

PRESS RELEASE - FOR IMMEDIATE PUBLICATION

## Foncière Paris France - 2010 Results

---

48% increase in the asset portfolio

- A major acquisition in late December 2010 for approximately €160 million

Solid financial performance in 2010

- Consolidated net profit: €22.8 million
- Increase in recurring operating profit
- Slight increase in asset value with a €7.7-million rise in fair value
- High gross rental yield at 8.2%

**(PARIS – 10 FEBRUARY 2011)** – The Board of Directors of Foncière Paris France met on 8 February 2011 to approve the Company's 2010 financial statements.

### KEY FIGURES

	2010	2009
<b>Asset portfolio</b> (€ millions)	<b>631.5</b>	<b>426.5</b>
<b>Gross rental income</b> (€ millions)	<b>31.9</b>	<b>30.8</b>
<b>Recurring operating profit</b> (€ millions)	<b>24.9</b>	<b>23.9</b>
<b>Consolidated net profit before fair value adjustments</b> (€ millions)	<b>16.4</b>	<b>16.5</b>
<b>Fair value adjustments</b> (€ millions)	<b>7.7</b>	<b>(27.8)</b>
<b>Consolidated net profit/(loss)</b> (€ millions)	<b>22.8</b>	<b>(11.3)</b>
<b>Liquidation NAV per share*</b> (€)	<b>123.3</b>	<b>122.9</b>
<b>Replacement NAV per share*</b> (€)	<b>133.8</b>	<b>132.7</b>

\*See definitions pages 3-4

"Foncière Paris France took a new step forward in its development strategy in 2010, acquiring SAGI Immobilier d'Entreprise's 48,000 square metres of offices and business premises for approximately €160 million," said Jean-Paul Dumortier, the Company's Chairman and Chief Executive Officer. "In 2011, we will see a sharp increase in our Company's revenue and earnings."

## ASSET PORTFOLIO AND ASSET VALUE

- Foncière Paris France and Société Nationale Immobilière (SNI), a subsidiary of Caisse des Dépôts et Consignations, completed a major transaction on 30 December 2010, with Foncière Paris France acquiring SNI's commercial property business, which comprises:
  - Six buildings in Paris representing a total of 48,000 square metres of offices and business premises, valued at around €160 million and financed by €88.6 million in bank loans.
  - A contract with SNI for the management of some 20 buildings comprising offices and business premises owned by the City of Paris and managed by a 17-member team that has been transferred to the Company.
- At 31 December 2010, the **asset portfolio** (excluding developments) represented a total surface area of around 284,000 square metres.  
It is comprised of 49 commercial properties, of which 79% office buildings and 21% business premises. The assets are located 49% in Paris, 43% in the inner suburbs and 8% in the outer suburbs.
- At 31 December 2010, the **appraisal value of the portfolio** amounted to €631.5 million in **liquidation value**, compared with €426.5 million at 31 December 2009, a 48% increase. In **replacement value**, the value of the asset portfolio stood at €663.6 million at 31 December 2010, compared with €447.6 million one year earlier. Leased and leasable properties accounted for €616.9 million of the total, while properties under construction represented €12.8 million and assets held for sale came to €1.8 million.
- On the basis of the asset appraisal excluding transfer costs at 31 December 2010, the **average gross rental yield** for leased and leasable properties stood at 8.2%, the same as one year earlier.

## BUSINESS REVIEW

### ▪ Deliveries

The **first phase of Studios du Lendit and Lendit Lumière** was delivered in fourth-quarter 2010. The programme comprises three buildings with a net floor area of 23,700 square metres, of which 14,400 square metres of TV studio space, which is being leased to Euro Media France under a long-term agreement, and 1,700 square metres of space for other studio-related activities. It also includes 8,000 square metres of energy-efficient office space.

The investment amounts to nearly €69 million and is expected to generate a return of 8%.

### ▪ Rental activity

During the year, the Company signed or renewed leases for premises representing a total surface of 16,000 square metres.

