



Analyst

Presentation



9 March 2017

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01 2016

HIGHLIGHTS - YEAR 2016

STRATEGY

An intensive year focused on Cash Flows and Earnings

Gross Rental
Income

+4%

Like-for-like
-2% (Heritage)

Recurring
EBITDA Margin

+4%

72% compared
to 68% LY

Adjusted
EPRA Earnings

+12%

16.3 M€
IFRS -3.7 M€

Recurring CF
Group Share

18.5 M€

+24% increase
1.02 €/share

Asset Rotation

152 M€

Yield Spread
+200 bps

Loan-to-Value

42%

Cost of debt
2.7%

Fair Value

-12 M€

Heritage: -27 M€
Core: +11 M€
Disposals: +3 M€

Dividend

1.15€

Dividend
per share
SIIC requirement



01 2016

HIGHLIGHTS - YEAR 2016



STRATEGY

The 3 pillars of our strategy

S T R A T E G Y

LOCATION

Dynamic regional metropolises

- > Targeting areas undergoing radical transformations:
 - Upcoming districts
 - New infrastructure connections



Geographically targeting results in higher value creation

ASSET TYPE

Refocus on commercial real estate

- > Lower residential share
- > Increase exposure to offices, retail and hotels



Diversification results in lower cyclicalty

INVESTMENT

Add value through active asset management

- > Develop and invest according to stringent return criteria
- > Control projects from day 1
- > Active asset management

Active asset management producing higher returns on new core investments

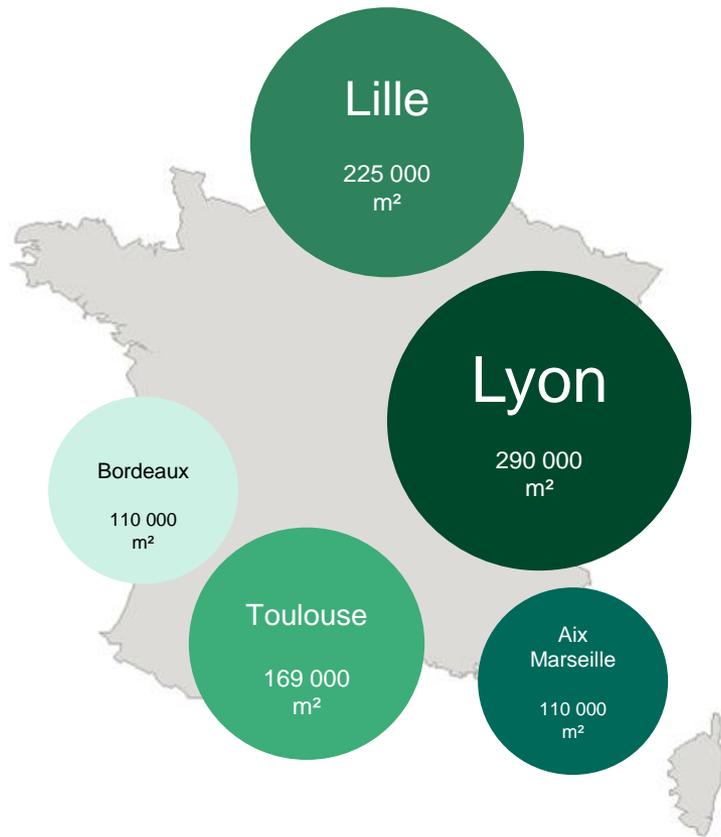
Action plan for Marseille heritage resulting in lower vacancy, higher liquidity and yield



First pillar – France's most dynamic regional cities

Lyon, Marseille, Bordeaux and now Toulouse

Office take-up (2016)



Marseille & Lyon

Heritage

Bordeaux

2012-2013

Toulouse

2017

Lille

Under review

First pillar – France's most dynamic regional cities

Our first investment in Toulouse - an outstanding location



March 2017
Centreda
Toulouse

▲ Centreda 2

Centreda 1 ▼

Value added – 2 buildings*

17.5M€

10.7% effective yield on cost
Potential extension 4 000 m²

Located in
Blagnac
next to
the airport
and Airbus HQ

16 200 m² offices
(multi-tenant)

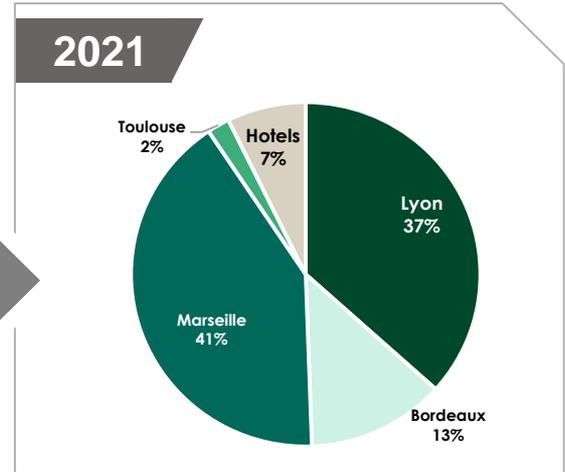
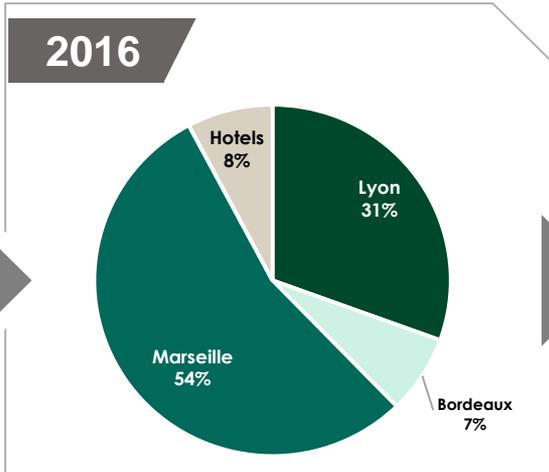
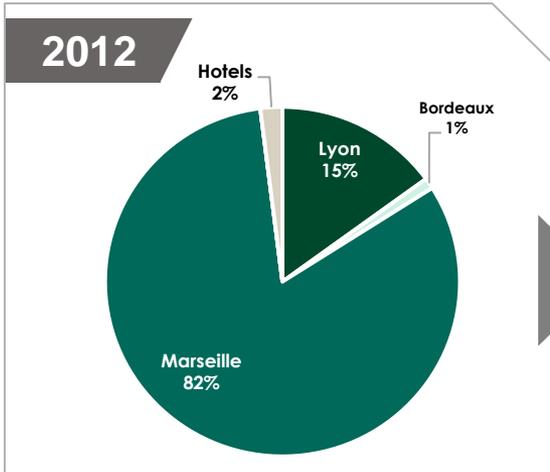
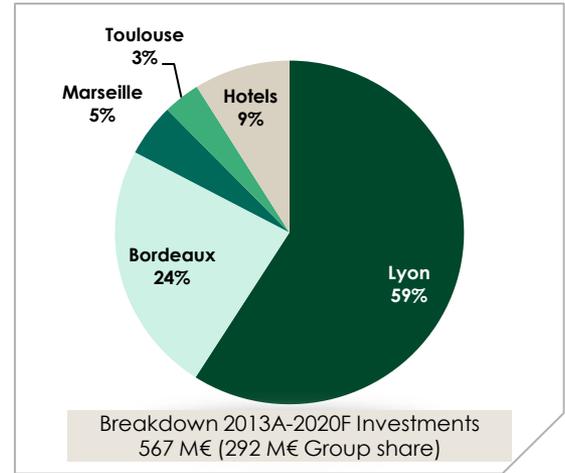
In the heart of
the 3rd largest
office market
in France
4,2 M m²



* before 0.5 M€ and 1.5 M€ earn-outs

First pillar – France’s most dynamic regional cities

An active portfolio balancing relevant to each city’s market



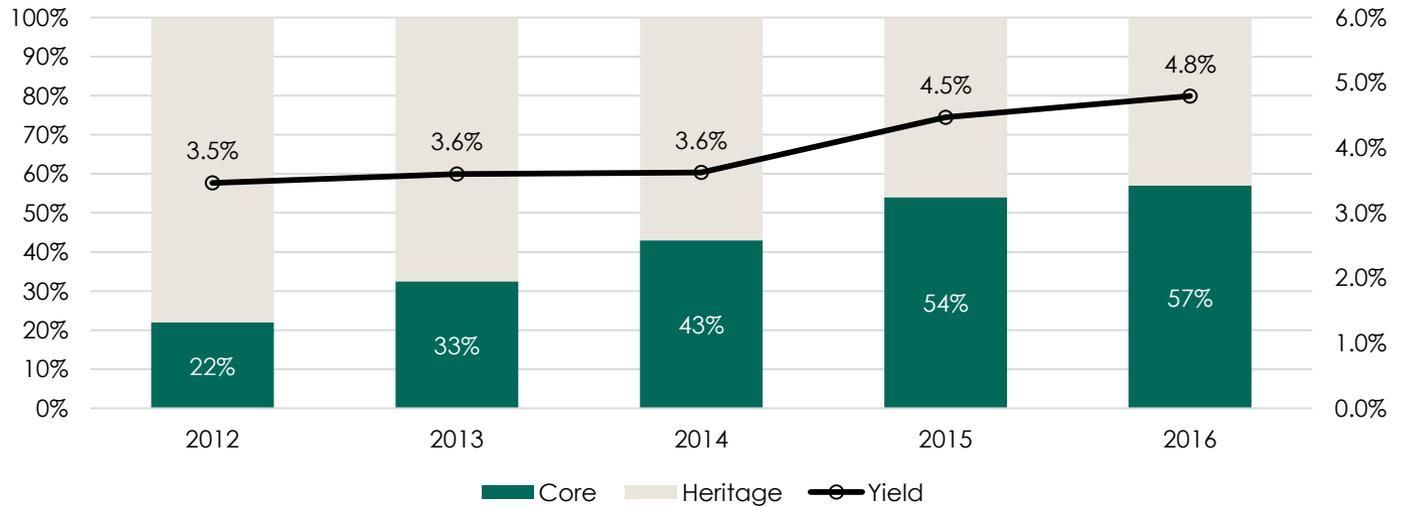
Portfolio value breakdown between 2012 and 2021 solely based on presented pipeline



Second pillar – Focus on commercial real estate

A steady flow of high yield investments strengthening the portfolio yield

Core/Heritage transformation leading to higher yield (rental income/portfolio value)



2016 deliveries



BANQUE DE FRANCE
Lyon – Presqu'île

19 M€

2 500 m² retail (2016)
400 m² offices (2017)

