



PRESS RELEASE – FEBRUARY 16<sup>TH</sup>, 2016

## 2015 FULL-YEAR FINANCIAL RESULTS

**PARIS, February 16<sup>th</sup>, 2016** – The Board of Directors of Foncière de Paris met on February 15<sup>th</sup>, 2016 and approved the Company's financial statements for the period running from January 1<sup>st</sup> to December 31<sup>st</sup>, 2015 in compliance with the IFRS standards. It presented its report on the annual financial statements to the Supervisory Board on February 16<sup>th</sup>, 2016. The auditing procedures were carried out by Statutory Auditors and their review will be currently issued. This press release should be read with all available information. The Reference document will be released in April 2016 on the Company's website

[www.fonciere-de-paris.fr](http://www.fonciere-de-paris.fr)

**THE MERGER IN MAY 2015 WITH FONCIERE DES 6EME ET 7EME ARRONDISSEMENTS DE PARIS RESULTED IN A REAL-ESTATE GROUP ON THE MARKET OF OFFICE BUILDINGS AND HOTELS IN PARIS, WHICH HOLDS A PORTFOLIO ASSET OF €2.6 BILLION ON DECEMBER 31<sup>st</sup>, 2015:**

- **Sharp increase of the Net Asset Value, EPRA Triple Net on a diluted basis: € 134.72 per share vs €118.35 per share on December 31<sup>st</sup>, 2014 (+13.8%)**
- **Replacement NAV : €146.30 (+14%)**
- **Doubling of the Group's stock of unrealised capital gains at €406 million vs €199 million on December 31<sup>st</sup>, 2014**
- **Increase of the net EPRA pro forma profit: €7.06 per share vs €6.83 on December 31<sup>st</sup>, 2014 (+3.4%)**
- **Proposed dividend: €9 per share, including €6.20 of ordinary dividend and €2.80 of exceptional dividend.**

**A SUSTAINED RENTAL BUSINESS ACTIVITY CONFIRMED WITH THE INCREASE OF THE OCCUPANT RATE BY TWO POINTS REACHING 97.4%**

- **57,000 sq.m commercialised in 2015**
- **Increase of the occupancy rate from 95.1% to 97.4%**

**EXTENDED DEBT MATURITY AND DECREASED FINANCIAL COST**

- **Extension of the average debt maturity at 4 years vs 3.4 years in 2014.**
- **Steady spot financing cost after hedging: 2.64% as at December 31<sup>st</sup>, 2015 vs 2.61% as at December 31<sup>st</sup>, 2014.**

## ACTIVITIES

- **RENTAL BUSINESS ACTIVITY: A SUSTAINED RENTAL ACTIVITY**
- **During the period, the Company rented or re-commercialised approximately 57,000 sq.m notably:**
  - At the beginning of the year, the future occupancy of the Penthemont Building complex (Paris VII) was totally secured by the signature of the lease with Yves Saint-Laurent for approximately 9,200sq.m. A franchise agreement was concluded with the Hotel Marriott Chain aiming a 5\* hotel with 50 rooms for the remaining surface of the Penthemont Building complex (3,500sq.m).
  - The Coruscant Building in Saint-Denis (14,550 sq.m) has been rented to the SNCF (French National Railway Company) for a 10 year term of which 9 years are fixed.
  - In the Biopark building (Paris XIII) 2,600sq.m were leased, achieving the full occupancy of this site of 30,000 sq.m.
  - The leasing of over 1,900 sq. m in the “Campra” building in Saint-Denis brings the occupancy rate at 100% for this building.
  - A recently refurbished space of 1,050 sq.m, located 251, bd Pereire (Paris XVII) was rented to Robert Walters PLC Company for a 6 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% on December 31<sup>st</sup>, 2014.**
- On December 31<sup>st</sup>, 2015, the average lease maturity is of **4.7 years vs 4.2 years in 2014.**
- **FONCIERE DE PARIS INVESTED 53 MILLION EUROS IN PARIS INTRA-MUROS IN 2015**
- In 2015, the Company made two acquisitions:
  - **Paris VI – 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 VII – 127-129, rue de l’Université** (11,740 sq.m) – acquisition of the full ownership of a building complex, entirely let composed of 2,300 sq m of offices, 700 sq. m of residential housing and 330 parking places. This asset is meant to be totally refurbished.
- Six buildings were sold during the period for a total amount of 102.5 million euros, with values higher than those registered in NAV of December 31<sup>st</sup>, 2014, generating a capital gain of 22.8 million euros. It concerns mainly “Rueil 250” building located in Rueil-Malmaison, a building located 76-80, avenue du Général Leclerc (Paris XIV) and a building located 4, rue de Lasteyrie (Paris XVI).

