



Paris, 24 July, 2017

**ANF Immobilier enters into exclusive negotiations for a project combining the acquisition of its control by Icade and the sale of its legacy Marseille assets to Primonial REIM**

**Publication of the financial statements as of 30 June 2017**

**I) ANF's dual portfolio is reflected by two indivisible exclusive negotiations which would result in a project offering liquidity to all ANF shareholders**

ANF Immobilier (« ANF ») announces that it has entered into two agreements for exclusive negotiations :

- one with Icade, relating to the projected acquisition of ANF by Icade through the acquisition of the majority stake held by Eurazeo in ANF, followed by a mandatory tender offer, both at a price per share of 22,15 euros (the « Icade's Offer Project »). Simultaneously, Icade and Eurazeo have entered into an agreement for exclusive negotiations relating to the sale of Eurazeo's majority stake to Icade on those terms ; and
- one with Primonial REIM, as part of its fund management activities, relating to the projected acquisition of a portfolio composed of almost all the legacy mixed use Marseille assets of ANF Immobilier (the « Legacy Portfolio ») and of one retail property in Lyon, for a price of 400,422,696 euros (the « Legacy Portfolio Sale Project »).

Both projects are inter-related : the acquisition by Icade of Eurazeo's majority stake (50.48% of ANF's share capital and 53.73% of ANF's total number of voting rights) would be subject to the execution of a binding promise to buy and sell the Legacy Portfolio, which would itself be subject to the execution of a binding agreement for the acquisition of Eurazeo's majority stake in ANF.

The backing of ANF Immobilier by Icade, one of the leading French real estate companies, would enable ANF Immobilier to accelerate its growth strategy. The latter, based on investment in commercial real estate in dynamic regional cities, would be supported by Icade's financial capacity in a context of industry concentration.

The tender offer which is part of Icade's Offer Project would offer liquidity to all ANF shareholders at a price of 22.15 euros per share.

Icade's Offer Project would offer a premium over ANF's trading price of +5.0% based on the closing price on 21 July 2017, and of respectively +6.3% and +10.2% on the basis of the 1-month and 3-month volume weighted trading average as of 21 July 2017 (adjusted for the dividend paid on 6 June 2017). It would reflect a +5.7% premium over the published triple net Net Asset Value as of 30 June 2017, and a discount of -15.2% over the published triple net Net Asset Value as of 31 December 2016 (adjusted for the dividend paid on 6 June 2017).



The Legacy Portfolio Sale Project with Primonial REIM, one of the principal French real estate investment fund managers, would be the culmination of ANF Immobilier's strategy to dispose of its Heritage Portfolio and concentrate on the commercial real estate sector in regional cities with strong growth prospects. It also comes in the context of a challenging Marseille market with a significant increase in the retail offer around the rue de la République and at a difficult time for retail activity in France.

This block disposal would take place at a discount of -17.0% and -20.5% respectively compared with the individual appraisal values of the properties at June 30, 2017 and December 31, 2016 for the assets in question<sup>1</sup>.

ANF's management and supervisory boards have approved the execution of both agreements to enter in exclusive negotiations, and decided to initiate the consultation of the employees' representative bodies and to pursue negotiations to agree on the definitive agreements.

ANF's supervisory board has retained Finexsi, represented by Olivier Perronet, as an independent expert, to give a fairness opinion on the financial terms both of the Icade's Offer Project (at a price per share of 22.15 euros) and of the Legacy Portfolio Sale Project (the « Fairness Opinion »). ANF's supervisory board will only take its decision on the definitive agreements after the consultation of the employees' representative bodies, and after having received the Fairness Opinion.

Depending on the timetable for the consultation of the employees' representative bodies and for completing the technical steps for the binding promise to buy and sell relating to the Legacy Portfolio, and subject to the decision of the governing bodies of each party, the sale of Eurazeo's majority stake and the execution of the definitive agreements relating to the Legacy portfolio could take place in the last quarter of 2017. The tender offer for ANF would be filed after the acquisition of Eurazeo's majority stake.

