

Full-Year Results 2016

Presentation

03 March 2017



AFFINE

2016 Key takeaways

NET PROFIT UP TO €5.5M

- (+) Like-for-like rents increase (+1.0%)
- (-) Impact of disposals (rents: -11.2%)
- (+) Improvement of occupancy rate (+1.7 point)
- (+) Cost of debt down to 2.3%
- (=) Stability of fair value
- (-) Impact of Banimmo (€-7.6 m)

EPRA EARNINGS (EXCLUDING BANIMMO) DOWN TO €11.7M

LTV STABLE AT 46.4% (-0.2 POINT)

CHANGE IN PORTFOLIO

- €22.6m acquisitions and refurbishments (potential rent: €2.5m)
- €17.9m disposals
- €54m pipeline of committed investments and controlled projects (annual potential rent: €4.1m)

EPRA NAV PER SHARE: €21.0

EPRA NNAV PER SHARE: €24.0

DIVIDEND OF €1.0 PER SHARE (*)

- (*) Will be submitted to the vote of the General Meeting of 27 April 2017

Affine





Investments and disposals

Investments and disposals

€18m: Acquisitions

Completion of Clichy

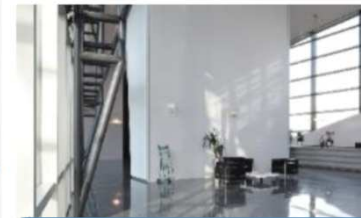


Euralille

€5m: Developments & Refurbishments



Lyon - Tangram



Euralille



Bordeaux
Quais des Marques

€48m: Commitments



Meudon (turnkey)

Euronantes (turnkey),
Euratechnologies (turnkey),
Euralille

€18m: Disposals



Miramas



Aix-les-Milles



Aix-en-Provence



Aulnay-sous-Bois

Lille – Lilleurope Tower

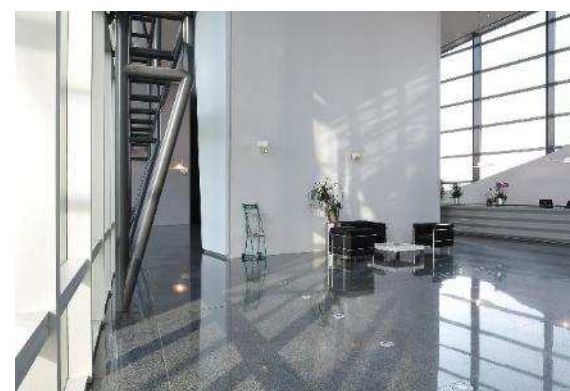
ACQUISITION OF 5,000 SQM OF ADDITIONNAL OFFICES

- Acquisition of 4 storeys (headline rent: €0.7m)
- Owner of 19 floors out of 20
- Contract signed for the last floor (February 2017)
- Easy access
 - Overlook the Lille-Europe station
 - in the heart of Euralille business district

UPGRADING PROGRAM UNDER STUDY



Investments and disposals

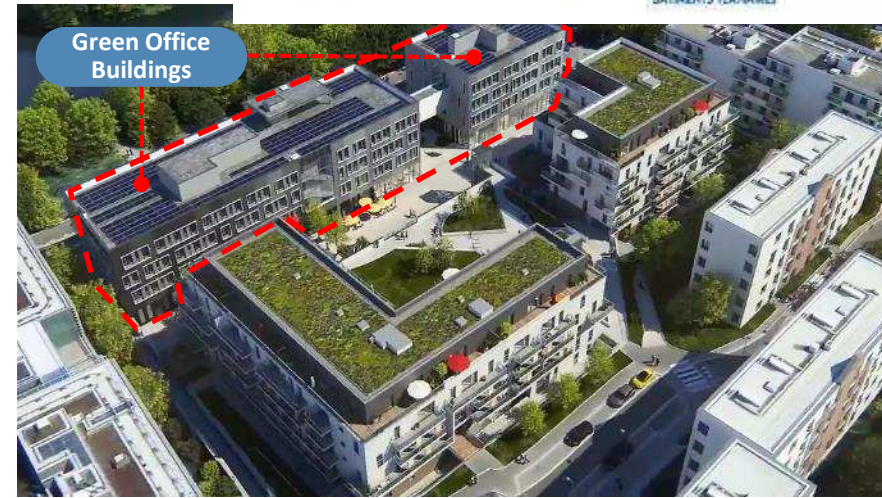


Meudon – Green Office® en Seine



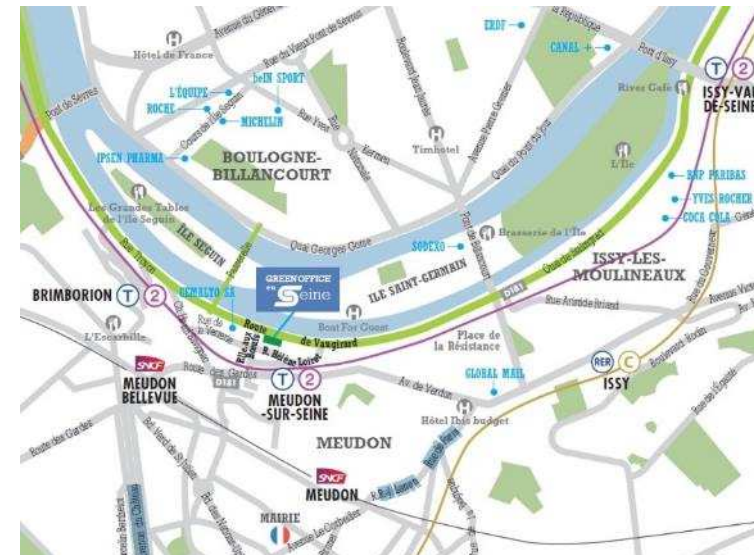
ACQUISITION OF 5,400 SQM OF OFFICES

- Potential rent: €2m
- BEPOS Effinergie and HQE
 - 650 sqm of rooftop solar panels
- 2 buildings with 113 underground parking lots:
 - 3,800 sqm across 4 levels (G+3)
 - 1,610 sqm across 4 levels (G+3)
- Completion planned for late 2017



LOCATED IN THE BUSINESS DISTRICT AREA OF BOULOGNE, ISSY-LES-MOULINEAUX, SÈVRES AND MEUDON

- A dynamic economic environment
 - 400 companies and nearby: Gemalto and Global Mail
- Excellent public transportation links
 - Tram T2 and Bus 389
 - RER C and the train SNCF N
- Video of the project on: <https://www.youtube.com/watch?v=yhEcgxsnFq8>



Nantes Euronantes – Kibori

ACQUISITION OF 3 844 SQM OF OFFICES: €9.8M

- BREEAM
- 1 building with 33 underground parking lots
- 8 floors (Ground -1 to G+6)
- Mixed solid wood/concrete/metal structure

PARTNERSHIP WITH SOGEPROM

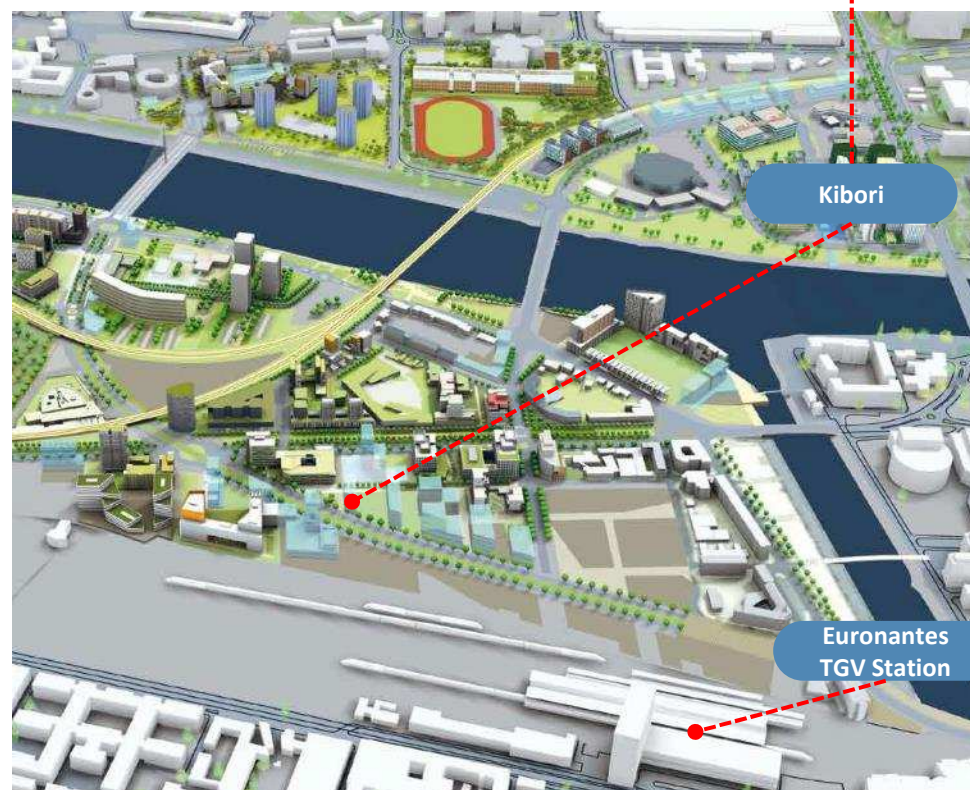
- April 2014: Launching of the call for tenders by the municipality
- January 2017: Turnkey project contract signed
- Completion expected on H2 2018

LOCATED IN THE EURONANTES RAILWAY STATION DISTRICT

- New major business district
 - 2020: 130,000 sqm of offices
- Very close to the TGV station
- Excellent public transportation links
 - Tramway
 - Bus lines

