FONCIERE DES REGIONS

Co-créateur d'histoires immobilières

€16,4 billion portfolio[1]

€558 m
Rental income
+ 0,2% LFL

97,1%
Occupancy rate

€315 m
EPRA RNI
+ 6%

€4,30
Dividend
+ 2,4%

« 2014 good results reflect the success of our ongoing strategy in portfolio quality enhancement. 2015 outlook is positive with investment committed for already €1 billion including a major transaction in Hotel real estate ».
Christophe Kullmann, *CEO of Foncière des Régions*

2014 results – Enhanced strategic positioning

Reinforcement of the real estate positioning

- Offices: acceleration of investments in the pipeline
- German Residential: reinforcement of the exposure on a buoyant market
- Hotels: diversification of our partners and our investment tools
- Exit from Logistics

Sound 2014 results

- Occupancy rate up to 97.1%
- Stability of firm lease terms (5.8 years)
- Increase in the value of the portfolio (+2.1% on a like-for-like basis)
- Recurring Net Income (RNI) EPRA up 6% at €315 million (5.03€ per share)
- EPRA NAV of €75.5 per share

Major investment in Hotel real estate at the beginning of 2015

- Acquisition on February 2015 of a 14.6% stake in Foncière des Murs at 23€
- Launch of a takeover bid on Foncière des Murs that can reach 9.2% of the share capital, considering the commitment not to contribute
- Capital increase of Foncière des Régions of €250 million contemplated

Outlook

- Dividend of €4.30 per share[2], up by 2.4%
- €1 billion in investments already committed in 2015
- Objective of a slight increase in the EPRA Recurring Net Income per share for 2015

1 Group share €9.8 bn

2 Will be put to the vote by the General Meeting on 17 April 2015

The financial statements were approved by the Board of Directors on 19 February 2014. The audit on consolidated financial statements was conducted. The audit report will be issued after completion of specific checks.

A strengthened real estate positioning

Foncière des Régions now holds a portfolio of €16.4 billion (€9.8 billion Group share) focused on **the Office sector**, leased to large companies, including two areas of diversification on strong and buoyant markets, which are **Residential in Germany and Hotels / Service sector**. Foncière des Régions relies on a partnership strategy with a leasing base made up of blue chip companies (Suez Environnement, Thales, Dassault Systèmes, Orange, EDF, IBM, Eiffage, Accor, Telecom Italia, etc.).

Sucessful strategies of 2014 have strengthened this real estate positioning and confirmed the permanence of the cash-flows:

- **in the Office sector**, with €351 million, Foncière des Régions has accelerated investments in its pipeline and continued its strategy of selective acquisitions;
- **in German Residential**, the group has enhanced its exposure with €358 million of acquisitions (€218 million Group share), mainly in prime locations in Berlin;
- **in Hotel real estate**, the year has been marked by geographic diversification and the set up of new partnerships. In addition, with the creation of FDM Management, Foncière des Régions is now also in possession of a tool to accompany operators in their strategic shift through investments in premises and businesses.

Foncière des Régions has posted a record volume of non-strategic asset disposals, with the sale of €986 million Group share, including €606 million in Logistics. **The portfolio, now comprising 91% in strategic assets**, has sound strong points and posts an occupancy rate of 97.1%, as well as an average firm lease term of 5.8 years.

Real estate activity in 2014: rents up by 6%

- Rental income on like-for-like basis: +0.2%
- Occupancy increase: 97.1% (+1.1 point)
- Stability of average firm lease term: 5.8 years (stable)
- Increase of values like-for-like: +2.1%

With the increase in Germany, and despite the impact of sales, rents were at €558.1 million Group share, up by 6% and by 0.2% at constant scope.

	Rental income (€m)	Change on like-for-like basis	Occupancy rate	Residual firm terms of leases
Offices - France	238.2	+0.7%	96.8 %	5.4 years
Offices - Italy	114.9	-1.5%	95.2 %[1]	6.3 years
Offices	**353.1**	**+0.0%**	**96.3%**	**5.7 years**
Residential Germany	103.4	+ 1.8%	98.3 %	Na
Hotels/Service Sector	51.0	-0.6%	100 %	6.8 years
Other	50.7	Na	Na	Na
Total	**558.1**	**+0.2%**	**97.1 %**	**5.8 years**

[1] Core portfolio

Indexation: +0.6%
Occupancy rate: - 0.3%
Renewals: -0.1%

Offices in France: Growth of indicators

(€5.0 billion portfolio at 100%; €4.4 billion Group share)

- Rise in occupancy rate: 96.8% (+1.0 point)
- Firm lease maturity: 5.4 years
- Growth of rents like-for-like: +0.7%
- Growth of values like-for-like: +3.0%
- Objective of 50% green portfolio achieved one year early (+9.0 points)
- Pipeline: €1.4 billion, including €518 million committed

Successful lettings have **increased the occupancy** to a record level of 96.8% (compared with 95.8% at the end of 2013). Over the year, this means more than €50 million Group share of leases (20% of rents) which were signed or renewed for a mean firm term of 6.1 years. In particular, 11,400 m² have been let in the Tour CB 21, now 97% leased. With signatures in 2014, the average firm lease term remains high at 5.4 years.

Foncière des Régions has accelerated its investments borne by the projects pipeline in Offices France, now standing at €1.4 billion. Almost €518 million of projects are now committed, €309 million of which will be delivered in 2015, for more than €36 million of annual rents (yield on cost above 7%). Committed projects relate mainly to property redevelopments and leasing turnkey projects and enjoy a pre-let rate of almost 2/3.

With the strength of its partnership model, Foncière des Régions, alongside Crédit Agricole Assurances, **has delivered the New Velizy campus in the heart of the Vélizy-Meudon district**. This 46,000 m² asset is leased to Thales for a fixed term of 9 years. In addition, Foncière des Régions signed **the 13,100 m² extension of the Dassault Systèmes Campus** and the extension of the lease for 12 years firm (total rent more than €24 million and €12 million Group share). Turnkey projects have also been signed with Schlumberger for 3,150 m² in Montpellier and with Bose for 5,100 m² in Saint-Germain-en-Laye.

As part of its selective acquisitions strategy, the group has entered into a new partnership with **the acquisition from Natixis of the "Liberté et Coupole" property complex**, with an area of 38,000 m² at Charenton-le-Pont, on the Liberté metro station. This investment of €162 m, duties included, was made on the basis of a yield of 6.5%. Natixis has signed a new triple net firm lease of 9 years, without incentive.

Foncière des Régions has continued the **qualitative rotation of its portfolio**, through the sale of €137 million of non-core or mature assets, for an average margin of 7% on the last appraisal value. This dynamic rotation of assets has contributed to the improvement of the France Offices portfolio. **Therefore, almost 50% of the current France Offices portfolio has been acquired or developed in the last five years**.

The year was marked by a **rise in values on like-for-like basis of 3.0%**, supported by compression of yield rates in Ile-de-France and in the regional cities of France. Worthy of note is the gain of 8% on projects currently in development.

Offices Italy: sound foundations
(€4.1 billion portfolio at 100%; €2.0 billion Group share)

- High occupancy rate: 95.2% (Core portfolio)
- Average firm lease term: 6.3 years (Core portfolio)
- Rents like-for-like: - 1.5% (- 0.3% excluding release in Turin)
- Resistance of values - 0.2% like-for-like (stability across the Core portfolio)

Foncière des Régions operates in Italy through its subsidiary Beni Stabili, 1st Italian property development company, having a **high quality portfolio, with 90% located in Northern and Central Italy**, in particular Milan and Rome. This positioning **maintains sound real estate indicators**, with 95.2% occupancy for an average firm lease term of 6.3 years (across the Core portfolio).

Leasing activity has been highlighted by the success of restructurings and renovations, marketed at high leasing values. The San Fedele asset in Milan has thus been leased at 100%. The San Nicolao development (Milan, 11,700 m²), was let before its delivery to the Luxottica Group for 7 years firm and a rent of €5.4 m. The asset in Via dell'Arte (Rome, 6,400 m²), delivered in the 1st half, is leased with 93% occupancy. Almost 24,000 m² has also been renewed with a rise in rents of 14%.

Qualitative rotation of the portfolio has continued with a sale of €81 million worth of assets (€39 million Group share), with a margin of 3.3% on last appraisal value.

Rents have fallen by 1.5% on like-for-like basis due to the vacancy of the Corso Ferrucci asset (Turin, 51,000 m²), which was actively marketed. Finally, the positioning of the portfolio covering Core zones has allowed **stability of appraisal values** in 2014 (-0.2% like-for-like).

Germany Residential: acceleration of investments
(*€2.7 billion at 100%; €1.7 billion Group share)*

- Very high occupancy rate: 98.3%
- Rent growth like-for-like: +1.8%
- Rise in values like-for-like: +2.9%

With operations in Germany since 2005, Foncière des Régions has **improved its exposure** in the German Residential market during 2013 and now has a direct holding of 60.9% in its Imméo subsidiary. The group enjoys an exposure of 17% of its portfolio in German Residential and a €1.7 billion Group share (compared with €0.8 billion in 2012) through 41,400 residential housing units.

The year has been highlighted by the **acceleration of investments** with €358 million (€218 million Group share) acquired in Berlin, Dresden and Leipzig. The group is concentrating its investments on small size but prime downtown assets, combining reversionary potential (25-30%) and long term sale potential. At the same time, €160 million (€97 million Group share) of assets have been sold or have been the subject of disposal agreements in NRW (with a mean margin of 5.4% on the appraisal at the end of 2013).
These rotations have continued the qualitative recentring on target locations, which accounted for 84% of the portfolio at the start of 2015 (compared with 63% at end 2012).

This strategy in Germany is confirmed by the good indicators for the year. Rents have grown by 1.8% at constant scope, including 4.9% in Berlin and Dresden, and occupancy rate remains very high at 98.3%. Second, the value of the portfolio has grown by 2.9% at constant scope (average yield 6.5%), including 4.9% in Berlin and Dresden.

Hotels and Service sector: leader in Europe
(€3.0 billion portfolio at 100%; €0.8 billion Group share)

- Occupancy held at 100%
- Average firm lease term: 6.8 years
- Strength of leases like-for-like: - 0.6%
- Growth of values like-for-like: +2.0%

Europe's leader in hotel real estate, Foncière des Régions relies on long term partnerships with major players in the hotel sector (Accor, Louvre Hotels and B&B Hôtels). The year was highlighted by three successes:

- **Partner diversification** with the signature of partnerships with NH Hotels Group, Motel One and Meininger;
- **Geographic diversification** through the acquisition of NH 4* Amsterdam and new investments in Germany;
- **Diversification of investment tools** with the creation of FDM Management. The group has been given the means to accompany its operator strategy growth, by being able to invest in premises and businesses. FDM Management has already signed the acquisition in 2014 of 9 hotels in Germany, managed by Louvre Hotels Group and the development for Accor of a Pullman hotel at Roissy.

Rents have held firm on like-for-like basis (-0.6%) and experienced an improvement over the 2nd part of the year. Income from the Accor hotels, variable according to revenues, fell by only 1.1% despite the 3 point rise in VAT.

At the end of 2014, **the value of the portfolio rose by 2.0% at constant scope** (average return 6.1%), sustained by the growth in value of the hotels of 2.8%.

Growth in the Recurring Net Income and the dividend

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Liabilities secured

During 2014, Foncière des Régions continued to **improve the quality of its liabilities** by refinancing or by issuing debt securities amounting to €3.1 billion (€1.9 billion Group share), of which 32% was raised on the bond market. Beni Stabili, the Italian subsidiary of Foncière des Régions, has in particular successfully refinanced the ImSer debt, related to the portfolio of €1.7 billion in Telecom Italia assets (cost of new loans 2.5%). This refinancing has been accompanied by a capital increase of €150 million, followed by Foncière des Régions, which now holds 48.3% of the capital.

The group has thus improved the diversification of its debt and maintained an average maturity of more than 4 years. Foncière des Régions indebtedness has remained controlled with a stable LTV, at 46.1% (compared with 46.5% at the end of 2013). Satisfactory operational performance and a reduction of the average cost of the debt has improved the ICR to 2.8, compared with 2.5 in 2013.

EPRA Recurring Net Income: €314.5 million, +6.0%

The EPRA Recurring Net Income was €314.5 million Group share, up by 6.0% over a year. This good performance results fundamentally from the improvement in German Residential and the fall in the cost of the debt (to 3.29% compared with 3.94% at the end of 2013), despite the impact of disposals in 2013 and 2014.

Per share, the EPRA Recurring Net Income was €5.03/share, slightly up by 1.1% over a year due to the impact of the share issue in the 2nd half of 2013 in connection with the successful exchange offer on FDL.

Growth of the dividend, at €4.30 per share

Given the good performance in 2014 results and the sound outlook, the group will be proposing at the vote of the General Meeting on 17 April next a dividend of €4.30 per share, up by 2.4% compared to last year. This dividend represents a distribution rate of 86% and a yield of 4.6% on the basis of the closing price on 19 February 2015.

EPRA NAV/share: €75.5/share

The EPRA NAV was €4,754 million and €75.5/share, down by 2.8% compared with the end of 2013. The soundness of the Recurring Net Income and the increase in appraisal values have to some extent offset the effect of the distribution, as well as the impacts of the Imser refinancing and restructuring of the hedges, which will have a favorable effect on profile and cost of the debt.

The EPRA triple net NAV was set at €4,145 million and €65.9/share, impacted by the fair valuation of the financial instruments and debts.

Major investment in Hotel real estate at the beginning of 2015

Foncière des Régions to announce the acquisition of a 14.6% stake in Foncière des Murs (FDM) its subsidiary specialising in Hotel real estate, with a portfolio of €3.2 billion. This acquisition will be closed on 23 February with Generali (10.3%) and ACM (4.3%) which will still have 10.3% and 10.0% of the share capital. The price of €23.0 is equivalent to a 1.3% premium on the Triple Net NAV per share. Foncière des Régions will then hold 43.1% of its share capital which, as a limited partner it already consolidates.

Foncière des Régions will also launch a takeover bid for the balance of FDM's capital. The contemplated price is €23 per share (following the delivery of the report of the independent expert that will be appointed by the Supervisory Board of FDM and subject to the decision of conformity of the offer by the AMF). Considering the commitment not to contribute of the main institutional investors, which hold 47.7% of share capital after disposals (Crédit Agricole Assurances, Cardif, Generali and ACM) the stake that can be bought reaches 9.2% of the share capital (€152 million).

Once these transactions have been completed, **Foncière des Régions' portfolio will show an additional €430 million to €700 million GS in the Hotels and Service Sector. This enhancement in the attractive Hotel investment market will create value immediately**. It will enable to increase the portion of strategic assets and improve financial results visibility (longer lease terms, increased occupancy rate and operating margin).

In order to finance those acquisitions in Hotels and, to a greater extent, its investments and growth projects in each of its asset classes (Offices, Residential, Hotels), **Foncière des Régions is contemplating a capital increase of around €250 million**[3] with preferential subscription rights. The majority shareholders, representing close to 50% of the share capital have already expressed their desire to participate in this.

[3] *Subject to obtaining the prospectus approved by the AMF*

Outlook for 2015: slight increase in the Recurring Net Income per share

These sound results confirm the permanence of the cash-flows and robust values. 2014 saw the solidity of the portfolio increase, with focusing on strategic markets, the capacity to capitalise on investment opportunities and improvement of the visibility of the results.

In 2015, Foncière des Régions intends to capitalise on new growth opportunities in its strategic asset classes:

- **In Offices,** the group intend to invest €300 million mainly in its pipeline. In 2015, 9 projects will be delivered for a cost of €309 million;
- **In Germany Residential**, which has an organic growth potential, the group aims to invest €500 million in prime acquisitions in strategic locations. Two portfolios have been negotiated already for €221 million;
- **In Hotel real estate**, Foncière des Régions is increasing its exposure (the operation on FDM represents an investment of €430 million to €700 million of assets) and intends to accelerate investments via three tools (sale and leaseback, developments and acquisitions of premises and businesses). The Group set itself an investment target of over €400 million (€200 million GS).

To date, already €1 billion of investments are committed. The strategy of portfolio quality enhancement will also continue thanks to the pursue of disposals with a €700 million program.

Backed by its sound outlook, for 2015, **Foncière des Régions targets more than 95% of its portfolio in its strategic markets and is anticipating a slight increase in its EPRA Recurring Net Income per share**.