Bruno Keller, Chairman of ANF's supervisory board has said « *This dual operation, alongside Icade, a leader in its sector, will enable ANF Immobilier to embark on a new chapter in its history. The two disposal projects will give it the resources to accelerate its growth strategy, resolutely oriented towards commercial real estate based in dynamic regional cities, and to approach this new stage in its development with confidence, within the context of industry concentration.* »

## **II) First half of 2017**

### **a) Financial statements as at June 30, 2017**

In the first half of 2017, ANF Immobilier's gross rental income under IFRS amounted to €24.4 million. This amount represents a fall of -5%, mainly due to the challenging conditions in Marseille. This trend is expected to be offset by current developments in Bordeaux starting in 2018 and the impact of new acquisitions, including those that took place in Toulouse at the end of March 2017. On a like-for-like basis, revenue fell by -6% to €22.2 million. 56% of portfolio revenue was generated by office leases, 16% by retail and 10% by hotels. Accordingly, commercial real estate now represents 83% of gross rental income and residential, including ancillary, represents just 17% of rental income. Rental income, Group Share, amounted to €20.2 million, down -3% compared with the first half of 2016.

<sup>1</sup> The discounts compared with appraisal values at June 30, 2017 and December 31, 2016 represent €66.4 million and €85.5 million respectively, to which a yield indemnity of €15.4 million is added.



Key figures:

- Recurring EBITDA amounted to €16.1 million. The indicator marks a decrease of -8% chiefly stemming from the aforementioned decline in rental income. In parallel, the recurring EBITDA margin under IFRS fell by -200 bps, from 68% à 66%;
- Gross rental income, resulting from the assets included in the scope of the Primonial REIM offer, annualized at June 30, 2017, represented €17.5 million;
- The Group share adjusted EPRA Earnings amounted to €8.2 million or €0.45 per share, an increase of +4% compared with the first half of 2016, as a result of the reduction in recurring finance costs;
- IFRS net income after minority interests amounted to -€96.9 million, chiefly impacted by losses on fair value and consolidated disposals of -€91.4 million, reflecting the exclusive negotiations concerning the Marseille portfolio;
- Real estate value amounted to €1,014 million, demonstrating the impact of the aforementioned fair value and of investments in the amount of €39 million over the period. The core portfolio at end-June 2017 represented 65% of the portfolio;
- The LTV ratio calculated on the basis of the appraisal report values at June 30, 2017 was 47%;
- NNNAV as at June 30, 2017 amounted to €20.96 per share under the EPRA method, reflecting the losses on fair value and disposals of -€91.4 million, mainly due to the Marseille assets included in the scope of the Primonial REIM offer;
- Icade's public tender offer at a per share price of €22.15 results in a premium of +5.7% over the NNNAV.

**b) 2017 half-year activity**

• ***Lyon, Bordeaux and Toulouse***

In Lyon, the real estate company is continuing its development projects and, in late April 2017, obtained a building permit for its Park View project, a major project located close to the Parc de la Tête d'Or. The latter includes restructuring Adecco's former head office, with a current surface area of 9,000 sq.m., to provide a property comprising more than 22,000 sq.m. of new offices, for a works budget of some €53 million.

In the Part-Dieu area, ANF Immobilier has secured its rental flows with Areva, which has confirmed that it will continue to lease the majority of the square footage that it currently occupies until 2021, for a lease of approximately €6.9 million (the Lafayette and Stratège properties).

In Bordeaux, at the end of June, ANF Immobilier celebrated the first tree being planted in the Quai 8.2 project, in the presence of its partners and the public institutions. In the first half of 2017, €16 million was invested in this emblematic commercial development adjacent to the LGV (high-speed line) train station. The total amount of the investment is €97 million and delivery of the real estate complex is expected in the second half of 2018.



In this same city, the real estate company has signed a new sub-letting lease with Casino for the asset known as "Nautilus". This allows the firm sub-letting period to be extended by 2.3 years (until end-2022) and guarantees a long-term lease income of €2.2 million.

In Toulouse, in late March 2017, the Company signed the acquisition of a first property complex, known as Centreda and ideally situated in the Blagnac area, for €19 million. This comprises two buildings totaling 16,150 sq.m. of offices (multiple tenants) and represents additional rental income of +€2 million.

