



SPECIAL REPORT ON COMPANY SHARE PURCHASE OPERATIONS
(Article L 225-209 paragraph 2 of the Commercial Code)

At the date of the present report, the share capital consisted of 2,699,999 shares.

The General Assembly of Shareholders on April 21, 2006 authorised the purchase by the Company of its own shares with the following objectives:

- market-making, as part of a liquidity management contract and in accordance with a Code of Conduct recognised by the French Financial Market Authority (Autorité des Marchés Financiers);
- to allocate the shares to employees under legally established arrangements;
- to buy the shares with a view to their transfer as payment or in exchange as part of possible external growth operations; or
- to cancel them.

The share purchases by the Company as part of these authorisations were performed:

1. between October 26 and November 29, 2006, directly by the Company in the aim of allocating the shares to employees under legally established arrangements:

	Number of shares	Average weighted price	Amount
Purchases	1,717	€119.40	€205,013.44

On December 31, 2006 a total of 1,717 treasury shares were held, excluding those under the liquidity contract.

2. as part of market-making under the liquidity contract concluded with Fortis Bank.

➤ January 1 to December 31, 2006

	Number of shares	Average weighted price	Amount
Purchases	24,656	€112.00	€2,761,553.39
Sales	27,295	€112.49	€3,070,465.09

On December 31, 2006, a total of 1,709 securities were held under the liquidity contract.

➤ April 24, 2006 to February 9, 2007

	Number of shares	Average weighted price	Amount
Purchases	25,710	117.48	€3,020,453.77
Sales	24,963	117.55	€2,934,429.95

On February 9, 2007, 3,153 securities were held under the liquidity contract.

Report on free share grants

**REPORT OF BOARD OF DIRECTORS ON FREE SHARE GRANTS TO EMPLOYEES
AND SENIOR OFFICERS
(Article L 225-197- 4 of the Commercial Code)**

The General Assembly of November 9, 2005 authorised the Board of Directors to grant free shares in the Company that exist or are to be issued, up to the amount of 1% of the number of shares on the date of the General Assembly. This is on one or more occasions and in favour of salaried employees or certain categories of these, or senior officers as envisaged in Article L 225-197-1 II of the Commercial Code, as well as salaried employees and senior officers of companies or economic interest groupings related to the Company in the conditions established in Article L 225-197-2 of the Commercial Code.

The General Assembly set the minimum vesting period as three years from the date the grant rights are awarded by the Board of Directors, after which the rights would be definitively vested for their beneficiaries. It also set the minimum lock-in period of the shares for their beneficiaries as two years as from definitive award.

The General Assembly granted full authority to the Board of Directors to decide the identity of the beneficiaries and the category or categories of the share grant beneficiaries, based on a proposal from general management and approved by the Remuneration Committee. It is also authorised to distribute the share grant rights on one or more occasions at the times it deems appropriate and to determine, if applicable, the share grant criteria and conditions such as — without limitation — seniority and the continuation of the employment contract or the senior company post during the vesting period.

On December 19, 2005, on a recommendation from the Remuneration Committee, the Board of Directors granted 8,400 free shares of which 5,300 were for the senior company officers.

On December 18, 2006, on a recommendation from the Remuneration Committee, the Board of Directors granted 8,700 free shares of which 5,300 were for the senior company officers.

Senior company officers	Number and value of shares granted free by the Company and related enterprises	Number and value of shares granted free by companies controlled, under Article L 233-16
Alain Chaussard	- 3,300 shares granted by the Board on December 19, 2005 - 3,300 shares granted by the Board on December 18, 2006	Not applicable
Ariel Lahmi	- 2,000 shares granted by the Board on December 19, 2005 - 2,000 shares granted by the Board on December 18, 2006	Not applicable

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REPORT OF BOARD OF DIRECTORS ON PROPOSALS OF AN EXTRAORDINARY NATURE SUBMITTED TO THE GENERAL ASSEMBLY OF APRIL 26, 2007

1 - Authorisation to cancel shares acquired as part of the purchase by the Company of own shares (tenth resolution):

As part of the authorisation granted by the General Assembly in its sixth resolution regarding the purchase by the Company of its own shares, it is requested that the Board be authorised to cancel the shares purchased in this respect and reduce the share capital accordingly for a 24-month period.

