

Paris August 28, 2013

## ANF Immobilier confirms its growth targets

- **Strong increase of performance indicators**
  - Rental income up 18%; 10% rise in organic growth,
  - Improved profitability: EBITDA margin gains 7 pts.
- **Solid assets and balance sheet**
  - 3% increase in appraisal value,
  - Stable EPRA NNAV at €30.7 per share (after distribution of €1 per share),
  - Debt ratio of 39%.
- **Increase in investments**
  - Winning bidder for the historical headquarters of Banque de France in Lyon,
  - Some €50 million invested, including €28 million in new acquisitions,
  - €175 million already committed of the €240 million announced.
- **Targets confirmed**
  - 14% rise in rental income by the end of 2013,
  - Rebalancing of the portfolio,
  - Doubling of rental income by 2017.

### Strong increase of performance indicators

Taking into account the asset acquisitions made since 2012, **consolidated rental income** rose 18% based on the published pro forma financial statements to €17.1 million, of which €1.1 related to hotel properties (in comparison to rental income at June 30, 2012, pro forma for asset sales carried out, which amounted to €14.5 million). Organic growth in rental income totaled 10% on the company's Marseille, Lyon and B&B assets (excluding the impact of acquisitions and disposals).

Rental income for the first half of the year breaks down as follows: 40% from commercial premises (Marseille and Lyon), 26% from offices (Marseille, Lyon and Bordeaux), 22% from residential premises (Marseille and Lyon), 8% from hotels and 4% from car parks and other properties.

Organic growth in rental income originated mainly from commercial leases. In Marseille, the new properties opened in block 25 (rue de la République - next to Joliette) with chains such as McDonalds, Brioche Dorée and Monoprix bore fruit.

**EBITDA** amounted to €11.4 million after savings on overhead expenses brought about an improvement of 7%, from 60% to 67%. Moreover, the reduction in net financial expenses related to the fall in market interest rates led to a 57% rise in current cash flow, to €8.7 million.

The valuation of the company's real estate assets increased by €3.4 million. **Consolidated net income** came out at €10.8 million, compared to €18.0 million posted at June 30, 2012.

## Solid assets and balance sheet

The value of ANF Immobilier's land and property portfolio at June 30, 2013, as established by two independent property appraisers, amounted to €927 million, up 3% compared with the appraisal values given on December 31, 2012.

This value breaks down as follows: €722 million in Marseille, €150 million in Lyon, €21 million in Bordeaux and the remainder, i.e. €33 million, in the hotels leased to B&B of which €23 million is subject to a sales promise.

Built assets (Marseille, Lyon and B&B) amounted to €641 million. Ongoing projects in Lyon and Marseille were valued at €224 million, versus €204 million at December 31, 2012. Acquisitions made since 2012, meanwhile, were valued at €62 million.

The EPRA NNAV at June 30, 2012 came to €30.7 per share excluding transfer taxes, unchanged from December 31, 2012, after taking into account the annual dividend distribution of €1 per share carried out in H1.

At June 30, 2013, ANF Immobilier's net debt amounted to €357.4 million.

The Loan-To-Value ratio thus stood at 38.6% at June 30, 2012. With respect to its loans, ANF Immobilier easily met its banking covenants (mainly Loan-to-Value ratio and ICR).

The average debt cost dropped sharply to 3.10%, a fall of 100 basis points.

## Increase in investments

ANF Immobilier won the call for tenders on the historical headquarters of the Banque de France located on Rue de la République, Lyon. This project comprises two buildings entirely vacated by Banque de France. The Group will develop a commercial project on this property (3,500 m<sup>2</sup>), with Vinci Immobilier working on a residential and offices program (4,500 m<sup>2</sup>). The full acquisition price is €16 million and project delivery is scheduled for mid-2015.

During the first half of the year, a total of €22.0 million was invested in work projects in Marseille and Lyon. In Marseille, this work related mainly to the block 34 project in the Euroméditerranée area, opposite the new European hospital. This mixed-use, 26,000 m<sup>2</sup> project was completed during the summer and has been completely let out. In addition, the opening of the new European hospital will allow the Desbief site to be vacated and this project to be launched.

