



Summary of 2006 Financial Position

KEY FIGURES

CONSOLIDATED FINANCIAL STATEMENTS

(in millions of euros)	2005(1)	2006
Turnover (excluding taxes) (2)	86.3	118.7
New investments	117.1	198.8
- External growth (Banimmo)	-	76.3
- Investment property (3)	95.2	100.9
- Finance leases	6.6 (4)	13.0
- Investment securities (5)	15.4	8.6
Balance sheet		
- Total assets	675.0	1,063.5
- Investment property (6)	400.4	721.5
- Finance leases	138.3	131.8
- Equity investments	26.5	61.5
Equity (before allocations)	264.1	352.7
Solvency ratio	32.2 %	%
Earnings	53.9	62.3
Of which group share	53.5	57.6
Return on equity (7)	20.4 %	17.7 %
Leased property (8)		
- Including fees	414	746
- Excluding fees	395	715
Net asset value (NAV), group share (9)		
- Replacement NAV	291	351
- Liquidation NAV	272	320

(1) restated, (2) including margin on development operations, (3) at historic cost, wholly owned or lease financed, (4) of which EUR 6.0m of commitment given in 2005 and signed in 2006, (5) excluding impact of fair value, (6) including work in progress and related receivables, (7) ROE calculation, (8) in market value terms (9) valuation of future income from finance leases included.

PARENT COMPANY

(in millions of euros)	2005	2006
Number of shares as at December 31	2,684,719	2,699,999
Equity (before allocations) ⁽¹⁰⁾	194.4	200.3
Net earnings	11.0	15.1
Dividend	10.9	12.1
<i>on a per share basis</i>	<i>EUR 4.10</i>	<i>EUR 4.50</i>

⁽¹⁰⁾ including convertible bonds (ORAs)

The Affine group is an independent operator that works mainly in the business property sector. Its positioning combines the diversity of its offering and the complementarity of its activities through its property and leasing businesses, alongside those of its specialised subsidiaries: property repositioning (Banimmo, a Belgian company that joined the group in February 2006), logistics engineering (Concerto Développement), construction engineering (Affine building construction & design (Abcd), created at the beginning of 2006), property development (Promaffine) and business centres (BFI, acquired in 2005). Affine is a listed property company, has been a SIIC since 2003. It is also a credit institution through its lease finance activity.

Key facts in 2006

- record volume of investments in 2006: €198,8 M.
- broadening of the scope of its activities: creation of Affine building construction & design.
- European expansion: acquisition of the Belgian property company Banimmo and development of logistics engineering in Spain.

2006 TRADING

INVESTMENT PROPERTY

Affine made direct investments of EUR 94.4m in 2006 compared with EUR 95.2m in 2005 and EUR 80.5m in 2004.

ACQUISITIONS

Nine new direct investments (excluding Banimmo) were made, either through outright purchase or lease financed. These included offices and warehouses at Tremblay en France (93), offices in Lyons (69), Tour Euralille offices in Lille (59), offices at Trappes (78), warehouse at Gennevilliers (92), a shopping mall at Saint-Etienne (42), shops and offices at the Gamma tower in the 12th arrondissement of Paris, warehouses and offices at Maurepas (78), offices at Nantes (44), and warehouses at Mer (41). Affine also purchased, as investor, a renovated warehouse at Leers (59) from its subsidiary, Concerto Développement.

DISPOSALS

Total disposals in the amount of EUR 23.8m resulted in a consolidated net capital loss of EUR 0.8m (compared with a capital gain of EUR 9.4m in 2005). Based on fair values as at December 31, 2005, these disposals show a capital gain of EUR 299,000.

LEASE MANAGEMENT

Excluding new acquisitions, Affine signed 15 new leases relating to 20,514 sqm and six tenants renewed their leases for a total surface area of 11,311sqm. Rental income, excluding Banimmo, rose 10.7% to EUR 35.0m compared with EUR 31.6m in the previous year. This growth came from both the rise in existing rents and the positive balance of rents of buildings purchased or sold. Accordingly, on a comparable basis, contractual annual rents from leases in force at December 31 increased by 2.5% over the year.

As at December 31, 2006, the financial occupancy rate of the assets (excluding buildings in the process of restructuring) was 94.0% as against 95.4% as at December 31, 2005.

