

***Press release***

Neuilly-sur-Seine, November 14, 2013

**Half-Year 2013/2014 Results**

**Züblin France's portfolio repositioning soon to be complete.**

- Real estate portfolio assessed at €334 million (including transfer duties), up 6%
- Investments carried out: €18.1 million
- Considerable improvement in LTV, down to 51%
- Net rental income: €2.1 million
- Consolidated net loss of €2.0 million
- EPRA NAV per share: €7.42

Pierre Essig, CEO of Züblin Immobilière France, stated: "The Company has solid fundamentals. The entirely refurbished Imagine building was delivered this summer. Thanks to the quality of the refurbishment work and the innovative management and operation tools we have implemented, we can offer a flat-rate lease with all operating expenses included, even our tenants' private utilities. The first such lease has been signed with Promothean. The redevelopment of the Newtime building, our flagship initiative, will be completed next March. This innovation will make it possible to reduce the energy expenditure for this building eightfold while significantly enhancing user comfort, as can be seen on the Marketing suite. This building stands out as the perfect example of efficient implementation of the principles laid out in the Sustainable Development Plan's Charter for Energy-Efficient Renovation of Commercial Properties, signed by Züblin Immobilière France. Newtime thus responds perfectly to the needs of businesses in search of the greatest possible comfort for their employees while lowering overhead costs. Against this backdrop, the teams of Züblin Immobilière France are looking to the future with confidence and determination."

- **Active and effective portfolio management in the first half-year**

As was the case last year, the central aspect of Züblin Immobilière France's performance in the current financial year remained the environmental refurbishments on Île de la Jatte: as expected, over the first six months of FY 2013/2014 operating cash flow of buildings undergoing redevelopment showed a €4.2 million deficit, while the operating portfolio recorded a €1.1 million surplus, thus covering the €1.1 million in structural costs.

Züblin Immobilière France continued actively repositioning its real estate portfolio during the first half of FY 2013/2014 with an eye to taking full advantage of the next cyclical upswing:

- The refurbishment of the Newtime building in Neuilly-sur-Seine is continuing on schedule, with work 75% complete. Delivery is slated for March 2014;
- The Imagine building in Neuilly-sur-Seine was delivered in June 2013. Upon delivery, the Company signed an initial "all-inclusive flat-rate" green lease with Promethean. This innovative product gives the user complete control over the costs associated with its work environment. This lease is a perfect illustration of Züblin Immobilière France's strategy, which stands out by offering its tenants high quality work spaces and services at no extra cost, thus allowing them to focus on more important things;
- The Group also disposed of the Danica building in Lyon. In so doing, it secured a capital gain of €2.5 million, which represents nearly 5% of the building's appraisal value at March 31, 2013.

Overall, the investment in Danica, carried out on January 14, 2008, generated a net cash flow of €7.7 million for the Group, i.e., a 5.7% IRR despite a valuation doubly impacted by the economic crisis and the February 2012 bankruptcy of its main tenant, Comareg.

This performance illustrates the wisdom of the asset management initiatives carried out by the Company: a €4 million investment program to (i) modernize the building, (ii) significantly increase rental values by bringing annualized rents up from €3.1 million in 2008 to €3.7 million in 2013 (i.e., an increase of some 20%) and (iii) securing new tenants such as Orange.

This disposal made it possible to improve the Company's level of indebtedness by repaying the loan on the building and making an exceptional €8 million repayment on the loan on the Magellan building. The remainder of proceeds from the sale, i.e., €20.2 million, contributed to funding refurbishment programs.

- **Overall portfolio value continues to rise**

At September 30, 2013, the appraisal value of the real estate portfolio (including transfer duties) came to €334 million, up 6% compared to portfolio value at March 31, 2013 (excluding the Danica building). Investments carried out over the period amounted to €18.1 million.

In light of the delivery of the Imagine building last June, this asset is now recognized as part of the operating portfolio. As such, the occupancy rate of the operating portfolio is currently 82.4%, compared to 100% at March 31, 2013. Annualized rents amounted to €701 million. The market rental value of the portfolio as a whole was estimated at €22.8 million by independent appraiser BNP Paribas Real Estate.