Today, there will be a conference call devoted to analysts and investors

at 2:30 p.m. (Paris time)

The presentation relating to the conference call will be available

on the Foncière des Régions website: www.foncieredesregions.fr/finance

Financial calendar:

Revenues 1Q 2015: 6 May 2015

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APPEL GRATUIT DEPUIS UN POSTE FIXE

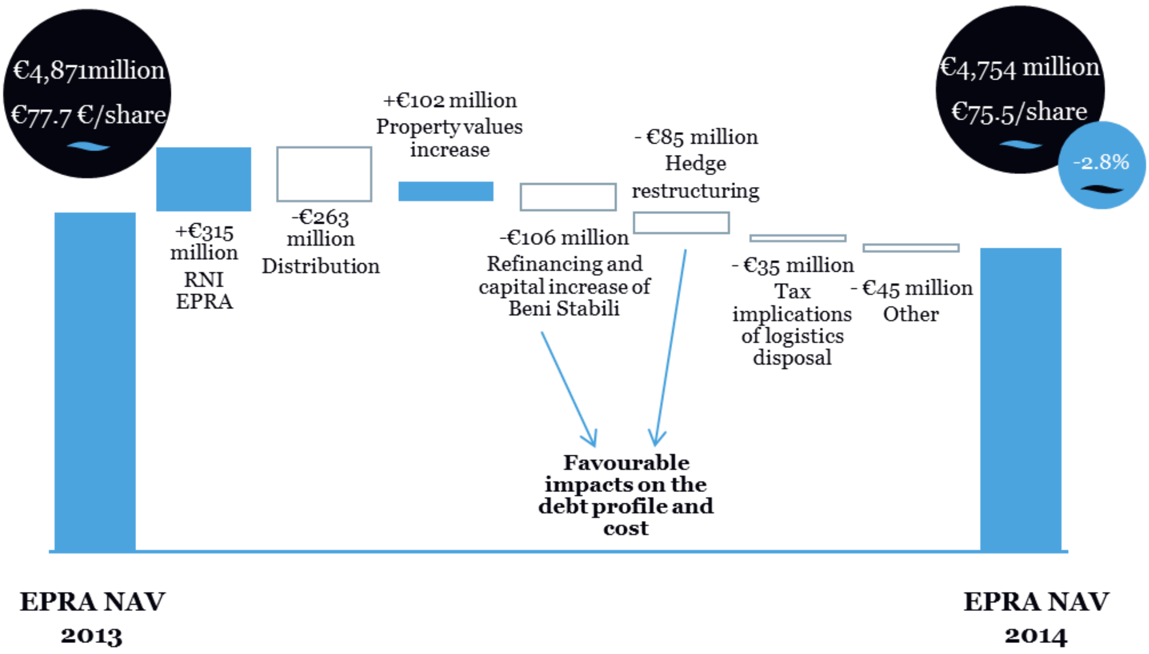
Appendix:

Portfolio Group Share

€m	Value 2014 Total share	Value 2014 GS	Change LFL 12 months	Change % LFL 6 months	Yield ED 2014 GS
Offices - France	5,032	**4,353**	**3.0%**	1.8%	**6.6%**
Offices - Italy	4,093	**1,977**	**-0.2%**	0.1%	**6.1%[1]**
Offices	9 125	**6,330**	**2.0%**	1.2%	**6.4%**
Residential Germany	2,746	**1,656**	**2.9%**	1.5%	**6.5%**
Hotels/Service Sector	3,243	**844**	**2.0%**	1.5%	**6.1%**
Other	1,318	**922**	**Na**	Na	**Na**
Total	16,433	**9,752**	**2.1%**	1.2%	**6.3%**

[1] Core portfolio

EPRA NAV evolution



Simplified income statement (Group share)

€m	2013	2014	%
Rental income	525.7	**558.1**	
o/w net rental income	*483.8*	***508.5***	*+5.1%*
Net operating costs	-42.7	**-54.2**	
Result from other activities	14.4	**21.2**	
Current operating income	**455.8**	**475.5**	**+4.3%**
Net cost of financial debt	-190.4	**-173.5**	
Recurring net income of MEE companies	23.4	**14.2**	
Income from non-consolidated companies	10.1	**0.9**	
Pre-tax net income	**298.9**	**317.2**	**+6.1%**
Recurring tax	-2.2	**-2.7**	
EPRA recurring net income	**296.7**	**314.5**	**+6.0%**

Foncière des Régions, co-créateur d'histoires immobilières

A reference player in service sector property, Foncière des Régions has built its development and its portfolio around one key characteristic value, that of partnership. With a total portfolio of €16.4 billion € (€9.8 billion Group share) located on buoyant markets, which are France, Germany and Italy, Foncière des Régions is now an acknowledged partner for businesses and regions, which it accompanies in their real estate strategy with a dual objective: To enhance the existing urban portfolio and design real estate for the future.

Foncière des Régions is committed principally to its Key Accounts (Orange, Suez Environnement, Edf, Dassault Systèmes, Thales, Eiffage, etc.) on the Offices market. The group also focuses its attention, in a pioneering and relevant manner, on two other strategic sectors, which are German Residential and Hotels in Europe.

The Foncière des Régions security is listed in sub-fund A of Euronext Paris (FR0000064578 - FDR), a member of the SRD and features in the composition of the MSCI, SBF120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the European property benchmark indices "EPRA" and "GPR 250" as well as in the FTSE4 Good, DJSI World and NYSE Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20) ethical indices.

Foncière des Régions is rated BBB-/Stable by Standard and Poor's.

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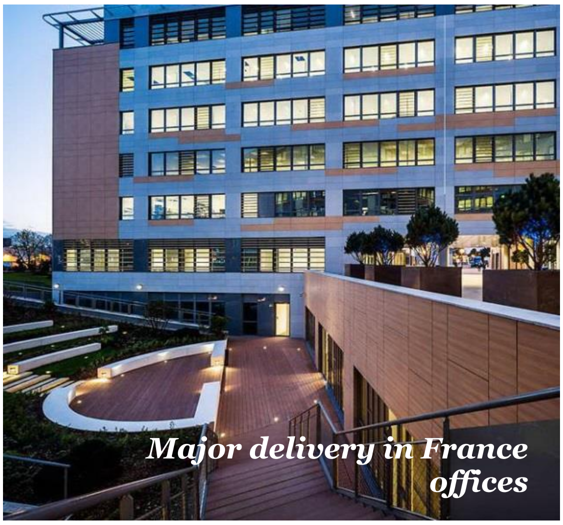
Foncière des Régions

1. Major transactions during the period



November 2014 – Delivery of the New Campus Velizy (46,000 m²) leased to Thales for 9 years firm (€192 million co-investment with Crédit Agricole Assurances)

October 2014 - FDR completes its acquisition of €240 million housing units in Berlin and Dresden and signs €26 million of new acquisitions in Berlin

FDR diverse partner base by signing with NH Hotels Group, Motel One and Meininger

Mars 2014 - FDR signed the sale of €473 million of assets Logistics and €107 million of promises to end of 2014

- **January 2014**

Foncière des Régions and Crédit Agricole Assurances acquired the Campus Eiffage

- **February 2014**

Foncière des Régions supports B&B in its European expansion effort

Foncière des Régions: new leases for 3,600 sqm in the CB 21 Tower at La Défense

- **March 2014**

Foncière des Régions accelerates its strategic refocusing by selling nearly 60% of its logistics assets for €473 million

- **June 2014**

Foncière des Régions acquires the "NH Amsterdam Centre" hotel**** from the NH Hotel Group

Foncière des Régions continues to strengthen its positioning on the German residential market

Euromed Center: first stone laid of the Golden Tulip Hotel****

B&B Hotel Paris Porte des Lilas inauguration

- **July 2014**

Foncière des Régions and Demathieu & Bard Immobilier build the future headquarters of Bose France in St-Germain-en-Laye

- **September 2014**

Foncière des Régions has successfully priced a € 500 million 7-year bond issue

Foncière des Régions awarded for the quality of its financial and extra-financial reporting , with Reference Document 2013 and Sustainable Developement Report 2013

- **October 2014**

New rental partnership for Foncière des Régions with Natixis

Foncière des Régions pursue its German Residential Strategy

- **November 2014**

Foncière des Régions and Crédit Agricole Assurances deliver the New Vélizy campus to Thales

Foncière des Murs : Success of Capital increase about €200 million

- **December 2014**

Foncière des Régions and MEININGER Hotels agree a strategic investment partnership

Foncière des Régions announces the création of FDM Management

- **January 2015**

Foncière des Régions continues investing in Residential in Germany

- **February 2015**

Foncière des Régions enters into a new hotel partnership with Motel One

2. Business analysis

Foncière des Régions increased its stake in Foncière Développement Logements following the Public Exchange Offer (PEO) in August 2013. At the close of the PEO, Foncière des Régions held 59.7% of Foncière Développement Logements, which, as from 1 August 2013, is fully consolidated. In this way, the P&L was impacted for 5 months of the Residential business in 2013 compared with 12 months in 2014.

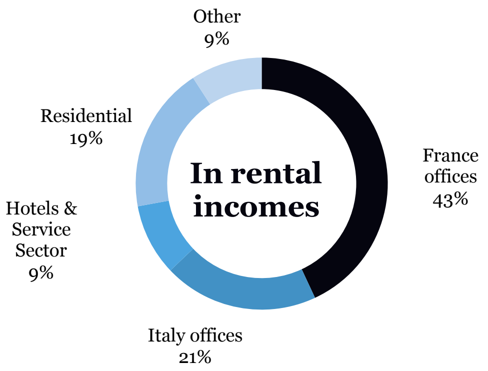
Also, following the France and Germany activities split done in July 2014, Foncière des Régions directly holds 60.9% of the German portfolio and Foncière Développement Logements holds 61.26% of it.

On 27 October, Foncière des Régions participated in the capital increase of Beni Stabili, and it now holds 48.3% of Beni Stabili's capital.

Foncière des Régions increased its equity interest in Foncière des Murs following capital increase in November 2014, and it now owns 28.46% of Foncière des Murs.

A. RECOGNISED RENTAL INCOME: +6.2%

(€million)	100%			Group Share				
	2013	2014	Change (%)	2013	2014	Change (%)	Change (%) LFL*	% of rent
Offices France	**265,2**	**250,7**	**-5,5%**	**255,0**	**238,2**	**-6,6%**	**0,7%**	**43%**
Paris	84,3	82,5	-2,1%	79,8	77,9	-2,4%		14%
Paris Region	102,5	101,3	-1,1%	96,8	93,4	-3,6%		17%
Other French regions	78,5	66,9	-14,8%	78,4	66,9	-14,7%		12%
Offices Italy	**231,7**	**228,7**	**-1,3%**	**117,9**	**114,9**	**-2,5%**	**-1,5%**	**21%**
Core portfolio	228,4	226,0	-1,1%	116,2	113,5	-2,3%		20%
Dynamic portfolio	3,3	2,7	-19,0%	1,7	1,3	-19,1%		0%
Development portfolio	0,0	0,0	0,0%	0,0	0,0	0,0%		0%
Total Offices	**496,9**	**479,4**	**-3,5%**	**372,9**	**353,1**	**-5,3%**	**0,0%**	**63%**
Hotels and Service sector	**204,0**	**196,1**	**-3,9%**	**53,0**	**51,0**	**-3,9%**	**-0,6%**	**9%**
Hotels	143,1	142,8	-0,2%	35,8	35,8	0,0%		6%
Healthcare	22,2	16,5	-25,6%	6,3	4,7	-25,2%		1%
Business premises	38,7	36,7	-5,1%	10,9	10,5	-4,1%		2%
Residential Germany	**63,8**	**171,1**	**168,0%**	**37,9**	**103,4**	**173,1%**	**1,8%**	**19%**
Total Core activities	**764,7**	**846,5**	**10,7%**	**463,7**	**507,4**	**9,4%**	**0,2%**	**91%**
Other	**67,2**	**61,9**	**-8,0%**	**62,0**	**50,7**	**-18,1%**	**na**	**9%**
Logistics	54,2	33,1	-39,0%	54,2	33,1	-39,0%		6%
Residential France	13,0	28,8	121,7%	7,8	17,6	na		3%
Total rent	**832,0**	**908,4**	**9,2%**	**525,7**	**558,1**	**6,2%**	**0,2%**	**100%**



The explanation, like for like (+0.2%), for this improvement lies in the very low indexation over the period, the rent renewals signed in 2013, as well as the maintenance of an occupancy rate above 97.1% at the end of December 2014.

As Group share, rental income totalled €558 million, an increase of 6.2% over the period. The increase was mainly due to the consolidation of the Residential business (+€75 million), and:

- new asset acquisitions and deliveries (+€6.4 million)
- disposals (-€46.2 million, €21.3 million of which was related to disposals in Logistics)
- indexation and the mixed effect from departures and re-lettings (-€0.3 million)

1. Cost to revenue by business

	Offices France	Office Italy	Hotels & Service Sector	Résidential Germany	Other	Total	
	2014	2014	2014	2014	2014	2014	2014
Rental Income	238,2	114,9	51,0	103,4	50,7	**525,7**	**558,1**
Unrecovered property operating coats	-5,7	-12,4	-0,0	-3,0	-6,7	**-26,6**	**-27,9**
Expenses on properties	-1,9	-3,7	-0,0	-9,0	-3,3	**-11,4**	**-17,8**
Net losses on unrecoverable receivable	-0,5	-1,2	-0,0	-3,3	-0,1	**-5,3**	**-5,1**
Net rental income	**230,2**	**97,6**	**50,9**	**88,0**	**40,6**	**482,4**	**507,3**
Cost to revenue ratio	**3,4%**	**15,1%**	**0,0%**	**14,8%**	**19,9%**	**8,3%**	**9,1%**

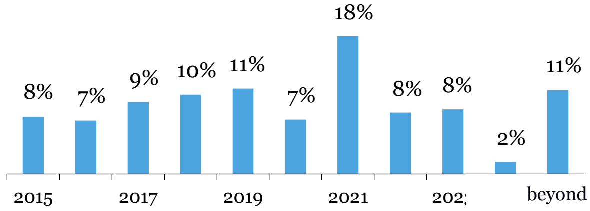
The cost to revenue ratio rose from 8.3% in 2013 to 9.1% in 2014 following the inclusion of the France Residential business, for which cost to revenue ratio was higher than the average for the group. Excluding the effect of inclusion, the cost to revenue ratio fell to 7.1% in 2014, compared with 7.7% in 2013.

B. LEASE EXPIRATIONS AND OCCUPANCY RATES

1. Annualised lease expirations: 7.9 years of residual term leases (5.8 years firm) for commercial activities

€m*	By lease end date (1st break)	% of total	By lease end date	% of total
2014	31,6	8%	21,9	5%
2015	29,4	7%	2,6	1%
2016	39,7	9%	25,9	6%
2017	43,7	10%	30,0	7%
2018	47,1	11%	45,0	11%
2019	30,0	7%	30,0	7%
2020	76,1	18%	37,0	9%
2021	33,9	8%	37,8	9%
2022	35,6	8%	45,4	11%
2023	6,7	2%	9,2	2%
Beyond	46,2	11%	135,2	32%
Total	**419,9**	**100%**	**419,9**	**100%**

Residential and Logisctics excluded



(year)	By lease end date (1st break)		By lease end date	
GS	**2013**	**2014**	**2013**	**2014**
France	5,7	5,4	6,8	6,4
Italy	6,9	6,3	12,6	12,1
Offices	**6,1**	**5,7**	**8,5**	**8,0**
Hotels & Service sector	7,1	6,8	7,1	6,9
Office - Key Accounts	**6,2**	**5,8**	**8,4**	**7,9**
Other	3,1	na	5,5	na
Total	**5,8**	**5,8**	**8,0**	**7,9**

The firm term of the leases remained stable between 2013 and 2014 following the disposal of short-term leases (sale of most of the Logistics business) and the signature of new leases, notably with Natixis and Thales, each for a firm term of 9 years.

2. Occupancy rate: 97.1%

(%)	Occupancy rate	
GS*	**2013**	**2014**
France	95,8%	96,8%
Italy	97,7%	95,2%
Offices	**96,4%**	**96,3%**
Hotels & Service sector	100,0%	100,0%
Residential Germany	98,7%	98,3%
Strategic activities	**97,2%**	**97,1%**
Other	85,5%	n/a
Total	**96,0%**	**97,1%**

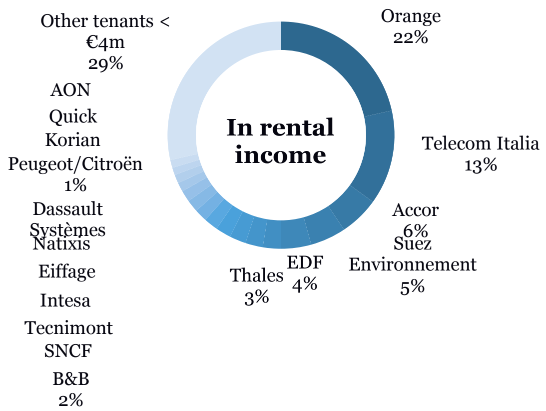
** Excluding France Residential*

The occupancy rate is 97.1%, excluding Logistics, and 96.3% including this segment. For France Offices, it grew by 1 point and was 96.8% following the lettings in the CB 21 Tower and the signature of preliminary sale agreements for vacant assets at the end of the year. In Italy Offices, the occupancy rate fell by 2.5% due to a 51,383 m² asset in Turin being vacated.

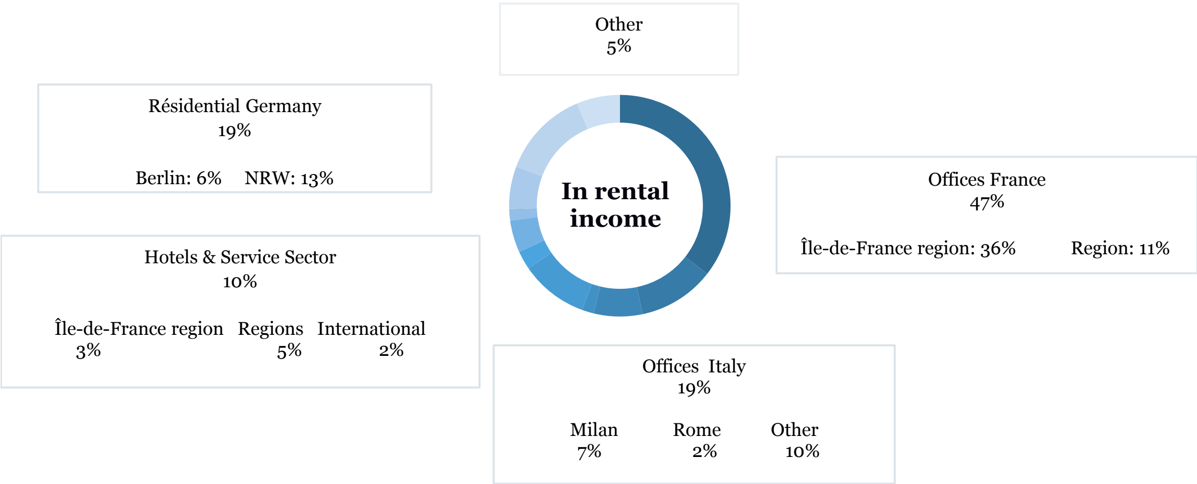
C. BREAKDOWN OF RENTAL INCOME - GROUP SHARE

1. Breakdown by major tenants: a strong rental income base

(€million)	Annualised	
GS	**2014**	**%**
Orange	90,4	22%
Telecom Italia	56,5	13%
Accor	23,7	6%
Suez Environnement	21,3	5%
EDF	18,2	4%
Dassault Systèmes	9,8	2%
Intesa	9,2	2%
Eiffage	8,4	2%
Thales	10,7	3%
SNCF	7,6	2%
Tecnimont	7,3	2%
B&B	6,8	2%
Korian	4,4	1%
AON	5,4	1%
Peugeot/Citroën	5,2	1%
Quick	4,7	1%
Natixis	10,5	2%
Other tenant < €4m	119,8	29%
Total rental income	**419,9**	**100%**



2. Geographic breakdown: IDF, Berlin, Milan and Rome account for 54% of rental income



D.DISPOSAL AND AGREEMENTS FOR DISPOSALS: €986 MILLION

(€million)		Disposals (agreements as of end of 2013 closed) 1	Agreements as of end of 2013 to close	New disposals 2014 2	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total Disposals = 1 + 2
Offices - France	100 %	152	105	116	21	**137**	7,0%	6,6%	**268**
Offices - Italy	100 %	29	3	79	2	**81**	3,3%	6,1%	**108**
	GS	14	2	38	1	**39**	3,3%	6,1%	**52**
Residential - Deutschland	100%	119	1	33	127	**160**	5,4%	7,1%	**151**
	GS	72	1	20	78	**97**	5,4%	7,1%	**92**
Hotels & Service sector	100 %	79	3	57	5	**62**	1,4%	5,5%	**136**
	GS	22	1	16	1	**18**	1,4%	5,5%	**39**
Other	100 %	17	0	608	143	**751**	0,2%	6,1%	**625**
		10	0	565	129	**694**	-0,3%	6,4%	**576**
Total asset disposals	100 %	395	113	894	298	**1 191**	1,9%	6,2%	**1 289**
	GS	**271**	**109**	**756**	**230**	**986**	**1,5%**	**6,4%**	**1 027**

During 2014, Foncière des Régions concluded €986 million in new disposals (€756 million) and disposal agreements (€230 million). These disposals mainly related to non-Core businesses (70%) with the sale of 77% of the Logistics portfolio.

