



Paris, March 9, 2017

**Application and acceleration of ANF Immobilier's strategy:  
Recurring Cash Flow (Group share) up by 24%  
and expansion into Toulouse**

**A notable improvement in operating results**

- Consolidated rents up 4% to €51.2 million, Group share stable.
- Consolidated recurring cash flow up 15% to €23.6 million in 2016 with Group share up 24% to €18.5 million, or €1.02/share.
- EPRA Earnings (adjusted Group share) up 12% to €16.3 million, or €0.90/share, higher than the initial target.
- Net loss (Group share) of €3.7 million.

**A solid portfolio in spite of a value impacted by the persistence of a challenging environment in Marseille**

- Gross asset value of €1068 million further to €152 million asset rotation, split between €91 million from the disposal of mature assets with low yields and €61 million of investment in new commercial properties.
- Negative change in assets' fair value, Group share, reaching €13 million: a decline of €27 million in the fair value of the Marseille heritage portfolio offset by an increase of €11 million related to new projects, and a disposal gain of €3 million.

**EPRA NNAV at €27.3/share stable when dividend paid is excluded.**

**Proposed cash dividend of €1.15 per share.**

**For Renaud Haberkorn, Chairman of the Executive Board of ANF Immobilier: "The application of ANF Immobilier's winning strategy continues with the targeting of commercial properties in dynamic regional cities. We are now looking at some very promising opportunities in terms of value creation in dynamic and innovative areas. This is the case in every city in which we are investors, with a host of new projects such as Park View in Lyon, Rive Neuve in Marseille and Quai 8.2 in Bordeaux, plus sizable land reserves. The future is looking bright.**

**We are broadening our horizons by establishing a foothold in Toulouse, one of the most dynamic regional capitals in the French property market, with a promise to purchase a first office block of 16,150 m<sup>2</sup> located near Blagnac airport."**



In 2016, ANF Immobilier's gross rental income was €51.2 million measured according to IFRS. This represents a growth of 4%, mainly attributable to new projects delivered (+6% over the entire portfolio) and offset by a decline in the performance of existing shopping malls in Marseille (-2% at constant scope for the portfolio as a whole). Portfolio income mainly stemmed from office leases (54%), commercial leases (17%) and hotels (13%). Commercial real estate now accounts for 84% of gross rental income, and housing, including accessories, now accounts for only 16% of rents. Since implementing the new strategy established in 2013, consolidated gross rental income has increased by 67%. The Group share of rental income was €41.2 million, stable compared with 2015 (-1%).

#### Some numbers:

- recurring EBITDA was up 15%, mainly due to a reduction in structural costs. Meanwhile EBITDA margin, measured according to IFRS, rose from 66% to 74%;
- current cash flow, measured according to IFRS, rose by 15% to stand at €23.6 million. Current cash flow Group share rose by 24% to €18.5 million, or €1.02 per share, mainly attributable to new projects delivered;
- adjusted EPRA Earnings, was €16.3 million, an increase of 12% from 2015. ANF Immobilier is well above its initial target of an 8% increase raised to 10% during the year;
- net loss after minority interests, measured according to IFRS, was €3.7 million, largely due to a negative change of €4.1 million in consolidated fair value and the negative impact of minority interests of €13.5 million;
- the value of the portfolio amounted to €1,068 million following: €61 million investments, €91 million disposals of non-strategic assets. At the end of 2016, the "Core" portfolio accounted for 57% of the total portfolio;
- the LTV ratio was down slightly at 42% and the cost of debt remained at 2.7%;
- at December 31, 2016, NNNAV amounted to €27.3/share, based on the EPRA method, which is stable when the dividend of €1.24/share paid in 2016 is excluded.

## Three strategic pillars illustrated in 2016

### *1) Targeting the most dynamic regional cities*

#### **Lyon, Bordeaux, Marseille: supporting the metropolises of the future**

Since drawing up its new strategy in 2013, ANF Immobilier has confirmed its attachment to Lyon, Bordeaux and Marseille, which are among France's most dynamic regional cities. These cities pay special attention to infrastructure development and the creation of innovative new neighborhoods.

The Company invested €369 million in new, mainly commercial, projects with high potential in these cities, in other words a Group share of €254 million between 2013 and 2016. After adding



the future flow of real estate transactions in the pipeline, this represents a total transaction value of €567 million for a Group share of €392 million. These investments are distributed geographically as follows: 59% in Lyon, 26% in Bordeaux, 7% in Marseille and 10% in regional hotels with the remainder made up of the new investment in Toulouse.

