



A HIGH QUALITY PORTFOLIO

2015 BUSINESS REPORT



- 03 2015, a new dimension
- 06 Governance structure
- 08 Shareholding, share price, 2015 dividend

11 2015, an ambitious growth strategy generating profit for the future

- 12 Key figures
- 12 2016 agenda
- 15 Group's profile

17 A high quality portfolio

A perfect alliance between experience and dedication

- 18 Both historical and contemporary buildings servicing the dividend
- 26 The credit-leasing
- 26 2015 acquisitions
- 27 2015 disposals
- 28 The rental portfolio as of December 31st, 2015
 - 31 The Hotel business
 - 32 Rental business and occupancy rate
 - 34 Appraisals and NAV

37 A fully mobilised and committed real estate Company

- 38 Environmental commitments
- 40 A tight skilled team
- 44 Best practice and shared experience
- 48 Commitments in favour of cultural heritage, education, environment and sports

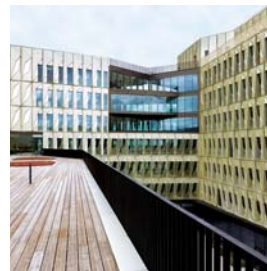
51 Financial information



February 11th

Signature of the lease with Yves Saint Laurent concerning the off-plan sale of the "Penthemont" complex in Paris 7th.

YVES SAINT LAURENT

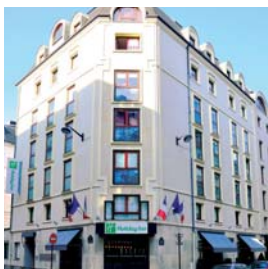


April 8th

Signature of the lease with the French railway company SNCF concerning the "Le Coruscant" building in Saint-Denis (93).



2015 KEY DATES



September 24th

Full acquisition of Paris Saint Germain Holiday Inn hotel, located 92, rue de Vaugirard in Paris 5th, through the acquisition of the land.



September 30th

Full acquisition of the building located 127-129, rue de l'Université in Paris 7th, fully let, comprising 2,300sq.m. of residential housing and 330 car parks.



May 12th

Merger
of Foncière des 6^{ème} et 7^{ème}
Arrondissements de Paris
into
Foncière de Paris

May 14th

The company pays
a dividend of
€6.10 per share for 2014
financial year.

June 30th

Sale of the 3 below mentioned buildings
for a total amount of €97 million:
- "Rueil 250" - 92063 Rueil-Malmaison,
- 76-80, avenue du Général Leclerc - Paris 14th
- 4, rue de Lasteyrie - Paris 16th.
Total consolidated capital gain: €2.3 million.

November 6th

Issue of 2 bonds for a total
amount of €150 million:
- €100 million on 8 years bearing
an interest rate of
3% per annum,
- €50 million on 7 years bearing
an interest rate of
2.75% per annum.



December 24th

Signature
of the lease with
the French railway
company SNCF concerning
the building located
158-162, bd Saint-Martin
in Paris 10th.



— Consolidated assets —
as of December 31st

2014 ● 2015
€1.3bn ○ €2.6bn

A NEW DIMENSION

We are more than honoured to present in these few lines the highlights of 2015.

The merger in May 2015 with Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris resulted in a real-estate group on the market of office buildings and hotels in Paris which, at the end of the year 2015 held a portfolio of €2.6 billion of assets vs €1.3 billion at the same period last year.

The quality of our assets as well as the Parisian location of almost 90% of the portfolio explain the increase of 13.8% of the Net Asset Value (Triple Net EPRA) per share to €134.72.

The replacement NAV (including transfer duties) amounts to €146.3, up to 14%.

2015 has been a very dynamic year, from an operational standpoint as well.

During the period, the Company rented or re-commercialised approximately 57,000sq.m.

At the beginning of the year, the future occupancy of the Penthemont Building complex (Paris 7th) was totally secured by the signature of the lease with Yves Saint-Laurent for approximately 9,200sq.m of offices. A franchise agreement was concluded with the Hotel Marriott Chain aiming at 5* hotel with 50 rooms for the remaining surface (3,500sq.m). The renovation works started at the end of the year and the delivery of what will become a trophy asset for our Company is expected in two years. The Coruscant Building in Saint-Denis (14,550sq.m) has been rented to the SNCF (French National Railway Company) for a ten year term. The momentum of the rental activity resulted in a financial occupancy rate increase of over two points at 97.4% vs 95.1% in 2014.

This strong activity is reflected in the increase of the pro-forma EPRA Result to €7.06 vs €6.83 in 2014.

The rental business now accounts for 83% of Foncière de Paris total EBITDA, embodying the strategic move of the company towards investment properties, managing in run-off its leasing business since 2013.

The Company also took advantage of the weak steepening yield curve and maintained a low cost of financing at 2.64% (spot) though the maturity of its debt passed from 3.4 year in December 2014 to 4 years in December 2015. The loan to value ratio remains steady at 44%.

At the General Meeting of Shareholders, the payment of €9 dividend will be proposed vs €6.1 in 2014. The dividend is composed of:

- an ordinary distribution amounting to €6.2 per share,
- an extraordinary distribution of €2.8 per share, due to the significant rise of restated NAV during the year and the successful merger with Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris.

The total dividend of €9 represents a yield of 8.12% on stock price at December 31st, 2015.

The asset portfolio of Foncière de Paris conceals strong business growth drivers. A refurbishment program of the assets began in December 2015, representing an amount of work expenses of €120 million over the three next years, offering a potential of €21 Million of additional rental income. In addition to the Penthemont building and the one located 37, bd de Montmorency, other buildings will be refurbished before being re-let, strengthening therefore, the quality of the assets and securing the distributive capacity of the Company for the next financial year.

On March 4th, 2016, the Supervisory Board of Foncière de Paris SIIC met in order to examine the terms and conditions of the public takeover bid that Eurosic intends to file on Foncière de Paris.

This takeover project will be based on an alternative offer in which the shareholders will have the possibility:

- to tender their shares to a public exchange offer and receive Eurosic shares or bonds redeemable into Eurosic shares («OSRA») (on the basis of 24 shares or OSRA Eurosic new shares for 7 shares Foncière de Paris SIIC, corresponding to the Triple Net Asset Value exchange rate («NAV») as at December 31st, 2015 ex-dividend) ; or
- to tender their shares to the cash public offer at a price of €136 per share after the payment of the 2015 dividend of €9 per share.

The holders of the Foncière de Paris OSRA will have the possibility:

- to tender their OSRA to a mixed offer: 216 OSRA Eurosic and a cash payment of €684.11 for 49 OSRA Foncière de Paris SIIC ;
- to tender their OSRA to a cash public offer at the price of €188.82 per OSRA Foncière de Paris SIIC.

The public offer is subject i) to the approval of the Competition Authority and ii) to the approval of the Extraordinary Shareholder Meeting of Eurosic to issue new shares and new OSRA in exchange for the securities Foncière de Paris which will be tendered to the public offer.

The Supervisory Board unanimously approved the perspective of this combination which would lead to the creation of a major actor in the tertiary real estate sector, in particular on the Parisian market, in the interest of all the parties, in particular the shareholders and the employees of Foncière de Paris SIIC. The Supervisory Board authorized the signature of a protocol with Eurosic in order to organize, among other points, the collaboration between the two companies in the perspective of their combination.

The Supervisory Board noted that the price of €136 per share proposed in the contemplated takeover after the payment of a dividend of €9 per share, represents a premium of respectively 29.9%, 32.6% and 32.6% on the 1 month, 3 months and 6 months stock prices (weighted by volumes) as at March 4th, 2016. The exchange rate of the offer (24 shares Eurosic for 7 shares Foncière de Paris SIIC) is based on Triple Net Asset Value after the payment of the dividend of the two companies.

In accordance with article 261-1 of the AMF General Rules (Règlement général de l'AMF), the Supervisory Board has appointed Cabinet BDO, represented by Mr. Michel Léger, as Independent Expert. On April 5th, 2016, the Supervisory Board will deliver its reasoned opinion on the public offer of Eurosic after the issuance of its report by the Independent Expert.

The Supervisory Board thanks the Executive Committee and the teams of Foncière de Paris SIIC for their work these past few years to enhance the value of the real estate portfolio of the Company.

We thank you for your trust and ensure to all of you our entire commitment to Foncière de Paris and its shareholders.

Sophie BEUVADEN

Chairwoman of the Supervisory Board

François THOMAZEAU

Chairman of the Executive Board

GOVERNANCE

THE SUPERVISORY BOARD

Sophie BEUVADEN

Chairwoman

Peter ETZENBACH

Vice-Chairman

Philippe BLAVIER

Member

Jean-Paul DUMONT

Member

Luc GUINEFORT

Member

Tatiana NOURISSAT

Member

Michel DUFIEF

Censor until February 10th, 2016

Jean-Marie SOUBRIER

Censor

ALLIANZ VIE

Member represented by Fanny PALLINCOURT

ASSURANCE DU CRÉDIT MUTUEL VIE

Member represented by Pascale BONNET

LE CONSERVATEUR

Member represented by Cyril LE TOUZE

replaced by Julien KEHAYAN

on February 1st, 2016

GMF ASSURANCES

Member represented by Olivier LE BORGNE

GENERALI FRANCE ASSURANCES VIE

Member represented by Bruno SERVANT

ZURICH VERSICHERUNGS

GESELLSCHAFT

Member represented by Cornel WIDMER

THE AUDIT COMMITTEE

Fanny PALLINCOURT

Chairwoman

Cyril LE TOUZE,

replaced by Julien KEHAYAN on February 16th, 2016

Bruno SERVANT

Michel DUFIEF,

replaced by Tatiana NOURISSAT on February 16th, 2016

THE COMPENSATION COMMITTEE

Cyril LE TOUZE

Chairman,

replaced by Philippe BLAVIER on February 16th, 2016

Peter ETZENBACH

Michel DUFIEF,

replaced by Luc GUINEFORT on February 16th, 2016



Olivier RICHÉ, François THOMAZEAU and Arnaud POMEL

THE EXECUTIVE BOARD

The company is managed by an Executive Board, under the control of the Supervisory Board.

François THOMAZEAU
Chairman of the Executive Board

Olivier RICHÉ
Managing Director

Arnaud POMEL
Managing Director

Since 2010, the Company has adopted the Corporate Governance Code for Smallcaps and Midcaps, published by MiddleNext in December 2009, as the set of standards for the Company's corporate governance policy. Therefore, pursuant to the Act dated July 3rd, 2008 transposing community directive 2006-46-CE of June 14th, 2006, the MiddleNext Code is the one to which the Supervisory Board refers to. The Company applies all the recommendations of this Code.

STATUTORY AUDITORS

SAINT-HONORÉ SEREG

140, rue du Faubourg Saint-Honoré – 75008 Paris
Statutory Auditor represented by Denis VAN STRIEN
Member of the Compagnie régionale de Paris
Expiration date of current term: 2020

TUILLET ASSOCIÉS

Alternate Statutory Auditor

MAZARS

64, rue Henri Regnault - 92400 Courbevoie
Statutory Auditor represented by Odile COULAUD
Member of the Compagnie régionale de Paris
Expiration date of current term: 2020

Franck BOYER

Alternate Statutory Auditor



SHAREHOLDING

2015 SHARE PRICE AND DIVIDEND

SHAREHOLDER'S EQUITY AND SHAREHOLDER'S STRUCTURE

On December 31st, 2015, the equity capital stands at €154,426,125 divided into 10,295,075 shares with a par value of €15 each.

There are no other securities that give access to the capital of the Company, except 663,302 OSRAs which are potentially redeemable into 852,786 shares by redemption in 2017.

There are no double voting rights and the articles of association contain no restrictions on the exercise voting rights and on share transfers. To the Company's knowledge, there is no shareholders' agreement and there is no concerted action among shareholders.

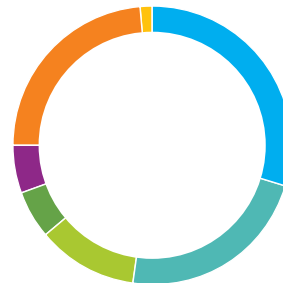
On December 31st, 2015, the free-float increased to 23.3% of the capital, i.e. approximately €266 million.

Between December 31st, 2014 and December 31st, 2015, the number of shareholders jumped from 1,470 to 2,330.

The merger of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris into Foncière de Paris improved the stock's liquidity.

Shareholders in %
as of December 31st, 2015

29.64	■	COVÉA Group
22.70	■	ALLIANZ Group
11.50	■	ACM Group
5.79	■	LA TRICOGNE
5.48	■	LE CONSERVATEUR Group
23.32	■	FREE FLOAT
1.57	■	TREASURY SHARES



Since March 21st, 2016

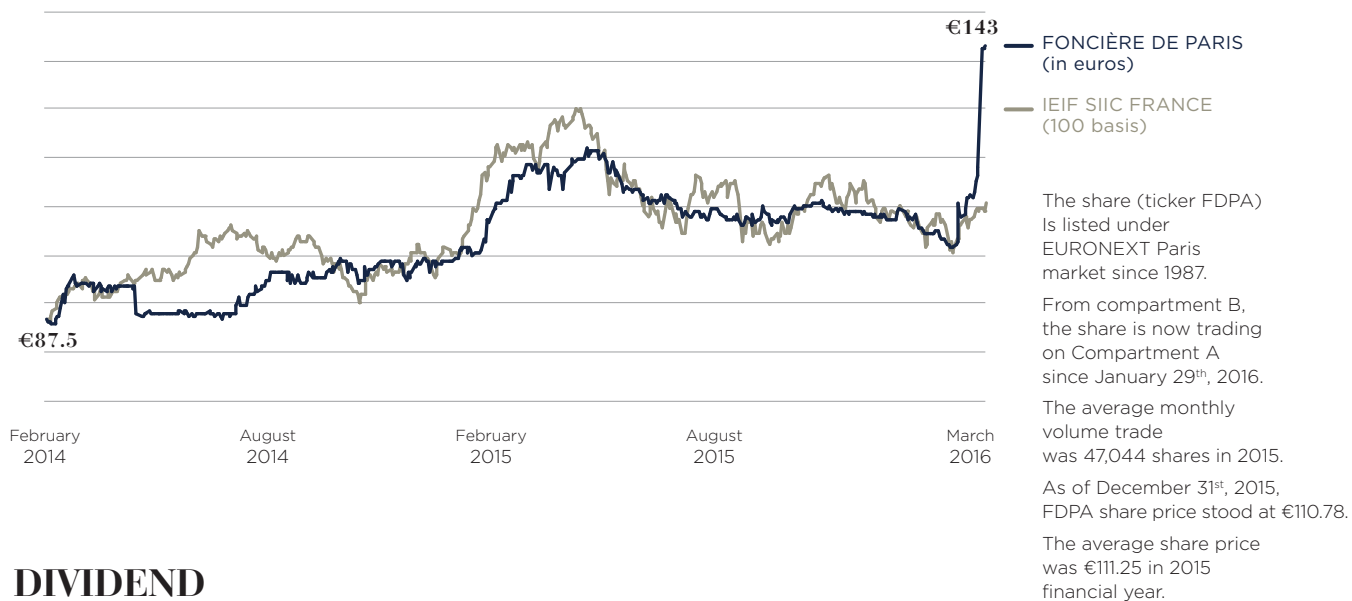
Foncière de Paris SIIC joined the EPRA index

In order to be able to join the EPRA index, Foncière de Paris fulfilled all the liquidity, free-float and financial publication criteria, imposed by EPRA

More information on EPRA on: <http://www.epra.com>

SHARE PRICE

IN 2015, THE SHARE ROSE BY MORE THAN 11%.



DIVIDEND

SINCE ITS INCEPTION, FONCIÈRE DE PARIS GENERATED A 17.80% INTERNAL RATE OF RETURN PER YEAR (or 12% without inflation impact).

The General Meeting of the Shareholders is proposed to distribute a dividend of €9 per share, including €2.80 of extraordinary dividend versus €6.10 in 2014, confirming the strong distribution ability of the Company.

This dividend per share will be composed of €5.37 from SIIC results and €2.63 from operating results. It represents a 8.12% yield on the stock price as of December 31st, 2015 (5.60% exceptional dividend excluded).

Since 30 years, Foncière de Paris has always assured to its shareholders, a regular increase or maintaining its dividend.

In a maximum period of nine months after the closing date, the Executive Board will set the detachment date, pursuant to Article L. 232-13 of the Commercial Code.

2015 Dividend

€9/share



Coruscant • 15-19, rue Jean-Philippe Rameau - 93 Saint-Denis



€2.6bn
of asset portfolio

2015, AN AMBITIOUS GROWTH STRATEGY

GENERATING PROFIT FOR THE FUTURE

KEY FIGURES

In 2015

€54m

of investments

€96m

of rental income

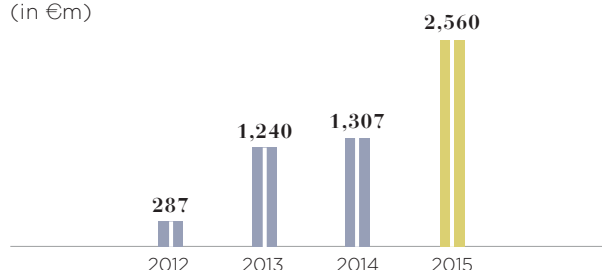
EPRA TRIPLE NET NAV PER SHARE

(Net Asset Value per share, in €)



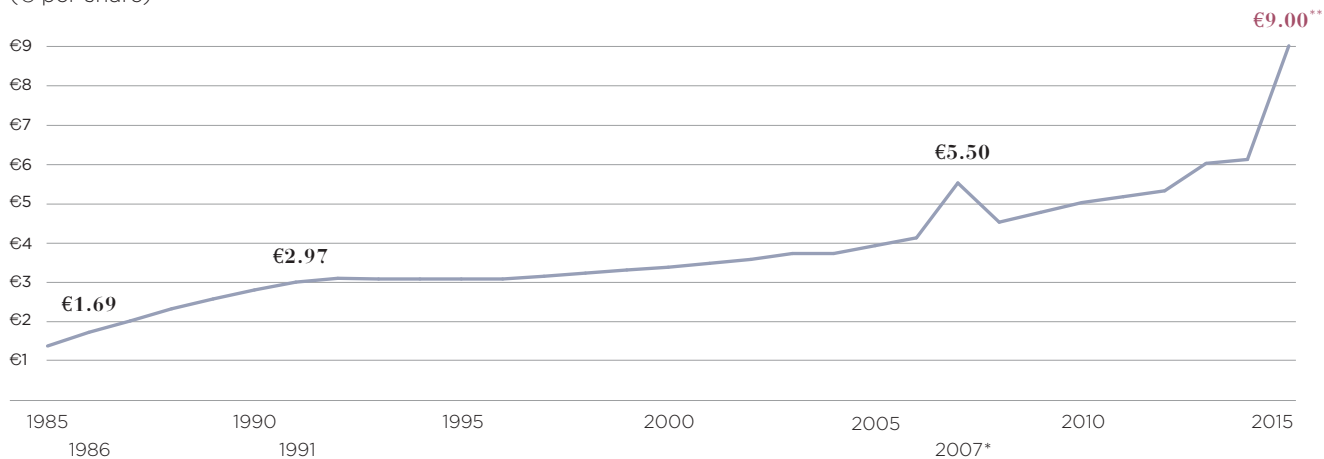
REAL ESTATE PORTFOLIO OF INVESTMENT PROPERTIES

(in €m)



DIVIDEND

(€ per share)



* including an additional extraordinary dividend of €1.20 for 2007 financial year
** including an additional extraordinary dividend of €2.80 for 2015 financial

2016 KEY EVENTS

February 17th,

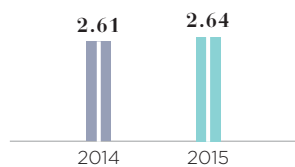
Full-year financial results

April 12th,

Combined Shareholders' Meeting

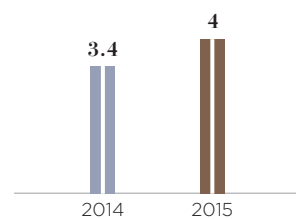
DEBT SPOT COST

(in %)



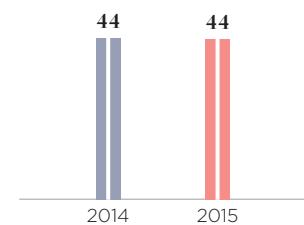
DEBT MATURITY

(in years)



LOAN TO VALUE*

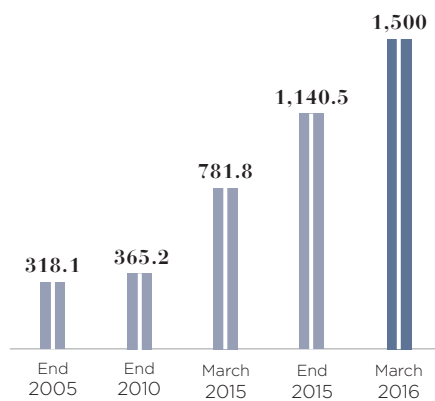
(in %)



*Ratio = debt restated portfolio

MARKET CAPITALISATION

(in €m)



YEARLY CHANGE IN CASH-FLOW AND EPRA RESULT

(in €)

Current cash-flow per share (EPRA Earning) as of December 31st



Total cash-flow per share as of December 31st





GROUP'S PROFILE

*Foncière de Paris aims at pursuing
the Company profitable growth strategy*

An asset portfolio
of approximately **€3.0 billion**

Market capitalisation
€1.5bn
As of March 15th, 2016



Strong market presence
in Paris
(Almost 90% of the rental
property portfolio is in Paris,
Boulogne-Billancourt and Levallois-Perret)

High visibility on income
(occupancy rate of 97.4% and average
leasing term of **4.7 years**)

**A REAL ESTATE
COMPANY
SPECIALISED IN
OFFICE BUILDINGS
IN PARIS**

EPRA Triple Net NAV
€134.72 per Share
(+13.8% in a year)

A sustained financial
policy LTV = **44%**
(Covenant < 55%)

The Company relies
on an asset portfolio
of approximately €3 billion located
for 90% in Paris,
high visibility on high income and
on a sustained financial policy.



49-51, rue Saint-Dominique - Paris 7th



A Global
occupancy rate of
97.4%

A HIGH QUALITY PORTFOLIO

A PERFECT ALLIANCE
BETWEEN EXPERIENCE AND DEDICATION

BOTH HISTORICAL AND CONTEMPORARY BUILDINGS SERVICING THE DIVIDEND

Foncière de Paris' portfolio conceals strong business growth drivers.

A refurbishment program of the assets began in December 2015, representing an amount of work expenses of €120 million over the three next years, offering a potential of €21 Million of additional rental income. In addition to the Penthemont building and the one located 37, bd de Montmorency, other buildings will be refurbished before being re-let, strengthening therefore, the quality of the assets and securing the distributive capacity of the Company for the next financial years.



