



Foncière de Paris

Press release – July 30th, 2014

2014 - Half-year financial statements

Paris, July 30th, 2014 – The Management Board of Foncière de Paris met on July 30th, 2014 and closed the half-year financial statements as at June 30th, 2014, in compliance with IFRS standards. The limited control procedures were established by the Statutory Auditors which report is about to be issued. This Press release is to be read with all the available information. The half-year financial results will be available on August 4th, 2014 on the Company's website www.fonciere-de-paris.fr.

SELECTIVE ACQUISITIONS: €100m investment in Paris intra-muros, i.e. an acquisition of 22,000 sq.m. of office spaces in Paris XVI, XVII and XIX

AN OCCUPATION RATE OF 96% OF THE PORTFOLIO

€40m RENTS, ALMOST €1.4bn OF PORTFOLIO VALUE

- **Operating profit as of June 30th, 2014: €29m**
- **Increase of the Company's unrealised capital gains to €190m on June 30th, 2014, vs €157m on December 31st, 2013.**
- **Revalued Net Asset Value per share, excluding transfer duties: €112.81**
- **Net social profit as of June 30th, 2014: €23.8m**

EXTENSION OF THE DEBT MATURITY AND OPTIMISED CONTROL OF THE FINANCIAL COSTS

- **Financing cost of the drawn debt after hedging: 2.8% as at June 30th, 2014 vs 2.9%, as at December 31st, 2013**
- **Issuing of a bond of €100m, beginning of July, split into two tranches of €50m each, with 2020 (2.99%) and 2021 (3.3%) terms, bringing the maturity of the drawn consolidated debt to 3.9 years**

ACTIVITIES

- **RENTAL BUSINESS ACTIVITY : FINANCIAL OCCUPATION RATE REACHED 96% AS AT JUNE 30th, 2014 COMPARED TO 93.3% AS AT DECEMBER 31ST, 2013**

- **During the six months, the Company rented or re-commercialised almost 10,000 sq.m, representing almost €4m of annual rental income. In particular, the building located rue de Lasteyrie (1,200 sq.m) was totally re-let.**
- **These operating leases allowed an** increase of the financial occupation rate from 93.3% on December 31st, 2013 to 96% on June 30th, 2014. It reaches 98% in Paris which concentrates up to €1.1bn of the assets, i.e. 78% of Foncière de Paris total assets.

- **FONCIERE DE PARIS INVESTS €100m IN PARIS INTRA-MUROS**

Foncière de Paris concentrated its acquisitions on properties located in Paris intra-muros. These assets, today mostly rented, offer a medium term value creation.

- **Paris 16 – Bd de Montmorency – EADS Head office-**

Foncière de Paris purchased the former EADS Head office, located in Paris 16. This building representing a total space of 14,000 sq.m. with 120 parking places is entirely rented to EADS for a 2 year term. It will then be refurbished.

- **Paris 19 – 218 avenue Jean Jaurès – Diapason Building –**

This building represents a surface of 6,200 sq.m. mostly let and generates an immediate return of 7.6%.

- **Paris 17 – 251 Bd Pereire – Maillot 2000 Building –**

Foncière de Paris purchased an additional 1,000 sq.m, to be refurbished, in a building where it already held 7,000 sq.m. of rented offices.

Since June 30th, 2014, two sales (building Lendit Lumière in Saint-Denis and the Company's proportionate share in the SCI Saints Pères Fleury*) were finalised and generated €12m of capital gains, which will be reported in the second half of 2014.

ASSET PORTFOLIO: NEARLY €1.4bn OF REAL ESTATE PORTFOLIO VALUE

- **The value of the portfolio appraised as at June 30th, 2014 is of €1.39bn vs €1.24bn as at December 31st, 2013.** This change is mainly due to:
 - €100m acquisitions performed during the period (cf. supra),
 - An increase of unrealised capital gains of €157m as at December 31st, 2013 and are of €190m as at June 30th, 2014,
 - €10m investments in the Coruscant building in Saint-Denis,
 - Sales of suburban assets for the cash balance.

FINANCIAL DATA: €40m IN RENTAL INCOME

- **The consolidated turnover** amounts to €57.4m for the first half of the year, split as following:
 - €40m from rental income, focused on the annual target of €80m,
 - €11.1m from lease payments for the credit-leasing,
 - €6.3m from hotel activity income.

* This SCI (French real estate Company), of which Foncière de Paris only held 32.5%, owns the former Ecole des Ponts et Chaussées located rue des Saints-Pères (approximately 9,200 sq.m) today let to Sciences Po with a long-term lease agreement.

The consolidated pro-forma turnover for a full year in 2013, including Foncière de Paris and Foncière Paris France amounted to €75.7m.

- The operating profit reaches €29m as at June 30, 2014 compared to €49m as at December 31, 2014 (pro forma).
- **The net consolidated profit** is of €11.5m, not comparable to the first half of 2013. It has been negatively affected by a change in value of the financial instruments, by almost €5m and on the reprocessing of the subsidiaries dividends by €16m.
- **Net income**, used to determine the dividend, reaches €23.8m.
- The **consolidated shareholders' equity**, including income, amounts to €534m. Are added to this amount €190m (vs €157m as at December 31st, 2013) of unrealised capital gains on the rental business assets and €87m OSRAs. The amount of the revalued capital equity and quasi-equity amounts to **€811m as at June 30th, 2014**.
- **The Revalued Net Asset for the six month period of Foncière de Paris amounts on a diluted basis to € 112.81 per share, excluding transfer duties as at June 30th, 2014 vs to €111.7 per share excluding transfer duties as at December 31st, 2013.**