New disposals in 2014 achieved a positive margin of 1.5% over appraisal values at the end of 2013.

E. ASSET ACQUISITIONS: €397 MILLION GROUP SHARE

(€million)		Total ID* 2014	Yield
Offices - France	100%	**161,9**	6,5%
Offices - Italy	100%	-	
	GS	-	
Hotels & Service sector	100%	60,4	6,9%
	GS	**17,2**	
Residential Germany	100%	357,8	6,0%
	GS	**217,9**	
Other	100%	-	
Total	100%	580,1	
	GS	**397,0**	**6,2%**

ID: Including Duties

In 2014, Foncière des Régions continued its strategy of acquiring assets in its strategic markets with:

- the acquisition in September 2014 of the Offices rented to Natixis in Charenton-le-Pont with a total surface area of almost 38,000 m²; the acquisition price was €162 million
- Hotel acquisitions totalling €60 million (100%) and the acquisition in June 2014 of the Hotel NH Amsterdam Centre for €48 million
- Residential investments in Germany for €358 million (100%), with 62% of the assets located in Berlin, 33% in Dresden and 5% in Leipzig.

F. DEVELOPMENT PROJECTS: €1.5 BILLION GROUP SHARE

1. Committed Projects: €532 million, Group share (of which 63% pre-let)

Projects	Type	Location	Area	Project	Surface* (sq.m)	Delivery	Target rent (€/sq.m/year)	Pre-leased (%)	Total Budget** (M€)	Target Yield	Progress
Euromed Center - Astrolabe (QP FdR : 50%)	Offices - France	Marseille	MRC	Construction	14 000	2015	250	35%	19	> 7%	100%
Euromed Center - Parking + Commerces (QP FdR : 50%)	Offices - France	Marseille	MRC	Construction	900	2015	N/A	100%	16	> 7%	100%
Steel	Offices - France	Paris	Paris	Refurbishment	3 700	2015	600	0%	36	6%	80%
ERDF Avignon	Offices - France	Avignon	MRC	Refurbishment	4 100	2015	160	100%	9	> 7%	75%
Nanterre Respiro	Offices - France	Nanterre	Paris Regions	Construction	11 150	2015	310	100%	51	> 7%	75%
Quatuor	Offices - France	Lille-Roubaix	MRC	Construction	9 700	2015	160	72%	23	> 7%	80%
Askia - Cœur d'Orly (QP FdR : 25%)	Offices - France	Orly	Paris Regions	Construction	18 500	2015	250	50%	15	> 7%	70%
Green Corner	Offices - France	Saint-Denis	Paris Regions	Construction	20 400	2015	285	70%	87	> 7%	60%
Campus Eiffage (QP FdR : 50%)	Offices - France	Vélizy	Paris Regions	Construction	23 000	2015	270	100%	53	> 7%	70%
Euromed Center - Hôtel (QP FdR : 50%)	Offices - France	Marseille	MRC	Construction	9 900	2016	N/A	100%	19	> 7%	35%
Euromed Center - Calypso (QP FdR : 50%)	Offices - France	Marseille	MRC	Construction	9 600	2016	250	0%	15	> 7%	20%
Dassault Systèmes Extension (QP FdR : 50%)	Offices - France	Vélizy	Paris Regions	Construction	13 100	2016	300	100%	34	6%	5%
Schlumberger Montpellier Pompignane	Offices - France	Montpellier	MRC	Refurbishment	3 150	2016	155	100%	8	> 7%	20%
Silex I	Offices - France	Lyon	MRC	Refurbishment	10 600	2016	280	0%	47	6%	10%
Clinique Saint-Mandé	Offices - France	Saint-Mandé	Paris Regions	Refurbishment	5 500	2016	N/A	100%	25	6%	5%
Bose	Offices - France	St Germain en Laye	Paris Regions	Construction	5 100	2016	225	100%	20	> 7%	30%
Thaïs	Offices - France	Levallois	Paris Regions	Refurbishment	5 500	2017	N/A	0%	40	> 7%	10%
B&B Porte de Choisy	Hotels	Paris	Paris	Construction	3 947	2015	N/A	100%	2	6%	83%
B&B Lyon Caluire	Hotels	Lyon	MRC	Construction	2 493	2015	N/A	100%	1	7%	37%
B&B Romainville	Hotels	Romainville	Paris Regions	Construction	2 264	2015	N/A	100%	2	> 7%	35%
B&B Torcy	Hotels	Torcy	Paris Regions	Construction	2 429	2015	N/A	100%	2	> 7%	21%
B&B Mülheim	Hotels	Mülheim	Germany	Construction	2 306	2015	N/A	100%	1	> 7%	40%
B&B Erfurt	Hotels	Erfurt	Germany	Construction	2 597	2015	N/A	100%	1	> 7%	12%
B&B Berlin	Hotels	Berlin	Germany	Construction	N/A	2016	N/A	100%	2	> 7%	2%
B&B Duisburg	Hotels	Duisburg	Germany	Construction	2 706	2015	N/A	100%	2	> 7%	30%
Total					**200 642**			**63%**	**532**	**>7%**	**49%**

**Surface 100%*

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

2014 saw the renewal of the development pipeline with the delivery of 7 development projects, including the delivery of the New Velizy asset (46,000 m²) and the launch of 9 new projects.

The pre-letting rate was 63% at the end of 2014.

2. Managed projects:

Projects	Type	Location	Area	Surface* (sq.m)	Delivery time frame
Nancy Grand Cœur	Offices - France	Nancy	MRC	6 500	2016
Euromed Center : Bureaux Floreal (QP FdR 50%)	Offices - France	Marseille	MRC	13 500	2016
Euromed Center : Bureaux Hermione (QP FdR 50%)	Offices - France	Marseille	MRC	10 400	2016
Saint Mandé Logements	Offices - France	Saint Mandé	Paris Regions	7 300	2 017
Toulouse Marquette	Offices - France	Toulouse	MRC	10 900	2017
Cœur d'Orly Commerces (QP FdR 25%)	Offices - France	Orly	Paris Regions	31000	2017
Issy Grenelle	Offices - France	Issy	Paris Regions	10 800	2017
Silex II	Offices - France	Lyon	MRC	30 700	2018
New Vélizy - Extension (QP FdR 50%)	Offices - France	Vélizy	Paris Regions	14 000	2018
Meudon Saulnier	Offices - France	Meudon	Paris Regions	30 000	2018
Meudon Green Valley	Offices - France	Meudon	Paris Regions	46 900	2018
DS Campus Extension 2 (QP FdR 50%)	Offices - France	Vélizy	Paris Regions	11 000	2018
Cœur d'Orly Bureaux (QP FdR 25%)	Offices - France	Orly	Paris Regions	50 000	2017-2018
Milan, Symbiosis (Ripamonti)	Offices - Italy	Milan	Italy	119 000	Dependind pre-let status
Total				**392 000**	

**surface 100%*

G. PORTFOLIO

Valuation and change in the portfolio

(€million)	Value 2013	Value 2014	Value 2014 GS	LFL change 12 months	Yield ED 2013	Yield ED 2014	% of portfolio
Offices - France*	4 664	5 032	4 353	3,0%	6,8%	6,6%	45%
Offices - Italy*	4 157	4 093	1977	-0,2%	6,1%	6,1%	20%
Total Office	**8 821**	**9 125**	**6 330**	**2,0%**	**6,6%**	**6,4%**	**65%**
Hotels & Service sector*	3 232	3 243	844	2,0%	6,3%	6,1%	9%
Residential Germany	2 446	2 746	1656	2,9%	6,6%	6,5%	17%
Other	1662	1088	778	1,3%	4,6%	4,7%	8%
Parking facilities	241	210	124	na	nc	na	1%
Portfolio	**16 402**	**16 413**	**9 732**	**2,1%**	**6,5%**	**6,3%**	**100%**
Equity affiliates	23	20	20				
Total - Consolidated	**16 425**	**16 433**	**9 752**				
Total - GS	**10 010**	**9 752**					

**In operation assets yield (Offices - France & Hotel and Service Sector) / Core assets (Offices - Italy)*

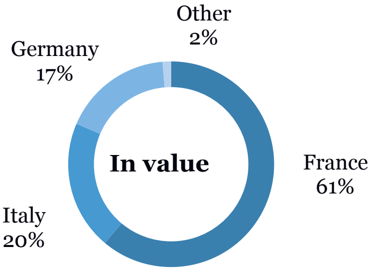
The Group share of Foncière des Régions' total asset portfolio at the end of December 2014 stood at €9.8 billion (€16.4 billion at 100%) compared to €10 billion at the end of 2013, a like-for-like increase of 2.1% compared to the end of 2013.

Value adjustments on a like-for-like basis were supported by the France Offices (+3%), Residential Germany (+2.9%) and Hotels & Service (+2%) segments.

Geographic breakdown

(€million) GS*	2014
France	5 945
Italy	1977
Germany	1679
Other	131
Total portfolio	**9 732**

**Excluding parking facilities*



H. LIST OF MAJOR ASSETS

The value of the ten main assets represents almost 16% of the portfolio (Group share).

Top 10 Assets	Location	Tenants	Surface (sq,m)	Share of affiliate
Tour CB 21	Paris - La Défense	Suez Environnement, AIG Europe, Nokia, Groupon	68 079	75%
Natixis Charenton	Charenton	Natixis	37 835	100%
Dassault Campus	Velizy Villacoublay	Dassault	56 193	50,1%
Complexe Garibaldi	Milan	Maire Tecnimont	44 650	48,3%
Immeuble - 23 rue Médéric	Paris 17ème	Orange	11 182	100,0%
New Velizy	Velizy Villacoublay	Thales	46 163	50,1%
Carré Suffren	Paris 15ème	AON, Institut Français, Ministère Education	24 864	60%
Percier	Paris 8ème	Chloe	8 544	100,0%
Cap 18	Paris 18ème	Genegis, Media Participations	61097	100,0%
Traversiere	Paris 12ème	SNCF	13 700	100,0%

excluded assets under commitments

3. Analytical data for the business by segment

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

- Le Ponant 83.5% owned
- the CB 21 Tower 75% owned
- Carré Suffren 60% owned
- the Eiffage properties located at Vélizy (head office of Eiffage Construction and Eiffage Campus, the head office of Eiffage Groupe) 50.1% owned (fully consolidated)
- the DS Campus and New Velizy properties 50.1% owned (equity method)
- Euromed Center 50% owned (equity method)
- Askia, the first office building in the Cœur d'Orly project, 25% owned (equity method)

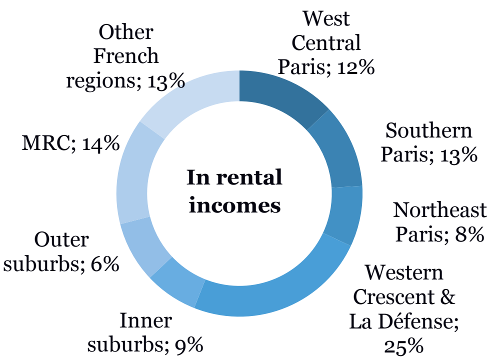
CAP 18 is reclassified under Offices France (instead of Logistics previously).

A. OFFICES FRANCE

1. Rental income recognised: €238 million, +0.7% on a like-for-like basis

1.1. Geographic breakdown strategic locations (Île-de-France and Regional Cities – MRC) generate 87% of rental income

(€million)	Surface (sq.m)	Number of assets	Rental income 2013 100%	Rental income 2013 GS	Rental income 2014 100%	Rental income 2014 GS	Change (%)	Change (%) LFL	% of rental income
Paris Centre West	70 971	11	30,3	30,5	30,5	30,6	0,4%		12,9%
Southern Paris	77 996	11	33,5	28,7	31,7	26,9	-6,3%		11,3%
North Eastern Paris	113 753	6	20,5	20,5	20,4	20,4	-0,6%		8,6%
Wester Crescent and La Défense	207 141	22	63,9	58,2	63,7	57,2	-1,7%		24,0%
Inner suburbs*	351996	22	17,9	18,0	21,9	20,4	13,5%		8,6%
Outer suburbs	124 653	56	20,6	20,6	15,7	15,7	-23,7%		6,6%
Total Paris Region	**946 510**	**128**	**186,8**	**176,6**	**183,8**	**171,2**	**-3,0%**		**71,9%**
MRC	**425 764**	**75**	**38,9**	**38,8**	**33,7**	**33,7**	**-13,1%**		**14,2%**
Other French regions	**484 290**	**180**	**39,6**	**39,6**	**33,2**	**33,2**	**-16,2%**		**13,9%**
Total	**1 856 564**	**383**	**265,3**	**255,0**	**250,7**	**238,2**	**-6,6%**	**0,7%**	**100,0%**



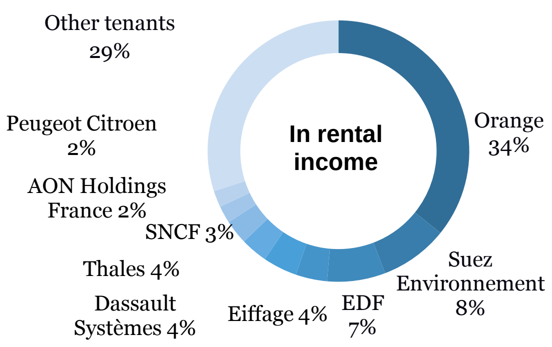
Group share rental income fell from €255 million to €238.2 million, a drop of €16.8 million over one year. This change is the combined result of:

- asset disposals and sharing agreements in 2013 and 2014 (-€18.6 million), due primarily to disposals in the outer suburbs and in the Regions, along with the sharing of the DS Campus (-€2.7 million)
- asset acquisitions and deliveries (+€5.8 million):
  - acquisitions:
    - of the Natixis building to Charenton in Q4 2014 (€2.6 million)
    - of the SICRA headquarters to Chevilly-Larue in March 2013 (€0.4 million)
  - delivery of pre-leased assets, including:
    - the New Velizy asset, a turnkey property leased to Thales, delivered in October 2014 (€1.1 million Group share)
    - delivery of the Pégase asset, a turnkey property leased to Eiffage and located in Clichy (92) in April 2013 (+€0.4 million)
    - a turnkey office building leased to Egis in Montpellier, delivered in July 2014 (+€0.4 million)
- vacation of properties earmarked for refurbishment or complete redevelopment (-€3.1 million), notably the Silex 1 and 2 buildings in Lyon and the Levallois Anatole France property
- an increase on a like-for-like basis of +0.7% (€1.5 million) thanks to:
  - the positive effect of indexation (+€1 million)
  - the rental activity (+€0.5 million):
    - rentals (+€3.3 million)
    - vacated premises (-€2.1 million)
    - renewals/renegotiations (-€0.7 million, a drop of 1% in renewed leases)

2. Annualised rental income: €263 million

2.1 Breakdown by major tenants

(€million) GS*	Surface (sq.m)	Nb of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Orange	603 007	192	108,4	90,4	-16,6%	34,3%
Suez Environnement	44 637	2	21,1	21,3	0,9%	8,1%
EDF	195 083	23	19,0	18,2	-4,4%	6,9%
Dassault Systèmes	56 192	1	9,8	9,8	0,3%	3,7%
Thales	88 274	2	9,2	10,7	16,2%	4,1%
Eiffage	190 657	104	9,1	8,4	-7,5%	3,2%
SNCF	13 700	1	7,7	7,6	-1,4%	2,9%
AON	15 592	1	5,5	5,4	-1,3%	2,1%
Peugeot Citroën	19 531	1	5,1	5,2	1,4%	2,0%
Other tenants < €4M	592 001	53	74,5	75,7	1,7%	28,8%
Total	**1 856 564**	**383**	**269,4**	**263,1**	**-2,3%**	**100,0%**



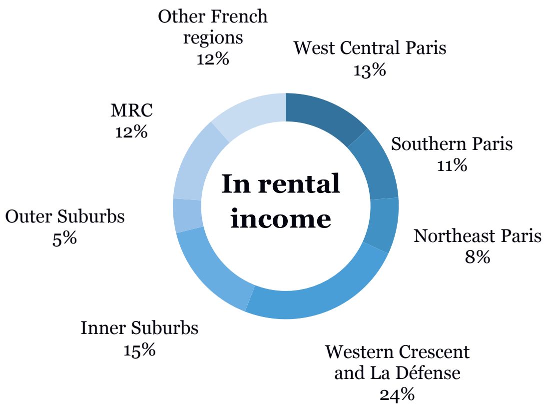
Currently, the ten leading tenants represent 71% of annualised rents, a percentage slightly lower than at the end of 2013 (75%).

The 2.3% drop in rental income between 2013 and 2014 is mainly due to the impact of disposals (notably Orange and EDF). This was partially offset by the acquisition of the Natixis Charenton building (€10.5 million of annual rents).

2.2 Geographical breakdown: Île-de-France accounts for 76% of rental income

(€million) GS*	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Paris Centre West	70 971	11	34,00	34,0	0,0%	13%
Southern Paris	77 996	11	30,60	28,6	-6,6%	11%
North Eastern Paris	113 753	6	20,70	21,4	3,2%	8%
Wester Crescent and La Défense	207 141	22	64,00	63,1	-1,4%	24%
Inner suburbs*	351996	22	27,50	40,2	46,1%	15%
Outer suburbs	124 653	56	19,40	13,0	-33,1%	5%
Total Paris Region	**946 510**	**128**	**196,20**	**200,2**	**2,0%**	**76%**
MRC	**425 764**	**75**	**36,10**	**32,6**	**-9,8%**	**12%**
Other French regions	**484 290**	**180**	**37,10**	**30,3**	**-18,2%**	**12%**
Total	**1 856 564**	**383**	**269,40**	**263,1**	**-2,3%**	**100,0%**

**including DS Campus in GS 50%*



The geographical breakdown of rental income is in line with that of the accounted rental income, confirming the prevalence of the Île-de-France share, with 76% of annualised rental income. The main changes in rental income by geographical area reflect the rental activity since 1 January 2014:

- Disengagement from the Regions (-18.2%) and from the outer suburbs (-33.1%) by disposing of assets, particularly the EDF rue de Verdun in Nîmes (€0.9 million in annualised rental income) and the Orange asset in Soisy-sous-Montmorency
- Developments in the inner suburbs (+46% of annualised rental income), notably the acquisition of the Natixis Charenton asset.

