

- **City-centre rental income: up 12% in 2010 and expected to rise 15% in 2011 on a like-for-like basis**
- **Increase of 9% in recurring cash-flow in 2010**
- **Distribution up 13%: dividend of €1.54 per share**
- **Increase in stock liquidity with a distribution to Eurazeo shareholders of 8% of ANF Immobilier capital**

On publication of the results, Bruno Keller, Chairman of ANF Immobilier's Executive Board said:
*"ANF Immobilier's results **again** show an increase in the company's financial and operational performance. The recurrent growth in our rental income demonstrates the effectiveness of our actions and our ability **to deliver projects** which create value. Confident with our results and with interests shown by numerous investors, I am pleased Eurazeo intends to enlarge ANF Immobilier free float what should consequently improve stock liquidity."*

Consolidated data (IFRS €M)	2010 (12 months)	2009 (12 months)	Change (%)	2008 (12 months)
Rental income	69.1	65.1	6%	59.1
EBITDA	56.6	51.8	9%	44.5
EBITDA margin	82%	80%	2 pts	75%
Change in property fair value	36.5	(89.5)	n/a	30.1
Consolidated Net Income	74.9	(54.0)	n/a	69.2
Recurring Cash Flow (1)	38.9	35.6	9%	31.5
Cash-flow per share (2)	1.43	1.34	6%	1.25

(1) Operating result restated after depreciation, the impact of IFRS 2, capital gains from disposals and deducted of net financial expenses
 (2) Average number of shares in the financial year

Consolidated data (IFRS €M)	31/12/10	31/12/09	Change	31/12/08
Net Asset Value	1 100.7	1 061.1	4%	1 120.8
NNNAV per share (3)	39.0	37.8	3%	42.1
NAV excluding fair value of financial instruments per share (3)	40.3	38.9	4%	42.8

(3) Adjusted for the bonus share allocation of 1-for-20 granted in 2010

Audit procedures on the consolidated accounts have been performed. The opinion report will be issued after the finalization of procedures to be undertaken for the needs of the annual report recording.

2010 financial performance better than expected

ANF Immobilier's **rental income** continued to rise by 8% on a like-for-like basis. For the city-centre assets, this increase is over 12%, on a like-for-like basis, particularly as a result of retail areas.

EBITDA was 56.6 million euros, and the EBITDA margin was 82%, up 2 points.

Current cash-flow rose 9% to 38.9 million euros, or €1.43 per share.

With a **loan-to-value ratio** of 29% at December 31, 2010, ANF Immobilier remains one of the least indebted property companies.

Strong operational activity

>> Increase in prime rents

It was a very active year in 2010 with the renegotiation of 467 leases, representing a 43% increase in transaction volumes compared with 2009. New prime rents were signed, particularly in Lyon, Rue de la République, close to the Place Bellecour where the prime rents from retail areas is now above €2,500/ m² ex. taxes compared with the average portfolio rent for retail areas across all sectors of €700/ m² ex. taxes.

>> New deliveries of value-creating projects

At the end of 2010, ANF Immobilier also delivered two development projects in Marseille: a 13,000m² office block entirely occupied by the Ville de Marseille and a 125-room hotel on Place de la Joliette. On a full-year basis, these two projects will represent nearly 3 million euros in additional rents.

>> Acceleration in disposals

The acceleration in the disposals plan in Lyon and Marseille has made it possible to secure 67.5 million euros, or 87% of the 2010-2011 disposals plan, for sale prices comparable with the appraisal values. It was decided to carry out an additional disposal of around 45,000m² of residential areas, for a value of around 150 million euros, 30,000m² of which through individual sales.

Dividend: €1.54 per share

The dividend proposed to the General Meeting due to be held on May 17, 2011 will be €1.54 per share, 8% above last year dividend which was €1.43 per share. Based on the stock price on December 31, 2010, this dividend represents a yield of 5%.

Taking into account the bonus share allocation of 1- for-20 carried out in 2010, the distribution has increased by 13%.

Increase in stock liquidity

Eurazeo, ANF Immobilier's majority shareholder, plans to reduce its stake from 59% to 51%. At the General Meeting on May 17, 2010, Eurazeo will propose an exceptional distribution of 1 933 511 ANF Immobilier shares to its shareholders. If this transaction is approved, it should be carried out when the Eurazeo dividend is paid.

This transaction will increase the size of the ANF Immobilier fee float and so improve the liquidity of the stock. This is likely to make ANF Immobilier eligible to join the EPRA index.

Continued growth in 2011

ANF Immobilier confirms its target of cutting vacancy by around 40% of vacant residential surface areas in Marseille, representing an objective of around 11,000m². At December 31, 2010, the residential occupation rate in Marseilles was 78%.

During 2011, ANF Immobilier rental income is likely to increase by 8% on a like-for-like basis to reach 73.6 million euros. The city-centre Haussmann assets – which represent 53% of 2010 rental income – will still benefit from strong growth with an expected rise in rental incomes of 15%.

In the medium term, ANF Immobilier confirms its target of achieving close to 110 million euros in rental income on a like-for-like basis thanks to the assets restructuring now underway and the delivery of development projects.

Furthermore, ANF Immobilier plans to invest nearly 100 million euros in city centre commercial properties assets with on an average return of 7%.

2011 Financial Calendar

Presentation of 2010 results	March 25, 2011 (2.30pm Paris + telephone retransmission)
1st quarter 2011 revenue	May 12, 2011 (pre stock market opening)
General Meeting	May 17, 2011 (10am Paris)
1 st half-year 2011 results	September 1, 2011 (pre stock market opening)
Presentation of half-yearly results	September 1, 2011 (2.30pm Paris + telephone retransmission)
3rd quarter 2011 revenue	November 1, 2011 (pre stock market opening)

About ANF Immobilier

ANF Immobilier (ISIN FR0000063091) owns and manages a real-estate portfolio of 1.6 billion euros in the city centres of Lyons and Marseilles, as well as a portfolio of 168 hotel properties in France, all operated by the B&B chain. It is a real estate company with SIIC status, targeting residential and third party property rentals with significant operations in Lyons and Marseilles city centres.

Listed on Eurolist B of NYSE Euronext Paris, ANF Immobilier is part of the Eurazeo group.

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A N F IMMOBILIER

CONSOLIDATED FINANCIAL

STATEMENTS

AT

31 DECEMBER 2010

**CONSOLIDATED FINANCIAL STATEMENTS (IFRS)
FOR THE YEAR ENDED 31 DECEMBER 2010**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
CONSOLIDATED BALANCE SHEET (ASSETS)**

€ thousands		12/31/2010	12/31/2009	12/31/2008
NON-CURRENT ASSETS	note			
Investment property	1	1,534,423	1,496,316	1,504,473
Assets under construction	1	-	-	-
Operating property	1	2,691	1,189	1,203
Intangible assets	1	450	530	528
Property, plant and equipment	1	253	320	329
Non-current financial assets	1	132	988	995
Investments accounted for by the equity method				
Deferred tax assets	13	-	-	-
TOTAL NON-CURRENT ASSETS		1,537,949	1,499,343	1,507,527
CURRENT ASSETS				
Inventories and amounts outstanding				
Trade receivables	2	958	1,902	2,307
Other receivables	2	2,532	9,436	4,054
Prepaid expenses	5	134	160	357
Financial derivatives	9	-	276	41
Cash and cash equivalents	4	28,325	30,130	11,598
TOTAL CURRENT ASSETS		31,949	41,904	18,357
Property held for sale	1	35,863	5,444	35,821
TOTAL ASSETS		1,605,761	1,546,691	1,561,705

CONSOLIDATED STATEMENT OF FINANCIAL POSITION CONSOLIDATED BALANCE SHEET (LIABILITIES)

€ thousands		12/31/2010	12/31/2009	12/31/2008
SHAREHOLDERS' EQUITY				
	note			
Capital stock	12	27,454	26,071	24,957
Other paid-in capital		321,863	323,900	320,799
Treasury shares	8	(4,281)	(4,261)	(4,261)
Hedging reserve on financial instruments		(35,354)	(29,645)	(19,697)
Company reserves		304,334	322,277	327,258
Consolidated reserves		375,980	445,209	380,787
Net income for the year		74,863	(53,977)	69,203
TOTAL EQUITY - GROUP SHARE		1,064,859	1,029,574	1,099,046
Minority interests		-	-	-
TOTAL SHAREHOLDERS' EQUITY		1,064,859	1,029,574	1,099,046
NON-CURRENT LIABILITIES				
Bank borrowings	3	483,136	450,344	381,800
Long-term provisions	7			
Provisions for pensions	7	57	58	58
Tax and corporate liabilities	3	-	-	7,197
Deferred tax liabilities	13	-	-	-
TOTAL NON-CURRENT LIABILITIES		483,193	450,402	389,055
CURRENT LIABILITIES				
Suppliers and related accounts	3	9,259	12,733	15,296
Short-term portion of debt	3	5,012	2,106	2,580
Financial derivatives	9	34,982	29,546	20,265
Security deposits	3	3,526	3,589	3,674
Short-term provisions	7	208	43	43
Tax and corporate liabilities	3	2,174	16,798	28,524
Other debts	3	2,071	857	1,626
Prepaid income	6	478	1,043	1,596
TOTAL CURRENT LIABILITIES		57,710	66,715	73,604
Liabilities on properties intended for sale				
TOTAL LIABILITIES		1,605,761	1,546,691	1,561,705