BREEAM®

Investments and disposals



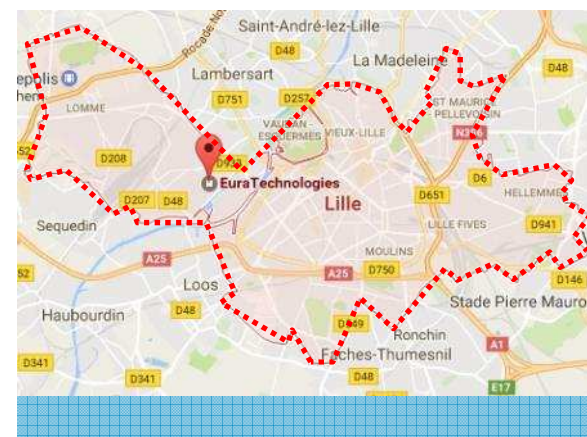
Lille Euratechnologies – #Hashtag

CONTRACT SIGNED FOR 5,280 SQM OF OFFICES: €11.0M

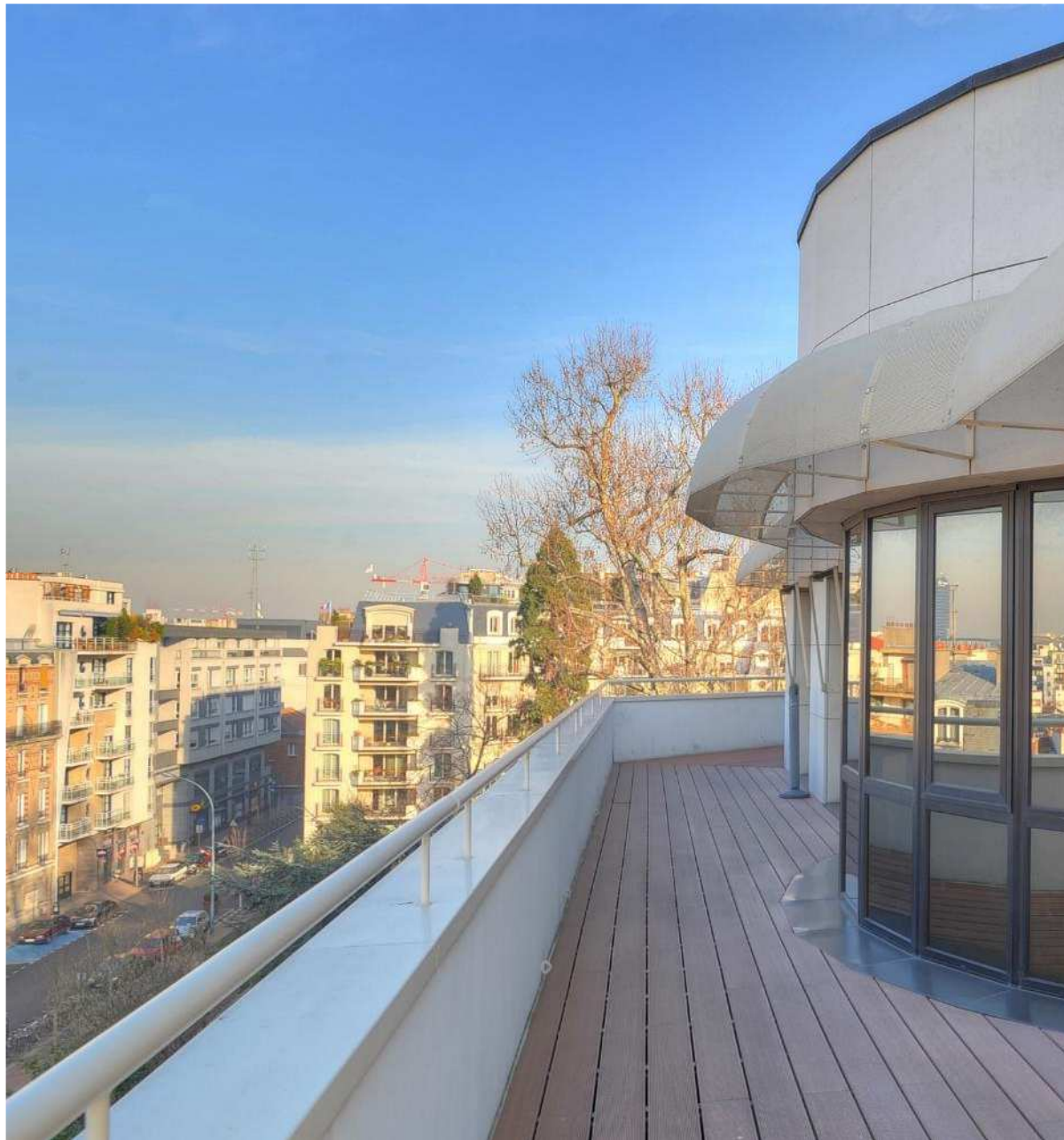
- BREEAM
- 2 buildings with 90 parking lots:
 - 2,230 sqm across 5 levels (G+4)
 - 3,050 sqm across 4 levels (G+3)
- Completion planned in 2 phases: 2018 and 2019

LOCATED IN THE EURATECHNOLOGIES AREA

- Lille’s new area of excellence dedicated to Information and Communications Technology (ICT)
 - 115,000 sqm business district
 - 2,800 jobs, 140 ICT companies: Capgemini, IBM Service Center, Microsoft and Tata Consultancy Services
- Excellent public transport links
 - 2 métro stations
 - 1 bus line
 - 2 public bike stations
 - 1 river bus
- Video of the project on: <https://vimeo.com/193373255>

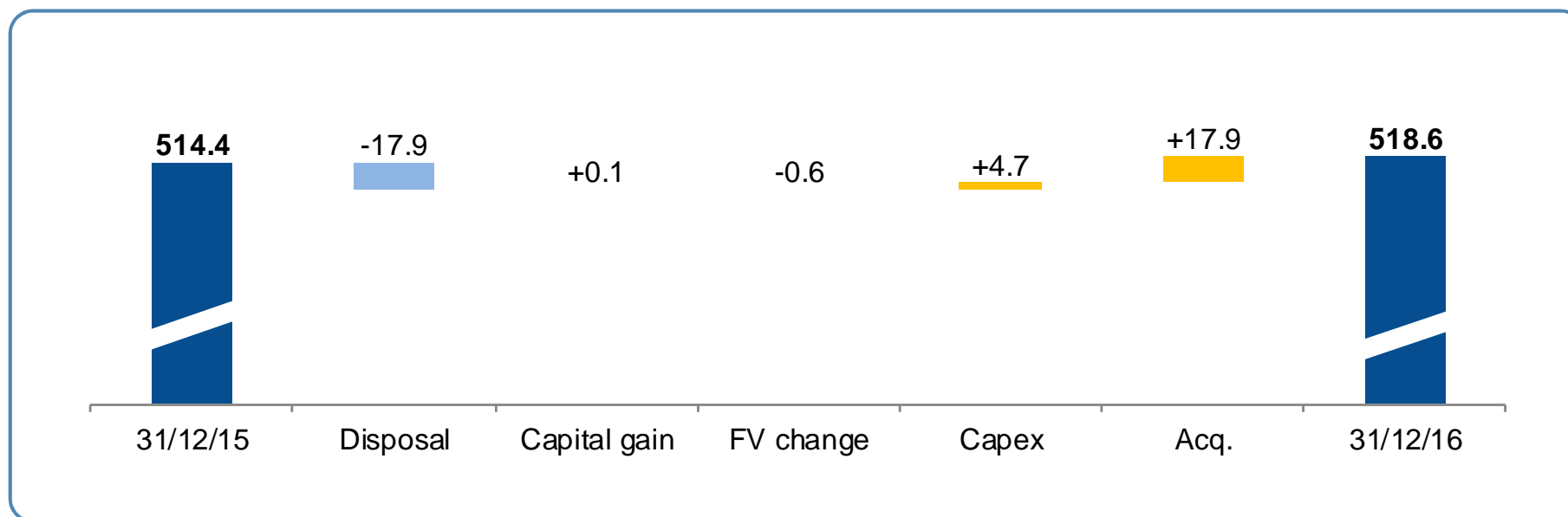


Performance of the portfolio



Slight increase of the fair value

CHANGE IN FAIR VALUE EXCLUDING TRANSFER TAXES (€M)

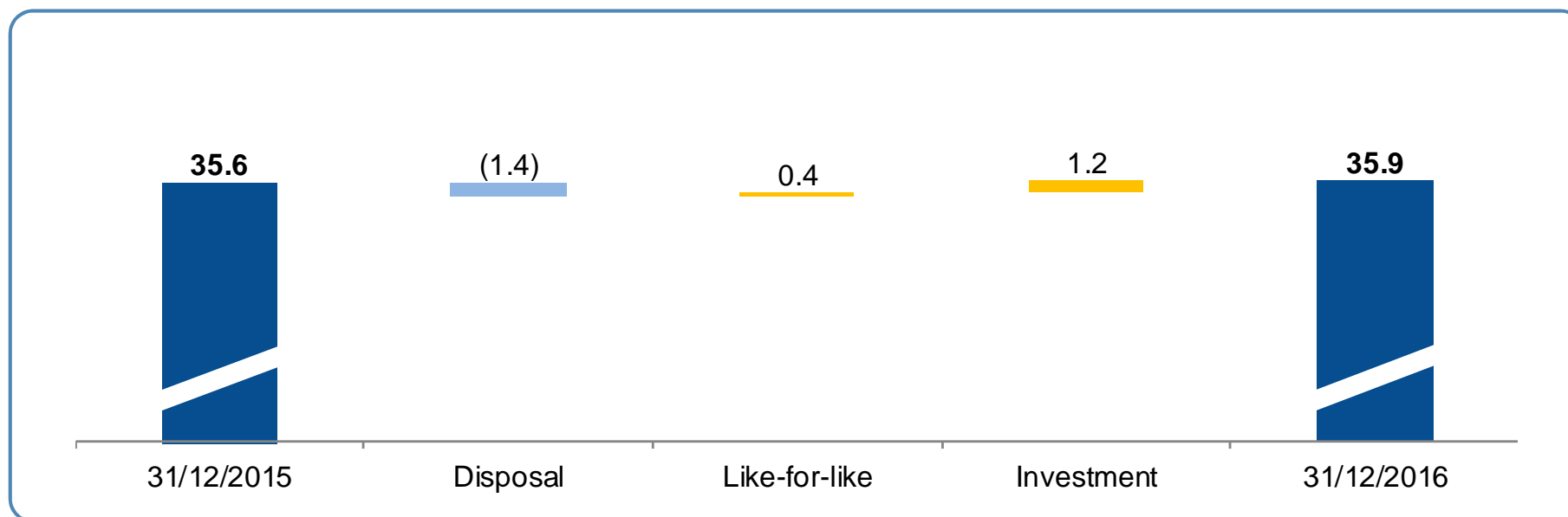


BREAKDOWN OF FAIR VALUE CHANGE ON A LIKE-FOR-LIKE BASIS (-1.0%):

- Market rent effect (ERV): -1.3%
- Cap rate effect: +3.5%
- Miscellaneous: -3.2% (works, reversion, transfer taxes change ...)

