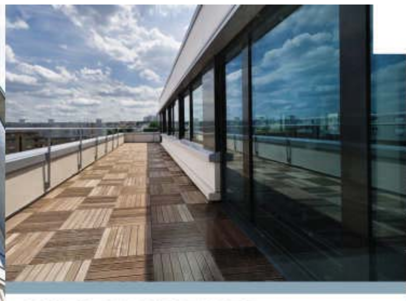
FRANCE TÉLÉCOM – REIMS



32 GRENIER – BOULOGNE BILLANCOURT

CB 21 – LA DÉFENSE

FONCIÈRE DES RÉGIONS

2011 OBJECTIVES EXCEEDED

23 February 2012

An "Offices / Key Accounts" portfolio, a partnership strategy: sound real estate indicators

- **€9 billion in assets: +1.3% on a like-for-like basis**
- **€500 million in rental income: +2.2% on a like-for-like basis**
- **95.8% occupancy rate: +1 basis point vs. 2010**
- **6 years of firm residual lease terms**

Ongoing adaptation of the property portfolio

- **€611 million of disposals : exceeded €500 million 2011 goal**
- **Delivery of the Eiffage Construction head office (10,000 m² in Vélizy)**
- **Acquisition of 2 office buildings in Ile-de-France (Paris region)**
- **€1 billion of development projects**

2011 financial objectives surpassed

- **LTV: 49.3% (47.1% transfer duties included)**
- **€1.1 billion in refinancing in 2011**
- **Lower cost of debt: 4.20% vs. 4.39% in 2010**
- **EPRA Recurring Net Income: €288 million +3.7%**
- **Growth in the EPRA NAV: €83.1 per share, +2.8%**

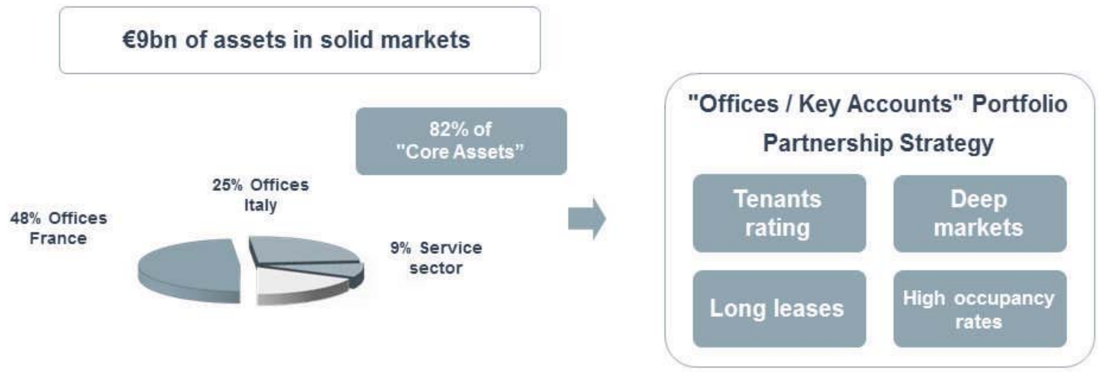
Dividend of €4.2 per share and option for payment in shares

Positive outlook: slight increase in 2012 net recurring income

"We have exceeded our 2011 objectives. In 2012, we will continue our strategy of refocusing on our "Offices / Key Accounts" activities, while targeting growth in our results and controlling our debt level. The option of dividend paid in shares and the capital increase for Foncière des Murs, with the support of our major shareholders, will allow us to speed the achievement of these goals," stated Christophe Kullmann, CEO.

€9 billion of "Office / Key Accounts" portfolio assets, a partnership strategy: sound real estate indicators

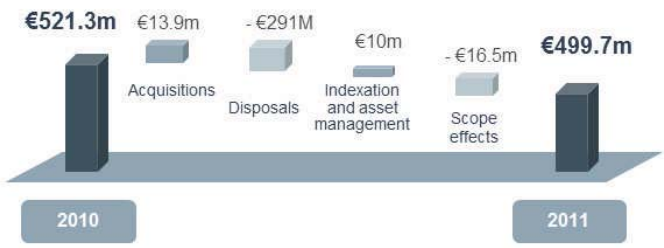
Foncière des Régions, which has an "Offices/Key Accounts" portfolio of €9 billion in solid markets, is adopting a long term partnership strategy to ensure stable rental income in the future.



Buoyed by a strong market positioning, rental income (Group share) totaled €500 million, up 2.2% like-for-like, driven by growth in the French office business (+3.7%) and by the service sector (+3.4%).

(€ million)	2010	2011	Chg.	Chg.*	% rental inc
France Offices	281	**271**	- 3.7%	**+ 3.7%**	54%
Italy Offices	131	**112**	- 14%	**- 0.1%**	23%
Total Offices	**412**	**383**	**- 7.2%**	**+ 2.6%**	**77%**
Services sector	51	**52**	+ 1.8%	**+ 3.4%**	10%
Logistics and Light Industrials	58	**65**	+ 12%	**- 1.2%**	13%
Total	**521**	**500**	**- 4.1%**	**+ 2.2%**	**100%**

+2.2% like-for-like



Like-for-like basis

This growth is attributable to buoyant rental business that allowed us to maintain a very high occupancy rate (Group share) of 95.8%, up 1 point compared to 2010.

The main leases involved the Carré Suffren in Paris (25,000 m² entirely rented – average term of 10 years), 32 Grenier in Boulogne (5,900 m² rented in Sequana for 9 years firm), CB 21 in la Défense (6,000 m² rented in Chartis for 9 years).

Over the same period, almost 77,000 m² of office space in France and 34,000 m² in Italy was renovated, under very favourable terms (2% higher than passing rents in France and 7% higher in Italy).

The company has also strengthened its partnerships with two major tenants. In the first half of the year, it acquired the head office of Degrémont (13,800 m² in Rueil Malmaison – inner Parisian suburb), a subsidiary of Suez Environnement, and in November 2011 it delivered the head office of Eiffage Construction (10,000 m² in Vélizy).

As at 31 December 2011, the duration of firm residual leases was 6 years (Group share) – a very high level – and the company now includes numerous top class companies in its tenant roster, including Accor, Aon, Cisco, EDF, Eiffage, France Télécom, IBM, Lagardère, SNCF, Suez Environnement, and Thales.

€611 million of disposals (exceeding the 2011 goal), €1 billion of "Offices / Key Accounts" development projects, and ongoing adaptation of our portfolio

The company is engaged in a ongoing adaptation of its portfolio through, a consistent disposal policy of asset representing 5% to 10% of its portfolio per year, and a development pipeline dedicated to "Offices / Key Accounts".

Disposals completed in 2011 totaled €611 million and exceeded the 2011 objective of €500 million. They were executed at an average of 4.2% above 2010 values on the basis of an average return of 5.6%. These disposals primarily involved mature or non-strategic assets.
The 2012 goal for asset sales was set at €600 million, in line with the Group's consistent annual disposals policy of 5% to 10% of the portfolio.

The most significant acquisitions were 2 office buildings located in Ile-de-France (inner Parisian suburbs) and leased to major companies, as well as 2 groups of hotel assets acquired from B&B (18 hotels in Germany acquired for €62 million) and Campanile (32 hotels in France acquired for €170 million in partnership with Predica).

The developments pipeline represent a total investment of about €1 billion, of which €272 million is already committed and 80% is pre-rented (€150 million of capex pending earning €19 million of potential rental income).

These projects primarily involve redevelopments and turnkey rental assets (i.e. offices, retirement homes, clinics, etc.) with an average targeted return of over 7%.

Eiffage Construction, Vélizy-Villacoublay
Rental tenants for 10,000 m² : BBC Effinergie and HQE Construction

This dynamic rotation of the portfolio is aimed at continuously improving the quality of our assets and achieving our objective of 50% Green buildings in the portfolio (2015 target).

2011 financial goals surpassed

EPRA Recurring Net Income of €288 million in 2011, + 3.7%: goal exceeded

EPRA Recurring Net Income rose 3.7% to €288 million, exceeding the slight growth objective set for 2011.

This growth is attributable to the positive impact of an increase in like-for-like rents, acquisitions, and a reduced cost of debt and lower tax charge following the adoption of SIIQ status by Beni Stabili, despite the impact of disposals and a fall in Beni Stabili owership. Per share, it amounts €5.23 for the year, compared with €5.33 in 2010.

Net Income Group share reached € 350 million against € 627 million due to lower increases in values of our assets (+1.3% in 2011 vs +5.3% in 2010).

Dividend of €4.20 per share and option of payment in shares

In the Shareholders' General Meeting to be held on 25 April, the Company will propose a vote on a dividend of €4.20 per share, representing a payout of 80%.

In addition, the option of payment of the dividend in shares will also be proposed to the General Meeting. Indeed all the shareholders Members of the Board of Directors will take up this option.

€1.1 billion in refinancing, and a sharp decline in the cost of debt (4.20% vs. 4.39%)

In 2011, the company continued its policy of deleverage, with €611 million in asset sales (vs. a 2011 objective of €500 million) and an LTV rate of 49.3% at year-end 2011 (47.1% transfer duties included), in line with the LTV objective of 45% to 50%.

Foncière des Régions also raised €1.1 billion of new financing in 2011, including a €550 million ORNANE[1] convertible bond (at 3.34% coupon maturing in 2017). These transactions enabled the Company to diversify financial resources while sharply lowering the average interest rate on the debt for the year to 4.20% (4.04% end 2011 spot rate), down from 4.39% in 2010.

Furthermore, the Group holds almost €700 million in cash and undrawn credit lines.

Based on its 2012 asset sale objectives of €600 million, as well as the gradual disinvestment underway in non-core businesses[2], the Company plans to continue its active management of its financial resources by raising new funds for its 2012 – 2013 debt repayments and maintaining its average cost of debt at under 4.30%. To this end, there are in advanced negotiations on €1 billion in new funds.

EPRA Net Asset Value: €83.1, + 2.8 % over 12 months

EPRA NAV per share grew 2.8% to €83.1 million primarily due to higher assets valuations (+ 1.3% like-for-like) and due to Recurring Net profit contribution. The triple net NAV per share rose 1.9% to €73.6.

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[1] French bond with the option of redemption in cash and/or new shares and/or existing shares
[2] Disposals of €55 million of Altarea and Foncière Développement Logements shares at the beginning of 2012)

Favourable outlook

Foncière des Régions intends to further strengthen its real estate fundamentals, focusing on "Offices / Key Accounts" activities, with a our objective of 50% Green buildings in the portfolio (2015 target).

Based on a 2012 goal of over 2% growth in like-for-like rental income, and assuming dynamic management of its financial resources, Foncière des Régions forecasts a modest improvement in 2012 Recurring Net Income and a stable dividend.

The Company also plans to continue to keep leverage under control with a target LTV of 45% by the end of 2012.

A conference call for analysts and investors
will be held today at 2:30 pm (Paris time)

The presentation for the conference call will be available on the
Foncière des Régions website: www.foncieredesregions.fr/finance

Reporting timetable:

General Meeting: 25 April 2012

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Foncière des Régions, a real estate partner

A key player in office real estate with a portfolio of €9 billion composed of high quality properties that respond to tenant requirements, located primarily in Ile-de-France, major regional towns, and in northern Italy, Foncière des Régions is implementing a strategy that creates value based on:
• Long-term partnerships with major tenants: Accor, Aon, Cisco, EDF, Eiffage, France Télécom, IBM, Lagardère, SNCF, Suez Environnement, Thales, etc.
• Constant optimization of the portfolio through restructuring and repositioning assets and maintenance of a pipeline of real estate developments to respond to market expectations.

Foncière des Régions shares are listed on Euronext Paris Compartment A (FR0000064578 - FDR), and are eligible for the SRD deferred settlement service. They are included in the MSCI, SBF120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the European benchmark real estate indices "EPRA" and "GPR 250", and in the "FTSE4 Good" ethical index".

www.foncieredesregions.fr

Annex

"The audit of the consolidated accounts has been performed.
The certification report will be issued after the specific verifications have been completed".

1. KEY FIGURES FOR REAL ESTATE AND FINANCE

Sound key indicators for real estate in 2011

"Offices / Key Accounts" properties
Partnership Strategy

- Credit rating
- Deep markets
- Long leases
- High occupancy rates

→

- Occupancy rate 95.8%
- €500m rental income +2.2% LFL*
- 6 years of firm residual lenght of leases
- €9bn assets +1.3% LFL*

Ongoing adaptation of the portfolio
50% of "green" assets are medium term

Turnkey rentals
Building redevelopments
Outsourcing opportunities in Offices, Hotels...

→

- **Over €600m disposals** €500m objective exceeded
- **€1bn in projects**

**Like-for-like basis*

Key financial indicators: targets exceeded

	2011 Objectives	2011 Completions
Continuing deleveraging	€500m disposals LTV < 50%	€611m disposals LTV: 49.3%*
Controlled cost of debt	Less than 4.5%	4.20% vs 4.39% in 2010
Solid Recurring Net Income and Net Asset Value	EPRA RNI up slightly	Recurring Net Income: €288m (+3.7%) EPRA NAV: €83.1 (+2.8%) EPRA Triple Net NAV: €73.6 (+1.9%)

**LTV incl transfer duties: 47.1%*

2. MAJOR TRANSACTIONS DURING 2011

Shareholder equity increased by just under €200 million after nearly all share warrants in circulation were exercised (subscription period expired on 31 December 2010)

Foncière des Régions increased shareholders' equity by €199.7 million after the exercising of 98.8% of the share warrants (FR0010827378) whose subscription period began on January 1, 2010, and closed on 31 December 2010.

In December 2009, Foncière des Régions had made a free distribution of these warrants to holders of Foncière des Régions shares (1 warrant per FdR share). This distribution accompanied the purchase of a portfolio of 5 properties held by Groupama and Prédica, paid for in new Foncière des Régions shares.

Consequently, 3,106,584 new shares were created as a result of the transaction.

Leasing of 24,000 m² of Carré Suffren to AON, the French Ministry of Education, and the French Institute

Foncière des Régions has leased Carré Suffren, a building located at the foot of the Eiffel Tower in the 15th arrondissement, to AON, the insurance and reinsurance broker, (15,000 m²), to departments of the French Ministry of Education (5,000 m²) and to the French Institute (3,000 m²). The remaining 1,000 m² were leased during the 1st half of 2011.

The building purchased in partnership with Predica (40%) from the Commissariat à l'Energie Atomique (French Atomic Energy Commission) in November 2004 and delivered at the end of 2009, has been completely restructured by the architectural firm FS Braun & Associates.

Adoption at the General Shareholders' Meeting of the new corporate governance procedure announced 15 November 2010

The General Shareholders' Meeting of Foncière des Régions, which was held on January 31, 2011, and the Board of Directors' meeting following it adopted the new governance announced 15 November 2010. The main features of this corporate governance procedure are as follows :

- Adopting the regime of a company with a Board of Directors
- Separating the offices of Chairman of the Board of Directors and Chief Executive Officer, who will be Jean Laurent and Christophe Kullmann respectively
- Increasing the proportion of independent directors, now at 40% of the Board of Directors, whose 10 members include:
    - Jean Laurent*
    - ACM Vie, represented by Catherine Allonas Barthe
    - Aterno, represented by Romolo Bardin
    - Jean-Luc Biamonti*
    - GMF Vie, represented by Lionel Calvez
    - Bertrand de Feydeau*
    - Leonardo Del Vecchio
    - Sergio Erede
    - Predica, represented by Jérôme Grivet
    - Pierre Vaquier*

** Independent directors*

The bylaws of Foncière des Régions and the members of the Board's various committees have been modified accordingly and may be viewed on FdR's website (http://www.Foncièredesregions.fr/Profil/Gouvernance).
Lastly, the Board of Directors appointed Olivier Estève and Aldo Mazzocco as Deputy CEOs.

The partnership with Suez Environnement continues with the purchase of Degrémont's head office at Rueil-Malmaison for €43 million

Foncière des Régions sealed the €43 million purchase (tax and costs included) of a 13,800 m² building located at Rueil Malmaison, in Paris' Western Crescent market. The head office of Degrémont, a subsidiary of Suez Environnement, is fully leased for 12 years firm, yielding an immediate net return of 7.5% including tax and costs and rent of €235 per m² per year.