EQUITY INVESTMENTS

The warehouse at Savigny-le-Temple was sold to the French subsidiary of Montea, a Belgian property company that has the status of a Sicafi (Belgian real estate investment trust - REIT) and that has been listed on the stock market on Euronext Brussels and then in Paris. In exchange, Affine subscribed to 10% of the capital of Montea, while Banimmo also bought 15% of it through the contribution of two assets. The opening price was EUR 31.50 and it reached EUR 34.70 on December 31, 2006. Montea must adopt the status of a SIIC (French REIT) in 2007.

The price of the Alterea share, in which Affine purchased 231,000 shares in 2005 at the price of EUR 61.24, was EUR 148.00 on December 31, 2006.

FINANCE LEASES

NEW CONTRACTS

A new contract was signed in the amount of EUR 13m to finance the purchase of a property complex of 30,027 sqm to be used as a factory and workshop located at Marolles-en-Hurepoix (91) occupied by Panhard Général Défense.

In addition, the commitment made in 2005 to SA Mirages in the amount of EUR 6m to finance the headquarters of Jacquet at Saint-Michel-sur-Orge (91) was signed at the beginning of 2006 and the works have been completed.

OPTIONS EXERCISED

During the financial year, 35 lessees exercised their option to buy. The amount of gross commitments relating to these sales was EUR 98.3m and the capital gain realised, net of reversal of provisions and termination charges was EUR 0.6m compared with EUR 3.0m in 2005.

COMMITMENTS

As at financial year-end, the number of assets backed by contracts and supplementary agreements was 196 for an amount of net commitments of EUR 123m as at December 31, 2006, compared with EUR 133m at the close of the previous financial year.

<i>(in millions of euros)</i>	2004	2005	2006
Gross commitments (*)	423	379	298
Net commitments (*)	175	133	123

(*) including off-balance sheet

Total doubtful receivables excluding taxes in the leasing portfolio (excluding termination charges) were EUR 1.8m as at December 31, 2006, as against EUR 2.1m as at December 31, 2005. These debts have been fully provisioned based on the amount excluding tax of the debt minus any guarantees. The amount outstanding from doubtful debtors now only represents 0.1% of the total amount outstanding, after taking guarantees into account.

LEASING INCOME

The amount of leasing income was EUR 31.2m for financial 2006 compared with EUR 36.1m for 2005. This fall was the direct consequence of the reduction in the amounts outstanding.

SUBSIDIARIES

CONCERTO DEVELOPPEMENT

In June Concerto Développement set up a joint venture, Logiffine, with Macquarie Global Property Advisors (MGPA) with the aim of developing a portfolio of about EUR 250m of large-scale logistics parks in France. The joint company thus formed will initially develop warehouse projects of 40,000 sqm at Hem (59) and of 85,000 sqm at Montéluçon (26).

Turnover was EUR 40.4m compared with EUR 13.2m in 2005. Consolidated net profit of the Concerto sub-group was EUR 3.7m as against EUR 0.3m in 2005.

PROMAFFINE

During 2006, Promaffine continued to develop its operations in progress and launched five new projects in Paris and other regions.

Promaffine and its subsidiaries recorded a consolidated net loss of EUR 15,000 in 2006 compared with a profit of EUR 353,000 in 2005.

BUSINESS FACILITY INTERNATIONAL (BFI)

The 2006 result was affected by the costs of launching the new centres and the occupancy rate of La Défense due to the re-siting during the year. BFI now manages 14 centres in Paris and other regions. The BFI sub-group recorded an operating loss of EUR 1.7m. The consolidated net loss was EUR 2.0m.

AFFINE BUILDING CONSTRUCTION AND DESIGN (Abcd)

At the beginning of 2006 Affine set up a new subsidiary, Affine building construction & design (Abcd), focusing on industrial building construction engineering. Affine's stake is 51% alongside the management. At the end of its first financial year, the company had an order book of EUR 96m.

It recorded a small consolidated loss of EUR 0.1m in its first financial year.

BANIMMO REAL ESTATE

Banimmo is a property company specialising in commercial property; specifically its teams have considerable expertise in redeveloping office buildings, shops and conference centres, before selling them on to investors. It has become one of the major players on the Belgian market, and is now also present in Luxembourg and more recently has developed its business in France.

It holds a portfolio of buildings and land in Belgium, Luxembourg and France.

The Banimmo sub-group showed a consolidated net profit in 2006 of EUR 22.3m (compared with EUR 9.8m in 2005). This strong growth in profits came primarily from the gross capital gains on sales (EUR 29m), while the operating result of the portfolio remained at a level close to EUR 15m.

