

Press release

Paris, December 13, 2017

Profit for the first half of FY 2017-18, with significant growth due to value adjustment on buildings reflecting that 95% of the portfolio is let.

- Real estate portfolio valued at €347.6 million (excluding duties)
- Gross rental income: €4.6 million (six months)
- Value adjustment on buildings: +€35 million
- Consolidated net profit: +€25.7 million
- Shareholders' equity: €52.6 million
- Liquidation NAV per share (diluted)¹: €2.20

Officiis Properties' Board of Directors met today and approved the audited half year financial statements for the period from April 1, 2017 to September 30, 2017.

New leases signed, vacancy rate reduced significantly

Between April 1, 2017 and September 30, 2017, Officiis Properties (previously Züblin Immobilière France) and its subsidiaries signed a new lease for 2,423 sq.m in the Newtime building, representing €1.2 million of annualized gross rent.

On November 10, 2017, McCann Worldgroup France, a world leading advertising firm, signed two leases for the entire Think building, which is currently being redeveloped, and a whole floor in the neighboring Newtime building. These leases represent a combined total of around 8,450 sq.m and €4.1 million of gross annual rent.

Following the signing of these leases, 95% of the buildings currently owned by Officiis Properties and its subsidiaries have now been let.

Rental income and portfolio value growth

At September 30, 2017, based on the independent appraisals carried out by JLL, the overall portfolio's rental market value came to €18.3 million, with a value including duties of €356.3 million and a yield of 5.9%. The value excluding duties is estimated at €347.6 million, up €41.5 million from March 31, 2017. This strong progress (+13.6%) reflects the significant drop in the portfolio's vacancy rate and the compression of interest rates.

Gross rental income for the first half of the year climbed to €4.6 million at September 30, 2017, up from €4.1 million at September 30, 2016.

¹ Cf. Definitions here-after

Sale of the Salengro building in Marseille

On September 28, 2017, Officiis Properties signed a preliminary sales agreement for the Salengro building in Marseille. This sale is expected to be completed before the end of 2017, generating €18.6 million for the Company after deducting the costs relating to the transaction.

Increase in financial expenses

Financial expenses came to €11.7 million for the first six months of FY 2017-18, compared with €7.5 million for the first half of FY 2016-17, factoring in the increase in outstanding non-bank borrowings and their interest rates.

Financial position continuing to improve, Overall Indebtedness reduced

On August 7, 2017, the Company's redeemable bonds that were issued in 2007 ("ORA" bonds) matured. On this date, the Company therefore issued 2,656,250 new shares, which were all allocated to the company holding the ORA redeemable bonds, REOF Holding S.à r.l., which is also the Company's majority shareholder. At September 30, 2017, REOF Holding S.à r.l. held 56.8% of the Company's shares and voting rights.

With this operation, the Company's share capital was increased by €4.1 million. At September 30, 2017, it represented €30,621,698.80, made up of 19,884,220 shares with a par value of €1.54.

The Company's shareholders' statutory equity is positive again.

All the financial debt is scheduled to mature on July 31, 2020.

At September 30, 2017, financial debt represented a total of €302.1 million (including accrued and/or capitalized interest), with €135.0 million of mortgages²,

At September 30, 2017, mortgage borrowing (principal and accrued interests), net of cash and cash reserves, represented 37.3% of the Company's portfolio value (excluding duties), versus 40.3% at March 31, 2017

Total Consolidated Debt (including mortgages, non-bank loans, convertible bonds and related accrued and/or capitalized interests, net of cash and cash reserves)³ is still high, representing 85.3% of the Company's portfolio value (excluding duties) at September 30, 2017 (versus 91.1% at March 31, 2017).

The Company's consolidated shareholders' equity represented €52.5 million at September 30, 2017, compared with €26.5 million at March 31, 2017 (+98%).

The Company's diluted³ net asset value³ per share came to €2.20 (€1.49 at March 31, 2017). On an undiluted basis, it represents €2.50.

² In the IFRS consolidated accounts, financial debts amount to €298.8 million, with €133.7 million mortgages because of (i) reclassification of the "Equity" component of the convertible bonds (€2.8 million) and (ii) the amortization of financial debts' issuing costs (€0.5 million)

³ Cf. Definitions here-after

Outlook

In a more positive market environment, the Company will continue with its active asset management approach for its properties in FY 2017-18.

The Company has therefore decided to work with an investment bank to assist it with its strategic review of its assets.

From a financial perspective, FY 2017-18 will continue to be affected by financial vacancies and the rental discounts granted to new tenants.

