
Foncière des 6^e & 7^e

ARRONDISSEMENTS DE PARIS

PRESS RELEASE

2012 full-year results

- **Dividend: +25% increase to €0.75 per share**
- **Portfolio Occupancy rate: 97% early 2013**
- **Operating Cash flow: 33% increase to €22.8m**
- **Sound financing and low financial cost: 2.24% in 2012**

PARIS, February 26, 2013 - the board of directors of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) met on February 25, 2013 and closed 2012 accounts, established with IFRS accounts. Audit procedures on annual accounts were held by statutory auditors and the audit report will be issued shortly. This press release should be read with all the available information. The financial report detailing the annual accounts will be released on March 19, 2013 on the company site www.fprg.fr.

CONSOLIDATED FIGURES

Balance Sheet (in million Euros)

<i>Assets</i>	<i>31-12-2012</i>	<i>31-12-2011</i>
Real estate assets	615.4	568.7
Hotel assets	70.4	71.6
Financial assets	89.8	55.4
Cash & equivalents	34.6	8.9
Other assets	21.8	29.0
TOTAL	832.0	733.6

<i>Liabilities</i>	<i>31-12-2012</i>	<i>31-12-2011</i>
Shareholder Equity	432.0	427.6
Financial Debt	376.4	291.3
Other Liabilities	23.6	14.7
TOTAL	832.0	733.6

PROFIT & LOSS STATEMENT

in million of Euros

	<i>31-12-2012 12 months</i>	<i>31-12-2011 12 months</i>
Consolidated Turnover	33.2	31.3
EBIT	19.2	13.9
Net Result (Group Share)	16.3	22.2
Out of which change in financial instruments valuation	(2.3)	(3.3)
Out of which Net Capital Gain	0	14.7
Net Result per share – in €	0.64	0.87
Net Asset Value per share (excluding rights)	20.55	20.10

BUSINESS REVIEW: CONSOLIDATED TURNOVER INCREASES TO €33.2M IN 2012 VS €31.3M IN 2011.

- **Investment portfolio: occupancy rate of 97% early 2013**

Consolidated rental incomes came in at €18,5m as of December 31, 2012, vs €17.5m as of December 31, 2011.

Since January 1, 2012, 4,100sq.m. were let (136 bis rue de Grenelle and 24, rue de l'Université) bringing the occupancy rate to 97% early 2013.

The refurbishment works of the buildings located 45-51, rue Saint Dominique (Paris 7) pre-rented in 2011 were finished in December 2012 and the tenants moved in (Latham & Watkins et Châteauform').

Early 2013, two areas are still vacant: 138 bis, rue de Grenelle (700sq.m.) and half of 209, rue de l'Université (650sq.m.), i.e. 1,350sq.m. in total.

- **Hotels (Holiday Inn Paris – Saint-Germain-des-Prés et Holiday Inn Paris – Notre-Dame): gross operating profit raise to 12%**

The hotel revenues amounted to €15.2m as at December 31, 2012 vs €13.6m in 2011 and the gross operating profit increases by 12% from €5.6m to €6.3m.

As of December 31, 2012, the gross average daily rate of Holiday Inn Paris-Saint-Germain-des-Prés came to €161 and the occupancy rate to 85.6% (vs respectively €153 and 81% as at December 31, 2011). The gross average daily rate of Holiday Inn Paris-Notre-Dame reached €184 and the occupancy rate 87.3% (vs respectively €179 and 84% as at December 31, 2011).

The location of these two assets, right in the centre of Paris, especially when compared to the ones located in the inner suburbs, underlines their defensive profile and prevents them against strong activity downturns in depressed economic environment.

- **Financial stakes : €4.3m of recurring revenues per year**

The financial revenues amounted to €4.3m, vs €2.1m in 2011. The stake in Foncière Paris France (7.3% of the capital) generated, in 2012, €2m of revenues in addition to the dividend distributed by Cofitem-Cofimur in 2011.

VALUATION OF THE PORTFOLIO: €878M

- The valuation of the real estate portfolio (excluding SCI Saint Pères Fleury) amounted to €766m as at December 31, 2012 vs €714m as at December 31, 2011. The portfolio valuation including the financial assets and the stake in SCI Saint Pères Fleury is €878m vs €811m as at December 31, 2011.

CONSOLIDATED FINANCIAL ITEMS: OPERATING CASH FLOW UP BY 33%

- Consolidated Turnover **amounted to** €33.2m as at December 31, 2012, vs €31.3m as at December 31, 2011.
- Consolidated Net Profit reached **€16.3m as at December 31, 2012**. As at December 31, 2011, net profit came to €22.35m, including a €14.7m capital gain linked to the disposal of the building located avenue Charles Floquet.
- **Operating cash-flow** increases sharply to **€22.8 m**, vs €17.1m at 2011 year-end.
- As at December 31, 2012, Group Shareholder's equity amounted to **€432m** (including 2012 net profit).
- **Net Asset Value** excluding transfer right was **€20.6** as at December 31, 2012 vs €20.1 as at December 31, 2011.

LOW AND SOUND FINANCIAL COST: 2.24%

- Net debt was €41.8m as at December 31, 2012. The **average cost of debt including coverage was low (2.24%** vs 3.05% in 2011), thanks to an efficient coverage based on caps which took all benefit from the fall of Euribor.
- In order to diversify its financing resources, Foncière des 6ème & 7ème Arrondissements de Paris issued on December 20, 2012, €50m bonds bearing an interest rate of 3.7% per annum with a 6-year maturity.
- At December 31, 2012, **loan to value ratio** (net debt/assets excluding transfer costs) amounted to **40%** versus 36.1% at December 30, 2012. This can be explained by a net debt increase due to i) undergoing works, ii) the acquisition of Foncière Paris France's shares and bonds redeemable into shares (OSRA) for €37m.

STRONG INCREASE IN DIVIDEND: +25% TO €0.75

- The board of directors will propose to the Shareholders' meeting a dividend of **€0.75 (vs €0.6 € in 2011)** per share, generating a 5% yield on the share nominal value of €15.

OUTLOOK: STRONG INCREASE IN CASH FLOW

- In 2013, the cash flows will benefit from the significant increase of the rental incomes. On a constant basis, the investments linked to the refurbishments are indeed over and the buildings are now rented.
- Foncière des 6ème et 7ème Arrondissements de Paris (SIIC) revenues will increase thanks to i) the letting of 138 bis, rue de Grenelle and ii) the lease signed early 2013 on the mansion located 24, rue de l'Université which will generate a full rent in 2014.

ABOUT FONCIERE DES 6EME ET 7EME ARRONDISSEMENTS DE PARIS (SIIC)

Listed in 2007, the Company holds an asset portfolio of around 56,000 sq. m. comprising high-quality premises. All of them are today refurbished and 97% of them are let.

Foncière des 6ème et 7ème Arrondissements de Paris (SIIC) is listed on Nyse Euronext (Paris), compartment B (Symbol: SRG, ISIN code: FR0010436329).

www.fprg.fr

FONCIÈRE DES 6ÈME ET 7ÈME ARRONDISSEMENTS DE PARIS (SIIC)

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