

## **First half 2007 : Further revaluation of the portfolio and external growth**

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The ANF supervisory board, chaired by Mr. Alain Hagelauer, met on 28 August 2007.

### **First half results :**

Rentals at 30 June 2007 rose to €12.6 million against €12.0 million at 30 June 2006. Taking into account disposals during the course of 2006 and the first half of 2007, this represented an increase of 6% pro-forma of changes in scope.

Net profits at 30 June 2007 were €6.8 million against €1.2 million in the first half of 2006.

### **Portfolio appraisal :**

During the first half the company actively pursued its policy of portfolio revaluation.

As a result, at 30 June 2007 the official valuation pro-forma of changes in scope, arrived at using the single approach of capitalised revenues, grew by 15% since 31 December 2006, rising from €658 million to €757 million (excluding rights, as a block)

To take account of the modernisation of the portfolio following works that have been underway for two to three years, property experts, following recommended industry practice, will at 31 December 2007 value the portfolio using the combined methods of comparables and capitalised revenues.

### **Outlook :**

In Lyons, alongside the renegotiation of existing tenancies, new frontages such as Starbucks Coffee will be setting up in rue de la République between Place des Cordeliers and the Hôtel de Ville. Elsewhere, the refurbishment of over 3,000 m<sup>2</sup> of attic apartments has been initiated.

In Marseilles, ANF is pursuing its strategy of renovation and change of use with a view to attracting renowned national and international frontages to the rue de la République between Vieux-Port and Sadi Carnot square, where over 4,000 m<sup>2</sup> are already let and will generate new rental income in 2008.

In the context of these development plans, building permits for 40,000 m<sup>2</sup> have been applied for. Additionally, a second parking lot of 445 bays will be completed in September 2007.

### **External growth : Acquisition of a portfolio of freehold hotels :**

The €471million acquisition of a portfolio of 159 freehold hotels run by the B&B hotel chain, the third largest operator of discount hotels in France, will provide complementarity between regular cash flows arising from rental income from B&B (€27.3 million) and creating value from ANF's existing portfolio in Lyons and Marseilles.

Along with this acquisition, a partnership agreement will be signed allowing ANF to be linked to the development of the the B&B hotel chain during a period of at least three years.

Depending on market conditions, it is currently expected that the long term financing will be around 60% through new equity capital and the balance through debt.