

Paris, July 21, 2014

**ANF Immobilier confirms its growth and the validity of its strategy**

**1) Strong growth of the key indicators**

- 12% increase in rental income, 14% increase on the scope adjusted for disposals at end-June 2014
- Improved profitability: EBITDA margin of 67% at end-June 2014, vs. 62% at end-2013
- Asset value of more than €1 billion at end-June 2014, an increase of 4% compared with end-2013
- Pipeline of €266 million of quality acquisitions, an increase of €84 million compared to the first half

**2) Consolidation of the strategy**

- Sharp acceleration of investments: 111% of investment program secured at end-June 2014
- Spin-off of hotel assets (€36 million raised from the sale)
- Disposals: 47% of the €238 million 2013-2017 program secured at end-June 2014, vs. 24% at end-2013
- Refinancing of €400 million completed with an average maturity of seven years

**3) NAV of €28.9 per share, taking into account the payment of a dividend of €1.05 per share**

**2014 first half results**

**Revenues** for the first half of 2014 amounted to €19.2 million, a 12% increase compared with the first half of 2013, and a 14% increase on the scope adjusted for disposals. Portfolio income derived from retail leases accounted for 34%, offices for 29%, residential premises for 19% and hotels for 14%. The remainder of rental income is derived from car parks and other surfaces.

**EBITDA** grew by 12% to €12.8 million, thanks primarily to an increase of 12% of gross rental income and stable operating costs. The **EBITDA margin** of 67% was up 5 percentage points compared with end-2013.

**Cash flow** amounted to €6.5 million, or €0.35 per share.

The negative **net consolidated income** of €13.7 million takes into account the impact of the fair value measurement of contributory assets in the negative amount of €18.5 million. This variation is attributable chiefly to the 11% discount observed on the sale of blocks 15, 18 and 23 in Marseille, as well as the decline of approximately 5% in the price of existing housing units in Marseille and to the increase in registering fees of 0.7%.

The **appraisal value** established by two independent appraisers has now exceeded a billion euros at €1,004 million excluding rights. It breaks down as €684 million for Marseille, €202 million for Lyon, €37 million for Bordeaux and €81 million for hotel property.

The **Loan-To-Value ratio** was 42.2% at June 30, 2014. The Company was largely compliant with its bank covenants (LTV and ICR). After the refinancing completed in May this year, the average cost of debt was 3.6%, with an increase in the overall coverage from 66% to 87%. ANF Immobilier has €96.6 million of undrawn credit facilities and cash of €40.1 million.

At June 30, 2014, triple net **Net Asset Value** totaled €28.9 per share, according to the EPRA method.

**Acceleration of acquisitions**

ANF Immobilier continues to pursue the strategic plan it laid out in early 2013, aimed at doubling rental income by 2017. In the last six months, investments have accelerated sharply. ANF Immobilier has identified and secured 111% of its €240 million acquisition program in the form of iconic investments thanks to its acknowledged positioning as a major player at the regional level:

**In Lyon, ANF Immobilier, associated with DCB International, completed a major dual real estate project with a total developed area on completion of 38,000 sq.m. of office space:**

- The development of the new headquarters of the Adecco France Group includes 13,000 sq.m. of office space, scheduled for delivery in the third quarter of 2016. The building has been fully leased off plan for a fixed term of nine years. The project is located opposite the future headquarters of Alstom Transport in the Carré de Soie precinct, in a mixed commercial, residential and tertiary environment. The future complex will enjoy excellent road access and visibility from the tram line.
- The acquisition and restructuring of the former headquarters of the Adecco France Group will result in the construction of a 25,000 sq.m. office complex. The current building, built in 1987, has a surface of 8,700 sq.m., and offers significant residual constructability. Located opposite the Parc de la Tête d'Or, it is in the heart of the Tonkin business district, a few minutes from the Part-Dieu train station.

**In Bordeaux, ANF Immobilier and Vinci Immobilier have signed agreements with the Euratlantique public development establishment to develop a mixed complex in the Armagnac precinct in Bordeaux, with a total area of 46,000 sq.m.**

Ideally located, close to the future LGV high-speed train station, the Armagnac precinct real estate program, located on the Saint-Jean Belcier joint development zone, has an area of approximately 46,000 sq.m. The project includes three office buildings (each about 10,000 sq.m.), two hotels (more than 7,000 sq.m.), shops on the ground floor (nearly 3,000 sq.m.), housing (106 units covering more than 6,000 sq.m.) and nearly 500 parking spaces. The two hotels, rated 3 and 4 stars, offer approximately 119 and 110 rooms respectively. Under the terms of the project, ANF Immobilier will retain ownership of the 3-star hotel and two office buildings covering a total of 20,000 sq.m., one of which could be leased to GDF Suez. This major project, which is scheduled for delivery in 2017, is an opportunity for ANF Immobilier to consolidate its position in Bordeaux.

**Confirmation of the validity of the strategy**

**Hotel spin-off: creation of ANF Immobilier Hotels**

In partnership with Eurazeo and Caisse d'Épargne Provence-Alpes-Corse, ANF Immobilier has spun off ANF Immobilier Hotels, a subsidiary intended to house the property of hotels owned by the real estate company ANF Immobilier, and whose assets will amount to more than €90 million by the end of 2017. The company is owned by ANF Immobilier (51%), Eurazeo (34%) and CEPAC (15%). At end-June 2014, ANF Immobilier sold most of its hotel assets to this subsidiary at prices strictly in line with appraised values. This sale was 50% financed by partner equity and 50% through a mortgage obtained by the subsidiary from CEPAC. The new credit facility will allow the development of two hotels located in Marseille-Velodrome and the hotel in Bordeaux-Bègles. ANF Immobilier is the majority shareholder and manages the subsidiary's assets. The net proceeds of €36 million will go towards funding growth and the acquisition pipeline.

