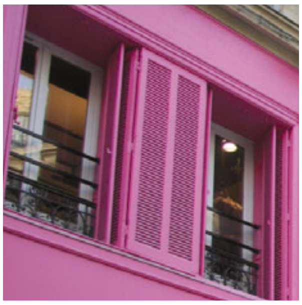
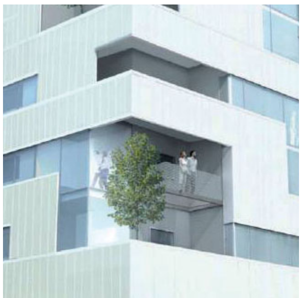




Half-year financial report June 30, 2013




ANF IMMOBILIER

SUMMARY

HALF-YEAR FINANCIAL REPORT AS OF JUNE 30, 2013

Management report

Operations

Consolidated rental income rose to €17.1 million, up 10.0% in terms of organic growth (excluding the impact of acquisitions and sales). It breaks down into €16.0 million for city-center properties and €1.1 million for hotel properties. In the previous year, ANF Immobilier received €38.5 million for rent particularly from assets sold at the end of 2012.

The rent for the first half year is at 40% for commercial premises (Marseille and Lyon), 26% for offices (Marseille, Lyon and Bordeaux), 22% for residential premises (Marseille and Lyon), 8% for hotels and 4% for parking and other surfaces.

The growth in rental income is mainly linked to commercial leases. In Marseille, new openings in Îlot 25 with chains such as McDonalds, Brioche Dorée or Monoprix had their impact. In Lyon, the renewal of the lease of the Hôtel Carlton and the change in the Printemps rents resulted in an increase in rents.

For residential properties in Lyon, the Group chose not to rent some of the vacant apartments again because these properties were to be sold shortly.

Other reinvoiced income and expenses amounted to €1.8 million as of June 30, 2013. Property expenses remained stable at €3.2 million. Management costs and other expenses and income totaled €5.8 million. Operating income before change in the fair value was €10.5 million.

Change in real estate value increased to €3.4 million.

Financial expenses for the first half of 2013 represented a net financial expense of €3.1 million.

EBITDA amounted to €11.4 million, after deducting net financial expense, with current cash flow standing at €8.3 million.

Consolidated net income totaled €10.8 million, compared to €18.0 million as of June 30, 2012.

Development

The Group invested €49.8 million in asset refurbishment, project development and acquisitions.

During the first half, €22.0 million of these investments related to work in Marseille and Lyon. In Marseille, this work involved in particular the Îlot 34 project situated in the Euroméditerrannée zone opposite the new hospital. This mixed project of 26,000 sqm was completed in the summer and completely let out. Furthermore, the opening of the new European Hospital on the Euroméditerrannée site will permit the release of the Desbief site and the launch of this project. Work continued on the Rabatau, Montolieu and SNCM projects in Marseille. Lastly, the TAT project is still underway in Lyon.

Investments in new acquisitions represented €27.8 million. The Group made a new investment in the Carré de Soie quarter in Lyon, in partnership with the Caisse d'Epargne Rhône Alpes. This consists of an office building measuring 36,600 sqm, entirely rented out to Alstom Transport and which will be delivered in July 2015. The "Milky Way" building in Lyon's Confluence quarter, was rented out to UGAP, for 1,200 sqm. A new investment was made in Bordeaux in the Bassins à Flots quarter for an office building, "La Fabrique", measuring 3,700 sqm. This was an addition to the "Le Nautilus" building (12,800 sqm), which is also located in the Bassins à Flots quarter and is rented out to the Casino Group. Lastly, ANF Immobilier also acquired a B&B hotel.

Disposals

ANF Immobilier continued its asset disposal program and sold properties for a total of €12.2 million during the half year period. The disposals concerned a block of 51 residential units in Marseille totaling €7.3 million, a part of Îlot 34 for €2.6 million and other blocks in Marseille. The selling prices matched the appraisal values.

The residential unit disposal program aiming to reduce the vacancy rate and the Group's exposure to the residential housing sector is still underway.

Property appraisal

ANF Immobilier's real estate value amounted to €927 million as of June 30, 2013. The real estate market remained stable with interest still being shown in prime assets, in particular retail premises. ANF Immobilier's real estate assets have benefited from this trend and yields estimated by real estate appraisers have overall remained stable for the city-center properties. Change in the value of property increased by €3.4 million over the first half, compared with the values published at December 31, 2012.

NNNAV at June 30, 2013 amounted to €30.7 per share. It was stable compared with the NNNAV at December 31, 2012 (€30.7 per share) despite the distribution of a dividend of €1 per share in the first half.

Debt

With a debt ratio of 38.7%, ANF Immobilier continues to be a low debt real estate company. As of June 30, 2013, ANF Immobilier's net debt amounted to €359.6 million. On the date on which the half-year financial statements were published, the Group had €36.0 million of undrawn credit facilities available. At the end of the half year, ANF Immobilier fulfilled all these financial commitments (covenants).

Outlook

For 2013, the Group's rents on a like-for-like basis are expected to grow by 14%, due in particular to the strong demand for retail premises and the delivery of the Îlot 34 project. In Marseille, the reduction in residential vacancies is expected to improve with the sale of vacant apartments. The commercial appeal of the lower segment of the *Rue de la République* is expected to be confirmed with higher footfall rates, which are already being seen. Furthermore, the upgrading of the upper segment is already evident with the completion of the building's refurbishment and the arrival of new chains.

The Group's medium-term strategy consists of re-balancing the content of its portfolio by moving towards high value-added investment programs. ANF Immobilier will dispose of its mature assets in order to reinvest in higher yield operations. In particular, ANF Immobilier will develop its locations in Marseille, Lyon and Bordeaux, where it intends to establish a critical size. The objective is thus to achieve a high rental upgrade by 2017 totaling €67 million, while maintaining a sound financial balance.

Related party transactions

Note 14 to the half-year financial statements details the related party transactions that took place over the half year. ANF Immobilier has no financial commitments to related parties other than those indicated in Note 14.

Declaration by management

"To the best of my knowledge, the consolidated financial statements approved at June 30, 2013 have been prepared in accordance with the applicable accounting standards and give a true picture of the assets and liabilities, financial situation and income of the ANF Immobilier Group, and the half-year management report presents a true picture of the information mentioned in Article 222-6 of the AMF's General Regulations."

Bruno KELLER

Chairman of the Executive Board

CONSOLIDATED FINANCIAL STATEMENTS AS OF JUNE 30, 2013

Consolidated statement of financial position

Consolidated balance sheet – assets

(€ thousands)	Note	06/30/2013	12/31/2012	12/31/2011
Non-current assets				
Investment properties	1	898,044	848,385	1,641,492
Property, plant and equipment in progress		0	0	0
Operating properties	1	1,781	1,602	2,540
Intangible assets	1	178	267	384
Property, plant and equipment	1	1,399	1,190	571
Non-current financial assets	1	3,967	8,891	440
Investments accounted for by the equity method		663	246	0
Total non-current assets		**906,032**	**860,580**	**1,645,428**
Current assets				
Trade receivables	2	3,921	1,792	1,364
Other receivables	2	10,861	3,481	5,973
Prepaid expenses	5	248	55	63
Financial derivatives	9	0	0	0
Cash and cash equivalents	4	2,142	22,257	37,718
Total current assets		**17,173**	**27,585**	**45,119**
Property held for sale	1	23,848	33,064	5,591
TOTAL ASSETS		**947,052**	**921,229**	**1,696,137**

Consolidated balance sheet – liabilities and equity

(€ thousands)	Note	06/30/2013	12/31/2012	12/31/2011
Shareholders' equity				
Capital stock	12	17,731	17,731	27,775
Other paid-in capital		12,486	12,486	323,075
Treasury shares	8	(13,444)	(11,098)	(10,697)
Hedging reserve on financial instruments		(12,537)	(17,712)	(38,632)
Company reserves		224,400	90,289	286,497
Consolidated reserves		290,469	506,987	434,800
Net income for the year		10,766	(65,145)	95,813
Total shareholders' equity attributable to equity holders of the parent		**529,873**	**533,538**	**1,118,631**
Minority interests		0	0	0
Total shareholders' equity		**529,873**	**533,538**	**1,118,631**
Non-current liabilities				
Financial liabilities	3	130,799	286,378	518,520
Provisions for pensions	7	57	57	57
Tax and corporate liabilities	3	0	0	0
Deferred tax liabilities	13	0	0	0
Total non-current liabilities		**130,856**	**286,434**	**518,577**
Current liabilities				
Suppliers and related accounts	3	13,410	13,863	10,979
Short-term portion of financial payables	3	228,788	27,677	1,458
Financial derivatives	9	28,141	39,434	38,449
Security deposits	3	3,055	2,972	4,154
Short-term provisions	7	775	1,577	330
Tax and corporate liabilities	3	8,703	14,242	2,554
Other debts	3	3,181	1,276	678
Prepaid income	6	270	215	325
Total current liabilities		**286,323**	**101,256**	**58,929**
Liabilities on properties held for sale		0	0	0
TOTAL LIABILITIES		**947,052**	**921,229**	**1,696,137**

Consolidated income statement

(€ thousands)	06/30/2013	06/30/2012	06/30/2011
Revenues: rental income	17,146	38,491	45,240
Other operating income	1,812	3,643	3,420
Total operating income	**18,958**	**42,134**	**48,661**
Property expenses	(3,214)	(5,062)	(5,020)
Other operating expenses	(256)	(321)	(339)
Total operating expenses	**(3,470)**	**(5,383)**	**(5,360)**
Gross operating margin from property	**15,488**	**36,751**	**43,301**
Capital gains (losses) from disposal of assets	(502)	453	779
Gross operating margin from property after disposals	**14,986**	**37,204**	**44,080**
Employee benefits expenses	(3,303)	(5,018)	(4,340)
Other management expenses	(1,333)	(1,933)	(1,711)
Other income and transfers of expenses	774	885	814
Other expenses	(1,021)	(267)	(350)
Depreciation & amortization	(263)	(227)	(211)
Other operating provisions (net of reversals)	660	(80)	295
Net operating income (before changes in fair value of property)	**10,500**	**30,565**	**38,578**
Changes in fair value of property	3,365	(3,550)	19,785
Net operating income (after changes in fair value of property)	**13,865**	**27,015**	**58,363**
Net financial expense	(3,096)	(8,841)	(8,785)
Financial amortization and provisions	0	1	0
Income on financial instruments	576	(111)	50
Share of income from entities accounted for by the equity method	(89)	19	518
Income before tax	**11,256**	**18,083**	**50,146**
Current taxes	(490)	(127)	(35)
Deferred taxes	0	0	0
Net consolidated income	**10,766**	**17,956**	**50,111**
Of which minority interests	0	0	0
Of which net income after minority interests	10,766	17,956	50,111
Net consolidated income after minority interests per share	**0.61**	**0.65**	**1.83**
Diluted net consolidated income after minority interests per share	**0.61**	**0.65**	**1.83**

Basic earnings per share is calculated on the basis of the average weighted number of common shares.