CONSOLIDATED INCOME STATEMENT

€ thousands	12/31/2010	12/31/2009	12/31/2008
Revenues: rents	69,133	65,060	59,080
Other operating income	6,895	6,399	5,778
TOTAL OPERATING INCOME	76,029	71,459	64,858
Property expenses	(9,952)	(9,759)	(10,112)
Other operating expenses	(729)	(848)	(1,375)
TOTAL OPERATING EXPENSES	(10,681)	(10,607)	(11,487)
NET OPERATING INCOME FROM PROPERTIES	65,348	60,852	53,371
Capital gains (losses) from disposal of assets	1,621	2,150	(24)
NET OPERATING INCOME FROM PROPERTIES AFTER DISPOSAL	66,968	63,002	53,347
Employee benefits expenses	(7,395)	(7,222)	(7,570)
Other management expenses	(3,306)	(3,696)	(3,343)
Other income	1,995	1,906	2,223
Other expenses	(103)	(458)	(1,100)
Depreciation & amortization	(386)	(333)	(159)
Other operating provisions (net of reversals)	(406)	(475)	(12)
NET OPERATING INCOME (BEFORE CHANGES IN VALUE OF PROPERTIES)	57,068	52,723	43,386
Changes in fair value of property	35,523	(89,478)	30,088
NET OPERATING INCOME (AFTER CHANGES IN VALUE OF PROPERTIES)	92,591	(36,754)	73,474
Net financial expense	(17,641)	(16,152)	(13,073)
Financial amortization and provisions	38	29	-
Changes in value of financial instruments	(3)	902	(686)
Discounting of receivables and liabilities	-	-	-
Share of income from entities accounted for by the equity method	(121)	(100)	-
EARNINGS BEFORE TAXES	74,863	(52,075)	59,715
Current taxes	-	(1,902)	719
Exit tax	-	-	(5,024)
Deferred taxes	-	(0)	13,793
CONSOLIDATED NET INCOME	74,863	(53,977)	69,203
o/w minority interests	-	-	-
o/w net income group share	74,863	(53,977)	69,203
Consolidated net income group share per share	2.74	-2.03	2.75
Diluted consolidated net income group share per share	2.74	-2.03	2.75

Earnings per share is calculated based on the average weighted number of common shares

CONSOLIDATED COMPREHENSIVE INCOME

€ thousands	12/31/2010	12/31/2009	12/31/2008
NET CONSOLIDATED INCOME	74,863	(53,977)	69,203
Impact from financial instruments	(5,709)	(9,948)	(20,365)
TOTAL GAINS AND LOSSES RECOGNIZED DIRECTLY AS EQUITY	(5,709)	(9,948)	(20,365)
CONSOLIDATED COMPREHENSIVE INCOME	69,154	(63,925)	48,838
o/w minority interests	-	-	-
o/w net income group share	69,154	(63,925)	48,838

CHANGES IN SHAREHOLDERS' EQUITY

Changes in shareholders' equity	Capital stock	Other paid-in capital	Treasury shares	Consolidated reserves	Company reserves	Financial instrument reserves	Consolidated net income	Total
Shareholders' equity 12/31/09	26,071	323,900	(4,261)	445,209	322,278	(29,645)	(53,977)	1,029,575
Appropriation of net income	-	-	-	(69,977)	16,000	-	53,977	-
Dividends	-	(3,166)	-	-	(33,944)	-	-	(37,110)
Shares in lieu of dividends	76	2,436	-	-	-	-	-	2,512
Capital increase	1,307	(1,307)	-	-	-	-	-	-
Treasury shares	-	-	(20)	-	-	-	-	(20)
Changes in fair value of hedge instruments	-	-	-	-	-	(5,709)	-	(5,709)
Stock options, BSA, actions gratuites	-	-	-	722	-	-	-	722
Adjustment of SGIL consolidated reserves	-	-	-	26	-	-	-	26
Net income for the year (excl. appropriations to reserves)	-	-	-	-	-	-	74,863	74,863
Shareholders' equity 12/31/10	27,454	321,863	(4,281)	375,980	304,334	(35,354)	74,863	1,064,859
Shareholders' equity 12/31/08	24,957	320,799	(4,261)	380,787	327,258	(19,697)	69,203	1,099,046
Appropriation of net income	-	-	-	63,611	5,592	-	(69,203)	-
Dividends	1,055	3,101	-	-	(10,513)	-	-	(6,357)
Capital increase	59	-	-	-	(59)	-	-	-
Treasury shares	-	-	-	-	-	-	-	-
Changes in fair value of hedge instruments	-	-	-	-	-	(9,948)	-	(9,948)
Stock options, stock warrants, bonus shares	-	-	-	847	-	-	-	847
Adjustment of SGIL consolidated reserves	-	-	-	(36)	-	-	-	(36)
Net income for the year (excl. appropriations to reserves)	-	-	-	-	-	-	(53,977)	(53,977)
Shareholders' equity 12/31/09	26,071	323,900	(4,261)	445,209	322,278	(29,645)	(53,977)	1,029,575

CASH FLOWS

(€ thousands)	12/31/2010	12/31/2009	12/31/2008
Cash from operations			
Net income	74,863	(53,977)	69,203
Depreciation, amortisation and provisions	513	304	171
Gains/losses on disposals	(1,621)	(2,150)	24
Change in value of properties	(35,523)	89,478	(30,088)
Change in value of financial instruments	3	(902)	686
Share of earnings from tax-exempt subsidiaries	-	-	-
Expenses recognised on stock options	722	847	947
Income tax	-	1,902	(9,488)
Cash flow	38,958	35,502	31,455
<i>Changes in operating working capital requirements</i>			
Operating receivables	4,315	137	38,416
Operating liabilities before SIIC option liabilities	(10)	(1,071)	3,831
Cash flow from operations	43,263	34,568	73,702
Cash flow from investing activities			
Acquisition of investment property	(69,984)	(116,920)	(121,405)
Disposal of investment property	37,055	60,548	-
Payment of exit tax	(14,112)	(21,384)	4,914
Change in non-current financial assets	893	7	(485)
Cash flow from investing activities	(46,148)	(77,749)	(116,976)
Cash flow from financing activities			
Dividends paid	(34,599)	(6,357)	(30,807)
Impact of change in capital	-	-	(44)
Buyback of treasury shares	(20)	-	(3,915)
Loans and debt taken out	37,888	73,228	110,384
Loans and debt repaid	(3,366)	(5,419)	(35,075)
Cash flow from financing activities	(97)	61,452	40,543
Change in cash position	(2,981)	18,271	(2,731)
Opening cash	29,869	11,598	14,329
Closing cash	26,889	29,869	11,598

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

HIGHLIGHTS OF THE FISCAL YEAR

Acquisitions and investments

The Company continued to invest in the renovation of its real estate assets and the development of projects in Lyons and Marseilles. The total amount invested in these initiatives, net of subsidies received, amounted to €64.9 million in 2010. Thus the Company's investments during 2010 were essentially focused on construction and renovation work. Of this total, €34.9 million was invested in Marseilles and €18.6 million in Lyons, and €11.3 million was invested in B&B properties, with renovation work and the acquisition of a hotel in Mulhouse.

In Marseilles, two construction programs were delivered:

- In September, a building with 13,000m² of office space located near the Place de la Joliette was delivered. A third of this building has been sold, and the remainder was completely rented upon delivery.
- In October, a 125-room hotel located near the Place de la Joliette was completed and is being operated by B&B

These two buildings will generate full-year rental income of €2.7 million.

Disposals

ANF continued its asset switching program and sold three buildings in Lyons and seven in Marseilles over the course of the year, as well as a plot of land and several apartments, for a total amount of €33.5 million.

Disposals were conducted at a price that was higher overall than the most recent appraisal values and a gain of €1.6 million was earned.

Financing

The year's investments were financed by drawing on our credit lines for €37.8 million.

At December 31, 2010, our total debt amounted to €488.1 million comprised primarily of two loans that mature in 2014.

The LTV (Loan to Value) ratio remains limited at 29.2%.

Moreover, two new lines of credit worth €45 million were negotiated during the year. Accordingly, our credit lines available at December 31, 2010 amounted to €91 million.

Operations

Rental income totaled €69.1 million after an increase of €4 million, or nearly 6% growth vs. the previous year. On a like-for-like basis, our total rental income was up 7.9% and our rental income from Haussmann-era properties rose 12.6%.

EBITDA totaled €56.6 million, an increase of 9.3% over the previous year.

After deducting net financing costs and excluding income from the asset disposals, current cash flow rose 9.3% to €38.9 million. Current cash flow per share totaled €1.43, compared to €1.34 a year earlier.

Property valuations

After a year of strong decline in 2009, the real estate market stabilized in 2010 with yields dropping slightly, particularly for well located high-quality assets. As a result, ANF's net asset value appreciated: At December 31, 2010, its property portfolio was assessed at €1,573.4 million. Its fair value income, including gains from disposals, totaled €35.5 million, equivalent to a net rise of €37.1 million.