Key figures for HY 2017-2018 (Consolidated IFRS figures)

<i>In € million</i>	30.09.2017	30.09.2016
Profit and loss statement		
Net rental income	3.6	2.8
Operating costs	(1.2)	(1.3)
Income from disposal of investment property	0.0	0.0
Asset valuation adjustment	35.0	10.8
Net operating income	37.4	12.3
Financial income	0.0	0.0
Net income from financial liabilities at fair value through comprehensive income	0.0	0.0
Interest expenses	(11.7)	(7.5)
Consolidated net income	25.7	4.8
<i>In € million</i>	30.09.2017	31.03.2017
Balance sheet		
Investment properties	329.0	288.6
Properties held for sale	18.6	17.4
Other assets	10.4	13.9
- <i>Out of which available cash</i>	5.5	9.3
Total assets	358.0	319.9
Shareholders' equity	52.6	26.5
Non-current liabilities	283.2	274.8
- <i>Out of which financial debts</i>	280.8	272.2
Current liabilities	22.2	18.6
- <i>Out of which financial debts</i>	18.0	12.3
Total liabilities	358.0	319.9
Key figures per share	30.09.2017	31.03.2017
Liquidation NAV (diluted basis) ⁴	2.20 €	1.49 €
Operating cash-flow (diluted basis) ⁴	(0.27) €	(0.42) €
Liquidation NAV (undiluted basis) ⁴	2.51 €	(0.34) €
Operating cash-flow (undiluted basis) ⁴	(0.49) €	(0.82) €

Full financial reporting will be made public before end of year 2017.

⁴ Cf. Definitions here-after

Contacts

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About Officiis Properties

Officiis Properties (previously Züblin Immobilière France) is a listed property company that has opted for SIIC status and invests in office properties. Its real estate portfolio consists of five office buildings in the Paris region and Marseille.

Officiis Properties shares are listed on Euronext Paris Compartment C, an NYSE Euronext market - ISIN: FR0010298901

Definitions

Liquidation NAV

The company has opted for the accounting of its properties at their fair value excluding rights. The Liquidation Net Asset Value (ie the amount that would be returned to shareholders in case of immediate cessation of business and sale of its buildings at their fair value excluding duties), corresponds to its consolidated shareholders' equity (€ 52,573 thousand) minus the equity component of the convertible bonds issued on July 31, 2017 (€ 2,786 thousand). The liquidation NAV thus amounts to € 49,787 thousand at September 30, 2017.

Liquidation NAV per share

The Liquidation NAV per share on an undiluted basis is obtained by dividing the Liquidation NAV by the number of shares outstanding at the date of calculation of the Liquidation NAV, excluding treasury shares, ie 19,858,813 shares at September 30, 2017.

The liquidation NAV per share on a diluted basis is obtained by dividing the Liquidation NAV by the number of potential shares on the date of calculation of the liquidation NAV, excluding treasury shares, ie 33,376,109 potential shares at September 30, 2017. The difference of 13,522,358 shares corresponds to the number of shares that would be created by the conversion of the convertible bonds issued by the company on July 31, 2015.

Operating Cash flow

Operating Cash flow is defined as consolidated net income (€ 25,718 thousand), restated for changes in the fair value of assets (-€ 34,966 thousand), impact of disposals of real estate (n/a), loan issuance costs (€ 564 thousand), and discounting of tenant security deposits (-€ 173 thousand). Capitalized interest (non-bank borrowings, convertible bonds) is not restated for the calculation of the Operating Cash flow because the cash outflow remains due even if deferred. Operating Cash flow was - € 8,856 thousand at September 30, 2017.

Operating Cash flow per share

Undiluted Operating Cash flow per share is calculated on the basis of the weighted average number of outstanding shares during the period under review (excluding treasury shares), ie 17,997,349 shares for the period from April 1, 2017 to September 30, 2017.

The diluted Operating Cash flow per share is established on the basis of the weighted average number of potential shares (see above definition of the liquidation NAV per share) during the period under review (excluding treasury shares).), ie 33,378,640 shares for the period from April 1, 2017 to September 30, 2017.

Overall Indebtedness

The Overall Indebtedness Ratio compares the sum of :

▪ Mortgages (principal)	134.550 K€
▪ Non-bank loans and shareholders' loans (principal)	124.929 K€
▪ Convertible bonds	24.515 K€
▪ Accrued interests and commissions	18.057 K€
▪ Available cash and equivalent	-5.469 K€
<i>Total Consolidated Debts</i>	<i>296.582 K€</i>

To :

▪ Real Estate portfolio value (excluding duties)	347.575 K€
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Ratio : 85,3%