Slight increase of the headline rents

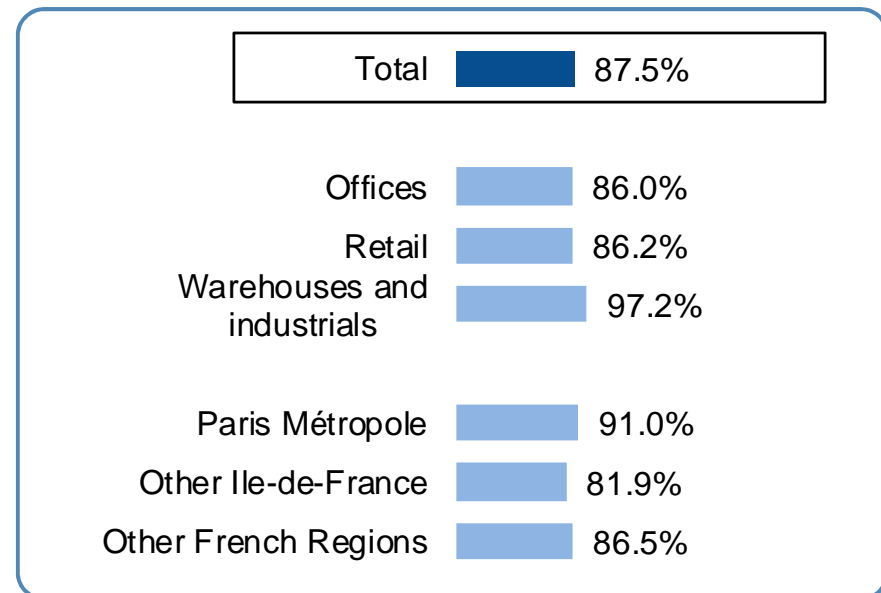
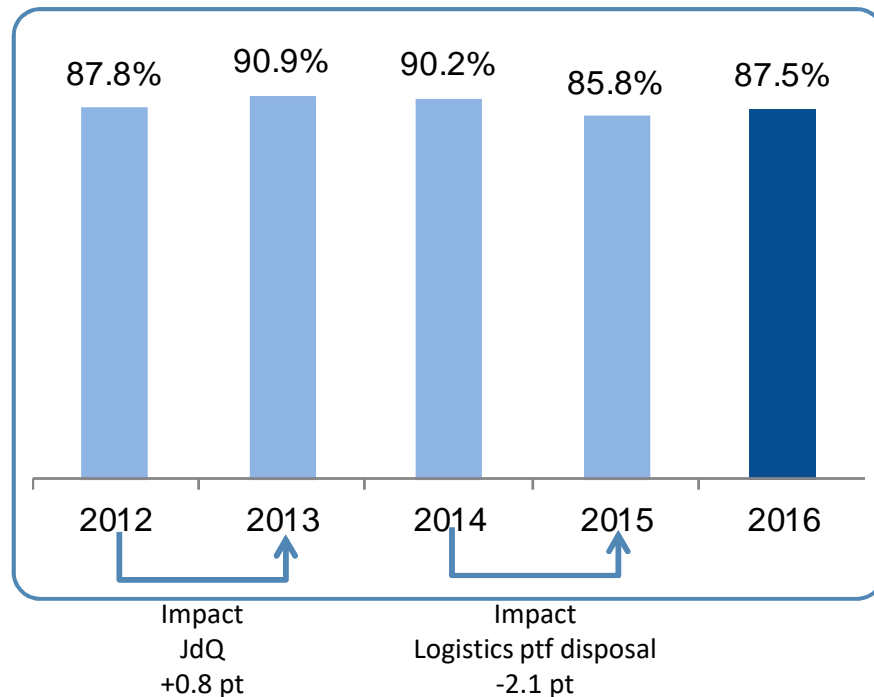
CHANGE IN HEADLINE RENTS ANNUALIZED (€M)



- Total headline rents change: +€0.3m
- On like-for-like, a €0.4m (+1.1%) increase of the headline rent

Improvement of the occupancy rate

FINANCIAL OCCUPANCY RATES (EPRA) CHANGE



Paris Métropole: Paris + Hauts-de-Seine + Val d'Oise + Val-de-Marne

THE POTENTIAL IMPACTS ON THE OCCUPANCY RATE

2017 Disposals:

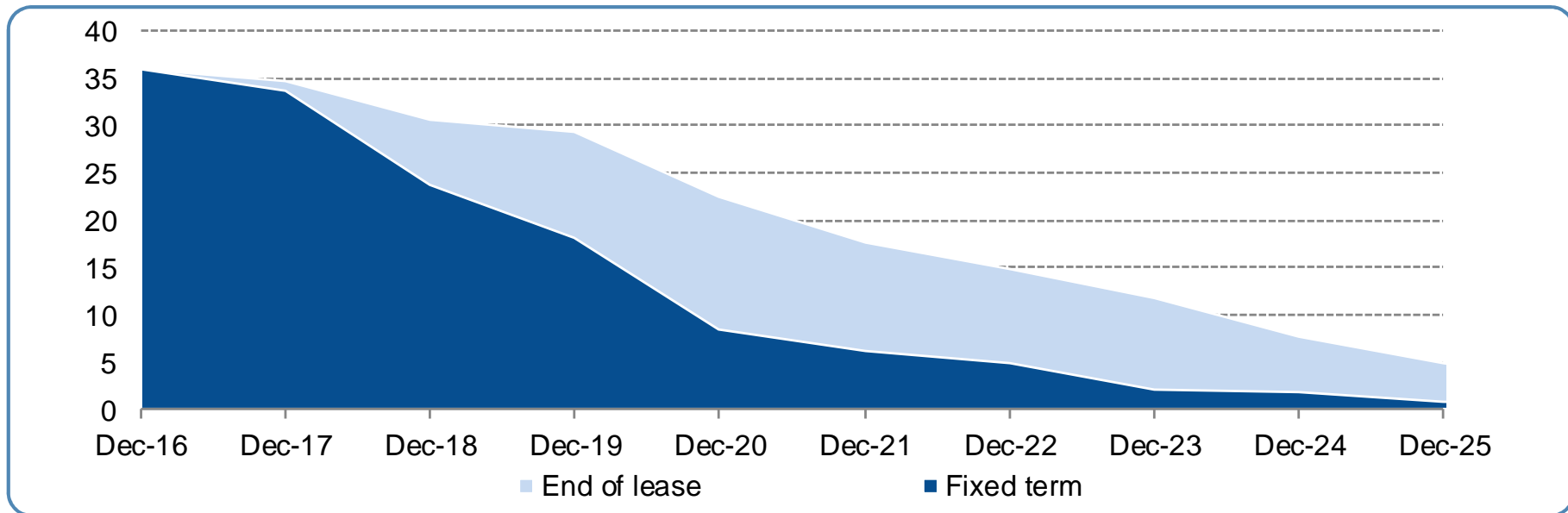
- Tremblay-en-France: +1.7 points
- Trappes: +2.0 points

Potential leaves over H2 2017 :

- Thouars: -1.7 points
- Montigny-le-Bretonneux: -3.3 points

Schedule in rents

SCHEDULE IN RENTS (€M) ACCORDING TO LEASE DURATION



- Average lease term to next break option: 2.9 years (vs 3.1 as at 31/12/2015)
- Average lease term to lease expiry: 5.1 years (vs 5.5)
- 30 new leases (€2.3m) → +€1.3m in 2017
- 26 departures (€1.1m) → -€0.6m in 2017
- 27 renegotiated leases (€2.9m vs €3.0m) → +€0.0m in 2017
- 10 terminated leases (€1.1m) → -€0.8m in 2017
- 2 potential leaves (€2.6m) → -€0.5m in 2017

} +€0.7m
in 2017

Banimmo in 2016

REPOSITIONING PROPERTY COMPANY

- Portfolio: 18 buildings; Gross rental income: €8.2m; value: €238m

KEY EVENTS

- Disposal of the Marché Saint-Germain: €130m
- Disposal of Alma Court: €30m
- Urbanove – Disposal of the 2 projects: amortisation of the remaining outstanding mezzanine loan representing €27.7m
- Launching of the Athena site change of use
- Beginning of the Verpantin works
- Acquisition of a retail complex in Anglet: €17.4m

