FONCIÈRE PARIS FRANCE

A French limited liability company *(Société Anonyme)* with share capital of €86,997,900
Registered office: 52 rue de la Bienfaisance, 75008 Paris
Paris Trade and Companies Register no. 414 877 118

FIRST-HALF 2011 FINANCIAL REPORT

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STATEMENT BY THE PERSON RESPONSIBLE FOR THE FINANCIAL REPORT

Person responsible for the financial report

Jean-Paul Dumortier,
Chairman and Chief Executive Officer

Foncière Paris France
52, rue de la Bienfaisance
75008 Paris

Statement

I hereby declare that, to the best of my knowledge, the condensed interim consolidated financial statements presented in the First-Half 2011 Financial Report have been prepared under generally accepted accounting principles and give a true and fair view of the assets, liabilities, financial position and results of Foncière Paris France and the companies in the consolidated group, and that the first-half 2011 business and financial review includes details of the material events that occurred in the first six months of the financial year and their impact on the interim accounts, a description of the main related-party transactions, as well as a discussion of the principal risks and uncertainties for the remaining six months of the year.

Paris, 26 July 2011

Chairman and Chief Executive Officer
Jean-Paul Dumortier

FIRST-HALF 2011 BUSINESS AND FINANCIAL REVIEW

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FIRST-HALF 2011 BUSINESS AND FINANCIAL REVIEW

The interim consolidated financial statements for the six months ended 30 June 2011 were approved by the Board of Directors on 26 July 2011.

1. SIGNIFICANT EVENTS OF THE PERIOD FROM 1 JANUARY TO 30 JUNE 2011

1.1 Investments

The Company did not acquire any new properties during the first half of 2011. Construction work continued on development projects in progress that are scheduled for delivery in the second half of the year.

1.2 Disposals

No properties were sold during the first half of 2011.

1.3 Financial resources

At 30 June 2011, the Company had cash and cash equivalents of €41.6 million, and an €18.8 million undrawn bank line of credit.

2. RENTAL AND DEVELOPMENT ACTIVITIES

Although the rental market in first-half 2011 was still affected by the economic slowdown, the Company has leveraged the moderate upturn in rental demand since the start of the year to sign several leases totalling approximately 16,000 sq.m. of floor area.

For the 2011 financial year, the Company can look forward to a steep rise in consolidated revenue from 2010, with the full-year figure expected to exceed €50 million. The key drivers of this growth will be rental income on properties held by SAGI IE, a subsidiary acquired by the Company in late 2010, and rental income from recently delivered buildings (chiefly Studios du Lendit and Mediacom 3).

On the basis of the appraisal value (excluding transfer costs) of the Company's portfolio of leased and leasable property at 30 June 2011, which now includes all real-estate assets, an effective gross rental yield of 7.6% can be forecast for the full year.

This yield should gradually improve, given that the Company's financial vacancy rate at 30 June 2011 was 8.6%, a fairly high rate in absolute terms that is expected to decrease over the coming months.

3. ASSET PORTFOLIO

The following table lists the properties directly or indirectly owned by the Company as of 30 June 2011:

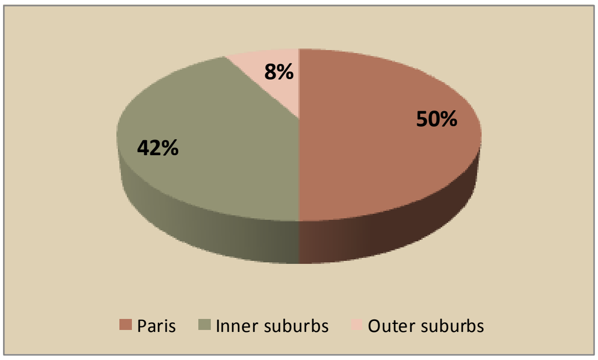
		List of properties owned by Foncière Paris France and its subsidiaries at 30 June 2011 by geographical area (in sq.m.)		Surface area (offices)	Surface area (industrial + other use)	Number of parking spaces		Total surface area (Excl. Parking Spaces)
		Property Name	**Address**			Outdoor	Indoor	
1	Paris	Paradis	- Cité Paradis - 8 cité Paradis - 75010 Paris	2,055	145	3	10	2,200
2		Bellevilloise	- 19-21 rue Boyer - 75020 Paris		2,065			2,065
3		Linois	- 23 rue Linois - 75015 Paris	5,525			100	5,525
4		Pereire	- 253 boulevard Pereire - 75017 Paris	6,926	189		104	7,115
5		Sequoia	- 27 rue des petites écuries - 75010 Paris	3,133	752		45	3,885
6		Mercure 3	- 9-11 rue Robert de Flers - 75015 Paris	2,382	3,216		98	5,598
7		Ponant	- 19-29 rue Leblanc - 75015 Paris	5,757	175		78	5,932
8		Jules Ferry	- 21-23 Boulevard Jules Ferry 75011 Paris	1,883			5	1,883
9		Vauvenargues	- 139 Boulevard Ney 75018 Paris		3,725		26	3,725
10		Fillettes	- 16, rue des Fillettes 75018 PARIS		1,809			1,809
11		Pouchet	- 31, rue Pouchet 75017 PARIS	923			19	923
12		Jemmapes	- 210, Quai Jemmapes 75010 PARIS	9,722			110	9,722
13		Biopark	- 8, rue de la croix Jarry 75013 PARIS	30,741			366	30,741
			Total Paris	**69,047**	**12,076**	**3**	**961**	**81,123**
1	Inner Suburbs	Rueil 250	- 250 route de l'Empereur - 92500 Rueil-Malmaison	24,447		253	320	24,447
2		Mediacom 1	- 43 rue du Landy - 93200 Saint-Denis	793	2,894	20		3,687
3		Orion	- 10/14 rue de Vincennes - 93100 Montreuil	12,213			231	12,213
4		Cap Rochette	- 72-74 avenue Gambetta - 93170 Bagnolet		5,126	32		5,126
5		Cap Gaillard	- 34 rue Gaston Lauriau - 93100 Montreuil		5,164	38		5,164
6		Cités	- 17-19 Guyard Delalain - 93300 Aubervilliers		1,672			1,672
7		Mediacom 2	- 198 avenue du Président Wilson - 93200 Saint Denis		6,690			6,690
8		Pantin	- 140 avenue Jean Lolive - 93500 Pantin	6,070			131	6,070
9		Cordon	- 29 rue Emile Cordon - 93400 Saint Ouen	380	2,376	10		2,756
10		Leclerc	- 54-56 avenue du Général Leclerc - 92100 Boulogne	3,708	78		90	3,786
11		Kermen	- 738 rue Yves Kermen - 92100 Boulogne-Billancourt	3,942	100		100	4,042
12		Nungesser	- 278-290 rue de Rosny - 93100 Montreuil	1,917	1,519	52		3,436
13		Groupe	- 2 avenue du Groupe Manouchian - 94400 Vitry-sur-Seine	860	3,012	20	100	3,872
14		Port Chatou	- 21 rue du Port - 92000 Nanterre		3,800	2		3,800
15		Topaze	- 44-46 rue de Sèvres - 92100 Boulogne-Billancourt	2,058		18	11	2,058
16		Mediacom 3	- 31-33, rue du Landy - 93210 Saint-Denis	4,064			56	4,064
17		Croisée	- 209 à 217 avenue de la République 93800 Epinay sur Seine	555	7,328	20	45	7,883
18		Zola	- 28 rue Emile Zola 93120 La Courneuve	609	5,923			6,532
19		Cordon 2	- 100-106 rue du Landy 93400 Saint Ouen		2,366			2,366
20		Lendit	- 12-16 rue André Campra - 93200 Saint Denis	7,187	15,162		246	22,349
			Total Inner suburbs	**69,803**	**63,210**	**465**	**1,330**	**132,013**
1	Outdoor Suburbs	Rachée	- Allée du 6 Juin 1944 - 91410 Dourdan	651	6,206	50		6,857
2		Balcon	- 281-283 boulevard John Kennedy - 91100 Corbeil	2,018	1,880			3,898
3		Double Pont	- 81-83 avenue Aristide Briand - 93240 Stains	1,860	5,264	50		7,124
4		Lancenet	- 8-10 rue des Lances - 94310 Orly		2,464	10		2,464
5		Rond Point	- 7 bis avenue Roger Hennequin - 78190 Trappes	1,226	2,553	83		3,779
6		Immonord	- 3 Allée Hector Berlioz - 95130 Franconville	1,807			40	1,807
7		Serience	- 30 avenue Carnot - 91300 Massy	1,753	125		30	1,878
8		Caudron 14	- 14 rue des Frères Caudron - 78140 Vélizy	2,127	1,256	25	57	3,383
9		Croizat	- 16-18 rue Ambroise Croizat - 95100 Argenteuil	2,485	7,150	180		9,635
10		Iris	- 55 route de Longjumeau - 91380 Chilly Mazarin	1,995	7,605	100		9,600
11		Mermoz	- 4 rue Jean Mermoz - 91080 Courcouronnes Evry	1,730	1,985	90		3,715
12		Virtuel	- 4 rue de la Mare Blanche - 77186 Noisiel	511	8,818	50		9,329
13		Burospace 9/15/26	- Route de Gisy (Bâtiments 9/15/26) - 91570 Bièvres	4,435		148		4,435
14		Décime	- 28 rue du Puits de Dixmes - 94320 Thiais	1,593	7,275	16	66	8,868
			Total Outer suburbs	**24,191**	**52,581**	**802**	**193**	**76,772**
			TOTAL FPF Group	**162,041**	**127,867**	**1,270**	**1,155**	**289,908**