## ASSET PORTFOLIO: 2.6 BILLION OF EUROS OF REAL ESTATE PORTFOLIO VALUE

**The value of the portfolio appraised as of December 31<sup>st</sup>, 2015 is of 2.6 billion euros vs 1.3 billion euros as of December 31<sup>st</sup>, 2014.** This change is mainly due to:

- The merger with Foncière des 6<sup>ème</sup> et 7<sup>ème</sup> arrondissements de Paris
- An increase of unrealised capital gains doubled, passing from 199 million euros as of December 31<sup>st</sup>, 2014 to 406 million euros as of December 31<sup>st</sup>, 2015, particularly owing to:
  - Re-leasing of assets occurred during the financial year
  - Depreciation charges (€28m)
  - Valuation of assets delivered in 2015 (Le Coruscant in Saint-Denis)
  - Valuation of secured projects (offices in Penthemont building complex)
  - A cap rate compression of approximately 50bp

## FINANCIAL DATA

- In compliance with the IFRS standards, the annual consolidated income statement takes into account the financial results of Foncière des 6ème et 7ème arrondissements de Paris only from April 1<sup>st</sup>, 2015 on, and not starting January 1<sup>st</sup>, 2015 as in the Company's accounts. In order to facilitate comparison, pro forma indicators have been established:
- This point being said, the consolidated turnover as of December 31<sup>st</sup> 2015 was as follows:

<i>In millions of euros (€m)</i>	2014	2015	2014 Pro-Forma	2015 Pro-Forma
Turnover	113,3 M€	141,9 M€	161,8 M€	153,2 M€
Of which rental income	79,4 M€	95,8 M€	112,5 M€	104,1 M€*

\*do not include €5.9 m of early termination penalties

The consolidated turnover amounts to €141.9 million vs €113.3 million at December 31<sup>st</sup>, 2015, split as following:

- €95.8 million from rental income (€79.4 million in 2014), excluding dividends on shares held in Eurosic for an amount of €4.63 million
- €14.6 million from lease payments for credit-leasing (€21.4 million in 2014),
- €31.5 million from hotel activity income (€12.5 million in 2014).
- The investment property business represents from now on 83% of Foncière de Paris EBITDA showing a shrinking of credit-leasing activity.
- On December 31<sup>st</sup>, 2015, the main cash flow indicators were:

<i>In euros (€)</i>	2014	2015	2014 Pro-Forma	Pro-forma
Current cash flow per share (EPRA Earning)	7,84 €	6,59 €	6,83 €	7,06 €
Total cash flow per share	10,13 €	8,22 €	7,55 €	8,70 €

**On a pro forma basis the current cash flow per share has progressed from €6.83 per share to €7.06 per share.**

- **The net consolidated profit** amounts to €45.7 million vs €33.6 million as at December 31<sup>st</sup>, 2014. The net income, used to determine the ordinary dividend reaches €63.8 million compared to €41.1 million in 2014, which is €6.20 per share versus €6.21 per share in 2014.
- **The Net Asset Value, EPRA Triple Net value on diluted basis of Foncière de Paris amounts to €134.72, excluding transfer duties vs €118.35 per share excluding transfer duties on December 31<sup>st</sup>, 2014. The Net Asset Value IFRS (excluding transfer duties) amounts to €135.23 per share compared to €118.69 per share on December 31<sup>st</sup>, 2014.**