Equity interest in Foncière Europe Logistique increased to 82% by the €41 million purchase of a 14.6% stake from a Morgan Stanley fund

Foncière des Régions increased its equity interest in Foncière Europe Logistique to 82% on 11 May 2011 following the €47 million purchase of a 14.6% stake from a Morgan Stanley fund at €2.8 per share.
This transaction is the 1st stage toward holding 100% over time of this logistics and business premises portfolio and follows a strategic review of this portfolio.
The medium term goal is to boost the value of the different asset classes in the portfolio (logistics platforms in France and Germany, urban logistics in the Paris region, and business premises in inner Paris) by:

- Carrying out a plan to sell logistics platforms
- Redeveloping sites in the Paris region

This acquisition had an immediate positive impact in terms of NAV and recurring net earnings.

An ORNANE* bond issue on 16 May 2011

In May 2011, Foncière des Régions issued an ORNANE* bond of €550 million maturing on January 1, 2017 with a priority period for a nominal value of approximately €480 million, liable to be increased to a maximum nominal value of approximately €550 million in the event of complete exercise of the Extension Clause.

Having exercised the extension clause on 18 May 2011 bringing the value of the issue to approximately €550 million, on 19 May 2011 Foncière des Régions announced the success of this issue, which comprised 3.34% interest per year and a nominal value per bond of € 85.86.

The goal of this bond issue was to diversify the sources of funding for Foncière des Régions, and to lengthen debt maturity. The proceeds of this issue were allocated primarily to refinancing existing lines of credit and, the balance to financing the general needs of the Company.

The Company's number one shareholder, Defin, holding 28.92% of the Company's share capital as at the date of the Prospectus, participated in this issue under the priority period and the public offering, in the amount of €150 million, which represents 27.27% of the total value of the issue.

* Bonds with an option for Repayment in Cash and/or or in New and/or Existing Shares (*Obligations à option de Remboursement en Numéraire et/ou en Actions Nouvelles et/ou Existantes*)

Acquisition of an asset in the inner suburbs during the 2nd quarter of 2011

Foncière des Régions purchased an 8,000 m² building for €34.8 million in the second quarter. This building is located in Issy-les-Moulineaux and is leased to a major company. The remaining 3-year lease ensures an immediate return of 7.9% excluding taxes and costs.

Leasing of 18,000 m² in the 3rd quarter of 2011

In the third quarter, Foncière des Régions signed three new leases involving more than 18,000 m². Foncière des Régions thus leased 5,900 m² in Boulogne-Billancourt for a firm 9-year term, 9,100 m² in Thalès à Meudon under a 3-6-9 lease, and 3,300 m² in Issy-les-Moulineaux for 6.5 years firm. These different leases represent €4.7 million in new rental income on a full-year basis.

Head office of Eiffage Construction delivered in November 2011

The head office of Eiffage Construction in Vélizy was delivered in November 2011 (9,800 m² producing rent of €2.9 million per year). This building, which is leased under a 12-year firm lease, is an environmental showcase for Eiffage and Foncière des Régions because it is the first in Ile-de-France to boast the BBC-Effinergie commercial label.

Leasing of 6,000 m² of Tour CB 21 in Chartis (Paris – La Défense) in December 2011

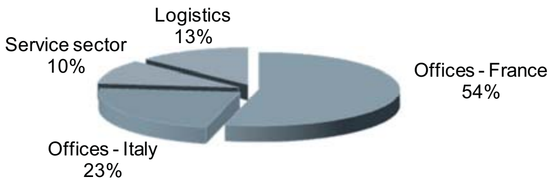
Foncière des Régions announced in early December the leasing of 6,000 m² in Tour CB 21 to the Chartis insurance company. Chartis thus becomes the tenant for floors 1 to 4 under a firm 9-year lease starting in February 2012.

3. BUSINESS ANALYSIS

Unless indicated otherwise, all the valuation information provided in this section is based on fair value.

A. RENTAL INCOME

(€million)	Consolidated 2010	Consolidated 2011	Consolidated Change (%)	Group Share 2010	Group Share 2011	Group Share Change (%)	Change (%) LFL	% of rental income
Offices - France	**281,3**	**278,1**	**-1,1%**	**281,3**	**270,8**	**-3,7%**	**3,7%**	**54%**
Paris	74,1	81,1	9,5%	74,1	79,0	7%		16%
Paris Region	106,6	111,0	4,2%	106,6	108,1	1%		22%
Other French regions	100,6	85,9	-14,6%	100,6	83,7	-17%		17%
Offices - Italy	**218,3**	**220,1**	**0,8%**	**130,9**	**112,0**	**-14,5%**	**-0,1%**	**23%**
Core portfolio	200,0	210,1	5,0%	120,0	106,9	-11%		22%
Dynamic portfolio	13,7	10,0	-27,1%	8,2	5,1	-38%		1%
Development portfolio	4,6	0,0	na	2,7	0,0	na		0%
Total Offices	**499,6**	**498,1**	**-0,3%**	**412,2**	**382,7**	**-7,2%**	**2,6%**	**77%**
Service sector	**203,5**	**203,6**	**0,1%**	**51,0**	**51,9**	**1,8%**	**3,4%**	**10%**
Hotels	118,6	117,1	-1,3%	29,7	29,9	1%		6%
Restaurant	43,4	43,6	0,5%	6,5	11,1	71%		2%
Leisure facilities	15,7	16,2	2,8%	6,8	4,1	-39%		1%
Healthcare	25,8	26,8	3,7%	8,0	6,8	-15%		1%
Logistics	**86,5**	**85,1**	**-1,6%**	**58,1**	**65,1**	**12,0%**	**-1,2%**	**13%**
Logistics - France	45,0	45,0	0,0%	30,2	34,4	14%		7%
Logistics - Germany	8,7	8,9	2,8%	5,9	6,8	16%		1%
Business parks	17,7	17,1	-3,6%	11,9	13,0	10%		3%
Garonor	15,1	14,2	-6,0%	10,1	10,9	7%		2%
Total rental income	**789,6**	**786,9**	**-0,3%**	**521,3**	**499,7**	**-4,1%**	**2,2%**	**100%**



In GS rental income

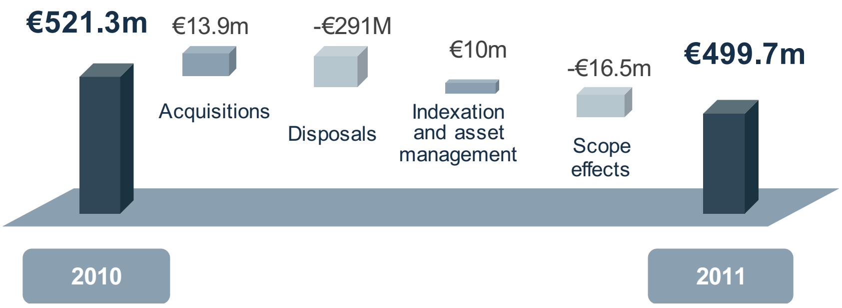
On a like-for-like basis, the rental income increased sharply in the France Office segment (+ 3.7%) and in the Service segment (+ 3.4%). In Group share, rental income grew by 2.2%.

Compared to 2010: consolidated rental income was unchanged (- 0.3%). In group share, rental income dropped by 4.1% due primarily to:

- Disposals (- €29.1 million)
- The change in consolidation (- €16.5 million) following the decrease in the holding in Beni Stabili

It was offset primarily by

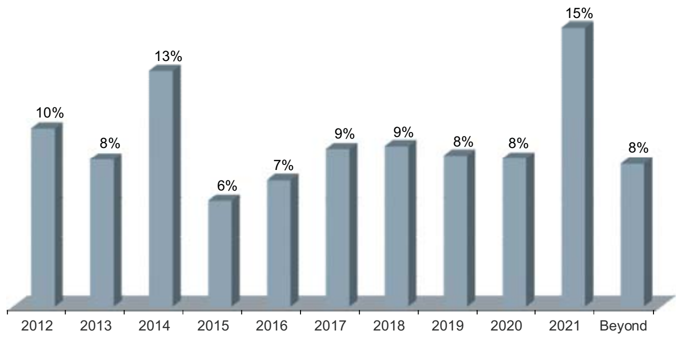
- Acquisitions (+ €13.9 million)
- Indexation and asset management (+ €10.0 million)



B. ANNUALISED LEASE EXPIRY AND VACANCY SCHEDULE

Lease expiry: 6.0 years firm residual lease term

(€ million) GS	By lease end date	% of total
2012	50,5	10%
2013	41,8	8%
2014	67,1	13%
2015	30,0	6%
2016	35,9	7%
2017	44,9	9%
2018	45,6	9%
2019	42,9	8%
2020	42,1	8%
2021	79,4	15%
Beyond	40,6	8%
Total	**520,9**	**100%**



The average firm residual term for leases at December 31, 2011 was 6.0 years compared to 6.1 years at 31 December 2010. Firm residual lease terms by segment are as follows :

	Firm residual term on leases (years)	
GS	**2010**	**2011**
Offices - France	5,7	5,7
Offices - Italy	7,7	7,8
Total Offices	**6,3**	**6,3**
Service sector	8,7	8
Logistics	2,4	2,2
Total	**6,1**	**6,0**

Occupancy rates: 95.8% vs 94.8% at the end of 2010

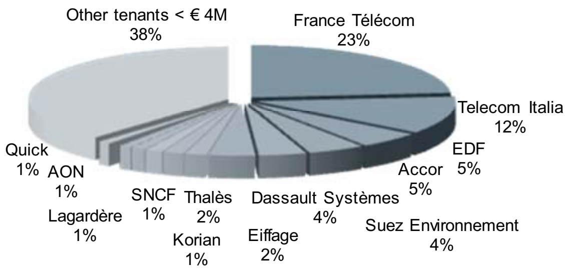
The occupancy rate was 95.8%, up 1 basis point compared to 2010

	Occupancy rate (%)	
GS	**2010**	**2011**
Offices - France	94,3%	96,0%
Offices - Italy	97,1%	96,1%
Total Offices	**95,1%**	**96,0%**
Service sector	100,0%	100,0%
Logistics	89,6%	91,4%
Total	**94,8%**	**95,8%**

C. BREAKDOWN OF RENTAL INCOME

Breakdown by principal tenants: Broadly diversified rental income

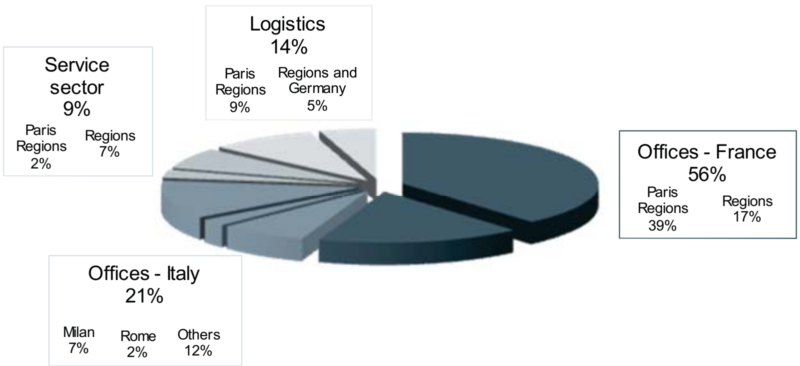
(€ million)	Annualised rental income	
GS	**2011**	**%**
France Télécom	122,8	24%
Telecom Italia	61,4	12%
EDF	26,5	5%
Accor	24,1	5%
Dassault Systèmes	20,0	4%
Suez Environnement	19,4	4%
Eiffage	9,1	2%
Thalès	8,7	2%
SNCF	7,5	1%
Korian	6,2	1%
Lagardère	5,2	1%
AON	5,0	1%
Quick	5,0	1%
Other tenants < € 4M	200,0	38%
Total rental income	**520,9**	**100%**



In rental income

Regional breakdown IDF, Milan, Rome and Major Regional Cities (MRC) accounted for 69% of rental income

(€ million)	Annualised rental income	
GS	**2011**	**%**
Paris CBD	35,3	6,8%
Paris excl. CBD	48,0	9,2%
Inner suburbs	96,1	18,4%
Outer suburbs	22,0	4,2%
Total Paris Region	**201,4**	**38,7%**
MRC	40,7	7,8%
Other French regions	46,7	9,0%
Offices - France	**288,8**	**55,4%**
Milan	37,9	7,3%
Rome	11,2	2,1%
Other	63,8	12,3%
Offices - Italy	**112,9**	**21,7%**
Paris CBD	0,0	0,0%
Paris excl. CBD	5,3	1,0%
Inner suburbs	4,6	0,9%
Outer suburbs	3,7	0,7%
Total Paris Region	**13,6**	**2,6%**
MRC	9,4	1,8%
Other French regions	17,8	3,4%
International	7,4	1,4%
Service sector	**48,1**	**9,2%**
Paris CBD	0,0	0,0%
Paris excl. CBD	8,9	1,7%
Inner suburbs	8,5	1,6%
Outer suburbs	28,9	5,5%
Total Paris Region	**46,3**	**8,9%**
North West	2,9	0,6%
Rhône-Alpes	8,8	1,7%
PACA	5,6	1,1%
Germany	7,5	1,4%
Logistics	**71,1**	**13,6%**
Total rental income	**520,9**	**100,0%**



D. DISPOSALS AND DISPOSAL AGREEMENTS: €611 million realised at 4.2% above 2010 values

(€ million)		Disposals	Sales agreements	Total	Margin vs 2010 value	Yield ED
Offices - France	100 %	138,3	271,6	409,9	3,7%	5,6%
Offices - Italy	100 %	96,2	26,6	122,8	9,3%	5,0%
	GS	48,9	13,6	62,5	9,3%	5,0%
Total Offices	100 %	234,5	298,2	532,7	5,0%	5,5%
	GS	**187,2**	**285,1**	**472,4**	**4,4%**	**5,6%**
Service sector	100 %	358,9	63,4	422,3	3,7%	6,4%
	GS	93,1	16,5	109,6	3,7%	6,4%
Logistics	100 %	35,2	0,0	35,2	2,9%	4,2%
	GS	28,8	0,0	28,8	2,9%	4,2%
Total	100 %	628,6	361,6	990,2	4,4%	5,8%
	GS	**309,1**	**301,6**	**610,7**	**4,2%**	**5,6%**

Foncière des Régions concluded €610.7 million in disposals and disposal agreements with an average margin of 4.2% compared to the appraised values at 31 December 2010. The gain on disposals is below the return on assets of Foncière des Régions.

E. ACQUISITIONS: €157 million (average return 7.3%)

(€ million)		Total	Yield ED
Offices - France	100%	75,3	8,0%
Offices - Italy	100%	111,1	6,4%
	GS	56,5	0,1
Total Offices	100%	186,4	7,0%
	GS	**131,8**	**7,3%**
Service sector	100%	0,0	na
	GS	0,0	**na**
Logistics	100%	96,0	7,5%
	GS	24,9	**7,5%**
Total	100%	282,4	7,2%
	GS	**156,7**	**7,3%**

F. DEVELOPMENT PROJECTS €1 billion

- Committed projects: €272 million group share (of which 80% are preleased)

Projects	Type	Location	Area	Surface (sq.m) *	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget (M€)
Le Floria	Offices - France	Fontenay-Sous-Bois	Paris Regions	8 600	2012	280	100%	31,1
Le Divo	Offices - France	Metz	MRC	5 300	2012	175	50%	11,9
Véolia Montpellier	Offices - France	Montpellier	MRC	3 100	2012	130	100%	5,8
Louis Guérin	Offices - France	Lyon	MRC	12 500	2013	180	0%	31,2
Eiffage Clichy	Offices - France	Clichy la Garenne	Paris Regions	4 600	2013	340	100%	23,3
Euromed center - tranche 1 (QP FDR - 50%)	Offices - France	Marseille	MRC	24 000	2014	250	66%	105,6
Milan - Garibaldi complex	Offices - Italy	Milan	Milan	23 194	2012	379	100%	166,0
B&B Porte des Lilas	Service Sector	Paris	Paris	5 562	2013	270	100%	21,3
Korian Clinique Saint Mandé	Service Sector	Saint Mandé	Paris Regions	5 907	2013	288	100%	23,8
Extensions Accor	Service Sector	Aix en Provence + Yutz	Multi location	1 579	2012	190	100%	3,5
Garonor N01 Vaquier	Logistics	Aulnay sous bois	MRC	9 190	2012	60	100%	8,2
Garonor AFT IFTIM	Logistics	Aulnay sous bois	MRC	1 765	2012	164	100%	3,5
Garonor N02 Phase 1	Logistics	Aulnay sous bois	MRC	16 355	2012	61	100%	11,7
Total Consolidated				**121 652**			**84%**	**447**
Total - GS				**83 597**			**80%**	**272**

*100%

The outstanding capex for these projects represents a group share of €104 million in 2012, €33 million in 2013 and €13 million in 2014.