### **Toulouse, a promising new metropolitan hunting ground**

Toulouse is one of the most dynamic cities in France demographically and economically. With Airbus acting as the driver, together with other industries such as energy, the regional capital is undertaking a major development of its infrastructure and its office resources. In market terms, the city is the third-largest office market in France (about 4.2 million m<sup>2</sup> of offices) with a take-up of almost 130,000 m<sup>2</sup> on average over the past ten years, and nearly 170,000 m<sup>2</sup> in 2016, proving its runaway development.

In December 2016, it was a logical step for ANF Immobilier to confirm its presence in Toulouse, signing a promise to purchase a first building called Centreda located in the Blagnac area. This first complex consists of two buildings totaling 16,150 m<sup>2</sup> of offices (multitenant) and represents an investment of nearly €19 million (including earn-outs). It will generate additional annual gross income of €2 million due to run from the completion date in March 2017.

## ***II) Commercial target - A continuous flow of strategic transactions***

### **Consistently high rate of hotel assets delivered**

In 2016 ANF Immobilier took ownership of three new hotels: the first in Marseille-Velodrome with 126 rooms under the AC By Marriott name, delivered in January 2016, the second in Marseille-Euromed 2 with 88 rooms under the B&B name, delivered in May 2016, and the third in Bobigny with 117 rooms under the B&B name, delivered in June 2016. These three assets were acquired through the subsidiary ANF Immobilier Hôtels and will generate additional income of €1.9 million, bringing the number of hotel rooms delivered by this specialist subsidiary to nearly 1,100.

### **ANF Immobilier's expertise illustrated by its investment in the Quai 8.2 real estate complex in Bordeaux with 31,500 m<sup>2</sup> of offices, shops and a 3-star 126 room hotel**

ANF Immobilier is affirming its regional credentials with an investment in the complex located 200 meters from the HST (LGV) station that will cut travel times between Bordeaux and Paris to just over two hours from July 2, 2017. The Company is a joint investor with Foncière des Régions (65%/35%) in 29,500 m<sup>2</sup> of offices and 2,000 m<sup>2</sup> of shops. The deal, signed in September 2016, represents a total sum of €90 million, with delivery in the third quarter of 2018. The office areas are currently 33% leased to Orange and Allianz through nine-year fixed-term leases. On the same site, in partnership with Caisse d'Epargne Provence Alpes-Corse, the Company also acquired a three-star hotel with 126 rooms rented to B&B under a lease for a fixed term of 12 years. The investment represents a total amount of €7 million.

### **Delivery of Adecco France's new headquarters, 13,100 m<sup>2</sup> of new office space in the Carré de Soie in Lyon**



In September 2016, ANF Immobilier (50%), in partnership with Crédit Agricole Assurances (45%) and DCB International, delivered 13,100 m<sup>2</sup> of office space leased to the Adecco France Group for a fixed term of nine years. The deal represents an investment of around €34 million in Lyon's Carré de Soie district and will generate additional rental income of €2.5 million. The building has obtained a BREEAM "Very good" certification.

**Opening of the Maxi-Bazar shopping mall, part of the Banque de France deal, in the Lyon Presqu'île, and delivery of 400 m<sup>2</sup> of additional preleased offices**

After it won the 2013 bid to purchase the old Banque de France building on rue de la République, ANF Immobilier met its target of completing the conversion of the historic building in barely three years: Nike opened its 500 m<sup>2</sup> outlet in March while Maxibazar opened at the end of September in premises of 2,000 m<sup>2</sup>. Early this year, 400 m<sup>2</sup> of offices were delivered.

***III) Creating value on all fronts***

**Optimizing value creation with the Quai 8.2 in Bordeaux, an important mixed-use development of 46,000 m<sup>2</sup>**

As a joint developer with Vinci Immobilier (50%/50%) of the mixed-use 43,000 m<sup>2</sup> complex comprising 29,500 m<sup>2</sup> of office space, 2,000 m<sup>2</sup> of shops, a three-star hotel with 126 rooms, a four-star hotel with 111 rooms, and a student residence with 123 rooms, ANF Immobilier plans to achieve a Group share margin of around €6 million and earn close to €2 million in management fees. This margin is secured by actual sales through partnerships with Foncière des Régions for commercial space, ANF Immobilier-CEPAC for the three-star hotel, and a private investor for the four-star hotel. One third of the student residence is already preleased. Furthermore, ANF Immobilier receives fees in its capacity as the asset manager.

