

Increase in recurrent net income and NAV

- Recurrent net income: +8%
- EPRA net triple NAV per share: +2.1%

Significant strategic developments

- Development in Berlin
- Refinancing in Germany

EPRA recurrent net income: +8%

€M)	2010	2011*	Change
Revenue from rentals**	209.2	202.5	-3.2%
Recurrent net income (EPRA)	63.7	68.8	+8.0%
€/share ***	0.98	1.02	+4.1%
Recurrent net income ****	106.3	124.0	
Net income, group share *****	120.9	99.6	

* The consolidated annual financial statements have been audited. The statutory auditors report will be issued after all the specific procedures have been performed.

** Excluding services

*** Dilution on the basis of an average number of 67,626,085 shares against 64,871,969 shares dated 31 December 2010

**** Recurrent net income including margins on historical sales

***** Evolution mainly due to losses from fair value measurement of financial instruments

The EPRA recurrent net income of Foncière Développement Logements came to €68.8m at 31 December 2011, posting a rise of 8% year-on-year.

This positive trend is the result of a combined effect:

- the reduction in financial charges: -13% over the year,
- a stabilisation in operating charges,
- the impact of the acquisitions made in Berlin in 2011,
- a limited fall in rental income, in respect of the number of disposals carried out over the year: -3.2%.

The strong growth in revenue from management for third parties in Germany that reached €4.6m in 2011 compared with €1.2m in 2010 is testimony to the expertise of the Immeo Wohnen teams, the German platform of Foncière Développement Logements.

Annualised rents on a like-for-like basis: +1.4%

Annualised rents on a like-for-like basis are growing at a rate of 1.8% in France and 1.3% in Germany.

This growth is the result of the combined impact of indexation, the increase in rent renewals and a reduction in vacancies. The renewals are achieved at rent levels above 7% in France and 3% in Germany compared with the previous rents. The total vacancy rate¹ is in decline in France at 7% and is stabilising at a low level of 4% in Germany.

Volume of sales and agreements to sell: +31%

€M)	Sales	Agreements	Total
France	133.5	27.8	161.3
Germany	139.9	108.5	248.4
Total	273.4	136.3	409.7
IFRS margins*	13%		

* Sales margins compared with expert valuations for assets that were not subject to an agreement to sell at 31 December 2010.

At 31 December 2011, the sum of sales and agreements to sell in France and in Germany came to €409.7m, i.e. a rise of 31% in volume compared with 31 December the previous year. Sales were achieved at prices 13%² higher on average compared with expert valuations at the end of 2010.

These very good results demonstrate the high level of liquidity of the assets held by Foncière Développement Logements and confirm the interest of investors in the residential sector, both in France in Germany.

EPRA net triple NAV per share: +2.1%

At 31 December 2011, EPRA net triple NAV stood at €19.4 per share against €19.0 at 31 December 2010, recording a rise of 2.1% compared with the previous year.

EPRA NAV, leaving aside the impact of financial instruments and latent tax liabilities was €23.0 per share compared with €22.9 per share at 31 December 2010, for a rise of 0.4%.

The positive trend of the net triple NAV EPRA is the result, in particular, of the growth in the recurrent net income (+8%) and the growth in appraisal assets in the financial year 2011 (+3.9%).

Appraisal values: +3.9%

At 31 December 2011, the value of Foncière Développement Logements' consolidated assets was €3,317m, posting growth of +3.9% on a like-for-like basis over the year.

In France, the property market has seen a rise in sale prices during 2011, despite regional variations and a fall in the volume of transactions during the last quarter of the year. Having achieved localised property wealth on dynamic markets, Foncière Développement Logements saw its expert valuations rise in line with this trend with growth of 9.1% on a like-for-like basis over the year.

€M)	Value (ETD) 31-12-2011	Capitalisation rate (ETD) 31-12-2011	Constant trends over a year on a like-for-like basis
France	900	4.2%	+9.1%
Germany	2,417	6.8%	+1.9%
Total	3,317	6.1%	+3.9%

German residential property, seen as a safe haven, for its part, benefited from a strong rise in the volume of transactions between investors with rates remaining stable, or even dropping for local quality assets in large cities in western Germany and in Berlin. As a result of the combined impact of the constant growth in rents on a like-for-

¹ Adjusted total vacancy on assets subject to agreements to sell at 31/12/2011

² Sales margins compared with expert valuations of assets that were subject to an agreement to sell at 31 December 2010

like basis and a fall in the capitalisation rates, expert valuations at Foncière Développement Logements in Germany grew by 1.9% in a year on a like-for-like basis.

Continuing growth in Germany

Foncière Développement Logements, within the scope of its geographic diversification strategy in Germany, acquired 1,641 properties in Berlin on 30 June and 1 August 2011, for a total price including fees and charges of €138m, that is a rate of return of 7%³.

Located in the best areas, these properties can take advantage of a significant potential rent and very good liquidity upon resale, supported by the very positive trend in Berlin's residential market.

Half of this portfolio has been financed from own funds and half by taking out a bank loan at competitive financial conditions and terms.

Strong improvement of the financial structure

Significant reduction in securitised debt in 2011: -48%⁴

On 14 December 2011, Foncière Développement Logements signed a partial refinancing of its securitised debt in Germany with two German banks⁵ for a sum of €387m that marks a new and significant stage and follows up on:

- initial refinancing set up in December 2010 for a sum of €207.5m,
- an active policy of bond repurchases that represents an exposure before refinancing of €88.8m,
- a dynamic disposals plan: €273.4m of sales in total in which €103.35m were achieved with the portfolio financed by securitisation.

All of these activities have enabled Foncière Développement Logements to reduce its exposure from its securitised debt payable in 2013 to €484m against €929m at 31 December 2010 and takes the average maturity of consolidated debt to 4.4 years against 3.3 years at 31 December 2010.

Improvements in financial ratios

Consolidated LTV⁶ was 48% at 31 December 2011 against 52% at 31 December, a fall of 400 bps. This significant improvement can be explained by:

- a successful arbitrage plan (€273m of disposals)
- a considerable increase in expert valuations (+3.9%),
- a dynamic bond redemption policy (€20.6m).

Cash ICR⁷ also posted a strong improvement, coming to 2.05 as against 1.85 at 31 December 2010 (+20 bps).

Amount of dividend: €1.05 per share

During the financial year 2011, a proposal will be made to the AGM to fix the dividend at €1.05 per share, that is the same amount as the dividend in 2010.

Outlook

In 2012 Foncière Développement Logements intends to pursue the activities undertaken so as to consolidate its position as leader on the property market in France and Germany while pursuing its development and reinforcing its financial structure by refinancing the outstanding balance of its securitised debt in Germany.

³ Including fees and charges

⁴ Net exposure from bond repurchases outside subsidised loans and outside IFT

⁵ LBBW – Landesbank Baden Württemberg and Berlin-Hannoversche Hypothekbank AG

⁶ Adjustment of assets subject to agreements to sell and of amounts receivable from disposals

⁷ Excluding sales margins

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 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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