



HALF-YEAR RESULTS 2013



Presentation of 31 July 2013



AFFINE

AFFINE KEY TAKEAWAYS



EPRA Earnings down due to disposals

- (-) Rental income down as a consequence of 2012 disposals
- (-) Negative global result from associates
- (+) Financing expenses down sharply (-37%)
- (+) Personnel expense down (-9%)

Consolidation of assets

- €4.6m improvement work and €3.8m disposals
- Average lease term lengthened from 5.1 to 5.5 years
- Rents stable on a like-for-like basis
- Occupancy rate unchanged (87.7%)

LTV ratio stable at 45.7% and financing cost reduced to 3.3%

EPRA NAV per share of €26.4

- Fair value on a like-for-like basis down slightly (-1.8%)
- Dividend distribution in May (€1.2 per share, representing €10.8m)





INVESTMENTS AND DISPOSALS

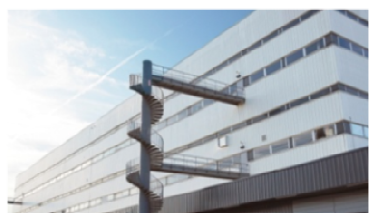


INVESTMENTS AND DISPOSALS

€5M OF INVESTMENTS AND €4M OF DISPOSALS



Investment: Development & Enhancement



Molina



Paris - Auber



Villeneuve d'Ascq



Paris - Réaumur

Disposal: Further streamlining of the portfolio



Plaisir



Noisy-le-Grand



Croissy-Beaubourg

INVESTMENTS AND DISPOSALS

RÉAUMUR, A PARTIAL RECONVERSION



1,656 sqm refurbished

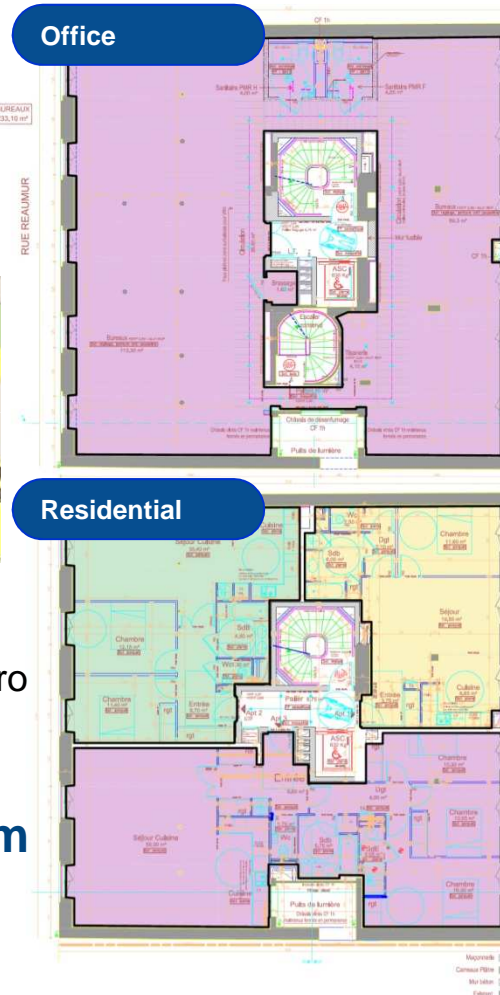
- 741 sqm of offices
- 606 sqm turned into residential
- 309 sqm of retails



Nearby the Marais district

- Located at 100 m of the Arts et Métiers metro station

Works budget estimated at €3-4m

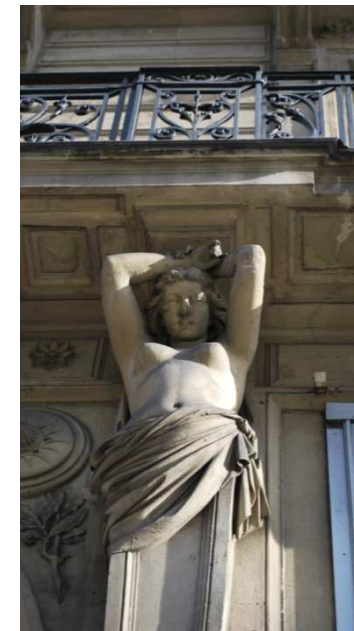


INVESTMENTS AND DISPOSALS

AUBER



- **A 2,300 sqm building**
 - 1,600 sqm of offices
 - 700 sqm of retail premises
- **Located in the heart of Opéra district**
- **€500,000 of renovation**
 - Facades on the street and on the courtyard
 - Windows
 - Part of the 4th floor
- **Renovation to come**
 - Entry hall by 2014



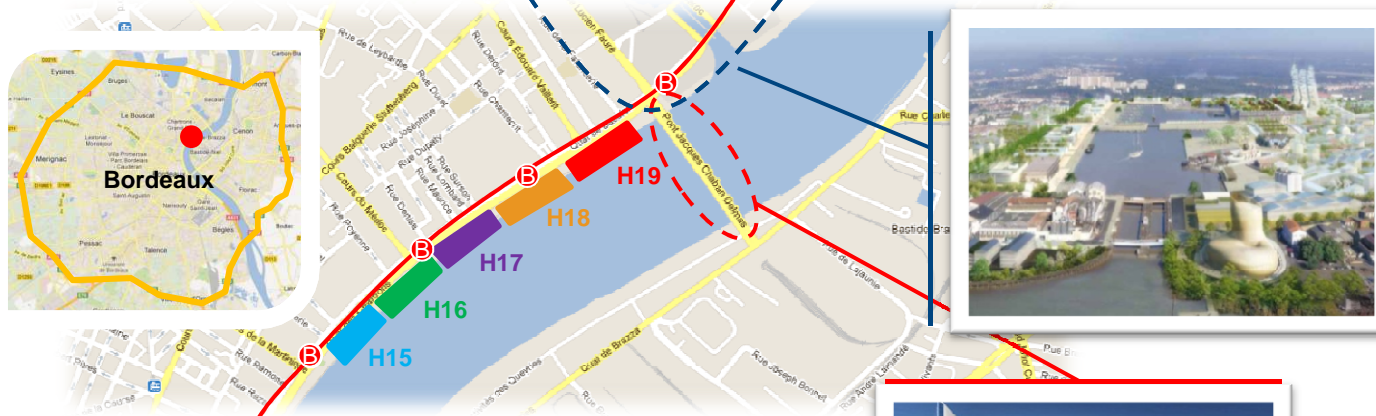
INVESTMENTS AND DISPOSALS

BORDEAUX



Jardins des Quais after the opening of the bridge

- Advantage: outlets located in the heart of town
- Easy and improved service and enhanced attractiveness
 - tram line B
 - commissioning of the bridge Chaban-Delmas (March 2013)
 - development of the "Bassins à Flot" urban development zone



- 24,900 sqm spread over 5 buildings:
 - 8,200 sqm of retail space
 - 4,200 sqm of bars and restaurants
 - 12,500 sqm of office space
 - 632 parking lots
- Marketing finalised: OR 97%