**A proactive asset manager, ANF Immobilier anticipates and meets the needs of its users**

ANF Immobilier signed a MoU with Areva for its base in the Part-Dieu in Lyon. This agreement perpetuates the collection of the majority of the rental income, i.e. €5.5 million, until December 31, 2021 and will enable the Company to consider a value-creating redevelopment of part of the site.

**Value-creating disposal of two hotels and increase in ANF Immobilier's holding in its hotel subsidiary**

Lyon's Carlton Hotel is located in Place de la République. Trading under the MGallery name, it has 80 rooms which were fully renovated in 2012. Marseille's Adagio Hotel is located in rue Trinquet. Trading under the Adagio Aparthotel name, delivered in 2009, it has 142 rooms. Both establishments were sold by ANF Immobilier Hôtels, leading to a premium of €0.20/share in ANF Immobilier's EPRA Net Asset Value.

The proceeds from the disposals were reinvested. ANF Immobilier increased its stake in ANF Immobilier Hôtels from 51% to 77%. This is perfectly in line with the strategy to sell mature or valued assets to invest in new commercial property delivering higher returns.



## Tailor-made strategy for the Marseille portfolio

### First good results for Marseille stores in spite of a correction on the valuation of assets

Noting an increase of its commercial offer in Marseille, due to the delivery of several shopping malls, ANF Immobilier is adapting its strategy with its main object being to differentiate and revitalize rue de la République. It has demarcated two zones: the first, linked to the Vieux-Port, groups retail premises targeting families and tourists, and the second, linked to the Place de la Joliette, offers additional space in the wake of the expansion of the Euromed commercial sector.

In Marseille, the Company has six retail brands in all covering 1,400 m<sup>2</sup>, including King Jouet, TUI Store, Copy Top, Adopt, Le Petit Cabanon and Dakao. It also signed a lease for premises on rue de la République which will house the Musée du Savon (Soap Museum) due to open in early 2017 and a foundation in rue du Chevalier Roze. These highlights illustrate the relevance of ANF Immobilier's repositioning strategy for its retail premises on rue de la République in Marseille. Even if a decrease in terms of rental values has naturally generated a correction on the valuation of assets, reducing them by around €19 million in 2016, it has also initiated the renewal of its commercial appeal and encourages a positive outlook.

### A very positive trend for both unfurnished and furnished accommodation

After a year of transition with the handover of property management to Foncia, the occupancy rate of the unfurnished housing in rue de la République has increased noticeably with vacancy down from 26% to 17%, a fall of nearly 10% of the available stock, illustrating the soundness of ANF Immobilier's strategy (i.e. a differential of 29 units leased in 2016). At the end of the year, 316 units remained vacant made up of 226 units for restructuring and 90 available units. The property manager estimates an additional take-up of 50 units in 2017 with an available stock of 50% in Q1-Q2 and an ideally-aligned take-up in 2016, with 60% being this type of apartment.

For student housing, ANF Immobilier has also seen an improvement with a vacancy rate of 15% at the end of 2016 against 28% at the end of 2015. This improvement should be considered in relation to the delivery of one hundred new units which were put into service during this period.

## Value creation opportunities and new prospects

ANF Immobilier is applying its strategic plan, in place since early 2013, and emphasizing its new identity: Invest in the regions, Promote their capitals.

By targeting regional cities with high potential, refocusing on commercial property and creating optimized value, ANF Immobilier is consolidating its hallmark commercial property profile in the regions. With a flow of new projects valued at €198 million and significant land reserves, it foresees good growth with a number of significant deliveries such as Quai 8.2 Euratlantique from the third quarter of 2018.

**In 2017, ANF Immobilier expects stable EPRA Earnings (adjusted Group share) compared with 2016, in line with the pace of its project development.**



Consolidated figures (2016/2015)

