



Paris, February 12, 2018

**Finalization of ANF Immobilier's transformation strategy:  
a major real estate investment company focused on commercial properties  
to reinforce the development of regional cities**

**Details of the proposal to merge ANF Immobilier with Icade is given in a separate press release dated February 12, 2018**

**A radically changed profile and robust performance**

- €648 million in assets (€480 million group share) in Lyon (48%), Bordeaux (18%), Marseille (17%), Toulouse (3%) and hotels in France (14%);
- 99% of gross income<sup>1</sup> under IFRS at end-2017 came from commercial assets, with residential representing only 1% thereof;
- performance indicators were all positive with an EPRA vacancy rate of 5.3% (down 380 bps), an EPRA yield of 5.8% (up 120 bps) and a weighted average maturity of fixed-term leases of 5.2 years.

**Buoyant Asset Management activity**

- €402 million in disposals of non-strategic assets located mainly in Marseille and almost all of which had Primonial REIM as the counterparty at the end of November 2017;
- €62 million in investments across the most dynamic regional cities, including Toulouse, a new destination for the real estate investment company, and Bordeaux, with the continuation of the Quai 8.2 project acquired off-plan and involving 32,000 sq. m. of offices and retail premises;
- nearly 25,000 sq. m. of floor space leased with the inclusion in the scope of the Toulouse assets and strong performances, both from off-plan projects and developments (Rive Neuve, Quai 8.2) and existing assets (La Fabrique, Îlot 34 and 5 Joliette);
- future new investment flows (off-plan projects and developments) of €200 million in commercial operations with high yield and high value creation potential.

**Annual figures reflecting the transformation**

- gross income under IFRS of €46.6 million (€38.4 million group share);
- adjusted EPRA Earnings, group share, of €15.8 million or €0.87/share. Restated for the impact prorata temporis of the disposal of the historical portfolio to Primonial, this indicator is stable;
- net income after minority interests, under IFRS, of -€96.1 million, resulting mainly from negative changes in fair value of €82.1 million. The latter breaks down as follows: a negative impact of €106 million from the disposal to Primonial offset by a positive fair value change of €23 million for the assets retained;
- a low indebtedness of 22% (Loan-to-Value ratio) indicating a strong financial capability.

**EPRA NNAV amounted to €21.8/share**

**The proposed dividend is €0.80 per share in cash, or 92% of adjusted EPRA Earnings, group share**

<sup>1</sup> Annualized "spot" at 12/31/2017



**For Emmanuelle Baboulin, Chairman of the Executive Board of ANF Immobilier: "2017 finalizes the real estate investment company's strategy of transformation into a major player in regional commercial property. The company now has solid financial fundamentals, a real estate profile strongly focused on commercial property and current and forecasted performance that reflects, respectively, the excellent quality of its assets and the value creation potential of its projects. ANF Immobilier can now embark with confidence upon a new phase in its history."**

In 2017, ANF Immobilier's gross rental income under IFRS amounted to €46.6 million. This amount represents a fall of 9%, mainly due to the disposals in Marseille and Lyon in 2016 and 2017. Gross portfolio income at end-2017 stemmed from office leases (81%), retail leases (2%) and hotels (16%). As a result, commercial real estate now represents 99% of gross income and residential represents just 1% of gross income. Gross income amounted to €38.4 million, group share. Lastly, at constant scope, gross income, group share, rose by 2%.

Key figures :

- EBITDA under IFRS amounted to €28.4 million, a fall of 25%, reflecting the decline in the scope overall;
- Cash Flow under IFRS totaled €7.7 million. This same indicator restated for non-recurring items and known as "EPRA Cash Flow" was €20.1 million;
- adjusted EPRA Earnings, group share amounted to €15.8 million, or a relative drop of 3% compared to 2016. Restated for the impact prorata temporis of the disposal of the historical portfolio to Primonial REIM, this indicator is stable and in line with the guidance given last March;
- IFRS net income after minority interests amounted to -€96.1 million, chiefly impacted by losses on fair value and consolidated disposals of -€82.1 million, breaking down as -€106 million for the assets sold to Primonial REIM and +€23 million for the commercial assets retained by ANF Immobilier;
- the portfolio value, excluding stamp duties, at end-2017, was €648 million and €480 million group share. Offices represented 86% of the total value;
- investments and disposals in 2017 amounted, respectively, to €62 million (mainly Toulouse – Centreda and Bordeaux - Quai 8.2) and €402 million (mainly Primonial REIM and various individual units);
- the LTV debt ratio fell to 22% and the interest coverage ratio (ICR) was 2.5;
- as of December 31, 2017, EPRA NNNAV was €21.8 per share;
- the proposed dividend is €0.80 per share in cash, or 92% of adjusted EPRA Earnings, group share.



