




METAMORPHOSES

→ Act 2



Analyst Meeting
27 July 2016

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Highlights



Main financial indicators

Gross Rental
Income

+11%

EBITDA Margin

68%

+60 bps

Recurring CF

10.4 M€

+12%
7.5 M€ ANF Share

EPRA Earnings
Group Share

+15%

Guidance confirmed

Pipeline

+63 M€

Portfolio value
1.1 B€

Cost of debt

2.7%

-50 bps
LTV 45.5%

Fair Value

-17 M€

Heritage
Marseille Retail

NNNAV/Share

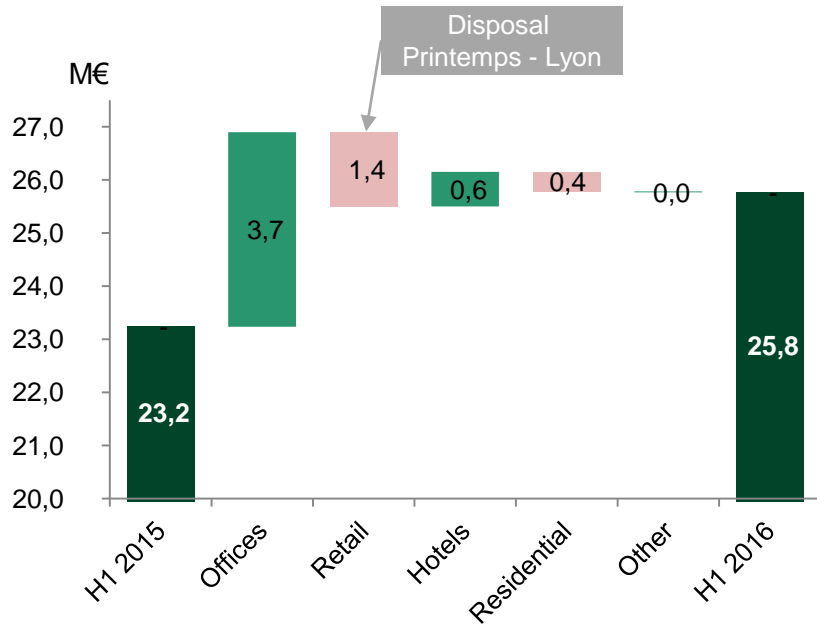
26.2 €

-4% lfl change after
1.24 € dividend

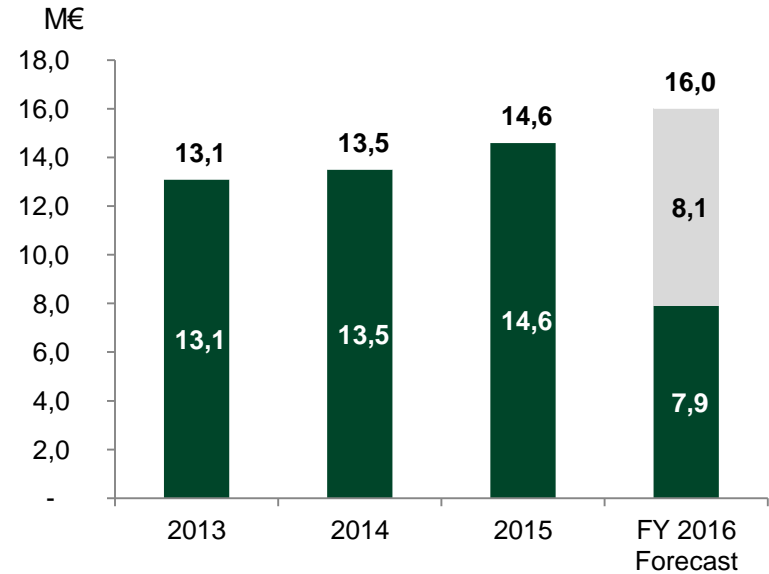
Highlights

Our pipeline has driven the increase of revenues and Recurring CF

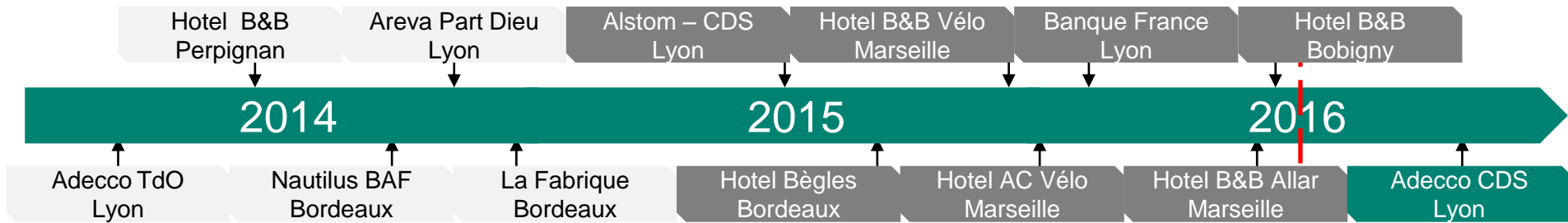
Revenues +11%





EPRA Earnings (adjusted) +22% (2013 vs 2016)



Highlights



 Impact H1 2016 Revenues & CF
 To be delivered in 2016

And new projects being added to current pipeline will fuel further growth

Current

New

2017-2019

2019-2020

2018
Armagnac
Bordeaux
Offices + Hotel
97 M€

2019
Le Castel
Marseille
Offices
19 M€

2019-2020
Park View
Lyon
Offices
53 M€

2019-2020
Rive Neuve
Marseille
Offices
10 M€



→ Park View* – Tête d'Or – Lyon

- Building permit application filed
- Development contract signed (53 M€ CPI)
- 22 236 m²

→ Rive Neuve – Marseille

- Building permit obtained, free of all claims
- 3 641 m²

Highlights



Active Asset Management throughout the entire portfolio

Lettings Core: Progress on new projects

1) Quai 8.2 – Bordeaux
5 000 m² (+ 800 m²) - Allianz
9 years without break option
126 rooms - B&B
12 years without break option

2) Ilot 34 – Marseille
3 500 m² - MCM
1 100 m² - SNCM Official Receiver

Lettings Heritage: Implementing strategic plan

1) Marseille – Retail – Vieux-Port
King Jouet – 600 m²
Musée du Savon – 800 m²
Signature in progress – 260 m²

2) Marseille – Retail – Joliette
Copy Top – 120 m²
Signature in progress – 130 m²

Deliveries Core: Fueling growth

1) 3 Hotels – ANF Immobilier Hotels
26 M€ - 331 rooms - +1,9 M€ income

2) Banque de France - Lyon
20 M€ - 2 500 m² retail - +1,5 M€ income

3) Adely – Adecco – Lyon to come in Q3
34 M€ - 13 000 m² offices - +2,5 M€ income