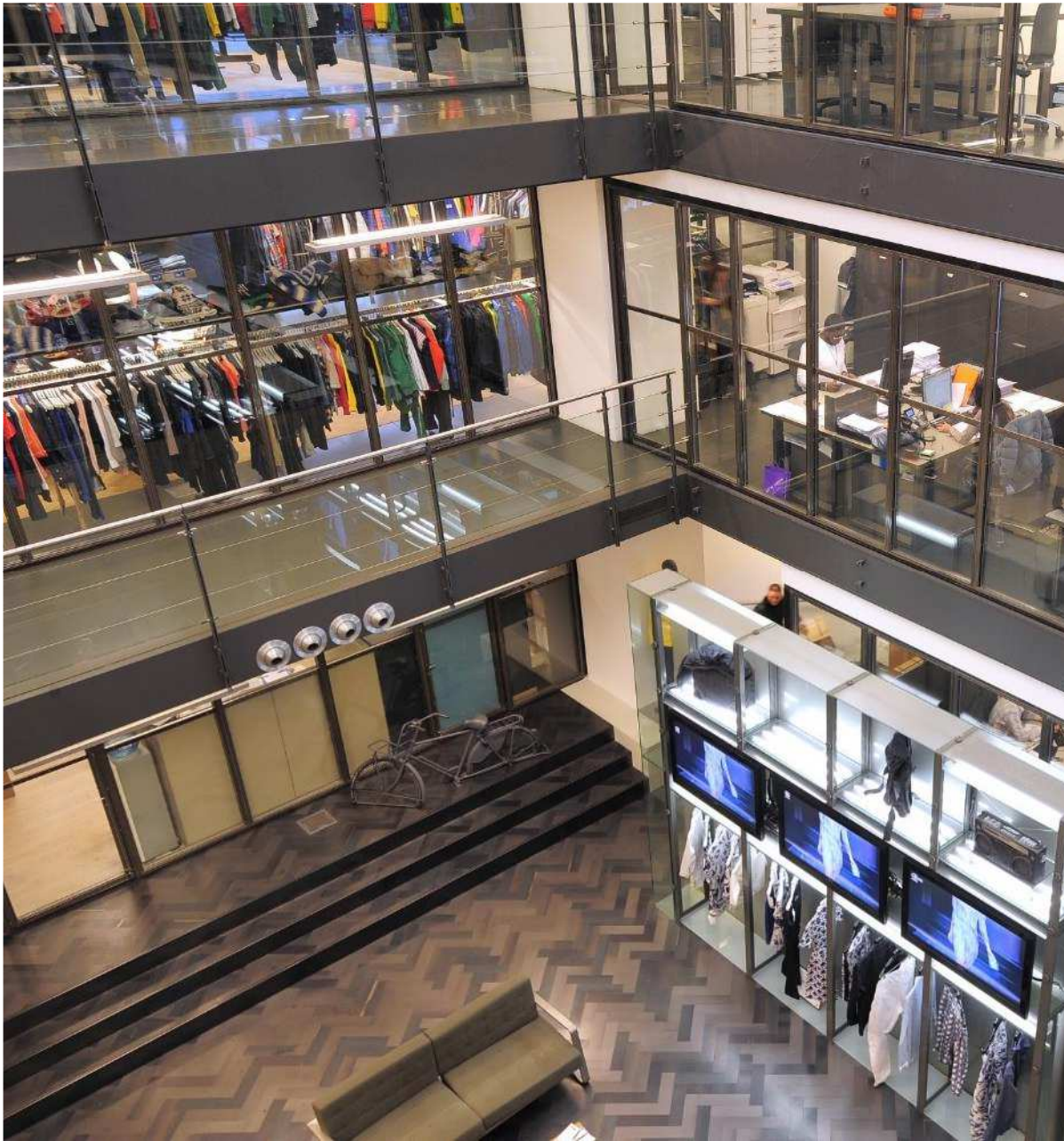
2016 RESULTS

- Operating result: €59.4m vs €4.5m
- Net current result: €34.4m vs -€3.9m
- Net result: -€15.4m vs -€33.2m

More details on
www.banimmo.be

Subsidiary





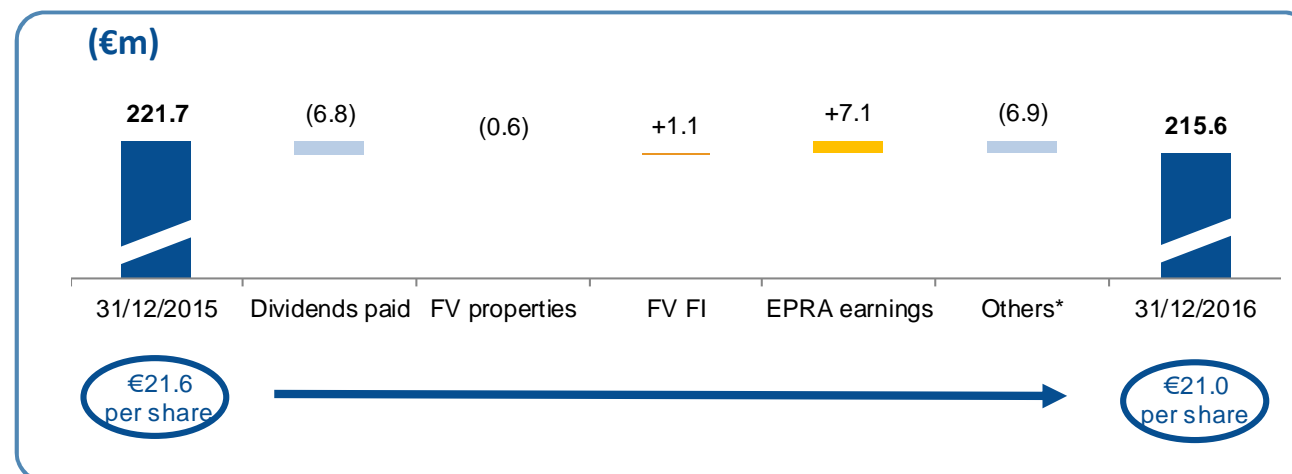
Consolidated accounts

Consolidated earnings

(€m)	31/12/14	31/12/15	31/12/16
Gross rental income	43.7	39.0	34.7
Net rental income	39.2	34.4	29.4
Other income	1.3	1.2	(0.1)
Corporate expenses	(10.1)	(7.9)	(8.6)
Current EBITDA	30.3	27.7	20.7
Current operating profit	30.2	27.1	19.6
Other income and expenses	(0.5)	(0.4)	(0.4)
Net financial cost	(10.9)	(9.1)	(7.0)
Taxes	(0.5)	0.5	(0.7)
Miscellaneous	0.1	(0.5)	0.2
Associates	(1.9)	(4.3)	(4.7)
Net current profit	16.5	13.3	7.1
Value adjustments of properties & profit on disposals	(21.1)	(3.4)	(0.4)
Fair value adjustments of hedging instr.	(2.3)	2.1	1.1
Adjustments for associates	(3.4)	(11.4)	(1.7)
Others	(0.6)	(0.1)	(0.6)
Net non-current profit – group share	(27.4)	(12.8)	(1.6)
Net profit – group share	(11.0)	0.4	5.5
EPRA Earnings (Net current profit – group share)	16.5	13.3	7.1
EPRA Earnings (excl. Banimmo)	18.3	17.4	11.7

A 2.7% decrease of the net asset value

(€m)	31/12/14	31/12/15	31/12/16
Shareholders' equity (before allocation)	303.5	291.7	285.0
PSL adjustment	(73.2)	(73.2)	(73.1)
Fair value adjustments to hedging instr.	9.9	7.3	4.7
Net deferred tax	(4.3)	(4.1)	(1.0)
EPRA NAV (excluding transfer tax)	236.0	221.7	215.6
EPRA NNAV (excluding transfer tax)	272.5	250.0	245.9
EPRA NAV (excluding transfer tax) per share (€)	23.0	21.6	21.0
EPRA NNAV (excluding transfer tax) per share (€)	25.4	24.4	24.0

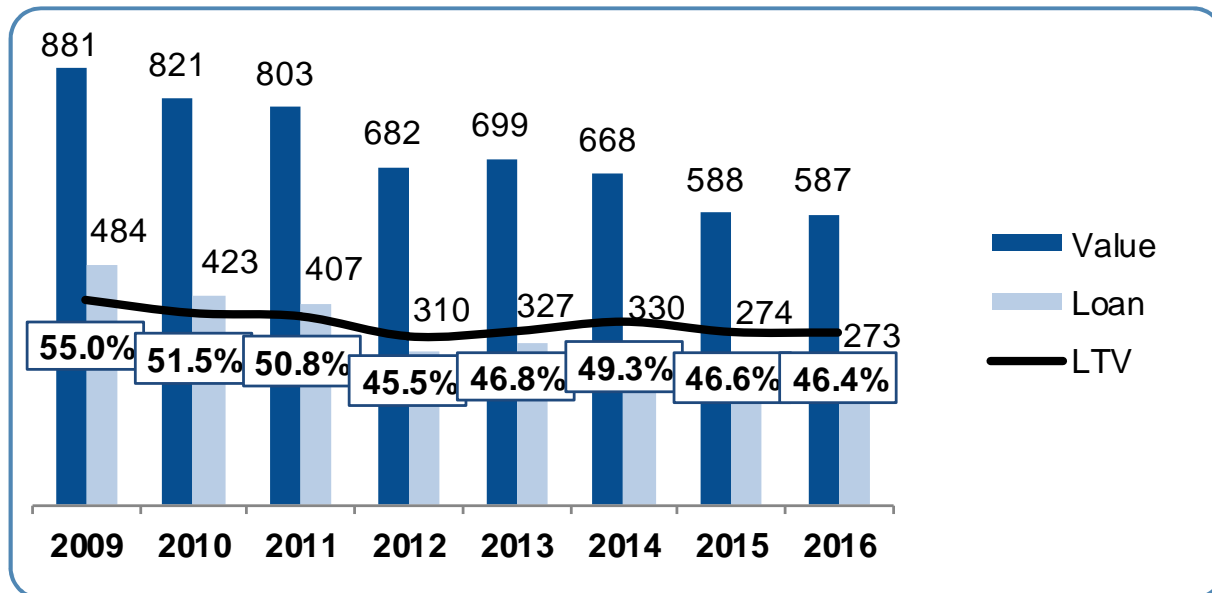


- Excluding PSL (TSDI)
- Others*: interest on convertibles and PSL Convertibles, Banimmo non cash items, etc
- NAV per share after dilution from convertibles
- Based on the Net Book Value of Banimmo (€5.1 per share)