In € per share	31/12/2014	31/12/2015	% increase
NAV Triple net EPRA	118,35	134,72	+13,8%
NAV IFRS	118,69	135,23	+13,9%
NAV including duties	128,25	146,30	+14%

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

- Due to the bond issue of €150 million in November and the signing of new credit lines confirmed since the beginning of the financial year, the debt maturity passed **from 3.4 years** end of December 2014 **to 4 years** end of December 2015. Nevertheless the spot cost of refinancing has stayed steady at **2.64% vs 2.61% on December 31<sup>st</sup>, 2014**.
- The Company took advantage of the weak steepening yield curve, during the year, to purchase €795 million swaps at a weighted average rate of 1% (a majority being with a deferred start) and €150 million caps at average strike option of 0.5% and a date of maturity mid-2021. Overall, the Company is still hedged at 78% on December 31<sup>st</sup>, 2015 and over 50% up to mid-2022.
- The Loan To Value ratio remains steady **at 44%**.
- **On December 31<sup>st</sup>, 2015**, the Company held **€584.3 million of undrawn credit lines**.

## **INCREASED DIVIDEND**

- At the General Meeting of Shareholders the payment of **a dividend of €9 per share** will be proposed, versus €6.1 in 2014. This dividend is composed of:
  - An ordinary distribution amounting to €6.20 € per share
  - An exceptional distribution of €2.80 € per share, due to the significant rise of restated NAV during the year and the successful merger with Foncière des 6<sup>ème</sup> et 7<sup>ème</sup> arrondissements de Paris.

**This total dividend of €9 per share represents a dividend yield of 8.12% on stock price at December 31<sup>st</sup>, 2015.**

## **OUTLOOK**

- 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 building 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.

## **AGENDA**

- April 12<sup>th</sup>, 2016: Annual Shareholders' Meeting

## **ABOUT FONCIERE DE PARIS**

Foncière de Paris is listed on Euronext Paris since 1987 (code ISIN: FR0000034431).  
[www.fonciere-de-paris.fr](http://www.fonciere-de-paris.fr)

## **CONTACTS FONCIERE DE PARIS**

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**CONSOLIDATED BALANCE SHEET – In thousands of Euros**