## Highlights

### *1) Acceleration of the transformation*

In late November 2017, ANF Immobilier signed the disposal agreement for almost all of its historical Haussmann and mixed-use assets. This structuring transaction enables the real estate investment company to accelerate its strategy based on three pillars: selecting the most dynamic regional cities, refocusing the portfolio on commercial assets and creating value through several business lines.

#### *a) A balanced and 99% commercial portfolio*

At end-2017, the real estate value portfolio value, under IFRS, was €648 million. This represents a fall of €420 million compared to end-2016 as a result of the aforementioned significant disposals in the amount of €505 million (including change in fair value and disposals) offset by an investment volume of €62 million and value creation in the retained portfolio of +€23 million (+4% in changes in fair value regarding the retained portfolio). The major part of the asset value, previously concentrated on Marseille, has moved to the city of Lyon, which now represents 48% of the portfolio value. This breakdown is in line with the size of the office market and annual demand in the French regions and constitutes a more pertinent geographical risk weighting.

In terms of the refocusing of the portfolio on commercial assets, gross rental income under IFRS from offices at end-2017 represented 81% of total income compared to just 54% at end-2016. The residential and housing categories now only represent 1% of income.

The direct consequence of this radical change in the company's profile is a clear and significant improvement in the portfolio performance indicators, with an EPRA vacancy rate that is down by 380 bps to 5.3%, an increase in the EPRA yield of 120 bps to 5.8% and an income-weighted average of the average lease term of 5.2 years.

#### *b) Value creation through active asset management*

2017 is the year in which the real estate company rolled out investments in Toulouse. The company invested €18 million and acquired two office properties with a surface area of 16,200 sq. m. in the immediate vicinity of Airbus's head office and the regional airport. The multiple-tenant property complex, named Centreda, posted an effective Yield On Cost ratio of over 10% and benefits from residual constructability enabling the future development of an additional 4,000 sq. m.

This first investment was joined by the acquisition of a number of co-ownership units in the îlot Lafayette in Lyon (a total of 24,207 sq. m. of offices acquired between 2014 and 2017). This gives the real estate investment company full control of the latter. In the short term, ANF Immobilier envisages a partial restructuring of 7,115 sq. m. of offices for €15 million, or €8 million group share.

In addition to current investments (notably the Quai 8.2 operation in Bordeaux), a new off-plan project known as le Castel and a development project called Quai Rive Neuve have been launched in Marseille. These two transactions, due for delivery in Q2 next year, represent a total of 9,072 sq. m. of office space for a total investment of €28 million.



In terms of new leases, the real estate investment company had an excellent year. In its current projects, ANF Immobilier leased 2,172 sq. m. of offices as part of the Quai 8.2 operation in Bordeaux to Erasmus + France / Education Formation and 3,112 sq. m. of offices as part of the Quai Rive Neuve operation in Marseille to Now Coworking. These two leases have a fixed term of nine years and bring the occupancy of each of these operations to 39% and 100%, respectively, of the office surface area. In the existing portfolio, the occupancy rate at the La Fabrique property in Bordeaux rose by 27% thanks to three new leases for 997 sq. m. and occupancy at the îlot 34 property (building G) in Marseille increased by 3,192 sq. m. (of which 1,538 sq. m. effective April 2018).

Lastly, sustainable development is a real driver of added value for ANF Immobilier, with 62% of office surface areas certified at end-2017 and a target of 70% of office surface area to be certified by 2020. The real estate investment company also implements a Responsible Purchasing Charter with its largest suppliers.