Projects managed: €755 million group share for projects in attractive locations

Projects	Type	Location	Area	Surface (sq.m)	Delivery timeframe
EDF Avignon	Offices - France	Avignon	Régions	3 700	2013
Green Corner	Offices - France	Saint-Denis	Paris Regions	20 500	2014
New Vélizy	Offices - France	Vélizy	Paris Regions	45 000	2014
Euromed Center - tranche 2 (QP FDR 50%)	Offices - France	Marseille	MRC	33 500	2014 - 2016
Cœur d'Orly Commerces (QP FDR 25%)	Offices - France	Orly	Paris Regions	30 000	2015
Lyon Silex (1ère tranche)	Offices - France	Lyon	MRC	11 500	2015
Cœur d'Orly Bureaux (QP FDR 25%)	Offices - France	Orly	Paris Regions	70000	2015 - 2017
Dassault Systemes Extension	Offices - France	Vélizy	Paris Regions	12000	2015
Milan, San Nicolao	Offices - Italy	Milan	Milan	9 426	Depending Prelet Statut
Milan, Ripamonti (Beni Stabili GS : 68,2%)	Offices - Italy	Milan	Milan	101 856	Depending Prelet Statut
Milan, Schievano	Offices - Italy	Milan	Milan	23 737	Depending Prelet Statut
Garonor N02 Phase 2	Logistics	Aulnay sous bois	Paris Regions	25 073	2014
Garonor N03	Logistics	Aulnay sous bois	Paris Regions	43 950	2013
Garonor N06	Logistics	Aulnay sous bois	Paris Regions	5 580	2013
Bollène	Logistics	Bollène	Regions	70 000	2013
Total Consolidated				**505 822**	
Total - GS				**304 794**	

G. PORTFOLIO

Portfolio valuation and change + 1.3% over 1 year

(€ million)	Value 2010	Value 2011	Value 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011	% of Commercial portfolio	% of Commercial portfolio (incl. equity affiliates)
Offices - France	**4 365**	**4 539**	**4 292**	**3,0%**	**6,9%**	**6,7%**	**51%**	**48%**
Offices - Italy	**4 332**	**4 347**	**2 212**	**-2,0%**	**5,7%**	**5,7%**	**26%**	25%
Total Bureaux	**8 697**	**8 886**	**6 503**	**1,3%**	**6,5%**	**6,4%**	78%	72%
Service sector	**3 124**	**2 949**	**765**	**3,8%**	**6,4%**	**6,3%**	**9%**	**9%**
Logistics	**1 181**	**1 147**	**937**	**-0,9%**	**7,6%**	**7,6%**	**11%**	**10%**
Parking facilities	**243**	**260**	**154**	**1,5%**	**na**	**na**	**2%**	**2%**
Portfolio	**13 245**	**13 241**	**8 360**	**1,3%**	**6,6%**	**6,5%**	**100%**	93%
Equity affiliates*	557	624	624					7%
Total - Consolidated	**13 802**	**13 865**	**8 984**					**100%**
Total - GS	**8 615**	**8 984**						

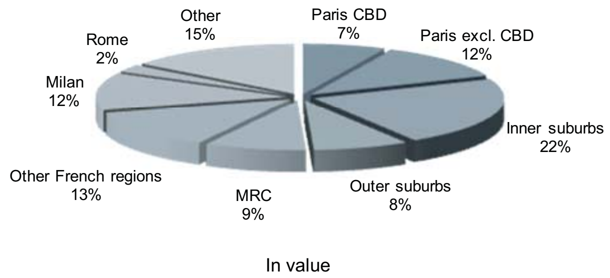
*Under equity methode of Foncière Développement Logements (452 € million)

The portfolio of Foncière des Régions at 31 December 2011 amounted to €8,984 million compared to €8,604 million at 31 December 2010. The change on a like-for-like basis was 1.3% over the period. This increase in value derives mainly from a slight decline in capitalization rates and from growth in rental income for France Office, as well as from an increase in Accor revenues in the Services segment.

Regional breakdown IDF, Milan, Rome and Major Regional Cities (MRC) account for 72% of the group share of the portfolio

(€ million) GS*	2011
Paris CBD	574
Paris excl. CBD	961
Inner suburbs	1 842
Outer suburbs	665
MRC	710
Other French regions	1 042
Milan	1 002
Rome	205
Other	1 205
Total portfolio	**8 206**

*Excluding parking facilities



Exposure to deep markets

H. LIST OF TEN MAIN ASSETS

Top 10 Assets	Town	Tenants	Surface (sq,m)	Share of affiliates
Tour CB21 à la Défense	Courbevoie	Suez Environnement, Chartis	68 077	75%
DS Campus	Vélizy Villacoublay	Dassault Systèmes	56 193	100%
Carré Suffren	Paris 15ème	AON, AIE, Institut Français, Ministère Education	24 863	60%
Via Montebello 18	Milan	INTESA GROUP	25 801	50,9%
Centro Direzionale SNC	Naples	TELECOM	63 477	50,9%
Corso Matteotti Giacomo 4 - 6	Milan	BOSCOLO	12 166	50,9%
Via Lorenteggio 266	Milan	INTESA GROUP	31 942	50,9%
Via Marco Aurelio 24-26	Milan	TELECOM	61 400	50,9%
Immeuble au 15/17 rue Traversière	Paris 12ème	SNCF	13 699	100%
Immeuble au 23 rue Médéric	Paris 17ème	France Télécom	11 159	100%

The group share value of the ten main assets accounts for 16% of the portfolio group share.

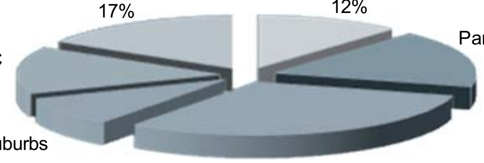
4. BUSINESS BREAKDOWN BY SEGMENT

A. FRANCE OFFICE

1. RECEIPTED RENTAL INCOME €278 million, + 3.7% on a like-for-like basis

- Regional breakdown: strategic locations (Ile-de-France and Major Regional Cities – MRC) account for 83% of rental income

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL
Paris CBD	71 973	12	30,8	32,5	5,6%	
Paris excl. CBD	152 357	21	43,3	48,6	12,3%	
Inner suburbs	439 522	41	78,2	86,4	10,4%	
Outer suburbs	212 749	79	28,4	24,6	-13,1%	
Total Paris Region	**876 601**	**153**	**180,7**	**192,1**	**6,3%**	
MRC	446 429	97	39,2	40,0	2,0%	
Other French regions	631 009	241	61,4	45,9	-25,2%	
Total	**1 954 039**	**491**	**281,3**	**278,1**	**-1,1%**	**3,7%**



In rental income

2011 rental income –reduced by €3.2 million, down 1.1%. This reduction is the combined result of:

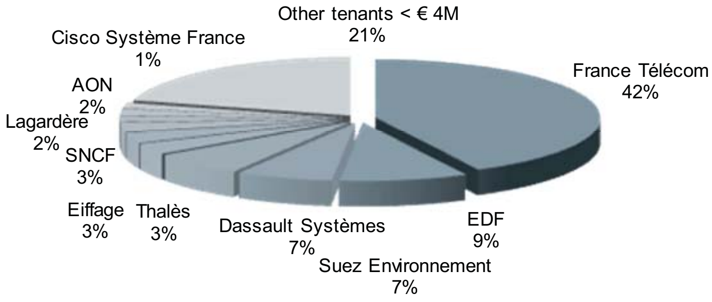
- Asset disposals occurring during the year (- €23.5 million)
- Assets vacated with a view to their disposal or restructuring (- €4.4 million)
- Acquisitions and additions to the consolidation (€15.9 million): for assets leased to Degrémont (a subsidiary of Suez Environnement), Véolia Environnement, and Eiffage, as well as the full-year effect of the Suez Environnement lease for Tour CB 21
- A like-for-like increase of 3.7% arising from:
  - Indexation (+ €1.8 million)
  - Asset management work (+ €7 million):
    - Leases (+€8.5 million)
    - Move-outs (- €2.5 million)
    - Renewals (+ €1 million)

- The Ile de France proportion increased from 64% to 69%, while the proportion of rental income located in Regions fell from 22% to 17% over the year. This is due to significant leases and acquisitions in Ile de France, as well as asset disposals located primarily in Regions.

2. ANNUALISED RENTAL INCOME €289 million, up 3.7%

Breakdown by principal tenants

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)
France Télécom	804 146		126,4	122,8	-2,9%
EDF	247 432		30,7	26,5	-13,5%
Dassault Systèmes	58 602		16,2	20,0	23,3%
Suez Environnement	56 192		19,1	19,4	1,7%
Eiffage	142 858		6,2	9,1	46,5%
Thalès	79 376		8,3	8,7	5,0%
SNCF	13 207		7,0	7,5	6,6%
Lagardère	11 481		5,0	5,2	3,8%
AON	15 042		0,0	5,0	-
Cisco Système France	11 291		4,4	4,6	3,8%
Other tenants < € 4M	514 413		55,2	60,0	8,8%
Total	**1 954 039**	**491**	**278,6**	**288,8**	**3,7%**



In rental income

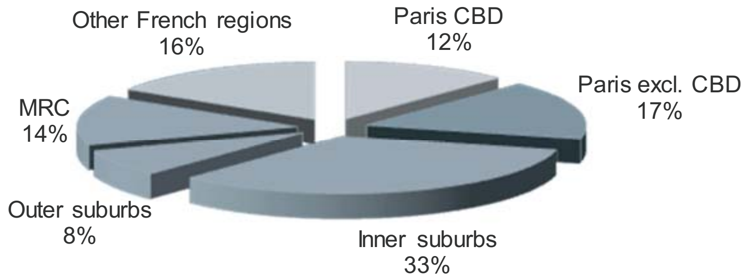
The concentration of the rental income of Foncière des Régions among major tenants demonstrates the continuation of our strategy. To date, the top ten tenants account for 79% of our annualised rental income.

The change in the breakdown by tenant is also representative of the implementation of our partnership strategy: the addition of a new tenant to the group’s largest tenants (AON at Carré Suffren), and a decrease in rental income from France Télécom and EDF, mainly as a result of disposals of mature assets in these two portfolios. We also strengthened our partnerships with Suez Environnement (acquisition of a building occupied by Degrémont in Rueil Malmaison), Eiffage (delivery of the Eiffage Construction head office in Vélizy) and Thalès (leasing of a building in Meudon).

The 3.7% increase in annualised rental income is due to acquisitions and releases during the year, offset slightly by disposals.

Regional breakdown Ile de France accounts for 70% of rental income

(€ million)	Surface (sq.m)	Annualised rental income 2010	Annualised rental income 2011	Change (%)
Paris CBD	71 973	33,9	35,3	4%
Paris excl. CBD	152 357	41,5	48,0	16%
Inner suburbs	439 522	85,0	96,1	13%
Outer suburbs	212 749	25,9	22,0	-15%
Total Paris Region	**876 601**	**186,3**	**201,4**	**8%**
MRC	446 429	38,5	40,7	6%
Other French regions	631 009	53,8	46,7	-13%
Total	**1 954 039**	**278,6**	**288,8**	**3,7%**



In rental income

The regional breakdown of rental income is in line with that for receipted rental income, confirming Ile de France's predominant share.

The main changes in rental income by region are due to leasing activity during the half:

- Strong increase in annualised rental income in Paris outside the central business district, mainly due to the leasing of all of Carré Suffren,
- Increase in our inner-suburb rental income, which is due to acquisitions and leases during the year
- Decrease in rental income in secondary regions (outer suburbs and Other Regions), mainly due to disposals.

3. INDEXATION

Indexations resulted in a €1.8 million 12 month increase. It is to be noted that 56% of rental income is indexed to the construction cost index (CCI), with the balance being indexed based on a combined index, 50% CCI/50% CPI.

Furthermore, leases with indexation floors (between 0% and 1%) account for 49% of annualised rental income, of which 13% are indexed to the CCI and 87% to a combination of 50% CCI/50% CPI.

Following the publication of the ILAT*, a joint study with our tenants is currently underway regarding switching to this index for the leases signed.

*Index of Commercial Activity Rent (*Indice des Loyers d'Activités Tertiaires*)

4. RENTAL BUSINESS

(€ million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/m²)
Vacating	64 291	10,2	159
Letting	29 067	8,8	304
Renewal*	76 626	11,7	153

*Renewals 2% higher than passing rent

The move-outs occurring during 2011 amounted to 64,291 m², corresponding to €10.2 million in annualised rental income:

- Le Floria in Fontenay (€2.3 million per year) is undergoing a BBC building redevelopment project and HQE renovation and operation in partnership with Société Générale, which is participating in this redevelopment and has already signed a lease with an effective date of October 1, 2012,
- Louis Guérin in Villeurbanne, vacated by EDF (€2.3 million per year): this asset is undergoing a complete restructuring allowing for delivery at the end of 2012 of a HQE-Breeam and BBC certified building,
- A building in Velizy vacated by Alstom (€1.8 million per year): the site is undergoing a redevelopment project of 45,000 m² to turn it into an HQE, BBC and BREEAM very good building,
- Lille Madeleine, vacated by EDF (€0.9 million per year): the asset, which is undergoing a renovation, is now under a preliminary sale agreement.

At the same time, there has been much leasing success (leasing of 29,067 m² representing €8.8 million in rental income), demonstrating that our assets meet tenant expectations. They mainly involve:

- Tour CB 21 in La Défense: signing of a firm 9-year lease for 6,000 m² (€2.3 million per year Foncière des Régions share) with Chartis (leader in the insurance brokerage sector),
- 32 Grenier in Boulogne Billancourt: signing of a firm 9-year lease for 5,900 m² (€2.3 million per year) with Sequana (international company in the paper industry),
- Rouget de l'Isle in Issy les Moulineaux: signing of a firm 6.5-year lease for 3,300 m² (€1.0 million per year) with France Télécom,
- Signing of a 3-6-9 lease with Thalès for the leasing of 9,100 m² in Meudon.

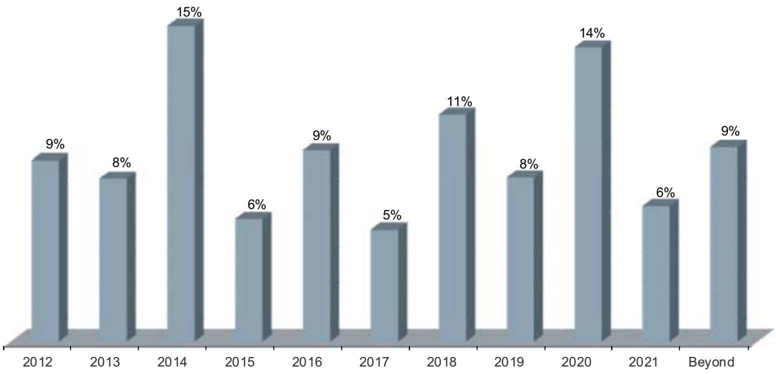
Renewals involved 15 assets for overall rental income of €11.7 million following individual negotiations with our major tenants, such as France Télécom (€6.1 million) and EDF/ERDF (€4.0 million). These renewals were signed on average at 2% above the existing rent.

5. EXPIRY SCHEDULE AND VACANCIES

Lease expiry schedule 5.7 years firm residual lease term

France Office rental income may be broken down as follows based on the end date for current firm leases:

(€ million)	By lease end date	% of total
2012	24,9	9%
2013	22,4	8%
2014	43,4	15%
2015	16,8	6%
2016	26,3	9%
2017	15,4	5%
2018	31,2	11%
2019	22,6	8%
2020	40,4	14%
2021	18,7	6%
Beyond	26,7	9%
Total	**288,8**	**100%**



(years)	2011
Paris CBD	6,8
Paris excl. CBD	6,9
Inner suburbs	6,1
Outer suburbs	4,6
Total Paris Region	6,3
MRC	4,2
Other French regions	4,7
Total	**5,7**

The firm residual term of leases stood at 5.7 years, unchanged compared to the end of 2010. This is due mainly to the complete leasing of Carré Suffren with firm 7-to-12-year leases, the acquisition of the Degrémont asset in Rueil-Malmaison accompanied by a firm 12-year lease and the entry into operation of the Eiffage Construction head office in Vélizy with a firm 12-year lease.