Fully let +1.5 M€/year
Delivered



ADELY
Lyon – Carré de Soie

34 M€

13 100 m² offices

Fully let +2.5 M€/year
Delivered



3 HOTELS
Marseille – Bobigny

26 M€

331 rooms 

Fully let +1.9 M€/year
Delivered

Second pillar – Focus on commercial real estate

A consolidated commercial real estate pipeline to bolster momentum

New Tenant Secured +0,7 M€



 Committed
 Under condition

Rive Neuve
Marseille
9 M€

Le Castel
Marseille
19 M€

Park View
Lyon
53 M€



Centreda
Toulouse
19 M€

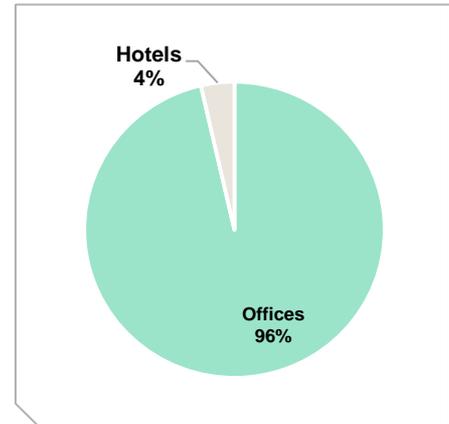
Quai 8.2
Bordeaux
97 M€



Consolidated Pipeline
198 M€

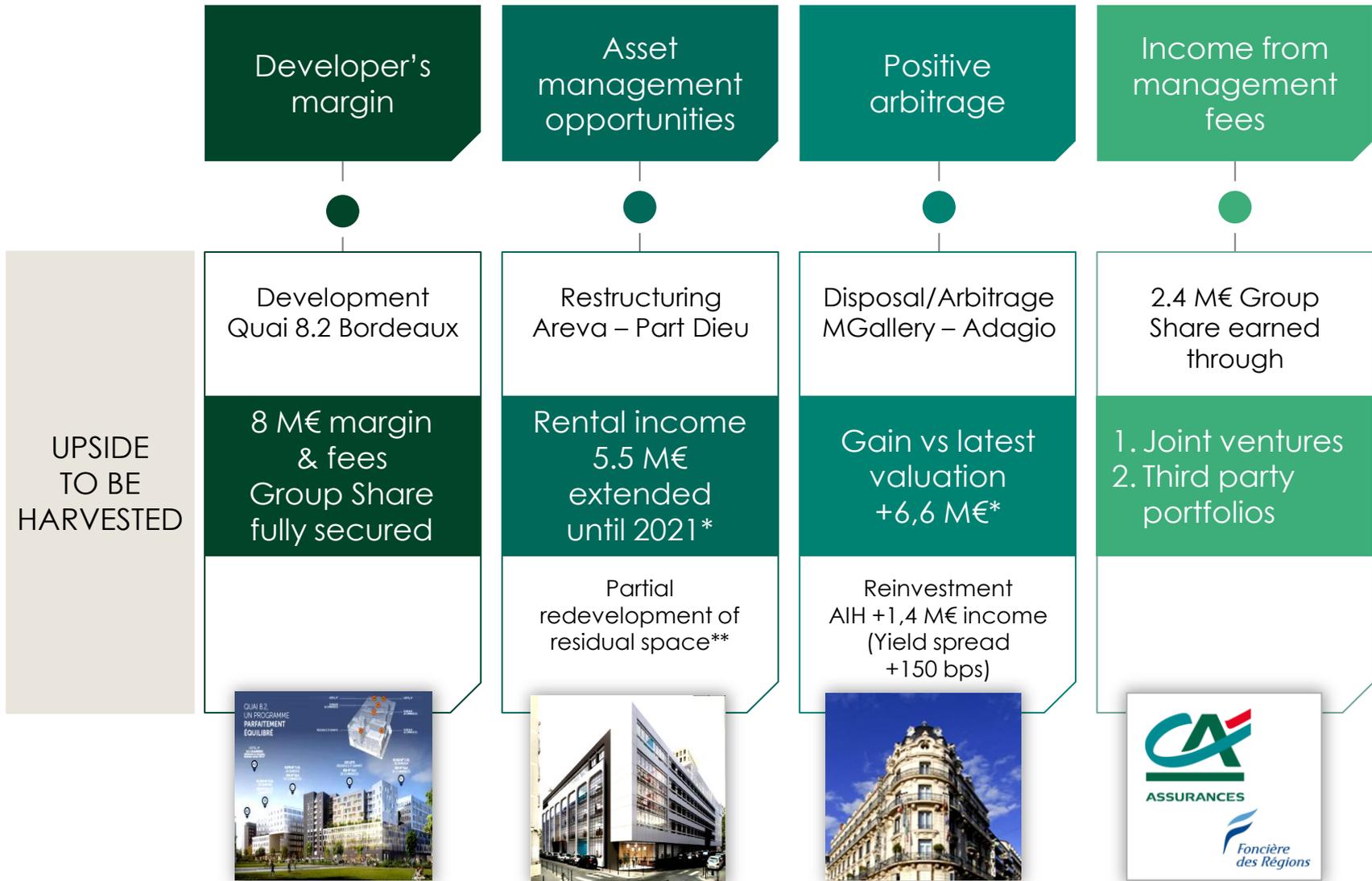
Group Share Pipeline
138 M€

Potential rental income
c.a. 11-12 M€
Group Share



Third pillar – Adding value

Asset management and in-house development



* 100%

** 30 M€ program including 8 M€ for 3 300 m² extension

Third pillar – Adding value

Tailored action plan for Marseille portfolio

Residential



-9% EPRA vacancy rate
Balance of **+29** flats rented in 2016
90 flats available and 226 to be restructured

-9%
Vacancy rate

Residential Furnished



100 new furnished flats delivered in 2015 **absorbed**
15% vacancy rate vs 28% at YE 2015

-13%
Vacancy rate

Offices



Positive balance of **450 m²** rented in 2016
Average rental income of **167 €/m²** (economic)

Positive balance
450 m²

Retail



Ongoing differentiation
1 400 m² new leases signed
Positive outlook: Musée du Savon
Modern art foundation

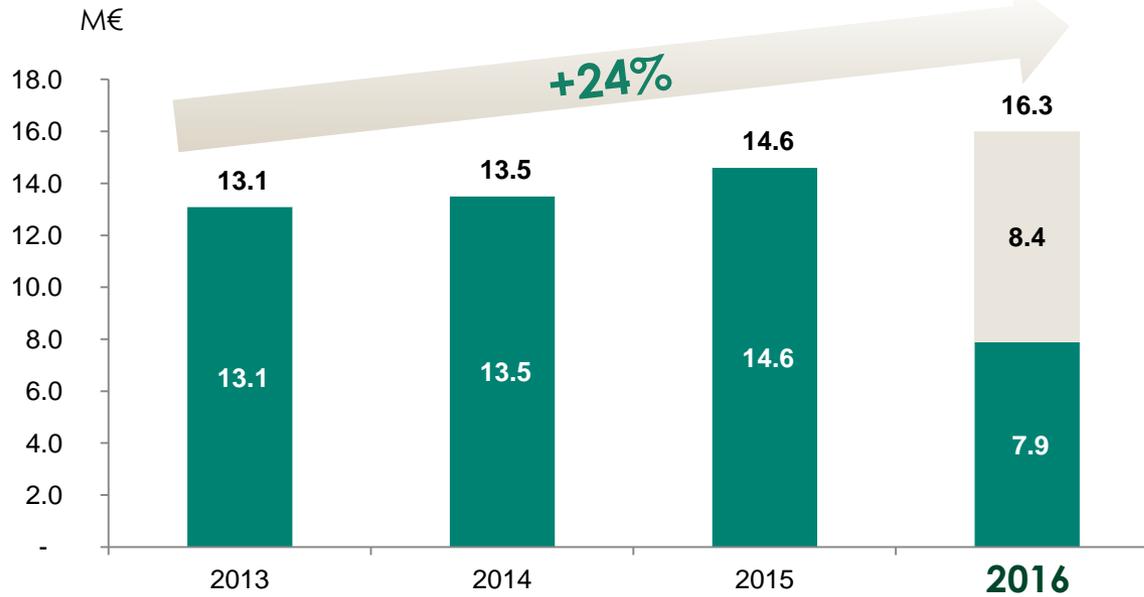
1 400 m²
new retail

INCREASING OCCUPANCY IN ORDER TO INCREASE LIQUIDITY

2016 strategy results

Increased EPRA Earnings and Cash Flows

EPRA Earnings (adjusted)

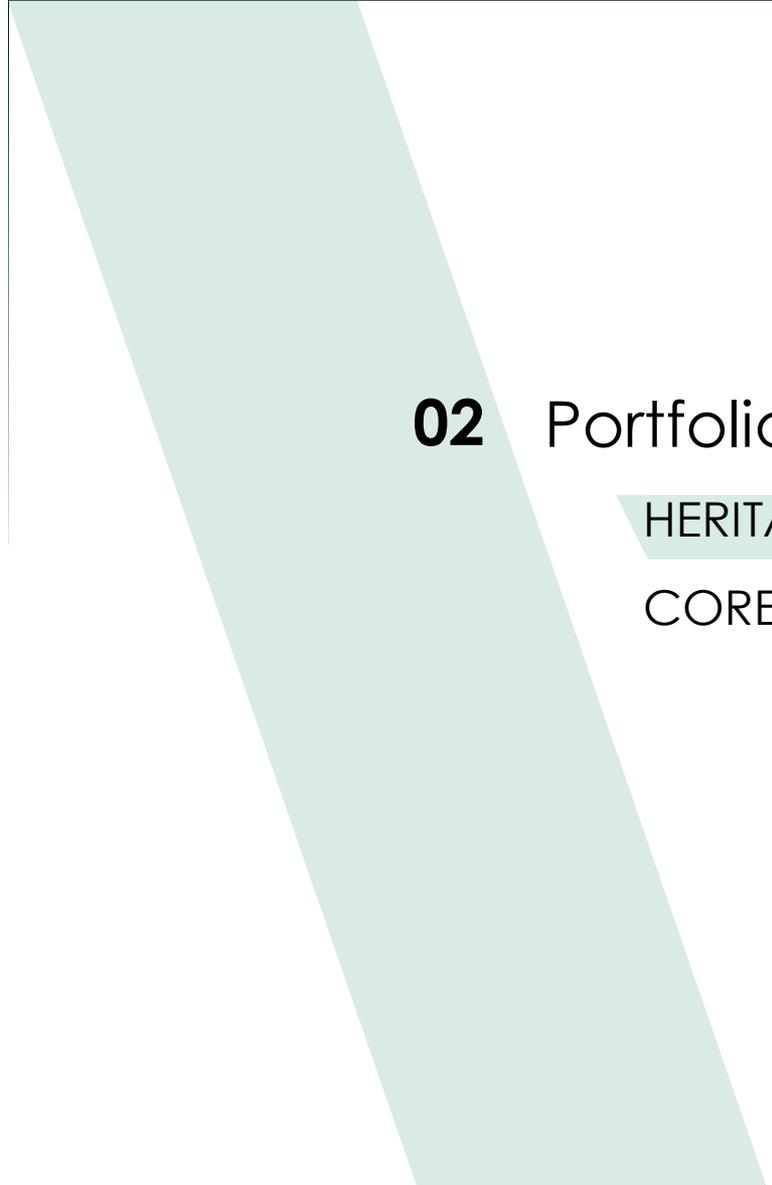


+12%

Adjusted EPRA
Earnings
(above guidance
of +10%)