Net asset value

The NAV per share amounted to €40.30 at December 31, 2010, versus €38.90 per share at 31 December 2009.

The triple NAV, after deduction of the fair value of hedging instruments, amounted to €39.00 per share, versus €38.10 last year.

Tax

ANF Immobilier has opted for SIIC status and is complying with all the provisions for this status. The balance of the exit tax (€12.2 million) was paid in January 2010.

EVENTS OCCURRING AFTER THE CLOSING OF ACCOUNTS

No significant events have occurred since December 31, 2010.

CHANGE IN ACCOUNTING METHOD

The accounting methods used for the period are identical to those used for the two previous years.

The new standards and interpretations applicable starting January 1, 2010 have no significant impact on the ANF Immobilier consolidated financial statements and are described in the note that follows titled "Principles and methods of consolidation".

PRINCIPLES AND METHODS OF CONSOLIDATION

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 Group's consolidated financial statements for the fiscal year ended December 31, 2010 were prepared in line with the IFRS accounting basis as adopted by the European Union.

The consolidated financial statements cover the period from January 1, 2010 to December 31, 2010. They were approved by the Executive Board on 03/04/2011.

The ANF Group applies the international accounting standards comprising IFRS, IAS and their interpretations as adopted by the European Union and which are applicable for the fiscal year beginning January 1, 2010.

Any official standards and interpretations that may have been introduced subsequent to the balance sheet date have not been applied retroactively.

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 line 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 valuations of investment property and financial instruments;
- valuation of provisions.

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

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

NEW STANDARDS AND INTERPRETATIONS APPLICABLE AS OF JANUARY 1, 2009 AND JANUARY 1, 2010

The standards and interpretations applied for the consolidated financial statements at December 31, 2009 are identical to those used for the consolidated financial statements at December 31, 2008, with the exception of the changes indicated below:

- IAS 1 (revised): Presentation of Financial Statements: the principal changes compared to the previous version of IAS 1 are the following:
The "Balance sheet" is now called the "Statement of financial position".
IAS 1 (revised) requires in particular that (i) recognized income and expenses be presented in a single statement (statement of comprehensive income) or in two statements (a separate income statement and a statement showing the other components of comprehensive income), (ii) total comprehensive income be presented in the financial statements. The ANF Group has opted for two separate statements.
- Annual improvement of IFRS published in May 2008, which affects in particular IAS 40/IAS 16: Buildings under construction must be valued using the fair value model if this model is used by the company for all investment properties.

The standards and interpretations applied for the consolidated financial statements at December 31, 2010 are identical to those used in the consolidated financial statements at December 31, 2009.

The other new standards, revisions, and interpretations published whose application is mandatory starting January 1, 2010 and January 1, 2009 have no significant impact on the consolidated financial statements at December 31, 2010 or on the consolidated financial statements at December 31, 2009.

Accordingly, the standards applicable starting January 1, 2009 are as follows:

- IFRS 8: Operating Segments: Information disclosed by an entity must allow the users of its financial reports to evaluate: the nature and financial impact of the activities in which the entity is engaged and the economic environment in which the entity is developing;
The company decided to continue to include segment information according to the previous terms (distribution of business segments: Hotels and Haussmann-era properties and geographical distribution of Haussmann-era properties (Lyons and Marseilles)).
- Revised version of IFRS 2 “Share-based Payment”: Conditions for acquiring rights and cancellations;
- Revised version of IAS 23 "Borrowing costs" - Borrowing costs relating to the acquisition, construction or production of a qualifying asset must be included in the cost of that asset, except in the case of assets measured at fair value. The application of the revised version of IAS 23 did not have an impact on the financial statements as of December 31, 2009, ANF having already elected to capitalize its borrowing costs;
- Amendment to IAS 32 and IAS 1 - Amendment for puttable instruments and obligations arising on liquidation;
- Amendment to IFRS 1 and IAS 27 - Cost of an investment in a subsidiary, jointly controlled entity or associate;
- IFRIC 11 (Group and Treasury Share Transactions).

The standards applicable starting January 1, 2010 are as follows:

- IFRS 3R “Business Combinations”
- IAS 27 R “Consolidated and Separate Financial Statements”
- IFRS 5 “Non-current Assets Held for Sale and Discontinued Operations”: amendment for the partial sale of securities
- IAS 39 “Financial Instruments”: amendments for items eligible for hedging
- Annual improvements to IFRS published in April 2009
- IFRS 2 “Share-based Payment”
- IAS 32 “Financial Instruments: Presentation”: amendment for classification of subscription rights issued
- IFRIC 12 “Service Concession Arrangements”
- IFRIC 15 “Agreements for the Construction of Real Estate”
- IFRIC 16 “Hedges of a Net Investment in a Foreign Operation”
- IFRIC 17 “Distributions of Non-cash Assets to Owners”
- IFRIC 18 “Client asset transfers”

Moreover, the new standards and revisions and interpretations of existing standards applicable to accounting periods starting on or after January 1, 2010 have not yet been approved by the European Union have not been applied in advance:

- IFRIC 14 “advance payment in the framework of minimum funding requirements”
- IFRIC 19 “extinguishing financial liabilities with equity instruments”

PRINCIPLES OF CONSOLIDATION

The consolidation methods used by the Group are full consolidation, proportional consolidation and the equity method:

- subsidiaries (companies in which the Group has the power to direct financial and operating policies to obtain economic benefits) are fully consolidated;
- companies in which the Group exercises joint control are proportionally consolidated;
- the equity method is used for associates over which the Group has significant influence, which is assumed to be the case where the percentage of owned voting rights is 20% or more. Under this method, the Group recognizes its "share of income from entities accounted for by the equity method" on a separate line in the consolidated income statement.

At December 31, 2010, the ANF Group consolidated its stake in SGIL, of which it owns 63.45% and whose bylaws provide for joint management and decision-making terms.

This company was proportionally consolidated.

To successfully complete the Fauchier project for the construction and sale of residential units, ANF brought on board a number of partners to establish SCCV 1-3 rue d'Hozier, in which it holds a 45% interest. As it does not control this company it has not been consolidated but instead accounted for by the equity method.

All internal transactions and balances were eliminated upon consolidation in proportion to ANF Group's interest in SGIL.

SEGMENT REPORTING

IFRS 8 requires entities whose equity or debt securities are traded on an organized market or issued on a public securities market to present information by business segment and geographical sector.

Segment reporting is prepared on the basis of criteria relating to business activities and geographic regions. Primary segment reporting is business-related, inasmuch as it represents the group's management structure and is presented on the basis of the following business segments:

- Operating activity for Haussmann-era buildings;
- Hotel operating activity

The second level of information to be provided is by geographical area. It is applied to Haussmann-era buildings only (since the hotels are dispersed throughout France, a geographical distribution is irrelevant):

- Lyons geographical area;
- Marseilles geographical area.

IFRS 8 "Operating segments" requires that the information published by an entity enable users of its financial statements to evaluate the nature and financial impact of the type of business activities in which it engages and the economic environment in which it operates.

The company has decided to continue presenting its segment reporting as in previous years with a breakdown of business segments into Hotels and Haussmann-era assets and a geographical breakdown of its Haussmann-era assets into two areas, Lyons and Marseilles.

REAL ESTATE ASSETS

A) Investment property (IAS 40)

IAS 40 defines investment property as property held by the owner or lessee (under a finance lease) to earn rental income or for capital appreciation, or both, as opposed to:

- using the property for the production or supply of goods or services or for administrative purposes;
- selling it in the normal course of a trading business (property dealing).

Assets acquired under credit-leases correspond to finance lease contracts and are recognized as assets in the balance sheet, and the corresponding loans are recognized as liabilities under financial debt. Accordingly, the lease payments are canceled and the financial expenses related to financing, along with the fair value of the assets, are recognized in line with Group accounting methods.

The ANF Group has opted to assess its investment property at fair value. This option does not apply to operating property, which is measured at historical cost less accumulated depreciation and any value impairments.

The fair value of the real estate assets is determined at each financial statement closing date by two independent real estate experts (Jones Lang LaSalle and BNP Paribas Real Estate Expertise), who appraise the properties of the Group in a context of sustainable ownership. The fair value is the appraisal value excluding transfer taxes. Real estate appraisers are changed every four years.

Appraisals are conducted on the basis of AFREXIM (*Association Française des Sociétés d'Expertise Immobilière* - French Association of Real Estate Appraisers) specifications and in line with the recommendations of the February 2000 report of the working group chaired by Barthès de Ruyter on the appraisal of the real estate assets of listed companies.

The change in the fair value of investment property is recognized in the income statement.

These buildings are not therefore subject to depreciation or value impairment. Any change in fair value for each property is recognized in the income statement for the period and is determined as follows:

Change in fair value = Market value N - [market value N-1 + capitalized work and expenses for period N].

Investment properties under refurbishment are recognized at fair value when not being rebuilt, and in accordance with IAS 16 when being restructured.

Virtually all of ANF's real estate assets are recognized as investment properties. Buildings being restructured and intended for subsequent re-letting are also recognized as investment properties.

