FONCIERE DES REGIONS

Co-créateur d'histoires immobilières

€17 billion portfolio[1]

€271 million
Rental income +3%

97%
Occupancy rate

€170 million
EPRA RNI +4%

€75.8/share
EPRA NAV +2%

"The quality of our strategic positioning and of our teams has enabled us to invest more than €1 billion and to initiate new stories with our partners. We continue to strengthen our cash flow and the quality of our portfolio. This strong performance is reflected in the improved S&P rating. Backed by these strategic successes and strong half-year results, we confirm our objectives for the year."
Christophe Kullmann, *CEO of Foncière des Régions*

H1 2015 results – Achievements, Performances, Growth

Strengthening the DNA of Foncière des Régions

- Long (firm term of 7 years) and secured (97% occupancy rate) leases
- A strong partnership strategy: extension of Telecom Italia leases
- A diversified model in buoyant markets
- Strong local skills

Investments of €1.1 billion (GS) in our solid markets

- Offices: focus on the value-creating development pipeline
- Germany Residential: accelerated investments in high-potential cities
- Hotels: major increase in exposure
- €365 million GS in disposals and agreements regarding non-strategic assets

Growing half-year results

- EPRA Recurring Net Income (RNI) up 4% to €170 million (€2.62 per share)
- Increase in the value of the portfolio (+2.1% at like-for-like scope)
- EPRA NAV per share of €75.8, up 2% notwithstanding the dividend distribution
- Upgrade in the S&P rating: BBB, outlook stable vs. BBB-, outlook stable

Outlook 2015 confirmed

- Confirmation of a slight increase in 2015 EPRA RNI per share
- Continuation of the active policy of qualitative rotation of the portfolio

[1] *€11 billion Group share.*

Limited review procedures were conducted on the interim financial statements. The report on this limited review is currently being prepared.

Enhanced strategic positioning

Foncière des Régions holds a **portfolio of €17.4 billion (€10.8 billion GS)** focused on **the Office sector**, including two diversifications in strong and solid markets, namely **Germany Residential and Hotel real estate in Europe**. Foncière des Régions relies on a partnership strategy with a leasing base made up of Key Accounts (Suez Environnement, Thales, Dassault Systèmes, Orange, EDF, Eiffage, Accor, Telecom Italia, etc.).

Through committed investments of €1.5 billion and €1.1 billion GS (vs €0.5 billion GS in H1 2014), **the half-year successes** enhance the real estate and strategic positioning based on secured and long-term leases, together with high profitability:

- in **Offices**, Foncière des Régions delivered five development projects for €118 million. This pipeline investment strategy combines quality with profitability (yield > 7%) and is characterised by strong value creation (more than 20% on average since 2011);
- in the **German Residential** sector, the Group has nearly achieved its investment target for the year (€500 million) with €459 million (€284 million GS) of acquisitions in prime locations of dynamic cities, based on an average yield of 5.4%;
- in **Hotel real estate**, the half-year was marked by stronger positioning on this dynamic market, equal to €710 million in assets (€518 million GS) with an average yield of 6.2%.

Foncière des Régions has continued to carry out disposals and conclude agreements (€616 million and €365 million GS) for non-strategic and non-core assets at a steady pace with an average yield of 4.8% and a 5% margin on values in 2014. **The portfolio, now comprising 93% strategic assets, has particularly sound strong points** through an occupancy rate of nearly 97% and a record average firm lease term of 6.8 years.

Real estate activity in the half-year: rents up by 3%

- Maintenance of a historically high occupancy rate: 96.8%
- Record average firm lease term: 6.8 years (+1 year)
- Stability of leases at like-for-like scope: -0.1%
- Increase of values like-for-like: +2.1%

Boosted by increases in the Hotel real estate and the German Residential sectors, **rental income rose 2.8% over one year** to €271 million GS.

	Rental income[1] (€m)	Change	Change at like-for-like scope	Occupancy rate	Residual firm lease terms
France Offices	116.5	-4.1%	+0.9%	96.3%	5.4 years
Italy Offices	53.4	-9.5%	-4.3 %	94.1 %[2]	10.1 years
Offices	**169.9**	**-5.9%**	**- 0.8%**	**95.7%**	**6.7 years**
Germany Residential	55.3	+ 12.0%	+ 1.7%	98.2%	N/A
Hotels/ Service Sector	38.9	+ 56.7%	+ 0.5%	100%	7.1 years
Other	7.2	N/A	N/A	N/A	N/A
Total	**271.2**	**+2.8%**	**-0.1%**	**96.8%**	**6.8 years**

Indexation: +0.4%
Occupancy rate: -0.5%
Renewals: 0.0%

[1] *Excluding Logistics (€10 million), classified as discontinued operations;* [2] *Core Portfolio + dynamic: 91.2%.*

France Offices: a positioning that generates strong performance

(€5.3 billion portfolio at 100%; €4.5 billion GS)

- High occupancy rate: 96.3%
- Firm lease maturity: 5.4 years
- Rent growth at like-for-like scope: +0.9%
- Value growth at like-for-like scope: +2.9%
- Strong environmental performance: 57% green portfolio (+7.0 points)
- Development pipeline: €1.2 billion

In a particularly competitive acquisition market, Foncière des Régions continued **a steady pace of investments** (€220 million committed) in its development pipeline. Backed by a **strong track record** (29 projects launched since 2011, average value creation exceeding 20%, 7.5% yield on cost price), the Group is equipped to strengthen the quality of its portfolio and ensure high profitability while controlling its risk profile (high pre-let level).

Five projects were delivered in the half-year (87% let under firm 9-year leases) and four others will follow before end-2015, for a total cost price of €309 million. Alongside its financial partner Crédit Agricole Assurances, the Group delivered Astrolabe, the first building in the Euromed Marseille area, which extends the major economic axis of the Euroméditerranée business district. The marketing of the building, 56% let, has accelerated since its delivery, based on rental level above the target of €250/m².

In addition, Foncière des Régions **has strengthened its ties with its partners** by delivering 11,000 m² in Nanterre and 9,700 m² in Lille-Roubaix under firm 9-year and 12-year leases to Vinci, in addition to 4,100 m² to EDF in Avignon (firm 9-year lease).

Foncière des Régions has continued **the qualitative rotation of its portfolio** through the sale of €66 million of partially vacant assets (2.6% average yield) with a 16% margin on value at end-2014. The Group aims to sell progressively the remaining non-core assets (10% of France Offices) located in small regional cities or in the outer suburbs. The portfolio will then be concentrated in the dynamic areas of Paris, inner suburbs and major regional cities.

The half-year was marked by **a further 2.9% increase in values at like-for-like scope**, thanks in particular to both yield compressions in Paris and gains from development projects.

Italy Offices: a transformational first half-year
(€4.0 billion portfolio at 100%; €1.9 billion GS)

- High occupancy rate: 94.1% (Core portfolio[1])
- Record average firm lease term: 10.1 years (Core portfolio)
- Rents at like-for-like scope: -4.3%
- Strength of values at like-for-like scope: +0.3%

Foncière des Régions operates in Italy through its subsidiary Beni Stabili, the leading Italian property development company, having a **high quality portfolio, with 90% located in Northern and Central Italy**, in particular Milan. This positioning **maintains sound real estate indicators**, with a 94.1% occupancy rate for an average firm lease term of 10.1 years (across the Core portfolio).

The half-year was marked by **the signature of a major agreement with Telecom Italia** (9% of rental income GS), which embodies the success of the partnership strategy. Leases were extended by nearly 9 years to more than 15 years firm, in return for a 6.9% decrease in rent. The agreement is also part of the **continual improvement of the quality of** the portfolio with a capex program of €38 million. This latter will focus on core assets in city centres. Finally, **exposure to Telecom Italia will be reduced**, with the planned disposal of €126 million of secondary assets to Telecom Italia. The slight

[1]Core Portfolio + dynamic: 91.2%.

increase in value (+0.4%) of Telecom Italia assets in the first half-year, despite the drop in rental income, demonstrates the success of this agreement.

This transformative transaction, together with the full impact of a 2014 vacancy in Turin, explains the 4.3% decline in rental income at like-for-like scope. Excluding these two events, rental income remains stable.

Over the next few months, **the Group will continue the dynamic rotation of its Italian portfolio** by **reducing the exposure to Telecom Italia** and through non-core asset sales. At the same time, **investments will remain concentrated on Milan**, in particular with the launch of a first 11,650 m² building in the Symbiosis district, opposite the new Prada foundation. The Group also benefits from a **value creation reserve** with the potential to redevelop Telecom Italia assets in the city centre.

German Residential: acceleration of investments
(*€3.3 billion portfolio at 100%; €2.0 billion GS)*

- Very high occupancy rate: 98.2%
- Rent growth at like-for-like scope: +1.7%, including +2.4% in Berlin
- Increase in values at like-for-like scope: +2.8% including +7.1% in Berlin

Operating in Germany since 2005, Foncière des Régions benefits **from a 19% exposure of its portfolio to the Germany Residential sector.** The €2.0 billion GS portfolio (vs. €0.8 billion in 2012) combines **profitability** (54% in North Rhine-Westphalia with an average yield of 6.8%) **with growth** (20-30% rental potential in Berlin, Dresden, Leipzig and Hamburg).

Backed by a distinctive investment strategy focused on prime city centre assets combining rental potential with future sale margins, the Group continued its acquisitions **during the period at a steady pace**. Accordingly, €459 million (€284 million GS) of assets were acquired out of the targeted €500 million in 2015, in high-potential cities such as Hamburg and Berlin (where the portfolio reached nearly €1.0 billion and €600 million GS).

The strong performance of indicators consolidates this strategy. Rental income in the first half-year increased by 1.7% at like-for-like scope, including 2.4% in Berlin, and the occupancy rate was stable at 98.2%. **The quality of investments in Berlin is reflected in 7.1% growth in values** (+2.8% on average across the entire portfolio).

With a local team of 400 people, Foncière des Régions intends to **keep its investment strategy focused on generating organic growth** and to further strengthen its presence in dynamic cities. The qualitative rotation of the portfolio will continue via **new disposals of non-core assets in North Rhine-Westphalia** (€150 million and €92 million GS by end-2015).

Hotels and Service Sector: leader in Europe
(€3.5 billion portfolio at 100%; €1.4 billion GS)

- Occupancy held at 100%
- Average firm lease term: 7.1 years
- Strength of leases at like-for-like scope: +0.5%
- Growth in values at like-for-like scope: +1.8% including 2.2% in Hotels.

Europe's leader in hotel real estate through its subsidiary Foncière des Murs, Foncière des Régions relies on long-term partnerships with major players in the hotel sector and new arrivals in the market with innovative concepts (Accor, Louvre Hotels, B&B Hôtels, Motel One, Meininger, etc.). Its unique positioning as a long-term hotel real estate operator with recognised teams makes the Group a natural partner for operators.

The first half-year saw Foncière des Régions **strengthened its exposure to and expertise in the hotel** sector. The Group increased its stake in its subsidiary Foncière des Murs, which it controls as a limited partner and leading shareholder at 43.1%. This transaction represents **the equivalent of €432 million in assets**. Foncière des Régions also **stepped up the pace of its investments** with €174 million (€68 million GS) in acquisitions and €115 million (€39 million GS) in developments under way. These investments further diversify its geographical exposure and partners. In Germany in particular, Foncière des Régions supported B&B hotels and made its first investments with the innovative operators Motel One and Meininger. Lastly, Foncière des Régions **extended its hotel expertise** with the development of FDM Management, a vehicle to invest in premises and businesses operated under management contracts or franchise agreements.

Operational performance in the half-year remained strong. Despite virtually non-existent inflation, rental income saw a slight 0.5% increase at like-for-like scope. Rental income from Accor, variable according to hotel revenue, increased by 0.8%. The portfolio value increased by 1.8% at like-for-like scope, boosted by the 2.2% increase in hotels.

With 13% of the portfolio in the Hotels & Service Sector compared with 9% at end-2014, **the Group intends to further strengthen its hotel business** and to confirm its positioning as the European leader.

Growth in Recurring Net Income and NAV

Improvement of S&P Rating to BBB, outlook Stable

Less than 3 years after Foncière des Régions received an inaugural rating of BBB-, outlook Stable, Standard & Poor's upgraded Foncière des Régions' financial rating to BBB, outlook Stable.

This significant upgrade commends the work performed since 2012 in terms of **improving portfolio quality**, continuously **strengthening cash flows**, and ensuring Foncière des Régions has a **sound balance sheet**.

Liabilities secured

With €2.2 billion (€1.4 billion GS) in financing and refinancing, i.e. 30% of debt GS, the first half-year was marked by the active management of liabilities, which further improved the debt profile. Accordingly, **debt maturity increased from 4.1 years at end-2014 to 4.9 years and the average rate dropped by 40bps to 2.9%**.

In a volatile financial environment, the Group can rely on diversified debt (58% unsecured debt), combining flexibility with security and optimised costs. ICR improved from 2.8 at end-2014 to 3.0, and LTV increased to 47.5%, with most investments scheduled for 2015 being made in the first half of the year.

EPRA Recurring Net Income: €170 million, +4%

EPRA Recurring Net Income is €169.6 million, up 3.7% over the year. This strong performance is due to the strengthened positioning in the Hotel real estate and German Residential sectors (enabling 3% growth in rental income), and to the reduction in the cost of debt, despite the full-year effect of 2014 disposals.

Per share, **EPRA Recurring Net Income is €2.62**, up 1.7%[1] over the year due to the impact of the share issue as part of the capital increase of early 2015.

