



Foncière Paris France

PRESS RELEASE

Foncière Paris France –2012 full-year results

- **Asset portfolio on Paris and Boulogne-Billancourt :up to 64% as at December 31, 2012**
- **The portfolio occupancy rate increased to 92.4 %**
- **After financial instruments' reshuffle in 2012, average debt cost decreased to 3.5%**
- **2012 Net Asset Value: €140.3 per share vs €134.6 in 2011**
- **Dividend: €6.25 per share**

PARIS, February 27, 2013 - the Board of directors of FONCIERE PARIS France met on February 27, 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 21, 2013 on the company site www.fonciereparisfrance.fr.

CONSOLIDATED FIGURES

BALANCE-SHEET

€m

ASSETS	31/12/2012 12 months	31/12/2011 12 months
Properties under construction	18.0	6.4
Investment properties	699.1	664.7
Other non-current assets	5.5	2.2
Cash and cash equivalents	6.9	41.9
Other current assets	18.1	27.8
TOTAL	747.6	743.0
LIABILITIES	31/12/2012 12 months	31/12/2011 12 months
Shareholders' equity		
Capital	101.1	87.3
Premium	85.1	77.2
Other reserves	135.2	70.5
Treasury shares	(9.5)	(9.5)
Revaluation of financial instruments	(7.6)	(12.6)
Net profit – Group share	9.9	81.0
Total shareholders' equity	314.2	293.9
Bonds redeemable into shares (OSRA)	119.5	148.4
Long term portion of financial liabilities	245.9	72.4
Other non-current liabilities	20.7	21.4
Current liabilities	47.3	206.9
TOTAL	747.6	743.0

CONSOLIDATED INCOME-STATEMENT €m

	31/12/2012	31/12/2011
	12 months	12 months
Rental income	51.6	51.8
Net rental income	47.8	48.1
Recurring operating income	38.5	40.3
Operating income	36.6	99.7
Including change in fair value of properties	(1.2)	52.8
Net cost of financial debt	(20.3)	(18.8)
Net profit/(loss) – Group share	9.9	81.0
NET PROFIT PER SHARE	5.15	43.25
Diluted net profit per share	5.78	28.49
NAV per share (excluding rights)	140.3	134.6

BUSINESS ACTIVITY**▪ Rental activities**

During 2012 financial year, Foncière Paris France business activity was significantly sustained thanks to the signature or the renewal of leases representing a total surface area of circa 54,000 sq. m.

The main **renewals of leases** concerned:

- The property in Rueil-Malmaison (around 25,000 sq. m of office buildings) was entirely relet to the company Sagem.com under a nine-year lease. The outstanding period of the former lease agreement was 3 years.
- The asset located 210 quai de Jemmapes in Paris 10th, representing a surface area of about 10,000 sq. m, was partly relet to Direction du Travail (Labour Organisation) for 4,120 sq. m. and partly to the Town of Paris for 2,990 sq. m. under six-year and eleven-year leases.

The main **new leases** concerned:

- The building located 14, rue des Frères Caudron in Vélizy, vacant since October 1st, 2008, was let in good market conditions under a six-year lease for 3,600 sq. m.
- The asset located 23 rue Linois in Paris 15th (2,390 sq. m) was also let under a six-year lease.
- Séquoia property located 27, rue des Petites Ecuries in Paris 10th, (around 3,810 sq. m.), was relet under an eleven-year lease, thus increasing the net rental income by 13.3%.
- Vauvenargues property located 141, boulevard Ney in Paris 18th, was relet for a surface area representing 3,725 sq. m.
- Serience property located 30, avenue Carnot in Massy-Palaiseau (1,900 sq. m.), was relet under a fixed six-year lease.

The financial vacancy rate therefore stands at 7.6% vs 7.7% at the end of 2011 financial year.

• Acquisitions

During 2012 financial year, the Company acquired, for €52.5m, two office buildings located 18-20, rue Treilhard in Paris 8th and 8-10, rue Saint-Fiacre in Paris 2nd, representing a total surface area of about 8,500 sq. m. and 42 car parks.

These properties are entirely let under fixed six-year leases for their main tenants. It will enable the Company to cash €3.4m of additional rents on a yearly base.

- **Divestments**

During 2012, Foncière Paris France divested five buildings, mainly located in the inner suburbs: La Rachée (Dourdan), Cités (Aubervilliers), Mediacom 3 (Saint-Denis), Décime (Thiais) et La Bellevilloise (Paris 20th).

These properties (23,524 sq. m.) were sold for total proceeds of €34.6m. This divestment enabled the Company to cash a total capital gain of €0.8m in the consolidated financial statements and of 8.8m in the parent-company financial statements.

