



PRESS RELEASE – FOR IMMEDIATE PUBLICATION

MEETING OF THE BOARD OF DIRECTORS OF FONCIÈRE PARIS FRANCE

- ◆ **Independent expert has confirmed that PHRV's improved offer still under-values Foncière Paris France**
- ◆ **The Board recommends to shareholders not to tender their shares to PHRV's offer**
- ◆ **The Board will seek shareholder approval for the issue, without consideration, of warrants for new Foncière Paris France shares to protect shareholders' financial interests**
- ◆ **Negotiated solution with PHRV is being sought in the interests of all shareholders**

Paris, 7 December 2011 – Formal recommendation to shareholders not to tender their shares to PHRV's improved offer

The Board of Directors of Foncière Paris France met on 7 December to decide on the recommendation to be made to shareholders concerning PHRV's improved offer dated 29 November.

In deciding on its recommendation, the Board referred in particular to the independent report on the improved offer prepared by Détoyat & Associés.

The Board noted that, in addition to the points mentioned in its original recommendation to shareholders dated 15 November:

- The improved offer price of €110 per share still values the shares at a 19.6% discount to the Company's EPRA NAV at 30 June (€135.19) and the discount to its estimated EPRA NAV at 31 December is even greater.
- In practice, PHRV's decision to waive the 50.01% minimum tender condition will facilitate the creeping acquisition of control that has already begun with PHRV's purchases of Foncière Paris France shares on the market. The concert group represented by PHRV and Cofitem-Cofimur has already built up a 29.54% stake in Foncière Paris France, a level just below the trigger point for a compulsory takeover bid.

The Board of Directors, with the exception of the representative of Cofitem-Cofimur which acts in concert with PHRV, unanimously considers that the improved offer still under-values the Company and does not represent a fair price for the financial interests of Foncière Paris France's shareholders and holders of other equity instruments issued by the Company.

The Board reiterated its determination to protect the financial interests of all shareholders and to persuade PHRV to offer a price more closely aligned with the Company's intrinsic value. To this end, at the General Meeting called for 8 December, the Board intends to seek shareholder approval for the issue, without consideration, of warrants for new Foncière Paris France shares.

The Board hopes that PHRV will enter into a constructive dialogue with all of the parties as soon as possible.

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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