[1] Post-adjustment after preferential subscription rights distribution linked to the capital increase in early 2015 (adjustment coefficient of 0.986).

EPRA NAV per share up 1.8% despite the dividend distribution

The successful capital increase at the beginning of the year, which was intended to fund Foncière des Régions' growth projects, made it possible to raise €255 million. The transaction was followed-up by all the Group's main shareholders and 167% subscribed, reflecting investor confidence.

This capital increase, together with the growth in Recurring Net Income and 2.1% increase in asset values at like-for-like scope**,** made it possible to **increase EPRA NAV by 6.8% over six months**, to €5,076 million (€4,437 million in EPRA NNNAV), despite the dividend distribution.

Per share, **EPRA NAV reached €75.8** (€66.3 in EPRA NNNAV), up 1.8%[1] over six months despite the dividend payment and taking into account the impact of the share issue related to the capital increase.

Outlook 2015 confirmed

The positive momentum in terms of investments, stronger ties with partners and solid operational indicators firmly establish our strategic positioning with one focus Offices (France and Italy) and two diversifications (German Residential and Hotel real estate in Europe). This strategy enables us to build the foundations for sustainable growth.

Backed by its strong half-year results and a solid outlook, **Foncière des Régions confirms the objective of a slight increase in Recurring Net Income per share for 2015**.

A conference call for analysts and investors

will take place today at 2:30 p.m. (Paris time)

The presentation regarding the conference call will be available

on Foncière des Régions' website: www.enfoncieredesregions.fr/finance

Financial calendar

9-month revenue for 2015: 5 November 2015

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APPEL GRATUIT DEPUIS UN POSTE FIXE

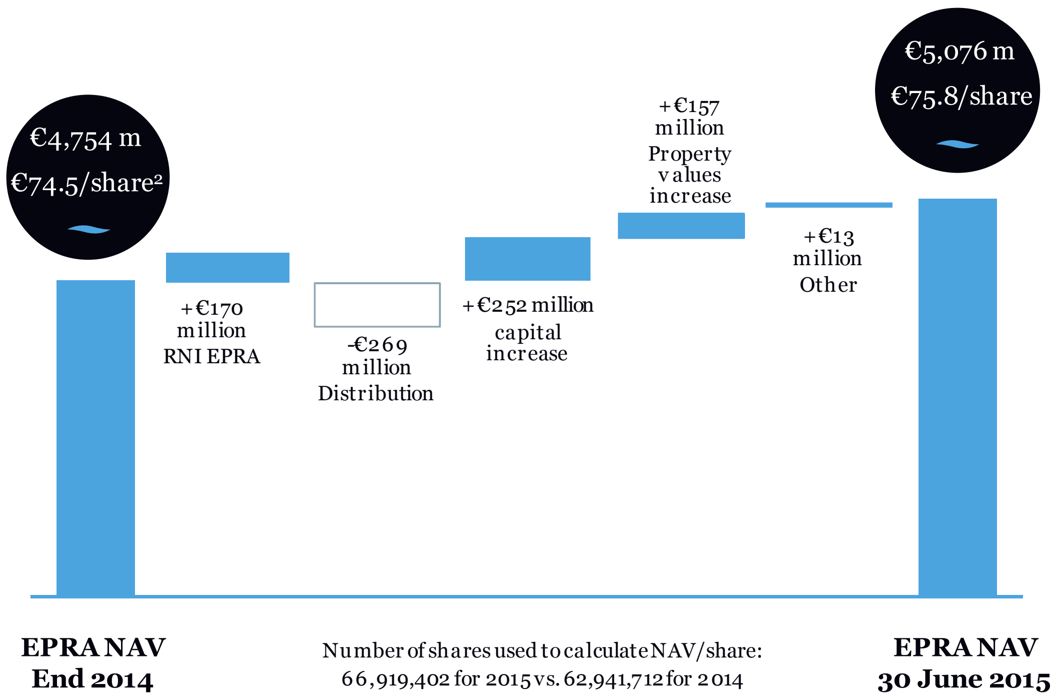
[1] *Post-adjustment after preferential subscription rights distribution linked to the capital increase in early 2015 (adjustment coefficient of 0.986).*

Appendix

Portfolio Group Share

€m	Values H1 2015 Total share	Values H1 2015 Group share	Change (%) LFL 6 months	Yield ED H1 2015 Group share
France Offices	5,301	**4,550**	+2.9%	**6.4%**
Italy Offices	4,018	**1,941**	+0.3%	**5.8%**[1]
France Offices	9,319	**6,490**	+2.1%	**6.2%**
Germany Residential	3,269	**1,973**	+2.8%	**6.3%**
Hotels/Service Sector	3,494	**1,376**	+1.8%	**6.0%**
Other	1,297	**920**	N/A	**N/A**
Total	17,379	**10,759**	+2.1%	**6.0%**

EPRA NAV evolution



[1] Core Portfolio + dynamic: 5.7%

[2] Post-adjustment after preferential subscription rights distribution linked to the capital increase in early 2015 (adjustment coefficient of 0.986)

Foncière des Régions, co-créateur d'histoires immobilières

As a key player in real estate, Foncière des Régions has built its growth and its portfolio on the key and characteristic value of partnership. With a total portfolio valued at €17Bn (€11Bn in group share), located in the high-growth markets of France, Germany and Italy, Foncière des Régions is now the recognised partner of companies and territories which it supports with its two-fold real estate strategy: adding value to existing urban property and designing buildings for the future.

Foncière des Régions mainly works alongside Key Accounts (Orange, Suez Environnement, EDF, Dassault Systèmes, Thales, Eiffage, etc) in the Offices market as well as being a pioneering and astute operator in the two other profitable sectors of the Residential market in Germany and Hotels in Europe.

Foncière des Régions shares are listed in the Euronext Paris A compartment (FR0000064578 - FDR), are admitted for trading on the SRD, and are included in the composition of the MSCI, SBF 120, Euronext IEIF "SIIC France" and CAC Mid100 indices, in the "EPRA" and "GPR 250" benchmark European real estate indices, and in the FTSE4 Good, DJSI World and NYSE Euronext Vigeo (World 120, Eurozone 120, Europe 120 et France 20) ethics indices.

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

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2. Business analysis

On 27 October 2014, Foncière des Régions participated in the capital increase of Beni Stabili and held an ownership interest of 48.3% at 30 June 2015, compared with 50.9% a year earlier.

Foncière des Régions raised its stake in its subsidiary Foncière de Murs to 43.13%, from 28.3% at 30 June 2014.

A. RECOGNISED RENTAL INCOME: STABLE ON A LIKE-FOR-LIKE BASIS

(€million)	100%			Group Share				
	H1 2014	H1 2015	Change (%)	H1 2014	H1 2015	Change (%)	Change (%) LFL*	% of rent
Offices France	**127,6**	**125,2**	**-1,9%**	**121,5**	**116,5**	**-4,1%**	**0,9%**	**43%**
Paris	41,5	40,5	-2,4%	39,1	38,2	-2,3%		14%
Paris Region	50,8	54,6	7,5%	47,0	48,2	2,5%		18%
Other French regions	35,3	30,1	-14,9%	35,3	30,1	-14,9%		11%
Offices Italy	**115,9**	**110,5**	**-4,6%**	**59,0**	**53,4**	**-9,5%**	**-4,3%**	**20%**
Core portfolio	114,7	109,2	-4,8%	58,4	52,8	-9,6%		19%
Dynamic portfolio	1,2	1,3	10,8%	0,8	0,6	-19,7%		0%
Development portfolio	0,0	0,0	0,0%	0,0	0,0	0,0%		0%
Total Offices	**243,5**	**235,7**	**-3,2%**	**180,5**	**169,9**	**-5,9%**	**-0,8%**	**63%**
Hotels and Service sector	**96,0**	**98,9**	**3,1%**	**24,8**	**38,9**	**56,7%**	**0,5%**	**14%**
Hotels	69,0	72,9	5,6%	17,1	27,6	61,5%		10%
Healthcare	8,7	7,6	-12,2%	2,5	3,3	31,8%		1%
Business premises	18,3	18,4	0,8%	5,2	8,0	53,0%		3%
Residential Germany	**83,4**	**91,6**	**9,8%**	**49,4**	**55,3**	**12,0%**	**1,7%**	**20%**
Berlin	16,4	24,7	50,6%	9,6	14,7	53,6%		5%
Dresden & Leipzig	2,8	7,7	170,3%	1,7	4,5	164,9%		2%
Hamburg	n/a	n/a	n/a	n/a	n/a	n/a		0%
NRW	64,2	59,2	-7,7%	38,2	36,1	-5,5%		13%
Total Core activities	**422,9**	**426,2**	**0,8%**	**254,6**	**264,1**	**3,7%**	**-0,1%**	**97%**
Other	**15,2**	**11,7**	**-22,8%**	**9,1**	**7,2**	**-20,8%**	**n/a**	**3%**
Total rent *	**438,1**	**437,9**	**0,0%**	**263,7**	**271,2**	**2,8%**	**-0,1%**	**100%**

**excl. Logistics (10 M€ in 2015 - 24 M€ in 2014)*

Like-for-like rental income from strategic activities remained stable, (- 0.1%), including France Offices (+0.9%), Italy Offices (-4.3%), Hotels & Service Sector (+0.5%) and Germany Residential (+1.7%).

Rental income – Group share totalled €271 million, an increase of 2.8% in the period. This increase was due mainly to the impact of the following:

- new asset acquisitions and deliveries (+€19.8 million)
- releases of assets intended to be restructured or redeveloped entirely (-€4.1 million)
- disposals (-€14.6 million)
- indexation and the mixed effect from departures and re-lettings (-€1.9 million) of which releases of France residential (-€1.2 million)
- the increase in the stake held in Foncière des Murs to 43.13% (+€13.0 million)

B. LEASE EXPIRATIONS AND OCCUPANCY RATES

1. Annualised lease expirations: residual lease term of 6.8 years firm for commercial activities

€m*	By lease end date (1st break)	% of total	By lease end date	% of total
2014	23,5	5%	14,8	3%
2015	30,3	7%	2,8	1%
2016	44,0	10%	31,4	7%
2017	51,2	11%	36,0	8%
2018	46,2	10%	45,6	10%
2019	18,1	4%	20,2	4%
2020	29,2	6%	37,2	8%
2021	35,0	8%	39,1	9%
2022	41,1	9%	41,4	9%
2023	13,5	3%	18,1	4%
Beyond	118,2	26%	163,5	36%
Total	**450,2**	**100%**	**450,2**	**100%**

**Residential excluded*

At 30 June 2015, the average residual firm lease term, Group share, was 6.8 years, up from 5.8 years at 31 December 2014. In Offices, it stood at 6.7 years firm. The firm term of leases increased due to the renegotiation of Telecom Italia leases: it reached 10.1 years firm for Italy Offices at 30 June 2015, compared with 6.3 years at 31 December 2014.
Lease terms were up slightly in Hotels/Service Sector, following the acquisitions completed in the first half (term leases are greater than 17 years).

(year)	By lease end date (1st break)		By lease end date	
GS	**2014**	**H1 2015**	**2014**	**H1 2015**
France	5,4	5,4	6,4	6,4
Italy	6,3	10,1	12,1	15,8
Offices	**5,7**	**6,7**	**8,0**	**9,0**
Hotels & Service sector	6,8	7,1	6,9	7,2
Office - Key Accounts	**5,8**	**6,8**	**7,9**	**8,7**

2. Occupancy rate: 96.8%

(%)	Occupancy rate	
GS*	**2014**	**H1 2015**
France	96,8%	96,3%
Italy	95,2%	94,1%
Offices	**96,3%**	**95,7%**
Hotels & Service sector	100,0%	100,0%
Residential Germany	98,3%	98,2%
Total	**97,1%**	**96,8%**
Total en exploitation	**96,3%**	**96,1%**

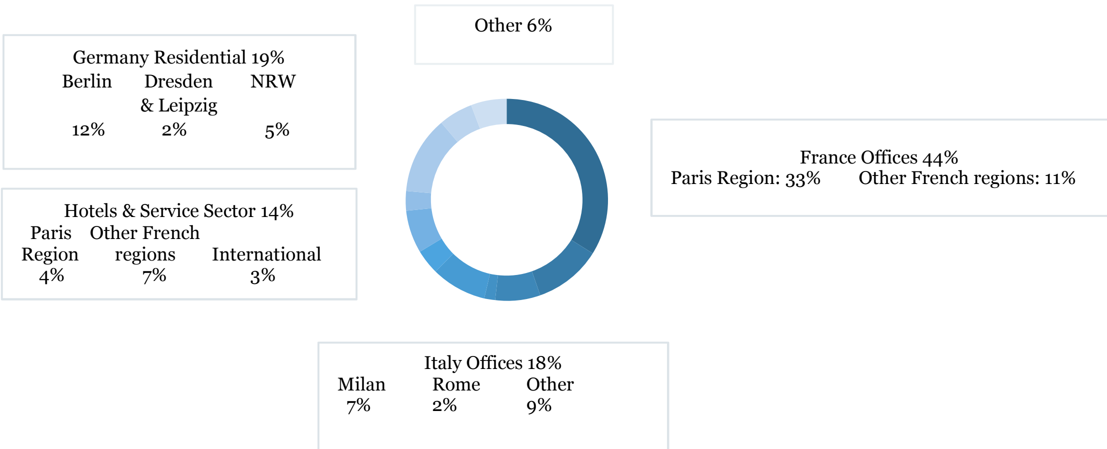
The occupancy rate was 96.8% at 30 June 2015. It fell 0.5 points to 96.3% for France Offices, following the delivery of the Astrolabe asset in January 2015, which is 56% leased. For Italy Offices, the occupancy rate dropped 1.1 points, owing to tenants having vacated premises at two assets in Milan.