Consolidated comprehensive income

(€ thousands)	06/30/2013	06/30/2012	06/30/2011
Net consolidated income	**10,766**	**17,956**	**50,111**
Impact from financial instruments	5,175	(1,949)	10,009
Total gains and losses recognized directly in equity	**5,175**	**(1,949)**	**10,009**
Consolidated comprehensive income	**15,941**	**16,007**	**60,120**
Of which minority interests	0	0	0
Of which net income after minority interests	15,941	16,007	60,120

Table of changes in shareholders' equity

Changes in shareholders' equity	Capital stock	Share premiums	Treasury shares	Consolidated reserves	Company reserves	Financial instrument reserves	Consolidated net income	Total
Shareholders' equity as of December 31, 2012	**17,731**	**12,486**	**(11,098)**	**506,987**	**90,289**	**(17,712)**	**(65,145)**	**533,538**
Appropriation of net income	0	0	0	(216,648)	151,504	0	65,145	0
Dividends	0	0	0	0	(17,392)	0	0	(17,392)
Share buyback offer	0	0	0	0	0	0	0	0
Dividend paid in advance and distribution of reserves	0	0	0	0	0	0	0	0
Treasury shares	0	0	(2,346)	0	0	0	0	(2,346)
Changes in fair value of hedging instruments	0	0	0	0	0	5,175	0	5,175
Stock options, warrants, bonus shares	0	0	0	131	0	0	0	131
Other accruals	0	0	0	0	0	0	0	0
Net income for the year (excl. Appropriation to reserves)	0	0	0	0	0	0	10,766	10,766
Shareholders' equity as of June 30, 2013	**17,731**	**12,486**	**(13,444)**	**290,470**	**224,401**	**(12,537)**	**10,766**	**529,873**

Changes in shareholders' equity	Capital stock	Share premiums	Treasury shares	Consolidated reserves	Company reserves	Financial instrument reserves	Consolidated net income	Total
Shareholders' equity as of December 31, 2011	**27,775**	**323,075**	**(10,697)**	**434,800**	**286,497**	**(38,632)**	**95,813**	**1,118,631**
Appropriation of net income	0	0	0	71,668	24,145	0	(95,813)	0
Dividends	0	(8,257)	0	0	(38,075)	0	0	(46,332)
OPRA	(10,044)	(302,331)	0	0	0	0	0	(312,375)
Dividend paid in advance and distribution of reserves	0	0	0	0	(182,278)	0	0	(182,278)
Treasury shares	0	0	(402)	0	0	0	0	(402)
Changes in fair value of hedging instruments	0	0	0	0	0	20,920	0	20,920
Stock options, warrants, bonus shares	0	0	0	518	0	0	0	518
Other accruals	0	(1)	1	1	0	0	0	1
Net income for the year (excl. Appropriation to reserves)	0	0	0	0	0	0	(65,145)	(65,145)
Shareholders' equity as of December 31, 2012	**17,731**	**12,486**	**(11,098)**	**506,987**	**90,289**	**(17,712)**	**(65,145)**	**533,538**

Cash flow statement

(€ thousands)	06/30/2013	12/31/2012	12/31/2011
Cash flow from operations			
Net income	**10,766**	**(65,145)**	**95,813**
Depreciation allowances & provisions	(5,943)	1,927	577
Capital gains (losses) from disposals	502	53,929	(2,240)
Changes in value of properties	(3,365)	15,705	(42,709)
Changes in value of financial instruments	(576)	23,066	189
Recognized revenue and expenses related to stock options	132	518	666
Taxes and expenses related to distribution	0	11,626	0
Cash flow	**1,516**	**41,626**	**52,297**
Changes in operating working capital requirements			
Operating receivables	(9,492)	(836)	(1,449)
Operating liabilities excluding siic option liabilities	(2,904)	9,416	277
Cash flow from operations	**(10,880)**	**50,205**	**51,125**
Cash flow from investment activities			
Acquisition of assets	(51,660)	(91,547)	(75,258)
Disposal of property	12,124	793,526	41,437
Changes in financial assets	4,506	(8,709)	(306)
Cash flow from investment activities	**(35,030)**	**693,270**	**(34,127)**
Cash flows from financing activities			
Dividends paid	(17,392)	(228,610)	(42,123)
Changes in share capital	0	(312,375)	9,103
Taxes and expenses related to distributions	0	(11,626)	
Purchase of treasury shares	(2,346)	(402)	(6,416)
Loans and debt taken out	71,451	48,834	39,927
Loans and debt redeemed	(25,951)	(254,709)	(6,993)
Cash flows from financing activities	**25,762**	**(758,888)**	**(6,502)**
Net increase (decrease) in cash and cash equivalents	**(20,148)**	**(15,413)**	**10,496**
Opening cash	**21,972**	**37,385**	**26,889**
Closing cash	**1,825**	**21,972**	**37,385**

Pro forma income statement as of June 30, 2013

The *pro forma* statements as of June 30, 2012 were prepared within the framework of the Public Share Buyback Offer made last November and were part of the Statutory Auditor's report dated November 20, 2012.

(€ thousands)	**06/30/2013**	**06/30/12 *pro forma***
Revenues: rental income	17,146	14,532
Other operating income	1,812	1,818
Total operating income	**18,958**	**16,350**
Property expenses	(3,214)	(3,099)
Other operating expenses	(256)	(266)
Total operating expenses	**(3,470)**	**(3,365)**
Gross operating margin from property	**15,488**	**12,985**
Capital gains (losses) from disposal of assets	(502)	623
Gross operating margin from property after disposals	**14,986**	**13,608**
Employee benefits expenses	(3,303)	(4,318)
Other management expenses	(1,333)	(1,065)
Other income and transfers of expenses	774	885
Other expenses	(1,021)	(267)
Depreciation & amortization	(263)	(227)
Other operating provisions (net of reversals)	660	(52)
Net operating income (before changes in fair value of property)	**10,500**	**8,565**
Changes in fair value of property	(3,365)	(4,800)
Net operating income (after changes in fair value of property)	**13,865**	**3,765**
Net financial expense	(3,096)	(3,359)
Financial amortization and provisions	0	1
Income on financial instruments	576	(111)
Discounting of receivables and liabilities	0	0
Share of income from entities accounted for by the equity method	(89)	19
Income before tax	**11,256**	**314**
Current taxes	(490)	(127)
Income *pro forma*		**187**
Net consolidated income	**10,766**	**187**
Of which minority interests	0	0
Of which net income after minority interests	10,766	187
Net consolidated income after minority interests per share	**0.61**	**0.01**
Diluted net consolidated income after minority interests per share	**0.61**	**0.01**

Notes to the consolidated financial statements

Detailed summary

Half year highlights

Investments and disposals

Works performed on, and investments in, the city-center real estate assets were €2.1 million in Lyon and €19.9 million in Marseille.

ANF Immobilier also acquired a 13,000 sqm building in Bordeaux during 2011, mainly for office use, for €27.4 million excluding tax. This property will be handed over in several phases, with the first phase having been delivered in September 2012. In the first half of 2013, €3.6 million were spent on the second phase of this investment.

Also in Bordeaux, in June 2013, ANF Immobilier purchased off plan a new 3,733 sqm property complex primarily comprising office space. The property is expected to be handed over at the end of 2014. In the first half year, €1.9 million were spent on this new investment.

Work on the mixed-use Îlot 34 project in Marseille continued, and the first stage is scheduled to be completed in August 2013.

In Lyon, ANF Immobilier continued its investment policy with the launch in partnership of an office building measuring 16,000 sqm, which is to be handed over mid-2015, representing €16.4 million over the first half of 2013.

ANF Immobilier sold a block of 51 residential units in rue du Chevalier-Roze, Marseille, for a total of €7.3 million, plus several co-ownership lots (residential units and office premises) for €1.3 million.

These disposals were made at prices that were in line with the last appraisal values.

On December 6, 2011, the Euroméditerranée Urban Development Agency notified ANF Immobilier of an expropriation procedure concerning a 2,366 sqm plot in Marseille, and offering compensation of €1.45 million. ANF Immobilier challenged this offer and was awarded a price of €2.23 million on June 14, 2012, following the Administrative Court's ruling. The Euroméditerranée Urban Development Agency appealed against this ruling. In order to preserve its rights while waiting for the result of the appeals proceedings, ANF Immobilier reported the sale of this plot for the offer price of €1.45 million, resulting in a capital loss of €325 thousand.

Operations

Rental income amounted to €17.1 million.

The organic growth of rental income from after-sale assets for 2012 was 10.0% (excluding the impact of acquisitions and sales).

EBITDA for the period was €11.4 million.

After deducting the net financial expense, current cash flow stood at €8.3 million.

Property appraisal

The real estate market was broadly flat, with prime assets still in favor, notably commercial properties. ANF Immobilier's real-estate assets have benefited from this trend, with yields estimated by real estate appraisers remaining stable.

Change in fair value of properties was up slightly, by €3.4 million.

Financing

Credit lines not drawn down amounted to €36 million.

The average cost of debt was 3.1%. Gross indebtedness totaled €360 million, with a significant repayment due in June 2014. The LTV ratio was held down at 38.7%.

Events occurring after the balance sheet date

No significant events have occurred since June 30, 2013.

Accounting policies and methods

Accounting basis

In line with the provisions of European Regulation (EC) No. 1606/2002 of July 19, 2002 on the application of international accounting standards, the ANF Immobilier Group's consolidated financial statements for the half-year ended June 30, 2013 were prepared in accordance with IAS 34.

The summary financial statements do not include all the information required by the IFRS accounting basis for the preparation of the annual consolidated financial statements and must therefore be read in conjunction with the consolidated financial statements for the financial year ended December 31, 2012.

The consolidated financial statements concern the period from January 1, 2013 to June 30, 2013. They were approved by the Executive Board on July 8, 2013.

The ANF Immobilier Group applies the international accounting standards comprising IFRS, IAS and their interpretations as adopted by the European Union and which are mandatory for the fiscal year beginning January 1, 2013.