Financing

A stable LTV and decrease of the financing cost

LTV CHANGE



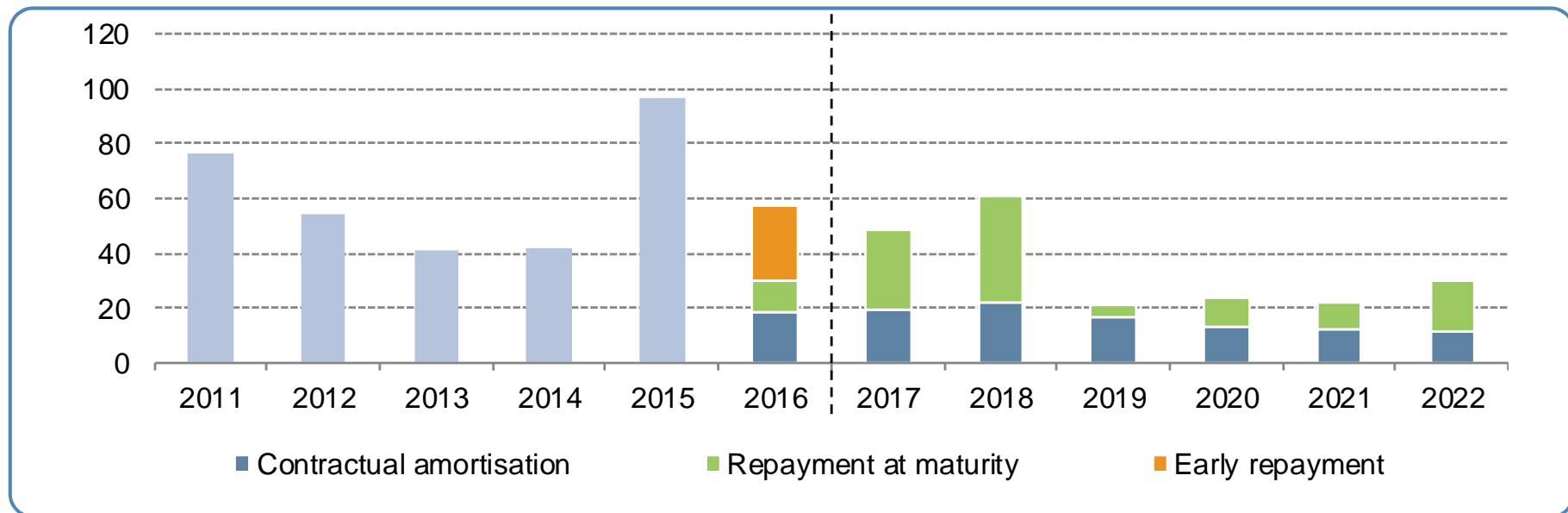
- Stability of the net debt: €273m (excl. lease financing)
- Stable LTV: 46.4% (-0.2 point)

DECREASE OF THE FINANCING COSTS: 2.3% VS 2.5%



A controlled debt profile

AMORTISATION OF DEBT (€M)



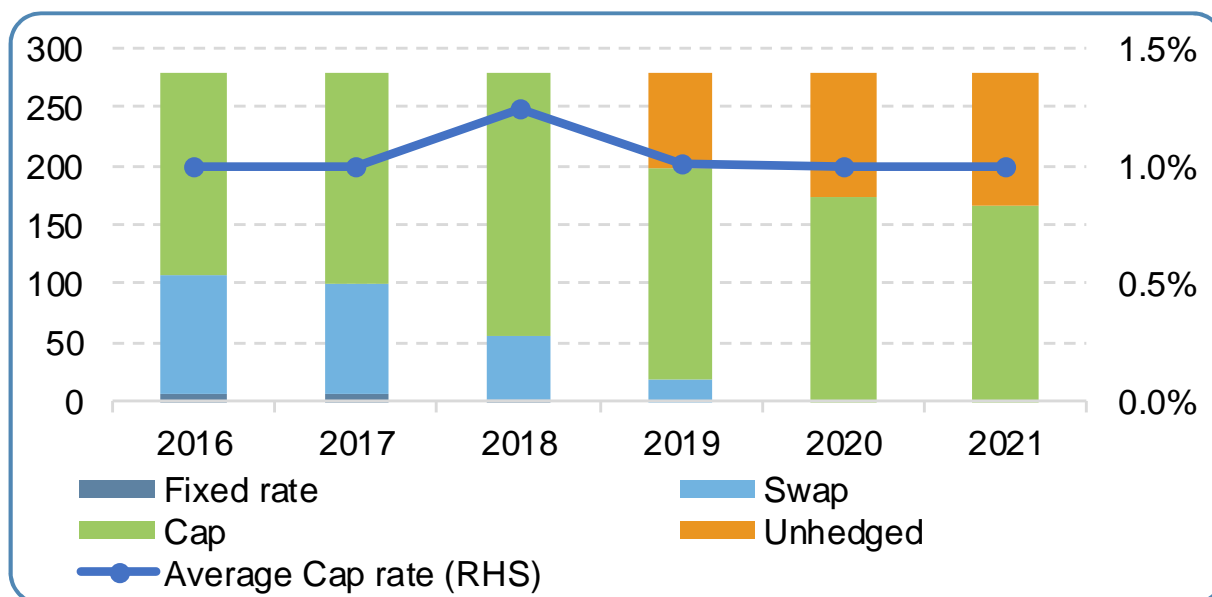
- A financing policy aiming at smoothing the amortization (around €18m p.a. on average)
- Average duration of the debt: 5.3 years
- Short term available credit lines of €19m as at 31/12/2016

FINANCING IN 2016

- Financing / Refinancing: €50m
- Amortisation: €57m

An interest rate risk largely hedged

CHANGE IN HEDGING (€M)



- Debt excluding financing lease and deemed stable at €280m owing to refinancing of current financing
- Macro hedging (global): €150m of cap at 1% for 6 years signed up in September 2016 (maturity Sept 2022)
- Micro hedging (by loan): represents c. 50% of the debt

Financing





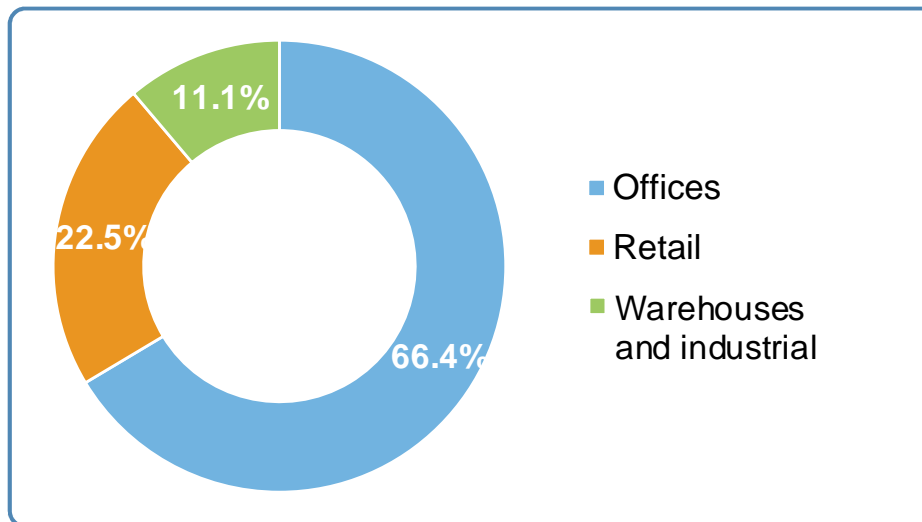
Strategy & outlooks

Our strategy [1/3]

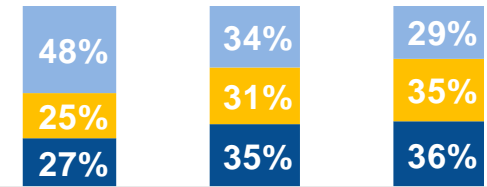
CONCENTRATION OF INVESTMENTS ON 2 AXIS:

- Geographic : from 50% to 70% in 2 years
 - On Paris Métropole
 - And regional cities (Bordeaux, Lille, Lyon, Marseille, Nantes, Toulouse) benefitting from good national and international transport network and a strong demographic and economic momentum
- Type
 - Focus on offices
 - And retail premises in city center more opportunistically

BREAKDOWN OF THE PORTFOLIO IN ASSET VALUE

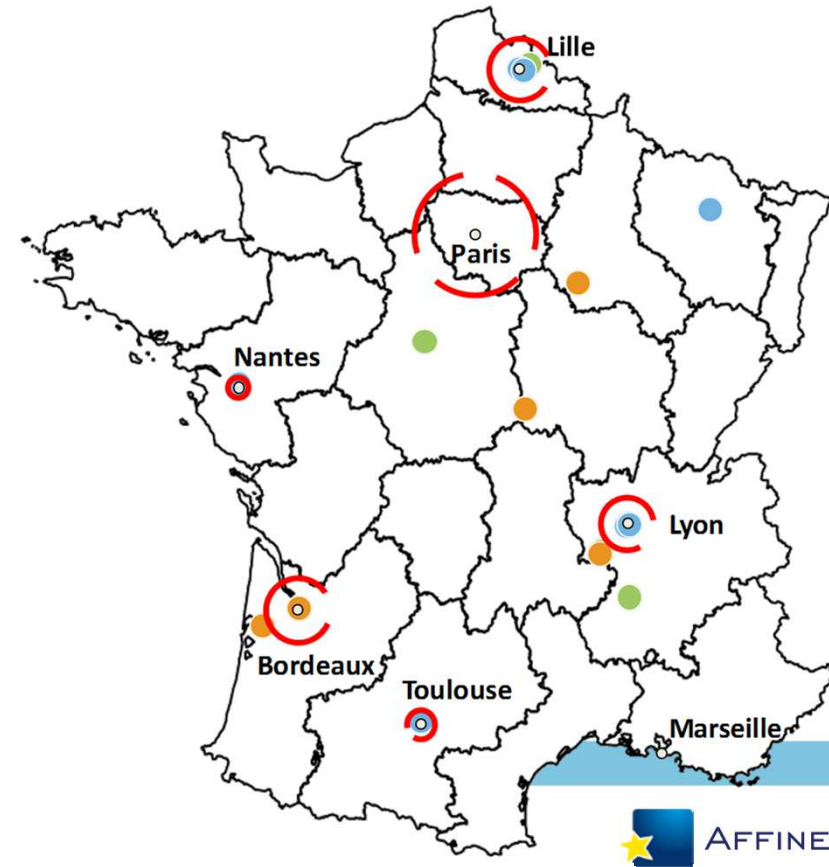


Strategy & outlooks



2014 2015 2016

- Others
- Targeted regional cities
- Paris Métropole



Our strategy [2/3]