Gains (or losses) on disposals of investment properties are calculated with reference to the most recent fair value recognized at the previous balance sheet date.

B) Assets held for sale (IFRS 5)

In accordance with IFRS 5, where the Group has undertaken to sell an asset or group of assets, it classifies them as assets held for sale under current assets in the balance sheet at their most recent known fair value.

Properties included in this category continue to be measured using the fair value approach.

To be classified as an "asset held for sale", a property must satisfy all the following criteria:

- the asset must be immediately available for sale in its current condition;
- a sale must be highly likely, formalized through the notification of the Properties Committee, and a decision of the Executive Board or Supervisory Board;
- and there must be an active search for a buyer, evidenced by a signed sell order.

Properties that are in the process of being sold are presented as a separate item in the balance sheet.

At December 31, 2010, eight buildings valued at a total of €35.863 million, were held for sale.

Depreciation of operating properties valued at amortized cost ceases from the date on which these properties are classified as held for sale.

C) Operating properties and other property, plant and equipment (IAS 16)

The Group's operating property is measured at historical cost less accumulated depreciation and any value impairment.

The item "Other tangible assets" corresponds to computer equipment and office furniture.

The following depreciation periods were thus used:

- | | |
|--|-----------------|
| – Structures: | 50 to 75 years, |
| – Façades & waterproofing: | 20 years, |
| – General technical plant (including lifts): | 15 to 20 years, |
| – Fittings: | 10 years, |
| – Asbestos, lead and energy diagnostics: | 5 to 9 years, |
| – Furniture, office and computer equipment: | 3 to 10 years. |

INTANGIBLE ASSETS (IAS 38) AND IMPAIRMENT OF ASSETS (IAS 36)

An intangible asset is a non-monetary item with no physical substance that must be both identifiable and controlled by the Company by virtue of past events and from which future economic benefits are expected.

An intangible asset is identifiable if it can be separated from the entity acquired or it is the consequence of legal or contractual rights. Intangible assets whose useful life can be determined are amortized linearly over periods that correspond to their projected useful life.

The following amortization periods were thus used:

- Concessions, patents and rights: one to ten years.

IAS 36: “Impairment of Assets” applies to tangible and intangible assets, financial assets and unallocated goodwill.

At each balance sheet date, the Group assesses whether there are any indications that an asset has lost value. If an indication of impairment is identified, the asset's recoverable amount is compared to its net carrying amount and an impairment loss may accordingly be recognized.

An indication of impairment may be either a change in the asset's economic or technical environment or a decline in the asset's market value.

Expenses related to the acquisition of software licenses are recognized as assets on the basis of the costs incurred to acquire and get the relevant software operational. These costs are amortized over the estimated useful life of the software (between three and five years).

OPERATING LEASE DEBT

Operating lease debt is valued at the amortized cost and is subject to an impairment test when there is an indication that the asset could have lost value.

An individual analysis is conducted on the closing date of each financial period in order to assess as fairly as possible the non-recovery risk of any receivable and any requisite provisions.

AVAILABLE FUNDS AND SECURITIES

Investment securities are for the most part comprised of money market funds and are listed at their fair value on the balance sheet. All of these investment securities were considered cash equivalents.

TREASURY STOCK (IAS 32)

Treasury stock held by the Group is deducted from the consolidated equity at its acquisition value.

As at December 31, 2010, the company held 115,992 treasury shares.

FINANCIAL DEBT (IAS 32-39)

Financial debt consists of loans and other interest-bearing liabilities. It is recognized at amortized cost using the effective interest rate method.

Loan issue costs are recognized under IFRS as a deduction from the nominal amount of the loan. The portion of debt due in less than a year is classified as current debt.

In the case of debt resulting from the recognition of finance leases, the debt recognized to offset the item of property, plant and equipment is initially recognized at the fair value of the leased asset or, if lower, the present value of minimum lease payments.

Security deposits are deemed to be short-term liabilities and are not discounted.

DERIVATIVE INSTRUMENTS (IAS 39)

IAS 39 distinguishes between two types of interest rate hedging:

- hedging of balance sheet items, the fair value of which fluctuates as a result of interest rate risk ("fair value hedge");
- hedging the risk of future cash flow variability ("cash-flow hedge"), which consists of fixing the future cash flows of a variable-rate financial instrument.

Certain derivatives associated with specific financings qualify as cash flow hedges under accounting regulations. In line with IAS 39, only changes in the fair value of the effective portion of these derivatives, as measured by prospective and retrospective effectiveness tests, are recognized in shareholders' equity. Any changes in the fair value of the ineffective portion of the hedge are recognized in income.

The ANF Group uses cash flow hedge-type financial derivatives (swaps) to hedge its exposure to market risk stemming from interest rate fluctuations.

DISCOUNTING OF DEFERRED PAYMENTS

The Group's long-term payables and receivables are discounted where the impact is material:

- security deposits received are not discounted, since the discounting effect is not material and there is no reliable discounting schedule;
- long-term liability provisions under IAS 37 are discounted over the estimated length of the disputes to which they relate.

CURRENT AND DEFERRED TAX (IAS 12)

A) SIIC tax regime

The switch to the SIIC tax regime results in a complete exemption from income tax. However, an exit tax at a reduced rate of 16.5% on unrealized gains from properties and interests in entities not subject to income tax becomes immediately due.

B) Common law and the deferred tax regime

Deferred tax is recognized where there are temporary differences between the carrying amounts of assets and liabilities in the balance sheet and their tax bases, where these give rise to taxable sums in the future.

A deferred tax asset is recognized where tax losses may be carried forward on the assumption that the relevant entity is likely in the future to generate taxable profits, against which these tax losses may be charged. Deferred tax assets and liabilities are measured using the liability method at the tax rate assumed to apply in the period in which the asset will be realized or the liability settled, on

the basis of the tax rate and tax regulations that have been or will be adopted prior to the balance sheet date. Measurement of deferred tax assets and liabilities must reflect the tax consequences that would result from the manner in which the Company expects to recover or settle the carrying amount of its assets and liabilities at the balance sheet date.

Current and deferred tax is recognized as tax income or expenses in the income statement, except for deferred tax that is recognized or settled upon the acquisition or disposal of a subsidiary or interest, unrealised gains and losses on assets held for sale. In these cases, the corresponding deferred tax is charged to equity.

All property held by ANF was included in the scope of the SIIC regime. Therefore, most ANF Immobilier rental activity is exempt from income tax and no deferred taxes were recognized.

LEASES (IAS 17)

Under IAS 17, a lease is an agreement under which the lessor transfers to the lessee the right to use an asset for a fixed period in return for a payment or series of payments. IAS 17 distinguishes between two kinds of leases:

- a finance lease is a lease that effectively transfers to the lessee virtually all the risks and benefits inherent in ownership of an asset. Transfer of title may or may not occur at the end. For the lessee, the assets are recognized as non-current assets offset by a debt. The asset is recognized at the fair value of the leased asset at the lease start date or, if lower, at the present value of minimum payments;
- an operating lease is any lease other than a finance lease.

A) Treatment of step rents and rent-free periods

Rental income from operating leases is recognized on a straight line basis over the term of the lease. Step rents and rent-free periods granted are recognized by staggering, reducing or increasing rental income for the period. The reference period used is the initial minimum period of the lease.

B) Front-end fees

Front-end fees received by the lessor are deemed to be additional rent. The front-end fee forms part of the net sum transferred from the lessee to lessor under the lease. In this regard, the accounting periods during which this net amount is recognized should not be affected by the form of the agreement and payment schedules. These fees are staggered over the initial minimum period of the lease.

C) Cancellation fees and eviction compensation

Cancellation fees are received from tenants who cancel the lease before its contractual term. Such fees relate to the old lease and are recognized as income in the period recorded. Where the lessor cancels a lease in progress, it pays eviction compensation to the sitting tenant.

- replacement of a tenant: if the payment of an eviction penalty makes it possible to change the performance grade of the asset (increase in rent, and therefore the value of the asset), this expense may be capitalized in the cost of the asset provided that this increase in value is confirmed by the expert appraisers. Should this not be the case, it is booked as a cost;
- renovation of a building that requires the tenants to be displaced: if the payment of an eviction penalty is part of major renovation or reconstruction works for a building for

which it is mandatory for the tenants to depart beforehand, this cost is considered to be a preliminary expense that is included as an additional component following the renovation operation.

After examining the rental property bases for 2009 and 2010, no stage payments, rent-free periods, front-end fees and termination penalties were identified whose restatement following the principles described above could have a significant impact on the financial statements.

As a result, no restatement has been recognized under IAS 17 in the 2009 and 2010 financial statements.

EMPLOYEE BENEFITS (IAS 19)

For defined contribution schemes, Group payments are expensed in the period to which they relate.

For defined benefit schemes involving post-employment benefits, the cost of the benefits is estimated using the projected unit credit method.

Under this method, rights to benefits are allocated to periods of service on the basis of the scheme rights vesting formula, allowing for a linearization effect where the pace at which rights vest is not uniform over subsequent periods of service.