The portfolio comprises 49 properties, all located in Paris and in the Paris region.

It breaks down as follows by value, based on the properties' location and type:

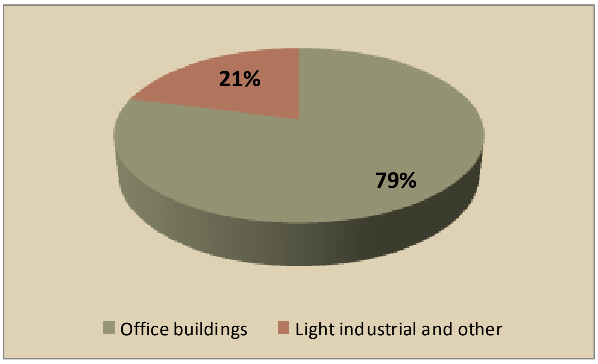
Breakdown by geographic location (based on value)

Locations	Number of Properties	Value	%
Paris	13	345,35	50%
Inner suburbs	20	293,48	42%
Outer suburbs	16	53,88	8%
TOTAL	**49**	**692,71**	**100%**



Breakdown by type of property (based on value)

Locations	Number of Properties	Value	%
Office buildings	25	545,0	79%
Light industrial and other	24	147,7	21%
TOTAL	**49**	**692,7**	**100%**



4. Financial Review

The first-half 2011 financial statements are condensed interim consolidated financial statements.

Comparative information is provided at 31 December 2010 for balance sheet data and for the six months ended 30 June 2010 for income statement data.

The condensed interim consolidated financial statements have been prepared in accordance with IAS 34 – Interim Financial Reporting. The accounting policies applied are unchanged from those used to prepare the consolidated financial statements for the year ended 31 December 2010.

5. Net Asset Value (NAV)

5.1 Property valuation

Based on the valuation performed at the end of first-half 2011 by two independent firms of valuers, CB Richard Ellis Valuation and DTZ Eurexi, the portfolio's liquidation value (market value excluding transfer costs) is €692.7 million and its replacement value (market value including transfer costs) is €730.8 million.

The fair value of the portfolio was adjusted upward by 8.9% in the first half, reflecting a slight uptick in the investment market for commercial properties.

The increase compared with end-2010 was particularly noteworthy on specific assets such as office and light industrial buildings in Paris, whereas values fell off slightly for other assets, many of them light industrial buildings in the Paris region with a more uncertain rental outlook. The value of properties developed by the Company and recently delivered also rose significantly, as did the value of holdings that enjoyed improved rental conditions in the first half of 2011. Together these developments explain how the Company successfully outperformed the market for the same class of real-estate assets.

In the consolidated financial statements, the carrying amount of investment properties and the related fair value adjustments are determined based on the properties' liquidation value (i.e. excluding transfer costs).

5.2 NAV calculation

As at the 30 June 2011 reporting date, the Company adopted the common standard for calculating NAV created by the European Public Real Estate Association (EPRA). All published Company NAV figures will henceforth be based on two metrics in the standard: EPRA NAV and EPRA triple net NAV.

The same metrics have been used to calculate prior-period NAV to ensure comparability and provide a more accurate view of the changes underlying the figures.

EPRA NAV is defined as follows:

EPRA NAV corresponds to the value of consolidated shareholders' equity under IFRS (revaluation of investment properties at fair value) after adjustment for fair value of hedging instruments for bank debt, increased by the value of bonds redeemable in shares (*OSRA*) and the value that would result from exercising warrants (*BSA*).

EPRA NAV per share corresponds to this same base amount divided by a figure representing the total number of shares making up shareholders' equity, plus the number of shares to be created by redemption of bonds and exercise of warrants, plus the number of free shares allotted but not yet created, less the number of shares that the Company owns as treasury stock and the number of shares that would result from the exercise of warrants owned by the Company itself.

EPRA triple net asset value corresponds to EPRA NAV after adjustment for fair value of hedging instruments.

The aim of EPRA NAV is to measure the value of the Company over the long term, whereas triple net NAV measures its spot value, at a given point in time, after adjustment at fair value of total assets and liabilities appearing in the balance sheet.

Calculation of EPRA liquidation value and EPRA replacement value breaks down as follows:

NAV (in thousands of Euros)	**30/06/2011**	**31/12/2010**
Consolidated IFRS Shareholders' equity	289,330	227,803
Restatement of inappropriable reserves	(10,533)	(5,901)
Bonds redeemable into shares	148,361	148,312
Warrants	56,552	56,558
Restatement of hedging instruments	8,285	11,302
EPRA NAV	**491,995**	**438,074**
Restatement of hedging instruments	(8,285)	(11,302)
EPRA NAV Triple Net	**483,710**	**426,772**
Number of fully diluted shares (excl. treasury shares)	3,639,322	3,640,359
EPRA NAV Triple Net per share in Euro	**132.9**	**117.2**
EPRA NAV per share in Euro	**135.2**	**120.3**

6. INFORMATION ABOUT THE SHARE CAPITAL

6.1 Ownership structure

Shareholders with over 5% of the capital were as follows at 30 June 2011:

Principal shareholders	**30 June 2011**		**31 December 2010**	
	Number of shares	% of capital and voting rights	Number of shares	% of capital and voting rights
Cofitem - Cofimurs	322,270	18.5%	214,770	12.3%
Predica	256,362	14.7%	256,362	14.7%
SAS Holding Wilson 250	183,908	10.6%	183,908	10.6%
PHRV	101,737	5.8%	0	12.0%
Treasury shares	49,486	2.8%	48,488	2.8%
Forum European Realty Income	0		209,237	12.0%
Other shareholders	826,195	47.5%	827,117	47.5%
Total	**1,739,958**	**100.0%**	**1,739,882**	**100.0%**

6.2 Main changes in capital during the period

In an e-mail message dated 4 April 2011, Forum European Realty Income notified the Company that they had passed below the 10% and 5% share capital and voting rights thresholds on 31 March 2011 and that they no longer owned any Company shares.

