

➤ **Strong growth in earnings**

- Recurrent net income: + 18.2%
- NAV: + 5%

➤ **Active debt management**

Growth in recurrent net income after tax: + 18.2%

€ million	2009	2010 ^{**}	Change
Rental income	210.1	209.2	-0.4%
Recurrent cash flow	61.1	66.3	+ 8.5%
€ per share*	1.01	1.02	+ 1%
Recurrent net income	89.9	106.3	+ 18.2%
€ per share*	1.49	1.64	+ 10.1%

* Based on an average number of 64,871,969 shares, compared with 60,266,208 shares at 31 December 2009

**The audit has been completed and the certification report is being broadcasted

Foncière Développement Logements recorded €106.3 million in consolidated recurrent net income at 31 December 2010, up +18.2% over one year.

This performance reflects:

- The higher margins on sales,
- The lower financial expenses,
- The change in consolidated revenues as a result of disposals over the year.

Like-for-like rental income growth of + 1.7%

Consolidated revenues¹ comprise rental income from properties owned by Foncière Développement Logements in France and Germany.

Like-for-like, annualised rental income is up +1.8% in France and +1.7% in Germany, despite the impact of disposals carried out during the year.

This growth reflects the major rental management work carried out in 2010: higher rents have been recorded on reletting and a targeted policy for work has been rolled out, with an ever-present commitment to ensuring the satisfaction of tenant customers.

The consolidated overall vacancy rate for France and Germany represents 3.5%, down 6% in relation to 31 December 2009. The vacancy rate on assets in operation is 1.9%, stable in relation to 31 December 2009. In relation to previous rents, the rents achieved on reletting were +5.2% higher in France and +3.6% in Germany.

Volumes of sales and preliminary sales agreements up + 28%

€ million	Sales	Preliminary sales agreements	Total
France	138.1	43.1	181.2
Germany	84.7	47.7	132.4
Total	222.8	90.8	313.6
IFRS margins*	11.0%		

* Margins on sales in relation to appraised values at 31 December 2009

At 31 December 2010, sales and preliminary sales agreements in France and Germany represented a total of €313.6 million, giving an increase of +28% in volume compared with 31 December the previous year. These strong results confirm the good liquidity of the assets held by Foncière Développement Logements. Sales were carried out at levels that were 15% higher than the appraised values from the end of 2009.

NAV up + 5.5% to €19

Foncière Développement Logements has adopted the best practices set out by the European Public Real Estate Association (EPRA) for presenting its financial information. To enable a comparison with previous years, the historical data have been restated.

EPRA triple net NAV excluding the impact of financial instruments and unrealised tax comes out at €22.9 per share, compared with €21.8 per share at 31 December 2009, pulled by an increase in asset values of 2.8%.

Given the impact of hidden tax, triple net NAV came to €19.0 per share, compared with €18.0 at 31 December 2009.

Appraised values up +2.8%

At 31 December 2010, Foncière Développement Logements' consolidated portfolio in France and Germany was valued at €3,309.6 million, with the like-for-like change representing +2.8% over one year.

¹ Also includes €1.2 million for services provided in Germany at 31 December 2010.

€ million	Market value 31 Dec 2010	Capitalisation rate (excl. duties) 31 Dec 2010	Like-for-like change one year
France	940.3	4.5%	+ 5.3%
Germany	2,369.3	6.9%	+ 1.8%
Total	3,309.6	6.2%	+ 2.8%

In France, the residential real estate market saw a return to a highly dynamic rate of development in 2010, with sales prices and volumes climbing across the board, despite a still timid economic recovery. Following on from this trend, the appraised values increased by +5.3%, driven by like-for-like rental income growth (+1.8%) as well as the contraction in capitalisation rates (-15bp).

In Germany, the appraised values improved by +1.8% over the year like-for-like, primarily thanks to the +1.7% increase in rental income on a like-for-like basis.

Active debt management

Foncière Développement Logements has made strengthening its financial structure a priority for the coming years. This involves reducing its consolidated LTV and extending the maturity of its debt in Germany.

Alongside a programme to redeem bonds representing its securitised debt in Germany for €100.3 million², with an average discount of 22%, and an ambitious sales plan, Foncière Développement Logements has signed a partial refinancing facility for €207.5 million.

This seven-year financing facility, signed at the end of 2010 with two German banks³, is backed by a portfolio of around 7,000 residential units, highlighting the quality of the assets held by the Company in Germany and its ability to benefit from the current conditions for financing.

All of these measures have made it possible to reduce the amount of its securitised debt in Germany, representing €929 million⁴ at 31 December 2010, compared with €1,291 million the previous year, a reduction of nearly 28%.

At 31 December 2010,

- The consolidated LTV⁵ came to 52%, versus 55.9% at 31 December 2009, down 390 bp
- The cash ICR⁶ represents 1.85, compared with 1.71 at 31 December 2009, up 14 bp

Dividend : €1.05 per share

For 2010, a proposal will be submitted at the general shareholders' meeting to set the amount of the dividend at €1.05 per share, the same amount per share as the 2009 dividend.

In this way, the proposed dividend would represent a combined total of €68,1 million, equivalent to 64% of recurrent net income for the year.

During the general shareholders meeting, shareholders will be informed that their dividend could also be paid with shares.

² Including €95.6 million in the accounts for 2010. FDL holds 5.4% of Tranche A, 5.2% of Tranche B, 3.6% of Tranche C and 29.3% of Tranche D

³ Bayern LB as the arranger and securities agent and Berlin-Hannoversche Hypothekenbank AG - Landesbank Berlin Group as the co-arranger

⁴ Debt net of bond redemptions

⁵ Restated for assets under preliminary sales agreements and receivables on disposals

⁶ Excluding margins on sales

Outlook

Foncière Développement Logements will strengthen its financial structure in 2011. The company is expecting new investments so as to consolidate its leading position on the residential market in France and in Germany. These investments will contribute to improve its recurrent net income.

About Foncière Développement Logements

Foncière Développement Logements is a French listed real estate investment trust (SIIC), specialised in holding residential properties.

Present in France and Germany, it owns a portfolio valued at €3.3 billion (December 2010).

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

Foncière Développement Logements is listed on Euronext Paris, ISIN: FR0000030181, MR Compartment A.

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See this press release and FDL yearly results at www.fdlogements.fr