Leases expiring in 2012 are undergoing individual negotiations in order to ensure the tenants remain or the leases will be terminated to undergo secure and value-creating developments.

With at least one third of leases expiring in 2012-2014, Foncière des Régions continues to show a very secure lease base.

Vacancy rate and type: a 4% vacancy rate at 31 December 2011

(%)	H1 2011	2011
Paris CBD	0,0%	0,0%
Paris excl. CBD	0,0%	0,0%
Inner suburbs	11,8%	8,3%
Outer suburbs	2,7%	2,8%
Total Paris Region	6,0%	4,4%
MRC	1,5%	2,5%
Other French regions	2,9%	3,5%
Total	**4,9%**	**4,0%**

In Ile-de-France, the inner suburb which remains the main area for Foncière des Régions vacancies, the 8.3% rate is in line with average market vacancy rates.

To date, the main vacancies concern:

- Tour CB 21, which accounts for 50% of financial vacancies (for a surface area of approximately 17,500 m²)
- An asset located in Sophia Antipolis which accounts for 7% of total vacancies (5,000 m²).

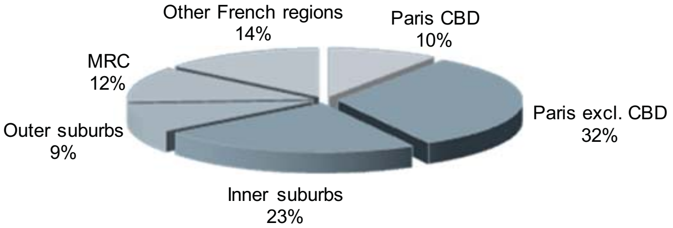
6. UNPAID RENT

(€ million)	2010	2011
As % of annualised rental income	0,74%	0,94%
In value	2,0	2,7

Unpaid rent increased slightly compared to the end of 2010 but remained below 1%.

7. DISPOSALS AND DISPOSAL AGREEMENTS: €410m

(€ million)	Disposals	Sales agreements	Total	Margin vs values at 2010	Yield ED
Paris CBD	0,0	39,7	39,7	8,5%	6,5%
Paris excl. CBD	29,5	102,6	132,1	0,0%	6,7%
Inner suburbs	29,4	63,4	92,8	4,8%	2,9%
Outer suburbs	29,4	9,6	39,1	-1,2%	4,7%
Total Paris Region	**88,3**	**215,4**	**303,7**	**2,3%**	**5,3%**
MRC	16,1	32,1	48,2	13,4%	5,8%
Other French regions	33,8	24,1	58,0	3,4%	7,4%
Total	**138,3**	**271,6**	**409,9**	**3,7%**	**5,6%**



In value

During 2011, Foncière des Régions concluded disposal agreements for €410 million broken down over 84 assets, while earning a significant margin of 3.7% compared to the appraised values at 31 December 2010. In accordance with its objectives, Foncière des Régions disposed of assets located in intermediary commercial markets and small-sized assets (average value of the asset sales: €4.9 million).

It should be noted that 47% of disposals came from the "outsourcing" portfolio, 41% from the "core" portfolio and 12% from 12% from the "undergoing upgrading" portfolio, a strategic asset segmentation described in section 11.

8. ACQUISITIONS

In 2011, Foncière des Régions made many acquisitions of individual assets amounting to over € 75 million:

- The outsourcing of the head office of Degrémont, a subsidiary of Suez Environnement, in Rueil-Malmaison. The acquisition comes with the signing of a firm 12-year lease.
- The acquisition of a single-tenant building at the foot of the RER train station in Issy-les-Moulineaux, with a green repositioning strategy upon the expiry of the current lease.

Surface (sq.m)	Location	Tenants	Acquisition Price (€ million)	Yield ED*
13800	Rueil-Malmaison	Degrémont	40,5	8,0%
7350,8	Issy-les-Moulineaux	nc	34,8	7,9%
21 151			**75,3**	**8,0%**

*at the acquisition date

9. DEVELOPMENT PROJECTS A €640 million pipeline

■ Committed projects: €156 million preleased at 65%

Projects	Location	Area	Surface (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget* (M€)
Le Floria	Fontenay-Sous-Bois	Paris Regions	8600	2012	280	100%	31
Le Divo	Metz	MRC	5300	2012	175	50%	12
Véolia Montpellier	Montpellier	MRC	3100	2012	130	100%	6
Louis Guérin	Lyon	MRC	12500	2013	180	0%	31
Eiffage Clichy	Clichy la Garenne	Paris Regions	4600	2013	340	100%	23
Euromed center - tranche 1 (QP FDR - 50%)	Marseille	MRC	24000	2014	250	66%	53
Total			**58100**			**65%**	**156**

*excluding financial cost

These projects consist of:

- A turnkey lease:
  - The development of a *Green* building on behalf of Véolia Environnement in Montpellier.
- The repositioning of existing assets:
  - Société Générale vacated the Le Floria property in Fontenay (8,600 m²) to allow for its redevelopment. This building will be BBC and HQE renovated and operated. Société Générale will occupy it again once the work is finished.
  - The Louis Guérin in Villeurbanne, a building developing 12,500 m² HQE and BBC renovation, BREEAM, offering a competitive rent and located near the Part Dieu train station.
- New developments in deep commercial markets (Ile de France and major regional towns where actual demand exceeds 50,000 m²) :
  - The future move of Eiffage's IT administration to Clichy in a BBC building for which delivery is scheduled for March 2013.
  - The Divo, in Metz, in the Amphitheatre district: 5,300 m² of office space located opposite the TGV train station in Metz, which will be occupied partly by Foncière des Régions.
  - The development in Marseille of a 1st tranche of Euromed Center, the largest development project in Europe. It includes an office building of 14,000 m², a hotel of 10,000 m² and parking with 857 parking spaces.

The outstanding capex for these projects amounts to €57 million payable in 2012, €29 million in 2013 and €13 million in 2014.

Projects managed: approximately €484 million in capex (group share)

Furthermore, 226,200 m² are managed by Foncière des Régions and likely to be retained:

Projects	Location	Area	Surface (sq.m)	Delivery timeframe
EDF Avignon	Avignon	Regions	3 700	2013
Saint-Denis	Saint-Denis	Paris Regions	20500	2014
New Vélizy	Vélizy	Paris Regions	45000	2014
Cœur d'Orly Retail (GS FDR 25%)	Orly	Paris Regions	30000	2015
Lyon Silex (1st part)	Lyon	MRC	11500	2015
Euromed Center (GS FDR 50%)	Orly	Paris Regions	70000	2015 - 2017
Cœur d'Orly Offices (GS FDR 25%)	Orly	Paris Regions	70000	2015 - 2017
Dassault Systemes Extension	Vélizy	Paris Regions	12000	2015
Total			**226 200**	

The site occupied by EDF in Avignon will undergo new construction, complying with the latest environmental standards on behalf of this tenant.

The launch of the Green Corner (20,500 m²) located in the RER B train station in Saint Denis could take place in 2012 considering its high appeal to tenants (excellent accessibility from the heart of the Saint-Denis – Stade de France commercial area).

Foncière des Régions plans to develop a project of 45,000 m² of new offices that will be HQE, BBC and BREEAM very good, on land that it owns in Vélizy.

The 2nd tranche of the Euromed Center, including 33,500 m² of offices, should be launched once the 1st tranche is fully marketed.

Upon delivery, these developments improve the residual term of the leases and the average quality of the portfolio, while participating in the "greening" of assets. Each one of them will boast the best construction and/or operational certifications and labels.

Deliveries of assets

The Eiffage Construction in Vélizy was delivered in November 2011 (9,800 m² and rent of €2.9 million per year). This building, leased under a firm 12-year lease, showcases the environmental know-how of Eiffage and Foncière des Régions, since it is the first in Ile-de-France to boast the commercial BBC-Effinergie label*.

The 32 Grenier building in Boulogne Billancourt (7,500 m²), which underwent major restructuring after being vacated by EDF, was delivered in July 2011. It is already 80% leased by Sequana (€2.3 million per year), with the balance currently being marketed.

* BBC-effinergie® is a label aimed at identifying new or renovated buildings whose very low energy needs help to achieve the 2050 targets: reducing greenhouse gas emissions fourfold.

10. PORTFOLIO VALUATION

Change in assets

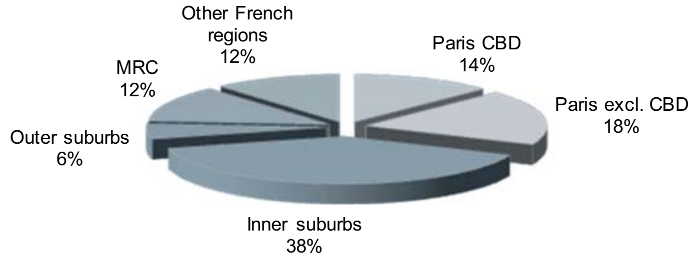
(€ million)	Value ED 2010	Yield ED 2010	Value adjustment	Acquisitions	Disposals	Invest.	Transfer	Value ED 2011
Assets in operation	4 324,9	6,9%	109,0	75,3	-135,0	47,0	40,3	4 461,5
Assets under developement	40,3	0,0%	18,4	0,0	0,0	11,0	7,9	77,5
Total	**4 365,2**	**6,9%**	**127,4**	**75,3**	**-135,0**	**58,0**	**48,2**	**4 539,0**

Like-for-like change: + 3.0%

(€ million)	Consolidated value ED 2010	Consolidated value ED 2011	Value ED 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011
Paris CBD	549,9	573,5	573,5	4,3%	6,1%	6,2%
Paris excl. CBD	835,2	856,9	758,2	4,0%	6,6%	6,3%
Inner suburbs	1 573,0	1 750,2	1 601,4	2,9%	5,5%	5,9%
Outer suburbs	281,9	236,4	236,4	0,3%	9,6%	9,3%
Total Paris Region	3 240,0	3 417,0	3 169,5	3,2%	6,4%	6,3%
MRC	474,0	524,7	524,7	2,0%	8,1%	7,6%
Other French regions	610,9	519,8	519,8	2,3%	8,8%	9,0%
Total in operation	**4 324,9**	**4 461,5**	**4 214,1**	**3,0%**	**7,0%**	**6,8%**
Assets under developement	40,3	77,5	77,5	9,5%	na	na
Total	**4 365,2**	**4 539,0**	**4 291,6**	**3,0%**	**6,9%**	**6,7%**

2011 was marked by a 3.0% like-for-like increase in values, largely due to:

- Asset management work and specifically re-leasing large-Paris assets (Carré Suffren, Percier asset located in the central business district)
- The lower capitalization rates which benefited assets such as Dassault Systèmes in Vélizy, the Cisco head office in Issy les Moulineaux, as well as most Paris assets
- The value added in our assets under development (+ 9.5%), which benefits both new buildings under construction (Metz Ampitheatre, Véolia – Montpellier) and partially or completely pre-marketed restructuring projects (Villeurbanne, Fontenay – Le Floria).



In value

11. STRATEGIC SEGMENTATION OF ASSETS

The real estate strategy of Foncière des Régions is geared toward value-creating asset management.

The core assets are the strategic cornerstone of the portfolio, made up of resilient assets ensuring long-term income. Mature buildings may be disposed of opportunistically in controlled proportions, and the funds thus made will be reinvested in value-creating transactions, specifically for the appreciation of our portfolio or for new investments.

The “outsourcing” portfolio is the result of sale and leaseback transactions with our major tenants. This portfolio is a portfolio with above-average returns for office assets, with a historically high renewal rate. The low unit size of these assets and their liquidity on local markets allow for expecting their progressive disposal.

The “undergoing upgrading” portfolio is made up of assets undergoing specific restructuring or rental upgrading actions. The main intention for these assets is for them to be “core” properties once the asset management work is completed.

	Core Portfolio	**Outsourcing Portfolio**	**Value enhancement Portfolio**	**Total**
Number of assets	80	372	39	**491**
Value ED GS	2 424,6	1 080,9	786,1	**4 291,6**
	56,5%	*25,2%*	*18,3%*	***100%***
Yield	6,1%	7,9%	7,3%	**6,7%**
Residual firm duration of leases	7,6	4,7	2,5	**5,7**
Occupancy rate	95,4%	94,6%	na	**96,0%**

Core Assets: 90% of vacancies relate to 17,500 vacant m² loaf the Tour CB 21

During the 2nd half, the “core” portion increased to nearly 57% of the France Office portfolio (compared to 55% at 30 June 2011). This is due to a policy of asset turnover focused on “outsourcing” assets and acquisitions or development of “core” assets. This trend demonstrates the policy of continual improvement in the quality of our assets.

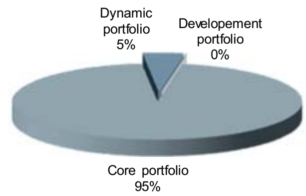
B. ITALY OFFICES

Listed on the Milan stock exchange since 1999, Beni Stabili is one of Italy's top listed real estate companies. Beni Stabili's portfolio includes primarily offices located in cities in northern and central Italy, especially Milan and Rome.
In January 2011, Beni Stabili opted for the REIT status (the Italian version of the SIIC). The company had assets of over €4.3 billion as at 31 December 2011.

Through Beni Stabili Gestioni SGR, the company manages a total of 12 real estate funds with €1.6 billion in assets under management as at the end of 2011.

1. RECEIPTED RENTAL INCOME down 0.1% LIKE FOR LIKE

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL
Core portfolio	1 890 208	237	200,0	210,1	5,0%	0,3%
Dynamic portfolio	131 445	57	13,7	10,0	-27,1%	-7,0%
Subtotal	**2 021 653**	**294**	**213,7**	**220,1**	**3,0%**	**-0,1%**
Developement portfolio	34 344	6	4,6	0,0	na	na
Total	**2 055 997**	**300**	**218,3**	**220,1**	**0,8%**	**-0,1%**



In rental income

2011 rental income increased by €1.8m, up 0.8%. This increase is due primarily to:

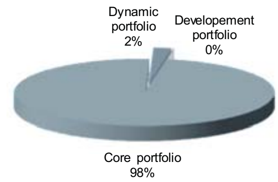
- Acquisitions: +€10.4 million
- Asset management and indexation (CPI): +€0.8 million
- Disposals (-€5.0 million)
- Newly-consolidated companies and vacated properties with a view to their restructuring: (- €4.4 million)

On a like-for-like basis the change was -€0.2m, i.e. -0.1%.

2. ANNUALISED RENTAL INCOME

Breakdown by portfolio

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)
Core portfolio	1 855 698	237	209,8	217,0	3,4%
Dynamic portfolio	165 955	57	12,6	4,9	-61,1%
Subtotal	**2 021 653**	**294**	**222,4**	**221,9**	**-0,2%**
Developement portfolio	34 344	6	4,5	0,0	-100,0%
Total	**2 055 997**	**300**	**226,9**	**221,9**	**-2,2%**



In rental income

Geographical distribution

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)
Milan	445 950	41	74,2	74,5	0,3%
Rome	170 199	37	22,5	22,0	-2,2%
Other	1 405 503	216	125,6	125,4	-0,2%
Total	**2 021 653**	**294**	**222,4**	**221,9**	**-0,2%**

* Annualised rental income at year-end excluding developement

In rental income

Breakdown by tenant

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)
Telecom Italia	1 240 373		119,7	120,6	0,8%
Other	781 280		102,7	101,3	-1,4%
Total	**2 021 653**	**294**	**222,4**	**221,9**	**-0,2%**

* Annualised rental income at year-end excluding developement

In rental income

3. INDEXATION

The annual rent adjustment for indexation is calculated by taking 75% of the increase in the Consumer Price Index (CPI) applied on each anniversary of the date on which the contract was signed. For 2011, the average CPI was 2.8%*.