PENTHEMONT COMPLEX BUILDING

2014 ACQUISITION

Total surface: 12,500sq.m.

37-39, rue de Bellechasse
104, rue de Grenelle in Paris 7th

The walls of the Penthémont Abbey, transferred from Beauvais to rue de Grenelle in Paris, after a flooding that demolished entirely the convent, probably remember all these young women from very good families that stayed here for some time.

Like Joséphine de Beauharnais, when separated from her first husband Alexandre, or like the Countess de Polastron, married at fifteen and judged “too young” by her relatives to be allowed to live with her marital spouse.

In 1743, the new Prioress Marie-Catherine Bethisy de Mezieres decides to totally rebuild the Monastery because it was considered too decayed and too confined. The last Prioress of the convent sought the assistance of several architects, of which François Franque and Pierre Contant d'Ivry.

The project of the first one, although very lavish, was not selected but his plans were noted as an example in the Encyclopaedia.

The second one carried out the work, with a new main building set between court and garden and



a church located on the street, which delimited two main courtyards on each side but without a cloister. In 1780, more works are undertaken and an additional building-wing is built to shelter comfortable apartments for ladies, a source of important revenue for the abbey.

But during the Revolution, just ten years later, the abbey disappears and the buildings become state property.

From there on, the buildings will only shelter military troops, the National Guard, the pensions' department for the War Ministry and at last the department of Veterans Affairs.

In 1814, the site will even be used as cavalry barracks with almost 200 horses.

Concerning the Chapel, where the Dauphin had laid the first stone in 1753, it was changed into a Protestant temple in 1843. Several protection policies are decided in 1983, by the Historical Monuments of France, concerning the facades and the roofs of the main building. In 2014, the State gets rid of the exceptional lot of buildings and Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris becomes the new owner on June 27th, 2014.

In a few months the military will move to Balard Headquarters and the renovation and refurbishment of the site will start. Respecting a very nice tradition "the pathway of the newlyweds" the future bride and groom will still have access to the temple to get married, without passing by the buildings.

Yves Saint Laurent Group will install its Head Office in 2018.





AN ENTIRELY RENOVATED OFFICE BUILDING

2014 ACQUISITION

Total surface: **14,080sq.m.**

31, 33, 35 and 37
boulevard de Montmorency
in Paris 16th

1936

In 1936 a certain Mr. Blétry purchased the 5,000 sq.m land, located 31-37 boulevard de Montmorency. Two residential detached homes in millstone grit were built on it. After World War II he sold this real-estate complex to "Compagnie Française d'Entreprise" (French Mechanic Company).

The boulevard de Montmorency

This lane mainly residential borders the Auteuil underground line, the section of "l'ancienne petite ceinture" (railway) which today is a Nature Trail.

Built in 1853 the boulevard and the railway were named after the Marshal Luxembourg-Montmorency (1707-1787) who formerly held the land.

1950

The two houses are destroyed to make a big modern building designed by Henri Mathé and Paul Mantes Architects and built for Entreprises Métropolitaines et Coloniales in November 1950. The engineering unit of this company, specialised in land-and maritime civil engineering and working on steel, mechanic constructions as well as on aeronautics and wood work, occupied the building.

1962

In 1962 the land and the building are sold to "Société Immobilière Parisienne" located 31-37 bd de Montmorency (S.I.P.E.M.C) wishing to extend the Head Office of Société Nationale Sud Aviation.

In May 1963, the S.I.P.E.M.C. settles a building permit assisted by Henri Mathé architect in order to raise the building by two additional stories over the seven already existing floors.

Visible from the Hippodrome d'Auteuil, the building is located in a protected zone.

A special permit - an exemption - was necessary to raise the building. In addition and because the land borders the railway, (Ceinture) the authorisation of the SNCF (French National Railway Company) was also necessary.

The extension needs of Sud Aviation having a national character, both permits will be delivered in an exceptional time limit as well as the allocation of offices in the premises. In the same time underground parking spaces and a planted area with fifteen Lombardy poplars were integrated.

2000

In 2000, the building became the Head Office of EADS Group and underwent new rehabilitation. The mandate is given to Topos Agency which had just realised the temporary Head Office of the group in Boulogne-Billancourt. The architects must face a delicate task consisting in "reuniting" the edifice with itself while organising a difficult construction site with different steps between 2000 and 2004 in an occupied building. A 5,000sq.m. floor area will be refurbished on the existing 12,000sq.m.

2014

In summer 2014, Foncière de Paris acquires the building.

After the departure of EADS during the summer 2015, Foncière de Paris starts an important renovation programme which should end at the beginning of 2017.



YVES SAINT LAURENT

A GRACEFUL BUILDING

2005 ACQUISITION

Total surface: 2,200sq.m

24, rue de l'Université in Paris 7th

Even an architect may consider ambition as the only way. At least until the vicissitudes of life decide otherwise and turn the author's dreams into dust, over time. Thomas Gobert, a young and skilful architect working for the monarch's properties, bought a land of approx. 3,500 sq. ft (une toise = 6 feet) located rue de l'Université, in Paris, in March 1685.

The son in law of Mr. de Lespine, builder in the neighbourhood of the rue de Richelieu, who had already created the "Pavillon de Breteuil and the Trianon in Saint Cloud, decided to build a big private mansion, extended by two detached pavilions. He worked as sponsor and architect at the same time.

He imagined a graceful building with a facade which was at the time known as "a curved peristyle with ionic columns, supporting a balcony on the first floor, with large windows adorned with recumbent figures, surmounted by lion heads."

But Thomas Gobert built too big and went bankrupt in 1700.

The property, divided into three plots, passed from hands to hands, almost all aristocratic, for over two centuries, namely in the family of the Counts de Sénecterre who gave their name to the Mansion, before having themselves a reversal of fortune. In 1794, the property was put into a lottery and was finally sold by the heirs of Adrien de Fayet to the City of Paris in December 1908, which wanted to destroy it to build two schools.

It is the "Old Paris" Committee that saved the "Sénecterre" Mansion from demolition in 1911. Since 1926, the building complex is classified and recognised on the French Supplementary Historic Monument list. But the fact does not prevent the building of being officially declared in "a dilapidated state" in 1974.

The State, after settling the Department of Trade and Handcrafts, then the State Secretary for SMEs in it, finally decides to sell it in 2005.

Briefly but illegally occupied by Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris at the time of the takeover, the mansion, in a very poor condition, underwent long and total refurbishment, thus restoring its former beauty and prestige. Nowadays, well settled in its century, the mansion recovers its full worth by hosting the couture workshops of Yves Saint Laurent, where so many skilled hands are as active as fairy hands and now work in a unique and prestigious environment of the French know-how.



AN OFFICE COMPLEX A STONE'S THROW FROM “LES QUAIS DE SEINE”

2005 ACQUISITION

Total surface: 9,200sq.m.

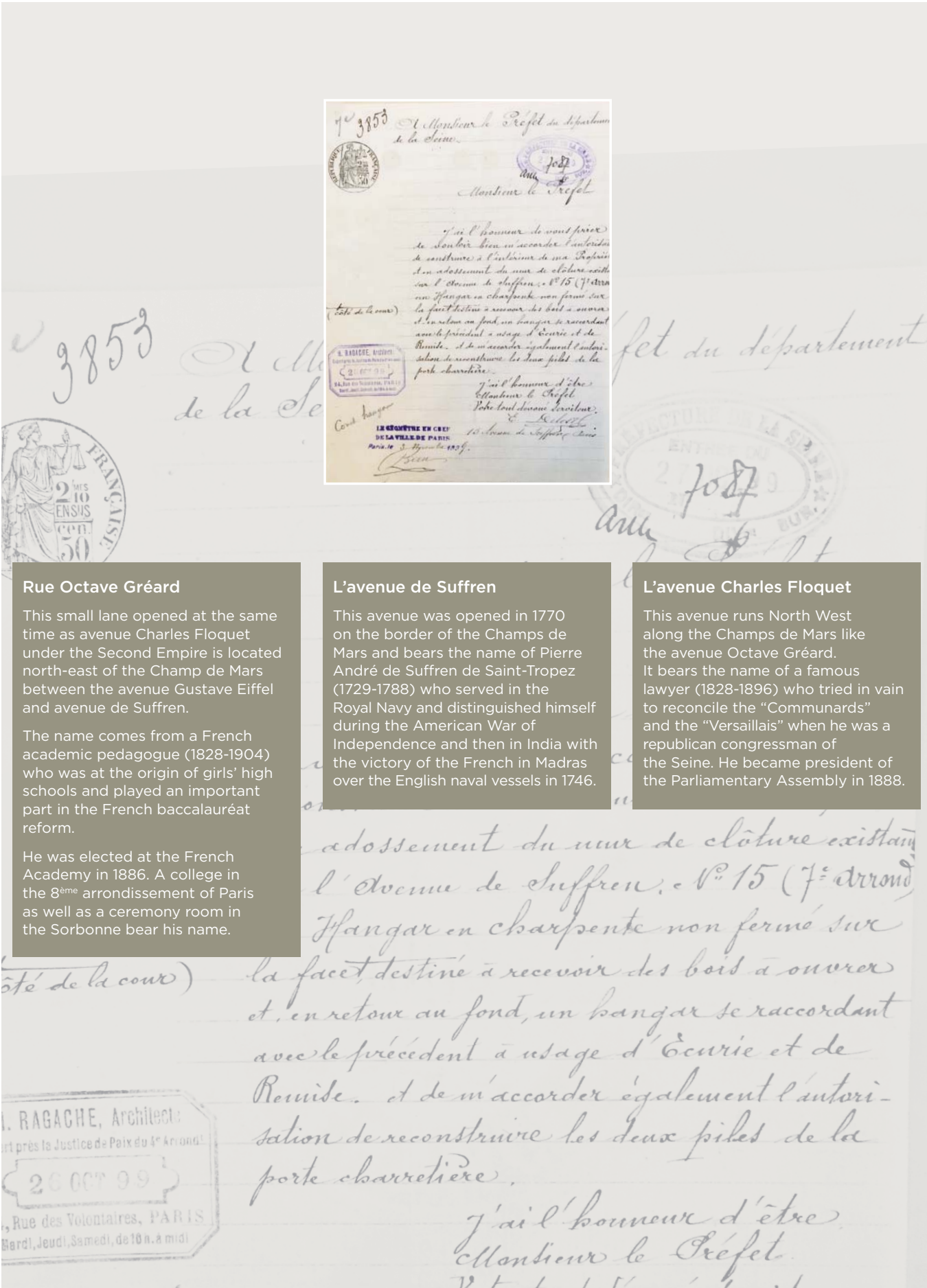
3, 5, avenue Octave Gréard
15-19, avenue de Suffren
2 to 6 avenue Charles Floquet
in Paris 7th

At the beginning of the Third Republic, N°15 avenue de Suffren was Mr. Delost property. In October 1889, with the approval of the City, he built a building complex for shops, timber storage, stables and sheds. The land located N°17 of the same avenue was a residential home owned by Mr. Jauffret.

Around 1910, these two lands will be bought by the Ministry of Navy to build an additional office building for the Ministry.

Even though the building permit was delivered on September 26th, 1911; the U-form building will only be finished five years later by René Patouillard-Demoriane Architect. Very important road works will be done and the charges will be paid by the local residents for the three avenues: pavement work, lighting, sewage system and water supply system. It will cost the Ministry 16,000 French Francs at the time.

In November 2009, this building complex becomes Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris ownership. After refurbishment the company will rent it and it is today occupied by Sales Force and Primonial.



Rue Octave Gréard

This small lane opened at the same time as avenue Charles Floquet under the Second Empire is located north-east of the Champ de Mars between the avenue Gustave Eiffel and avenue de Suffren.

The name comes from a French academic pedagogue (1828-1904) who was at the origin of girls' high schools and played an important part in the French baccalauréat reform.

He was elected at the French Academy in 1886. A college in the 8^{ème} arrondissement of Paris as well as a ceremony room in the Sorbonne bear his name.

L'avenue de Suffren

This avenue was opened in 1770 on the border of the Champs de Mars and bears the name of Pierre André de Suffren de Saint-Tropez (1729-1788) who served in the Royal Navy and distinguished himself during the American War of Independence and then in India with the victory of the French in Madras over the English naval vessels in 1746.

L'avenue Charles Floquet

This avenue runs North West along the Champs de Mars like the avenue Octave Gréard. It bears the name of a famous lawyer (1828-1896) who tried in vain to reconcile the "Communards" and the "Versaillais" when he was a republican congressman of the Seine. He became president of the Parliamentary Assembly in 1888.

A. BAGACHE, Architecte
 près la Justice de Paix du 4^e Arrond.
 26 OCT 99
 Rue des Volontaires, PARIS
 Mardi, Jeudi, Samedi, de 10 h. à midi



AN INVESTMENT IN THE HISTORICAL CENTRE OF PARIS

Total surface: **2,840sq.m.**

8, 10, rue Saint-Fiacre in Paris 2th

In 1958, 10 rue Saint Fiacre, the National Social Security central office of Paris and its surroundings purchased old premises which they refurbished to change into a payment centre.

At number 8 of this street, two historians of Paris Rochegude and Hillairet, tell us that at the beginning of the 20th century there was an ancient mansion. There lived a lyric singer Dumesnil, known in the role of Renaud in Lully's Armida opera. The mansion was then destroyed and replaced by several business buildings.

As the buildings were going to ruin, they were bought in 1982 at the same time as N° 10 and totally refurbished by the Architect Jean-Jacques Ory and changed into an office building, six floors high with an approximately surface floor of 4,000sq.m.

Up to September 30th, 2010, the building sheltered the Réunion des Musées Nationaux (French National Museum Alliance). Renovated by Foncière de Paris in 2012, it is now rented by Auféminin.com.

La rue Saint-Fiacre

Created in 1630 and named rue du Figuier, this lane had such a bad reputation that it was closed in 1699 at each end by an iron fence to isolate it from the rest of the neighbourhood. It was the den of wanderers filled with dirt and rubbish.

At the end of the XVIII century, the iron fences are removed after the lane was cleared. Later in 1826, it is widened from three to ten meters and then becomes a street.

The street owes its current name to a small religious community, the Fraternity of Saint-Fiacre, Irish Saint worshipped since the Middle Age and holy patron of the gardeners.

In October 1827, Prevost opened the Neorama, a cinema forerunner where you could see monuments such as Saint Peter's Basilica in Rome or Westminster Abbey painted on large circular canvases.



CAP ON BASSIN DE LA VILLETTE

Holiday Inn Express
68 quai de Seine
in Paris 19th

Villette means small town.

La Villette-Saint-Lazare was founded from scratch at the end of the XII century. It's a new town, which is created ex-nihilo by allowances proposed to the land owners in exchange of their clearing and construction.

Between 1785 and 1790, the building of the Farmers-General perimeter wall will strengthen the business of the Faubourg de La Villette.

During the Empire and Restoration periods, the boulevard and then the reservoir will see emerging "guinguettes" (open-air dance floors). The neighbourhood will be completely transformed with the creation of the reservoir.

In February 1943, a development project is submitted. The plan is astonishingly modern.

The perspective of the reservoir is ended by two warehouse buildings built opposite the Rotonde.

For this urban rehabilitation, the site is seen as a whole: "La Rotonde", first monument you see when you are coming in Paris, the reservoir true witness of the industrial history, the warehouses as main elements of this urban perspective.

Beginning 1960, the neighbourhood undergoes an extraordinary transformation with the construction of many new residential buildings, then the neighbourhood declines slowly. In 1986, the ZAC (Urban development zone) de La Villette is signed: a new start for this abandoned district.

In February 1990, a fire destroys the dock warehouse (Magasins Généraux) along the Seine.

A call for tender is launched and Cofitem-Cofimur, ex Foncière de Paris won the contract with the ambition of building a three star hotel, a youth hostel and a restaurant.

The project is technically very binding:

- Two aqueducts flow through the underground and limit the parking spaces,
- The firemen must be able to go around the entire building of which one long side is on the water and access all the facades, thus bringing the idea of the footbridge on the facades and the fishnet aspect...

In 2008, the Holiday Inn hotel, a restaurant "La Criée" and the youth hostel St Christopher open.



La Rotonde - 6, 8 place
de la Bataille de Stalingrad
in Paris 19th

La Rotonde is built between 1786 and 1788 according to Claude-Nicolas Ledoux plans, on behalf of the Farmer Generalship, department collecting tax under France's Old Regime. The building is a strange combination of a cubic form, symbol of steadiness and a cylinder form symbolising nature according to the architect.

In 1804, the City of Paris buys the Rotonde which becomes a Gendarmerie post.

Between 1865 and 1935, la Rotonde is a customs-bonded warehouse. After that the City and the Historical Monuments will slowly but surely restore the building.

As part of an agreement granting occupation of state-owned land, Cofitem-Cofimur restores the Rotonde in 2007. The building opens in 2012 with a restaurant.

ACQUISITIONS

Foncière de Paris invested €54 million in Paris intra-muros in 2015.

In 2015, the Company made two acquisitions:



▲
Paris 6th
92, rue de Vaugirard

Acquisition of the land of the Holiday Inn Paris Saint Germain des Prés Hotel. The company was already owner and operator of the hotel business. The acquisition of this real estate property gives full ownership of a high quality asset.



▲
Paris 7th
127-129, rue de l'Université (11,740sq.m)

Acquisition of the full ownership of a building complex, entirely let, composed of 2,300sq.m. of offices, 700sq.m. of residential housing and 330 parking places representing a surface area of approximately 9,400sq.m. This asset is meant to be totally refurbished.

FINANCIAL LEASING

The credit-leasing activity is managed in run-off.

Between 2014 and 2015, the outstandings declined from €406m to €316m, following the downward trend set at the end of 2013. The portfolio is assessed twice a year by an independent appraiser (Détrouyat) and shows a capital gain of €28.5m net of tax.

This historical business for the group only represents 8% of EBITDA of Foncière de Paris in 2015.

DISPOSALS

In 2015, six buildings were sold for a total amount of €102.5m, with values higher than those registered in NAV of December 31st, 2014, generating a capital gain of €22.8m.



4, rue de Lasteyrie - Paris 16th



76-78, avenue du Général Leclerc - Paris 14th



250, route de l'Empereur - 92500 Rueil-Malmaison



3, allée Hector Berlioz - 95130 Franconville-la-Garenne

It concerns the following buildings:

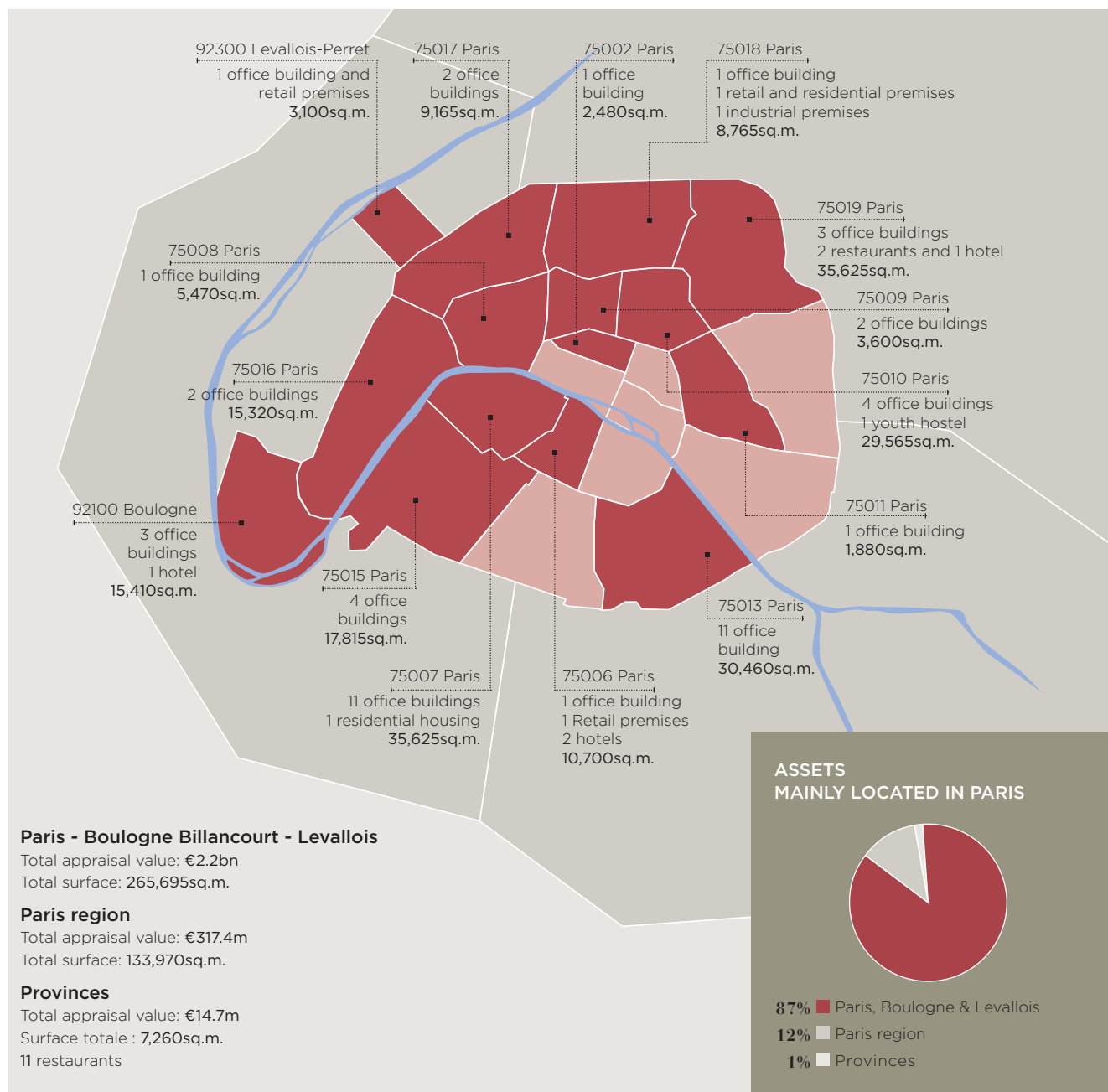
- "Rueil 250" - 92500 Rueil-Malmaison
- 76-80, av du Général Leclerc - Paris 14th
- 4, rue de Lasteyrie - Paris 16th
- 209 à 217, avenue de la République - 93800 Epinay-sur-Seine
- 4, rue Jean Mermoz - 91080 Courcouronnes Evry
- 3, allée Hector Berlioz - 95130 Franconville-la-Garenne.



