

Paris, 30 September 2009

Foncière Développement Logements (FDL) accelerates its growth in France and offers its shareholders cash at a price of €18

FDL strengthens its position as a first-rank residential real estate company in France with an asset contribution of c. €100 million

FDL has signed letters of intent with two of its institutional shareholders, Cardif and MMA (Covéa Group), concerning the contribution in kind of 339 housing units in France for an overall amount of c. €100 million (excluding transfer duties). These high-quality housing units are located in Paris and in the Paris region, as well as in Lyon. They generate a gross return upon acquisition of 4.8%.

Furthermore, advanced negotiations with a third investor are pending regarding an additional € 25m asset contribution of 83 housing units.

The terms of the contributions must be finalised and the administrative authorisations obtained between now and FDL's Extraordinary General Shareholders' Meeting, which will be called for December of this year with a view to their approval.

These contributions will be fully remunerated in new shares at the price of €18.

FDL offers its shareholders cash at a price of €18 (through a simplified public tender offer)

Before the contributions, the institutional shareholders of FDL representing 97.2% of its capital have agreed to hold their FDL shares for a period of one year as of the implementation of the contributions. As the liquidity of FDL shares could be affected, FDL is proposing to shareholders who so desire to acquire their shares at a price of €18.

FDL has thus accordingly filed today a project of simplified public tender offer with the *Autorité des Marchés Financiers* (AMF) as part of its share buyback program, to purchase up to 2,8% of its share capital.

The offering price (€18) is similar to the price used for the asset contributions. It reflects a premium of 42% over the 1 month average share price and presents a very limited discount to the triple net NAV as at 30 June 2009 (6% discount).

All of the offer orders under the tender will be serviced. FDL intends to maintain its listing on Euronext Paris.

The tender, subject to review by the AMF will be opened in the course of October.

FDL is adopting the form of a limited company (*société anonyme*) to take advantage of new growth opportunities

FDL is also announcing its plan to adopt the form of a limited company (*société anonyme*) and to abandon its status as a limited partnership in shares (*société en commandite par actions*).

FDL will benefit from additional advantages to accelerate its growth, particularly through new transactions remunerated in shares.

After its transformation, FDL will be managed by a board of directors composed of a maximum of eighteen members, with a separation of duties between the Chairman of the Board and the CEO. The members of the Board of Directors will reflect the current membership of the supervisory board; it shall continue to be chaired by Mr. Bertrand de Feydeau. Mr. Thierry Beaudemoulin, currently President of FDL Gestion, manager and general partner of FDL, will be asked to become CEO of the company.

The transformation shall not entail any change to the FDL shareholding structure.

The transformation was approved unanimously in principle by FDL's supervisory board at its meeting on July 22nd, 2009. An Extraordinary General Shareholders' Meeting will be held on November 10th for purposes of discussing this proposal.

For Thierry Beaudemoulin: "Through these three transactions, FDL is pursuing its growth based on long-term partnerships with strategic institutional investors, and is strengthening its positioning as a key player in the housing sector in France with post-transaction assets of €1.1 billion."

FDL has been advised by Société Générale Corporate & Investment Banking (SGCIB), CALYON and De Pardieu Brocas Maffei.



About Foncière Développement Logements

Foncière Développement Logements, which is 38.2 % held by Foncière des Régions, is a French listed real estate investment company focussed on investment in and management of residential assets. Active in France and Germany, its property portfolio is valued at € 3.4 billion (June 2009).

Foncière Développement Logements, chaired by Bertrand de Feydeau, is managed by Thierry Beaudemoulin.

Foncière Développement Logements is listed on the Euronext Paris.

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