*Source ISTAT

4. RENTAL BUSINESS

In 2011 the following asset management activities were undertaken:

(€ million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/m²)
Vacating			
Letting	59 208	15,1	255
Renewal*	33 908	3,6	7

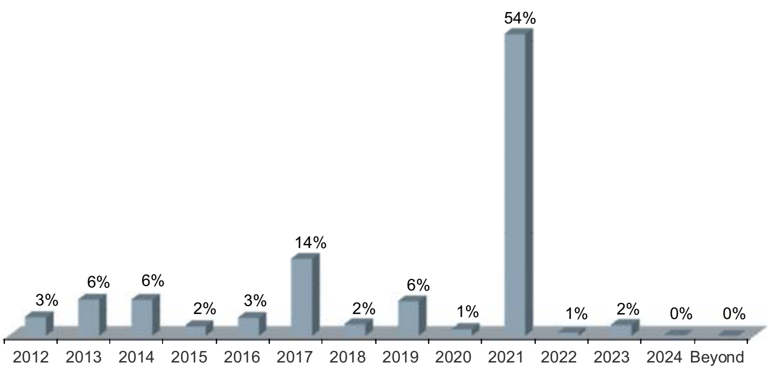
*Renewals 7,4% higher than passing rent

5. EXPIRY SCHEDULE AND VACANCIES

Lease expiry schedule 7.8 years firm residual lease term

Rental income for Offices in Italy can be broken down as follows based on the end date for current firm leases:

(€ million)	By lease end date	% of total
2012	7,2	3,2%
2013	14,3	6,4%
2014	14,2	6,4%
2015	3,7	1,6%
2016	6,8	3,1%
2017	30,4	13,7%
2018	4,3	1,9%
2019	13,6	6,1%
2020	2,5	1,1%
2021	119,4	53,8%
2022	1,2	0,5%
2023	4,1	1,9%
2024	0,2	0,1%
Beyond	0,0	0,0%
Total	**221,9**	**100,0%**



Leases expiring after 2020 are mostly linked to Telecom Italia. The residual term of leases was 7.8 years as at 30 December 2011.

Vacancy rate and type: 3.9% vacancy

Spot financial vacancy at 31 December 2011 stood at 3.9% for the core portfolio as against 2.9% at 31 December 2010.

6. UNPAID RENT

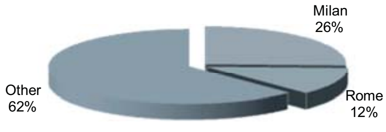
(M€)	2010	2011
En % du loyer annualisé	1,7%	1,0%
En valeur	4,6	2,3

7. DISPOSALS AND DISPOSAL AGREEMENTS: €123m, 9.3% above the 2010 appraised value

A limited value of asset sales, but in line with the level of acquisitions:

- +9.3% above the appraised values
- 5.0% yield on disposals and commitments,
- 42% of the disposals and disposal agreements pertain to Telecom Italia assets and contribute to a lower share of the Italian telecommunications operator as leading tenant.

(€ million)	Disposals	Sales agreements	Total	Margin vs values at 2010	Yield ED
Milan	31,4	0,0	31,4	0,1%	5,0%
Rome	14,9	0,0	14,9	10,0%	4,8%
Other	49,9	26,6	76,5	13,5%	4,1%
Total	**96,2**	**26,6**	**122,8**	**9,3%**	**4,4%**



In value

8. ACQUISITIONS: €111 million

In 2011, Beni Stabili acquired the following:

- Via Pergolesi, located in Milan (disposal agreement signed in 2010)
- Via Bernina, located in Milan
- Via Verri, two commercial properties located in Milan (both leased)
- A shopping centre located in Vigevano, Pavia – Disposal agreement signed in 2009. Acquisition made in partnership with Beni Stabili subsidiaries.

Surface (sq.m)	Location	Tenants	Acquisition Price (€ million)	Yield ED*
6 543	Milan, via Pergolesi	Multitenant	25,0	
14 083	Milan, via Bernina	Multitenant	25,1	
1 164	Milan, via Verri	Multitenant	21,0	
15 046	Vigevano, Il Ducale	Multitenant	40,0	
36 836			**111,1**	**6,4%**

*at the acquisition date

9. DEVELOPMENT PROJECTS

Deliveries of assets

In the first half of 2011, the development project Galleria del Corso was delivered to Coin in accordance with the commitments approved by the two partners.

Committed projects: €166 million

Projects	Location	Area	Surface (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget (M€)
Milan - Garibaldi complex	Milan	Milan	23 194	2012	379,4	100,0%	166
Total			**23 194**			**100,0%**	**166**

The cost price of the Garibaldi complex in Milan totals €166 million. Outstanding capex totals €46 million payable in 2012.

Projects managed

Projects	Location	Area	Surface (sq.m)	Delivery timeframe
Milan, San Nicolao	Milan	Milan	9 426	Depending Prelet Statut
Milan, Ripamonti (Beni Stabili GS : 68,2%)	Milan	Milan	69 466	Depending Prelet Statut
Milan, Schievano	Milan	Milan	23 737	Depending Prelet Statut
Total			**102 629**	

10. PORTFOLIO VALUATION

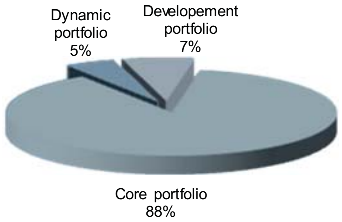
Change in assets

(€ million)	Value ED 2010	Change in value	Acquisitions	Disposals	Invest.	Reclass.	Value ED 2011
Core portfolio	3 709,5	-54,9	118,0	-8,6	33,1	29,0	3 826,1
Dynamic portfolio	353,0	-8,3	-8,0	-84,3	1,2	-38,7	214,9
Subtotal	**4 062,5**	**-63,2**	**110,0**	**-92,8**	**34,2**	**-9,7**	**4 041,0**
Developement portfolio	269,0	-18,2	0,0	-0,5	45,4	9,7	305,5
Total	**4 331,5**	**-81,4**	**110,1**	**-93,3**	**79,6**	**0,0**	**4 346,5**

Like-for-like change - 2%

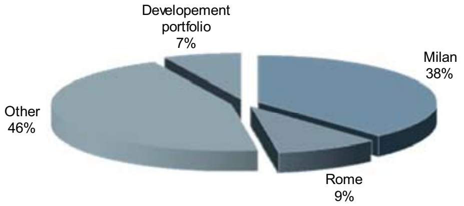
The value of the Beni Stabili portfolio declined by 2% like for like over 2011.

(€ million)	Consolidated value ED 2010	Consolidated value ED 2011	Value ED 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011
Core portfolio	3 709,5	3 826,1	1 946,7	-1,5%	5,7%	5,7%
Dynamic portfolio	353,0	214,9	109,3	-5,4%	3,6%	2,3%
Subtotal	**4 062,5**	**4 041,0**	**2 056,0**	**-1,7%**	**5,5%**	**5,5%**
Developement portfolio	269,0	305,5	155,5	-6,4%	1,7%	0,0%
Total	**4 331,5**	**4 346,5**	**2 211,5**	**-2,0%**	**5,2%**	**5,1%**



In value

(€ million)	Consolidated value ED 2010	Consolidated value ED 2011	Value ED 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011
Milan	1 644,2	1 664,4	846,8	-1,7%	4,5%	4,5%
Rome	421,3	403,5	205,3	-1,0%	5,4%	5,5%
Other	1 997,1	1 973,1	1 003,9	-1,9%	6,3%	6,4%
Subtotal	**4 062,5**	**4 041,0**	**2 056,0**	**-1,7%**	**5,5%**	**5,5%**
Developement portfolio	269,0	305,5	155,5	-6,4%	1,6%	0,0%
Total	**4 331,5**	**4 346,5**	**2 211,5**	**-2,0%**	**5,2%**	**5,1%**



In value

C. SERVICE SECTOR

Foncière des Murs, which is 25.95% owned by Foncière des Régions, is a listed real estate investment company (SIIC) specialising in service sector assets, primarily in the hotel, healthcare and leisure sectors. The company's investment policy gives preference to partnerships with leading companies in their business sector, in order to provide shareholders stable returns.

1. RECEIPTED RENT

Breakdown by business sector

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL	% of rental income
Hotels	753 397	178	118,6	117,1	-1,3%		57%
Goodwill	260 253	235	43,4	43,6	0,5%		21%
Leisure	179 371	5	15,7	16,2	2,8%		8%
Healthcare	212 168	54	25,8	26,8	3,7%		13%
Total	**1 405 189**	**472**	**203,5**	**203,6**	**0,1%**	**3,4%**	**100%**

Breakdown by tenant

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL	% of rental income
Accor	706 215	160	118,6	113,3	-4,4%		56%
Korian	193 205	50	22,7	23,6	3,9%		12%
Quick	47 141	106	18,9	19,1	1,2%		9%
Jardiland	186 072	58	16,4	16,4	0,3%		8%
Sunparks	133 558	4	12,6	12,9	2,4%		6%
Courtepaille	27 040	71	8,1	8,1	-0,5%		4%
Club Med	45 813	1	3,1	3,3	4,3%		2%
Générale de Santé	18 963	4	3,1	3,2	2,4%		2%
B&B	47 182	18	0,0	3,8	0,0%		2%
Total	**1 405 189**	**472**	**203,5**	**203,6**	**0,1%**	**3,4%**	**100%**

Geographical distribution

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL	% of rental income
Paris CBD	0	0	0,6	0,3	-47,4%		0%
Paris excl. CBD	86 185	15	28,9	24,3	-15,8%		12%
Inner suburbs	107 558	28	25,5	25,2	-1,2%		12%
Outer suburbs	94 977	45	15,9	15,8	-0,4%		8%
Total Paris Region	**288 720**	**88**	**70,8**	**65,5**	**-7,5%**		**32%**
MRC	267 049	96	40,1	39,4	-1,8%		19%
Other French regions	565 822	255	68,4	68,5	0,2%		34%
International	283 598	33	24,2	30,2	24,8%		15%
Total	**1 405 189**	**472**	**203,5**	**203,6**	**0,1%**	**3,4%**	**100%**

Foncière des Murs' 2011 consolidated revenues of €203.6m was stable compared to 2010, as explained by:

- Acquisitions/developments (+€4.1 million), primarily the acquisition of a portfolio of 18 B&B hotels in Germany, which generated €3.8m in lease payments in 2011.
- Disposals (-€9.5 million)
- And indexation (+€5.5 million), including €3.6 million for the Accor portfolio which rose by 4.3% like-for-like

2. ANNUALISED RENTAL INCOME

Breakdown by business sector

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)	% of rental income
Hotels	753 397	178	112,7	97,5	-13,5%	53%
Goodwill	260 253	235	43,4	44,2	2,0%	24%
Leisure	179 371	5	16,0	16,6	3,3%	9%
Healthcare	212 168	54	27,2	27,1	-0,2%	15%
Total	**1 405 189**	**472**	**199,3**	**185,4**	**-7,0%**	**100%**

Breakdown by tenant

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)	% of rental income
Accor	706 215	160	112,7	92,8	-17,6%	50%
Korian	193 205	50	24,0	23,9	-0,4%	13%
Quick	47 141	106	19,0	19,4	2,3%	10%
Jardiland	186 072	58	16,3	16,6	1,5%	9%
Sunparks	133 558	4	12,8	13,2	3,1%	7%
Courtepaille	27 040	71	8,1	8,2	2,2%	4%
Club Med	45 813	1	3,2	3,3	4,1%	2%
Générale de Santé	18 963	4	3,2	3,2	1,9%	2%
B&B	47 182	18	0,0	4,7	0,0%	3%
Total	**1 405 189**	**472**	**199,3**	**185,4**	**-7,0%**	**100%**

Geographical distribution

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)	% of rental income
Paris CBD	0	0	0,6	0,0	-100,0%	0%
Paris excl. CBD	86 185	15	25,3	20,4	-19,3%	11%
Inner suburbs	107 558	28	24,8	17,7	-28,7%	10%
Outer suburbs	94 977	45	15,8	14,4	-8,6%	8%
Total Paris Region	**288 720**	**88**	**66,4**	**52,5**	**-21,0%**	**28%**
MRC	267 049	96	39,3	36,1	-8,1%	19%
Other French regions	565 822	255	69,1	68,5	-0,8%	37%
International	283 598	33	24,5	28,3	15,6%	15%
Total	**1 405 189**	**472**	**199,3**	**185,4**	**-7,0%**	**100%**

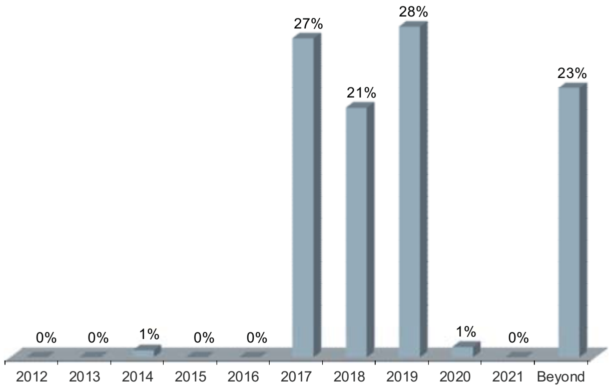
3. INDEXATION

All the portfolios generating fixed-lease payments were indexed:

- The Korian portfolio was indexed in January 2011 based on the benchmark rent index (IRL) for Q4 2010, which resulted in a €1.5 million increase compared to 31 December 2010.
- The Jardiland indexation, based on the commercial rent index (ILC) for one third and on the benchmark rent index (IRL) for two thirds of the portfolio, took place in July 2011, which resulted in a €0.3 million increase.
- The indexation of the Quick and Courtepaille portfolios, based on the commercial rent index (ILC), took place in October 2011.

4. LEASE EXPIRY SCHEDULE AND VACANCIES

(€ million)	By lease end date	% of total
2012	0,0	0%
2013	0,0	0%
2014	1,1	1%
2015	0,0	0%
2016	0,0	0%
2017	49,9	27%
2018	39,0	21%
2019	51,7	28%
2020	1,6	1%
2021	0,0	0%
Beyond	42,1	23%
Total	**185,4**	**100%**



The residual term of leases was 8 years as at 31 December 2011 compared to 8.7 years at 31 December 2010. The automatic reduction in terms is partially offset by the signing of new leases, notably for the acquired portfolios. Vacancy in the portfolio at 31 December 2010 was zero, as was the case at 31 December 2009.

5. UNPAID RENT

The portfolio had no bad debts during 2011, just as in 2010.

6. DISPOSALS AND DISPOSAL AGREEMENTS:

In 2011 Foncière des Murs sold 28 Accor hotels and two retirement homes for €359 million. In addition, disposal agreements concerning 12 individual assets were signed, for a total of €63.4 million.

(€ million)	Disposals	Sales agreements	Total	Margin vs values at 2010	Yield ED
Hotels	347,1	48,1	395,2	3,5%	6,5%
Goodwill	0,0	2,8	2,8	0,0%	4,1%
Leisure			0,0	0,0%	
Healthcare	11,8	12,5	24,3	7,5%	5,8%
Total	**358,9**	**63,4**	**422,3**	**3,7%**	**6,4%**

7. ACQUISITIONS

In 2011, Foncière des Murs acquired 18 hotels operated by B&B in Germany, for €61.9m excluding transfer fees with a yield of 7.6%. This portfolio is wholly-owned by Foncière des Murs.

In 2011, Foncière des Murs also completed the acquisition from the Louvre Hôtels group of a portfolio of 32 Campanile hotels located in France with variable lease-payments based on revenues. The transaction amounts to €170.4 million (works included) with 80.1% carried by Predica and Pacifica and 19.9% by Foncière des Murs.