Head Office of Paprec - 8, rue du Docteur Lancereaux - Paris 8th

A RENTAL ASSET PORTFOLIO OF €2.6bn

*Approximately 90% of Foncière de Paris' asset portfolio is located in Paris.
The map below gives an overview of the assets' locations.*



Key figures

VALUATION	€2,560m	€406m
	Appraisal value excluding transfer duties	Unrealised capital gains excluding rights
CHARACTERISTICS	407,925sq.m.	93
	Total surface	Buildings

PROPERTY PORTFOLIO

407,925sq.m.
Total surface

€2.6bn
Total appraisal value

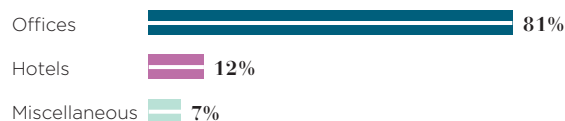
PARIS - BOULOGNE-BILLANCOURT & LEVALLOIS-PERRET		Total surface (sq.m)
8-10, rue Saint-Fiacre 75002 Paris	Offices	2,840
80, rue Bonaparte - 23, rue Madame 75006 Paris	Retail premises	800
4, rue Danton 75006 Paris (Holiday Inn)	Hotel	3,800
92, rue de Vaugirard 75006 Paris (Holiday Inn)	Hotel	4,300
83, bd du Montparnasse 75006 Paris	Offices	1,800
3, avenue Octave Gréard - 15-19, avenue de Suffren 75007 Paris	Offices	9,200
37-39, rue de Bellechasse - 104, rue de Grenelle 75007 Paris	Offices	12,500
136 bis, rue de Grenelle 75007 Paris	Offices	2,200
138 bis, rue de Grenelle 75007 Paris	Offices	700
24-26, rue Saint-Dominique 75007 Paris	Offices	8,000
41-43, rue Saint-Dominique 75007 Paris	Offices	5,000
45-47, et 49-51, rue saint-Dominique 75007 Paris	Offices	12,000
26-28, rue des Saints-Pères 75007 Paris	Offices	10,000
76 bis, rue des Saints-Pères 75007 Paris	Offices	140
24, rue de l'Université 75007 Paris	Offices	2,200
127-129, rue de l'Université 75007 Paris	Offices and residential housing	11,740
209, rue de l'Université 75007 Paris	Offices	1,300
18, rue de Bourgogne 75007 Paris	Residential housing	2,000
18-20, rue Treilhard 75008 Paris	Offices	5,470
52, rue de Dunkerque 75009 Paris	Offices	1,700
3, rue Moncey 75009 Paris	Offices	1,900
5, rue de Dunkerque 75010 Paris	Youth hostel	4,425
158-162, rue du Faubourg Saint-Martin 75010 Paris	Offices	9,120
210, quai Jemmapes 75010 Paris	Offices	10,010
8, cité Paradis 75010 Paris	Offices	2,200
27, rue des Petites Écuries - 75010 Paris	Offices	3,810
21-23, boulevard Jules Ferry 75011 Paris	Offices	1,880
8, rue de la Croix Jarry - 5-7, 11-13, rue Watt 75013 Paris	Offices	30,460
19-29, rue Leblanc 75015 Paris	Offices	5,930
23, rue Linois 75015 Paris	Offices	5,525
82-84, rue de la Procession 75015 Paris	Offices	940
9-11, rue Robert de Flers 75015 Paris	Offices	5,420
91, boulevard Exelmans 75016 Paris	Offices	1,240
37, boulevard de Montmorency 75016 Paris	Offices	14,080
247 à 255, boulevard Pereire 75017 Paris	Offices	8,265
31, rue Pouchet 75017 Paris	Offices	900
139, boulevard Ney 75018 Paris	Offices	3,725
56, boulevard Rochechouard 75018 Paris	Retail premises and residential housing	3,230
16, rue des Fillettes 75018 Paris	Industrial premises	1,810
28, avenue de Flandre - 4, rue de Soissons 75019 Paris	Offices	15,685
La Rotonde de Ledoux - 6-8, place de la Bataille de Stalingrad 75019 Paris	Restaurant	1,700
216-218, avenue Jean Jaurès 75019 Paris	Offices	6,270
68, quai de la Seine 75019 Paris (Holiday Inn Express)	Hotel	6,470
68, quai de la Seine 75019 Paris	Restaurant	-
249, rue de Crimée 75019 Paris	Offices	5,500
54-56 avenue du Général Leclerc 92100 Boulogne-Billancourt	Offices	3,810
114-116, route de la Reine 92100 Boulogne-Billancourt (Courtyard Marriott)	Hotel	5,500
44-46, rue de Sèvres 92100 Boulogne-Billancourt	Offices	2,060
738, rue Yves Kermen 92100 Boulogne-Billancourt	Offices	4,040
41-43, rue Louise Michel 92300 Levallois-Perret	Offices and retail premises	3,100
Sub-total / PARIS - BOULOGNE-BILLANCOURT & LEVALLOIS-PERRET		266,695sq.m.
APPRAISAL VALUE - PARIS - BOULOGNE-BILLANCOURT & LEVALLOIS-PERRET		€2.2bn

PARIS REGION		Total surface (sq.m)
250, route de l'Empereur 92500 Rueil-Malmaison	Service station	2,610
21 rue du Port 92000 Nanterre	Data center	3,800
93, Rue des Hautes Pâtures 92752 Nanterre (Courtepailla)	Restaurant	500
10-14, rue de Vincennes 93100 Montreuil	Offices	11,560
34, rue Gaston Lauriau 93100 Montreuil	Industrial premises	5,175
278-290, rue de Rosny 93100 Montreuil	Offices	3,200
2, bd Levant 93160 Noisy le Grand (Holiday Inn)	Hotel	192 (rooms)
72-74 avenue Gambetta 93170 Bagnolet	Industrial premises	5,130
12-16, rue André Campra 93200 Saint-Denis	Recording studios	16,370
15-19, rue Jean-Philippe Rameau 93200 Saint-Denis	Offices	14,550
29, rue Emile Cordon 93400 Saint-Ouen	Industrial premises	2,760
100-106, rue du Landy 93400 Saint-Ouen	Industrial premises	2,370
140, avenue Jean Lolive 93500 Pantin	Offices	6,190
8-10, rue des Lances 94310 Orly	Industrial premises	2,465
41, avenue le Corbusier 94000 Créteil	Offices	2,980
2, avenue du Groupe Manouchian 94400 Vitry-sur-Seine	Offices	3,870
140-146, rue Léon Geffroy 94400 Vitry-sur-Seine	Offices	1,510
52, rue du Maréchal de Lattre de Tassigny 91100 Corbeil-Essonnes	Industrial and retail premises	810
281-283, boulevard John Kennedy 91100 Corbeil-Essonnes	Offices	3,900
30, avenue Carnot - 91300 Massy-Palaiseau	Offices	1,900
113, Route d'Orléans 91310 Montlhéry (Léon de Bruxelles)	Restaurant	450
55 route de Longjumeau 91380 Chilly-Mazarin	Offices	10,060
Route de Gisy (Bâtiments 9, 15 et 26) 91570 Bièvres	Offices	4,500
16-18, rue Ambroise Croizat 95100 Argenteuil	Industrial premises and offices	8,920
1, rue du Père Heude 95200 Sarcelles	Restaurant	300
9 bis, rue de l'Isle Adam 95540 Méry-sur-Oise (Chateaufort')	Seminar centre	70 (rooms)
14, rue des Frères Caudron 78140 Vélizy	Offices	3,650
7 bis, avenue Roger Hennequin 78190 Trappes	Industrial premises and offices	3,870
Route de Chartres 78190 Trappes (Léon de Bruxelles)	Restaurant	450
12, rue Yvan Tourgueneff 78380 Bougival (Holiday Inn)	Hotel	219 (rooms)
5 rue Camille Blanc 78240 Chambourcy	Restaurant	290
21 avenue Pierre Guérin 77170 Servon (Léon de Bruxelles)	Restaurant	500
4, rue de la Mare Blanche 77186 Noisiel	Offices	9,330
Rue de la Chapelle 77990 Le Mesnil-Amelot (Radisson Blu)	Hotel	240 (rooms)
Sub total Inner suburbs		€83,530sq.m
APPRAISAL VALUE		€225.2m
Sub total Outer suburbs		€50,440sq.m
APPRAISAL VALUE		€92.2m
Sub total Paris region		133,970sq.m
PARIS REGION APRAISAL VALUE		€317.4m

PROVINCES		Total surface (sq.m.)
Courtepaille Pessac	Restaurant	550
Courtepaille Nancy	Restaurant	670
Courtepaille Rouen	Restaurant	700
Léon de Bruxelles Villenave	Restaurant	650
Léon de Bruxelles Tours	Restaurant	670
Léon de Bruxelles St Etienne	Restaurant	750
Léon de Bruxelles Reims	Restaurant	650
Léon de Bruxelles Nancy	Restaurant	700
Hippopotamus Lorient	Restaurant	700
Tablapizza Clermont	Restaurant	700
La Pataterie Lomme	Restaurant	520
Total Provinces		7,260sq.m.
PROVINCES APPRAISAL VALUE		€14.7m
Total surface		407,925sq.m.
FONCIÈRE DE PARIS TOTAL ASSET PORTFOLIO APPRAISAL VALUE		€2,560 m

VALUE BREAKDOWN BY BUSINESS SECTORS*

A prevalence of office buildings



*Appraisal value excluding transfer duties

HOTEL BUSINESS

After the merger with Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris and the universal transfer of PHRV assets to Foncière de Paris, the hotel business now includes, in addition to the 4 hotels located in Paris, 3 additional hotels (Holiday Inn Bougival, Chateauform' Méry, Radisson Blu Roissy).

The direct management relies on franchise agreement contracts (Holiday Inn, Marriott...).

The eighth hotel is under process on the Penthemont site (Opening expected in 2018 - Marriott Autograph - hotel 5* - 50 rooms).

Due to difficult economic circumstances and to the integration of Hotels under economic recovery, the operating results of the hotel activity have decrease, in pro-forma data from €10.1m to €6.3m.

Under difficult economic circumstances, the occupancy rates and the assets' average prices decreased, as shown in the below mentioned schedule:

Hotels	2015 Occupancy rates	2015 Average prices	2014 Occupancy rates	2014 Average prices
Holiday Inn Paris Saint Germain des Près	82%	€151	86%	€157
Holiday Inn Notre-Dame	85%	€190	89%	€195
Holiday Inn Express Canal de la Villette	81%	€119	84%	€114
Marriott Courtyard Boulogne	72%	€146	72%	€148

RENTAL BUSINESS

During the financial year, the Company rented or re-commercialised approximately 57,000sq.m. notably:

2015
consolidated
rental income
€96m

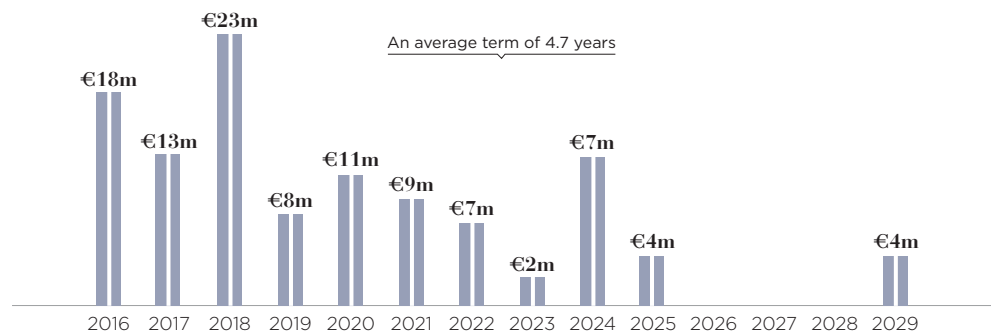
- At the beginning of the year, the future occupancy of the Penthemont Building complex (Paris 7th) was totally secured by the signature of the lease with Yves Saint Laurent for approximately 9,200sq.m. of offices. A franchise agreement was concluded with the Hotel Marriott Chain aiming a 5* hotel with 50 rooms for the remaining surface of Penthemont Building complex (3,500sq.m).
- “Le Coruscant” Building in Saint-Denis (14,550sq.m) has been rented to the SNCF (French National Railway Company) for a ten year term of which 9 are fixed.
- In the “Biopark” building (Paris 13th) 2,600sq.m. were leased, achieving the full occupancy of this site of over 30,000sq.m.
- The leasing of over 1,900sq.m. in “Le Campra” building in Saint-Denis brings the occupancy rate at 100% for this building.
- A recently refurbished space of 1,050sq.m, located 251, bd Pereire (Paris 17th), was rented to Robert Walters PLC for a six year term.

The momentum of the rental activity resulted in a financial occupancy rate increase of over two points at 97.4% versus 95.1% on December 31st, 2014.

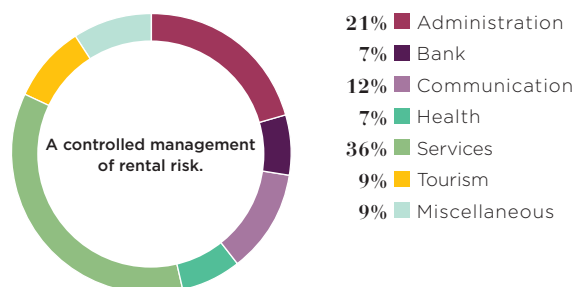
On December 31st, 2015, the average lease maturity is of 4.7 years versus 4.2 years in 2014.

MATURITY TABLE FOR LEASES

2016 - 2029



BRTEAKDOWN OF LESSEES PER BUSINESS SECTOR



OCCUPANCY RATE

As of December 31st, 2015, the asset portfolio occupancy rate, calculated on the basis of consolidated appraisal values, increased by 2 points reaching 97.4% versus 95.1% as of December 31st, 2014.

The development of the occupancy rate is due to:

- a scope effect, the asset portfolio brought by Foncière des 6^{ème} and 7^{ème} Arrondissements de Paris being approximately let at 100%,
- a sustained rental activity.

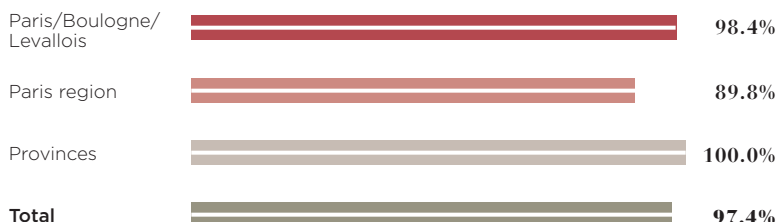
The high occupancy rate in Paris is due to:

- high standing property assets mostly located in the 6th and 7th arrondissements of Paris,
- very functional buildings located in evolving arrondissements with rents at approximately €300/sq.m.

OCCUPANCY RATE BY ASSET CATEGORY



A PARTICULARLY HIGH OCCUPANCY RATE IN PARIS



APPRAISALS AND NET ASSET VALUE

The Company entrusted four independent real estate experts, Knight Frank Valuation, DTZ Valuation France, Crédit Foncier Expertise and Euroflemming Expertise to carry out a valuation of the Group's leased and leasable properties at December 31st, 2015.

These appraisals result in an overall estimate of €2.6 billion excluding transfer duties, including buildings undergoing reconstruction compared to 1.3 billion as of December 31st, 2014. This change is mainly due to:

- the merger with Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris,
- an increase of unrealised capital gains doubled, passing from €199 million as of December 31st, 2014 to €406 million as of December 31st, 2015, particularly owing to:
 - re-leasing of assets occurred in the financial year,
 - depreciation charges,
 - valuation of assets delivered in 2015 (Le Coruscant in Saint-Denis - 93),
 - valuation of secured projects (offices in Penthemont building complex),
 - a cap rate compression of approximately 50pb.

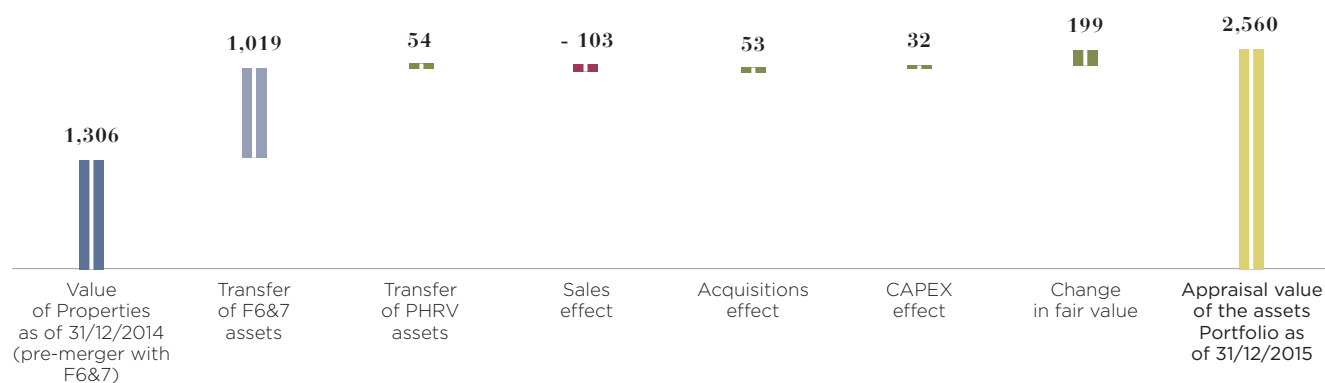
The cap rate compression particularly sensitive on Parisian office assets has more than compensated the drop in rental market values when it occurred on renegotiated assets in 2015.

The increase in the appraisal values confirmed the investor interest in Paris office buildings.

The reconstitution value of this asset amounts to approximately €2.7 billion.

PROGRESS OF THE ASSET PORTFOLIO VALUATION OVER A YEAR

(in €m)



Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris' shares were transferred in market value. PHRV asset were transferred by means of universal transfer of assets (TUP) to Foncière de Paris at the end of December 2015. The Company acquired for €10m and sold for €54m.

The building work of the Company's assets represented €32 million in 2015.

EPRA & IFRS Triple Net NAV

The Net Asset Value, EPRA Triple NET value on diluted basis of Foncière de Paris amounts to €134.72 per share excluding transfer duties as of December 31st, 2015 compared to €118.19 per share excluding transfer duties as of December 31st, 2014.

The IFRS Net Asset Value amounts to €135.23 € per share as of December 31st, 2015, compare to €118.69 as of December 31st, 2014.

➤ +13.9%

NAV CALCULATED PER SHARE EXCLUDING TRANSFER DUTIES	31/12/2014	31/12/2015
Consolidated shareholders' equity (see note 2.14 in the appendix to the consolidated financial statements)	565 509 K€	984 279 K€
Unrealised capital gains on properties and hotels (see notes 2.2.3 and 2.3.3 in the appendix to the consolidated financial statements)	198 739 K€	405 818 K€
Unrealised capital gains on credit-leasing	48 700 K€	43 400 K€
Tax liabilities on financial leasing	-16 767 K€	-14 943 K€
Treasury shares	18 466 K€	18 081 K€
2010 OSRA	72 908 K€	72 908 K€
NAV EXCLUDING TRANSFER DUTIES	887 555 K€	1 509 543 K€
Number of diluted shares	7 477 931	11 162 979
NAV per share excluding transfer duties	€118.69	€135.23

➤ +14.0%

NAV CALCULATED PER SHARE EXCLUDING TRANSFER DUTIES	31/12/2014	31/12/2015
NAV excluding transfer duties	887 555 K€	1 509 543 K€
Cancelation of financial derivatives' fair value	5 834 K€	15 765 K€
Cancelation of treasury shares	-18 466 K€	-18 081 K€
EPRA NAV	874 923 K€	1 507 227 K€
Number of diluted shares excluding treasury shares	7 268 356	10 981 579
EPRA NAV per share	€120.37	€137.25

The calculation of NAV EPRA triple net assumes the continuation of the Company's activity.

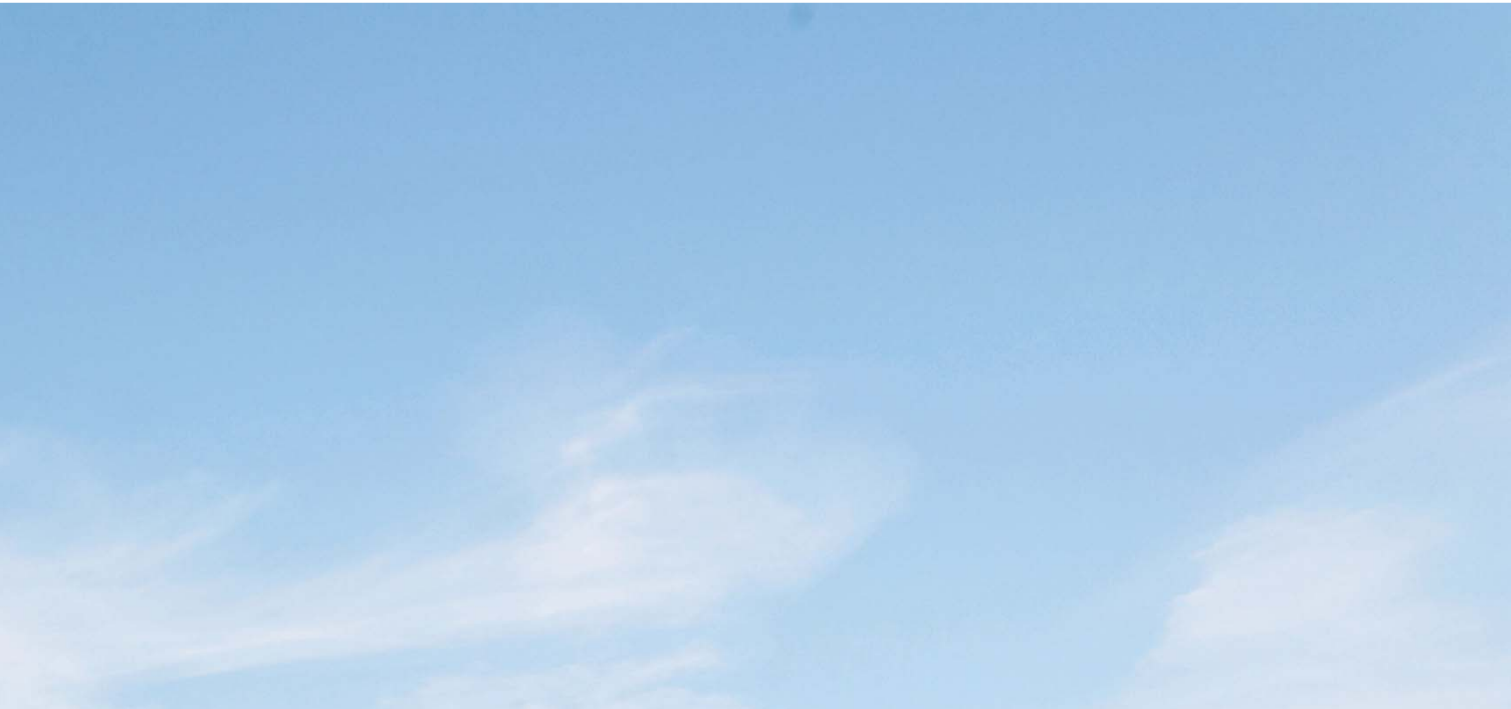
➤ +13.8%

NAV CALCULATED EPRA TRIPLE NET PER SHARE	31/12/2014	31/12/2015
EPRA NAV	874 923 K€	1 507 227 K€
Market value of financial instruments	-5 834 K€	-15 765 K€
Market value of fixed rate debt	-8 900 K€	-11 988 K€
EPRA Triple Net NAV	860 189 K€	1 479 474 K€
Number of diluted shares (excluding treasury shares)	7 268 356	10 981 579
EPRA Triple Net NAV per share	€118.35	€134.72

The calculation of NAV EPRA triple net assumes the Company's liquidation.