The amounts of future payments in respect of employee benefits are measured on the basis of assumptions regarding salary increases, retirement age and mortality rates, and then discounted to their present value using the interest rate on long-term bonds from top quality issuers. Actuarial differences for the period are directly recognized in consolidated own funds.

The ANF Group has established a defined benefit scheme. The amount recognized as expenses for 2010 totaled €271,000.

SHARE-BASED PAYMENTS (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.

(a) Warrants

At its July 24, 2006 meeting, the Executive Board, pursuant to the powers granted to it in resolution 8 of the Ordinary and Extraordinary Shareholders' Meeting of May 12, 2006, acting on the basis of the prior authorization granted to it by the Supervisory Board at its June 22, 2006 meeting, decided to issue warrants at a unit price of €3.50 to members of the Executive Board as well as qualifying staff members, as defined by the resolution.

At the close of the subscription period, between July 26, 2006 and August 10, 2006, 262,886 warrants had been subscribed to by twelve beneficiaries for a total amount of €920,101.

In order to factor in the distribution of reserves that took place pursuant to resolution 2 of the Ordinary and Extraordinary Shareholders' Meeting of May 6, 2010, and the distribution of one bonus share for every twenty shares held, as decided by the Executive Board at its June 10, 2010 meeting, the Executive Board adjusted the exercise ratio of the warrants at its July 19, 2010 meeting.

Warrant terms

Unit price:	€3.50
Form of warrants:	The warrants are in registered form and the subject of a book entry.
Listing:	No request will be filed for the warrants to be admitted to trading on a regulated market.
Paying up:	The subscriptions were fully paid up in cash.
Protection of warrant-holder rights:	Warrant-holder rights will be protected by means of the adjustment of the exercise ratio in the manner established by the Executive Board in accordance with Article L. 288-99 of the French Commercial Code and the provisions of resolution 8 of the Ordinary and Extraordinary Shareholders' Meeting of May 12, 2006.
Exercise period:	At any time between August 11, 2010 and November 10, 2011
Current exercise ratio:	1.21 shares to be issued by ANF for every 1 warrant
Strike price:	Unit strike price of €35 per warrant

(b) Stock option plan granted in 2007

During the fiscal year ended December 31, 2007, the Executive Board, acting pursuant to the authorization granted in resolution 22 of the Ordinary and Extraordinary Shareholders' Meeting of May 4, 2005 and to the December 4, 2007 decision of the Supervisory Board, decided at its December 17, 2007 meeting to allocate stock options to members of the Executive Board as well as qualifying staff members, as defined by the resolution.

In order to factor in the distribution of reserves that took place pursuant to resolution 2 of the Ordinary and Extraordinary Shareholders' Meeting of May 6, 2010, and the distribution of one bonus share for every twenty shares held, as decided by the Executive Board at its June 10, 2010 meeting, the Executive Board, at its July 19, 2010 meeting, adjusted the terms of exercise of the stock options.

The terms of the stock option plan granted during fiscal year 2007, amended by the adjustments, are as follows:

Date of the Extraordinary Shareholders' Meeting:	May 4, 2005
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Date of the Executive Board's decision:	December 17, 2007
Total number of options allocated:	120,960
• Of which Company officers:	95,524
• Of which top 10 employee recipients:	25,436
Total number of shares that may be purchased:	120,960
• Of which Company officers:	95,524
• Of which top 10 employee recipients:	25,436
Exercise date of options:	The options may be exercised once vested
Expiry date:	December 17, 2017
Purchase price per share:	€39.08
Terms of exercise:	Vesting of options by tranche: <ul style="list-style-type: none"> • the first third of options will vest after a period of two years, i.e. on December 17, 2009; • the second third of options will vest after a period of three years, i.e. on December 17, 2010; • the final third of options will vest after a period of four years, i.e. on December 17, 2011.
Total number of shares purchased as of December 31, 2010:	-
Total number of options cancelled as of December 31, 2010:	-
Total number of options remaining to be exercised:	120,960

(c) Stock option plan granted in 2008

During the fiscal year ended December 31, 2008, the Executive Board, acting pursuant to the authorization granted in resolution 20 of the Ordinary and Extraordinary Shareholders' Meeting of May 14, 2008 and the December 9, 2008 decision of the Supervisory Board, decided at its December 19, 2008 meeting to allocate stock options to members of the Executive Board as well as qualifying staff members, as defined by the resolution.

In order to factor in the distribution of reserves that took place pursuant to resolution 2 of the Ordinary and Extraordinary Shareholders' Meeting of May 6, 2010, and the distribution of one bonus share for every twenty shares held, as decided by the Executive Board at its June 10, 2010 meeting, the Executive Board, at its July 19, 2010 meeting, adjusted the terms of exercise of the stock options.

The terms of the stock option plan granted during fiscal year 2008, amended by the adjustments, are as follows:

Date of the Extraordinary Shareholders' Meeting:	May 14, 2008
Date of the Executive Board's decision:	December 19, 2008

Total number of options allocated:	143,701
• Of which Company officers:	113,165
• Of which top 10 employee recipients:	29,976
Total number of shares that may be purchased:	143,701
• Of which Company officers:	113,165
• Of which top 10 employee recipients:	29,976
Exercise date of options:	The options may be exercised once vested
Expiry date:	December 19, 2018
Purchase price per share:	€25.53
Terms of exercise:	Vesting of options by tranche: <ul style="list-style-type: none"> • the first third of options will vest after a period of two years, i.e. on December 19, 2010; • the second third of options will vest after a period of three years, i.e. on December 19, 2011; • the final third of options will vest after a period of four years, i.e. on December 19, 2012. The exercise of stock options granted under the 2008 plan is subject to certain performance conditions.
Total number of shares purchased as of December 31, 2010:	-
Total number of options cancelled as of December 31, 2010:	-
Total number of options remaining to be exercised:	143,701

(d) Stock option plan granted in 2009

During the fiscal year ended December 31, 2008, the Executive Board, acting pursuant to the authorization granted in resolution 20 of the Ordinary and Extraordinary Shareholders' Meeting of May 14, 2008 and to the December 9, 2008 decision of the Supervisory Board, decided at its December 14, 2009 meeting to allocate stock options to members of the Executive Board as well as qualifying staff members, as defined by the resolution.

In order to factor in the distribution of reserves that took place pursuant to resolution 2 of the Ordinary and Extraordinary Shareholders' Meeting of May 6, 2010, and the distribution of one bonus share for every twenty shares held, as decided by the Executive Board at its June 10, 2010 meeting, the Executive Board, at its July 19, 2010 meeting, adjusted the exercise terms of the stock options.

The terms of the stock option plan granted during fiscal year 2009, amended by the adjustments, are as follows:

Date of the Extraordinary Shareholders' Meeting:	May 14, 2008
Date of the Executive Board's decision:	December 14, 2009

Total number of options allocated:	170,921
• Of which Company officers:	141,258
• Of which top 10 employee recipients:	27,505
Total number of shares that may be purchased:	170,921
• Of which Company officers:	141,258
• Of which top 10 employee recipients:	27,505
Exercise date of options:	The options may be exercised once vested
Expiry date:	December 14, 2019
Purchase price per share:	€29.64 euros
Terms of exercise:	Vesting of options by tranche: <ul style="list-style-type: none"> • the first third of options will vest after a period of two years, i.e. on December 14, 2011; • the second third of options will vest after a period of three years, i.e. on December 14, 2012; • the final third of options will vest after a period of four years, i.e. on December 14, 2013. The exercise of stock options granted under the 2009 Plan is subject to certain performance conditions.
Total number of shares purchased as of December 31, 2010:	-
Total number of options cancelled as of December 31, 2010:	-
Total number of options remaining to be exercised:	170,921

(e) Stock option plan granted in 2010

During the fiscal year ended December 31, 2008, the Executive Board, acting pursuant to the authorization granted in resolution 20 of the Ordinary and Extraordinary Shareholders' Meeting of May 14, 2008 and to the December 9, 2008 decision of the Supervisory Board, decided at its December 15, 2010 meeting to allocate stock options to members of the Executive Board as well as qualifying staff members, as defined by the resolution.

The terms of the stock option plan granted during fiscal year 2010 are as follows:

Date of the Extraordinary Shareholders' Meeting:	May 14, 2008
Date of the Executive Board's decision:	December 15, 2010
Total number of options allocated:	166,920
• Of which Company officers:	133,975
• Of which top 10 employee recipients:	29,645
Total number of shares that may be purchased:	166,920
• Of which Company officers:	133,975
• Of which top 10 employee recipients:	29,645

Exercise date of options:	The options may be exercised once vested
Expiry date:	December 15, 2020
Purchase price per share:	€31.16
Terms of exercise:	Vesting of options by tranche: <ul style="list-style-type: none">• the first third of options will vest after a period of two years, i.e. December 15, 2012;• the second third of options will vest after a period of three years, i.e. December 15, 2013;• the final third of options will vest after a period of four years, i.e. December 15, 2014. The exercise of stock options granted under the 2010 Plan is subject to certain performance conditions.
Total number of shares purchased as of December 31, 2010:	-
Total number of options cancelled as of December 31, 2010:	-
Total number of options remaining to be exercised:	166,920

Please note that where beneficiaries of stock options do not have four years' service on the expiry date of one of the vesting periods referred to above, the options corresponding to such period will be subject to a vesting period until such time as said beneficiary has four years' service with the Company.

