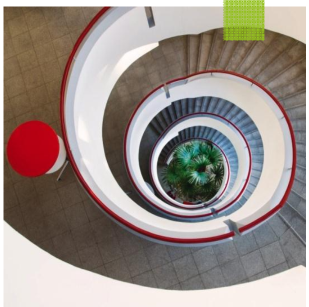
ú16 bn
of portfolio
in total share



ñIn a difficult economic environment, Foncière des Régionsô positioning in growth markets and its model as a real estate partner to Key Accounts has allowed us a good rental activity in the first half, as well as solid results.ò

Christophe Kullmann ï Chief Executive Officer

FONCIERE DES REGIONS

The relevance of the partnership model

Good rental activity in the 1st half of 2013

- Increase in rental revenues: + 1.5% like-for-like
- Extending of 25% of Offices France leases
- Occupancy rate greater than 95%

Continued portfolio transformation

- ú321 million in new disposals agreements
- Delivery of 3 new assets already leased and launch of 5 new real estate projects
- ú1.4 billion pipeline o/w ú524 million committed and 72% pre-let

Reinforced presence in Germany with Public Exchange Offer under way on FDL

- Acquisition on the order of ú1 billion, reflecting a 10% discount on the FDL NAV
- Exposure in Germany increased from 9% to 14%

Solid results

- EPRA Recurring Net Income: ú149.3 million, + 0.8%
- EPRA NAV of ú76.3 per share
- Increase in EPRA NNNAV by 0.3% to ú67.1 per share

Significant activity ï Sustainable rental revenues

Good rental activity

During this first half, rental activity was sustained with some 25% of Offices France leases being extended by 5 years on average.

Foncière des Régions signed an agreement with Orange concerning 20% of the assets occupied by this tenant. This agreement provides an extension of the leases for 61 properties until 2019 (+6 years). Dassault Systèmes renewed its lease for its DS Campus headquarters in Vélizy-Meudon until 2025 (+5 years), and also signed the construction of a 5th building (turn-key) on the site. These achievements demonstrate Foncière des Régionsô partnership approach perfectly**.**

Continued asset rotation: ú321 million in disposals, delivery of 3 new assets already leased and launch of 5 new real estate projects, of which 4 are pre-leased

Continuing its ambitious strategy of active asset rotation, Foncière des Régions made ú321 million in new disposals and disposal agreements (pro forma). These disposals were made in line with the appraisal values at the end of 2012. Taking into account the disposal agreements already signed in 2012, the total volume of disposals and disposal agreements reached ú665 million.

At the same time, 3 real estate projects were delivered 100% leased: Le Patio (12,755 sq. m in Lyon), Pégase (4,580 sq. m in Clichy) and the Garibaldi C Tower (6,390 sq. m in Milan), while 5 new projects were launched, of which 4 are pre-leased under long leases:

- Green Corner, 70% pre-leased to HAS (10 years firm)
- the 12,800 sq. m extension on the Vélizy-Meudon site (lease expiring in 2025)
- a 4,100 sq. m turn-key property for EDF in Avignon (9 years firm)
- and a turn-key logistics site in Garonor for Samada, a subsidiary of Monoprix (12 years firm).

Thus the pipeline committed, currently representing a budget of ú524 million, is 72% pre-leased, and once delivered and fully leased, will generate ú35 million in rental revenues.

Taking into account the pipeline managed, Foncière des Régionsô real estate projects total ú1.4 billion overall and mainly concern property redevelopments, as well as turn-key office rentals, on which the return exceeds 7%.

Located in growth real estate markets (Paris, inner ring and regional cities) and equipped with the best technical and environmental specifications, these properties contribute to progressive asset renewal and to the growth of financial indicators.

Reinforced presence in Germany through the Public Exchange Offer under way on FDL

The Board of Directors of Foncière des Régions approved on 10 June 2013 a Public Exchange Offerôs project for shares by Foncière des Régions on Foncière des Logements (FDL), which will enable Foncière des Régions to increase its presence in Germany to 14% from 9% currently.

When the transaction is complete, Foncière des Regions should hold between 58.2% to 62.4% of the capital of its subsidiary (compared to 31.6% as at 31 December 2012), on the basis of an exchange ratio of 6 new Foncière des Régions shares for 23 FDL shares.

Using a multi-criteria approach, the parity of the Public Exchange Offer for shares on the 2012 EPRA NAV of Foncière des Régions and of FDL represents a discount of nearly 11% on the price of FDL shares.

With this reinforced position in Germany, Foncière des Régions hopes to garner the benefits of a particularly sound economy with low unemployment rates and the highest economic growth forecasts in the Euro zone.

Three quarters of FDL's ú 3.2 billion in property assets at the end of 2012 is located in Germany in fact, with the rest in France. FDLôs top shareholder from its creation, Foncière des Régions has since 2005, partnered the development of the German residential holdings of FDL, which now has a solid track record in this sector as well as a high quality real estate team.

This transaction reflects Foncière des Régionsô choice of investing in secure real estate assets with enhancement potential, and it confirms the company's business model favouring secure cash flows and value creation through an asset rotation policy.

Sustainable rental revenues and sound asset values

- Sustainable rental revenues: + 1.5% like-for-like and 5.9 years firm residual lease term

This good half-yearly activity allows for presenting solid real estate indicators: an occupancy rate of 95.6% and a residual lease term of 5.9 years ensuring strong visibility for rental income, which grew by 1.5% like-for-like.

This like-for-like growth was driven by the Offices, Service Sector and Residential segments, while Logistics saw its rental income drop 2.4% like-for-like, as a result of a deterioration of the occupancy rate in this business.

	Rents (€ mn)	Change % LFL	Occupancy rate	Firm residual term of leases
Offices - France	130.2	+ 2.2%	95.3%	5.8 years
Offices - Italy	59.2	+ 1.4%	97.0%	7.0 years
Offices	**189.4**	**+ 1.9%**	**95.8%**	**6.2 years**
Service Sector	26.4	+ 1.2%	100%	6.9 years
Residential	29.9	+ 2.2%	98.8%	Na
Logistics	28.0	- 2.4%	85.7%	2.8 years
Total	**273.7**	**+ 1.4%**	**95.3%**	**5.9 years**
Total pro forma[1]	***300.5***	***+ 1.5%***	***95.6%***	***5.9 years***

[1]Pro forma: 60% stake in FDL following ongoing Public Exchange Offer

- Asset values: + 0.5% like-for-like

The consolidated value of the assets, Group share, is almost unchanged like-for-like over the period (+0.5% pro forma). The slight decreases in the Offices Italy and Logistics assets were more than offset by the increasing portfolio values in Offices France, the Service Sector and Residential.

In €mn	Value H1 2013 Total share	Value H1 2013 Group share	Change LFL 6 months	Excl. Dut. Yield H1 2013 Group share
Offices France	4,600	4,120	**+ 1.0%**	7.0%
Offices Italy	4,263	2,169	**- 0.3%**	6.0%
Offices	**8,863**	**6,289**	**+ 0.5%**	**6.7%**
Service Sector	2,984	844	**+ 0.7%**	6.2%
Residential	2,933	927	**+ 1.3%**	6.0%
Logistics	837	837	**- 1.6%**	7.2%
Other	360	265	**na**	
Total	**15,977**	**9,162**	**+ 0.4%**	
Total pro forma[1]		9,994	+ 0.5%	

End of June, asset value stood at ú10 billion in Group share and at ú16 billion in Total share.

ú882 million in new financing (ú445 million in Group share)

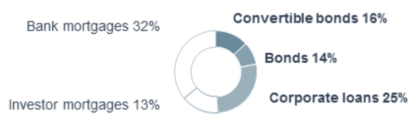
After the obtainment in late September of an ñinvestment gradeò BBB- / stable outlook rating from Standard & Poorõs, Foncière des Régions continued its strategy during this 1st half of 2013 of diversifying its sources of financing and lengthening its debt maturity.

Thus ú405 million (ú294 million in Group share) in bond financing was carried out:

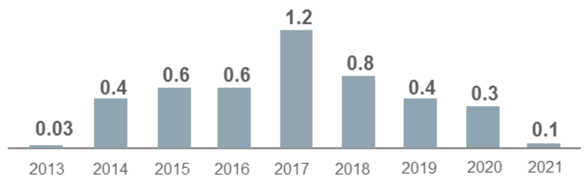
- A ú180 million Foncière des Régions private placement maturing in 7 years with 3.30% coupon
- A ú225 million 5-year Beni Stabili convertible bond with a 3.375% coupon

At the same time, ú477 million (ú151 million in Group share) in bank loans were signed. They mainly concern service sector financing.

Net debt at the end of June 2013 amounted to ú4.3 billion, representing an LTV of 46.4%, while the cost of debt continued to decrease to 3.9% for an average debt maturity in excess of 4 years.



Strong diversification in financing (Group share)



Debt maturities under control (€bn - Group share)

Solid results

EPRA recurrent net income: ú149.3 million + 0.8%

The good real estate activity during this half, along with active management of our real estate assets and of our financing have allowed us to achieve a growth in EPRA Recurring Net Income by 0.8% (+ 7.2% pro forma) to ú149.3 million (ú158.7 million pro forma) at the end of June 2013.

This progression is mainly the result of positive impacts from the change in like-for-like rental revenues (+1.5%), decreasing debt costs and overhead costs, despite the change in real estate taxation in Italy and the lower contribution of the logistics business.

Per share, EPRA Recurring Net Income reached ú2.60/share, a 3% drop compared to the 1st half of 2012, due to the dividend payment in shares made during the 1st half of 2012 (shares issued at ú51.2).

Net Profit, Group share, stood at ú205 million compared to ú31.4 million in the 1^{st} half of 2012, due to the positive impact of the fair value adjustment of financial instruments, following the increase in rates, although it reflects the change in the fair value of real estate assets.

EPRA NAV/share: ú76.3/share

Also, EPRA NAV amounted to ú4,378 million and ú76.3/share, i.e. a 3.1% decrease compared to EPRA NAV at the end of 2012. Pro forma, EPRA NAV reached ú4,811 million, i.e. ú77/share.

Tripe net NAV grew by 0.4% to ú3,848 million, i.e. ú67.1/share (+ 0.3%).

Outlook

These favourable results demonstrate the relevance of Foncière des Régionsô partnership model, based on assets positioned on solid real estate markets, a partnership strategy with its major tenants, affording it strong visibility in terms of rental revenues, and a policy of active asset rotation that allows for creating value over the long term.

In this context, the company confirms its objective of stable Recurring Net Income for 2013.

Financial calendar:
Q3 2013: Results: 8 November 2013

Contacts:

Investor Relations
Sébastien Bonneton
Tel: + 33 (0)1 58 97 52 44
sebastien.bonneton@fdr.fr

Media Relations
Géraldine Lemoine
Tel: + 33 (0)1 58 97 51 00
geraldine.lemoine@fdr.fr

Foncière des Régions, Partner in Real Estate

As a partner working with companies on their real estate strategy, Foncière des Régions designs lasting and innovative real estate solutions with a two-fold objective: increase the value of existing urban assets and design the real estate of tomorrow. Foncière des Régions owns and manages a ú10 billion portfolio (ú16 billion in total), leased primarily to key accounts that are leaders in their sector (Suez Environnement, Thales, Dassault Systèmes, France Télécom, EDFdf, IBM, Eiffage, etc.). This partnership culture is based on key values and know-how: vision and expertise.

The Foncière des Régions share is listed on compartment A of Euronext Paris (FR0000064578 - FDR), eligible for deferred settlement and is included in the MSCI, SBF120, Euronext IEIF ñSIIC Franceò and CAC Mid100 indices, in European real estate benchmarks ñEPRAò and ñGPR 250ò, as well as the FTSE4 Good ethical index and ASPI Eurozone®.

Foncière des Régions is rated BBB- / Stable by Standard and Poorôs.

www.foncieredesregions.fr

Notes

« A limited-scope audit was on the half-yearly consolidated financial statements.
The limited-scope audit report is in the process of being issued».

1. MAJOR TRANSACTIONS DURING THE PERIOD

11 June 2013 - Foncière des Régions increases its holdings in Germany

The Board of Directors of Foncière des Régions on 10 June approved a proposed public exchange offer for shares by Foncière des Régions on Foncière des Logements (FDL), which will enable Foncière des Régions to increase its presence in Germany. When the transaction is complete, Foncière des Regions should increase its stake in the capital of its residential subsidiary from 58.2% to 62.4%, compared to 31.6% at the end of 2012, on the basis of an exchange ratio of 6 new Foncière des Régions shares for 23 FDL shares.

Choosing a strategic and secure real estate investment

This public exchange offer for shares will allow Foncière des Régions to strengthen its position on growth markets, by increasing its exposure in Germany to 14%, compared to 9% at the end of June 2012.

With this bolstered position in Germany, Foncière des Régions hopes to garner the benefits of a particularly sound economy with low unemployment rates and the highest growth forecasts in the Euro zone.

The largest shareholder of FDL since its establishment, Foncière des Régions controls 31.6%. Three quarters of FDL's € 3.2 billion in assets is located in Germany, with the rest in France. Foncière des Régions has partnered the development of the German residential holdings of FDL, which now has a solid track record in this sector as well as a high-quality real estate team.

The demographic outlook, rebounding since 2009, and the historically low level of new residential offerings give this market a good growth outlook, in terms of both rental income and property values. In this way, FDL intends to pursue its strategy of geographic diversification in real estate, through disposals of mature assets and acquisitions in dynamic, high-potential large cities, like Berlin.

This transaction reflects Foncière des Région's choice of investing in secure real estate assets with enhancement potential, and it confirms the company's business model favouring secure cash flows and value creation through asset rotation.

Positive financial impacts

Using a multi-criteria approach, the parity of the public exchange offer for shares applied to the 2012 EPRA NAV of Foncière des Régions and of FDL represents a discount of nearly 11% on the price of FDL shares. The parity represents an overall neutral impact on share prices over one month (as at 11 June 2013), whereas 2012 EPRA net recurring income parity is favourable to FDL shareholders.

The terms of the public offer to exchange shares were subject to a fairness opinion by an independent expert appointed by FDL.

The transaction will also improve the Group's transparency by allowing FDL to become a fully consolidated entity instead of being consolidated through the equity method under the current system.

Terms and timetable

Of FDL shareholders represented on the Board, ACM and Covea have committed to contributing their shares, totalling 26.6% of share equity, to the offer, while Cardif, Crédit Agricole Assurances and Generali have opted to remain FDL shareholders.

The public offer to exchange shares should begin in July and be completed in September.
The initial period of the public offer to exchange shares begins on 27 June and will closed on 31 July. The second will begin on 13 August and will closed on 26 August. The final outcome will be disclosed on 2 September 2013.

17 May 2013 – Launch of the Green Corner operation in Saint-Denis

Foncière des Régions has signed a firm 10-year lease with the French National Authority for Health, an independent government agency, for 70% of the office space in the Green Corner property located in Saint Denis. This marks the launch of the operation located at the foot of the RER B La Plaine Stade de France train station on land managed by Foncière des Régions since 2010.

29 April 2013 - Euromed Center : Foncière des Régions and Crédit Agricole Assurances sign with Louvre Hôtels Group

Foncière des Régions and Crédit Agricole Assurances have signed a final agreement with Louvre Hôtels Group aimed at the operation of a 4-star hotel under the Golden Tulip brand. This establishment will be at the heart of the Euromed Center project, undertaken by Foncière des Régions and Crédit Agricole Assurances, as co-investors, and Euroméditerranée, a government town planning establishment.

A key component of the future district, the 210-room hotel will be 9 storeys with some 10,000 sq. m in surface area. The 4-star Golden Tulip establishment will offer a 600 sq. m modular meeting space, a 200-seat restaurant, two bars, an open terrace, as well as an indoor swimming pool and a fitness space.

This hotel, designed by Massimiliano Fuksas, International d'Architecture and Studio Desseins for decor, will welcome business customers and Euromed Center tourists, as well as the people of Marseille in general.

The result of a common effort by the co-investors, the town planner and the hotel group, this agreement confirms the attractiveness of Euroméditerranée and of Euromed Center as Marseille's premier office park.

This new establishment, for which delivery is scheduled in the 1st half of 2016, will also bolster hotel offerings in the business district.

12 March 2013 – €180 million private placement completed

Following its €500 million inaugural bond issue in October 2012, Foncière des Régions has completed an €180 million private placement bond, maturing in April 2020 (7 years) and offering a 3.30% coupon (margin of 197 bps above the swap rate).