INVESTMENTS OVER THE LAST 18 MONTHS:

- More than €100m of realized or committed operations and controlled projects
 - €51m of realized operations
 - > Toulouse, Clichy, Chaville, Lilleurope, Tangram
 - €54m of committed operations and controlled projects
 - > Meudon, Nantes, Lille
- €8.5m of gross rental income, €2.4m of which accounted in 2016 (corresponding to €4.4m of potential annual rent)

CONTINUATION OF THIS POLICY ACCORDING TO 3 CRITERIA:

- 1) Rejuvenate the portfolio by looking for buildings, ...
 - New or recent, preferably with green certification
 - Of an average size of €10m to €30m
 - > More than 40% based on the undergoing acquisitions and disposals
 - Containing a potential for value creation by their location or rental situation
- ... to streamline it ...
 - By selling mature, small or isolated assets
 - And logistics assets
- ... and in making the most of our land reserve



Our strategy [3/3]

CONTINUATION OF THIS POLICY ACCORDING TO 3 CRITERIA (NEXT):

- 2) Increase significantly the rents by:
 - Investing in buildings with a good yield and good location
 - Making the improvement of the OR a strong goal:
 - > through a specific treatment of assets vacant for more than one year
 - > through paying attention to the comfort of the tenants to stabilize them,
 - > focusing on “built-to-suit”
 - Optimizing daily management through an efficient information system

- 3) Integrate new technological developments of the property sector
 - Tenant services (virtual concierge services, pickup station...)
 - Electronic document signing (lease, mandate...)
 - New uses of workplace

Strategy & outlooks



Contacts

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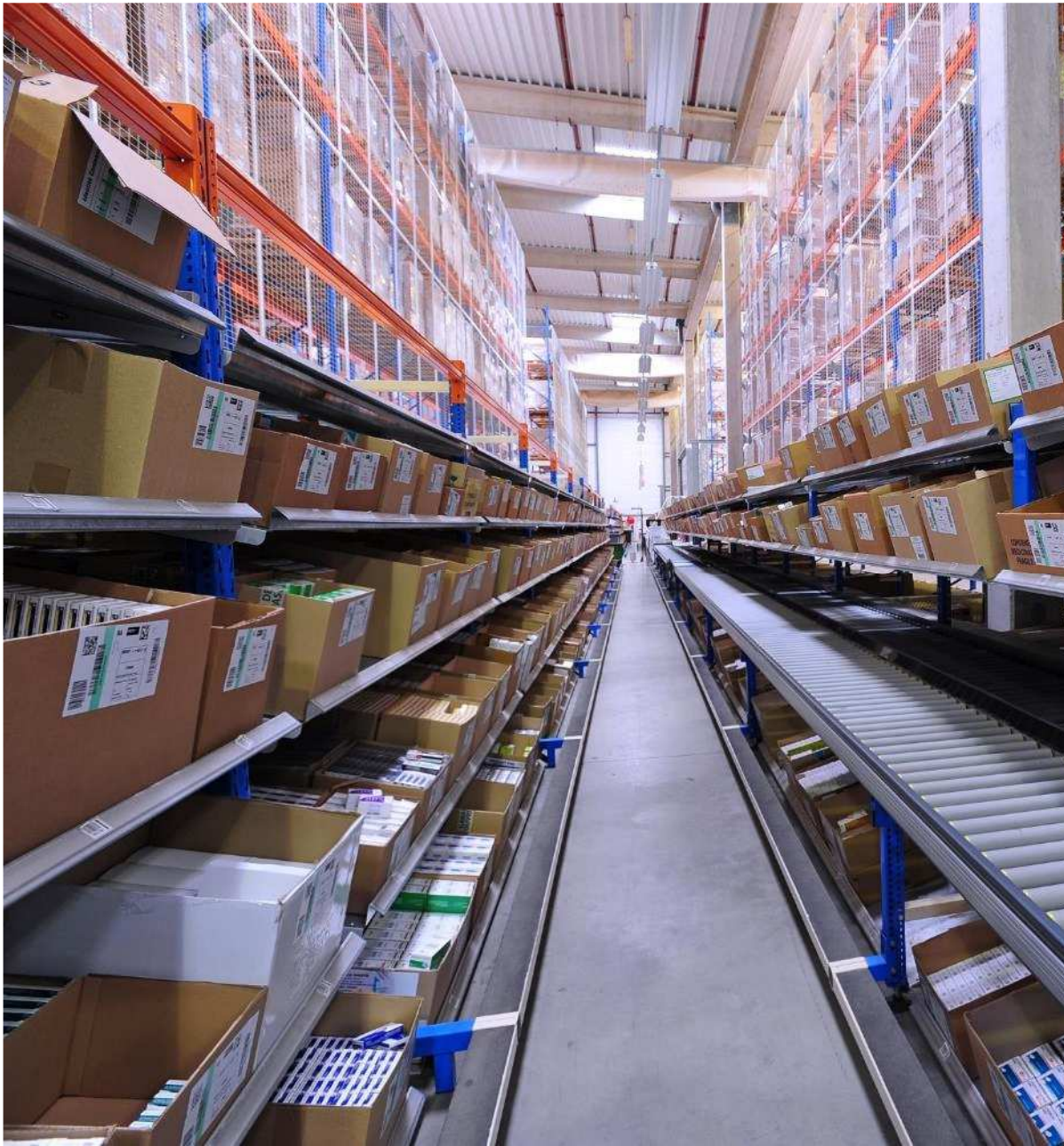
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LIQUIDITY CONTRACT: INVEST SECURITIES

