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- Press Release / Half Year Report -

**First half year 2010 :
Sharp increase in Net Banking Profits and Net Profits**

Union Financière de France's recovery, which began in the second half of 2009, is continuing. The first half of 2010 has ended with a sharp increase in profits. Union Financière de France continues to implement its strategy : Ambition Patrimoine.

	1 st half year 2009	1 st half year 2010	Change
Net Commissions received (M€)	61.4	77.2	+26%
Operating Profits (M€)	3.9	23.0	X 6
of which financial profits (M€)	-4.9	1.4	NA
Consolidated net profits (M€)	3.0	15.8	X 5
Assets under management at end of period (Bn€)	6.2	6.7	+ 9%

The recovery, which began in the second half of 2009, is continuing

The increase in subscriptions, from the first half of 2009 to the first half of 2010, is due to life assurance, subscriptions into REITs and the continued growth in the sale of real estate units.

- The success of both flexible funds and corporate bond funds tailored to the economic situation has led to a sharp increase in new life assurance business for private individuals (payments into accounts are up 26% and the take up of new life assurance policies is up 11%).
- Stock activity is down, except in the corporate sector where the increase in subscriptions has led to an overall growth in this market, despite a reduction in pension savings plans.
- Sales of real estate units and REITs have increased by 53% thanks to the success of the Scellier fiscal framework. As the Scellier REITs were launched in the second half of 2009, the growth in REITs subscriptions is particularly strong between the first half of 2009 and the first half of 2010. Reservations for real estate units(direct sales) has stabilised at a relatively high level since the launch of the Scellier framework at the beginning of 2009.

Net subscriptions of 37 million euros for the first half year

Net subscriptions reached 37M€ to compare with 40 M€ on the first half of 2009. The retention rate for assets is 92.3%, slightly down compared with the first half of 2009 (93.3%).

Despite a positive net subscription figure, the amount of assets under management has decreased since the beginning of the year because of the drop in share prices, and now stands at 6.7 billion euros (30th June 2010), compared with 6.8 billion euros (31st December 2009).

Net Banking Income on 30th June 2010 : 78.9 M€

NBI in millions of euros	2008	2009	2010	Change 2010/2009
1st Quarter	40.8	27.5	38.0	+ 38%
2nd Quarter	43.9	29.3	40.9	+ 40%
NBI on 30th June, of which	84.7	56.8	78.9	+ 39%
- Placement commissions	31.5	23.3	31.5	+ 35%
- Management commissions	49.2	38.1	45.7	+ 20%
- Profits net of interest and other	4.0	- 4.6	1.7	N.A

- Placement commissions for the first half year reached 31.5 M€, which is 35% above the same figure for the first half of 2009.

This increase is due to :

- A 72% increase in placement commissions related to direct sales of real estate units ; the commissions for the first half of 2010 are mainly for contracts exchanged on units sold in 2009.
 - A sharp increase in commissions on REITs (up 81%) and, to a lesser extent, on life assurance (up 21%), mirrors subscriptions into these financial products .
- Management commissions increased by 20% between the first half of 2009 and the first half of 2010. This rise is a little above the rise in underlying assets because of a slight change in the structure of these assets.

Overall, the Net Banking Income for the first half of 2010 reached 78.9M€, up 39% compared with 2009.

Consolidated Net Profits of 15.8M€

The 39% increase in Net Banking Income is accompanied an increase of operating costs of 6%, due to recruitments and costs linked to our development project Ambition Patrimoine. This has led to an operating profit of 23 M€ compared with 3.9 M€ for the first half of 2009.

Consolidated Net Profits evolution is similar, reaching 15.8 M€ compared with 3 M€ for the first half of 2009.

Information on the parent company

As the Group operations are integrated, the figures for UFF and the Group are difficult to interpret in isolation. The net profits of Union Financière de France Banque for the first half of 2010 stand at 20.4 M€.

The Board of Directors meeting, held on 27th July 2010, approved the accounts and ordered **the payment of an interim dividend of 1 € per share, which will be paid on 4th November 2010.**

After payment of the interim dividend for the year 2010, the net worth stand at 122M€. This corresponds to approximately three times the regulatory minimum required by the solvability ratio of Bâle II.

Transactions with interested parties

Aviva France, parent company of Union Financière de France Banque, is considered as an 'interested party'. The operational relationships between the companies of the Union Financière de France Group and the Aviva Group in France concern the activity of life assurance, the financial management of certain investment trusts, the placement operations and Information Systems services.

Outlook

Following a slight decrease in 2009 because of the economic crisis, the activity and profits of Union Financière de France have recovered well. The Net Banking Income and the profits for the first half of 2010 have once again reached levels comparable to those of the first half of 2008.

Despite the volatility of the financial markets since Spring, this upward trend is expected to continue. Indeed, the commissions generated by reservations of real estate units towards the end of 2009 and during the first half of 2010 alone account for 27 M€, which will boost the Net Banking income for the second half of the year.

Union Financière de France continues to develop its strategic plan 'Ambition Patrimoine', which aims to strengthen its position as leader in the market of advice on the creation and management of wealth, both for private individuals and for corporates. Among the first actions undertaken within the context of this strategy are the launch of the flexible funds and agreement on a new system of remuneration for financial advisors signed with our labour partners during the 2nd Quarter. The aim of this new system is to increase the appeal of sales as a job.

The strategy, 'Ambition Patrimoine' is fully supported by the AVIVA Group in France. AVIVA holds 74.3% of the capital of Union Financière de France. Accordingly, UFF and AVIVA France are studying, as previously announced, the further expansion of the terms of their current industrial partnership. The first concrete result from this study is the implementation of a joint information management system for both entities.

Union Financière de France en quelques mots

Set up 1968, Union Financière de France is a bank specialised in advice on the creation and management of wealth, which offers products and services to private individuals and corporates. Its range of products includes property, securities and life assurance, as well as a wide range of products aimed at the corporate market (pension plans, employees' savings plans, medium term cash management etc).

*Union Financière de France enjoys a dense commercial network, which is present throughout France, and which consists of **1100 employees**, of whom more than 800 work as financial advisors.*

*On 30th June 2010, Union Financière de France had **139 000 clients**, of whom 119 000 were private individuals and 20 000 were corporate.*

Union Financière de France is listed on Euronext Paris Compartiment B
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