C. BREAKDOWN OF RENTAL INCOME - GROUP SHARE

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

(€million) GS	Annualised H1 2015	%
Orange	89,1	15%
Telecom Italia	52,9	9%
Accor	36,0	6%
Suez Environnement	21,3	4%
EDF	18,8	3%
B&B	13,7	2%
Thales	10,7	2%
Natixis	10,5	2%
Dassault Systèmes	9,8	2%
Eiffage	8,4	1%
SNCF	7,6	1%
Quick	7,5	1%
Korian	6,6	1%
Sunparks	5,9	1%
Jardiland	5,8	1%
Peugeot/Citroën	5,5	1%
AON	5,4	1%
Cisco System	4,8	1%
Other tenants < 4 M€	129,8	22%
Residential	128,4	22%
Total rental income	**585,4**	**100%**

2. Geographic breakdown



D. COST TO REVENUE RATIO BY BUSINESS

	Offices France	Office Italy	Hotels & Service Sector	Residential Germany	Other	Total	
	H1 2015	H1 2015	H1 2015	H1 2015	H1 2015	H1 2014	H1 2015
Rental Income	116,5	53,4	38,9	55,3	7,2	287,7	271,2
Unrecovered property operating coats	-2,8	-6,2	-0,1	-1,4	-1,1	-14,3	-11,6
Expenses on properties	-0,5	-1,8	-0,0	-4,3	-0,8	-8,2	-7,4
Net losses on unrecoverable receivable	-0,5	-1,1	-0,0	-0,8	-0,0	-1,7	-2,3
Net rental income	**112,6**	**44,4**	**38,8**	**48,9**	**5,2**	**263,5**	**249,9**
Cost to revenue ratio *	**3,3%**	**16,9%**	**0,2%**	**11,5%**	**27,7%**	**8,4%**	**7,8%**

*Property taxes are spred over the year (cancellation of IFRIC 21 impact)

The cost to revenue ratio rose from 8.4% in the first half of 2014 to 7.8% in the first half of 2015, owing to reclassification of the Logistics under discontinued operations).

E. DISPOSALS AND AGREEMENTS FOR DISPOSALS: €365 MILLION

(€million)		Disposals (agreements as of end of 2014 closed) 1	Agreements as of end of 2014 to close	New disposals H1 2015 2	New agrements H1 2015	Total H1 2015	Margin vs H1 2014 value	Yield	Total Disposals = 1 + 2
Offices - France	100 %	41	119	7	59	**66**	16,1%	2,6%	**48**
Offices - Italy	100 %	0	5	102	133	**234**	1,1%	6,7%	**102**
	GS	0	2	49	64	**113**	1,1%	6,7%	**49**
Residential - Germany	100%	8	120	12	6	**17**	27,1%	5,3%	**20**
	GS	5	73	7	3	**11**	27,1%	5,3%	**12**
Hotels & Service sector	100 %	5	3	4	24	**28**	0,2%	3,9%	**8**
	GS	2	1	2	11	**12**	0,2%	3,9%	**4**
Other	100 %	31	107	30	241	**271**	2,0%	2,9%	**61**
	GS	19	107	19	145	**164**	2,0%	2,9%	**37**
Total asset disposals	100 %	84	355	154	462	**616**	3,8%	4,4%	**239**
	GS	**67**	**304**	**83**	**282**	**365**	**4,9%**	**4,1%**	**150**

In the first half of 2015, Foncière des Régions concluded disposals amounting to €83 million and disposal agreements amounting to €282 million, for a total of €365 million, mainly relating to non-strategic assets (45%). New disposals in 2015 achieved a positive margin of 4.9% over appraisal values at the end of 2014.

F. ASSET ACQUISITIONS: €352 MILLION - GROUP SHARE

(€million)		Total ID* H1 2015	Yield
Hotels & Service sector	100%	174	6,4%
	Pdg	**68**	6,4%
Residential Germany	100%	459	5,4%
	Pdg	**284**	5,4%
Total	100%	633	5,7%
	PdG	**352**	**5,6%**

**ID: Including Duties*

In 2015, Foncière des Régions continued its strategy of acquiring assets in its strategic markets with:

- hotel acquisitions totalling €174 million (at 100%), including the acquisition in June 2015 of 22 B&B hotels in Germany for €128 million
- residential investments in Germany for €459 million (at 100%), with 41% of assets located in Berlin, 50% in Hamburg and 9% in Dresden and Leipzig

G. DEVELOPMENT PROJECTS: €1.3 BILLION - GROUP SHARE

1. Committed projects: €463 million - Group share (of which 60% prelet)

In 2015, the development pipeline was renewed, with the delivery of five projects, including Astrolabe (14,000 m²) in Marseille and Nanterre Respiro (11,100 m²). The pre-letting rate was 60% at 30 June 2015.

Projects	Type	Location	Area	Project	Surface* (m^2)	Delivery	Target rent (€/m²/year)	Pre-leased (%)	Total Budget** (M€)	Target Yield	Progress
Steel	Offices - France	Paris	Paris	Refurbishment	3 700	2015	600	0%	36	6%	100%
Askia - Cœur d'Orly (QP FdR : 25%)	Offices - France	Orly	Paris Regions	Construction	18 500	2015	250	50%	15	>7%	100%
Green Corner	Offices - France	Saint-Denis	Paris Regions	Construction	20 400	2015	285	70%	87	>7%	85%
Campus Eiffage (QP FdR : 50%)	Offices - France	Vélizy	Paris Regions	Construction	23 000	2015	270	100%	53	>7%	85%
Euromed Center - Hôtel (QP FdR : 50%)	Offices - France	Marseille	MRC	Construction	9 900	2016	N/A	100%	19	>7%	75%
Euromed Center - Calypso (QP FdR : 50%)	Offices - France	Marseille	MRC	Construction	9 600	2016	250	0%	15	>7%	65%
Dassault Systèmes Extension (QP FdR : 50%)	Offices - France	Vélizy	Paris Regions	Construction	13 100	2016	305	100%	39	6%	35%
Schlumberger Montpellier Pompignane	Offices - France	Montpellier	MRC	Reconstruction	3 150	2016	155	100%	8	>7%	40%
Silex I	Offices - France	Lyon	MRC	Refurbishment	10 600	2016	280	0%	47	6%	35%
Clinique Saint-Mandé	Offices - France	Saint-Mandé	Paris Regions	Reconstruction	5 500	2016	N/A	100%	25	6%	40%
Bose	Offices - France	St Germain en Laye	Paris Regions	Construction	5 100	2016	225	100%	20	>7%	65%
Thaïs	Offices - France	Levallois	Paris Regions	Refurbishment	5 500	2017	ND	0%	40	6%	20%
Euromed Center : Bureaux Hermione (QP FdR 50%)	Offices - France	Marseille	MRC	Construction	10 400	2017	250	0%	14	>7%	45%
B&B Porte de Choisy	Hôtels	Paris	Paris	Construction	na	2015	na	100%	3,5	6%	91%
B&B Mülheim	Hôtels	Allemagne	Etranger	Construction	na	2015	na	100%	2,2	6%	98%
B&B Erfurt	Hôtels	Allemagne	Etranger	Construction	na	2015	na	100%	1,7	>7%	54%
B&B Romainville	Hôtels	Romainville	IDF	Construction	na	2015	na	100%	2,6	>7%	84%
B&B Osnabrück	Hôtels	Allemagne	Etranger	Construction	na	2015	na	100%	1,9	>7%	34%
B&B Lyon Caluire	Hôtels	Lyon	MRC	Construction	na	2015	na	100%	1,4	>7%	72%
B&B Duisburg	Hôtels	Allemagne	Etranger	Construction	na	2016	na	100%	2,4	>7%	35%
B&B Torcy	Hôtels	Torcy	IDF	Construction	na	2016	na	100%	3,2	>7%	59%
B&B Potsdam	Hôtels	Allemagne	Etranger	Construction	na	2016	na	100%	2,1	>7%	27%
B&B Konstanz	Hôtels	Allemagne	Etranger	Construction	na	2016	na	100%	2,5	>7%	30%
B&B Hamburg	Hôtels	Allemagne	Etranger	Construction	na	2016	na	100%	4,8	>7%	11%
B&B Berlin	Hôtels	Allemagne	Etranger	Construction	na	2016	na	100%	3,5	>7%	35%
Meininger Munich	Hôtels	Allemagne	Etranger	Construction	na	2018	na	100%	12,7	6%	0%
Total					**138 450**			**60%**	**463**	**>7%**	**61%**

*Surface 100%

**Group share, including land cost and financial cost

2. Managed projects

Projects	Type	Location	Area	Surface* (m^2)	Delivery time frame
Grand Cœur - O'rigin	Offices - France	Nancy	MRC	6 300	2017
Euromed Center : Bureaux Floreal (QP FdR 50%)	Offices - France	Marseille	MRC	13 500	2017
Toulouse Marquette - Riverside	Offices - France	Toulouse	MRC	10 900	2017
Cœur d'Orly Commerces (QP FdR 25%)	Offices - France	Orly	Paris Regions	31 000	2018
Issy Grenelle	Offices - France	Issy	MRC	10 800	2017
Silex II	Offices - France	Lyon	Paris Regions	30 700	2018
New Vélizy - Extension (QP FdR 50%)	Offices - France	Vélizy	Paris Regions	14 000	2018
Meudon Saulnier - Opale	Offices - France	Meudon	MRC	30 000	2018
Meudon Green Valley - Canopée	Offices - France	Meudon	Paris Regions	46 900	2018
DS Campus Extension 2 (QP FdR 50%)	Offices - France	Vélizy	Paris Regions	11 000	2020
Cœur d'Orly Bureaux (QP FdR 25%)	Offices - France	Orly	Paris Regions	50 000	2018-2019
Milan, Symbiosis (Ripamonti)	Offices - Italy	Milan	Italy	119 000	Dependind pre-let status
Total				**374 100**	

*surface 100%

H. PORTFOLIO

Valuation and change: up 2.1% at like-for-like scope

(€million)	Value 2014	Value H1 2015	Value H1 2015 GS	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of portfolio
Offices - France*	5 032	5 301	4 550	2,9%	6,6%	6,4%	43%
Offices - Italy*	4 093	4 018	1 941	0,3%	6,1%	5,8%	18%
Total Office	**9 125**	**9 319**	**6 490**	**2,1%**	**6,4%**	**6,2%**	**61%**
Hotels & Service sector*	3 243	3 494	1 376	1,8%	6,1%	6,0%	13%
Residential Germany	2 746	3 269	1 973	2,8%	6,5%	6,3%	18%
Other	1 088	1 040	748	0,8%	4,7%	4,5%	7%
Parking facilities	210	210	124	n/a	nc	n/a	1%
Portfolio	**16 413**	**17 331**	**10 711**	**2,1%**	**6,3%**	**6,0%**	**100%**
Equity affiliates	20	47	47				
Total - Consolidated	**16 433**	**17 379**	**10 759**				
Total - GS	**9 752**	**10 759**					

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

The Group share of Foncière des Regions' total asset portfolio at end-June 2015 stood at €10.8 billion (€17.4 billion at 100%) compared to €9.8 billion at end-2014, a like-for-like increase of 2.1% compared to the end of 2014.

Value adjustments at like-for-like scope were supported by the France Offices (+2.9%), Germany Residential (+2.8%) and Hotels & Service (+1.8%) sectors.