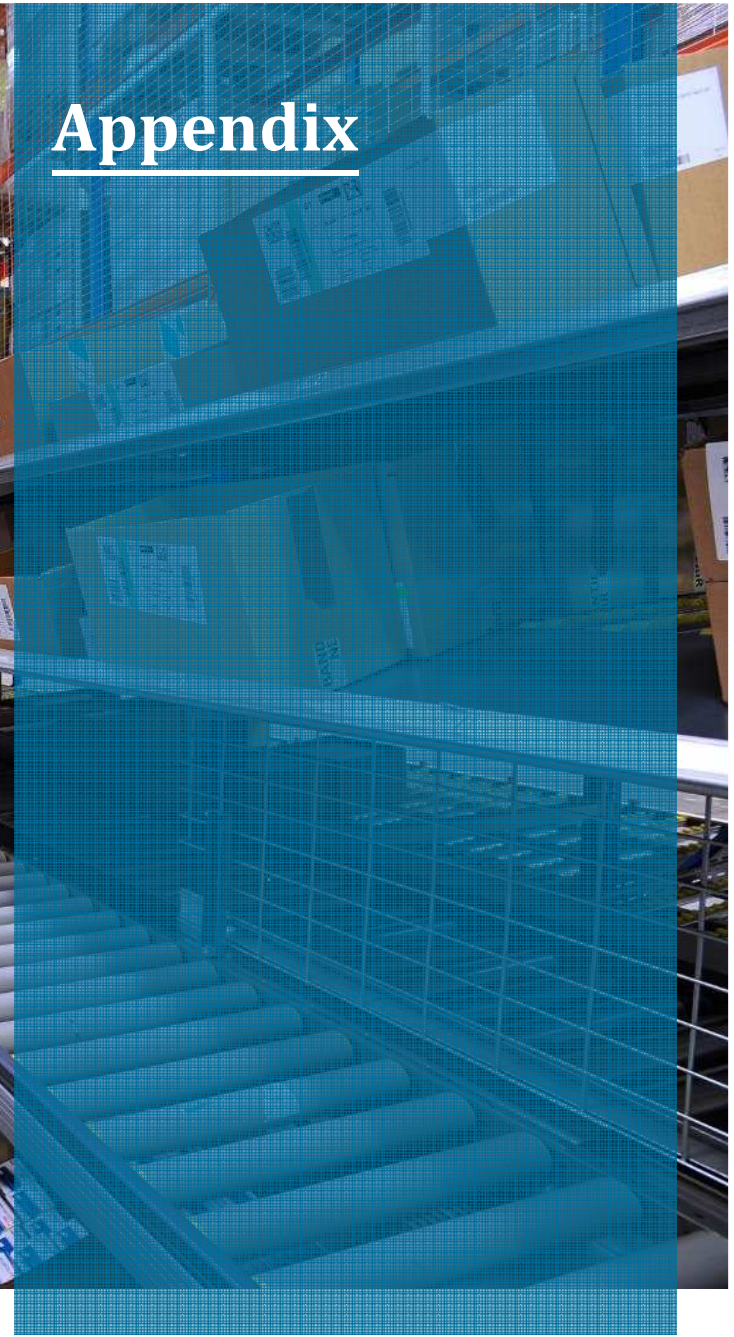
WEBSITE: WWW.AFFINE.FR

Contacts



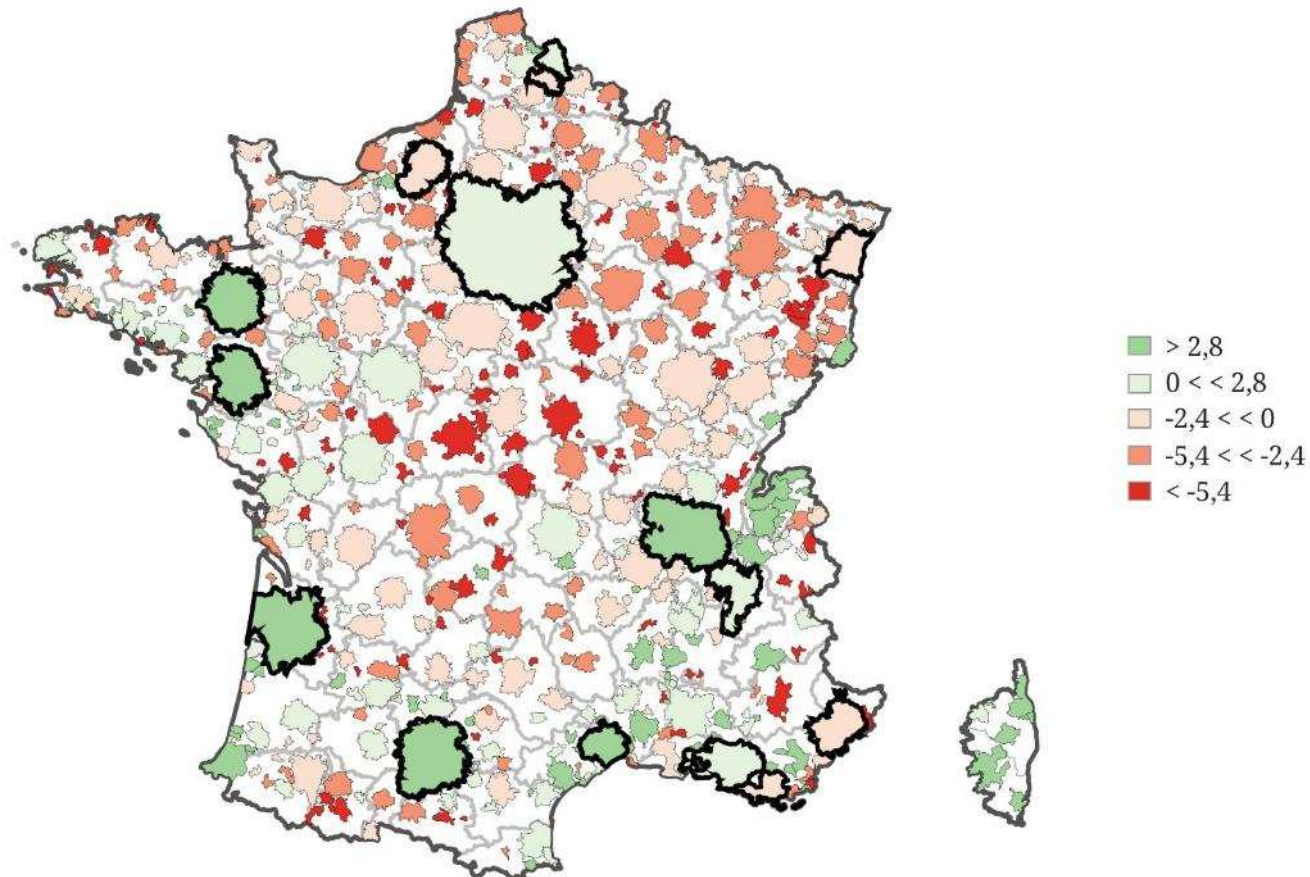


Appendix



Evolution of the employed population aged 15 to 64...

... BY URBAN AREA OF RESIDENCE FROM 2008 TO 2013



■ Source: Insee, census of the population, 2008 and 2013, France Stratégie calculation

Consolidated cash flow

(€m)	31/12/14	31/12/15	31/12/16
Funds from operation	22.8	21.9	14.3
Funds from operation (excluding cost of debt and tax)	34.3	30.1	22.2
Change in WCR	(13.2)	(3.2)	0.2
Taxes paid	(1.2)	(0.6)	(0.0)
Operating cash flow	19.9	26.3	22.4
Acquisitions & Investments	(22.1)	(43.2)	(22.6)
Disposals	25.2	94.0	18.3
Others	0.1	0.0	2.2
Investment cash flow	3.2	50.8	(2.2)
New loans	44.7	43.4	50.2
Loan repayments	(60.4)	(101.8)	(56.8)
Interest	(11.2)	(9.3)	(7.1)
Others (of which dividends)	(13.9)	(9.1)	(4.8)
Financing cash flow	(40.8)	(76.8)	(18.5)
Change in cash position	(17.7)	0.4	1.7
Net cash position	1.8	2.1	3.9

Consolidated balance sheet

(€m)	31/12/14	31/12/15	31/12/16
Properties	575.1	514.4	518.6
<i>of which investment properties</i>	426.9	456.0	469.4
<i>of which property held for sale</i>	148.2	58.5	49.2
Equity holdings	0.3	0.0	0.0
Equity affiliates	54.7	38.8	31.6
Cash	4.3	6.7	4.9
Other assets	72.0	63.6	55.1
Shareholders equity (before allocation)	303.5	291.7	285.0
<i>of which convertibles</i>	20.4	4.2	4.2
<i>of which PSL</i>	73.2	73.2	73.1
Bank debt	346.7	286.5	284.2
Other liabilities	56.0	45.4	41.0
Total Bilan	706.3	623.6	610.2

Portfolio yield

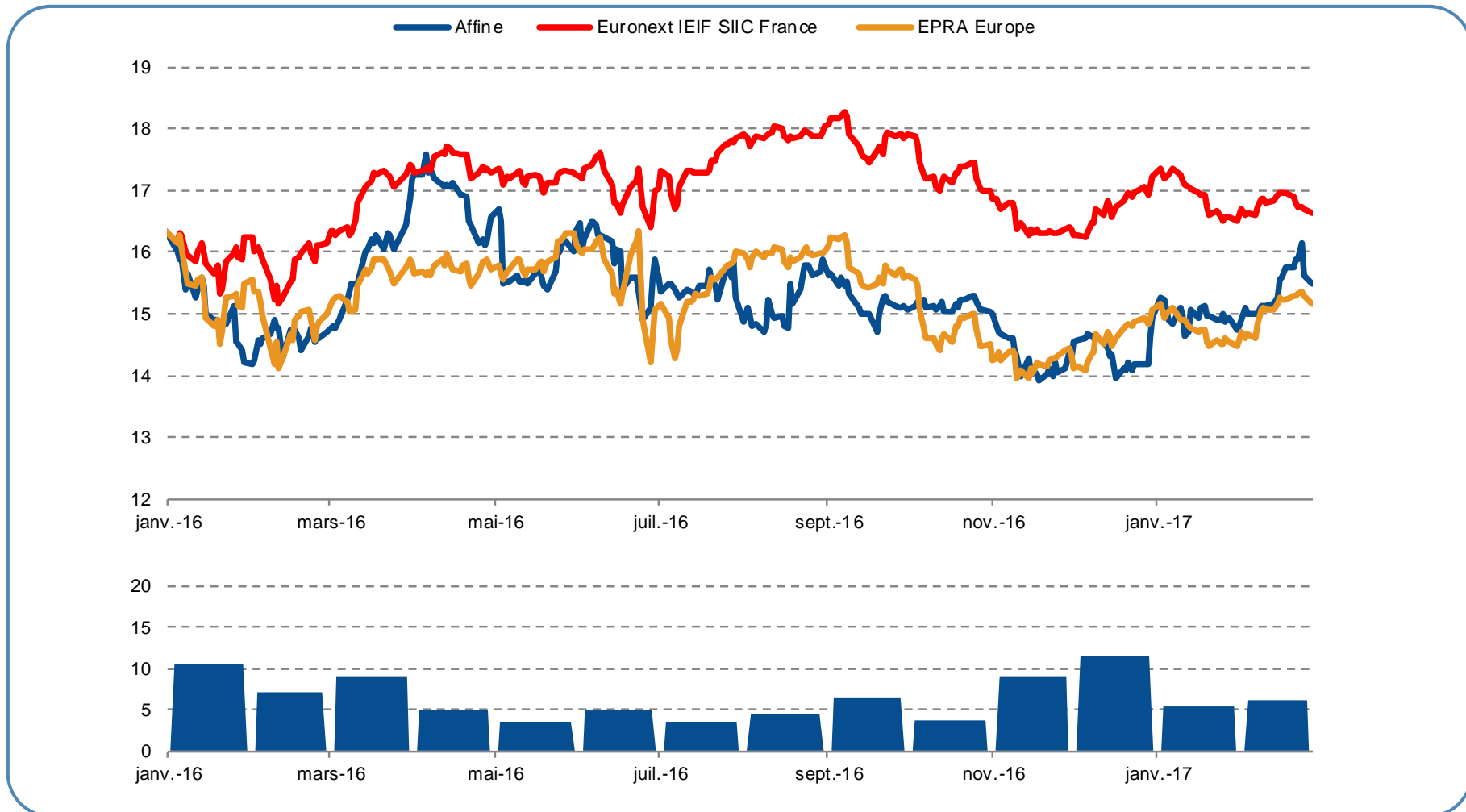
RETURN BY ASSET TYPE

	Portfolio Split in value	Headline Yield	Potential yield
Offices	66.4%	5.8%	6.7%
Retail	22.5%	6.6%	7.6%
Warehouses & Industrials	11.1%	9.0%	9.3%
Total	100.0%	6.4%	7.2%

RETURN BY LOCATION

	Portfolio Split in value	Headline Yield	Potential yield
Paris Métropole	36.3%	5.1%	5.6%
Other Ile-de-France	8.9%	9.5%	11.1%
Other French Regions	53.1%	6.6%	7.6%
Total	100.0%	6.4%	7.2%

Share price (€) and avg transaction vol. (000)