In an e-mail message dated 4 April 2011, Cofitem-Cofimur and PHRV notified the Company that on 31 March 2011 Cofitem-Cofimur had passed above the 15% capital and voting rights threshold, holding 322,270 shares as of 31 March 2011, representing 18.52% of the share capital and voting rights of Foncière Paris France, and that PHRV had passed above the 5% capital and voting rights threshold, holding 101,737 shares as of that date, representing 5.85% of the share capital and voting rights of the Company.
The two companies also stated that they had acted in concert, thereby passing above the 20% threshold of the Company's capital and holding a total of 424,007 shares as of 31 March 2011, representing 24.37% of the share capital and voting rights of the Company.

6.3 Share equivalents

At 30 June 2011, the following shares or securities granting access to the share capital were outstanding:

Shares and other securities granting access to Foncière Paris France share capital	Number of potential shares
2006 Bonds redeemable into shares	460,525
2010 Bonds redeemable into shares	909,088
2005 Warrants	400,000
2010 Warrants	173,912
2009 Bonus shares	3,100
2010 Bonus shares	6,974
Total	1,953,599

6.4 Treasury shares, liquidity contract

On 1 June 2007, the Company signed a liquidity contract with Invest Securities complying with the AFEI code of ethics. The contract remained in full force and effect during first-half 2011, in line with the authorisation given by the Annual General Meeting of 23 March 2011.

At 30 June 2011, the Company held 49,486 treasury shares representing 2.8% of the capital. The shares were acquired at a total cost of €4.8 million. Their fair value at 30 June 2011 was €5.6 million. At 30 June 2011, the Company also held 47,485 share warrants, ie 2.7% out of the number of 2010 warrants.
Cash of €0.7 million was also held in the liquidity contract account at that date.

7. MAIN RISK EXPOSURES

The Company's main potential risk exposures in the second half of 2011 are as follows:

- Risk of changes in property asset capitalisation rates and market rents

The general trend since the first half of 2010 has been for market rents to stabilise, and office properties in established business areas to experience improvement. The Foncière Paris France portfolio has performed in line with this general trend, and when the specific features of some of its assets are taken into account, the Company can be judged to have turned in above-average performance.

Even so, the unsettled economic conditions in most Western countries continue to put financial pressure on companies, and therefore on market rents and demand for rental properties. The Company takes a reasonably upbeat view of the coming months, but expects only minor improvement in market conditions.

- Interest rate risk

The value of the Company's assets is also affected by prevailing interest rates. An increase in interest rates – particularly a steep and lasting rise in long-term rates – may affect the portfolio's market value to the extent that the yield assumptions used by the market and property valuers to estimate commercial property rents are determined in part by reference to market interest rates.

In addition, an increase (or decrease) in short and long-term interest rates generally increases (reduces) the cost of new borrowings to finance property acquisitions. This is the case in particular for interest on bank loans.

At 30 June 2011, the Company had bank loans of €270 million, mainly at variable rates of interest based on the 3-month Euribor. Substantially all variable rate debt (98.1%) is hedged using swaps and, in some cases, caps.

As a result, the sensitivity of debt to a change in interest rates is limited. The average cost of debt for 2011 is estimated at 4.2%.

The covenants included in the loan agreements (LTV, interest cover, etc.) do not give rise to any risk exposure in the second half, as the Company's ratios are comfortably within the specified limits.

Depending on future financial market conditions, the Company may revise its property investment criteria (price and rental yield), as well as its objectives in terms of debt repayment rates and loan-to-value (LTV) ratios.

8. SUSTAINABLE DEVELOPMENT AND ENVIRONMENTAL STRATEGIES

In environmental terms, our Company holds property assets for rental and is engaged in building.

The rental business is essentially a financial services business and is not governed by Article L.225.102.1 of France's Commercial Code or Decree 2002-221 of 20 February 2002 dealing with environmental disclosures (use of resources, water, raw materials, energy, discharges into the water, atmosphere or soil, waste, measures to mitigate environmental risk, environmental provisions and guarantees).

The Company includes current environmental concerns, such as sustainable development and energy efficiency, in the construction project specifications it gives to contractors, and intends to stay at the leading edge in these areas, as demonstrated by the Médiacom 3 building.

In addition, the Company pays close attention to managing and operating its properties in full compliance with environmental regulations dealing with such issues as asbestos, lead and ICPE facilities, and to ensuring that tenants also fulfil their obligations in this regard.

9. MAIN RELATED PARTY TRANSACTIONS

None.

10. SUBSEQUENT EVENTS

Investments

The Company has made no new investments since January 1, 2011.

Financing

No new bank loans have been signed since December 31, 2010.

11. SECOND-HALF 2011 OUTLOOK

The Company will continue with its effort to lease vacant space in its rental property portfolio, with a new target of further reducing the financial vacancy rate by the end of the year.

The Company is also gearing up for phase 2 of the Lendit project, which involves developing approximately 15,000 sq.m. of office and light industrial space in Saint Denis, and has just obtained the necessary planning permission.

12. MARKET

Since the beginning of the year, investment flows have picked up moderately and market rents have steadied. Yet the supply of quality assets is still limited and transaction volume remains fairly low.

Meanwhile, on the financial front, there is still very little loan capital on offer, with the number of banks lending money shrinking. The trend towards rising bank margins has on the whole levelled off in an environment still largely shaped by the low key interest rates set by central banks.

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INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

I – Consolidated balance sheet at 30 June 2011

ASSETS (in thousands of euros)	Notes	30.06.2011	31.12.2010
Non-current assets:			
Intangible fixed assets	7	1,473	41
Tangible fixed assets	8	272	248
Properties under construction	9	17,193	12,812
Investment properties	10	674,110	616,900
Derivative instruments	11	163	71
Non-current financial assets	12	488	521
Total non-current assets		**693,699**	**630,593**
Current assets:			
Trade receivables	13	7,431	4,469
Other current assets	14	7,209	9,511
Other financial assets at fair value by income			
Cash and cash equivalents	15	41,652	67,662
Total current assets		**56,292**	**81,642**
Assets held for sale	16	1,700	1,760
TOTAL ASSETS		**751,691**	**713,995**

EQUITY AND LIABILITIES (in thousands of euros)	Notes	30.06.2011	31.12.2010
Shareholders' equity			
Capital		86,998	86,994
Share premium		77,202	85,871
Other reserves		70,200	48,123
Treasury shares		(4,862)	(4,668)
Revaluation of financial derivatives		(8,285)	(11,302)
Profit - Group share		68,077	22,785
Shareholders' equity	17	**289,330**	**227,803**
Total shareholders' equity		**289,330**	**227,803**
Non-current liabilities:			
Bonds redeemable into shares	18	148,361	148,312
Long-term portion of financial liabilities	18	245,343	259,135
Collateral deposits	19	8,229	7,799
Provisions	20	145	182
Deferred taxes			277
Derivative instruments	11	8,817	11,858
Long-term tax liability (Exit tax – SIIC regime)		119	
Other non-current liabilities			
Total non-current liabilities		**411,014**	**427,563**
Current liabilities:			
Short-term portion of financial liabilities	18	24,972	32,840
Interest accrued on bonds redeemable into shares	18	3,844	1,210
Short-term tax liability (Exit tax – SIIC regime)		40	
Payables due to suppliers of fixed assets	21	7,706	9,565
Other current liabilities	22	14,785	15,014
Total non-current liabilities		**51,347**	**58,629**
TOTAL EQUITY AND LIABILITIES		**751,691**	**713,995**