<b>ASSETS</b>	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
<b>Intangible assets</b>	<b>471</b>	<b>5 524</b>	<b>1 260</b>
<b>Investment properties</b>	<b>1 919 289</b>	<b>976 462</b>	<b>1 016 417</b>
<b>Assets for hotel activities</b>	<b>219 230</b>	<b>54 082</b>	<b>51 598</b>
<b>Assets for financial leasing</b>	<b>330 607</b>	<b>425 053</b>	<b>467 838</b>
Assets for equipment leasing	2 862	4 433	6 511
Assets for property financial leasing	316 105	406 821	448 007
Assets for financial leasing	11 640	13 799	13 320
<b>Operating fixed assets</b>	<b>807</b>	<b>586</b>	<b>565</b>
<b>TANGIBLE ASSETS</b>	<b>2 469 933</b>	<b>1 456 183</b>	<b>1 536 415</b>
Shareholdings in equity affiliates	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 & swaps)	3 114	1 248	354
Deferred tax-assets	7 916	2 252	1 980
Other receivables	771	9 663	16 770
<b>OTHER NON-CURRENT ASSETS</b>	<b>103 612</b>	<b>194 555</b>	<b>185 000</b>
<b>TOTAL NON-CURRENT ASSETS</b>	<b>2 574 015</b>	<b>1 656 262</b>	<b>1 722 675</b>
<b>Properties held for sale</b>	<b>15 761</b>	<b>77 022</b>	<b>16 166</b>
<b>Assets held for sale</b>	<b>7 626</b>		
<b>Inventories</b>	<b>319</b>	<b>129</b>	<b>73</b>
Accounts receivable on investment properties	32 205	8 801	9 807
Accounts receivable on leasing	3 435	3 709	3 651
<b>Operating receivables</b>	<b>35 640</b>	<b>12 511</b>	<b>13 457</b>
<b>Miscellaneous receivables</b>	<b>12 153</b>	<b>8 325</b>	<b>8 668</b>
Securities held for sale	425	1 486	243
Cash and cash equivalents	17 582	15 944	9 482
<b>Cash</b>	<b>18 007</b>	<b>17 429</b>	<b>9 725</b>
<b>CURRENT ASSETS</b>	<b>89 506</b>	<b>115 416</b>	<b>48 088</b>
<b>TOTAL ASSETS</b>	<b>2 663 521</b>	<b>1 771 678</b>	<b>1 770 763</b>
<b>LIABILITIES</b>	<b>31/12/2015</b>	<b>31/12/2014</b>	<b>31/12/2013</b>
Capital	154 426	99 386	99 271
Reserves	784 159	432 525	371 362
<i>Transferable reserves</i>	<i>4 874</i>	<i>12 108</i>	<i>-1 666</i>
<i>Treasury shares</i>	<i>-18 081</i>	<i>-18 466</i>	<i>-26 708</i>
<i>Other consolidated reserves</i>	<i>797 365</i>	<i>438 883</i>	<i>399 737</i>
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
<b>SHAREHOLDERS EQUITY GROUP SHARE</b>	<b>984 279</b>	<b>565 509</b>	<b>547 180</b>
Minority interest income	-100	-	779
Minority interest reserves	-1 749	-	1 957
<b>MINORITY INTEREST</b>	<b>-1 849</b>	<b>-</b>	<b>2 736</b>
Bonds redeemable into shares (OSRA)	72 908	72 908	87 474
Financial liabilities due in less than one year	1 380 126	871 526	800 752
Derivative instruments swaps	18 879	7 082	12 673
Deferred tax liabilities	7 761	1 957	171
Other debts	17 378	11 279	14 505
<b>Miscellaneous debts</b>	<b>25 139</b>	<b>13 236</b>	<b>14 675</b>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>2 479 481</b>	<b>1 530 261</b>	<b>1 465 493</b>
Liabilities held for sale	1 398		
Provisions for contingencies and charges	4 457	2 596	2 259
Financial liabilities due in less than one year	115 213	184 945	233 049
Miscellaneous debts	62 972	53 875	69 962
<b>TOTAL CURRENT LIABILITIES</b>	<b>184 040</b>	<b>241 416</b>	<b>305 270</b>
<b>TOTAL LIABILITIES</b>	<b>2 663 521</b>	<b>1 771 678</b>	<b>1 770 763</b>