- ***Marseille***

In Marseille, ANF Immobilier signed a firm 9-year lease with Now Coworking, a major player in "co-working" spaces in France, for its Rive Neuve project (restructuring of an existing property as 2,848 sq.m. of new offices with outstanding views of the Old Port). The amount of additional investments, at approximately €9 million, will generate lease income of €0.7 million from delivery, which is scheduled for 2019.

In terms of its historical portfolio, ANF Immobilier has seen a sharp increase in the retail offer in Marseille for more than three years now, due to the delivery of a number of commercial centers in the immediate vicinity of rue de la République. Despite ANF Immobilier's strategic repositioning, this influx has had a negative impact, in particular on retailers in the personal goods market. Between December 31, 2016 and June 30, 2017, "passerby" gross lease income from the historical portfolio's retail properties thus fell by €0.7 million (notably with the departures of Célio and Mango) and the EPRA vacancy rate for the Company's retail premises rose at the same time from 13.1% to 18.9%.

In order to breathe new life into the rue de la République, the Company announced the inauguration of Chevalier Roze in August 2017, a hub dedicated to the contemporary artistic scene, on the street of the same name between the Old Port and the historic Le Panier quarter. More than 800 sq.m. spread over seven distinct spaces have been renovated for this purpose and will welcome international cultural operators to make this street a benchmark for contemporary creativity.



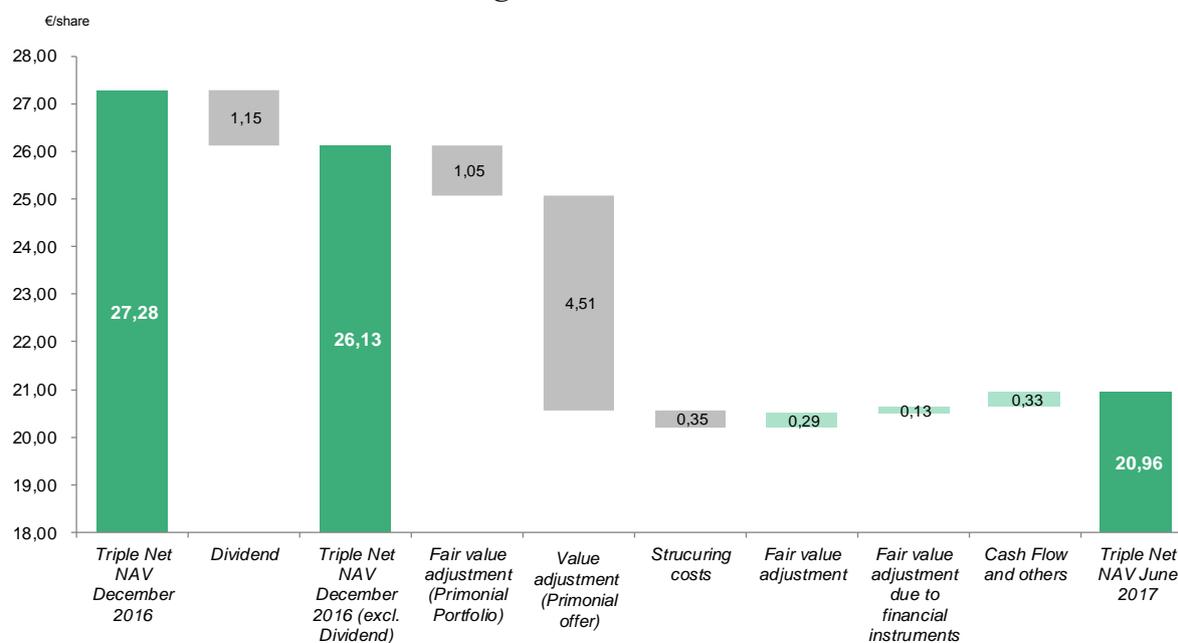
Exclusive negotiations  
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EPRA figures for the first half of 2017