During the first half of the year, the Group also implemented its deployment strategy on commercial property under development in large French regional cities. A total of €27.8 million was invested in this regard. ANF Immobilier thus made two new acquisitions, in Lyon and Bordeaux, during H1 2013. Specifically, the Group invested in the MilkyWay project, an office building under construction in the Carré de Soie district over 36,600 m<sup>2</sup> and already fully leased to Alstom Transport for a fixed term of 12 years.

Overall, ANF Immobilier has already committed to nine mainly commercial projects amounting to €175 million. The Group pursued its €240 million acquisition plan, allowing it to readjust and diversify its asset portfolio.

Disposals regarding residential properties in Marseille are currently on going and aim at reducing vacancy rates and the Group's exposure to the housing sector. Selling prices were in line with appraisal values. ANF Immobilier thus continued with its €238 million asset disposal program; the residential component of the program amounts to €163 million, of which 50% have been initiated and of which 15% have already been secured.

### Targets confirmed

ANF Immobilier confirmed its pro forma rental income growth target of 14% and the continued improvement of Group profitability by the end of the year. This growth will arise mainly from increased commercial rental income.

In the medium term, ANF Immobilier will continue with its ongoing efforts to rebalance its portfolio, which consist of reducing its exposure to housing to under one-third and the shrinking the proportion of Marseille properties by more than 25%, in favor of commercial properties in other large regional cities such as Lyon and Bordeaux. To do so, as well as developing projects on its existing land reserves, in March the Group announced a €238 million asset disposal program and a €240 million investment plan.

The Group's low current debt enables it to finance its additional project developments.

The Group reasserted its target of doubling its rental income to €67 million by 2017.

#### 2013 Financial Agenda

Q3 revenues November 7, 2013 (before market opening)

#### **About ANF Immobilier**

ANF Immobilier (ISIN FR0000063091), a major operator in the city centers of Lyon, Marseille and Bordeaux, is a real estate investment and development company focused on residential and commercial rental real estate that manages real estate assets worth almost €900 million. Listed on Euronext Paris (Eurolist B), ANF Immobilier is a subsidiary of the Eurazeo Group.

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**Condensed income statement**

(€million)	30/06/2013	2012 pro forma	% growth	30/06/2012	30/06/2011
Gross rental income	17.15	14.53	18%	38.49	37.37
Net operating expenses	-2.02	-1.87	8%	-2.09	-1.99
Administrative expenses	-3.73	-3.99	-7%	-5.80	-4.90
<b>EBITDA</b>	<b>11.40</b>	<b>8.68</b>	<b>31%</b>	<b>30.60</b>	<b>30.47</b>
<i>EBITDA margin</i>	<b>66.5%</b>	<b>59.7%</b>	<b>7</b>	<b>79.5%</b>	<b>81.5%</b>
Financial expenses	-3.10	-3.36	-8%	-8.84	-8.79
<b>Cash flow</b>	<b>8.30</b>	<b>5.32</b>	<b>57%</b>	<b>21.76</b>	<b>21.69</b>
Change in fair value	2.86			-3.10	20.56
Other items	-0.78			-0.71	-0.01
<b>Net income</b>	<b>10.77</b>			<b>17.96</b>	<b>50.07</b>
Interest cover ratio	3.43			3.44	4.30
Cash flow per share (€)	0.47			0.79	1.08
Recurring cash flow per share (€)	0.47			0.79	0.79
Average number of shares (million)*	17.73			27.43	27.33
	30/06/2013			31/12/2012	31/12/2011
<b>Real estate portfolio</b>	<b>927.30</b>			<b>883.92</b>	<b>1 650.21</b>
City center	891.45			855.11	1 137.40
B&B	33.11			28.81	512.80
<b>Net financial debt</b>	<b>-357.45</b>			<b>-291.80</b>	<b>-482.26</b>
Other items	-23.82			-40.00	-10.10
<b>NAV</b>	<b>543.30</b>			<b>552.12</b>	<b>1 157.85</b>
Fair value hedge	-12.54			-17.71	-38.63
<b>NNNAV</b>	<b>530.76</b>			<b>534.41</b>	<b>1 119.22</b>
Loan to value ratio (%)	38.7			33.0	29.2
NAV per share (€)	31.4			31.7	42.2
NNNAV per share (€)	30.7			30.7	40.8
Period end number of shares (million)	17.30			17.41	27.46