



PRESS RELEASE - FOR IMMEDIATE PUBLICATION

## Foncière Paris France - First-Half 2011 Results

- Rental income: €25.4 million up 62.9%
- Recurring operating profit: €20.9 million up 69.9%
- Consolidated net profit: €68.1 million
- Gross rental yield: 7.6%

**(PARIS - 27 July 2011)** - The Board of Directors of Foncière Paris France met on 26 July 2011 to approve the Company's financial statements for the six months ended 30 June 2011.

### KEY FIGURES

In € millions	<b>30-06-2011</b> <b>6 months</b>	30-06-2010 Pro forma	30-06-2010 6 months	<b>31-12-2010</b> <b>12 months</b>
<b>Asset portfolio</b>	<b>692.7</b>	n/a	447.7	<b>631.5</b>
<b>Gross rental income</b>	<b>25.4</b>	24.0	15.6	<b>31.9</b>
<b>Recurring operating profit</b>	<b>20.9</b>	18.9	12.3	<b>24.9</b>
<b>Consolidated net profit</b> before fair value adjustments	<b>11.6</b>	12.6	8.3	<b>16.4</b>
<b>Fair value adjustments</b>	<b>56.5</b>	1.2	1.2	<b>7.7</b>
<b>Consolidated net profit</b>	<b>68.1</b>	13.8	9.5	<b>22.8</b>
<b>EPRA NAV*/share - In €</b>	<b>135.2</b>	n/a	121.2	<b>120.7</b>

\*The auditors have performed a limited review of the interim consolidated financial statements.

\*See definition on page 3.

"We are very satisfied with the results reported in the first half of 2011, which we expect to be sustained over the full year." said Jean-Paul Dumortier, the Company's Chairman and Chief Executive Officer. "They validate our strategy of refocusing our portfolio on properties in Paris and the inner suburbs. The SAGI IE business acquired in late 2010 has now been fully integrated within our organisation and our latest programme, Mediacom 3, which is the first energy-positive office rental property in the Paris region, has been fully let since its date of delivery."

## BUSINESS REVIEW

### ▪ **Rental activity**

During first-half 2011, the Company signed new leases on approximately 16,000 square metres.

The financial vacancy rate for leased and leasable properties improved sharply to 8.6% from 10.7% at 31 December 2010.

### ▪ **Deliveries**

During the second quarter of 2011, Foncière Paris France completed construction of **Mediacom 3**, the first energy-positive office rental property in France. Located in Saint-Denis, a suburb north of Paris, the 4,000 square-metre building is certified to France's HQE high environmental quality and BBC Effinergie low-energy standards. It was fully let on delivery to the Seine-Saint-Denis social security services, under a six-year lease.

### ▪ **Developments**

**Phase 2 of the Lendit programme:** A permit was recently obtained for the second phase of the Lendit programme, representing 15,000 square metres of office and business premises. Construction is scheduled to begin in late 2011.

### ▪ **Acquisitions / Disposals**

No properties were acquired or divested during the first half of 2011.

## ASSET PORTFOLIO AND ASSET VALUE

- At 30 June 2011, the **asset portfolio** represented a total surface area of around 290,000 square metres. It was comprised of 49 commercial properties, of which 79% office buildings and 21% business premises. The assets are located 50% in Paris, 42% in the inner suburbs and 8% in the outer suburbs.

- At 30 June 2011, the **appraisal value of the portfolio** amounted to €692.7 million at **liquidation value**, compared with €631.5 million at 31 December 2010, a 9.7% increase. The increase mainly reflects the higher value of office properties in Paris and offices and business premises in the inner suburbs, particularly resulting from the successful leasing of BioPark, Mediacom 3 and Parc de la Croisée.

**Including transfer costs**, the replacement value of the asset portfolio stood at €730.8 million at 30 June 2011, compared with €663.6 million six months earlier. On the basis of appraisal values excluding transfer costs, the **average gross rental yield** for leased and leasable properties stood at 7.6% at 30 June 2011 versus 8.2% at 31 December 2010.

## FINANCIAL REVIEW

- **Revenue** for the period came to €25.4 million, up 62.9% from €15.6 million in first-half 2010. The consolidation of SAGI IE accounted for €8.6 million of the increase.
- **Recurring operating profit** rose by 69.9% in the first six months of 2011 to €20.9 million from €12.3 million in the prior-year period.
- **Net finance costs** totalled €9.5 million in first-half 2011, versus €4 million in the year-earlier period, and included €4.2 million in interest on bonds redeemable into shares (OSRA).