Geographic breakdown

(€million) GS	H1 2015	% portfolio
France	6 528	61%
Italy	1 949	18%
Germany	2 090	19%
Other	191	2%
Total portfolio	**10 759**	100%

I. LIST OF MAJOR ASSETS

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

Top 10 Assets	Location	Tenants	Surface (m²)	Share of affiliate
Tour CB 21	La Défense (IDF)	Suez Environnement, AIG Europe, Nokia, Groupon	68 079	75%
Natixis Charenton	Charenton-le-Pont (IDF)	Natixis	37 835	100%
Carré Suffren	Paris 15ème	AON, Institut Français, Ministère Education	24 864	60%
Dassault Campus	Velizy Villacoublay (IDF)	Dassault	56 193	50,1%
Complexe Garibaldi	Milan	Maire Tecnimont	44 650	48,3%
Immeuble - 23 rue Médéric	Velizy Villacoublay (IDF)	Orange	11 182	100,0%
New Velizy	Paris 17ème	Thales	46 163	50,1%
Percier	Paris 8ème	Chloe	8 544	100,0%
Cap 18	Paris 18ème	Genegis, Media Participations	61 097	100,0%
Traversiere	Paris 12ème	SNCF	13 700	100,0%

excluded assets under commitments

3. Business analysis by segment

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

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

A. FRANCE OFFICES

1. Accounted rental income: €116 million, +0.9% at like-for-like scope

1.1. Geographic breakdown: 87% of rental income generated in strategic locations (Paris Region and Regional Cities)

(€million)	Surface (m²)	Number of assets	Rental income H1 2014 100%	Rental income H1 2014 GS	Rental income H1 2015 100%	Rental income H1 2015 GS	Change (%)	Change (%) LFL	% of rental income
Paris Centre West	70 971	11	15,2	15,3	15,1	15,2	-0,7%	-0,1%	13,0%
Southern Paris	77 996	11	16,2	13,8	15,1	12,8	-7,7%	-2,1%	11,0%
North Eastern Paris	112 336	6	10,0	10,0	10,3	10,3	2,6%	2,6%	8,8%
Wester Crescent and La Défense	208 742	21	32,4	29,3	31,9	28,4	-3,2%	4,4%	24,4%
Inner suburbs	349 675	24	9,2	8,5	16,3	13,4	57,4%	-0,3%	11,5%
Outer suburbs	124 527	50	9,2	9,2	6,4	6,4	-30,1%	0,9%	5,5%
Total Paris Region	**944 246**	**123**	**92,3**	**86,1**	**95,1**	**86,4**	**0,3%**	**1,5%**	**74,2%**
MRC	413 304	75	17,1	17,1	15,2	15,2	-11,1%	-0,5%	13,0%
Other French regions	479 269	178	18,3	18,3	14,9	14,9	-18,5%	-1,3%	12,8%
Total	**1 836 819**	**376**	**127,6**	**121,5**	**125,2**	**116,5**	**-4,1%**	**0,9%**	**100,0%**

Group share rental income fell from €121.5 million to €116.5 million, a drop of €5.0 million over one year. This change is the combined result of:

- asset disposals carried out mainly in the outer suburbs and in French regions other than the Paris Region (-€8.4 million)
- asset acquisitions and deliveries (+€9.1 million):
  - acquisition of the building leased to Natixis in Charenton (Paris Region) in Q4 2014 (+€5.2 million)
  - deliveries of pre-leased assets, including:
    - New Velizy, a turnkey property leased to Thales, delivered in October 2014 (+€2.8 Million)
    - Nanterre Respiro, a turnkey property leased to GTM (Vinci), delivered in May 2015 (+€0.4 million)
    - a turnkey office building leased to Egis in Montpellier, delivered in July 2014 (+€0.5 million)
- vacated premises earmarked for refurbishment or complete redevelopment (-€4.1 million), including Meudon Opale and Canopé, two office buildings in Vélizy (Paris Region), Silex 1 and 2 in Lyon, Issy Grenelle (Paris Region) and Levallois Anatole France (Paris Region)
- an increase at like-for-like scope of +0.9% (€1.0 million) related to:
  - the positive effect of indexation (+€0.4 million)
  - the rental activity (+€0.5 million): new lettings (+€0.5 million), vacated premises (-€0.7 million), renewed/renegotiated leases (-€0.2 million).

2. Annualised rental income: €263 million

2.1. Breakdown by major tenants

(€million) GS	Surface (m²)	Nb of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Orange	491 294	153	90,4	89,1	-1,4%	33,9%
Suez Environnement	58 850	2	21,3	21,3	0,1%	8,1%
EDF	159 469	17	18,2	18,8	3,6%	7,2%
Thales	88 274	2	10,7	10,7	0,1%	4,1%
Natixis	37 887	1	10,5	10,5	0,0%	4,0%
Dassault Systèmes	56 192	1	9,8	9,8	0,0%	3,7%
Eiffage	128 890	72	8,4	8,4	-0,6%	3,2%
SNCF	13 699	1	7,6	7,6	0,0%	2,9%
Peugeot Citroën	19 531	1	5,2	5,5	5,8%	2,1%
AON	15 592	1	5,4	5,4	0,0%	2,1%
Cisco Sytem	11 291	1	4,8	4,8	0,9%	1,8%
Other tenants < €4M	755 850	124	70,9	71,0	0,2%	27,0%
Total	**1 836 819**	**376**	**263,1**	**263,0**	**0,0%**	**100,0%**

At 30 June 2015, the ten leading tenants represented 69% of annualised rental income, a percentage slightly lower than at the end of 2014 (72%). This decline is mainly due to deliveries in the first half of 2015 not associated with any of these ten leading tenants, in particular Nanterre Respiro leased to GTM Bâtiment (Vinci) for €3.7 million and Quatuor in Lille Roubaix leased to Vinci for €1.1 million.

The main changes in the first half affecting Key Accounts were as follows:

- Orange: 1.4% decrease in rental income, due to partial asset disposals at 30 June 2015
- EDF: 3.6% increase in rental income following the delivery of the ERDF property in Avignon
- Eiffage: 0.6% decrease, due to indexation effect
- Peugeot Citroën: 5.8% rent increase stipulated in the original lease.

2.2. Geographic breakdown: Paris Region and Major Regional Cities account for 88% of rental income

(€million) GS	Surface (m²)	Number of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Paris Centre West	70 971	11	34,0	34,1	0,4%	13%
Southern Paris	77 996	11	28,6	28,4	-0,7%	11%
North Eastern Paris	112 336	6	21,4	20,7	-3,1%	8%
Wester Crescent and La Défense	208 742	21	63,1	64,1	1,6%	24%
Inner suburbs	349 675	24	40,2	39,7	-1,2%	15%
Outer suburbs	124 527	50	13,0	12,6	-3,0%	5%
Total Paris Region	**944 246**	**123**	**200,2**	**199,6**	**-0,3%**	**76%**
MRC	**413 304**	**75**	**32,6**	32,9	**0,9%**	**12%**
Other French regions	**479 269**	**178**	**30,3**	30,5	**0,6%**	**12%**
Total	**1 836 819**	**376**	**263,1**	**263,0**	**0,0%**	**100,0%**

The geographical breakdown of rental income is in line with that of the accounted rental income, confirming the prevalence of the Paris Region share, with 76% of annualised rental income.

Changes since 31 December 2014 are due to disposals, especially those in the inner and outer suburbs of Paris, corresponding to about €1.0 million in rental income. Higher income generated by the Major Regional Cities is explained by the deliveries in the first half (especially Quatuor in Lille-Roubaix and Astrolabe in Marseille).

3. Indexation

The indexation effect is +€0.4 million over six months. 72% of rental income is indexed to the ILAT, 25% is indexed to ICC, with the remainder indexed to the ILC or the IRL. The rents benefiting from an indexation floor (1%) represent 34% of the annualised rental income and are indexed on the ILAT.

4. Rental activity

(€million)	Surface (m²)	Annualised rental income	Annualised rental income (€/m²)
Vacating	13 086	4,0	305,8
Letting	34 015	7,6 *	222,4
Renewal	8 067	1,0	126,7

**GS rent = 6,8 M€*

Among the most important highlights of the first half were new lettings for recently delivered assets, including:

- Nanterre Respiro: lease of the entire building to GTM Bâtiment (Vinci) with a firm term of 9 years at an annual rent of €3.7 million
- Avignon Croix Rouge: leasing agreement signed by EDF with a firm term of 9 years at an annual rent of €0.6 million
- Quatuor: lease of 70% of the building to Vinci with a firm term of 12 years at an annual rent of €1.1 million.

The average term for new leases in the first half of 2015 was 9.2 years firm.

Rental activity for the period also registered the impact of the vacated Issy Grenelle property (€ 2.9 million in rental income). As expected on the acquisition in 2011, the building will be completely redeveloped.

5. Maturity date table and occupancy rate

5.1. Lease expirations: residual lease term of 5.4 years firm

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2015	20,9	8%	12,4	5%
2016	28,7	11%	2,4	1%
2017	22,4	9%	13,3	5%
2018	31,4	12%	19,5	7%
2019	23,8	9%	36,5	14%
2020	15,3	6%	19,5	7%
2021	16,6	6%	36,3	14%
2022	19,7	7%	31,0	12%
2023	36,1	14%	37,6	14%
2024	8,5	3%	11,4	4%
Beyond	39,5	15%	43,0	16%
Total	**263,0**	**100%**	**263,0**	**100%**

The residual lease term is stable at 5.4 years firm. By lease termination date, the residual term of the leases amounted to 6.4 years (stable compared with 31 December 2014).

The mechanical 6-month loss of residual term was more than offset by the signature of long leases:

- for Nanterre Respiro with GTM Bâtiment (Vinci) for 9 years firm

- for Quatuor in Lille Roubaix with Vinci for 12 years firm
- for Dassault: activation of the supplemental agreement as a result of the launch of work on the extension. The new lease will take effect at the end of 2016 for a term of 10 years firm.

5.2. Occupancy rate of 96.3%

(%)	2014	H1 2015
Paris Centre West	100,0%	100,0%
Southern Paris	99,2%	98,6%
North Eastern Paris	97,4%	97,0%
Wester Crescent and La Défense	97,7%	97,6%
Inner suburbs	99,0%	99,1%
Outer suburbs	94,0%	92,4%
Total Paris Region	**97,9%**	**98,0%**
MRC	95,1%	90,7%
Other French regions	89,9%	91,6%
Total	**96,8%**	**96,3%**

Overall, the occupancy rate fell slightly compared with the end of 2014 (96.3% vs. 96.8%). This was due to deliveries of projects not entirely pre-leased (Astrolabe, Lille Roubaix Quatuor) located in the Major Regional Cities. However, the occupancy rate in the Paris Region continued to rise, from 97.9% to 98.0%.

6. Reserves for unpaid rents

(€million)	H1 2014	H1 2015
As % of rental income	0,00%	0,2%
In value *	0,0	0,2

**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 agreements for disposals: €66 million

(€million)	Disposals (agreements as of end of 2014 closed) 1	Agreements as of end of 2014 to close	New disposals H1 2015	New agreements H1 2015	Total H1 2015	Margin vs 2014 value	Yield	Total Disposals = 1 + 2
Total Paris Region	18,9	96,7	3,1	49,8	52,9	20,3%	2,1%	21,9
MRC	14,2	6,1	3,9	2,6	6,5	8,1%	3,2%	18,1
Other French regions	7,7	16,5	0,0	6,5	6,5	-4,0%	5,7%	7,7
Participations	0,0	0,0	0,0	0,0	0,0	0,0%	0,0%	0,0
Total	**40,7**	**119,4**	**7,0**	**58,8**	**65,8**	**16,1%**	**2,6%**	**47,7**

New commitments during the first half (new disposals and new disposal agreements) reflect the will to improve the quality of the portfolio. Totalling €66 million, these commitments correspond to ten properties, including four in regions other than the Paris Region and two in the main regional cities. The margin on these disposals was €2 million.

Work on disposals in the first half of 2015 also included the materialisation of €41 million in preliminary agreements signed in previous years.

8. Acquisitions

No acquisition was made during the half-year

9. Development projects: a pipeline of more than €1.2 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 Paris Region, on locations which are well served by public transport and/or in established tertiary districts and in the major regional cities where the annual *take*-up is greater than 50,000 m² per year, in prime locations (examples: TGV train stations in the Part-Dieu district of Lyon, etc.).

9.1. Deliveries of assets: €118 million in the first half of 2015

- Astrolabe (14,000 m²) and the 842-space car park at Euromed Center, with 56% of Astrolabe leased by 30 June 2015
- a new 4,100 m² office building in Avignon leased to ERDF under a firm 9-year lease
- an 11,100 m² office building in Nanterre leased to GTM Bâtiment (Vinci Construction) under a firm 9-year lease
- Quatuor in Lille-Roubaix (9,700 m²), leased to Vinci under a firm 12-year lease.

9.2. Committed projects

Projects	Location	Area	Project	Surface** (m²)	Delivery	Target offices rent (€/sq.m/year)	Pre-let (%)	Total Budget* (€m)	Progress	Yield
Steel	Paris	Paris regions	Refurbishment	3 700	2015	600	0%	36	100%	6%
Askia - Cœur d'Orly (QP FdR : 25%)	Orly	Paris regions	Construction	18 500	2015	250	50%	15	100%	> 7%
Green Corner	Saint-Denis	Paris regions	Construction	20 400	2015	285	70%	87	85%	> 7%
Campus Eiffage (QP FdR : 50%)	Vélizy	Paris regions	Construction	23 000	2015	270	100%	53	85%	> 7%
Euromed Center - Hôtel (QP FdR : 50%)	Marseille	MR	Construction	9 900	2016	N/A	100%	19	75%	> 7%
Euromed Center - Calypso (QP FdR : 50%)	Marseille	MR	Construction	9 600	2016	250	0%	15	65%	> 7%
Dassault Systèmes Extension (QP FdR : 50%)	Vélizy	Paris regions	Construction	13 100	2016	305	100%	39	35%	6%
Schlumberger Montpellier Pompignane	Montpellier	MR	Reconstruction	3 150	2016	155	100%	8	40%	> 7%
Silex I	Lyon	MR	Refurbishment	10 600	2016	280	0%	47	35%	6%
Clinique Saint-Mandé	Saint-Mandé	Paris regions	Reconstruction	5 500	2016	N/A	100%	25	40%	6%
Bose	St Germain en Laye	Paris regions	Construction	5 100	2016	225	100%	20	65%	> 7%
Thaïs	Levallois	Paris regions	Refurbishment	5 500	2017	ND	0%	40	20%	6%
Euromed Center : Bureaux Hermione (QP FdR 50%)	Marseille	MR	Construction	10 400	2017	250	0%	14	45%	> 7%
Total				**138 450**			**55%**	**419**	**53%**	**>7%**

**Surface 100%*

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

The first half of the year saw the start of work on several projects:

- the 13,100 m² extension of the Dassault Systèmes Campus in Vélizy, for which a firm 10-year lease was signed, with work beginning in February 2015;
- Silex 1, a 10,600 m² office building in the heart of the Part-Dieu district in Lyon.

Work continued on the Green Corner project in Saint-Denis and on Askia, in the Cœur d'Orly project, both scheduled for delivery in the second half of 2015. Lastly, Steel, an office building in Paris, was delivered in July 2015.