3. Indexation

The indexation effect is +€1 million over 12 months. 28% of rental income is indexed to the ICC, 69% is indexed to the ILAT, whilst the balance is indexed to the ILC or IRL.

The rents benefiting from an indexation floor (1%) represent 34% of the annualised rents and are indexed on the ILAT.

The impact of a negative indexation of the ILAT and the ICC at -1% on annualised rents is estimated at €1.4 million, a decrease of 0.5%.

4. Rental activity

(€million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/sq.m)
Vacating	117 593	14,3	121,4
Letting	76 410	18,4*	241,3
Renewal	115 543	28,1	243,0

**GS rent = 11,9 M€*

In 2014, one asset in Levallois-Perret and two assets in Meudon and Vélizy were vacated with a view to redevelopment, but also:

- 8 properties rented by the Eiffage group (9,249 m²; €0.5 million of rent) in January 2014 in accordance with our initial agreements
- of 16 assets leased to Orange (45,545 m²: €6.1 million of rent) located mostly in regions and which are intended to be sold vacant to developers (5 have already been sold in 2014 for 13,194 m²/€1.1 million).

These vacancies have been offset by letting existing assets and delivering leased assets, representing €11.9 million in annualised rental income (76,410 m^2) and the delivery of the New Vélizy assets (46,000 m²) in October and the building leased to Egis in Montpellier (6,000 m²) in July.

As regards marketing efforts, the significant events for this year were the letting in the CB 21 Tower. Five new leases with Covidien, FHB, Groupon, Wano and Verizon, representing a total of 11,364 m² were signed in 2014. The Tower currently has an occupation rate of 97% and one floor remains to be let (1,300 m²).

2014 was also underscored by the renewal of 11% of the leases in the portfolio as a result of the continuation of our partnership strategy, which is proving effective in keeping our tenants in our properties.

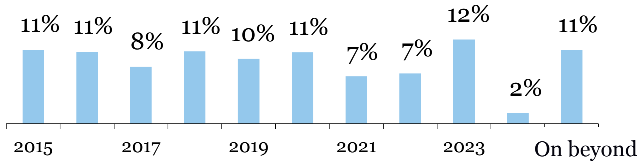
All the signatures of the year (including the acquisition of the building Natixis at Charenton) represent €50 million for 6.1 year firm lease.

5. Lease expirations and occupancy rates

5.1. Lease expirations: 6.4 years residual lease term (5.4 years firm)

(€million)*	By lease end date (1st break)	% of total	By lease end date	% of total
2015	28,7	11%	19,5	7%
2016	27,9	11%	2,2	1%
2017	22,2	8%	13,5	5%
2018	28,1	11%	17,8	7%
2019	25,2	10%	38,3	15%
2020	27,7	11%	29,4	11%
2021	18,3	7%	36,1	14%
2022	19,5	7%	30,9	12%
2023	32,8	12%	40,1	15%
2024	4,1	2%	3,4	1%
Beyond	28,6	11%	31,8	12%
Total	**263,1**	**100%**	**263,1**	**100%**

** including DS Campus in GS 50%*



The firm residual term is lower at 5.4 years, vs. 5.7 years at the end of 2013. By lease termination date, the residual term of the leases amounts to 6.4 years (vs. 6.8 in 2013).

The mechanical loss of 12 months of residual term was partially offset by the signature of long leases (Natixis and Thales in New Velizy leases for 9 years firm at the end of 2014), the lease renegotiations, particularly for the Percier assets (Chloé lease + 3 years firm).

5.2. Occupancy rate and type: an occupancy rate of 96.8%

(%)	2013	2014
Paris Centre West	100,0%	100,0%
Southern Paris	99,2%	99,2%
North Eastern Paris	96,1%	97,4%
Wester Crescent and La Défense	92,5%	97,7%
Inner suburbs	98,5%	99,0%
Outer suburbs	95,4%	94,0%
Total Paris Region	**96,3%**	**97,9%**
MRC	95,4%	95,1%
Other French regions	93,8%	89,9%
Total	**95,8%**	**96,8%**

The occupancy rate is up in comparison with the end of 2013 (96.8% vs. 95.8%). That is explained by the successful letting of CB 21 Tower. Therefore, the occupancy rate in Île-de-France has risen by 1.6 points over the year.

The increase in the vacancy rate in the Regions is explained by the liberation of the Eiffage and Orange sites which are the subject of an ongoing sales process.

The other vacant office space is mainly found in 3 properties located in Paris (marketing ongoing), Nîmes and in Lille; these latter two are the subject of an ongoing sales process.

6. Reserves for unpaid rents

(€million)	2012	2014
As % of rental income	0,10%	0,2%
In value *	0,3	0,5

**net provision / reversals of provison*

For France Offices, the level of unpaid rents remains very low, given the quality of the client base.

7. Disposals and disposal agreements: €137 million

(€million)	Disposals (agreements as of end of 2013 closed) 1	Agreements as of end of 2013 to close	New disposals 2014	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total Disposals = 1 + 2
Total Paris Region	65,9	82,6	58,2	8,6	**66,7**	10,0%	6,0%	**124,0**
MRC	60,4	5,2	14,8	12,7	**27,5**	11,7%	5,5%	**75,2**
Other French regions	26,0	17,6	23,7	0,0	**23,7**	0,3%	9,7%	**49,7**
Participations	0,0	0,0	19,5	0,0	**19,5**	0,0%	na	**19,5**
Total	**152,3**	**105,5**	**116,1**	**21,3**	**137,5**	**7,0%**	**6,6%**	**268,4**

New commitments (new disposals and new preliminary disposal agreements) reflecting a desire to improve the quality of the portfolio. These €137 million commitments relate to 34 assets, including 30 in the dynamic compartment and a total of €51 million in other French regions.

Work on disposals in 2014 also included the materialisation of €152 million in preliminary agreements signed in previous years.

8. Acquisitions: €162 million ID

Assets	Surface (sq.m)	Location	Tenants	Acquisition Price (€million)	Yield*
NATIXIS CHARENTON	37 835	Charenton le pont	Natixis	161,9	6,5%
Total	**37 835**			**161,9**	**0,0%**

**including duties*

Foncière des Régions entered into a new partnership with Natixis by acquiring a 38,000 m² asset leased for 9 years firm at the start of October 2014 under a sale and lease back programme, BREEAM In-Use certified.

9. Development projects: a pipeline of more than €1.4 billion

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.

The strategy is based, in the greater Paris area, on locations which are well served by public transport and/or in established tertiary districts and in the large Regional Cities where the annual take-up is greater than 50,000 m² per year, in prime locations.

9.1 Delivery of properties

Over the year, the following properties were delivered:

- in October 2014, the New Velizy asset, a campus of 46,000 m² built turnkey for the Thales group and located in Vélizy-Villacoublay, under a 9 year firm lease, HQE and BREEAM "Very Good" certified
- in July 2014, a new turnkey office building covering 6,000 m² leased to Egis and located in the Parc de la Pompignane in Montpellier under a 9 year firm lease.

9.2. Committed projects

Projects	Location	Area	Project	Surface** (sq.m)	Delivery	Target offices rent (€/sq.m/year)	Pre-let (%)	Total Budget* (€m)	Progress	Yield
Euromed Center - Astrolabe (QP FdR : 50%)	Marseille	MR	Construction	14 000	2015	250	35%	19	100%	> 7%
Euromed Center - Parking + Commerces (QP FdR : 50%)	Marseille	MR	Construction	900	2015	N/A	100%	16	100%	> 7%
Steel	Paris	Paris regions	Refurbishment	3 700	2015	600	0%	36	80%	6%
ERDF Avignon	Avignon	MR	Reconstruction	4 100	2015	160	100%	9	75%	> 7%
Nanterre Respiro	Nanterre	Paris regions	Construction	11 150	2015	310	100%	51	75%	> 7%
Quatuor	Lille - Roubaix	MR	Construction	9 700	2015	160	72%	23	80%	> 7%
Askia - Cœur d'Orly (QP FdR : 25%)	Orly	Paris regions	Construction	18 500	2015	250	50%	15	70%	> 7%
Green Corner	Saint-Denis	Paris regions	Construction	20 400	2015	285	70%	87	60%	> 7%
Campus Eiffage (QP FdR : 50%)	Vélizy	Paris regions	Construction	23 000	2015	270	100%	53	70%	> 7%
Euromed Center - Hôtel (QP FdR : 50%)	Marseille	MR	Construction	9 900	2016	N/A	100%	19	35%	> 7%
Euromed Center - Calypso (QP FdR : 50%)	Marseille	MR	Construction	9 600	2016	250	0%	15	20%	> 7%
Dassault Systèmes Extension (QP FdR : 50%)	Vélizy	Paris regions	Construction	13 100	2016	300	100%	34	5%	6%
Schlumberger Montpellier Pompignane	Montpellier	MR	Reconstruction	3 150	2016	155	100%	8	20%	> 7%
Silex I	Lyon	MR	Refurbishment	10 600	2016	280	0%	47	10%	6%
Clinique Saint-Mandé	Saint-Mandé	Paris regions	Reconstruction	5 500	2016	N/A	100%	25	5%	6%
Bose	St Germain en Laye	Paris regions	Construction	5 100	2016	225	100%	20	30%	> 7%
Thaïs	Levallois	Paris regions	Refurbishment	5 500	2017	ND	0%	40	10%	> 7%
Total				**181 900**			**62%**	**518**	**53%**	**>7%**

**Surface 100%*

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

Several projects were launched and begun during the year:

- Calypso, an office building of 9,600 m^2 within the Euromed Center project in Marseille
- Silex 1, a 10,600 m^2 office building in the heart of the Part-Dieu district in Lyon
- A turnkey for ERDF in Avignon over a floor area of 4,100 m²
- Thaïs, a 5,500 m^2 building at the foot of the Louise Michel metro station in Levallois-Perret.

Leases have also been signed over the year:

- with Dassault Systèmes for an extension to the existing campus in Vélizy over 13,100 m². The planning application was filed at the end of June and the work is due to start in February 2015. The lease for the campus (with extension) is extended to 10 years from 2016.
- with Bose on a 5,100 m² turnkey property for the future headquarters of the group in Saint-Germain-en-Laye for which work began in July
- with Schlumberger on a 3,150 m² turnkey property in the Parc de la Pompignane, in Montpellier for which work began in November
- with INICEA on a 12 year firm lease in advance of completion, for the construction of a 120-bed psychiatric clinic in Saint Mandé, as part of the development of the site formerly occupied by EDF.

Finally, regarding the Euromed Center Phase 1 development in Marseille, the 857-space car park and the first office building (Astrolabe), covering 14,000 m², were delivered in January 2015. Work on the hotel (following the signing of a firm 12-year lease with Louvre Hôtels for the Golden Tulip brand) is ongoing, with delivery expected in 2016.

9.3. Managed projects

Foncière des Régions manages around 273,000 m²:

Projects	Location	Project	Area	Surface* (sq.m)	Delivery time frame
Nancy Grand Cœur	Nancy	Construction	MR	6 500	2016
Euromed Center: Bureaux Floreal (QP FdR 50%)	Marseille	Construction	MR	13 500	2016
Euromed Center: Bureaux Hermione (QP FdR 50%)	Marseille	Construction	MR	10 400	2016
Saint Mandé Logements	Saint Mandé	Reconstruction	Paris regions	7 300	2017
Toulouse Marquette	Toulouse	Reconstruction	MR	10 900	2017
Cœur d'Orly Commerces (QP FdR 25%)	Orly	Construction	Paris regions	31 000	2017
Issy Grenelle	Issy	Restructuration + Extension	Paris regions	10 800	2017
Silex II	Lyon	Restructuration + Extension	MR	30 700	2018
New Vélizy - Extension (QP FdR 50%)	Vélizy	Construction	Paris regions	14 000	2018
Meudon Saulnier - Opale	Meudon	Reconstruction	Paris regions	30 000	2018
Meudon Green Valley - Canopée	Meudon	Reconstruction	Paris regions	46 900	2018
DS Campus Extension 2 (QP FdR 50%)	Vélizy	Construction	Paris regions	11 000	2018
Cœur d'Orly Bureaux (QP FdR 25%)	Orly	Construction	Paris regions	50 000	2017-2018
Total				**273 000**	

surface 100%

The building permits have been completed on the Nancy Grand Cœur (6,500 m²), Meudon Saulnier – *Opale* (30,000 m²) and Meudon Green Valley – *Canopée* (47,000 m²) projects. These projects are currently in the pre-marketing phase and are likely to be committed depending on leasing agreements to be completed.

The building permit has been obtained for the extension of the New Velizy campus, of which the first phase of 46,000 m² was delivered in October 2014. Discussions with Thales are currently underway regarding a 14,000 m² extension.

On the Silex 2 (project to renovate/extend the tower vacated by EDF in the Part-Dieu district of Lyon), Toulouse Marquette (10,900 m² building in the centre of Toulouse) and Issy Grenelle (renovation and extension over 10,800 m² in Issy-les-Moulineaux) the building permits have been filed.

Further, work is continuing on the Euromed Center assets: Floréal and Hermione.

10. Asset values

10.1 Change in assets

(€million) Asset	Value ED 2013	Value adjustment	Acquisitions	Disposals	Invest.	Transfer	Value ED 2014
Assets in operation	3 912	116	162	-249	50	0	3 991
Assets under developement	205	18	0	0	139	0	362
Total	**4 117**	**134**	**162**	**-249**	**189**	**0**	**4 353**

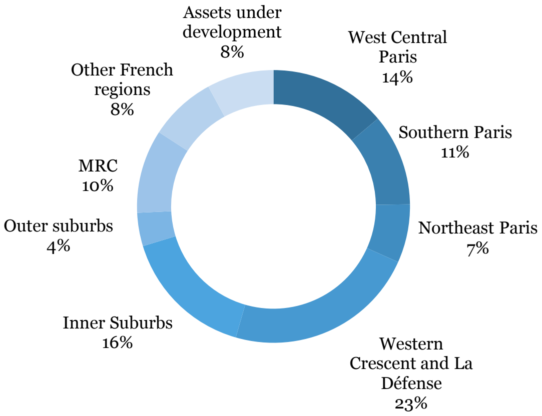
**including DS Campus, New Velizy, Euromed and Cœur d'Orly in GS*

10.2 Change on a like-for-like basis

Value GS (incl. assets under development)

(€million)	100% value ED 2013	100% value ED 2014	Value ED 2014 GS*	LFL change 12 months	Yield ED 2013	Yield ED 2014	% of total value
Paris Centre West	575,5	624,6	624,6	8,4%	5,9%	5,4%	14%
Southern Paris	594,5	584,2	467,8	4,2%	6,3%	6,1%	11%
North Eastern Paris	293,0	306,0	306,0	4,0%	6,4%	7,2%	7%
Wester Crescent and La Défense	1 188,3	1 139,0	992,2	0,5%	6,2%	6,4%	23%
Inner suburbs	621,2	974,4	679,1	0,4%	6,5%	5,9%	16%
Outer suburbs	218,2	170,2	170,2	1,3%	8,6%	7,7%	4%
Total Paris Region	**3 490,6**	**3 798,4**	**3 239,9**	**2,9%**	**6,1%**	**6,2%**	**74%**
MRC	384,3	420,1	420,1	2,9%	7,3%	7,5%	10%
Other French regions	495,3	331,0	331,0	-1,4%	9,2%	9,0%	8%
Total in operation	**4 370,2**	**4 549,6**	**3 991,0**	**2,5%**	**6,8%**	**6,6%**	**92%**
Assets under developement	294,3	482,8	362,0	8,0%	0,3%	3,6%	8%
Total	**4 664,5**	**5 032,4**	**4 353,0**	**3,0%**	**6,5%**	**6,3%**	**100%**

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



2014 was marked by a 3% increase in like-for-like assets:

Paris Centre West is the area with the highest growth (8.3%). This is due to the contraction in capitalisation rates on Parisian assets with long leases, reflecting a market trend during the year. Note that in the city area of Paris, the increase is 6% on a like-for-like basis.

In 2014, only the assets in other French regions decreased in value with a drop of 1.4% on a like-for-like basis.

11. Strategic asset segmentation

- "Core" portfolio: the Core portfolio is the strategic asset core, consisting of resilient properties providing long-term income. Mature buildings can be disposed of in timely fashion in managed proportions, freeing up resources that can be reinvested in value-creating operations, either by shoring up our asset base or by new investments.
- "Secondary" portfolio: the "Secondary" portfolio originates principally from outsourcing operations with our major partners-lessees. This portfolio provides a pocket yielding higher than the offices portfolio average, with an historically high lease renewal rate. The small size of these individual assets and their liquidity on the local markets make them apt candidates for gradual disposal.
- Portfolio "In the process of valuation": the "in the process of valuation" portfolio includes properties targeted for specific restructuring or rental development actions. These assets are primed to become core assets once the asset management work has been completed.

	Core Portfolio	Value enhancement Portfolio	Secondary asset	Total
Number of assets	70	54	259	**383**
Value EDGS (€million)	2 844	910	599	**4 353**
Yield	6,2%	5,5%	8,1%	**6,3%**
Residual firm duration of leases (years)	6,2	3,2	4,0	**5,4**
Occupancy rate	99,3%	94,3%	90,5%	**96,8%**

The core part of the portfolio rose slightly during 2014 (65% of the Office France portfolio, i.e. 2%) while the "Secondary" compartment decreased significantly over the year (from 19% at the end of 2013 to 14% at the end of 2014), thanks to the sale of €203 million in assets in this compartment (thanks to a targeted disposal strategy).

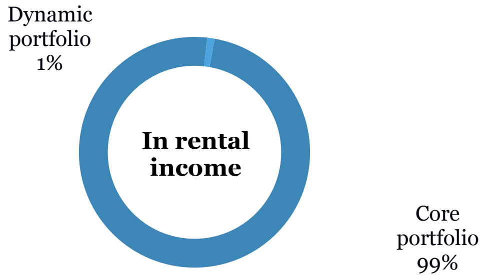
B. OFFICES ITALY

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 €4.1 billion at the end of December 2014.

Foncière des Régions holds 48.3% of the capital of Beni Stabili. The figures are disclosed as 100%.