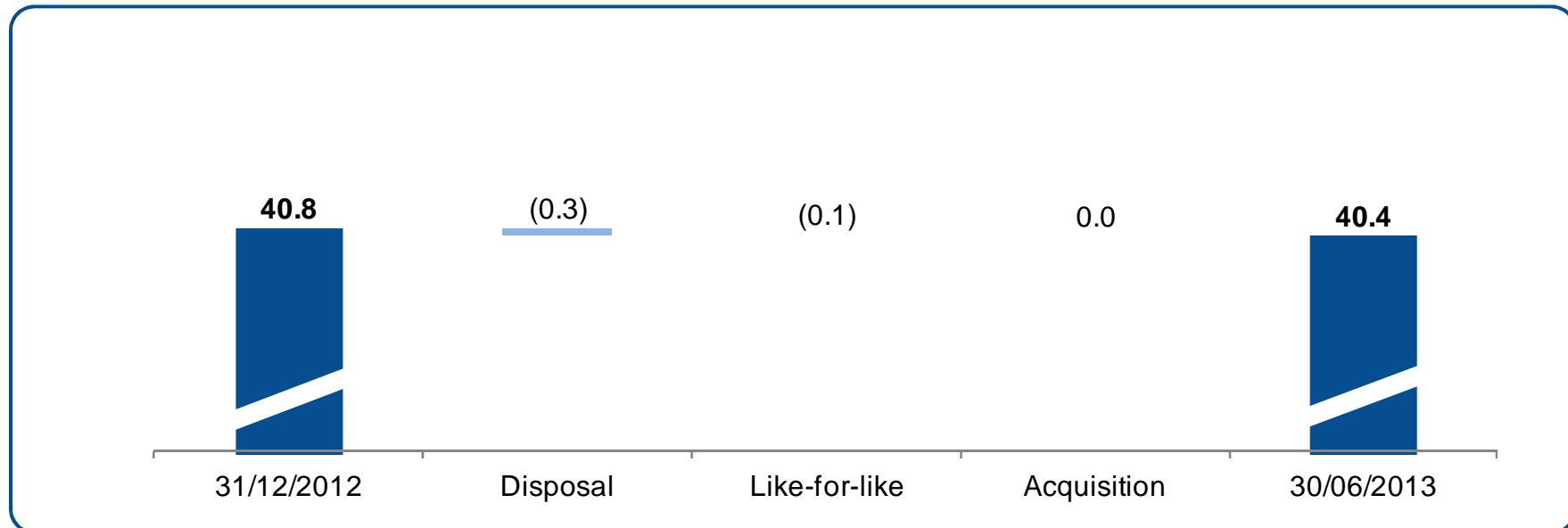


PERFORMANCE OF THE PORTFOLIO





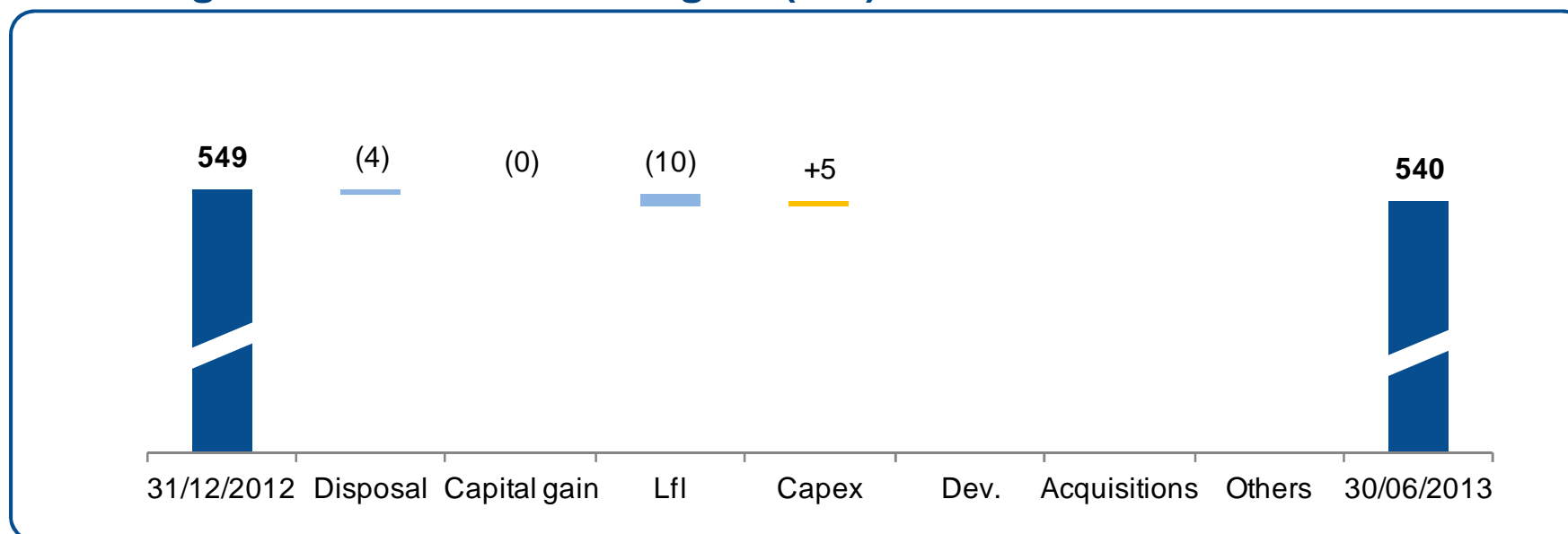
- Change in headline rents annualized (€m)



- Headline rents change: -0.9%



- Change in fair value excluding TT (€m)



- Breakdown of the 1.8% decrease in fair value on a like-for-like basis**

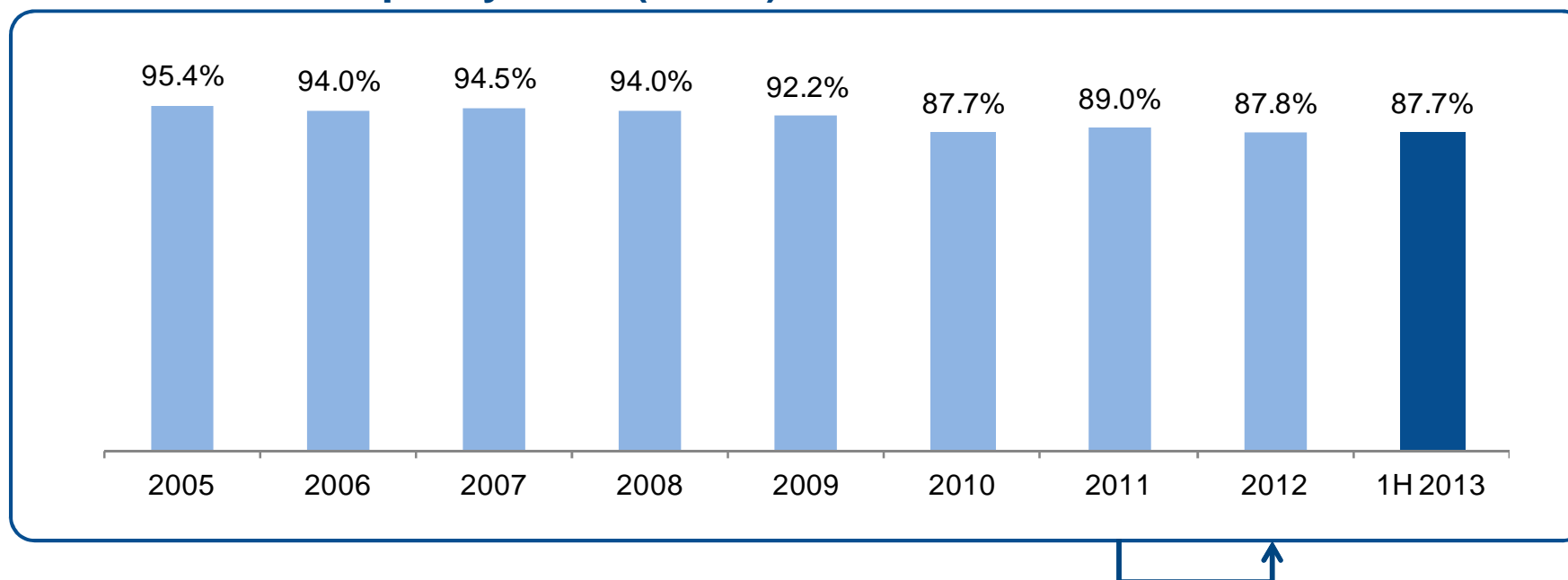
- Market rent effect (ERV): -0.5%
- Cap rate effect: -0.1%
- Miscellaneous: -1.2% (works, reversion, ...)

PERFORMANCE OF THE PORTFOLIO

STABLE OCCUPANCY RATE



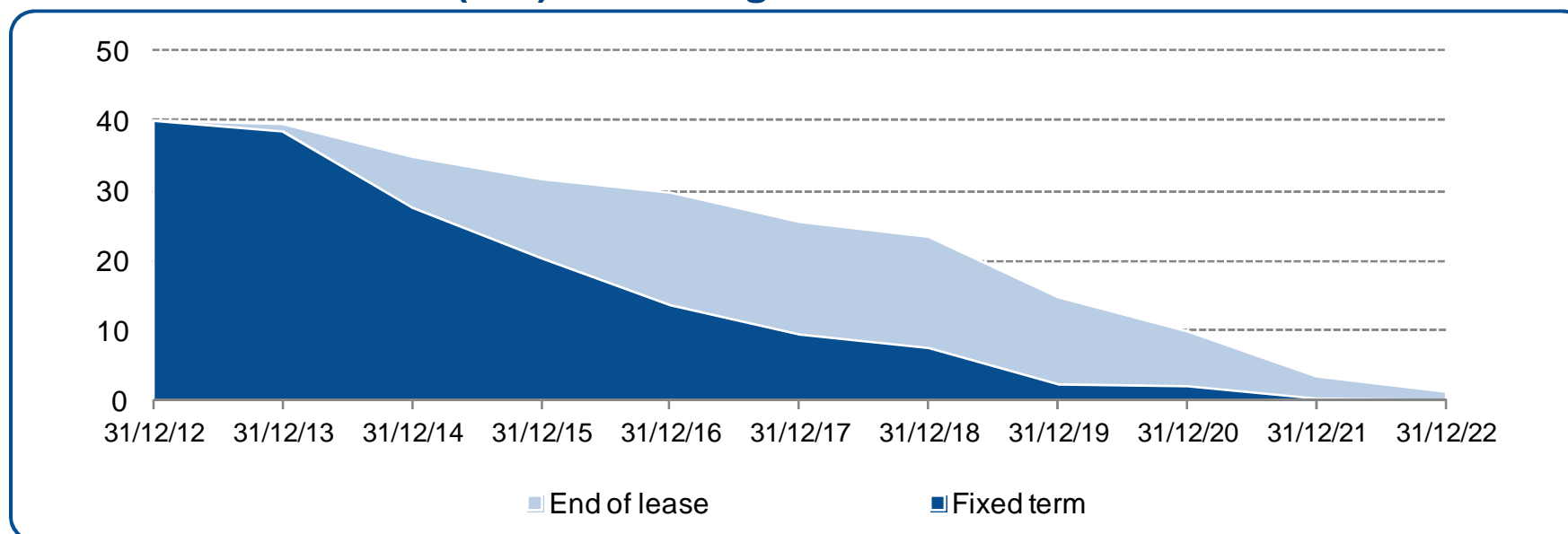
- Financial occupancy rates (EPRA)