9.3. Managed projects

Approximately 255,000 m² are controlled by Foncière des Régions:

Projects	Location	Project	Area	Surface* (m²)	Delivery time frame
Grand Cœur - O'rigin	Nancy	Construction	MR	6300	2017
Euromed Center : Bureaux Floreal (QP FdR 50%)	Marseille	Construction	MR	13500	2017
Toulouse Marquette - Riverside	Toulouse	Reconstruction	MR	10 900	2017
Cœur d'Orly Commerces (QP FdR 25%)	Orly	Construction	Paris regions	31000	2018
Issy Grenelle	Issy	Refurbishment + Extension	Paris regions	10 800	2017
Silex II	Lyon	Refurbishment + 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	11000	2020
Cœur d'Orly Bureaux (QP FdR 25%)	Orly	Construction	Paris regions	50 000	2018-2019
Total				**255 100**	

*surface 100%

The O'rigin project in the Nancy Grand Cœur district of Nancy (6,300 m²), the Meudon Saulnier project (30,000 m²) and the Meudon Green Valley project (47,000 m²) are currently in the pre-marketing phase and may give rise to commitments depending on the leasing agreements that might be concluded.

Building permits have been obtained for Toulouse Marquette - Riverside, a 10,900 m² office building located in the centre of Toulouse, and for Phase 2 of the retail premises in the Cœur d'Orly project (31,000 m²).

Building permit applications are currently being processed for Silex 2 (a project to renovate/extend the tower vacated by EDF in the Part-Dieu district of Lyon) and Issy Grenelle (a 10,800 m² renovation and extension project in Issy-les-Moulineaux).

10. Asset values

10.1. Change in asset values

(€million) Asset	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Transfer	Value ED H1 2015
Assets in operation	3 991	104	0	-48	38	5	4 091
Assets under developement	362	17	0	0	85	-5	459
Total	**4 353**	**121**	**0**	**-48**	**123**	**0**	**4 550**

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

10.2. Change at like-for-like scope

Value GS (incl. assets under developments)

(€million)	100% value ED 2014	100% value ED H1 2015	Value ED H1 2015 GS*	LFL change 12 months	Yield ED 2014	Yield ED H1 2015	% of total value
Paris Centre West	624,6	663,0	663,0	6,1%	5,4%	5,1%	15%
Southern Paris	584,2	604,7	480,0	2,5%	6,1%	6,0%	11%
North Eastern Paris	306,0	321,1	321,1	5,3%	7,2%	6,8%	7%
Wester Crescent and La Défense	1 139,0	1 190,6	1042,6	2,7%	6,4%	5,8%	23%
Inner suburbs	974,4	929,8	627,6	2,7%	5,9%	6,3%	14%
Outer suburbs	170,2	155,5	155,5	0,0%	7,7%	8,2%	3%
Total Paris Region	**3 798,4**	**3 864,7**	**3 289,7**	**3,5%**	**6,2%**	**6,1%**	**72%**
MRC	420,1	515,5	474,7	1,2%	7,5%	6,8%	10%
Other French regions	331,0	326,2	326,2	-3,0%	9,0%	9,1%	7%
Total in operation	**4 549,6**	**4 706,4**	**4 090,6**	**2,6%**	**6,6%**	**6,4%**	**90%**
Assets under developement	482,8	594,4	459,1	5,2%	n/a	n/a	10%
Total	**5 032,4**	**5 300,9**	**4 549,6**	**2,9%**	**6,6%**	**6,4%**	**100%**

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

Like-for-like asset values grew 2.9% in the first half of 2015. Assets secured with quality tenants benefited from considerable compression in rates. The highest growth was seen in Paris Centre West, where asset values were up 6.1%. Only assets in other French regions decreased in value during the period, with a drop of 3.0% at like-for-like scope, due in particular to a shorter residual lease term (3.5 years firm).

11. Strategic asset segmentation

- The “Core” portfolio corresponds to a strategic grouping of key assets, consisting of resilient properties providing long-term income. Mature buildings may be disposed of on an opportunistic basis in managed proportions, freeing up resources that can be reinvested in value creating transactions, particularly by the development of our portfolio or new investments.
- The “Value Enhancement” portfolio includes assets targeted for specific refurbishment or enhancement to improve rental income. These assets are primed to become core assets once the asset management work has been completed.
- The “Secondary” portfolio mainly results from outsourcing operations involving our major tenant partners. This portfolio constitutes a compartment with a higher yield than the average for the office portfolio, with a historically-high rate of renewals. The small unit size of these properties and their liquidity on the local markets makes them apt candidates for progressive disposal.

	Core Portfolio	Value enhancement Portfolio	Secondary asset	Total
Number of assets	74	52	250	**376**
Value EDGS (€million)	3 059	918	572	**4 550**
Yield	6,0%	4,2%	8,1%	**5,9%**
Residual firm duration of leases (years)	6,2	3,0	3,7	**5,4**
Occupancy rate	99,1%	87,5%	92,2%	**96,3%**

The value of the “Core” portfolio rose slightly in the first half of 2015, accounting for 67% of the France Offices portfolio’s total value (+2%), as a result of the delivery of New Velizy at the end of 2014 (which moved from the “Value Enhancement” portfolio to the “Core” portfolio). Owing to the €31 million in disposals from the “Secondary” portfolio in the first half of 2015, its assets declined 1 pt to 13% of the total.

B. ITALY OFFICES

Listed on the Milan stock exchange since 1999, Beni Stabili is the largest listed Italian property firm. Its assets consist largely of offices located in cities in northern and central Italy, particularly Milan and Rome. The company has a portfolio of €4.0 billion at the end of June 2015.

At 30 June 2015, Foncière des Régions held 48.3% of the capital of Beni Stabili, down from 50.9% a year earlier. The figures are disclosed as 100%.

1. Accounted rental income: -4.3% at like-for-like scope

(€million)	Surface (m²)	Number of assets	Rental income H1 2014	Rental income H1 2015	Change (%)	Change (%) LFL	% of total
Core portfolio	1 712 474	213	114,7	109,2	-4,8%		98,8%
Dynamic portfolio	94 627	37	1,2	1,3	10,8%		1,2%
Subtotal	**1 807 101**	**250**	**115,9**	**110,5**	**-4,6%**		**100,0%**
Developement portfolio	0	2	0,0	0,0	0,0%		0,0%
Total	**1 807 101**	**252**	**115,9**	**110,5**	**-4,6%**	**-4,3%**	**100,0%**

Between 30 June 2014 and 30 June 2015, rental income fell 3.6% to represent a loss of €5.4 million, mainly due to:

- the effect of vacated premises and indexation, mostly the impact of an asset in Turin being vacated in June 2014 (-€5.4 million)
- for signature in Q2 2015 a major agreement with Telecom Italia renewal on all of its leases (€ 117 million in rent) including a decrease in rents of 6.9% in consideration of the extension of the fixed term leases that goes from 6.3 to 15 years
- Disposals: -€2.6 million
- deliveries of assets under development at end-2014, principally Via dell'Arte in Rome and San Nicolao in Milan (+€3.2 million).

At like-for-like scope, the change amounted to a decline of 4.3% over the period, due to the vacated premises in 2014 in Turin and the renegotiation of the Telecom Italia leases (the rents remain stable on LFL)

2. Annualised rental income: €217.3 million

2.1. Breakdown by portfolio

(€million)	Surface (m²)	Number of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of total
Core portfolio	1 712 474	213	228,4	214,2	-6,2%	98,6%
Dynamic portfolio	94 627	37	2,9	3,1	7,8%	1,4%
Subtotal	**1 807 101**	**250**	**231,3**	**217,3**	**-6,0%**	**100,0%**
Developement portfolio	0	2	0,0	0,0	0,0%	0,0%
Total	**1 807 101**	**252**	**231,3**	**217,3**	**-6,0%**	**100,0%**

2.2. Geographic breakdown

(€million)	Surface (m²)	Number of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of total
Milano	412 705	40	94,1	87,8	-6,8%	40,4%
Rome	158 287	32	21,8	21,4	-2,0%	9,8%
Other	1 236 109	178	115,3	108,2	-6,2%	49,8%
Total	**1 807 101**	**250**	**231,3**	**217,3**	**-6,0%**	**100,0%**

Excluding Development assets

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. In the first half of 2015, the average movement in the IPC was a decline over six months of 0.3%. All leases are protected against negative indexation.

4. Rental activity

During the first half of 2015, the rental activity can be summarised as follows:

(€million)	Surface (m²)	Annualised rental income	Annualised rental income (€/m²)
Vacating	8 103	2,2	271
Letting	9 596	3,5	364
Renewal	34 027	5,3	154

The main new leases relate to the Via Dell'Union property in Milan, with two new tenants – Intesa San Paolo and Saras (total rental income of €1.5 million) – under firm 6-year leases.

Renewed leases consist mainly of the renewals except Telecom Italia leases (with a lengthening of the lease term to 15 years firm, in exchange for lower rents). They relate to the Milanofiori Strada property, corresponding to a surface area of nearly 30,000 m², with the renewal of the Auchan lease for a term of 8 years firm.

The change in vacated premises mainly results from the departure of the Vittoria Colonna tenant in Milan (3,435 m²) in April 2015.

5. Maturity date table and occupancy rate

5.1. Lease expirations: residual lease term of 10.1 years firm

By lease end date (1st break)	% of total	By lease end date	% of total
4,7	2%	4,3	2%
3,2	1%	0,9	0%
8,8	4%	1,7	1%
7,9	4%	1,2	1%
27,8	13%	2,0	1%
5,5	3%	1,2	1%
25,5	12%	1,2	1%
26,1	12%	11,1	5%
9,5	4%	7,1	3%
3,9	2%	7,1	3%
94,4	43%	179,6	83%
217,3	**100%**	**217,3**	**100%**

At the conclusion of the lease renegotiations with Telecom Italia, the firm lease term was nearly doubled, from 6.3 years at 31 December 2014 to 10.1 years at 30 June 2015 (full term of 15.8 years).

5.2. Occupancy rate and type: an occupancy rate of 94.1%

At 30 June 2015, the spot financial occupancy rate was 94.1% for the Core portfolio, down from the rate at 31 December 2014 (95.2%), due to the tenant having vacated the Vittoria Colonna property in Milan.

(%)	2014	H1 2015
Core portfolio	95,2%	94,1%
Core + dynamic portfolio	92,3%	91,2%

6. Reserves for unpaid rents

(€million)	H1 2014	H1 2015
As % of rental income	1,4%	2,0%
In value *	1,6	2,2

**net provision / reversals of provison*

Reserves for unpaid rents correspond to charges to reserves net of reversals and write-offs. The higher reserves at 30 June 2015 are due to the provision for tenants having vacated 12 floors of the Tour Garibaldi. Re-letting is in progress for these floors.

7. Disposals and agreements for disposals: €234.1 million

The total value of disposals and disposal agreements in 2015 was €234.1 million, including €101.5 million in completed sales. These new commitments in 2015 were entered into at 1.1% above the 2014 appraisal values and based on a 6.7% yield.

After signature for new disposals agreements in July, the total value of disposals and disposal agreements in 2015 is €247.2 million.

The main sales included that of a hotel in Milan leased to Boscolo and the disposal of two leased office properties.

(€million)	Disposals (agreements as of end of 2014 closed) 1	Agreements as of end of 2014 to close	New disposals H1 2015	New agreements H1 2015	Total H1 2015	Margin vs 2014 value	Yield	Total Disposals = 1 + 2
Milano	0,0	0,0	101,5	0,0	**101,5**	3,1%	6,0%	**101,5**
Rome	0,0	0,2	0,0	126,3	**126,3**	0,0%	7,2%	**0,0**
Other	0,0	4,5	0,0	6,4	**6,4**	-5,8%	7,6%	**0,0**
Total	**0,0**	**4,8**	**101,5**	**132,6**	**234,1**	**1,1%**	**6,7%**	**101,5**

8. Acquisitions

No acquisitions were made during the year.

9. Development projects

9.1. Managed projects

Projects	Location	Area	Surface (m²)	Delivery time frame
Milan, Symbiosis (Ripamonti)	Milan	Italie	119 000	Depending Prelet status
Total			**119 000**	

10. Asset values

10.1. Change in asset values

(€million)	Value ED 2014	Change in value	Acquisitions	Disposals	Invest.	Value ED H1 2015
Core portfolio	3 769	15	0	-98	4	3 690
Dynamic portfolio	143	-4	0	0	1	140
Subtotal	**3 912**	**11**	**0**	**-98**	**5**	**3 830**
Developement portfolio	181	1	0	0	7	188
Total	**4 093**	**12**	**0**	**-98**	**11**	**4 018**

10.2. Change at like-for-like scope: +0.3%

(€million)	Value ED 2014 100%	Value ED H1 2015 100%	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of total value
Core portfolio	3 768,9	3 689,6	0,4%	6,1%	5,8%	91,8%
Dynamic portfolio	143,4	140,4	-2,7%	2,0%	2,2%	3,5%
Subtotal	**3 912,3**	**3 829,9**	**0,3%**	**5,9%**	**5,7%**	**95,3%**
Developement portfolio	180,7	187,8	0,3%	n/a	n/a	4,7%
Total	**4 093,0**	**4 017,7**	**0,3%**	**5,6%**	**5,4%**	**100,0%**

The like-for-like value of the Beni Stabili asset increased by 0.3% in 2015, mainly driven by growth in the Core portfolio (up 0.4%).