1. Accounted rental income: -1.5% like-for-like

(€million)	Surface (sq.m)	Number of assets	Rental income 2013	Rental income 2014	Change (%)	Change (%) LFL	% of total
Core portfolio	1726	214	228,4	226,0	-1,1%		98,8%
Dynamic portfolio	95	37	3,3	2,7	-23,4%		1,2%
Subtotal	**1821**	**251**	**231,7**	**228,7**	**-1,3%**		**100,0%**
Developement portfolio	0	2	0,0	0,0	0,0%		0,0%
Total	**1821**	**253**	**231,7**	**228,7**	**-1,3%**	**-1,5%**	**100,0%**



The variation in rental income between 31 December 2013 and 31 December 2014 is €3 million, or -1.3%. This change is due primarily to:

- the effect of properties being vacated, leased and indexation (mostly the impact of an asset in Turin being vacated for which the annualised rent is €5.4 million): -€3.3 million
- disposals: -€6.6 million
- deliveries of assets under development, principally Via dell'Arte in Rome and San Fedele and San Nicolao in Milan: +€5.6 million.

The change on a like-for-like basis was - 1.5% over the period.

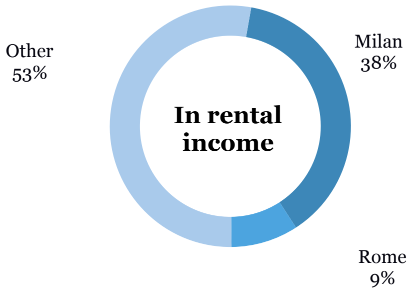
2. Annualised rental income: €219 million

2.1 Breakdown by portfolio

(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of total
Core portfolio	1726	214	227,2	216,4	-5,0%	99,0%
Dynamic portfolio	95	37	2,2	2,2	1,0%	1,0%
Subtotal	**1821**	**251**	**229,4**	**218,7**	**-4,9%**	**100,0%**
Developement portfolio	0	2	0,0	0,0	0,0%	0,0%
Total	**1821**	**253**	**229,4**	**218,7**	**-4,9%**	**100,0%**

2.2. Geographic breakdown

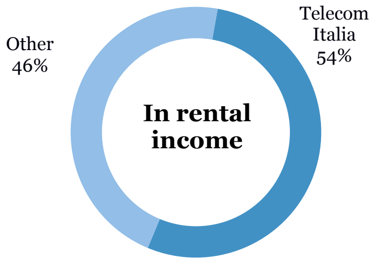
(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of total
Milan	426	41	89,1	83,2	-7,1%	38,1%
Rome	158	32	19,5	19,7	1,0%	9,0%
Other	1236	178	120,8	115,8	-4,4%	52,9%
Total	**1821**	**251**	**229,4**	**218,7**	**-4,9%**	**100,0%**



The increase in revenues in Rome is due to the delivery of the Via dell' Arte property in Q2 2014.

2.3. Breakdown by tenant

(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of total
Telecom Italia	1160	159	118,4	117,0	-1,2%	53,5%
Other	661	92	111,0	101,7	-9,2%	46,5%
Total	**1821**	**251**	**229,4**	**218,7**	**-4,7%**	**100,0%**



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. The average increase in the IPC index was 0.2% in 2014. All leases are protected against negative indexation.

4. Rental activity

During 2014, rental activity can be summarised as follows:

(€million)	Surface (sq.m)	Annualised rental income	Annualised rental income (€/sq.m)
Vacating	69 666	10,4	149
Letting	25 384	11,4	451
Renewal	23 800	4,2	175

The new leases mainly concern the San Nicolao property (€5.4 million in rent) let under the terms of a 13-year lease, seven of which are firm, to Luxottica. The other leases concern the Piazza San Fedele (€2.1 million) and Via Dante (€1.2 million) assets in Milan, and the Via dell'Arte asset in Rome (€0.7 million).

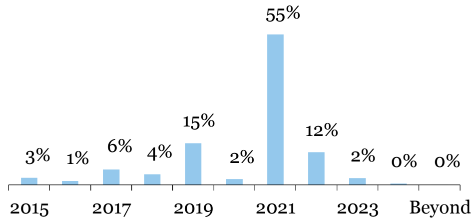
Renewals was renegociated resulted in increased rental income of 14%, mostly from the Via Dell' Union asset in Milan and the Via Darsena asset in Ferrara, with a surface area of almost 12,455 m².

The Corso Ferrucci property (Turin, 51,383 m²) was vacated in June 2014 and is being actively marketed.

5. Lease expirations and occupancy rates

5.1. Lease expirations: 12.1 years residual lease term (6.3 years firm)

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2015	5,6	3%	4,6	2%
2016	3,1	1%	0,9	0%
2017	12,2	6%	1,6	1%
2018	8,4	4%	1,2	1%
2019	33,0	15%	2,3	1%
2020	4,6	2%	1,0	0%
2021	119,4	55%	1,6	1%
2022	26,0	12%	10,6	5%
2023	5,2	2%	10,5	5%
2024	1,0	0%	7,6	3%
Beyond	0,2	0%	176,8	81%
Total	**218,7**	**100%**	**218,7**	**100%**



Leases expiring after 2024 are mostly linked to Telecom Italia. The residual firm term for leases was 6.3 years at the end of 2014.

5.2. Occupancy rate and type: an occupancy rate of 95.2%

The spot financial occupancy rate at the end of 2014 was 95.2% for the Core portfolio, down in comparison with the end of 2013 (97.7%) after the property in Turin was vacated.

6. Reserves for unpaid rents

(€ million)	2013	2014
As % of rental income	1,9%	1,0%
In value *	4,5	2,4

** net provision / reversals of provison*

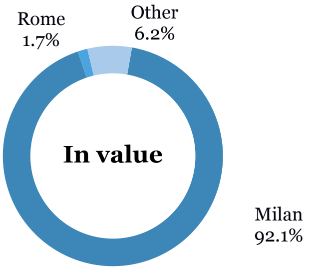
Reserve unpaid rent corresponds to net charges, reversals or provisions and losses, which amounted to 1% of rental income in 2014, down slightly compared with 2013.

7. Disposals and disposal agreements: €81 million

In 2014, the value of disposals and disposal agreements was €80.9 million, a total of €108 million in cash sales.

These new commitments in 2014 were entered into at 3.3% above the 2013 appraisal values and based on a 6.1% yield.

(€million)	Disposals (agreements as of end of 2013 closed)	Agreements as of end of 2013 closed	New disposals 2014	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total disposals
Milan	9,1	0,0	74,5	0,0	**74,5**	4,4%	6,1%	**83,6**
Rome	0,0	0,0	0,9	0,2	**1,2**	0,0%	-13,7%	**0,9**
Other	19,4	3,3	4,0	1,3	**5,3**	-6,9%	7,5%	**23,4**
Total	**28,6**	**3,3**	**79,4**	**1,5**	**80,9**	**3,3%**	**6,1%**	**108,0**



8. Acquisitions

No acquisitions were made during the year.

9. Development projects

9.1 Projects delivered

Delivery of the Via dell'Arte assets in Rome in May 2014 (surface area of 6,700 m², 93% let) and San Nicolao in Milan in December 2014 (surface area of 11,234 m², fully pre-let).

9.2. Managed projects

Projects	Location	Area	Surface (sq.m)	Delivery time frame
Milan, Symbiosis (Ripamonti)	Milano	Italy	119 000	Depending Prelet Status
Total			**119 000**	

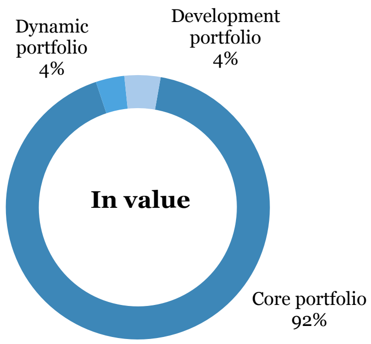
10. Asset values

10.1 Change in assets

(€million)	Value ED 2013	Change in value	Acquisitions	Disposals	Invest.	Reclass.	Value ED 2014
Core portfolio	3 713	-1	0	-95	17	134	3 769
Dynamic portfolio	155	-3	0	-10	1	0	143
Subtotal	**3 869**	**-3**	**0**	**-105**	**18**	**134**	**3 912**
Developement portfolio	288	-3	0	0	30	-134	181
Total	**4 157**	**-6**	**0**	**-105**	**48**	**0**	**4 093**

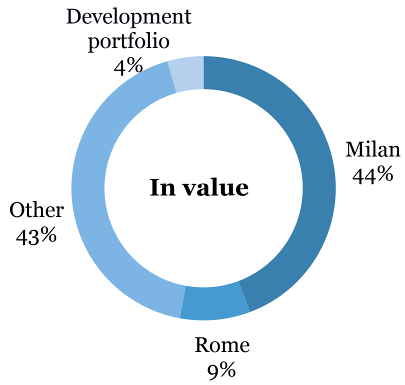
10.2 Like-for-like change: -0.2%

(€million)	Value ED 2013 100%	Value ED 2014 100%	LFL change 12 months	Yield ED 2013	Yield ED 2014	% of total value
Core portfolio	3 713,4	3 768,9	0,0%	6,1%	6,1%	92,1%
Dynamic portfolio	155,3	143,4	-1,8%	1,4%	1,5%	3,5%
Subtotal	**3 868,8**	**3 912,3**	**-0,1%**	**5,9%**	**5,9%**	**95,6%**
Developement portfolio	288,2	180,7	-1,6%	na	na	4,4%
Total	**4 157,0**	**4 093,0**	**-0,2%**	**5,5%**	**5,6%**	**100,0%**



The value of the Beni Stabili portfolio was solid with a decrease of 0.2% on a like-for-like basis in 2014.

(€million)	Value ED 2013 100%	Value ED 2014 100%	LFL change 12 months	Yield ED 2013	Yield ED 2014	% of total value
Milan	1759,6	1812,4	0,8%	5,1%	5,2%	44,3%
Rome	316,9	352,3	1,0%	6,2%	6,2%	8,6%
Other	1792,2	1747,7	-1,2%	6,7%	6,6%	42,7%
Subtotal	**3 868,8**	**3 912,3**	**-0,1%**	**5,9%**	**5,9%**	**95,6%**
Developement portfolio	288,2	180,7	-1,6%	na	na	4,4%
Total	**4 157,0**	**4 093,0**	**-0,2%**	**5,5%**	**5,6%**	**100,0%**



Most assets are located in Milan and Rome (53%).

C. HOTELS & SERVICE SECTOR

Foncière des Murs (FDM), which is 28.5% owned by Foncière des Régions, is a listed property 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. The figures are quoted at 100% and FDM share of affiliates.

1. Accounted rental income: -0.6% like-for-like

Recognised rental income is presented at 100% and in Foncière des Murs share. 164 assets held partially correspond to acquisitions in 2012 (50.2% owned) and H1 2013 and 2014.

Breakdown by business sector

(€million)	Number of assets	Rental income 2013	Rental income 2013 in GS FDM	Rental income 2014 100%	Rental income 2014 in GS FDM	Change (%) 100%	Change (%) in GS	Change (%) LFL	% of rental income
Hotels	322	143,1	126,5	142,8	125,8	-0,2%	-0,6%	-0,2%	70%
Healthcare	29	22,2	22,2	16,5	16,5	-25,6%	-25,6%	1,1%	9%
Retail Premises	185	38,7	38,7	36,7	36,7	-5,1%	-5,1%	-2,4%	21%
Total	**536**	**204,0**	**187,4**	**196,1**	**179,0**	**-3,9%**	**-4,5%**	**-0,6%**	**100%**

Consolidated rental income stood at €196 million at 100% at the end of 2014, down 3.9% compared with 2013. This was due mainly to:

- the impact of disposals in 2013 and 2014 (-€10.4 million)
- the impact of 2014 acquisitions/deliveries amounting to €3.6 million.
- the decrease in rental income on a like-for-like basis: 0.6% (-€1.1 million), due to the drop in Accor revenues (-0.8% over the year) and decreases in rental incomes from Jardiland assets compared with an extension of leases following the lease renegotiations at the end of 2013.

1.2 Breakdown by tenant

(€million)	Number of assets	Rental income 2013 in GS	Rental income 2014 in GS	Change (%)	Change (%) LFL	% of rental income
Accor	129	87,9	83,9	-4,5%	-0,5%	47%
B&B	187	21,6	22,9	5,7%	-0,2%	13%
Korian	29	19,5	16,1	-17,4%	1,1%	9%
Quick	81	17,1	16,6	-2,5%	2,3%	9%
Jardiland	49	14,9	13,5	-9,3%	-9,0%	8%
Sunparks	4	13,6	13,7	1,3%	1,3%	8%
Courtepaille	55	6,7	6,6	-1,9%	1,1%	4%
Club Med	1	3,4	3,4	0,0%	0,0%	2%
Générale de Santé	0	2,7	0,4	-83,6%	n/a	0%
NH	1	0,0	1,8	n/a	n/a	1%
Total	**536**	**187,4**	**179,0**	**-4,4%**	**-0,6%**	**100%**

2. Annualised rental income: €180 million (FDM share of affiliates)

2.1. Breakdown by business sector

(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Hotels	1 121 838	322	125,8	127,6	1,5%	71%
Healthcare	115 559	29	20,9	15,6	-25,2%	9%
Retail Premises	197 573	185	38,6	36,7	-4,8%	20%
Total	**1 434 970**	**536**	**185,4**	**180,0**	**-2,9%**	**100%**

2.2 Breakdown by tenant

(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Accor	594 363	129	86,9	83,4	-4,1%	46%
B&B	337 632	187	21,9	23,8	8,8%	13%
Korian	115 559	29	18,2	15,6	-14,1%	9%
Quick	37 487	81	17,1	16,6	-2,8%	9%
Jardiland	151 681	49	15,0	13,5	-9,5%	8%
Sunparks	133 558	4	13,6	13,7	0,9%	8%
Courtepaille	8 405	55	6,6	6,6	0,2%	4%
Club Med	45 813	1	3,4	3,4	0,5%	2%
Générale de Santé	10 472	0	2,7	0,0	n/a	0%
Total	**1 434 970**	**536**	**185,4**	**180,0**	**-2,9%**	**100%**

2.3. Geographic breakdown

(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Paris CBD	0	0	0,0	0,0	n/a	0%
Paris excl. CBD	73 066	9	21,4	20,5	-4,1%	11%
Inner suburbs	114 340	33	18,3	18,0	-1,8%	10%
Outer suburbs	124 085	57	15,6	15,6	-0,3%	9%
Total Paris Region	**311 491**	**99**	**55,3**	**54,1**	**-2,3%**	**30%**
MRC	273 760	109	34,7	32,8	-5,4%	18%
Other French regions	548 041	291	66,1	60,2	-9,0%	33%
International	301 678	37	29,3	33,0	12,5%	18%
Total	**1 434 970**	**536**	**185,4**	**180,0**	**-2,9%**	**100%**

The increase in international rental income is linked to the investment program implemented in 2014, and in particular with the acquisition of the NH hotel in Amsterdam.

3. Indexation

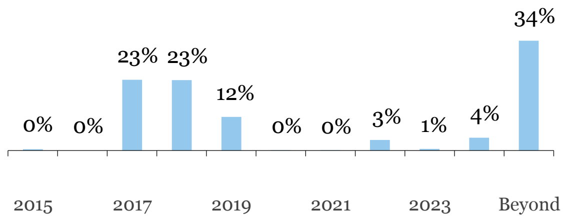
54% of the rental income is indexed to benchmark indices. All of the portfolios generating fixed rental income were indexed:

- the Korian portfolio was indexed in January 2014 based on the Q4 2013 Rental Reference Index (IRL), which had a positive impact of €0.2 million;
- the indexation of Jardiland, based on the ILC construction cost index for one third of the portfolio and the IRL Rental Reference Index for the other two-thirds of the portfolio, took place in July 2014; the negative impact of €1.5 million is due to the decreased rents granted following the lease renegotiations in 2014;
- the indexation of the Quick and Courtepaille portfolios, which was based on the construction cost index (ILC), took place in October 2014, generating a total impact of +€0.4 million.

46% of rental income was indexed on Accor revenue, which fell 0.8% over the year.

4. Lease expirations and occupancy rates

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2015	0,8	0%	0,8	0%
2016	0,0	0%	0,0	0%
2017	40,7	23%	40,7	23%
2018	40,6	23%	40,6	23%
2019	21,1	12%	19,4	11%
2020	0,3	0%	0,3	0%
2021	0,3	0%	0,3	0%
2022	6,2	3%	6,2	3%
2023	1,0	1%	1,0	1%
2024	7,4	4%	7,4	4%
Beyond	61,7	34%	63,3	35%
Total	**180,0**	**100%**	**180,0**	**100%**



The firm residual lease term was 6.8 years at the end of 2014, compared to 7.1 years at the end of 2013. The occupancy rate was 100% at the end of 2014.

2017 and 2018 expirations mostly concerned Accor leases.

5. Reserves for unpaid rents

The portfolio had no reserves for bad debt during 2014, just as in 2013.

6. Disposals and disposal agreements: €62 million

(€million)	Disposals (agreements as of end of 2013 closed) 1	Agreements as of end of 2013 to close	New disposals 2014 2	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total Disposals = 1 + 2
Hotels	43,4	0,0	0,3	4,6	4,9	6,6%	5,1%	43,7
Healthcare	33,6	0,0	56,9	0,0	56,9	1,0%	5,5%	90,6
Retail Premises	1,7	3,1	0,0	0,0	0,0	0,0%	0,0%	1,7
Total	**78,6**	**3,1**	**57,2**	**4,6**	**61,8**	**1,4%**	**5,5%**	**135,9**

Five properties were sold during 2014, for a value of €57 million. These disposals, on a portfolio or unit basis, only concerned the healthcare sector. Also, a disposal agreement on a property representing a total of €5 million was signed during the year.

7. Acquisitions

Assets	Surface (sq.m)	Location	Tenants	Acquisition Price* ID (€ million)	Gross Yield ID**
NH Amsterdam	10 472	Pays-Bas	NH	48,3	6,8%
B&B Salon de Provence	1 954	France	B&B	2,8	7,5%
B&B Valenciennes Marly	1 932	France	B&B	3,3	7,2%
B&B EuraLille	2 797	France	B&B	6,0	6,6%
Total	**17155,0**		**0,0**	**60,4**	**6,9%**

**In GS of Foncière des Murs*

***ID = Including duties*

Foncière des Murs acquired the NH Amsterdam Centre hotel in June 2014 for €48 million. 3 B&B hotels were acquired by the B2 Hotel Invest investment partnership (50.2% owned by FDM) for €12 million.