**Disposal of €34 million of housing in Marseille – 47% of disposal program completed**

47% or €100 million of the disposal program initiated in 2013 had been completed at end-June 2014, compared with 24% at end-2013.

This significant progress stems chiefly from the signing of a promise for the sale of blocks 15, 18, 23 in Marseille, representing 216 housing units or 18,000 sq.m. to renovate. These assets are located in the central part of the Rue de la République (section 2), where ANF Immobilier is not the sole contractor and cannot carry out full rehabilitation programs as it did in the first section of the Rue de la République adjacent to the Vieux Port.

ANF Immobilier has renovated nearly 40,000 sq.m. of facades and completed a program of premium housing and retail units, attracting major retailers such as H&M, Monoprix, McDonald's and Starbucks. The renovation has contributed to the transformation of the street wanted by the city council and has boosted its attractiveness.

The 11% discount on disposal of the three blocks is attributable to the volume of non-renovated assets included in the transaction and the decline in the market value of residential assets in Marseille. The disposal reduced the exposure of ANF Immobilier to residential property in Marseille by nearly 20% and its housing vacancy rate in the same city by 30%. The sale proceeds will be reinvested in acquisitions offering a rental yield above 7.5%, in line with the Company's strategy.

**Refinancing of €400 million**

ANF Immobilier has acquired the means to achieve its strategy by completing financing of €400 million in May this year obtained from four partner banks, Natixis, CMSB, BNPP and CACIB. The new loan of €400 million is similar to a mortgage, with a maturity of seven years. It is consistent with the expansion strategy established in early 2013. This new financial organization gives the Company attractive financial characteristics and real flexibility in arranging future funding. The estimated cost of debt in 2014 is 3.5%. At 42.2%, ANF Immobilier's debt ratio remains very prudent in view of its obligations. ANF Immobilier is strengthening its resilience in a rapidly changing economic environment.

**Outlook**

The deployment of the 2013-2017 strategic plan will bring annual rental income to around €67 million.

ANF Immobilier will continue to invest in regional provincial cities like Lyon, Bordeaux and Marseille, where it is already present, without ruling out the possibility of expanding into other targeted areas, with the aim of establishing a lasting presence there. Acquisitions will mainly relate to tertiary sector assets (offices, retail premises or hotels).

The €240 million acquisition plan for the 2013-2017 period has already been secured up to 111%, and supplemented by investments of €170 million in renovations and projects underway in Marseille and Lyon. At the same time, the Company is continuing its disposal policy in the amount of more than €238 million, notably in housing.

**SUMMARIZED FINANCIAL STATEMENTS**

(€million)	30/06/2014	31/12/2013	30/06/2013	% growth 30/06/2014 vs 30/06/2013
<b>Gross rental income</b>	<b>19.2</b>	<b>34.9</b>	<b>17.2</b>	<b>12%</b>
Net operating expenses	-2.1	-5.3	-2.0	1%
Administrative expenses	-4.4	-8.0	-3.7	18%
<b>EBITDA</b>	<b>12.8</b>	<b>21.6</b>	<b>11.4</b>	<b>12%</b>
<b>EBIDTA margin</b>	<b>67%</b>	<b>62%</b>	<b>66%</b>	<b>1%</b>
Financial expenses	-6.3	-7.1	-3.1	
<b>Cash flow</b>	<b>6.5</b>	<b>14.5</b>	<b>8.3</b>	
Change in fair value	-18.5	15.3	2.9	
Other items	-1.6	-1.8	-1.4	
<b>Net income</b>	<b>-13.7</b>	<b>28.0</b>	<b>9.8</b>	
<b>Cash flow per share (€)</b>	<b>0.35</b>	<b>0.82</b>	<b>0.47</b>	
<b>Recurring cash flow per share (€)</b>	<b>0.35</b>	<b>0.82</b>	<b>0.47</b>	
Average number of shares (million)	18.35	17.73	17.73	

	30/06/2014	31/12/2013	30/06/2013
<b>Real estate portfolio</b>	<b>1 004.2</b>	<b>970.0</b>	<b>927.3</b>
<b>Net financial debt</b>	<b>-449.2</b>	<b>-391.8</b>	<b>-357.5</b>
Other items	-19.8	-22.0	-23.8
<b>NAV</b>	<b>535.2</b>	<b>556.2</b>	<b>543.3</b>
Fair value hedge	-20.9	-10.3	-12.5
<b>NNNAV</b>	<b>514.4</b>	<b>545.9</b>	<b>530.8</b>
<b>Loan to value ratio (%)</b>	<b>42.2</b>	<b>40.4</b>	<b>38.7</b>
<b>NAV per share (€)</b>	<b>30.4</b>	<b>32.5</b>	<b>31.4</b>
<b>NNNAV EPRA per share (€)</b>	<b>28.9</b>	<b>31.6</b>	<b>30.7</b>
Period end number of shares (million)	17.60	17.09	17.30
	x	x	

**2014 financial calendar**

2014 third quarter revenues

November 21, 2014 (before the market opens)

**About ANF Immobilier**

ANF Immobilier (ISIN FR0000063091) owns and manages real estate assets worth €1 billion in the city centers of Marseille, Lyon and Bordeaux. It is a leading real estate company with SIIC status focusing on residential and tertiary rental property. Listed on Eurolist B of Euronext Paris and included in the EPRA real estate benchmark index, ANF Immobilier is part of the Eurazeo Group.

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