Impact Baudry :
-1.2 pt



● **Schedule in rents (€m) according to lease duration**



- Average time up to next break option: 3.1 years (vs 2.8 years)
- Average time up to lease expiry: 5.5 years (vs 5.1 years)
- 15 new leases (7,400 sqm ; €0.5m)
- 18 renegotiated leases (9,800 sqm ; €1.9m)
- 11 terminated leases (5,400 sqm ; €0.3m)

PERFORMANCE OF THE PORTFOLIO

PORTFOLIO YIELD



- Return by asset type

	Portfolio Split in value	Headline yield	Potential yield
Paris (Offices)	17.2%	5.3%	5.3%
Offices (other regions)	42.6%	7.5%	8.4%
Retail	13.8%	5.9%	8.0%
Warehouses & Industrials	26.0%	8.0%	9.1%
Others	0.4%	NS	NS
Total	100.0%	7.1%	8.0%

PERFORMANCE OF THE PORTFOLIO

BANIMMO

More details on
www.banimmo.be

- **Repositioning property company**
 - Portfolio: 21 buildings; Gross rental income: €5.6m; value: €396m.
- **Key events**
 - Sale of 12,000 sqm of retails in Eragny in the Paris Region (€18.7m)
 - Development by Banimmo of 6,500 sqm of offices in Brussels to Marsh & Mc Lennan
 - Sale by Banimmo of 6,800 sqm of offices next to Anvers (Belgium)
 - Renewal of €34m of the existing bond from 2015 to 2018
 - Exit of Montéa from the consolidation perimeter
- **Results**
 - Operational result: €2.9m
 - Net result: -€2.1m



PERFORMANCE OF THE PORTFOLIO DEVELOPMENT



- **Concerto European Developer**
 - Delivery of 2 logistics platforms
 - Sunclear (21,000 sqm)
 - Eurodif (25,000 sqm)
 - Signature with the Devanlay group for the development of a 19,000 sqm logistics platform
 - Filing of building permits for the areas of Cambrai and Honfleur
 - Project under construction (10,700 sqm) for delivery in Sant Feliu
- **Promaffine**
 - Completion of 2 residential joint development in Nanterre and Marseilles





CONSOLIDATED ACCOUNTS



CONSOLIDATED ACCOUNTS

CONSOLIDATED EARNINGS



(€m)	30/06/12	31/12/12	30/06/13
Gross rental income	23.1	46.4	19.5
Net rental income	20.3	41.3	17.1
Other income	2.4	4.3	1.5
Corporate expenses	(5.3)	(10.9)	(5.2)
Current EBITDA⁽¹⁾	17.4	34.6	13.4
Current operating profit	17.4	34.5	13.3
Other incomes and expenses	(2.2)	(1.6)	(0.9)
Net profit or loss on disposal	(0.7)	(8.5)	(0.2)
Operating profit (before value adj.)	14.5	24.5	12.2
Net balance of value adjustments	(4.8)	(5.2)	(9.8)
Net operating profit⁽²⁾	9.7	19.2	2.4
Net financial cost	(8.9)	(16.9)	(5.6)
Fair value adjustments of hedging instr.	(1.3)	(1.5)	3.7
Taxes	0.2	0.1	(0.8)
Associates	1.1	3.4	(0.1)
Miscellaneous	0.8	0.3	0.1
Net profit	1.6	4.6	(0.2)
Net profit – group share	2.4	4.7	(0.2)
EPRA earnings – Net recurring profit	9.4	19.9	7.1

(1) Current EBITDA represents the current operating profit excluding current depreciation and amortisation costs. This amount excludes the depreciation on Sant Feliu and appears under the other incomes and expenses. (2) Operating profit after value adjustments.

CONSOLIDATED ACCOUNTS

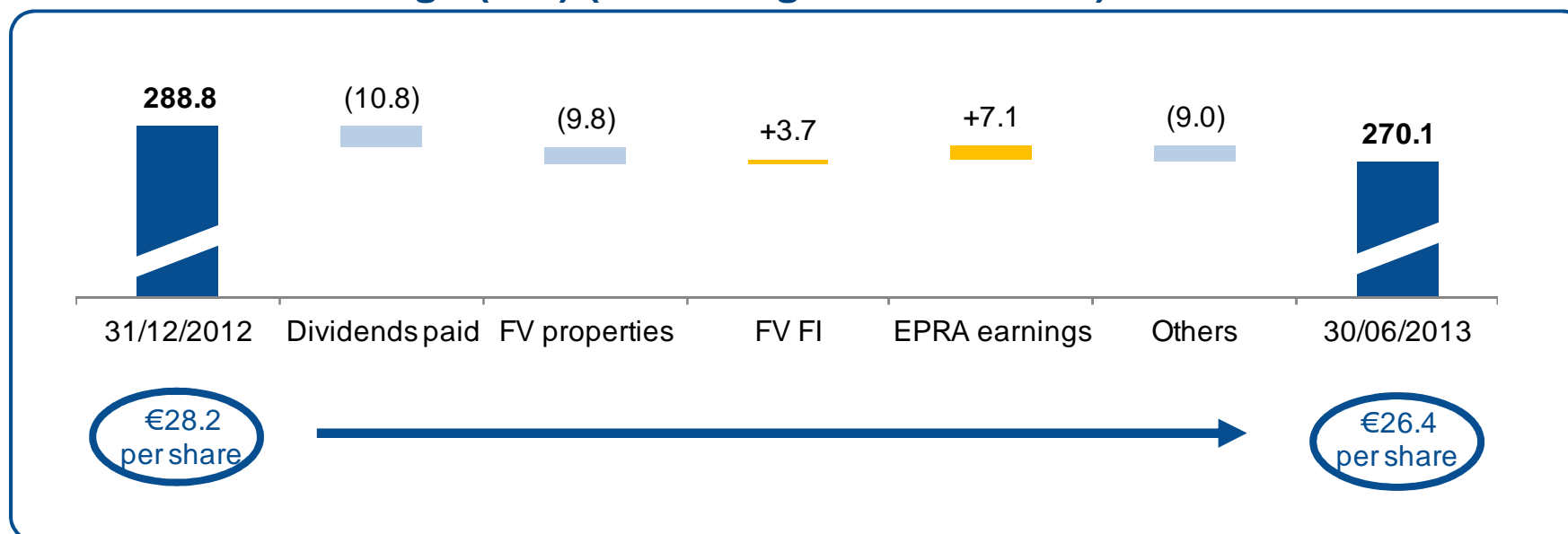
CONSOLIDATED CASH FLOW



(€m)	30/06/12	31/12/12	30/06/13
Funds from operation	10.8	17.9	8.0
Funds from operation (excluding cost of debt and tax)	18.5	33.3	14.0
Change in WCR	(8.9)	(16.4)	2.2
Taxes paid	(0.0)	(0.0)	0.0
Operating cash flow	9.6	16.8	16.2
Acquisitions & Investments	(13.2)	(20.5)	(3.5)
Disposals	16.6	131.2	3.8
Others	0.8	0.8	1.3
Investment cash flow	4.3	111.5	1.7
New loans	24.0	35.9	15.2
Loan repayments	(33.2)	(123.8)	(25.7)
Interest	(9.0)	(16.5)	(5.6)
Others (of which dividends)	(10.9)	(15.7)	(8.4)
Financing cash flow	(29.2)	(120.2)	(24.6)
Change in cash position	(15.3)	8.2	(6.8)



• **EPRA NAV change (€m) (excluding transfer taxes)**



- Based on the Net Asset Value of Banimmco
- Excluding PSL (TSDI)
- Others: Convertibles dividend, interest on PSL, FV FI adjusted...
- NAV per share after convertibles exercised



FINANCING

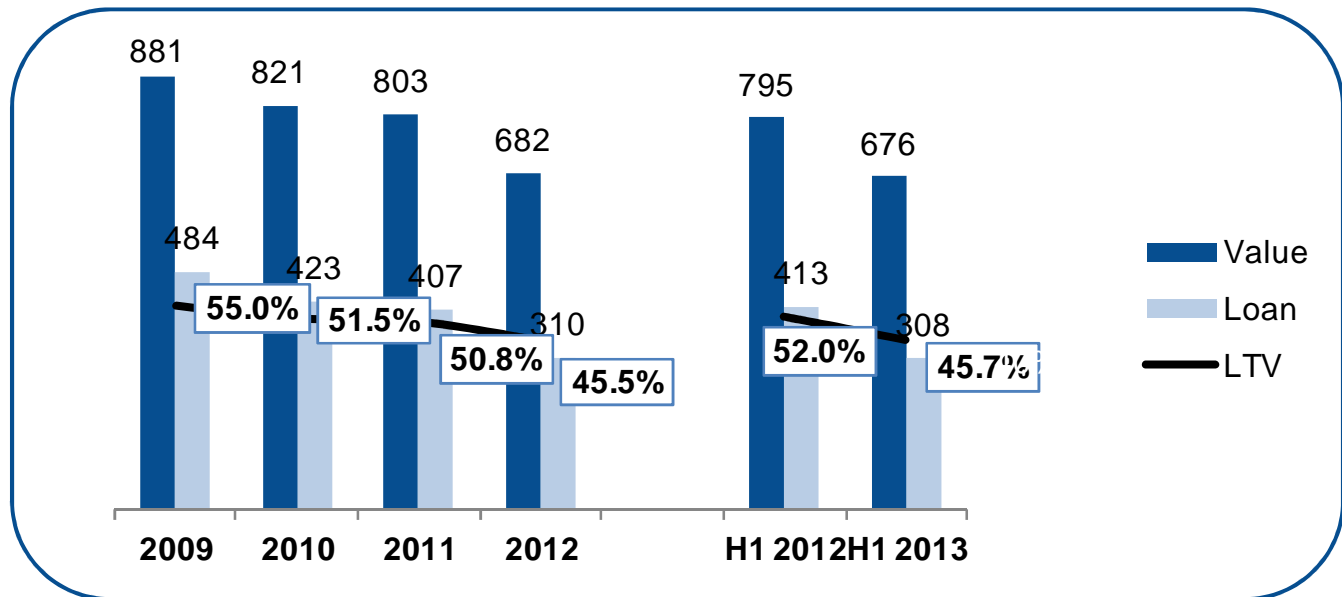


FINANCING

STABLE LTV



- LTV of 45.7% (€m)**



- Average financing cost of 1.8%, or 3.3% hedging included (vs 2.5% & 3.8%)
- Floating interest rate risk almost completely hedged
- Hedging optimization with €55m of new swaps and €62m of new caps in June

