



Foncière Paris France

PRESS RELEASE - FOR IMMEDIATE PUBLICATION

Foncière Paris France - First-Half 2010 Results

A robust performance in first-half 2010

- Consolidated net profit: €9.5 million
- Solid improvement in recurring operating profit: up 5.9%
- Stable asset values
 - Fair value adjustments: €1.2 million increase
- High gross rental yield: 8.1%

(PARIS – 26 July 2010) – The Board of Directors of Foncière Paris France met on 23 July 2010 to approve the Company's financial statements for the six months ended 30 June 2010.

KEY FIGURES

	Six months ended 30 June 2010	Six months ended 30 June 2009	Twelve months ended 31 Dec. 2009
Asset portfolio (€ millions)	447.7	410.6	426.5
Gross rental income (€ millions)	15.6	15.1	30.8
Recurring operating profit (€ millions)	12.3	11.6	23.9
Fair value adjustments (€ millions)	1.2	(22.6)	(27.8)
Consolidated net profit/(loss) (€ millions)	9.5	(14.6)	(11.3)
NAV per share, excl. transfer costs (€)	121.2	121.7	122.9
NAV per share, incl. transfer costs (€)	131.3	131.5	132.7

The interim consolidated financial statements were the subject of a limited review by the auditors.

"In first-half 2010, rental income held firm and asset values began to stabilise, enabling us to return to consolidated net profit after two years of an across-the-board decline in value," said Jean-Paul Dumortier, the Company's Chairman and Chief Executive Officer. "These interim results, combined with the progress on our current projects, strengthen our confidence in our ability to deliver a good performance in 2010."

BUSINESS REVIEW

▪ **Rental activity**

There was little movement in the tenant base during the first half of the year.

The financial occupancy rate eased back slightly to 92.4% from 93.7% at 31 December 2009.

During the period, the Company set aside a €400,000 provision for unpaid rents.

Rental values remained stable overall.

▪ **Developments**

Studios du Lendit & Lendit Lumière: This three-building programme comprises television recording studios and offices totalling a net floor area of 24,000 sq.m. It will be delivered in September.

To date, 65% of the space has been leased, primarily to Euro Media Group, Europe's leading provider of TV and film facilities and services.

At completion, it will represent a total investment of around €69 million.

Mediacom 3: This approximately 4,500-sq.m property will be France's first zero-energy rental office building. The shell and façades have been completed, with delivery scheduled for year-end 2010.

The building is currently being advertised for lease.

▪ **Acquisitions / Disposals**

No properties were acquired or divested during the first half of 2010.

ASSET PORTFOLIO AND ASSET VALUE

- At 30 June 2010, the **asset portfolio** (excluding developments) represented a total surface area of around 213,000 square meters. It was comprised of 43 commercial properties (including the two ongoing programmes described above), of which 74% office buildings and 26% business premises.

The assets are located 32% in Paris, 57% in the inner suburbs and 11% in the outer suburbs. At 30 June 2010, the **appraisal value of the portfolio** was €447.7 million **excluding transfer costs**, versus €426.5 million at 31 December 2009. **Including transfer costs**, the value of the asset portfolio stood at €469.2 million at 30 June 2010, compared with €447.6 million six months earlier.

- On the basis of the asset appraisal at 30 June, the **gross rental yield** on leased and leasable properties stood at 8.1% versus 8.2% at 31 December 2009.

FINANCIAL REVIEW

- **Revenue** for the period came to €15.6 million, up 3.3% from €15.1 million in first-half 2009.
- **Recurring operating profit** rose by 5.9%, to €12.3 million from €11.6 million in the prior-year period.
- **Consolidated net profit** stood at €9.5 million, versus a loss of €14.6 million in first-half 2009. The improvement was led by the €1.2-million **net increase in fair value**, as opposed to the €22.6 million net impairment as at 30 June 2009.
- **Debt** totalled €211.6 million at 30 June 2010, of which 92.5% was hedged at fixed rates. The average maturity was 4.4 years and the average interest rate over the first six months was 4.5%.
The Company ended the period with €54.0 million in **cash and cash equivalents**, resulting in net debt of €157.6 million.
The **loan-to-value** ratio (net debt/assets excluding transfer costs) came to 35.2%.
- At 30 June 2010, **equity** and quasi-equity – represented by equity notes – totalled €259.4 million.
Diluted for the equity notes, **NAV per share** came to €121.2 excluding transfer costs and €131.3 including transfer costs.