M€	2016		2015		EPRA chg
	EPRA	IFRS	EPRA	IFRS	
Gross rental income	51,2	51,2	49,2	49,2	4%
<i>Group Share</i>	41,3		41,8		-1%
Net operating expenses	- 3,7	- 3,7	- 4,0	- 4,0	
<b>Net rental income</b>	<b>47,6</b>	<b>47,6</b>	<b>45,1</b>	<b>45,1</b>	5%
<i>margin</i>	93%	93%	92%	92%	
Administrative expenses	- 9,8	- 9,8	- 12,2	- 12,9	
<b>EBITDA</b>	<b>37,8</b>	<b>37,8</b>	<b>33,0</b>	<b>32,2</b>	15%
<i>margin</i>	74%	74%	67%	66%	
Financial expenses	- 16,8	- 16,8	- 16,9	- 21,4	
Amortization	-	- 0,9	-	- 0,7	
Change in Fair Value	-	- 4,1	-	- 25,5	
Other	0,8	- 5,2	- 0,2	- 1,7	
Taxes	- 1,0	- 1,0	- 0,6	- 0,6	
Minorities' impact	- 7,4	- 13,5	- 5,2	- 14,7	
Adjustment administrative expenses (non recurrent)	1,4	-	2,6	-	
Adjustment financial expenses	1,6	-	1,9	-	
<b>Adjusted Earnings, Group Share</b>	<b>16,3</b>	<b>- 3,7</b>	<b>14,6</b>	<b>18,6</b>	12%
<i>margin</i>	39%		35%		
<b>Cash Flow</b>	<b>23,6</b>	<b>21,0</b>	<b>20,6</b>	<b>10,8</b>	15%
<i>Group Share</i>	18,5		14,9		24%
<b>Recurring EBITDA</b>	<b>38,8</b>	<b>37,8</b>	<b>35,6</b>	<b>32,2</b>	9%
<i>Group Share</i>	29,8		28,3		5%
<b>LTV</b>	<b>41,9%</b>		<b>43,0%</b>		
<b>Gross Asset Value</b>	<b>1 068</b>		<b>1 101</b>		
<b>NNNAV</b>	<b>494,0</b>		<b>516,0</b>		

The financial statements were approved by the management board on 27 February 2017. The audit procedures on the consolidated financial statements have been completed. The certification reports will be issued after the specific verifications.

About ANF Immobilier	
Shareholders' Meeting	May 10, 2017
<p>ANF Immobilier (ISIN FR0000063091) is a French listed real estate investment company which owns a diversified portfolio of French office, retail, hotel and residential property worth €1,068 million. The Company is transforming and is oriented toward commercial properties, value creation and the growth of dynamic regional metropolises. It currently has offices in Bordeaux, Lyon and Marseille. Listed on Eurolist B of Euronext Paris and included in the EPRA real estate index, ANF Immobilier is a company of the Eurazeo Group.  <a href="http://www.anf-immobilier.com">http://www.anf-immobilier.com</a></p>	
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### NOTES