FINANCING

FAVOURABLE CREDIT ACCESS



- **Banks relationship diversified**
 - 6 main banks
 - An average outstanding of €30m by bank
 - Average duration of 5.7 years
 - Financing asset by asset with mortgages
 - Amortizable over long term
- **Financing in S1 2013**
 - 3 credits for an amount of €15m
 - 2 refinancing St Etienne Molina (€11m)
 - Concerto financing (€4m out of €8m)
- **Financing needs for 2013 secured**

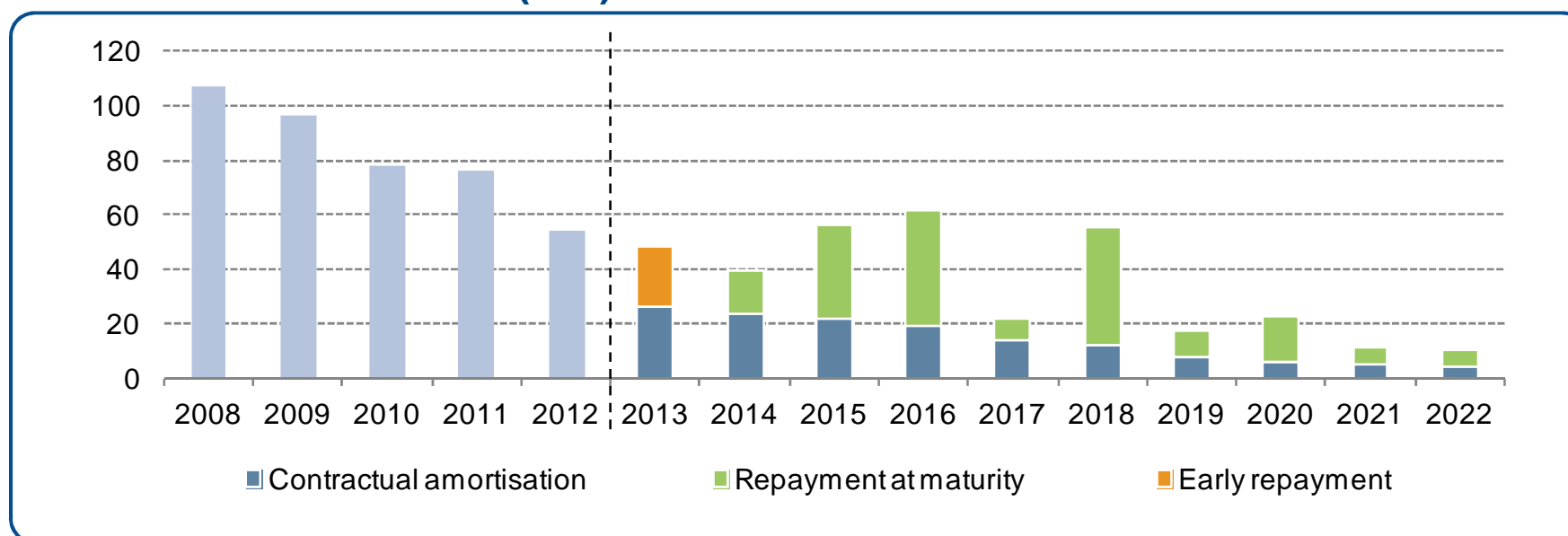


FINANCING

A SMOOTHED DEBT PROFILE



Amortisation of debt (€m)



- No major repayment date
- Amortisable: around €30m p.a. on average
- Short term available credit lines of €19m



STRATEGY & OUTLOOKS



STRATEGY & OUTLOOK

OUR STRATEGY [1/2]



Geographic concentration of investments

- Grand Paris and regional cities (Bordeaux, Lille, Lyon, Marseille, Nantes, Toulouse)
- A coordinated approach with local communities
- Achieve economies of scale

Investing primarily buildings

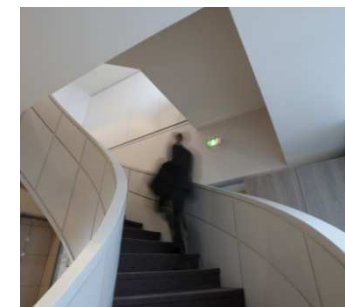
- Providing relatively high yield
- With an average size of €10m to €30m (offices, retails, logistic platforms)
- Containing a potential for value creation by their location, rental situation or restructuring

A sustained effort to revaluation of assets

- improving quality in a "sustainable development" approach
- management optimization by enhanced cost control

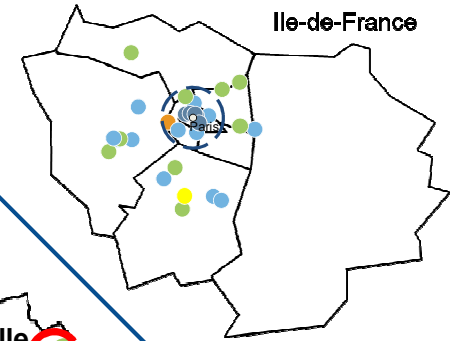
Become a client-oriented organisation

- Supplement the providing of premises with rental services
- Secure the loyalty of clients to improve the profitability of properties

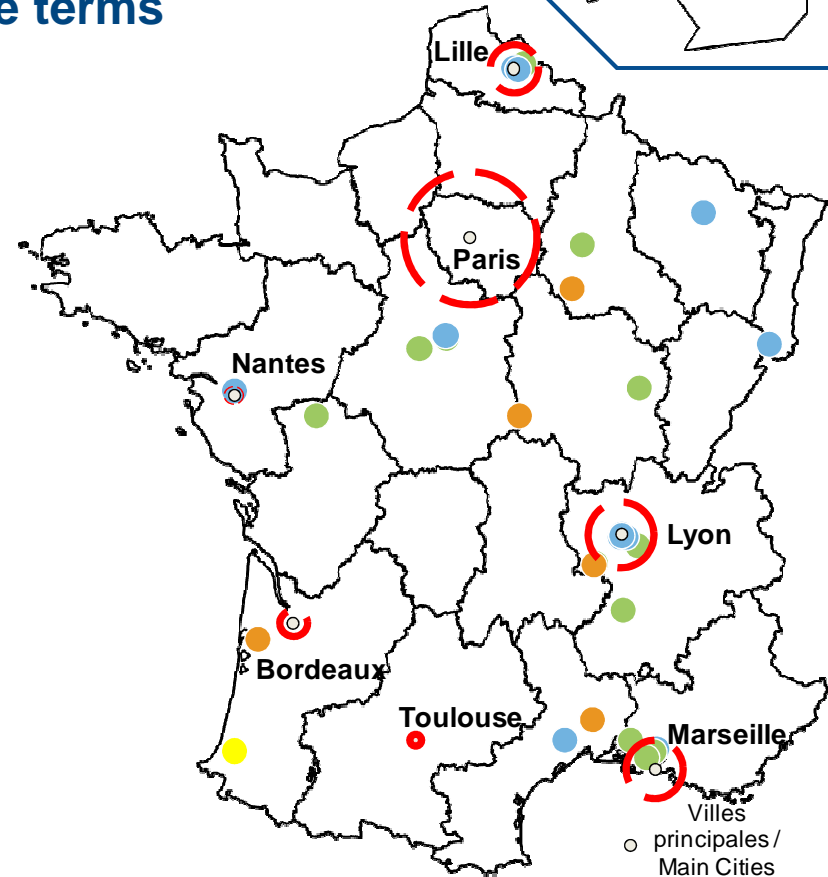
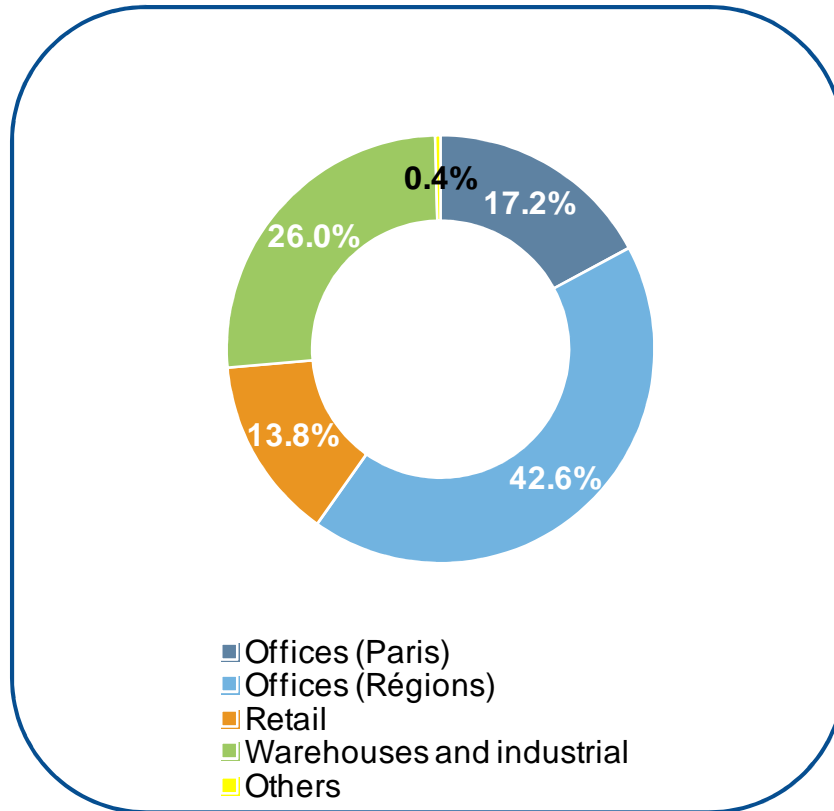