## ***II) Off-plan projects and development projects at an advanced stage***

### ***a) Potential value creation and high yields***

ANF Immobilier's off-plan projects and developments amount to €200 million under IFRS and €132 million group share. This amount corresponds more precisely to €122 million in off-plan projects and €78 million in existing property restructuring projects (the investment amount corresponds to the amount of work and ancillary costs but excludes existing property and any rent-free periods granted or estimated).

It breaks down as 96% office operations and 4% hotel operations. Forecast potential gross income, group share, is approximately €10.5 million.

The real estate investment company is already committed to investments totaling €130 million (Quai 8.2 in Bordeaux, Le Castel in Marseille and Quai Rive Neuve in Marseille).

### ***b) Projects are progressing at a fast pace***

ANF Immobilier is making its name as a key player in Bordeaux thanks to the Quai 8.2 operation, located 200 meters from the high-speed rail station linking Bordeaux to Paris in just over two hours. The real estate investment company is a co-investor with Foncière des Régions (65%/35%) in 32,000 sq. m. of office and retail space, and with Caisse d'Épargne Provence Alpes-Corse (77%/23%) in a 126-room hotel. The investment, signed in September 2016, represents a total of €102 million (€67 million group share), with delivery scheduled for Q2 and Q3 2018. The office space is currently 39% leased by Orange, Allianz and Erasmus + France / Education Formation through 9-year, fixed-term leases and the hotel is leased to the operator B&B for a fixed term of 12 years. Potential gross income for the whole operation is expected to total €7.2 million, or €4.8 million group share. Added to this rental yield is a share of the promotion margin and fees for a total of €5 million, ANF Immobilier being co-promoter of the operation with Vinci Immobilier.

In Marseille, the real estate investment company has started work on a restructuring project located on the Quai Rive Neuve, opposite the Old Port (Vieux-Port). This investment amounts to €8



million (in addition to the existing property) with gross income guaranteed by a 9-year, fixed-term lease with the user, Now Coworking (gross income at €0.7 million). Delivery of this 3,112 sq. m. office project is scheduled for Q2 2018. In addition, in Q4 2017, the company signed an agreement for the acquisition of a 5,960 sq. m. off-plan office complex, Le Castel, in the immediate vicinity of the Place de la Joliette. This investment totals €20 million, with forecast gross income of €1.5 million and simultaneous delivery in Q2 2018.

In 2017, ANF Immobilier acquired two co-ownership units in Lyon in order to gain full control of the îlot Lafayette (a total of 24,207 sq. m. of offices and 417 parking spaces). In the short-term, a partial restructuring is envisaged for 7,115 sq. m. of offices in buildings B and C. The investment amounts to €15 million, €8 million group share (in addition to the existing building) and is expected to enable receipt of an additional €1.9 million in gross rental income, €1.0 million group share, in this prime location in the Part-Dieu district in Lyon. Launch of the 13 months of works is expected in 2018. Lastly, in the Tête d'Or district, the real estate investment company is envisaging the development of nearly 23,000 sq. m. of office space with work and expenses totaling €55 million, or €28 million group share. Once launched, this investment should enable additional income of €5.0 million to be generated, or €2.5 million group share.

### *III) Shareholding structure, governance and outlook*

At end-December 2017, ANF Immobilier is approximately 85% held by the Icade group. In addition, the shareholding structure comprises Sogécap for around 4%, treasury shares for around 4% and a free float of some 7%. The company's governance has changed to reflect this new share capital composition, with a new Supervisory Board and a new Chairman of the Executive Board, Emmanuelle Baboulin.

In 2018, with the support of its majority shareholder Icade, a leading player in real estate, ANF Immobilier is continuing its development in dynamic regional cities, with the aim of optimizing value creation across all its operations and is preparing for a new phase in its development.