II – Consolidated income statement for first-half 2011

For the period from 1 January to 30 June 2011

In thousands of euros	Notes	30 June 2011	Pro forma accounts at 30.06.2010	30 June 2010 Published
Gross rental income		25,416	24,004	15,604
Service charge income expenses		(2,024)	(1,752)	(1,152)
Other property-operating income/expenses, net		777	578	578
Net rental income		**24,169**	**22,830**	**15,030**
Other operating revenue		983		
Change in inventory				
Personnel expenses		(2,407)	(1,966)	(1,261)
External expenses		(1,517)	(1,446)	(1,016)
Current taxes		(91)	(42)	(5)
Depreciation and provisions		(196)	(445)	(432)
Other operating income and expenses, net		7	(45)	(45)
Current operating income		**20,948**	**18,886**	**12,271**
Gains on disposals of investment properties				
Change in fair value of investment properties and properties under construction	9/10	56,473	1,216	1,216
Charge for goodwill relating to the acquisition of SAGI		90		
Operating profit/(loss)		**77,511**	**20,102**	**13,487**
Income from cash and cash equivalents		306	309	309
Gross cost of financial debt		(9,859)	(5,588)	(4,285)
Net cost of financial debt	23	**(9,553)**	**(5,279)**	**(3,976)**
Other financial income			(58)	(58)
Income tax gain/(expense)	25	119	(938)	
Net profit		**68,077**	**13,827**	**9,453**
FPF shareholders share		68,077	13,827	9,453
Minority subsidiaries shareholders share				
Earnings/(loss) per share (in euros) FPF shareholders share	26	**40.52**	**8.19**	**5.60**
Diluted earnings/(loss) per share (in euros) FPF shareholders share	26	**23.33**	**6.72**	**4.70**

III – Profits and losses recorded in shareholders’ equity

In thousands of euros	Notes	30.06.2011	Pro forma accounts at 30.06.2010	30.06.2010 Published
Net profit/(loss) for the period		**68,077**	**13,827**	**9,453**
Effective portion of gains/(losses) on hedging instruments		3,017	(3,902)	(3,902)
Total recorded in shareholders’ equity		**3,017**	**(3,902)**	**(3,902)**
Profits and losses recorded in shareholders’ equity		**71,094**	**9,925**	**5,551**
FPF shareholders share		71,094	9,925	5,551
Subsidiaries minority shareholders				

IV - Cash flow statement at 30 June 2011

In thousands of euros	Notes	30.06.2011	31.12.2010	30.06.2010
Consolidated net profit/(loss) (including minority interests)		**68,077**	**22,785**	**9,453**
Net allocations to depreciation and provisions		118	90	42
Change in fair value		(56,424)	(7,631)	(1,181)
Calculated expenses (net present value - IFRS 2)		260	1,746	253
Gain/(loss) on disposals of assets			2	2
Cash flow from operating activities after cost of financial debt		**12,031**	**16,992**	**8,569**
Net cost of financial debt	23	9,553	8,566	3,976
Tax expense (including deferred taxes)		(119)		
Cash flow from operating activities before cost of financial debt (A)		**21,465**	**25,558**	**12,545**
Current taxes and exit tax paid (B)				
Change in working capital requirements linked to operations (C)		(459)	17,971	9,434
Net cash flow from operating activities (D) = (A + B + C)		**21,006**	**43,529**	**21,979**
Acquisitions of tangible and intangible assets		(6,670)	(38,885)	(19,952)
Disposals of tangible and intangible assets				
Purchases of long-term investments				
Disposals of long-term investments, net of tax				
Acquisitions of subsidiaries, net of cash acquired			(69,765)	
Change in payables on purchase of fixed assets	21	(1,858)	5,856	3,805
Other cash flows from/(used in) investment activities		33	(56)	(9)
Net cash flows from/(used in) investment activities (E)		**(8,495)**	**(102,850)**	**(16,157)**
Share capital increase/(decrease)		8		
(Purchase)/disposal of treasury shares		(111)	(547)	(737)
Dividend payment to parent company and subsidiaries' minority shareholders		(9,724)	(9,289)	(9,289)
Cash from bonds redeemable into shares and equity warrants			99,310	
New borrowings			26,812	26,923
Repayments of borrowings and financial liabilities		(20,654)	(38,861)	(29,049)
Cash impact of financial income and expenses		(7,974)	(7,842)	(4,108)
Other cash flows (used in)/from financing activities		(67)	(9)	(9)
Net cash flow from financing activities (F)		**(38,522)**	**69,574**	**(16,269)**
Change in net cash position (D + E + F)		**(26 ,011)**	**10,253**	**(10,446)**
Opening cash position		67,662	57,411	57,411
Closing cash position	27	41,652	67,662	46,963

V – Change in shareholders' equity

(In thousands of euros)	Capital	Share premium & other reserves	Treasury shares	Profits and losses recorded in shareholders' equity	Group result	Equity attributable to FPF shareholders	Shareholders equity attributable to subsidiaries minority shareholders	Total shareholders' equity
Shareholders' equity at 31 December 2009	**86,600**	**154,458**	**(4,074)**	**(11,076)**	**(11,330)**	**214,578**	**0**	**214,578**
Dividend		(9,289)				(9,289)		(9,289)
Allocation of undistributed income		(11,330)			11,330			
Comprehensive profit (loss) at 31 December 2010				(3,902)	9,453	5,551		5,551
Share capital increase								
Bonus shares		253				253		253
Treasury shares			(746)			(746)		(746)
Proceeds from sale of treasury shares		9				9		9
Shareholders' equity at 30 June 2010	**86,600**	**134,101**	**(4,820)**	**(14,978)**	**9,453**	**210,356**	**0**	**210,356**
Dividend								
Allocation of undistributed income								
Comprehensive profit (loss) at 31 December 2009				3,676	13,332	17,007		17,007
Share capital increase	394	(394)						
Bonus shares		249				249		249
Treasury shares			152			152		152
Proceeds from sale of treasury shares		38				38		38
Shareholders' equity at 31 December 2010	**86,994**	**133,993**	**(4,668)**	**(11,302)**	**22,785**	**227,803**	**0**	**227,803**
Dividend		(9,724)				(9,724)		(9,724)
Allocation of undistributed income		22,785			(22,785)			
Comprehensive profit (loss) at 30 June 2011				3,017	68,077	71,094		71,094
Share capital increase	4	5				8		8
Bonus shares		260				260		260
Treasury shares			(194)			(194)		(194)
Proceeds from sale of treasury shares		83				83		83
Shareholders' equity at 30 June 2011	**86,998**	**147,402**	**(4,862)**	**(8,285)**	**68,077**	**289,329**	**0**	**289,329**

1. Overview

Foncière Paris France (FPF) is actively involved in the acquisition and leasing of office buildings and light industrial premises in the Paris region.
The Company first began trading on NYSE Euronext Paris on 27 March 2006 and elected the SIIC tax transparent status (French-style REIT) with effect from 1 April 2006.

2. Operating highlights

The 2011 interim financial statements include the business of SAGI Immobilier d'Entreprise (SAGI IE), which has been consolidated since the close of the 2010 financial year. To facilitate comparison with the first half of 2010, a pro forma income statement has been drawn up for that period.
SAGI IE has opted for SIIC status from 1 January 2011.

The Company finished construction of "Médiacom3", an office building in Saint Denis (north of Paris) that will soon be delivered to its tenant.

3. Background to the preparation of the consolidated financial statements

The condensed interim consolidated financial statements for the period from 1 January to 30 June 2011 were prepared in compliance with IAS 34, Interim Financial Reporting. They were approved by the Board of Directors on 26 July 2011.
Because they are condensed, these interim financial statements do not include all the disclosures required under IFRS in annual financial statements. They should therefore be read in conjunction with the consolidated financial statements for the year ended 31 December 2010.

FPF Group applies international accounting standards (IFRS and IAS) and IASB interpretations as approved by the European Union and applicable to the financial year commencing on 1 January 2011. This accounting framework can be consulted on the European Commission's Europa website (http://ec.europa.eu/internal_market/accounting/ias_fr.htm#adopted-commission).

