

## **Strong operating results Recurring Cash Flow per share up 13%**

**Foncière Développement Logements** (FDL), with assets of €3.45 billion excluding transfer duty as at 31 December 2008, spread across France (30%) and Germany (70%), posted improved operating results. Its management policy, notably based on growing its rental income and controlling its recurring expenses, enabled it to generate recurring current cash flow per share of €1.44, 13% up on the previous year.

### **2008 Business Activities**

#### **Real estate assets valued at €3.45 billion as at 31 December 2008**

As at 31 December 2008, the assets of Foncière Développement Logements were valued at €3.45 billion excluding transfer duty. On a like-for-like basis and against a background of falling real estate prices, the appraisal value of its assets fell by 4% over the year and 2% in the second half of 2008.

#### **Sales and commitments up 42%**

As at 31 December 2008, proceeds from sales in France and Germany amounted to €147 million. Including sales commitments this rises to €163 million, representing an increase of 42% on 31 December 2007. Sales were concluded at margins in excess of 16% over appraisal values at end 2007.

#### **Strong contribution to rental income from France and Germany**

On a like-for-like basis, annualised rents rose by 3.4% in France and 3% in Germany. This improvement came primarily on the back of higher renewal rents and optimised occupancy rates.

FDL in fact benefited from a fall in vacancies as at 31 December 2008 both in France and in Germany: the vacancy rate in France<sup>1</sup> thus stood at 2.9% as at 31 December 2008 compared to 3.8% as at 31 December 2007; the overall vacancy rate in Germany stood at 3.8% compared to 4.4% the previous year.

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<sup>1</sup> Of assets in operation

## Lower operating expenses

Down 6%, the Company's operating expenses now account for 32% of turnover compared to 34% as at 31 December 2007.

## Financial statements as at 31 December 2008 (attributable to equity holders of the parent)

	31/12/2008	31/12/2007
<b>Turnover</b>	€214 M	€191 M
<b>Recurring cash flow before margins on sales</b>	€54.1 M	€46.6 M
<b>Recurring cash flow before tax <sup>2</sup></b>	€86.3 M	€70.4 M
<b>Recurring cash flow before tax per share <sup>2</sup></b>	€ 1,44	€ 1,27
<b>Earnings in € million</b>	(€191.3 M)	€307.2 M
<b>Recurring earnings</b>	€83.6 M	€70.4 M
<b>Recurring earnings per share</b>	€1.40	€1.27

- Foncière Développement Logements generated €214 million in turnover during 2008 compared to €191 million in 2007, on the back of the impact of the development work carried out in 2007 and rent rises on a like-for-like basis.
- Recurring earnings amounted to €83.6 million compared to €70.4 million as at 31.12.2007.
- In addition, the fair value impact on FDL's financial statements was as follows:
  - reduction in unrealised tax liability: +€21.4 million
  - change in fair value of real estate assets: -€181 million
  - change in fair value of financial instruments: -€111 million
- Triple net NAV per share amounted to €20.7.
- The Company's debt stood at €2,087 million as at 31 December 2008, with a ratio of net debt to bloc value of assets of 58%.

## Increased Dividend

A dividend of €1.05 per share, representing an increase of 5%, will be recommended to the FDL General Shareholders' Meeting.

## Outlook

In a more challenging economic climate, FDL plans to pursue its strategy of being a key player in the residential market. Operating earnings over the coming year should be in line with those in 2008 and reflect the continuance of a measured arbitrage policy.

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<sup>2</sup> Including margin on sales

About Foncière Développement Logements

Foncière Développement Logements, which is 38.2 % held by Foncière des Régions, is a French listed real estate investment company specialising in the holding of residential assets. Active in France and Germany, its holdings are valued at € 3.45 billion (31.12.2008).

Foncière Développement Logements, chaired by Bertrand de Feydeau, is managed by Thierry Beaudemoulin. Foncière Développement Logements is listed on the Euronext Paris, ISIN: FR0000030181, MR-Compartiment B

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This press release can also be found at [www.fdlogements.fr](http://www.fdlogements.fr)