The decline in the yield between 31 December 2014 and 30 June 2015 was due mainly to the renegotiation of Telecom Italia leases, with rents reduced by 6.9%.

(€million)	Value ED 2014 100%	Value ED H1 2015 100%	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of total value
Milan	1 812,4	1 739,8	1,3%	5,2%	5,0%	43,3%
Rome	352,3	354,6	0,7%	6,2%	6,0%	8,8%
Other	1 747,7	1 735,6	-0,8%	6,6%	6,2%	43,2%
Subtotal	**3 912,3**	**3 829,9**	**0,3%**	**5,9%**	**5,7%**	**95,3%**
Developement portfolio	180,7	187,8	0,3%	n/a	n/a	4,7%
Total	**4 093,0**	**4 017,7**	**0,3%**	**5,6%**	**5,4%**	**100,0%**

Most assets are located in Milan and Rome (52%).

C. HOTELS & SERVICE SECTOR

Foncière des Murs (FDM), which is 43.13% owned by Foncière des Régions (vs. 28.5% at end 2014), is a listed property investment company (SIIC) specialising in the service sector, especially in hotels, healthcare, and retail. FDM pursues an investment strategy that favours partnerships with leading operators in various business sectors, in order to offer secure returns to its shareholders. The figures are quoted at 100% and FDM share of affiliates.

1. Accounted rental income: +0.5% at like-for-like scope

Assets held partially by Foncière des Murs consist of the 164 B&B hotels acquired in 2012 (50.2% owned), as well as the 22 B&B properties (93.0% owned) and two Motel One properties (94.0% owned) in Germany acquired in the first half of 2015.

1.1. Breakdown by business sector

(€million)	Number of assets	Rental income H1 2014	Rental income H1 2014 in GS FDM	Rental income H1 2015 100%	Rental income H1 2015 in GS FDM	Change (%) 100%	Change (%) in GS	Change (%) LFL	% of rental income
Hotels	341	69,0	60,6	72,9	64,0	5,6%	5,7%	0,5%	71%
Healthcare	28	8,7	8,7	7,6	7,6	-12,2%	-12,2%	0,6%	8%
Retail Premises	185	18,3	18,3	18,4	18,4	0,8%	0,8%	0,6%	20%
Total	**554**	**96,0**	**87,6**	**98,9**	**90,1**	**3,1%**	**2,9%**	**0,5%**	**100%**

At 30 June 2015, consolidated rental income totalled €98.9 million (at 100%), up 3.1% from 30 June 2014, due to:

- the impact of disposals in 2014 and 2015 (-€2.1 million)
- the impact of 2014 and 2015 acquisitions/deliveries (+€4.5 million)
- the 0.5% increase in like-for-like rental income (+€0.5 million), thanks to higher Accor revenues (0.8% increase in Accor rental income).

2. Annualised rental income: €190.6 million (FDM share)

2.1. Distribution business sector

(€million)	Surface (m²)	Number of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Hotels	1 175 494	341	127,6	137,9	8,1%	72%
Healthcare	112 595	28	15,6	15,2	-2,5%	8%
Retail Premises	197 573	185	36,7	37,4	1,8%	20%
Total	**1 485 662**	**554**	**180,0**	**190,6**	**5,9%**	**100%**

2.2. Breakdown by tenant

(€million)	Surface (m²)	Number of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Accor	590 870	128	83,4	83,5	0,2%	44%
B&B	383 010	205	23,8	31,9	33,8%	17%
Korian	112 595	28	15,6	15,2	-2,5%	8%
Quick	37 487	81	16,6	17,3	4,1%	9%
Jardiland	151 681	49	13,5	13,5	-0,2%	7%
Sunparks	133 558	4	13,7	13,7	0,0%	7%
Courtepaille	8 405	55	6,6	6,6	0,0%	3%
Club Med	45 813	1	3,4	3,4	-0,1%	2%
NH	10 472	1	3,3	3,3	0,1%	2%
Motel One	11 771	2	0,0	2,1	n/a	1%
Total	**1 485 662**	**554**	**180,0**	**190,6**	**5,9%**	**100%**

2.3. Geographic breakdown

(€million)	Surface (m²)	Number of assets	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Paris	73 066	9	20,5	20,2	-1,5%	11%
Inner suburbs	110 951	32	18,0	18,0	0,3%	9%
Outer suburbs	121 656	56	15,6	15,9	2,3%	8%
Total Paris Region	**305 673**	**97**	**54,1**	**54,2**	**0,2%**	**28%**
MRC	271 267	108	32,8	32,8	0,0%	17%
Other French regions	544 388	291	60,2	60,6	0,7%	32%
International	364 334	58	33,0	43,0	30,5%	23%
Total	**1 485 662**	**554**	**180,0**	**190,6**	**5,9%**	**100%**

The increase in international rental income is tied to the investments made in the first half of 2015, with the acquisition of 22 B&B hotels and two Motel One hotels in Germany.

3. Indexation

55% of the rental income is indexed to benchmark indices: Indexation had a limited impact in 2015 owing to recent changes in these indices (ICC and ILC). Accor revenues, which were used to index 45% of rental income, resulted in a 0.8% increase in rents in the first half of the year.

4. Maturity date table and occupancy rate

(€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	40,2	21%	40,2	21%
2018	36,9	19%	36,9	19%
2019	20,6	11%	18,9	10%
2020	0,3	0%	0,3	0%
2021	0,7	0%	0,7	0%
2022	6,2	3%	6,2	3%
2023	1,0	1%	1,0	1%
2024	7,4	4%	7,4	4%
Beyond	76,4	40%	78,1	41%
Total	**190,6**	**100%**	**190,6**	**100%**

The firm residual lease term was 7.1 years at 30 June 2015, up from 6.8 years at 31 December 2014. This increase was due to the acquisitions carried out in the first half of 2015.

The occupancy rate was 100% at 30 June 2015. 2017 and 2018 expirations mostly concerned Accor leases.

5. Reserves for unpaid rents

No additional amounts were set aside for unpaid rents in the portfolio in the first half of 2015, as was also the case in 2014.

6. Disposals and agreements for disposals: €28 million

(€million)	Disposals (agreements as of end of 2014 closed) 1	Agreements as of end of 2014 to close	New disposals H1 2015 2	New agreements H1 2015	Total H1 2015	Margin vs 2014 value	Yield	Total Disposals = 1 + 2
Hotels	4,6	0,0	0,0	16,1	16,1	1,6%	5,8%	4,6
Healthcare	0,0	0,0	3,9	5,4	9,3	-2,1%	0,0%	3,9
Retail Premises	0,0	3,1	0,0	2,9	2,9	-0,3%	5,4%	0,0
Total	**4,6**	**3,1**	**3,9**	**24,4**	**28,3**	**0,2%**	**3,9%**	**8,4**

During the first half of 2015, two assets were sold for a value of €8.4 million. These disposals on a unit basis were of a hotel and a long-term care facility. In addition, disposal agreements relating to seven assets for a total amount of €24.4 million were signed during the half-year.

7. Acquisitions

Assets	Surface (m²)	Location	Tenants	Acquisition Price ID* 100% (€million)	Acquisition Price ID* GS (€million)	Gross Yield ID*
B&B France (3 assets)	5 626	France	B&B	10,5	5,3	7,1%
MotelOne (2 assets)	11 771	Germany	MotelOne	36,0	33,8	6,1%
B&B Germany (22 assets)	58 491	Germany	B&B	128,0	119,0	6,4%
Total	**75 888**			**174,5**	**158,1**	**6,4%**

**ID = Including duties*

Foncière des Régions carried out several acquisitions in the first half, in both France and Germany:

- in February 2015, the acquisition of two Motel One hotels in Germany for €36 million (FDM share: €34 million) with a firm lease term of 19 years
- in March, the acquisition of three B&B hotels by the investment partnership B2 Hotel Invest (50.2% owned by FDM) for €10.5 million (FDM share: €5.3 million)
- in June, the acquisition of a portfolio of 22 B&B hotels in Germany for €128 million (FDM share: €119 million) for a firm lease term of 17 years.

8. Development projects: a €103 million pipeline

8.1. Committed projects: €103 million, 100% pre-let

Projects	Location	Area		Surface (m²)	Delivery	Target rent (€/sqm /year)	Yield	Pre-let (%)	Total Budget (€m)	Progress
B&B Porte de Choisy	France	IDF	développement	na	juil-15	na	6%	100,0%	8,2	91%
B&B Mülheim	Allemagne	Etranger	développement	na	juil-15	na	>7%	100,0%	5,1	98%
B&B Erfurt	Allemagne	Etranger	développement	na	août-15	na	>7%	100,0%	4,0	54%
B&B Romainville	France	IDF	développement	na	sept-15	na	>7%	100,0%	6,0	84%
B&B Osnabrück	Allemagne	Etranger	développement	na	oct-15	na	>7%	100,0%	4,4	34%
B&B Lyon Caluire	France	MR	développement	na	déc-15	na	>7%	100,0%	3,3	145%
B&B Duisburg	Allemagne	Etranger	développement	na	janv-16	na	>7%	100,0%	5,5	35%
B&B Torcy	France	IDF	développement	na	févr-16	na	>7%	100,0%	7,4	59%
B&B Potsdam	Allemagne	Etranger	développement	na	févr-16	na	>7%	100,0%	4,9	27%
B&B Konstanz	Allemagne	Etranger	développement	na	mars-16	na	>7%	100,0%	5,9	30%
B&B Hamburg	Allemagne	Etranger	développement	na	juin-16	na	>7%	100,0%	11,0	11%
B&B Berlin	Allemagne	Etranger	développement	na	juil-16	na	>7%	100,0%	8,1	35%
Meininger Munich	Allemagne	Etranger	conversion	na	S1 2018	na	6%	100,0%	29,5	0%
Total									**103,3**	

** costs in a FDM shares basis*

Foncière des Murs owns several buildings under development, which are pre-let to B&B Hôtels:

- a hotel at Porte de Choisy (Ivry-sur-Seine) developed via the OPCI fund B2 Hotel Invest (50.2% owned by FDM). It is a six-floor hotel with 182 rooms
- a 120-room hotel at Caluire-et-Cuire, just outside Lyon, owned via the OPCI fund B2 Hotel Invest
- a 130-room hotel in Torcy
- a 107-room hotel in Romainville
- eight hotels in Germany offering a total of 886 rooms.

A new agreement was also signed in June for the conversion of a Munich office building into a 173-room Meininger hotel, with a budget of €29.5 million and delivery planned for 2018.

9. Asset values

9.1. Asset changes

(€million)	Value ED 2014 GS FDM	Value adjustment	Acquisitions	Disposals	Invest.	Transfert	Value ED H1 2015 GS FDM
Assets in operation	2 944	53	162	-9	0	26	**3 151**
Assets under developement	21	1	0	0	19	-26	**41**
Total	**2 965**	**54**	**162**	**-9**	**19**	**0**	**3 191**

The total value of the portfolio increased by €226 million, as a result of acquisitions carried out in the first half and the positive change in asset values at like-for-like scope.

9.2. Like-for-like change: +1.8%

(€million)	100% value ED 2014 GS	100% value ED H1 2015	Value ED H1 2015 GS	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of total value
Paris	391,5	423,5	416,5	6,4%	5,2%	4,9%	12,1%
Inner suburbs	313,1	368,2	330,6	3,3%	5,8%	5,7%	10,5%
Outer suburbs	263,4	297,3	267,4	0,5%	5,9%	6,1%	8,5%
Total Paris Regions	**967,9**	**1089,1**	**1014,5**	**3,8%**	**5,6%**	**5,4%**	**31,2%**
MRC	537,2	621,7	545,2	1,3%	6,1%	6,0%	17,8%
Other French Regions	940,6	1076,1	937,2	0,3%	6,4%	6,5%	30,8%
International	519,6	705,7	694,4	1,4%	6,3%	6,4%	20,2%
Total	**2965,3**	**3492,6**	**3191,3**	**1,8%**	**6,1%**	**6,0%**	**100,0%**

(€million)	100% value ED 2014 GS	100% value ED H1 2015	Value ED H1 2015 GS	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of total value
Hotels	2 111,5	2 605,0	2 314,3	2,2%	6,0%	6,0%	74,6%
Healthcare	235,5	235,5	235,5	1,8%	6,4%	6,5%	6,7%
Retail Premises	597,5	600,8	600,8	0,6%	6,3%	6,2%	17,2%
Total in operation	**2 944,5**	**3 441,3**	**3 150,6**	**1,8%**	**6,1%**	**6,0%**	**98,5%**
Assets under developement	20,8	51,2	40,7	1,9%	n/a	n/a	1,5%
Total	**2965,3**	**3492,6**	**3191,3**	**1,8%**	**6,1%**	**6,0%**	**100,0%**

The hotel sector saw an increase of 2.2% at like-for-like scope compared with 31 December 2014, mainly due to the compression of capitalisation rates for assets in Paris. Assets in the healthcare sector rose 1.8% at like-for-like scope, also impacted by the compression of capitalisation rates.

D. GERMANY RESIDENTIAL

Foncière des Régions operates in the Residential sector in Germany via its 61.04%-owned subsidiary, Immeo SE. The company has nearly 45,500 units, located mostly in Berlin, Hamburg, Dresden, Leipzig and North Rhine-Westphalia (NRW).

The strategy pursued for this business is to diversify the geographic distribution of its assets and expand its presence in Berlin as well as other dynamic and attractive cities.

Among the operational highlights of the first half of 2015 was a very active acquisitions policy with projects signed for a total of €459 million (at 100%).