The accounting principles and methods used are consistent with those used to prepare annual consolidated financial statements for the year ended December 31, 2010, with the exception of the following new standards and interpretations that became compulsory:

- Revised IAS 24: Related Party Disclosures
- Amendment to IFRS 1: Limited Exemption from Comparative IFRS 7 Disclosures for First-time Adopters
- Amendment to IAS 32: Classification of Rights Issues
- Improvement to IFRS
    - Amendment to IFRS 3: Business Combinations
    - Amendment to IFRS 7: Financial Instruments – Disclosures
    - Amendment to IAS 34: Interim Financial Reporting

These standards, amendments and interpretations did not have a significant impact on Group financial statements, except that as a result of the application of the 2010 improvements to IAS 34, less extensive disclosures are required in the interim financial statements, provided that the Group makes sure to do the following:

- Explain significant events and transactions in the period
- Update the relevant information in the most recent annual report
- Avoid restating in full the annual note on accounting policies

- Avoid restating the judgements and estimates used in preparing the annual financial statements if no significant events have affected them
- Update the notes on grounds of importance and volatility.

These principles do not differ from IFRS standards as published by IASB insofar as their application, which is compulsory for business years starting 1 January 2011, and the following amendments and interpretations, should have no significant impact on Group accounts:

- *Texts endorsed by the European Union and scheduled to take effect at dates after that planned by IASB, thus not applicable within the framework endorsed by the European Union*

- *Texts not yet endorsed by the European Union:*
  - IFRS 9: Financial Instruments
  - IFRS 10 Consolidated Financial Statements
  - IFRS 11 Joint Arrangements
  - IFRS 12 Disclosure of Interests in Other Entities
  - IFRS 13 Fair Value Measurement
  - IAS 28R Investments in Associates and Joint Ventures
  - Amendment to IAS 19 : Employee Benefits
  - Amendment to IAS 1: First-time Adoption of International Financial Reporting Standards
  - Amendment to IFRS 7 Enhancing Disclosures about Transfers of Financial Assets
  - Amendment to IAS 12 Deferred Tax: Recovery of Underlying Assets

Finally, the Group does not apply in advance the following revised amendments and standards that have been adopted by the European Union and for which compulsory application comes after January 1, 2011:

- None

The Foncière Paris France group is currently analysing the potential impact of the texts as a whole on consolidated accounts. At this stage, the Group does not expect them to have any significant impact.

4. Basis of preparation, evaluations, judgements and use of estimates

The financial statements are presented in thousands of euros.
The statements have been prepared on the basis of historical cost, except for investment properties, derivatives and financial instruments held for trading which are carried at fair value.

5. Consolidation scope

5.1. *Scope and methods of consolidation at 30 June 2011*

Company	SIREN No.	Ownership interest (%) at 31.12.2010	Ownership interest (%) at 31.12.2009	Consolidation method	Periods considered
Foncière Paris France	414 877 118	100	100	Parent	01/01/11 – 30/06/11
SCI 43 rue du Landy	487 965 980	100	100	Full	01/01/11 – 30/06/11
SCI du chemin de Presles	488 418 476	100	100	Full	01/01/11 – 30/06/11
SARL Maison commune	432 548 071	100	100	Full	01/01/11 – 30/06/11
SCI KERMEN	349 816 116	100	100	Full	01/01/11 – 30/06/11
SCI LECLERC	381 619 535	100	100	Full	01/01/11 – 30/06/11
SCI LEBLANC	384 760 385	100	100	Full	01/01/11 – 30/06/11
SCI DU PORT CHATOU	491 025 441	100	100	Full	01/01/11 – 30/06/11
SCI STUDIOS DU LENDIT 1	508 475 662	100	100	Full	01/01/11 – 30/06/11
SCI SAINT LEGER	504 444 373	100	100	Full	01/01/11 – 30/06/11
SAGI IMMOBILIER D'ENTREPRISE	528 047 129	100	100	Full	01/01/11 – 30/06/11

6. 2011 pro forma income statement (Foncière Paris France + SAGI IE)

On 30 December 2010, Foncière Paris France acquired 100% of the equity of SAS SAGI Immobilier d'Entreprise from SNI.
SNI set up SAGI Immobilier d'Entreprise in late October 2010 with the aim of transferring its commercial real-estate business to the new entity and exiting that business area.

The SAGI acquisition boosted the Company's key business indicators by more than 25%. Pursuant to article 222-2 of the AMF General Regulations and in keeping with IFRS 3, Foncière Paris France therefore drew up a pro forma income statement to highlight the effect that this acquisition would have had on the results for first-half 2010 if it had occurred on 1 January 2010.

In thousands of euros		FPF 30.06.2010	SAGI Pro forma 30.06.2010	Pro forma Accounts at 30.06.2010
Gross rental income	1	15,604	8,400	24,004
Service charge income/(expenses)	2	(1,152)	(600)	(1,752)
Other property operating income/(expenses)		578		578
Net rental income		**15,030**	**7,800**	**22,830**
Net other income				
Cost of goods sold				
Personnel expenses	3	(1,261)	(705)	(1,966)
External expenses	4	(1,016)	(430)	(1,446)
Current taxes	5	(5)	(38)	(42)
Depreciation and provisions		(432)	(13)	(445)
Other operating income/(expenses)		(45)		(45)
Recurring operating profit		**12,271**	**6,614**	**18,886**
Gains/(losses) on disposal of investment properties				
Change in fair value of investment properties and properties under construction		1,216		1,216
Operating profit		**13,487**	**6,614**	**20,102**
Income from cash and cash equivalents		309		309
Gross cost of financial debt	6	(4,285)	(1,303)	(5,588)
Net cost of financial debt		**(3 976)**	**(1,303)**	**(5,279)**
Other financial income		(58)		(58)
Income tax expense	7		(938)	(938)
Net profit		**9,453**	**4,373**	**13,827**

1- Gross rental income for SAGI IE is reported on a semi-annual basis for the 6 buildings held directly.
2- Unrecoverable annual service charges, including tax expense on buildings, have been calculated at a rate of 7% of rental income.
3- Personnel expenses are equal to the annual gross salaries paid to the 17 persons who made up the SAGI staff at 31 December 2010, plus the related social security contributions.
4- External expenses are the operating expenses incurred by SAGI IE along with the rental payments on construction leases for 3 assets in the portfolio.
5- Current taxes primarily include the C3S (Corporate Social Solidarity Contribution), the CVAE (Levy on Value Added by Businesses), and the special training and continuing education levies.

6- Gross cost of financial debt has been calculated on €88.5 million, the principal outstanding under the relevant clauses of the loans in place at 31 December 2010.
7- Income tax expense has been computed on the basis of the taxable profit of SAGI IE, without considering the effect of the entity's conversion to SIIC tax status as from 1 January 2011. The depreciation expense on the entity's property holdings has been factored into the calculation of taxable profit.

7. Intangible fixed assets

(In thousands of euros)	Amount at 31.12.2010	Increase	Decrease	Reclassifications	Amount at 30.06.2011
Gross value	111	1,521		13	1,645
Depreciation	(71)	(101)		(1)	(173)
Net value	**40**	**1,420**		**12**	**1,472**

8. Tangible fixed assets

(In thousands of euros)	Amount at 31.12.2010	Increase	Decrease	Reclassifications	Amount at 30.06.2011
Office equipment & fittings	413	90		(13)	490
Depreciation	(165)	(55)		1	(219)
Net value	**248**	**35**		**(12)**	**271**

9. Properties under construction

(In thousands of euros)	Amount at 31.12.2010	Increase	Transfer to investment properties	Change in fair value	Amount at 30.06.2011
Land under development at fair value	12,812	2,391		1,990	17,193
Closing value	**12,812**	**2,391**		**1,990**	**17,193**

The increase in the amount of properties under construction mainly concerned investments in Médiacom 3.

