

Press Release: Affine Group reports 2005 Full Year Results

2 March 2006



STRONG DEVELOPMENT OF THE GROUP



Affine

During the year 2005, Affine group achieved a rapidly growing level of investments, strengthened its financial structure, and increased significantly its profit; the financial statements are now construed according to the IFRS standards.

> Investments: + 31,1%

Following the strategy announced, the total amount of buildings acquired by Affine and its subsidiaries reached 101.8 m€ at the end of 2005, compared to 89.3 m€ in 2004. Furthermore, Affine acquired 243,627 shares of Altarea (a real estate company specialised in retail centers) for an amount of 15.4 m€. An active arbitrage policy led to total sales of 69.9 m€ (excluding call options on lease finance contracts), yielding a 9.4 m€ capital gain.

> Rents: + 21.9%

Gross rents coming from rental properties reached 31.6 m€, showing a 21.9% increase compared to last year.

On a comparable basis, increase in gross rents on actual lease contracts at year end is 9.5%, while the balance between new operations and arbitrage led to a net amount of 2.7 m€ of new rents. The occupancy rate of the portfolio improved significantly and reached 95.4% at the end of 2005, compared to 91.1% at the end of 2004.

> Net asset value: + 39%

The rapid growth of the net asset value (from 160.4 m€ at the end of 2004 to 202.3 m€ at the end of 2005) resulted from the increase of the consolidated equity (group share), This is mainly the consequence of the 20 m€ new shares, the 10 m€ June mandatory convertible bonds issue (ORA), and the rise of consolidated net profit. It is also a consequence of the growing value of the assets from 330 m€ at the end of 2004 to 414 m€ at the end of 2005 (+ 25.5% and 12.9% on a comparable basis). Replacement NAV reached 291.2 m€ at the end of 2005 (209.6 m€ at the end of 2004). NAV per share is 108.5€ (calculated on the existing shares at the end of 2005) and 97€ (after neutralisation of the ORAs).

> Gross consolidated profit: + 49.0%

Gross consolidated profit went up from 11.2 m€ last year to 16.7 m€, taking into account specifically the re-evaluation of a residential building located in a subsidiary (+ 4 m€). After cancellation of differed tax provisions related to warehouses now included in the SIIC portfolio, net consolidated profit is growing by 77.3% to 17.2 m€.

The company's gross profit reached 18.1 m€ against 17.4 m€ in 2004 (+4.4%). Due to the exit tax on the warehouses when entering the SIIC portfolio (4.3 m€), and the income tax upon exercising call options (2.6 m€), net profit reached 11.0 m€ against 16.8 m€ last year.

> Share price: + 32.0%

At the end of 2005, the market capitalisation of Affine was 238.5 m€ (46.4% higher than at the end of 2004), a result of the steady rise of share price (88.85€ on December 31, 2005) and of the creation of an important number of new shares: 253,702 in June through issue of new shares and shares for dividend, and 103,258 in November

through allocation of free shares. Free Float now represents 45.9% of the market capitalization and the trading volume has nearly doubled.

> Dividends: + 16.9%

The total amount of dividends proposed to the General Assembly of shareholders on April 21, 2006 is 10.9 m€ (+16,9% compared to 2004) and the proposed dividend per share is 4.10€ against 4.00 € last year. An allocation of one free share for 25 was achieved in November. The share yield is approximately 5.0% calculated on the 2005 average share price.

> Outlook for 2006

The beginning of 2006 was marked in January by the creation of Affine Building Construction and Design (Abcd), dedicated to the construction engineering of commercial buildings, and the acquisition at the end of February of 75% of the Belgian real estate company Banimmo. This represents a new significant step in the growth and diversification of the group in the euro zone. At the same time, Affine continues investing in individual buildings.

The quality of the assets owned by Affine, coupled with the positive contributions expected from its subsidiaries, allow an expected increase in profit.

Million euros	2004*	2005
Consolidated P&L		
Rental properties	20.6	27.9
Lease finance	13.1	11.0
Development operations	4.4	2.5
Financial income and charges	-14.3	-14.3
Operating costs and miscellaneous	-12.6	-10.5
Profit before tax and extraordinary ite	11.2	16.7
Tax and miscellaneous items	-1.5	0.6
Consolidated net profit	9.7	17.2
Of which group share	9.2	16.9

(*) according to IFRS standards

About Affine:

Created in 1990, Affine is one of the leading independent players in the French commercial property sector, operating directly for rental properties, financial leasing, and through its specialized subsidiaries for logistic engineering (Concerto Développement), development (Promaffine), construction engineering (ABCD) and business centers (BFI).

As of December 31st 2005, Affine group owned 309 properties, of which 230 under lease finance contracts and 79 as rental properties (412,000 sqm). Since early 2006, Affine is the main shareholder of the Belgian real estate company Banimmo, which owns 25 buildings for a total of 250,000 m².

Affine is a SIIC (French REIT), listed on the Eurolist of Euronext Paris and its market capitalisation is close to 300 m€. Its consolidated net profit in 2005 was 17.2 m€ (+77.3%).

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