Official standards and interpretations that may be applicable subsequent to the closing date have not been applied early.

With the exception of investment property and certain financial instruments that are recognized using the fair value convention, the financial statements have been prepared using the historical cost convention. In accordance with the IFRS conceptual framework, certain estimates and assumptions have been used in drawing up these financial statements. These assumptions have an impact on some of the amounts presented in these financial statements. Material estimates made by the Group when preparing the financial statements mainly relate to the following:

- fair value measurement of investment properties and financial instruments;
- measurement of provisions.

Because of the uncertainty inherent in any measurement process, the Group revises its estimates based on regularly updated information. Future results of the operations in question may differ from these estimates.

In addition to making estimates, Group senior management makes judgments regarding the appropriate accounting treatment for certain activities and transactions when applicable IFRS standards and interpretations do not specify how the accounting issues should be handled.

The new standards and interpretations applicable from January 1, 2013

The standards and interpretations applied for the consolidated financial statements at June 30, 2013 are identical to those used for the consolidated financial statements at December 31, 2012.

The new mandatory standards, revisions and interpretations applicable as of January 1, 2013 have no significant impact on the consolidated financial statements at June 30, 2013:

- amendment to IAS 1: Presentation of financial statements – Presentation of other comprehensive income;
- amendment to IAS 12: Deferred taxes – Recovery of underlying assets;
- amendment to IAS 19: Employee benefits;
- amendment to IFRS 7: Information to be provided – Compensation of financial assets and liabilities;
- amendment to IFRS 1: Severe hyperinflation and removal of fixed dates for first-time adoption of IFRS;
- annual improvements (2009-2011 cycle): Annual IFRS improvements (2009-2011);
- IFRS 13: Estimation of fair value: this new standard provides information on the calculation of the fair value under IFRS. It does not modify the criteria for the use of the fair value by the entity. The application of IFRS 13 does not have any major impact on the assessment of the fair value of the Group's derivative instruments as of June 30, 2013.

Moreover, ANF Immobilier has not applied early the most recent standards and interpretations for which application is only mandatory for fiscal years starting after January 1, 2013. These standards and interpretations are:

- IFRS 9 "Financial Instruments", mandatory from January 1, 2015, which has not yet been adopted by the European Union;
- amendment to IAS 27: Individual financial statements;
- amendment to IAS 28: Investments in Associates and Joint Ventures;
- amendment to IAS 32: Offsetting financial assets and liabilities;
- IFRS 10: Consolidated financial statements;
- IFRS 11: Joint arrangements;
- IFRS 12: Disclosure of interests in other entities;
- amendments to IFRS 10, 11, 12: Transitional provisions.

Consolidation principles

The accounting principles, policies and methods used by the Group as of June 30, 2013 are similar to those used in the consolidated financial statements as of December 31, 2012.

Scope of consolidation

The scope of consolidation of the ANF Immobilier Group includes five companies as of June 30, 2013, compared with four companies as of December 31, 2012. The changes in the consolidation scope compared with December 31 last year are described below:

On May 23, 2013, the ANF Immobilier Group acquired 65% of the SCI Silky Way, in view of conveyancing a major real estate operation in the Carré de Soie quarter in Villeurbanne close to Lyon. This company is fully consolidated.

On February 28, 2012, ANF Immobilier had acquired a 35% interest in JDML, the owner of a real estate complex in Marseille. In the first half of 2013, ANF Immobilier increased its stake in JDML to 49.99%. This company has been consolidated according to the equity method since June 30, 2013, as ANF Immobilier does not exercise control over this company.

Assets held for sale (IFRS 5)

As of June 30, 2013, seven properties and two coownership lots, valued at €23.85 million, were held for sale.

Treasury shares (IAS 32)

Treasury shares held by the Group are deducted from the consolidated shareholders' equity at their acquisition value.

As of June 30, 2013, the Company held 431,888 treasury shares. 108,576 treasury shares were acquired during the period.

Employee benefits (IAS 19)

The ANF Immobilier Group has established a defined benefit scheme. Pension commitments relating to this scheme are managed by an insurance company. A €0.5 million expense was recognized in the first half year. It covers in particular estimated commitments for the first half of 2013.

Share-based payment (IFRS 2)

IFRS 2 requires that the income statement reflect the effects of all transactions involving share-based payments. All payments in shares or linked to shares must accordingly be expensed when the goods or services provided in return for these payments are consumed. There was no transaction involving share-based payment during the period.

Stock option plans

Acting pursuant to the authorizations conferred by the shareholders at the Shareholders' Meeting, the Executive Board awarded stock options to members of the Executive Board as well as qualifying personnel, as defined by the resolutions of the Shareholders' Meeting.

In order to factor in the distribution of reserves and the public buyback offer that took place pursuant to the decisions taken by the Ordinary and Extraordinary Shareholders' Meeting of November 21, 2012, the Executive Board, at its January 21, 2013 meeting, adjusted the exercise terms of the 2007 to 2011 stock options plans.

The terms of the stock option plans granted during recent fiscal years, amended by the adjustments, are as follows:

Terms of the stock option plans	2007 plan	2008 plan	2009 plan	2010 plan	2011 plan
Date of the Extraordinary Shareholders' Meeting	05/04/2005	05/14/2008	05/14/2008	05/14/2008	05/17/2011
Date of the Executive Board's decision	12/17/2007	12/19/2008	12/14/2009	12/15/2010	12/22/2011
Total number of options granted	159,159	179,840	224,659	219,323	216,075
• Of which corporate officers	125,560	143,613	185,642	176,010	173,412
• Of which top 10 employee recipients	33,599	36,227	36,175	43,313	39,473
Number of shares that may be purchased	159,159	179,840	224,659	219,323	216,075
• Of which corporate officers	125,560	143,613	185,642	176,010	173,412
• Of which top 10 employee recipients	33,599	0	36,175	43,313	39,473
Exercise date of options	The options may be exercised once vested				
Expiration date	12/17/2017	12/19/2018	12/14/2019	12/15/2020	12/22/2021
Purchase price per share	29.73	19.42	22.55	23.72	21.53
Terms of exercise	Final vesting of options in phases				
First third after a period of two years, i.e.	12/17/2009	12/19/2010	12/14/2011	12/15/2012	12/22/2013
Second third after a period of three years, i.e.	12/17/2010	12/19/2011	12/14/2012	12/15/2013	12/22/2014
Final third after a period of four years, i.e.	12/17/2011	12/19/2012	12/14/2013	12/15/2014	12/22/2015
Exercise subject to future performance	no	yes	yes	yes	yes
Number of shares purchased as of December 31, 2012	0	36,227	0	0	0
Number of shares canceled as of December 31, 2012	0	0	0	0	0
Total number of options remaining to be exercised	159,159	143,613	224,659	219,323	216,075

On April 2, 2013, the Executive Board awarded ANF Immobilier stock options, which may be converted into bonus shares, subject to certain conditions. This new 2012 option plan represented 105,850 options and a maximum of 19,602 potential bonus shares. The impact of this plan will be assessed in the second half of 2013 so as to take into account each beneficiary's choice between potential bonus shares and stock options.

Market risk management

Market risks

Owning rental properties exposes the Group to the risk of fluctuations in the value of property assets and rents. However, this exposure is mitigated because:

- the assets are mainly held for the long term and are recognized in the financial statements at their fair value, even if this value is determined on the basis of estimates;
- rental income stems from leasing arrangements, the term and dispersion of which are likely to lessen the impact of fluctuations in the rental market.

Counterparty risk

With a client portfolio of over 750 tenant companies, a high degree of sector diversification, and 1,230 individual tenants, the Group is not exposed to significant concentration risk.

Financial transactions, particularly the hedging of interest rate risk, are carried out with leading financial institutions.

Liquidity risk

Medium and long-term liquidity risk is managed via multi-year financing plans. Short-term risk is managed via confirmed but undrawn credit facilities.

Interest rate risk

The ANF Immobilier Group is exposed to interest rate risk. Management actively manages this risk exposure. The Group uses a number of financial derivatives to address this. The goal is to reduce, wherever deemed appropriate, fluctuations in cash flows as a result of changes in interest rates. The Group does not enter into financial transactions if it entails a risk that cannot be quantified.

To this end, the ANF Immobilier Group arranged 16 interest rate hedging contracts to swap three-month Euribor variable rates for fixed rates.

By the end of 2012, €253 million in debt had been repaid and a decision had been taken to repay an additional €25 million in January 2013.

These loans were hedged by 15 interest rate hedging contracts to swap three-month Euribor variable rates for fixed rates. These contracts, which involve total amounts outstanding of €275.6 million maturing, for the most part, on December 31, 2014, were not canceled and, consequently, have been reclassified as trading instruments. Consequently, the changes in the fair value of these instruments were recognized in the income statement.

Additional information (€ thousands)

Note 1 Non-current assets

Intangible assets, property, plant and equipment, and operating property

Gross values	Balance as of 12/31/2011	Increase	Reduction	Balance as of 12/31/2012	Increase	Reduction	Balance as of 06/30/2013
Intangible assets	1,262	144	(82)	1,324		(49)	1,275
Operating properties	3,080	0	(688)	2,392	298	(19)	2,671
Furniture, office & computer equipment	1,512	1,223	(716)	2,019	401	(406)	2,014
TOTAL	**5,854**	**1,367**	**(1,486)**	**5,735**	**699**	**(474)**	**5,960**

Depreciation & amortization	Balance as of 12/31/2011	Increase	Reduction	Balance as of 12/31/2012	Increase	Reduction	Balance as of 06/30/2013
Intangible assets	878	179	0	1,057	89	(49)	1,097
Operating properties	540	134	116	790	117	(17)	890
Furniture, office & computer equipment	941	184	(296)	829	114	(328)	615
TOTAL	**2,359**	**497**	**(180)**	**2,676**	**320**	**(394)**	**2,602**
NET VALUES	**3,495**	**870**	**(1,306)**	**3,059**	**379**	**(80)**	**3,358**

Investment properties

Valuation of properties	Lyon	Marseille	Bordeaux	B&B hotels	Balance as of 06/30/2013
Investment properties	155,867	711,349	21,219	9,610	898,045
Property held for sale	0	348		23,500	23,848
INVESTMENT PROPERTY AND PROPERTY HELD FOR SALE	**155,867**	**711,696**	**21,219**	**33,110**	**921,892**
Operating properties	201	2,470	0	0	2,672
VALUATION OF PROPERTIES	**156,068**	**714,167**	**21,219**	**33,110**	**924,564**

Investment property and property held for sale	Lyon	Marseille	Bordeaux	B&B hotels	Total
Balance as of 12/31/2011	**458,194**	**670,960**	**5,089**	**512,840**	**1,647,083**
Investments	25,775	59,166	10,070	2,125	97,136
Income from disposals	(306,916)	(16,772)	0	(469,448)	(793,136)
Change in value	(40,897)	(12,375)	343	(16,705)	(69,634)
Balance as of 12/31/2012	**136,156**	**700,979**	**15,502**	**28,812**	**881,449**
Investments	18,507	21,810	5,588	3,871	49,777
Income from disposals		(12,196)			(12,196)
Change in value	1,204	1,099	130	429	2,863
Balance as of 06/30/2013	**155,867**	**711,693**	**21,220**	**33,112**	**921,892**

The change in value includes a capital loss on disposal of €502,000 and an increase in the value of properties of €3,365,000.

