COFITEM-COFIMUR IS RENAMED

Foncière de Paris

PRESS RELEASE – 30 JULY 2013

2013 financial results

PARIS, 30 July 2013 – The Board of Directors of Cofitem-Cofimur met on 30 July 2013 to approve the company's financial statements, established under IFRS international accounting standards, for the period from 1 January 2013 to 30 June 2013. The company's statutory auditors conducted a limited review of the financial statements and are in the process of publishing their report. This press release must be read together with all the information available. In September 2013, the update of the Registration Document will be available at the company's website: www.cofitem-cofimur.fr.

FINANCIAL STATEMENTS AT 30 JUNE 2013

- **Net profit of €14.3 million**
- **Financial occupancy rate of 95.7% for investment properties**
- **Average financing cost of 2.2%**
- **NAV of €104.01 per share at 30 June 2013**
- **Acquisition on 9 July 2013 of Vivarte's head office (75019 Paris) for €53 million**
- **Bond issue of €80 million on 16 July 2013**

COFITEM-COFIMUR PLANS TO MERGE WITH FONCIÈRE PARIS FRANCE

- **The Supervisory Authority (*Autorité de Contrôle Prudentiel*, ACP) has withdrawn Cofitem-Cofimur's approval as a credit institution**
- **Cofitem-Cofimur has adopted the presentation of financial statements for commercial companies**
- **Cofitem-Cofimur will opt for SIIC status on 31 July 2013 and be renamed Foncière de Paris SIIC**
- **The Board of Directors has approved the exchange ratio of nine Cofitem-Cofimur shares for seven Foncière Paris France shares**

KEY FINANCIALS

New presentation of consolidated financial statements for commercial companies

BALANCE SHEET (CONSOLIDATED) – In thousands of euros

ASSETS	*30-06-2013*	*31-12-2012*	*31-12-2011*
	6 months	*12 months*	*12 months*
Investment properties (*)	*242,600*	*239,635*	*251,782*
Hotel assets	*51,552*	*51,947*	*48,922*
Leases	*477,580*	*493,054*	*515,370*
Financial assets	*101,097*	*120,107*	*54,049*
Current and other assets	*120,144*	*105,855*	*169,379*
Cash	*51,400*	*64,863*	*32,756*
Total assets	*1,044,373*	*1,075,461*	*1,072,258*

LIABILITIES	*30-06-2013*	*30-12-2012*	*30-12-2011*
Shareholders' equity – Group share	*293,892*	*324,255*	*308,581*
Financial debt	*691,945*	*691,270*	*710,885*
Derivative swaps	*11,172*	*14,922*	*8,763*
Other liabilities	*47,364*	*45,014*	*44,029*
Total liabilities	*1,044,373*	*1,075,461*	*1,072,258*

(*) IN CONSOLIDATED FINANCIAL STATEMENTS PREPARED UNDER IFRS, INVESTMENT PROPERTIES ARE RECOGNISED AT THEIR HISTORICAL VALUE

INCOME STATEMENT (CONSOLIDATED) – In thousands of euros

New presentation of financial statements for commercial companies	*30/06/2013*	*31/12/2012*	*31/12/2011*
	6 months	*12 months*	*12 months*
Consolidated revenue	**45,823**	**96,000**	**100,300**
Investment property revenue	*10,423*	*19,993*	*24,560*
Leasing revenue	*24,658*	*56,317*	*94,575*
Hotel revenue	*6,219*	*10,563*	*4,989*
Operating income	**7,926**	**30,641**	**41,410**
Net consolidated profit	**7,459**	**35,984**	**22,949**
Including Group share	**6,645**	**34,662**	**22,033**
Profit per share (€)	*€1.55*	*€8.09*	*€5.14*
Net profit (€k)	*14,285*	*27,235*	*22,088*

BUSINESS

- **AS REQUESTED BY THE COMPANY, THE SUPERVISORY AUTHORITY (*AUTORITÉ DE CONTRÔLE PRUDENTIEL*, ACP*)* HAS WITHDRAWN COFITEM-COFIMUR'S APPROVAL AS A CREDIT INSTITUTION**

As announced on 3 April 2013, Cofitem-Cofimur applied to the Supervisory Authority (ACP) for withdrawal of approval as a credit institution, an approval that enables the company to lease property. By letter of 18 June 2013, Cofitem-Cofimur was informed that the Chairman of the ACP had withdrawn approval as a credit institution. Thus Cofitem-Cofimur is no longer a credit institution.