- **Developments**

Construction works of « Le Coruscant » property (ex-Lendit 2) located in Saint-Denis began in June 2012. The total investment amounted to €44.6m (including €11,6m of expenses only in 2012), and will enable to develop 11,200 square metres of office area (net floor area) and 3,750 square metres of industrial area. « Le Coruscant » is scheduled to be delivered in February 2014.

ASSET PORTFOLIO AND ASSET VALUE

- As at December 31, 2012, Foncière Paris France's **portfolio** represented a total surface area of around 260,000 sq. m.

It is comprised of 43 commercial assets, of which 85% office buildings and 15% business properties.

The assets are located 58% in Paris, 36% in the inner suburbs and 6% in the outer suburbs. The asset portfolio located in Paris and Boulogne-Billancourt accounts for 64% of the total portfolio value and represents 95,000 sq. m.

- At the end of December 2012, the **appraisal value of the leased and leasable portfolio**, including properties under construction, amounted to €717.2 million in **liquidation value** (excluding rights), and €757.3 million in **replacement value** (including rights). On the basis of the asset appraisal excluding transfer costs at December 31, 2012, the **average rental yield** for leased properties stood at 7.5%

- The company changed its Net Asset Value calculation as at 30 June 30, 2012.

At 31 December 2011, Net assets per share on an EPRA triple net NAV basis was calculated according to the method recommended by Epra, but did not take into account the value of the treasury shares. NAV stood at €135.26 per share.

Foncière Paris France **Net Asset Value (NAV)** now corresponds to:

- Numerator: Fair value of i) consolidated shareholders' equity according to the international accounting standards IFRS, ii) hedging instruments of bank debt, iii) treasury shares plus bonds redeemable in shares (OSRA), and the value resulting from the exercise of share warrants (BSA).
 - Denominator : the total number of shares constituting Foncière Paris France's share capital to which are added the number of shares to be set up from the conversion of OSRA, the exercise of BSA and the number of bonus shares allocated but not yet set up.
- According to this new calculation method, Foncière Paris France's NAV excluding transfer costs amounted to €140.3 per share at December 31, 2012. According to this new approach, NAV should have reached €134.6 per share as at December 31, 2011.

FINANCING STRUCTURE

In 2012, Foncière Paris France signed a five year in fine syndicated loan amounting to €130m arranged by BNP Paribas. This refinancing allowed the company, on the one hand, to repay in advance an outstanding principal balance of €97m and, on the other hand, to secure its development strategy.

All the other credit facilities were maintained.

The Company **cash and cash equivalents** amounted to €6.9m and **undrawn credit facilities** to €68m as at December 31, 2012.

In the current interest rate environment, Foncière Paris France decided to release, in H1, expensive swaps for a notional amount of €110m. This resulted in the payment of a balancing cash adjustment of €9.6m, of which €6.5m were booked under expenses in the Income statement.

On the other hand, the company subscribed 4-year fine caps for a notional amount of €100m with a strike of 1.5%.

As at December 31, 2012, the average cost of the debt was 3.5% (including hedging costs) compared with 4.2% for 2011 financial year.

FINANCIAL REVIEW

- Consolidated **revenue** (rental income) for the year stood stable at €51.6m, (€51,8m in 2011).
- **Recurring operating profit** amounted to €38.5m in 2012 versus €40.3m in 2011.
- **Net finance costs** was (€20.3m) as at December 31, 2012 versus (€18.8m) as at December 31, 2011. The **other financial income and expenses** accounted for the release of swaps for €6.5m.
- **Net consolidated profit stood** at €9.9m as at December 31, 2012 versus €81.0m as at December 31, 2011.
- **Net result** amounted to €10.2m as at December 31, 2012.
- A **dividend** of €6.25 per share will be proposed at the Shareholders' meeting to be held on April 11, 2013.

OUTLOOK

The new shareholders of Foncière Paris France intend to keep developing its asset portfolio in Paris and the immediate suburbs. This policy will enable to appraise the share value and maintain a safe distribution stream.

Thanks to its renewed financial means, Foncière Paris France can take advantage of opportunities to buy and sell properties as they arise on the market.

A PROPOS DE FONCIERE PARIS FRANCE

Foncière Paris France is a SIIC specialized in commercial real estate in the Paris region.

Foncière Paris France is listed on the NYSE Euronext (Paris), Compartment B (symbol: FPF; ISIN: FR0010304329).

www.fonciereparisfrance.fr

CONTACTS

FONCIÈRE PARIS FRANCE

Arnaud POMEL / Séverine FARJON
01 43 12 38 83