10. Investment properties

(In thousands of euros)	Investment properties 30.06.2011	Investment properties 31.12.2010
Opening value	616,900	379,600
Acquisitions of property		
Acquisition of assets through finance leases		
Liability under finance lease		
Transfers to assets in progress		68,191
Capitalised expenses	2,685	5,268
Change in consolidation scope		158,500
Change in fair value	54,525	7,101
Transfers to assets held for sale		(1,760)
Fair value of properties sold		
Closing value	**674,110**	**616,900**

11. Derivatives and management of interest-rate risk

(In thousands of euros)	Opening value at 1 Jan.	Acquisition	Change in fair value through income	Change in fair value through equity	Closing value at 30 June
Fixed-payer interest rate swaps	35			74	109
Interest rate caps - time value	35	67	(49)		53
Total cash flow hedging instruments (assets)	**70**	**67**	**(49)**	**74**	**162**
Fixed-payer interest rate swaps	(11,337)			2,943	(8,395)
Interest earned	(521)	99			(423)
Total cash flow hedging instruments (liabilities)	**(11,858)**	**99**		**2,943**	**(8,818)**

The Group uses derivatives to manage and reduce its net exposure to interest rate fluctuations. During the reporting period, the Group entered into fixed-for-variable interest rate swaps and interest rate caps. These swaps and interest rate caps make it possible to limit the impact of interest rate volatility on future cash flows. Under the terms of these swaps, the Group pays the fixed interest rates specified below and receives variable interest rates linked to the three-month Euribor rate on the amounts of the hedged principal. Interest rate caps are options which enable increases in variable interest rates to be maintained at a fixed ceiling.

12. Other non-current assets

(In thousands of euros)	Amount at 31.12.2010	Increase	Decrease	Change in consolidation scope	Amount at 30.06.2011
Capitalised investments	6	8			14
Deposits paid and working capital	515		(41)		474
Other non-current assets					
Total	**521**	**8**	**(41)**		**488**

13. Trade receivables

(i)

(In thousands of euros)	Amount at 30.06.2011	Amount at 31.12.2010
Trade receivables and sundry debtors	7,031	3,727
Doubtful trade receivables	1,309	1,827
Gross accounts receivable	**8,340**	**5,554**
Depreciation	(908)	(1,085)
Net accounts receivable	**7,432**	**4,469**

The majority of trade receivables and sundry debtors are due in less than one year. Furthermore, the amount of past-due trade receivables but not impaired is insignificant.

14. Other current assets

(In thousands of euros)	Amount at 30.06.2011	Amount at 31.12.2010
Tax and social security payables	2,889	3,650
Other operating receivables	1,197	3,586
Prepaid expenses	1,395	645
Spreading of rent-free periods	1,722	1,624
Prepaid financial expenses	6	7
Total other current assets	**7,209**	**9,511**

15. Cash and cash equivalents

(In thousands of euros)	Amount at 30.06.2011	Amount at 31.12.2010
Risk-free and highly liquid securities	38,579	65,098
Cash in hand and at bank	3,073	2,565
Cash	**41 ,652**	**67,663**

16. Assets held for sale

A sales agreement was signed at the end of 2010 in connection with a relatively unimportant property in Aubervilliers.

17. Consolidated shareholders' equity

17.1. Composition and change in share capital:

(In euros)	**Number of shares**	**Par value**	**Capital**	**Issue premium**	**Reserve for holders of equity warrants and bonds redeemable in shares**
Share capital and share premiums at 31 December 2010	1,739,882	50	86,994,100	85,870,860	5,901,825
Dividend payment from share premium account				(4,041,935)	
Transfer to inappropriable reserves				(4,631,478)	4,631,478
Share capital increase	76	50	3,800	4,560	
Share capital and share premiums at 30 June 2011	**1,739,958**	**50**	**86,997,900**	**77,202,007**	**10,533,303**

17.2. Other securities granting access to the share capital

17.2.1. Equity warrants

On 8 July 2005, the Company issued 400,000 equity warrants at a subscription price per warrant of €0.20, amounting to a total of €80,000. This payment was recorded in the "Share premium" account.

Each equity warrant provides entitlement to subscribe to a share at the exercise price of €94.86 per share. Warrants may be exercised between 1 January 2009 and 31 December 2013, inclusive, for 20%, 40%, 60%, 80% and 100%, depending on whether the assets recorded as tangible fixed assets and financial fixed assets have a carrying value in excess of 300, 400, 500, 600 or 700 million euros.

On 23 December 2010, the Company made a free distribution of equity warrants to shareholders, one for each share, making a total issue of 1,739,882 warrants. Ten equity warrants entitle the holder to subscribe to a new share at a unit price of € 110, including issue premium until 22 December 2013.

17.2.2. Bonus shares

On 16 December 2009 and 16 December 2010, the Board of Directors respectively 3,120 and 7,014 bonus shares, whether existing or to be issued, to the staff and managers of the Company. Bonus shares are definitively vested by beneficiaries at the end of a two (2)-year vesting period following their allocation date.

17.2.3. Securities granting access to the share capital - Delegations of powers granted to the Board of Directors

The general meeting of shareholders of 23 March 2011 empowered the Board of Directors to increase the share capital.

17.3. Dividend paid

(In thousands of euros)	**Proposed in respect of the year ended 31 Dec. 2011**	**Dividend paid in 2011 (excl. Treasury shares)**
Total dividend distribution	Unknown	9,724,320
Net dividend per share (in euros)	Unknown	5.75

17.4. Treasury shares

(In thousands of euros)	**Amount at 30.06.2011**	**Amount at 31.12.2010**	**Change**	**Profit on sale**
Purchase cost	4,862	4,668	194	83
Depreciation				
Net value	4,862	4,668	194	
Number of treasury shares at year end	49,486	48,488		

18. Financial liabilities

18.1. Change in financial liabilities

(In thousands of euros)	Amount at 31.12.2010	Increase	Decrease	Reclassifications	Amount at 30.06.2011
Issue price of bonds redeemable in shares	**149,000**				**149,000**
Issue expense for bonds redeemable in shares	**(688)**			49	**(639)**
Bonds redeemable into shares	**148,312**			**49**	**148,361**
Borrowings	252,306			(13,087)	239,219
Finance leases	7,413			(776)	6,637
Debt issue expenses (a)	(583)			70	(513)
Long-term portion of financial liabilities	**259,136**			**(13,793)**	**245,343**
Borrowings	29,377		(19,913)	13,087	22,551
Finance leases	1,499		(741)	776	1,534
Bank overdrafts					
Other interest income/(expense)	1,963	888	(1,963)		888
Short-term portion of financial liabilities	**32,839**	**888**	**(22,617)**	**13,863**	**24,973**
Interest income/(expense) on bonds redeemable into shares	**1,210**	**3,844**	**(1,210)**		**3,844**
Total gross financial liabilities and bonds redeemable into shares	**441,497**	**4,732**	**(23,827)**	**119**	**422,521**

(a) Reclassification of issue expense deducted from loan debt and a part charged to income in accordance with the procedure defined so that the financial charges correspond to the effective rate of interest on the loan.

Bonds redeemable into shares

At 30 June 2011, there were 460,525 bonds redeemable into shares issued on 19 January 2006 at a unit price of €106.40, maturing up to 30 April 2013, as well as 909,088 bonds redeemable into shares issued on 22 December 2010 at a unit price of €110.00, maturing up to 22 December 2017.
The amount payable to holders of the 2006 bonds redeemable in shares is based on the higher of interest at a fixed annual rate of 2 % and the dividend per share to be paid in respect of the previous financial year multiplied by the redemption parity for the bonds. It is recognised as a financial expense and credited to current liabilities. The interest expense for the 2011 half-year, the coupon was calculated based on a 3.16% rate (€3.36 per redeemable bond) from 1 January to 30 April 2011 and a 5.40 % rate (€5.75 per redeemable bond) from 1 May to 30 June 2011.