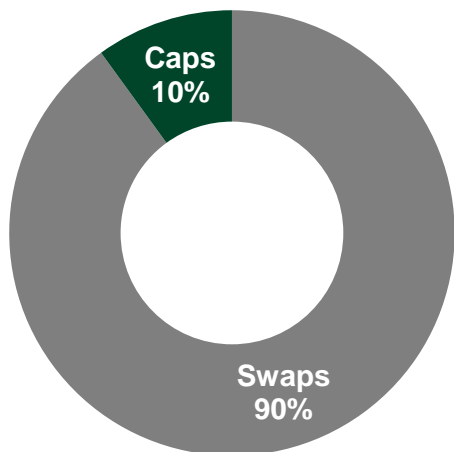
Disposals Heritage: Financing Core portfolio

1) 21 M€ signed
TAT - Lyon heritage
7 100 m² - Mixed use

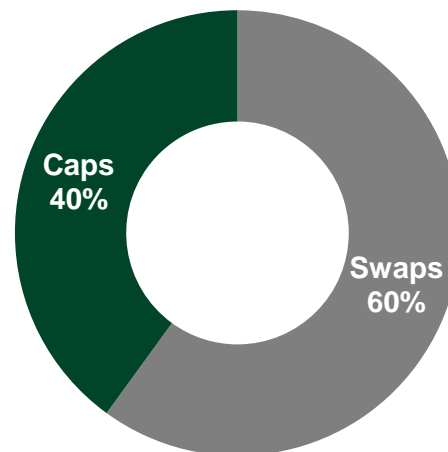
2) 13 M€ Presale agreement
2-3-4 République – Lyon heritage
2 000 m² - Retail

Active financial structuring lowering our cost of debt

30 June 2015



30 June 2016



Hedging
72%

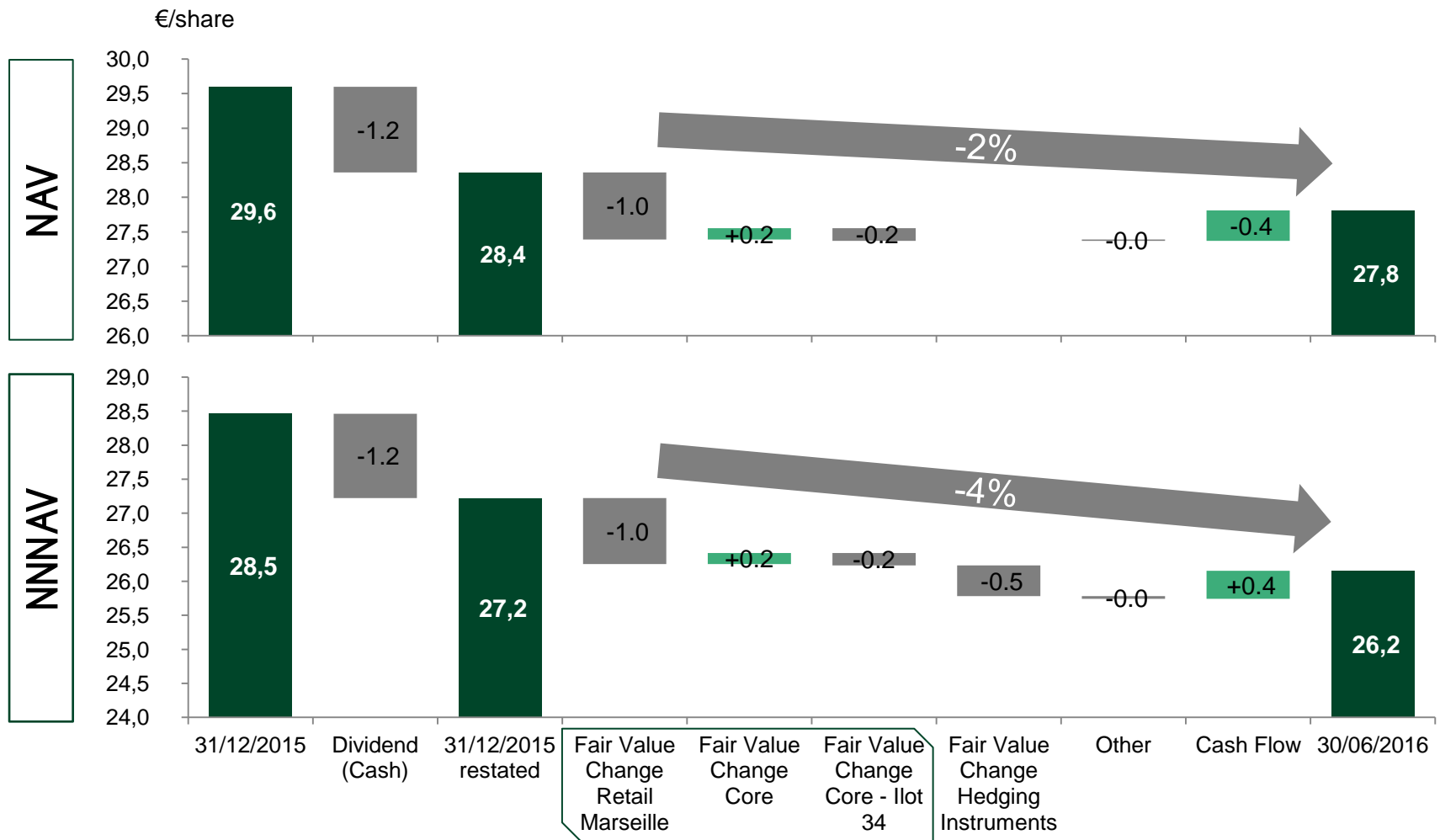
Cost of debt H1
3.2%



Hedging
86%

Cost of debt H1
2.7% (-50bps)

Adjustments to EPRA Triple Net NAV through 3 major effects



Highlights

Decline due to three major effects:

- 1) Dividend over Cash Flow: mandatory annual dividend higher than half-year Cash Flow
- 2) Mark To Market adjustment regarding hedging instruments
- 3) Negative adjustments from retail exposure in Marseille



Portfolio



Distinct portfolios, distinct behaviors



Haussmann-style, stable and diversified



New, refurbished

Shorter lease term



Longer lease term

Lower yield 2.9% \ Higher vacancy 18%



Higher yield 6.0% \ Lower vacancy 3%

130,000 sqm*



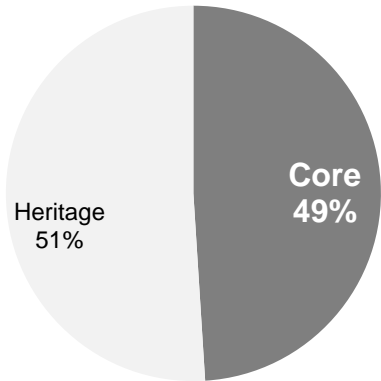
180,000 sqm*

Portfolio

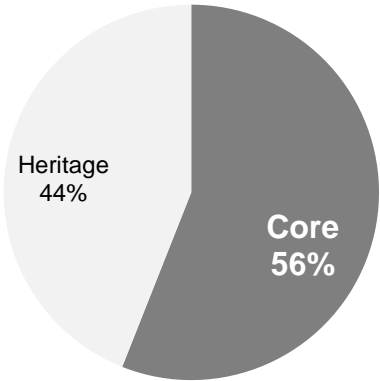
*Values as per 30 June 2016, areas including final areas of launched developments. excluding hotels and parking lots