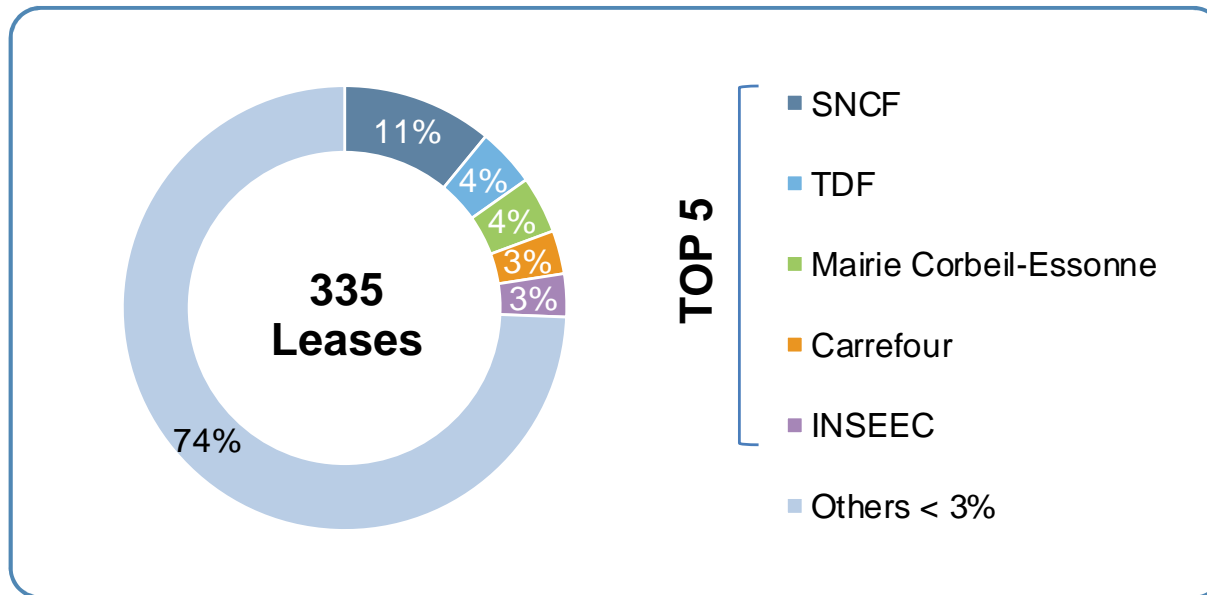


LTV (net debt / portfolio value)

	(€m)	31/12/14	31/12/15	31/12/16
LOAN	Net financial debt	345	284	280
	Debt allocated to lease financing	(15)	(10)	(8)
	Debt for investment properties	330	274	273
VALUE	Value of properties (incl. TT)	610	547	554
	Property companies on equity basis	52	35	29
	VEFA & Fixed assets adjustments	6	6	4
	Adjusted portfolio value incl. taxes	668	588	587
LTV (net debt on portfolio value)		49.3%	46.6%	46.4%

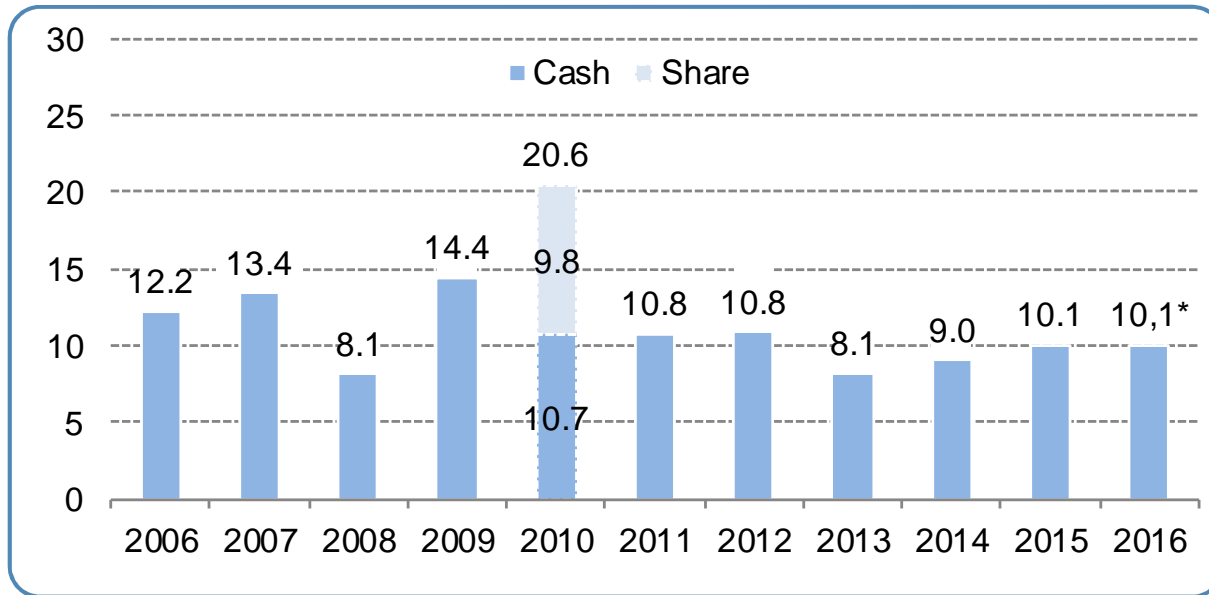
A diversified risk on tenants

A DIVERSIFIED PORTFOLIO OF CUSTOMER – BREAKDOWN OF RENTS



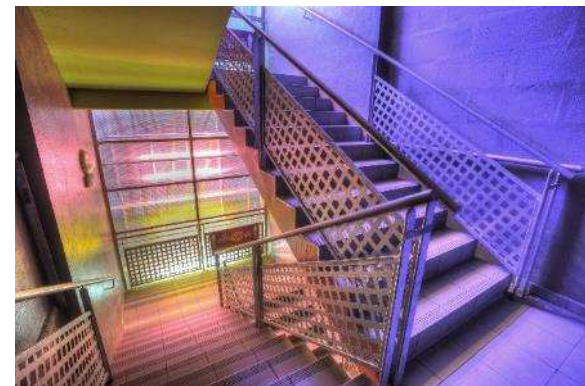
Dividend

AFFINE, HIGH YIELD PROPERTY COMPANY (€M)



- A 6.7% yield based on the share price of 31/12/2016 (€14.95)
- *Subject to approval by the General Meeting of shareholders on 27 April 2017

Appendix



Affine portfolio...

... IN SOME KEY FIGURES

- €554m (transfer tax included)
- 43 buildings
- 358,200 sqm

Appendix



Reminder: Disposal of a warehouses portfolio – Impact*



8 LOGISTICS PLATFORMS: €72.1M

- OR: 100% as at 30/06/2015
- Surface area: 172,500 sqm

FINANCIAL STRUCTURE ▲▲▲▲

- Debt: -€42m ▲
- Cash: +€30m ▲
- Drop in LTV (-6 points) ▲▲
- Reallocation to new investments ▲▲

OPERATIONAL ▲▼

- Gross rental income decrease: -€7.0m ▼▼
- EPRA earnings: -€3.3m for 2016 ▼
- Improving the quality of cash-flow ▲▲▲
(Vacancy and capex risks)
- Occupancy rate: -2.2 point ▼▼
- Yield: - 32 bps ▼

* On a full year basis

Banimmo – Stake in Urbanove

- **August 2010** – Banimmo took a 42.5% stake in Citymall (former Foruminvest in Belgium) for an amount of €54m (equity: €20m and mezzanine loan: €34m) for 3 commercial centre projects in Namur, Charleroi and Verviers
- **December 2013** – Partial depreciation of the stake for €15m
- **May 2014** – Banimmo purchased the company holding the ground lease in Charleroi for €5m
- **November 2014** – Takeover of the Namur and Verviers projects by Urbanove (44% Banimmo; 56% Walloon region + Besix + Degroof) ; new mezzanine loan of €12m (of which Banimmo: €9.9m)
- **December 2014** – Depreciation of the remaining stake (€4m)
- **December 2015** – Depreciation of €21m of the mezzanine loan (out of a total of €45m)
- **April 2016** – Judicial Reorganization Procedure (PRJ) of Urbanove to reorganize the financial structure of the two projects extended until November 2016
- **December 2016** – Disposal of the 2 projects: Amortisation of the remaining outstanding mezzanine loan representing €26.5m



URBANOVE
SHOPPING DEVELOPMENT

Banimmo – 2 successful developments

DISPOSAL OF THE MARCHÉ SAINT GERMAIN (PARIS 6^{ÈME})

- Acquisition in 2009: €30m
- Eviction, work and financing costs: c. €40m
- Commercial centre increased from 3,200 sqm to 4,400 sqm
- Doubling rents to €4.3m
- Completion by Q2 2016
- Opening and disposal late 2016 at a price of €130m
- OR: 100% - Apple, Nespresso, Uniqlo, Marks & Spencer, Desnoyers, etc

AGREEMENT OF SALE OF THE MARCHÉ DE LA HALLE Secrétan (PARIS 19^{ÈME}) – SIIC TROPHY

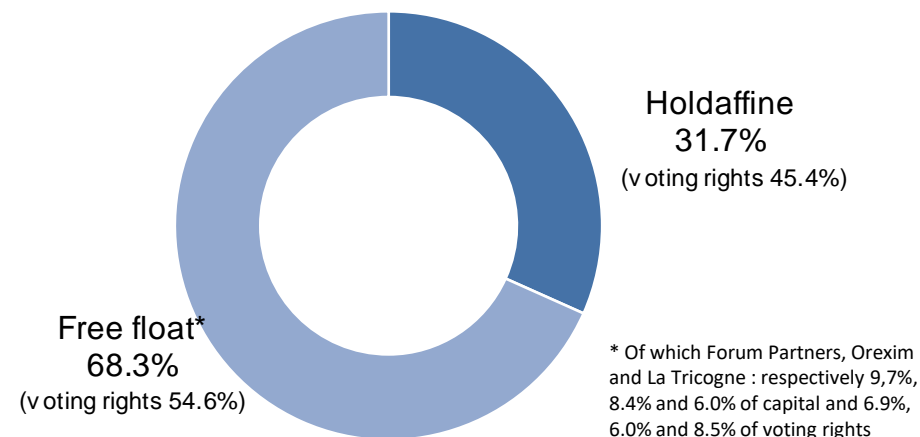
- Request for proposal won in April 2011
- Ground lease for 70 years
- Project cost: c. €15m
- Increase threefold the surface area to 3,800 sqm
- Rent: €1.25m
- Opening in October 2015
- Agreement for sale signed in October 2016
- OR: 100% - Les 5 fermes, Camaïeu, Neones, Desnoyers, etc



Shareholding

SHAREHOLDING

- Annualised float turnover rate of 25%
- Annualised capital turnover rate of 17%



AFFINE IS LISTED ON EURONEXT PARIS

31 Dec 16

Number of shares	10,056,071
Share price	€14.95
Market capitalisation	€150.3m
Change in 2016	-8.6%

EPRA earnings per share (excl. Banimmo)	€0.95
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Ticker (Bloomberg / Reuters)	IML FP / BTPP.PA
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