2 – Three-for-one share split (eleventh resolution):

To respond to the requests of shareholders, and after consulting with analysts, it is proposed that the shares be divided by three to facilitate their acquisition and provide greater liquidity for the security.

3 – Renewal of delegations of authority for capital increases (twelfth and thirteenth resolutions):

The General Assembly of April 28, 2005 delegated the Board of Directors the authority to increase capital, with pre-emptive rights maintained or waived, up to the amount of €50,000,000, for a 26-month period ending on June 27, 2007. It is proposed that these delegations of authority be renewed.

These delegations of authority are part of a general delegation of authority under Article L 225-129-2 of the Commercial Code that envisages granting the Board of Directors the broadest flexibility in acting in the interests of the Company. They should enable business development to be supported by the raising of capital on financial markets.

These delegations of authority shall allow the Board of Directors to select the most favourable issuance types and methods, taking into account the considerable diversity of transferable securities and constant developments in financial markets.

The Board could thus issue ordinary shares in the Company or any transferable securities immediately or over time giving access by any means to ordinary shares in the Company or a company in which it directly or indirectly owns more than half the capital.

The issue of these securities may not have the effect of increasing the share capital of the company by a total nominal amount of more than €50,000,000, not taking into account adjustments that may be made to this in accordance with the law.

These issues could be conducted with the pre-emptive rights waived or maintained. The Board would also have the authority to decide on an increase through the inclusion in capital of premiums, reserves, profits or other items of which the capitalisation is permitted by law and the Articles of Association, in the form of free share issues or an increase in the face value of the existing shares.

These delegations of authority would be granted for a 26-month period as from the Meeting.

It is specified that the delegation of authority granted to the Board by the General Assembly of June 13 (delegation of authority with waiver of pre-emptive rights in favour of French or foreign property industry investors among investment funds and OEICs) ended on December 2, 2006. The General Assembly shall not be requested to renew this delegation.

4 – Capital increase reserved for employees (fourteenth resolution)

Under the provisions of Articles L 225-129-6 and L 225-138-1 of the Commercial Code, the Board of Directors is required to submit a proposal to the General Assembly for conducting a capital increase reserved for employees.

Upon any decision for a capital increase, even if deferred, the General Assembly must resolve on such a proposal. This obligation applies to all joint-stock companies whether they have an employee savings plan or not.

We draw your attention to the fact that the Board of Directors of the Company has issued an unfavourable opinion on this proposal.

5 – Harmonisation of Article 25 of the Company Articles of Association with the provisions of Decree N° 2006-1566 of December 11, 2006 (fifteenth resolution)

It is proposed that Article 25 of the Articles of Association be amended to harmonise it with the provisions of France's Decree N° 2006-1566 of December 11, 2006, relating to the rights to access General Assemblies.

**SUMMARY OF DELEGATIONS OF AUTHORITY FOR CAPITAL INCREASES
(Article L 225-100 paragraph 7 of the Commercial Code)**

I - Delegation of authority granted to the Board of Directors by the General Assembly of April 28, 2005:

	Amount authorised	Term	Use
Delegation of authority with pre-emptive rights maintained	€50,000,000	26 months, until June 27, 2007	Board of Directors' meeting of September 26, 2005, capital increase through capitalisation of €2,365.91 from reserves, in order to round the share capital. Board of Directors' meeting of December 19, 2005, capital increase through capitalisation of €607.75 from reserves, in order to round the share capital. Board of Directors' meeting of June 19, 2005, capital increase through capitalisation of €25,764.97 from reserves, in order to round the share capital.
Delegation of authority with pre-emptive rights waived	€50,000,000 (deducted from above limit)	26 months, until June 27, 2007	Not applicable

II - Delegation of authority granted to the Board of Directors by the General Assembly of June 13, 2005:

	Amount authorised	Term	Use
Delegation of authority with pre-emptive rights waived in favour of French or foreign property industry investors (investment funds and OEICs)	€50,000,000 (deducted from limit set by Meeting of April 28, 2007)	18 months, up to December 12, 2007	Board of Directors' meeting of June 13, 2005: a) Issue of 600 convertible bonds for a gross amount of €10,009,020. The Board designated Forum European Realty Income LP, 22 Grenville Street - St Helier - Jersey JE4 8 PX - Channel Islands, as beneficiary of the convertible bonds b) Issue of 234,000 ordinary shares issued at a unit price of €82.50, or a capital increase of €4,122,834.46 and a total share premium of €15,182,165.54.