Surface (sq.m)	Location	Tenants	Acquisition Price* (€ million)	Yield ED**	Value 2011
47 182	Germany	B&B	62	7,6%	67
na	France	Campanile	34	7,5%	na
Total			**96**	**7,5%**	

*% of Foncière des Murs group share

**at the acquisition date

8. DEVELOPMENT PROJECTS

Committed projects: €49 million 100% pre-rented

Projects	Location	Area	Surface (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget (M€)
B&B Porte des Lilas	Paris	Paris	5562	2013	269,7	100,0%	21,3
Korian Clinique Saint Mandé	Saint Mandé	Paris Regions	5907	2013	287,8	100,0%	23,81
Extensions Accor	Aix en Provence + Yutz	Multi locations	1579	2012	190,0	100,0%	3,5
Total			**13 048**			**100,0%**	**48,61**

9. PORTFOLIO VALUATION

Change in assets

(€ million)	Value ED 2010	Yield ED 2010	Value adjustment	Acquisitions	Disposals	Invest.	Value ED 2011
Assets in operation	3124,2	6,4%	83,0	80,9	-348,1	8,7	**2948,7**
Assets under developement							
Total	**3124,2**	**6,4%**	**83,0**	**80,9**	**-348,1**	**8,7**	**2948,7**

At 31 December 2011, Fonciere des Murs' portfolio was valued at €2,949 million excluding tax and transfer costs, up 3.8% like-for-like for the year. The rise in value was largely due to increased revenues at Accor hotels (+ 4.3%) and to the indexation for fixed-rent properties.

Change in assets on like-for-like basis

In the hotel sector, a 4.5% like-for-like increase has been noted compared to 31 December 2010. This change is primarily due to the 4.3% like-for-like increase in variable rents over 12 months, in line with the increase in Accor revenues.

The health sector rose by 4.3% over 12 months, as a result of the combined effect of the 1.1% increase in rents, related to the indexation for the period and falling yields.

(€ million)	Consolidated value ED 2010	Consolidated value ED 2011	Value ED 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011	% of total value
Hotels	1 783	1 581	410	4,5%	6,4%	6,2%	54%
Goodwill	677	692	180	2,5%	6,4%	6,4%	23%
Leisure	247	253	66	2,8%	6,5%	6,5%	9%
Healthcare	418	423	110	4,3%	6,5%	6,3%	14%
Total	**3 124**	**2 949**	**765**	**3,8%**	**6,4%**	**6,3%**	**100%**

D. LOGISTICS

Foncière Europe Logistique, which is 81.7% owned by Foncière des Régions, is a listed real estate investment company (SIIC) that specialises in logistics assets and business parks.

1. RECEIPTED RENT

Breakdown by business sector

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL	% of rental income
Logistics - France	1 032 218	28	45,1	45,0	-0,2%		53%
Logistics - Germany	204 170	7	8,7	8,9	2,5%		10%
Light Industrials	234 212	4	17,7	17,1	-3,7%		20%
Garonor	305 523	1	15,1	14,2	-5,9%		17%
Total	**1 776 123**	**40**	**86,6**	**85,2**	**-1,6%**	**-1,2%**	**100%**

2011 rental income amounted to €85.2 million, down 1.6% compared to 2010 due to:

- The disposal of building 22 in Aulnay (-€0.2 million)
- The Aulnay development (-€0.2 million)
- Indexation (+€4.4 million)
- Entering-departing tenants (-€1.5 million)

-1.2% like-for-like

Geographical distribution

(€ million)	Surface (sq.m)	Number of assets	Rental income 2010	Rental income 2011	Change (%)	Change (%) LFL	% of rental income
Paris CBD	0	0	0,0	0,0	na		0%
Paris excl. CBD	85 421	3	10,7	10,4	-2,1%		12%
Inner suburbs	213 620	2	10,8	9,9	-8,8%		12%
Outer suburbs	711 817	12	36,8	35,7	-3,0%		42%
Total Paris Region	**1 010 858**	**17**	**58,3**	**56,1**	**-3,9%**		**66%**
Nord Ouest	69 609	4	3,3	3,4	5,6%		4%
Rhône-Alpes	323 910	9	10,6	10,4	-2,0%		12%
PACA	167 576	3	5,7	6,4	12,2%		7%
Germany	204 170	7	8,7	8,9	2,5%		10%
Total	**1 776 123**	**40**	**86,6**	**85,2**	**-1,6%**	**-1,2%**	**100%**

2. ANNUALISED RENTAL INCOME

Breakdown by business sector

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)	% of rental income
Logistics - France	1 032 218	28	46	47,1	1,8%	54%
Logistics - Germany	204 170	7	9	9,2	0,3%	11%
Light Industrials	234 212	4	18	17,8	1,6%	20%
Garonor	305 523	1	15	12,9	-14,7%	15%
Total	**1 776 123**	**40**	**88**	**87,0**	**-1,2%**	**100%**

Regional breakdown IDF represents 65% of rental income

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)	% of rental income
Paris CBD	0	0	0	0,0	na	0%
Paris excl. CBD	85 421	3	11	10,9	0,5%	13%
Inner suburbs	213 620	2	11	10,4	-0,9%	12%
Outer suburbs	711 817	12	37	35,4	-4,4%	41%
Total Paris Region	1 010 858	17	58	56,7	-2,8%	65%
Nord Ouest	69 609	4	4	3,5	-0,2%	4%
Rhône-Alpes	323 910	9	11	10,8	1,1%	12%
PACA	167 576	3	6	6,8	7,2%	8%
Germany	204 170	7	9	9,2	0,3%	11%
Total	**1 776 123**	**40**	**88**	**87,0**	**-1,2%**	**100%**

Breakdown by tenant The ten largest accounts represent 34% of rental income

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income 2010	Annualised rental income 2011	Change (%)	% of rental income
Kuehne + Nagel	127 443	5	5,496	6,4	16,5%	7%
La Poste	65 840	5	3,843	3,9	1,3%	4%
Geodis	49 091	5	3,189	3,7	17,3%	4%
DHL	66 436	4	3,775	3,3	-13,4%	4%
Castorama	86 824	1	3,2	3,2	0,0%	4%
Volkswagen	45 033	1	2,21	2,2	0,0%	3%
Vente-privée.com	36 084	2	2,0	2,0	0,2%	2%
Easydis	40 846	1	1,774	1,8	2,0%	2%
Décathlon	32 500	1	1,708	1,7	2,0%	2%
Toys'R'us	24 939	1	1,496	1,5	0,0%	2%
Total	**575 036**	**26**	**28,6**	**29,7**	**3,7%**	**34%**

3. INDEXATION

The indices used for calculating rent indexation are the Cost of Construction in France and the Consumer Price Index in Germany. Of the total portfolio, some fifteen tenants have a restricted indexation, ranging for the most part between 1.5% and 3.5%.

4. RENTAL BUSINESS

The rental business was buoyant in 2011, with leases signed for around 261,000 m² and €12.4 million in rent as follows:

(€ million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/m²)
Vacating	202 327	11,1	55
Letting	217 529	10,3	49
Renewal	43 935	2,1	47

For 2011, by portfolio:

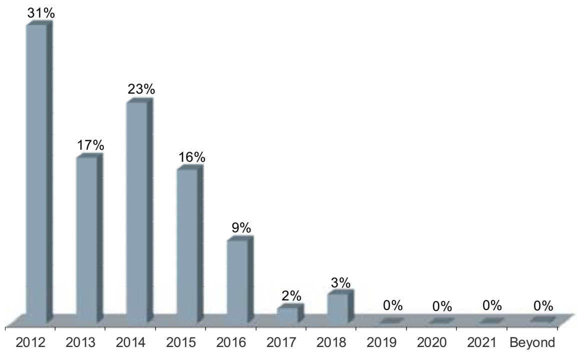
- 12.3% of Logistics rents were renegotiated or renewed, i.e. €6.9 million in annual rental income
- 14.6% of Business Premises rents were renegotiated or renewed, i.e. €2.6 million in annual rental income
- 12.8% of rents at Garonor Aulnay were renegotiated or renewed, i.e. €1.6 million in annual rental income

5. EXPIRY SCHEDULE AND VACANCIES

Lease expiry schedule 2 years, 2 months of firm residual lease term

The firm residual term of current leases is 2 years 2 months (2 years 7 months for Logistics, 1 year 10 months for Business Premises and 1 year 10 months at Garonor Aulnay) as at 31 December 2011, with the following profile:

(€ million)	By lease end date	% of total
2012	26,9	31%
2013	14,9	17%
2014	19,9	23%
2015	13,8	16%
2016	7,5	9%
2017	1,3	2%
2018	2,6	3%
2019	0,0	0%
2020	0,0	0%
2021	0,0	0%
Beyond	0,1	0%
Total	**87,0**	**100%**



Vacancy rate and type: improvement in occupancy rates to 91.4%

In the operating portfolio, the financial vacancy rate stood at 8.6% at 31 December 2011 compared to 10.4% at 31 December 2010. The improvement in vacancy rate arises from signing new leases primarily in Pantin, Saint Quentin Fallavier, Bollène, Genas and Saint Ouen l'Aumône By segment, financial vacancy in the operating portfolio is as follows:

(%)	2010	2011
Logistics - France	11,5%	8,5%
Logistics - Germany	0,6%	1,0%
Light Industrials	12,6%	9,9%
Garonor	9,9%	11,9%
Total	**10,4%**	**8,6%**

6. UNPAID RENT

(€ million)	2010	2011
As % of annualised rental income	6,1%	3,7%
In value	5,4	3,2

Unpaid rent as at 31 December 2011 was €3.2 million, down compared to 31 December 2010.

7. DISPOSALS AND DISPOSAL AGREEMENTS:

(€ million)	Disposals	Sales agreements	Total	Margin vs values at 2010	Yield ED
Tri-Postal	8,7		8,7	0,0%	0,0%
La Halle Sernam	9,5		9,5	0,0%	0,0%
B22 Garonor Aulnay	17,0		17,0	6,3%	8,7%
Total	**35,2**	**0,0**	**35,2**	**2,9%**	**4,2%**

Foncière Europe Logistique sold three properties in 2011:

- Tripostal on 7 March 2011 for €8.7 million,
- Halle Sernam on 13 December 2011 for €9.5 million,
- Building 22 in Aulnay for €17 million.

8. DEVELOPMENT PROJECTS

Foncière Europe Logistique launched two large projects in 2011:

- Renovation of Citrail in Pantin (149,000 m²) for a total budget of €23.7m and delivery planned for the end of 2012.
- Redevelopment of Garonor: Three off-plan lease agreements (BEFA) signed in 2011 with Transport Vaquier (9,190 m²), AFT Iftim (1,750 m²) and Agora (16,355m²), marking the start of the redevelopment of the South portion of the site for a total budget of €19 million and delivery planned for 2012 and early 2013.

In addition, it owns two plots of land in Bollène and Dunkirk, where building construction will begin as and when they are marketed.

Committed projects

Projects	Location	Area	Surface (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget (M€)
Garonor N01 Vaquier	Aulnay sous bois	Paris Regions	9 190	2012	60	100%	8,2
Garonor AFT IFTIM	Aulnay sous bois	Paris Regions	1 765	2012	164	100%	3,5
Garonor N02 Phase 1	Aulnay sous bois	Paris Regions	16 355	2012	61	100%	11,7
Total			**27310**			**0,0%**	**23,31209**

Projects managed

Projects	Location	Area	Surface (sq.m)	Delivery timeframe
Garonor N02 Phase 2	Aulnay sous bois	Paris Regions	25 073	2014
Garonor N03	Aulnay sous bois	Paris Regions	43 950	2013
Garonor N06	Aulnay sous bois	Paris Regions	5 580	2013
Bollène	Bollène	Regions	70 000	2013
Total			**144 603**	

9. PORTFOLIO VALUATION

Change in assets

(€ million)	Value ED 2010	Value adjustment	Acquisitions	Disposals	Invest.	Value ED 2011
Logistics - France	622,4	-6,4	0,0	0,0	3,8	619,8
Logistics - Germany	107,8	-1,2	0,0	0,0	0,6	107,2
Light Industrials	232,3	-4,7	0,0	0,0	9,3	236,9
Garonor	200,2	-2,7	0,0	-16,0	2,1	183,5
Assets in operating	**1 162,7**	**-15,0**	**0,0**	**-16,0**	**15,7**	**1 147,4**
Triname (not in operating)	18,2	0,0	0,0	-18,2	0,0	0,0
Total	**1 180,9**	**-15,0**	**0,0**	**-34,2**	**15,7**	**1 147,4**

Change in assets on like-for-like basis

Total appraisal values reduced marginally by 0.9% like-for-like over the year for the portfolio.

The overall operating portfolio is valued on the basis of a 7.6% yield on annualised rental income as at 31 December 2011, stable compared to 31 December 2010.

(M€)	Consolidated value ED 2010	Consolidated value ED 2011	Value ED 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011	% of total value
Logistics - France	622,4	619,8	506,2	-0,8%	7,4%	7,6%	54%
Logistics - Germany	107,8	107,2	87,6	-0,6%	8,5%	8,6%	9%
Light Industrials	232,3	236,9	193,5	-1,3%	7,4%	7,5%	21%
Garonor	200,2	183,5	149,9	-0,6%	7,5%	7,4%	16%
Assets in operating	**1 162,7**	**1 147,4**	**937,1**	**-0,9%**	**7,6%**	**7,6%**	**100%**
Triname (not in operating)	18,2	0,0	0,0	0,0%	0,0%	0,0%	0%
Total	**1 180,9**	**1 147,4**	**937,1**	**-0,9%**	**7,6%**	**7,6%**	**100%**

(M€)	Consolidated value ED 2010	Consolidated value ED 2011	Value ED 2011 GS	LFL change 12 months	Yield ED 2010	Yield ED 2011	% of total value
Paris CBD	0,0	0,0	0,0	0,0%	0,0%	0,0%	0%
Paris excl. CBD	127,3	127,9	104,5	0,5%	8,5%	8,5%	11%
Inner suburbs	150,0	156,6	127,9	-2,3%	6,8%	6,7%	14%
Outer suburbs	471,5	453,0	370,0	-0,6%	7,8%	8,0%	39%
Total Paris Region	**748,8**	**737,5**	**602,4**	**-0,8%**	**7,8%**	**7,7%**	**64%**
Nord Ouest	45,0	46,1	37,7	2,5%	7,8%	7,6%	4%
Rhône-Alpes	176,8	171,4	140,0	-3,0%	6,0%	6,3%	15%
PACA	84,3	85,1	69,5	0,9%	7,6%	8,0%	7%
Germany	107,8	107,2	87,6	-0,6%	8,5%	8,6%	9%
Assets in operating	**1 162,7**	**1 147,4**	**937,1**	**-0,9%**	**7,6%**	**7,6%**	**100%**
Triname (not in operating)	18,2	0,0	0,0	0,0%	0,0%	0,0%	0%
Total	**1 180,9**	**1 147,4**	**937,1**	**-0,9%**	**7,6%**	**7,6%**	**100%**

5. FINANCIAL ITEMS AND COMMENTS

Foncière des Régions' business activity is the acquisition, ownership, administration, and leasing of developed and undeveloped properties, in particular offices, logistics warehouses, business parks, and parking lots.

Registered in France, Foncière des Régions is a public limited company with a Board of Directors with effect from the Shareholders' General Meeting of 31 January 2011 when its former corporate governance procedure comprising a supervisory board and a management board, was modified.

It is consolidated under the equity method by Delfin.

A. SCOPE OF CONSOLIDATION

At December 31, 2011, Foncière des Régions' scope of consolidation included companies located in France and five other European countries (Italy for Offices, Germany for Logistics, Portugal and Belgium for Services, and Luxembourg). The main changes in percentage of holdings over the course of the year were as follows:

Subsidairies	2010	2011
Foncière Développement Logements	34,1%	33,6%
Foncière des Murs	25,1%	26,0%
Foncière Europe Logistique	67,1%	81,7%
Beni Stabili	50,9%	50,9%
CB 21	75,0%	75,0%
Urbis Park	59,5%	59,5%
Carré Suffren	60,0%	60,0%
IBM	100,0%	100,0%

As at 31 December 2011, Foncière des Régions' average equity interest in Beni Stabili was 50.9% compared to an average interest of 59.98% as at 31 December 2010. Foncière des Régions' holding percentage in fact declined from 73.1% as at 31 December 2009 to 50.88% as at 31 December 2010, following the disposal of a portion of shares and the partial distribution of the Foncière des Régions' dividend in Beni Stabili shares.

In May 2011, Foncière des Régions acquired an additional 14.59% in Foncière Europe Logistique thus bringing its interest to 81.69% as at 31 December 2011. The average interest over the period stood at 76% compared to 61.67% in 2010.

Foncière des Régions significantly increased its equity interest in Foncière des Murs: 26% as at 31 December 2011 compared to 25.1% as at 31 December 2010.