This issue will permit Foncière des Régions to pursue debt diversification and to lengthen debt maturity.

17 January 2013 – Beni Stabili issues €175 million convertible bond

As part of the diversification of its sources of financing, Beni Stabili on 17 January 2013 issued a convertible bond of €175 million at 3.375%, maturing on 17 January 2018 (5-year maturity). The initial conversion price was set at €0.5991.

This issue was increased by €50 million on 7 March 2013 (3.375% coupon, 5-year maturity).

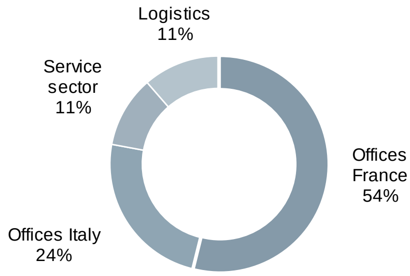
2. BUSINESS ANALYSIS, GROUP SHARE

Unless indicated otherwise, all of the valuation information given in this section is on a fair value basis.

A. RENTAL INCOME ACCOUNTED

(€ million)	H1 2012	H1 2012 Proforma*	H1 2013	Change (%)	Group Share H1 2012	Group Share H1 2012 Proforma	Group Share H1 2013	Group Share Change (%)	Group Share Change (%) LFL	Group Share % of rent
Offices France	**138,1**	**129,8**	**135,4**	**4,4%**	**133,3**	**125,0**	**130,2**	**4,2%**	**2,2%**	**54%**
Paris	38,6	38,6	43,4	12,5%	36,4	36,4	41,0	13%		17%
Paris Region	57,6	49,3	51,4	4,1%	55,0	46,7	48,6	4%		20%
Other French regions	41,9	41,9	40,7	-2,9%	42,0	42,0	40,6	-3%		17%
Offices Italy	**113,3**	**113,3**	**116,3**	**2,7%**	**57,6**	**57,6**	**59,2**	**2,7%**	**1,4%**	**24%**
Core portfolio	110,8	110,8	114,8	3,6%	56,4	56,4	58,4	4%		24%
Dynamic portfolio	2,4	2,4	1,5	-37,6%	1,2	1,2	0,8	-35%		0%
Development portfolio	0,0	0,0	0,0	na	0,0	0,0	0,0	na		0%
Total Offices	**251,3**	**243,0**	**251,8**	**3,6%**	**190,9**	**182,6**	**189,4**	**3,7%**	**1,9%**	**78%**
Service sector	**90,7**	**90,7**	**101,6**	**12,0%**	**24,6**	**24,6**	**26,4**	**7,1%**	**1,2%**	**11%**
Hotels	55,3	55,3	70,7	27,8%	15,0	15,0	17,7	18%		7%
Healthcare	13,4	13,4	11,3	-15,7%	6,0	6,0	3,2	-47%		1%
Business premises	22,1	22,1	19,5	-11,9%	3,6	3,6	5,5	53%		2%
Total "Office - Key Accounts "	**342,0**	**333,7**	**353,3**	**5,9%**	**215,5**	**207,2**	**215,8**	**4,1%**	**1,9%**	**88%**
Logistics	**41,3**	**41,3**	**28,0**	**-32,2%**	**36,8**	**36,8**	**28,0**	**-23,9%**	**-2,4%**	**11%**
Logistics - France	30,7	30,7	16,9	-44,9%	27,4	27,4	16,9	-38%		7%
Logistics - Germany	4,5	4,5	4,6	2,3%	4,0	4,0	4,6	15%		2%
Garonor	6,0	6,0	6,4	7,2%	5,4	5,4	6,4	20%		3%
Total rent	**383,3**	**375,0**	**381,3**	**1,7%**	**252,3**	**244,0**	**243,9**	**-0,1%**	**1,3%**	**100%**

** Restatment of the DS Campus rents contribution: asset consolidated under the equity method since October 2012*



GS rental income

Like-for-like, rental income in the “Offices – Key Accounts” segment grew during H1 2013 by 1.9%, in all scopes: Offices France +2.2%, Offices Italy +1.4%, and Service Sector +1.2%. As group share, rental income grew by 1.3% considering the 2.4% drop in Logistics.

This advance can be explained by indexation, which remained favourable in H1 2013, as well as by the fact that the occupancy rate continued at 95% throughout the period.

Rental income, group share, amounted to €243.9 million in H1 2013, remaining stable over the period on a pro forma basis.

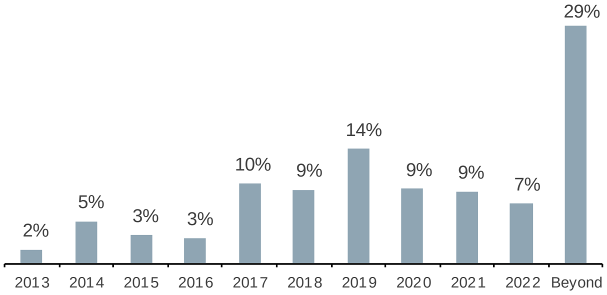
The decrease in recognised rental income by 3% compared to H1 2012 is due mainly to sharing agreements and the equity method consolidation of the DS Campus asset in October 2012, as well as due to:

- investments (+€10.1 million)
- disposals (-€25.4 million, of which -€4.5 million due to the DS Campus asset sharing agreement)
- indexation and asset management (+€2.7 million)
- the scope effect of +€4.0 million (of which -€4.2 million following the equity method consolidation of the DS Campus), an increase associated specifically with an increased stake in FDM and FEL

B. ANNUALISED LEASE EXPIRY SCHEDULE AND OCCUPANCY RATES, GROUP SHARE

Lease expirations: 8.0 years firm residual lease term (5.9 years firm)

(€ million) GS	By lease end date (1st break)	% of total	By lease end date	% of total
2013	18,2	4%	8,2	2%
2014	61,8	12%	25,7	5%
2015	39,4	8%	17,6	3%
2016	40,9	8%	15,8	3%
2017	42,6	8%	49,4	10%
2018	49,8	10%	45,7	9%
2019	62,1	12%	71,0	14%
2020	27,1	5%	46,5	9%
2021	81,9	16%	44,4	9%
2022	30,0	6%	37,0	7%
Beyond	54,4	11%	147,2	29%
Total	**508,3**	**100%**	**508,3**	**100%**



The average residual lease term, group share, at the end of June 2013 was 8.0 years (5.9 firms years) as opposed to 7.9 years at the end of 2012 (5.5 years firm). In the Offices – Key Accounts segment, it stood at 8.3 years (6.3 years firm).

(Years)	Firm residual term leases		Residual term leases	
GS	**2012**	**H1 2013**	**2012**	**H1 2013**
Offices - France	5,3	5,8	6,6	7,1
Offices - Italy	7,1	7,0	12,7	12,0
Total Offices	**5,8**	**6,2**	**8,5**	**8,5**
Service sector	7,3	6,9	7,3	6,9
Offices - Key Accounts	**6,0**	**6,3**	**8,3**	**8,3**
Logistics	2,4	2,8	4,9	5,4
Total	**5,5**	**5,9**	**7,9**	**8,0**

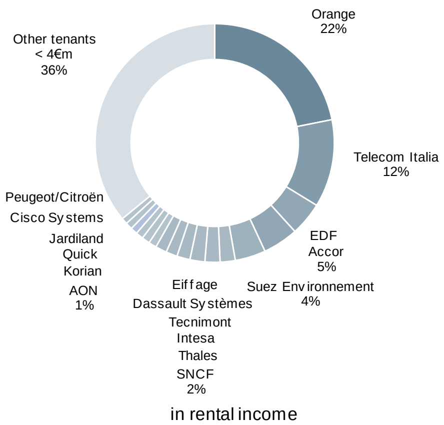
Occupancy rate: 94.9%

(%)	Occupancy rate	
GS	**2012**	**H1 2013**
Offices - France	95,7%	95,3%
Offices - Italy	97,1%	97,0%
Total Offices	**96,1%**	**95,8%**
Service sector	100,0%	100,0%
Office - Key Accounts	**96,6%**	**96,3%**
Logistics	88,8%	85,7%
Total	**95,5%**	**94,9%**

C. BREAKDOWN OF RENTAL INCOME

Breakdown by major tenants: a strong rental income base

(€ million)	Annualised rental income
GS	H1 2013
Orange	111,1
Telecom Italia	60,5
EDF	23,1
Accor	24,4
Suez Environnement	21,1
Dassault Systèmes	10,4
Intesa	10,4
Eiffage	10,2
Thales	9,0
SNCF	7,8
Korian	5,4
AON	5,5
Cisco Systems	4,8
Quick	4,8
Other tenants	182,7
Total rental income	**508,3**



Geographical breakdown: The Île-de-France region, Milan, Rome and the Major Regional Cities (MRCs) accounted for more than 2/3 of rental income

(€ million)	Annualised rental income
GS	H1 2013
Paris CBD	33,4
Paris excl. CBD	51,7
Inner suburbs	92,3
Outer suburbs	19,9
Total Paris Region	**197,3**
MRC	42,3
Other French regions	39,3
Offices - France	**278,9**
Milan	46,5
Rome	10,0
Other	62,4
Offices - Italy	**118,9**
Paris excl. CBD	6,1
Inner suburbs	5,3
Outer suburbs	4,3
Total Paris Region	**15,7**
MRC	9,9
Other French regions	18,5
International	8,2
Service sector	**52,3**
Paris excl. CBD	0,0
Inner suburbs	10,7
Outer suburbs	20,6
Total Paris Region	**31,3**
North West	3,5
Rhône-Alpes	6,9
PACA	7,0
Germany	9,5
Logistics	**58,2**
Total rental income	**508,3**

D. DISPOSALS: €155.2 million

(€ million)		Disposals (agreements as of end of 2012 closed*)	Agreements as of end of 2012 closed	New disposals H1 2013	New agrements* H1 2013	Total H1 2013	Margin vs 2012 value	Yield	Total
Offices - France	100 %	73,5	157,9	45,6	25,5	71,1	1,6%	7,4%	302,6
Offices - Italy	100 %	50,7	44,1	17,8	4,5	22,3	-2,9%	6,0%	117,1
	GS	25,8	22,4	9,0	2,3	11,3			59,6
Service sector	100 %	62,3	5,7	20,6	75,7	96,3	3,5%	6,6%	164,3
	GS	17,6	1,6	5,8	21,4	27,2			46,5
Logistics**	100 %	0,0	0,0	0,0	45,3	45,3	-6,1%	8,9%	45,3
Total asset disposals	100 %	186,6	207,7	83,9	151,0	234,9	0,4%	7,2%	629,2
	GS	**117,0**	**182,0**	**60,5**	**94,5**	**154,9**	**-0,7%**	**7,6%**	**453,9**
Equity interests	100 %	0,0	0,0	0,3	0,0	0,3			0,3
Total disposals	100 %	186,6	207,7	84,2	151,0	235,2			629,5
	GS	**117,0**	**182,0**	**60,8**	**94,5**	**155,2**			**454,2**

* including New Velizy sharing for €21m

During H1 2013, Foncière des Régions concluded €155.2 million in new disposals (€60.8 million) and disposal agreements (€94.5 million). Considering agreements signed at the end of 2012 and closed (€117 million), as well as agreements signed in 2012 and yet to be closed (€182 million), the total amount of disposals and agreements reached €454 million at the end of June 2013.

Overall, 2013 disposals were completed in line with the appraisal values at the end of 2012.

These disposals are part of the strategy of progressively reducing exposure to Logistics and are a continuation of the significant sales programme completed at the end of 2012 (approximately €900 million in disposals and agreements made during the previous year).

E. ASSET ACQUISITIONS: €48.9 million

(€ million)		Total ED H1 2013
Offices - France	100%	25,0
Offices - Italy	100%	47,0
	GS	23,9
Total Offices	100%	72,0
	GS	**48,9**
Service sector	100%	0,0
	GS	0,0
Logistic	100%	0,0
Total	100%	72,0
	GS	**48,9**

The main acquisitions made during H1 2013 involved:

- the acquisition of a 6,700 sq. m property from Vinci (Sicra headquarters). Located in the inner suburbs (Chevilly Larue), this property is leased to a Vinci subsidiary under a firm 12-year lease
- the purchase by Beni Stabili of the remaining stake in the company Sviluppo Ripamonti

F. DEVELOPMENT PROJECTS: €1.4 billion

Pipeline engagé

15 projets

Budget : 524 M€

72% pré-loués

Rendement >7%

c. 35 M€ de loyers

⇨ **86% Bureaux**

411 M€
Fin 2012

3 projets livrés
⇩
Le Patio
Pégase
Tour C Garibaldi

5 nouveaux projets
⇩
Green Corner
Vélizy
EDF Avignon
Passy 16
Garonor

524 M€
Fin juin 2013

Un pipeline engagé en renouvellement continu

Pipeline maîtrisé

18 projets

Budget : 900 M€

Rendement >7%

⇨ **94% Bureaux**

■ Committed projects: €524 million, Group share (of which 72% pre-let)

Projects	Type	Location	Area	Surface** (sq.m)	Delivery	Target rent (€/sq.m/year)	Pre-leased (%)	Total Budget* (M€)
Paris Voltaire	Offices - France	Paris	Paris Regions	1 800	2 013	264	na	11
B&B (Montpellier)	Offices - France	Montpellier	MRC	2 133	2 014	149	100%	5
Egis (Montpellier)	Offices - France	Montpellier	Paris Regions	6 101	2 014	155	100%	15
New Velizy (QP FdR - 50%)	Offices - France	Vélizy	Paris	45 000	2 014	250	100%	191
Paris Passy	Offices - France	Paris	Paris	3 672	2 014	600	0%	35
Green Corner	Offices - France	Saint-Denis	MRC	20 500	2 015	310	70%	87
EDF Avignon	Offices - France	Avignon	Paris Regions	4 100	2 015	158	100%	9
Dassault Extension 1 (QP FdR - 50%)	Offices - France	Vélizy	MRC	12 800	2 015	290	100%	62
Euromed Center - Phase 1 (QP FdR - 50%)	Offices - France	Marseille	MRC	24 000	2 015	250	66%	107
Respiro	Offices - France	Nanterre	Paris Regions	11 137	2 015	310	100%	51
San Nicolao	Offices - Italy	Milan	Italy	9 426	2 014	nc	0%	112
Extensions Accor	Service Sector	Rungis + Marseille	Different location	1 579	2 013	na	100%	2
B&B Porte des Lilas	Service Sector	Paris	Paris	5 562	2 014	270	100%	24
Garonor N03	Logistics	Aulnay sous bois	Paris Regions	51 010	2013 - 2014	nc	100%	62
Garonor N06	Logistics	Aulnay sous bois	Paris Regions	2 507	2 014	nc	100%	4
Total Consolidated				**201 327**			**72%**	**778**
Total - GS							**72%**	**524**

*100% budget, including land cost and financial cost

**surface 100%

Capex, Group share, yet to be disbursed for these projects represents €96 million in H2 2013 and €194 million in 2014 and the following years.

