



Foncière des 6^e & 7^e
ARRONDISSEMENTS DE PARIS

PRESS RELEASE

Foncière de Paris / Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris

PARIS, November 4th, 2014

- **Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) to be merged into Foncière de Paris (SIIC) during first half 2015 on the basis of accounts closed on December 31st, 2014¹**
- **Specialized in the Parisian office market, the new entity will manage €3bn of restated assets**
- **The estimated LTV should amount to 46%, with a net debt amounted to €1.1 bn²**
- **An improved liquidity, an approx. 20% free-float and a market capitalisation of around €1bn**

On November 4th, 2014, the Supervisory board of Foncière de Paris, following a proposal of its Executive Board, and the board of directors of Foncière des 6^{ème} et 7^{ème} arrondissements de Paris met and approved the principle of merging Foncière des 6^{ème} et 7^{ème} arrondissements de Paris into Foncière de Paris.

This transaction is envisaged with the aim of enabling these two listed companies to achieve the following objectives:

- **A relative merger linked to the cancellation of 17,6% of the capital of Foncière des 6^{ème} et 7^{ème} held by Foncière de Paris**
- **A crystal clear strategy : a portfolio of good quality assets concentrated for almost 90% in Paris, Boulogne-Billancourt and Levallois-Perret**
- **Strengthened resources to ensure long-term development in the same category of assets**

The new entity, when created, will have total consolidated assets, at market value of €3bn³.

This proposed merger represents an opportunity for the teams to share their experience and skills.

¹ Transaction subject to the decision of extraordinary shareholders' meetings of both companies to be held in May 2015 the latest

² Debt excluding Credit-leasing debt (€0.40 bn)

³ In addition to the €2.25bn in rental property, net consolidated assets is constituted of credit-leasing (run-off for €0.44bn) and, for the balance, of financial stakes, current assets and Cash.

A multi-criteria approach will be used to estimate merger parity value (portfolio and market criteria). Subject to the work of the merger auditors, who will be appointed, parity could be between 0.15 et 0.20 share Foncière de Paris for one share Foncière des 6^{ème} et 7^{ème}; this being calculated with the following criteria : NAV per share, share price, dividend per share.

During May 2015, the extraordinary shareholders meeting of the two companies will meet in order to vote on this operation and on the draft merger agreement after having sight of the report of the merger auditors.

A declaration will also be submitted to the Competition Authority (Autorité de la Concurrence). A document E will be submitted to the visa of the AMF.

The admission of the new shares to quotation should take place before summer 2015.

On completion of this transaction, the share capital of the new entity will remain quite substantially held by the insurance companies today already shareholder of the company: Covéa, Allianz, Assurances du Crédit Mutuel, Generali, Le Conservateur, Zurich. No shareholder envisages reaching the 30% threshold in capital or voting rights.

For the future, the simplification of the organization of these two entities should optimize value creation for the shareholder and ensure the pursuit of steady dividend growth.

ABOUT FONCIERE DE PARIS

Foncière de Paris is listed on Euronext Paris since 1987 (Mnémonique FDPA, code ISIN : FR0000034431).
www.fonciere-de-paris.fr

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

Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) is listed Euronext Paris since 2007 (Mnémonique SRG, code ISIN : FR0010436329).

www.fprg.fr

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