8. Development projects: a €59 million pipeline

8.1. Committed projects: €59 million, 100% pre-let

Projects	Location	Area		Surface (sq.m)	Delivery		Pre-let (%)	Total Budget (€m)	Progress
B&B Porte de Choisy	France	Paris	Construction	3 947	2015	6,3%	100,0%	16	83%
B&B Lyon Caluire	France	MRC	Construction	2 493	2015	6,7%	100,0%	7	37%
B&B Romainville	France	Paris Regions	Construction	2 264	2015	>7%	100,0%	6	35%
B&B Torcy	France	Paris Regions	Construction	2 429	2015	>7%	100,0%	7	21%
B&B Mülheim	Germany	Germany	Construction	2 306	2015	>7%	100,0%	5	40%
B&B Erfurt	Germany	Germany	Construction	2 597	2015	>7%	100,0%	4	12%
B&B Berlin	Germany	Germany	Construction	n/a	2016	>7%	100,0%	8	2%
B&B Duisburg	Germany	Germany	Construction	2 706	2015	>7%	100,0%	5	30%
Total				**18 742**		**>7%**	**100,0%**	**59**	

The 2* B&B hotel with 265 rooms in Paris (19th arrondissement) Porte des Lilas purchased in advance of completion was delivered in May 2014.

Foncière des Murs also owns several buildings under development, which are all leased to B&B Hôtels:

- one hotel at Porte de Choisy (Ivry-sur-Seine) developed by the B2 Hotel Invest investment partnership (50.2% owned by FDM). It is a six-floor hotel with 182 rooms
- a hotel with 120 rooms in Caluire-et-Cuire, just outside Lyon, owned by the B2 Hotel Invest investment partnership
- a 130-room hotel in Torcy
- a 107-room hotel in Romainville
- 4 hotels in Germany, totalling 433 rooms, open as of May 2015.

9. Asset values

9.1 Change in asset values

(€million)	Value ED 2013 GS	Value adjustment	Acquisitions	Disposals	Invest.	Transfert	Value ED 2014 GS FDM
Assets in operation	2 941	52	60	-135	0	26	**2 945**
Assets under developement	26	6	0	0	16	-26	**21**
Total	**2 966**	**58**	**60**	**-135**	**16**	**0**	**2 965**

The asset value of Foncière des Murs was €2,965 million at the end of 2014, up on a like-for-like basis by 2.0% over the year.

9.2 Like-for-like change: +2.0%

(€million)	100% value ED 2013 GS	100% value ED 2014	Value ED 2014 GS	LFL change 1 year	Yield ED 2013	Yield ED 2014	% of total value
Paris	408,0	397,7	391,5	10,3%	5,6%	5,2%	12,3%
Inner suburbs	307,4	345,2	313,1	3,4%	5,6%	5,8%	10,6%
Outer suburbs	252,6	292,9	263,4	3,7%	6,2%	5,9%	9,0%
Total Paris Regions	**968,0**	**1035,8**	**967,9**	**6,1%**	**5,8%**	**5,6%**	**31,9%**
MRC	554,7	610,1	537,2	0,4%	6,2%	6,1%	18,8%
Other French Regions	990,2	1077,6	940,6	-0,9%	6,6%	6,4%	33,2%
International	453,5	519,6	519,6	1,6%	6,4%	6,3%	16,0%
Total	**2966,4**	**3243,2**	**2965,3**	**2,0%**	**6,2%**	**6,1%**	**100,0%**

(€million)	100% value ED 2013 GS	100% value ED 2014	Value ED 2014 GS	LFL change 1 year	Yield ED 2013	Yield ED 2014	% of total value
Hotels	2 011,1	2 380,5	2 111,5	2,8%	6,3%	6,0%	73,4%
Healthcare	331,8	235,5	235,5	-2,7%	6,3%	6,4%	7,3%
Retail Premises	597,6	597,5	597,5	0,3%	6,5%	6,3%	18,4%
Total in operation	**2 940,6**	**3 213,5**	**2 944,5**	**1,8%**	**6,3%**	**6,1%**	**99,1%**
Assets under developement		29,7	20,8	30,5%	n.a.	n.a.	0,9%
Total	**2966,3**	**3243,2**	**2965,3**	**2,0%**	**6,2%**	**6,1%**	**100,0%**

In the hotel sector, a like-for-like advance of 2.0% is noted, compared to the end of 2013, mainly due to the compression of capitalisation rates on the Paris assets.

The healthcare sector fell by 2.7%, due to impairment on two specific assets. Restated for these two assets, the change on a like-for-like basis on healthcare is +0.6%.

On retail premises (+0.3%), the fall in capitalisation rates offset the rise in transfer duties, 0.7% out of Paris.

D. GERMAN RESIDENTIAL

Foncière des Régions is involved in the Residential sector in Germany via its subsidiary, Immeo, of which it owns 60.9%. The company is responsible for over 41,000 units, located mostly in North Rhine-Westphalia and Berlin.

The strategy used by Foncière des Régions for this business is to continue the geographical diversification of its presence by strengthening its presence in Berlin and in other dynamic and attractive cities such as Dresden and Leipzig.

From an operational point of view, 2014 saw an accelerated rotation of the portfolio which played a major role in the improved results of the company.

The figures are presented at GS Immeo.

1. Accounted rental income: +1.8% like-for-like

1.1. Geographic breakdown

(€million)	Surface (sq.m)	Number of units	Rental income 2013	Rental income 2014	Change (%)	Change (%) LFL	% of rental income
Berlin*	792 544	11 848	18,3	**46,0**	151,2%	4,9%	27%
NRW	1 945 699	29 498	134,8	**123,7**	-8,2%	1,4%	73%
Total	**2 738 243**	**41 346**	**153,1**	**169,7**	**10,8%**	**1,8%**	**100%**

**Including Dresde and Leipzig*

Rental income stood at €169.7 million in 2014, compared with €152.5 million in 2013. This change was due mainly to:

- the impact of disposals (-€12.4 million)
- the impact of acquisitions (+€26.7 million)
- the change in rental income on a like-for-like basis (+€2.3 million).

The 1.8% rise in rental income on a like-for-like basis over a year was essentially driven by the growth of the portfolios located in Berlin, Dresden and Leipzig, which saw average growth of 4.9%, proving the relevance of the geographical diversification policy.

Regulated rents accounted for 10% of the North Rhine-Westphalia portfolio (or 7% of the total portfolio) and had an average reversion of +14%.

Berlin accounts for 11% of 2014 rental income on a like-for-like basis (included Dresde and Leipzig)

2. Annualised rental income: €177 million

2.1. Geographic breakdown

(€million)	Surface (sq.m)	Number of units	Annualised rental income 2013	Annualised rental income 2014	Change (%)	Loyer moyen €/m²/mois	% of rental income
Berlin*	792 544	11 848	31,2	**57,5**	84,4%	6,3	32%
NRW	1 945 699	29 498	128,3	**119,8**	-6,6%	5,1	68%
Total	**2 738 243**	**41 346**	**159,5**	**177,3**	**11,2%**	**5,5**	**100%**

**Including Dresde and Leipzig*

3. Indexation

The rental income from residential premises in Germany changes according to three mechanisms:

- re-letting: the option to increase the rent freely without being excessive in urban areas
- for current leases: by implementing a three-year maturity, option to increase the rent by 15% to 20% depending on the region without being able to exceed a market average (Mietspiegel)
- for current leases: option to increase the rent when work is done. The increase is then limited to 11% of the work which contributed to the valuation of the building and the rent cannot exceed the Mietspiegel.

4. Occupancy rate

(%)	2013	2014
Berlin*	99,0%	98,3%
NRW	98,7%	98,3%
Total	**98,7%**	**98,3%**

**Including Dresden and Leipzig*

The occupancy rate for assets in operation stood at 98.3% at 31 December 2014 compared to 98.7% at 31 December 2013. The occupancy rate is down slightly due to the result of resuming the management of the portfolios acquired in the second half of the year.

5. Reserves for unpaid rents

(€million)	2013	2014
As % of rental income	2,0%	3,3%
In value *	3,0	5,5

**net provision / reversals of provison*

The increase in unpaid rent in Germany in 2014 was mainly the result of taking over the management of the portfolios acquired during the course of the year.

6. Disposals and disposal agreements: €160 million

(€ million)	Disposals (agreements as of end of 2013 closed) 1	Agreements as of end of 2013 to close	New disposals 2014 2	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total Disposals = 1 + 2
Germany	118,9	1,3	32,5	127,3	159,9	5,4%	7,1%	151,5
Total	**118,9**	**1,3**	**32,5**	**127,3**	**159,9**	**5,4%**	**7,1%**	**151,5**

2014 was particularly active, with €159.9 million in new commitments concluded at an average rate of over 5.4% to the appraisal value. 32% of these transactions were in Duisburg.

7. Acquisitions: €358 million mainly in Berlin and Dresden

Assets - *in GS*	Surface (sq.m)	Number of units resi	Acquisition Price (€million) ID*	Gross Yield
Berlin	169 869	2 373	222,3	5,7%
Dresden	109 335	2 225	116,5	6,3%
Leipzig	26 421	389	19,0	6,8%
Total	**305 625**	**4 987**	**357,8**	**6,0%**

**including duties*

€357.8 million in acquisitions were made during 2014, mostly in Berlin and Dresden. These investments have a yield of 6.0%. Thanks to their technical features and their excellent locations within their respective markets, the average expected rent reversion by the company on these new assets will done between +25% and +30%.

8. Asset values

8.1. Change in asset values

(€million)	Value ED 2012	Value adjustment	Acquisitions	Disposals	Invest.	Value ED 2014
NRW	1848	39	0	-139	0	1747
Berlin*	587	35	358	-8	0	972
Total	**2435**	**73**	**358**	**-147**	**0**	**2719**

**Including Dresden and Leipzig*

At the end of 2014, the portfolio was valued at €2,718.8 million compared with €2,434.7 million at the end of 2013. This change was due to the following:

- the impact of disposals (-€147 million)
- the impact of acquisitions (+€358 million)
- the change in values on a like-for-like basis (+€73 million).

The following contribute to maintaining portfolio quality and its increased value: €13.8 million in OPEX work (i.e. €5.1/m²) and €44.3 million in CAPEX work (i.e. €16.5/m²) which was done in 2014.

8.2. Like-for-like change: +2.9%

(€million)	100% value ED 2013 GS	Value ED 2014	LFL change 12 months	Yield ED 2013	Yield ED 2014	% of total value
Berlin*	586,9	971,8	5,9%	5,4%	5,9%	36%
NRW	1847,8	1747,0	6,9%	7,0%	6,9%	64%
Total Germany	**2 434,7**	**2 718,8**	**2,9%**	**6,6%**	**6,5%**	**100%**

**Including Dresden and Leipzig*

On a like-for-like basis, values grew by +2.9%, including +4.9% on average on the Berlin portfolio.

E. OTHER ACTIVITIES

I. FRANCE Residential (100% FDL)

1. Accounted rental income:

(€million)	Rental income 2013	Rental income 2014	Change (%)	% of rental income
Paris and Neuilly	16,0	14,0	-12,7%	50%
IDF Excl. Paris and Neuilly	6,0	5,4	-10,6%	19%
Rhones Alpes	3,4	2,8	-15,9%	10%
PACA	4,2	4,1	-2,1%	15%
Large West	1,9	1,5	-20,3%	5%
East	0,4	0,4	-4,8%	1%
Total France	**31,9**	**28,2**	**-11,6%**	**100%**
Total Luxembourg	**0,6**	**0,6**	**0,0%**	**100%**
Total FDL	**32,5**	**28,8**	**-11,4%**	**100%**

Rental income stood at €28.8 million in 2014, compared with €32.5 million in 2013. This change was due mainly to:

- the impact of disposals (- €2.1 million);
- the impact of vacant properties (- €2.4 million);
- the impact of acquisitions (+ €0.2 million);
- the impact of indexation (+ €0.6 million).

2. Annualised rental income: €26 million

(€million)	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Paris and Neuilly	15,3	12,8	-16%	51%
IDF Exclud. Paris et Neuilly	5,7	4,9	-14%	19%
Rhones Alpes	3,1	2,4	-23%	9%
PACA	4,3	3,8	-12%	15%
Large West	1,8	1	-44%	4%
East	0,4	0,4	0%	2%
Total France	30,6	**25,3**	**-17,2%**	**100%**
Total Luxembourg	0,6	**0,6**	**0,0%**	**100%**
Total FDL	31,1	**25,9**	**-16,9%**	**100%**

3. Indexation

The index used to calculate the indexation in France is the IRL (Rental Reference Index). For commercial assets (retail and offices), the most widely used indexation is the ICC (Construction Cost Index).

4. Disposals and disposal agreements: €120 million

(€ million)	Disposals (agreements as of end of 2013 closed) 1	Agreements as of end of 2013 to close	New disposals 2014 2	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total Disposals = 1 + 2
France	17,0	0,1	84,2	35,5	119,7	5,6%	1,4%	101,2
Total	**17,0**	**0,1**	**84,2**	**35,5**	**119,7**	**5,6%**	**1,4%**	**101,2**

Of all new commitments (€120 million), 60% were made in Paris and Neuilly-sur-Seine.
The value of new commitments has increased by around 50% compared with the previous year.

5. Asset valuation

At the end of 2014, the Foncière Développement Logements (France and Luxembourg) portfolio was valued at €800 million with a like-for-like basis increase of 3.0% over the year.

This increase is mainly due to some major assets in Paris being transferred from a block value to an occupied retail value following a disposal commitment obtained on these assets, and to the compression of the capitalisation rates used by experts on some assets.

II. Logistics

1. Accounted rental income: 0.8% like-for-like

(M€)	Surface (sq.m)	Rental income 2013	Rental income 2014	Change (%)	Change (%) LFL	% of total
Total	531 457	54,3	33,1	-39,1%	0,8%	100%

Rental income in 2014 amounted to €33.1 million, i.e. a decrease of 39.1% compared to the end of 2013. This change was due to:

- disposals made in 2013 and 2014 (-€21.3 million);
- indexation and staged rents (+€0.1 million);
- incoming and outgoing tenants (+€0.1 million);
- renewals (-€0.1 million).

Like-for-like, rental income increased by 0.8% (all of the Chalon site has now been leased).

2. Annualised rental income: €19.7 million

(€million)	Surface (sq.m)	Number of assets	Annualised rental income 2013	Annualised rental income 2014	Change (%)	% of rental income
Total	531 457	9	56,2	19,7	-64,9%	100%

Following disposals made in 2014, the annualised rents fell by 64.9%.

3. Indexation

In France, the indices used to calculate the indexation are those of the ICC and the ILAT. Collar rents account for 20% of annualised rental income.

4. Occupancy rate: 80,2%

The occupancy rate at 31 December 2014 was 80.2%, compared with 85.5% at 31 December 2013. This decrease is due to the change in scope of Logistics (major disposal in 2014). On the residual perimeter, the occupancy rate has increased, thanks to the marketing efforts of Pantin and Chalon.

Occupancy rate (%)	2013	2014
Total	85,5%	80,2%

5. Unpaid Rent

The impact of unpaid rent on the company's 2014 accounts was positive by €0.1 million, down by €1.8 million compared with the end of 2013 (the 2013 accounts were impacted by the forced liquidation of Telemarket).

6. Disposals and disposal agreements: €606 million

(€million)	Disposals (agreements as of end of 2013 closed) 1	Agreements as of end of 2013 to close	New disposals 2014 2	New agreements 2014	Total 2014	Margin vs 2013 value	Yield	Total Disposals = 1 + 2
Total	0,0	0,0	498,4	107,3	605,7	-1,2%	7,1%	498,4

In 2014, Foncière des Régions continued its portfolio rotation policy:

- completion of several sales with a total value of €498 million (including the 17 logistics platforms sold to property funds managed by Blackstone);
- signature of a preliminary sale agreement in the second half of 2014 for a disposal planned for the first half of 2015.

7. Asset values

7.1 Change in asset values

(€million)	Value ED 2013	Value adjustment	Acquisitions	Disposals	Invest.	Transfert	Value ED 2014
Total	791	-9	0	-498	4	0	288

7.2 Change on a like-for-like basis

Appraised values on a like-for-like basis over one year declined by 1.5%. This change is mainly due to tenant departures being taken into account.

(€million)	Value ED 2013 100%	Value ED 2014 100%	Value ED 2014 GS	LFL change 12 months	Yield ED 2013	Yield ED 2014	% of total value
Total	790,9	287,8	287,8	-1,5%	7,4%	7,2%	100%

The portfolio will worth €180.5 million, post disposals planned in half-year 2015.

4. Financial information and comments

The activity of Foncière des Régions consists of the acquisition, ownership, administration and leasing of properties, developed or otherwise, specifically in the Office, Residential, Hotels and Service, Logistics, and Car Parks sectors.

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

The financial statements were approved by the Board of Directors on 19 February 2015. The audit procedures on the consolidated financial statements have been completed. The certification report will be issued after the specific verifications. The review report is being issued.

CONSOLIDATED ACCOUNTS

A. Scope of consolidation

At 31 December 2014, the scope of consolidation of Foncière des Régions includes companies in France and nine other countries in Europe (Offices: Italy Residential: Germany, Austria, Denmark; Hotels & Service Sector: Germany, Portugal, Belgium, the Netherlands and Luxembourg). The main percentages of control during the year were as follows:

Subsidiaries	**2013**	**2014**
Foncière Développement Logements	59,7%	61,3%
Foncière des Murs	28,3%	28,5%
Immeo	N/A	60,9%
Beni Stabili	50,9%	48,3%
OPCI CB 21 (Tour CB 21)	75,0%	75,0%
Urbis Park	59,5%	59,5%
Fédérimmo (Carré Suffren)	60,0%	60,0%
SCI Latécoëre (DS Campus)	50,1%	50,1%
SCI 11, Place de l'Europe (Campus Eiffage)	50,1%	50,1%
Lenovilla (New Velizy)	50,1%	50,1%

Foncière des Régions increased its stake in Foncière Développement Logements following the Public Exchange Offer in August 2013. As a result of the offer, Foncière des Régions holds 59.7% of Foncière Développement Logements, which has been fully consolidated since 1 August.

In July 2014, Foncière Développement Logements sold its equity interests in the German Residential sector to its shareholders. Foncière des Régions currently holds 60.9% of the German Residential sector via Immeo.

In addition, the completion in September of the Foncière Développement Logements share buyback offer and the cancellation of shares raised Foncière Développement Logements ownership stake in Foncière des Régions to 61.26%.

On 27 October, Foncière des Régions participated in the capital increase of Beni Stabili, and it now holds 48.3% of Beni Stabili's capital.

Foncière des Régions increased its equity interest in Foncière des Murs following capital increase in November 2014, and it now owns 28.46% of Foncière des Murs.

B . Accounting standards

The consolidated financial statements have been prepared in accordance with the international accounting standards issued by the IASB (International Accounting Standards Board) and adopted by the European Union on the date of preparation. These standards include the IFRS (International Financial Reporting Standards), as well as their interpretations. The financial statements were approved by the Board of Directors on 19 February 2015.