The 2010 bonds pay interest of 6.5% of nominal value up to the fourth recurrence of the issue date, after which the amount payable is the higher of 2% of nominal value or the dividend per share payable in respect of the previous financial year.

The 2010 bonds redeemable in shares are subject to conditions that may lead to redemption in cash, these conditions being principally:

- The Company’s loss of entitlement to the option provided for under article 208 C II of France’s General Tax Code (SIIC status)
- The Company’s failure to maintain a ratio of EBITDA to senior debt charges of at least 1.5
- The Company’s failure to maintain an LTV ratio of 70% at most

- Initiation of bankruptcy proceedings
- In the event of a public offer for the purchase or exchange of Company shares, holders of bonds redeemable in shares may require redemption in cash (optional).

EBITDA: Earnings before interest, tax, depreciation and amortisation
Senior debt charges: interest and related charges on bank borrowings, excluding bonds redeemable in shares.
LTV: Balance due on bank borrowings divided by the economic value of property assets.

Bank loan agreements

The Company and its subsidiaries have entered, as the borrowers, into loan agreements in order to provide part financing for real estate acquisitions.

At 30 June 2011, the total principal amount outstanding on the above credit facilities was €261,8 million. The majority of loans are variable rate loans and are hedged under variable-for-fixed interest rate swaps.
The borrowing cost (including net interest margin) of the above loan agreements stood at 4.2% for 2011.

The Company also holds three (3) finance lease arrangements which were restated on consolidation to enable them to be recognised in the balance sheet as fixed assets and financial liabilities.
At 30 June 2011, outstanding obligations on finance leases amounted to €8.2 million. Of that total, €6.3 million was fixed rate debt and €1,9 million was variable rate debt.

The credit lines drawn down are subject to the following covenants:

- A loan to value ratio, usually expressed as “Bank borrowings and debt to market value of the property assets”. Depending on the specific definitions applied in each loan agreement, the total loan to value ratio must be below 60% and the bank loan to value ratio must be less than 50% .
- A debt service coverage ratio (DSCR), usually expressed as “Net operating profit to debt service instalments”. Depending on the specific definitions applied in each loan agreement, the bank DSCR must exceed a minimum of 110% and the total DSCR must exceed a minimum of 120%.
- The interest coverage ratio (ICR), usually expressed as “Net operating income to borrowing expenses less net gains on temporary cash investments”. Depending on the specific definitions applied in each loan agreement, the ICR must exceed 180%.

These covenants are respected at 30 June 2011.

18.2. Maturities of financial liabilities

(In thousands of euros)	30/06/2011 Before adjustment for financial instruments	Due in less than one year	Due between 1 and 5 years	Due beyond 5 years	Amount at 31.12.2010
Bonds redeemable into shares (OSRA)	149,000		49,000	100,000	149,000
OSRA issuance expense	(638)				(688)
Interest accrued on bonds redeemable into shares	3,844	3,844			1,210
Total bonds redeemable in shares	**152,206**	**3,844**	**49,000**	**100,000**	**149,522**
Drawn credit lines	200,426	18,797	155,340	26,289	216,815
Other borrowings	61,345	3,754	15,307	42,284	64,868
Finance lease obligations	8,171	1,534	5,834	802	8,912
Sub-total, principal due to credit institutions	**269,942**	**24,085**	**176,481**	**69,375**	**290,595**
Bank overdrafts					
Accrued interest	887	887			1,963
Bond issuance expenses (a)	(513)				(583)
Total debt with credit institutions	**270,316**	**24,972**	**176,481**	**69,375**	**291,975**

(a) Bond issuance expenses which are offset against the "Long-term portion of financial liabilities" account were fully incurred between 2006 and 2010 and therefore are not accrued in respect of subsequent periods
In view of the amount of cash and cash equivalents, it was not deemed necessary to provide a detailed breakdown of liabilities due in less than one year.
The effective interest rate method is applied to perform an analysis of liability maturities under finance lease contracts where the applicable interest rates are markedly different from the cost of debt for the Company.

18.3. Net financial debt

(In thousands of euros)	Amount at 30.06.2011	Amount at 31.12.2010	Change
Bonds redeemable into shares	149,000	149,000	
Interest income/(expense) on bonds redeemable into shares	3,844	1,210	2,634
Gross financial debt	269,677	291,287	(21,610)
Securities at fair value through income			
Cash and cash equivalents	(41,652)	(67,662)	26,010
Net financial debt	**380,869**	**373,835**	**7 ,034**
Net financial debt (excl. redeemable bonds)	**228,025**	**223,625**	**4,400**

Derivatives qualifying as cash flow hedges are used to hedge future cash flows that are not included in net financial debt. Consequently, the market value of cash flow hedges is excluded from the calculation of net financial debt.

19. Collateral deposits

(In thousands of euros)	Amount at 31.12.2010	Change	Amount at 30.06.2011
Collateral deposits	7,799	430	8,229

20. Provisions

(In thousands of euros)	Opening value at 1 Jan.	Increase	Decrease	Closing value at 30 June
Provisions for current contingencies	182		(37)	145
Provisions for contingencies and liabilities	**182**		**(37)**	**145**
o/w provisions used			**37**	
o/w provisions unused				

The provision for contingencies and liabilities is designed to cover the future cost of soil remediation for a parcel of land (€ 145,000).

21. Payables due to suppliers of fixed assets

In thousands of euros)	Amount at 30.06.2011	Amount at 31.12.2010
Payables due to suppliers of fixed assets	7,706	9,565

22. Other current liabilities

(In thousands of euros)	Amount at 30.06.2011	Amount at 31.12.2010
Trade payables and sundry creditors	3,019	4,697
Payables due to social security authorities	4,660	6,143
Other current liabilities	4,988	2,848
Deferred revenue	2,118	1,326
Total other current liabilities	**14,785**	**15,014**

23. Net cost of financial debt

(In thousands of euros)	30/06/2011	30/06/2010
Income from money market securities < 3 months	181	126
Income from cash and cash equivalents	125	183
Interest income from short-term investments and cash and cash equivalents	**306**	**309**
Interest expense - redeemable bonds	(4,182)	(745)
Interest expense - bank borrowings & overdrafts	(5,677)	(3,540)
Gross cost of financial debt	**(9,859)**	**(4,285)**
Net cost of financial debt	**(9,553)**	**(3,976)**

Payments made by banks to the Group in respect of debt hedging instruments (fixed for variable rate swaps) are offset against financial expenses. Payments made by the Group to banks acting as counterparties for instruments are charged to financial expenses. As a result, the interest-bearing borrowings and overdrafts account heading provides a summary of the financial expenses related to the Company's long-term debt.

24. Income tax

All of the companies in the consolidated group have elected SIIC tax status.

25. Reconciliation of income tax expense

(In thousands of euros)	30/06/2011	30/06/2010
Profit before tax	67,958	9,453
Income tax using the average tax rate in France	(22,653)	(3,151)
Timing differences		
Tax payable on gain on the liquidation of a subsidiary		
Tax exempt profit/(loss) (SIIC status)	22,653	3,151
Reversal of deferred tax	277	
Exit tax on conversion of SAGI IE to SIIC status	(158)	
Tax income/(expense)	**119**	

Companies within the scope of consolidation, other than SAGI IE, did not incur any tax liabilities in respect of the 2011 financial year, as a result of their SIIC status

SAGI IE, included in the scope of consolidation from 30 December 2010, has opted for SIIC status from January 2011. This will entail payment over four years of exit tax representing 19% of the difference between the book value and the economic value of properties, setting the charge at €158,000. The difference between deferred tax calculated at a rate of 33.33% on this latent capital gain at 31 December 2010 and the exit tax will be recognised as income for the 2011 financial year.