STRATEGY & OUTLOOK

OUR STRATEGY [2/2]

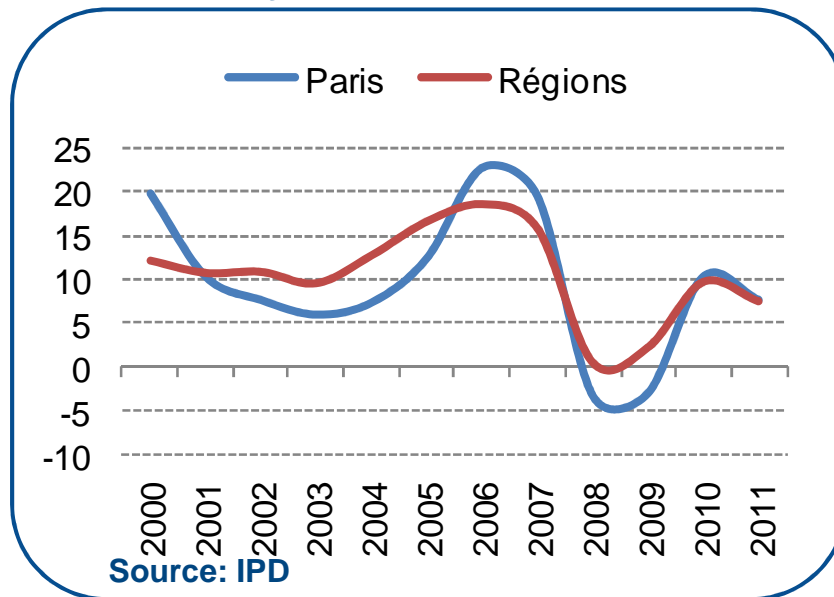


Breakdown of the portfolio in value terms

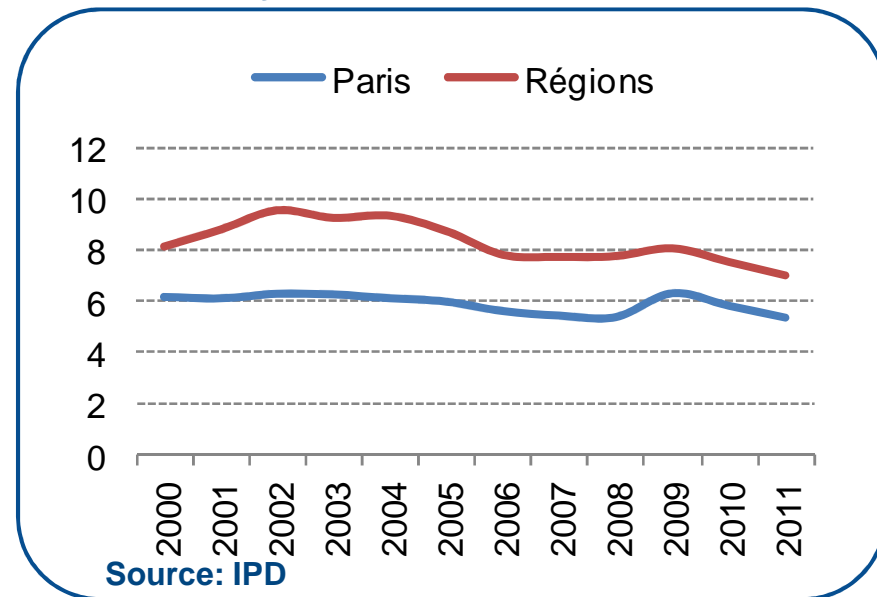




Capital yield (%)



Rental yield (%)



Regions present a total return more stable

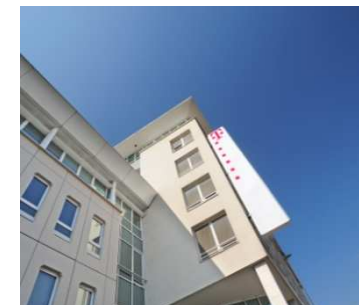
- A variability of 35 % less than the Paris one
- An average yield of 200 bps above Paris one

STRATEGY & OUTLOOK

PRIORITIES FOR 2013



- **Active investment research**
 - In line with our strategy
 - By leveraging our access to credit
 - And with a comfortable cash position
- **Improve rental performance**
 - Lower rental expenses and administrative costs
 - Reduce the vacancy rate
- **Seek partnerships**
 - To broaden the range of investment through our experience of the real estate business



CONTACTS



Affine

Maryse Aulagnon
Chairperson and CEO

Alain Chaussard
Vice-Chairman and Co-CEO

+ 33 (0)1 44 90 43 10 – info@affine.fr

Frank Lutz
Financial Communication & Investor Relations
+ 33 (0)1 44 90 43 53 – frank.lutz@affine.fr

Liquidity contract:

Kepler

Website:

www.affine.fr

APPENDIX



APPENDIX - CONSOLIDATED ACCOUNTS

CONSOLIDATED BALANCE SHEET



(€m)	30/06/12	31/12/12	30/06/13
Properties	664.3	549.3	540.1
<i>of which investment properties</i>	552.1	522.0	518.5
<i>of which property held for sale</i>	112.1	27.3	21.7
Equity holdings	0.3	0.1	0.1
Equity affiliates	86.2	89.6	87.2
Cash	6.2	32.6	25.5
Other assets	96.7	90.7	94.9
Shareholders equity (before allocation)	350.5	351.4	337.2
<i>of which convertibles</i>	20.7	20.8	20.7
<i>of which PSL</i>	73.3	73.2	73.2
Bank debt	442.2	360.9	350.3
Other liabilities	61.0	49.8	60.2
Total balance sheet	853.7	762.2	747.7

