

Paris, 13 November 2008

**Foncière des Régions, 9M08 Revenues
increased by 40% to €498 million (+3,6% on a like-for-like basis)**

Solid property indicators

Refinancing of the CB 21 Tower and reduction of development risks

Confirmation of target of growth in 2008 recurring cash flow and deleveraging

Foncière des Régions, a property company focused on offices, has a group share of €11¹ billion in assets, largely comprised of properties bought through sales and lease-back, generating a secure cash flow and backed by secure long-term debt. This model gives the company good visibility and solid business fundamentals in an economic environment that has become more difficult, especially since the 3rd quarter of 2008.

In this context, rents for our office division (two-thirds of group share assets) has seen growth on a like-for-like basis of 4,1%, reflecting a high level of indexation in France, as well as a high occupancy rate in France and Italy (99% and 98.2% respectively²). Note that the last reported indexation in France (ICC +8.85%) should positively impact the 4th quarter.

In addition, Services sector rents increased 5.7% on a like-for-like basis, benefiting from the positive impact of the contribution from the hotel sector (+6.4%) through their partner Accor. 9M08 rents from the logistics division (+1.3% on a like-for-like basis) have been impacted by a slight decrease in occupancy rate. Finally, the residential sector saw its rents increase by +2.3% on a like-for-like basis.

Foncière des Régions met its dual targets of slight growth in cash flow per share and of deleveraging.

Revenues (in € millions)	Consolidated			Group share			
	9 months 2007	9 months 2008	Var. (%)	9 months 2007	9 months 2008	Var. (%)	Var. (%) on a like- for-like basis
Offices - France	207.6	218.3	+5.2	180.8	210.4	+18	+5.5
Offices - Italy ³	89.1	159.7	+79	35.1	108.5	+209	+0.9
Services Sector	109.4	148.5	+36	26.0	43.2	+66	+5.7
Logistics	42.9	72.5	+69	35.6	43.4	+22	+1.3
Car parks	14.3	14.4	ns	8.4	8.4	ns	ns
Residential	145.1	159.6	+10	55.8	61.7	+11	+2.3
Other	10.8	28.9	+168	13.8	22.5	+63	ns
TOTAL	619.3	801.8	+29	355.5	498.1	+40	+3.6

¹ As of en of June 2008

² Long-term portfolio

³ Integration of Ben Stabili over 9 full months, versus 5 in 2007

Office activity: Rents +4.1% on a like-for-like basis

Rental income (in € millions)	9 months 2007	9 months 2008	Var. in %	Var. in % on a like-for-like basis
Offices - France	180.6	210.4	+18	+5.5
France Telecom	115.2	134.6	+16	+5.2
EDF	28.8	27.3	-5.2	+5.1
Other offices	36.8	48.5	+31.8	+7.0
Offices – Italy (100%)	158.5	159.7	+0.8	+0.9¹

Offices – France: Increase of rental income on a like-for-like basis (+5.5%)

Foncière des Régions continues to benefit from the defensive features of its offices portfolio, largely bought through sales and leaseback operations with partner companies, leaders in sectors with relatively low economic risk, whose assets are distributed throughout the main French cities.

This specificity allows the company to benefit from a high occupancy rate (almost 99% at the end of September 2008) and the absence of outstanding debt.

During the period, the real estate activity of our asset management teams has been supported by several leases that have been entered into since the beginning of the year:

- 10,000 sqm in Levallois, leased by Hachette
- 4,100 sqm leased in Puteaux by Bourjois
- 2,400 sqm in Paris (15th arrondissement) leased by an administrative entity.
- 1,200 sqm in Fontenay-sous-Bois, leased by BNP Paribas

Overall, during the first nine months of 2008, nearly 25,000 sqm have been leased, for a total full year rental income of more than €8.6 million.

Offices – Italy: Solid occupancy rate (98.2%) and good visibility

The Italian office assets also benefit from a high occupancy rate (98.2% in the long-term portfolio). Half of the 1% increase in rental income on a like-for-like basis is derived from asset management activities and the rental of vacant properties; the remainder is derived from indexation.