Figures (2017/2016)

| M€   | 31/12/2017  |              | 31/12/2016  |              | Chg. EPRA | Chg. IFRS |
|--|-------------|--------------|-------------|--------------|-----------|-----------|
|  | EPRA        | IFRS         | EPRA        | IFRS         |           |           |
| Gross rental income  | 46.6        | 46.7         | 51.2        | 51.2         | -9.0%     | -9.0%     |
| Net operating expenses   | - 3.8       | - 3.8        | - 3.7       | - 3.7        |           |           |
| <b>Net rental income</b>   | <b>42.9</b> | <b>42.9</b>  | <b>47.6</b> | <b>47.6</b>  | -9.9%     | -9.9%     |
| <i>Margin</i>  | 91.9%       | 91.9%        | 92.8%       | 92.8%        |           |           |
| Administrative expenses  | - 14.4      | - 14.4       | - 9.8       | - 9.8        |           |           |
| <b>EBITDA</b>  | <b>28.4</b> | <b>28.4</b>  | <b>37.8</b> | <b>37.8</b>  | -24.7%    | -24.7%    |
| <i>Margin</i>  | 61.0%       | 61.0%        | 73.8%       | 73.8%        |           |           |
| Financial expenses   | - 20.8      | - 20.8       | - 16.8      | - 16.8       |           |           |
| Amortization   | -           | 0.4          | -           | 0.9          |           |           |
| Change in Fair Value, Gain/Loss on disposals                     | -           | 82.1         | -           | 4.1          |           |           |
| Other  | 0.1         | 15.3         | 0.8         | 5.2          |           |           |
| Taxes  | 6.3         | 6.3          | - 1.0       | - 1.0        |           |           |
| Minority interests   | - 3.8       | - 12.3       | - 7.4       | - 13.5       |           |           |
| <b>Earnings / Net Income, Group Share</b>                        | <b>10.4</b> | <b>96.1</b>  | <b>13.3</b> | <b>3.7</b>   | -22.3%    |           |
| Administrative expenses adjustment (non recurrent)               | 5.3         |              | 1.4         |              |           |           |
| Financial expenses adjustment (non recurrent)                    | 7.1         |              | 1.6         |              |           |           |
| Taxes adjustment (non recurrent)                                 | - 7.0       |              | -           |              |           |           |
| <b>Adjusted EPRA Earnings, Group Share</b>                       | <b>15.8</b> |              | <b>16.3</b> |              | -3.0%     |           |
| Prorata temporis Primonial disposal adjsutment (non recurrent)   | -           |              | - 0.5       |              |           |           |
| <b>Adjusted EPRA Earnings, Group Share for Primonial disposa</b> | <b>15.8</b> |              | <b>15.8</b> |              | 0.0%      |           |
| <b>Cash Flow</b>   | <b>20.1</b> | <b>7.7</b>   | <b>23.6</b> | <b>21.0</b>  |           |           |
| <b>Recurring EBITDA</b>  | <b>33.8</b> | <b>28.4</b>  | <b>38.8</b> | <b>37.8</b>  |           |           |
| <b>LTV</b>   |             | <b>22.1%</b> |             | <b>41.9%</b> |           |           |
| <b>Portfolio Value</b>   |             | <b>648</b>   |             | <b>1 068</b> |           |           |
| <b>EPRA NNAV</b>   |             | <b>397</b>   |             | <b>494</b>   |           |           |