C. EPRA Income Statements

	2013	2014 before reclassification	Discontinued operations	2014	2013	2014 before reclassification	Discontinued operations	2014	%
Rental income	832,0	908,4	33,1	875,4	525,7	558,1	33,1	525,0	6,2%
Unrecovered rental costs	-40,0	-44,0	-4,6	-39,4	-26,6	-27,9	-4,6	-23,3	4,9%
Expenses on properties	-18,3	-29,0	-0,9	-28,0	-11,4	-17,8	-1,0	-16,9	56,1%
Net expenses on unrecoverable receivables	-8,8	-8,6	0,1	-8,7	-5,3	-5,1	0,3	-5,4	-3,8%
Net rental income	**764,8**	**826,9**	**27,7**	**799,2**	**482,4**	**507,3**	**27,6**	**479,6**	**5,2%**
ratio of costs to revenues	*8,1%*	*9,0%*	*0,0%*	*8,7%*	*8,2%*	*9,1%*	*0,0%*	*8,7%*	*0,0%*
Management and administration revenues	22,2	23,7	0,3	23,4	21,1	23,3	0,3	23,0	10%
Activity-related costs	-4,9	-5,7	-0,3	-5,4	-3,7	-3,6	-0,3	-3,3	-3%
Committed fixed costs	-82,7	-104,0	-1,0	-103,0	-61,5	-74,7	-1,0	-73,7	21%
Development costs	-0,5	-0,2	0,0	-0,2	-0,4	-0,2	0,0	-0,2	-50%
Net cost of operations	**-65,9**	**-86,3**	**-1,0**	**-85,3**	**-44,4**	**-55,2**	**-1,0**	**-54,2**	24%
Income from other activities	19,5	26,9	0,0	26,9	13,8	21,5	0,0	21,5	56%
Depreciation of operating assets	-15,0	-15,6	0,0	-15,6	-10,1	-10,3	0,0	-10,3	2%
Net change in provisions and other	2,1	-19,1	-2,7	-16,4	1,9	-9,9	-2,6	-7,2	n.a
Current operating income	**705,5**	**732,9**	**24,0**	**708,9**	**443,6**	**453,4**	**24,0**	**429,4**	2%
Net income from inventory properties	-5,2	-2,1	0,0	-2,1	-2,5	-1,2	0,0	-1,2	-52%
Income from asset disposals	3,7	-5,9	-8,0	2,0	-1,3	-7,1	-8,0	0,9	n.a
Income from value adjustments	-37,7	158,7	-8,6	167,4	-40,2	102,0	-8,6	110,6	n.a
Income from disposal of securities	3,8	0,0	0,0	0,0	3,8	0,0	0,0	0,0	n.a
Income from changes in scope	48,8	32,5	30,6	1,9	48,8	31,8	30,5	1,3	n.a
Operating income	**719,0**	**916,1**	**37,9**	**878,2**	**452,1**	**578,9**	**38,0**	**540,9**	**28%**
Income from non-consolidated companies	10,1	0,9	0,0	0,9	10,1	0,9	0,0	0,9	-91%
Cost of net financial debt	-307,4	-289,1	-7,0	-282,2	-192,0	-175,0	-7,0	-168,1	-9%
Value adjustment on derivatives	110,0	-311,4	-7,7	-303,7	71,7	-190,9	-7,7	-183,2	n.a
Discounting of liabilities and receivables	-2,9	-3,4	-0,1	-3,3	-2,8	-3,4	-0,1	-3,2	21%
Net change in financial and other provisions	-47,7	-124,0	0,0	-124,0	-25,0	-65,3	0,0	-65,4	n.a
Share in earnings of affiliates	32,5	21,1	0,0	21,1	29,3	19,8	0,0	19,8	-32%
Pre-tax income	**513,6**	**210,1**	**23,1**	**187,0**	**343,5**	**164,9**	**23,2**	**141,7**	**-52%**
Deferred tax	6,2	-80,6	0,5	-81,1	1,4	-40,0	0,1	-40,1	n.a
Corporate income tax	-7,6	-9,9	0,4	-10,3	-4,8	-6,4	0,4	-6,8	33%
Net income from continuing operations	**512,1**	**119,6**	**0,0**	**95,6**	**0,0**	**118,5**	**23,7**	**94,8**	**0%**
Post-tax profit or loss of discontinued operations	0,0	0,0	0,0	24,0		0,0	0,0	23,7	0%
Net income from discontinued operations	**0,0**	**0,0**	**0,0**	**24,0**		**0,0**	**0,0**	**23,7**	**0%**
Net income for the periode	**512,1**	**119,6**	**24,0**	**119,6**	**0,0**	**118,5**	**23,7**	**118,5**	**-65%**
Non-controlling interests	-172,0	-1,1	0,0	-1,1	0,0	0,0	0,0	0,0	0%
Net income for the period - GS	**340,1**	**118,5**	**24,0**	**118,5**	**340,1**	**118,5**	**23,7**	**118,5**	**-65%**

◆ Rental income

Rental Income (before reclassification of Logistics as Discontinued Operations) rose by 6.2% to €558.1 million, Group share (*vs* €525.7 million). This increase can be explained primarily through the consolidation on a full-year basis of the residential business, adding €75 million, as well as the following:

- asset acquisitions and deliveries (+ €6,4 million);
- disposals (- €46.2 million, of which - €21.3 million related to disposals in Logistics);
- indexation and the mixed effect from departures and re-lettings (- €0.3 million).

In consolidated data, rental income increased by 9.2% (+ €76 million):

- Germany Residential: + €107.3 million
- France Residential : + €15.8 million
- Offices France: - €14.5 million (-5.5%)
- Offices Italy: - €3.0 million (-1.3%)
- Hotels and Service Sector: - €7.9 million (-3.9%)
- Logistics: - €21.2 million (-39.1%)

Net operating costs

Net operating costs amounted to €55.2 million, Group share, at 31 December 2014 (€86.3 million on a consolidated basis) compared to €44.4 million at 31 December 2013 (€65.9 million on a consolidated basis), for an increase of 24.3%. This increase is related primarily to the integration of Residential activity on a full-year basis. Stripping out the impact of Residential, net operating costs fell during 2014. These overhead expenses mainly consist of payroll, attorneys' fees, auditors' fees, and office, communications and IT costs.

Other business income

Other business income mainly concerned the "Car Parks" activity (€7.6 million), i.e. car parks owned or under concession, as well as real estate development activities. Net income from these activities rose during 2014 due mainly to real estate development activity (€5.5 million). Other business income stood at €21.5 million at 31 December 2014 (Group share), compared to €13.8 million at 31 December 2013.

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. During 2014, the change in the fair value of investment assets was positive by €102.0 million for the Group share and €158.7 million on a consolidated basis, versus - €40.2 million (Group share) at 31 December 2013 (- €37.7 million at 100%).

Operating income, Group share, thus amounted to €578.9 million at 31 December 2014 compared to €452.1 million at 31 December 2013.

Financial aggregates

Financial expenses stood at €175 million in Group share (compared to €191.4 million at 31 December 2013) and at €289.1 million on a consolidated basis (vs €307.4 million at 31 December 2013). The amount of interest capitalised on assets under development amounted to €15 million (Group share) for 2014.

In addition, financial instruments both assets and liabilities (before reclassification of Discontinued Operations) represented a net balance sheet amount of €580.3 million (€384.4 million for the Group share) and deferred tax liabilities from non-SIIC foreign companies accounted for €244.6 million (€127.4 million Group share).

The change in the fair value of financial instruments was negative €190.9 million in Group share at 31 December 2014. (-€311.4 million on a consolidated basis), compared to positive €71.7 million in Group share (+€110 million on a consolidated basis) at 31 December 2013. This was after a drop in long-term rates and a change in the fair value of the ORNANE between 2013 and 2014 (-€52.7 million, Group share and €69.2 million at 100%).

Share of income of associates

Consolidated data	% interest	Value 2013	Contribution to earnings	Value 2014	Change (%)
OPCI Foncière des Murs	19,90%	71,8	1,3	69,2	3,8%
SCI Latécoëre (Dassault Campus)	50,10%	95,3	5,4	92,8	2,7%
Lénovilla (New Velizy)	50,10%	6,9	7,0	13,8	-50,0%
Other equity interests	0,00%	10,8	7,4	12,9	-16,4%
Total		**184,8**	**21,1**	**188,7**	-2,1%

Income (loss) from changes in consolidation scope

The income from changes in consolidation scope corresponded mainly to the impact to net profit from the disposal of the Logistics companies for €30.5 million (Garonor France III in particular).

Income from non consolidated companies

Income from non-consolidated companies corresponds to OPCI Technical Fund dividends for €0.9 million.

Taxes

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.

Note that the change in the Italian SIIQ tax regime resulted in the cancellation of €30 million (Group share) in net deferred tax assets.

EPRA Net Recurring Income

(€million) Group share	2013	2014 before reclassification	Change	%
Net rental income	483,8	508,5	24,7	5,1%
Net operating costs	-42,7	-54,2	-11,5	26,9%
Income from other activities	14,4	21,2	6,8	47,2%
Net change in provisions and other	0,2	0,0	-0,2	n.a
Cost of net financial debt	-190,4	-173,5	16,9	-8,9%
Recurrent net income from equity affiliates	23,4	14,2	-9,2	-39,3%
Income from non consolidated affiliates	10,1	0,9	-9,2	n.a
Recurrent tax	-2,2	-2,7	-0,5	22,7%
EPRA recurrent net income	**296,7**	**314,5**	**17,8**	**6,0%**
EPRA recurrent net income per share	**5,0**	**5,0**	**0,1**	**1,1%**
Fair value adjustment on real estate assets	-40,2	102,0	142,2	n.a
Other asset value adjustments	-34,2	-8,3	25,9	n.a
Fair value adjustment on financial instruments	71,7	-190,9	-262,6	n.a
Other	48,8	-55,1	-103,9	n.a
Non-recurrent tax	-2,7	-43,7	-41,0	n.a
Net income	**340,1**	**118,5**	**-221,6**	**-65,2%**
Diluted average number of shares	59 632 122	62 538 274	2 906 152	4,9%

	Net income GS	Restatements		EPRA RNI
Net rental income	**507,3**	**1,3**		**508,5**
Operating costs	-55,2	0,9		-54,2
Income from other activities	21,5	-0,3		21,2
Depreciation of operating assets	-10,3	10,3		0,0
Net change in provisions and other	-9,9	9,9		0,0
Current operating income	**453,4**	**22,1**		**475,5**
Net income from inventory properties	-1,2	1,2		0,0
Income from asset disposals	-7,1	7,1		0,0
Income from value adjustments	102,0	-102,0		0,0
Income from disposal of securities	0,0	0,0		0,0
Income from changes in scope	31,8	-31,8		0,0
Operating income	**578,9**	**-103,4**		**475,5**
Income from non-consolidated companies	0,9	0,0		**0,9**
Cost of net financial debt	**-175,0**	**1,6**		**-173,5**
Value adjustment on derivatives	-190,9	190,9		0,0
Discounting of liabilities and receivables	-3,4	3,4		0,0
Net change in financial provisions	-65,4	65,4		0,0
Share in earnings of affiliates	19,8	-5,5	(a)	14,3
Pre-tax net income	**164,9**	**152,3**		**317,2**
Deferred tax	-40,0	40,0		0,0
Corporate income tax	-6,4	3,7		-2,7
Net income for the period	**118,5**	**196,0**		**314,5**

(a) Non cash amount from the result of affiliates

D. Balance sheet

◆ Consolidated balance sheet

(€million)	2013	H1 2014 before reclassification	Discontinued operations	2014
Non-current assets				
Intangible assets	154	145	0	145
Tangible assets	108	80	0	80
Investment properties	14 298	14 535	0	14 535
	0	0	0	0
Financial assets	156	185	0	185
Equity affiliates	185	189	0	189
Deferred tax assets	90	17	0	17
Long-term financial instruments	12	39	0	39
Total non-current assets (I)	**15 002**	**15 189**	**0**	**15 189**
Current assets				
Assets held for sale	1 197	825	288	537
Loans and finance lease receivables	10	8	0	8
Inventories and work-in-progress	80	73	0	73
Short-term financial instruments	11	21	0	21
Trade receivables	283	277	13	264
Current tax	3	7	4	3
Other receivables	202	127	4	123
Accrued expenses	12	10	0	10
Cash and cash equivalents	382	1029	2	1027
Discontinued operations	0	0	0	311
Total current assets (II)	**2 179**	**2 376**	**311**	**2 377**
Total assets (I+II+III)	**17 181**	**17 566**	**311**	**17 566**

	2013	H1 2014 before reclassification	Discontinued operations	2014
Shareholders' equity				
Capital	188	188	0	188
Additional paid-in capital	2 371	2 291	0	2 291
Treasury stock	-11	-4	0	-4
Consolidated reserves	1402	1564	0	1564
Earnings	340	119	0	119
share	**4 290**	**4 158**	**0**	**4 158**
Non-controlling interests	2 925	3 142	0	3 142
Total shareholders' equity (I)	**7 215**	**7 300**	**0**	**7 300**
Non-current liabilities				
Long-term borrowings	7 520	7 709	7	7 702
Long-term financial instruments	476	540	20	520
Deferred tax liabilities	295	261	0	261
Pension and other liabilities	41	44	0	44
Other long-term debt	38	10	4	7
Total non-current liabilities (III)	**8 369**	**8 564**	**30**	**8 534**
Current liabilities				
Liabilities held for sale				
Trade payables	110	90	3	87
Short-term borrowings	979	1204	0	1204
Short-term financial instruments	95	101	3	98
Tenant security deposits	6	5	0	5
orders	134	146	7	139
Short-term provisions	17	17	0	17
Current tax	5	6	0	5
Other debt	5	6	0	204
Accruals	47	37	0	37
Discontinued operations	0	0	0	54
Total current liabilities (IV)	**1 597**	**1 702**	**24**	**1 732**
Total liabilities (I+II+III+IV)	**17 181**	**17 566**	**54**	**17 566**

◆ Simplified consolidated balance sheet

Assets	2014 before reclassification	2014	Liabilities	2014 before reclassification	2014
Fixed assets	14 760	14 760	Shareholders' equity	4 158	4 158
Equity affiliates	189	189	Non-controlling interests	3 142	3 142
Financial assets	185	185	**Shareholders' equity**	**7 300**	**7 300**
Deferred tax assets	17	17	Borrowings	8 913	8 906
Financial instruments	60	60	Financial instruments	641	618
Actifs destinés à la vente	825	537	Deferred tax liabilities	261	261
Cash	1029	1027	Discontinued operations		54
Discontinued operations		311	Other liabilities	451	427
Other	502	481			
Total	**17 566**	**17 566**	**Total**	**17 566**	**17 566**

◆ Simplified balance sheet, Group share

Assets	2014 before reclassification	2014	Liabilities	2014 before reclassification	2014
Fixed assets	8 650	8 650			
Equity affiliates	139	139			
Financial assets	181	181	**Shareholders' equity**	**4 158**	**4 158**
Deferred tax assets	8	8	Borrowings	5 765	5 758
Financial instruments	55	55	Financial instruments	439	417
Assets held for slale	661	373	Deferred tax liabilities	135	135
Cash	803	801	Other	339	314
Discontinued operations		311	Discontinued operations		54
Other	339	318			
Total	**10 836**	**10 836**	**Total**	**10 836**	**10 836**

◆ Shareholders' equity

Consolidated shareholders' equity, Group share, fell from €4,290 million at the end of 2013 to €4,158 million at 31 December 2014, i.e. a decrease of €132.1 million due mainly to:

- income for the period: + €118.5 million;

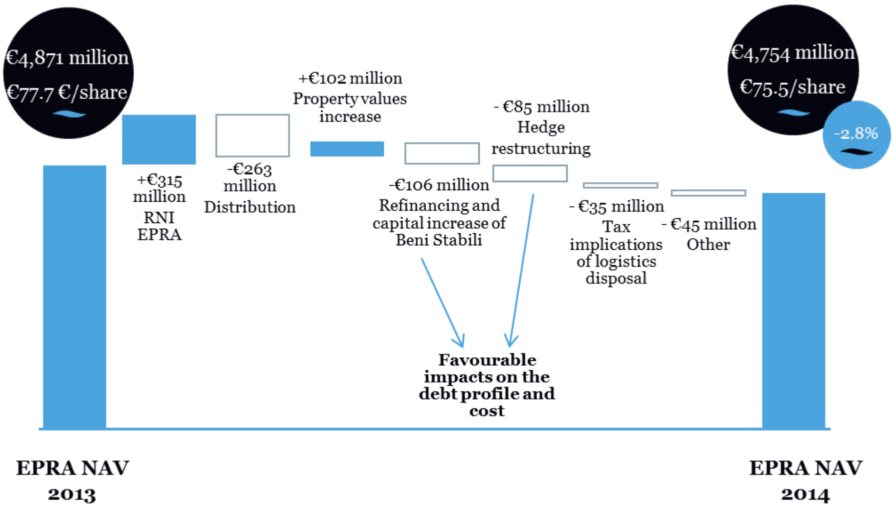
- financial instruments included in shareholders' equity: + €42.5 million;
- impact of the cash dividend distribution: - €262.7 million;
- change percentage of Beni Stabili held: - €30.2 million;
- structuring of residential sector: - €2.8 million.

Net debt

Foncière des Régions' bank loans amounted to €5,727 million in Group share, and €8,893 million on a consolidated basis. Net debt at 31 December 2014 was €4,962 million (Group share) and €7,884 million (on a consolidated basis), compared to €5,098 million (Group share) and €8,117 (consolidated) at the end of 2013. The net debt decreased by €136 million (Group share) and €233 million on a consolidated basis.

5. Net Assets Value (NAV)

	2013	2014	Var. vs 2013	Var. (%) vs 2013
EPRA NAV (€million)	4 871,1	**4 753,5**	-117,6	-2,4%
EPRA NAV / share (€)	77,7	**75,5**	-2,2	-2,8%
EPRA triple net NAV (€million)	4 342,1	**4 145,1**	-196,9	-4,5%
EPRA triple net NAV / share (€)	69,2	**65,9**	-3,4	-4,9%
Number of shares	62 708 431	**62 941 712**	233 281	0,4%



Number of shares used to calculate NAV: 62,941,712 for 2014 vs 62,708,431 for 2013

	(€million)	€/share
Shareholders' equity	**4 158,0**	**66,1**
Fair value assessment of buildings (operation + inventory)	27,1	
Fair value assessment of parking facilities	34,0	
Fair value assessment of goodwill	1,9	
Fixed debt	-93,4	
Restatement of value ED	17,5	
EPRA triple net NAV	**4 145,1**	**65,9**
Financial instruments and fix rate debt	407,4	
Deferred tax	127,4	
ORNANE	73,6	
EPRA NAV	**4 753,5**	**75,5**
IFRS NAV	**4 158,0**	**66,1**

Valuation work is carried out in accordance with the code of conduct applicable to SIICs, and in accordance with the Charter of property valuation expertise, the recommendations of the COB/CNCC working group chaired by Mr Barthès de Ruyther and the international plan in accordance with European TEGoVA standards and those of the Red Book of the Royal Institution of Chartered Surveyors (RICS).