+24%

Cash Flow,
Group share
18,5 M€ or
1,02 €/share



02 Portfolio

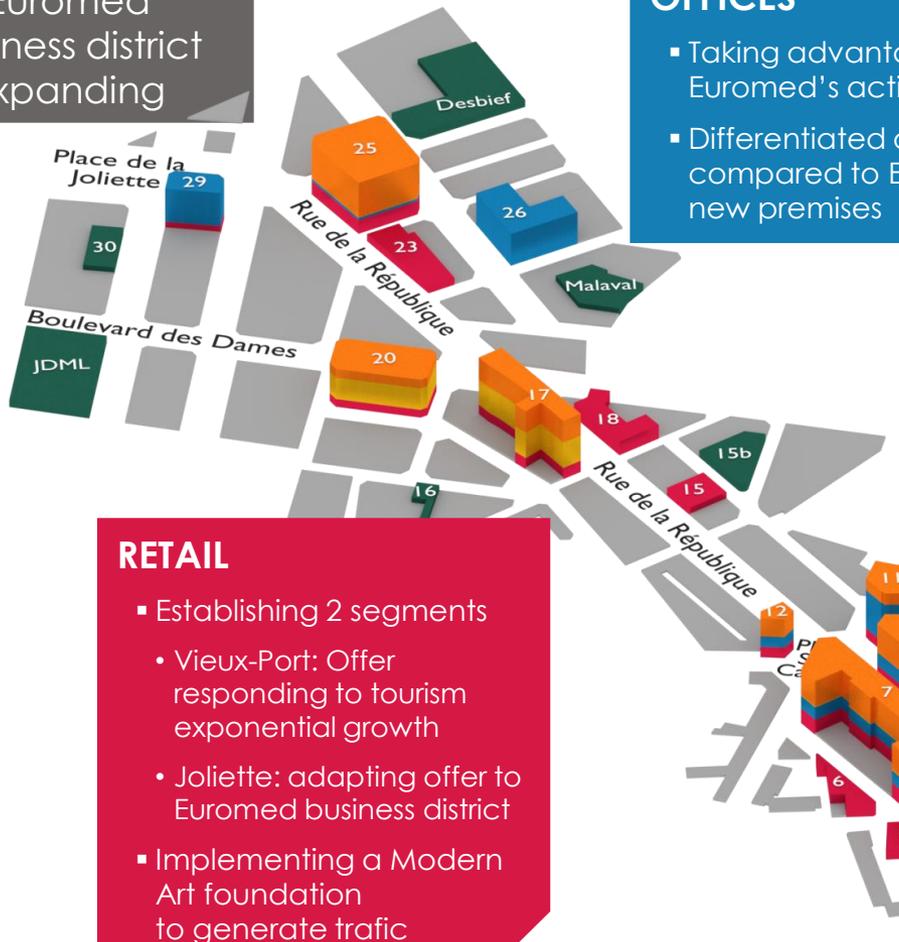
HERITAGE PORTFOLIO

CORE PORTFOLIO

Marseille - Heritage

A tailored action plan addressing each and every asset class

Euromed
Business district
Expanding



OFFICES

- Taking advantage of Euromed's activity
- Differentiated offer compared to Euromed's new premises

Orange	Residential
Yellow	Residential (furnished)
Blue	Offices
Red	Retail
Green	Other/Projects

RESIDENTIAL

- Property management successfully outsourced
- Reinforcing infrastructures

RETAIL

- Establishing 2 segments
 - Vieux-Port: Offer responding to tourism exponential growth
 - Joliette: adapting offer to Euromed business district
- Implementing a Modern Art foundation to generate traffic

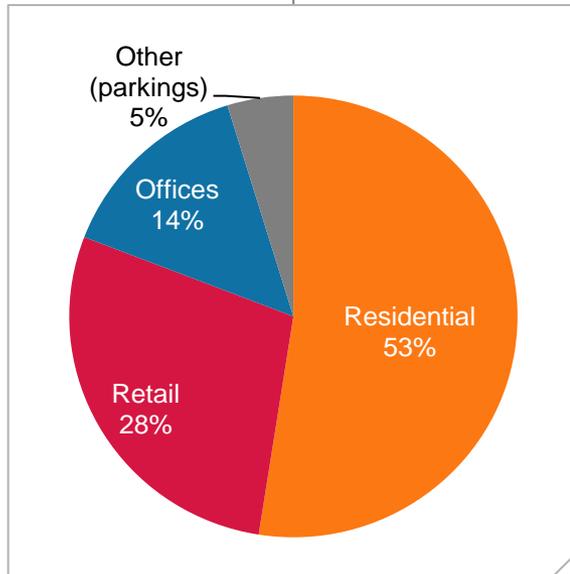
Vieux-Port
Touristic area





AREAS

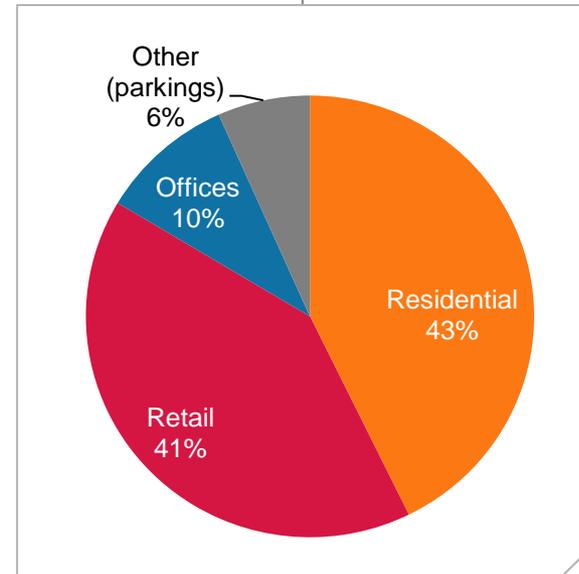
31/12/2016



132 000 m²

PORTFOLIO VALUE

31/12/2016



453 M€



2016 market indicators

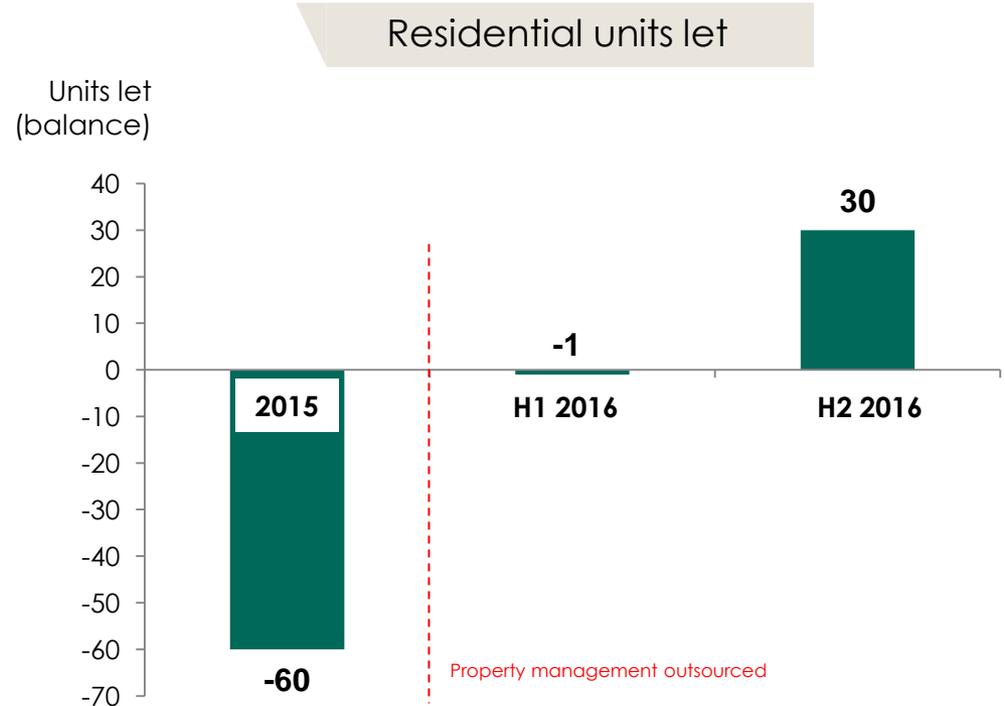
- ANF Immobilier's turnover: 22.9%
- Market turnover (1st & 2nd districts): 22.8%

Positive balance of flats let

- Entries: 180 units
- Exits: 150 units
- Positive balance of +30 units

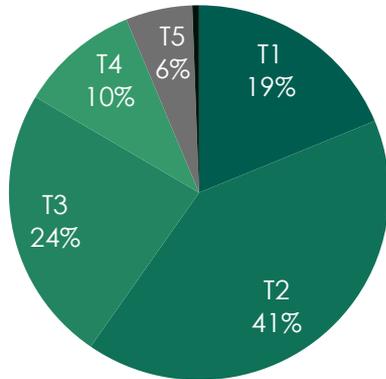
Rental income for new tenants

- 10,30 €/m² per month

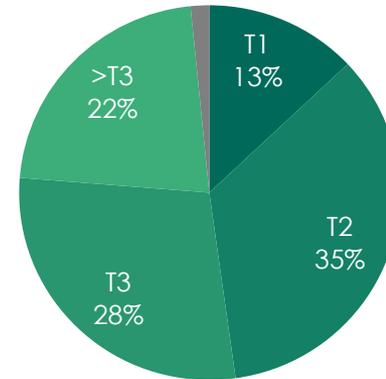


EPRA Vacancy rate at 16%
Representing a 9% decrease compared to YE 2015

Leases signed in 2016



Supply 2017



Supply and demand
Aligned

Forecasts 2017

- Entries: 200 units
- Exits: 150 units
- Positive balance of +50 flats
(c.a. 2 500 m² vacancy area leased)