Managed projects: €900 million, Group share

Projects	Type	Location	Area	Surface* (sq.m)	Delivery timeframe
Montpellier Dual Center	Offices - France	Montpellier	MRC	1 993	2 014
Cœur d'Orly Commerces (QP FdR 25%)	Offices - France	Orly	Paris Regions	30 000	2 015
Dassault Systèmes Extension 2 (QP FdR 50%)	Offices - France	Vélizy	MRC	11 000	2 015
Toulouse Marquette	Offices - France	Toulouse	Paris Regions	8 100	2 015
Vinci Roubaix	Offices - France	Roubaix	Paris Regions	9 700	2 015
Nancy Grand Cœur	Offices - France	Nancy	MRC	6 529	2 015
Euromed Center - tranche 2 (QP FdR 50%)	Offices - France	Marseille	Paris Regions	33 500	2015-2016
Levallois Anatole France	Offices - France	Levallois	MRC	5 427	2 016
Lyon Silex (1ère tranche)	Offices - France	Lyon	MRC	10 700	2 016
Issy Grenelle	Offices - France	Issy	Paris	8 867	2 016
Extension Thales (QP FdR 50%)	Offices - France	Vélizy	MRC	15 000	2 016
Paris Ségur	Offices - France	Paris	MRC	4 607	2 016
Lyon Silex (2ème tranche)	Offices - France	Lyon	Paris Regions	30 000	2 017
Cœur d'Orly Bureaux (QP FdR 25%)	Offices - France	Orly	Paris Regions	70 000	2015 - 2017
Milan, Symbiosis (Ripamonti)	Offices - Italy	Milan	Italy	74 101	Depending Prelet Status
Milan, Schievano	Offices - Italy	Milan	Italy	26 478	Depending Prelet Status
Garonor N02 Phase 2	Logistics	Aulnay sous bois	Paris Regions	18 000	2 015
Bollène	Logistics	Bollène	MRC	70 000	N/A
Total Consolidated				**434 002**	

* surface 100%

G. PORTFOLIO

Valuation and change in assets: slight increase in 2013

(€ million)	Value 2012	Value H1 2013	Value H1 2013 GS	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of portfolio	% of portfolio (incl. equity affiliates)
Offices - France*	**4 450**	**4 600**	**4 120**	**1,0%**	**6,9%**	**7,0%**	**51%**	**48%**
Offices - Italy*	**4 273**	**4 263**	**2 169**	**-0,3%**	**6,0%**	**6,0%**	**27%**	**25%**
Total Office	**8 723**	**8 863**	**6 289**	**0,5%**	**6,6%**	**6,7%**	78%	73%
Service sector*	**3 039**	**2 984**	**844**	**0,7%**	**6,3%**	**6,2%**	**10%**	**10%**
Logistics	**929**	**837**	**837**	**-1,6%**	**7,6%**	**7,2%**	**10%**	**10%**
Parking facilities	**231**	**235**	**140**	**0,0%**	**N/A**	**N/A**	**2%**	**2%**
Portfolio	**12 922**	**12 918**	**8 110**	**0,3%**	**6,7%**	**6,7%**	**100%**	94%
Equity affiliates**	572	559	559					6%
Total - Consolidated	**13 494**	**13 477**	**8 669**					**100%**
Total - GS	**8 705**	**8 669**						

** In operation assets yield (Offices - France) / Core assets (Offices -Italy)

**FDL under the equity method for €441 M and others equity method consolidation (€28 M) - Altarea valued at share price (€103 M)

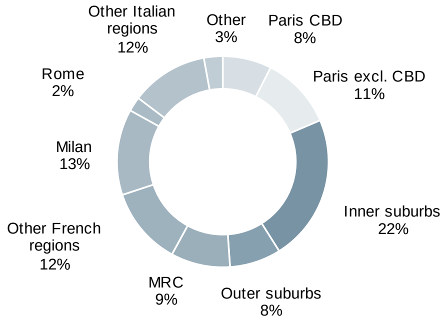
The assets, Group share, of Foncière des Régions, at the end of June 2013 totalled €8,669 million (€13.5 million on a consolidated basis) compared to €8,705 million at the end of 2012, a slight like-for-like increase (+0.3% versus the end of 2012).

The drop in value of the Offices – Italy (-0.3%) and Logistics (-1.6%) segments was offset by the advances in the Offices – France (+1.0%) and Service Sector (+0.7%) segments.

Geographical breakdown: The Île-de-France region, Milan, Rome and MRC represent 73% of the Group share of assets

(€ million) GS*	H1 2013
Paris CBD	596
Paris excl. CBD	887
Inner suburbs	1 790
Outer suburbs	626
MRC	723
Other French regions	952
Milan	1 049
Rome	176
Other Italian regions	944
Other	229
Total portfolio	7 970

*Excluding parking facilities



In asset value

H. LIST OF MAJOR TEN ASSETS

Top 10 Assets	Location	Tenants	Surface (sq,m)	Share of affiliates
CB 21 Tower in la Defense	Courbevoie	Suez Environnement, Chartis	68 077	75%
Centro Direzionale SNC	Naples	Telecom Italia	63 477	50,9%
Via Marco Aurelio 24-26	Milan	Telecom Italia	61 400	50,9%
DS Campus	Vélizy Villacoublay	Dassault Systèmes	56 193	50,1%
Garibaldi complex	Milan	Maire Tecnimont	44 650	50,9%
Via Lorenteggio 266	Milan	Intesa Group	31 942	51%
Via Montebello 18	Milan	Intesa Group	25 802	50,9%
Carré Suffren	Paris 15ème	AON, Institut Français, Ministère Education	24 863	60,0%
Corso Matteotti Giacomo 4-6	Milan	Boscolo	12 166	50,9%
Building - 23 rue Médéric	Paris 17ème	Orange	11 159	100%

The Group share value of the ten main assets represents nearly 15% of the Group share of the assets.

3. BUSINESS ANALYSIS BY SEGMENT

A. FRANCE OFFICES

The Offices France indicators are presented at 100% and as group share (GS). Assets held partially are the following:

- CB 21 75% owned
- Carré Suffren 60% owned
- DS Campus and New Velizy 50.1%-owned (consolidated by the equity method)
- Euromed 50%-owned (consolidated by the equity method)

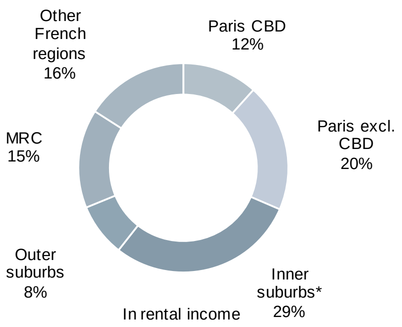
1. ACCOUNTED RENTAL INCOME: €130.2 million, +2.2% on a LFL basis

■ Geographical breakdown: strategic leases (Ile-de-France and Regional Cities) generate 84% of rental income

Rental income recognised in H1 2013 does not take into account the rental income from the DS Campus asset, consolidated by the equity method since October 2012. The DS Campus rental income is restated pro forma for H1 2012 in order to compare rental income on a like-for-like basis.

(€ million)	Surface (sq.m)	Number of assets	Rental income H1 2012 100%	H1 2012 Proforma 100%	Rental income H1 2012 GS	H1 2012 Proforma GS	Rental income H1 2013 100%	Rental income H1 2013 GS	Change (%)	Change (%) LFL	% of rental income
Paris CBD	71 354	11	14,5	14,5	14,5	14,5	15,1	15,1	4,1%		12%
Paris excl. CBD	199 213	18	24,0	24,0	21,8	21,8	28,2	25,9	18,5%		20%
Inner suburbs*	464 822	40	46,3	38,0	43,6	35,3	40,7	37,9	7,3%		29%
Outer suburbs	188 252	70	11,4	11,4	11,4	11,4	10,7	10,7	-5,8%		8%
Total Paris Region	**923 640**	139	**96,2**	**87,9**	**91,3**	**83,0**	**94,8**	**89,6**	7,9%		**69%**
MRC	425 433	88	19,2	19,2	19,2	19,2	19,9	19,9	3,3%		15%
Other French regions	557 138	210	22,6	22,6	22,7	22,7	20,7	20,7	-8,7%		15,9%
Total	**1 906 211**	**437**	**138,1**	**129,8**	**133,3**	**125,0**	**135,4**	**130,2**	**4,2%**	**2,2%**	**100%**

* Inner suburbs includes Vélizy



Rental income, group share, dropped compared to H1 2012 by €133.3 million GS to €130.2 million GS (-€3.1 million). This change is the combined result of:

- asset disposals and sharing agreements occurring during the period (-€12.8 million), due primarily to disposals in the outer suburbs and in the Regions, along with the sharing of the DS Campus
- Asset acquisitions and deliveries (+€5.7 million):
  - acquisitions of:
    - the Citroën headquarters in Paris in H2 2012
    - the SICRA headquarters in Chevilly Larue in March 2013
  - deliveries of:
    - the Le Divo asset in Metz, delivered in H2 2012
    - the turn-key Le Floria property leased to Société Générale in Fontenay, delivered in September 2012
    - the Le Patio property, delivered in February 2013 and fully leased
    - the turn-key Pégase property leased to Eiffage in Clichy, delivered in April 2013

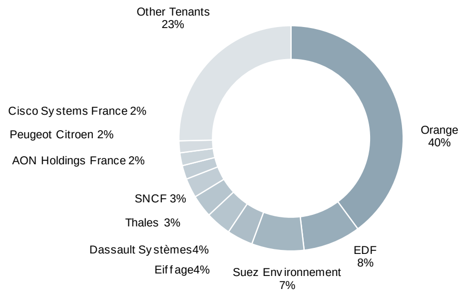
- a like-for-like increase of 2.2% (€2.4 million) linked to:
  - the positive effect of indexation (+€3.0 million)
  - the rental activity (-€0.5 million):
    - rentals (+€1.5 million)
    - vacancies (-€1.3 million)
    - renewals/ renegotiations (-€0.7 million).
- the scope effect (+€1.5 million) associated mainly with the equity consolidation of the DS Campus asset and the reclassification of the Cap 18 asset under the Offices France scope

2. ANNUALISED RENTAL INCOME: €278.9 MILLION

Breakdown by major tenants

(€ million) GS*	Surface (sq.m)	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)	Reversionary potential	% of rental income
Orange	709 189	111,9	111,1	-0,7%	0	39,8%
EDF	205 738	27,1	23,1	-14,7%	0	8,3%
Suez Environnement	58 602	20,8	21,1	1,1%	0	7,6%
Dassault Systèmes	56 192	20,8	10,4	-49,9%	0	3,7%
Eiffage	140 649	10,8	10,2	-5,4%	0	3,7%
Thales	79 376	8,9	9,0	0,9%	0	3,2%
SNCF	13 207	7,5	7,8	4,6%	0	2,8%
AON	15 042	5,0	5,5	9,8%	0	2,0%
Groupe PSA	15 939	0,3	5,1	NA	0	1,8%
Cisco Systems France	11 291	4,6	4,8	4,1%	0	1,7%
Other tenants < € 4M	600 986	59,4	70,7	19,0%	0	25,4%
Total	**1 906 211**	**277,2**	**278,9**	**0,6%**	**0,0%**	**100,0%**

** including DS Campus in GS 50%*



In rental income

Currently, the top ten tenants account for 75% of our annualised rental income, remaining stable compared to the end of 2012.
This reflects the Foncière des Régions partnership strategy with major users.

The +0.6 % change between H1 2012 and H1 2013 is due mainly to the impact of disposals and to the sharing of 50% of the DS Campus asset, offset by the entry of the following within the scope:

- disposals of assets leased to Orange, EDF and Eiffage
- sharing of the DS Campus in October 2012, a site occupied by Dassault Systèmes
- acquisition in H2 2012 of the Citroën headquarters in Paris (approximately 20,000 sq. m) and in H1 2013 of the Sicra headquarters in Chevilly-Larue (6,700 sq m)
- delivery of 2 assets during the half (Pégase in Clichy and Le Patio in Lyon)
- the reclassification of the Cap 18 asset (Paris 18th) under offices

Geographical breakdown: Île-de-France accounts for 71% of rental income

(€ million) GS*	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)
Paris CBD	71 354	11	31,8	33,4	4,9%
Paris excl. CBD	199 213	18	42,7	51,7	21,1%
Inner suburbs**	464 822	40	96,5	92,3	-4,4%
Outer suburbs	188 252	70	21,6	19,9	-8,0%
Total Paris Region	**923 640**	**139**	**192,7**	**197,3**	**2,4%**
MRC	425 433	88	39,9	42,3	6,2%
Other French regions	557 138	210	44,7	39,3	-12,0%
Total	**1 906 211**	**437**	**277,2**	**278,9**	**0,6%**

** including DS Campus in GS 50%*

*** including Vélizy et Meudon*

The geographical breakdown of rental income is in line with that of the recognised rental income, confirming the prevalence of the Île-de-France share, with 71% of annualised rental income. The main changes in rental income per zone are explained by the rental activity since 1 January 2013:

- withdrawal in non-strategic zones in the Regions (-12%) and in the outer suburbs (-8.0%) by assets disposals (specifically two assets in Chessy leased to Disney)
- decrease in the inner suburbs (-4.4%), due to sharing of the DS Campus asset in Vélizy (-€4.5 million) and some unit sales (including an asset in Issy-les-Moulineaux), partially offset by deliveries and acquisitions (delivery of the Pégase asset leased to Eiffage in Clichy and acquisition of the Citroën headquarters in St-Ouen)
- Paris excluding CBD increased due mainly to the reclassification of the Cap 18 (Paris 18th) asset under offices

3. INDEXATION

The indexation effect is +€3 million over 6 months. 30% of rental income is indexed to the ICC, 69% to the ILAT, while the balance is indexed to the ILC or IRL.

Leases with an indexation cap (1%) account for 40% of annualised rental income and are indexed to the ILAT

4. RENTAL BUSINESS

(€ million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€sq.m)
Vacating	5 017	0,8	158
Letting	21 510	4,6	214
Renewal*	408 387	68,2	167

*included renewed tacitly

Vacancies at the start of the year stood at 5,000 sq. m (€0.8 million in annualised rental income). They mainly concern an asset vacated by PSA in St-Ouen (1,413 sq. m) and spaces vacated in the Cap 18 asset in Paris 18th (3,000 sq. m).

These vacancies were offset by leases, representing €4.6 million in annualised rental income, mainly concerning the following:

- the marketing of 100% of the Le Patio asset in Lyon (approximately 12,755 sq. m, i.e. €2.5 million in rental income), for delivery in February 2013
- the leasing of 2,900 sq. m to BPLC in the Le Divo asset in Metz (€0.5 million)
- the leasing of 1,386 sq. m to Informatica in the CB 21 building (€0.7 million, effective at the end of 2013)
- the leasing of 1,255 sq. m in the Cap 18 asset (€0.2 million).

Lastly, lease renewals for 408,387 sq. m of space represent total renewal rental income of €68.2 million. These are the result of the continuation of the partnership strategy that keeps our tenants in place. This half was marked in particular by:

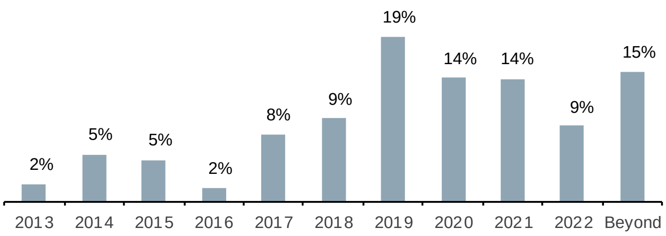
- the lease renewal with Orange for a group of 61 assets, i.e. approximately 191,000 sq. m: extension of 6.1 years on average for the group of assets with an annualised rental income volume of €26 million.
- the renewal of the lease for the DS Campus asset with Dassault Systèmes (€10 million in group share) until 2025, together with the execution of an expansion of 12,800 sq. m.

This figure includes the leases ending in H1 2013 that were not terminated, representing approximately €2.2 million.

5. EXPIRY SCHEDULE AND VACANCY

Lease expirations: 7.1 years residual lease term (5.8 years firm)

(€ million)*	By lease end date (1st break)	% of total	By lease end date	% of total
2013	14,4	5%	5,3	2%
2014	37,9	14%	14,7	5%
2015	22,0	8%	13,2	5%
2016	26,2	9%	4,3	2%
2017	11,9	4%	21,2	8%
2018	32,2	12%	26,0	9%
2019	28,3	10%	52,1	19%
2020	25,9	9%	39,0	14%
2021	20,5	7%	38,7	14%
2022	19,0	7%	23,8	9%
Beyond	40,6	15%	40,6	15%
Total	**278,9**	**100%**	**278,9**	**100%**



The firm residual lease term grew to 5.8 years versus 5.3 years at the end of 2012. By lease end date, the residual lease term stood at 7.1 years.

The mechanical loss of 6 months of residual term was offset to a great extent by lease extensions (due specifically to the agreement reached with Orange).

With less than 40% of its leases having an initial exit option between 2013 and 2017, Foncière des Régions continues to have a highly secured rental base.

Vacancy rates and types: a 4.7% vacancy rate

(%)	H1 2012	2012*	H1 2013*
Paris CBD	0,0%	0,0%	0,0%
Paris excl. CBD	0,1%	0,1%	1,9%
Inner suburbs**	8,2%	7,6%	7,3%
Outer suburbs	3,7%	4,7%	5,1%
Total Paris Region	**4,7%**	**4,4%**	**4,5%**
MRC	3,5%	5,1%	5,2%
Other French regions	1,9%	3,1%	5,0%
Total	**4,1%**	**4,3%**	**4,7%**

** including DS Campus in GS 50%*

*** including Vélizy et Meudon*

The vacancy rate, which stood at 4.7%, has risen slightly since the end of 2012.