Paris • Bassin de La Villette



A FULLY MOBILISED
AND COMMITTED REAL ESTATE COMPANY



ENVIRONMENTAL COMMITMENTS



45-47, rue Saint-Dominique - Paris 7th

The real-estate sector represents a large part of the energy consumption, greenhouse gas emissions and production of waste, with a foresight of a strong increase in the coming years.

The environmental management in construction is unanimously recognised, as a strong challenge in this sector. In 2007, the subjects of energy and sustainable development were initially discussed in the “Grenelle de l’Environnement” law (Environmental agreements), which required:

- for new building constructions, to maintain the primary energy consumption at an average of 50KWh/sq.m per year after 2012 and;
- for the existing building park targeted to reduce its consumption of 38% by 2020, aim set by the “Grenelle I” law of August 3, 2009.

The requirements in the thermal regulations and the diagnosis of energy performance were the measures adopted to reduce environmental impact in the real-estate sector, in terms of the Grenelle de l’Environnement law.

The law N° 2010-788, called “Grenelle II” dated July 12th, 2010, a national commitment for environment, strengthened the achievements of “Grenelle I” law and it organised more specifically the thermal regulations and the target of 2012 (Thermal Regulations 2012): the law decree N° 2010-1269 of October 26th, 2010 and the resolution taken at the same date set the ceiling of consumption at 50 KWh/per sq.m/per year for new buildings. The threshold of consumption is modulated in function of three factors (geographical area, altitude and nature of the use and occupancy).



Le Coruscant • 15-19, rue Jean-Pascal Rameau - 93200 Saint-Denis

The thermal regulation 2012 will be applicable to all submitted building permits:

- From October 28th, 2011, for all new buildings concerning office buildings, public buildings or buildings used for residential purposes and built in an ANRU zone (National Agency for Urban Renovation);
- From January 1st, 2013, for all the other types of new buildings and more specifically for single and collective housing.

The tertiary leasing property is concerned by these measures in the same way.

Other environmental issues must be considered, such as: the reduction of the water consumption, biodiversity, the soil consumption, the use of clean materials, the transport, the management of waste, combating noise pollution, the respect of always higher safety standards...

In Autumn 2015, within the framework of the law DDADUE (an energy audit for European Companies), Foncière de Paris initiated a phase of energy audits concerning its portfolio. The energy consumption of all its buildings was recorded in order to determine the scope of the audits and representing 80% of the consumptions. The audits were conducted in priority on the two operations in progress. All the audits are planned to be completed during the first semester 2016.

Numerous commitments of Foncière de Paris concerning CSR policy

The Company pays special attention to the quality of its buildings and renovations that it undertakes by applying the best current standards and fully integrating the sustainable development issues. The Company pursues a policy for sustainable development with the following aims:

- optimise the energy performance and reduce the carbon footprint in the buildings by controlling the energy consumptions (heating, air-conditioning, energy, hot water, bathroom settings, lighting...);
- encourage the use of sustainable energies in the maintenance of its buildings;
- contribute to reducing energy consumptions;
- contribute to the sorting and recycling of waste by working with innovating companies in respect of waste-sorting, equipment and installations;
- improve users' comfort related with working conditions, acoustic and lighting challenges, sanitary and technical conditions;
- ensure the air and water quality, by measuring and testing the good conditions of the facilities;
- guarantee sanitary quality and safety of its buildings by prohibiting harmful materials and products for the health and by pursuing its risk prevention policy;
- ease access to all types of disabilities by increasing the number of buildings easily accessible.



Le Coruscant • 15-19, rue Jean-Pascal Rameau - 93200 Saint-Denis

Foncière de Paris keeps informed of the new ongoing regulations. This year the Company paid special attention to the law concerning the circular economy (N° 2015-992 of August 17th, 2015 related to Energy transition for Green Growth).

Initiatives of Foncière de Paris are shown in this way in several pages of this business report.

Foncière de Paris leads a policy of maintaining and improving the quality of its buildings and their maintenance to bring them to the best standards of today's performances.

We pay special attention to the materials used that could be a sanitary danger (asbestos, lead...), to the analysis required by the exigent regulations (legionellosis, chemicals...), to the monitoring of the classified technical installations and to the respect by the users of the applicable regulations.

A TIGHT SKILLED TEAM

WITH EXTENSIVE AND COMPLEMENTARY EXPERTISE

The workforce of Foncière de Paris, including SAGIE IE subsidiary counts 35 persons on December 31st, 2015, (excluding 4 Corporate Officers) representing a slight increase compared to December 31st, 2014 due to the integration of employees of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris merged in May 2015.

The headcount is made up of 22 women (63%) and 13 men (37%).

Foncière de Paris has not known any significant change during 2015. The Company integrated seven employees of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris and recorded two departures.

The Group's workforce is equally split down between men and women.

Foncière de Paris pays particular attention to equal treatment between men and women.

The Supervisory Board deliberates yearly on this point and the Executive Board ensures that such equality is respected in each company of the Group.

The workforce of the six companies of the hotel business represents now 236 persons on December 31st, 2015, increasing compared to December 31st, 2014, due the integration of the hotels of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris and of PHRV into the scope.

Taking into account the scheduled natural departures, the hotel business companies signed 30 open-ended contracts in 2015.

The difference between the signatures and end of open-ended contracts or fixed-term contracts represented a net decrease of 7 persons.

Furthermore, redundancies and procedures concerned 7 persons over the financial year.

The staff breakdown for the hotel business is as follows:

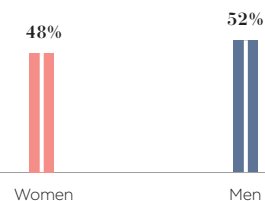
Per age:
the weighted average age is

35 years old

By geographical area:
90 persons work in Paris
146 work in Paris area



By sex:
114 women (48%)
122 men (52%)





WORKING ENVIRONMENT

The Group payroll amounted to €18,408 thousand for financial year.

The organisation of the working week is compliant with the national collective bargaining agreement for the real estate business as regards to the parent company thus a 35 hour-working week.

After the merger with Foncière Paris France the integrated employees as well as those of the SAGIE IE subsidiary, retain the benefit of an annualised working time with the reduction of the working time (so-called “RTT” system-days off) on top of their legal and contractual leave.

During the year, Foncière de Paris has not been confronted with problems of significant absenteeism.

The employees of Foncière de Paris dialogue directly with the Management Board.

Foncière de Paris has set up a profit sharing-plan and an incentive plan, ratified by a majority of the two-thirds of the employees. The money is invested in a legally-prescribed company employee savings plan (Plan d’Epargne Entreprise PEE), decided by the manager. Foncière de Paris has also set up a supplemental defined contribution pension plan.

Foncière de Paris is in compliance with the provisions of the French Labour Code (Code du Travail) applicable to the office buildings for the employees.

The organisation of working time is compliant with the national collective bargaining agreements HCR (for hotel and catering trades) as regards the hotel subsidiaries, thus a 35 hour-week or a 39 hour-week.

Absenteeism for the hotel subsidiaries represented 5% of days worked.

The hotel business companies have staff representative bodies in accordance with defined thresholds.

In each hotel business company, an operational Director puts in place a policy to encourage social dialogue with hotel employees.

The operational Director informs, consults the employees and leads the negotiation in each company.

IDEAS AND ACTS



- In the Foncière de Paris headquarters several initiatives were taken in order to optimise waste management and promote recycling: recycling of empty printer cartridges, of photocopying supplies, of plastic from bottle caps, of used batteries in specific bins outside the company, of coffee capsules and of outdated IT equipment. The maintenance contract also includes removal, process and waste recycling.
- Foncière de Paris has a fleet of pooled electric vehicles for daily journeys. These vehicles are cleaned without water, without projections of products on the ground to avoid disposal in waste water, mainly biodegradable products are used. The microfiber clothes are non-disposable and recyclable.
- For its supplies, Foncière de Paris favours the CSR product range (Corporate Social Responsibility):
 - use of recyclable paper and envelopes in the offices and automatic recycling of fax papers in the hotels.
 - a special attention is drawn to sustainable materials used in respect with their purpose.
- In the offices of the parent company, the cleaning company favours the use of certified products and is committed to sort the waste for recycling, to train its employees on water waste and electricity savings. A washing machine is on site to limit use of wiping cloths.

HEALTH • SAFETY TRAINING • ETHICS: FOUR MAJOR ISSUES

The maintenance policy of buildings operated by the Group assures very good health and safety conditions to all employees.



▲ Since 2009 Foncière de Paris is located in the office building 41-43, rue Saint Dominique in Paris 7th which benefits from working areas with the best comfort levels, after being completely restructured.

The Group has not signed any agreement with trade union organisations or staff representatives concerning health and safety at work.

The number of work related accidents in the Group is close to nil. Therefore the frequency rate or the severity rates are not significant.

No occupational disease was noted within Foncière de Paris.

Vocational training courses are set up to keep pace with the growth of the total workforce and their needs in terms of skills and competencies.

10 employees of Foncière de Paris benefitted from 172 hours of training during the financial year 2015.

Foncière de Paris has not adopted a charter or Code of Ethics, but it is careful not to find itself in a situation of being involved in discrimination practices.

Foncière de Paris respects the freedom of association and the right to collective bargaining.

Foncière de Paris is careful to avoid any practices which could give rise to possible discrimination in employment and training.

Foncière de Paris believes it is not subject to a risk of corruption.

Foncière de Paris adopts the Code of Business Conduct of real estate companies (SIIC).

Foncière de Paris as well as the hotel business companies work with suppliers specialised in the employment of disabled workers (for example sheltered workshops) for some of their supplies (paper and office supplies).

The hotel business companies comply with the legal provisions applicable to hotel and catering employees.

In the hotel business companies, the number of work related accidents was of 12 and one person was declared having an occupational disease.

The training of the workforce of the hotel business companies is a key driver for joint performance. Each year a training scheme is programmed to determine the essential needs of the workforce. In 2015, the total number of training hours amounted to approximately 2,357 hours for the hotel operating companies.

The apprenticeship and work based learning contracts represented 19 persons on December 31st, 2015, thus 8% of the workforce.

Two hotels built by Foncière de Paris:



▲ The Holiday Inn Express Hotel of La Villette opened in May 2008 after the building underwent a complete reconstruction (construction of a hotel, a youth hostel and restaurant of a building hosting “Les magasins généraux” (General Stores) of Paris).



▲ The Courtyard Marriott Hotel of Boulogne-Billancourt opened in March 2012 after the building underwent a complete reconstruction (conversion into a hotel of a former subsidiary of the Banque de France).

EXCHANGE OF BEST PRACTICES



209, rue de l'Université - Paris 7th

RELATION WITH THE LESSEES

The employees of the property administration are the privileged interlocutors of the lessees.

Each collaborator remains particularly attentive to the tenants of the managed buildings aiming at the best dialogue and implementing a respectful environmental behaviour.

A systematic awareness campaign is conducted concerning energy saving and waste management (in particular, the analysis of annual consumption indicators).

The managers meet regularly the technical service providers to monitor the implementation of the decided measures. They provide accurate and complete information to the lessees and require the signature of the first environmental lease appendix.

PROPERTY PORTFOLIO

The Group remains particularly attentive to compliance with all regulations mainly those concerning the QSE policy (Quality, Safety and Environment) of companies performing work on its behalf.

The Group has established a policy of sustainable development aimed at optimising energy performance and reducing the carbon footprints of buildings, by controlling energy consumption (heating, air conditioning, energy, hot water, toilets, lighting). It has initiated a study on the Diagnosis of Energy Performances (DEP) to estimate the medium level of its properties. This data will allow a follow up of its real-estate portfolio over time. Each asset undergoes exhaustive testing (asbestos, lead...) particularly for new acquisitions or for construction work on property. Geotechnical analyses are carried out to detect all risks of soil pollution.

Foncière de Paris has not set any provisions or guarantees for risks related to environment.

IDEAS AND ACTS

- The investment properties are progressively equipped with separated containers for waste-sorting in order to encourage lessees to improve their waste management.
- Foncière de Paris encourages its suppliers to reduce chemical treatments for the maintenance of its green spaces.
- The hotels of the Group were equipped with waste compactors which reduce the amount of evacuated waste (by approximatively 50%) and therefore the number of containers for storage. As a consequence, the waste-collecting vehicles work faster and therefore reduce nuisance in urban environment (noise, exhaust emissions, traffic congestions).
- The hotel subsidiaries have decided to work with subcontractors who work with the aim of improving their social and environmental responsibility. Thus the Marriott Hotel in Boulogne Billancourt works with a specific company, registered at the "Préfecture" and specialised in waste-sorting.
- Other example, the Elis Company, supplier of the hotels' linen, respects a policy and programme for sustainable development.
- The hotel subsidiaries use the "Equilibre+" plan from the electricity supplier EDF which imposes a share of renewable energy in the energy provided and funding for research in this area. To compensate the extra costs due to this kind of electricity supply, each hotel room is equipped with energy saving installations, enabling automatic lights shut-off and limitation of room temperature at 22°C, when customers are out of their rooms. Furthermore, all the hotels are mostly equipped with LED lights, with motion detection and pre-set time delay in the common areas.
- The workforce of the hotel subsidiaries is regularly made aware to use daily best practices to avoid overconsumption and energy waste, such as water and supplies. Environment friendly practices are promoted as recycling, double-sided printing, switching off electrical appliances and lights, closing doors and windows, testing heaters and air-conditioners or eventual leaks in sanitary fittings.

REFURBISHMENT WORK

The aim of Foncière de Paris is to lead renovations and management toward energy-saving buildings in order to offer safer and more energy-efficient assets with reduced rental charges for the tenants.

In order to place the energy performance in the heart of its concerns for refurbishment projects, the Group carried out energy performance audits to determine the possible improvements and adapt the work programs in 2015.

The building and renovation measures are the following:

- improve users' comfort regarding qualitative working environment, acoustics, light, sanitary and technical conditions.
- guarantee sanitary quality and safety in the buildings by prohibiting the use of materials or products harmful for the health.
- follow the energy consumption and control the adequacy between the rates and the actual consumption.

During construction, the companies as well as the supervisors working for Foncière de Paris are aware of the risks related to building sites. Contractual documents, CCAP or general clauses common to all companies, support these prerogatives. For each renovation or departure of an occupier, Foncière de Paris makes sure to ease access of its buildings to all disabilities.

Furthermore Foncière de Paris ensures the greatest value attached to energy in its construction works by receiving CEE (energy saving label) certification.

REFURBISHMENT WORK

Continuation



Despite heavy rehabilitation work in dense urban areas, the Group has taken the option of applying “soft” management on all sites (waste sorting, water decantation...).

The construction companies and the subcontractors are made aware of a responsible purchasing policy: recyclable packaging (pallets, etc....), recycled products.

The working conditions with subcontractors on the building sites are tightly framed and explicit contractual elements specify the requested specifications for companies and their subcontractors.



Some working sites such as “**Abbaye du Penthemont**” acquired in 2015 and listed as an Historical Monument require a specific and strict selection of the building companies.

Foncière de Paris is very attentive to security on the building sites. For example, the initiative of the general contractor responsible of the building site Le Coruscant who organised every Monday “15 minutes around security” with all workers to dialogue about problems met in terms of quality and security.

A corporate charter QPE of the Company identifies the different targets: Quality, Prevention (reach point zero accidents) and Environment (reduce work site impacts).

Foncière de Paris’ projects being essentially in urban area, its activity does not cause artificialisation of the soil. As soon as the possibility arises we choose to use the free spaces to create re-vegetated gardens.

The Group supports local employment in the agreements set with its suppliers.

Foncière de Paris tries to limit its territorial impact on neighbouring and local population. In particular, the Company always integrates “landscape projects” in its reconstruction or refurbishment schemes, and this from the start.

The Group has always been very attentive to sound insulation for its occupiers as well as for the neighbourhood while refurbishment or upgrading of the buildings.

For instance, when refurbishment is done in an occupied building, Foncière de Paris requires acoustic controls with sensors placed in the building in order to know instantly the noise level and therefore guarantee comfort to the lessees.

When planning refurbishment works, Foncière de Paris always improves the building’s insulation (window replacement, insulation of exterior walls), reducing energy consumption and thus greenhouse gas emissions.

The Group always programmes, in its renovation plans, the embellishment of the office areas with planted gardens or terraces despite a very dense urban environment.



As an example, the building project of **Le Coruscant** integrated terraces and conservatories on each level, a major asset for the new lessee of the building.

Each time Foncière de Paris rehabilitates a property; it provides for arrangements allowing for saving and better management of water: double-flush toilets, special leak testers. On the building site “Abbaye de Penthemont” for example a specific study was carried out for water infiltration.

IDEAS AND ACTS

Le Linois

This building located in Beaugrenelle neighbourhood in Paris 15th, is subject to strong constraints. The companies had to pay special attention to security, to delivery and nuisance of the building site:

- works done in an occupied site (3 lessees and mainly recording studios);
- direct proximity of a shopping mall and Monoprix with permanent goods deliveries;
- dense pedestrian traffic due to many flats in the “Front de Seine” high rises.

Foncière de Paris takes advantage of the departure of important lessees or refurbishment works to remove sensitive equipment. For instance, to satisfy neighbourhood residents’ expectations and reduce impact on our lessees, the Company decided to remove the air-cooling towers of the “Le Linois” building as soon as the refurbishment project was settled.



During the works on the roof waterproofing of the “Le Linois” building we extended the vegetated roof terraces.

Le Coruscant

Beginning 2015, the Group delivered the “Le Coruscant” building in Saint-Denis. Throughout the entire project and this despite a very challenging change in the programme, a specific attention was taken to get the BBC certification in a PEQA procedure (high energy performance certification). The BBC label was obtained in April 2015.

Abbaye de Penthemont and 37 boulevard Montmorency (ECO ONE)

For these two important rehabilitation projects, Foncière de Paris carried out an energy audit ADEME (Agency for the Environment and Energy Management) which includes the state of the existing site and identifies the potential improvements in order to guide implementation, control future consumption and determine the choice of energy supplies.

We also carried out a distributors’ audit. According to the arbitrages of the energy audit a particular attention was given to the distributors’ contracts and to the scaling of the works in order to secure the project’s suitability.

After these audits, we are assisted to define the potential environmental certifications, as well as the achievable levels. All along the projects and for each step, the global coherence of the approach is validated (APS ODA, WFD ...). In the call for tenders, the companies and then the achievements of the projects become involved in the approach.

The Montmorency project is aiming a Breeam certification, level “very good” as well as a BBC renovation label. The audits conducted to a fundamental review of the heat production of the building through a coupling with CPCU.

Since the beginning of the **Penthemont** project, we have worked closely with the lessee, Saint-Laurent Company, to identify the environmental certifications of the project. The specifications of the site led us to retain adapted certifications. A double HQE and BREEAM certification is aimed as well as the BBC renovation label. For the final outcome of the two phases Programme and Conception, the HQE Audit validated the two following levels “Exceptional” for the Casern part and the Show Room, “Excellent” for the parts listed Historical Monument.

The BREEAM certification, level “very good”, can be considered with the support of new standards “Refurbishment and Fit-out”, dedicated to the renovation of existing property. Finally, due to the constraints linked to the site (Historical Monument) we conducted a comparative study for cooling solutions that led us to decide a connection to the district cooling Climespace.

COMMITMENTS IN FAVOUR OF CULTURAL HERITAGE EDUCATION AND SPORTS



In order to increase visibility and support actions beyond its current framework, Cofitem-Cofimur now Foncière de Paris, created in 2005 a corporate foundation, Ville et Patrimoine Foundation.

In 10 years, the Foundation developed about ten operations in conservation heritage and urban design projects, closely related to Foncière de Paris' business core.

Attentive to the renovation and development of the Nord-East quarters of Paris, just like Foncière de Paris which expanded its presence, the Foundation intervened on the following:

- ◀ - In 2008, publishing of a book on La Villette and la Rotonde Ledoux (Ed. Somogy),
- Setting up of Paris Plage (Paris Beach) on this same reservoir.



The Foundation has also supported ARTHENA publisher for the printing of very high quality art books. In this way, unfairly forgotten classical French artists such as the painter François-André Vincent, half way between Fragonard and David, the portrait painter Jean-Baptiste Perronneau or Louis XIV's sculptor Girardon, find again their rightful place in the cultural heritage.



▲
RODIN MUSEUM

In 2015, the Foundation, which became familiar with Paris heritage through Foncière de Paris “operations” (such as the reshuffling of Rotonde de Ledoux, located Place de Stalingrad, of Senecterre Mansion located rue de l’Université, and of the former Datar headquarter located avenue Charles Floquet) took part together with the American Cantor Foundation in the sponsorship of Rodin Museum. Its sponsorship concerned particularly the East Rotunda comprising the statues of Age d’Airain (The Bronze Age) and Saint-Jean Baptiste (Saint John the Baptist). The very emblematic baroque elements of the museum, the wainscotings were in a serious state of conservation which required important restoration and conservation work.

A second operation is led today with the casting of an Aphrodite statue for the gardens of the Rodin museum which should be delivered in June 2016.

The Foundation intends to pursue its missions which echo perfectly with Foncière de Paris expertise of restoring high quality assets.



and even more...

Foncière de Paris provided the association ENVOL with 138 sq.m. in the “Diapason” building (Paris 19th). L’ENVOL is an association which offers a unique experience to children and teenagers suffering from severe illnesses. In autumn 2015, a billposting campaign in the Parisian subway was made to inform about the association.

The hotels of the Group support the work of the Children of the Mekong Association which helps children of poor families to go to school and continue their education to obtain a decent job in Asia. Each time a customer chooses a dish or a drink “quoted solidarity” on the hotel’s menu, €2 are directly ploughed back to the NGO. Thus, in 2015, €12,999 was distributed to the Children of the Mekong Association granting education to 45 children.



and finally... US OPEN

The victory of Pierre-Hughes HERBERT with Nicolas MAHUT at the US Open double series reminds that the player is sponsored by the hotels of the Group.