Details of investments	Lyon	Marseille	Bordeaux	B&B hotels	Total
Acquisitions	0	0	0	0	0
Works	25,775	59,166	10,070	2,125	97,136
2012 total	**25,775**	**59,166**	**10,070**	**2,125**	**97,136**
Acquisitions	16,391	1,957	5,588	3,871	27,807
Works	2,116	19,852	0	0	21,969
Total H1 2013	**18,507**	**21,810**	**5,588**	**3,871**	**49,777**

With the exception of the three projects under construction in Lyon (Silky Way) and Bordeaux (Nautilus Tranche 2 and La Fabrique) representing a value of €20.2 million, and properties committed to under a sales promise (seven B&B hotels) representing €23.5 million, the city-center portfolio was appraised by Jones Lang LaSalle and BNP Real Estate Expertise on the basis of several different approaches:

- the rental income capitalization method for the Lyon and Marseille properties;
- the comparison method for the Lyon and Marseille properties;
- the developer balance sheet method for land;
- the income method for hotel properties.

Rental income capitalization method

The appraisers used two different methodologies to capitalize rental income:

1) current rental income is capitalized up to the end of the existing lease. The capitalized current rent to expiry or revision is added to the capitalized renewal rent to perpetuity. The latter is discounted to the appraisal date on the basis of the date of commencement of capitalization to perpetuity. An average ratio was used between "vacancies" and "renewals" on the basis of historic tenant changes.

   Recognition of market rent may be deferred for a variable vacancy period for any rent-free period, renovation work or marketing period, etc. following the departure of the sitting tenant;

2) for each premises appraised, a rental ratio is calculated, expressed in € per sqm per annum, making it possible to calculate the annual market rent (ratio x weighted floor space).

   An "imputed rent" is estimated and used for the purposes of calculating the income method (capitalized rent). It is determined on the basis of the nature and occupancy level of the premises, and is capitalized at a yield approaching market levels, though where appropriate this includes upward potential.

   The low yields in question include upward rental potential either where a sitting tenant leaves or where rent caps are lifted due to changes in local marketability factors.

Different yields have been applied by use and also between current rental income and rent on renewal. Appraisals also take account of expenditure required to maintain real estate properties (renovation of facades, stairwells, etc.).

Change in the yields used in appraisals is given below:

Yield	06/30/2013	12/31/2012	12/31/2011
Lyon			
Retail	5.80% to 6.10%	5.30% to 6.10%	5.30% to 6.10%
Offices	6.60% to 7.20%	6.40% to 7.20%	6.40% to 7.20%
Residential (excl. Law 48 rent-controlled)	4.50% to 4.60%	4.20% to 4.60%	4.20% to 4.60%
Marseille			
Retail	5.60% to 7.90%	5.60% to 7.90%	5.80% to 7.90%
Offices	6.60% to 8.00%	6.60% to 8.00%	6.60% to 8.00%
Residential (excl. Law 48 rent-controlled)	4.40% to 5.60%	4.40% to 5.60%	4.40% to 5.60%

Comparison method:

In the case of residential premises, an average price per square meter vacant and excluding transfer taxes is ascribed to each premises appraised, based on examples of market transactions for similar assets.

For commercial property, and in particular retail premises (where rent caps cannot be lifted), the ratio of the average price per square meter is closely linked to rental terms.

With regard to the city-center properties, a value after work, a value after work on private areas, a value after work on communal areas and a current condition value are presented for each of the two methods for each property appraised.

The value applied for each premises in its current condition is the average of the two methods, unless the appraiser indicates otherwise. The final value excluding transfer taxes is converted into a value including transfer taxes (by applying transfer taxes at 6.20% for old buildings and 1.80% for new buildings), giving the effective yield for each premises (ratio between actual gross income and the value including transfer taxes).

Developer balance sheet method for redevelopment land:

For land available for construction, the appraiser distinguishes between land with planning approval and/or an identified and likely project, and land for which there is no clearly defined project with advanced plans.

In the first instance, the appraiser looks at the project from a development perspective.

For ordinary land reserves, the approach is based on the value per square meter of land available for construction having regard to market prices.

Income method for hotel properties:

For each asset, net rent is capitalized on the basis of a weighted yield specific to each hotel based on its characteristics.

The result is a freehold market value for the asset including “transfer taxes” (*i.e.* total cost of the property including all fees).

Capitalization rates range from 5.65% to 6.87% and were determined on the basis of:

- the nature of the property rights to be assessed, and the asset’s profile;
- the investment climate, particularly for this asset class;
- specific characteristics of each asset via a capitalization rate that reflects its characteristics in terms of location, site and quality.

SENSITIVITY ANALYSIS

The market value of the real estate assets was calculated by varying yields by 0.1 points for the city-center and hotel properties.

The sensitivity of the market value of the real estate assets assessed using the income method is as follows:

Change in yield	-0.2%	-0.1%	0.1%	0.2%
Impact on value				
City-center properties	4.48%	2.19%	-2.11%	-4.13%

Non-current financial assets

Non-current financial assets	Balance as of 12/31/2011	Increase	Reduction	Balance as of 12/31/2012	Increase	Reduction	Balance as of 06/30/2013
Liquidity contract	298	0	(73)	225	0	(116)	109
Other loans	133	8,546	(3)	8,676	125	(4,932)	3,869
Deposits & guarantees	16	0	(7)	9	0	0	9
GROSS TOTAL	**447**	**8,546**	**(83)**	**8,910**	**125**	**(5,048)**	**3,987**
Provisions for the liquidity contract	(1)	(11)	0	(12)	0	0	(12)
Provisions for other loans	0	0	0	0	0	0	0
Provisions for deposits and securities	(6)	(7)	6	(7)	0	0	(7)
NET TOTAL	**440**	**8,528**	**(77)**	**8,891**	**125**	**(5,048)**	**3,968**

Transactions on the line “Other loans” include a current account repayment of €5 million by JDML.

In 2005, a liquidity contract was arranged for ANF Immobilier stock. This contract is managed by Rothschild bank.

Note 2 Receivables maturity schedules

(€ thousands)	Amount 06/30/2013	Less than one year	One to five years	More than five years
Trade receivables	6,030	6,030	0	0
Other receivables	10,861	10,861	0	0
GROSS TOTAL	**16,891**	**16,891**	**0**	**0**
Provisions	2,109	2,109	0	0
NET TOTAL	**14,782**	**14,782**	**0**	**0**

Note 3 Debt maturity schedules at the end of the period

(€ thousands)	Amount 06/30/2013	Less than one year	One to five years	More than five years
Bank debts and liabilities	359,587	228,788	119,054	11,745
Payables to fixed-asset suppliers	13,776	13,776	0	0
Trade payables	(366)	(366)	0	0
Tax and corporate liabilities	8,703	8,703	0	0
Rental security deposits	3,055	3,055	0	0
Other payables	3,181	3,181	0	0
TOTAL	**387,936**	**257,136**	**119,054**	**11,745**

Note 4 Cash and cash equivalents

(€ thousands)	06/30/2013	12/31/2012	12/31/2011
Money market funds and marketable securities	1,003	1,978	36,082
Current bank accounts	1,139	20,279	1,636
Cash and cash equivalents	2,142	22,257	37,718
Bank overdrafts	(50)	(7)	0
Outstanding bank interest	(268)	(278)	(333)
Net cash and cash equivalents	1,825	21,972	37,385

Note 5 Accruals – Assets

Prepaid expenses include €248,000 in subscriptions, insurance, finance lease payments, fees, and other expenses involving future periods.

Note 6 Accruals – Liabilities

Prepaid income includes €270,000 in rental and service charge payments for the coming months.

Note 7 Contingency and loss provisions

Gross values (€ thousands)	Balance as of 12/31/2011	Increase	Reduction	Balance as of 12/31/2012	Increase	Reduction	Balance as of 06/30/2013
Provision for long-service awards	12	0	0	12	0	0	12
Provision for supplementary post-employment benefits	45	0	0	45	0	0	45
Other contingency provisions	330	1,477	(230)	1,577	6	(808)	775
TOTAL	**387**	**1,477**	**(230)**	**1,634**	**6**	**(808)**	**832**
Current liabilities	330	1,477	(230)	1,577	6	(808)	775
Non-current liabilities	57	0	0	57	0	0	57

Reversals of provisions are for provisions used or that no longer serve any purpose.

The most significant ongoing disputes are as follows:

1) Chief Operating Officer and Real Estate Director:

Legal action is currently underway following the removal and dismissal in April 2006 of ANF Immobilier's Chief Operating Officer and Real Estate Director:

- the dismissed employees have filed claims with the Paris Employment Tribunal for €3.4 million in the case of the former Chief Operating Officer and €1.0 million in the case of the former Real Estate Director;
- similarly, a commercial suit has been lodged against ANF Immobilier with the Paris Commercial Court by the former Chief Operating Officer as a former Company officer;
- a suit has also been lodged with the same court by a former supplier.

Prior to the bringing of these employment and commercial suits, ANF Immobilier had, in connection with criminal proceedings, brought a civil action for damages before an investigating magistrate in Marseille regarding alleged acts committed by the aforementioned former supplier, and by its two former officers and other parties.

A criminal investigation is underway and letters rogatory have been provided to the Marseille Criminal Investigation Bureau. ANF Immobilier's former Chief Operating Officer and Real Estate Director have been charged and placed under judicial supervision. Likewise for the former supplier, who was held on remand for a number of months.

The Examining Chamber of the Aix en Provence Appeal Court handed down a ruling on March 4, 2009 confirming the charges laid against ANF Immobilier's former Chief Operating Officer and hence the existence of serious and corroborating evidence against him with regard to the claimed misuse of corporate assets to the detriment of ANF Immobilier.