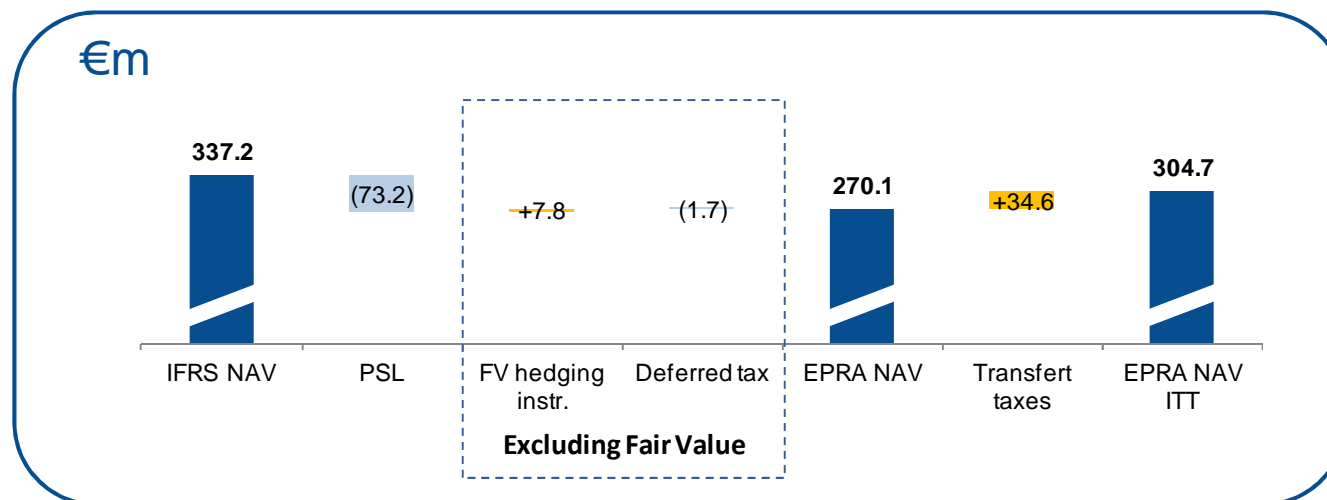
APPENDIX - CONSOLIDATED ACCOUNTS

NET ASSET VALUE - PROFORMA



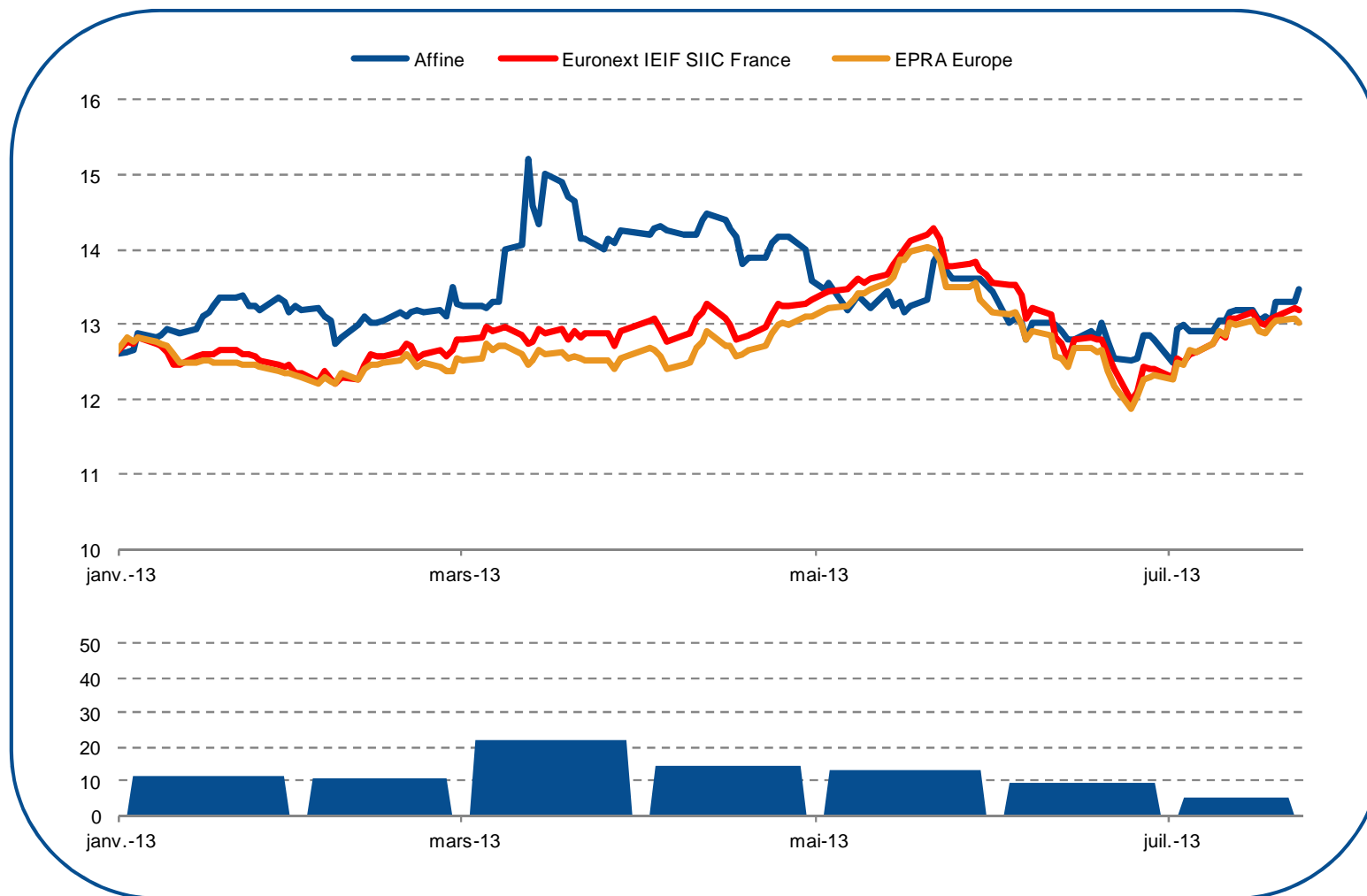
(€m)	30/06/12	31/12/12	30/06/13
Shareholders' equity (before allocation)	339.4	351.4	337.2
PSL adjustment	(73.3)	(73.2)	(73.2)
Fair value adjustments to hedging instr.	16.2	12.6	7.8
Net deferred tax	(2.2)	(2.1)	(1.7)
EPRA NAV (excluding transfer tax)	280.2	288.8	270.1
EPRA NAV (including transfer tax)	320.3	324.0	304.7

EPRA NAV (excluding transfer tax) per share (€)	28.2	28.2	26.4
--	-------------	-------------	-------------



APPENDIX - AFFINE ON THE STOCK MARKET

SHARE PRICE (€) AND AVG TRANSACTION VOL. (000)

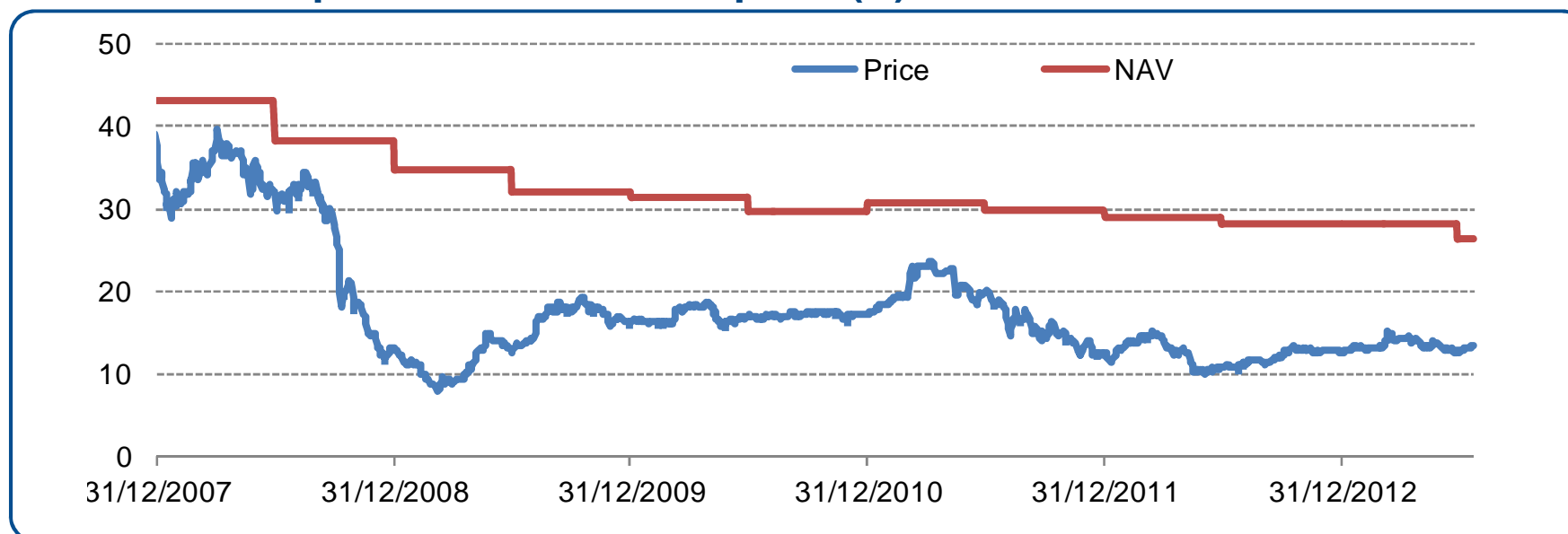


APPENDIX - AFFINE ON THE STOCK MARKET

PRICE AND NAV EVOLUTION



- **EPRA NAV per share and share price (€)**



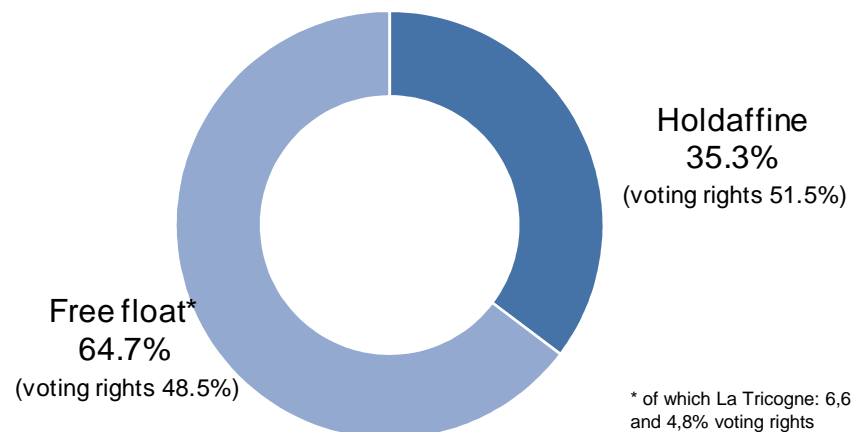
APPENDIX - AFFINE ON THE STOCK MARKET

SHAREHOLDING



Shareholding

- Annualised capital turnover rate of 38% based on the float
- Annualised capital turnover rate of 58%



