

First quarter 2011 revenues

- Increase in like-for-like rental income: + 1.4%
- Reduction in vacancy: - 5%

Revenues: rental income up 1.4% like-for-like

Revenues (€ million)	3M 2010	3M 2011	Change	Like-for-like change
France	11.7	10.3	-12.0%	+2.0%
Germany*	41.2	40.3	-2.2%	+1.2%
Total	52.9	50.6	-4.4%	+1.4%

* Including an office property in Luxembourg

First quarter revenues amounted to €50.6 million versus €52.9 million in first quarter 2010, showing a slight decline despite the significance of the disposals made in 2010 and 2011.

Rental income rose by 1.4% like-for-like reflecting the major efforts of Property Management teams in France and Germany leading to a reduction in vacancy rates and an increase in rents when re-leasing.

The total vacancy rate in France and Germany reduced by nearly 5% over the year to 4.3% at 31 March 2011. The vacancy rate on operating properties came in at 2.7%. First quarter lease changes resulted in an increase in rental income of 5.2% in France and 2.0% in Germany.

Highlights since 1 January 2011

Property sales and sales agreements up 103%

(€ million)	Sales	Sale agreements	Total
France	45.3	44.9	90.2
Germany	35.9	59.7	95.6
Total	81.2	104.6	185.8
Margins per IFRS*	6.0%		

* Sales margins in relation to appraisal values at 31 December 2010

Up 103% over first quarter 2010, property sales and sales agreements for the period ended 31 March 2011 amounted to €185.8 million. The sales were made at prices more than 6% higher on average than the appraisal values at the end of 2010.

The results underscore the high liquidity of FDL's assets in Germany and the sustained interest of investors in the residential sector both in France and Germany.

Berlin investment: €83.8 million

On 23 March 2011, Foncière Développement Logements, via its German subsidiary Immeo Wohnen, signed a memorandum of understanding to purchase 1,053 lots including 958 residential units representing close to 80,000 m² in Berlin for a total price of €83.8 million including expenses and transfer duties (€1,015 per m² before charges and costs).

This portfolio of assets located in the best districts of the German capital generates a yield excluding expenses and transfer fees of 6.6%. The portfolio also benefits from significant rental demand potential and strong liquidity for future sale.

The transaction will be funded as follows:

- 50% will come from the Company's own capital, in particular through a share-based dividend payment proposed at the General Shareholders' Meeting of 11 April,
- 50% will come from a bank loan contracted with one or more German banks at competitive terms and conditions.

Following the completed acquisition of this portfolio, by the end of the first half of 2011, Foncière Développement Logements will have achieved the first stage of its geographic diversification strategy designed to seize opportunities arising in new markets.

Expansion of third party management activities in Germany

Following the signing of a property management agreement for 1,600 residential units, at 31 March 2011 Immeo Wohnen managed 3,860 residential units on behalf of third parties. This new agreement, which boosts the Company's net recurring income, reflects the quality of the of the Company's management platform in Germany backed by specialised staff who are acknowledged by the industry.

Outlook

In view of the strong operating results achieved in the first quarter of 2011, Foncière Développement Logements anticipates a growth in its net recurring income in 2011.

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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