



RELEASE – FEBRUARY 13TH, 2015

2014 full-year financial results

Paris, February 13th, 2015 – The Board of Directors of Foncière de Paris met on February 10th, 2015 to approve the Company's financial statements established according to the international accounting standards IFRS, for 2014 financial year from January 1st to December 31st, 2014. It presented its report on the financial statements to the Supervisory Board on February 13th, 2015. Audit procedures were carried out by Statutory Auditors and their report will be currently issued. This press release should be read with all available information. The update of its reference document will be released at the latest in April 2015 on the Company's website www.fonciere-de-paris.fr

TARGETED ACQUISITIONS: €100m investments in Paris “intra-muros”, i.e an acquisition of 22,000 sq.m. of office spaces in Paris XVIth, XVIIth and XIXth

INCREASING OCCUPANCY RATE FROM 93.3% TO 95,1%

€80M OF RENTAL REVENUE AND AN ESTIMATED PORTFOLIO ASSET OF €1.3 BILLION ON MARKET VALUE

- **Increase of the consolidated operating profit as at 31 December 2014: €61m (+24%)**
- **Increase of the stock of unrealised gains close to € 200m as at 31 December 2014 (+27%)**
- **Growth of the net value asset on a diluted basis: € 118.69 per share at December 31st, 2014, versus € 111.17 per share at December 31st, 2013 (+6.8%)**

EXTENDED DEBT MATURITY AND DECREASED FINANCIAL COST

- **Spot financing cost after hedging: 2.61% as at December 31st, 2014 vs 3.17% as at December 31st, 2013**
- **Issuing of a bond of € 100m beginning July 2014, split into two tranches of € 50m each with 2020 (2.99%) and 2021 (3.3%) terms, increasing the average debt maturity to 3.4 years**

INCREASED DIVIDEND TO €6.1 (vs €6 in 2013)

ACTIVITIES

- **Rental Business Activity: Financial occupation rate reached 95.1% on December 31st, 2014 compared to 93.3% on December 31st, 2013.**
 - **During the period, the Company rented or re-commercialised approximately 13,500 sq.m. of the existing portfolio.**

- **The financial occupancy rate increased from 93.3% on December 31st, 2013 to 95.1% on December 31st, 2014. It reaches 97% in Paris where almost €1 billion in assets are concentrated, and represent 76.5% of the total portfolio of Foncière de Paris.**
- On December 31st, 2014, the average lease maturity is of **4.2 years**.

▪ **FONCIERE DE PARIS INVESTED € 100m IN PARIS INTRA MUROS IN 2014**

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 16th – Bd DE MONTMORENCY- EADS HEAD OFFICE-**
In June 2014, Foncière de Paris purchased the former EADS Head Office located in Paris 16th. This building representing a total space of 14,100 sq.m. with 120 parking places is entirely rented to EADS for a two year term. It will then be refurbished.
- **PARIS 19th – 218, AVENUE JEAN JAURES – DIAPASON BUILDING –**
This building represents a surface of 6,300 sq.m. mostly let and generates an immediate return of 7.6%.
- **PARIS 17th – 251, Bd PEREIRE – MAILLOT 2000 BUILDING –**
Foncière de Paris purchased an additional space (1,150 sq.m.) to be refurbished in a building where it already holds over 7,000 sq.m. of rented offices.

Two sales were finalised in the second semester of 2014 (Building Lendit-Lumière, 5,400 sq.m. in Saint Denis and the Company's proportionate share of 32.5% of the capital in the SCI Saints Pères Fleury*) and generated €13.7m of net capital gains.

*This SCI of which Foncière de Paris only held 32.5%, owns the former Ecole des Ponts et Chaussée, located rue des Saints Pères (approximately 9,200 sq.m.) now rented to Science Po with a long term lease agreement.

ASSET PORTFOLIO: € 1.3bn OF REAL ESTATE PORTFOLIO VALUE

- **The value of the portfolio appraised as of December 31st, 2014 is of € 1.3bn vs € 1.24bn as of December 31st, 2013.**
This change is mainly due to:
 - € 100m acquisitions performed during the period (cf. supra)
 - An increase of unrealised capital gains from € 157m at December 31st, 2013 to € 200m at December 31st, 2014
 - Peripheral asset disposals for an amount of € 4.6m and capital gain of € 1.9m
 - € 13m investments in the construction of the Coruscant Building in Saint Denis, for the balance.