- **H1 2013/2014 results reflect ongoing investments**

The consolidated results for the first half of the year ending March 31, 2014 showed a loss of €2.0 million with the following analytical breakdown:

- Net cash flow of the operating portfolio	+€1.1 M
- Structural costs	-€1.1 M
- Carrying cost of properties undergoing redevelopment	-€3.9 M
- Temporary relocation expenses associated with ongoing refurbishments	-€0,9 M
- Change in portfolio value	-€0.7 M
- Income from building disposals	+€2.5 M
- Other changes in financial value	+€1.0 M

As announced in last year's annual report, FY 2013/2014 and the following years will be heavily impacted by the redevelopment of some 50% of portfolio assets. Like-for-like (excluding the buildings in Suresnes and Lyon), H1 2013/2014 net rental income fell to €1.1 million from €1.9 million last year. Operating costs remained stable at €1.1 million. The €0.7 million drop in fair value was mainly due to investments carried out over the half-year (€18.1 million) and capitalization of interest on loans issued to finance refurbishment projects (€2.1 million).

Cost of financial debt came to €4.8 million, down from €6.0 million at September 30, 2012, owing to repayment of loans following the disposal of the Suresnes and Lyon buildings.

- **The financial structure is in line with the current investment period**

At September 30, 2013, the Company's equity stood at €80.7 million.

The loan-to-value ratio, net of cash, showed improvement at 51% (56% at March 31, 2013).

Züblin Group renewed its financial support to its French subsidiary by increasing the loan implemented for the redevelopment of the Newtime building from €43 million to €48 million and granting an additional loan of €6.5 million to meet carrying costs for refurbished buildings during the marketing phase.

EPRA NAV per share on a diluted basis was €7.42 at September 30, 2013 (€7.57 at March 31, 2013).

- **Outlook**

With the support of its parent company, Züblin Immobilière France remains true to the strategy it has been pursuing over the past three years: investing in the refurbishment of its portfolio properties to enhance their comfort and environmental performance. Züblin Immobilière France is thus creating value by ensuring sustainable cash flows for the future.

The current and following financial years will nonetheless be strongly affected by the ongoing renovation work and the resulting loss of rental income.

In an economic environment where it pays to be cautious, visits to inspect the Newtime building attest to the excellence of this asset, which is poised to become a new benchmark on the new or renovated office property market.

With laudable progress being made in renovation projects, Züblin Immobilière France teams are fully dedicated to marketing space in the Newtime and Imagine buildings.

**Key figures for H1 2013/2014**

<i>In € millions</i>	<b>09.30.2013</b>	<b>09.30.2012</b>
<b>Income statement</b>		
Net rental income	2.1	3.2
Overhead and corporate expenses	(1.1)	(1.3)
Income (loss) from disposal of assets	2.5	0
Change in asset valuations	(0.7)	(2.9)
Net operating income	2.8	(1.0)
Financial income	0	0.2
Net losses on financial liabilities at fair value through profit or loss	0.7	(0.6)
Interest paid / financial expenses	(5.5)	(5.5)
Net consolidated income	(2.0)	(7.1)
 <i>In € millions</i>	 <b>09.30.2013</b>	 <b>03.31.2013</b>
<b>Balance sheet</b>		
Investment properties	323.8	304.4
Assets held for sale	0	53.6
Other assets	23.0	27.3
Total equity	80.7	79.7
Non-current liabilities	90.8	208.9
Current liabilities	175.4	96.7
Total liabilities	346.9	385.3
 <b>Key figures per share</b>	 <b>09.30.2013</b>	 <b>03.31.2013</b>
ANR EPRA (fully diluted)	7.42 €	7.57 €
	<b>09.30.2013</b>	<b>09.30.2012</b>
Operating cash flow (fully diluted)	(0.33) €	(0.27) €

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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 six office buildings in Paris Region and Marseille.

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