Affine is listed on NYSE Euronext Paris

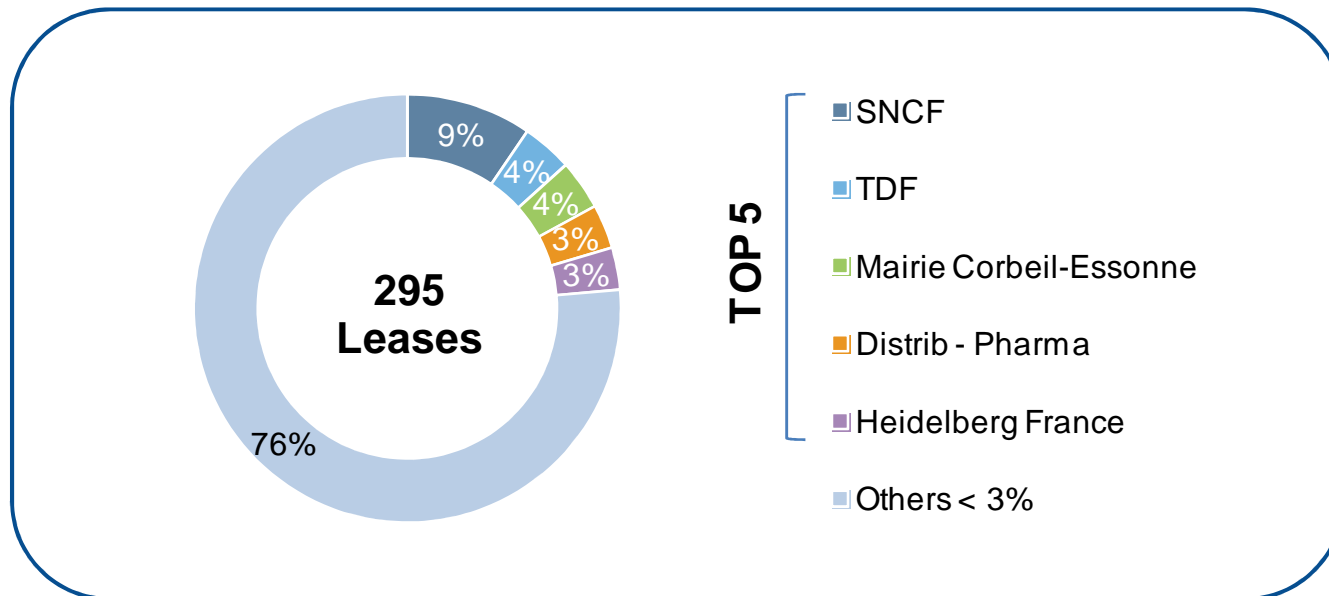
30 June 13

Number of shares	9,033,959
Share price	€12.80
Market capitalisation	€115.6m
Change in 1H 2013	1.5%
EPRA earnings per share	€0.59
Ticker (Bloomberg / Reuters)	IML FP / BTPP.PA

A DIVERSIFIED RISK ON TENANTS

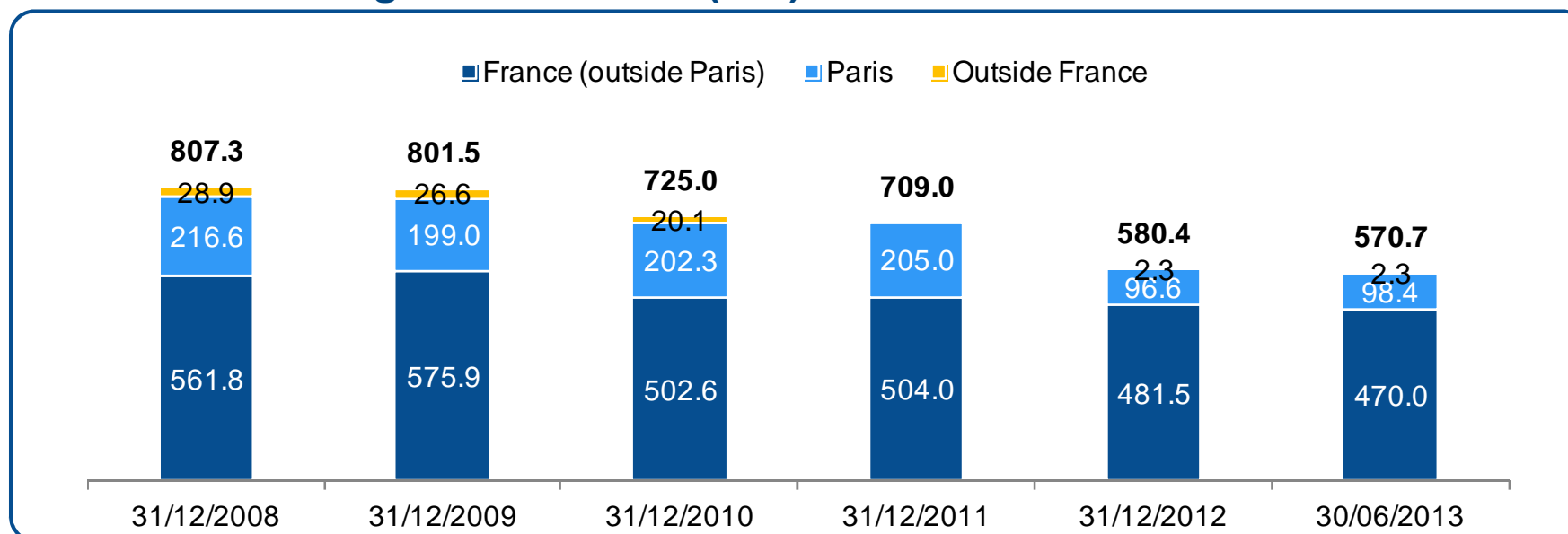


- **A diversified portfolio of customer – Breakdown of rents**



- Overall, the group has 295 leases corresponding to an average rental income of €137,000 by tenant or €107,000 excluding the TOP 5

- Value including transfer taxes (€m)



- A fair value slightly decrease (-1.8%) on a like-for-like basis between 2012 and the end of June 2013

APPENDIX

LTV (NET DEBT / PORTFOLIO VALUE)

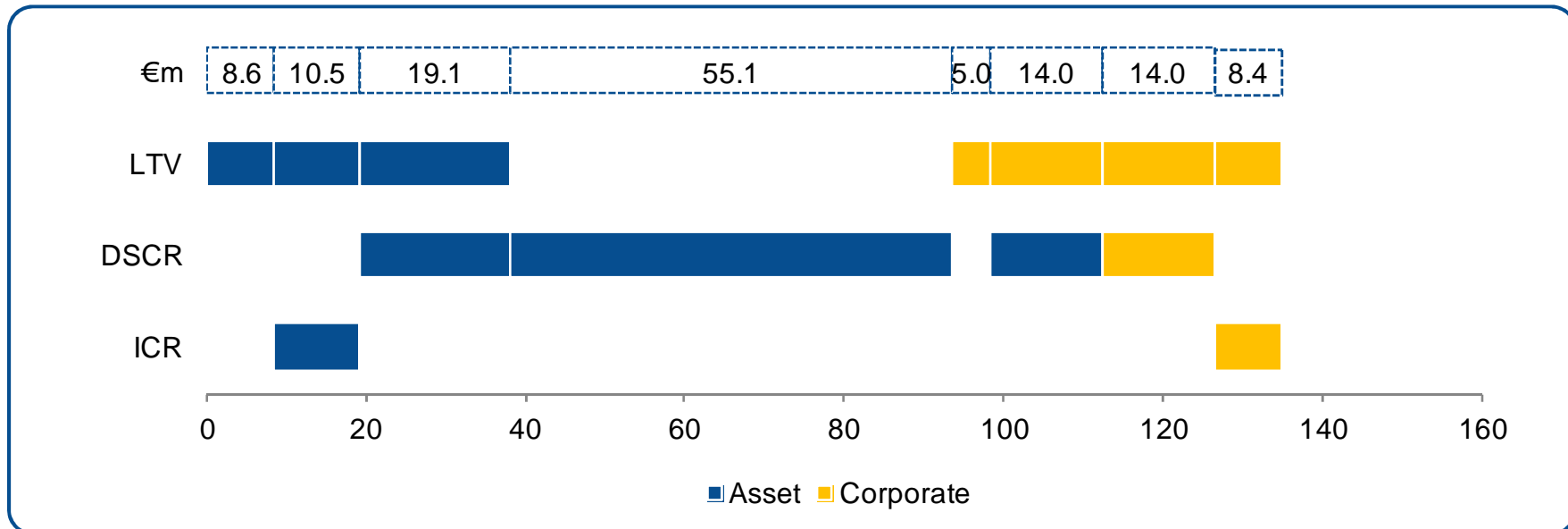


	(€m)	30/06/12	31/12/12	30/06/13
LOAN	Net financial debt	439	334	330
	Debt allocated to lease financing	(25)	(23)	(22)
	Debt allocated to investment securities			
	Debt allocated to development business			
	Debt for investment properties	413	310	308
VALUE	Value of properties (incl. TT)	702	580	571
	Property companies on equity basis	84	88	85
	VEFA & Fixed assets adjustments	9	14	20
	Adjusted portfolio value incl. taxes	795	682	676
LTV (net debt on portfolio value)		52.0%	45.5%	45.7%