January and February 2017 in line
Positive balance of +12 flats

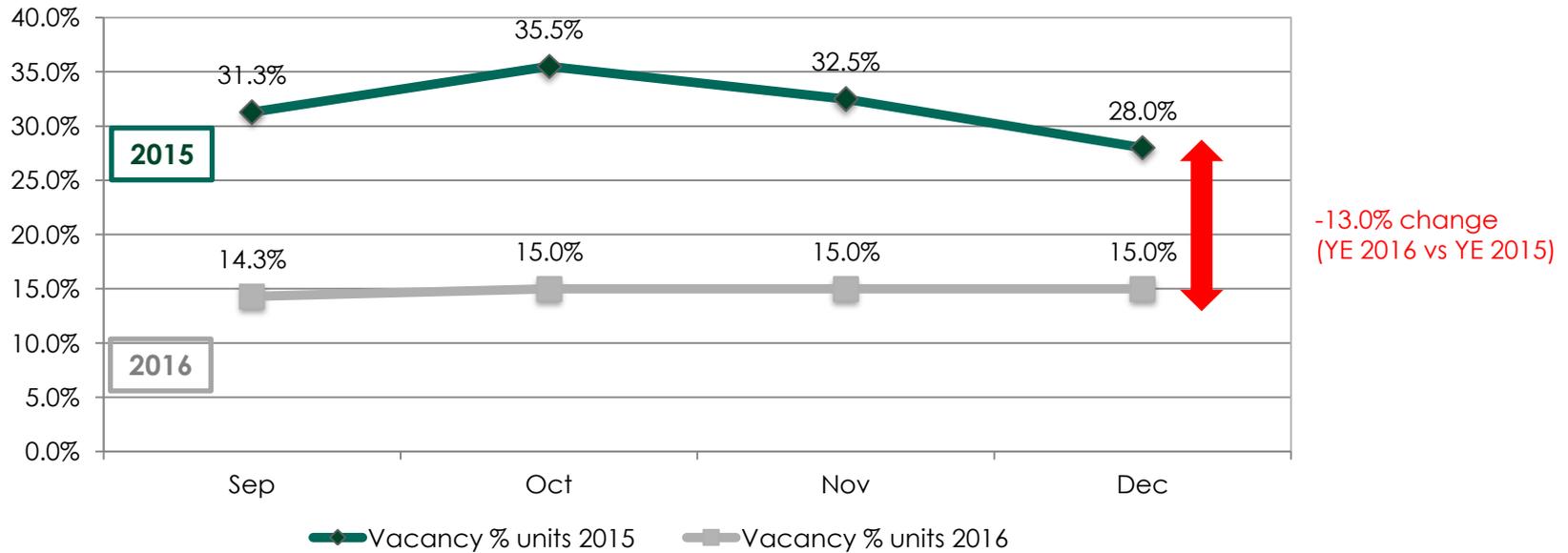
Residential (furnished)

Significant improvement regarding vacancy rate

Marketing extended to two brokers
with appropriate incentives

Average rental income:
20 €/m² per month

Seasonality and positive trend



Vacancy rate decreased by 13% (YE 2016 vs. YE 2015)
Successfully absorbed 100 new flats delivered in 2015

**Challenging market conditions
and their impact on our portfolio**

**Take-up*
2015**
72 400 m²
including 33 200 m²
Euromediterranee

**Take-up*
2016**
46 500 m²
Including 15 300 m²
Euromediterranee

Offices	2015	2016
	Area (m ²)	Area (m ²)
Entries	3,100	1,100
Exits	1,400	650
Balance	+ 1,700	+450

Offices	2015	2016	Change
	Rent (€/m ²)	Rent (€/m ²)	
New leases			
Head rent	189	176	-7%
Rent	176	167	-5%

In spite of lower take-up figures, positive absorption in terms of m²

Local oversupply in Marseille (60 000 m²)

Terrasses du Port, Centre Bourse, Voûtes, Docks
and more to come (Prado)

2016	Rental income (K€)	Rental income (€/m ^{2*})
Entries	382	322
Exits	-1,078	405
Balance	-696	-83

↪ -20%

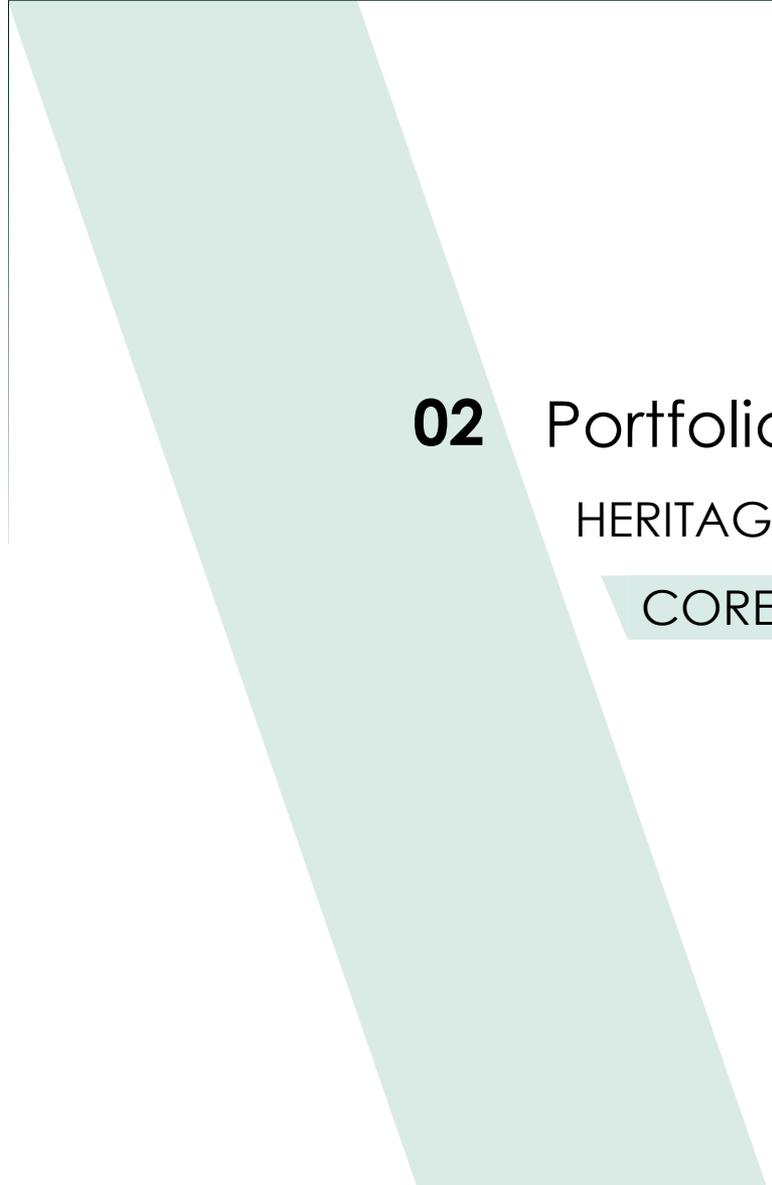
A strategy aimed at both the short and long term

- **Differentiating ourselves** - Efficiently positioning and targeting:
 - First segment: services, destination retailers and tourism
 - Second segment (Sadi Carnot – Dames): convenience stores and domestic equipment
 - Third segment (Dames – Joliette): catering and services
- Creation of a Modern Art Foundation (Chevalier Roze street) and implementing gallerists



Differentiating Rue de la République
Adapting rental values to a new retail mix
-27 M€ fair value adjustment





02 Portfolio

HERITAGE PORTFOLIO

CORE PORTFOLIO

EXCEPTIONAL LOCATION

- Quai de Rive Neuve in the 7th district of Marseille
- In the heart of the Vieux-Port, facing the sea

RESTRUCTURING AN EXISTING BUILDING

- 5 stories high - 2 832 m²
- Planning permit obtained
- 9 M€ investment (on top of existing)



Fully let
9 year without break option
+0.7 M€ rental income per year

Delivery
Q4 2018
Q1 2019

MARKETING LAUNCHED

- 19 M€ investment to be signed in Q3 2017
- 5 960 m² offices and 58 parking lots
- Proximity to Quai de la Joliette and the sea
- Definitive planning permit obtained
- Rental value between 225 €/m² and 300 €/m²



Delivery
Q4 2018

Potential
Rental income
+1.5 M€

A TRUE VALUE ADDED ASSET

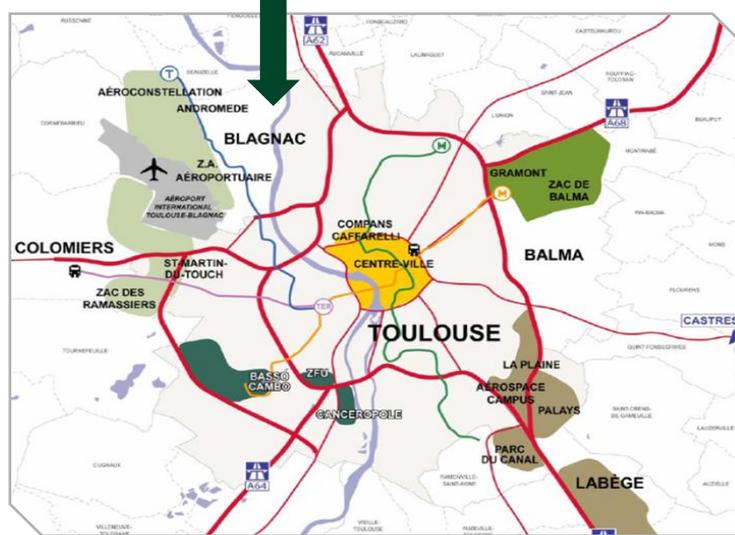
- Two buildings totaling 16 151 m² offices in Blagnac, next to Airbus headquarters and airport
- Effective rental income of 2 M€ per year:
 - 94% occupancy
 - main tenants (66,6%): Rockwell Collins and CIMPA (Sopra Steria subsidiary)

Initial investment:
17.5 M€

3.5 M€ capex envisioned
in the medium term

Effective rental income:
2,0 M€/year

Potential extension:
4 000 m²



TOULOUSE

- **4th** most populated city in France after Paris, Marseille and Lyon
- **3rd** largest market in France in terms of office areas: 4.2 M m²
- **130 000 m² office take up** (average over the last 10 years)
- **170 000 m² office take up** in 2016

ANF IMMOBILIER:
DEVELOPER
43 000 M² MIXED USE

- Acquisition of land by 3 SCCV's
 - Vinci Immobilier (50%)
 - ANF Immobilier (50%)
 - 4 August 2016
- Works launched
 - 5 September 2016
- Sale of the 4* hotel secured
 - 29 September 2016
- Ongoing sale of the student housing units



Development margin secured: 6 M€
Development management fees secured: 2 M€
8 M€ (Group Share to be recognized from 2017)

ANF IMMOBILIER: INVESTOR 32 000 M² OFFICES & RETAIL

- Partnership established
 - ANF Immobilier (65%)
 - Foncière des Régions (35%)
 - 1 September 2016
- Acquisition (off-plan) of 29 500 m² offices and 2 500 m² retail
 - 1 September 2016
- Financing structure featuring a 50% LTC (CEPAC, CFF, CEAPC)
 - 1 September 2016
- Asset Management performed by ANF Immobilier's team



Additional rental income of 6,7 M€/year
(4,4 M€ Group Share)

Offices 33% let - Orange and Allianz
9 year without break option lease contracts
9 400 - 10 600 m² + 120 parking lots

RESTRUCTURING PROGRAM SUCCESSFULLY COMPLETED AND 100% LET

- 19 M€ investment delivered between 2016 and 2017
- 1,5 M€ effective rental income

2 well-known retailers

JUST DO IT.