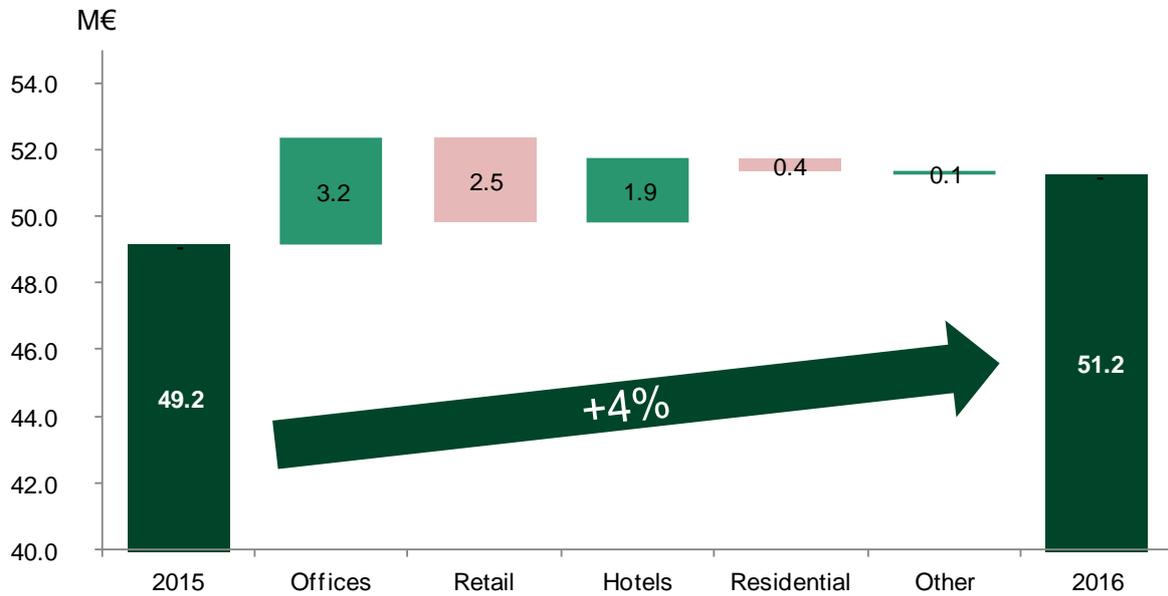


Chart 1: New commercial investments generating new rents

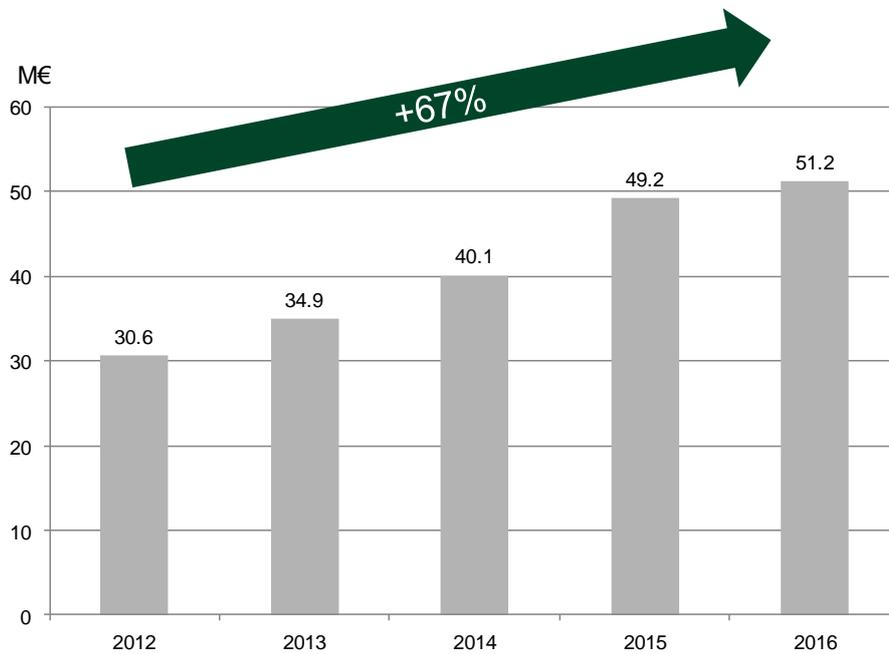


Chart 2: Strong growth in rental income since 2012

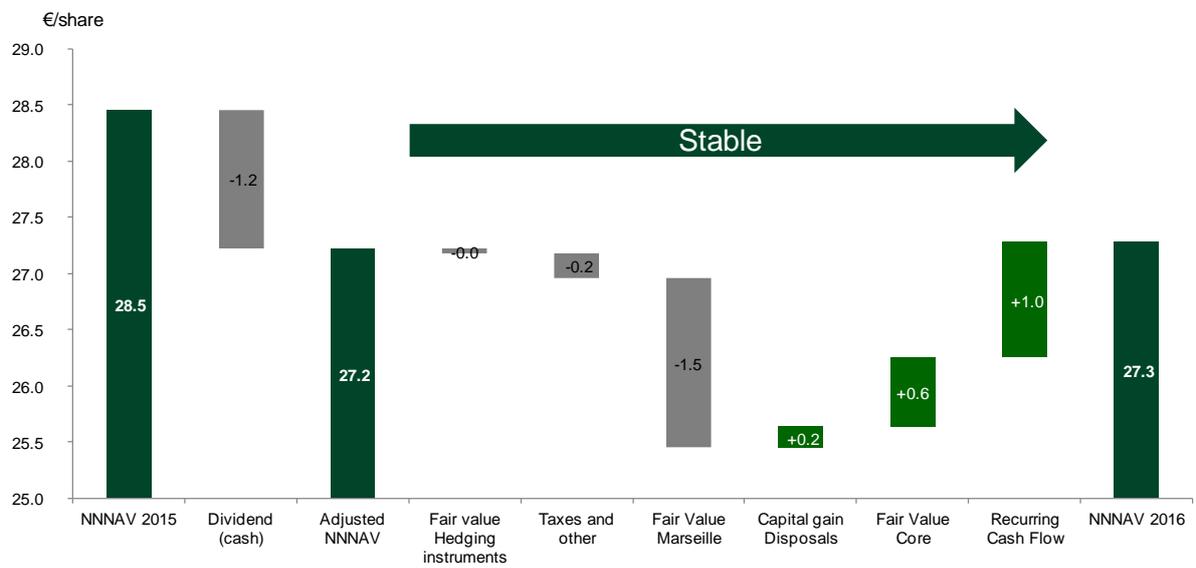


Chart 3: Breakdown of changes in NNNAV between 12/31/2015 and 12/31/2016