8-10, rue St Fiacre - Paris 2th



FINANCIAL INFORMATION

52 Corporate accounts:

- 52 Corporate Balance Sheet
- 54 Corporate Income Statement
- 55 Financial results for the 5 last financial years

56 Consolidated accounts:

- 56 Consolidated Balance Sheet
- 58 Consolidated Income Statement
- 59 Statement of Comprehensive Income
- 60 Cash Flow Statement
- 61 Variation in shareholders' equity

62 Appendix to the consolidated financial statements

- 62 Significant events of the period
- 62 Significant events after closing date
- 62 Accounting methods and principles
- 73 Information on the items of the balance sheet
- 84 Other information
- 85 Non-consolidated equity investments
- 85 Pro-forma financial information as of December 31st, 2015
- 87 Report of the statutory auditors on the consolidated financial statements

CORPORATE ACCOUNTS

Foncière de Paris SIIC as of December 31st, 2015

CORPORATE BALANCE SHEET

ASSETS (in thousands of euros)	Notes	31/12/2015	31/12/2014	31/12/2013
ASSETS		2 515 525	1 663 157	1 602 000
FIXED ASSETS		2 461 587	1 631 393	1 582 321
Operating capital assets	3.3	585	500	485
Renting properties	3.3	1 938 402	1 013 304	918 198
<i>Intangible fixed assets</i>		4 264	4 271	4 407
<i>Property, plant and equipment</i>		1 081 377	482 267	476 850
<i>Capital assets under construction</i>		125 326	88 667	1 480
<i>Financial fixed assets - Shares and loans in SCI</i>	3.3	727 435	438 099	435 461
ASSETS FOR FINANCIAL LEASING	3.3	377 358	425 053	467 837
Property financial leasing		2 862	4 433	6 511
<i>Renting properties</i>		2 183	3 625	5 703
<i>Capital assets occasionally not rented</i>		40	-	-
<i>Capital assets under construction</i>		639	808	808
Movable property financial-properties		362 690	406 821	448 007
<i>Other financial leasing</i>		351 551	399 895	431 932
<i>Capital assets occasionally not rented</i>		4 204	1 992	1 944
<i>Capital assets under construction</i>		6 935	4 934	14 130
Financial assets		11 806	13 799	13 320
<i>Loans and current accounts</i>		11 806	13 799	13 320
FINANCIAL ASSETS		145 242	192 537	195 800
Equity investments	3.6	97 766	156 209	138 025
Related receivables	3.6	35 071	18 500	31 020
Treasury shares	3.7	12 044	17 257	26 064
Other financial assets	3.8	361	572	692
CURRENT ASSETS		48 583	25 626	15 332
Advance payments	3.5	30	27	125
Trade accounts and notes receivable	3.5	24 340	6 658	6 769
Renting property receivables		20 450	2 950	3 113
<i>Renting property receivables</i>		1 983	405	380
<i>Doubtful accounts</i>		294	285	436
<i>Receivables</i>		18 173	2 260	2 297
Financial leasing receivables		3 891	3 709	3 655
<i>Financial leasing receivables</i>		2 161	2 592	2 200
<i>Doubtful accounts</i>		1 381	813	1 114
<i>Receivables</i>		349	303	341
Miscellaneous debtors	3.5	5 647	3 435	3 421
<i>State</i>		5 307	1 633	1 028
<i>Miscellaneous debtors</i>		340	1 802	2 393
Marketable securities	3.6	3 203	2 133	1 608
<i>Investment securities</i>		3 096	2 021	1 490
<i>Other marketable securities</i>		107	112	118
Cash and cash equivalents		5 302	6 290	3 382
Prepaid expenses		10 060	7 082	27
DEFERRED CHARGES	3.9	5 355	6 138	4 547

LIABILITIES (in thousands of euros)	Notes	31/12/2015	31/12/2014	31/12/2013
LIABILITIES		2 515 525	1 663 157	1 602 200
Capital	3.13	154 426	99 386	99 271
Issue premium and goodwill on consolidation		718 783	362 172	362 287
Reserves		45 710	40 199	40 489
Legal reserve		15 437	9 927	9 901
Miscellaneous reserves		30 272	30 272	30 588
Retained earnings		30 693	29 371	50 773
Income for the current financial period		63 855	41 147	17 053
Statutory provisions (tax-driven amortisation)		171	103	-
TOTAL SHAREHOLDERS' EQUITY		1 013 638	572 378	569 873
OTHER SHAREHOLDER' EQUITY		72 963	72 963	87 474
Provisions for contingencies and charges	3.11	5 115	1 936	3 158
Provisions for contingencies (financial leasing)		-	51	317
Provisions for contingencies & charges		5 115	1 885	2 841
Debts and accrual accounts		1 423 808	1 015 880	941 695
Debts		1 421 324	1 013 406	939 340
<i>Bond issue, related payables</i>	3.10	429 793	234 102	132 641
<i>Loans borrowings</i>	3.10	951 764	738 474	759 516
<i>Security deposits</i>	3.12	12 537	9 591	10 615
<i>Trade payables</i>	3.12	721	169	1 204
<i>Tax and social debts</i>	3.12	13 313	18 164	22 851
<i>Other debts</i>	3.12	13 197	12 906	12 513
Accrued revenue		2 484	2 474	2 354
OFF-BALANCE SHEET COMMITMENTS (in thousands of euros)	Notes	31/12/2015	31/12/2014	31/12/2013
COMMITMENTS GIVEN	4	-	-	-
Commitments in favour of clients (financial leasing)		328	4 248	5 652
Commitments for the acquisition of investment properties		-	-	-
Warranty commitments in favour of credit institutions		19 410	20 700	27 000
Commitments on hedging instruments		1 085 000	230 000	403 997
Interest rate swaps		1 085 000	230 000	403 997
Other commitments given		-	-	-
COMMITMENTS RECEIVED	4	-	-	-
Commitments received from credit institutions		584 346	407 939	240 131
Commitments for the sale of investment properties		22 980	88 226	2 250
Warranty commitments received from credit institutions		-	-	-
Commitments on hedging instruments		2 371 324	941 713	650 454
Interest rate swaps		1 085 000	230 000	403 997
Interest rate cap contracts		1 286 324 ⁽¹⁾	711 713	246 457

⁽¹⁾ Including €736,000 thousands used in hedging relationship.

CORPORATE INCOME STATEMENT

(in thousands of euros)	Notes	31/12/2015 (12 months)	31/12/2014 (12 months)	31/12/2013 (6 months)
OPERATING REVENUE		180 327	141 194	70 642
Revenue from rental activity	5.1	123 302	69 089	32 512
Rental income		64 429	44 596	20 493
Re-invoiced expenses		11 081	10 325	3 456
Other revenue & transferred expenses		22 713	11 506	8 109
Recoveries of impairment of assets		1 783	213	37
Recovery of provisions for contingencies and charges		279	-	145
Recoveries of doubtful accounts		293	566	225
Capital gain on property disposals		22 724	1 882	46
Revenue from credit-leasing		56 929	70 909	37 126
Fees and taxes and other revenues		42 920	49 168	26 751
Re-invoiced charges		8 794	8 825	4 243
Recoveries of provisions and depreciation		3 803	6 778	1 696
Recoveries of provisions for doubtful accounts		1 156	4 943	4 371
Capital gain on sales		255	1 196	65
Other operating revenue	5.2	97	1 196	1 004
OPERATING EXPENSES		104 611	89 970	43 003
Expenses on rental activity	5.1	36 493	29 183	11 939
Re-invoiceable expenses		11 081	10 182	3 599
Non re-invoiceable expenses		6 171	3 514	2 135
Depreciation		15 641	10 743	5 256
Depreciation for asset depreciation		1 567	3 674	715
Depreciation for contingencies and charges		-	-	-
Expenses on doubtful accounts		440	1 069	233
Other expenses		1 592	-	2
Operating expenses on financial leasing		54 444	48 716	25 853
Re-invoiceable expenses		8 794	8 825	4 243
Non re-invoiceable expenses		301	814	667
Depreciation		24 224	26 630	14 215
Depreciation for provisions		11 738	1 589	3 832
Expenses on doubtful accounts		5 962	6 404	2 672
Gain/loss on sales		3 300	4 293	123
Other expenses		123	161	101
General operating expenses		13 674	12 071	5 210
Payroll expenses	5.3	8 894	6 148	2 057
Other administrative expenses	5.3	2 435	3 588	2 169
Taxes and similar payments		1 217	1 068	479
Depreciation, amortisation and provisions		445	739	194
Other operating expenses		684	529	311
OPERATING PROFIT		75 717	51 224	27 639
FINANCIAL REVENUE		37 505	33 398	36 514
Interest and similar revenue		5 330	2 009	785
Interest from bonds	5.4	-	-	-338
Net income on sales of securities	5.4	2 979	9 196	98
Provision for impairments on shares	5.4	1 058	144	115
Valuation recoveries of hedging instruments		1 064	1 409	488
Provision for impairments on shareholdings	5.4	8 115	-	-
Dividends received		18 958	20 639	35 365
FINANCIAL EXPENSES		53 835	41 788	24 341
Interest and similar expenses		36 923	29 179	13 358
Interest and expenses on financial instruments		3 898	11 088	3 497
Net expenses on the sale of securities	5.4	13 010	95	66
Provision for impairment of financial assets	5.4	5	1 426	7 419
FINANCIAL INCOME/LOSS		-16 330	-8 390	12 173
EXTRAORDINARY REVENUE		2 433	45	80
EXTRAORDINARY EXPENSES		12	19	28
EXTRAORDINARY INCOME	5.5	2 420	26	51
PRE-TAX INCOME & SHAREHOLDINGS		61 807	42 859	39 863
Employees' participation		605	323	32
Taxes on profits and deferred taxes	5.6	-2 656	768	875
Exit-Tax & corporate income tax further to SIIC regime		-	-	21 903
Contribution on distributed revenue		4	622	-
NET INCOME FOR THE PERIOD		63 855	41 147	17 053

FINANCIAL RESULTS FOR THE 5 LAST FINANCIAL YEARS

NATURE OF THE INFORMATION	31/12/2015	31/12/2014	31/12/2013	30/06/2013	31/12/2012
Financial situation at year-end					
Equity capital in €	154 426 125	99 386 355	99 271 200	64 322 535	64 322 535
Number of shares issued	10 295 075	6 625 757	6 618 080	4 288 169	4 288 169
Number of bonds redeemable into shares	-	-	-	-	-
Global result in €					
Turnover excluding taxes	150 033 768	121 375 241	64 055 279	43 384 358	85 942 576
Profit before tax, employee profit-sharing, amortisation and provisions ⁽¹⁾	105 361 618	81 408 865	66 303 332	33 297 199	71 290 124
Income tax on profits, distributed earnings and exit-tax	-2 652 735	1 389 257	22 778 437	1 873 712	9 793 166
Profit after tax, employee profit-sharing, amortisation and provisions	63 855 176	41 146 951	17 052 941	14 285 347	27 234 373
Amount of distributed earnings	92 655 675	40 417 118	39 708 480	-	22 727 296
Result per share (fully redeemed share) in €					
Pre-tax profits	5,94	6,42	6,02	3,77	8,63
Profit after tax, before employee profit-sharing, amortisation and provisions ⁽¹⁾	10,49	12,08	6,58	7,33	14,34
Profit after tax, employee profit-sharing, amortisation and provisions	6,20	6,21	2,58	3,33	6,35
Dividend allocated per share	9,00	6,10	6,00	-	5,30
Staff					
Number of employees	34	29	26	14	14
Payroll in €	9 006 543	6 244 919	2 095 243	2 140 064	1 795 170
Amount paid to social organisations	3 211 829	2 039 905	635 659	863 956	973 832
Profit-sharing/Incentive plan/Employee savings plan in €	769 290	469 617	-	431 006	291 135

⁽¹⁾ Without taking into account the impact of the options exercised on the financial leasing contracts (Offset by the reversal of the provision as referred to in article 64 & 57).

CONSOLIDATED ACCOUNTSFoncière de Paris SIIC as of December 31st, 2015 (IFRS standards)**CONSOLIDATED BALANCE SHEET**

ASSETS (in thousands of euros)	Notes	31/12/2015	31/12/2014	31/12/2013
INTANGIBLE ASSETS	2.4	471	5 524	1 260
Investment properties	2.2	1 919 289	976 462	1 016 417
Assets for hotel activities	2.3	219 230	54 082	51 598
Assets for financial leasing	2.1	330 607	425 053	467 838
<i>Assets for equipment leasing</i>		2 862	4 433	6 511
<i>Assets for property financial leasing</i>		316 105	406 821	448 007
<i>Assets for financial leasing</i>		11 640	13 799	13 320
Operating fixed assets	2.4	807	586	565
TANGIBLE ASSETS		2 469 933	1 456 183	1 536 415
Shareholdings in equity affiliates	2.5	2 944	96 602	93 613
Securities and receivables held to maturity		4	9	24
Available-for-sale securities		88 863	84 781	72 259
Derivative instruments (caps and swaps)	2.15	3 114	1 248	354
Deferred tax-assets	2.23	7 916	2 252	1 980
Other receivables	2.7	771	9 663	16 770
OTHER NON-CURRENT ASSETS		103 612	194 555	185 000
TOTAL NON-CURRENT ASSETS		2 574 015	1 656 262	1 722 675
Properties held for sale	2.2.3	15 761	77 022	16 166
Assets held for sale	2.2.4	7 626	-	-
Inventories		319	129	73
Accounts receivable on investment properties	2.8	32 205	8 801	9 807
Accounts receivable on leasing	2.8	3 435	3 709	3 651
Operating receivables		35 640	12 511	13 457
Miscellaneous receivables	2.9	12 153	8 325	8 668
Securities held for trading		425	1 486	243
Cash and cash equivalents		17 582	15 944	9 482
Cash		18 007	17 429	9 725
CURRENT ASSETS		89 506	115 416	48 088
TOTAL ASSETS		2 663 521	1 771 678	1 770 763

LIABILITIES (in thousands of euros)	Notes	31/12/2015	31/12/2014	30/12/2013
Capital		154 426	99 386	99 271
Reserves		784 159	432 525	371 362
<i>Transferable reserves</i>		4 874	12 108	-1 666
<i>Treasury shares</i>		-18 081	-18 466	-26 708
<i>Other consolidated reserves</i>		797 365	438 883	399 737
Other equity instruments		-	-	-
Income of equity affiliates		-2 050	4 415	-4 569
Not yet allocated income/loss		-	-	-
Income excluding income of equity affiliates		47 744	29 183	81 116
Income		45 694	33 598	76 547
SHAREHOLDERS' EQUITY GROUP SHARE		984 279	565 509	547 180
Minority interest income		-100	-	779
Minority interest reserves		-1 749	-	1 957
MINORITY INTEREST		-1 849	-	2 736
Bonds redeemable into shares (OSRA)		72 908	72 908	87 474
Financial liabilities due in more than one year	2.10	1 380 126	871 526	800 752
Derivative instruments swaps	2.15	18 879	7 082	12 673
Deferred tax liabilities	2.23	7 761	1 957	171
Other debts		17 378	11 279	14 505
Miscellaneous debts	2.11	25 139	13 236	14 675
TOTAL NON-CURRENT LIABILITIES		2 479 481	1 530 261	1 465 493
Liabilities held for sale	2.2.4	1 398	-	-
Provisions for contingencies and charges	2.12	4 457	2 596	2 259
Financial liabilities due in more than one year	2.10	115 213	184 945	233 049
Miscellaneous debts	2.13	62 972	53 875	69 962
TOTAL CURRENT LIABILITIES		184 040	241 416	305 270
TOTAL LIABILITIES		2 663 521	1 771 678	1 770 763

OFF-BALANCE-SHEET COMMITMENTS (in thousands of euros)	Notes	31/12/2015	31/12/2014	30/12/2013
COMMITMENTS GIVEN	2.16			
Funding commitments		94 652	24 948	5 652
Commitments in favour of credit institutions		94 324	20 700	-
Commitments in favour of clients		328	4 248	5 652
Guarantee commitments		-	-	-
Commitments to credit institutions		-	-	-
Commitments to clients		-	-	-
Commitments for the acquisition of investment properties		-	-	-
COMMITMENTS RECEIVED	2.16			
Funding commitments		584 346	407 939	240 131
Commitments received from credit institutions		584 346	407 939	240 131
Guarantee commitments		-	-	-
Commitments received from credit institutions		-	-	-
Commitments for the sale of investment properties		22 980	88 226	2 250

CONSOLIDATED INCOME STATEMENT

(in thousands of euros)	Notes	31/12/2015 (12 months)	31/12/2014 (12 months)	31/12/2013 (6 months)
OPERATING REVENUE		183 979	155 421	59 608
Revenue from rental activity	2.17	122 465	99 181	30 923
Rents		95 778	79 390	26 234
Re-invoiced expenses		17 386	17 358	4 342
Other revenues and transferred expenses		7 098	1 351	275
Recoveries of impairment of assets		1 788	516	37
Recoveries of doubtful accounts		300	566	36
Recoveries of provisions for contingencies and charges		115	-	-
Revenue from credit-leasing	2.18	29 561	42 929	21 915
Fees and taxes and other revenues		14 597	21 352	12 109
Re-invoiced expenses		8 794	8 825	4 243
Recoveries of provisions and depreciation		3 803	5 428	702
Recoveries of provisions for doubtful accounts		1 156	4 943	4 371
Capital gain on sales		255	1 196	65
Other revenue		956	1 185	424
Other operating revenues		31 952	13 311	6 770
Hotel operating revenue	2.19	31 576	12 545	6 240
Other revenue	2.19	376	766	530
Other recoveries for contingencies and charges		-	-	-
OPERATING EXPENSES		117 932	94 405	38 707
Expenses on rental activity	2.17	50 768	49 644	14 506
Re-invoiceable expenses		17 386	17 358	4 342
Non-re-invoiceable expenses		7 225	5 492	2 041
Depreciation		23 881	21 040	6 679
Depreciation for asset provisions		1 567	3 694	920
Provisions for contingencies and charges		-	-	176
Expenses on doubtful accounts		671	675	158
Other expenses		39	1 386	191
Operating expenses on financial leasing	2.18	21 681	20 736	10 644
Re-invoiceable expenses		8 794	8 825	4 243
Non-re-invoiceable expenses		301	814	667
Provisions for assets		6 397	239	2 838
Expenses on doubtful accounts		2 188	6 404	2 672
Gain/loss on sales		3 300	4 293	-
Other expenses		699	161	224
Other operating expenses	2.19	30 095	9 657	5 279
Other hotel operating expenses		26 178	8 588	5 585
Depreciation and amortisation for the hotel business		3 916	1 068	693
Other provisions for contingencies and charges		-	-	-
General operating expenses		15 388	14 368	8 278
Payroll expenses		11 085	7 939	1 651
Other administrative expenses		2 063	3 845	5 879
Taxes and similar payments		1 488	1 379	490
Depreciation, amortisation and provisions		440	755	201
Other operating expenses		313	450	54
Operating profit		66 048	61 016	20 901
Income from sale of investment properties and non-current operations		21 031	6 123	46
Other depreciations		5 353	-	-
Operating profit after sale and other depreciations		81 726	67 140	20 947
Profit/loss of equity affiliates		-2 050	4 415	-4 569
Cost of net debt	2.20	-38 435	-42 047	-14 244
Dividends and net revenue on securities	2.21	5 334	11 120	8 825
Changes in value of derivatives	2.22	-941	-6 138	286
Impact of discounts		-	-	-
Changes in goodwill value		-	-	111 753
Pre-tax profit		45 634	34 489	105 348
Taxes (including deferred tax)	2.23	2 805	-892	-28 022
Loss of given up activities	2.2.4	-2 845	-	-
NET PROFIT		45 594	33 598	77 325
Including minority interest share		-100	-	779
Group share		45 694	33 598	76 547
Earnings per share	1.6	5,52 €	5,24 €	14,15 €
Diluted earnings per share	1.6	5,29 €	5,34 €	13,34 €

STATEMENT OF COMPREHENSIVE INCOME

(in thousands of euros)	31/12/2015 (12 months)	31/12/2014 (12 months)	31/12/2013 (6 months)
INCOME FOR THE PERIOD/FINANCIAL YEAR	45 594	33 597	77 325
Other elements of comprehensive income			
Movements on available-for-sale assets	2 610	10 383	1 242
Movements on rate instruments	10 087	3 392	- 2 222
Share of the equity affiliates in the other elements of the comprehensive income	-	-515	593
COMPREHENSIVE INCOME FOR THE PERIOD/FINANCIAL YEAR	58 291	46 858	76 938
Including comprehensive income attributable			
to shareholders of the parent companies	58 391	46 858	76 159
to minority interest	-100	-	779

All the elements of the statement of comprehensive income may be recognised in income/loss statement.

CASH FLOW STATEMENT

(in thousands of euros)	31/12/2015 (12 months)	31/12/2014 (12 months)	31/12/2013 (6 months)
PRE-TAX RESULTS	45 634	34 489	105 348
+/- Net allocations to depreciation and provisions	37 251	23 851	6 331
+/- Share of the earnings related to equity affiliates	2 050	-4 415	4 569
+/- Net loss/net gain from investment activities	-22 322	-	-
+/- Other movements	-6 542	6 138	-103 424
TOTAL OF NON-MONETARY ELEMENTS	10 437	25 574	-92 524
+/- Flows related to transactions with credit institutions	-	-	-
+/- Flows related to transactions with clients	114 926	77 004	37 790
+/- Flows related to other transactions affecting financial assets or liabilities	-8 336	-21 086	-3 085
+/- Flows related to other transactions affecting financial assets or liabilities	-32 642	-26 680	-11 495
- Tax paid	-7 958	-8 761	-13 603
NET INCREASE/REDUCTION IN ASSETS AND LIABILITIES COMING FROM OPERATIONAL ACTIVITIES	65 990	20 477	9 607
TOTAL NET CASH FLOW FROM THE OPERATIONAL ACTIVITY (A)	122 061	80 540	22 431
Flows related to financial assets and shareholdings ⁽²⁾	-41 862	-19 330	42 184
Flows related to investment properties	20 335	-62 004	-44 389
TOTAL NET CASH FLOW RELATED TO OPERATION	100 534	-794	20 226
Flows related to tangible and intangible assets	-521	-6 192	1 279
TOTAL NET CASH FLOWS FROM INVESTMENT TRANSACTIONS (B)	-22 048	- 87 526	-926
Related cash flows coming from or going to shareholdings	-39 813	-38 620	21
+/- Flows related to transactions with credit institutions	-204 622	53 310	-63 201
+/- Flows related to bonds' transactions with credit institutions	145 000	-	-
TOTAL NET CASH FLOWS RELATED TO FUNDING TRANSACTIONS (C)	-99 435	14 690	-63 180
NET INCREASE/REDUCTION IN CASH AND CASH EQUIVALENTS	578	7 704	-41 675
Net cash flows from operational activity (A)	122 061	80 540	22 431
Net cash flows related to investment transactions (B)	-22 048	-87 526	-926
Net cash flows related to funding transactions (C)	-99 435	14 690	-63 180
CASH AND CASH EQUIVALENTS UPON OPENING	17 429	9 725	51 400
Cash in hand, central banks, Post Office accounts (assets and liabilities), Accounts (assets and liabilities) and on-demand loans/borrowing with credit institutions	-	-	-
	17 429	9 725	51 400
CASH AND CASH EQUIVALENTS UPON CLOSURE	18 007	17 429	9 725
Cash in hand, central banks, Post Office accounts (assets and liabilities) Accounts (assets and liabilities) and on-demand loans/borrowing with credit institutions	-	-	-
	18 007	17 429	9 725
PRE-TAX RESULTS	578	7 704	-41 675

⁽²⁾ The flows related to financial assets and partnerships take into account the dividend paid by Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris.