The lease portfolio (€478 million at 30 June 2013) held by Cofitem-Cofimur will be run off as legacy assets. Net cash flow from decreased net leasing commitments will range from €30 million to €55 million a year for the next five years and help the company reduce its financing needs and seize new growth opportunities.

- **INVESTMENT PROPERTIES: 95.7% FINANCIAL OCCUPANCY RATE AT 30 JUNE 2013**

During the last six months, investment properties' consolidated income remained stable at €8.8 million.

The company marketed 1,000 sq m in the property located in Créteil, which is now entirely let.

As a result, the financial occupancy rate stood at 95.7% at 30 June 2013.

  – **ACQUISITION: VIVARTE'S HEAD OFFICE FOR €53.1 MILLION**

On 9 July 2013, Cofitem-Cofimur acquired Vivarte's head office located in 75019 Paris. With a total surface area of 15,700 sq m and 120 car parks, this property is entirely let by Vivarte under a nine-year lease. This investment generates a 6.6% yield.

  – **DELIVERY OF THE PROPERTY LOCATED AT 5 RUE DE DUNKERQUE, 75010 PARIS – OPENING OF YOUTH HOSTEL**

After the building's conversion into a youth hostel managed by St Christopher's Inns, the youth hostel opened in early July. With its excellent location, opposite the Gare du Nord railway station, and the high quality of its services, the business quickly took off. The property is managed by St Christopher's Inns under a nine-year lease and generates a 6% yield, to which is added a profit-sharing clause. The total investment (acquisition and renovation costs) came to €35 million.

- **PORTFOLIO OF HOLDINGS: STABLE DIVIDEND INCOME**

The company received €9.2 million of dividends compared with €9.7 million in the first six months of 2012.

In early July the company acquired 8.2% of Foncière des 6ème & 7ème Arrondissements de Paris (SIIC) for €37.2 million, raising its holding to 16.8%.

FINANCIALS

- Following withdrawal of approval as a credit institution, financial statements are now presented under commercial standards, with 2011 and 2012 both restated for comparison.

    - With the new presentation of the balance sheet, fixed assets can be read directly as investment properties, hotel assets, leases (run off as legacy assets) and financial investments. Liability items remain unchanged.

    - As regards the income statement, the concept of net banking income is no longer used. Operating revenue can be read directly as investment property revenue, leasing revenue and hotel revenue. Presentation of consolidated revenue and net profit remains unchanged.

- **To allow the company to opt for SIIC status, parent company accounts from 1 January 2013 were closed for an exceptional six-month reporting period at 30 June 2013. Thus the 2013 six-month period is compared with the 2012 12-month period.**

- **Net profit** came to €14.3 million against €27.2 million in 2012. This figure points to the stable contribution of each company's or subsidiary's business.

- At 30 June 2013, **revenue** came to €45.8 million, in line with €96 million a year earlier.

- **Net consolidated profit** stood at €7.5 million (including €6.5 million Group share), which is not comparable with 2012.

2012 net consolidated profit was strongly impacted by the acquisition of Foncière Paris France, which had in particularly led to exceptional income (adjustment for Foncière Paris France goodwill) of €14.8 million, and by a capital gain from disposal of €6.6 million, which sharply increased consolidated net profit – Group share.

- Consolidated **shareholders' equity**, including profit, came to €293.9 million against €324.3 million at 31 December 2012. Unrealised capital gains from investment properties, which came to €147.3 million at 30 June 2013 (before exit tax of €27.9 million), were not recognised in shareholders' equity.

- **Cofitem-Cofimur's NAV, published for the first time, was €104.01 per share at 30 June 2013.**

- **Financing:** To diversify its sources of finance, on 16 July 2013 Cofitem-Cofimur issued €80 million of bonds with a coupon 4.125% due in six years. Two five-year bank loans totalling €35 million were arranged, extending the average maturity of Cofitem-Cofimur's debt.

- **The cost of refinancing** came to 2.2%. In 2013 the company had €161 million in caps and €195 million in active swaps.

- At 30 June 2013 the company had **cash and cash equivalents** €51.4 million and **undrawn credit lines** of €62.3 million.