The financial vacancy rate for leased and leasable properties stood at 10.7% at 31 December 2010. The 8,000-square-metre Lendit Lumière building, which was delivered late in the year, added 3.5 points to the vacancy rate. At comparable scope of consolidation, the financial vacancy rate at 31 December 2010 would have come to 8.3%, compared with 6.3% one year earlier.

During the year, the Company set aside a €0.6 million provision for unpaid rents.

- **Developments**

**Mediacom 3:** Scheduled for delivery in late first-quarter 2011, this approximately 4,500-sq.m property will be France's first zero-energy rental office building.

**Phase 2 of the Lendit programme:** An application for a building permit for the second phase of the programme (14,700 square metres of offices and business premises) was recently submitted, with delivery scheduled for mid-2013.

The Lendit programme comprises three phases representing a total of 55,000 square metres of offices and business operations. It is part of the TV production and content creation district being established in the northeast part of Paris.

- **Disposals**

No properties were divested in 2010 but a commitment to sell was signed for a small property in Aubervilliers.

## FINANCIAL REVIEW

- **Revenue** for the year came to €31.9 million, up 3.75% from €30.8 million in 2009. This figure does not include revenue from SAGI Immobilier d'Entreprise, consolidated as from 30 December 2010.
- **Recurring operating profit** rose by 4.31%, to €24.9 million from €23.9 million in 2009.
- **Net finance costs** came to €8.6 million in 2010, compared with €7.7 million in the previous year.
- The Company reported a **consolidated net profit** of €22.8 million in 2010, versus a €11.3 million loss in 2009. The improvement was led by a €7.7-million **positive fair value adjustment**, compared with a negative €27.8 million in 2009.
- **Financial debt** totalled €292 million at 31 December 2010. Of the total amount, 88.7% was hedged at fixed rates, with average maturity of 5 years and an average interest rate for the year of 4.4%. The Company ended the year with €67.7 million in **cash and cash equivalents**, resulting in **net debt** of €224.3 million. The **loan-to-value** ratio (net debt/assets excluding transfer costs) came to 35.5%.
- At 31 December 2010, **equity and quasi-equity** – represented by the OSRA junior equity notes – totalled €376.1 million. Diluted for the equity notes, **liquidation NAV per share** came to €123.3 and **replacement NAV per share** stood at €133.8. This was a slight 0.3% higher than at year-end 2009, after recognising the issue of €100 million in equity notes at an issue price of €110. NAV per share (EPRA NAV) stood at €120.70, adjusted for the impact of derivative instruments used to hedge bank borrowings and the dilutive impact of all outstanding stock warrants and share grants.

It should be noted that the SAGI Immobilier d'Entreprise acquisition was financed through the private placement of €100 million worth of OSRA junior equity notes. At the same time, 1,731,998 stock warrants were granted to shareholders without consideration. These warrants are exercisable up to 22 December 2013 for 173,199 new shares at a price of €110.

Liquidation NAV per share 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.

Replacement NAV per share is calculated in the same way, but is based on the replacement value of property assets given by the independent valuer (including transfer costs) rather than the liquidation value.

## **OUTLOOK**

In an environment shaped by a slight improvement in the rental market, Foncière Paris France aims to reduce its vacancy rate in the short term. It also plans to pursue its acquisition strategy and sell a number of assets. Given the major acquisition made late in 2010 and the full-year impact of rental revenue from buildings delivered in 2010, the Company's outlook for 2011 points to very strong growth in both revenue and earnings.

## **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)

## **CONTACTS**

### **FONCIERE PARIS FRANCE**

Didier Brethes – Chief Operating Officer  
[didier.brethes@sfpif.com](mailto:didier.brethes@sfpif.com)  
+33 1 43 12 39 00

### **LT VALUE** – Investor Relations and Corporate Communications

Nancy Levain/Maryline Jarnoux-Sorin  
[nancy.levain@ltvalue.com](mailto:nancy.levain@ltvalue.com) / [maryline.jarnoux-sorin@ltvalue.com](mailto:maryline.jarnoux-sorin@ltvalue.com)  
+33 1 44 50 39 30 - +33 6 72 28 91 44