On account of the close link between the criminal and labor aspects of this case, the Paris Employment Tribunal upheld the application for a stay of proceedings.

2) TPH – TOTI proceedings:

Representing Eurazeo, ANF Immobilier entered into an agreement with Philippe TOTI, a private entrepreneur (TPH), with regard to the refurbishment of part of its real estate assets in Marseille.

At the same time as filing criminal proceedings with a Marseille investigating magistrate, directed in particular against the former supplier for receiving stolen goods and aiding and abetting, ANF Immobilier established that the latter was not employing the material and human resources required to meet its contractual obligations.

At ANF Immobilier's request, a bailiff confirmed that work has been abandoned.

On June 19, 2006, following the bailiff's confirmation, ANF Immobilier canceled the works contracts entered into with the former supplier.

The liquidator of the former supplier and the former supplier also issued a writ against ANF Immobilier before the Paris Commercial Court on February 16, 2007.

ANF Immobilier sought a stay of proceedings or an adjourning of the case pending a final decision on the criminal proceedings (Marseille District Court), on the basis of the civil suit for damages brought by ANF Immobilier for misuse of corporate assets and receiving stolen goods.

In a decision handed down on November 26, 2009, the President of the Paris Commercial Court granted the stay of proceedings pending a decision in the criminal case.

Accordingly, the Paris Commercial Court shall not be called upon to examine the admissibility and grounds for the claim lodged by Mr. Toti and the liquidator of TPH until the final criminal decision has been handed down on the events surrounding ANF Immobilier's suit.

3) Expropriation procedure

On December 6, 2011, the Euroméditerranée Urban Development Agency notified ANF Immobilier of an expropriation procedure concerning a 2,366 sqm plot in Marseille, offering compensation of €1,450,600.

ANF Immobilier contested this offer.

In a decision handed down on June 14, 2012, the Marseille Administrative Court set the compensation due to ANF Immobilier for the expropriation of said land at €2,228,082. The Euroméditerranée Urban Development Agency lodged an appeal against this decision before the Aix en Provence Appeal Court.

Awaiting the judgment of the Court of Appeal, and in order to preserve its rights, ANF Immobilier agreed to sign the early sale agreement with the Euroméditerranée Urban Development Agency at the proposed price of €1,450,600, it being specified that as soon as the decision of the Court of Appeal of Aix en Provence fixing the expropriation compensation is received, an additional agreement will be drawn up, providing discharge to the Agency, subject to the payment of the entire amount due to the expropriated party.

No provision has been recorded in the Company's financial statements for these disputes.

To the best of the Company's knowledge, there are no other government, court or arbitration proceedings pending or threatened that might have or over the past 12 months have had a material effect on the Company's financial position or profitability.

Note 8 Treasury shares

(€ thousands)	06/30/2013	12/31/2012	12/31/2011
Shares registered minus shareholders' equity	13,444	11,098	10,697
Number of shares	431,888	323,312	315,992
TOTAL NUMBER OF SHARES	**17,730,570**	**17,730,570**	**27,774,794**
Treasury shares as a %	2.44%	1.82%	1.14%

Note 9 Financial instruments

The ANF Immobilier Group is exposed to interest rate risk. Management actively manages this risk exposure. The Group uses a number of financial derivatives to address this. The goal is to reduce, wherever deemed appropriate, fluctuations in cash flows as a result of changes in interest rates. The Group does not enter into financial transactions if it entails a risk that cannot be quantified.

ANF Immobilier has undertaken to comply with the following hedging requirements:

- Crédit Agricole CIB: 50% of the debt hedged at fixed rates;
- Société Générale: 100% of the debt hedged at fixed rates.

To this end, the ANF Immobilier Group arranged 16 interest rate hedging contracts to swap three-month Euribor variable rates for fixed rates.

By the end of the year, €253 million in debt had been repaid and a decision had been taken to repay an additional €25 million in January 2013.

These loans were hedged by 15 interest rate hedging contracts to swap three-month Euribor variable rates for fixed rates. These contracts, which involve total amounts outstanding of €275.6 million maturing, for the most part, on December 31, 2014, were not canceled and, consequently, have been reclassified as trading instruments.

Their value, estimated at -€21.8 million at December 31, 2012, was recognized through consolidated profit or loss. As of June 30, 2013, the increase in the Fair Value of these trading instruments was €6.2 million in the consolidated financial statements.

The table below sets out the impact of interest rate derivatives on ANF Immobilier’s consolidated financial statements:

Effective date	Maturity date	Fixed rate paid	*(€ thousands)*	Nominal	Fair value assets 06/30/2013	Fair value liabilities 06/30/2013	Changes in fair value over the year	Impact on financial income	Impact on equity
07/24/2006	07/24/2012	3.9450%	Three-month Euribor swap/3.945%, nominal 22,000	due		0	0		0
12/15/2006	12/15/2012	3.9800%	Three-month Euribor swap/3.980%, nominal 28,000	due		0	0		0
08/11/2008	06/30/2014	4.5100%	Three-month Euribor swap/4.51%	28,000	0	(1,191)	627	2	625
08/11/2008	06/30/2014	4.5100%	Three-month Euribor swap/4.51%	10,000	0	(425)	224	0	224
10/08/2008	06/30/2014	4.2000%	Three-month Euribor swap/4.2%	9,500	0	(374)	198	11	187
10/10/2008	06/30/2014	4.1000%	Three-month Euribor swap/4.1%	12,800	0	(491)	261	(19)	280
11/14/2008	06/30/2014	3.6000%	Three-month Euribor swap/3.6%	5,700	0	(190)	102	(7)	109
12/24/2008	06/30/2014	3.1900%	Three-month Euribor swap/3.19%	6,350	0	(185)	101	6	95
03/13/2009	06/30/2014	2.6800%	Three-month Euribor swap/2.68%	11,700	0	(280)	156	19	137
01/04/2010	06/30/2014	2.3580%	Three-month Euribor swap/2.358%	23,900	0	(494)	280	(41)	321
01/03/2011	06/30/2014	2.5000%	Three-month Euribor swap/2.50%	64,000	0	(1,416)	796	0	796
12/17/2012	06/30/2014	3.1590%	Three-month Euribor swap/3.159%	50,000	0	(1,442)	784	15	769
06/30/2014	06/30/2017	2.6030%	Three-month Euribor swap/2.603%	40,000	0	(1,871)	414	(2)	416
06/30/2014	06/30/2016	2.4050%	Three-month Euribor swap/2.405%	40,000	0	(1,287)	223	(1)	224
06/30/2014	06/30/2016	2.2400%	Three-month Euribor swap/2.24%	20,000	0	(577)	111	2	109
06/30/2014	06/30/2018	2.5400%	Three-month Euribor swap/2.54%	20,000	0	(1,010)	301	(35)	336
06/30/2014	06/29/2017	2.0000%	Three-month Euribor swap/2.00%	20,000	0	(582)	197	47	151
07/01/2014	06/30/2018	2.1800%	Three-month Euribor swap/2.18%	20,000	0	(725)	298	(99)	397
Financial hedging instruments				**381,950**	**0**	**(12,542)**	**5,071**	**(104)**	**5,175**

Effective date	Maturity date	Fixed rate paid	(€ thousands)	Nominal	Fair value assets 06/30/2013	Fair value liabilities 06/30/2013	Changes in fair value over the year	Impact on financial income	Impact on equity
10/31/2007	12/31/2014	4.4625%	Three-month Euribor swap/4.4625%	65,000	0	(4,006)	1,549	1,549	0
04/11/2008	03/31/2015	4.2775%	Three-month Euribor swap/4.2775%	11,000	0	(747)	255	255	0
08/20/2007	06/30/2014	4.4550%	Three-month Euribor swap/4.455%	18,000	0	(756)	398	398	0
09/28/2007	12/31/2014	4.5450%	Three-month Euribor swap/4.5450%	65,000	0	(4,092)	1,576	1,576	0
10/31/2007	12/30/2014	4.3490%	Three-month Euribor swap/4.3490%	14,000	0	(837)	326	326	0
06/16/2008	12/31/2014	4.8350%	Three-month Euribor swap/4.8350%	6,700	0	(451)	172	172	0
08/04/2008	06/30/2014	4.7200%	Three-month Euribor swap/4.72%	10,000	0	(447)	234	234	0
07/01/2008	12/31/2014	4.8075%	Three-month Euribor swap/4.8075%	2,300	0	(154)	59	59	0
08/11/2008	12/30/2014	4.5090%	Three-month Euribor swap/4.509%	28,000	0	(1,743)	673	673	0
08/11/2008	12/30/2014	4.5040%	Three-month Euribor swap/4.504%	10,167	0	(632)	244	244	0
10/06/2008	12/31/2014	4.3500%	Three-month Euribor swap/4.35%	5,046	0	(303)	117	117	0
12/23/2008	12/31/2014	3.2500%	Three-month Euribor swap/3.25%	5,821	0	(251)	104	104	0
02/06/2009	12/31/2014	2.9700%	One-month Euribor swap/2.97%	3,300	0	(128)	54	54	0
06/26/2009	12/31/2014	2.8800%	Three-month Euribor swap/2.88%	11,435	0	(429)	183	183	0
01/04/2010	12/31/2014	2.4750%	Three-month Euribor swap/2.475%	19,861	0	(623)	277	277	0
Financial trading instruments				**275,629**	**0**	**(15,600)**	**6,221**	**6,221**	**0**
TOTAL OF FINANCIAL INSTRUMENTS				**657,579**	**0**	**(28,141)**	**11,292**	**6,117**	**5,175**
of which forward swaps				160,000	0	(6,052)	1,543	(89)	1,633

The financial derivatives were measured by discounting the estimated future cash flows on the basis of the yield curve as of Friday, June 28, 2013.

All the derivative instruments held by the Group were classified under level 2 instruments under IFRS 13.

Note 10 Default clauses ("covenants")

With respect to loans and credit lines, ANF Immobilier has made certain undertakings including that of compliance with the following Financial Ratios:

Interest Cover Ratio

The Interest Cover Ratio must be two (2) or above from the first Test Date, and for as long as sums remain due under the Agreement.

The Interest Cover Ratio is calculated quarterly at each Test Date, (i) for Interest Cover Ratios at December 31 each year, on the basis of the certified annual financial statements (consolidated, if the Borrower is required to prepare consolidated financial statements), (ii) for Interest Cover

Ratios at June 30 each year, on the basis of the Borrower's unaudited interim financial statements (consolidated, if the Borrower is required to prepare consolidated financial statements), and, (iii) for Interest Cover Ratios at March 31 and September 30 each year, on the basis of a provisional quarterly accounting close.