Accordingly, on the basis of the above adjustments, the number of options allocated to each beneficiary is as follows:

	Plan 2007	Plan 2008	Plan 2009	Plan 2010
	Stock	Stock	Stock	Stock
	Options	Options	Options	Options
Bruno Keller	63,775	69,529	86,263	84,283
Xavier de Lacoste Lareymondie	28,586	34,375	41,515	40,632
Brigitte Perinetti	3,163	3,901	4,314	-
Ghislaine Seguin		5,360	9,166	9,060
Company officers	95,524	113,165	141,258	133,975
Staff	25,436	30,536	29,663	32,945
Total	120,960	143,701	170,921	166,920

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EARNINGS PER SHARE (IAS 33)

Basic earnings per share equates to net income after minority interests attributable to ordinary shares, divided by the weighted average number of shares outstanding during the period. The average number of shares outstanding during the period is the number of ordinary shares outstanding at the beginning of the period, adjusted for the number of ordinary shares bought back or issued during the period.

To calculate diluted earnings per share, the average number of shares outstanding is adjusted to reflect the effect of dilution from equity instruments issued by the Company that might increase the number of shares outstanding.

MANAGEMENT OF MARKET RISKS

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 500 tenant companies, a high degree of sector diversification, and 1,700 individual tenants, the Group is not exposed to significant concentration risk.

Since the completion of the acquisition of B&B Group hotel properties, a large portion of ANF Immobilier's rental income has come from rental payments by B&B Group companies. Only serious financial, commercial or operational difficulties for the B&B Group would see it defaulting on its rental payments and would as such potentially have a material negative impact on ANF Immobilier's operations, earnings, financial position or outlook.

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 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. Financial transactions, particularly the hedging of interest-rate risk, are entered into with leading financial institutions.

To this end, the ANF Group has arranged twenty-seven interest rate hedging contracts to swap 3-month or 1-month Euribor variable rates for fixed rates.

ADDITIONAL INFORMATION (€ thousands)

NOTE 1 – NON-CURRENT ASSETS

INTANGIBLE ASSETS, PROPERTY, PLANT AND EQUIPMENT, AND OPERATING PROPERTY

GROSS VALUES	Balance at 12/31/2008	Increase	Decrease	Balance at 12/31/2009	Increase	Decrease	Balance at 12/31/2010
Intangible assets	949	122	0	1,071	63	0	1,134
Operating property	1,451	110	0	1,561	1,648	0	3,209
Furniture, office & computer equipment	1,023	80	-9	1,094	28	0	1,122
TOTAL	3,423	312	-9	3,726	1,739	0	5,465

DEPRECIATIONS	Balance at 12/31/2008	Increase	Decrease	Balance at 12/31/2009	Increase	Decrease	Balance at 12/31/2010
Intangible assets	422	118	0	540	144	0	684
Operating property	247	125	0	372	146	0	518
Furniture, office & computer equipment	694	89	-9	774	95	0	869
TOTAL	1,363	332	-9	1,686	385	0	2,071
Net values	2,060	-20	0	2,040	1,354	0	3,394

INVESTMENT PROPERTY

Valuation of Properties	Lyons	Marseilles	B&B Hotels	Amount as of 12/31/2010
Investment property	416,227	625,956	492,240	1,534,423
Property held for sale	17,850	18,013		35,863
Investment property and property held for sale	434,077	643,969	492,240	1,570,286
Operating property	726	2,412		3,138
Valuation of properties	434,803	646,381	492,240	1,573,424

Investment property and property held for sale	Lyons	Marseilles	B&B Hotels	Total
Amount as of 12/31/08	449,170	624,923	466,200	1,540,293
Investments	21,817	57,094	35,357	114,268
Disposals	-34,071	-31,402		-65,473
Change in value	-20,449	-41,745	-25,134	-87,328
Amount as of 12/31/09	416,467	608,870	476,423	1,501,760
Investments	18,617	34,892	11,347	64,856
Disposals	-17,921	-15,552		-33,473
Change in value	16,914	15,759	4,470	37,143
Amount as of 12/31/10	434,077	643,969	492,240	1,570,286

Investment details	Lyons	Marseilles	B&B Hotels	Total
Acquisitions	7,174	11,500	21,514	40,188
Renovations	14,643	45,594	13,844	74,081
2009 total	21,817	57,094	35,358	114,269
Acquisitions	676	0	4,609	5,285
Renovations	17,941	34,892	6,738	59,571
2010 total	18,617	34,892	11,347	64,856

The Company's real estate assets were appraised by Jones Lang LaSalle and BNP Paribas Real Estate Expertise using a number of different approaches:

- Rental income capitalization method for the Lyons and Marseilles Haussmann-style properties;
- Comparison method for the Lyons and Marseilles Haussmann-style properties;
- Developer balance sheet method for land;
- Income method for hotel properties.

o 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 changes in tenancies.

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 square meter 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 façades, stairwells, etc.).

Change in the yields used in appraisals is given below:

Yield	12/31/2010	12/31/2009	31/12/2008
Lyons			
Retail	5.10% to 6.00%	5.40% to 6.00%	5.15% to 6.50%
Offices	6.25% to 6.75%	6.50% to 7.25%	6.25% to 6.75%
Residential (excl. Law of 48)	4.25 to 4.65%	4.50% to 4.90%	3.45% to 4.40%
Marseilles			
Retail	5.50% to 7.35%	5.65% to 7.50%	5.40% to 7.25%
Offices	6.25% to 7.25%	6.75% to 7.50%	6.25% to 7.00%
Residential (excl. Law of 48)	4.25% to 5.15%	4.50% to 5.25%	4.00% to 4.75%

o 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 Haussmann-style properties, a value after work, a value after work on private areas, a value after work on common areas and a current condition value are presented for each of the two methods for each premises 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 6.10% to 7.30% 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 Haussmann-style 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	-0.20%	-0.10%	0.10%	0.20%
Impact on value				
Haussmann-style properties	4.70%	2.30%	-2.40%	-4.80%
B&B Hotels	3.00%	1.60%	-1.50%	-3.00%

NON-CURRENT FINANCIAL ASSETS

Non-current financial assets	Balance at 12/31/2008	Increase	Decrease	Balance at 12/31/2009	Increase	Decrease	Balance at 12/31/2010	
Liquidity agreement	597		306	0	903	0	-903	0
Other loans	101		13	0	114	14	-4	124
Deposits & guarantees	371		0	-355	16	0	0	16
Gross total	1,069		319	-355	1,033	14	-907	140
Provisions for liquidity agreement	-67		0	30	-37		37	0
Provisions for other loans	0		0	0	0			0
Provisions for deposits and guarantees	-7		0	0	-7			-7
Total Net	995		319	-325	989	14	-870	133

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

NOTE 2 – RECEIVABLES MATURITY SCHEDULE

€ thousands	Amount 12/31/2010	Less than one year	One to five years	More than five years
Trade receivables	2,678	2,678		
Other receivables	2,532	2,532		
GROSS TOTAL	5,210	5,210	-	-
Provision	1,720	1,720		
NET TOTAL	3,490	3,490	-	-

NOTE 3 – DEBT MATURITY SCHEDULE

€ thousands	Amount 12/31/2010	Less than one year	One to five years	More than five years
Accrued interest and liabilities on investments	488,147	5,012	471,289	11,847
Payables to fixed-asset suppliers	6,289	6,289	-	-
Suppliers and related accounts	2,970	2,970	-	-
Tax and corporate liabilities	2,174	2,174	-	-
Rental security deposits	3,526	3,526	-	-
Other payables	2,071	2,071	-	-
TOTAL	505,178	22,042	471,289	11,847

NOTE 4 – CASH AND CASH EQUIVALENTS

€ thousands	12/31/2010	12/31/2009	12/31/2008
Money market funds and investment securities	27,820	27,649	8,446
Current bank accounts	505	2,481	3,152
Available funds and gross securities	28,325	30,130	11,598
Bank overdrafts	(1,250)	0	(183)
Outstanding bank interest	(186)	(261)	(30)
Available funds and net securities	26,889	29,869	11,385

NOTE 5 – ACCRUAL ACCOUNTS – ASSETS

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

NOTE 6 – ACCRUAL ACCOUNTS – LIABILITIES

Prepaid income includes €305,000 in rental and service charge payments for the coming months, half-yearly lease payments being invoiced on April 1 and October 1, and €173,000 in front-end fees recognized in income over the minimum lease term.

NOTE 7 – CONTINGENCY AND LOSS PROVISIONS

GROSS VALUES € thousand	Balance at 12/31/2008	Increase	Decrease	Balance at 12/31/2009	Increase	Decrease	Balance at 12/31/2010
Provision for long-service awards	48	-	-	48	-	36	12
Provision for supplementary post-employment benefits	10	-	-	10	35	-	45
Provision for pensions	-	-	-	-	-	-	-
Other contingency provisions	43	-	-	43	165	-	208
TOTAL	101	0	0	101	200	-36	265
Current liabilities	43	-	-	43	165	-	208
Non-current liabilities	58	-	-	58	35	36	57

Reversals of provisions relating to provisions used or that no longer serve any purpose.