## CONSOLIDATED BALANCE SHEET

<b>ASSETS (in thousands of euros)</b>	<b>31-12-2010</b>	<b>31-12-2009</b>
<b>Non-current assets:</b>		
Intangible fixed assets	41	48
Tangible fixed assets	248	153
Properties under construction	12,812	46,930
Investment properties	616,900	379,600
Derivative instruments	71	73
Non-current financial assets	521	178
<b>Total non-current assets</b>	<b>630,593</b>	<b>426,982</b>
<b>Current assets:</b>		
Trade receivables	4,469	4,711
Other current assets	9,511	5,271
Other financial assets at fair value by income		13,285
Cash and cash equivalents	67,662	57,411
<b>Total current assets</b>	<b>81,642</b>	<b>80,678</b>
<b>Assets held for sale</b>	<b>1,760</b>	<b>0</b>
<b>TOTAL ASSETS</b>	<b>713,995</b>	<b>507,660</b>
<b>LIABILITIES (in thousands of euros)</b>	<b>31-12-2010</b>	<b>31-12-2009</b>
<b>Shareholders' equity:</b>		
Capital	86,994	86,600
Share premium	85,871	100,287
Other reserves	48,123	54,171
Treasury shares	(4,668)	(4,074)
Revaluation of financial derivatives	(11,302)	(11,076)
Net profit/Loss – Group share	22,785	(11,330)
<b>Shareholders' equity attributable to FPF shareholders</b>	<b>227,803</b>	<b>214,578</b>
<b>Total shareholders' equity</b>	<b>227,803</b>	<b>214,578</b>
<b>Non-current liabilities:</b>		
Bonds redeemable into shares (OSRA)	148,312	49,000
Long term portion of financial liabilities	259,135	194,030
Collateral deposits	7,799	6,209
Provisions	182	145
Deferred taxes	277	
Derivative instruments	11,858	11,616
<b>Total non-current liabilities</b>	<b>427,563</b>	<b>261,000</b>
<b>Current liabilities:</b>		
Short-term portion of financial liabilities	32,840	19,633
Interest accrued on bonds redeemable into shares	1,210	658
Payables due to suppliers of fixed assets	9,565	3,708
Other current liabilities	15,014	8,084
<b>Total current liabilities</b>	<b>58,629</b>	<b>32,083</b>
<b>TOTAL LIABILITIES</b>	<b>713,995</b>	<b>507,660</b>

## CONSOLIDATED INCOME STATEMENT

In thousands of euros	31-12-2010	31-12-2009
Gross rental income	31,922	30,766
Service charge income/(expenses)	(2,328)	(1,785)
Other property operating income/(expenses)	963	206
<b>Net rental income</b>	<b>30,557</b>	<b>29,187</b>
Personnel expenses	(2,833)	(2,618)
External expenses	(1,907)	(2,134)
Current taxes	(161)	(108)
Depreciation and provisions	(656)	(383)
Other property operating income/(expenses)	(64)	(39)
<b>Recurring operating income/(expenses)</b>	<b>24,937</b>	<b>23,905</b>
Change in fair value of investment properties and properties under construction	7,658	(27,843)
Charge for goodwill relating to the acquisition of SAGI	(1,244)	
<b>Operating profit/(loss)</b>	<b>31,351</b>	<b>(3,938)</b>
Income from cash and cash equivalents	499	1,001
Gross cost of financial debt	(9,065)	(8,724)
<b>Net cost of financial debt</b>	<b>(8,566)</b>	<b>(7,723)</b>
Other financial income/(expenses)		330
Income tax gain/(expenses)		0
<b>Net profit/(loss)</b>	<b>22,785</b>	<b>(11,330)</b>
FPF shareholders share	22,785	(11,330)
<b>Earnings/(loss) per share (in euros)</b>	<b>13.54</b>	<b>(6.73)</b>
<b>Diluted earnings/(loss) per share (in euros) (FPF shareholders share)</b>	<b>11.14</b>	<b>(4.58)</b>