VARIATION IN SHAREHOLDERS' EQUITY

Variation in shareholders' equity during financial year ending December 31ST, 2014 (In thousands of euros)

	31/12/2013	Assignment of earnings	Dividends distributed by the parent company	Variation in the value of derivatives	Variation related to movements in treasury shares	Change linked to the merger	Capital increase	Variation in the value of securities held for sale	Changed in scope	Other non-monetary variations	Result of the 2014 financial year	31/12/2014
Capital	99 271						114					99 385
Premium	106 360											106 360
Reserves	266 960											326 166
Consolidated reserves	266 669	76 549	-38 429	1 201	9 151			-13	-56	-1 013		314 058
Unrealised gains and losses	-1 666			3 392				10 383				12 108
Minority reserves	1 957	779							-2 736			-
Result	77 326	-77 328									33 598	33 598
Group result	76 547	-76 549									33 598	33 598
Minority result	779	-779										
TOTAL	549 919	-	-38 429	4 593	9 151	-	114	10 370	-2 792	-1 013	33 598	565 509

Variation in shareholders' equity during financial year ending December 31ST, 2015 (In thousands of euros)

	31/12/2014	Assignment of earnings	Dividends distributed by the parent company	Variation in the value of derivatives	Variation related to movements in treasury shares	Change linked to the merger	Capital increase	Variation in the value of securities held for sale	Changed in scope	Other non-monetary variations	Result of the 2015 financial year	31/12/2015
Capital	99 385					54 988	52					154 426
Premium	106 360					-2 551						103 809
Reserves	326 166											687 563
Consolidated reserves	314 058	33 598	-39 813	589	4 782	364 385				-2 381		675 219
Unrealised gains and losses	12 108			-10 886				2 805		846		4 874
Minority reserves	-									-1 749		-1 749
Result	33 598	-33 598									45 594	45 594
Group result	33 598	-33 598									45 694	45 694
Minority result	-										-100	-100
TOTAL	565 509	-	-39 813	-10 297	4 782	416 822	52	2 805	-	-3 284	45 594	982 430

APPENDIX TO THE CONSOLIDATED FINANCIAL STATEMENTS

as of december 31st, 2015

Significant events of the period

The consolidated financial statements cover a 12 months financial period opened January 1st, 2015 and ended December 31st, 2015.

On May 12th, 2015, both General Meetings of Foncière de Paris SIIC and of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) approved the merger-absorption of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) into Foncière de Paris SIIC. This operation was notified as a business combination under IFRS 3R standards. A goodwill of €3.9m was identified and allocated to IDA (IAG tax loss carryforwards) for an amount of €1.8m (non valued in the merger operation) and to the Penthemont building (marketed in the first half of 2015) for the balance. The takeover of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) was set on April 1st, 2015. The net book assets recorded at the time of the merger amounted to €998m, of which €670m in investment properties and €460m financial liabilities.

During the financial period, the Company purchased:

- the building related land of the Holiday Inn Paris Saint-Germain-des-Prés Hotel, located 92, rue de Vaugirard in Paris 6th. The Company was owner and operator of the hotel premises through its GEI affiliate.
- the full ownership of a mixed-use building complex, located 127-129, rue de l'Université in Paris 7th, of approximatively 12,400sq.m.

Simultaneously, the Company sold 6 assets:

- the office building located 250, route de l'Empereur in Rueil-Malmaison (27,255sq.m)
- the office building located 4, rue Lasteyrie in Paris 16th (1,315sq.m)
- the retail building located 76-78 rue du Général Leclerc in Paris 14th (1,475sq.m)
- the mixed-use building located 209-217, avenue de la République in Epinay-sur-Seine (7,930sq.m)
- the mixed-use building located 4, rue Jean Mermoz in Courcouronnes-Evry (3,550sq.m)
- the mixed-use building located 3, allée Hector Berlioz in Franconville (1,805sq.m).

Additionally, the Company signed sale agreements concerning six buildings:

- the office building located 140-146, rue Léon Geffroy in Vitry-sur-Seine (1,510sq.m)
- the retail building located, 80 rue Bonaparte in Paris 6th (800sq.m)
- the mixed-use building located 16-18, rue Ambroise Croizat in Argenteuil (8,920sq.m)
- the building in commercial activities located 8-10, rue des Lances in Orly (2,465sq.m)
- the office building located 278-290, rue de Rosny in Montreuil (3,200sq.m)
- the office building located 4, rue de la Mare Blanche in Noisiel (9,330sq.m).

In November 2015, Foncière de Paris SIIC issued a bond of €150 million, split in two tranches of €100m and €50 million ; this first tranche for an 8 year term at an annual rate of 3% and the second for a 7 year term at an annual rate of 2.75%.

In June 2015, Foncière de Paris SIIC transferred to the Company Hôtelière de la Villette, 100% affiliated company, all its holdings held in PHRV capital (31.1%) at the same time as two other shareholders of PHRV, Allianz and Covéa, which held each 31.4% of PHRV capital. This transaction was approved by the Supervisory Board of Foncière de Paris SIIC.

End 2015, the Company Hôtelière de la Villette (a fully owned subsidiary of Foncière de Paris SIIC), absorbed via universal transmission the assets of its fully held subsidiary PHRV.

Significant events after closing date

A tax audit of Foncière de Paris SIIC Company has started in January 2016, concerning the financial years 2013 and 2014.

1 ■ ACCOUNTING METHODS AND PRINCIPLES

The financial consolidated statements are in thousands of euros.

In application of European regulation 16/06/2002 of 19 July 2002 on the application of international accounting standards, Foncière de Paris SIIC has established the consolidated financial statements pursuant to the financial year running from January 1st, 2015 to December 31st, 2015 in compliance with the IFRS reference framework as adopted in the European Union and applicable at that date.

This reference framework includes IFRS (International Financial Reporting Standards), the IAS (International Accounting Standards), and their interpretations (SIC and IFRIC) published by the International Accounting Standards Board (IASB). These standards and interpretations are available in French on the site: <http://eurlex.europa.eu/JOhtml.do?uri=OJ%3AL%3A2008%3A320%3ASOM%3AFR%3AHTML>

The establishment of the consolidated financial statements in accordance with international accounting standards implies that the Company makes various estimates and uses certain realistic and reasonable assumptions, particularly when valuing financial instruments and the rental estate. The most important estimates are given in the appendix.

In particular, the investment properties are surveyed and the valuation of interest rate hedging instruments is assigned to counterparty banks.

Future final results may be different from these estimates.

These accounting principles are identical to those used for preparing the Group's consolidated financial statements as of December 31st, 2014 published in the Registration Document D.15-0266 registered with AMF, with the exception of the standards and interpretations newly adopted by the European Union and which became mandatory on January 1st, 2015 :

- IFRIC: taxes
- annual improvements on IFRS annual cycle 2011-2013.

The application of the standards has had no significant effect on the consolidated financial statements of the period.

1 ■ 1 Consolidation scope

After the merger with Foncière de Paris France occurred on November 20th, 2013, and the merger-absorption of Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris occurred on May 12th, 2015, the consolidated Group's scope of Foncière de Paris SIIC, parent-company, covers the following globally consolidated French Companies:

- SAS Foncière Cofitem (100%),
- SAS SAGI IE (100%),
- SAS Mt Selwin (100%),
- SAS Hôtelière de la Villette (100%),
- SAS Hôtelière de Boulogne (100%),
- SAS Hôtelière de Bellechasse Grenelle (100%),
- SAS Wilburys (100%),
- SAS Hôtelière de la Rue Danton (100%),
- SAS Groupement Européen de l'immobilier (100%),
- SAS Holding Saint Dominique (100%),
- SAS SAGI (100%),
- SAS Société d'Exploitation de l'Hôtel du Parc de Bougival (100%),
- SAS Château de Mery (60%),
- SCI Cofitem Boulogne (100%),
- SCI Cofitem Levallois (100%),
- SCI Cofitem Dunkerque (100%),
- SCI 19 Leblanc (100%),
- SCI 54 Leclerc (100%),
- SCI 738 Kermen (100%),
- SCI Port Chatou (100%),
- SCI Studios du Lendit 1 (100%),
- SCI 136 Grenelle (100%),
- SCI 138 Grenelle (100%),
- SCI 4 Rue Danton (100%),
- SCI Bellechasse Grenelle (100%),
- SCI Saints-Pères Fleury (100%),
- SNC Amelot Roissy Hotel (100%),
- SAS Risque et Sérénité (43,24%).

1 ■ 2 Consolidation methods

PHRV which was consolidated by the equity method was fully consolidated in the Group by global integration between June 30th, 2015 and December 28th 2015. At that date, the Company Hôtelière de la Villette (a fully owned subsidiary of Foncière de Paris SIIC), absorbed via universal transmission the assets of its fully held subsidiary PHRV.

All the companies are fully consolidated by global integration with the exception of Risque et Sérénité held by Hôtelière de la Villette up to 43.24% at December 31st, 2015, which is consolidated by the equity method.

1 ■ 3 Main restatements made in the consolidated financial statements

Goodwill or negative goodwill:

The grouping of Companies (the business combinations) is accounted according to IFRS 3 regulations. The acquisition cost corresponds to a valuation at fair value at the date of the exchange of given assets and liabilities and the equity instruments issues in exchange of the bought entity. The buildings purchases by the Company do not represent a grouping of companies according to IFRS 3 regulations because they do not represent branch acquisitions but individual asset purchases. Therefore they are considered as building acquisitions.

When a company comes into scope, the goodwill and negative goodwill resulting from the difference between the cost of acquiring the shares and the proportion that they represent in the acquired shareholder's equity is treated as:

- fair value adjustment relating to certain identifiable elements of the assets and liabilities, classified with the items on the concerned balance sheet and amortised according to the same rules as the assets to which they are attached;
- goodwill, if there is any, booked :
 - when it is positive, to the asset side of the balance sheet and subject, at each closure, to a value analysis,
 - when it is negative, it is shown in the income statement.

Financial leasing transactions: loan to the clients :

Financial leasing transactions are mainly assigned to the category "Loans and receivables on clients". Thus in accordance with the IAS 39 standards, they are valued initially at fair value and subsequently at cost amortised using the effective interest method. The effective interest rate is the rate that exactly discounts future cash flows to the original net outstandings. This rate includes the discounts and the revenue and transaction costs incorporated into the effective interest rate, where applicable.

210, quai de Jemmapes - Paris 10th**Deferred taxes:**

Having opted for Listed Real Estate Investment Company (SIIC) tax status, Foncière de Paris is subject to a specific form of taxation that provides for a full exemption from corporate income tax on the property leasing activity (renting property transactions, including arbitrages). This exemption is conditional on the distribution of:

- 95% of the earnings from property leasing revenues before the end of the financial year following the year of assignment,
- 60% of the capital gains on the sale of buildings and of holdings in companies having the same purpose as SIICs or of securities of subsidiaries subject to corporate income tax and having opted for this regime, before the end of the second financial year following the year of assignment,
- 100% of dividends coming from SIIC subsidiaries, before the end of the year following their realisation.

The Company has three distinct business sectors for taxation:

- the SIIC status for its real estate activity exempt of corporate income tax, subject to the obligation of distributing dividends,
- the financial leasing sector former to December 31st, 1995 exempt of corporate income tax,
- all other transactions submitted to corporate income tax.

Financial and operating expenses relating to each sector are allocated in accordance with the administrative instructions of September 25th, 2003.

Deferred taxes resulting from other consolidation entities and specific restatements are recorded on the balance sheet and income statement. The same applies to deferred taxes resulting from significant temporary differences relating to identifiable assets and liabilities.

No discount is applied to deferred taxes.

At December 31st, 2015, the income taxes and the deferred taxes are detailed as follows (in €k):

Income tax on hotel activity	138
Income tax on leasing activities and taxable sector	-
Deferred taxes	-2 947
Contribution on distributed revenues	4
TOTAL	-2 805

Inter-company transactions:

When consolidating the accounts, the receivables, debts, commitments and reciprocal transactions between consolidated companies are eliminated. Likewise, intra-group revenue and expenses were neutralised. Dividends from intra-group shareholdings are deducted from consolidated income and booked to consolidated reserves.

1 ■ 4 Other valuation methods and accounting principles

1 ■ 4 ■ 1 Renting property transactions

The renting property transactions are based either on investment properties purchased for renting according to the Group's policy or on buildings with financial leasing agreements which were cancelled and that are now rented under business leases as decided by the Company.

Valuation of assets:

IAS 40 defines the rules for recognising investment properties. When valuing fully-owned buildings this arrangement leads to a choice being made between the "fair value" method and the "depreciated historical cost" method.

In case the "fair value" method is chosen, the concept of depreciation becomes inapplicable. In case the historical cost method is chosen, the approach by components must be established to depreciate the buildings. This approach consists in distinguishing several elements that compose the value of a given building (land, main structure, fixtures and fittings, etc.) each depreciated over their own period of use.

When IFRS standards were first adopted in 2005, and since that date, Foncière de Paris SIIC has decided not to revalue its investment buildings. The company has opted to keep the historical cost method and continues to depreciate the buildings in the investment properties using the "components" method. This method allows a stock of unrealised capital gain to be retained on the property estate (€406m as of December 31st, 2015).

For each type of asset, the gross construction values have been broken down by the components, determined according to current technical data (breakdown according to the estimate current cost of new reconstruction). Other than the land, seven components have been identified:

DURATION OF DEPRECIATION	
Land	-
Main structure	30 to 90 years depending on the nature of the building
Façades and roofs	15 to 45 years depending on the nature of the building
Technical installations	15 to 25 years depending on the nature of the building
Car park construction	20 years
Façade rendering	15 years
Fixtures and fixing	9 years
Air conditioning	6 years

Exceptionally, for buildings of very high quality, made of dressed stone, and either classified as historical monuments (ISMH) or located in immediate proximity to Paris historic monuments, the main structure is depreciated over a period of 90 years.

Each component's term of depreciation is calculated on the basis of the date of the building is brought into use, except when a component is replaced (for example, during refurbishment), in which case the latest component replacement date applies. Residual value is not used for any of the identified components.

The Company provides, as supplemental information, the market value of the investment properties in its portfolio in the appendix. The Company's portfolio thus is assessed each year by independent appraisers with recognised competence in real estate. The market value approach involves the use of the so-called income capitalisation method, or of the discounted cash flow method, which is then cross-checked using the so-called sales comparison method. Any change in this value is closely correlated with the trends in the real-estate market.

These valuations are made according to IFRS 13 standards. On this basis, it is stipulated that the appraisers have not identified a high and best use other than the one applied by the Company, except for one of the Company's assets.

The above mentioned valuation methods rely on observable as well as on unobservable parameters. The fair value of the Company's buildings is considered as level 3 according to the prevailing standards IFRS 13.

Supplemental information on the application of these methods is now published, in accordance with the requirements of this standard and prevailing level of the defined fair value.

The main valuation criteria used by appraisers by asset category are provided below:

ASSET TYPE	OFFICES	HOTELS (Property and business)	OTHER PREMISES	RETAIL OUTLETS/ RESTAURANTS
Market value excluding transfer duties	€1,768m	€248m	€143m	€29m
Market value excluding transfer duties/sq.m.	€898 - €19,171	€7,091 - €16,526	€368 - €1,526	€498 - €4,220
Market value excluding transfer duties/room		€75,000 - €585,000		
Capitalisation rate ^①	3.35% - 8.20%	4.15% - 5.5%	7.50% - 11.00%	6.20% - 7.00%
Discount rate	3.70% - 7.50%	5.50% - 6.00%	7.50% - 9.00%	4.00% - 7.00%

^① Net rental income + market value of vacant buildings/market value including transfer duties.

Buildings which were not subject to appraisal are mainly assets under construction.

Acquisition expenses:

The acquisition fees, in accordance with IFRS standards, are incorporated in the gross value of the capital assets.

Borrowing costs:

Following the mandatory application of the IAS 23 standard on January 1st, 2009, borrowing costs are incorporated as fixed assets.

Borrowing costs attributable to the acquisition and renovation of an asset are capitalised during the period of renovation of the asset. These borrowing costs form the total cost of this asset.

During the financial year of 2015, an amount of €420k was incorporated, versus €252k on December 31st, 2014.

These costs are calculated from the real rate for collateralised funding and from an average weighted rate for non-collateralised funding. These rates are before any effect of rate hedging instruments.

Only borrowing costs that may be associated with the funding of eligible assets are capitalised. The other borrowing costs are booked as expenses.

Leases:

The IAS 17 standard specifies that the financial consequences of all of the provisions defined in the leasing contract must be divided over the firm period of the lease (any rent-free periods granted to lessees are divided over the first firm period of the lease).

If it appears that receivable revenue entered during a rent-free period presents a risk of non-recovery, a provision is constituted.

Concerning operating leases, the Group Foncière de Paris SIIC applies a 100% index based rental rate set on the index evolution relative to the signed lease (ICC, IRL, ILC or ILAT).

Depreciation:

The IAS 36 standard imposes a check on whether an indication exists that shows that an asset may have lost value. An indication of impairment may be:

- a significant drop in the market value of the asset,
- a change in the technological, economic or legal environment.

For this test, the capital assets are grouped into Cash Generating Units (CGU). For the Company each building is considered as a CGU.

The level of any impairment is determined on the basis of the change in the recoverable amount, which corresponds to market value or going-concern value, whichever is higher. The market value is determined on the basis of expert appraisals centred on two approaches: the so-called sales comparison method and the so-called income capitalisation method.

This depreciation, which constitutes the non-definitive and non-irreversible drop in value of certain building assets in relation to their book value, is booked to assets, where applicable, reducing them, under the "Impairment of assets" line item.

Investment properties and other assets held for sale:

Further to IFRS 5 standards, investment properties held for sale are presented, when applicable, under a separate heading. They are valued at the lowest value, between book value and fair value.

Doubtful accounts:

An account is considered doubtful when it remains unpaid for more than three months. Rental payments classified as doubtful are provisioned at 100% of their amount excluding taxes, with any security deposits or collateral obtained deducted.

Security deposits received by the lessees:

Security deposits paid by the lessees of investment properties were not discounted because their incidence would not be significant.

1 ■ 4 ■ 2 Transactions related to hotel activities

Inventories:

Inventories relate to the hotel companies. They are valued using the first in, first out method.

An impairment of inventories equal to the difference between the gross values determined using the above cited procedures and the current market value or the realisable value, less business expenses relating to the sale is recorded when this gross value is greater than the other term stated.

1 ■ 4 ■ 3 Financial leasing transactions

“The financial leasing transactions” item, the details of which are given in 2-1 cover the following elements:

Financial leasing contracts:

In a financial leasing contract, the lessor transfers most of the risks and benefits of the asset to the lessee. It is treated as funding granted to the lessee for the purchase of an asset.

The current value of payments due pursuant to the contract, increased, if applicable, by the residual value, is entered as a receivable. The net income from the transaction for the lessor corresponds to the amount of interest on the loan and is entered on the incomes statement under the heading “Interest and similar revenue”. The rent received is divided over the duration of the financial leasing contract, allocating it to capital amortisation and interest so that the net income represents a constant rate of return on the outstanding residual amount. The interest rate used is the implicit interest rate for the contract.

Capital assets under construction:

The capital assets under construction correspond mainly to the funding of transactions that have not yet come into operation, as well as funding transactions already in operation but interrupted due to ongoing work.

Capital assets temporarily not leased:

Non-leased buildings correspond to transactions where the financial-leasing contract has been terminated and the premises returned. They are valued at their historical value (with any tax depreciation deducted). They continue to be depreciated by amortisation and, if necessary, are subject to provisions for depreciation. These buildings are intended either to be leased or to be sold.

Related receivables:

The related receivables correspond in particular to rent receivable.

Provisioned receivables:

A receivable is provisioned in the case of an unpaid amount more than 3 months old. Rental payments classified as doubtful are provisioned at 100% of their amount excluding taxes, with any security deposit or collateral deducted.

1 ■ 4 ■ 4 Financial instruments

Foncière de Paris SIIC applies IAS 32 et 39 standards since January 1st, 2005. .

Classification and valuation of financial assets and liabilities:

The IFRS standards require financial instruments to be defined by category and valued at each closure according to the chosen categories.

Therefore, four categories of assets have been defined:

- trading securities, valued at fair value through income statement,
- securities available for sale, valued at fair value through equity,
- assets held to maturity, booked at amortised cost,
- loans and receivables, booked at amortised cost.

Non-consolidated securities held by Foncière de Paris SIIC are classified in the category of assets available for sale, with the exception, if applicable, of marketable securities held for the short term, which are classified as trading assets.

After analysis, it was decided that when the market for listed securities (classified in the category of assets available for sale) held by Foncière de Paris SIIC is inactive, the fair value of these securities would be determined by a multi-criteria approach based on the average between the last net published asset price (to which a discount is applied) and the market price upon closure of the concerned security.

In case of an active market, the fair value is based on the market price of the security upon closure.

The March 2009 amendment to the IFRS 7 standard creates an obligation to provide information on the three levels of fair value depending on whether the instrument is quoted in an active market (level 1) or is valued using techniques based upon observable market data (level 2) or whether it is based on non-observable data (level 3).

It should be noted that the Company’s assets available for sale come under level 1 for securities for which the market is active, level 2 for securities for which the market is inactive and level 3 for unlisted securities.

ASSETS HELD FOR SALE	AMOUNTS (€K)
Level 1: securities for which the market is active in fair value	85 951
Level 2: securities for which the market is inactive	-
Level 3: unlisted securities	2 912
TOTAL	88 863

The Company would have to recognise depreciation if one of two criteria was fulfilled.

Significant and sustainable depreciation criteria are determined as follows:

- a negative gap between the fair value and the purchase price greater than 50%,
- a negative gap between the fair value and the purchase price of a period greater than 36 months.

For investment properties, only a valuation at market value is given in the appendix. The remaining financial leasing transactions are expressed at book value.

There are two categories of financial liabilities:

- trading liabilities valued at fair value through the income statement,
- other liabilities entered as amortised costs.

All financial liabilities are entered on the balance sheet at amortised historical cost.

Most of the borrowings are contracted at variable rates based on reference rates with bullet payment and the issuance costs not being relevant, the depreciation impact of the effective interest rates is therefore not significant.