Earnings per share

In number of shares or share equivalents	Potential share issue on exercise	Dilution on a weighted buyback basis
Shares in the capital	**1,739,958**	**1,739,888**
Treasury shares	(49,486)	(59,996)
2005 warrants	400,000	43,549
2010 warrants	173,912	0
2006 bonds redeemable into shares	460,525	460,525
2010 bonds redeemable into shares	909,088	909,088
2009 bonus shares	3,100	2,439
2010 bonus shares	6,974	2,064
Number of shares after exercise	**3,644,071**	**3,095,493**

Calculation of loss per share	**30/06/2011**	**30/06/2010**
Net profit/(loss) – Group share (€ ‘000)	68,077	9,453
Weighted average number of ordinary shares (a)	1,739,888	1,731,998
Weighted average number of treasury shares (b)	(59,996)	(44,094)
Weighted average number of shares (a-b)	**1,679,892**	**1,687,904**
Earnings/(loss) per share (€)	**40.52**	**5.60**

Calculation of the diluted loss per share at 30 June 2011	**Impact on earnings**	**Accumulated income**	**Number of shares**	**Cumulative number of shares**	**Net loss per share (in euros)**
Net profit/(loss) – Group share (€’000)	68,077	68,077	1,739,888	1,739,888	39.13
Weighted average number of treasury shares	0	68,077	(59,996)	1,679,892	40.52
Dilutive shares arising from 2006 equity warrants	0	68,077	43,549	1,723,441	39.50
Dilutive shares arising from 2010 equity warrants	0	68,077	0	1,723,441	39.50
Dilutive effect of bonus shares	0	68,077	4,503	1,727,944	39.40
Dilutive bonds redeemable in shares, weighted (excluding related interest)	4,182	72,259	1,369,613	3,097,557	**23.33**

Calculation of the diluted loss per share at 30 June 2011	Impact on earnings	Accumulated income	Number of shares	Cumulative number of shares	Net loss per share (in euros)
Net profit/(loss) – Group share (€ '000)	9,453	9,453	1,731,998	1,731,998	5.46
Weighted average number of treasury shares	0	9,453	(44,094)	1,687,904	5.60
Dilutive shares arising from equity warrants	0	9,453	12,495	1,700,399	5.56
Dilutive effect of bonus shares	0	9,453	7,066	1,707,465	5.54
Shares to be issued upon redemption of bonds	745	10,199	460,525	2,167,990	**4.70**

26. Breakdown of cash flow statement accounts

Total cash net of bank overdrafts was as follows at 30 June 2011:

(In thousands of euros)	30/06/2011	31/12/2010
Cash and cash equivalents	41,652	67,662
Bank overdrafts and accrued interest		
Cash flow as presented in the cash flow statement	**41,652**	**67,662**

Remarks on the cash flow statement:

The "calculated expenses" line item corresponds to the portion of expenses associated with bonus share grants (€260,000).
The "acquisition of fixed assets" account heading primarily comprises construction costs (€2,391,000) and expenses after capitalisation of acquisitions (€2,684,000) and the cost of acquiring management mandates (€1,500,000).

27. Post balance sheet events

Investments

The company has not made any new investments since 1st January 2011.

Financing

No new bank credit has been taken out since 31 December 2010.

28. Off-balance-sheet commitments and collateral

(In thousands of euros)	30/06/2011	31/12/2010
Commitments received:		
Undrawn and committed credit facilities	18,800	18,800
Guarantees received		
Other commitments received		
Total asset commitments	**18,800**	**18,800**
Commitments given:		
Mortgages and pledges granted	61,345	64,868
Bonds, guarantees given		
Commitments to purchase investment properties	7,292	7,292
Repair and maintenance orders		
Commitments to purchase securities		
Commitments to sell securities		
Other commitments given		
Total liability commitments	**68,637**	**72,160**

- The Company received lease commitments from some of its tenants in the form of fixed terms of 3, 6, 9 or 12 years.

- The Company also holds security deposits and liabilities guarantees in connection with transactions of real estate holding companies. These guarantees have not been valued in connection with off-balance-sheet commitments.

- As security for the leases it holds on the real-estate assets Rez de Pereire and Décime, the Company provided its commitment to sell and assigned rent income from the sub-letting contracts signed for these properties.

- Building leases held by the Company in respect of the Linois and Mercure III real estate assets do not contain any special off-balance-sheet commitment for the Company prior to their maturities in 2034 and 2036.

- The post-employment benefits with defined benefits granted to the employees of the group are made up by end-of-career compensation payments at the retirement date. Due to the very low number of employees, and the fact that they were hired recently, these compensation payments are not significant; no amount is therefore recorded as an off-balance-sheet commitment.

At 30 June 2011, the Company had made firm commitments to acquire land to be acquired for the subsequent development phases of the Studios du Lendit programme (€7,292,000).

- Other restrictions linked to investment properties:
  - The Company is committed to complying with a five-year holding period for properties acquired under the SIIC 3 regime.
  - Certain properties were acquired under finance lease agreements (three properties) with purchase options which are exercisable but have not yet been exercised.

29. Compensation paid to corporate officers

Payments made to the three corporate officers and expensed during the period were as follows:

Benefits to managers (In thousands of euros)	30/06/2011	30/06/2010
Gross compensation	293	239
Variable compensation		
Profit-sharing bonus		
Payment in shares (bonus shares awarded to officers)	151	156
Total compensation	**629**	**395**

The general meeting of shareholders voted to allocate an envelope of €85,000 in the form of attendance fees in respect of the 2011 financial year.

The Company has not set up any special pension scheme or compensation scheme in the event discontinuation of duties of the corporate officers.

30. Employees

Employees	Executive employees	Non-executives	Total
FPF	13	1	**14**
SAGI IE	8	7	**15**
Total employees	**21**	**8**	**29**

At 30 June 2011, the Company had twenty-nine employees and three executive corporate officers.

FONCIERE PARIS FRANCE

52, rue de la Bienfaisance 75008 PARIS
Limited Liability Company (*Société Anonyme*) with capital de 86 997 900 €
N° Siret : 414 877 118 000 45

Statutory Auditors' Review Report on first half-year financial information

Period from January 1 to 30 June, 2011

DELOITTE & ASSOCIES

MAZARS

Statutory Auditors' Review Report on first half-year financial information

This is a free translation into English of the statutory auditors' review report issued in French and is provided solely for the convenience of English speaking readers. This report includes information relating to the specific verification of information presented in the Group's interim management report. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

To the Shareholders,

In compliance with the assignment entrusted to us by your shareholders' annual general meetings and in accordance with the requirements of article L. 451-1-2 III of the French Monetary and Financial code (Code Monétaire et Financier), we hereby report to you on:

- the review of the accompanying summarized half-year consolidated financial statements of Foncière Paris France, for the period from January 1 to June 30, 2011,

- the verification of the information contained in the interim management report.

These summarized half-year consolidated financial statements are the responsibility of the Board of Directors. Our role is to express a conclusion on these financial statements based on our review.

1. Conclusion on the financial statements

We conducted our review in accordance with professional standards applicable in France. A review of interim financial information consists in making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with French professional standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying summarized half-year consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34 – standard of the IFRS's as adopted by the European Union applicable to interim financial information.

2. Specific verification

We have also verified the information presented in the interim management report commenting the summarized half-year consolidated financial statements subject to our review. We have no matters to report as to its fair presentation and its consistency with the summarized half-year consolidated financial statements.

Neuilly-sur-Seine and Courbevoie, July 27, 2011

The Statutory Auditors

French original signed by

D E L O I T T E & A S S O C I E S	LAURE SILVESTRE-SIAZ
M A Z A R S	GILLES MAGNAN