NAV per share excluding transfer costs is calculated based on the carrying amount of net assets recorded in the consolidated financial statements, which includes the appraisal value of property assets (excluding transfer costs). It is adjusted for the impact of bonds converted into shares so as to reflect the total diluted number of shares.

NAV per share including transfer costs is calculated in the same way, but is based on the appraisal value of property assets given by the independent valuer rather than the appraisal value excluding transfer costs.

OUTLOOK

In the second half, Foncière Paris France intends to carry out an acquisitions programme, with the medium-term objective of building a portfolio of some one hundred properties with a total value of around €1 billion.

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).

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CONSOLIDATED BALANCE SHEET

ASSETS - in thousands of euros	30 June 2010	31 Dec. 2009
Non-current assets		
Intangible fixed assets	49	48
Tangible fixed assets	150	153
Buildings under construction	65,467	46,930
Investment properties	382,190	379,600
Derivative instruments	27	73
Non-current financial assets	187	178
Total non-current assets	448,070	426,982
Current assets		
Trade current assets	2,186	4,711
Other current assets	5,699	5,271
Other financial assets at fair value by income	7,055	13,285
Cash and cash equivalents	46,963	57,411
Total current assets	61,903	80,678
Assets held for sale	0	0
TOTAL ASSETS	509,973	507,660
EQUITY & LIABILITIES - in thousand Euros	30 June 2010	31 Dec. 2009
Shareholders' equity		
Share capital	86,600	86,600
Share premium	86,265	100,287
Other reserves	47,836	54,171
Treasury shares	(4,820)	(4,074)
Revaluation of financial derivatives	(14,978)	(11,076)
Consolidated net income	9,453	(11,330)
Shareholders' equity – Group share	210,356	214,578
Minority interests	0	0
Total shareholders' equity – Group share	210,356	214,578
Non-current liabilities		
Bonds redeemable in shares	49,000	49,000
Long-term portion of financial liabilities	191,640	194,030
Collateral deposits	6,084	6,209
Provisions	145	145
Deferred taxes		
Derivative instruments	15,531	11,616
Short-term tax liability (exit tax - SIIC)		
Other non-current liabilities		
Total non-current liabilities	262,400	261,000
Current liabilities		
Short-term portion of financial liabilities	19,964	19,633
Interest accrued on bonds redeemable in shares	423	658
Short-term tax liability (Exit tax – SIIC regime)		
Debts on acquisitions	7,513	3,708
Other short term liabilities	9,317	8,084
Total current liabilities	37,217	32,083
TOTAL EQUITY & LIABILITIES	509,973	507,660

CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June

In thousands of euros	First-Half 2010	First-Half 2009
Gross rental income	15,604	15,136
Service charge income expenses	(1,152)	(522)
Other property-operating income/expenses, net	578	51
Net rental income	15,030	14,665
Other operating revenue		
Change in inventory		
Personnel expenses	(1,261)	(1,339)
External expenses	(1,016)	(1,603)
Current taxes	(5)	(54)
Depreciation and provisions	(432)	(69)
Other operating income and expenses, net	(45)	17
Current operating income	12,271	11,617
Gains on disposals of investment properties		0
Change in fair value of investment properties and properties under construction	1,216	(22,633)
Operating income/(loss)	13,487	(11,016)
Income from cash and cash equivalents	309	740
Gross cost of financial debt	(4,285)	(4,734)
Net cost of financial debt	(3,976)	(3,994)
Other financial income/(expense)	(58)	370
Income tax gain/(expense)	0	0
Net profit/(loss)	9,453	(14,640)
Attributable to shareholders	9,453	(14,640)
Attributable to minority interests		
Earnings/(loss) per share (in euros)	5.60	(8.70)
Diluted earnings/(loss) per share (in euros)	4.70	(6.22)