1. Accounted rental income: +1.7% at like-for-like scope

1.1. Geographic breakdown

(€million)	Surface (m²)	Number of units	Rental income H1 2014 100% Immeo	Rental income H1 2014 GS Immeo	Rental income H1 2015 100% Immeo	Rental income H1 2015 GS Immeo	Change (%)	Change (%) LFL	% of rental income
Berlin	655 580	9 012	16,4	16,0	**24,7**	**24,0**	49,5%	2,4%	26%
Dresden & Leipzig	250 916	4 311	2,8	2,8	**7,7**	**7,4**	159,1%	4,7%	8%
Hamburg	110 928	2 088	n/a	n/a	**n/a**	**n/a**	n/a	n/a	n/a
NRW	2 127 150	29 143	64,2	64,0	**59,2**	**59,2**	-7,5%	1,4%	65%
Total	**3 144 574**	**44 554**	**83,4**	**82,9**	**91,6**	**90,5**	**9,2%**	**1,7%**	**100%**

Rental income came to €90.5 million in the first half of 2015, up from €82.9 million in the first half of 2014.

The 1.7% rise in like-for-like rental income over the 12-month period was essentially driven by the portfolios of assets located in Berlin, Dresden and Leipzig, which saw average growth of 2.8%, demonstrating the relevance of the approach favouring geographic diversification of the portfolio.

Berlin, Dresden and Leipzig accounted for only 23% of rental income at like-for-like scope, while they represent 34% of annualised rental income at 30 June 2015.

2. Annualised rental income: €200 million

2.1. Geographic breakdown

(€million)	Surface (m²)	Number of units	Annualised rental income 2014 GS Immeo	Annualised rental income H1 2015 GS Immeo	Change (%)	Average rent €/m²/month	% of rental income
Berlin	655 580	9 012	43,6	**52,8**	21,2%	6,7	26%
Dresden & Leipzig	250 916	4 311	13,3	**16,5**	24,5%	5,5	8%
Hamburg	110 928	2 088	n/a	**11,3**	n/a	8,5	n/a
RNW	2 127 150	29 143	120,5	**119,6**	-0,7%	4,7	60%
Total	**3 144 574**	**44 554**	**177,3**	**200,2**	**12,9%**	**5,3**	**100%**

3. Indexation

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

- Rent for re-leased property:

In principle, rents may be increased freely, although not excessively.

As an exception to this principle of freedom in the setting of rents, some cities have introduced caps on rents for re-leased properties. This is the case, in particular, for Berlin (effective 1 June 2015), Hamburg (effective 1 July 2015) and a number of cities in North Rhine-Westphalia where FdR has relatively few or no assets (effective 1 July 2015).

In these cities, re-letting rents may not exceed a reference rent by more than 10%. If improvement works result in an increase in the value of the property, the rent for released property may be increased by a maximum of 11% of the cost of the works.

- For existing leases

The current rent may be increased by 15% to 20% depending on the region, although without exceeding the reference rents published in the local Mietspiegel, the official annual rent survey. This increase may only be applied every three years.

In the event that works are carried out, 11% of refurbishment costs may be passed onto the new rent and as indicated in the Mietspiegel. The works involved must increase the value of the property. In this case, the rent increase may be applied immediately.

4. Occupancy rate

(%)	2014	H1 2015
Berlin	98,3%	99,2%
Dresden & Leipzig	98,2%	97,4%
Hamburg	n/a	98,5%
RNW	98,2%	97,7%
Total Core	**98,3%**	**98,2%**
Total Core + dynamic	**97,6%**	**97,5%**

At 30 June 2015, the occupancy rate for assets in operation was 98.2%, nearly stable compared with 31 December 2014, although the period saw an increase in the occupancy rate in Berlin.

The tenant turnover amounted to 10.3% (on an annualised basis)

5. Reserves for unpaid rent

(€million)	H1 2014	H1 2015
As % of rental income	1,4%	1,4%
In value *	1,4	1,3

**net provision / reversals of provison*

The amount of reserves for unpaid rent remained stable at 1.4% of rental income.

6. Disposals and agreements for disposals: €17 million

(€ million)	Disposals (agreements as of end of 2014 closed) 1	Agreements as of end of 2014 to close	New disposals H1 2015 2	New agreements H1 2015	Total H1 2015	Margin vs 2014 value	Yield	Total Disposals = 1 + 2
Berlin	0,0	1,3	0,0	2,7	**2,7**	99,3%	0,0%	**0,0**
Dresden & Leipzig	0,0	0,0	0,4	2,1	**2,6**	27,5%	7,4%	**0,4**
Hamburg	0,0	0,0	0,0	0,0	**0,0**	0,0%	n/a	**0,0**
RNW	8,5	118,9	11,2	0,8	**12,0**	17,4%	6,0%	**19,7**
Total	**8,5**	**120,2**	**11,6**	**5,6**	**17,3**	**27,1%**	**5,3%**	**20,1**

New commitments totalling €17.3 million were signed in the first half of 2015, for a gross margin under IFRS of 27.1%. These commitments mainly relate to small allocations (lots or parcels of land).

It should be noted that, in North Rhine-Westphalia, the agreement on a portfolio of €115 million was converted in early July 2015.

7. Acquisitions: €459 million, including a significant new presence in Hamburg

Assets	Surface (m²)	Number of units resi	Acquisition price (€million) ID* 100% Immeo	Acquisition Price (€million) ID* GS Immeo	Gross Yield
Berlin	81253	880	182,0	172,7	4,9%
Dresden & Leipzig	43 258	615	37,0	37,0	7,0%
Hamburg	110 928	2 088	240,0	215,8	5,5%
Total	**235 439**	**3 583**	**459,0**	**425,5**	**5,4%**

*including duties

Among the highlights of the first half of 2015 was a very active acquisitions policy, with total investments of €459 million, including an initial major acquisition in Hamburg for €240 million.

These investments have a yield of 5.4%. Owing to the high quality of the assets and their excellent market positions, the average rent reversion expected by the Company on these new assets is a positive impact of about 25%.

8. Asset values

8.1. Asset changes

(€million)	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Value ED H1 2015
Berlin	753	46	173	0	7	979
Dresden & Leipzig	220	3	37	0	2	260
Hamburg	0	0	209	0	0	209
NRW	1746	3	6	- 18	16	1752
Total	**2718**	**52**	**425**	**- 19**	**24**	**3201**

At 30 June 2015, the portfolio was valued at €3,201 million, up from €2,718 million at 31 December 2014. This change was due to the following:

- the impact of disposals (-€19 million)
- the impact of acquisitions (+€425 million)
- capital expenditure for the portfolio (+€24 million)
- the change in the net value of capital expenditure (+€52 million), increasing in particular in Berlin (+7.1%).

At 30 June 2015 €24.4 million in CAPEX work and €6.6 million in OPEX work were done. To remind, total CAPEX and OPEX €5.1/m² and €16.5/m² (€13.8 million & €44 million) as of December 31st 2014.

8.2. Like-for-like change: +2.8%

(€million)	Value ED 2014 GS	Value ED H1 2015 100% Immeo	Value ED H1 2015 GS Immeo	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of total value
Berlin	752,7	1011,1	979,3	7,1%	5,8%	5,4%	31%
Dresden & Leipzig	219,7	270,7	260,4	2,0%	6,0%	6,4%	8%
Hamburg	0,0	232,7	209,2	n/a	n/a	5,4%	7%
NRW	1745,9	1754,5	1752,4	1,1%	6,9%	6,8%	55%
Total Germany	**2 718,4**	**3 269,0**	**3 201,2**	**2,8%**	**6,5%**	**6,3%**	**100%**

Between 31 December 2014 and 30 June 2015, asset values at like-for-like scope saw growth of 2.8%, mainly driven by the Berlin portfolio (+7.1%).

E. OTHER ACTIVITIES

I. FRANCE RESIDENTIAL (100% FDL)

Foncière Développement Logements is 61.26% owned by Foncière des Régions.

1. Accounted rental income

(€million)	Rental income H1 2014	Rental income H1 2015	Change (%)	% of rental income
Paris and Neuilly	7,4	5,5	-26%	48%
IDF Excl. Paris and Neuilly	2,8	2,3	-18%	20%
Rhones Alpes	1,5	1,1	-26%	10%
PACA	2,1	1,8	-15%	16%
Large West	0,8	0,5	-42%	4%
East	0,2	0,2	0%	2%
Total	**14,9**	**11,4**	**-23,4%**	**97%**
Total Luxembourg	**0,3**	**0,3**	**10%**	**3%**
Total FDL	**15,2**	**11,7**	**-22,8%**	**100%**

Rental income amounted to €11.7 million at 30 June 2015, down from €15.2 million a year earlier. This change was due mainly to:

- the impact of disposals (-€1.5 million)
- the impact of vacant properties (-€2.2 million)
- the impact of acquisitions (+€0.1 million)
- the impact of indexation (+€0.1 million).

2. Annualised rental income:

(€million)	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Paris and Neuilly	12,8	9,5	-26%	46%
IDF Exclud. Paris et Neuilly	4,9	4,4	-10%	21%
Rhones Alpes	2,4	1,9	-19%	9%
PACA	3,8	3,5	-8%	17%
Large West	1,0	0,9	-7%	4%
East	0,4	0,4	3%	2%
Total	**25,3**	**20,7**	**-18,1%**	**97%**
Total Luxembourg	**0,6**	**0,6**	**12%**	**3%**
Total FDL	**25,9**	**21,3**	**-17,5%**	**100%**

3. Indexation

The index used to calculate the indexation of rents for homes in France is the IRL.

4. Disposals and agreements for disposals: €143 million

(€ million)	Disposals (agreements as of end of 2014 closed) 1	Agreements as of end of 2014 to close	New disposals H1 2015 2	New agreements H1 2015	Total H1 2015	Margin vs 2014 value	Yield	Total Disposals = 1 + 2
France	30,7	0,1	30,2	113,3	143,5	3,7%	1,1%	60,9
Luxembourg	0,0	0,0	0,0	0,0	0,0	0,0%	0,0%	0,0
Total	**30,7**	**0,1**	**30,2**	**113,3**	**143,5**	**3,7%**	**1,1%**	**60,9**

The first half saw considerable disposal activity, with the signing of €143 million in new commitments, 60% of which relate to assets in Paris and Neuilly-sur-Seine.
These commitments were made with a 4% margin on 2014 appraisal values.

5. Portfolio value up 1.6% at like-for-like scope

At 30 June 2015, the Foncière Développement Logements (France and Luxembourg) portfolio was valued at €753 million, representing a 1.6% increase from 31 December 2014 at like-for-like scope. 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.

(€million)	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Value ED H1 2015
France	790	11	-	58	-	742
Luxembourg	10	1	-	-	-	11
Total	799	**12**	-	58	-	**753**

(€million)	100% value ED 2014	100% value ED H1 2015	LFL change 6 months	Yield ED 2014	Yield ED H1 2015
France + Luxembourg	799	753	1,6%	3,2%	3,9%
Total	**799,3**	**752,8**	**1,6%**	**3,2%**	**3,9%**

II. Logistics

1. Accounted rental income: +13.1% at like-for-like scope

(M€)	Surface (m²)	Rental income H1 2014	Rental income H1 2015	Change (%)	Change (%) LFL	% of total
Total	**531 467**	**24,0**	**10,0**	**-58,5%**	**13,1%**	**100%**

Rental income in the first half amounted to €10 million, down 58.5% from 31 December 2014. This variation is explained by:

- disposals made in 2014 (-€15.2 million)
- incoming and outgoing tenants (+€1.1 million) including leasing of asset in Chalon
- renewals (+€0.1 million).

Rental income rose 13.1% at like-for-like scope.

2. Annualised rental income: €20.8 million

(€million)	Annualised rental income 2014	Annualised rental income H1 2015	Change (%)	% of rental income
Paris and Neuilly	12,8	9,5	-26%	46%
IDF Exclud. Paris et Neuilly	4,9	4,4	-10%	21%
Rhones Alpes	2,4	1,9	-19%	9%
PACA	3,8	3,5	-8%	17%
Large West	1,0	0,9	-7%	4%
East	0,4	0,4	3%	2%
Total	**25,3**	**20,7**	**-18,1%**	**97%**
Total Luxembourg	**0,6**	**0,6**	**12%**	**3%**
Total FDL	**25,9**	**21,3**	**-17,5%**	**100%**

At 30 June 2015, annualised rental income was up 5.6%.

3. Indexation

In France, the indices used to calculate the indexation are those of the ICC and the ILAT. Collar rents account for 19% of annualised rental income.

4. Occupancy rate: 89%

At 30 June 2015, the occupancy rate was 88.6%, up from 80.2% at 31 December 2014, due to marketing efforts for the Pantin and Chalon sites.

(%)	2014	H1 2015
Total	80,2%	88,6%

5. Reserves for unpaid rent

Reserves for unpaid rent had a negative impact of €0.3 million on the Company's financial statements in the first half of 2015.

6. Disposals and agreements for disposals

The disposal of the Pantin asset, under the sales agreement signed on 30 June 2015, was carried out on 16 July 2015.

7. Asset values

7.1 Change in asset values

(€million)	Value ED 2014	Value adjustment	Acquisitions	Disposals	Invest.	Transfert	Value ED H1 2015
Total	288	-1	0	0	0	0	287

7.2 Change at like-for-like scope

Appraised values at like-for-like scope over one year declined by 0.4%. This change is mainly due to the recognition of notified tenant departures in the second half of 2014.