"Interest Cover Ratio" denotes the ratio of Gross Operating Income to Net Financial Expense for an Interest Period.

Loan to Value Ratio

The Loan to Value Ratio must be 50% (fifty percent) or lower from the first Test Date, and for as long as sums remain due under all the Agreements, except for one agreement (representing a face value of €80 million and an outstanding amount of €50 million as of June 30, 2013), for which the LTV ratio must remain below or equal to 45% (forty-five percent).

The Loan to Value Ratio is calculated every six months on each Test Date, on the basis of the certified annual financial statements or unaudited interim financial statements.

"LTV Ratio" denotes the ratio of Net Debt to the Appraisal Value of Real Estate Assets.

	Reference standard	Test frequency	Ratios at 06/30/2013	Ratios at 12/31/2012	Ratios at 12/31/2011
ICR ratio (EBITDA/net financial expenses)	minimum 2	quarterly	3.4	3.5	3.9
LTV ratio (net financial debt/ appraisal value of property)	maximum 50%	half-year	38.7%	33.0%	29.2%

ANF Immobilier is also committed to retaining real estate assets worth in excess of €700 million and to paying down some of its loans in the event of a change of control.

ANF Immobilier is in compliance with all of the undertakings agreed to with respect to its loan agreements.

Note 11 Off-balance sheet commitments

Commitments received

Current off-balance sheet commitments received by ANF Immobilier relate to credit facilities that remained undrawn at the balance sheet date and can be summarized as follows:

Commitments received *(€ thousands)*	06/30/2013	12/31/2012	12/31/2011
Guarantees and deposits received	96,595	6,294	6,564
Other commitments received	43,491	106,228	172,164
TOTAL	**140,086**	**112,522**	**178,729**

The principal sureties, deposits and guarantees are as follows:

- DCB Promotion provided ANF Immobilier with a Financial Completion Guarantee of €78.6 million on the Silky Way transaction in Lyon; and a Financial Completion Guarantee of €9.3 million from Bouygues Immobilier for the La Fabrique transaction in Bordeaux;
- Alstom Transport provided ANF Immobilier with a first demand guarantee of €2 million on the Silky Way transaction as a security deposit;
- on the sale of the retirement accommodation of Îlot 34 in Marseille, ANF Immobilier received a first demand guarantee of €1.8 million from Acapace to secure the payment price;
- deposits received from the tenants of ANF Immobilier: €1.2 million;
- deposit received from works contracts: €2.7 million.

The main Other commitments are as follows:

- ANF Immobilier has contracted a number of credit facilities. Unused credit facilities amounted to €30 million;
- ANF Immobilier holds a bank overdraft facility in the amount of €6 million.

Commitments given

Current off-balance sheet commitments given by ANF Immobilier are summarized as follows:

Commitments given *(€ thousands)*	**06/30/2013**	**12/31/2012**	**12/31/2011**
Pledges, mortgages and collateral	13,344	15,965	261,568
Guarantees and deposits given	15,793	21,826	22,044
Finance leases	0	0	0
Agreements to sell	23,673	31,508	6,147
Other commitments given	4,646	5,024	6,267
TOTAL	**57,457**	**74,324**	**296,026**

The main commitments are the following:

- the following guarantees have been given in return for the €250 million seven-year loan from a bank syndicate led by Crédit Agricole CIB:
  - a pledge over bank current accounts,
  - assignment of property insurance premiums under the "Dailly" law;

  In respect of loans totaling €250 million, ANF Immobilier has undertaken to comply with the Financial Ratios described in Note 10.
- Bank guarantees were furnished in the amount of €15.8 million to secure the payment of the acquisition price for the La Fabrique property in Bordeaux and to secure the payments due on the works contract on Îlot 34 in Marseille;
- seven B&B hotels are under sales promises for a total of €23.5 million;
- the other commitments given, amounting to €4.6 million, mainly represent commitments to carry out façade renovations in Marseille.

Note 12 Change in the share capital and shareholders' equity

Under Article 6 of the Articles of Association, the share capital is set at seventeen million seven hundred and thirty thousand five hundred and seventy euros (17,730,570). It is divided into seventeen million seven hundred and thirty thousand five hundred and seventy (17,730,570) shares with a par value of one euro each, fully paid up and all of the same class.

There was no change in share capital during the period.

Note 13 Deferred taxes – assets and liabilities

There are no deferred tax assets or liabilities.

Note 14 Related parties table

(€ thousands)	Eurazeo	SCCV 1-3 rue d'Hozier	SAS JDML
Other receivables	0	376	3,742
Suppliers and related accounts	216	0	0
Other debts	7	0	0
Net financial expense	0	0	71
Employee benefits expenses	138	0	0
Other management expenses	92	0	0
Income from entities accounted for by the equity method	0	(78)	(11)

The compensation owing to members of the Executive Board is set out below.

Compensation paid to members of the Executive Board *(€)*		06/30/2013	12/31/2012
Bruno Keller	fixed compensation	142,615	309,000
	variable compensation	225,873	295,324
	extraordinary premium	0	151,081
	stock option compensation premium 2009-2011	318,262	0
Xavier de Lacoste Lareymondie	fixed compensation	114,092	247,200
	variable compensation	140,543	124,663
	extraordinary premium	0	124,216
	stock option compensation premium 2009-2011	153,342	0
Ghislaine Seguin	fixed compensation	71,308	154,500
	variable compensation	62,743	77,914
	extraordinary premium	0	262,414
	stock option compensation premium 2009-2011	102,238	0

The payment of extraordinary bonuses on disposals carried out in 2012, as well as compensatory bonuses from stock option programs from 2009 to 2011, were made in a phased manner over a period of three years for the Chairman and CEO.

Note 15 Details of the income statement and segment reporting

Primary segment reporting is business-related, insofar as it represents the Group's management structure and is presented on the basis of the following business segments:

- operating activity for city-center properties;
- hotel operations.

Secondary segment reporting is by geographic region:

- Lyon region;
- Marseille region;
- Bordeaux region.

(€ thousands)	**06/30/2013**	**B&B hotels**	**Total of city-center portfolio**	**Marseille**	**Lyon**	**Bordeaux**
Revenues: rental income	17,146	1,110	16,036	12,358	3,054	624
Other operating income	1,812	126	1,686	1,508	170	8
Total operating income	**18,958**	**1,236**	**17,722**	**13,866**	**3,224**	**632**
Property expenses	(3,214)	(115)	(3,099)	(2,774)	(294)	(31)
Other operating expenses	(256)	0	(256)	(246)	(10)	0
Total operating expenses	**(3,470)**	**(115)**	**(3,355)**	**(3,020)**	**(304)**	**(31)**
Gross operating margin from property	**15,488**	**1,121**	**14,367**	**10,846**	**2,920**	**601**
Capital gains (losses) from disposal of assets	(502)	0	(502)	(441)	(61)	0
Gross operating margin from property after disposals	**14,986**	**1,121**	**13,865**	**10,405**	**2,859**	**601**
Employee benefits expenses	(3,303)	(661)	(2,643)	(1,652)	(826)	(165)
Other management expenses	(1,333)	(267)	(1,066)	(666)	(333)	(67)
Other income and transfers of expenses	774	155	619	387	194	39
Other expenses	(1,021)	(204)	(817)	(511)	(306)	0
Depreciation & amortization	(263)	(53)	(210)	(131)	(66)	(13)
Other operating provisions (net of reversals)	660	132	528	330	198	0
Net operating income (before changes in fair value of property)	**10,500**	**224**	**10,277**	**8,163**	**1,720**	**394**
Changes in fair value of property	3,365	429	2,935	1,540	1,265	130
Net operating income (after changes in fair value of property)	**13,865**	**653**	**13,212**	**9,703**	**2,985**	**524**
Net financial expense	(3,096)	(124)	(2,972)	(2,415)	(495)	(62)
Financial amortization and provisions	0	0	0	0	0	0
Income on financial instruments	576	(96)	673	(104)	777	0
Share of income from entities accounted for by the equity method	(89)	0	(89)	(89)	0	0
Income before tax	**11,256**	**432**	**10,824**	**7,095**	**3,266**	**463**
Current taxes	(490)	(98)	(392)	(245)	(122)	(24)
Deferred taxes	0	0	0			0
Net consolidated income	**10,766**	**334**	**10,432**	**6,850**	**3,144**	**438**

Note 16 Earnings per share

(€ thousands)	06/30/2013	06/30/2012	06/30/2011
Net income for basic earnings per share calculation	10,766	17,956	50,111
Net income for diluted earnings per share calculation	10,766	17,956	50,111
Number of ordinary shares for base earnings per share at the balance sheet date*	17,298,682	27,415,255	27,509,694
Average weighted number of ordinary shares for base earnings per share*	17,730,570	27,428,008	27,327,262
Stock options for diluted earnings per share	0	0	0
Diluted number of ordinary shares*	17,298,682	27,415,255	27,509,694
Diluted average weighted number of ordinary shares*	17,730,570	27,428,008	27,327,262
(In €)			
Net earnings per share	0.62	0.65	1.82
Diluted earnings per share	0.62	0.65	1.82
Weighted net earnings per share	0.61	0.65	1.83
Diluted weighted earnings per share	0.61	0.65	1.83

* *The number of shares does not include treasury shares.*

Note 17 Net asset value per share

The NAV is calculated by dividing the Company's consolidated shareholders' equity by the number of shares, excluding treasury stock.

(€ thousands)	06/30/2013	12/31/2012	12/31/2011
Capital and consolidated reserves	**529,873**	**533,538**	**1,118,631**
Fair value adjustment of operating property	891	868	587
NNNAV	**530,764**	**534,406**	**1,119,218**
Elimination of the fair value adjustment of *swaps*	12,537	17,712	38,632
Net Asset Value	**543,301**	**552,118**	**1,157,850**
Total number of shares	17,730,570	17,730,570	27,774,794
Treasury shares	(431,888)	(323,312)	(315,992)
Shares other than treasury shares	17,298,682	17,407,258	27,458,802
NAV per share *(€)*	**31.4**	**31.7**	**42.2**
NNNAV per share *(€)*	**30.7**	**30.7**	**40.8**

Note 18 Cash flow per share

(€ thousands)	06/30/2013	06/30/2012	Change	06/30/2011	Change
Operating income before changes in fair value of property	10,500	30,565		38,578	
Depreciation & amortization	263	227		211	
Capital gains (losses) from disposal of assets	502	(453)		(779)	
Operating income before depreciation & amortization and income from disposals	**11,265**	**30,339**		**38,010**	
Cancellation of impact of IFRS 2 (stock options, recorded as employee expenses)	131	262		334	
Expenses related to special dividends	0	0			
EBITDA	**11,396**	**30,601**	**-61.5%**	**38,344**	**-20.2%**
Net financial expense	(3,096)	(8,841)		(8,785)	
Current cash flow before tax	**8,300**	**21,760**	**-60.1%**	**29,559**	**-26.4%**
Average number of shares during fiscal year	17,730,570	27,428,008		27,327,262	
CURRENT CASH FLOW PER SHARE	**0.47**	**0.79**	**-38.2%**	**1.08**	**-26.7%**

2011 operating income includes the back payments for previous years' rent invoiced to the company Le Printemps, amounting to €7,829,000.