Portfolio breakdown. value and rental income

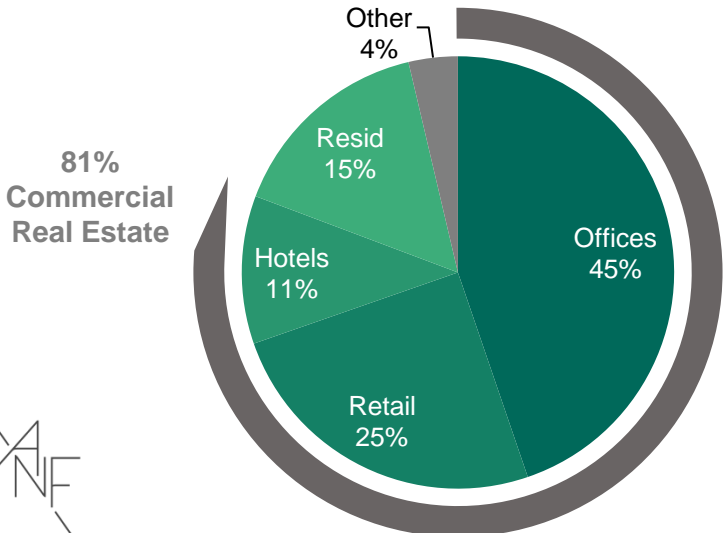
Portfolio Value - EOP H1 2015



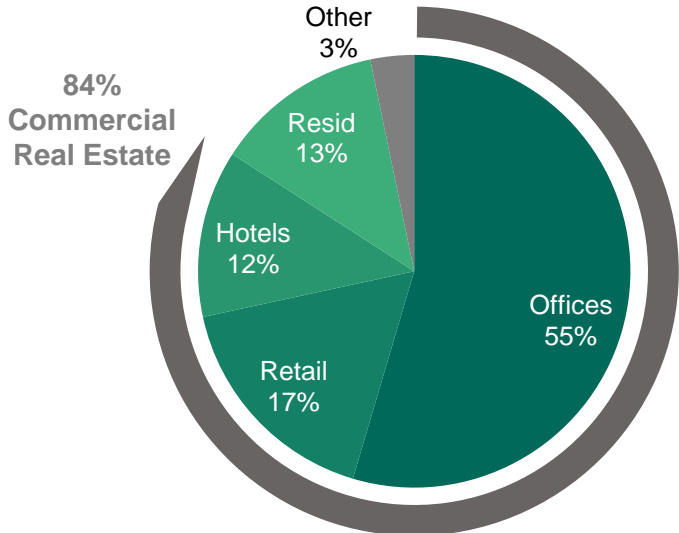
Portfolio Value - EOP H1 2016



Rental income – H1 2015



Rental income – H1 2016



Portfolio



**Part I
Core Assets**

56%



H1 Deliveries – 45 M€ high yield investments delivered



Banque de France – Lyon

Retail – 2 500 m²
100% let to Nike & Maxi Bazar
1,5 M€ rental income

3 Hotels – Marseille & Bobigny

Hotel – total 331 rooms
100% let to B&B & AC Marriott
1,9 M€ rental income

Adely – Carré de Soie Lyon

13 100 m² let to Adecco

2,5 M€ rental income
34 M€ investment

To be delivered in Q3 2016



Park View – Tête d'Or Lyon

9 000 m² let to Adecco until 2016
19 M€ initial investment

Development of 22 236 m²
53 M€ additional investment

5,0 M€ potential rental income



And finally Quai 8.2: Our Flagship Project in Bordeaux - Euratlantique



Developer

43 000 m² mixed use
Launch by September 2016

Delivery by 2018-2019

Partnership with Vinci (50%)



Investor

97 M€ Investment

29 500 m² offices

2 100 m² retail

and a 3 000 m² hotel

10 000 m² let to Orange and
Allianz (signed in June 2016)

hotel let to B&B

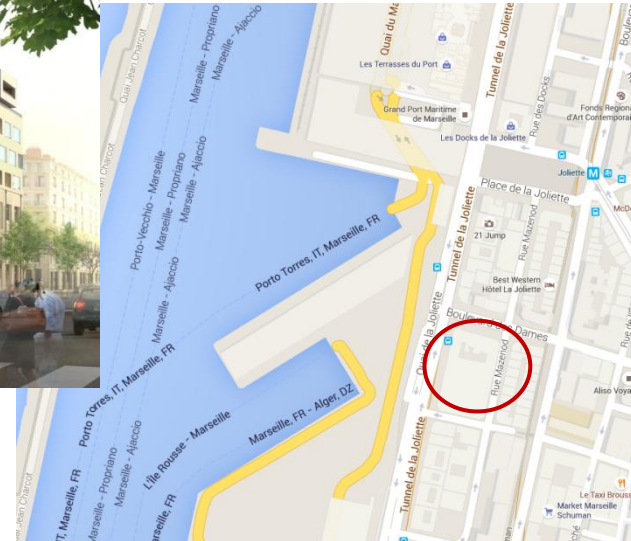
Partnership

65% ANF Immobilier

35% Foncière des Régions

Portfolio

Project launch – Le Castel, 6 000 m² offices next to Euromed district



Offices
6 000 m² to be delivered by 2019
Developer – Eiffage
Forward purchase agreement signed H1 2016
1,4 M€ potential rental income
20 M€ investment

Part II
Heritage Assets

44%

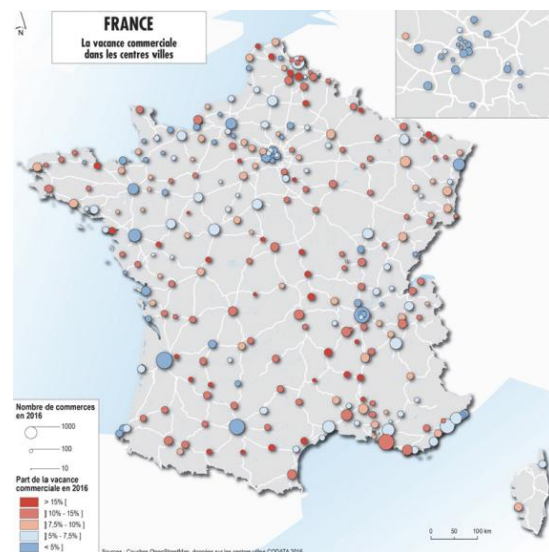
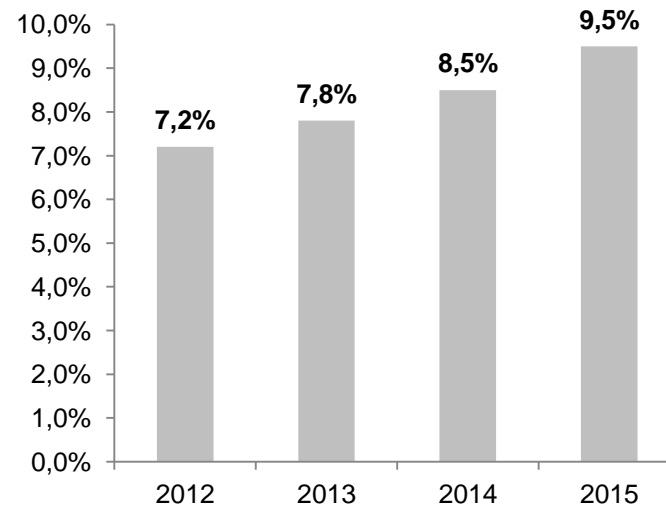