- **Fair value adjustments** recognized during the period came to €56.5 million, compared with €1.2 million in first-half 2010.
- **Consolidated net profit** amounted to €68.1 million, versus €9.5 million in first-half 2010.
- **Debt** totalled €270 million at 30 June 2011, of which 98.1% was hedged at fixed rates. The average maturity was 4.7 years and the average interest rate over the first six months was 4.2%. The Company ended the period with €41.6 million in **cash and cash equivalents**, resulting in **net debt** of €228.3 million.  
The **loan-to-value ratio** (net debt/assets excluding transfer costs) came to 32.9%.
- At 30 June 2011, **equity** and quasi-equity – represented by the bonds redeemable into shares (OSRA) – totalled €289.3 million.  
NAV per share (EPRA NAV) stood at €135.2, adjusted for the impact of derivative instruments used to hedge bank borrowings and the dilutive impact of all equity instruments.

## OUTLOOK

Foncière Paris France reaffirms its objective of reporting more than €50 million in revenue in 2011.

The Company aims to further reduce its financial vacancy rate and to sustain its satisfactory revenue and earnings performance through to the end of the year.

Foncière Paris France will continue to take advantage of opportunities to buy and sell properties as they arise in the market.

## 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 (symbol: FPF; ISIN: FR0010304329).

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

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## CONSOLIDATED BALANCE SHEET

<b>ASSETS (in thousands of euros)</b>	<b>30-06-2011</b>	<b>31-12-2010</b>
<b>Non-current assets:</b>		
Intangible fixed assets	1,473	41
Tangible fixed assets	272	248
Properties under construction	17,193	12,812
Investment properties	674,110	616,900
Derivative instruments	163	71
Non-current financial assets	488	521
<b>Total non-current assets</b>	<b>693,699</b>	<b>630,593</b>
<b>Current assets:</b>		
Trade receivables	7,431	4,469
Other current assets	7,209	9,511
Other financial assets at fair value		
Cash and cash equivalents	41,652	67,662
<b>Total current assets</b>	<b>56,292</b>	<b>81,642</b>
<b>Assets held for sale</b>	<b>1,700</b>	<b>1,760</b>
<b>TOTAL ASSETS</b>	<b>751,691</b>	<b>713,995</b>
<b>LIABILITIES (in thousands of euros)</b>	<b>30-06-2011</b>	<b>31-12-2010</b>
<b>Shareholders' equity:</b>		
Capital	86,998	86,994
Share premium	77,202	85,871
Other reserves	70,200	48,123
Treasury shares	(4,862)	(4,668)
Fair value reserves	(8,285)	(11,302)
Net profit	68,077	22,785
<b>Shareholders' equity attributable to FPF shareholders</b>	<b>289,330</b>	<b>227,803</b>
<b>Total shareholders' equity</b>	<b>289,330</b>	<b>227,803</b>
<b>Non-current liabilities:</b>		
Junior equity notes (OSRA)	148,361	148,312
Long term portion of financial liabilities	245,343	259,135
Collateral deposits	8,229	7,799
Provisions	145	182
Deferred taxes		277
Derivative instruments	8,817	11,858
Long-term tax liabilities (Exit tax – SIIC)	119	
<b>Total non-current liabilities</b>	<b>411,014</b>	<b>427,563</b>
<b>Current liabilities:</b>		
Short-term portion of financial liabilities	24,972	32,840
Accrued interest on junior equity notes	3,844	1,210
Short-term portion of long-term tax liabilities (Exit tax – SIIC)	40	
Payables due to suppliers of fixed assets	7,706	9,565
Other current liabilities	14,785	15,014
<b>Total current liabilities</b>	<b>51,347</b>	<b>58,629</b>
<b>TOTAL LIABILITIES</b>	<b>751,691</b>	<b>713,995</b>

## CONSOLIDATED INCOME STATEMENT

For the period from 1 January to 30 June

In thousands of euros	30-06-2011	30-06-2010
Gross rental income	25,416	15,604
Service charge income/(expenses)	(2,024)	(1,152)
Other property income/(expenses)	777	578
<b>Net rental income</b>	<b>24,169</b>	<b>15,030</b>
Other operating revenue	983	
Change in inventory		
Personnel expenses	(2,407)	(1,261)
External expenses	(1,517)	(1,016)
Current taxes	(91)	(5)
Depreciation and provisions	(196)	(432)
Other property income/(expenses)	7	(45)
<b>Recurring operating profit</b>	<b>20,948</b>	<b>12,271</b>
Gains on disposals of investment properties		
Change in fair value of investment properties and properties under construction	56,473	1,216
Adjustment for SAGI goodwill	90	
<b>Operating profit</b>	<b>77,511</b>	<b>13,487</b>
Income from cash and cash equivalents	306	309
Finance costs	(9,859)	(4,285)
<b>Net finance costs</b>	<b>(9,553)</b>	<b>(3,976)</b>
Other financial income/(expenses)		(58)
Income tax benefit/(expense)	119	0
<b>Net profit</b>	<b>68,077</b>	<b>9,453</b>
Attributable to shareholders	68,077	9,453
Attributable to minority interests		
<b>Earnings per share (in euros)</b>	<b>40.52</b>	<b>5.60</b>
<b>Diluted earnings per share (in euros)</b>	<b>23.33</b>	<b>4.70</b>