



PRESS RELEASE - FOR IMMEDIATE RELEASE

## Foncière Paris France - 2008 Results

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- Asset portfolio value: €388.2 million
- Recurring operating profit: €23 million
- NAV per share, excluding transfer costs: €134.10
- Recommended dividend: €5.50 per share

**PARIS - FEBRUARY 9, 2009** - The Board of Directors of Foncière Paris France met on 5 February 2009 to approve the Company's 2008 financial statements.

### KEY FIGURES

	<b>31 Dec. 2008</b>	31 Dec. 2007
<b>Assets (€ millions)</b>	<b>388.8</b>	428.3
<b>Gross rental income (€ millions)</b>	<b>28.7</b>	22.8
<b>Recurring operating profit (€ millions)</b>	<b>23.0</b>	18.6
<b>Fair value adjustments (€ millions)</b>	<b>(22.8)</b>	29.5
<b>Consolidated net profit/(loss) (€ millions)</b>	<b>(6.6)</b>	41.0
<b>NAV per share, excl. transfer costs (€)</b>	<b>134.1</b>	144.4
<b>NAV per share, incl. transfer costs (€)</b>	<b>144.1</b>	156.3

"In 2008, Foncière Paris France intentionally limited its acquisitions to a number of high-yield commercial buildings," said Jean-Paul Dumortier, the Company's Chairman and Chief Executive Officer. "Moving into 2009, we have a portfolio of high-yield, secure assets and a very satisfactory balance sheet with loan-to-value of 25%."

## BUSINESS REVIEW

### ▪ **Rental activity**

During 2008, the Company successfully let or re-let premises totalling 70,000 square metres and representing €13 million in annual rent. At 31 December 2008, the average financial occupancy rate, excluding properties undergoing renovation or development, was 96.8%. The ten biggest tenants, mainly large companies and government offices, accounted for around 55% of revenue.

### ▪ **Developments**

During the year, the Company made significant headway in its **new building** and **renovation** projects.

- **Rueil 250:** Most of the renovation on this 24,500-square-metre complex was completed in 2008 and the new tenant will occupy the premises shortly.
- **Studios du Lendit:** Located in Saint Denis, this project involves the construction of two television recording studios representing net floor area of around 16,000 square metres and an office building representing net floor area of around 8,000 square metres. The land was acquired in October 2008 and construction began in November. The project represents a total investment of around €68 million and is scheduled for delivery in late first-half 2010. A 12-year lease commitment for television studios with 13,700 square metres of usable surface area was signed with Vidéo Communication France.
- **Mediacom 3:** Also located in Saint Denis, this approximately 4,000-square-metre property will be the first zero-energy office building in the Greater Paris area. The land was acquired in February 2008, the existing buildings have since been demolished, and construction of the new building has begun. The project will represent a total investment of around €14.5 million. Marketing is scheduled to begin in 2009 with delivery set for mid-2010.

### ▪ **Acquisitions**

In 2008, Foncière Paris France intentionally limited its acquisitions to three high-yield office buildings worth a total of €11 million.

### ▪ **Disposals**

During the year, the Company disposed of around 10% of its portfolio (in euros) for €40.3 million, slightly above the appraisal value in December 2007.

The assets sold were the building on Rue d'Enghien in Paris for €6.5 million and the Ellipses property complex for €33.8 million.

## ASSET PORTFOLIO AND ASSET VALUE

- At year-end 2008, the **asset portfolio** (excluding developments) represented a total surface area of around 211,000 square metres. It is comprised of 40 commercial properties, of which 79% office buildings and 21% business premises. The assets are located 40% in Paris, 45% in the inner suburbs and 15% in the outer suburbs.
- At 31 December 2008, the **appraisal value of the portfolio** was €388.2 million excluding transfer costs and €409.6 million including transfer costs. Development projects are booked as assets under construction at cost and amounted to €13.8 million at year-end 2008.

Like-for-like, the appraisal value of the portfolio was 6% lower than one year earlier. For let properties, the decline for 2008 was in the range of 8% to 13% and was partially offset by value created through building restructuring and renovation projects. Based on appraisal value at 31 December 2008, gross rental yield for 2009 is forecast at 7.9%, versus 6.9% in 2008. The financial vacancy rate stood at 3.2% at year-end 2008, compared with 2.7% one year earlier.

## FINANCIAL REVIEW

- **Revenue** for the year rose by 26% to €28.7 million, from €22.8 million in 2007.
- **Recurring operating profit** amounted to €23 million, compared with €18.6 million in the previous year. After fair value adjustments totalling a negative €22.8 million and finance costs amounting to €7.5 million, the Company reported a **consolidated net loss** of €6.6 million, compared with a net profit of €41 million in 2007.
- **Debt** totalled €160 million at 31 December 2008. Of this, €150 million was hedged at fixed rates, with average maturity of 5.3 years and an average interest rate of 4.7%. During the second half of the year, the Company obtained several lines of credit for a total of €50 million, of which €40 million was un-drawn at 31 December 2008. As the Company ended the year with €59.2 million in **cash and cash equivalents**, net debt totalled €101 million, for a **loan to value** ratio of 25% (net debt/assets excluding transfer costs).
- At year-end 2008, **equity** and quasi-equity—represented by equity notes—totalled €287 million. Diluted for the equity notes, **NAV per share** came to €134.10 excluding transfer costs and €144.10 including transfer costs.
- At the Annual General Meeting on 17 March 2009, the Board of Directors will recommend the payment of a **dividend** of €5.50 per share, the same as last year.