FINANCIAL DATA: NEARLY € 80m IN RENTAL INCOME

- **The consolidated turnover** amounted to € 113.3m at December 31st, 2014, split as following:
 - € 79.4m from rental income (€75.7m in 2013), in line with the annual target of € 80m, excluding dividends on shares held in Foncière des 6^{ème} et 7^{ème} and on Eurosic that amounted to € 9m.
 - € 21.4m from lease payments for credit-leasing,
 - € 12.5m from hotel activity income.
- The operating profit reached € 61m as at December 31st, 2014 versus € 49 M as at December 31st, 2013 (pro-forma on 12 months).
- **The net consolidated profit** is of € 33.6m not comparable to the pro-forma one of December 31st, 2013 (€88.6m).
Consolidated current cash-flow amounts to € 52m, i.e. € 7.84 per share.
- **The net income** (résultat social), used to determine the dividend, reaches € 41.1 M after taking into account the termination fees of € 6.4m on swaps, i.e. € 6.21 per share.

- The consolidated shareholders' equity, including income, amounts to € 565m. Are added to this amount almost € 200m (vs € 157m as at December 31st, 2013) of unrealised capital gains on the rental business assets and € 73m OSRAs. The amount of the revalued capital equity and quasi-equity amounts to **€ 836m versus € 791m on December 31st, 2013 (pro-forma)**.
- **The Revalued Net Asset for the six month period of Foncière de Paris, amounts on a diluted basis to € 118.69 per share, excluding transfer duties on December 31st, 2014 vs to €111.17 per share excluding transfer duties on December 31st, 2013.**

REFINANCING: DURING THE PERIOD, FONCIERE DE PARIS EXTENDED ITS DEBTS MATURITY WHILE REDUCING ITS AVERAGE COST

- The long-term financial debt passed from € 801m as at December 31st, 2013 to € 877m as at December 31st, 2014, the short term-debt from € 233m to € 179m between December 31st, 2013 and December 31st, 2014. On December 31st 2014, the Company held **€ 408m of undrawn credit lines**.
- During the second semester, the Company purchased € 157m swaps paying an amount of € 6.4m booked into expenses in 2014. After the impact of this transaction, the Company is still hedged at 80% at an average rate of 2.41%. The spot cost of refinancing at December 31st, 2014, **passed to 2.61% compared to 3.17% on December 31st, 2013**.
- The Loan To Value ratio (net debt/asset revaluation) amounts to 44% vs 43% at December 31st, 2013.
- 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 **3.4 years**, compared to 2.9 years end of December 2013.

DIVIDEND INCREASING SLIGHTLY

- At the General Meeting of Shareholders the payment of a dividend of **€ 6.1 per share** will be proposed, versus € 6 in 2013, confirming the Company's distributive capacity. This represents **a dividend yield of 6.1%** on the stock price at December 31st 2014 and of 5.5% on the stock price at February 10th, 2015.

MERGER PROJECT WITH FONCIERE DES 6EME ET 7EME ARRONDISSEMENTS DE PARIS: A RELUTIVE TRANSACTION AND A CONSOLIDATED ASSET PORTFOLIO OF APPROX. € 3 BILLION

- On November 4th, 2014, the Supervisory Board of Fonciere de Paris, on proposal of the Management Board and the Board of Directors of Foncière des 6ème et 7ème Arrondissements de Paris met and approved the principle of a merger of Foncière de 6ème et 7ème Arrondissements de Paris into Fonciere de Paris (see Press Release of 4 November 2014).
- Mr. Kling and Ledouble were appointed Merger Auditors on November 24th 2014.
- Specialised on the real estate market of offices in Paris, the new group will reach a consolidated portfolio asset of approximatively € 3 billion based on current value. This transaction will bring to the shareholders of the two listed companies the following assets:
 - This merger is expected to be accretive (relative) due to the cancellation of 17.6% of capital of Foncière des 6ème et 7ème Arrondissement de Paris currently held by Foncière de Paris.
 - A crystal-clear strategy: the high quality portfolio concentrated up to 90% in Paris, Boulogne-Billancourt and Levallois-Perret
 - Reinforced means in order to assure a long term development on equivalent assets.

- In the future, the simplification of organisation of these two entities should optimise value creation for the shareholders and assure sustained and regular increase of the dividend.