In Ile-de-France, La Défense continued to be the leading zone in vacancies for Foncière des Régions, with a 7.3% rate in the inner suburbs. This was due mainly to vacancy in the CB 21 Building (approximately 17,100 sq m), accounting for close to 44% of total vacancies in the Offices France segment.

Other vacant spaces mainly concerned 4 assets located in Nîmes, Nice, Le Mans and Lille.

The increase in vacancies in Paris outside of CBD derived in particular from the Cap 18 asset, reclassified under assets during this half.

6. UNPAID RENT

(€million)	H1 2012	H1 2013
As % of annualised rental income	3,30%	0,8%
In value	3,6	2,1

7. DISPOSALS AND DISPOSAL AGREEMENTS: €71.1 MILLION

(€ million)	Disposals (agreements as of end of 2012 closed)	Agreements as of end of 2012 closed	New disposals H1 2013	New agrements H1 2013	Total 2013	Margin vs 2012 value	Yield	Total
Paris CBD	0,0	11,5	0,0	0,0	0,0	0,0%	0,0%	11,5
Paris excl. CBD	0,0	47,7	0,0	0,0	0,0	0,0%	0,0%	47,7
Inner suburbs*	28,9	42,1	0,2	6,8	7,0	5,0%	0,0%	78,0
Outer suburbs	4,5	18,2	28,7	0,0	28,7	0,0%	7,6%	51,3
Total Paris Region	**33,4**	**119,5**	**28,9**	**6,8**	**35,6**	**0,9%**	**6,2%**	**188,5**
MRC	18,8	9,7	13,1	8,3	21,4	1,1%	9,1%	49,8
Other French regions	21,4	28,8	3,6	10,5	14,1	3,9%	8,1%	64,2
Total	**73,5**	**157,9**	**45,6**	**25,5**	**71,1**	**1,6%**	**7,4%**	**302,6**

*Inner suburbs includes Velizy and Meudon

Foncière des Régions has continued with the disposal of its non-strategic assets.

8. ASSET ACQUISITIONS: €25.0 MILLION EXCLUDING DUTIES

Assets	Surface (sq.m)	Location	Tenants	Acquisition Price ED (€million)
SICRA Chevilly	6 700	Inner suburbs	SICRA	25,0
Total	**6 700**			**25,0**

Foncière des Régions has clinched a partnership with the Vinci Group thanks to the outsourcing of a 6,700 sq. m turn-key rental property leased to Sicra under a firm 12-year lease and delivered in May. The property has the HPE label and HQE certification.

9. DEVELOPMENT PROJECTS: a €1 billion pipeline

The development policy of Foncière des Régions aims mainly at continuing the asset enhancement work undertaken (improvement of asset quality and creation of value), supporting Key Accounts partners over the long term in the deployment of their real estate strategy, and managing new operations in strategic locations.

This strategy takes shape, in Ile-de-France, with locations with good mass transport and/or in established service districts, and in the major Regional cities, where annual take-up exceeds 50,000 sq. m per annum, with "prime" locations (e.g. TGV train stations in Bordeaux, Nancy or Metz, the Part-Dieu district in Lyon).

■ Delivery of properties

During this semester, two assets were delivered fully let:

- Le Patio in Lyon, restructured after the departure of EDF and 100% leased to several tenants: OPTEVEN, PagesJaunes, EDF, RTE and Hankook, with a net overall surface area of 12,765 sq. m.
- Pégase property, a 4,580 sq. m turn-key rental for Eiffage, located in Clichy and leased under a firm 10-year lease.

These two properties boast environmental labels or certificates (HQE, BREEAM, BBC).

■ Committed projects: €393 million, 77% pre-let

Projects	Location	Area	Surface** (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget* (M€)
Paris Voltaire	Paris	Paris	1 800	2013	264	na	11
B&B (Montpellier)	Montpellier	MR	2 133	2014	149	100%	5
Egis (Montpellier)	Montpellier	MR	6 101	2014	155	100%	15
New Velizy (QP FdR - 50%)	Vélizy	IDF	45 000	2014	250	100%	96
Paris Passy	Paris	Paris	3 672	2014	600	0%	35
Green Corner	Saint-Denis	IDF	20 500	2015	310	70%	87
EDF Avignon	Avignon	MR	4 100	2015	158	100%	9
Dassault Extension 1 (QP FdR - 50%)	Vélizy	IDF	12 800	2015	290	100%	31
Euromed Center - Phase 1 (QP FdR - 50%)	Marseille	MR	24 000	2015	250	66%	54
Respiro	Nanterre	IDF	11 137	2015	310	100%	51
Total			**131 243**			**77%**	**393**

*Surface 100%

**In Group share, including land cost and financial cost

This half was marked by:

- the launch of the Green Corner project in Saint-Denis following the signing of a firm 10-year lease for 70% of the surface area. Commencement of the work is scheduled for October 2013
- the work for restructuring a property located on Rue des Sablons, Paris 16th (previously occupied by Orange) commenced in Q1 2013, with delivery scheduled for H2 2014

- the launch of three new turn-key projects:
  - an expansion of the Dassault Systèmes campus (DS Campus) with 12,800 sq. m, for which the lease was signed at the end of February and for which the building permit was filed at the end of May
  - a 4,100 sq. m property for ERDF in Avignon, for which a firm 9-year lease was signed at the end of May and for which the building permit should be filed by the end of July
  - a 11,100 sq. m property (Respiro) for the VINCI Group in Nanterre, where work has just commenced.

Lastly, concerning the development of the Euromed Center in Marseille, work continues on the 857-space car park and the 14,000 sq. m office building. The launch of work on the hotel should take place before the end of the year following the signing of a firm 12-year lease with Louvre Hôtels for the Golden Tulip brand.

Managed projects

Foncière des Régions manages 240,000 sq. m that are likely to be committed in the event of pre-leasing:

Projects	Location	Area	Surface* (sq.m)	Delivery timeframe
Montpellier Dual Center	Montpellier	Régions	1 993	2 014
Cœur d'Orly Commerce (GS FdR 25%)	Orly	Paris Regions	30 000	2 015
Dassault Systèmes Extension (GS FdR 50%)	Vélizy	Paris Regions	11 000	2 015
Toulouse Marquette	Toulouse	MRC	8 100	2 015
Vinci Roubaix	Roubaix	MRC	9 700	2 015
Nancy Grand Cœur	Nancy	Paris Regions	6 529	2 015
Euromed Center - 2nd tranch (GS FdR 50%)	Marseille	MRC	33 500	2015-2016
Levallois Anatole France	Levallois	Paris	5 427	2 016
Silex (1st tranch)	Lyon	MRC	10 700	2 016
Issy Grenelle	Issy	Paris Regions	8 867	2 016
Extension Thales (GS FdR 50%)	Vélizy	Paris Regions	15 000	2 016
Paris Ségur	Paris	Paris	4 607	2 016
Silex (2nd tranch)	Lyon	MRC	30 000	2017
Couer d'Orly Offices (GS FdR 25%)	Orly	Paris Regions	70 000	2015 - 2017
Total			**245 423**	

*surface 100%

10. ASSET VALUATION

Change in asset values

(€ million) Asset	Value ED 2012	Value adjustment	Acquisitions	Disposals	Invest.	Transfer	Value ED H1 2013
Assets in operation	3 933,5	17,7	25,5	-98,2	20,3	114,9	4 013,5
Assets under developement	98,9	12,7	0,0	-20,9	43,4	-27,7	106,3
Total	**4 032,4**	**30,4**	**25,5**	**-119,1**	**63,7**	**87,2**	**4 119,9**

Like-for-like change: + 1,0%

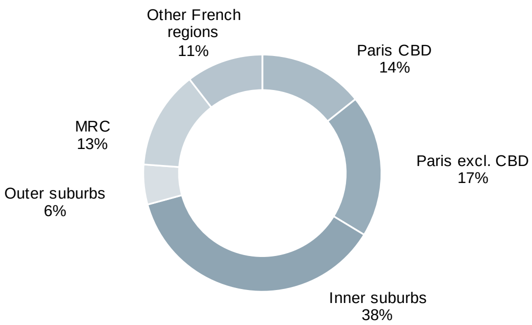
(€ million)	Value ED 2012 100%	Value ED H1 2013 100%	Value ED H1 2013 GS*	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of total value
Paris CBD	572,2	573,1	573,1	4,0%	5,8%	5,9%	14%
Paris excl. CBD	805,8	892,5	779,3	-0,3%	6,3%	6,6%	19%
Inner suburbs**	1 772,2	1 794,6	1 486,4	0,4%	6,2%	6,3%	36%
Outer suburbs	221,8	218,2	218,2	1,9%	9,2%	9,1%	5%
Total Paris Region	**3 371,9**	**3 478,4**	**3 056,9**	**1,0%**	**6,4%**	**6,5%**	**74%**
MRC	534,6	536,4	536,4	-0,5%	7,8%	7,8%	13%
Other French regions	444,9	420,2	420,2	0,0%	9,3%	9,4%	10%
Total in operation	**4 351,4**	**4 435,0**	**4 013,5**	**0,7%**	**6,9%**	**7,0%**	**97%**
Assets under developement	98,9	164,7	106,3	17,1%	NA	NA	3%
Total	**4 450,3**	**4 599,6**	**4 119,9**	**1,0%**	**6,7%**	**6,8%**	**100%**

** Including DS Campus, New Velizy and Euromed in GS*
*** included Velizy and Meudon*

The start of H1 2013 saw values increase by +1.0% on a like-for-like basis:

- Paris CDB is the zone showing the strongest increase (+4.0%). This is due basically to the contraction in capitalisation rates on Parisian assets with long leases, reflecting a market trend during the half
- the drop in like-for-like value in non-CDB Paris and in Regional Cities can be explained mainly by the significant drop in value of different unit assets subject to renegotiations or vacancies

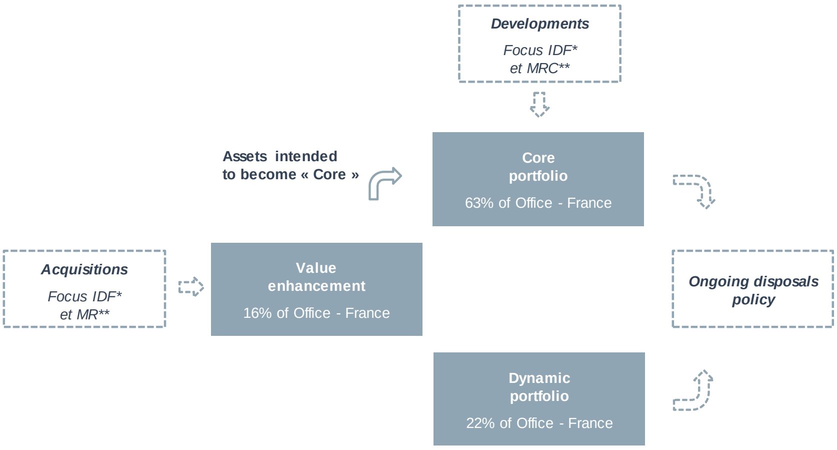
It is to be noted that the half was marked by the signing of a memorandum of understanding with Orange concerning 61 properties, i.e. €305 million in assets. This memorandum has meant an extension of the firm term of the leases (+6.1 years), thus generating a contraction in capitalisation rates and a creation of value, particularly with Paris assets.



In group share value
(including assets under development)

STRATEGIC ASSET SEGMENTATION

Offices France – A strategy of continued portfolio enhancement



* Ile-de-France
** Métropole Régionale Cities

	Core Portfolio	Value enhancement Portfolio	Dynamic Portfolio	Total
Number of assets	69	47	321	**436**
Value ED GS (€ million)	2 589	645	886	**4 120**
	63%	*16%*	*22%*	***100%***
Yield	6,3%	7,0%	8,1%	**6,8%**
Residual firm duration of leases (years)	7,0	1,8	5,6	**5,8**
Vacancy rate	4,0%	2,9%	7,1%	**4,7%**

The “Core” portfolio: the vacancy rate is represented primarily by the 17,100 sq. m to rent in the CB 21 building.

The share of “Core” assets remained stable over the half (63% of Offices France assets).

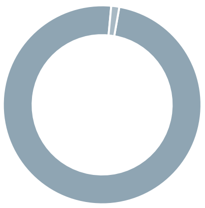
B. ITALY OFFICES

Listed on the Milan stock exchange since 1999, Beni Stabili is the largest listed Italian property firm. Its assets consist largely of offices located in cities in northern and central Italy, particularly Milan and Rome. The company's assets totalled €4.3 billion at the end of June 2013.

Foncière des Régions holds 50.9% of the capital of Beni Stabili.

1. ACCOUNTED RENTAL INCOME: +1.4% like-for-like

(€million)	Surface (sq.m)	Number of assets	Rental income H1 2012	Rental income H1 2013	Change (%)	Change (%) LFL	% of total
Core portfolio	1 814 867	228	110,8	114,8	3,6%		98,7%
Dynamic portfolio	150 650	50	2,4	1,5	-36,5%		1,3%
Subtotal	**1 965 517**	**278**	**113,3**	**116,3**	**2,7%**		**100,0%**
Developement portfolio	12 168	3	0,0	0,0	na		0,0%
Total	**1 977 686**	**281**	**113,3**	**116,3**	**2,7%**	**1,4%**	**100,0%**



In rental income

The change in rental income between 30 June 2012 and 30 June 2013 amounted to +€3.0 million, or +2.7%. This change is due primarily to:

- asset management and indexation: +€1.2 million
- disposals: -€2.7 million.
- acquisitions and the delivery of the Garibaldi building: +€4.0 million

The like-for-like change is +1.4% over the period.

2. ANNUALISED RENTAL INCOME: €233.7 MILLION

Breakdown by portfolio

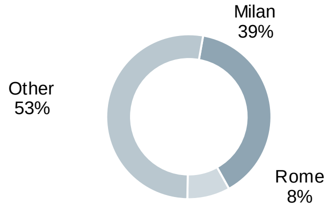
(€million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)
Core portfolio	1 814 867	228	216,6	231,0	6,7%
Dynamic portfolio	150 650	50	4,5	2,7	-39,2%
Subtotal	**1 965 517**	**278**	**221,0**	**233,7**	**5,8%**
Developement portfolio	12 168	3	0,0	0,0	na
Total	**1 977 686**	**281**	**221,0**	**233,7**	**5,8%**

Geographic breakdown

(€million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)
Milan	475 018	44	75,3	91,5	21,5%
Rome	161 454	35	22,2	19,6	- 11,7%
Other	1 329 046	199	123,5	122,7	- 0,7%
Total	**1 965 517**	**278**	**221,0**	**233,7**	**5,8%**

Annualised rental income at year-end excluding developement

The increase in revenues in Milan is due to the delivery of the Garibaldi Building leased to Maire Tecnimont.

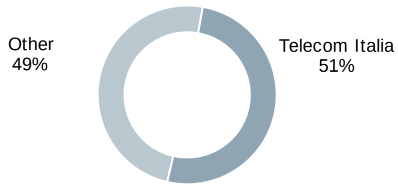


In rental income

Breakdown by tenant

(€million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)
Telecom Italia	1 192 984	172	120,1	118,8	- 1,1%
Other	772 534	106	100,9	115,0	13,9%
Total	**1 965 517**	**278**	**221,0**	**233,7**	**5,8%**

Annualised rental income at year-end excluding developement



In rental income

3. INDEXATION

The annual indexation in rental income is usually calculated by taking 75% of the increase in the Consumer Price Index (CPI) applied on each anniversary of the signing date of the agreement.

4. RENTAL BUSINESS

During H1 2013, rental activity can be summarised as follows:

(€million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/sq.m)
Vacating	15 000	2,9	193
Letting	9 558	3,5	364
Renewal	100 000	11,4	114

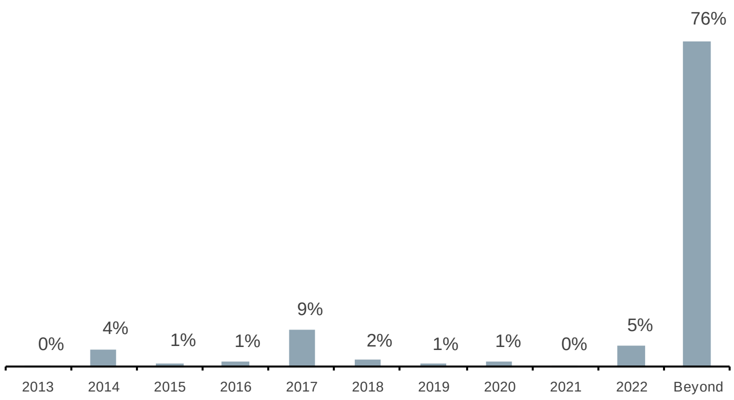
The main new leases concern the Piazza San Fedele asset in Milan (€1.1 million) and the Via dell'Arte asset in Rome (€1.1 million). Renewals include automatic renewals of leases expiring in 2013.