Stripping out this non-recurring item, recurring EBITDA for 2011 was €30,515,000 and recurring cash flow in 2011 was €21,730,000 (€0.8 per share).

Note 19 Tax calculation

(€ thousands)	06/30/2013	06/30/2012	06/30/2011
Current taxes	(490)	(127)	(35)
Deferred taxes	0	0	0
TOTAL	**(490)**	**(127)**	**(35)**
Net income after minority interests	10,766	17,956	50,111
Previous income tax/CVAE correction and distribution tax	490	127	35
Income before tax	**11,256**	**18,083**	**50,146**
SIIC regime income (exempt)	7,891	21,632	30,361
SIIC regime fair value adjustment	3,365	(3,550)	19,785
Capital gains taxed at a reduced rate	0	0	0
TAX BASE	**0**	**0**	**0**
Current tax rate in France	34.43%	34.43%	34.43%
Reduced rate	19.63%	19.63%	19.63%
Previous income tax/CVAE and distribution tax	490	127	35
Expected theoretical tax	**490**	**127**	**35**
TAX EXPENSE FOR THE FISCAL YEAR	**490**	**127**	**35**

Note 20 Exposure to interest rate risk

(€ thousands)	Balance 06/30/2013	Repayments < 1 year	Balance 06/30/2014	Repayments 1 to 5 years	Balance 12/31/2017	Repayments more than five years
Fixed rate debt	**0**	**0**	**0**	**0**	**0**	**0**
Bank Loans	0	0	0	0	0	
Finance leases	0	0	0		0	
Variable rate debt	**359,587**	**(228,788)**	**130,799**	**(119,054)**	**11,745**	**(11,745)**
Loans at variable and revisable rates	359,270	(228,471)	130,799	(119,054)	11,745	(11,745)
Finance leases	0	0	0	0	0	
Bank overdrafts	50	(50)	0		0	
Accrued interest	268	(268)	0		0	
Gross debt	**359,587**	**(228,788)**	**130,799**	**(119,054)**	**11,745**	**(11,745)**
Cash & equivalents	**2,142**	**(2,142)**	**0**	**0**	**0**	**0**
Mutual funds and investments	1,003	(1,003)	0		0	
Liquid assets	1,139	(1,139)	0		0	
NET LIABILITIES	**357,445**	**(226,646)**	**130,799**	**(119,054)**	**11,745**	**(11,745)**
Fixed rate	0	0	0	0	0	0
Variable rate	357,445	(226,646)	130,799	(119,054)	11,745	(11,745)
Derivatives portfolio as at December 31, 2012	**497,579**					
Fixed for variable rate swaps	497,579					
Forward start derivatives portfolio	**160,000**					
Fixed for variable rate swaps	160,000					
TOTAL DERIVATIVES PORTFOLIO	**657,579**					
Fixed for variable rate swaps	657,579					
Caps and corridors	0					
Variable for fixed rate swaps	0					

Note 21 Credit risk

(€ millions) *Counterparty*	06/30/2013 Credit limit balance	06/30/2013 Amount drawn down	12/31/2012 Credit limit balance	12/31/2012 Amount drawn down	12/31/2011 Credit limit balance	12/31/2011 Amount drawn down
Crédit Agricole CIB, BECM, Société Générale, HSBC	250	250	250	250	250	250
BNP Paribas	80	50	80	0	80	0
Groupe Crédit Mutuel CIC	41	41	41	23	41	0
Groupe Crédit Agricole	25	25	25	25	25	0
Other banks	0	0	0	0	18	0

Note 22 Personnel

Headcount as of June 30, 2013	Male	Female	Total
Executives	19	8	27
Employees	7	11	18
TOTAL	**26**	**19**	**45**

STATUTORY AUDITORS' REPORT ON THE HALF-YEAR FINANCIAL STATEMENTS

ANF Immobilier
32, rue de Monceau
75008 Paris

(Period from January 1, 2013 to June 30, 2013)

To the Shareholders,

In carrying out the responsibilities entrusted to us by your Shareholders' Meetings, and pursuant to article L. 451-1-2-III of the French Monetary and Financial Code, we have:

- performed a limited review of the half-year consolidated financial statements of ANF Immobilier, corresponding to the period from January 1, 2013 to June 30, 2013, as attached to the present report;
- verified the information provided in the half-year management report.

The half-year condensed consolidated financial statements were drawn up under the responsibility of the Executive Board. Our role is to express our conclusions on these financial statements based on our limited review.

I - Conclusion on the financial statements

We carried out our limited review in accordance with professional standards applicable in France.

A limited review mainly consists of speaking to members of management responsible for accounting and financial aspects and implementing analytical procedures. This work is less extensive than that required for an audit performed in accordance with the professional standards applicable in France. As a result, the limited review only yields a moderate assurance that the financial statements in their entirety do not contain any significant anomalies; this moderate assurance is less firm than that obtained as a result of an audit.

On the basis of our limited review, we did not find any material misstatements that would call into question the compliance of the half-year condensed consolidated financial statements with IAS 34, the IFRS standard as adopted in the European Union in respect of half-year financial reporting.

II - Specific Verification

We have also conducted a verification of the information in the half-year management report commenting on the half-year condensed consolidated financial statements, which were the focus of our limited review.

We have no matters to report regarding its fairness and its consistency with the half-year condensed consolidated financial statements.

At Neuilly-sur-Seine and Courbevoie, August 26, 2013

The Statutory Auditors

PricewaterhouseCoopers Audit	**Mazars**
Pierre Clavié	Guillaume Potel

RISK EXPOSURE

The following risks are those known by the Company as of the date of registration of this report that could have a significant adverse effect on the Group, its operations, financial position, income, and share price, and should be taken into account when making investment decisions. Investors should note that the following list is not exhaustive, and that risks may exist that are unknown as of the date of registration of this report which could have a significant negative effect on the Group, its operations, financial position, income and share price.

Risks related to the Company's business

Risks related to the Company's business area

Risks related to the economic environment and developments in the property market

ANF Immobilier's property assets mainly consist of residential and commercial rental properties located in Marseille, Bordeaux and Lyon and hotel properties located throughout France. As a result, any changes in the French economic climate or the property markets in Marseille, Bordeaux and Lyon could have a negative impact on ANF Immobilier's rental income, earnings, asset values, investment strategy, financial position, and growth outlook.

Changes in the economic environment and property market may also have a long-term effect on occupancy rates and on tenants' ability to pay their rents and maintenance costs.

Downward fluctuations in the cost of construction index (ICC) and quarterly rent index (ILC) for retail leases or the rent reference index (IRL) for housing leases, on which most of the rents under ANF Immobilier's leases are indexed, could also affect rental income.

Risks related to the terms of sale of property assets

The value of ANF Immobilier's property assets depends on a number of factors, notably supply and demand in the property market. After a number of very buoyant years, the French property market has slowed over the past few months, in line with the worsening of the financial crisis, notably resulting in fewer transactions.

Against this backdrop, ANF Immobilier may not always be able to sell its property at a time or under market conditions that would allow it to generate the expected profits. These conditions may also encourage or force ANF Immobilier to postpone some transactions. Should this situation continue, it could have a significantly negative effect on ANF Immobilier's real estate value and on its investment strategy, financial position, and growth outlook.

Risks related to interest rate levels

Interest rate levels play a role in the state of the overall economy, with a particular bearing on GDP growth and inflation. They also have an impact on the value of property assets, the borrowing capacity of market participants, and to a lesser extent changes in the ICC, ILC and IRL indices.

Generally speaking, the value of ANF Immobilier's assets are affected by interest rates because this net asset value depends on the property's resale potential, which itself is a function of buyers' borrowing capacity and the ease with which they can obtain credit.

Therefore, a rise in interest rates, especially a sizeable one, could prove detrimental to the value of ANF Immobilier's assets.

In addition, ANF Immobilier may need to use debt to finance its growth strategy, although the Group may also draw on shareholders' equity or carry out bond issues. A rise in interest rates would therefore increase the cost of financing investments by using debt, and could make implementing the Group's growth strategy more costly.

If ANF Immobilier were to obtain additional debt to finance future acquisitions, its financial position would become more sensitive to changes in interest rates through the impact such changes would have on the borrowing costs for loans or bonds. As a result, ANF Immobilier has set up interest rate hedging mechanisms that are designed to limit this sensitivity.

Risks related to the competitive environment

While making property purchases, ANF Immobilier may come up against competitors that have greater financial resources and/or a larger asset portfolio.

Risks related to the Company's operations

Risks related to the regulation of leases and non-renewal of leases

French legislation regarding leases places considerable restrictions on lessors. Contractual terms governing lease lengths, termination conditions, renewals, and indexed rent increases are considered to be a matter of public policy, and the legislation restricts lessors' flexibility in raising rents to match current market rates.

As a result, ANF Immobilier may be faced with a more challenging market environment when its existing leases expire, or may have to cope with changes to French legislation, regulations, or jurisprudence that impose new or tighter restrictions on rent increases. Amendments to regulations governing the duration of leases, indexed rent increases, rent ceilings, or eviction compensation for tenants could have a negative impact on the Company's real estate value, as well as ANF Immobilier's operations, earnings, and financial position.

Risks related to default on rent payments

Nearly all of ANF Immobilier's revenue is generated from leasing property to third parties, and the profitability of the Group's leasing business depends on tenants' solvency. As such, tenants facing financial difficulties may be late paying their rent or even default on rent payments, which could have a negative impact on ANF Immobilier's earnings. In this context, ANF Immobilier has put in place a weekly check on customers' outstanding payments and follows up any unpaid debts on a case-by-case basis.

Risks related to the cost and availability of appropriate insurance coverage

ANF Immobilier believes that the type and amount of insurance coverage it has is consistent with industry practice.

