

**Press release**

Paris, 27 May 2016

**2015/2016 financial year results**

**Change of company name to Officiis Properties**

- Investment properties valued at € 261.9 million (net value)
- Rental income: € 6.5 million
- Negative consolidated net result: € -13.7 million
- EPRA liquidation NAV per share: € 0.73
- Convening of the Annual General Meeting on 7 July 2016

Züblin Immobilière France's Board of Directors approved on 26 May 2016 the annual and consolidated financial statements of the company for the accounting period from 1 April 2015 to 31 March 2016.

**Increase of the real estate properties' value and signing of new leases**

In line with the French economic environment, the real estate office market remained challenging during the 2015/2016 financial year. There remains a high vacancy rate in the western business district of Paris where the majority of the company's assets are located.

The appraised market value of the company's property assets was € 261.9 million as at 31 March 2016, representing a € 13.2 million (+5%) increase compared to the valuation carried out on 31 March 2015 (€ 248.7 million).

The rental market value of the company's investment properties has been estimated at € 18.2 million by JLL, the company's independent appraiser.

The increase in value of the company's investment properties reflects the progress made in leasing vacant space and the financial investment made to improve the quality of the properties.

Four new leases have been signed during the financial year resulting in increase in occupancy rate from 39.8% as at 31 March 2015 to 61% as at 31 March 2016.

Excluding the Think building, which is currently undergoing a heavy refurbishment program, and taking into account the three new leases signed since 1 April 2016, the occupancy rate is 75%.

### **Significant increase in the annualised rental income**

Annualised rental income amounted to € 9.7 million as at 31 March 2016 compared to € 5.1 million as at 31 March 2015. The financial vacancy has been significantly reduced from 73% as at 31 March 2015 to 47% as at 31 March 2016, and 36% excluding the Think building.

The gross rental income was stable at € 6.5 million as at 31 March 2016 compared to € 6.6 million as at 31 March 2015. The rental reduction resulting from the sale of the Chaganne building in October 2014 has been offset by the leases taken up by new tenants.

The € 1.8 million increase in corporate costs in the 2015/2016 financial statements is a result of extraordinary non-recurring charges related to the financial restructuring which took place on 31 July 2015.

### **Significant increase in financing costs**

Financial expenses increased by 36% to stand at € 19.3 million (€ 14.2 million as at 31 March 2015). This increase mostly results from (i) the increase of the interest charges on the non-banking loan initially granted by Züblin Immobilien Holding AG and acquired by TwentyTwo Credit 1 S.à.r.l. on 31 July 2015 (outstanding principal of € 110.4 million as at 31 March 2016) and (ii) a non-recurring financial charge due to the unwinding of interest swaps following the repayment of the Natixis and Aareal banking facilities (€ 146.7 million) on 31 July 2015.

### **Stable Shareholders' Equity**

The company's consolidated shareholders' equity amounted to € 4.3 million as at 31 March 2016 compared to € 3.9 million - IFRICS 21 restated amount - as at 31 March 2015.

The EPRA liquidation net asset value per share on a diluted basis is € 0.73 (€ 0.53 as at 31 March 2015).

The statutory shareholders' equity of the company is still negative (€ -31 million).

### **The bank indebtedness reduced pursuant to the financial restructuring carried out on 31 July 2015 but the overall debt level remains high**

On 31 July 2015, the search for a new strategic investor which had been announced in November 2014 ended with the subscription by REOF Holding S.à.r.l. to a reserved capital increase of € 11.5 million. At the same time, REOF Holding S.à.r.l. also bought the company's shares and mandatory convertible bonds owned by Lamesa Holding (cf. the company's press release issued on 31 July 2015 and the offering circular dated 22 July 2015 with the visa 15-402 from the AMF).

On the same day, TwentyTwo Credit 1 S.à.r.l. subscribed to the company's entire convertible bond issuance totaling € 20.8 million and also bought the company's non-banking loan which was initially granted by Züblin Immobilien Holding AG.

The cash proceeds resulting from these transactions enabled the company to build up cash reserves to cover its future needs (€ 8.7 million as at 31 March 2016) and to partially repay the Natixis and Aareal banking facilities, the remaining balance having been refinanced with a new 5 year, € 132.2 million facility with the bank Helaba.

As a consequence of these transactions, the ratio between the outstanding banking loan net of the available cash and the net appraised value of the company's assets (LTV ratio) decreased from 56.6% as at 31 March 2015 to 46.2% as at 31 March 2016 and the maturity of the banking loan increased by 3 years (4.3 years as at 31 March 2016 compared to 1.3 year as at 31 March 2015).

However, the overall LTV ratio of the company remains very high (96.4% including the non-banking loan and the convertible bond held by TwentyTwo Credit 1 S.à.r.l.).

On 4 May 2016, TwentyTwo Credit 1 S.à.r.l confirmed its financial support to the company and its subsidiaries for at least one year.

### **Proposal to the Annual General Meeting of shareholders to change the name of the company**

Further to the 31 July 2015 financial restructuring (see above), the Züblin Immobilien group does not control the company any more. Its main shareholder is now REOF Holding S.à.r.l. which owns 50.1% of the share capital and the voting rights of the company.

It is therefore proposed to the next Annual General Meeting of shareholders which is convened on 7 July 2015 at 11:00 at 44-52 Bd du Parc, 92200 Neuilly-sur-Seine, France to change the name of the company to OFFICIIS PROPERTIES.

### **Outlook**

The office market in France will continue to be negatively impacted by the challenging economic environment. In order to restore the company's profitability, Züblin Immobilière France, with the support of its asset manager Scaprim Asset Management, continues to actively market the vacant office space in its buildings located on Ile de la Jatte

The 2016/2017 and 2017/2018 financial years will be negatively impacted by the financial vacancy and the rent free periods granted to new tenants.

**Key Figures for the FY 2015/2016**

<i>in € million</i>	<b>31.03.2016</b>	<b>31.03.2015 restated</b>
<b>Profit and loss statement</b>		
Net rental income	1.8	3.8
Operating costs	(4.1)	(2.3)
Income from disposal of investment property	0.0	1.1
Assets valuation adjustment	7.9	(54.4)
Net operating income	5.6	(51.8)
Financial income	0	0
Net result on financial liabilities at fair value from the statement of comprehensive income	1.0	2.1
Interest expenses	(20.4)	(16.3)
Net consolidated result	(13.7)	(66.0)

<i>In € million</i>	<b>31.03.2016</b>	<b>31.03.2015 restated</b>
<b>Balance sheet</b>		
Investment properties	261.9	248.7
Properties held for sale	0	0.0
Other assets	15.0	10.3
Total assets	276.9	259.0
Shareholders' equity	4.3	3.9
Non current liabilities	267.0	245.8
Current liabilities	5.6	9.3
Total liabilities	276.9	259.0

<b>Key figures per share</b>	<b>31.03.2016</b>	<b>31.03.2015 restated</b>
EPRA liquidation NAV (diluted basis)	0.73 €	0.53 €
Operating cash-flow (diluted basis)	(0.79) €	(1.06) €

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For more information, visit the company website: [www.zueblin.fr](http://www.zueblin.fr)

**About Züblin Immobilière France**

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

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