All stores are now opened:

Nike – March 2016

Maxibazar – September 2016

400 m² offices delivered in 2017

Rental income
+0.1 M€/year

A HIGH YIELD INVESTMENT FEATURING A HIGH POTENTIAL

- Partnership with Crédit Agricole Assurances (44%) and DCB Group (1%)
- 92 M€ investment – 7,7 M€ rental income YE 2016

PARTIAL RESTRUCTURING UNDER EVALUATION

- Launch forecasted in Q4 2017/Q1 2018

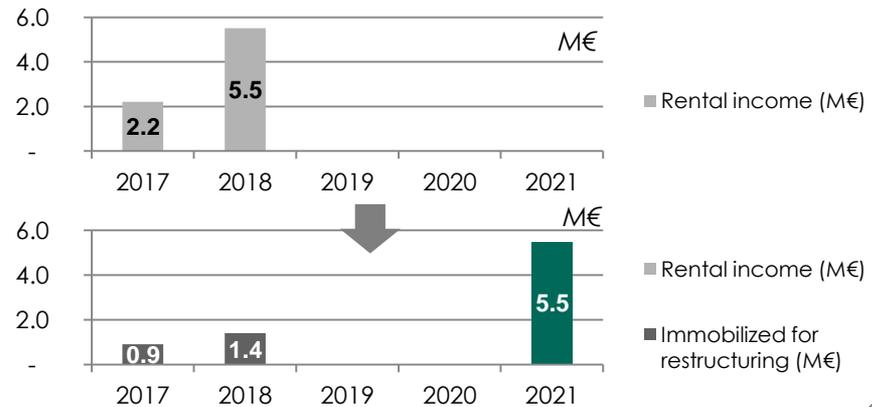


LAFAYETTE
22 180 m²
Offices
374 parking lots



STRATEGE
16 515 m²
Offices
234 parking lots

2016 Asset Management moves to secure rental income



Average lease maturity extended
from 1.7 years to 4.0 years

DELIVERED IN SEPTEMBER 2016

- 13 275 m² offices in Carré de Soie, BREEAM "very good"
- 100% let to Groupe Adecco France for 9 years



A SECOND SUCCESSFUL INVESTMENT AFTER EPSILON/ALSTOM IN CARRÉ DE SOIE

- Partnership with Crédit Agricole Assurances (45%) and DCB Group (5%)
- Asset management performed by ANF Immobilier
- 34 M€ investment – 2,5 M€ rental income (1.3 M€ Group Share)



Delivered in September 2016

	Steps	Figures
2014-2016	Acquisition of the existing building, received a rental income for 1.5 years	<p>Acquisition</p> <p>9 000 m² offices 19 M€ initial investment</p>
2017-2020	Demolition and Redevelopment 23 000 m ² offices 293 parking lots	<p>Redevelopment</p> <p>Planning permit obtained H1 2017 / 23 000 m² offices</p> <p>Property development contract signed (CPI) 53 M€</p> <p>Can be divided into 2 distinct segments: 11 000 m² - 31 M€ 12 000 m² - 22 M€</p>
2019/2020	Delivery	<p>Potential Rental income</p> <p>5 M€</p>

THE ADDITIONAL VALUE CREATION OPPORTUNITY FROM ADELY

- Partnership with Crédit Agricole Assurances (45%) and DCB Group (5%)
- Asset management performed by ANF Immobilier
- 72 M€ total investment



PARK VIEW

TÊTE D'OR

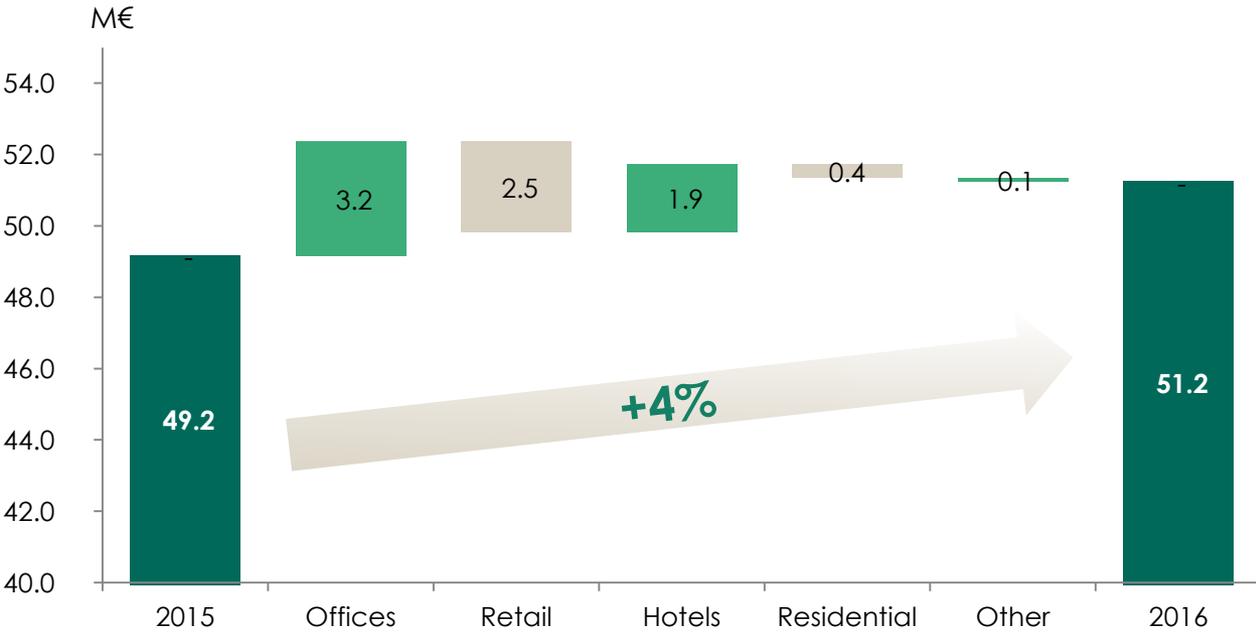




03 FINANCE

	2015	2016
EPRA NNAV	28.5 €/share	27.3 €/share
EPRA NAV	29.6 €/share	28.4 €/share
Adjusted EPRA Earnings	14.6 M€	16.3 M€

Top Line increased by +4% in 2016, stable Group Share



Organic Growth Impact = -2%	Acquisitions Impact = +6%	<h1>+4%</h1> <p>IFRS Rental Income Stable Group Share</p>
Diversified and reliable pool of tenants	Average lease term of 6.5 years (areas)	

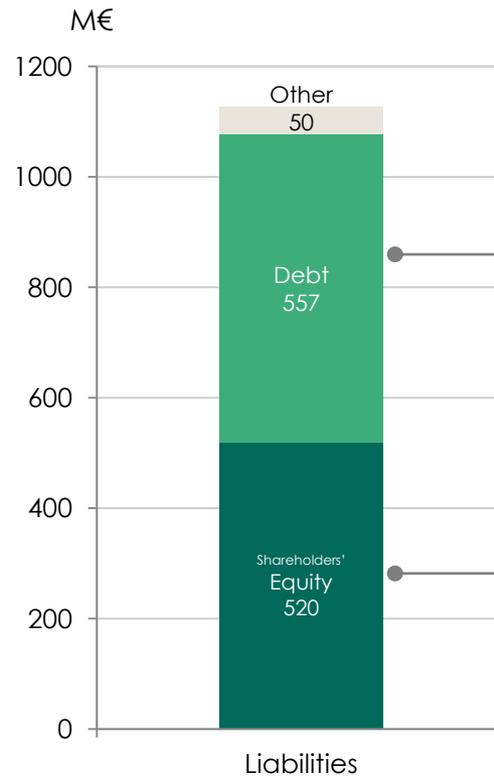


Key figures

M€	31/12/2016		31/12/2015		Var. EPRA	Var. IFRS
	EPRA	IFRS	EPRA	IFRS		
Gross rental income	51.2	51.2	49.2	49.2	4.2%	4.2%
Net operating expenses	- 3.7	- 3.7	- 4.0	- 4.0		
Net rental income	47.6	47.6	45.1	45.1	5.4%	5.4%
<i>Margin</i>	92.8%	92.8%	91.8%	91.8%		
Administrative expenses	- 9.8	- 9.8	- 12.2	- 12.9		
EBITDA	37.8	37.8	33.0	32.2	14.6%	17.4%
<i>Margin</i>	73.8%	73.8%	67.1%	65.5%		
Financial expenses	- 16.8	- 16.8	- 16.9	- 21.4		
Amortization	-	- 0.9	-	- 0.7		
Change in Fair Value, Gain/Loss on disposals	-	- 4.1	-	- 25.5		
Other	0.8	- 5.2	- 0.2	- 1.7		
Taxes	- 1.0	- 1.0	- 0.6	- 0.6		
Earnings / Net Income	20.8	9.8	15.3	33.3	35.9%	-70.4%
Minority interests	- 7.4	- 13.5	- 5.2	- 14.7		
Administrative expenses adjustment (non recurrent)	1.4		2.6			
Financial expenses adjustment	1.6		1.9			
Adjusted EPRA Earnings, Group Share	16.3		14.6		11.6%	
Cash Flow	23.6	21.0	20.6	10.8		
<i>Group Share</i>	18.5		14.9			
Recurring EBITDA	38.8	37.8	35.6	32.2		
<i>Group Share</i>	29.8		28.3			
LTV		41.9%		43.0%		
Portfolio Value		1 068		1 101		
EPRA NNAV		494		516		