Adverse economic context for high street retail in France

- ❑ Average vacancy rate for high street retail in France has steadily increased by c.a. 1% per year since 2012
- ❑ Stable average vacancy rate for major cities exceeding 500 000 inhabitants
- ❑ Marseille is the exception: average vacancy rate comprised between 10% and 15%
- ❑ The city of Marseille lacks the following factors:



Vacancy rate evolution
High street retail in France



Portfolio



Combined with a local oversupply has led to a fair value adjustment

Temporary oversupply

Terrasses du Port – 61 000 m² (2014)

Centre Bourse – 6 000 m² (2015)

Docks – 17 000 m² (2015)

Voûtes – 7 500 m² (2015)

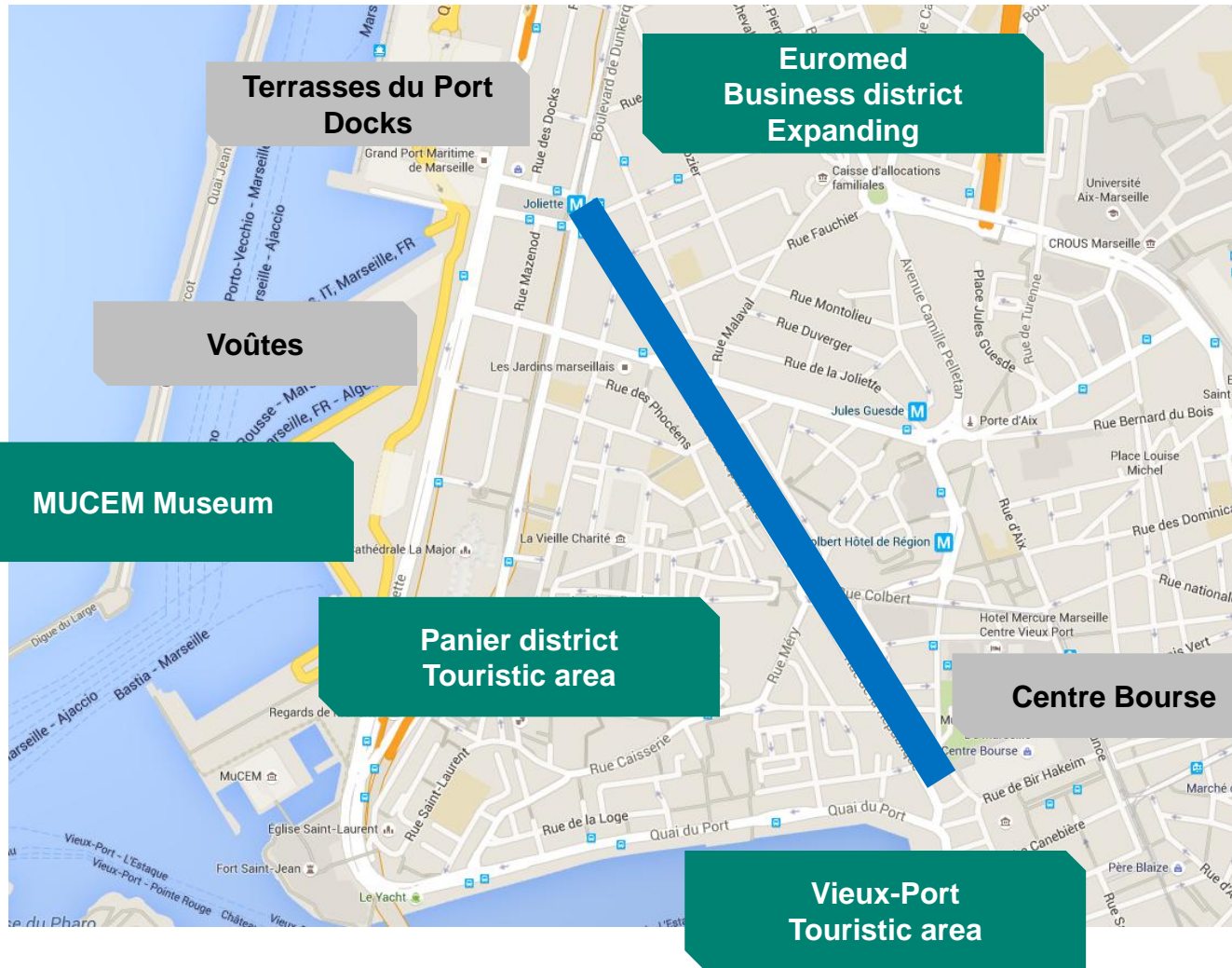
Prado – 42 000 m² (2017)

→ Has led to a challenging situation

- ✓ Estimated decrease of retailers' turnover by 20%-30% within a year
- ✓ 1 450 m² lease contracts renegotiated in 2015-2016
- ✓ 300 m² vacated in 2016 and up to 700 m² more in 2017 by clothing retailers
- ✓ Adjustment of Estimated Rental Value of -6% between EOP 2015 and EOP H1 2016
 - Vieux-Port segment: -8%
 - Middle segment: -6%
 - Joliette segment: -3%

→ Generating a decrease of Marseille retail market value by -7% (-15 M€)

But many positive factors surround Rue de la République



■ Rue de la République

Taking advantage of

- A newly established business district
- A booming tourism industry



Our retail strategy for Marseille

Redefine Marketability

Differentiate our offer from new competitors (Terrasses du Port, Centre Bourse)

Emphasize Rue de la République's main asset, a location benefiting Marseille's new identity

