

Press release

Neuilly-sur-Seine, 3 June 2015

2014/2015 financial year results

Exclusive discussions with a strategic investor

- Investment properties valued at € 248.7 million (net value)
- Rental income: € 6.6 million
- Negative consolidated net result: € -66.0 million
- EPRA NAV per share: € 0.82

The Board of Directors of Züblin Immobilière France approved 2 June 2015, the annual and consolidated financial statements of the company for the accounting period from 1 April 2014 to 31 March 2015.

Substantial decline in the value of the real estate properties and signing of new leases

The FY 2014/2015 was marked by the difficult economic environment in France and its consequences for the real estate office market. In the western business district in Paris, where is most of the real estate assets of the company, the offer is large, the vacancy is high and economic rental values decline.

The appraised value of the assets of the company at 31 March 2015 was € 248.7 million, representing a negative adjustment of € -46.6 million (-16%) compared to the previous assessment carried out at 31 March 2014 (€ 295.3 million on a like to like basis excluding the Chaganne building sold in October 2014).

The market rental value of the assets portfolio is estimated at € 18.3 million by the independent expert, the company JLL, appointed by the Board as a new appraiser from the closing of 30 September 2014.

This substantial decline of the value of the investment properties of the company reflects the decision taken in June 2014, to revise downwards the asking rents to accelerate the commercialization of high-end property recently renovated on the Ile de la Jatte in Neuilly - sur-Seine which have not yet been leased.

This decision enabled the signing of four leases on Imagine building for an aggregated office space of 1'654 sqm and a gross rental income of € 796 thousand.

It also facilitated the signing of a first lease taking effect from 1 October 2015 on Newtime building, delivered in July 2014, with the company Orangina Schweppes France for an area of 6'000 sqm of offices (40% of the building's rental surfaces) and an annual net rent of € 2'877 thousand.

Annualized rental income slightly down

On a like for like basis, annualized rental income amounted to € 5.1 million at 31 March 2015 against € 5.4 million at 31 March 2014. The financial vacancy remains important at 73%.

The gross rental income amounted to € 6.6 million at 31 March 2015 versus € 7.8 million at 31 March 2014. This decrease is mainly due to the sales of the Danica building in July 2013 and the Chaganne building in October 2014.

Finance costs increased sharply

Financial expenses increased by 29% to stand at € 14.2 million (€ 11.0 million at 31 March 2014). This increase mostly results from the increase of the interests charges of intra-group loans granted by Züblin Immobilien Holding AG whose outstanding capital amounted to € 95.1 million as at 31 March 2015.

Equity strongly impacted by the consolidated loss

As a result of the consolidated loss of € -66.0 million for the FY 2014/2015, the company's consolidated shareholders' equity amounted to € 4.6 million at 31 March 2015 against € 68.9 million as at 31 March 2014.

The EPRA net asset value per share on a diluted basis is € 0.82.

The statutory shareholders' equity of the company is now negative (€ -28.4 million).

Fragile financial situation

During the FY 2014/2015, the company had to take structural decisions to meet its financial needs.

The sale of the building Chaganne has been successfully concluded on 28 October 2014 at a net price of € 31.2 million, for a net value exceeding the appraised value (gain on disposal of € 1.1 million). This sale enabled the company to get € 13 million cash used to cover its cash requirements.

Part of the sale net proceed was used to make a partial repayment of € 5.4 million of the mortgage loan contracted with Natixis bank. Another partial repayment of € 3.6 million was made on 31 March 2015 to ensure compliance of the company's debt ratio with the financial covenants of said loan.

Intra-group loans with Züblin Immobilien Holding AG have been consolidated, extended and had their commitment increased by € 5 million over the FY 2014/2015.

The mortgage debt ratio deteriorated to 57% (51% at 31 March 2014). Given the intra-group loan the overall debt ratio was 94.8% at 31 March 2015.

Outlook

Despite progress on the marketing of vacant space in buildings located on the Ile de la Jatte, and given rent-free periods granted to new tenants (15 to 22 months) the company will continue to make losses and its cash flow will remain negative for the current year and next year.

Given these difficulties, the company, in connection with its current controlling shareholder, and as announced at the publication of the last half-year results, is actively seeking a new strategic investor able to strengthen and sustain its financial position for the coming years. Exclusive discussions were recently entered in with an investor for this purpose. To date, there is no certainty as to the materialization of a potential transaction. Should the terms of a transaction were agreed upon, the company would inform the market as soon as possible.

In this context, the company's Board of Directors decided that it will meet again later to decide the date of convening the annual general meeting of shareholders and its agenda.

Key Figures for the FY 2014/2015

<i>in € million</i>	31.03.2015	31.03.2014
Profit and loss statement		
Net rental income	3.8	4.2
Operating costs	(2.3)	(2.2)
Income from disposal of investment property	1.1	2.5
Assets valuation adjustment	(54.4)	(10.5)
Net operating income	(51.8)	(6.0)
Financial income	0	0
Net result on financial liabilities at fair value from the statement of comprehensive income	2.1	0.1
Interest expenses	(16.3)	(11.1)
Net consolidated result	(66.0)	(17.0)
 <i>In € million</i>	 31.03.2015	 31.03.2014
Balance sheet		
Investment properties	248.7	295.3
Properties held for sale	0	29.4
Other assets	10.4	14.9
Total assets	259.1	339.6
Shareholders' equity	4.6	68.9
Non current liabilities	245.8	228.0
Current liabilities	8.7	42.8
Total	259.1	339.6
 Key figures per share	 31.03.2015	 31.03.2014
EPRA NAV (diluted basis)	0.82 €	6.20 €
Operating cash-flow (diluted basis)	(1.06) €	(0.70) €

Contacts

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For more information, visit the company web site: www.zueblin.fr

About Züblin Immobilière France

Züblin Immobilière France is a listed property company that opted for SIIC status, which invests in office property. Its real estate portfolio consists of five office buildings in the Paris region and in Marseille.

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