Market risks:

The Company has no market activity in itself. When hedging its interest rate risk, it acquires hedging instruments (caps and swaps), the aim of which is to protect its variable-rate debt against an increase in interest rates. These transactions are only implemented to back clearly-identified real-estate projects defined with the aim of managing overall interest-rate risk. Its exposure to market risk is therefore very limited.

Also the Company acquires, for investment purposes, securities in listed companies with a business activity similar to its own. Therefore, most of the non-consolidated securities held by Foncière de Paris SIIC with the aim of long-term holding are classified in the category of assets available for sale.

Any unrealised capital loss will be fully provisioned using appropriate methods for analysing criteria for significant and sustainable depreciation.

On December 31st, 2015, the Company held listed securities available for sale for a cost price of €71.1m, a variation in value by +/-5% of these securities would affect consolidated shareholder's equity (€984.2m) by +/-0.36%.

Treasury shares:

The Executive Board Directors is authorised, for a period of 18 months, to carry out stock market transactions on the Company's shares in order to stabilise their market under the conditions set by the law. The General Meeting of May 12, 2015 decided to renew this program.

During the financial year ended on December 31st, 2015, the Company acquired 120,302 own shares for an average price of €110.37 and sold 189,824 for an average price of €112.25. Furthermore the Company transferred 6,755 shares to its employees and managers, as a former attribution of free shares.

Thus the Company held on December 31st a total of 181,400 shares, for a net book value of €18,081k (of which 7,100 shares were freely allocated to personnel and fully provided for their value of €625k) and for a market value of €20,097k. These treasury shares are recorded in the Company's balance sheet at their acquisition cost, which is €18,081k (excluding granted free shares totally provisioned).

The application of IAS 32 and 39 standards involves presenting shares deducted from shareholder's equity. This revenue from any sale of treasury shares is allocated directly as an increase in shareholder's equity, so that any capital gain or loss on sale does not affect the net result of the year.

Interest rate hedging instruments:

Foncière de Paris SIIC uses derivative instruments as part of its policy to hedge interest-rate risk. These instruments presented at their fair value and off-balance sheet under French standards constitute financial assets and liabilities and must be booked to the balance sheet at their fair value according to IFRS standards.

These instruments must be valued according to valuation techniques based on observable market data (being defined level 2 by IFRS 7 standard).

Valuation of hedging instruments is based on assumptions on future interest rates, for which the level varies according to economic forecasts. So the level of rate actually observed may be different from those expected when they were valued. Nevertheless this uncertainty causes modest impact on the accounts of the Company because it retains its hedging instruments until maturity, in accordance with the hedging principle used under its policy on hedging interest-rate risk.

These instruments must be qualified as hedging or non-hedging transactions for which effectiveness must subsequently be checked.

When the hedging relationship is established (hedging future cash flow or hedging investment), the change in value of the instrument, corresponding solely to the effective part of the hedge, is entered into shareholder's equity.

In all other cases, the change in value is directly entered to profit/loss.

Foncière de Paris SIIC covers its interest-rate risk by purchasing swaps and caps contracts. The Company has contracts guaranteeing an upper rate limit between 0.5% and 4.5% (caps) for a notional outstanding of €1,323m (of which €665m at deferred start) and swaps for a total amount of €1,123m (of which 715 at deferred start). Based on the situation as of December 31st, 2015, an average increase in interest rates by 100 basis points beyond -0.0131% (Euribor 3-month rate on December 31st, 2015) would have a negative impact on cash-flow of €3m.

All the caps are currently out-of-the-money. Accordingly to IFRS meaning, they therefore do not correspond to effective coverage, given the current configuration rates. Their only value corresponds to time value, for which the variation is always entered to profit/loss according to IFRS standards. These caps had a positive value of €3,114k on December 31st, 2015, compared to €1,248k on December 31st, 2014.

The ineffective part, entered to profit/loss, stood at €-941k on December 31st, 2015, compared to €-6,138k on December 31st, 2014.

Concerning the swap contracts held by Foncière de Paris SIIC, a hedging relationship was established according to the meaning of IFRS standards. Indeed those are held for cash-flow hedging linked to variable rate debt, in order to guard against an increase on interest rates. Valuation of swaps that are not backed by cash inflows linked to variable rate is entered in the income statement.

The effective part of the variation in the value of swaps is therefore entered to shareholder's equity. The swaps had a negative value of €18,879k on December 31st, 2015 compared to a negative value of €7,082k on December 31st, 2014.

A deferred tax asset was recognised on December 31st, 2015 on caps and swaps corresponding to an effective hedging for an amount of €2,424k.

There is no ineffective part of swaps entered on December 31st, 2015 which would have been recorded in income statement.

The revenue and expenses related to these instruments that are actually paid or received are recorded on the income statement under the headings "interest and similar revenue" and "interest and similar expenses" and under "gains or losses on financial instruments at fair value through profit/loss" for the ineffective part generated when valuing these instruments.

Liquidity risk:

The liquidity risk is traditionally low, given the structure of employment and resources of Foncière de Paris SIIC. The maturities of the financial liabilities are presented in a summary table in §2.10.

Liquidity risk is managed through constant monitoring of the period of funding, keeping permanent credit lines available and diversifying resources. A cash flow table is used for this.

On December 31st, 2015, the Company has cash assets of €18m and undrawn credit lines of €581m.

1 ■ 4 ■ 5 Payment in shares and other employee benefits**Payment in shares:**

The IFRS 2 standard requires the income statement to show the effect on all transactions involving payment in shares.

Payments in shares are valued at their fair value (determined on the basis of the average acquisition value for the relevant shares) which for the year of acquisition constitutes a personnel expense for which the counterpart increases shareholder's equity (meaning that it has no impact on the net situation of the Company).

On December 31st, 2015, no stock-option plan was implemented for corporate officers and employees of the Company.

The General Meeting of May 12th, 2015, authorised the Board of Directors to grant free shares, on one or more occasions, to executives or employees of the Company and of related companies defined in Article L225-197-2 of the French Commercial Code, knowing that it shall be the Board of Director's responsibility to identify the beneficiaries and to set the conditions for the share grants.

The total number of free shares granted may not represent more than 1% of the equity capital, the beneficiaries' shares shall not vest until the end of a vesting period of at least two years, and the beneficiaries must hold the shares for a minimum of two years from the end of the vesting period.

This authorisation shall be valid for 38 months.

The impact of the free shares allocated during the financial year 2015 is presented in note 3-1.

Provisions for retirement benefits:

The IAS 19 standard requires that all present and future commitments of the Company to its personnel in the form of remuneration or benefits be taken into account. Personnel costs and benefits must be entered to expenses over the period of acquisitions of entitlements.

Short-term benefits (salaries, annual leave, incentive schemes, profit-sharing, employer's top up contribution...) are identified as expenses in the financial year.

Concerning post-employment benefits, as far as the Company is concerned, the contribution paid to obligatory pension schemes are recorded in the profit/loss for the period (contributions defined and pensions paid by specialised external organisations).

Excluding provision for retirements (€3,864k as at December 31st, 2015), there is no other long-term or post-employment commitment to be provisioned for personnel benefits.

1 ■ 4 ■ 6 Borrowings and financial debts

The financial debts breakdown is presented in §2.10.

At issuance, these interest-bearing loans are recorded at fair value and subsequently, at amortised cost. The transaction costs attributable to loan issuances are deducted from the financial liabilities value and are then amortised over the term of the loan. These transaction costs amounted to €5,202k as of December 31st, 2015.

On December 22nd, 2010, Foncière Paris France issued subordinated bonds redeemable into shares (OSRA). After the merger of this company, these OSRAs have been carried through by Foncière de Paris SIIC.

A financial liability is defined as a contractual obligation to deliver cash or another financial asset, while equity is a contract granting the holder an interest in a company. Although the aim of the issuing transactions is the redemption of matured shares, the issuing contract requires delivering cash in certain specific cases. As a result, the OSRAs were fully qualified as financial liabilities and are therefore valued and noted in financial debts for the amount of the debt which would be redeemed in cash on the assumption of non-redeemed shares.

On December 31st, 2015, there were 663,302 OSRAs 2010 valued €110 each for a period going to December 22nd, 2017.

The remuneration of OSRA 2010 is of 6.5% of the face value until the fourth anniversary of the issue date. From there on, the remuneration is set at the higher of the two amounts: 2% of the face value or the amount of the dividend per share for the ended financial year.

The bond issues redeemable for shares are subject to certain conditions which may lead to cash redemption, mainly:

- loss for the Company of the benefits as provided in the Article 208 C II in the General Tax Code (SIIC status);
- non respect by the Company of the coverage ratio EBITDA/LBO senior financial expenses of minimum 1.5;
- non respect by the Company of the coverage ratio LTV of 70% maximum;
- opening of collective procedure;
- in the event of a tender offer or a public exchange on the Company's securities, the holders of OSRAs may request repayment in cash (optional repayment).

EBITDA: gross consolidated operating profit.

LBO/Senior financial expenses: Financial expenses on bank credits excluding OSRA.

LTV: capital remaining due on bank credits divided by the economic value of the real-estate assets.

In November 2015 Foncière de Paris issued a bond of €150 million, split in two tranches of €100 m and of €50 m.; the first tranche for an 8 year term at an annual rate of 3% , the second tranche for a 7 year term at an annual rate of 2.75%. This bond issue in the form a private investment was subject of a prospectus approved by AMF (French Market authority) on November 4th under N°15-557. These bonds are listed on Euronext Paris code ISIN FR0013048204 and FR0013048196.

On December 31st, 2015, the bond issues are at a global fair value of €436,988 m.

The other loans of the Company are subject to contractual requirements fully complied with at December 31st, 2015 to maintain certain financial ratios determining remuneration conditions or early redemption clauses. The most significant ones are:

- a shareholder structure clause,
- a net debt on revalued assets ratio of 55%,
- a financial expense hedging ratio between 200% and 250% depending on the bank counterparties.

1 ■ 4 ■ 7 Operational sectors

The IFRS 8 standard requires identifying the main activity segments followed by the main operational decision maker and for each specific segment, disclosure of each segment result, the segment's assets and the segment's liabilities.

Foncière de Paris SIIC presents a detailed analysis for each main identified segment by the Executive Board (see §2-24):

- leasing activity (investment properties),
- financial leasing activity (customer loans),
- hotel activity (hotels of the Group),
- other activities (available-for-sale securities).

Concerning all the segment liabilities, the financial debt finances one segment or the other without differentiation and cannot be detailed by segment. In fact the Group's bank debt is totally contracted by the parent-company Foncière de Paris SIIC, as non-allocated borrowings. Therefore the liabilities are brought together, grouping the different segments.

1 ■ 4 ■ 8 Discounting non-current liabilities

The concerned items are mainly security deposits and provisions for risks and expenses. The discount of these items is not significant in regards to the amounts and maturities.

1 ■ 4 ■ 9 Standards and interpretations applicable on December 31st, 2015

The following interpretations are not subject to mandatory application or to early application for the financial statements of December 31st, 2015:

Standards and interpretations adopted by the European Union which applications are not yet mandatory for the financial statement:

- Amendment IAS 19: employee benefits,
- Annual improvements to IFRS cycles 2010-2012,
- Amendments to IFRS 11: acquisition of interests in joint operations,
- Amendments to IAS 16 and IAS 41: producing plants,
- Annual improvements to IFRS cycles 2012-2014,
- Amendments to IAS 16 and IAS 38: clarification on acceptable depreciation methods,
- Amendments to IAS 27: use of the equity method in separate financial statements,
- Amendments to IAS 1: presentation of financial statements - initiative on information to provide.

Standards and interpretations that have not come into force and not been adopted by the European Union:

- IFRS 9: financial instruments,
- IFRS 14: regulatory deferral accounts,
- IFRS 15: revenue from contracts with customers,
- Amendments to IFRS 10 and IAS 28: contribution or sales of assets between the group and equity accounted entities,
- Amendments to IFRS 10, IFRS12 and IAS 28: investment entities-exemption of financial consolidated statements.

The process of determining the potential impact on the consolidated financial statements of the Group is underway. The Group does not, at this stage, expect any significant impact on its financial statements.

1 ■ 5 Major transactions between related parties

In June 2015, Foncière de Paris SIIC transferred to Hôtelière de la Villette, 100% affiliated company, all its holdings held in PHRV capital (31.1%) at the same time as two other shareholders of PHRV, Allianz and Covéa, which held each 31.4% of PHRV capital. This transaction was approved by the Supervisory Board of Foncière de Paris SIIC.

End 2015, Hôtelière de la Villette (a fully owned subsidiary of Foncière de Paris SIIC), absorbed via universal transmission the assets of its fully held subsidiary PHRV.

Foncière de Paris SIIC with the parties related to it, has concluded no service-provision contract and has carried out no transaction intended to transfer resources, services or obligations either free of charge or in return of payment. The Company is totally independent and has its own management team. There is no salary-charge-re-invoicing between the various companies having corporate officers in common, and no benefits are granted to any director pursuant to his/her functions in another company. Each company pays its corporate officers according to the work performed by them for its benefit.

1 ■ 6 Income per share

The result per share is equal to net income attributable to holders of ordinary shares of the parent company divided by the weighted average number of shares of the financial period, which is equivalent to the outstanding ordinary shares at the beginning of the period less the value of the treasury shares, adjusted by share refunding or issuing during the period and weighted by time factor if needed.

The diluted earnings per share calculation takes into account all outstanding potential dilutive ordinary shares during the period. The diluted earnings are equal to the earnings attributable to ordinary shareholders of the parent company, increased by the dividends net of tax or other net element in respect of the dilutive potential common shares, of the interests, net of tax, accounted regarding the dilutive potential ordinary shares (recorded as expenses) and any other changes in income or expenses that would result from the conversion of the dilutive potential ordinary shares.

2 ■ INFORMATION ON THE ITEMS OF THE BALANCE SHEET

2 ■ 1 Loans and receivables on clients

2 ■ 1 ■ 1 Financial leasing transactions (net outstandings)

	31/12/2015	31/12/2014	30/12/2013
Real estate financial leasing transactions	316 105	406 821	448 007
Moveable property financial leasing transactions	2 862	4 433	6 511
TOTAL NET OUTSTANDINGS	318 967	411 254	454 518

2 ■ 1 ■ 2 Transactions with clients

	31/12/2015	31/12/2014	30/12/2013
Client's accounts and related receivables	16 715	18 708	16 812
Depreciation client's accounts and related receivables	-5 075	-4 909	-3 492
TOTAL NET CLIENTS	11 640	13 799	13 320

The transactions with the clients represent loans and current accounts.

2 ■ 1 ■ 3 Maturities of financial outstandings for financial leasing transactions

	D<=6 months	6m<D<=1 year	1 year <D<=5yrs	D>5 years	TOTAL
Financial leasing and similar transactions	19 399	19 399	84 779	195 389	318 967

2 ■ 2 Investment properties

2 ■ 2 ■ 1 Variation in gross value

	31/12/2014	Increases	Reductions	Transfers	31/12/2015
Investment properties	964 413	784 233	9 887	-4 637	1 734 120
Capital assets under construction	133 320	208 716	2 082	-12 423	327 530
Properties held for sale	87 065	70	82 665	16 795	21 265
TOTAL	1 184 798	993 019	94 634	-565	2 082 915

2 ■ 2 ■ 2 Variation in amortisation and depreciation

	31/12/2014	Increases	Reductions	Transfers	31/12/2015
Amortisation on investment properties	115 394	27 504	1 258	-3 133	138 507
Depreciation on investment properties	5 877	310	1 788	-545	3 854
Properties held for sale	10 043	2 265	9 908	3 104	5 504
TOTAL	131 314	30 079	12 954	-574	147 865

The depreciation on investment properties, of an amount of €5,656k (compared to net book value of €1,919,289k) was determined from a point of view of long-term retention, including a possible drop in rental values.

2 ■ 2 ■ 3 Summary statement of investment properties

Item	Gross value	Cumulative depreciation and/or provisions	Net values
Investment properties	2 061 650	142 361	1 919 289
Properties held for sale	21 265	5 504	15 761
TOTAL	2 082 915	147 865	1 935 050⁽¹⁾

⁽¹⁾ Of which capital assets under construction: €327,530k.

The net book value of the investment properties stood at €1,935,050k on December 31st, 2015.

All assets have been appraised by external surveys on December 31st, 2015, except properties held for sale.

The unrealised capital gain on investment properties in operation stood at €365,297k (excluding hotel operating assets) including depreciations of an amount of €5,656k of which €1,802k on properties held for sale (see. § 2.2.2).

2 ■ 2 ■ 4 Summary statement of assets held for sale

Item	Gross value	Cumulative depreciation and/or provisions	Net values
Net hotel assets held for sale	11 909	5 681	6 228
TOTAL	11 909	5 681	6 228

All the assets held for sale were valued and based on sale commitments or on letters of intent from external investors.

Furthermore, the valuation on Hotel assets held for sale caused a goodwill impairment of €5.3 million noted after the takeover of Wilburys.

2 ■ 3 Hotel operating capital assets

2 ■ 3 ■ 1 Variation in gross value

	31/12/2014	Increases	Reductions	Transfers	31/12/2015
Hotel operating capital assets	59 706	196 748	-5 219	1 525	252 760
TOTAL	59 706	196 748	-5 219	1 525	252 760

2 ■ 3 ■ 2 Variation in amortisation and depreciation (€k)

	31/12/2014	Increases	Reductions	Transfers	31/12/2015
Depreciation on hotel operating assets	5 624	30 874	-4 493	1 525	33 530
TOTAL	5 624	30 874	-4 493	1 525	33 530

2 ■ 3 ■ 3 Summary statement on hotel operating assets

Item	Gross value	Cumulative depreciation and/or provisions	Net values
Hotel operating capital assets	252 760	33 530	219 230
TOTAL	252 760	33 530	219 230⁽¹⁾

⁽¹⁾ Of which capital assets under construction: €126k.

The net book value of the operating hotel assets stood at €219,230k on December 31st, 2015. External appraisals show an unrealised capital gain of €40,521k.

2 ■ 4 Own capital assets - Tangible and Intangible

	31/12/2014	Increases	Reductions	Transfers	31/12/2015
Own property, plant and equipment	1 218	673	-	-	1 891
Depreciation on own property, plant and equipment	632	452	-	-	1 084
Net book value of own property plant and equipment	586	221	-	-	807
Own intangible assets	7 686	829	-	-	8 515
Depreciation on intangible assets	2 162	5 882	-	-	8 044
Net book value of own intangible assets⁽¹⁾	5 524	-5 053	-	-	471⁽¹⁾

⁽¹⁾ Of which €322k of intangible hotel operating assets and an intangible goodwill of net value of €70k recorded since the first consolidation of Foncière Cofitem in 2004.

The other own tangible capital assets (807k) are composed of property, plant and equipment exclusively comprising property fixtures and fittings, office equipment, IT equipment, moveable property and transport equipment used for exercising the Company's activity.

2 ■ 5 Participation in associated undertakings

	31/12/2013	31/12/2014	Increases	Reductions	31/12/2015
PHRV	6 302	5 524	-	-5 524	-
Foncière des 6 ^{ème} et 7 ^{ème} Arrondissements de Paris	87 311	91 078	-	-91 078	-
Risque et Sérénité	-	-	2 944	-	2 944
TOTAL	93 613	96 602	2 944	-96 602	2 944

2 ■ 6 Securities in associated undertakings

2 ■ 6 ■ 1 Contribution of securities in associated undertakings

The scope of consolidation of the Group Foncière de Paris SIIC changed in the first half of 2015. The company PHRV is fully consolidated since June 29th, 2015 and the company Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris merged on April 1st, 2015.

Risque et Sérénité entered the scope of consolidation on June 30th, 2015. Therefore it has no contribution to the results for the first half year of 2015.

	% of shareholding	Value of securities in associated undertakings	Share in profit/loss	Contribution to profit/loss	Contribution to group consolidated reserves
Risque et Sérénité	40,83%	2 944	-534	-534	-258
PHRV	-	-	-1 516	-	-
TOTAL	40,83%	2 944	-2 050	-534	-258

2 ■ 6 ■ 2 Financial information on associated undertakings

	Loss	Net financial revenue	Fixed assets	Financial assets	Trade payable	Tax and social security debt	Other debts	Financial liabilities
Risque et Sérénité ⁽¹⁾	-492	2 705	-	6 727	12	-	-	-

⁽¹⁾ Financial result as of September 30th, 2015 for Risque et Sérénité which ended its financial year at that date.

2 ■ 7 Other non-current assets

Net values	31/12/2015	31/12/2014	31/12/2013
Securities in associated undertakings	2 944	96 602	93 613
Securities and receivables held to maturity	4	9	24
Available-for-sale securities	88 863	84 781	72 259
<i>Of which listed securities</i>	<i>85 951</i>	<i>83 808</i>	<i>72 106</i>
Interest-rate instruments (caps)	3 114	1 248	354
Deferred tax assets	7 916	2 252	1 980
Other receivables	771	9 663	16 770

2 ■ 8 Change in operating receivables

	Gross values	Provisions	31/12/2015
Renting property			
Renting property related receivables	7 949	-	7 949
Doubtful accounts	2 488	2 115	373
Revenue receivable	23 883	-	23 883
TOTAL	34 320	2 115	32 205
Financial leasing transactions			
Related client's accounts	2 161	-	2 161
Related doubtful accounts	5 855	4 930	925
Revenue receivable	349	-	349
TOTAL	8 365	4 930	3 435
OVERALL TOTAL	42 685	7 045	35 640

2 ▪ 9 Change in miscellaneous receivables

MISCELLANEOUS RECEIVABLES	31/12/2015	31/12/2014	31/12/2013
Government (corporate income tax-VAT)	7 512	3 920	3 697
Advance payments	110	34	138
Prepaid expenses	1 591	831	726
Other miscellaneous receivables	2 940	3 540	4 107
TOTAL	12 153	8 325	8 668

2 ▪ 10 Maturities of financial liabilities

Financial liabilities	Net value	Less than 3 months	3 months - 1 year	1 to 5 years	More than 5 years
Fixed term	1 487 724	13 315	94 283	991 706	388 420
On demand	7 614	7 614	-	-	-
TOTAL	1 495 339	20 930	94 283	991 706	388 420

The financial liabilities are broken down as follows:

Financial liabilities	Fixed rate	Variable rate	TOTAL
Fixed term	453 578	1 034 146	1 487 724
On demand	4 793	2 821	7 614
TOTAL	458 371	1 036 967	1 495 339

The loans and financial liabilities are accounted for at historical depreciated cost and not on fair value.