The contingency provision is for the risk of non-recovery of a property tax refund following the sale of a property.

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'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 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 had, in connection with criminal proceedings, brought a civil action for damages before an investigating magistrate in Marseilles 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 Marseilles Criminal Investigation Bureau. ANF'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'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.

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 entered into an agreement with Philippe Toti, a private entrepreneur (TPH), with regard to the renovation of part of its real estate assets in Marseilles.

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

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

On June 19, 2006, following the bailiff's confirmation, ANF cancelled 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 before the Paris Commercial Court on February 16, 2007.

ANF sought a stay of proceedings or the adjournment of the case pending a final decision on the criminal proceedings (Marseilles District Court), on the basis of the civil suit for damages brought by ANF 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's suit.

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 six months have had a material effect on the Company's financial position or profitability.

NOTE 8 – TREASURY SHARES

€ thousands	12/31/2010	12/31/2009	12/31/2008
Shares registered minus shareholders' equity	4,280	4,261	4,261
Number of shares	115,992	109,835	109,835
TOTAL NUMBER OF SHARES	27,453,778	26,070,846	24,956,675
% treasury stock	0.42%	0.42%	0.44%

NOTE 9 – FINANCIAL INSTRUMENTS

The ANF 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 minimum risk-free-rate hedging commitments:

- Crédit Agricole CIB: 50% of the debt hedged at fixed rates;
- Natixis: 80% of the debt hedged at fixed rates;
- Société Générale: 100% of the debt hedged at fixed rates.

To this end, the ANF Group has arranged twenty-seven interest rate hedging contracts to swap 3-month or 1-month Euribor variable rates for fixed rates. 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	Assets fair value 12/31/2010	Liabilities fair value 12/31/2010	Changes in fair value over the year	Impact of financial income	Impact of shareholders' equity
24-Jul-06	24-Jul-12	3.9450%	3-month Euribor swap / 3,945%	22,000		(877)	241	-	241
15-Dec-06	15-Dec-12	3.9800%	3-month Euribor swap / 3,980%	28,000		(1,437)	121	(12)	133
31-Oct-07	31-Dec-14	4.4625%	3-month Euribor swap / 4,4625%	65,000		(6,295)	(600)	-	(600)
11-Apr-08	31-Mar-15	4.2775%	3-month Euribor swap / 4,2775%	11,000		(1,008)	(117)	-	(117)
20-Aug-07	30-Jun-14	4.4550%	3-month Euribor swap / 4,455%	18,000		(1,614)	(89)	-	(89)
28-Sep-07	31-Dec-14	4.5450%	3-month Euribor swap / 4,5450%	65,000		(6,516)	(572)	-	(572)
31-Oct-07	30-Dec-14	4.3490%	3-month Euribor swap / 4,3490%	14,000		(1,293)	(140)	(36)	(104)
16-Jun-08	31-Dec-14	4.8350%	3-month Euribor swap / 4,8350%	6,700		(747)	(32)	25	(57)
04-Aug-08	30-Jun-14	4.7200%	3-month Euribor swap / 4,72%	10,000		(988)	(26)	-	(26)
11-Aug-08	30-Jun-14	4.5100%	3-month Euribor swap / 4,51%	28,000		(2,564)	(124)	-	(124)
11-Aug-08	30-Jun-14	4.5100%	3-month Euribor swap / 4,51%	10,000		(916)	(44)	8	(52)
08-Oct-08	30-Jun-14	4.2000%	3-month Euribor swap / 4,2%	9,500		(770)	(69)	11	(80)
10-Oct-08	30-Jun-14	4.1000%	3-month Euribor swap / 4,1%	12,800		(993)	(104)	(14)	(90)
14-Nov-08	30-Jun-14	3.6000%	3-month Euribor swap / 3,6%	5,700		(343)	(72)	53	(125)
24-Dec-08	30-Jun-14	3.1900%	3-month Euribor swap / 3,19%	6,350		(294)	(104)	-	(104)
01-Jul-08	31-Dec-14	4.8075%	3-month Euribor swap / 4,8075%	2,300		(254)	(11)	9	(20)
11-Aug-08	30-Dec-14	4.5090%	3-month Euribor swap / 4,509%	28,000		(2,761)	(210)	3	(213)
11-Aug-08	30-Dec-14	4.5040%	3-month Euribor swap / 4,504%	10,167		(1,001)	(77)	-	(77)
06-Oct-08	31-Dec-14	4.3500%	3-month Euribor swap / 4,35%	5,046		(467)	(45)	7	(52)
23-Dec-08	31-Dec-14	3.2500%	3-month Euribor swap / 3,25%	5,821		(288)	(108)	7	(115)
06-Feb-09	31-Dec-14	2.9700%	Swap Euribor 1 mois / 2,97%	3,300		(128)	(69)	(3)	(66)
13-Mar-09	30-Jun-14	2.6800%	3-month Euribor swap / 2,68%	11,700		(335)	(244)	(5)	(239)
26-Jun-09	31-Dec-14	2.8800%	3-month Euribor swap / 2,88%	11,435		(400)	(249)	(4)	(245)
04-Jan-10	30-Jun-14	2.3580%	3-month Euribor swap / 2,358%	23,900		(422)	(573)	(25)	(548)
04-Jan-10	31-Dec-14	2.4750%	3-month Euribor swap / 2,475%	19,861		(381)	(507)	87	(594)
03-Jan-11	30-Jun-14	2.5000%	3-month Euribor swap / 2,50%	64,000		(1,436)	(1,436)	(114)	(1,322)
03-Jan-11	30-Jun-14	3.1590%	3-month Euribor swap / 2,50%	50,000		(451)	(451)	-	(451)
Total derivatives eligible for hedge accounting				547,579	-	(34,982)	(5,712)	(3)	(5,709)

The financial derivatives were measured by discounting the estimated future cash flows on the basis of the yield curve as of December 31, 2010.

NOTE 10 – COVENANTS

With respect to loans and credit lines, ANF 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 the Agreement.

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.

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

For the loan provided by Crédit Agricole CIB, this ratio is also calculated on the Haussmann-era properties, excluding the B&B hotel properties.

	Reference standard	Frequency of test	Ratios at 12/31/2010	Ratios at 12/31/2009	Ratios at 12/31/2008
ICR (EBITDA/net financial expenses)	minimum 2	quarterly	3.2	3.3	3.3
LTV ratio (net financial debt/expert appraisal value of property)	maximum 50%	semi-annually	29.2%	28.1%	24.2%

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)	12/31/2010	12/31/2009	12/31/2008
Guarantees and deposits received	2,753	2,213	1,063
Other commitments received	99,542	103,567	166,849
Total	102,295	105,780	167,912

The main commitments are as follows:

ANF Immobilier has accepted a number of credit facilities. Undrawn credit facilities currently amount to €90.9 million.

The B&B Hotels Group has provided ANF Immobilier with a joint and several guarantee covering the payment of rents.

COMMITMENTS GIVEN

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

Commitments given (€ thousands)	12/31/2010	12/31/2009	12/31/2008
Pledges, mortgages and real securities	263,132	254,876	222,474
Guarantees and deposits given	0	7,633	333
Other commitments given	9,007	11,244	18,625
Total	272,139	273,753	241,432

The main commitments are as follows:

- Since 2003, ANF has regularly received requests to renovate the façades of various parts of its real estate assets from the City of Lyons and the City of Marseilles. Given the scale of the façades requiring work and the time needed to arrange and carry it out, it has been staggered over a number of years, in agreement with the cities of Lyons and Marseilles. The total cost of the work still to be done was estimated at €4.7 million at December 31, 2010;
- The following guarantees have been given in return for the €250 million seven-year loan from a bank syndicate led by Crédit Agricole CIB:
 - o A pledge over bank current accounts;
 - o Daily sale of building insurance premiums.
- The following guarantees have been given by ANF Immobilier in return for the €213 million seven-year loan and the establishment of a €75 million credit facility from a bank syndicate led by Natixis:
 - o Mortgage securities on the buildings financed (lender's lien and mortgage charges);
 - o Daily sale of receivables relating to any ANF Immobilier income from the properties (particularly rents, insurance compensation for "loss of rent," hedging contract, rights to property conveyance deeds).

In respect of the €250 million and €213 million loans and the establishment of the €75 million credit facility, ANF Immobilier undertook to comply with the Financial Ratios described in Note 10.

NOTE 12 – CHANGES TO SHARE CAPITAL AND SHAREHOLDERS' EQUITY

The Ordinary Shareholders' Meeting of May 6, 2010 offered shareholders the possibility of opting to receive the dividend in shares. This led to the issuance of 75,610 new shares.

The issue price of new shares issued in payment of the dividend was equal to the average opening price over the twenty trading days preceding the Meeting date, less the net dividend. It accordingly worked out at €33.22.

The Executive Board also decided to allocate one new bonus share for every twenty shares held.

This capital increase was completed June 11, 2010.