## OUTLOOK

During 2009 and 2010, Foncière Paris France will pursue its carefully managed growth strategy, supported by a unique business model focused on the development of office buildings and business properties in and around Paris. Based on projects to which it has committed and its current financial position, the Company expects its assets will total €500 million in June 2010. Backed by a solid balance sheet, Foncière Paris France will be in a position to take advantage of investment opportunities as they arise while limiting loan-to-value to 40%.

## ABOUT FONCIÈRE PARIS FRANCE

Foncière Paris France is an SIIC specialized in commercial real estate in the greater Paris region. The Company was founded in May 2005 by Jean-Paul Dumortier, President of the Fédération des Sociétés Immobilières et Foncières.

Foncière Paris France is listed on the NYSE Euronext (Paris), Compartment B, and is included in the CAC Small 90 and SBF 250 indexes (symbol: FPF; ISIN: FR0010304329).

[www.fonciereparisfrance.fr](http://www.fonciereparisfrance.fr)

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## Consolidated balance sheet as at 31 December 2008

ASSETS - in thousand Euros	31.12.2008	31.12.2007
<b>Assets:</b>		
Intangible assets	42	45
Tangible assets	148	60
Works in progress	13 813	1 875
Investment properties	388 240	428 260
Derivatives		1 066
Other assets	205	268
<b>Total non current assets</b>	<b>402 448</b>	<b>431 574</b>
<b>Current assets:</b>		
Receivables	5 235	3 662
Other current assets	7 586	5 147
Restricted cash	2 968	2 874
Cash and cash equivalents	56 273	54 912
<b>Total current assets</b>	<b>72 062</b>	<b>66 595</b>
<b>Assets classified as held for sale</b>	<b>0</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>474 510</b>	<b>498 169</b>

LIABILITIES - in thousand Euros	31.12.2008	31.12.2007
<b>Shareholders' equity:</b>		
Share capital	86 180	90 280
Share premium	103 412	108 980
Consolidated reserves	66 503	34 092
Treasury shares	-3 348	-5 047
Adjustment on financial instruments	-8 200	1 066
Consolidated net income	-6 576	40 992
<b>Shareholders' equity (group share)</b>	<b>237 971</b>	<b>270 363</b>
<b>Minority interest</b>	<b>0</b>	<b>0</b>
<b>Shareholders' equity</b>	<b>237 971</b>	<b>270 363</b>
<b>Non current liabilities:</b>		
Bonds redeemable in shares (BRS)	49 000	49 000
Long term debt loans	144 585	148 313
Deposit and pledges received	4 970	5 439
Depreciation	235	158
Derivatives	8 200	
Exit tax (SIIC regime)		987
<b>Total non current liabilities</b>	<b>206 990</b>	<b>203 897</b>
<b>Current liabilities:</b>		
Short term bank loans	15 336	14 261
Accrued interest on bonds redeemable in shares	1 700	1 700
Short term (Exit tax – SIIC regime)	1 022	1 022
Debts on acquisitions	2 223	173
Other short term liabilities	9 268	6 751
<b>Total current liabilities</b>	<b>29 549</b>	<b>23 907</b>
<b>TOTAL LIABILITIES</b>	<b>474 510</b>	<b>498 167</b>

## 2008 Consolidated income statements

In thousand euros	31.12.2008	31.12.2007
Rental income	28 707	22 825
Rental expenses	-2 176	-868
Other business income	2 133	-18
<b>Net rental income</b>	<b>28 664</b>	<b>21 939</b>
Staff expenses	-3 099	-1 997
Corporate overheads	-2 085	-1 564
Taxes	-130	-64
Depreciation of operating assets	-230	-209
Other expenses	-75	529
<b>Operating income before adjustments on fair value</b>	<b>23 045</b>	<b>18 634</b>
Capital gain on sale of investment properties	694	
Adjustment on fair value	-22 828	29 463
<b>Operating income after adjustments on fair value</b>	<b>911</b>	<b>48 097</b>
Financial revenues	2 841	2 913
Cost of debt	-10 353	-9 790
<b>Financial income</b>	<b>-7 512</b>	<b>-6 877</b>
Other financial expenses	25	-228
Current or deferred income tax	0	0
<b>Net income</b>	<b>-6 576</b>	<b>40 992</b>
of which group share	-6 576	40 992
of which minority interest		
<b>Earnings per share (€)</b>	<b>-3,78</b>	<b>27,02</b>
<b>Diluted earnings per share (€)</b>	<b>-1,80</b>	<b>20,94</b>