2006 RESULTS

CONSOLIDATED FINANCIAL STATEMENTS

In line with Regulation (EC) No 1606/2002 of July 19, 2002, the group financial statements were drawn up in accordance with the IFRS (International Financial Reporting Standards).

The very sharp growth in consolidated earnings (261%) is partly due to the fact that since January 1, 2006 the investment properties are stated at their “fair value” within the meaning of the IFRS.

In comparison with financial 2005 restated at fair value, the operating margin of the investment property was EUR 91m compared with EUR 63.6m in 2005 (+43%). This growth was due in the main to the purchase of Banimmco. The increase in the margin on property operations (EUR 10.7m in 2006 as against EUR 2.5m in the previous year) reflects the strong performance of the development subsidiaries.

Taking into account a tax charge EUR 5.4m higher than in 2005, net earnings were EUR 62.3m compared with EUR 53.9m in 2005 on a restated basis.

PARENT COMPANY FINANCIAL STATEMENTS

The parent company financial statements were drawn up in accordance with the regulations of the Banking and Financial Regulations Committee (CRBF). Affine has used the components-based approach since January 1, 2005 in accordance with Regulation 2002-10 of the French Accounting Regulatory Committee on amortisation and depreciation of assets.

Lease payments increased considerably to EUR 29.0m compared with EUR 25.9m in 2005 (+12%). Disposals were a smaller amount than in the previous year and provided net capital gains of EUR 5.3m as against EUR 9.0m in 2005. Dividends paid by the subsidiaries contributed to net interest income reaching EUR 29.5m compared with EUR 28.0m in 2005. After a fall in the tax charge of EUR 7.1m to EUR 2.1m, parent company net profit was EUR 15.1m compared with EUR 11.0m for the previous financial year, an increase of over 37%.

DISTRIBUTION POLICY

The board proposes a dividend of EUR 4.50 with the option to receive cash or scrip, after deduction of the interim dividend of EUR 1.20 paid out in November 2006. The total amount of dividends paid in respect of 2006 is thus EUR 12.15m, a rise of 11.6% over the dividends paid in respect of 2005.

The dividends per share distributed for the previous three years were EUR 4.10 for 2005, EUR 4.00 for 2004 and EUR 3.66 for 2003.

2007 OUTLOOK

The group will continue to grow in 2007, both through a high level of direct investments and through potential external growth operations in France or in Europe. The particularly high profit achieved in 2006 came in part from the consequences of the transition to “fair value” in the accounting for the investment property. 2007 is expected to see a profit more in line with traditional levels while it should also benefit from an increase in the contribution from subsidiaries.

AFFINE ON THE STOCK MARKET

STOCK MARKET ACTIVITY

The company is listed on the Eurolist of Euronext, and is part of the SBF 250 (CAC Small90) and European Public Real Estate Association (EPRA) indices. It is listed in the Prime segment. It adopted the status of SIIC (French REIT) in 2003. The average number of transactions per day was 2,059 shares in 2006 compared with 1,469 in 2005 (+40%).

AFFINE SHARE PRICE DEVELOPMENT

During financial 2006 the share rose by 54%, closing at EUR 136.70. The low was EUR 86.00 and the high was EUR 144.50.

NET ASSET VALUE

Based on consolidated equity, group share before distribution of dividends, including the convertible bonds (ORAs) of EUR 31m and the unrealised capital gains on investment property of EUR 78m, the replacement net asset value (NAV) was EUR 351m compared with EUR 291m at end-2005 (+21%). The liquidation NAV was EUR 320m compared with EUR 272m at end-2005. These amounts include the valuation of the lease flows discounted at 5%, estimated at EUR 3m.

KEY PER SHARE FIGURES in euros

	2005 restated	2006
Replacement net asset value ⁽¹⁾	108.3	130.0
Liquidation net asset value ⁽²⁾	101.2	118.5
Net consolidated earnings	20.1	23.1
Dividend	4.1	4.5
Closing price	88.85	136.70
Average price for financial year	81.89 ^(*)	109.70
Yield on average price	5.0 %	4.1 %

⁽¹⁾ after neutralisation of the convertible bonds (ORAs) 96.8 118.5

⁽²⁾ after neutralisation of the convertible bonds (ORAs) 89.7 107.0

^(*) restated following the 4% allocation of bonus shares