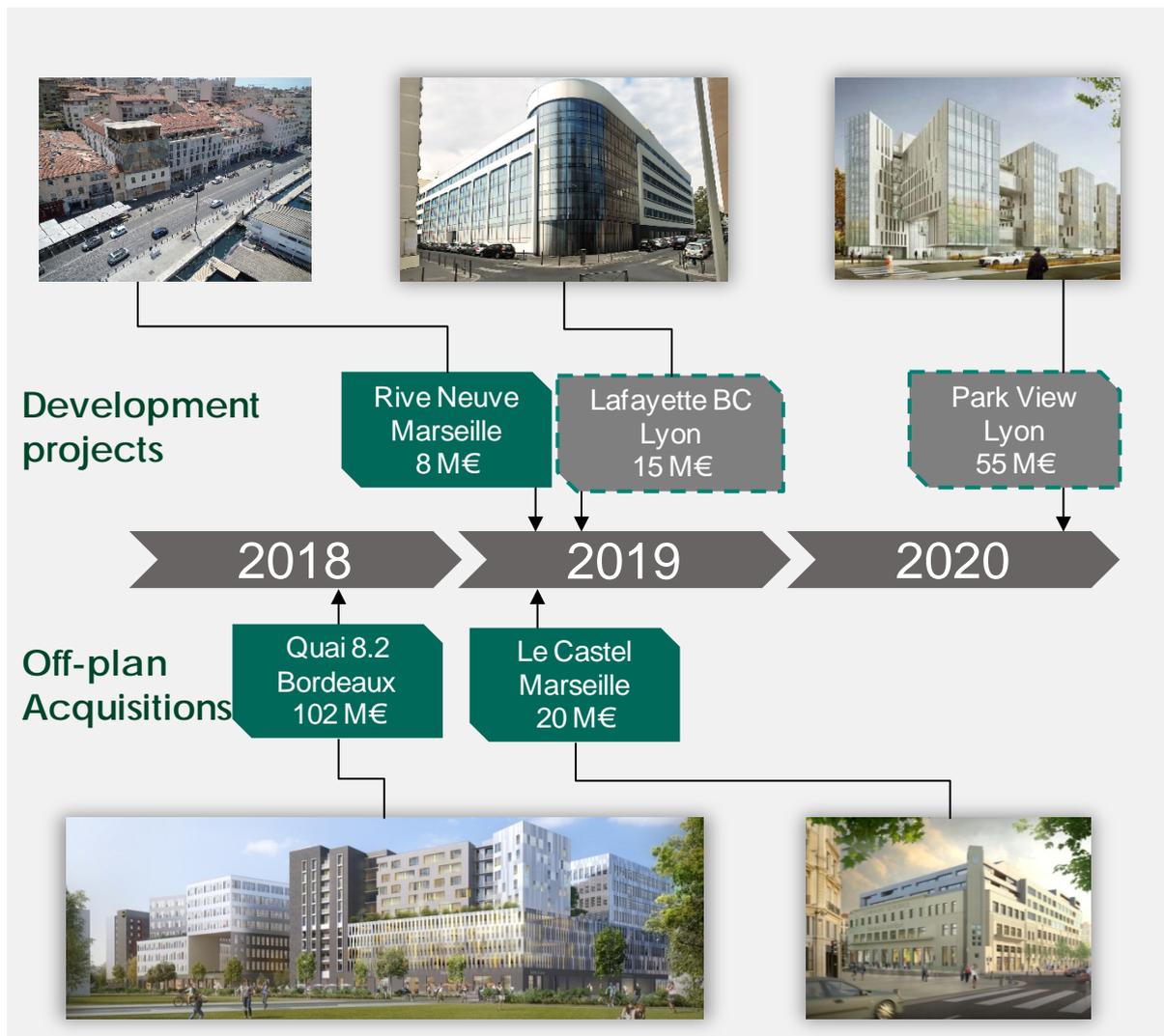
The financial statements were approved by the Executive Board on January 24, 2018 and examined by the Supervisory Board on February 8, 2018. Audit procedures were undertaken on the consolidated financial statements. Certification reports will be issued after finalization of the specific verifications.

| About ANF Immobilier   |                |
|--|----------------|
| Shareholders' Meeting and publication of Q1 2018   | April 24, 2018 |
| ANF Immobilier (ISIN FR0000063091) is a French listed real estate investment company which owns a diversified portfolio of French office, retail and hotel property worth €648 million. It is undergoing a major transformation to concentrate on commercial real estate, create value and support the development of large, dynamic regional cities. It currently has operations in Bordeaux, Lyon, Marseille and Toulouse. Listed on Euronext Paris, it is included in the leading real estate index EPRA Developed Europe. ANF Immobilier is part of the Icade group. |                |
| <b>SFAF (French Financial Analysts' Association) presentation of annual results available on our website</b>   |                |
| <b>Registration for the webcast of the annual results presentation on February 12 at 8 A.M. on our website</b>   |                |
| <a href="http://www.anf-immobilier.com">http://www.anf-immobilier.com</a>  |                |
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## Appendices

Chart 1: Off-plan properties and developments



Not committed

Investments excluding existing asset when restructuring is envisioned and excluding estimated rent free periods



Chart 2: Breakdown of the change in NNNNAV between 12/31/2016 and 12/31/2017