5. EXPIRY SCHEDULE AND VACANCY

Lease expirations: 12.0 years of firm residual lease (7.0 years firm)

Offices-Italy rental income by lease en date is broken down as follows:

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2013	1,0	0%	1,0	0%
2014	12,8	5%	9,6	4%
2015	3,2	1%	2,4	1%
2016	4,9	2%	2,6	1%
2017	32,3	14%	19,9	9%
2018	10,4	4%	3,6	2%
2019	33,3	14%	1,7	1%
2020	1,4	1%	3,4	1%
2021	119,6	51%	0,9	0%
2022	10,1	4%	11,3	5%
Beyond	4,8	2%	177,4	76%
Total	**233,7**	**100%**	**233,7**	**100%**



Leases expiring after 2023 are basically linked to Telecom Italia. The residual duration of the leases was 12.0 years as of June 2013.

■ Vacancy rates: vacancy rate of 3.0%

The spot financial vacancy rate as of end of June 2013 was 3.0% for the core portfolio, remaining stable compared to the end of 2012 (2.9%).

6. UNPAID RENT

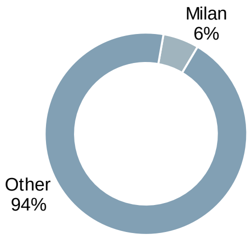
(€million)	H1 2012	H1 2013
As % of annualised rental income	3,3%	2,6%
In value	3,6	2,6

7. DISPOSALS AND DISPOSAL AGREEMENTS: €22.3 MILLION

The amount of disposals and disposal agreements in 2013 stood at €22.3 million, i.e. a total of €117.1 million, including 2012 agreements closed in 2013 and 2012 agreement yet to close.

These new 2013 commitments were made with a slight drop in appraisal values compared to 2012 (-2.9%) and on the basis of a 6.0% return.

(€million)	Disposals (agreements as of end of 2012 closed)	Agreements as of end of 2012 closed	New disposals H1 2013	New agreements H1 2013	Total H1 2013	Margin vs 2012 value	Yield	Total
Milan	40,6	0,0	0,0	1,3	1,3	1,0%	6,3%	41,8
Rome	0,0	9,1	0,0	0,0	0,0	na	na	9,1
Other	10,2	35,0	17,8	3,3	21,0	-3,2%	6,0%	66,1
Total	**50,7**	**44,1**	**17,8**	**4,5**	**22,3**	**-2,9%**	**6,0%**	**117,1**



In value

8. ASSET ACQUISITIONS

Assets	Surface (sq.m)	Location	Use	Acquisition Price ED (€million)
Sviluppo Ripamonti	na	Milan	Office / Retail	47,0
Total				**47,0**

This acquisition concerns the purchase of the stake not held until then by Beni Stabili.

9. DEVELOPMENT PROJECTS

Projects delivred

Building C of the Garibaldi complex was delivered in February 2013. Thsis operation completes the execution of the Garibaldi complex.

Committed projects: €97 million

Projects	Location	Area	Surface (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-leased (%)	Total Budget (€m)
San Nicolao	Milan	Italy	9 426	2014	nc	0%	97
Total			**9 426**			**0%**	**97**

Managed projects

Projects	Location	Area	Surface (sq.m)	Delivery timeframe
Milan, Symbiosis (Ripamonti)	Milan	Italy	74 101	on hold until pre-let is found
Milan, Schievano	Milan	Italy	26 478	on hold until pre-let is found
Total			**100 579**	

10. ASSET VALUES

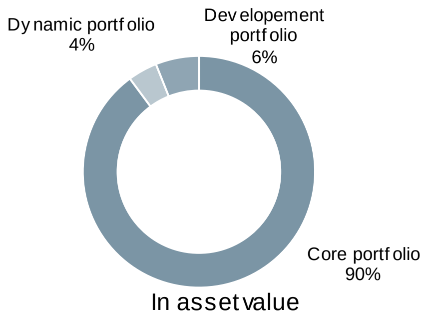
Change in asset values

(€million)	Value ED 2012	Change in value	Acquisitions	Disposals	Invest.	Reclass.	Value ED H1 2013
Core portfolio	3 837,2	-7,3	-0,5	-64,9	13,8	52,9	3 831,1
Dynamic portfolio	194,7	-4,4	0,0	-4,2	1,0	-12,5	174,7
Subtotal	**4 032,0**	**-11,7**	**-0,5**	**-69,1**	**14,8**	**40,4**	**4 005,8**
Developement portfolio	240,5	-2,4	47,0	0,0	12,6	-40,4	257,4
Total	**4 272,5**	**-14,1**	**46,5**	**-69,1**	**27,4**	**0,0**	**4 263,2**

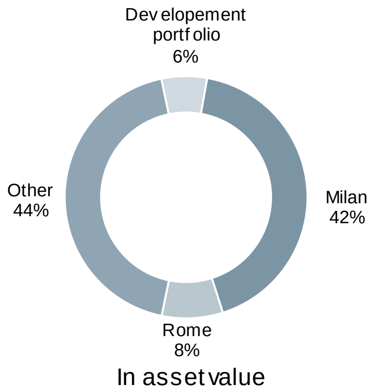
Like-for-like change: -0.3%

The value of Beni Stabili's assets decreased by -0.3% on a like-for-like basis during H1 22013. The Telecom Italia portfolio (42% of the assets) was stable during the period. The decreases in the value of retail spaces by –0.5% were noted mainly in shopping centres in Southern Italy.

(€ million)	Value ED 2012 100%	Value ED H1 2013 100%	LFL change 6 months	Yield ED 2012	Yield ED H1 2013
Core portfolio	3 837,2	3 831,1	-0,2%	6,0%	6,0%
Dynamic portfolio	194,7	174,7	-2,4%	2,3%	1,6%
Subtotal	**4 032,0**	**4 005,8**	**-0,3%**	**5,5%**	**5,8%**
Developement portfolio	240,5	257,4	-0,7%	na	na
Total	**4 272,5**	**4 263,2**	**-0,3%**	**5,5%**	**5,5%**



(€ million)	Value ED 2012 100%	Value ED H1 2013 100%	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of total value
Milan	1 672,4	1 804,4	-0,3%	5,0%	5,1%	42,3%
Rome	401,8	346,6	0,9%	5,7%	5,7%	8,1%
Other	1 950,7	1 854,7	-0,5%	6,7%	6,6%	43,5%
Subtotal	**4 024,9**	**4 005,8**	**-0,3%**	**5,8%**	**5,8%**	**94,0%**
Developement portfolio	334,6	257,4	-0,7%	na	na	6,0%
Total	**4 359,5**	**4 263,2**	**-0,3%**	**5,5%**	**5,5%**	**100,0%**



C. SERVICE SECTOR:

Foncière des Murs (FDM), which is 28.3% owned by Foncière des Régions, is a listed real estate investment company (*SIIC*) specialising in the service sector, especially in hotels, healthcare, and retail. The Company's investment policy favours partnerships with the leading operators in their business sector, in order to offer secure returns to its shareholders.

1. ACCOUNTED RENTAL INCOME: +1.2% Like for Like

Recognised rental income is presented at 100% and in FDM share. Assets held partially correspond to the acquisition of a 50.2% stake in 158 B&B hotels, completed in H2 2012.

Breakdown by activity sector

(€million)	Rental income H1 2012	Rental income H1 2013 100%	Rental income H1 2013 in GS	Change (%) 100%	Change (%) in GS	Change (%) LFL
Hotels	55,2	70,7	62,4	28,1%	13,1%	0,3%
Healthcare	13,4	11,3	11,3	-15,7%	-15,7%	2,5%
Retail Premises	22,1	19,5	19,5	-11,9%	-11,9%	3,2%
Total	**90,7**	**101,6**	**93,2**	**12,0%**	**2,8%**	**1,2%**

Consolidated rental income stood at €101.6 million in 100% as at 30 June 2013, up 12.0% compared to 30 June 2012. This was due mainly to:

- the impact of the acquisition of 158 B&B hotels in 2012 (+€8.4 million)
- the like-for-like increase in rental income of +1.2% (+€1.1 million)

These positive effects were partially offset by the impact of asset disposals made in 2012 and 2013 (-€6.9 million).

Geographic breakdown

(€million)	Rental income H1 2012 in GS	Rental income H1 2013 in GS	Change (%)	Change (%) LFL	% of rental income
Paris CBD	0,0	0,0	na		0%
Paris excl. CBD	10,2	10,7	5,2%		12%
Inner suburbs	9,0	9,4	4,8%		10%
Outer suburbs	7,2	7,8	8,4%		8%
Total Paris Region	**26,4**	**28,0**	**5,9%**		**30%**
MRC	17,8	17,4	-2,1%		19%
Other French regions	32,1	33,4	4,1%		36%
International	14,4	14,4	0,0%		15%
Total	**90,7**	**93,2**	**2,8%**	**1,2%**	**100%**

2. ANNUALISED RENTAL INCOME: €184.9 MILLION

Breakdown by activity sector

(€million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)	% of rental income
Hotels	1 118 481	321	115,1	124,7	8,3%	67%
Healthcare	164 901	41	22,6	21,9	-3,1%	12%
Retail Premises	211 952	192	44,1	38,3	-13,2%	21%
Total	**1 495 334**	**554**	**181,9**	**184,9**	**1,7%**	**100%**

Breakdown by tenant

(€million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)	% of rental income
Accor	632 576	139	93,5	86,1	-8,0%	47%
Korian	148 777	38	20,0	19,2	-3,8%	10%
Quick	37 514	85	19,4	17,0	-12,4%	9%
Jardiland	166 033	52	16,6	14,9	-10,6%	8%
Sunparks	133 558	4	13,4	13,6	2,0%	7%
Courtepaille	8 405	55	8,1	6,4	-20,2%	3%
Club Med	45 813	1	3,4	3,4	0,1%	2%
Générale de Santé	16 124	3	2,6	2,7	2,5%	1%
B&B	306 534	177	4,8	21,5	347,1%	12%
Total	**1 495 334**	**554**	**181,9**	**184,9**	**1,7%**	**100%**

Geographic breakdown

(€million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)	% of rental income
Paris CBD	0	0	0,0	0,0	0,0%	0%
Paris excl. CBD	82 430	11	20,6	21,4	4,0%	12%
Inner suburbs	112 537	30	17,9	18,9	5,4%	10%
Outer suburbs	**117 428**	**56**	**14,4**	**15,3**	**6,0%**	**8%**
Total Paris Region	312 395	97	53,0	55,6	4,8%	30%
MRC	297 675	117	35,7	34,9	-2,3%	19%
Other French regions	601667	307	64,3	65,5	1,8%	35%
International	283 598	33	28,9	29,0	0,3%	16%
Total	**1 495 334**	**554**	**181,9**	**184,9**	**1,7%**	**100%**

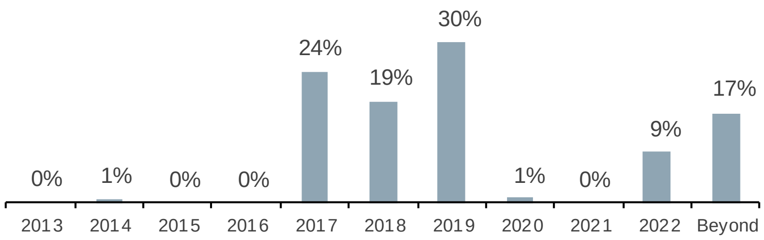
3. INDEXATION

53% of the annualised rental income is indexed to benchmark indices. All of the portfolios generating fixed rental income were indexed:

- the Korian portfolio was indexed in January 2013 based on the Q4 2012 Rental Reference Index (IRL), which had a positive impact of €0.2 million
- the indexation of Jardiland, one-third of which was based on the construction cost index (ILC) and for two-thirds of the portfolio on the rental reference index (IRL), took place in July of 2012, generating a positive impact of €0.2 million
- the indexation of Quick and Courtepaille, which was based on the construction cost index (ILC), took place in October 2012, generating a total impact of €0.4 million.

4. LEASE EXPIRATIONS AND VACANCIES

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2013	0,0	0%	0,0	0%
2014	1,0	1%	1,0	1%
2015	0,0	0%	0,0	0%
2016	0,0	0%	0,0	0%
2017	44,9	24%	44,9	24%
2018	34,7	19%	34,7	19%
2019	54,9	30%	54,9	30%
2020	1,6	1%	1,6	1%
2021	0,0	0%	0,0	0%
2022	17,2	9%	17,2	9%
Beyond	30,7	17%	30,7	17%
Total	**184,9**	**100%**	**184,9**	**100%**



The firm residual lease duration was 6.9 years as at 30 June 2013 compared to 7.3 years at the end of 2012. The portfolio's vacancy rate as at 30 June 2013 remained nil.

5. UNPAID RENT

The portfolio had no bad debts during the half, just as in 2012.

6. DISPOSALS AND DISPOSAL AGREEMENTS: €96.3 MILLION

During H1 2013, Foncière des Murs disposed of 20 assets for a total price of €82.9 million. In addition, disposal agreements relating to 19 assets were signed, for a total amount of €81.4 million, of which €75.7 million were signed in 2013.

(€million)	Disposals (agreements as of end of 2012 closed)	Agreements as of end of 2012 closed	New disposals H1 2013	New agrements H1 2013	Total H1 2013	Margin vs 2012 value	Yield	Total
Hotels	32,1	3,2	0,0	39,8	39,8	0,6%	6,7%	75,1
Healthcare	3,5	0,0	12,4	19,5	31,9	5,4%	6,7%	35,4
Retail Premises	26,7	2,5	8,2	16,4	24,6	5,9%	6,3%	53,8
Total	**62,3**	**5,7**	**20,6**	**75,7**	**96,3**	**3,5%**	**6,6%**	**164,3**

7. ASSET ACQUISITIONS

No acquisition was made during the half.

8. DEVELOPMENT PROJECTS

Committed projects: €26 million 100% pre-let

Projects	Location	Area	Surface (sq.m)	Delivery	Target rent (€/sq.m/year)	Pre-leased (%)	Total Budget (€m)
Extensions Accor	Rungis + Marseille	Multisites	1579	2013	na	100,0%	1,8
B&B Porte des Lilas	Paris	Different location	5 562	2014	270	100,0%	24,4
Total			**7 141**			**100,0%**	**26,2**

On 30 May 2012, Foncière des Murs purchased a 2-star 265-room hotel in the Portes des Lilas area in Paris (19th *arrondissement*) from Vinci Immobilier, under a lease in advance of future completion. The property will be operated under the B&B brand. This transaction is part of the partnership begun by Foncière des Murs and B&B Hôtels in 2010 and is proof of the willingness of Foncière des Murs to support its hotel partners in their developoment. The hotel will be delivered in the second quarter of 2014.

9. ASSET VALUES

Change in asset values

(€million)	Value ED 2012 GS	Value adjustment	Acquisitions	Disposals	Invest.	Value ED H1 2013 GS
Assets in operation	3026,0	16,6	4,6	-82,1	0,0	**2 965,1**
Assets under developement	13,0	2,2			4,0	**19,2**
Total	**3039,0**	**18,8**	**4,6**	**-82,1**	**4,0**	**2 984,3**

The asset value of Foncière des Murs amounted to €2,984 million as at 30 June 2013, up on a like-for-like basis by 0.7% on the half. The increase in asset values is primarily due to the indexing of fixed-rent assets, and to a decrease in capitalisation rates, which is consistent with the disposals and the disposal agreements signed.

Like-for-like change: 0.7 %

In the hotel sector, a like-for-like advance of 0.3% is noted, compared to the end of 2012. The healthcare sector advanced 0.9%, as a result of the indexing-related increase in rental income during the period. The like-for-like increase of 1.9% in the retail sector was due to the effect of the drop in rates of return, which was consistent with the rates of return on disposals and sale commitments made for this asset class in 2012 and early 2013.