2 ▪ 11 Miscellaneous non-current liabilities

	31/12/2015	31/12/2014	31/12/2013
Deferred tax liabilities	7 761	1 957	171
Other debts (due in more than one year)	17 378	11 279	14 507
<i>Security deposits</i>	17 378	11 279	14 507
TOTAL	25 139	13 236	14 678

2 ▪ 12 Provisions for contingencies and charges

	31/12/2013	31/12/2014	Allocations merger contribution	Recoveries		31/12/2015
				Used	Not used	
Provisions for contingencies and charges	1 160	721	136	264	-	593
Provisions for retirement benefits	1 099	1 875	1 989	-	-	3 864
Deferred taxes	-	-	-	-	-	-
TOTAL	2 259	2 596	2 125	264	-	4 457

2 ■ 13 Miscellaneous current debts

	31/12/2015	31/12/2014	31/12/2013
Tax debts (corporate income tax - other taxes)	6 909	15 892	20 862
Security deposits	1 974	2 849	1 158
Trade payables	15 686	8 732	6 506
Tax and social security debts	12 658	8 667	11 359
Interest provisions for swaps	639	315	1 078
Accrual accounts (including rent invoiced in advance)	3 593	3 678	3 727
Other debts	21 513	13 742	25 272
TOTAL	62 972	53 875	69 962

2 ■ 14 Change in shareholders' equity

COMPOSITION IN SHAREHOLDERS' EQUITY	31/12/2015	31/12/2014	31/12/2013
CAPITAL	154 426	99 386	99 272
SHARE PREMIUM ACCOUNT	103 809	106 613	106 360
CONSOLIDATED RESERVES GROUP SHARE	678 344	325 912	265 002
Legal reserves	9 939	9 927	9 901
Optional reserves	1 814	1 814	1 814
Transferable reserves	4 874	12 108	-1 666
Treasury shares	-18 081	-18 465	-26 708
Other reserves	649 105	291 157	232 702
Retained earnings	30 693	29 371	50 773
MINORITY INTERESTS	-1 749	-	1 957
INCOME/LOSS OF THE PERIOD	45 594	33 598	77 326
Group share	45 694	33 598	76 547
Minority interest share	-100	-	779
TOTAL	982 430	565 509	549 916

On December 31st, 2015, the equity capital stood at €154,426,125, composed of 10,295,075 shares at a nominal value of €15 each.

2 ■ 15 Maturities of swaps and caps (notional outstandings)

	TOTAL	Less than 3 months	3 months - 1 year	1 to 5 years	More than 5 years
Interest rate swap contracts	1 123 000	25 000	40 000	263 000	795 000
Rate cap contracts	1 323 324	81 000	245 000	847 324	150 000
TOTAL	2 446 324	106 000	285 000	1 110 324	945 000

2 ▪ 16 Off balance-sheet items

	31/12/2015	31/12/2014	31/12/2013
COMMITMENTS GIVEN			
Funding commitments in favour of clients	328	4 248	5 652
Guarantee commitments in favour of lending institutions	94 324	20 700	-
Commitments to acquire investment properties	-	-	-
COMMITMENTS RECEIVED			
Funding commitments received from lending institutions	584 346	407 939	240 131
Guarantee commitments received from lending institutions	-	-	-
Commitments for the sale of investment properties	22 980	88 226	2 250

These funding commitments in favour of clients correspond to the remaining to-be disbursed on financial leasing contracts that have been signed but for which rental has not yet been received.

The commitments to acquire investment properties correspond to signed purchase-agreements.

The funding commitments received correspond to the unused part of confirmed credit lines that the Company has. On the date of closure, these confirmed and unused credit lines stood at €584,346k.

The sale commitments on investment properties correspond to signed sale-agreements.

2 ▪ 17 Revenue and expenses on investment properties

	31/12/2015	31/12/2014	31/12/2013
REVENUE	122 465	99 181	30 923
Rental revenues	120 377	98 099	30 851
Net rental income	95 778	79 390	26 234
Re-invoiced expenses	17 386	17 358	4 342
Other revenue	7 098	1 351	275
Recoveries of provisions for contingencies and charges	115	-	-
Recoveries of impairment of assets	1 788	516	37
Recoveries on doubtful accounts	300	566	36
EXPENSES	50 769	49 644	14 506
Expenses on investment properties	49 202	45 951	13 220
Depreciation and amortisation	23 881	21 040	6 679
Expenses on doubtful accounts	671	675	158
Re-invoiceable expenses	17 386	17 358	4 243
Non re-invoiceable expenses	7 225	5 492	2 140
Other expenses	39	1 386	190
Provision for contingencies and charges	-	-	176
Provision for impairment of assets	1 567	3 694	920

2 = 18 Revenue and expenses on financial leasing properties

	31/12/2015	31/12/2014	31/12/2013
REVENUE	29 561	42 929	21 915
Revenue on financial leasing	24 602	32 558	16 776
Ground fees	14 597	21 352	12 109
Re-invoiced expenses	8 794	8 825	4 243
Other revenues	956	1 185	424
Capital gains on sales	255	1 196	65
Recoveries of impairment of assets	3 803	5 428	702
Recoveries on doubtful accounts	1 156	4 943	4 371
EXPENSES	21 679	20 736	10 644
Expenses on financial leasing	15 282	20 497	7 582
Re-invoiceable expenses	8 794	8 825	4 243
Non re-invoiceable expenses	301	814	667
Expenses on doubtful accounts	2 188	6 404	2 672
Profit/loss expenses on sales	3 300	4 293	-
Other expenses	699	161	224
Provisions	6 397	239	2 838

2 = 19 Other general operating revenues and expenses

	31/12/2015	31/12/2014	31/12/2013
Other operating revenue	31 952	13 311	6 770
Other hotel operating revenue	31 576	12 545	6 240
Other operating revenue	376	766	530
Recovery of provisions for contingencies and charges	-	-	-
Other operating expenses	15 388	14 368	8 278
Payroll expenses	9 408	7 314	1 651
Free share grants	1 677	625	-
Other administrative expenses	2 063	3 845	5 879
Taxes and similar payments	1 488	1 379	490
Depreciation of operating capital assets	440	755	201
Provisions for contingencies and charges	-	-	-
Other operating expenses	313	450	56
Other hotel operating expenses	30 094	9 657	5 279
Other purchases and external charges	14 546	5 248	2 921
Taxes and similar payments	1 052	400	109
Payroll expenses	7 323	2 000	1 051
Depreciation of operating capital assets	3 916	1 068	693
Other expenses	3 257	941	505

2 ▪ 20 Cost of net debt

	31/12/2015	31/12/2014	31/12/2013
FINANCIAL REVENUE	1 725	3 043	553
Interest and similar revenue (including cash revenues)	1 725	3 043	553
Interest and revenue on financial instruments (caps)	-	-	-
FINANCIAL EXPENSES	-40 160	-45 089	-14 797
Interest and similar expenses	-36 453	-33 404	-11 188
Interest and expenses on financial instruments (caps)	-3 707	-11 685	-3 609
Taxes, commissions and brokerage fees on sales of securities	-	-	-
COST OF NET DEBT	-38 435	-42 047	-14 244

2 ▪ 21 Dividends and net revenue on non-consolidated securities

	31/12/2015	31/12/2014	31/12/2013
Dividends and interest	4 775	5 189	- 311
Provision and recoveries on securities' depreciation	-	-1 908	-
Net revenue or loss on sale of available-for-sale securities	560	7 839	-8 514
DIVIDENDS AND NET REVENUES ON SECURITIES	5 334	11 120	-8 825

2 ▪ 22 Variation in the value of financial instruments

	31/12/2015	31/12/2014	31/12/2013
Variation entered on income statement			
Marketable securities & TIAP	-	-	-
Securities held for trading	-	-	-
Available-for-sale securities (actual sale)	-	-	-
Interest rate instruments			
Caps	-941	-6 138	286
Swaps	-	-	-
Variation recorded through shareholders' equity			
Available-for-sale securities	2 142	10 383	-1 242
Interest rate instruments			
Effective part of hedging caps	-	-	-
Effective part of hedging swaps	-11 652	5 591	-2 222

2 ▪ 23 Taxation for the current financial year

CORPORATE TAX	31/12/2015	31/12/2014	31/12/2013
Corporate tax	142	1 763	906
Variation in deferred tax	-2 947	-871	-789
Exit tax	-	-	27 905
TOTAL	-2 805	892	28 022

BREAKDOWN OF DEFERRED TAX ASSETS AND LIABILITIES	31/12/2015	31/12/2014	31/12/2013
Deferred tax assets	7 916	2 252	1 980
Loss carryforward on provisions of treasury shares	246	51	37
Fiscal reprocessing on provisions	148	133	131
Fiscal reprocessing on Swap variation	1 565	800	1 794
Fiscal reprocessing on Cap variation	859	881	55
Loss carryforward on GEI	1 827	-	-
Loss on taxable activities FDP	2 656	-	-
Other fiscal reprocessing	615	386	-
Deferred tax liabilities	7 771	1 957	171
Fiscal adjustment on intangible hotel business assets	6 500	-	-
Fiscal reprocessing on securities	1 306	1 950	117
Fiscal reprocessing on Cap variation	-45	7	54

2 ■ 24 Segment reporting

REVENUES AND EXPENSES SEGMENT	31/12/2015					31/12/2014				
	TOTAL	Loans to clients (Leasing)	Investment properties	Hotel activities	Other activities	TOTAL	Loans to clients (Leasing)	Investment properties	Hotel activities	Other activities
Operating revenue	183 979	29 561	122 465	31 576	376	155 421	42 929	99 181	12 545	766
Net rental income/ sales of services	141 951	14 597	95 778	31 576	-	113 287	21 352	79 390	12 545	-
Re-invoiced expenses	26 180	8 794	17 386	-	-	26 183	8 825	17 358	-	-
Other revenue	8 430	956	7 098	-	376	3 302	1 185	1 351	-	766
Recoveries of impairment of assets	5 591	3 803	1 788	-	-	5 944	5 428	516	-	-
Recoveries of impairment of accounts receivable	1 456	1 156	300	-	-	5 509	4 943	566	-	-
Capital gain of sale	370	255	115	-	-	1 196	1 196	-	-	-
Operating expenses	102 543	21 681	50 768	30 094	-	80 037	20 736	49 645	9 656	-
Depreciation, amortisation and provisions	34 194	6 397	23 881	3 916	-	22 347	239	21 040	1 068	-
Provisions for doubtful accounts	2 859	2 188	671	-	-	7 079	6 404	675	-	-
Provisions for impairment of assets	1 567	-	1 567	-	-	3 694	-	3 694	-	-
Provisions for contingencies and charges	-	-	-	-	-	-	-	-	-	-
Re-invoiceable expenses	26 180	8 794	17 386	-	-	26 183	8 825	17 358	-	-
Non re-invoiced expenses/ Purchase of items	7 526	301	7 225	-	-	6 306	814	5 492	-	-
Other expenses	26 916	699	39	26 178	-	10 135	161	1 386	8 588	-
Revenue from sales of leasing transactions	3 300	3 300	-	-	-	4 293	4 293	-	-	-
Revenue from sales of investment properties	15 678	-	15 678	-	-	6 123	-	6 123	-	-
Dividends	4 774	-	-	-	4 774	5 189	-	-	-	5 189
Net revenue on non-consolidated securities	560	-	-	-	560	7 839	-	-	-	7 839
OPERATING INCOME (before financial and general operating expenses)	102 447	7 880	87 375	1 482	5 710	94 585	22 193	55 659	2 889	13 794
Operating expenses ⁽¹⁾	-15 388	-1 951	-12 799	-	-638	-14 368	-2 896	-10 768	-	-704
Depreciation (of net recoveries)	31 574	3 627	24 031	3 916	-	21 667	-3 728	24 327	1 068	-
EBITDA	118 633	9 556	98 607	5 398	5 072	101 834	15 569	69 218	3 957	13 090
EBITDA%	100%	8.06%	83.12%	4.55%	4.28%	100%	15.3%	68%	3.89%	12.85%

⁽¹⁾ The operating expenses are allocated based on the turnover and the dividends of each segment, noting that the hotel business operating expenses are already included in their own operating expenses.

(Continuation)

SEGMENT ASSETS AND LIABILITIES	31/12/2015	31/12/2014
Segment assets	2 576 694	1 714 002
Financial leasing	330 607	425 053
Investment properties	1 935 050	1 053 484
Hotel activities	219 230	54 082
Other activities (securities)	91 807	181 383
Segment liabilities	1 495 339	1 056 472
Financial debts more than 1 year	1 380 126	877 232
Financial debts less than 1 year	115 213	179 149

3 ■ OTHER INFORMATION

3 ■ 1 Workforce and remuneration

The Group's workforce (excluding the hotel business) was of 39 persons on December 31st, 2015 (4 directors, 26 executives and 9 employees).

The workforce for the hotel activities (which expense is recorded under "other operating hotel operating expenses", see note 4.1) amounts to 236 persons (28 executives, 36 supervisors, 153 employees, 13 trainees and 6 under youth professionalization contracts).

The Company has put in place a retirement bonus for the benefit of employees of the parent company and corporate officers. The provision for retirement benefits stood at €3,864k on December 31st, 2015 (of which €1,449k for corporate officers, social-security expenses included), versus €3,720k pro-forma on December 31st, 2014 (of which €1,598k for corporate officers). The provision is adjusted each year, according to changes in salaries under the following conditions:

- 1 year of salary for employees more than 50 years old and with 10 years of seniority, under being proportional to seniority;
- 6 months of salary for employees younger than 50 years old and with 10 years of seniority, under being proportional to seniority.

This provision is entered in a "provision for expenses" account. There are no covering assets. The amounts allocated to the administrative and management bodies of the parent company stood at €2,394k for the period (€395k as attendance fees and €1,999k as executive officers' compensations).

REMUNERATION OF THE DIRECTORS ACCORDING TO THE FIVE CATEGORIES OF IAS 24.17 STANDARDS	31/12/2015	31/12/2014
Directors	3 414	2 801
Short-term benefits	2 827	2 128
Benefits previous to employment	89	67
Long-term benefits	-	-
Share-based payment		
<i>Number of performance-based shares</i>	4 500	6 100
Valuation of performance-based shares	499	607
Benefits in kind	22	9
Termination compensation	-	-
Non-executive corporate officers	315	230
Attendance fees	315	230

3 ▪ 2 Remuneration based on shares

The personnel do not have any options to purchase the Company's shares.

In February 2015, 15,730 shares were granted to the personnel (of which 4,500 granted to corporate officers).

A Company's saving plan (PEE) has been established, together with a voluntary profit-sharing and incentive-plan agreement.

4 ▪ NON-CONSOLIDATED EQUITY INVESTMENTS

COMPANY	% direct and indirect holding	Last profit/loss financial year ended (€k)	Date of closure	Fair value (€k)
SARL La Villette Food	50,00%	72	31/12/2014	5

The company Villette Food which has a restaurant activity was excluded from the consolidated scope, first because the other associate holds 50% and manages entirely the business and secondly because it is not significant in the equity capital (€314k) nor in profit/loss income (€72k).

5 ▪ PRO-FORMA FINANCIAL INFORMATION AS OF 31 DECEMBER 2015

5 ▪ 1 Pro-forma consolidated financial statements as of 31 December 2015 (IFRS Standards)

A pro-forma consolidated financial statement was established for the financial year 2015. It takes into account and includes the business activities of the company Foncière des 6^{ème} et 7^{ème} Arrondissements de Paris (SIIC) since January 1st, 2015.

PRO-FORMA CONSOLIDATED INCOME STATEMENT AS OF DECEMBER 31ST, 2015 (IFRS STANDARDS)

(in thousands of euros)	31/12/2015	31/12/2015 Pro-forma
OPERATING REVENUE	183 979	196 518
Revenue from rental activity	122 465	132 116
Rents	95 778	104 122
Re-invoiced expenses	17 386	18 521
Other revenues and transferred expenses	7 098	7 106
Recoveries of impairment of assets	1 788	1 788
Recoveries of doubtful accounts	300	300
Recoveries of provisions for contingencies and charges	115	279
Revenue from credit-leasing	29 561	29 561
Fees and taxes and other revenues	14 597	14 597
Re-invoiced expenses	8 794	8 794
Recoveries of provisions and depreciation	3 803	3 803
Recoveries of provisions for doubtful accounts	1 156	1 156
Capital gain on sales	255	255
Other revenue	956	956
Other operating revenues	31 952	34 841
Hotel operating revenue	31 576	34 465
Other revenue	376	376
Other recoveries for contingencies and charges	-	-
OPERATING EXPENSES	117 932	125 000
Expenses on rental activity	50 768	54 031
Re-invoiceable expenses	17 386	18 521
Non-re-invoiceable expenses	7 225	7 512
Depreciation	23 881	25 721
Depreciation for asset provisions	1 567	1 567
Provisions for contingencies and charges	-	-
Expenses on doubtful accounts	671	671
Other expenses	39	39
Operating expenses on financial leasing	21 681	21 681
Re-invoiceable expenses	8 794	8 794
Non-re-invoiceable expenses	301	301
Provisions for assets	6 397	6 397
Expenses on doubtful accounts	2 188	2 188
Gain/loss on sales	3 300	3 300
Other expenses	699	699
Other operating expenses	30 095	32 605
Other hotel operating expenses	26 178	28 196
Depreciation and amortisation for the hotel business	3 916	4 409
Other provisions for contingencies and charges	-	-
General operating expenses	15 388	16 685
Payroll expenses	11 085	12 018
Other administrative expenses	2 063	2 235
Taxes and similar payments	1 488	1 512
Depreciation, amortisation and provisions	440	495
Other operating expenses	313	425
Operating profit	66 048	71 518
Income from sale of investment properties and non-current operations	21 031	21 031
Other depreciations	5 353	5 353
Operating profit after sale and other depreciations	81 726	87 196
Profit/loss of equity affiliates	-2 050	-2 050
Cost of net debt	-38 435	-41 347
Dividends and net revenue on securities	5 334	5 405
Changes in value of derivatives	-941	-941
Impact of discounts	-	-
Changes in goodwill value	-	-
Pre-tax profit	45 634	48 263
Taxes (including deferred tax)	2 805	2 805
Loss of given up activities	-2 845	-2 845
NET PROFIT	45 594	48 223
<i>including minority interest share</i>	-100	-100
Group share	45 694	48 323
Earnings per share	€5,52	€5,84
Diluted earnings per share	€5,29	€5,57

REPORT OF THE STATUTORY AUDITORS ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the shareholders
Foncière de Paris SIIC
Limited company with a capital of €154,426,125
43, rue Saint Dominique 75007 Paris - France

In compliance with the assignment entrusted to us by your General Meeting, we hereby report to you, for the year ended December 31st, 2015, on:

- the audit of the accompanying consolidated financial statements of Foncière de Paris SIIC;
- the justification of our assessments;
- the specific verification required by law.

These consolidated financial statements have been approved by the Management Board. Our role is to express an opinion on these consolidated financial statements based on our audit.

1 ■ Opinion on the consolidated financial statements

We conducted our audit in accordance with professional standards applicable in France; those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit involves performing procedures, using sampling techniques or other methods of selection, to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made, as well as the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group as of December 31st, 2015 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

2 ■ Justification of our assessments

In accordance with the requirements of article L. 823-9 of the French Commercial Code (code de commerce) relating to the justification of our assessments, we bring to your attention the following matter:

- the portfolio property is subject to evaluation procedure by independent property appraisers. We have verified that the amount of impairment losses recorded for property was sufficient relative to these external expert reviews and according to the terms described in Notes 1.4.1 and 2.2.3 of the notes to the financial statements.

These assessments were made as part of our audit of the consolidated financial statements taken as a whole, and therefore contributed to the opinion we formed which is expressed in the first part of this report.

3 ■ Specific verification

As required by law, we have also verified in accordance with professional standards applicable in France the information presented in the Group's management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Courbevoie and Paris February 19th, 2016

The Statutory Auditors

MAZARS
Odile COULAUD

SAINT-HONORE SEREG
Denis VAN STRIEN

AND TO END AN ILLUSTRATED OVERVIEW OF THE COMPANY'S BACKGROUND

Foncière de Paris, previously named Cofitem-Cofimur at its inception, was set up in 1985.

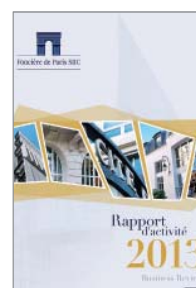
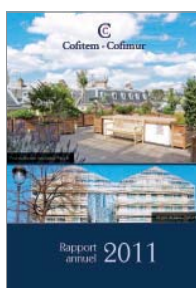
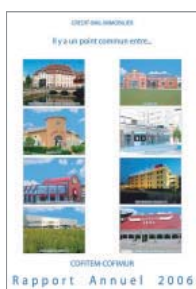
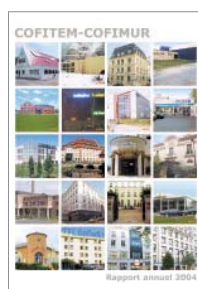
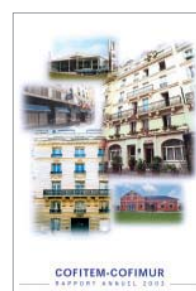
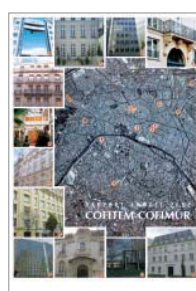
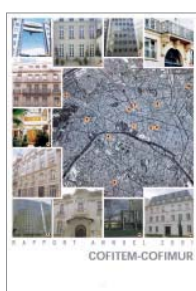
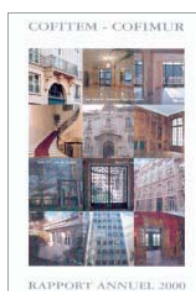
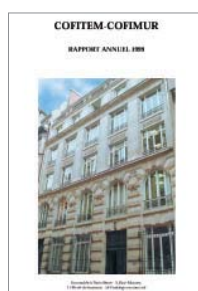
Originally, the Company aimed at financing commercial real estate.

Its main customers were hotels, catering companies and retail groups.

Foncière de Paris has also developed a portfolio of office and commercial premises for rent.

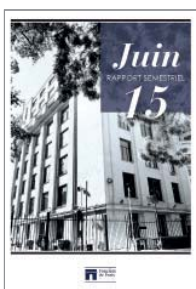
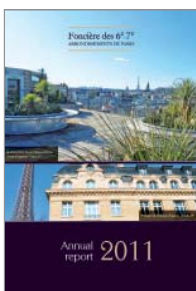
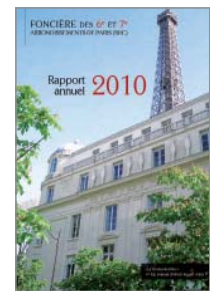
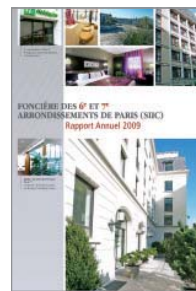
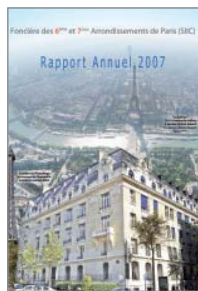
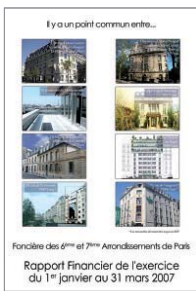
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