The property portfolio directly held by the Group underwent a complete valuation on 31 December 2014 by independent property experts such as REAG, DTZ Eurexi, CBRE, JLL, BNP Paribas Real Estate, Cushman and Yard Valtech.

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 using the principles of the IFRS standards on consolidated accounts. The application of the fair value essentially concerns the valuation of the debt coverages and the ORNANES. 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.

◆ Fair value adjustment for the buildings and business goodwill

In accordance with IFRS standards, properties in operation and in inventory are valued at historical cost. A value adjustment, in order to take into account the appraisal values, is recognised in the NAV for a total amount of €27.1 million.

Since goodwill is not valued in the consolidated accounts, a restatement to recognise its fair value (as calculated by the appraisers) was made in the NAV in the amount of €2.0 million at 31 December 2014.

◆ Fair value adjustment for the 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 on the RNA was €34.0 million at 31 December 2014.

◆ Recalculation of the base cost excluding duties of certain assets

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 already deducted from the value of the assets generates a restatement of €17.5 million at 31 December 2014.

◆ Fair value adjustment for fixed-rate debts

The group has taken out fixed-rate loans. In accordance with EPRA principles, triple net NAV is adjusted by the fair value of fixed-rate debts, with an impact of - €93.4 million at 31 December 2014.

6. Financial resources

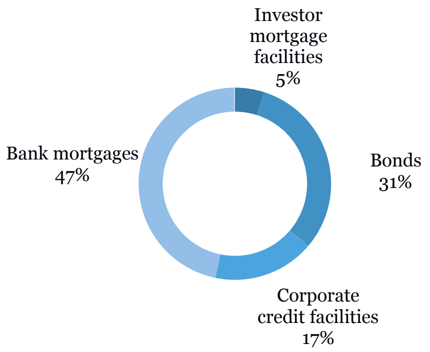
A. Main debt characteristics capitalised

GS	2013	2014
Net debt, Group share (€million)	5 098	**4 962**
Average annual rate of debt	3,94%	**3,29%**
Average maturity of debt (in years)	4,5	**4,1**
Debt active hedging spot rate	80%	**84%**
Average maturity of hedging	4,9	**5,1**
LTV Including Duties	46,5%	**46,1%**
ICR	2,49	**2,76**

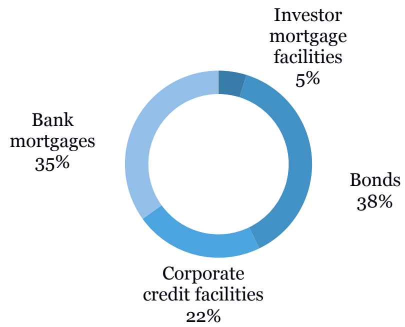
6.1. Debt by type

The net debt, Group share, of Foncière des Régions amounted at 31 December 2014 to €5 billion (€7.9 billion on a consolidated basis).

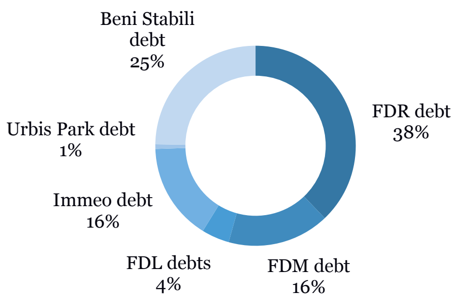
As a share of total debt, non-mortgage debt rose from 48% at 31 December 2013 to 60% at 31 December 2014, due in particular to the issue of new bonds during the financial year totalling €0.8 billion for the year (€1.1 billion on a consolidated basis).



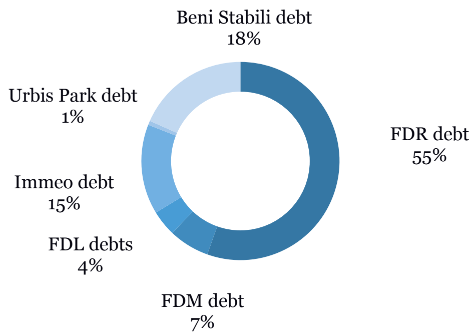
Commitments consolidated



Commitments Group share



Consolidated Commitments per company



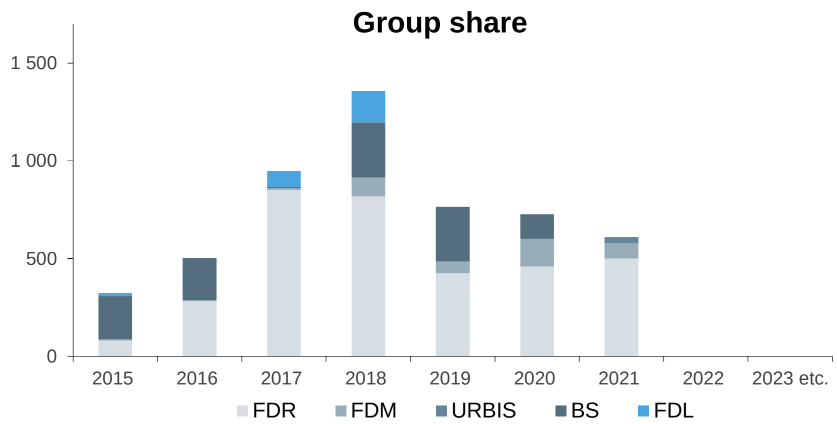
Commitments Group share per company

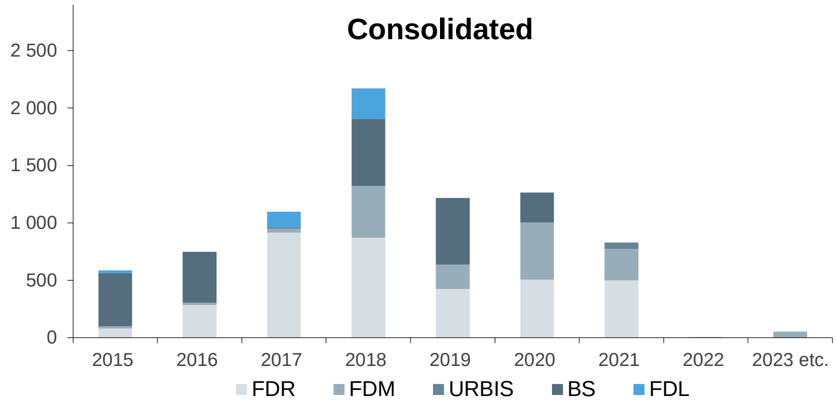
In addition, at the end of 2014, the cash and cash equivalents of Foncière des Régions totalled nearly €1.9 billion, Group share (€2.5 billion on a consolidated basis). These amounts do not include the unused portion of loans allocated to development projects under way.

6.2. Debt maturities

The average maturity of Foncière des Régions debt was 4.1 years at the end of 2014.

The 2015 and 2016 maturities are covered entirely by existing cash. Maturities for 2015 mainly affect Beni Stabili (€222 million Group share and €459 million on a consolidated basis) and Foncière des Régions (€80 million):





6.3. Main changes during the period

◆ New debt issues: €3,125 million at 100% (€1,908 million, Group Share)

- Foncière des Régions: €799 million (€799 million, Group share):
  - During the second half of 2014, Foncière des Régions continued the process it began in 2013 of renegotiating its corporate credit facilities to optimise their financial conditions and extend their maturity. As a result, €260 million in corporate credit facilities were renegotiated or refinanced. In addition, €39 million in new corporate debts were taken out;
  - In September 2014, Foncière des Régions issued a bond of €500 million with a maturity of September 2021 and a fixed coupon of 1.75%, for a spread of 105 bps. This strategy enabled the extensive diversification of financing sources, reduction in cost of debt and extension of its maturity to continue.
- Beni Stabili: €1,276 million raised in 2014 (€636 million Group share):
  - Beni Stabili placed a €350 million, unsecured inaugural bond issue in January 2014 with an annual coupon of 4.125% and maturing in four years, i.e. in January 2018;

- In March 2014, Beni Stabili successfully completed a private placement with institutional investors for a total of €250 million with a 3.50% coupon. The bond matures in April 2019;

- In September 2014, Beni Stabili refinanced the IMSER securitisation collateralised by the €1.7 billion Telecom Italia real property portfolio via the creation of €300 million of mortgage financing and €200 million in corporate financing. This refinancing significantly reduced Beni Stabili's average cost of debt while increasing its financial flexibility;

- Finally, during the year, Beni Stabili renegotiated three existing funding sources totalling €116 million and took out €60 million in new bank loans.

○ Hotels and Service sector: €487 million raised in 2014 (€137 million in Group share):

- In May 2014, Foncière des Murs took out €209 million in loans backed by a diversified asset portfolio mainly comprised of hotel assets, to:
  - refinance the balance of mortgage loans set up in 2007;
  - refinance the €60 million mortgage loan taken out in 2013 to optimise the financial conditions of the facility;

- In December 2014, Foncière des Murs extended its covered bond by two years using €242 million in hotel assets for a coupon reduced to 2.75% starting on 16 February 2015;

- Foncière des Murs also raised €35 million in new mortgage financing as part of its acquisitions.

○ Residential France: €350 million raised in 2014 (€209 million in Group share):

- Foncière Développement Logements refinanced the Stockholm 1 and 2 loans in January 2014 with new debt for a nominal amount of €350 million.

○ Residential Germany: €213 million raised in 2014 (€127 million in Group share):

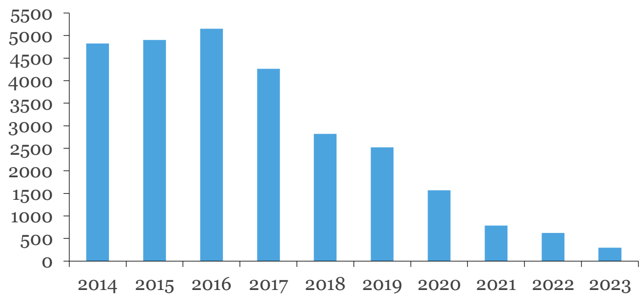
- In Germany, Immeo raised €68 million in new financing for four- and five-year maturities, which are to be used to finance the acquisition of housing portfolios in Berlin, Dresden and Leipzig;

- In October 2014, Immeo also took out mortgage acquisition loans totalling €145 million with a ten-year maturity, backed by an asset portfolio consisting of 3,500 residential units in Berlin and Dresden.

6.4. Hedging profile

During the 2014 financial year, 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 have maturities exceeding debt maturity.

Based on net debt at the end of December 2014, Foncière des Régions is covered (in Group Share) up to 87% in short term hedges, compared to 94% at the end of 2013. The average hedge duration is 5.1 years in Group share.



6.5. Average interest rate on the debt and sensitivity

The average rate on the debt of Foncière des Régions stood at 3.3% in Group share, compared to 3.9% in 2013. This decrease occurred mainly due to the refinancing of Beni Stabili's securitised debt in September, a new 7-year, 1.75% bond issue in September on Foncière des Régions for €500 million and the full-year impact of the 2013 renegotiations and hedge restructuring.

For information purposes, a 50 bps drop in the 3-month Euribor rate would have a positive impact of €0.5 million on net recurring income for 2015. The impact would be negative by €3.6 million in the event of a 50 bps hike.

◆ FINANCIAL STRUCTURE

Excluding debts raised without recourse to the group's property companies, the debts of Foncière des Régions and its subsidiaries generally include bank covenants (ICR and LTV) applying to the borrower's consolidated financial statements. If these covenants are breached, early debt repayment may be required. These covenants are established in Group share for Foncière des Régions and for Foncière des Murs and on a consolidated basis for the subsidiaries of Foncière des Régions (if their debts include them).

- The most restrictive consolidated LTV covenants at 31 December 2014 amounted to 60% for Foncière des Régions, Foncière des Murs, Foncière Développement Logements and Beni Stabili.
- The threshold for consolidated ICR covenants differs from one REIT to another, depending on the type of assets, and may be different from one debt to another even for the same REIT, depending on debt seniority.

The most restrictive ICR consolidated covenant applicable to the property investment companies are the following:

- for Foncière des Régions: 200%;
- for Foncière des Murs: 200%;
- for Foncière Développement Logements: 150%;
- for Beni Stabili: 140%;
- Furthermore, in some scopes financed using dedicated debt, there are specific covenants which may be added to or replace the consolidated covenants.

With respect to Immeo, for which the debt raised is "non-recourse" debt, there are no consolidated covenants associated with portfolio financing.

Lastly, concerning Foncière des Régions, corporate credits have been amended following 2013 renegotiations. In particular, for some they include the following ratios:

Ratio	Covenant	2014
LTV	60,0%	50,3%
ICR	200,0%	276,0%
Securaldebtratio	22,5%	7,7%

All covenants were fully complied with at the end of 2014. No loan has an accelerated payment clause contingent on a Foncière des Régions rating.

LTV calculation details

€M GS	2013	2014
Net book debt*	5 098	4 911
Receivables on disposals	-413	-338
Security deposits received	-11	-39
Finance lease-backed debt	-3	-2
Net debt	**4 671**	**4 532**
Appraised value of real estate assets (ID)	10 204	9 871
Preliminary sale agreements	-413	-338
Financial assets	40	39
Goodwill	3	2
Receivables linked to associates	79	117
Share of equity affiliates	132	139
Value of assets	**10 044**	**9 829**
LTV ED	**48,9%**	**48,5%**
LTV ID	**46,5%**	**46,1%**

Adjusted for changes in fair value of convertible bond (-€73.6 million)

7. Financial indicators of the main activities

	Foncière des Murs			Beni Stabili		
	2013	2014	Var. (%)	2013	2014	Var. (%)
EPRA Recurrent net income (€ million)	123,9	**120,0**	-3,1%	74	**87,2**	17,8%
EPRA Recurrent net income (€/share)	1,93	**1,84**	-4,7%	0,04	**0,04**	-4,0%
EPRA NAV (€/share)	26,2	**25,9**	-1,1%	1,06	**0,87**	-17,8%
EPRA triple net NAV (€ million)	23,3	**22,7**	-2,6%	0,96	**0,80**	-17,0%
% of capital held by FDR	28,3%	**28,5%**		50,9%	**48,8%**	
LTV ID	40,8%	**34,7%**		49,9%	**50,8%**	
ICR	3,21	**3,21**		1,55	**1,8**	

8. FINANCIAL INDICATORS OF THE MAIN ACTIVITIES

- Cost of development projects

  This indicator is calculated including interest costs. It includes the costs of the property and costs of construction.

- Debt interest rate

  - Average cost:

$$\frac{\text{Financial Cost of Bank Debt for the period} + \text{Financial Cost of Hedges for the period}}{\text{Average used bank debt outstanding in the year}}$$

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

- Definition of the acronyms and abbreviations used:

  - MR: Major Regional Cities, i.e. Bordeaux, Grenoble, Lille, Lyon, Metz, Aix-Marseille, Montpellier, Nantes, Nice, Rennes, Strasbourg and Toulouse
  - ED: Excluding Duties
  - ID: Including Duties
  - IDF: Paris region (Île-de-France)
  - ILAT: French office rental index
  - CCI: Construction Cost Index
  - CPI: Consumer Price Index
  - RRI: Rental Reference Index
  - PACA: Provence-Alpes-Côte-d’Azur
  - LFL: Like-for-Like
  - GS: Group share
  - CBD: Central Business District

- Rtn: Yield
- RNW: North Rhine-Westphalia
- Chg: Change
- MRV: Market Rental Value

- Firm residual term of leases

  Average outstanding period remaining of a lease calculated from the date a tenant first takes up an exit option.

- Green Assets

  Green" buildings, according to IPD, are those where the building and/or its operating status are certified as HQE, BREEAM, LEED, etc. and/or which have a recognised level of energy performance such as the BBC-effinergieR, HPE, THPE or RT Global certifications.

- Like-for-like change in value

  This indicator is used to compare asset values from one financial year to another without accounting for changes in scope, such as acquisitions, disposals, development projects, etc.

- Loan To Value (LTV)

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

- 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 year-end (excluding treasury shares) and adjusted for the effect of dilution.

- Occupancy rate

  The occupancy rate corresponds to the spot financial occupancy rate at the end of the period and is calculated using the following formula:

$$1 - \frac{\text{Loss of rental income through vacancies (calculated at MRV)}}{\text{rental income of occupied assets + loss of rental income}}$$

  This indicator is calculated solely for properties on which asset management work has been done and therefore does not include assets available under pre-leasing agreements. Occupancy rate are are calculated using annualized data.

- Operating assets

  Properties leased or available for rent and actively marketed.

- Portfolio

  The portfolio presented includes investment properties, properties under development, as well as operating properties and properties in inventory for each of the entities, stated at their fair value. For offices in France, the portfolio includes asset valuations of Coeur d'Orly, DS Campus, Euromed and New Velizy, which are consolidated under the equity method.

- Projects
  - Committed project: these are projects for which promotion or built contracts, work has begun and has not yet been completed at the closing date. They might pertain to VEFA (pre-construction) projects or to the repositioning of existing assets.
  - Controlled project: These are projects that might be undertaken. In other words, projects for which the decision to launch operations has not been finalized.

- Recurring Net Income EPRA 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 and adjusted for the effect of dilution

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- Rental Income
  - Recorded rent corresponds to gross rental income accounted for over the year by taking into account deferment of any relief granted to tenants, in accordance with IFRS standards.
  - The like-for-like rental income posted allows comparisons to be made between rental income from one year to the next, before taking changes to the portfolio (e.g. acquisitions, disposals, building works and development deliveries) into account. This indicator is based on assets in operation, i.e. properties leased or available for rent and actively marketed.
  - Annualised rental income corresponds to the gross amount of guaranteed rent for the full year based on existing assets at the period end, excluding any relief.

- Surface

SHON: Gross surface

SUB: Gross used surface

- Unpaid rent (%)

  Unpaid rent corresponds to the net difference between charges, reversals and unrecoverable loss of income divided by rent invoiced. These appear directly in the income statement under net cost of unrecoverable income (except in Italy for which not relating to unpaid rents were retired)

- Yields/return

  - The portfolio returns are calculated according to the following formula:

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

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

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