

Paris, 11 May, 2009

**Foncière des Régions: Significant progress in the FdR 2010 action plan
and a 3.8% increase in rental income in the first quarter of 2009
on a like-for-like basis**

Foncière des Régions has assets consisting primarily of offices, featuring long leases and a high concentration of major companies among its tenants (France Telecom, EDF, Accor, Suez Environnement, Telecom Italia, etc.). With this model of a property owner as real estate partner to major companies, Foncière des Régions has a good overall view of its short and medium term income as well as sound business fundamentals in terms of occupancy rates and the solvency of its tenants.

“Our accomplishments as we begin the year 2009, our extremely sound rental flows as well as the proper execution of the FdR 2010 action plan give us confidence in the ability of Foncière des Régions to meet its 2009 objectives”, says Christophe Kullmann, CEO of Foncière des Régions.

A sound first quarter 2009

(in EUR millions)

	Consolidated			Group Share			
	Q1 2008	Q1 2009	Change	Q1 2008	Q1 2009	Change	Change LFL
France Office	73.1	65.2	- 10.7%	73.1	65.2	- 10.7%	+ 7.0%
Italy Office	53.9	53.8	- 0.2%	36.6	39.3	+ 7.3%	+ 2.8%
Logistics and business units	25.8	24.3	- 5.8%	15.4	14.5	- 5.8%	- 0.5%
Service sector ¹	47.9	53.2	+ 11.0%	13.9	15.8	+ 13.6%	+ 4.3%
Parking	4.7	5.0	+ 7.1%	2.7	2.9	+ 7.1%	+ 3.7%
Residential	53.5	52.8	- 1.4%	20.4	20.4	- 0.1%	+ 2.5%
Total rental income	258.8	254.2	- 1.8%	162.2	158.2	- 2.4%	+ 3.8%
Other	12.1	6.5	- 46%	8.3	4.7	- 43.4%	-
Total revenues	271.0	260.7	- 3.8%	170.5	162.9	- 4.5%	-

In a like for like basis, rental income group share for the first quarter of 2009 is up 3.8% from the same period in 2008, driven mainly by the increase in rents in the France offices portfolio and the good resistance of the diversification portfolios.

Consolidated revenues for the first quarter of 2009 amount to EUR 260.7 million. The group share revenues amounts to EUR 162.9 million, down 4.5% from Q1 2008, attributable mainly to disposals made in 2008 (EUR 1,090 m in a group share basis) partially offset by a Beni Stabili holding rate up (73.08% at the end of March 2009 compared with 67.94% at the end of March 2008 following the Beni Stabili share buy-back plan).

¹ The turnover of the hotel activities of the “Service sector” is, on the one hand based on the hotels turnover realized during the first quarter 2008, and on the other hand impacted by adjustments made at the beginning of each year on the real turnover of the previous year.

France Offices: good increase in rents at constant scope (+7.0%)

Foncière des Régions continues to benefit from the security generated by the structure of its office portfolio, in large part from outsourcing operations with major companies in sectors with little exposure to economic uncertainty, and whose assets are distributed geographically in France's major cities.

At the end of March 2009, the occupancy rate remains quite high at 98.6% and unpaid rents nearly zero (0.6% of annualised rents).

During this first quarter 2009, around 50,000 m² of assets were rented¹, representing a full year impact of nearly EUR 21 million.

Italy Offices: a sound occupancy rate and good long-term visibility

The Italy office assets also have a very high occupancy rate (97.8% for the long-term portfolio). The 2.8% increase in rents at constant scope comes mainly from indexing and asset management work.

In fact, during this first quarter of 2009, nearly 15,000 m² of space was rented, representing a full year impact of EUR 2.3 million.

Indexing – Protection

Furthermore, in terms of securing the rental income of Foncière des Régions, over the past two years, our asset management team has gradually introduced specific lease structures by type of asset for our tenants, both in terms of the types of indexing and in terms of "floors" as protection against index falls. For the most part, tenants have chosen to reduce exposure of future rents to the volatility of the ICC Index.