(€m)	Consolidated value ED 2012 GS	Consolidated value ED H1 2013	Value ED H1 2013 GS	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of total value
Paris CBD	0,0	0,0	0,0		0,0%	0,0%	0%
Paris exclu. CBD	364,0	379,4	379,4		5,4%	5,6%	12%
Inner suburbs	305,0	334,1	315,6		5,6%	5,6%	10%
Outer suburbs	256,0	282,2	245,6		5,4%	5,4%	9%
Total Paris Regions	**924,0**	**995,7**	**940,6**		**5,8%**	**5,6%**	**31%**
MRC	590,0	636,4	567,9		6,2%	6,2%	20%
Other French Regions	1080,0	1167,1	1027,9		6,5%	6,5%	36%
International	445,0	447,7	447,7		6,5%	6,5%	14%
Total	**3 039,0**	**3 246,8**	**2 984,1**	**0,7%**	**6,3%**	**6,2%**	**100,0%**

(€million)	Consolidated value ED 2012 GS	Consolidated value ED H1 2013	Value ED H1 2013 GS	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of total value
Hotels	2 040,0	2 277,0	2 014,0	0,3%	6,2%	6,2%	70%
Healthcare	356,0	343,9	344,0	0,9%	6,4%	6,4%	11%
Retail Premises	630,0	607,0	607,0	1,9%	6,3%	6,3%	19%
Total in operation	**3 026,0**	**3 227,9**	**2 965,0**	**0,7%**	**6,2%**	**6,2%**	**99%**
Assets under developement		19,2	19,2		5,7%	5,7%	1%
Total	**3 039,0**	**3 247,1**	**2 984,2**	**0,7%**	**6,2%**	**6,2%**	**100%**

D. LOGISTICS

1. ACCOUNTED RENTAL INCOME: €28.0 MILLION

Breakdown by activity sector

(€ million)	Surface (sq.m)	Number of assets	Rental income H1 2012	Rental income H1 2013	Change (%)	Change (%) LFL	% of rental income
Logistics - France	883 319	19	30,7	16,9	-44,9%	-5,2%	60%
Logistics - Germany	204 170	7	4,5	4,6	2,3%	2,3%	17%
Garonor	252 234	1	6,0	6,4	7,2%	3,4%	23%
Total	**1 339 723**	**27**	**41,3**	**28,0**	**-32,2%**	**-2,4%**	**100%**

Rental income in H1 2013 reached €28 million, a -32.2% decline from 30 June 2012. This change was due to the following:

- disposals made in H2 2012 (-€9.3 million)
- vacancies in view of the Garonor-Aulnay development, offset by the delivery of 3 logistics assets at the end of 2012 (+€0.3 million)
- the reclassification of the Cap 18 asset under Offices (-€3.6 million)
- indexing (+€0.7 million)
- the increase in vacancies (-€1.3 million)

Rental income has receded -2.4% on a like-to-like basis.

Geographic breakdown

(€ million)	Surface (sq.m)	Number of assets	Rental income H1 2012	Rental income H1 2013	Change (%)	Change (%) LFL	% of rental income
Paris excl. CBD	0	0	5,3	0,0	na		0%
Inner suburbs	213 747	2	4,8	4,9	2,6%	2,5%	18%
Outer suburbs	450 109	6	16,9	10,3	-38,9%	-12,5%	37%
Total Paris Region	663 856	8	27,0	15,3	-43,4%	**-7,7%**	54%
Nord Ouest	68 947	4	1,6	1,7	3,0%	2,9%	6%
Rhône-Alpes	235 174	5	4,8	3,1	-35,5%	11,9%	11%
PACA	167 576	3	3,3	3,3	1,0%	1,0%	12%
Germany	204 170	7	4,5	4,6	2,3%	2,3%	17%
Total	**1 339 723**	**27**	**41,3**	**28,0**	**-32,2%**	**-2,4%**	**100%**

2. ANNUALISED RENTAL INCOME: €58.2 MILLION

Breakdown by activity sector

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)	% of rental income
Logistics - France	883 319	19	63,6	35,6	-44,0%	61%
Logistics - Germany	204 170	7	9,3	9,5	2,2%	16%
Garonor	252 234	1	12,1	13,0	7,6%	22%
Total	**1 339 723**	**27**	**85,1**	**58,2**	**-31,6%**	**100%**

Following disposals in H2 2012 and the reclassification of the Cap 18 asset under Offices, annualised rental income has decreased by 31.6%.

Geographical breakdown: the Île-de-France region represents 54% of rental income

(€ million)	Surface (sq.m)	Number of assets	Annualised rental income H1 2012	Annualised rental income H1 2013	Change (%)	% of rental income
Paris excl. CBD	0	0	10,8	0,0	na	0%
Inner suburbs	213 747	2	10,0	10,7	6,7%	18%
Outer suburbs	450 109	6	34,3	20,6	-40,1%	35%
Total Paris Region	663 856	8	55,2	31,3	-43,3%	54%
Nord Ouest	68 947	4	3,1	3,5	12,4%	6%
Rhône-Alpes	235 174	5	10,5	6,9	-34,1%	12%
PACA	167 576	3	6,9	7,0	0,6%	12%
Germany	204 170	7	9,3	9,5	2,2%	16%
Total	**1 339 723**	**27**	**85,1**	**58,2**	**-31,6%**	**100%**

3. INDEXATION

The indices used in calculating indexation are the Construction Cost Index and the Office Rental Index in France and the Consumer Price Index in Germany. Across all assets, some 15 tenants are subject to restricted indexation, generally ranging between 1.5% and 3.5%.

4. RENTAL ACTIVITY

Rental activity was intense in H1 2013, with the signing of some 117,000 sq. m in new leases for €5.9 million in rental income.

(€ million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/sq.m)
Vacating	102 626	5,0	49
Letting	52 527	2,6	49
Renewal	65 828	3,3	50

In H1 2013, by portfolio:

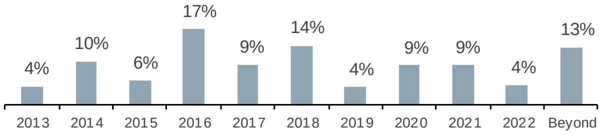
- 8.7% of Logistics France leases were renegotiated or renewed (€3.1 million in annualised rental income)
- 23.4% of Logistics Germany leases were renegotiated or renewed (€2.2 million in annualised rental income)
- 5.6% of leases at Garonor Aulnay were renegotiated or renewed (€0.7 million in annualised rental income).

5. EXPIRY SCHEDULE AND VACANCY

Lease expirations: 5.4 years firm residual lease term (2.8 years firm)

The residual duration of existing leases was 5.4 years (firm 2.8 years), up from the end of 2012 (4.9 years), with the following profile:

(€ million)	By lease end date (1st break)	% of total	By lease end date	% of total
2013	3,2	6%	2,4	4%
2014	17,2	30%	5,8	10%
2015	15,8	27%	3,2	6%
2016	12,2	21%	10,1	17%
2017	1,6	3%	5,4	9%
2018	2,5	4%	8,0	14%
2019	1,3	2%	2,4	4%
2020	0,0	0%	5,3	9%
2021	0,6	1%	5,3	9%
2022	1,0	2%	2,6	4%
Beyond	2,7	5%	7,6	13%
Total	**58,2**	**100%**	**58,2**	**100%**



Taking into account the lease in advance of future completion signed with Samada, the firm residual duration of existing leases was 3.4 years (see paragraph 8. – Development Projects).

Vacancy rates and types: Vacancy rate of 14.3%

The financial vacancy rate on operating assets was 14.3% as at 30 June 2013 compared to 11.2% as at the end of 2012. By segments, the financial vacancy of assets in operation was as follows:

(%)	2012	H1 2013
Logistics - France	13,4%	18,5%
Logistics - Germany	0,9%	0,8%
Garonor	9,7%	10,4%
Total	**11,2%**	**14,3%**

For Logistics France, vacancies increased, mainly due to the departure of tenants from the Bussy-Saint-Georges, Cergy and Corbas sites.

6. UNPAID RENT

(€ million)	2012	H1 2013
As % of annualised rental income	5,0%	6,5%
In value	3,4	3,8

Unpaid rent as at 30 June 2013 totalled €3.8 million, remaining stable compared to the end of 2012, of which €1 million was due to the forced liquidation of Telemarket.

7. DISPOSALS AND DISPOSAL AGREEMENTS: €45.3 MILLION

(€ million)	Disposals (agreements as of end of 2012 closed)	Agreements as of end of 2012 closed	New disposals H1 2013	New agrements H1 2013	Total H1 2013	Margin vs 2012 value	Yield	Total
Logistics France	0,0	0,0	0,0	45,3	45,3	-6,1%	8,9%	45,3
Logistics Germany								0,0
Garonor								0,0
Total	**0,0**	**0,0**	**0,0**	**45,3**	**45,3**	**-6,1%**	**8,9%**	**45,3**

In H1 2013, Foncière des Régions continued its asset rotation policy by signing a preliminary sale agreement in the total amount of €45.3 million.

8. DEVELOPMENT PROJECTS

Committed projects: €66.1 million

Projects	Location	Area	Surface (sq.m)	Delivery	Target rent (€/sq.m/year)	Pre-leased (%)	Total Budget (€m)
Garonor N03	Aulnay sous bois	Paris Regions	51 010	2013 - 2014	nc	100%	61,9
Garonor N06	Aulnay sous bois	Paris Regions	2 507	2014	nc	100%	4,2
Total			**53 517**				**66,1**

Foncière des Régions continues the construction of a platform at Garonor following the signing of a lease in advance of completion at the end of 2012 with Samada, a logistics subsidiary of the Monoprix group.

In addition, Foncière des Régions signed a lease in advance of completion in 2013 for the construction of a 2,507 sq. m operations building with delivery scheduled in early 2014.

Managed projects

Projects	Location	Area	Surface (sq.m)	Delivery timeframe
Garonor N02 Phase 2	Aulnay sous bois	Paris Regions	18 000	2015
Bollène	Bollène	Regions	70 000	N/A
Total			**88 000**	

The Garonor N02 phase 2 project is part of the redevelopment project for the southern portion of the site.

At Bollène, Foncière Europe Logistique owns land on which future buildings will be constructed progressively as leases are signed.

9. ASSET VALUES

Change in asset values

(€ million)	Value ED 2012	Value adjustment	Acquisitions	Disposals	Invest.		Value ED H1 2013
Logistics - France	622,3	-11,1			2,9	-90,6	523,4
Logistics - Germany	104,8	-3,1			0,2		101,8
Garonor	202,0	-0,3			9,7		211,3
Total	**929,1**	**-14,6**	**0,0**	**0,0**	**12,8**	**-90,6**	**836,6**

Like-for-like change

The overall change in appraised values on a like-for-like basis over six months declined 1.6%. This change is primarily related to a receding rental market that has been impacted by the deteriorated economic environment.

All assets in operation are valued on the basis of annualised rental income at 7.2% in H1 2013, a decrease compared to the end of 2012. This drop is due mainly to the increase in vacancies.

(€ million)	Value ED 2012 100%	Value ED H1 2013 100%	Value ED H1 2013 GS	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of total value
Logistics - France	622,3	523,4	523,4	-1,9%	7,3%	6,5%	63%
Logistics - Germany	104,8	101,9	101,9	-2,8%	9,0%	9,3%	12%
Garonor	202,0	211,3	211,3	0,0%	7,5%	7,8%	25%
Total	**929,1**	**836,6**	**836,6**	**-1,6%**	**7,6%**	**7,2%**	**100%**

(€ million)	Value ED 2012 100%	Value ED H1 2013 100%	Value ED H1 2013 GS	LFL change 6 months	Yield ED 2012	Yield ED H1 2013	% of total value
Paris CBD	0,0	0,0	0,0	0,0%	0,0%	0,0%	0%
Paris excl. CBD	90,6	0,0	0,0	0,0%	8,8%	0,0%	0%
Inner suburbs	162,4	156,3	156,3	-4,9%	6,2%	6,0%	19%
Outer suburbs	330,5	337,8	337,8	-0,6%	7,6%	6,9%	40%
Total Paris Region	583,5	494,1	494,1	-2,0%	7,4%	6,6%	59%
Nord Ouest	44,7	44,6	44,6	0,0%	7,6%	7,7%	5%
Rhône-Alpes	108,7	109,7	109,7	0,8%	6,8%	6,3%	13%
PACA	87,4	86,4	86,4	-1,2%	7,9%	8,3%	10%
Germany	104,8	101,9	101,9	-2,8%	9,0%	9,3%	12%
Total	**929,1**	**836,6**	**836,6**	**-1,6%**	**7,6%**	**7,2%**	**100%**

* 2012 value corresponding to Cap 18 asset, reclassified in office in H1 2013

4. FINANCIAL INFORMATION AND COMMENTS

The business of Foncière des Régions consists of the acquisition, ownership, administration and leasing of properties, developed or otherwise, specifically in the office, service, logistics, and parking sectors.

Registered in France, Foncière des Régions is a limited company (*société anonyme*) with a Board of Directors.

A. SCOPE OF CONSOLIDATION

The scope of consolidation of Foncière des Régions as at 30 June 2013 includes companies located in France and in 5 European countries (in Italy for Offices, in Germany for Logistics and the Service Sector), in Portugal, Belgium and Luxembourg for the Service Sector).
The main percentages of control during the year were as follows:

Subsidairies	H1 2012	2012	H1 2013
Foncière Développement Logements	31,6%	31,6%	31,6%
Foncière des Murs	28,3%	28,3%	28,3%
Foncière Europe Logistique	89,2%	100,0%	100,0%
Beni Stabili	50,9%	50,9%	50,9%
OPCI CB 21 (Tour CB 21)	75,0%	75,0%	75,0%
Urbis Park	59,5%	59,5%	59,5%
Fédérimmo (Carré Suffren)	60,0%	60,0%	60,0%
SNC Latécoëre (DS Campus)	100,0%	50,1%	50,1%
Lenovilla (New Velizy)	100,0%	100,0%	50,1%

In February 2013, Foncière des Régions signed a sharing agreement regarding the New Velizy asset with Crédit Agricole Assurances. The company that owns the asset (Lenovilla) is consolidated by the equity method as of this date.

B. ACCOUNTING STANDARDS

The consolidated financial statements were prepared in accordance with IAS 34 “International financial information”. The financial statements were approved by the Board of Directors on 23 July 2013.

The consolidated financial statements as at 30 June 2013 were prepared in accordance with the accounting standards and interpretations issued by the IASB and adopted by the European Union on the date of preparation.

C. EPRA INCOME STATEMENT

(€ million)	Consolidated		GS		Change GS
	H1 2012	H1 2013	H1 2012	H1 2013	%
Rental income	383,3	381,3	252,3	243,9	-3,3%
Unrecovered rental costs	-13,9	-18,7	-9,5	-12,6	33,8%
Expenses on properties	-4,8	-7,2	-3,0	-4,6	52,3%
Net expenses on unrecoverable receivables	-1,4	-4,3	-0,8	-2,6	230,0%
Net rental income	**363,1**	**351,0**	**239,1**	**224,0**	**-6,3%**
ratio of costs to revenues	*0,0%*	*0,0%*	*5,3%*	*8,1%*	*n.a*
Management and administration revenues	10,8	9,3	9,7	9,4	-3%
Activity-related costs	-2,1	-2,4	-1,7	-1,7	0%
Committed fixed costs	-36,0	-34,5	-28,0	-26,8	-4%
Development costs	0,0	-0,2	0,0	-0,2	n.a
Net cost of operations	**-27,2**	**-27,8**	**-20,0**	**-19,3**	-4%
Income from other activities	7,6	8,1	4,3	5,5	27%
Depreciation of operating assets	-6,4	-7,3	-4,1	-5,0	23%
Net change in provisions and other	-1,8	4,1	-2,3	4,4	n.a
Current operating income	**335,4**	**328,1**	**217,0**	**209,6**	-3%
Net income from inventory properties	-1,6	-1,6	-0,9	-1,0	n.a
Income from asset disposals	4,2	0,8	0,8	-1,3	n.a
Income from value adjustments	2,6	26,4	-10,5	12,5	n.a
Income from disposal of securities	-3,2	0,0	-3,2	0,0	n.a
Income from changes in scope	0,0	3,2	0,0	3,2	n.a
Operating income	**337,4**	**356,8**	**203,2**	**223,0**	**10%**
Income from non-consolidated companies	8,1	8,9	8,1	8,9	10%
Cost of net financial debt	-145,5	-139,8	-93,6	-88,3	-6%
Value adjustment on derivatives	-128,4	74,4	-99,5	53,6	-154%
Discounting of liabilities and receivables	-2,0	-1,4	-1,1	-1,3	15%
Net change in financial and other provisions	-9,6	-13,0	-5,5	-7,1	28%
Share in earnings of affiliates	24,6	25,0	19,9	22,4	13%
Pre-tax income	**84,7**	**310,9**	**31,6**	**211,3**	**569%**
Deferred tax	3,2	-2,2	1,5	-4,5	n.a
Corporate income tax	-2,9	-4,0	-1,7	-1,7	n.a
Net income for the period	**85,0**	**304,8**	**31,4**	**205,1**	**553%**
Minority interests	-53,6	-99,6	0,0	0,0	n.a
Net income for the period - GS	**31,4**	**205,1**	**31,4**	**205,1**	**n.a**

■ Rental income

Rental income, Group share, dropped by 3.3% to €243.9 million (compared to €252.3 million) mainly due to asset disposals and the equity method consolidation of the DS Campus asset (€8 million).