- IFRS P&L impacted by portfolio's fair value change (-4.1 M€), financial instruments' fair value change (-6 M€)
- But all indicators related to operations significantly improved in 2016 (notably EPRA Earnings +12% above +10% guidance announced and cash flows)

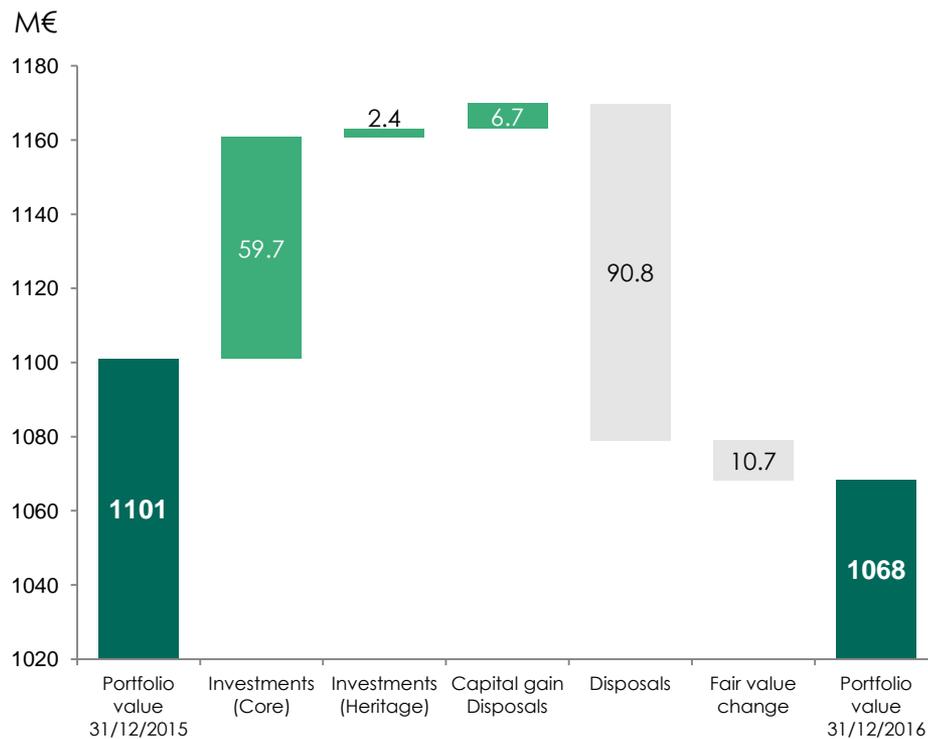
Consolidated balance sheet



Including 74M€
Current accounts
Minority shareholders

Including:
- 26 M€ Minority interests
- 23 M€ Treasury shares
- 21 M€ Hedging reserves

Gross Asset Value



ACQUISITIONS

▪ Quai 8.2 – Bordeaux

- 29 500 m² offices + 2 000 m² retail (off-plan) by SCI Orianz and SCI Factor E
- 126 room hotel (off-plan) by SCI ANF Immobilier Hotels

DELIVERIES

- **New Way – Adely**, Lyon: September 2016
- **AC Marriott – Vélodrome**, Marseille: January 2016
- **B&B Allar**, Marseille: May 2016
- **B&B**, Bobigny: June 2016

DISPOSALS

- **Lyon** (TAT, 2-3-4 République, misc): 33.7 M€
- **Marseille** (CPAM and misc): 18.0 M€
- **Hotels** (Adagio – Marseille / Carlton – Lyon): 39.1 M€

Core portfolio fair value change doesn't compensate fair value decrease due to Marseille Heritage portfolio (mostly retail)

Fair value changes and gains on disposals

K€	Fair Value Change IFRS	Fair Value Change (Group Share)	Comments
HOTELS	-48	-79	<i>Slight decrease regarding B&B Saclay</i>
BORDEAUX	521	521	
LYON	4 668	3 360	<i>Silky Way yield decrease</i>
MARSEILLE	-27 381	- 27 381	
<i>Ilot 34</i>	<i>-3 775</i>	<i>-3 775</i>	<i>Vacant areas SNCM building Disposal CPAM building</i>
<i>Fauchier</i>	<i>-1 562</i>	<i>-1 562</i>	<i>Lease contract duration</i>
<i>Retail</i>	<i>-21 594</i>	<i>-21 594</i>	<i>Estimated Rental Values decrease</i>
<i>Projects</i>	<i>-450</i>	<i>-450</i>	
Projects	11 532	7 443	
<i>Quai 8.2</i>	<i>5 052</i>	<i>3 228</i>	<i>Fair Value following signature in September</i>
<i>Adely & Park View</i>	<i>4 558</i>	<i>2 294</i>	<i>Delivery Adecco – Adely – Carré de Soie Adecco – Park View – Tête d'Or @ cost</i>
<i>Banque de France</i>	<i>1 922</i>	<i>1 922</i>	<i>Yield decrease</i>
	-10 708	-16 136	

Disposals Capital gain in K€	Capital gain IFRS	Capital gain (Group Share)
Total	6 640	3 374

- Disposals well above appraisals for two hotels sold in 2016 by ANF Immobilier Hotels (Carlton - Lyon and Adagio - Marseille)
- Disposals in line with appraisals for Heritage portfolio located in Lyon and Marseille

Debt: ratios and cost

Ratio	Main debt covenants	31/12/2016	31/12/2015
ICR	Min 2	2.8	2.2
LTV	Max 55%	41.9%	43.0%

**Solid LTV
and ICR ratios**

Gross debt
amounting
to **477 M€**

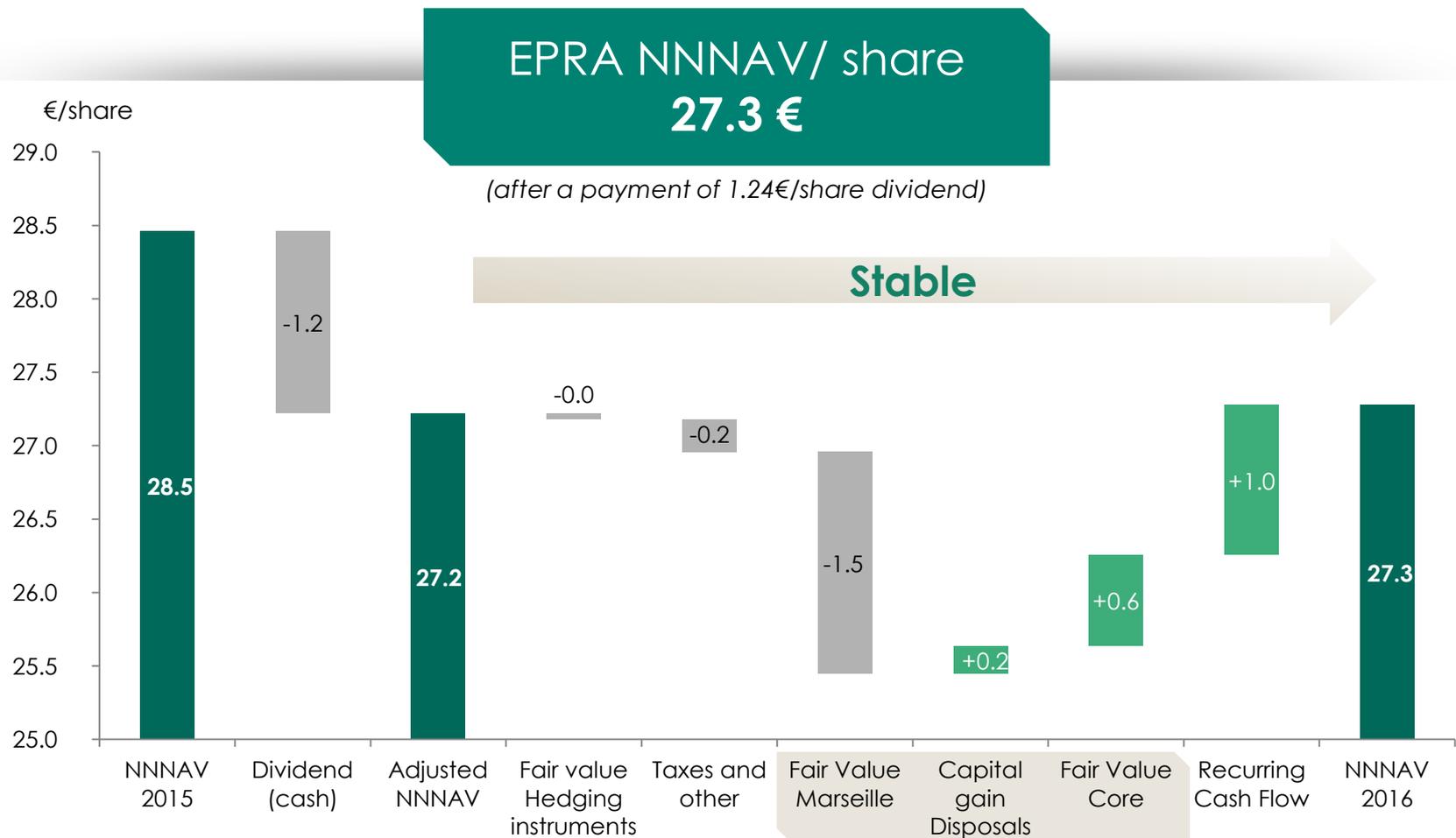
Net debt
amounting
to **452 M€**

109 M€
available:

- 60 M€ (revolving)
- 46 M€ (Quai 8.2 project in Bordeaux)