APPENDIX COVENANTS



- **Breakdown of covenants**



- Compliance with all covenants

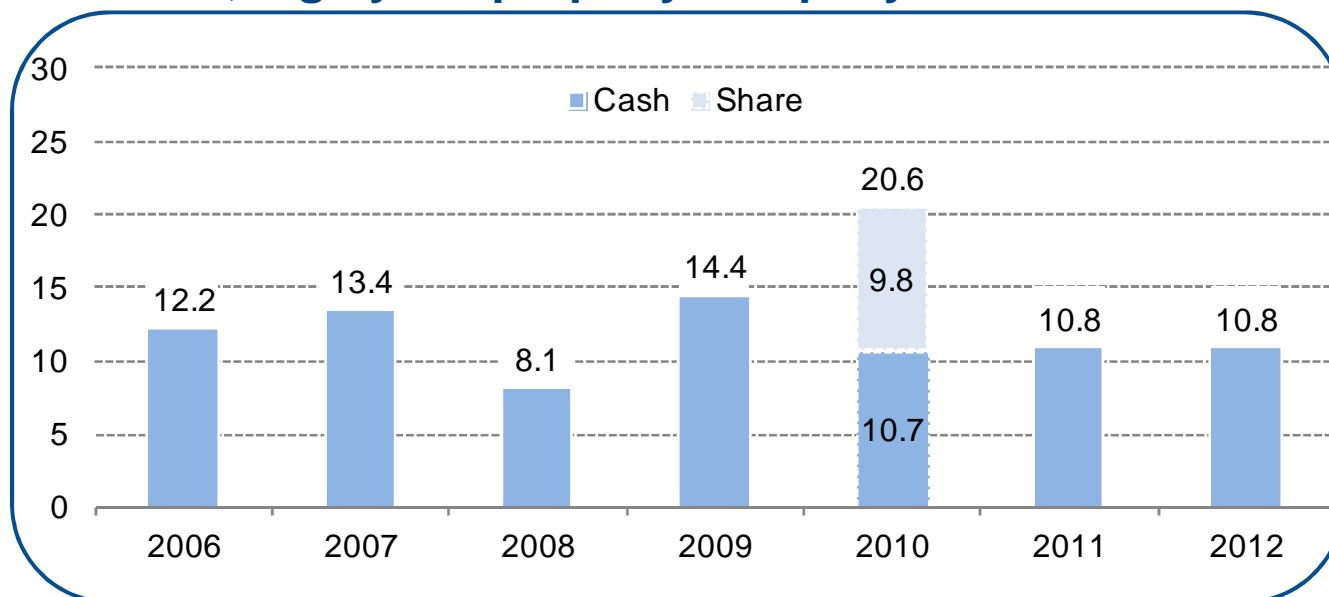
- **Banimmo**

- For syndicated loan: LTV ratio on asset and corporate, 1 DSCR ratio

APPENDIX DIVIDEND



- **Affine, high yield property company**



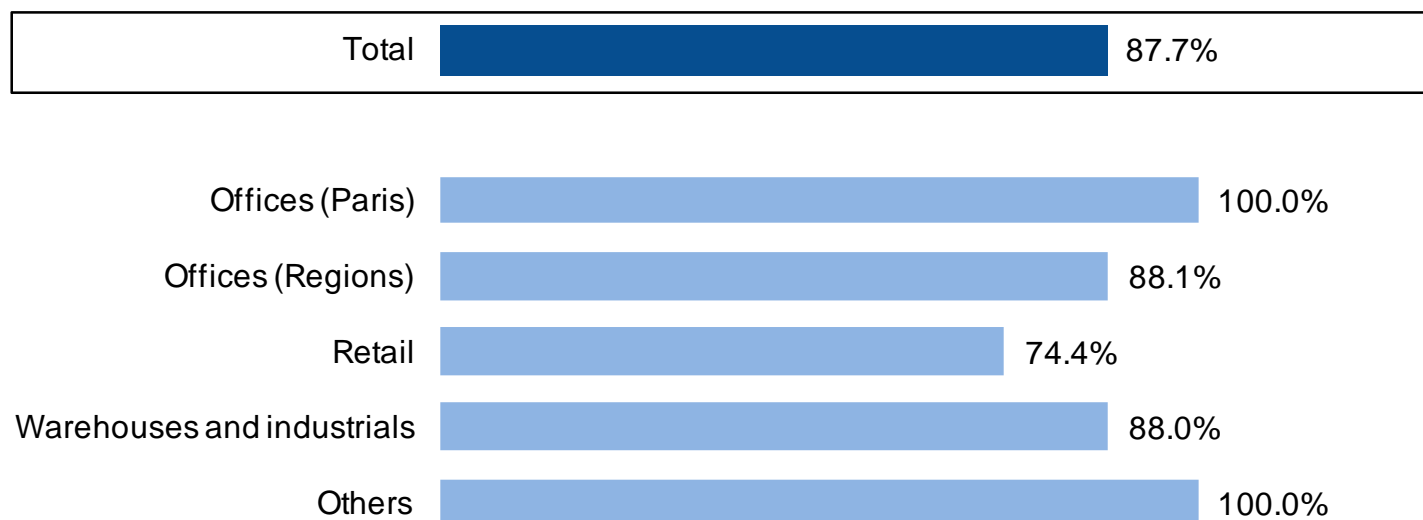
- A 9.4% yield based on the share price of 30/06/2013 (€12.80)



APPENDIX VACANCY BY AREA



- **Financial occupancy rates (EPRA)**



APPENDIX POPULATION & TGV LINE

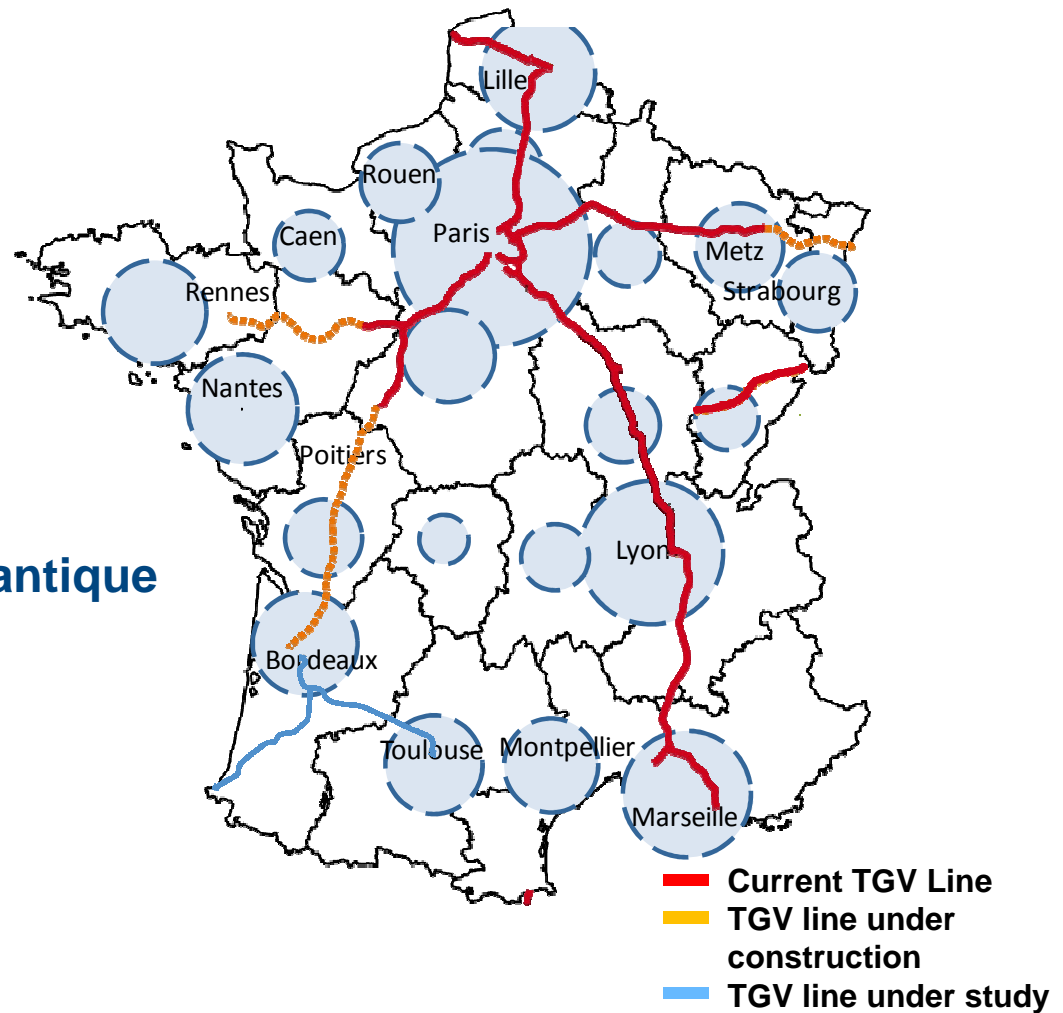


- **2016 : LGV Est Europe**
 - 106 km of new TGV line
 - Paris-Strasbourg: 1h50 vs 2h20

- **2017 : LGV Bretagne Pays de la Loire**
 - 182 km of new TGV line
 - Paris-Rennes: 1h30 vs 2h10

- **2017 : LGV Sud Europe Atlantique**
 - 302 km of new TGV line
 - Paris-Bordeaux: 2h10 vs 3h00

- **Grand projets ferroviaires du Sud Ouest**



APPENDIX



Schéma d'ensemble du Grand Paris