M€	30/06/2017			30/06/2016			Chg. EPRA
	EPRA	Adjustments	IFRS	EPRA	Adjustments	IFRS	
Gross rental income	24,4	-	24,4	25,8	-	25,8	-5,4%
Net operating expenses	- 2,6	1,3	-3,8	- 2,5	0,8	- 3,3	
<b>Net rental income</b>	<b>21,8</b>	<b>1,3</b>	<b>20,6</b>	<b>23,3</b>	<b>0,8</b>	<b>22,5</b>	-6,2%
<i>margin</i>	89,5%		84,4%	90,2%		87,3%	
Administrative expenses	- 5,7	4,1	- 9,8	- 5,7		- 5,7	
<b>EBITDA</b>	<b>16,1</b>	<b>5,3</b>	<b>10,8</b>	<b>17,6</b>	<b>0,8</b>	<b>16,8</b>	-8,3%
<i>margin</i>	66,1%		44,3%	68,2%		65,3%	
Financial expenses	- 7,8	2,3	- 10,1	- 8,3		- 8,3	
Amortization	-	0,4	- 0,4	-	0,5	- 0,5	
Change in Fair Value	-	91,4	- 91,4	-	17,4	- 17,4	
Other	0,2	0,6	0,8	0,2	3,5	3,3	
Taxes	- 0,3		- 0,3	0,1		0,1	
Minorities' impact	- 1,7	4,5	- 6,2	- 2,8	0,3	- 3,1	
<b>Earnings, Group Share</b>	<b>6,5</b>	<b>103,4</b>	<b>- 96,9</b>	<b>6,8</b>	<b>22,5</b>	<b>- 15,6</b>	-4,5%
<i>margin</i>	26,7%		-397,4%	26,5%		-60,7%	
Adjustment administrative expenses (non recurrent)	0,7	0,7	-	-		-	
Adjustment financial expenses	1,0	1,0	-	1,1	1,1	-	
<b>Adjusted Earnings, Group Share</b>	<b>8,2</b>	<b>101,7</b>	<b>- 96,9</b>	<b>7,9</b>	<b>23,6</b>	<b>- 15,6</b>	3,6%
<b>Earning</b>	<b>8,2</b>		<b>- 90,8</b>	<b>9,6</b>		<b>- 12,6</b>	-14,2%
<b>Adjusted Earnings</b>	<b>9,9</b>		<b>- 90,8</b>	<b>10,7</b>		<b>- 12,6</b>	-7,3%

The financial statements were approved by the Executive Board on July 17, 2017. Audit procedures were undertaken on the consolidated financial statements. Certification reports will be issued after finalization of the specific verifications.

Change in EPRA NNNAV



X

X

X



## Exclusive negotiations 2017 half-year financial statements

### **2017 Financial Agenda**

Half-year results | July 24, 2017 at 8:30 a.m. (Webcast)

#### **About ANF Immobilier**

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ANF Immobilier (ISIN FR0000063091) is a listed real estate investment company that owns a diversified portfolio of French office, retail, hotel and residential properties worth €1 billion. 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 Eurolist B of Euronext Paris, ANF Immobilier is included in the EPRA real estate index.

#### **About Icade**

##### **Building for every future**

As an investor and a developer, Icade is an integrated real estate player which designs innovative real estate products and services adapted to new urban lifestyles and habits. By placing corporate social responsibility and innovation at the core of its strategy, Icade is closely involved with stakeholders and users in the cities—local authorities and communities, companies and employees, institutions and associations... As a commercial and healthcare property investor (portfolio value of €9.9bn as of 06/30/17) and as a property developer (2016 economic revenues of €1,005m), Icade is able to reinvent the real estate business and foster the emergence of tomorrow's greener, smarter and more responsible cities. Icade is a significant player in the Greater Paris area and major French cities. Icade is listed on Euronext Paris as a French Listed Real Estate Investment Company (SIIC). Its leading shareholder is the Caisse des dépôts Group.

#### **About Primonial REIM**

Primonial REIM is a portfolio management company, approved on December 16, 2011 by the French Financial Markets Authority (*Autorité des Marchés Financiers*) under the number GP-11000043. It received AIFM approval on June 10, 2014. Its capital stock is held by Primonial Holding (majority) and UFF Bank. Its Executive Board comprises Laurent Fléchet (Chairman), Grégory Frapet and Stéphanie Lacroix (Chief Operating Officers).