2.7%

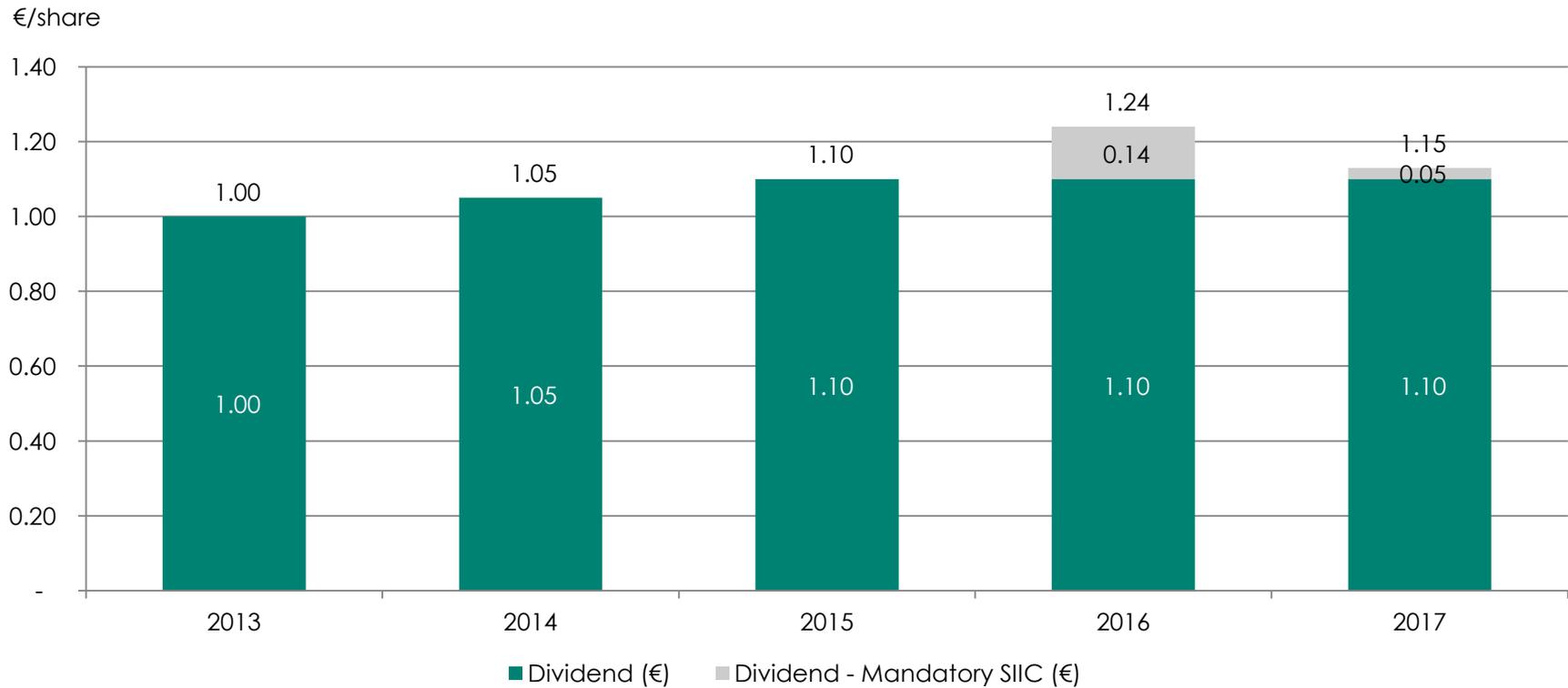
2016 actual cost of debt
(stable)



- Stable NNAV after payment of a €1.24/share dividend
- Positive fair value change from Core portfolio is compensated by negative fair value change from Marseille Heritage portfolio (mostly due to retail)



Recurrent Dividends for Shareholders

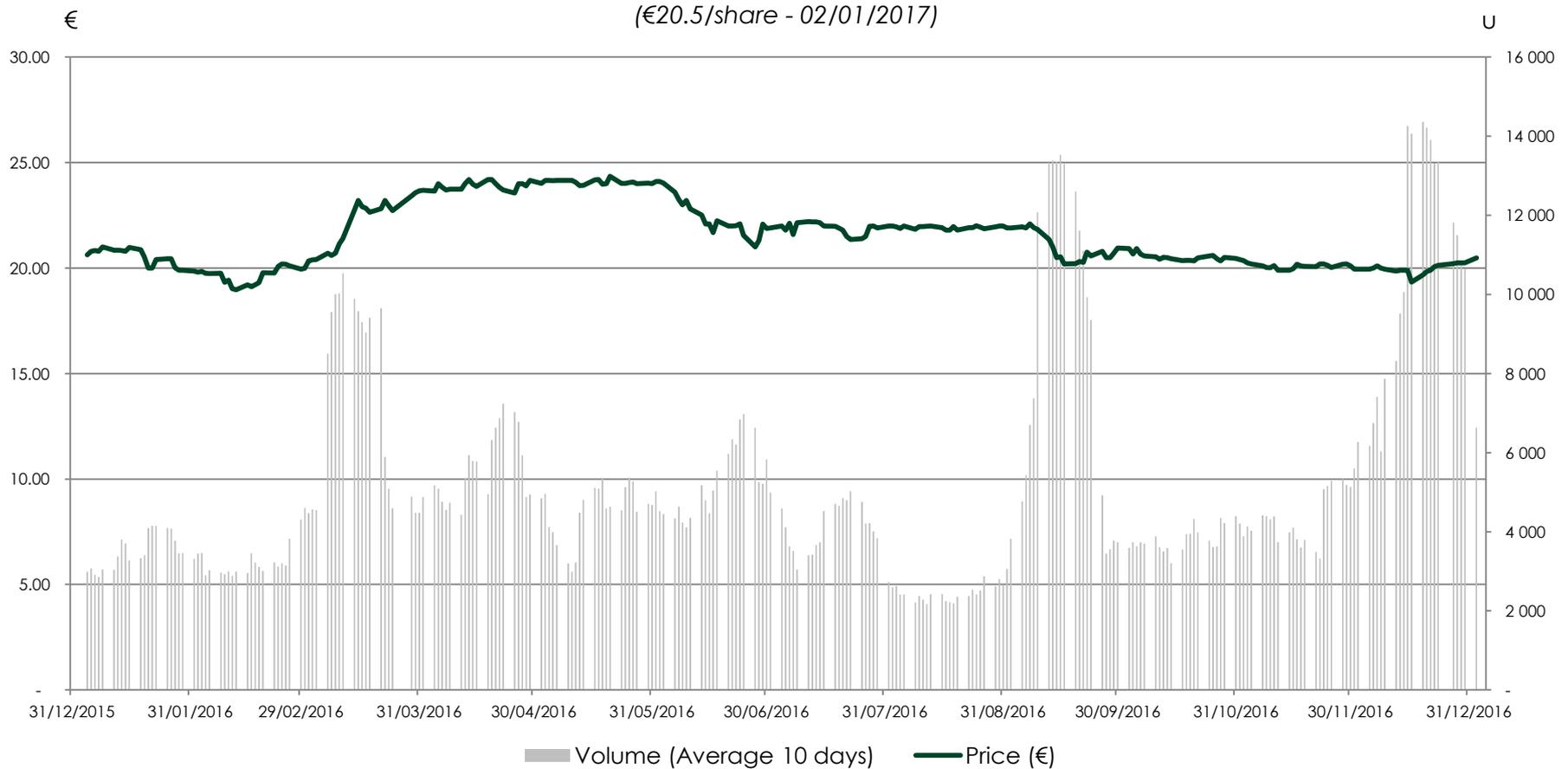


Mandatory dividend of €1.15

*Mainly due to disposal
of Printemps (remainder 2015)
5.6% yield (€20,5/share 02/01/2017)*

**Stable
Recurring dividend of €1.10**

Discount on NNNAV EPRA
= 25%



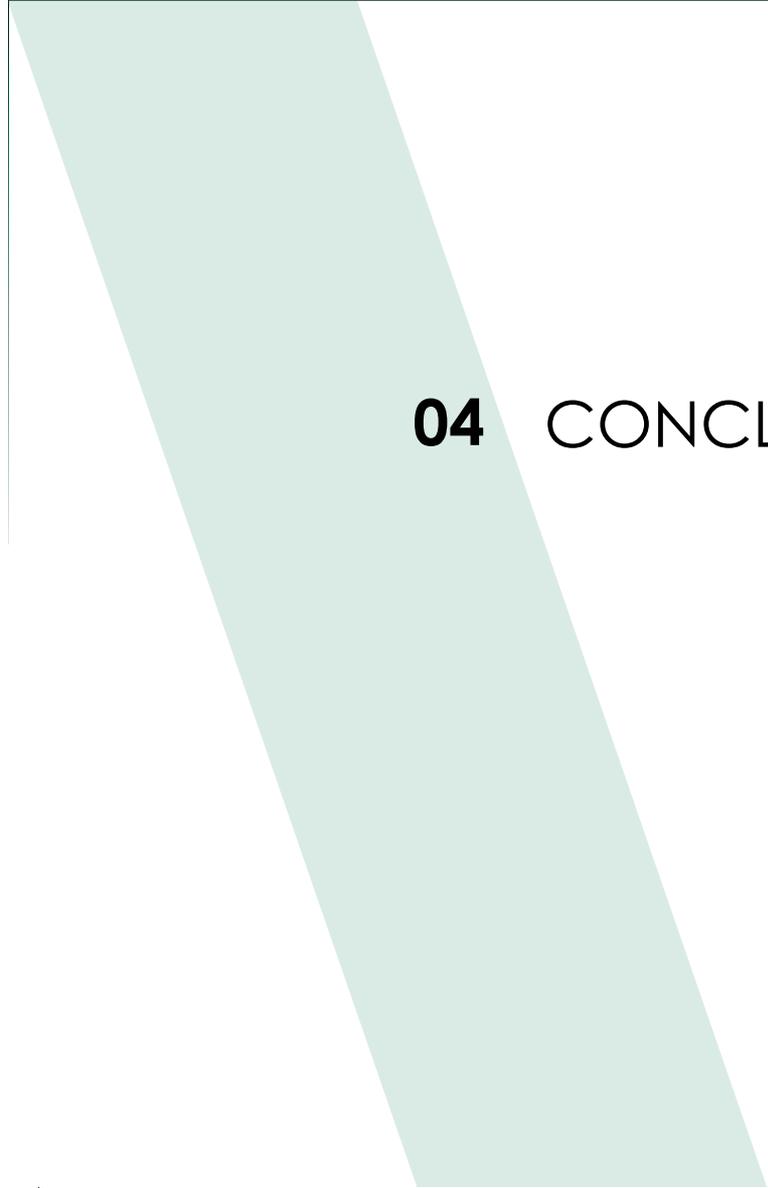
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EPRA