At Beni Stabili, rental income, Group share, increased by €1.6 million after the delivery of the Garibaldi buildings.

The increase in Service Sector rental income (€1.7 million, Group share) is associated with the acquisition of 158 B&B hotels at the end of 2012.

Logistics (including Cap 18) showed a drop in rental income by €5.1 million, Group share, due to disposals made in 2012.

In consolidated data, rental income decreased by 0.5% (-€2 million):

- Offices France (excluding Cap 18) -€6.4 million (-4.6%)
- Offices Italy +€3.1 million (+2.7%)
- Service Sector +€10.9 million (+12%)
- Logistics (including Cap 18) -€9.6 million (-23.2%)

Net operating costs

Net operating costs, Group share, amounted to €19.3 million as at 30 June 2013 (€27.8 million on a consolidated basis), compared to €20.0 million as at 30 June 2012 (€27.2 million on a consolidated basis), i.e. a decrease of 4%.

The decrease in net operating costs was due mainly to the reduction in overhead expenses, as a result of the cost-containment policy. These overhead expenses mainly consist of payroll, attorneys' fees, auditors' fees, and office, communications and IT costs.

Income fromother activities

Other business income mainly concerns the parking activity, i.e. car parks owned or under concession. Income from this activity dropped slightly over the first half of 2013 due to the disposal of two car parks during H1 2012. Other business income stood at €5.5 million as at 30 June 2013 (in Group share) compared to €4.3 million as at 30 June 2012.

Depreciation and provisions

Allowances for depreciation and provisions during the period consisted largely of depreciation on operating properties and car parks.

Change in the fair value of assets

The income statement recognises changes in the fair value of assets based on appraisals conducted on the portfolio. For H1 2013, the change in the fair value of investment assets was positive by €12.5 million, Group share (+€26.4 million on a consolidated basis) compared to - €10.5 million, Group share, as at 30 June 2012 (+€2.6 million at 100%).

Operating profit, Group share, thus amounted to €223 million as at 30 June 2013 compared to €203 million as at 30 June 2012.

Financial aggregates

Financial expenses stood at €88.3 million in Group share (compared to €93.6 million as at 30 June 2012) and at €139.8 million on a consolidated basis (compared to €145.5 million as at 30 June 2012).

Moreover, the amount of interest capitalised in assets under development amounted to €5.3 million for H1 2013. Other current and non-current debt included financial instrument liabilities (€584 million, or €383 million in Group share) and deferred taxes for foreign and non-SIIC companies (€150 million, or €96 million in Group share).

The change in the fair value of financial instruments was +€53.6 million in Group share as at 30 June 2013 (+€74.4 million on a consolidated basis) compared to -€99.5 million in Group share (-€128.4 million on a consolidated basis) as at 30 June 2012.
This was after a hike in long-term rates between the two periods and a change in the fair value of the ORNANE between 2012 and 2013 (+€6.2 million in Group share).

Share of income of associates

Consolidated data	% interest	Value 2013	Contribution to earnings	Value 2012	Change (%)
Foncière Développement Logements	31,62%	434,4	16,5	440,9	-1,5%
OPCI Foncière des Murs	4,99%	70,0	3,4	70,2	-0,3%
SNC Latécoëre (Dassault Campus)	50,10%	99,1	4,6	94,5	4,9%
Lénovilla (New Velizy)	50,10%	4,9	2,7	0,0	n.a
Other equity interests	na	7,6	-2,2	10,0	-24,0%
Total		**616,0**	**25,0**	**615,6**	0,1%

Income from changes in consolidation scope

Income from changes in the scope of consolidation corresponds to the impact upon consolidation of the switch from full to equity consolidation of Lénovilla after the sharing agreement on the New Velizy asset with Crédit Agricole Assurances.

Income from non-consolidated companies

Income from non-consolidated companies pertains to €8.9 million in dividends from Altarea.

Taxe regime

Taxes determined are for:

- Foreign companies not covered or only partially covered by a specific scheme for real estate businesses
- French subsidiaries not having opted for the SIIC regime
- French SIIC or Italian subsidiaries with taxable activity

EPRA Net Recurring Income

(€ million) Group share	H1 2012	H1 2013	Change	%
Net rental income	239,1	225,6	-13,5	-5,6%
Net operating costs	-19,4	-18,0	1,4	-7,2%
Income from other activities	4,3	5,6	1,3	
Net change in provisions and other	-0,3	0,0	0,3	
Cost of net financial debt	-93,1	-87,5	5,6	-6,0%
Recurrent net income from equity affiliates	11,3	15,9	4,6	
Income from non consolidated affiliates	8,1	8,9	0,8	
Recurrent tax	-2,0	-1,2	0,8	
EPRA recurrent net income	**148,0**	**149,3**	**1,3**	**0,8%**
EPRA recurrent net income per share	**2,7**	**2,6**	**-0,1**	**-3,8%**
Fair value adjustment on real estate assets	-10,5	12,5	23,0	
Other asset value adjustments	0,0	0,0	0,0	
Fair value adjustment on financial instruments	-99,5	53,6	153,1	
Other	-8,1	-5,8	2,3	
Non-recurrent tax	1,5	-4,5	-6,0	
Net income	**31,4**	**205,1**	**173,7**	
Diluted average number of shares	54 984 496	57 494 770	2 510 274	4,6%

	Net income GS	Restatements		EPRA RNI
Net rental income	**224,0**	**1,6**		**225,6**
Operating costs	-19,3	1,3		-18,0
Income from other activities	5,5	0,1		5,6
Depreciation of operating assets	-5,0	5,0		0,0
Net change in provisions and other	4,4	-4,4		0,0
Current operating income	**209,6**	**3,6**		**213,2**
Net income from inventory properties	-1,0	1,0		0,0
Income from asset disposals	-1,3	1,3		0,0
Income from value adjustments	12,5	-12,5		0,0
Income from disposal of securities	0,0	0,0		0,0
Income from changes in scope	3,2	-3,2		0,0
Operating income	**223,0**	**-9,8**		**213,2**
Income from non-consolidated companies	8,9	0,0		**8,9**
Cost of net financial debt	**-88,3**	**0,8**		**-87,5**
Value adjustment on derivatives	53,6	-53,6		0,0
Discounting of liabilities and receivables	-1,3	1,3		0,0
Net change in financial provisions	-7,1	7,1		0,0
Share in earnings of affiliates	22,4	-6,6	(a)	15,9
Pre-tax net income	**211,3**	**-60,8**		**150,5**
Deferred tax	-4,5	4,5		0,0
Corporate income tax	-1,7	0,5		-1,2
Net income for the period	**205,1**	**-55,8**		**149,3**

(a) Non cash amount from the result of affiliates

D. EPRA BALANCE SHEET

Consolidated balance sheet

(€ million)	**2012**	**H1 2013**		**2012**	**H1 2013**
Non-current assets			**Shareholders' equity**		
			Capital	174	174
Intangible assets	155	155	Additional paid-in capital	2 173	2 083
			Treasury stock	-31	-30
Tangible assets	99	96	Consolidated reserves	1 529	1 384
Investment properties	11 381	11 363	Earnings	-27	205
	0	0	**Total shareholders' equity Group share**	**3 818**	**3 816**
Financial assets	174	245	Minority interests	2 244	2 301
Equity affiliates	616	616	**Total shareholders' equity (I)**	**6 062**	**6 117**
Deferred tax assets	69	73	**Non-current liabilities**		
Long-term financial instruments	11	13			
			Long-term borrowings	5 806	6 188
			Long-term financial instruments	630	509
Total non-current assets (I)	**12 504**	**12 562**	Deferred tax liabilities	139	150
Current assets			Pension and other liabilities	3	3
			Other long-term debt	53	34
Assets held for sale	1 065	973	**Total non-current liabilities (III)**	**6 631**	**6 884**
Loans and finance lease receivables	3	2	**Current liabilities**		
Inventories and work-in-progress	91	88	Liabilities held for sale		
Short-term financial instruments	7	2	Trade payables	93	104
Trade receivables	183	215	Short-term borrowings	951	705
Current tax	1	1	Short-term financial instruments	155	76
Other receivables	142	108	Tenant security deposits	3	2
Accrued expenses	19	22	Advances and deposits received on current orders	42	49
Cash and cash equivalents	101	152	Short-term provisions	20	17
			Current tax	2	
			Other debt	2	1
			Accruals	41	45
Total current assets (II)	**1 613**	**1 564**	**Total current liabilities (IV)**	**1 424**	**1 125**
Total assets (I+II+III)	**14 117**	**14 126**	**Total liabilities (I+II+III+IV)**	**14 117**	**14 126**

Simplified consolidated balance sheet

Assets	H1 2013	Liabilities	H1 2013
Fixed assets	11 615	Shareholders' equity	3 816
Equity affiliates	616	Minority interests	2 301
Financial assets	248	**Shareholders' equity**	**6 117**
Deferred tax assets	73	Borrowings	6 893
Financial instruments	14	Financial instruments	584
Actifs destinés à la vente	973	Deferred tax liabilities	150
Cash	152	Other liabilities	381
Other	435		
Total	**14 126**	**Total**	**14 126**

Simplified balance sheet, Group share

Assets	H1 2013	Liabilities	H1 2013
Fixed assets	7 099		
Equity affiliates	564		
Financial assets	227	**Shareholders' equity**	3 816
Deferred tax assets	37	Borrowings	4 436
Financial instruments	6	Financial instruments	383
Assets held for slale	696	Deferred tax liabilities	96
Cash	87	Other	285
Other	299		
Total	**9 016**	**Total**	**9 016**

Shareholders’ equity

Consolidated shareholders’ equity, Group share, fell from €3,818 million at the end of 2012 to €3,816 million as at 30 June 2013, i.e. a decrease of €2 million due mainly to:

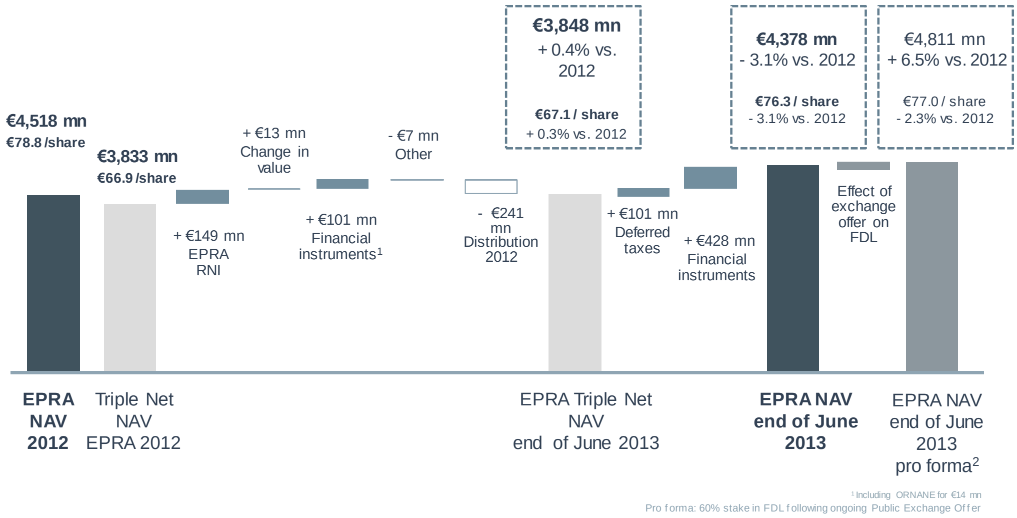
- Income for the period +€205 million
- impact of the cash dividend distribution -€241 million
- financial instruments included in shareholders’ equity +€33 million

Net debt

The financial debt of Foncière des Régions amounted to €4,436 million in Group share data, i.e. €6,893 million in consolidated data. Net debt as at 30 June 2013 was €4,348 in Group share (€6,742 million on a consolidated basis) compared to €4,264 in Group share at the end of 2012 (€6,657 million on a consolidated basis at the end of 2012).

5. NET ASSET VALUE (NAV)

	H1 2012	2012	H1 2013	Var. vs 2012	Var. (%) vs 2012
EPRA NAV (€ million)	4 494,0	4 518,4	**4 377,5**	-140,9	-3,1%
EPRA NAV / share (€)	78,5	78,8	**76,3**	-2,5	-3,1%
EPRA triple net NAV (€ million)	3 904,1	3 832,5	**3 847,9**	15,4	0,4%
EPRA triple net NAV / share (€)	68,2	66,9	**67,1**	0,2	0,3%
Number of shares	57 251 975	57 315 048	**57 358 046**	42 998	0,1%



	(€ million)	€/share
Shareholders' equity	**3 816,1**	**66,53**
Fair value assessment of buildings (operation + inventory)	16,5	0,00
Fair value assessment of parking facilities	29,2	0,00
Fair value assessment of goodwill	9,5	0,00
BENI STABILI inflation swap and fixed debt	-42,8	0,00
Restatement of value ED	19,4	0,00
EPRA triple net NAV	**3 847,9**	**67,09**
Financial instruments and fix rate debt	396,4	0,00
Deferred tax	101,4	0,00
ORNANE	31,7	0,00
EPRA NAV	**4 377,5**	**76,32**

The real estate assets held directly by the group were appraised in full at 30 June 2013 by real estate appraisers belonging to AFREXIM: DTZ Eurexi, CBRE, JLL, and BNP Paribas Real Estate, based on common specifications prepared by the company observing professional practices.

Assets were estimated at values excluding and/or including duties, and rents at market value. Estimates were made using the comparative method, the rent capitalisation method and the discounted future cash flows method.

Car parks were valued by capitalising the gross operating surplus generated by the business.

Other assets and liabilities were valued based on the IFRS values on the consolidated financial statements. The application of fair value primarily relates to the valuation of debt and ORNANE hedges. The level of exit tax is known and included in the financial statements for all of the companies that have opted for the fiscal transparency system.

For companies shared with other investors, only the Group share was taken into account.

Main adjustments made:

Fair value adjustments for properties and goodwill

In accordance with IFRS standards, properties in operation, in development (except for those governed by revised IAS 40) and in inventory are valued at historical cost. An adjustment to value in order to take into account the appraisal value was made in the NAV for a total amount of €16.5 million.

Since goodwill is not valued in the consolidated financial statements, a restatement was made to NAV to recognise its fair value (as calculated by appraisers) in the amount of €9.5 million as at 30 June 2013.

Fair value adjustment for car parks

Car parks are valued at historical cost in the consolidated financial statements. A restatement is made in the NAV to take into account the appraisal value of these assets, as well as the effect of the farm-outs and subsidies received in advance. The impact was of €29.2 million on the NAV as at 30 June 2013.

Recalculation of the base for certain assets excluding duties

When a company, rather than the asset that it holds, can be sold off, transfer duties are recalculated based on the company’s net asset value. The difference between these recalculated duties and the transfer duties deducted from the value of the assets generated a restatement of €19.4 million as at 30 June 2013.

Fair value adjustment for fixed-rate debts

The group has taken out fixed-rate loans. In accordance with EPRA principles, the triple net NAV is adjusted for the fair value of fixed-rate debts, i.e. an impact as at 30 June 2013 of -€42.8 million.

