



Press Release

Paris, October 8, 2010

Foncière des Murs launches a capital increase of approximately €97.4 million through a rights issue

As announced in principle on October 6, 2010, Foncière des Murs (the “Company”), a subsidiary of Foncière des Régions, specialized in the long-term holding of operating facilities in the hotel, health-care, leisure and restaurant sectors, announces today the launch of a capital increase by way of an offering of preferential subscription rights to existing shareholders for an amount of approximately €97.4 million.

The proceeds from the capital increase will primarily be used to partly finance the purchase of the hotels run by B&B as well as the deal recently signed with Accor and carried out in partnership with Predica. It will also allow Foncière des Murs to increase its financial flexibility.

Main terms of the share capital increase

Each shareholder of the Company will receive one preferential subscription right for each share held as of the close of trading on October 11, 2010. The subscription price for the new shares has been set at € 15 per new share (nominal value of € 4 and issue premium of € 11) on the basis of 13 new shares for 100 existing shares. The subscription price represents a 20.04% discount to the closing price of the Company’s shares on October 6, 2010 and an 18.16% discount to the theoretical ex-rights price (TERP).

The offer will be open to the public in France. The subscription period for the new shares will run from October 12, 2010 to the close of trading on the regulated market of NYSE Euronext in Paris ("Euronext Paris") on October 22, 2010. During this period, the preferential subscription rights will be listed and traded on Euronext Paris (ISIN code FR0010949743).

Settlement and delivery and start of trading on Euronext Paris of the new shares will take place on November 2nd, 2010. The new shares, which will carry dividend rights as of January 1st, 2010 and will entitle their holders to any dividends declared by the Company from the date of issue, will be fully fungible with the Company's existing shares and will be traded under the same ISIN code as the Company's existing shares, FR0000060303.

The transaction is being led by Crédit Agricole Corporate & Investment Bank and Société Générale Corporate & Investment Banking, acting as Joint Lead Managers and Joint Bookrunners.

Subscriptions by the main shareholders

The main shareholders of Foncière des Murs (Foncière des Régions, Prédica, Pacifica, Generali Vie, CARDIF Assurance Vie and ACM Vie), collectively holding 90.37% of the share capital, have undertaken to subscribe up to the level of their respective shareholding. Foncière des Régions has also undertaken to subscribe to the balance of the offered shares not subscribed through irreducible (*irréductible*) and reducible (*réductible*) subscription orders by other shareholders and/or purchasers of their preferential subscription rights.

Centralisation agent

CM-CIC SECURITIES, 6 Avenue de Provence 75009 Paris.

Information available to the public

A French language prospectus including (i) the reference document (document de référence) of Foncière des Murs filed with the Autorité des marchés financiers (AMF) on April 1st, 2010 under no. D.10-0217, (ii) the update of the reference document filed with the AMF on October 7, 2010 under no. D.10-0217-A01, and (iii) a securities notes (note d'opération) (which includes the summary of the prospectus) filed with the AMF on October 7, 2010 under no. 10-355 are available free of charge from Foncière des Murs, 30 avenue Kléber, 75116 Paris, on the Company website (www.foncieredesmurs.fr), on the web site of the AMF (www.amf-france.org) as well as from the Joint Lead Managers and Joint Bookrunners.

Foncière des Murs draws attention to the risk factors included in the reference document filed with the AMF.

About Foncière des Murs

Foncière des Murs, a subsidiary of Foncière des Régions, is a French listed real estate investment trust (SIIC) specialised in business premises, especially in the hotel, restaurant, health and leisure sectors. The company's investment policy is focused on building partnerships with leading operators in their sectors in order to provide its shareholders with a recurring return on their investment.

Foncière des Murs is listed on compartment B of the regulated market of NYSE Euronext in Paris (FR0000060303-FMU).

www.foncieredesmurs.fr

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No communication and no information in respect of Foncière des Murs' share capital increase with preferential subscription rights may be distributed to the public in any jurisdiction where a registration or approval is required. No steps have been or will be taken in any jurisdiction where such steps would be required. The issue, the exercise or the sale of preferential subscription rights and the subscription for or the purchase of new shares or preferential subscription rights may be subject to specific legal or regulatory restrictions in certain jurisdictions. Foncière des Murs assumes no responsibility for any violation of any such restrictions by any person.

This announcement is not a prospectus within the meaning of Directive 2003/71/EC, as implemented in each member State of the European Economic Area (the "Prospectus Directive").

The offer is open to the public in France following the delivery of the visa on the Prospectus by the French Autorité des marchés financiers.

With respect to the member States of the European Economic Area which have implemented the Prospectus Directive (each, a "relevant member State"), other than France, no action has been undertaken or will be undertaken to make an offer to the public of the securities requiring a publication of a prospectus in any relevant member State. As a result, the securities may only be offered in relevant member States: (a) to legal entities which are authorized or regulated to operate in the financial markets or, if not so authorized or regulated, whose corporate purpose is solely to place securities; (b) to any legal entity which has two or more of the following criteria: (1) an average of more than 250 employees during the last financial year; (2) a total balance sheet of more than € 43 million; and (3) an annual net turnover of more than € 50 million, as per its last annual or consolidated accounts; (c) in any other circumstances, not requiring the issuer to publish a prospectus as provided under article 3(2) of the Prospectus Directive.

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This press release does not constitute or form a part of any offer or solicitation to purchase or subscribe for securities in the United States of America. The preferential subscription rights and the new shares of Foncière des Murs have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the “U.S. Securities Act”), and may not be offered or sold, directly or indirectly, within the United States of America except pursuant to an exemption from or in a transaction not subject to, the registration requirements of the Securities Act. Foncière des Murs does not intend to register any portion of the proposed offering in the United States of America nor to conduct a public offering of securities in the United States of America.

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