These characteristics are summarised in the table below by portfolio:

	% of the portfolio at year-end 2008	Type of indexing ²	Protection from falling rates
France Office	36%	ICC (90% of the portfolio) "50% ICC – 50% CPI" for the rest of the portfolio	60% of the portfolio with a floor of between 0% and 1%
Italy Office	32%	CPI	100% of the portfolio with a floor of 0%
Logistics and business premises	8%	ICC	No floor
Services sector	10%	Variable for the Accor portfolio ILC, IPCE and IRL for the rest of the portfolio	No floor
Residential	13%	IRL in France Premises index in Germany	France: No floor Germany: Positive indexing only

Significant progress on the FdR 2010 action plan

As discussed when our annual 2008 results were released, in mid-2007 Foncière des Régions adapted its strategy to the reversal of the cycle we are currently experiencing through an ambitious disposals plan.

To combat a more pronounced economic downturn, the **FdR 2010** action plan was introduced in January 2009. Its purpose is to preserve the key strengths of Foncière des Régions (secure cash flow, high yield and constant improvement in asset quality), while maintaining the principal debt ratios in line with the group's historic ratios (LTV between 50% and 60% and ICR above 2).

¹ Including the pre-let of the Tour CB21 to Suez Environnement

² ICC: Index of the cost of construction - CPI: Consumer price index - ILC: Index of commercial rents - IPCE: European consumer price index - IRL: Rental reference index

This action plan is broken down into three main categories: Portfolio, Financing and Organisation

This action plan showed significant progress when put into play during this first part of 2009:

- **Asset improvements**

In addition to **consolidating the unique features of the Foncière des Régions portfolio** (long lease, major companies as tenants, high occupancy rates, geographical diversification), the management of Foncière des Régions decided to **continue its policy of asset rotation** by adapting to the environment with a 2009 sales target of EUR 500 million (group share). Since the start of 2009, EUR 417 million in sales and sales agreements (group share) was made (EUR 561 million consolidated).

- **Financing improvements**

After the **LTV covenants were renegotiated** (transition from a 65% LTV covenant to 70% for 24 months in exchange for an increase less than 10 bp of the average cost of debt), the company instituted an **optional share dividend payment** with the price of the shares issued for that purpose set at EUR 34 at the April 24 General Meeting. This option allows Foncière des Régions to maintain its dividend at EUR 5.3 per share (stable compared with 2007) while strengthening its balance sheet structure.

Moreover, market conditions allowed our Italian subsidiary Beni Stabili to proceed with EUR 32,2 million in **debt purchases** from the start of 2009, corresponding to a nominal value of EUR 60.4 million (nearly 50% discount).

- **Organisational improvements**

Lastly, given the total disposals made and in order to retain a portfolio structure focus on offices, the company decided to set its **target holding amount in its subsidiaries not dedicated to commercial real estate** (Foncière Développement Logements and Foncière des Murs) at 20%. Therefore, 4% of the equity of Foncière des Murs was sold for a total of EUR 28 million on 11 May 2009 (EUR 14 per share). Foncière des Régions now has a 25.1% stake in Foncière des Murs and the impact on Foncière des Régions LTV will be mechanically positive due to this sale.

Objectives for 2009

To summarise, the Company's 2009 objectives are:

- Achieve the FdR 2010 action plan
- Continue to increase net recurring 2009 income

Financial calendar:

29 May 2009: Dividend payment – Delivery of new shares

24 July 2009: Half-yearly results for 2009

About Foncière des Régions

Foncière des Régions, a property company engaged primarily in office rentals, is the real estate partner of major companies including France Telecom, Telecom Italia, EdF, Accor, Eiffage, IBM, etc. The company operates in France and Italy through its listed subsidiary Beni Stabili. Foncière des Régions is run by Christophe Kullmann.

Owning property assets evaluated at EUR 16.7 billion at year-end 2008, Foncière des Régions is a benchmark company in the business premises sector (Foncière des Murs), logistics and light industrial premises (Foncière Europe Logistique), as well as the residential sector (Foncière Développement Logements).

Foncière des Régions is listed on Euronext Paris, compartment A (FR0000064578 - FDR) and is admitted to the SRD (deferred settlement system). Foncière des Régions is represented in the SBF 120, the Euronext IEIF "SIIC France", the Euronext Mid 100 Eurolist and the EPRA index.

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