FOCUS ON THE MERGER WITH FONCIÈRE PARIS FRANCE

- Messrs Kling and Ledouble were appointed merger auditors on 24 April 2013.

- After examining the merger auditors' work, the Board of Directors approved the exchange ratio of nine Cofitem-Cofimur shares for seven Foncière Paris France shares and empowered the Managing Director to sign the merger contract.

- The merger was filed with the Competition Authority on 23 July 2013.

- In accordance with article 236-6 of the AMF's General Regulations, Cofitem-Cofimur will also petition the Competition Authority that there is no reason for a public repurchase offer in the weeks ahead in respect of Foncière Paris France.

- The Board of Directors also decided to opt for SIIC status on 31 July 2013. Cofitem-Cofimur will then be renamed Foncière de Paris SIIC.

- Questioned by the company on the regime of Cofitem-Cofimur shares held in equity savings plans on the option date, France's Department of Tax Legislation replied by letter of 23 July 2013 in the wording annexed to this press release.

- The next shareholders' meeting of Cofitem-Cofimur, renamed Foncière de Paris SIIC, is to be held in November 2013. The convening forms can be consulted at the company's website: www.cofitem-cofimur.fr. This shareholders' meeting will have a dual purpose: approving the financial statements at 30 June 2013 and approving the merger with Foncière Paris France.

For the future, simplifying the organisation and pooling of both entities' resources should enable optimum creation of shareholder value and ensure continuous dividend growth, Cofitem-Cofimur's trademark since it was founded in 1985.

ABOUT COFITEM-COFIMUR

Cofitem-Cofimur has been listed on Euronext Paris since 1987 (ISIN code: FR0000034431) classified as FTSE real estate.

www.cofitem-cofimur.fr

CONTACTS

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ANNEX TO THE BULLETIN OF 30 JULY 2013

Letter from the Tax Legislation Department dated 23 July 2013

'By letter of 3 July 2013, you drew my attention to the terms for managing and operating the equity savings plan (plan d'épargne en actions, PEA) specified in articles L 221-30, L 221-31 and L 221-32 of the Monetary and Financial Code, reproduced under article 163 quinquies D of the General Tax Code (code général des impôts, CGI).

More precisely, you brought up the situation of natural person shareholders of Cofitem-Cofimur whose shares are held in a PEA. Cofitem-Cofimur is planning to merge with Foncière Paris France and to opt for the regime applicable to listed real estate investment companies (sociétés d'investissements immobiliers cotées, SIIC).

In this context, you are wondering whether natural person shareholders of Cofitem-Cofimur will be able to keep this company's shares in their PEA once it has opted for the SIIC regime. If not, you would like confirmation that these shareholders will be able to place this company's shares in an ordinary securities account and make a cash payment into their plan in an amount equal to the value of the Cofitem-Cofimur shares assessed on the day of opting for the SIIC tax regime, this being to avoid closing their PEA.

Your request calls to mind the following observations on my part.

SIIC shares have ceased to be eligible for the PEA since 21 October 2011. Cofitem-Cofimur shares will be classified as SIIC shares with effect from the company's opting, during the second half of 2013, for the SIIC tax regime. With effect from the date of opting for this regime, keeping Cofitem-Cofimur shares in the PEA will, since they no longer meet the eligibility criteria for the PEA, result in closure of the plan on the date of the breach.

In this situation, it is confirmed that the natural person shareholders of Cofitem-Cofimur will be able to place its shares in an ordinary securities account and make a cash payment into their plan in an amount equal to the value of the Cofitem-Cofimur shares assessed on the date of opting for the SIIC tax regime, this being to avoid closing their PEA.

It is stipulated that the cash payment in an amount equal to the value of the Cofitem-Cofimur shares will have to be made within a maximum period of two months from the date of this company's opting for the SIIC tax regime. This payment will not be taken into account when assessing the upper limit for authorised contributions to the PEA.

Otherwise, the PEA will be closed on the date of opting for the SIIC tax regime and the net gain realised since the plan was opened will be liable to social security contributions and, as the case may be, income tax.

Finally, when the Cofitem-Cofimur shares withdrawn under the conditions set out above are subsequently sold, the capital gain will have to be calculated by using as the acquisition price the value of the shares in question on the date of such withdrawal.'