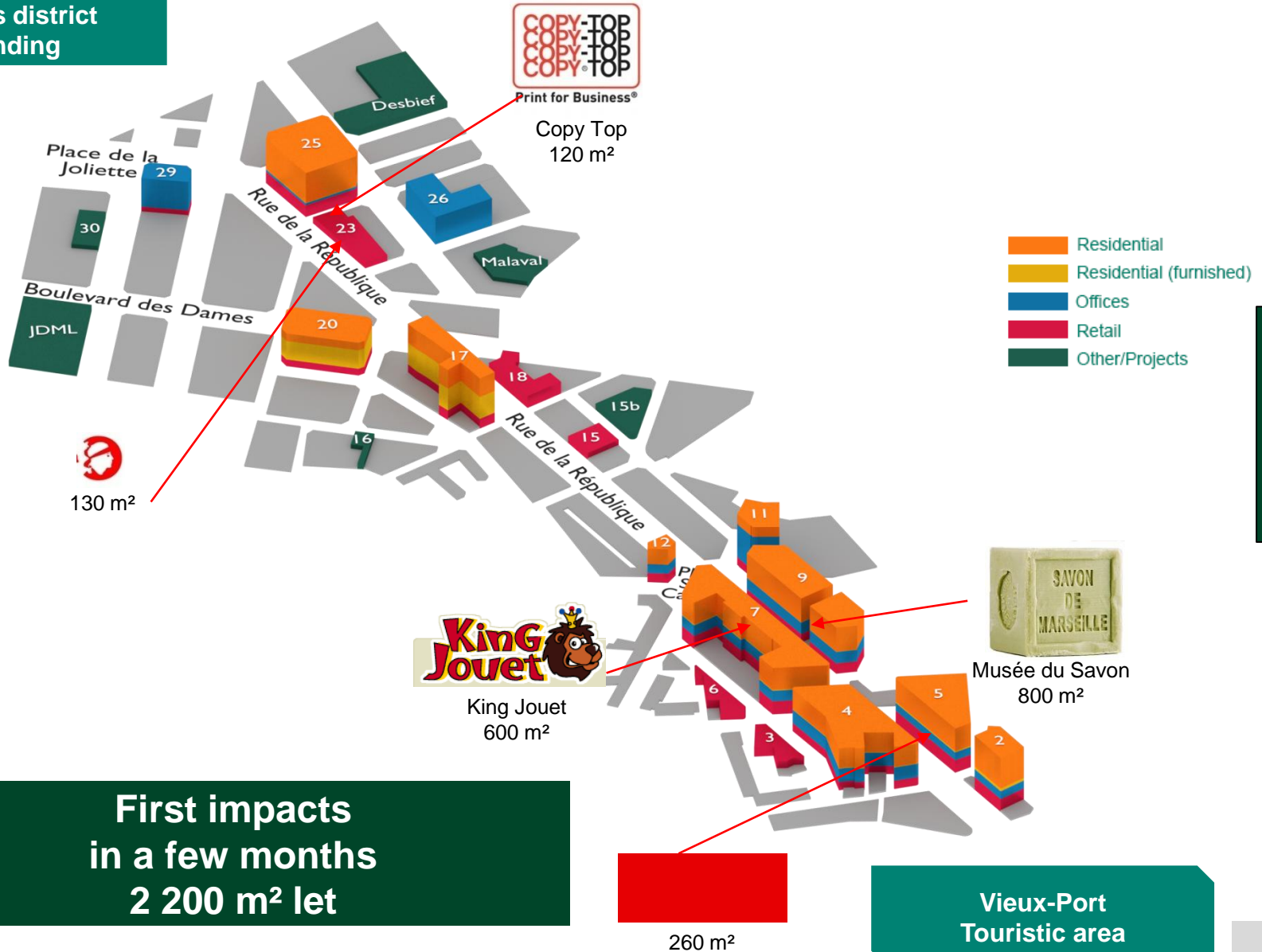
Two distinct strategies for two distinct segments

Vieux Port – « Destination », tourism fitting Vieux-Port and Panier districts, leisure aimed at locals

Joliette – Services and catering aligned with the newly successful and established Euromed business district

Promising first results

Euromed Business district Expanding



EPRA indicators - Portfolio

E

P

R

A

4.7%

EPRA Net Initial Yield
"Topped-up"
Stable

9.1%

EPRA Vacancy
Stable
Core assets: 2.9%

Portfolio

Occupancy Rate & Net Initial Yield

■ EPRA Net Initial Yield

EPRA net initial yield %	December 2015			June 2016			Change %		
	Core	Heritage	Total	Core	Heritage	Total	Core	Heritage	Total
Weight (%)	54%	46%	100%	56%	44%	100%	2%	-2%	0%
Net initial yield	6.1%	3.1%	4.7%	5.8%	2.9%	4.6%	-0.3%	-0.2%	-0.1%
"Topped-up" net initial yield	6.1%	3.1%	4.7%	6.0%	2.9%	4.7%	-0.1%	-0.2%	0.0%

■ EPRA Occupancy Rate

EPRA Occupancy Rate (%)	December 2015			June 2016			Change %		
	Core	Heritage	Total	Core	Heritage	Total	Core	Heritage	Total
Offices	97%	91%	96%	97%	89%	96%	0%	-2%	0%
Retail	-	86%	86%	-	84%	87%	-	-2%	1%
Hotels	100%	100%	100%	100%	100%	100%	0%	0%	0%
Residential	-	74%	75%	-	74%	76%	-	0%	1%
Other	-	82%	83%	-	82%	80%	-	0%	-3%
Total	97%	82%	91%	97%	82%	91%	0%	0%	0%