During the 3rd quarter of 2008, 7 new leases were signed (representing €3.6 million annualised) and 5 new contracts or renewal are under negotiation (representing more than €4 million).

Redevelopment of the CB 21 Tower: Refinancing achieved and project now launched only if pre-let

Faced with the new financial environment and given the strong rental interest in this prime property with a convenient, highly visible location at La Défense, Foncière des Régions decided to launch the redevelopment project only after an agreement is reached with a tenant.

In fact, our teams are currently in advanced stages of negotiations with several potential tenants having different requirements in terms of surface area and delivery dates. The negotiations should be finalised during the first half of 2009 and allow the management of a suitable, high-quality project that is competitively priced.

This approach currently provides the greatest level of security for all stakeholders in the transaction (investors, banks, public authorities, construction companies and even the future tenant).

¹ Long-term portfolio

In this context, Foncière des Régions decided to refinance the existing debt of €340 million in the amount of €240 million, the balance being financed by an equity capital contribution of €100 million. Financing risks of the project have been sharply reduced because the credit risk, before redevelopment, is less than €2,500 per sqm net floor area (SHON - *surface hors oeuvre nette*).

Refinancing conditions for a 12-month duration are at a credit spread in excess of approx. 100 bp compared to the initial conditions. This reflects higher bank refinancing costs. **This refinancing adds less than 1% to the total cost of the development.**

This real estate financial transaction, one of the largest since September 2008, attests to the confidence of our financial partners (Calyon, HSBC and Natixis) both in Foncière des Régions balance sheet and in the project, which will house the headquarters of a major company and eventually more than 6,500 employees.

Financing: No significant debt repayment until 2012

Foncière des Régions has repaid or refinanced all debt due in 2008 since the beginning of the year (approx €800M) and precise that, excluding the CB21 Tower, its debt characteristics are the following:

- no significant debt repayment is planned before 2012 (€40 million in 2009, €230 million in 2010)
- debt is more than 99% hedged, of which more than 74% is at a fixed rate.

Creation of an OPCI management company

Considering this new investment vehicle as a tool to build partnerships with institutional investors, Foncière des Régions has decided to establish an OPCI management company whose approval from the Financial Markets Authority (*Autorité des Marchés Financiers*) should be obtained before the end of 2008.

Outlook: Guidance of growth in 2008 recurring cash flow per share and deleveraging are confirmed

Because of the nature of the activities, Foncière des Régions remains confident that it will meet its 2008 targets relative to a slight growth in cash flow per share and deleveraging, taking into account namely:

- favourable rental income indexation
- succesful implementation of Foncière des Régions' strategy in Italy
- optimisation of existing assets
- new contribution of certain high-yield assets resulting from development project activity (Dassault Systèmes Campus in Vélizy)
- and finally, the successful execution of the 2008 disposals program (objective of €1.2 to 1.3 million as of the end of 2008), which will be continued in 2009.

Calendar:

25 February 2008 Publication of the 2008 annual results

About Foncière des Régions

Foncière des Régions is a listed real estate investment company with a portfolio (€17.8bn on a consolidated basis and 11bn in group share at the end of June 2008), approximately comprised of 70% of offices in France and in Italy (through Beni Stabili), leased to major industrial and service groups.

Foncière des Régions is also a benchmark shareholder and operator in listed real estate companies dedicated to specialised asset classes: operating facilities via Foncière des Murs , logistics and business parks via Foncière Europe Logistique , and residential via Foncière Développement Logements , which is present in France and in Germany.

Foncière des Régions is managed by Christophe Kullmann.

Foncière des Régions is listed on Euronext Paris compartiment A of Euronext (FR0000064578 - FDR) and admitted to the SRD.

The Foncière des Régions shares are included in the composition of SBF 120, Euronext IEIF "SIIC France" index, Mid 100 index, as well as in the EPRA (www.epra.com) index.

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