Eurolist Compartment B

CAC All-Tradable





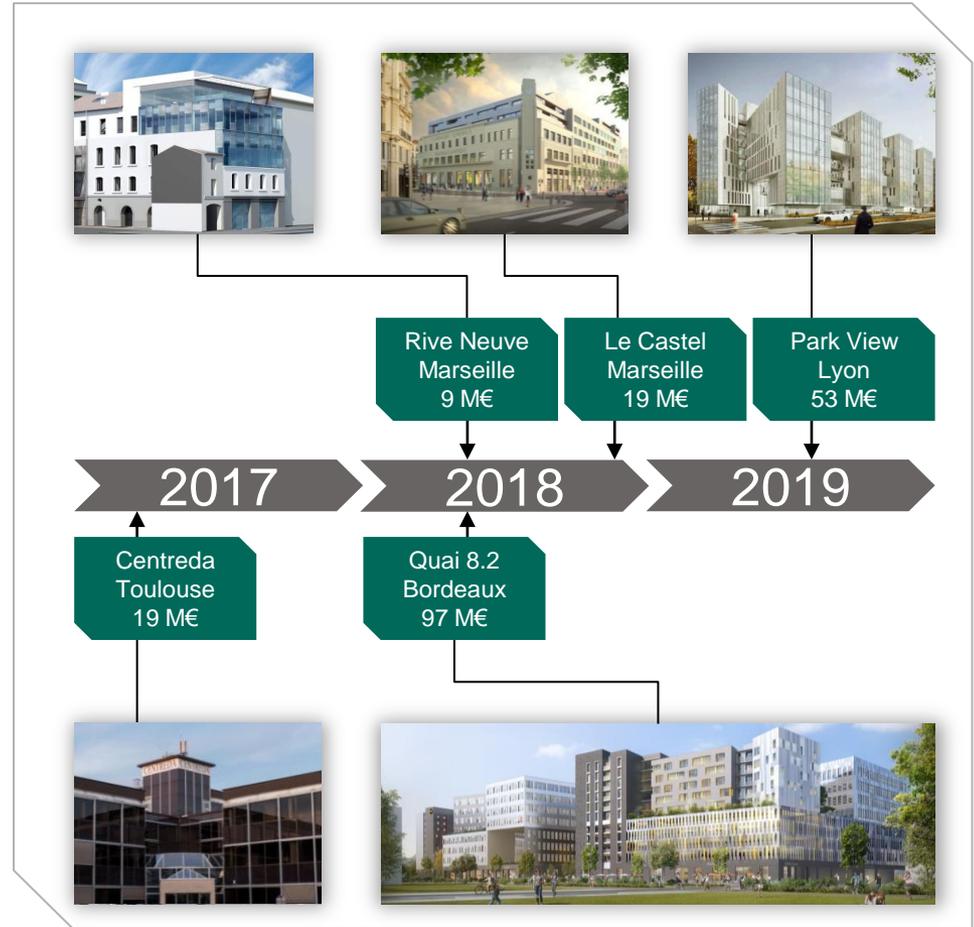
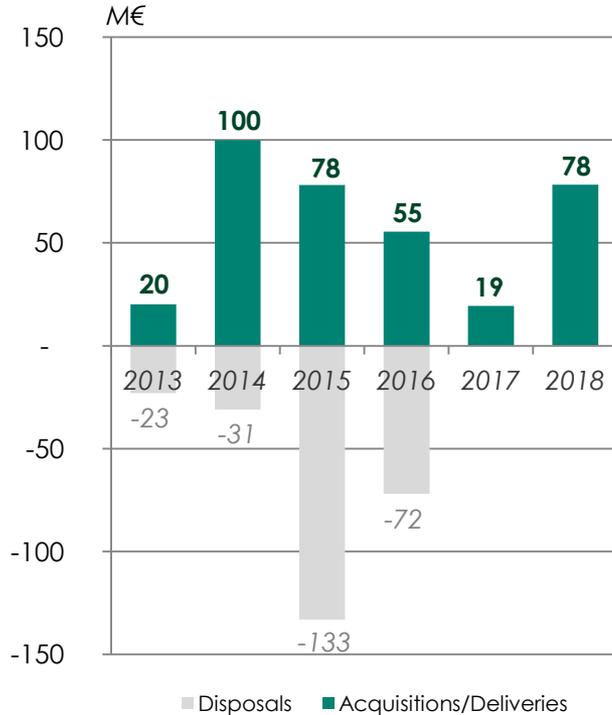
04 CONCLUSION

Conclusion

Guidance 2017 aligned with pipeline

Deliveries and disposals

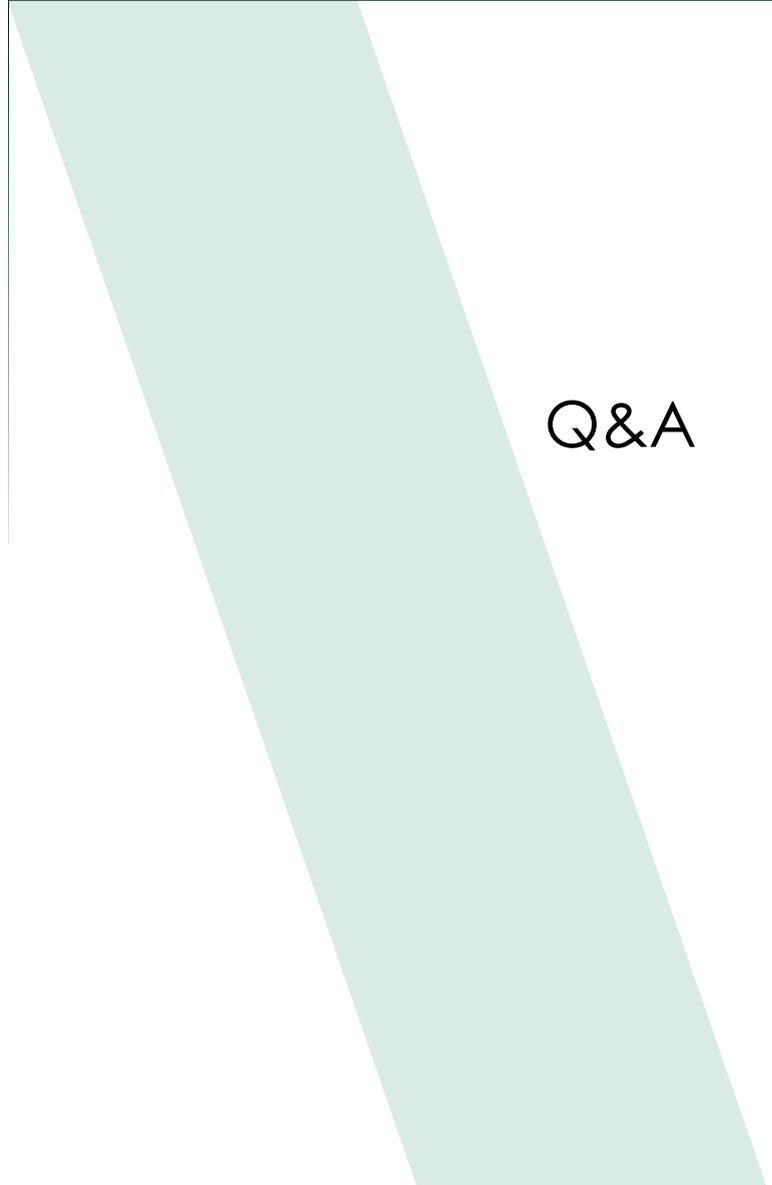
Group Share



Deliveries will lead to strong increase of revenues from H2 2018 on
Guidance 2017

Stable Adjusted EPRA Earnings in 2017





Q&A

Balance Sheet IFRS

Assets

€ thousands	31/12/2016	31/12/2015	Variations	31/12/2014
NON-CURRENT ASSETS				
Investment property	1 066 016	1 078 480	-12 464	1 057 159
Operating property	1 533	1 649	-116	1 629
Intangible assets	238	175	63	106
Property, plant and equipment	3 918	4 596	-678	1 254
Non-current financial assets	2 133	10 776	-8 644	6 707
Investments in equity-accounted entities	620	743	-122	595
Financial derivatives	737	298	439	210
TOTAL NON-CURRENT ASSETS	1 075 195	1 096 715	-21 522	1 067 660
CURRENT ASSETS				
			0	
Trade receivables	5 158	3 481	1 676	4 559
Other receivables	10 627	6 570	4 057	4 177
Prepaid expenses	137	103	34	81
Cash and cash equivalents	35 144	23 448	11 696	10 352
TOTAL CURRENT ASSETS	51 066	33 603	17 463	19 169
Property held for sale	792	19 760	-18 968	47 562
TOTAL ASSETS	1 127 053	1 150 078	-23 026	1 134 391

Balance Sheet IFRS

Liabilities

€ thousands	31/12/2016	31/12/2015	Change	31/12/2014
SHAREHOLDERS' EQUITY				
Capital stock	19 009	19 009	0	18 350
Additional paid-in capital	39 029	39 029	0	25 271
Treasury shares	-23 037	-23 713	676	-23 189
Hedging reserve on financial instruments	-20 864	-24 802	3 938	-31 133
Company reserves	203 907	183 774	20 132	205 681
Consolidated reserves	279 872	302 476	-22 604	319 789
Net income (loss) for the year	-3 691	18 556	-22 247	-20 288
TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE TO THE PARENT	494 224	514 330	-20 106	494 481
Minority interests	25 897	14 575	11 322	3
TOTAL SHAREHOLDERS' EQUITY	520 122	528 905	-8 783	494 484
NON-CURRENT LIABILITIES				
Financial liabilities	533 495	549 314	-15 819	574 762
Financial derivatives	20 289	22 501	-2 212	28 252
Provisions for pensions	57	57	0	57
TOTAL NON-CURRENT LIABILITIES	553 841	571 871	-18 031	603 071
CURRENT LIABILITIES				
Trade payables	10 523	22 858	-12 335	11 359
Current financial liabilities	23 290	10 914	12 376	6 711
Financial derivatives	0	0	0	114
Security deposits	6 340	6 497	-157	6 139
Short-term provisions	709	1 108	-400	1 387
Tax and social security liabilities	11 121	6 235	4 887	10 108
Other liabilities	847	1 324	-476	698
Deferred income	260	367	-107	319
TOTAL CURRENT LIABILITIES	53 090	49 302	3 788	36 836
TOTAL LIABILITIES	1 127 053	1 150 078	-23 026	1 134 391

Occupancy Rate & Net Initial Yield

■ EPRA Net Initial Yield

EPRA net initial yield %	December 2015			December 2016			Change %		
	Core	Heritage	Total	Core	Heritage	Total	Core	Heritage	Total
<i>Weight (%)</i>	54%	46%	100%	57%	43%	100%	3%	-3%	0%
Net initial yield	6.1%	3.1%	4.7%	5.6%	3.1%	4.6%	-0.5%	0.0%	-0.1%
"Topped-up" net initial yield	6.1%	3.1%	4.7%	5.7%	3.2%	4.6%	-0.4%	+0.1%	-0.0%

■ EPRA Occupancy Rate

EPRA Occupancy Rate (%)	December 2015			December 2016			Change %		
	Core	Heritage	Total	Core	Heritage	Total	Core	Heritage	Total
Offices	97%	91%	96%	95%	91%	95%	-2%	0%	-1%
Retail	-	86%	86%	-	86%	86%	-	0%	0%
Hotels	100%	100%	100%	100%	100%	100%	0%	0%	0%
Residential	-	74%	75%	-	83%	84%	-	+9%	+8%
Other	-	82%	83%	-	83%	83%	-	+1%	0%
Total	97%	82%	91%	95%	85%	91%	-2%	+3%	0%





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