Finance



E P R A

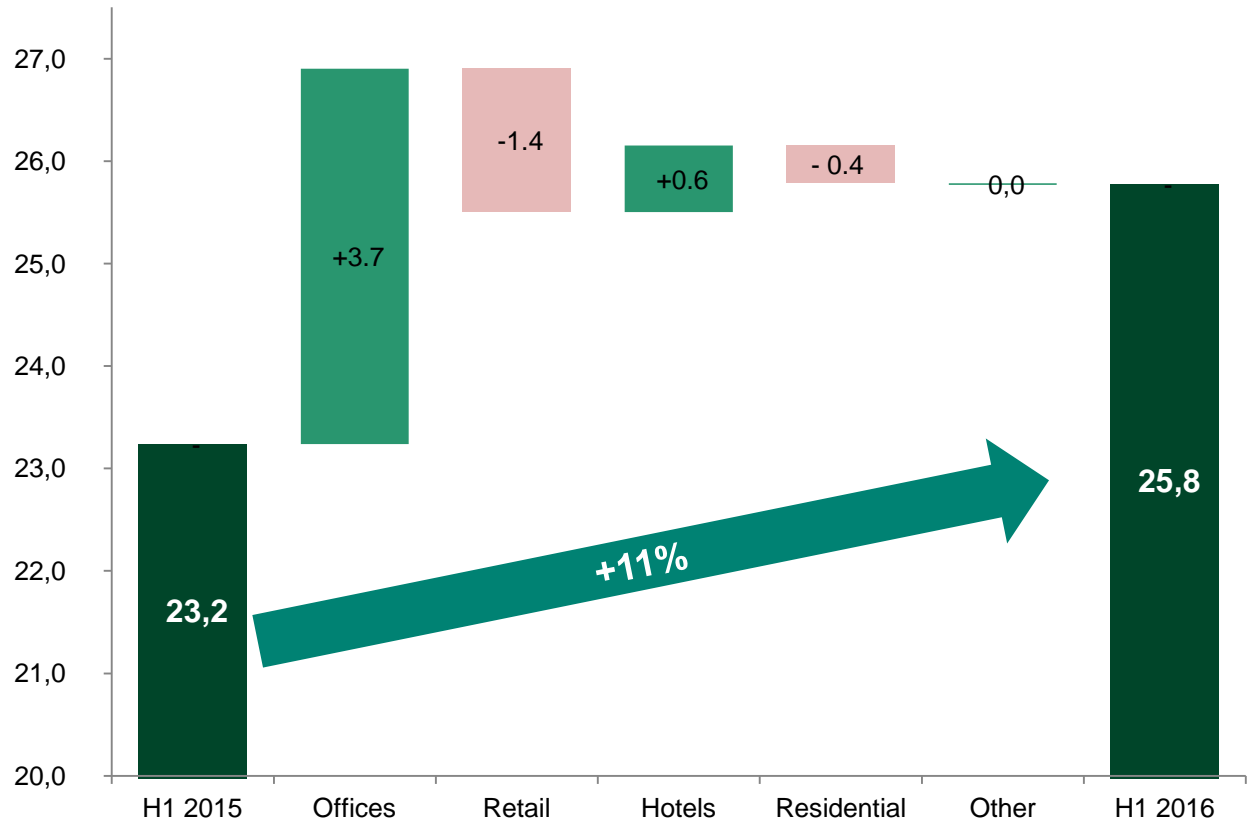
7.9 M€

EPRA Earnings,
Group Share
Adjusted
+15%

26.2 €

EPRA NNAV
per share
-4%*

Top Line increased by +11% in H1 2016. +3% Group Share



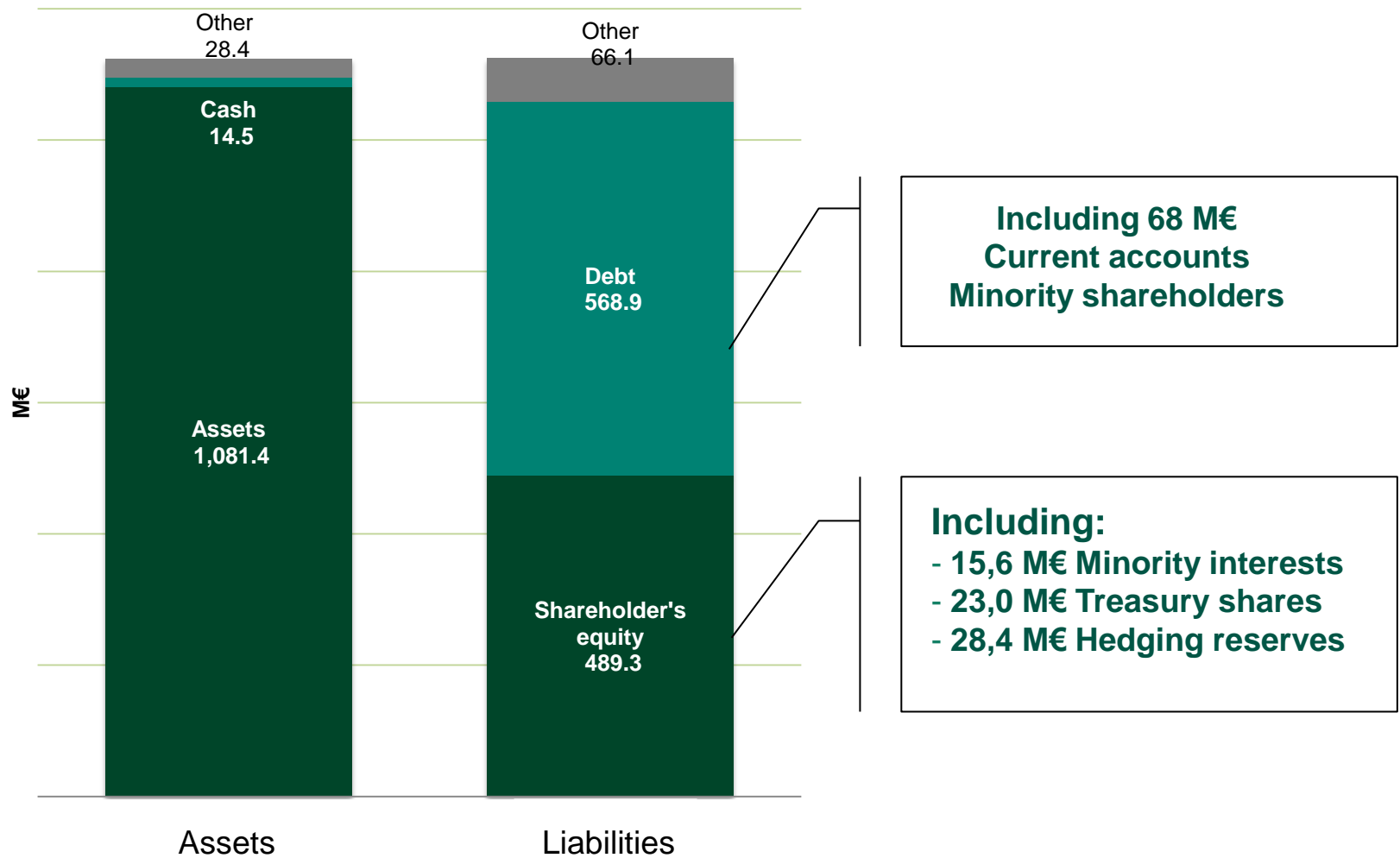
- Organic Growth Impact= Stable
- Acquisitions Impact = +11%
- Diversified and reliable pool of tenants
- Average lease term of 7.0 years

