



Foncière Paris France

PRESS RELEASE – FOR IMMEDIATE PUBLICATION

MEETING OF THE BOARD OF DIRECTORS OF FONCIÈRE PARIS FRANCE

- ◆ **Confirmation by independent expert that PHRV's offer under-values Foncière Paris France**
- ◆ **Excellent operating performance expected in 2011 and robust outlook for 2012**
- ◆ **Board recommendation to shareholders not to tender their shares to the PHRV offer**
- ◆ **Planned public offer to buy back some 25% of the Company's shares for €117 per share**

Paris, 16 November 2011

Formal recommendation to shareholders not to tender their shares to the PHRV offer

The Board of Directors of Foncière Paris France met on 15 November to decide on the recommendation to be made to shareholders concerning PHRV's offer. The Board referred in particular to the 15 November 2011 report by Détrouyat & Associés, the independent experts appointed on 11 October to issue an opinion on the financial terms of the offer.

In its report, Détrouyat & Associés stated that PHRV's offer at €100 per share undervalued the Company.

The Board of Directors noted that:

- PHRV, and Cofitem-Cofimur – which acts in concert with PHRV and has a seat on the Foncière Paris France Board – omitted to notify Foncière Paris France's governance structures of their planned offer, despite having publicly stated on 4 April 2011 that they did not intend to take control of the Company.
- PHRV and Cofitem-Cofimur, which are both competitors of Foncière Paris France, have not come up with any business project.
- The offer price values the shares at a 26% discount to the Company's EPRA NAV of €135.19 at 30 June 2011.

The Board also noted that if the offer were to be successful, Foncière Paris France could be required to repay or renegotiate €185 million worth of credit facilities in application of the customary change of control clauses. This could represent a significant financial risk in the current market conditions. So far, PHRV and Cofitem-Cofimur have not provided any indication of the terms on which the refinancing would be expected to be arranged.

Given that Cofitem-Cofimur, which acts in concert with PHRV, has a seat on the Board, the following forward-looking information is being released to all shareholders:

Information about Foncière Paris France's business outlook

- The building permit for the second phase of the Lendit programme (14,950 square metres of offices and business premises) has been obtained and the purchase of the land should be completed before the end of the year.
- A €50 million programme of asset sales is on going, with three sales agreed at a total price of €25.4 million, representing more than the properties' appraisal value at 30 June 2011.

Information about the Company's forecast 2011 results and financial outlook for 2012

- The Company's EPRA NAV per share is set to be higher at 31 December than at 30 June.
- 2011 recurring net profit^(*) should come in at around €8.8 per share, up 5.2% versus 2010, and 2012 should see a further increase.
- The Company has a solid balance sheet, with an estimated 30% loan-to-value ratio at end-2011. Its average borrowing cost is roughly 4.2%.

At the Annual General Meeting to be held in 2012, the Board intends to recommend increasing the dividend by some 9%, from €5.75 to €6.25 per share.

The Board reaffirmed its view that the offer represents an **opportunistic financial transaction** initiated in a depressed stock market environment at a **price that does not reflect the value** that shareholders can legitimately expect to obtain.

The Board, with the exception of the representative of Cofitem-Cofimur (shareholder acting in concert with PHRV), **considered that the offer is not aligned with the interests of Foncière Paris France, or with those of its employees or shareholders and holders of other equity instruments.**

(*) Recurring net profit corresponds to consolidated net profit before fair value adjustments to investment properties and financial instruments.

Planned public offer to buy back some 25% of the Company's shares for €117 per share

Confident in the Company's strong balance sheet and committed to offering a price that is closer to its Epra NAV per share, to the extent allowed by the cash reserves resulting from the programme of asset sales, the Board of Directors has decided to call a combined Ordinary and Extraordinary General Meeting on 8 December to seek shareholder approval for:

- The immediate resumption of the share buyback programme approved by shareholders at the General Meeting of 23 March and by the Board on 12 September, at an adjusted maximum price of €117 per share.
- The filing, without delay, of a public share buyback offer ("OPRA") for up to €52.6 million, corresponding to approximately 25% of the shares based on the buyback price of €117 per share.

The price of €117 reflects a premium of 17% on the price offered by PHRV and a discount of 13.5% on the Company's EPRA NAV at 30 June (€135.19).

Following this transaction, the Company's financial position will remain sound, with a conservative loan-to-value ratio of less than 40%.

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).

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