FINANCIAL AGENDA

- March 5th, 2015: Foncière de Paris Supervisory Board and Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris Board of directors (exchange parity of the merger).
- May 12th, 2015: Both companies will hold an Annual General Meeting (on 2014 dividend) and an Extraordinary General Meeting (on the Merger treaty)

ABOUT FONCIERE DE PARIS

Foncière de Paris is listed on Euronext Paris since 1987 (code ISIN: FR0000034431) under real-estate FTSE classification.

www.fonciere-de-paris.fr

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KEY FIGURES

CONSOLIDATED BALANCE SHEET – In thousands of euros

ASSETS In thousands of euros	31/12/2014	PRO FORMA 31/12/2013	31/12/2013	30/06/2013	LIABILITIES In thousands of euros	31/12/2014	PRO FORMA 31/12/2013	31/12/2013	30/06/2013
INTANGIBLE ASSETS	5 524	1 260	1 260	164	Capital	99 386	99 271	99 271	64 323
Capital fixed for investment properties	976 462	1 016 417	1 016 417	242 028	Reserves	432 525	359 272	371 362	222 925
Capital fixed assets for hotel activities	54 082	51 596	51 596	52 124	Transferable reserves	12 108	-1 666	-1 666	1 375
					Treasury shares	-18 466	-26 708	-26 708	-1 144
Capital assets for financial leasing					Other consolidated reserves	438 883	387 647	399 737	222 694
Capital assets for moveable leasing	4 433	6 511	6 511	7 261	Other equity instruments				
Capital assets for property finance leasing	406 821	448 007	448 007	464 417	Share in the income of associated undertakings	4 415	-2 476	-4 569	2 884
Capital assets for financial leasing	13 799	13 320	13 320	5 902	Not yet allocated income/loss				
Operating fixed assets	586	565	565	382	Income/loss excluding share in the income of associated undertakings	29 183	91 114	81 116	3 760
					Income/loss	33 598	88 638	76 547	6 645
TANGIBLE ASSETS	1 456 183	1 536 415	1 536 415	772 114	SHAREHOLDERS' EQUITY GROUP SHARE	565 509	547 181	547 180	293 892
Shareholdings in associated undertakings	96 602	93 613	93 613	101 066	Minority interest income		779	779	814
Securities and receivables held to maturity	9	24	24	31	Minority interest reserves		1 957	1 957	1 186
Available-for-sale securities	84 781	72 259	72 259	75 451	MINORITY INTERESTS		2 736	2 736	2 000
Interest-rate instruments (caps and swaps)	1 248	354	354	65	Bonds redeemable with shares (OSRA)	72 908	87 474	87 474	
Deferred tax-assets	2 252	1 980	1 980	4 833	FINANCIAL LIABILITIES DUE IN MORE THAN ONE YEAR	871 526	800 752	800 752	464 614
Other receivables	9 663	16 770	16 770	13 661	Interest-rate instruments swaps	7 082	12 673	12 673	11 172
					Deferred tax liabilities	1 957	171	171	1 595
OTHER NON-CURRENT ASSETS	194 555	185 000	185 000	195 107	Other debts	11 279	14 507	14 507	6 943
					MISCELLANEOUS DEBTS	13 236	14 677	14 677	8 538
TOTAL NON-CURRENT ASSETS	1 656 262	1 722 675	1 722 675	967 385	TOTAL NON-CURRENT LIABILITIES	1 530 261	1 465 493	1 465 493	780 217
Properties held for sale	77 022	16 166	16 166	1 186	PROVISIONS FOR CONTINGENCIES AND CHARGES	2 596	2 259	2 259	2 366
Inventories	129	73	73	72	FINANCIAL LIABILITIES DUE IN LESS THAN ONE YEAR	184 945	233 049	233 049	227 331
Accounts receivable on investment properties	8 801	9 807	9 807	2 723					
Accounts receivable on leasing	3 709	3 651	3 651	8 746	MISCELLANEOUS DEBTS	53 875	69 962	69 962	34 459
Operating receivables	12 510	13 457	13 457	11 469	TOTAL CURRENT LIABILITIES	241 417	305 270	305 270	264 156
Miscellaneous receivables	8 325	8 668	8 668	12 861	TOTAL LIABILITIES	1 771 678	1 770 763	1 770 763	1 044 373
Securities held for trading	1 486	243	243	118					
cash and cash equivalents	15 944	9 482	9 482	51 282					
Cash	17 429	9 725	9 725	51 400					
CURRENT ASSETS	115 415	48 088	48 088	76 988					
TOTAL ASSETS	1 771 678	1 770 763	1 770 763	1 044 373					

NB IN THE CONSOLIDATED FINANCIAL STATEMENTS ESTABLISHED ACCORDING TO THE INTERNATIONAL STANDARDS IFRS, INVESTMENT PROPERTIES ASSETS ARE BOOKED IN HISTORICAL VALUE, WHICH MEANS THAT €198M LATENT CAPITAL GAINS ARE NOT TAKEN INTO ACCOUNT.