+11%
IFRS Rental Income
+3%
Group Share

Consolidated P&L and EPRA Earnings

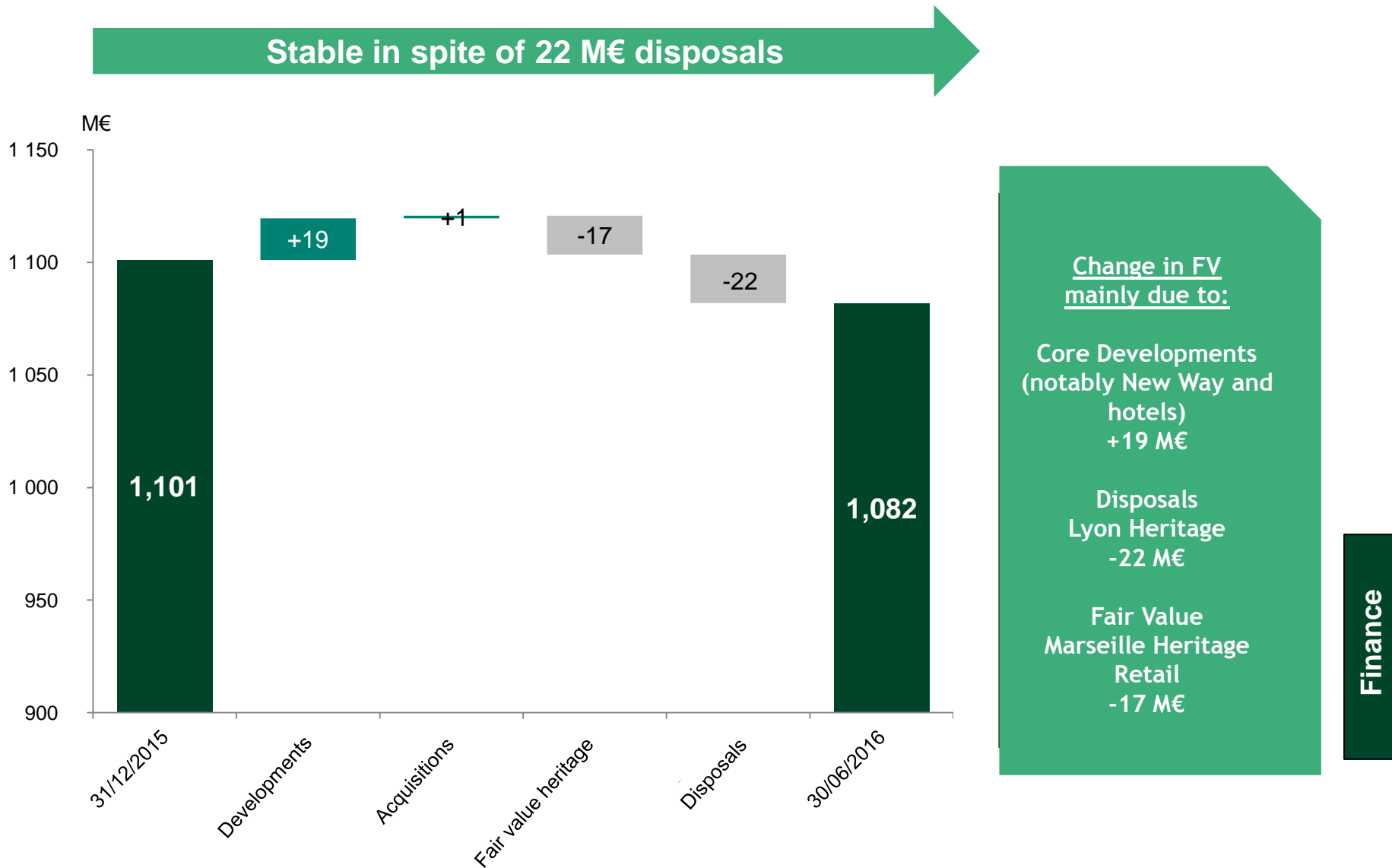
(million €)	H1 2016		H1 2015		Var. EPRA
	EPRA	IFRS	EPRA	IFRS	
Gross rental income	25.8	25.8	23.2	23.2	11%
<i>Group Share</i>	20.9		20.3		3%
Net operating expenses	- 2.5	- 3.3	- 1.6	- 2.4	
Net rental income	23.3	22.5	21.6	20.8	8%
<i>margin</i>	90%	87%	93%	89%	
Administrative expenses	- 5.7	- 5.7	- 5.9	- 5.9	
Recurring EBITDA	17.6	16.8	15.7	14.9	12%
<i>margin</i>	68%	65%	67%	64%	
Financial expenses	- 8.3	- 8.3	- 8.3	- 8.3	
Amortization	-	- 0.5	-	- 0.3	
Change in Fair Value	-	- 17.4	-	13.0	
Other items	0.2	- 3.3	- 0.2	- 0.2	
Taxes	0.1	0.1	- 0.2	- 0.2	
Minority interests	- 2.8	- 3.1	- 2.0	- 10.5	
Recurring Net Income, Group Share	6.8	- 15.6	5.0	8.4	37%
<i>margin</i>	26%	-61%	21%	36%	
Adjustment non recurring administrative expenses	-	-	0.6	-	
Adjustment financial expenses	1.1	-	1.4	-	
Recurring Net Income, Group Share adjusted	7.9	- 15.6	6.9	8.4	15%
Recurring EBITDA, Group Share	13.3	17.6			
Cash flow, Group Share	7.5	10.4			