6. FINANCIAL RESOURCES

A. MAIN DEBT CHARACTERISTICS

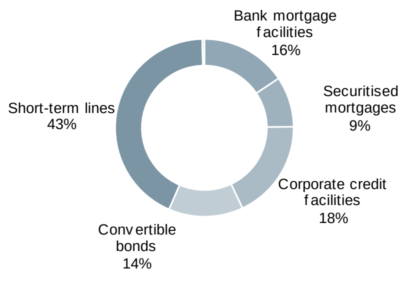
GS	2012	H1 2013
Net debt, Group share (€ million)*	4 264	**4 348**
Average annual rate of debt	4,04%	**3,91%**
Average maturity of debt (in years)	4,0	**4,1**
Debt active hedging spot rate	87%	**76%**
Average maturity of hedging	4,9	**4,5**
LTV Including Duties**	45,2%	**46,4%**
ICR	2,59	**2,54**

*included ORNANE
**LTV E D : 48,4%

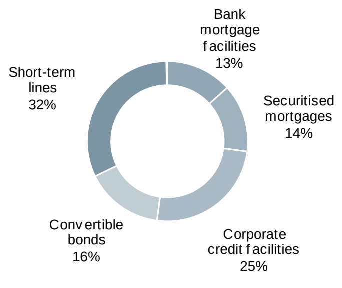
1. DEBT BY TYPE

Foncière des Régions' net debt, Group share, amounted as at 30 June 2013 to €4.3 billion (€6.7 billion on a consolidated basis).

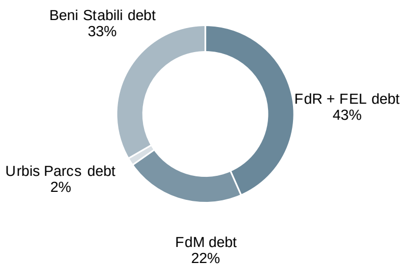
Foncière des Régions' commitments, Group share, including off balance sheet commitments, amounted at the end of June 2013 to €5.0 billion (€7.5 billion on a consolidated basis). The unsecured portion of debt increased from 46% to 54%, following two bond issues during H1 2013: a convertible bond by Beni Stabili of €225 million (€113 million in Group share) and a private placement by Foncière des Régions of €180 million.



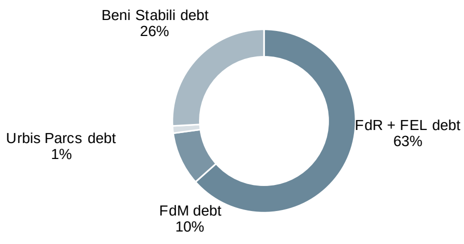
Commitments consolidated



Commitments group share



Consolidated Commitments per company



Commitments group share per company

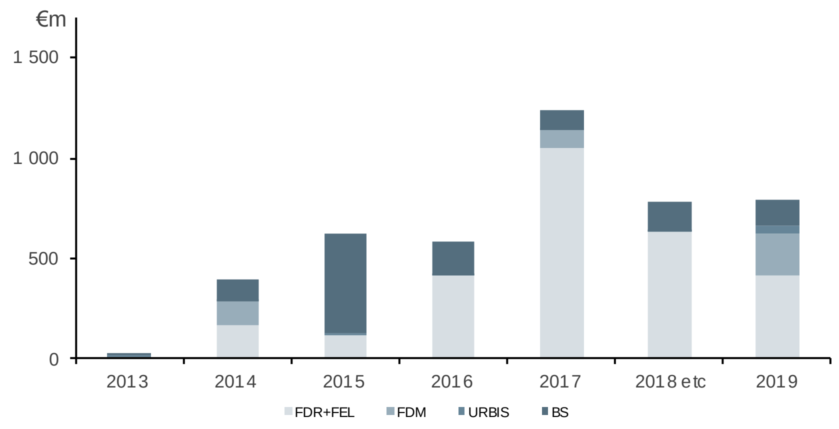
In addition, as at 30 June 2013, Foncière des Régions' cash and cash equivalents amounted to approximately €911 million in Group share (€1,139 million on a consolidated basis). These amounts do not include the unused portion of loans allocated to development projects under way.

2. DEBT MATURITY

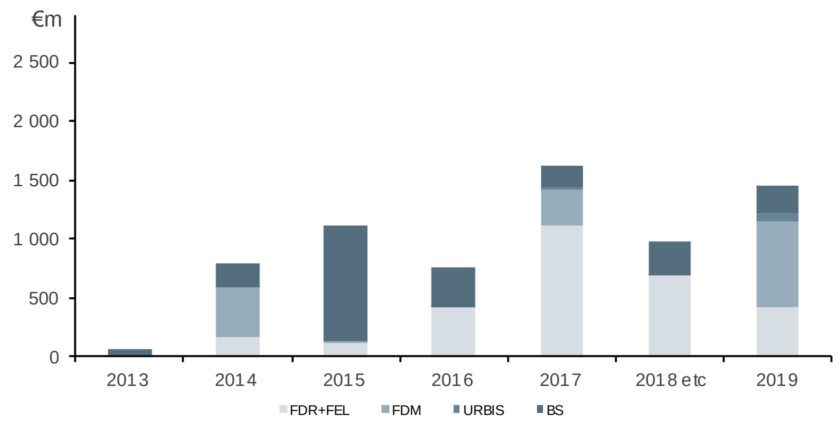
The average maturity of Foncière des Régions' debt stood at 4.1 years at the end of June 2013, increasing by 0.1 years compared to the end of 2012.

The 2013 and 2014 maturities are covered entirely by existing cash. The 2014 maturities mainly concern Foncière des Régions (€168 million) and FDM (€119 million in Group share and €420 million on a consolidated basis).

The graph below shows the maturities for financing commitments in Group share.



The chart below shows the maturities for consolidated debt (amount of the total commitment).



3. MAIN CHANGES DURING THE PERIOD

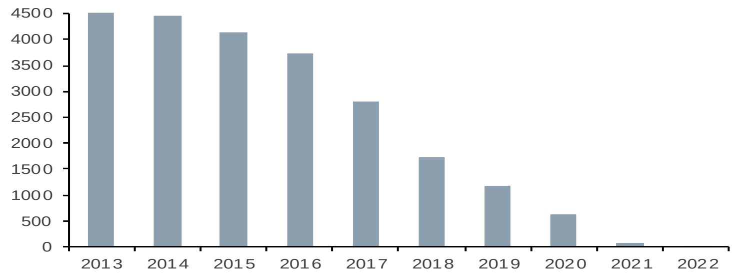
New debt issues: €445 million in Group share (€882 million at 100%)

- Foncière des Régions: €180 million
  - Further to its €500 million inaugural bond issue in October 2012, Foncière des Régions on 28 March 2013 made a €180 million private placement for a 7-year bond (maturing in April 2020) with a 3.30% coupon, providing a 197 bps margin over the swap rate
    This transaction allowed Foncière des Régions to continue diversifying its debt and lengthening its maturity
- Beni Stabili: €149 million in Group share (€292 million at 100%)
  - As part of the diversification of its sources of financing, Beni Stabili on 17 January 2013 issued a convertible bond of €175 million at 3.375%, maturing on 17 January 2018 (5-year maturity). The initial conversion price was set at €0.5991
    This issue was increased by €50 million on 7 March 2013 (3.375% coupon, 5-year maturity)
    In addition, during H1, Beni Stabili extended a €67 million loan for three years (new maturity in April 2016)
- Foncière des Murs: €116 million in Group share (€410 million at 100%)
  - During H1 2013, Foncière des Murs partially refinanced its 2014 maturities by taking out a €60.2 million 7-year secured loan
  - After the close, Foncière des Murs continued refinancing its 2014 maturities by taking out a secured loan on 15 July 2013 for €350 million with a 7-year term

4. HEDGING PROFILE

During H1 2013, the hedge management policy remained unchanged, with debt hedged at 90% to 100%, at least 75% of which had short-term hedges and all of which had maturities exceeding debt maturity.

Based on net debt at the end of June 2013, Foncière des Régions is covered (in Group share) up to 75% in short term hedges compared to 87% at the end of 2012. The average term of the hedges is 4.5 years for Group share (4.4 years for consolidated debt).



5. AVERAGE INTEREST RATE ON THE DEBT AND SENSITIVITY

The average interest rate for Foncière des Régions' bank debt was 3.91% for the Group share, compared to 4.04% in 2012. This increase was due mainly to the change in short-term rates between 2012 and 2013 (3-month Euribor at 0.21% on average in H1 2013), as well as the full-year effect of fixed-rate debt issues together with hedge restructuring, including:

- a €200 million 7-year debt with a 4% coupon for Foncière des Régions
- the Foncière des Régions €500 million bond issue at 3.875% for 5 years and 3 months
- and the €255 million 7-year Foncière des Murs corporate secured issue at 3.68%

For information purposes, a 50 bps drop in the 3-month Euribor rate would have a positive impact of €0.8 million on net recurring income for 2013. The impact would be negative by €1.4 million in the event of a 50 bps hike.

B. FINANCIAL STRUCTURE

Except for the debt raised without recourse to the group's property companies, the debt of Foncière des Régions and its subsidiaries generally includes bank covenants (based on ICR and LTV) on the consolidated financial statements of each borrower. If these covenants are breached, early debt repayment could be required. Covenants are established in Group share for Foncière des Régions and on a consolidated basis for covenants applying to subsidiaries of Foncière des Régions (except for the covenants for most of the loans of Foncière des Murs, which are also established in Group share).

The most restrictive consolidated LTV covenants at the end of June 2013 were 60% for Foncière des Régions and Foncière des Murs. Only a portion of the Beni Stabili loans has a consolidated LTV covenant (Beni Stabili scope), the most restrictive level of which is set at 60%.

The threshold for consolidated ICR covenants differs from one property company to another, depending on the type of assets, and may be different from one debt to another even for the same property company, depending on debt seniority. Only a portion of the Beni Stabili loans has a consolidated ICR covenant. The most restrictive covenants applicable to the property companies are the following:

- for Foncière des Régions: 200%
- for Foncière des Murs: 200%
- for Beni Stabili: 140%

These LTV and ICR covenants were largely met at the end of June 2013.

In the case of Foncière des Régions, the consolidated ratios as at the end of June 2013 stood at 48.4% for LTV in Group share and at 254% for ICR in Group share (compared to 47.2% and 259%, respectively, at the end of 2012).

In addition to the consolidated LTV and ICR covenants in Group share for Foncière des Régions, there are 2 types of covenants in the corporate loans taken out by Foncière des Régions:

- Mainly an asset-secured debt covenant (100% scope), the cap on which is set at between 25% and 30% and which measures the ratio of secured debt (or debt with guarantees of any nature) to asset value.
- To a lesser extent, an unencumbered asset to unsecured debt covenant (for the same sub-consolidation scope), the cap for which was set at 50%, or a real estate LTV covenant (capped at 65%), which measures the ratio between the debt of the Foncière des Régions sub-consolidation scope and its fully-owned subsidiaries and the asset value.

These covenants were also met at the end of June 2013. No loan has an accelerated payment clause contingent on a Foncière des Régions rating.

LTV calculation details

(€ million) GS	H1 2012	2012	H1 2013
Net book debt *	4 537	4 264	4 349
Receivables on disposals	-583	-316	-277
Security deposits received	-3	-4	-17
Finance lease-backed debt	-6	-5	-5
Net debt	**3 945**	**3 939**	**4 051**
Appraised value of real estate assets	8 315	7 955	7 881
Preliminary sale agreements	-583	-316	-277
Financial assets	129	139	139
Goodwill	10	10	10
Receivables linked to associates	0	0	54
Share of equity affiliates	448	564	564
Value of assets	**8 319**	**8 352**	**8 371**
LTV ED	**47,4%**	**47,2%**	**48,4%**
LTV ID	**45,6%**	**45,2%**	**46,4%**

*Ajusted from from variation of ORNANE fair value (- €25,6 million) and dividends to receive (- €9,2 million)

7. FINANCIAL INDICATORS OF MAIN SUBSIDIARIES

	Foncière des Murs			Beni Stabili		
	H1 2012	H1 2013	Var. (%)	H1 2012	H1 2013	Var. (%)
EPRA Recurrent net income (€ million)	55	**62,7**	14,0%	46,6	**35,9**	-22,9%
EPRA Recurrent net income (€/share)	0,92	**0,98**	6,5%	0,02	**0,02**	-22,1%
EPRA NAV (€/share)	25,9	**25,3**	-2,5%	1,100	**1,074**	-2,2%
EPRA triple net NAV (€ million)	22,0	**22,3**	1,4%	0,940	**0,940**	0,7%
% of capital held by FDR	28,3%	**28,3%**		50,9%	**50,9%**	
LTV ID	42,4%	**43,1%**		49,0%	**50,2%**	
ICR	2,6	**3,28**		1,7	**1,53**	

	Foncière Développement Logements		
	H1 2012	H1 2013	Var. (%)
EPRA Recurrent net income (€ million)	33,6	**33,2**	-1,0%
EPRA Recurrent net income (€/share)	0,48	**0,48**	0,0%
EPRA NAV (€/share)	22,90	**22,00**	-3,9%
EPRA triple net NAV (€ million)	19,20	**19,20**	0,0%
% of capital held by FDR	31,6%	**31,6%**	
LTV ID	44,4%	**43,0%**	
ICR	2,11	**2,16**	

8. GLOSSARY

Net asset value per share (NAV/share), and Triple Net NAV per share

NAV per share (Triple Net NAV per share) is calculated pursuant to the EPRA recommendations, based on the shares outstanding as at 30 June 2013 (excluding treasury shares).

Operating assets

Properties leased or available for rent and actively marketed.

Development projects

- Cost: this indicator is calculated including interest costs and property costs (at appraised value before construction) and construction costs.
- Development projects committed: these involve projects for which work has commenced and is not yet completed on the closing date; leases in advance of future completion or the repositioning of existing assets may be involved.
- Development projects managed: these involve development projects likely to be undertaken. In other words, these are projects for which the decision to launch the operation has not yet been made.

Definition of the acronyms and abbreviations used

- ID: Including Duties
- ED: Excluding Duties
- IDF: Île-de-France
- ILAT: French office rent index
- ICC: Construction Cost Index
- CPI: Consumer Price Index.
- IRL: Rental Reference Index
- MR: Regional Cities, i.e. Aix, Bordeaux, Grenoble, Lille, Lyon, Marseille, Metz, Montpellier, Nantes, Nice, Rennes, Strasbourg, and Toulouse
- PACA: Provence-Alpes-Côte-d'Azur
- LFL: Like-for-Like
- GS: Group Share
- CBD: Central Business District
- Rdt: Return
- Chg: Change
- MRV: Market Rental Value

Unpaid rent (%)

$$\frac{\text{arrears + disputes + collective proceedings}}{\text{Gross annualised rental income (excluding charges)}}$$

Loan To Value (LTV)

The LTV calculation is detailed in Part 7 "Financial Resources".

Rental income

- Recognised rental income is the gross amount of rental income recognised during the period taking into account, in accordance with IFRS standards, any relief granted to tenants.
- Like-for-like recognised rental income allows for comparing recognised rental income from one year to another before taking into account changes in assets (acquisitions, disposals, building works, development deliveries, etc.).
- Annualised rental income is the amount of full-year guaranteed gross rental income based on the existing assets at period end, excluding any relief.

Assets

The assets presented include investment properties, properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value.

Returns

- Returns on assets are calculated according to the following formula:

$$\frac{\text{Gross annualised rental income (not corrected for vacancies)}}{\text{Value excl. duties for the relevant scope (operating or development)}}$$

- Returns on asset disposals or acquisitions are calculated according to the following formula:

$$\frac{\text{Gross annualised rental income (not corrected for vacancies)}}{\text{Acquisition or disposal value excl. duties}}$$

EPRA Recurring Net Income per Share (RNI/share)

Recurring Net Income per Share is calculated pursuant to the EPRA recommendations, based on the average number of shares outstanding (excluding treasury shares) over the period under consideration (H1 2013) and adjusted for the effect of dilution.

Surface

- SHON: Gross surface
- SUB: Gross used surface

Debt interest rate

- Average cost:

$$\frac{\text{Financial expenses on the bank debt outstanding during the period} + \text{Financial expenses on hedging during the period}}{\text{Average bank debt outstanding during the period}}$$

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

- Vacancy

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

$$\frac{\text{Total vacant surface area x MRV}}{\text{Gross annualised rental income + Total vacant space x MRV}}$$

- Like-for-like change in value

This indicator is calculated on the basis of the operating portfolio at the end of the period, restated for acquisitions, disposals, building works, development deliveries, etc.