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Paris, May 19, 2011

Press Release

**Success of the offering of net share settled bonds convertible into new and/or  
exchangeable into existing shares by Foncière des Régions  
(ORNANE)  
Fixing of the Final Terms**

**Paris, May 19, 2011** – Foncière des Régions (the "**Company**" or "**FdR**") announces today the success of the issuance of net share settled bonds convertible into new and/or exchangeable for existing shares (**ORNANE**) (the "**Bonds**"), due January 1, 2017 for a nominal amount of approximately €550 million after full exercise of the extension option granted to the Underwriters (as defined thereafter).

This issue was priced with a 3.34% annual coupon and a par value of the Bonds of €85.86, reflecting a 20% conversion premium over the reference price of the FdR shares of €71.5468<sup>1</sup>. The settlement of the issuance will take place on May 24, 2011.

The Bonds were offered as part of a public offering in France from May 16, 2011 to May 18, 2011 (inclusive), as well as through a private placement in and outside of France, on May 16, 2011, in a book-building process, outside the United States of America, Australia, Canada and Japan.

The largest shareholder of the Company, the Delfin group, which held 28.92% of the Company's share capital at the date of the Prospectus (which received the *Autorité des marchés financiers* visa on May 13, 2011 under number 11-155), subscribed to this issue in the framework of the priority subscription period, for an amount of approximately €150 million, which represents 27.27% of the total issuance proceeds.

The net proceeds from the issuance of the Bonds will be used to diversify the FdR's funding sources and to extend its debt maturity profile. The net proceeds will principally be used to refinance its existing credit facilities and on a residual basis to finance the general corporate purposes of the Company.

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<sup>1</sup> The reference price is equal to the volume-weighted average trading price of FdR shares on NYSE Euronext in Paris from the beginning of trading on May 19, 2011 until noon (Paris time).

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This issue was lead-managed by BofA Merrill Lynch acting as Global Coordinator, Joint Lead Manager and Joint Bookrunner, and by HSBC, Lazard-Natixis and UniCredit acting as Joint Lead Managers and Joint Bookrunners (together, with the Global Coordinator, Joint lead Managers and Joint Bookrunners, the “**Underwriters**”).

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## **Disclaimer**

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*No communication or information relating to the issuance by Foncière des Régions. (“FdR”) of net share settled bonds convertible into new shares and/or exchangeable for existing shares (the “Bonds”) may be transmitted to the public in a country where there is a registration obligation or where an approval is required. No action has been or will be taken outside of France, in any country in which such action would be required. The issuance or the subscription of the Bonds may be subject to legal and regulatory restrictions in certain jurisdictions and FdR assumes no liability in connection with the breach by any person of such restrictions.*

*This press release is an advertisement and not a prospectus within the meaning of the Prospectus Directive (as defined hereinafter).*

*This press release is not an offer to the public, an offer to subscribe or designed to solicit interest for purposes of an offer to the public.*

*In France, the sale and purchase of the Bonds are made by way of private placement to qualified investors in accordance with Article L. 411-2 of the Code monétaire et financier and a public offering in France after the Autorités des marchés financiers has granted its visa on the prospectus relating to the issuance and admission of the Bonds on the regulated market of NYSE Euronext in Paris.*

### **European Economic Area**

*With respect to each Member State of the European Economic Area other than France which has implemented the Directive 2003/71/EC (the “Member State”), no action has been undertaken or will be undertaken to make an offer to the public of Bonds requiring a publication of a prospectus in any Member State. As a result, Bonds may only be offered in Member States:*

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive; or*
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the Directive 2010/73/EU, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the Underwriters nominated by the Issuer for any such offer; or*
- (c) in any other circumstances falling within article 3(2) of the Prospectus Directive.*

*For purposes of this paragraph, the expression an “offer to the public of Bonds” in any Member State having transposed the Prospectus Directive means the communication, to individuals or legal entities, in any form and by any means, of sufficient information on the terms and conditions of the offer and the Bonds to be offered to enable an investor to decide to purchase or subscribe for the Bonds, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State and the expression “Prospectus Directive” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and includes any relevant implementing measure in each Relevant Member State and the expression “2010 PD Amending Directive” means Directive 2010/73/EU.*

### **United Kingdom**

*This press release is not being released and has not been approved by an authorized person falling within Article 21(1) of the Financial Services and Markets Act 2000. This press release is only directed at persons in the United Kingdom that are (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “Order”); or (ii) persons falling within Article 49(2)(a) to (d) (high net worth entities, non incorporated associations, etc.) of the Order (all such persons together being referred to in (i) and (ii) as “Relevant Persons”). The Bonds and, if applicable, the shares of FdR to be allocated upon exercise of the conversion right (the “Securities”) are only directed only at Relevant Persons and no invitation, offer or any agreements to subscribe, purchase or otherwise acquire the*

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***United States***

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***Canada, Australia and Japan***

*The Bonds may not be offered, sold or purchased in Canada, Australia or Japan.*

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