



Earnings continue to rise in 2007



Affine

The Affine group continued to grow in 2007, despite the impact of the financial market crisis during the second half. During the year, the Group:

- took control of Fideimur, subsequently renamed AffiParis, a new REIT (SIIC) specialised in commercial properties in Paris and listed in Compartment C on Euronext Paris;
- strengthened its equity base through new issues by Affine (€75m of subordinated perpetual notes [TSDI] in July), Banimmco (€56.7m in June, when it was listed on Euronext Brussels) and AffiParis (€11.1m in March).

Consolidated net profit: €91.6m (+43.2%)

The strong growth of Affine's consolidated net profit came mainly from its rental property business, of which the operating margin increased by 33.9% to €57.0m. Net gains on disposals generated €27.0m, and the change in the fair value of the assets contributed a profit of €27.8m. In 2007, the Group also benefited from two non-recurring items: a €12.6m dilution profit from the floating of the shares of Banimmco, and an €8.9m net tax credit on AffiParis's adoption of REIT (SIIC) status.

The contributions from the Group's other activities remained unchanged compared with 2006.

Excluding overheads, cash flows provided by operating activities rose by 12.2% to €93.3m, compared with €83.1m in 2006. Including overheads, these same cash flows increased by 4.7% to €65.7m.

Investments: €164.2m

The Group's investments, which were particularly high in 2006 due to the acquisition of the stake in Banimmco, amounted to €164.2m in 2007. The investments were spread between France and Belgium, and included €28.2m for the acquisition of the controlling interest in AffiParis (formerly Fideimur) and €33.2m for the acquisition of Dolce Chantilly shares.

Net asset value: €63.9 per share (+47%)

The market value of the Group's property assets (95% of the value was estimated by independent appraisals) amounted to €996m at 31 December 2007 (including transfer taxes), up from €746m one year prior. The occupation rate totalled 94.5% (94.0% at the end of 2006).

In the light of the strengthening of the Group's equity, its net asset value increased sharply, with a replacement NAV of €518m (+47%), or €63.9 per share, and a liquidation NAV of €469m, or €57.9 per share.

Share price: -17.7%

Like all property stocks, Affine's share price was affected by the market trends that began in the summer of 2007. After rising by 53.8% in 2006, the stock decreased by 17.7% by the end of 2007. With the three-for-one stock split on July 2nd, the closing price amounted to €37.5 on December 31st. Affine shares, as well as other property stocks, further declined since the beginning of 2008 and is currently trading at around €32, approximately 50% below its NAV.

Dividend increase: €1.65 (+10%)

In 2007, the Affine SA parent company generated net profit of €16.8m, an 11.4% increase over 2006. This favourable situation allowed the company to pursue its policy of regularly increasing its dividend. Accordingly, at the Annual General Meeting of 9 April 2007 a request for approval of a €1.65 dividend per share, compared with €1.50 in 2006 (after adjusting for the stock split) will be proposed. At the current Affine share price, this corresponds to a yield of around 5%. The AGM will be asked to approve that the payment of the balance of the dividend could also be received in shares (net of the €0.45 interim dividend already paid).

Outlook

Under prevailing economic conditions, the Affine group will continue to pursue its growth, maintaining caution and selectivity in its investments. If economic and financial conditions permit, the Group should in 2008, generate a net consolidated profit similar to the one reported in 2007 (excluding the impact of non-recurring items).

Consolidated profits (€ millions)

	2006 <i>restated</i>	2007
Investment properties	91.1	111.8
<i>of which variation in assets fair value</i>	36.2	27.8
<i>of which disposal gains</i>	12.3	27.0
Lease finance	10.0	10.2
Development	10.7	10.6
Other activities	3.3	8.7
Other financial income and expense	(21.6)	(29.7)
Operating and other expenses	(24.7)	(24.1)
<i>of which dilution gain</i>	-	12.6
Pre-tax income	68.7	87.5
Income tax and other items	(4.8)	4.1
<i>of which net tax credit</i>	-	8.9
Net consolidated profit	64.0	91.6
<i>of which Group share</i>	59.0	78.2

Euronext Paris

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