Consolidated Balance Sheet

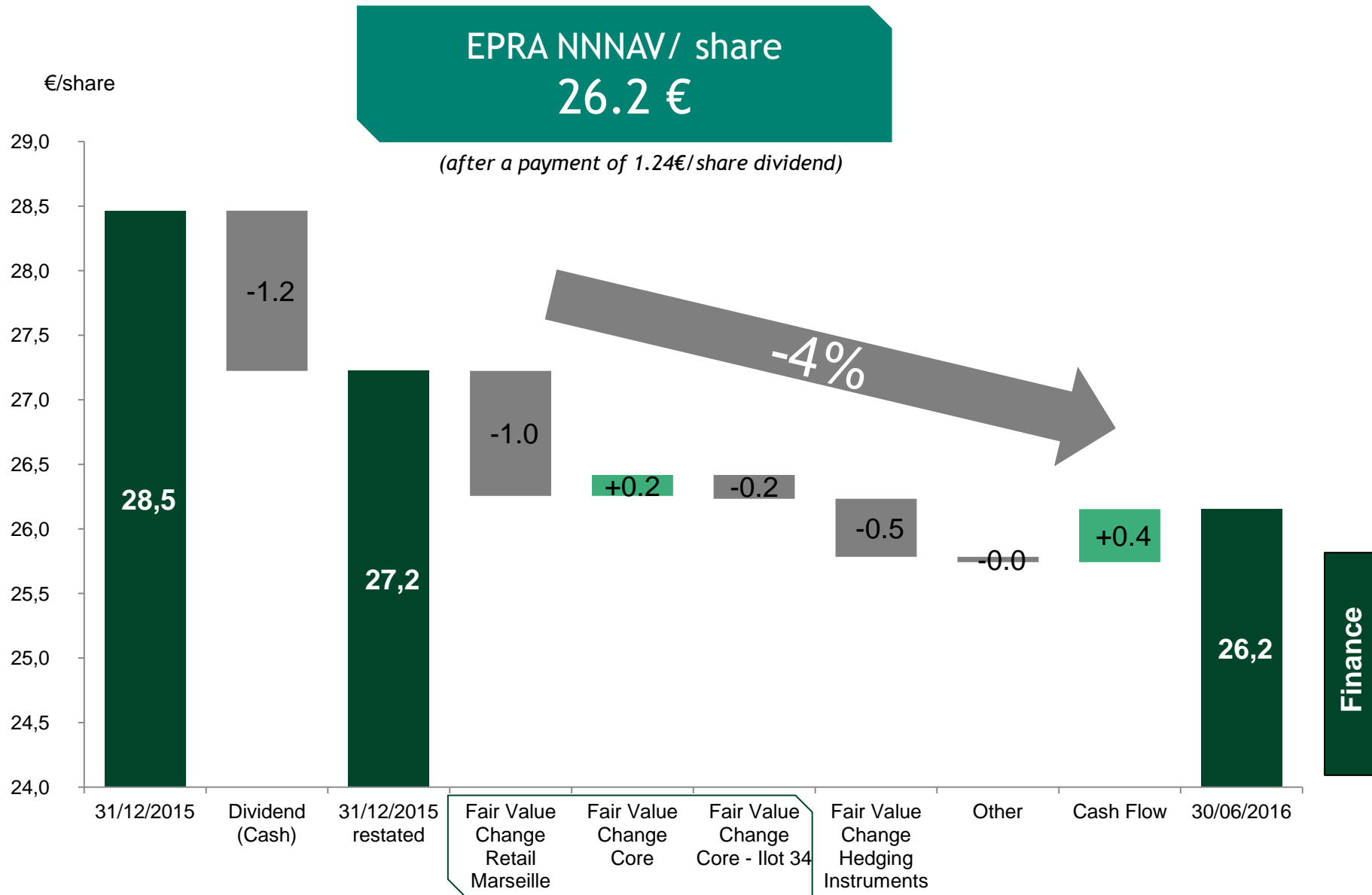


LTV 45.5%

Gross Asset Value



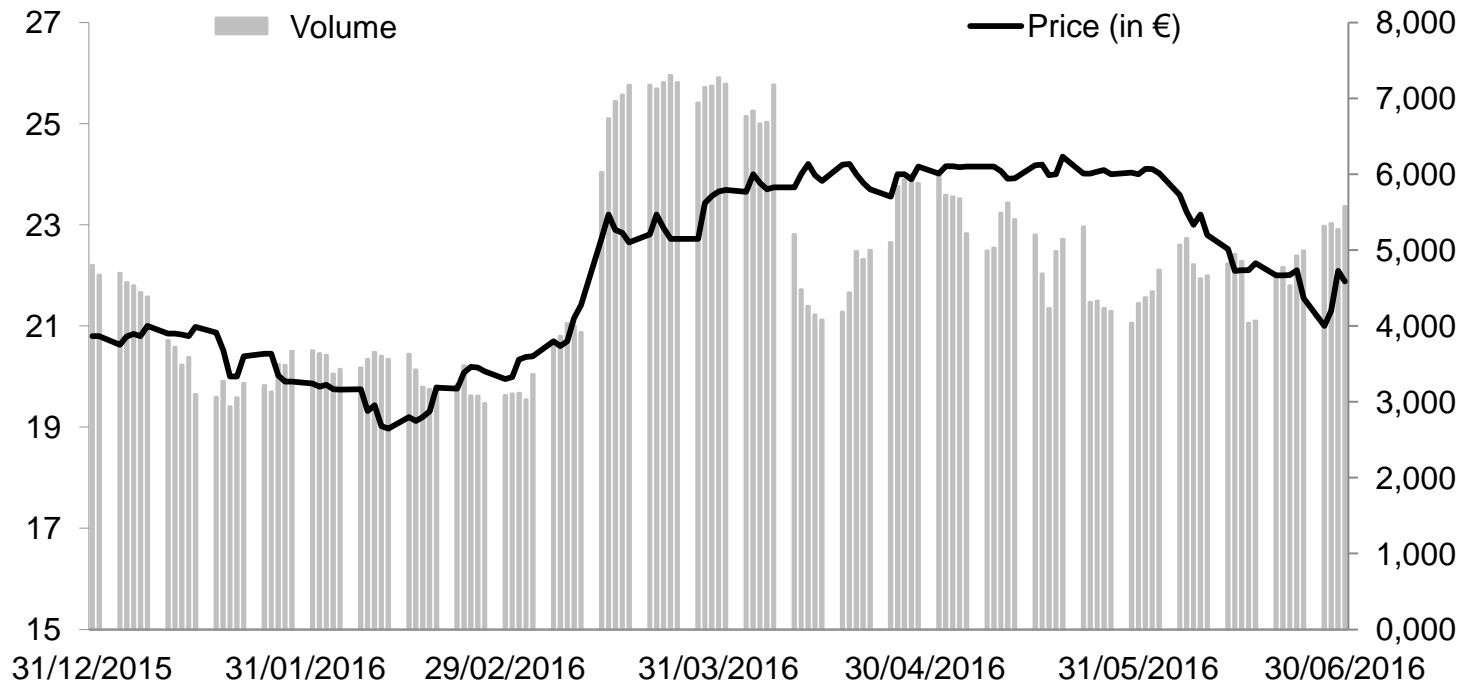
EPRA NNAV



Stock Price Evolution - Liquidity Analysis

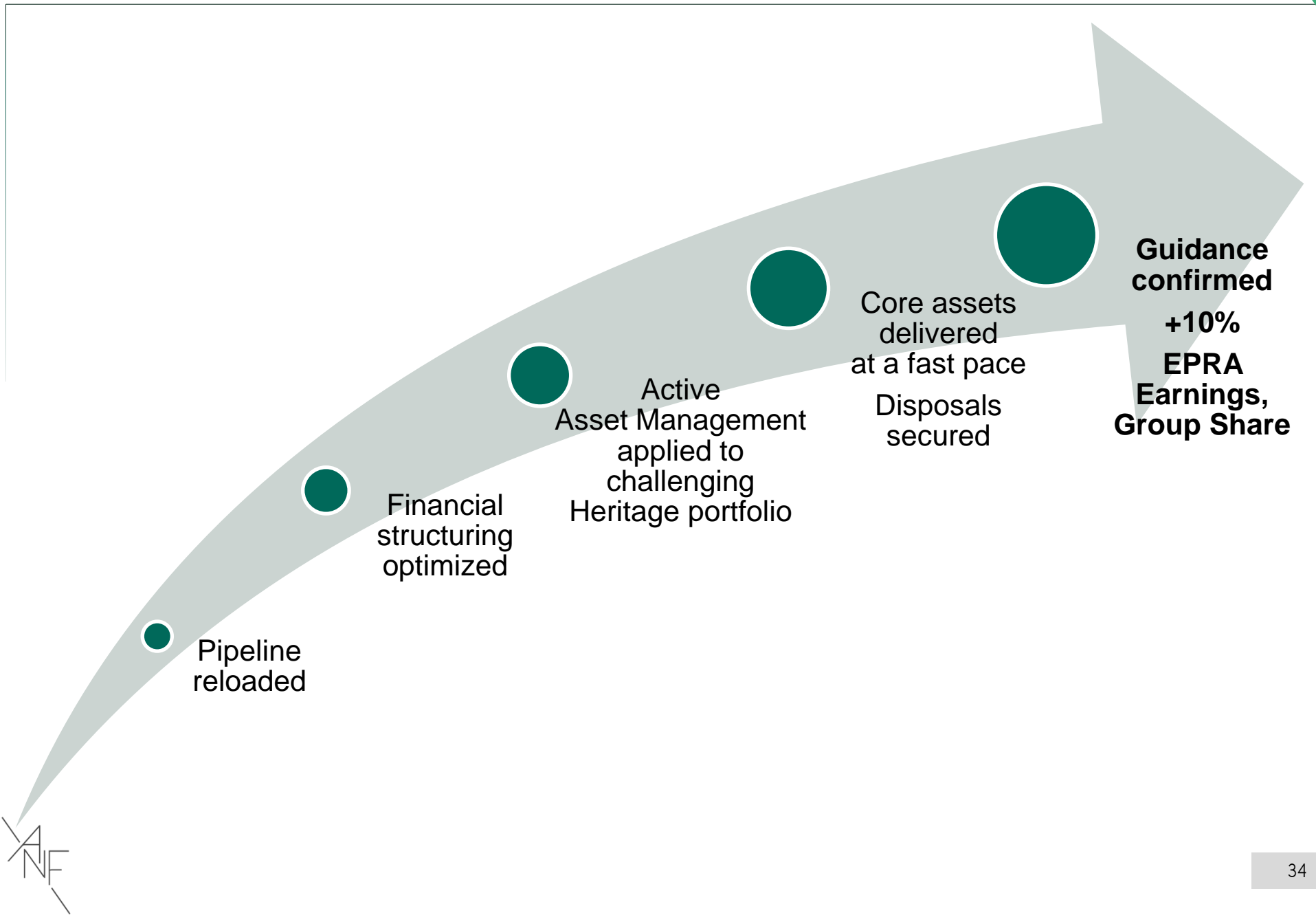
Discount on NNAV EPRA= 15%

(21.88€/share - 30/06/2016)



Daily volumes	Total (u)
Average 1 year	7 724
Average 6 months	6 654
Average 3 months	7 441
Average 1 month	7 799

Conclusion





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