REFINANCING: DURING THE FIRST SIX MONTHS, FONCIERE DE PARIS EXTENDED ITS DEBT MATURITY WHILE REDUCING ITS MEDIUM COST

- The long term financial debt passed from €801m as at December 31st, 2013 to €935m as at June 30th, 2014, the short term debt from €233m to €221m and the available cash rose from € 9.7m as at December 31st, 2013 to €38.5m as at June 30th, 2014. Before carrying out the €100m bond issue, the Company held **€126m of undrawn credit lines**.
- The refinancing cost of the confirmed credit lines as at June 30th, 2014, including hedging costs and those of the OSRAs 6.5% (ex Foncière Paris France), is **2.80%** compared to 2.94% as at December 31st, 2013. The Loan to Value ratio (LTV) amounts **to 46%** vs 43% as at December 31st, 2013. As at June 30th, 2014, the debt is covered up to 80%.
- As part of the diversification of its financing sources, Foncière de Paris issued, on July 10th 2014, a bond for a total amount of €100m, split in two tranches of €50m each. The first tranche for a six year term at an annual rate of 2.99%, the second tranche for a seven year term at an annual rate of 3.30%.
- Due to the bond issue on July 10th, 2014 and the signing of new credit lines confirmed since the beginning of the financial year, the debt maturity is **of 3.9 years**, compared to 2.9 years end of December 2013.

OUTLOOK: AN ESSENTIALLY PARISIAN PORTFOLIO

- Since the beginning of the financial year, Foncière de Paris has continued its selective acquisition policy of Parisian assets and initiated focused arbitrages on the outskirts real estate assets. The Parisian assets (Paris, Levallois-Perret, Boulogne-Billancourt) of Foncière de Paris represent, from now on, almost 80% of its portfolio compared to 75% at the end of December 2013.
- Foncière de Paris relies on strong results, an important real estate portfolio in Paris, a strengthened free float, a legible and tax-advantaged status as well as on a clear strategic positioning. In the second half of the year, the positive business activity and the recent acquisitions, leased, will contribute to the consolidated results which should allow **the payment of a dividend at least equal to the one of the former year**.

CONCERNING FONCIERE DE PARIS

Foncière de Paris is listed on the Euronext Paris Market since 1987 (code ISIN: FR0000034431). The Company is identified in the real estate sector, classified FTSE.

www.fonciere-de-paris.fr

CONTACTS

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KEY FIGURES

CONSOLIDATED BALANCE-SHEET - in thousands of euros

	30/06/2014	31/12/2013	30/06/2013
ASSETS			
Investment properties	1,047,839	1,016,417	242,028
Assets fo hotel activities	51,235	51,596	52,124
Assets for financial lesasing	444,307	467,838	477,580
Financial fixed assets	178,141	93,637	101,097
Assets for sale	88,192	16,166	1,186
Other assets	48,480	115,384	118,958
Cash and cash equivalent	38,573	9,725	51,400
TOTAL ASSETS	1,896,767	1,770,763	1,044,373
LIABILITIES			
Shareholders equity - Group share	533,779	547,180	293,892
Minority interest share	2,636	2,763	2,000
OSRA	87,474	87,474	
Financial liabilities	1,159,918	1,031,038	689,945
Derivative instruments - swaps	13,819	12,673	11,172
Other debts	99,141	89,635	47,364
TOTAL LIABILITIES	1 896 767	1,770,763	1,044,373

NB : IN CONSOLIDATED FINANCIAL STATEMENTS ESTABLISHED IN IFRS STANDARDS, ASSETS FOR INVESTMENT PROPERTIES ARE BOOKED INTO HISTORICAL VALUE, I.E. OVER €190M OF LATENT CAPITAL GAINS ARE NOT TAKEN INTO ACCOUNT.

CONSOLIDATED INCOME STATEMENT – in thousands of euros

	30/06/2014 6 months	31/12/2013 6 months	31/12/2013 Pro-forma 12 months	30/06/2013 6 months
OPERATING REVENUE	81,497	59,608	147,258	43,769
Revenue from investment properties	50,500	30,923	85,205	10,423
Rents	39,971	26,234	75,723	8,791
Revenue from credit-leasing	23,809	21,915	46,573	24,658
Other operating revenue	7,189	6,770	15,481	8,688
OPERATING EXPENSES	52,548	38,707	98,190	35,842
Expenses on investment properties	26,807	14,506	38,018	5,549
Operating expenses on credit-leasing	12,504	10,644	30,274	19,630
Other operating expenses	4,871	5,279	9,936	4,657
General operating expenses	9,087	8,278	19,961	6,006
Operating profit	28,949	20,901	49,069	7,926
Income from sale of investment properties	1,088	46	1,526	1,480
Operating profit after sale of investment properties	30,037	20,947	50,595	9,406
Profit/loss of equity affiliates	1,943	(4,569)	(2,476)	2,884
Cost of net debt	(18,599)	(14,244)	(34,715)	(7,576)
Dividends and net revenue on securities	5,131	(8,825)	(2,056)	4,464
Changes in value of derivatives	(4,936)	286	126	42
Changes in goodwill value		111,753	105,414	
Pre-tax profit	13,577	105,348	116,887	9,220
Taxes (including deferred tax)	(1,211)	(28,022)	(26,657)	(1,761)
NET PROFIT	12,366	77,325	90,230	7,459
Including minority interest share	811	779	1,593	814
Group share	11,555	76,547	88,638	6,645
Earnings per share	€1.80	€14.15		€1.55
Diluted earnings per share	€1.95	€13.34		€1.55