B. ACCOUNTING PRINCIPLES

The consolidated financial statements were prepared in compliance with international accounting standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union as of the date the accounts were closed. These standards comprise IFRS (International Financial Reporting Standards) and IAS (International Accounting Standards) principles as well as their interpretations. The financial statements were approved by the Board of Directors on 22 February 2012.

The annual consolidated financial statements were prepared in compliance with IAS 1, "Presentation of Financial Statements," as adopted by the European Union.

C. EPRA INCOME STATEMENT

(€ million)	Consolidated data		GS Data		Change GS
	2010	2011	2010	2011	%
Rental income	789,7	786,9	521,3	499,7	-4,1%
Unrecovered rental costs	-23,5	-21,8	-17,2	-14,6	-15%
Expenses on properties	-9,1	-8,5	-6,0	-5,9	-2%
Net expenses on unrecoverable receivables	-5,9	-5,1	-4,2	-3,3	-21%
Net rental income	**751,0**	**751,5**	**493,9**	**475,8**	**-4%**
ratio of costs to revenues	*0,0*	*0,0*	*0,1*	*0,0*	*0,0%*
Management and administration revenues	24,2	27,5	27,0	26,3	-3%
Activity-related costs	-5,8	-4,4	-4,5	-3,5	-22%
Committed fixed costs	-76,3	-76,3	-62,4	-59,9	-4%
Development costs	-0,1	-1,2	0,0	-0,9	100%
Net cost of operations	**-58,0**	**-54,4**	**-39,9**	**-38,0**	**-5%**
Income from other activities	16,0	18,6	10,4	12,0	15%
Depreciation of operating assets	-3,2	-16,4	-2,2	-10,8	391%
Net change in provisions and other	33,8	30,2	26,3	13,7	-48%
Current operating income	**739,7**	**729,4**	**488,5**	**452,8**	**-7%**
Net income from inventory properties	-5,5	-5,3	-3,2	-2,9	-9%
Income from asset disposals	4,4	16,0	2,8	6,0	114%
Income from value adjustments	537,4	102,4	378,1	66,8	-82%
Income from disposal of securities	0,0	0,6	0,2	0,2	0%
Income from changes in scope	11,9	-0,2	12,1	-0,1	-101%
Operating income	**1287,9**	**842,9**	**878,5**	**522,7**	**-41%**
Income from non-consolidated companies	3,6	23,7	1,7	23,7	1294%
Cost of net financial debt	-341,3	-312,1	-219,4	-191,9	-13%
Value adjustment on derivatives	-76,2	-117,8	-52,0	-52,8	2%
Discounting of liabilities and receivables	-6,9	-2,8	-4,3	-2,8	-35%
Net change in financial and other provisions	-23,7	-29,3	-15,4	-19,6	27%
Share in earnings of affiliates	41,7	62,1	40,1	61,3	53%
Pre-tax income	**885,0**	**466,6**	**629,2**	**340,6**	**-46%**
Deferred tax	32,8	26,7	25,8	22,0	-15%
Corporate income tax	-46,4	-24,4	-27,8	-13,2	-53%
Net income for the period	**871,4**	**468,9**	**627,2**	**349,5**	**-44%**
Minority interests	-244,2	-119,4	0,0	0,0	0%
Net income for the period	**627,2**	**349,5**	**627,2**	**349,5**	**-44%**

Rental income

In group share, rental income declined 4.1% to €50 million (down from €521 million) primarily due to the lower equity interest in Beni Stabili.

The commissioning of the CB 21 Tower in the second half of 2010 (+9.3 million in 2011), the effect of Carré Suffren's rental income (+€6.7 million), the acquisitions of the Degrémont head office (Rueil Malmaison) and the Issy Grenelle property (+€3.3 million) partially offset the effect of sales and vacancy of the France Office business.

The increase in equity interest in Foncière Europe Logistique in May 2011 furthermore increased rental income by €7 million in group share for the year. Rental income for the Service Sector segment was stable due to a significant increase in rents from the Hotel segment which offset the lower sales.

In consolidated data, rental income was down 0.3% (-€2.7 million).

- Service-Sector Premises: +€0.1 million
- Italy Offices: +€1.8 million (+ 0.8%)
- Offices France: +€3.3 million (- 1.1%)
- Logistics and Business Premises: +€1.4 million (- 1.6%)

Operating costs

	2010		2011		Change (%)	
(€ million)	**GS**	**Total**	**GS**	**Total**	**GS**	**Total**
Management and administration revenues	27,0	24,2	26,3	27,5	-2,6%	13,6%
Activity-related costs	-4,5	-5,8	-3,5	-4,4	-22,2%	-24,1%
Committed fixed costs	-62,4	-76,3	-59,9	-76,3	-4,0%	0,0%
Development costs	0,0	-0,1	-0,9	-1,2	na	1100,0%
Total Net operating costs	**-39,9**	**-58,0**	**-38,0**	**-54,4**	**-4,8%**	**-6,2%**

Group share 2011 net operating costs amounted to €38.0 million (€54.4 million consolidated total), down 6% from €39.9 million in 2009 (€57.9 million consolidated total).

Group share of management and administration income includes primarily services charged to subsidiaries (for the minority interests share), property management fees, services delivered by fund management subsidiary Beni Stabili Gestioni SGR, and asset management fees.

Overheads, which were down 4% (in group share) as a result of our cost control efforts, consist primarily of payroll, consultancy fees, statutory auditors fees, costs of premises, communications and information technology.

Other income

Other income comprises €16 million from car parks (€9.4 million in group share compared to €8.2 million in 2010) and €2.6 million from finance leases. The car parks business produced additional income totalling €9.3 million following the acquisition of SPF group in December 2010 and an increase of approximately 7% in revenues from existing car parks.

Depreciation and provisions

Depreciation and provision charges over the year consist primarily of depreciation on operating buildings and car parks.

Adjustment in fair value of assets

The income statement shows the value adjustments for assets based on the appraisals carried out on the portfolio. For 2011, the adjustment in fair value of investment assets was positive, with €66.8 million in Group share (€102.4 million in consolidated figures) compared to €378.1 million in Group share in 2010 (€537.4 million).

Operating profit, Group share, came in at €522.8 million compared to €878.5 million in 2010.

Financial aggregates

Financial expenses totalled €191.9 million in Group share (compared to €219.4 million) and €312.1 million on a consolidated basis (compared to €341.3 million). This sharp decline was primarily the result of debt reduction and a lower cost of debt following the issue of ORNANE bonds (redeemable in cash and/or new shares) in the first half of 2011.

The fair value adjustment on financial instruments was €52.8 million in Group share (-€117.8 million on a consolidated basis) as at 31 December 2011 compared to -€52 million in Group share (-€76.2 million on a consolidated basis) as at 31 December 2010. This followed the decline in long-term interest rates between the two years.

Share of earnings of associated companies

Companies	% interest	Value 2011	Contribution to earnings	Value 2010	Change (%)
Foncière Développement Logements	33,63%	452,9	33,7	419,2	8,0%
Altarea*	12,06%	0,0	27,7	107,6	-100,0%
OPCI Foncière des Murs	19,90%	61,1	0,5	21,1	189,6%
Other equity interests		9,4	0,2	8,7	8,0%
Total	**0,0%**	**523,3**	**62,1**	**556,6**	**-6,0%**

*out of the scope of consolidation in 31/122011

Taxation

The tax recorded corresponds to:

- Foreign companies not covered by any specific real estate taxation system
- French subsidiaries that have not opted for the SIIC real estate taxation system,
- French SIIC-system or Italian subsidiaries with a taxable business

Net recurring EPRA income

(€ million) GS	2010	2011	Change	%
Net rental income	493,9	475,8	-18,1	-3,7%
Net operating costs	-37,9	-36,4	1,5	-4,0%
Income from other activities	10,4	12,0	1,6	15,4%
Net change in provisions and other	0,0	-0,3	-0,3	
Cost of net financial debt	-202,7	-192,5	10,2	-5,0%
Recurrent net income from equity affiliates	37,2	33,7	-3,5	-9,4%
Recurrent tax	-23,0	-4,2	18,8	-81,7%
EPRA recurrent net income	**277,8**	**288,1**	**10,3**	**3,7%**
EPRA recurrent net earnings per share	**5,33**	**5,23**	**-0,1**	**-1,9%**
Fair value adjustment on real estate assets	378,1	66,8	-311,3	-82,3%
Other asset value adjustments	2,9	27,6	24,7	851,7%
Fair value adjustment on financial instruments	-52,0	-52,8	-0,8	1,5%
Other	-0,6	6,8	7,4	-1233,3%
Non-recurrent tax	21,0	13,0	-8,0	-38,1%
Net income	**627,2**	**349,5**	**-277,7**	**-44%**

	Net income GS	Restatements		EPRA recurrent net income
Net rental income	**475,8**	**0,0**		**475,8**
Operating costs	**-38,0**	**1,6**		**-36,4**
Income from other activities	12,0	0,0		12,0
Depreciation of operating assets	-10,8	10,8		0,0
Net change in provisions and other	13,7	-14,1		-0,3
Current operating income	**452,8**	**-1,7**		**451,1**
Net income from inventory properties	-2,9	2,9		0,0
Income from asset disposals	6,0	-6,0		0,0
Income from value adjustments	66,8	-66,8		0,0
Income from disposal of securities	0,2	-0,2		0,0
Income from changes in scope	-0,1	0,1		0,0
Operating income	**522,7**	**-71,7**		**451,1**
Income from non-consolidated companies	23,7	-23,7		0,0
Cost of net financial debt	**-191,9**	**-0,6**		**-192,5**
Value adjustment on derivatives	-52,8	52,8		0,0
Discounting of liabilities and receivables	-2,8	2,8		0,0
Net change in financial provisions	-19,6	19,6		0,0
Share in earnings of affiliates	**61,3**	**-27,6**	(a)	**33,7**
Pre-tax net income	**340,6**	**-48,4**		**292,3**
Deferred tax	22,1	-22,1		0,0
Corporate income tax	**-13,3**	**9,1**		**-4,2**
Net income for the period	**349,5**	**-61,3**		**288,2**

(a) Non cash amount from the result of affiliates

D. Balance Sheet

Consolidated balance sheet (EPRA format)

(€ million)	2010	2011		2010	2011
Non-current assets	0	0,0	Shareholders' equity	0,0	0,0
			Capital	164,8	164,8
Intangible assets	165,0	160,5	Additional paid-in capital	2 261,9	2 144,9
	0,0	0,0	Treasury stock	-4,8	-32,5
Tangible assets	157,2	127,7	Consolidated reserves	815,1	1 306,2
Investment properties	11 801,6	11 517,5	Earnings	627,2	349,5
			Total shareholders' equity Group share	**3 864,3**	**3 932,9**
Financial assets	87,6	228,8	Minority interests	2 163,4	2 107,1
Equity affiliates	556,6	523,3	**Total shareholders' equity (I)**	**6 027,7**	**6 040,0**
Deferred tax assets	29,2	46,8			
Financial instruments	34,8	13,5	Non-current liabilities	0,0	0,0
			Long-term borrowings	6 893,0	6 430,5
			Financial instruments	563,7	715,1
Total non-current assets (I)	**12 832,1**	**12 618,1**	Deferred tax liabilities	144,2	134,9
Current assets	0,0	0,0	Pension and other liabilities	2,9	3,0
Assets held for sale	0	0,0	Other long-term debt	11,5	79,0
Loans and finance lease receivables	999,2	1 283,1	**Total non-current liabilities (III)**	**7 615,4**	**7 362,5**
Inventories and work-in-progress	8,1	4,4	Current liabilities	0,0	0,0
Trade receivables	98,6	93,1	Liabilities held for sale	0,0	0,0
Current tax	150,4	202,3	Trade payables	94,2	88,7
Other receivables	3,1	0,9	Short-term borrowings	589,2	845,4
Accrued expenses	183,1	203,8	Tenant security deposits	9,6	2,7
Cash and cash equivalents	11,9	14,3	Advances and deposits received on current orders	46,5	97,1
			Short-term provisions	56,8	18,1
			Current tax	8,7	10,4
			Other debt	209,3	131,8
Total current assets (II)	**0,0**	**0,0**	Accruals	44,0	45,3
			Total current liabilities (IV)	**1 058,2**	**1 239,5**
Total assets (I+II+III)	**14 701,3**	**14 642,0**	**Total liabilities (I+II+III+IV)**	**14 701,3**	**14 642,0**

Simplified Consolidated Balance Sheet

Assets	2011	Liabilities	2011
Fixed assets	12 618	Shareholders' equity	3 933
Current assets	519	Minority interests	2 107
Cash	222	**Shareholders' equity**	**6 040**
Non-current assets held for sale	1 283	Borrowings	7 276
		Financial instruments	715
		Deferred tax liabilities	135
	0	Other liabilities	476
Total	**14 642**	**Total**	**14 642**

Simplified Group Share Balance Sheet

Assets	2011	Liabilities	2011
Fixed assets	8 474	Shareholders' equity	3 933
Equity affiliates	477	Borrowings	4 705
Deferred tax assets	24	Financial instruments	437
Financial instruments	8	Deferred tax liabilities	75
Cash	134	Other	342
Other	375		0
Total	**9 492**	**Total**	**9 492**

Shareholders' equity

Consolidated shareholders' equity (Group share) rose from €3,864 million at 31 December 2010 to €3,933 million at 31 December 2011, up €69 million, due primarily to:

- Income for the period +€349 million
- Impact of the 2010 dividend distribution: -€231 million
- Financial instruments in shareholders' equity -€33 million
- Treasury shares -€28 million
- Impact of the increase in the equity interest in FEL +€10 million

Net debt

The Group's total financial debt stood at €4,705 million in Group share or €7,276 million on a consolidated basis. Net debt at 31 December 2011 was €4,571 million in Group share (€7,054 million on a consolidated basis) compared to €4,358 million in Group share at 31 December 2010 (€7,067 million on a consolidated basis at 31 December 2010).

Other debt

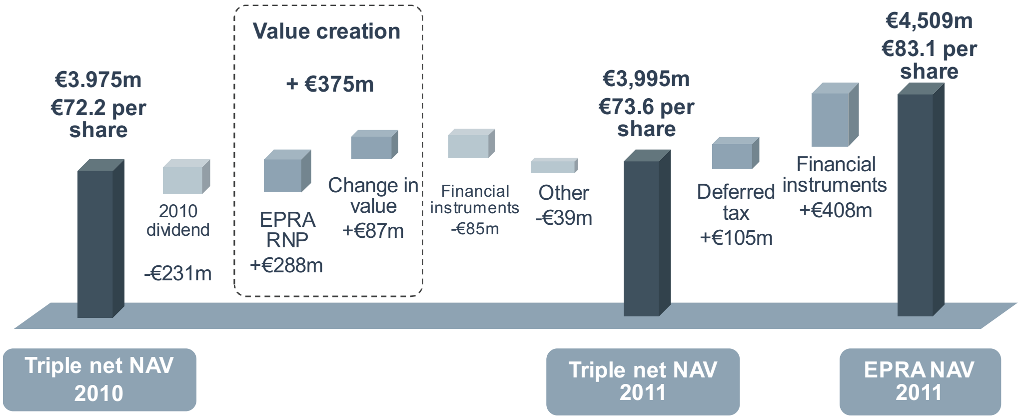
Other current and non-current debt notably include financial instrument liabilities (€715 million or €437 million in Group share) and deferred tax of foreign and non-SIIC companies (€135 million or €75 million in Group share).

Capitalised interests

Financial charges on assets in development are capitalised over the works period until commissioning. At the end of 2011, capitalised interest on assets under development totalled approximately €20 million included in the fair value of the properties of €390 million.

6. NET ASSET VALUE (NAV)

	2010	2011	Change vs 2010	Change (%) vs 2010
EPRA NAV (€ million)	**4 447,8**	**4 508,8**	**61,0**	**1,4%**
EPRA NAV / share (€)	80,8	83,1	2,3	2,8%
EPRA triple net NAV (€ million)	**3 974,8**	**3 995,1**	**20,3**	**0,5%**
EPRA triple net NAV / share (€)	72,2	73,6	1,4	1,9%



These calculations were made in accordance with IFRS rules, based on the number of shares outstanding at 31 December 2011, corrected for the dilution effect. The potential dilution results from free shares.