**COMPTE DE RESULTAT CONSOLIDE – En milliers d’Euros**

	31/12/2015 (12 months)	31/12/2014 (12 months)	31/12/2015 Pro Forma	31/12/2013 (6 months)
<b>OPERATING REVENUE</b>	<b>183 979</b>	<b>155 421</b>	<b>196 518</b>	<b>59 608</b>
<b>Revenue from rental activity</b>	<b>122 465</b>	<b>99 181</b>	<b>132 116</b>	<b>30 923</b>
Rents	95 778	79 390	104 122	26 234
Re-invoiced expenses	17 386	17 358	18 521	4 342
Other revenues and transferred expenses	7 098	1 351	7 106	275
Recoveries of impairment of assets	1 788	516	1 788	37
Recoveries of doubtful accounts	300	566	300	36
Recoveries of provisions for contingencies and charges	115	-	279	-
<b>Revenue from credit-leasing</b>	<b>29 561</b>	<b>42 929</b>	<b>29 561</b>	<b>21 915</b>
Fees and taxes and other revenues	14 597	21 352	14 597	12 109
Re-invoiced charges	8 794	8 825	8 794	4 243
Recoveries of provisions and depreciation	3 803	5 428	3 803	702
Recoveries of provisions for doubtful accounts	1 156	4 943	1 156	4 371
Capital gain on sales	255	1 196	255	65
Other revenue	956	1 185	956	424
<b>Other operating revenue</b>	<b>31 952</b>	<b>13 311</b>	<b>34 841</b>	<b>6 770</b>
Hotel operating revenue	31 576	12 545	34 465	6 240
Other revenue	376	766	376	530
<b>OPERATING EXPENSES</b>	<b>117 932</b>	<b>94 405</b>	<b>125 000</b>	<b>38 707</b>
<b>Expenses on rental activity</b>	<b>50 768</b>	<b>49 644</b>	<b>54 031</b>	<b>14 506</b>
Re-invoiceable expenses	17 386	17 358	18 521	4 342
Non re-invoiceable expenses	7 225	5 492	7 512	2 041
Depreciation	23 881	21 040	25 721	6 679
Depreciation for asset provisions	1 567	3 694	1 567	920
Provisions for contingencies and charges	-	-	-	176
Expenses on doubtful accounts	671	675	671	158
Other expenses	39	1 386	39	191
<b>Operating expenses on financial leasing</b>	<b>21 681</b>	<b>20 736</b>	<b>21 679</b>	<b>10 644</b>
Re-invoiceable expenses	8 794	8 825	8 794	4 243
Non re-invoiceable expenses	301	814	301	667
Provisions for assets	6 397	239	6 397	2 838
Expenses on doubtful accounts	2 188	6 404	2 188	2 672
Gain/loss on sales	3 300	4 293	3 300	-
Other expenses	699	161	699	224
<b>Other operating expenses</b>	<b>30 095</b>	<b>9 657</b>	<b>32 605</b>	<b>5 279</b>
Other hotel operating expenses	26 178	8 588	28 196	4 585
Depreciation and amortisation for the hotel business	3 916	1 068	4 409	693
<b>General operating expenses</b>	<b>15 388</b>	<b>14 368</b>	<b>16 685</b>	<b>8 278</b>
Payroll expenses	11 085	7 939	12 018	1 651
Other administrative expenses	2 063	3 845	2 235	5 879
Taxes and similar payments	1 488	1 379	1 512	490
Depreciation, amortisation and provisions	440	755	495	201
Other operating expenses	313	450	425	54
<b>OPERATING PROFIT</b>	<b>66 048</b>	<b>61 016</b>	<b>71 518</b>	<b>20 901</b>
Income from sale of investment properties	21 032	6 123	21 032	46
Other depreciation	-5 353	-	-5 353	-
<b>Operating profit after sale of investment properties and other depreciation</b>	<b>81 726</b>	<b>67 140</b>	<b>87 197</b>	<b>20 947</b>
<b>Profit/loss of equity affiliates</b>	<b>-2 050</b>	<b>4 415</b>	<b>-2 050</b>	<b>-4 569</b>
Cost of net debt	-38 435	-42 047	-41 347	-14 244
Dividends and net revenue on securities	5 334	11 120	5 405	-8 825
Changes in value of derivatives	-941	-6 138	-941	286
Change in goodwill value	-	-	-	111 753
<b>Pre-tax profit</b>	<b>45 634</b>	<b>34 489</b>	<b>48 263</b>	<b>105 348</b>
Taxes (including deferred tax)	2 805	-892	2 805	-28 022
Profit/loss of discontinued activities	-2 845	-	-2 845	-
<b>NET PROFIT</b>	<b>45 594</b>	<b>33 598</b>	<b>48 223</b>	<b>77 325</b>
Including minority interest share	-100	-	-100	779
<b>Group share</b>	<b>45 694</b>	<b>33 598</b>	<b>48 323</b>	<b>76 547</b>
<b>Earnings per share</b>	<b>5,52 €</b>	<b>5,24 €</b>	<b>5,84 €</b>	<b>14,15 €</b>
<b>Diluted earnings per share</b>	<b>5,29 €</b>	<b>5,34 €</b>	<b>5,57 €</b>	<b>13,34 €</b>