

**Press release**

Paris, 15 November 2012

**Züblin Immobilière France – Portfolio restructuring on schedule**

- Net rental income: €3.2 million
- Negative consolidated net income
- EPRA NAV per share: €8.04
- Portfolio valued at €339 million

**Optimized management of the operating portfolio**

- 100% occupancy rate of the investment property portfolio
- Renewal of two significant leases for firm 9- and 6-year terms
- Disposal of the Horizon Défense building

- **The half year was marked by significant positive events**

Against a backdrop of the financial and real estate crisis, and in line with the group's stated ambition to prepare for the future through active rigorous management of its property portfolio, Züblin Immobilière France is announcing:

- **The signature of a new lease with Europ Assistance**, securing a tenancy for nine years
- **Renegotiation of the Faurecia lease**, completely filling the vacancy in the Magellan building and securing a tenancy for a firm six-year period
- **The signature of leases for the Danica building**, including a firm six-year lease with the company France Télécom and a rider to the lease with the company MCE5, thus insuring complete re-letting of the building and 100% occupancy of the investment property portfolio
- **Supervised renovation work on the Newtime and Imagine buildings**, which are progressing as planned.

Finally, the group seized an opportunity by **disposing of the Horizon Défense building in Suresnes for its appraised value at 31 March 2012**. Following repayment of the loan associated with the building, proceeds from the sale, in the amount of €2.6 million, were reinvested in renovation programs with high potential for value creation.

- **Increase in overall portfolio value**

At 30 September 2012, the appraised value of the property portfolio (including transfer fees) amounted to €339 million, up 5.8% compared to the portfolio value at 31 March 2012 (excluding the Suresnes building). Investments carried out over the period are €23.4 million. The occupancy rate of the investment property portfolio is 100 %, compared with 86.5% at 31 March 2012. Annualized rental income came to €10.7 million. The property portfolio's

rental market value was estimated at €25.2 million by the independent appraiser, BNP Paribas Real Estate.

- **Half Year 2012/2013 results in line with expectations**

The group's results for the first half of the financial year 2012/2013 show a loss of €7.1 million, which breaks down analytically as follows:

- Net cash flow from operating property portfolio	+€1.0 million
- Operating costs	-€1.3 million
- Carrying cost of the portfolio undergoing renovation	-€3.1 million
- Change in value of the operating property portfolio	-€2.9 million
- Other financial value adjustments	-€0.8 million

As announced in the latest annual report, FY 2013/2014 and 2014/2015 will be heavily impacted by portfolio restructuring initiatives. H1 2012/2013 net rental income thus fell sharply, amounting to €3.2 million compared to €103 million for the first half of FY 2011/2012. Operating costs remained stable at €1.3 million. The €2.9 million drop in fair value is mainly due to the combination of €23.4 million in investments carried out over the half-year and implementation of a new lease with Faurecia.

Net cost of financial debt remains stable at €5.2 million. Above that amount, financial net result was affected by the fair value of the interest rate swap used to hedge the loan associated with the building sold in Suresnes, i.e., a negative adjustment of €0.7 million over the half-year.

At 30 September 2012, the fully diluted EPRA Net Asset Value per share was €8.04 (€8.63 at 31 March 2012). At 14 November 2012, the stock price represented a significant 65% discount compared to this NAV.

- **An appropriate financial structure**

Züblin Group renewed its financial support for its French subsidiary by securing financing for renovation of the Newtime Building through implementation of an equity loan with an initial tranche of €35 million.

The loan-to-value ratio, net of cash, fell to 59.4% (compared with 62.7% at 31 March 2012). At September 30, 2012, the average cost of bank debt was 4.12% vs. 4.53% at 31 March 2012.

- **Outlook**

The property portfolio under management has a 100% occupancy rate and the two most important tenants have been secured for 6 and 9 years, respectively.

The construction phase of the Newtime Building renovation project began on schedule in late October, and delivery is planned for March 2014. The team's effectiveness and the new building's considerable attributes give Züblin Immobilière France full confidence regarding the outcome of this property's commercialization.

Renovation work on the Imagine building is scheduled for completion in Q1 2013.

The economic environment remains difficult. Profoundly affected by the economic crisis, French companies have scaled down their rental needs, in terms of both volume and value.

In this uncertain climate and with the support of its parent company, Züblin Immobilière France is pursuing the strategy it initiated three years ago, focusing on restructuring investments of its portfolio in order to develop their comfort and their environment performances. Thus, Züblin Immobilière France is creating value by securing the sustainability of its future cash flow.

*“Züblin Immobilière France’s H1 2012/2013 results convey a dual reality: on the one hand, investment properties under renovation produce a short-term impact on financial statements. On the other hand, the quality on the management of the operating property portfolio comes out through the renewal of two important leases, leasing of the vacant space in Lyon and the disposal of the building in Suresnes at market value. Over this half-year, the group has robustly secured rental income on its investment property portfolio for the next six years, and is committed to carrying out the renovation work to generate value for its shareholders. The renewed confidence of two important tenants and the quality of the lease signed with the new tenant in Lyon are the results of the group’s ability to meet its clients’ every need. These achievements once again demonstrate the relevance of our strategy led in an extremely difficult economic context.”* said **Pierre Essig, CEO of Züblin Immobilière France.**

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## About Züblin Immobilière France

Züblin Immobilière France is a listed property company that has opted for SIIC status. The company invests in office properties, and features a real estate portfolio consisting of eight office buildings in Paris Region, Lyon and Marseille.

Shares of Züblin Immobilière France trade on compartment C of Nyse Euronext Paris - ISIN: FR0010298901

## Key figures for H1 2012/2013

In € millions	09.30.2012	09.30.2011
<b>Profit and loss account</b>		
Net rental income	3.2	10.3
Operating expenses	(1.3)	(1.3)
Gains (losses) on disposal of investment properties	(0.1)	0
Adjustment of investment properties	(2.9)	(2.1)
Net operating income	(1.1)	6.9
Net cost of financial debt	(6.0)	(5.2)
Consolidated net income	(7.1)	1.7
 In € millions	 30.09.2012	 31.03.2012
<b>Balance sheet</b>		
Investment properties	325.3	317.8
Other assets	35.7	37.2
Total shareholders' equity	79.1	87.6
Non-current liabilities	269.6	254.7
Current liabilities	12.3	12.6
Total liabilities	361.0	354.9
 <b>Key figures by share</b>	 30.09.2012	 31.03.2012
EPRA NAV (diluted)	8.04	8.63
	30.09.2012	30.09.2011
Operating cash flow (diluted)	(0.27)	0.31

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