	(€ million)	€/share
Shareholders' equity	**3 932,9**	**72,5**
	0,0	0,0
Fair value assessment of buildings (operation + inventory)	12,2	0,2
Fair value assessment of parking facilities	28,8	0,5
Fair value assessment of goodwill	10,3	0,2
BS inflation swap	-19,6	0,1
Restatement of value ED	30,5	0,6
EPRA triple net NAV	**3 995,1**	**74,2**
Financial instruments	487,3	8,5
Deferred tax	104,9	1,9
ORNANE	-78,5	-1,4
EPRA NAV	**4 508,8**	**83,1**

The real estate portfolio held directly by the Group was fully valued at 31 December 2011 by appraisers who are members of AFREXIM, including: DTZ Eurexi, CBRE, JLL, Atis Real based on standard specifications developed by the company in line with industry practices.

Assets are estimated at their value excluding and/or including transfer costs, and lease payments at market value. The estimates are based on the comparison method, the rental income capitalisation method and the discounted cash flow method.

Car parks are valued by capitalising the EBITDA generated by the business.

Other assets and liabilities are valued based on IFRS values from the consolidated financial statements; the application of fair value related primarily to the valuation of hedges on the debt. The level of exit tax is known and incorporated into the financial statements for all the companies that have opted for the tax transparency system.

For companies held together with other investors, only the Group share has been taken into account.

Principal adjustments made:

Fair valuation of buildings and goodwill

In accordance with IFRS, operating buildings, buildings under development -- except those covered by IAS 40 (revised) - and buildings in inventory are valued at historical cost. To take the appraisal value into consideration, a value adjustment has been made to the NAV for a total of €12.2 million.

Since goodwill is not valued in the consolidated financial statements, an adjustment is made to the NAV to recognise its fair value (as calculated by the appraisers) amounting to €10.3 million at 31 December 2011.

Fair valuation of car parks

Car parks are valued at historical cost in the consolidated financial statements. In the NAV, an adjustment is applied to factor in the appraised value of these properties, as well as the impact of land leases and subsidies received in advance. The impact on NAV at 31 December 2011 was €28.8 million.

Recalculation of the base excluding transfer fees for certain assets

When the company, rather than the assets it holds, can be sold off, transfer fees are recalculated based on the company's net asset value. The difference between the recalculated transfer fees and the transfer fees already deducted from the value of the assets led to a €30.5 million adjustment at 31 December 2011.

7. FINANCIAL RESOURCES

A. MAIN CHARACTERISTICS OF DEBT

GS	2009	2010	2011
Net debt, Group share (€ million)	5 334	4 358	4 571
Average annual rate of debt	4,60%	4,39%	4,20%
Spot rate at 31 December	4,63%	4,23%	4,04%
Average maturity of debt (in years)	4,1	3,4	3,3
Debt hedging rate (swap + fixed rate)	87%	85%	89%
Average maturity of hedging	4,8	5,3	5,3
LTV*	**55,6%**	**49,0%**	**49,3%**
ICR	**2,06**	**2,28**	**2,48**

*LTV inclued transfert duties : 47,1%

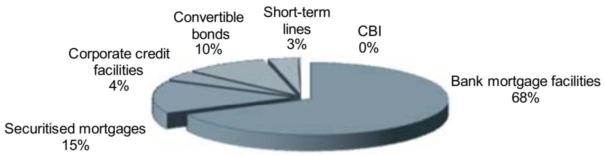
1. DEBT BY TYPE

As at 31 December 2011, Foncière des Régions' gross debt stood at €4.7 billion in Group share (€7.3 billion on a consolidated basis).

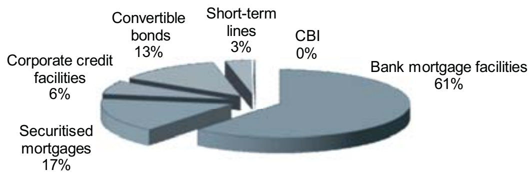
The majority of Foncière des Régions' consolidated debt is based on mortgage loans raised as and when portfolios or property assets are acquired.

The bond component of the debt rose sharply in 2011 with the issuance of a first €550 million ORNANE bond by Foncière des Régions in May 2011.

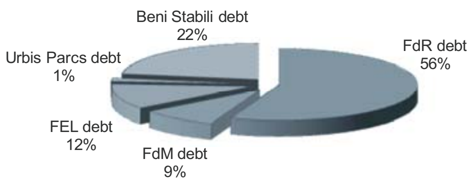
The bond component represents €665 million in Group share which is 13% of the Group share debt as at 31 December 2011.



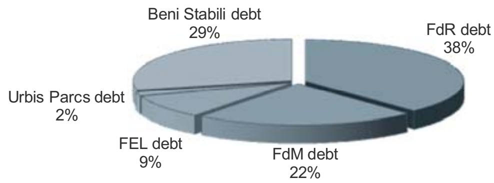
Gross consolidated debt



Group share debt



Gross consolidated debt per company



Group share debt per company

In addition, at the end of 2011, Foncière des Régions' cash totalled close to €700 million in Group share (€1 billion on a consolidated basis).

2. DEBT MATURITY

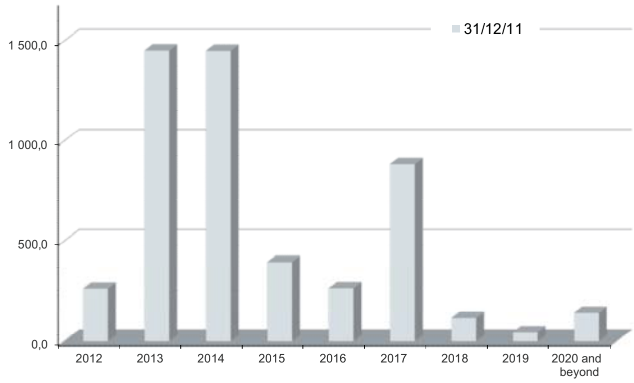
The average duration of the Foncière des Régions' debt was 3.3 years as at 31 December 2011.

The main maturity dates of the debt are in 2013 and 2014 with respectively €1,450 million in Group share (€1,855 million on a consolidated basis) and €1,448 million in Group share (€2,690 million on a consolidated basis).

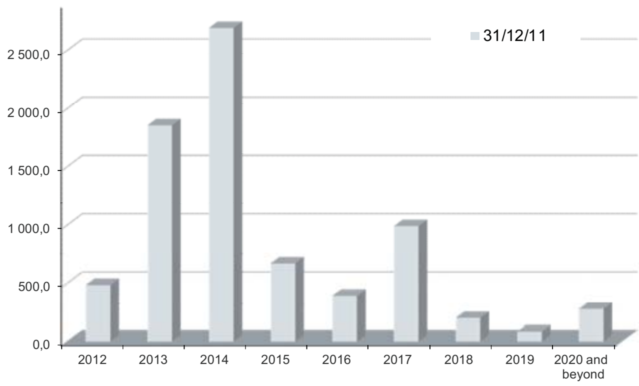
These debt repayments concern primarily Foncière des Régions in 2013 (€1,151 million in Group share) and Foncière des Murs and Foncière Europe Logistique in 2014 (together €943 million in Group share).

The 2012 repayments are lower amounting to €261 million in Group share (€485 million on a consolidated basis), concerning mostly Beni Stabili (€209 million in Group share and €412 million on a consolidated basis)>

The following chart summarises the due dates for debt repayments in Group share.



The following chart summarises the due dates for consolidated debt repayments (i.e. the total liability).



3. PRINCIPAL CHANGES OVER THE YEAR

■ New debt

- Financing of the B&B acquisition by Foncière des Murs

In January 2011, debt of €8.3 million in Group share (€33 million on a consolidated basis) with a 10-year maturity was raised by Foncière des Murs for the acquisition of 18 B&B hotels in Germany.

- Foncière des Régions ORNANE bond issue

In May 2011, Foncière des Régions issued a convertible bond maturing in January 2017 amounting to €550 million. This long-term bond (5.5 years) enables the Company, in addition to diversifying its financial resources, to lower the overall cost of its debt (3.34% coupon). With this bond issue the Company was able to redeem more than €450 million in debt maturing in 2011-2012.

- Refinancing of the Carré Suffren building

The refinancing of the Carré Suffren debt was launched in early July 2011 (€72 million in Group share maturing at the end of 2011 and €121 million on a consolidated basis) through a new facility of €84 million in Group share (€140 million on a consolidated basis) with a duration of 7 years.

- Corporate financing

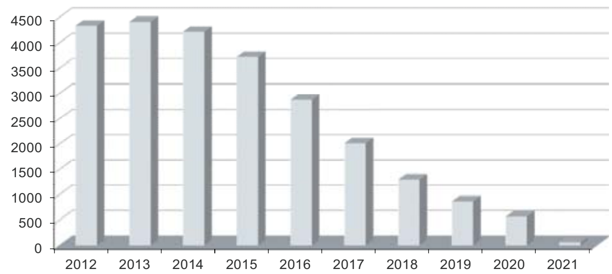
In the second half of 2011, Foncière des Régions concluded several corporate unsecured bilateral revolving loans amounting to €325 million in total.

B. HEDGING INTEREST RATE RISKS AND COST OF DEBT

1. HEDGING PROFILE

The framework for the hedging policy did not change in the first half of 2011, with 100% of debt hedged, including at least 75% based on firm hedges, all maturing after the maturity of the debt.

Based on net debt at 31 December 2011, Foncière des Régions is 89% firm hedged (Group share) compared to 85% at the end of 2010, and 100% in total (91% on the basis of active hedging), unchanged from the end of 2010. The average term of hedging is 5.3 years in Group share (and likewise 5.3 years on a consolidated basis), 2 years longer than the average term of debt, in line with the Group’s objectives.



2. AVERAGE DEBT INTEREST RATE AND SENSITIVITY

The average interest rate of Foncière des Régions’ bank debt came to 4.20% on a Group share basis, compared to 4.39% in 2010. This decrease can be explained primarily by hedge restructuring carried out in 2010 which made it possible to take advantage of low interest rates (3-month EURIBO rate averaging 1.25% in the first half of 2011), the ORNANE bond issue at 3.34% as well as a lower average margin (0.86% in 2011 compared to 0.96% in 2010).

For reference, a 50 bp drop in the 3-month Euribor rate would have a €2.3 million positive impact on 2012 recurring net profit. There would be a €2.2 million negative impact in the event of a 50 bp increase in rates, i.e. around 0.8% of 2011 recurring net profit.

C. FINANCIAL STRUCTURE

Excluding debt raised that is not secured on the Group's real estate, the debt of Foncière des Régions and its subsidiaries is generally subject to bank covenants (ICR and LTV) applying to the consolidated financial statements which, in the event of non-compliance, would be liable to constitute a case of early repayment of the debt. These covenants are based on Group share for Foncière des Régions, and on consolidated figures for its subsidiaries.

As at 31 December 2011, the most restrictive LTV covenants totalled 60% of Foncière des Régions debt and 65% of Foncière des Murs and Foncière Europe Logistique debt. Beni Stabili debt is only occasionally subject to a consolidated LTV covenant (only five loans representing less than 17% of Beni Stabili consolidated debt are covered by such a covenant, for which the threshold ranges from 60% to 75%).

The threshold of consolidated ICR covenants varies between real estate companies, specifically depending on their asset classification, and they may vary between loans within the same real estate company depending on debt repayment priority:

- Foncière des Régions: 200%
- Foncière des Murs: 200%
- Foncière Europe Logistique: 125% to 150%
- Beni Stabili: 140% (applicable to 17% of Beni Stabili debt)

These financial covenants were in compliance as at 31 December 2011.

The consolidated ratios of Foncière des Régions as at 31 December 2011 stood at 49.3% for LTV Group share and at 248% for ICR Group share (compared to 49% and 228% respectively as at 31 December 2010 and 50.4% and 279% as at 30 June 2011).

LTV calculation details

(€ million)	2010	2011
Net book debt	4 358	4 649
Receivables on disposals	-187	-334
Security deposits received	-7	-22
Finance lease-backed debt	-17	-8
Net debt	**4 147**	**4 285**
Appraised value of real estate assets	8 042	8 354
Preliminary sale agreements	-187	-334
Financial assets	42	188
Goodwill	13	10
Share of equity affiliates	557	477
Value of assets	**8 466**	**8 695**
LTV*	**49,0%**	**49,3%**

*LTV inclued transfert duties : 47,1%

8. FINANCIAL INDICATORS FOR THE PRINCIPAL SUBSIDIARIES

	Foncière des Murs			Fonciere Europe Logistique		
	2010	2011	Change (%)	2010	2011	Change (%)
Recurrent net income (€ million)	107,2	120,8	12,7%	34,4	39,5	14,7%
Recurrent net income (€/share)	**2,10**	**2,14**	**1,9%**	**0,30**	**0,34**	**14,4%**
EPRA NAV (€/share)	25,0	27,0	8,0%	4,37	4,35	-0,3%
EPRA triple net NAV (€ million)	**21,6**	**22,6**	**4,6%**	**3,53**	**3,15**	**-10,5%**
% of capital held by FDR	25,1%	26,0%		67,1%	81,7%	
LTV	54,3%	48,4%		57,6%	55,8%	
ICR	2,31	2,58		2,05	2,28	

	Beni Stabili			Foncière Développement Logements		
	2010	2011	Change (%)	2010	2011	Change (%)
Recurrent net income (€ million)	45,3	87,2	92,7%	63,7	68,8	8,0%
Recurrent net income (€/share)	**0,0**	**0,0**	**91,7%**	**1,0**	**1,0**	**3,0%**
EPRA NAV (€/share)	1,2	1,2	-3,7%	22,9	23,0	0,4%
EPRA triple net NAV (€ million)	**1,0**	**1,0**	**-3,6%**	**19,0**	**19,4**	**2,1%**
% of capital held by FDR	0,5	0,5		0,3	0,3	
LTV	0,5	0,5		0,5	0,5	
ICR	1,7	1,8		1,9	2,1	

* Including margins on sales

9. DEFINITIONS, ACRONYMS AND ABBREVIATIONS USED

Rental income

- Receipted rent corresponds to gross rental income accounted for over the year by taking into account deferment of any relief granted to tenants, in accordance with IFRS.
- Receipted rent on a like-for-like basis can be used to compare the rental income from one year with that of the next year before changes in the portfolio (e.g. acquisitions, disposals, construction work, delivery of developments, etc.)
- Annualised rental income corresponds to gross rental income for a full year based on assets held at year end and not impacted by any relief

Operating assets

Properties leased or available for rent and actively marketed

Vacant property

The vacancies listed correspond to spot financial vacancies at the year end concerning operating assets adjusted for available assets under pre-sale agreements, calculated in accordance with the following formula:

$$\frac{\text{Total vacant space x market rental value}}{\text{Gross annualised rent + Total vacant space x market rental value}}$$

Yields/return

- Portfolio yields or return are calculated according to the following formula:

$$\frac{\text{Gross annualised rent (not corrected for vacancy)}}{\text{Value excl. transfer fees for the relevant scope (operating or development)}}$$

- Yields on assets sold or acquired are calculated with the following formula:

$$\frac{\text{Gross annualised rent (not corrected for vacancy)}}{\text{Acquisition or disposal value excl. transfer fees}}$$

Cost of development projects

This indicator is calculated excluding interest costs. It includes the costs of the property (at appraised value before construction) and costs of construction

Like-for-like change in value

This indicator is calculated based on operating assets at the year end, restated for acquisitions, disposals, construction work, delivery of developments, etc.

Loan To Value

The LTV calculation is presented in detail in section 7 “Financial resources”

Debt interest rate

- Average rate:

$$\frac{\text{Interest costs on bank debt in the year} + \text{financial expense of hedging for the year}}{\text{Average bank debt outstanding in the year}}$$

- Spot rate: Definition equivalent to average interest rate over a period of time restricted to the last day of the period

Definition of acronyms and abbreviations used:

- GS: Group share
- LFL: Like-for-like
- ED: Excluding duties
- MRC: Major Regional Cities, i.e. Bordeaux, Grenoble, Lille, Lyon, Metz, Aix Marseille, Montpellier, Nantes, Nice, Rennes, Strasbourg, Toulouse
- CBD: Central Business District
- PACA: Provence Alpes Cote d'Azur
- VLM: Market Rental Value

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