Under Article 6 of the Articles of Association, the share capital is set at twenty-seven million four hundred and fifty-three thousand seven hundred and seventy-eight (27,453,778) euros. It is divided into twenty-seven million four hundred and fifty-three thousand seven hundred and seventy-eight (27,453,778) shares with a par value of one euro each, fully paid up and all of the same class.

NOTE 13 – DEFERRED TAX ASSETS AND LIABILITIES

There are no deferred tax assets or liabilities.

NOTE 14 – ASSOCIATES

ANF Immobilier was 59.04% controlled by Eurazeo at December 31, 2010. Accordingly, ANF Immobilier was fully consolidated in the consolidated financial statements of the Eurazeo group at that date.

€ thousands	Eurazeo
Investments for the year	7
Trade receivables	-
Other receivables	14
Suppliers and related accounts	1,230
Other debts	-
Revenues: rents	-
Other operating income	-
Other operating expenses	-
Employee benefits expenses	1,054
Other management expenses	198

NOTE 15 – BREAKDOWN OF INCOME STATEMENT AND SEGMENT REPORTING

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

- Rental of Haussmann-style properties;
- Hotel property rental.

Secondary segment reporting is by geographic region:

- Lyons region;
- Marseilles region.

€ thousands	12/31/2010	B&B Hotels	Total Hausmann- era properties	Lyons	Marseilles
Revenues: rents	69,133	32,735	36,398	16,192	20,206
Other operating income	6,895	2,578	4,317	1,301	3,016
TOTAL OPERATING INCOME	76,029	35,313	40,715	17,493	23,222
Property expenses	(9,952)	(2,252)	(7,700)	(2,114)	(5,586)
Other operating expenses	(729)		(729)	(229)	(500)
TOTAL OPERATING EXPENSES	(10,681)	(2,252)	(8,429)	(2,343)	(6,086)
NET OPERATING INCOME FROM PROPERTIES	65,348	33,061	32,286	15,150	17,136
Capital gains (losses) from disposal of assets	1,621	-	1,621	(160)	1,781
NET OPERATING INCOME FROM PROPERTIES AFTER DISPOSALS	66,968	33,061	33,907	14,990	18,917
Employee benefits expenses	(7,395)	(1,479)	(5,916)	(1,997)	(3,920)
Other management expenses	(3,306)	(799)	(2,507)	(846)	(1,662)
Other income	1,695	339	1,356	458	898
Other expenses	(103)		(103)	(86)	(17)
Depreciation & amortization	(386)	(77)	(309)	(104)	(204)
Other operating provisions (net of reversals)	(406)	(33)	(373)	19	(392)
NET OPERATING INCOME (BEFORE CHANGES IN VALUE OF PROPERTIES)	57,068	31,012	26,055	12,435	13,620
Changes in fair value of property	35,523	4,470	31,052	17,074	13,978
NET OPERATING INCOME (AFTER CHANGES IN VALUE OF PROPERTIES)	92,591	35,482	57,107	29,509	27,598
Net financial expense	(17,641)	(9,868)	(7,773)	(2,624)	(5,150)
Financial amortization and provisions	38	8	30	10	20
Changes in value of financial instruments	(3)	95	(98)	(33)	(65)
Discounting of receivables and liabilities	-	-	-	-	-
Share of income from entities accounted for by the equity method	(121)	-	(121)	-	(121)
EARNINGS BEFORE TAXES	74,863	25,717	49,145	26,863	22,282
Current taxes	-	-	-	-	-
Exit tax	-	-	-	-	-
Deferred taxes	-	-	-	-	-
CONSOLIDATED NET INCOME	74,863	25,717	49,145	26,863	22,282

NOTE 16 – EARNINGS PER SHARE

	12/31/2010	12/31/2009	12/31/2008
(€ thousands)			
Net income for basic earnings per share calculation	74,863	- 53,977	69,203
Net income for diluted earnings per share calculation	74,863	- 53,977	69,203
Number of ordinary shares for base earnings per share at closing*	27,337,786	27,268,333	26,154,162
Average weighted number of ordinary shares for base earnings per share*	27,300,388	26,548,802	25,187,823
Stock options for diluted earnings per share			
Diluted number of ordinary shares*	27,337,786	27,268,333	26,154,162
Diluted average weighted number of ordinary shares*	27,300,388	26,548,802	25,187,823
(in euros)			
Net earnings per share	2.74	- 1.98	2.65
Diluted earnings per share	2.74	- 1.98	2.65
Weighted net earnings per share	2.74	- 2.03	2.75
Diluted weighted earnings per share	2.74	- 2.03	2.75

* number of shares in 2009 and 2008 adjusted for the bonus shares (1 for 20) granted during the year

NOTE 17 – NET ASSET VALUE PER SHARE (NAV)

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

€ thousand	12/31/2010	12/31/2009	12/31/2008
Capital and consolidated reserves	1,064,859	1,029,574	1,099,046
Fair value adjustment of operating property	447	1,833	2,052
NNNet asset value	1,065,306	1,031,407	1,101,098
Fair value of hedging instruments	35,354	29,645	19,697
Net Asset Value	1,100,660	1,061,052	1,120,795
Total number of shares*	27,453,778	27,378,168	26,263,997
Treasury shares	- 115,992	- 109,835	- 109,835
Shares excluding treasury shares	27,337,786	27,268,333	26,154,162
NNNAV per share (in euros)	39.0	37.8	42.1

*Adjusted for bonus issue of one share for every twenty held

Net of the impact of the fair value adjustment of hedging instruments, the NAV per share excluding treasury shares amounted to €40.3, compared with €38.9 at December 31, 2009, and €42.8 at December 31, 2008.

NOTE 18 – CASH FLOW PER SHARE

(€ thousands)	12/31/2010	12/31/2009	Change	12/31/2008	Change
Operating income before changes in fair value of property	57,068	52,723		43,386	
Depreciation & amortization	386	333		159	
Capital gains (losses) from disposal of assets	-1,621	-2,150		24	
Operating income before depreciation & amortization and income from disposals	55,833	50,906		43,569	
Cancellation of Impact from IFRS2 (stock options, recorded as employee expenses)	722	847		967	
EBITDA	56,555	51,753	9.3%	44,536	16.2%
Net financial expense	-17,641	-16,152		-13,073	
Recurring cash flow before tax	38,913	35,601	9.3%	31,463	13.2%
Average number of shares during fiscal year	27,300,388	26,548,802		25,187,823	
Recurring cash flow per share	1.43	1.34	6.3%	1.25	7.4%

NOTE 19 – TAX CALCULATION

(€ thousands)	12/31/2010	12/31/2009	12/31/2008
Current taxes	0	-1,902	719
Deferred taxes	0	0	13,793
TOTAL	0	-1,902	14,512
Net income after minority interests	74,863	-53,977	69,203
Income tax adjustment	0	1,902	-1,577
Income before tax	74,863	-52,075	67,626
SIIC regime income (exempt)	39,340	37,043	37,538
SIIC regime fair value adjustment	35,523	-89,478	30,088
Capital gains taxed at a reduced rate		9,057	0
TAX BASE	0	360	0
Current tax rate in France	34.43%	34.43%	34.43%
Reduced rate	19.63%	19.63%	
Expected theoretical tax	-	1,902	-
TAX EXPENSE FOR YEAR	-	1,902	-

NOTE 20 – EXPOSURE TO INTEREST-RATE RISK

(€ thousands)	Balance 12/31/2010	repayments < 1 year	Balance 12/31/2011	repayments 1 to 5 years	Balance 12/31/2015	repayments over 5 years
Fixed rate debt	2,489	-2,350	139	-133	6	-6
Bank borrowings	182	-43	139	-133	6	-6
Finance leases	2,307	-2,307	0		0	
Variable rate debt	485,657	-2,659	482,998	-471,157	11,841	-11,841
Loans at variable and revisable rates	480,130	-629	479,501	-467,660	11,841	-11,841
Finance leases	4,091	-594	3,497	-3,497	0	
Bank overdrafts	1,250	-1,250	0		0	
Accrued interest	186	-186	0		0	
Gross debt	488,146	-5,009	483,137	-471,290	11,847	-11,847
Cash	28,325	-28,325	0	0	0	0
Unit trusts and investments	27,820	-27,820	0		0	
Liquid assets	505	-505	0		0	
NET DEBT	459,821	23,316	483,137	-471,290	11,847	-11,847
fixed rate	2,489	-2,350	139	-133	6	-6
variable rate	457,332	25,666	482,998	-471,157	11,841	-11,841
Derivatives portfolio as of 12/31/10	547,579					
Fixed for variable rate swaps	547,579					

NOTE 21 – CREDIT RISK

(€ millions) Counterparty	12/31/2010		12/31/2009		12/31/2008	
	Credit limit	Balance	Credit limit	Balance	Credit limit	Balance
Crédit Agricole CIB, BECM, Sté Générale, HSBC	250	211	250	186	250	150
Groupe Crédit Mutuel CIC	41	-	6	-	3	-
Groupe Crédit Agricole	10	-				
Banque Martin Maurel	6	5	6	1		

NOTE 22 – HEAD COUNT

Head count as of 12/31/10	Male	Female	Total
Executives	19	10	29
Non-executives	8	19	27
Total	27	29	56