Nevertheless, ANF Immobilier could be faced with increasing costs for its insurance policies or losses that would not be fully covered by its insurance policies. Additionally, ANF Immobilier could be faced with insurance shortfalls or an inability to cover certain risks, as a result, for example, of capacity limitations in the insurance market. The cost or unavailability of appropriate coverage in the event of losses could have a negative impact on the Company's real estate value, earnings, operations, or financial position.

Risks related to service quality and subcontractors

ANF Immobilier uses subcontractors and suppliers for some of its maintenance and refurbishment work. ANF Immobilier believes that its operations, outlook, or reputation could be damaged if a subcontractor or supplier shuts down its business, stops payments, or provides unsatisfactory services or products. However, ANF Immobilier believes that it can quickly find new, reliable subcontractors or suppliers if any of its existing contracts are terminated.

Risks related to the inability to find tenants

ANF Immobilier leases space in its owned or acquired property either directly or through estate agents and risks spaces remaining vacant for an extended period of time. ANF Immobilier may encounter problems finding new tenants at suitable rent prices. The rent that the Company charges could therefore be affected by its ability to lease newly vacant space as existing tenants move out. Any such extended vacancies could affect ANF's financial position and earnings.

Risks related to information systems

ANF Immobilier and its service providers use certain software applications or packages and manage several specific databases to carry out its rental management operations. ANF Immobilier has implemented IT security procedures at its three sites (Lyon, Marseille, and Paris). Nevertheless, should all of these computer systems and applications be destroyed or damaged simultaneously for any reason, ANF Immobilier's operations could be disrupted and the Group's financial position and earnings could be impacted.

Risks related to ANF's assets

Risks related to taxes applied to SIICs (French REITs), a change in these taxes, or the loss of SIIC status

The Group is registered in France as an SIIC (the "SIIC regime"), which is the French equivalent of a REIT. Under Articles 208 C *et seq*. of the French General Tax Code, ANF Immobilier is exempted from paying income tax on profits from rental or sublet properties and some capital gains.

Benefiting from this tax regime is contingent upon compliance with a number of conditions, including obligating the Company to distribute a significant portion of tax-exempt profits and the prohibiting a single shareholder from owning 60% or more of the Company's capital and voting rights. Since December 2009, none of the Group's shareholders have owned 60% or more of capital and voting rights.

Furthermore, failure to comply with the obligation to retain the assets the Group has acquired or may acquire for five years under the regime of Article 210 E of the French General Tax Code would be subject to a penalty of 25% of the acquisition price of the asset for which the retention obligation has not been satisfied.

SIIC companies must pay a 20% tax on some payouts to shareholders that are not individuals and which have at least a 10% stake in the Group (directly or indirectly), provided they are not subject to French corporate income tax or an equivalent tax, with some exceptions. For situations where this tax must be paid, Article 24 of the Group's Articles of Association sets forth a payment mechanism through which these charges are ultimately paid by the shareholders that receive the payout.

Risks related to applicable regulations in France

ANF Immobilier is required to comply with numerous specific and general regulations governing the ownership and management of commercial property, in addition to those related to ANF Immobilier's SIIC status. These regulations cover urban planning, building construction, public health and safety, environmental protection, security and commercial leases. Regulations regarding environmental protection and public health and safety concern, in particular, the ownership and use of facilities that could generate pollution (*e.g.* classified facilities), the use of toxic substances in building construction, and the storage and handling of such substances.

Any substantial change in the regulations governing ANF Immobilier's operations could result in additional expenditures, and could impact its operating profit and development or growth outlook.

Furthermore, ANF Immobilier must obtain approval from administrative bodies for construction projects it plans to carry out in order to expand its property. This approval may be difficult to obtain in some cases, or could be subject to stricter conditions. In addition, construction or renovation work may be delayed by any required environmental remediation or archaeological excavation work, or by issues related to soil typology. Any such events could hinder ANF Immobilier's development or growth outlook.

As with most property owners, ANF Immobilier cannot guarantee that its tenants will fully comply with all applicable regulations, particularly those regarding the environment, public health and safety, security, urban planning and operating permits. Non-compliance by a tenant could lead to sanctions for ANF Immobilier as the property owner, and could impact its earnings and financial position.

Risks related to net asset value

ANF Immobilier's property asset portfolio is appraised every six months by independent expert appraisers. Their assessments are performed according to the specifications set forth by the French Association of Property Appraisers (Afrexim) and the working group chaired by Mr. Barthès de Ruyter, in its February 2000 report on property appraisals for companies making a public offering. The value of a property portfolio depends largely on the property market and several other factors including the overall economy, interest rates, the climate for property leases, etc., all of which play a role in the net asset value determined by the appraiser.

Based on the portfolio value determined by the independent appraisers, ANF Immobilier may need to recognize an impairment provision in accordance with the appropriate accounting standards, if this proves to be necessary. A drop in the value of ANF Immobilier's real estate assets would also impact the LTV ratio used as a reference for certain banking covenants. As of June 30, 2013 ANF Immobilier's LTV ratio stood at 38.7%, and the covenants included in the loan agreements signed by the Company are based on an LTV ratio of up to 45%. As such, ANF Immobilier considers that only a sharp drop in the value of its property assets could represent a risk of non-compliance for the ratio of the aforementioned covenants. Furthermore, the determined value of an asset may not be exactly equal to the sale price realized by ANF Immobilier in a transaction, notably in a sluggish market.

Risks related to the Group's growth strategy

ANF Immobilier's growth strategy involves making selective property purchases. However, ANF Immobilier cannot guarantee that suitable purchasing opportunities will arise, or that any purchases it does make will be completed in the initial timeframe, or generate the expected return.

Property purchases carry risks related to: (i) conditions in the real estate market; (ii) a large number of investors being in the real estate market; (iii) the potential return on a rental investment; and (iv) problems with the assets that may be discovered after it has been purchased, such as toxic substances, other environmental hazards, or regulatory difficulties.

ANF Immobilier may need to employ considerable financial resources to purchase some of its properties. This could involve assuming additional debt or issuing equity securities, both of which would impact ANF Immobilier's financial situation and income.

Risks related to the ownership of property acquisition entities

The Group's real estate investment business could lead to buying and selling real estate, either directly or through the buying and selling of shares or holdings in other entities that own said real estate. The partners in some of these entities could be liable to third parties for all the entity's debt that originated before they sold their shares (for general partnerships) or that became due before the sale of the entity (for civil companies). Potential actions taken by creditors to collect any debt that originated before the sale transaction could have a negative impact on the Company's financial position.

Risks related to health and safety hazards (asbestos, legionella, lead, classified facilities, etc.), flooding and building collapse

ANF Immobilier's property assets could be exposed to health and safety hazards such as those related to asbestos, Legionella, termites or lead. ANF Immobilier, as the owner of buildings, facilities and land, could be formally accused of failure to adequately monitor and inspect facilities. Any proceedings alleging ANF Immobilier's potential liability could have a negative impact on its operations, outlook, and reputation. ANF Immobilier closely follows all applicable regulations in this area in order to minimize this risk, and has a preventative approach in carrying out property inspections and, if necessary, doing any work needed to comply with regulations.

ANF Immobilier's property assets may also be exposed to natural disasters or technological incidents, or receive an unfavorable inspection report from a safety commission. Any such event may require the full or partial closure of the premises concerned. This could make ANF Immobilier's assets less attractive, and have a negative impact on its operations and income.

Market risks

Interest rate risks

ANF Immobilier's debts and liabilities totaled €359.6 million as of June 30, 2013, according to the financial statements for the period that ended on this date. ANF Immobilier has a policy of hedging interest rates over the lifetime of its loans.

The Group uses a number of financial derivatives to address this. The goal is to reduce, wherever deemed appropriate, fluctuations in cash flows as a result of changes in interest rates. The Group does not enter into financial transactions if it entails a risk that cannot be quantified.

ANF Immobilier has undertaken to comply with the following hedging requirements:

• Crédit Agricole CIB:	50% of the debt hedged at fixed rates;
• BECM:	100% of the debt hedged at fixed rates;
• Société Générale:	100% of the debt hedged at fixed rates.

To this end, the Group has arranged 31 interest rate hedging contracts (including four which are forward start) to swap three-month or one-month Euribor variable rates for fixed rates. The details of these contracts and the impact of interest rate derivatives on ANF Immobilier's consolidated financial statements are included in Note 9 to the consolidated financial statements.

ANF Immobilier is exposed to the risk of interest rate changes for its future financing.

Risks related to liquidity and cash flow

ANF Immobilier's strategy relies on its ability to use financial resources in order to finance its investments, purchase property, and refinance debts as they fall due. ANF Immobilier (i) may not always have the desired access to financial markets, or (ii) may be required to obtain financing under terms that are less favorable than initially planned. This type of situation could arise, in particular, as a result of financial market trends, a major event affecting the real estate industry, or any other change in ANF Immobilier's operations, financial position or shareholding structure likely to influence investors' views of ANF Immobilier's credit quality or attractiveness as an investment.

In terms of liquid assets, ANF Immobilier takes steps to ensure that the amount of rental income it receives is always sufficient to cover the Group's operating expenses, interest payments, payments for existing financing, and payments for any new financing acquired to support its investment strategy.

ANF Immobilier's liquid assets risk management policy involves monitoring its loan duration and available lines of credit, as well as the diversification of its sources of financing.

Some of ANF Immobilier's loans contain the usual covenants and clauses governing early repayment and financial commitments ("covenants"), which are described in Note 10 to the half-year consolidated financial statements as of June 30, 2013.

Given ANF Immobilier's financial position as of the date of registration of this report, ANF Immobilier does not feel it faces any risks related to liquid assets.

Equity investment risks

As of June 30, 2013, the Company owned 431,888 ANF Immobilier shares (including the ANF Immobilier shares in the liquidity contract), liquid assets and investment securities amounting to €1.8 million. As a result, ANF Immobilier does not feel it faces any significant risks related to equity investments.

Foreign exchange risk

As of the date of this report, ANF Immobilier generates all its revenue in the euro zone and pays all its expenses (including investment costs) in euros. As a result, the Company is not exposed to any foreign exchange risks.

Company-specific risks

Risks related to the Company's shareholding structure

As on the date of this report, Eurazeo is the majority shareholder of ANF Immobilier in terms of shares and voting rights. Consequently, Eurazeo has significant influence over ANF Immobilier and the way it runs its business. Therefore, Eurazeo can make important decisions regarding not only the composition of the Executive and Supervisory Boards, approval of the financial statements, and dividend payouts, but also ANF Immobilier's capital or its Articles of Association.

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