CONSOLIDATED INCOME STATEMENT – In thousands of euros

In thousands of euros	31/12/2014	31/12/2013 PRO FORMA	31/12/2013	30/06/2013
OPERATING REVENUE	155 421	147 255	59 608	43 769
Revenue from rental activity	99 181	85 203	30 923	10 423
Rents	79 390	75 723	26 234	8 791
Re-invoiced expenses	17 358	8 080	4 342	1 262
Other revenues and transferred expenses	1 351	641	275	49
Recoveries of impairment of assets	516	328	37	260
Recoveries of doubtful accounts	566	286	36	61
Recoveries of provisions for contingencies and charges		145	0	
Revenue from financial leasing	42 929	46 571	21 915	24 658
Fees and taxes and other revenues	21 352	24 580	12 109	12 471
Re-invoiced charges	8 825	12 231	4 243	7 988
Recoveries of provisions and amortisations	5 428	3 053	702	2 351
Recoveries of provisions for doubtful accounts	4 943	5 724	4 371	1 353
Capital gain on sales	1 196	454	65	389
Other revenue	1 185	529	424	105
Hotel operating revenue				
Hotel operating revenue	12 545	12 459	6 240	6 219
Other revenue	766	3 022	530	769
Other recoveries of provisions for contingencies and charges				1 700
OPERATING EXPENSES	94 405	98 187	38 707	35 842
Expenses on rental activity	49 644	38 018	14 506	5 549
Re-invoiceable expenses	17 358	8 080	4 342	1 262
Non re-invoiceable expenses	5 492	6 263	2 041	739
Depreciation and amortisation	21 040	20 992	6 679	2 217
Provisions for asset depreciation	3 694	1 954	920	1 206
Provisions for contingencies and charges		176	176	
Expenses on doubtful accounts	675	248	158	90
Other expenses	1 386	305	191	35
Operating expenses on financial leasing	20 736	30 274	10 644	19 630
Re-invoiceable expenses	8 825	12 231	4 243	7 988
Non re-invoiceable expenses	814	1 037	667	370
Provisions for assets	239	7 656	2 838	4 818
Expenses on doubtful account	6 404	6 776	2 672	4 104
Gain/loss on sales	4 293	2 350		2 350
Other expenses	161	224	224	
Other operating expenses	9 657	9 935	5 279	4 657
Other hotel operating expenses	8 588	8 553	4 585	3 968
Depreciation and amortisation for the hotel activity	1 068	1 382	693	689
General operating expenses	14 368	19 960	8 278	6 006
Payroll expenses	7 939	7 441	1 651	3 637
Other administrative expenses	3 845	10 154	5 879	1 620
Taxes and similar payments	1 379	1 165	490	396
Depreciation, amortisation and provisions	755	623	201	251
Other operating expenses	450	577	56	103
Operating profit or loss	61 016	49 068	20 901	7 926
Income from sale of investment properties	6 123	1 526	46	1 480
Operating profit or loss including sale of investment properties	67 140	50 594	20 947	9 406
Profit/loss of associated undertakings	4 415	-2 476	-4 569	2 884
Cost of net debt	-42 047	-34 715	-14 244	-7 576
Dividends and net revenue on securities	11 120	-2 056	-8 825	4 464
Changes in value of financial instruments	-6 138	126	286	42
Changes in goodwill value		105 414	111 753	
Pre-tax income/loss	34 489	116 887	105 348	9 220
Taxes (including deferred tax)	-892	-26 657	-28 022	-1 761
NET INCOME/LOSS	33 598	90 230	77 325	7 459
Of which Minority interest share		1 593	779	814
Group share	33 598	88 638	76 547	6 645
Earnings per share	€ 5.34		€ 14.15	€ 1.55
Diluted earnings per share	€ 5.24		€ 13.34	€ 1.55

