Paris, 20 July 2011

A dynamic first half year:

- Good operational results
- Development in Germany:

Strong growth in recurring net income after tax: +29% over 1 year

In millions of euros	30-Jun-10	30-Jun-11	Variation
Rental income and other services	106.5	101.6	- 4.6%
Recurring cash flow	33.9	33.4	- 1.4%
*€/share**	*0.52*	*0.51*	
Recurring net income**	**54.9**	**70.8**	**+ 29%**
*€/share**	*0.85*	*1.08*	

** Dilution on the basis of an average number of shares of 65,633,999 compared with 64,872,678 at 30 June 2010*

*** After tax incl. margins on sales*

Consolidated recurring net income of Foncière Développement Logements (FDL) was €70.8 million at 30 June 2011, up 29% in one year; this strong growth is the result of the increase in sales margins and lower financial expenses.

Increase in rental income on a comparable basis: +1.8% over 1 year

The consolidated revenue consists[1] primarily of rental income from properties owned by Foncière Développement Logements (FDL) in France and Germany.

The annualised rental income on a like-for-like basis rose 2.1% in France and 1.7% in Germany over one year. In fact, FDL has reduced the rate of the total vacancy[2] of its assets through an efficient management policy: down by 5% in Germany and by 9% in France. The vacancy rate in operating assets was 2.2% in France and 2.0% in Germany.

[1] Also includes the provision of services in Germany
[2] Physical vacancy rate in number of housing units

Sales volumes and agreements: +33% over 1 year

In miliions of euros	Sales	Sales agreements	Total
France	91.7	28.0	119.7
Germany	99.0	14.8	113.8
Total	**190.7**	**42.8**	**233.5**
IFRS margins*	10.0%		

** margins on sales compared to appraisal values at 31 December 2010 excluding assets under sales agreements*

At 30 June 2011, the total sales and sales agreements amounted to €233.5 million with sales up by 33% in volume compared to 30 June of last year. The sales were carried out at levels 10%[3] greater than the appraisal values at the end of 2010.

EPRA NAV per share: €22.8

Foncière Développement Logements (FDL) has adopted the best practices proposed by the European Public Real Estate Association (EPRA) for the presentation of its financial information. EPRA NAV excluding the impact of financial instruments and EPRA triple net NAV at 30 June 2011 are as follows:

€/share	31-Dec-10	30-Jun-11	Change
EPRA NAV excluding the impact of financial instruments	22.9	22.8	- 0.4%
EPRA triple net NAV	19.0	19.4	+ 2.1%

At 30 June 2011, the EPRA triple net NAV was up 2.1%, with increased income and appraisal values more than offsetting the dilution resulting from the creation of new shares.

Appraisal values up 2.1% like-for-like

At 30 June 2011, the consolidated assets of France and Germany for Foncière Développement Logements (FDL) is estimated at €3282.7 million, showing a growth of 2.1% on a like-for-like over 6 months and 3.3% over 1 year.

In millions of euros	Appraisal value (ETD) 30-06-2011	Capitalisation rate (ETD) 31-12-2010	Like–for-like change 6 months	Like-for-like change 1 year
France	902.2	4.3%	+ 5.0%	+ 8.4%
Germany	2,380.5	6.9%	+ 1.0%	+ 1.5%
Total	**3,282.7**	**6.2%**	**+ 2.1%**	**+ 3.3%**

In France, the market dynamics observed in 2010 continued in the first half of 2011 with a steady increase in the price despite a slowing of sales volumes. It is in this trend that the FDL appraisal values have increased by +5.0% over 6 months due to the increase in rents on a like-for-like basis (+ 1.6%) combined with lower capitalisation interest rates (-15bps).

In Germany, the values saw a growth of +1.0% on a like-for-like basis over 6 months, resulting from an increase in rents of the same proportion. Capitalisation rates have remained virtually unchanged (6.9%) in terms of the return of investors on the market: the volume of block transactions in fact experienced a significant recovery at the beginning of the year (+6% compared with the start of 2010).

[3] Excluding assets under sales agreements at 31 December 2010

Strengthening the Company's capital: + €84,8 million

In order to strengthen its capital and to finance its development, FDL has offered its shareholders the 2010 dividend payment in shares. The subscription to this option by 87% of them, for an amount of dividends corresponding to €60.3 million, demonstrates their confidence in the business model and the sustainability of its results.

The issue price of shares issued in payment was set at €18 during the Shareholders' General Meeting, bringing the number of shares comprising the Company's share capital to 69,611,004.

This was accompanied by the sale of FDL's treasury shares totalling €24.5 million to the MACIF Group and ACM Group, enabling them to increase their holding in the Company.

Improved financial ratios

Due to the increase in appraisal values, sales made during the period and the strengthening of capital, FDL's consolidated LTV[4] fell sharply by 560 bps over one year to 49.3% at 30 June 2011.

ICR Cash[5] amounted to 1.98 against 1.85 on 30th June 2010, an increase of 13 bps over one year.

Development in Germany: acquisition of 1,643 housing units in Berlin

30 June 2011 was marked by the definitive acquisition of 1,053 plots, including 958 housing units, representing almost 80,000 m² in Berlin for a total of €83.8 million including fees and transfer duties (i.e. €1,015/m² excluding fees and transfer duties).

Located in the best areas of the German capital, this portfolio generates an annualised rent of €5.4 million, representing a gross acquisition yield of 6.6% excluding fees and transfer costs. It also benefits from a large rental potential and good sale liquidity supported by the very positive development of the residential market in Berlin.

This transaction will be complemented by the acquisition of 685 housing units at the start of the second half of 2011 (currently under memorandum of understanding) for a price of €54 million including fees and transfer duties. These assets are located in similar neighbourhoods in the capital and generate a return of 7.8% excluding fees and transfer duties.

Thanks to these two operations, FDL will now have close to 6% of its German assets in Berlin, achieving the first step in its geographic diversification strategy.

Outlook

Given the good operating results achieved during the first half of the year, Foncière Développement Logements (FDL) confirms the increase in its recurring net income for the year 2011.

[4] LTV: Loan To Value = the debt relative to the market value of assets, as restated assets under sales agreements and receivables on disposals.
5 Cash ICR excluding margins on sales = Interest Coverage Ratio = the ratio of interest coverage by gross operating surplus

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 (June 2011).

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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