATEMENT

In thousands of euros

	Cailliau Dedouit et Associés		KPMG Audit	
	Amount		Amount	
	2012	2011	2012	2011
Statutory auditing, certification, review of financial statements	181	207	181	201
Other tasks services directly linked to the auditing engagement	0		12	0
Other services	0	0	0	0
Total	181	207	193	201