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## Foncière Paris France - First-Half 2008 Results

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- Asset portfolio as of June 30: €434.4 million
- Consolidated net profit: €11.4 million
- NAV per share, excluding transfer costs: €146.3
- NAV per share, including transfer costs: €157.4

**(PARIS – July 24, 2008)** – The Board of Directors of Foncière Paris France met on July 23, 2008 to approve the Company's financial statements for the six months ended June 30, 2008.

### KEY FIGURES

	June 30, 2008	June 30, 2007	Dec. 31, 2007
<b>Asset portfolio</b> - € millions	<b>434.4</b>	<b>371.1</b>	<b>428.3</b>
<b>Gross rental income</b> - € millions	<b>13.3</b>	<b>9.2</b>	<b>22.8</b>
<b>Recurring operating profit</b> - € millions	<b>13.1</b>	<b>7.4</b>	<b>18.6</b>
<b>Consolidated net profit</b> - € millions	<b>11.4</b>	<b>25.3</b>	<b>41.0</b>
<b>NAV per share, excl. transfer costs</b> (€)	<b>146.3</b>	<b>136.7</b>	<b>144.4</b>
<b>NAV per share, incl. transfer costs</b> (€)	<b>157.4</b>	<b>146.8</b>	<b>156.3</b>

*"We are satisfied with the first-half results, which were achieved in an environment that has become more difficult for property companies," said Chairman and Chief Executive Officer Jean-Paul Dumortier. "Since the beginning of the year, we have intentionally scaled down our acquisitions program and focused on projects currently in development, as well as on rental operations. Backed by a strong balance sheet, Foncière Paris France intends to pursue its strategy of selective growth in the months ahead."*

## BUSINESS REVIEW

### ▪ **Rental activity**

**Rental activity** was particularly sustained in the first six months of the year. During the period, Foncière Paris France successfully negotiated several leases for major assets in its portfolio. In all, 53,500 square meters of space was let or re-let, representing total annual rental income of €10 million.

The financial occupancy rate stood at 96.2%. In addition, more than 75% of buildings under construction or renovation are already let.

### ▪ **Developments**

During the first half, the Company made significant headway in its **new building and renovation** projects.

- In **Rueil**, Foncière Paris France obtained a building permit and began restructuring the 24,500 square-meter office complex it owns there. The units will be delivered in phases between end 2008 and early 2009.
- In **Saint Denis**, the building permit for the first phase of **Studios du Lendit** was obtained in March 2008. Work is scheduled to begin in the fall 2008 on this 22,500 square-meter program, which comprises television production studios and dedicated offices for multimedia operations. The program should be delivered in mid-2010.
- Also in **Saint Denis**, the Company acquired the site for the **Mediacom 3** project in February 2008. The approximately 4,000-square-meter property will be the first zero-energy office building in the Greater Paris area. Work will start in fall 2008, with delivery scheduled for early 2010.

### ▪ **Acquisitions and Disposals**

Foncière Paris France intentionally scaled down its **acquisitions** in the first half to a few transactions that meet its new profitability criteria.

The Company acquired three new assets worth €11 million during the period, and took over a €3.6 million finance lease in July.

It **disposed** of a building on rue d'Enghien in Paris, for €6.5 million, and signed a commitment to sell the Ellipses property complex in Saint Maurice for €33.7 million.

### ▪ **Asset Portfolio**

Foncière Paris France currently owns 40 commercial properties in the Paris area, including office buildings, business premises and local warehouses. The **portfolio** represents a total surface area of roughly 213,262 square meters, of which 38% in Paris, 49% in the inner suburbs and 13% in the outer suburbs.

### ▪ **Asset Value**

At June 30, 2008, the **appraisal value of the portfolio** was €434.4 million excluding transfer costs and €459.1 million including transfer costs. The gross rental yield stood at 7.4% and the financial vacancy rate was 3.8%.

On a like-for-like basis, the portfolio's overall value edged up by 0.41% from December 31, 2007. This reflects a mixed situation within the portfolio: 8 assets showed a decline in value of more than 5% and 14 declined by around 3%, while 8 remained stable and 7 increased in value.

## FINANCIAL REVIEW

- **Revenue** for the period came to €13.3 million, up from €9.2 million in first-half 2007. **Recurring operating profit** rose to €13.1 million from €7.4 million the year before. After fair value adjustments totaling €1.9 million, disposal gains of €0.5 million and finance costs of €4 million, **consolidated net profit** for the period stood at €11.4 million. This compares with €25.2 million in first-half 2007, a figure that included €20.7 million in fair value adjustments.
- **Debt** totaled €155.8 million at June 30. Of this, €149.1 million was hedged at fixed rates. The average interest rate on debt stood at 4.6%. The Company ended the period with €44.4 million in **cash and cash equivalents**. After deducting this amount, net debt totaled €111.4 million, for a loan to value ratio of **25.6%** (net debt/assets excluding transfer costs).
- At June 30, **equity** and quasi-equity – represented by equity notes – totaled €323.7 million. Diluted for the equity notes, **NAV per share** stood at **€146.3** excluding transfer costs, and €157.4 including transfer costs, a slight increase from December 31, 2007.

## OUTLOOK

In the second half of 2008, Foncière Paris France should add to its financing resources to increase its investment capacity.

Looking out through 2009, Company intends to pursue its growth strategy by making selective investments in a real estate market that is expected to see prices and volumes decline.

## ABOUT FONCIÈRE PARIS FRANCE

Foncière Paris France is an SIIC specialized in commercial real estate in the greater Paris region. The Company was founded in May 2005 by Jean-Paul Dumortier, President of the Fédération des Sociétés Immobilières et Foncières.

Foncière Paris France is listed on NYSE Euronext Paris, compartment B (symbol FPF, ISIN code: FR0010304329).  
[www.fonciereparisfrance.fr](http://www.fonciereparisfrance.fr)

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