(€million)	Value ED 2014 100%	Value ED H1 2015 100%	Value ED H1 2015 GS	LFL change 6 months	Yield ED 2014	Yield ED H1 2015	% of total value
Total	288,3	287,1	287,1	-0,4%	7,2%	7,2%	100%

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 & Service Sector, Logistics, and Car Parks sectors.

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

CONSOLIDATED ACCOUNTS

A. Scope of consolidation

At 30 June 2015, the scope of consolidation of Foncière des Régions included companies in France and in eight other European countries (Offices: Italy; Residential: Germany, Austria and Denmark; Hotels & Service Sector: Germany, Portugal, Belgium, the Netherlands and Luxembourg). The main percentages of control during the year were as follows:

Subsidiaries	H1 2014	2014	H1 2015
Foncière Développement Logements	59,7%	61,3%	61,3%
Foncière des Murs	28,3%	28,5%	43,1%
Immeo	N/A	60,9%	61,0%
Beni Stabili	50,9%	48,3%	48,3%
OPCI CB 21 (Tour CB 21)	75,0%	75,0%	75,0%
Urbis Park	59,5%	59,5%	59,5%
Fédérimmo (Carré Suffren)	60,0%	60,0%	60,0%
SCI Latécoëre (DS Campus)	50,1%	50,1%	50,1%
SCI 11, Place de l'Europe (Campus Eiffage)	50,1%	50,1%	50,1%
Lenovilla (New Velizy)	50,1%	50,1%	50,1%

Foncière des Régions raised its stake in Foncière des Murs by purchasing an additional 10,864,286 shares of the company early in the year, at a price of €23 per share. Its ownership interest thus increased from 28.46% to 43.13% at 30 June 2015.

As a result of the amendment to the shareholders' agreement signed with Latécoère (for the DS Campus property), this company, which was previously accounted for under the equity method, has been fully consolidated since 1 April.

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 22 July 2015.

C. EPRA income statements

(€million)	Consolidated				GS				Change GS
	H1 2014	H1 2015 before reclassification	Discontinued operations	H1 2014	H1 2014	H1 2015 before reclassification	Discontinued operations	H1 2015	%
Rental income	438,2	447,9	10,0	437,9	263,7	281,2	10,0	271,2	2,8%
Unrecovered rental costs	-18,9	-23,4	-1,4	-22,0	-11,2	-14,8	-1,4	-13,5	20,5%
Expenses on properties	-12,2	-12,7	0,0	-12,7	-7,1	-7,4	0,0	-7,4	4,2%
Net expenses on unrecoverable receivables	-3,1	-4,1	-0,1	-4,0	-1,7	-2,4	-0,1	-2,3	35,3%
Net rental income	**403,9**	**407,8**	**8,5**	**399,2**	**243,6**	**256,5**	**8,5**	**248,0**	**1,8%**
ratio of costs to revenues	*7,8%*	*9,0%*	*15,0%*	*8,8%*	*7,6%*	*8,7%*	*15,0%*	*8,6%*	*12,6%*
Management and administration revenues	11,7	7,4	0,2	7,2	11,3	8,9	0,2	8,7	-23%
Activity-related costs	-2,8	-2,0	0,0	-2,0	-1,6	-1,4	0,0	-1,4	-13%
Committed fixed costs	-50,4	-50,3	-0,3	-50,0	-36,2	-36,5	-0,2	-36,3	0%
Development costs	-0,2	-0,7	-0,1	-0,6	-0,1	-0,6	-0,1	-0,5	400%
Net cost of operations	**-41,6**	**-45,6**	**-0,1**	**-45,5**	**-26,6**	**-29,6**	**0,0**	**-29,5**	11%
Income from other activities	13,2	15,3	0,0	15,3	10,6	12,8	0,0	12,8	21%
Depreciation of operating assets	-7,9	-6,9	0,0	-6,9	-5,2	-4,5	0,0	-4,5	-13%
Net change in provisions and other	-1,6	-4,3	-1,9	-2,4	-0,8	-3,7	-1,9	-1,8	125%
Current operating income	**365,9**	**366,3**	**6,5**	**359,8**	**221,6**	**231,4**	**6,6**	**225,0**	2%
Net income from inventory properties	-0,6	-0,9	0,0	-0,9	-0,4	-0,4	0,0	-0,4	0%
Income from asset disposals	-3,2	-0,6	-0,3	-0,3	-2,9	-0,3	-0,3	0,0	-100%
Income from value adjustments	72,7	222,9	-1,6	224,5	49,3	156,5	-1,6	158,1	221%
Income from disposal of securities	0,0	0,0	0,0	0,0	0,0	0,1	0,0	0,1	n.a
Income from changes in scope	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	n.a
Operating income	**434,5**	**587,6**	**4,6**	**583,1**	**267,5**	**387,2**	**4,7**	**382,6**	**43%**
Income from non-consolidated companies	0,0	0,2	0,0	0,2	0,0	0,2	0,0	0,2	n.a
Cost of net financial debt	-145,7	-125,0	-1,1	-123,9	-86,2	-80,2	-1,1	-79,0	-8%
Value adjustment on derivatives	-211,6	-30,9	1,6	-32,5	-139,4	-33,8	1,6	-35,4	-75%
Discounting of liabilities and receivables	-4,0	-2,4	-0,1	-2,3	-2,8	-2,4	-0,1	-2,3	-18%
Net change in financial and other provisions	-21,9	-10,5	0,0	-10,5	-12,8	-6,8	0,0	-6,8	-47%
Share in earnings of affiliates	10,4	25,2	0,0	25,2	9,5	22,6	0,0	22,6	138%
Pre-tax income	**61,6**	**444,2**	**5,0**	**439,3**	**35,8**	**286,8**	**5,0**	**281,8**	**687%**
Deferred tax	-9,4	-18,8	0,0	-18,8	-2,7	-10,5	0,0	-10,5	289%
Corporate income tax	-4,2	-3,1	0,0	-3,1	-2,7	-1,5	0,0	-1,5	-44%
Net income from continuing operations	**48,0**	**422,3**	**5,0**	**417,4**	**30,4**	**274,8**	**5,0**	**269,8**	**788%**
Post-tax profit or loss of discontinued operations	21,2	0,0	5,0	5,0	21,2	0,0	5,0	5,0	-76%
Net income from discontinued operations	**21,2**	**0,0**	**5,0**	**5,0**	**21,2**	**0,0**	**5,0**	**5,0**	**-76%**
Net income for the periode	**90,4**	**422,3**	**5,0**	**427,4**	**42,4**	**274,8**	**5,0**	**279,8**	**560%**
Non-controlling interests	-17,5	-147,6	0,0	-147,6	0,0	0,0	0,0	0,0	n.a

◆ Rental income

Rental income - Group share (after reclassification of the Logistics business under discontinued operations) grew by 2.8% to €271.2 million (compared with €263.7 million), mainly as a result of the additional 14.6% stake acquired in FDM.

On a consolidated basis, there was a slight decline of €0.3 million in rental income:

- Germany Residential: +€8.2 million
- France Residential: -€3.5 million
- France Offices: -€2.5 million
- Italy Offices: -€5.4 million
- Hotels & Service Sector: +€2.9 million.

◆ Net operating costs

Net operating costs amounted to €29.5 million - Group share at 30 June 2015 (€45.5 million on a consolidated basis), compared with €26.6 million at 30 June 2014 (€41.6 million on a consolidated basis), representing an increase of 10.9%, due to a combination of the following factors:

- the additional stake acquired in FDM
- staff increases in Germany Residential
- the loss of management income from the fund management company BS SGR, which was deconsolidated in January 2015.

Other business income

The main components of income from other activities are the Car Parks business (€5.7 million), corresponding to car parks owned or under concession, and real estate development activities. Income from these activities rose in the first half of 2015, due mainly to real estate development activity (up €1.9 million). Income from other activities totalled €12.8 million (Group share) at 30 June 2015, up from €10.6 million a year earlier.

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. In first-half 2015, the change in the fair value of investment assets was positive by €158.1 million for the Group share and €224.5 million on a consolidated basis, versus €49.3 million (Group share) at 30 June 2014 (+€72.7 million at 100%).

Operating income thus amounted to €382.6 million (Group share) at 30 June 2015, compared with €267.5 million a year earlier.

Financial aggregates

Financial expenses stood at €79 million in Group share (compared to €86.2 million as at 30 June 2014) and at €123.9 million on a consolidated basis (vs. €145.7 million as at 30 June 2014). The amount of interest capitalised on assets under development amounted to €10.3 million (Group share) for first-half 2015.

Furthermore, financial instruments (assets and liabilities), after reclassification of the discontinued operation, represented a net balance sheet amount of €517 million (€389 million, Group share), with deferred tax liabilities from non-SIIC foreign companies accounting for a net balance sheet amount of €289 million (€161 million - Group share).

At 30 June 2015, the change in the fair value of financial instruments was negative €35.4 million (Group share) (negative impact of €32.5 million on a consolidated basis), compared with negative impacts of €139.4 million (Group share) and €211.6 million on a consolidated basis a year earlier. This was after a rise in long-term rates, offset by the change in the fair value of ORNANE bonds between 2014 and 2015 (a decrease of €74 million, Group share, and €90 million at 100%).

Share in earnings of affiliates

Consolidated data	% interest	Value 2014	Contribution to earnings	Value 2015	Change (%)
OPCI Foncière des Murs	8,58%	69,2	4,3	70,0	1,1%
SCI Latécoëre (Dassault Campus)	50,10%	92,8	1,7	n.a*	n.a
Lénovilla (New Velizy)	50,10%	13,8	13,6	27,5	49,8%
Euromed	50,00%	10,3	3,7	14,0	26,4%
SCI Latécoëre 2 (Extension DS)	50,10%		-0,1	-0,1	n.a
FDM Management	17,62%		-0,3	19,2	n.a
Other equity interests		2,6	2,3	21,8	88,2%
Total		**188,7**	**25,2**	**152,4**	-23,8%

**SCI Latecoëre fully consolidated*

Income from non consolidated affiliates

Income from non-consolidated companies corresponds to OPCI Technical Fund dividends for €0.2 million.

Tax regime

Taxes determined are for:

- foreign companies not covered or only partially covered by a specific scheme for real estate businesses
- French subsidiaries not having opted for the SIIC regime

- French SIIC or Italian subsidiaries with taxable activity.

EPRA recurring net income

(€million) Group share	H1 2014 after reclassification	H1 2015 after reclassification	Change after reclas	% after reclas.
Net rental income	243,7	249,8	6,1	2,5%
Net operating costs	-25,5	-28,9	-3,4	13,3%
Income from other activities	10,5	13,1	2,6	24,8%
Net change in provisions and other	0,0	0,0	0,0	n.a
Cost of net financial debt	-83,9	-78,2	5,7	-6,8%
Recurrent net income from equity affiliates	7,0	6,4	-0,6	-9,1%
Income from non consolidated affiliates	0,0	0,2	0,2	n.a
Recurrent tax	-1,8	-0,5	1,3	-72,2%
Profits or losses on discontinued operations	13,5	7,7	-5,8	-43,1%
EPRA recurrent net income	**163,6**	**169,6**	**6,0**	**3,7%**
EPRA recurrent net income per share	**2,57***	**2,62**	**0,04**	**1,7%**
Fair value adjustment on real estate assets	49,3	158,1	108,8	220,7%
Fair value adjustment on financial instruments	-139,4	-35,4	104,0	-74,6%
Net Résult on disposals	-3,3	-0,3	3,0	-90,9%
Other	-23,3	-2,8	20,5	-88,0%
Non-recurrent tax	-2,8	-11,6	-8,8	314,3%
Profits or losses on discontinued operations	7,7	-2,7	-10,4	-135,1%
Net income	**51,7**	**274,8**	**223,1**	**431,1%**
Diluted average number of shares	62 699 082	64 771 181	2 072 099	3,3%

*Post adjusting the distribution of preferential subscription rights related to the capital increase early 2015 (adjustment factor of 0.986)

	Before reclassification			After reclassification		
	Net income GS	Restatements	EPRA RNI	Net income GS	Restatements	EPRA RNI
Net rental income	**256,5**	**2,3**	**258,8**	**248,0**	**1,8**	**249,8**
Operating costs	-29,6	0,6	-29,0	-29,5	0,6	-28,9
Income from other activities	12,8	0,3	13,1	12,8	0,3	13,1
Depreciation of operating assets	-4,5	4,5	0,0	-4,5	4,5	0,0
Net change in provisions and other	-3,7	3,7	0,0	-1,8	1,8	0,0
Current operating income	**231,4**	**11,4**	**242,8**	**225,0**	**9,0**	**234,0**
Net income from inventory properties	-0,4	0,4	0,0	-0,4	0,4	0,0
Income from asset disposals	-0,3	0,3	0,0	0,0	0,0	0,0
Income from value adjustments	156,5	-156,5	0,0	158,1	-158,1	0,0
Income from disposal of securities	0,1	-0,1	0,0	0,1	-0,1	0,0
Income from changes in scope	0,0	0,0	0,0	0,0	0,0	0,0
Operating income	**387,2**	**-144,4**	**242,8**	**382,6**	**-148,6**	**234,0**
Income from non-consolidated companies	0,2	0,0	**0,2**	0,2	0,0	**0,2**
Cost of net financial debt	**-80,2**	**0,8**	**-79,4**	**-79,0**	**0,8**	**-78,2**
Value adjustment on derivatives	-33,8	33,8	0,0	-35,4	35,4	0,0
Discounting of liabilities and receivables	-2,4	2,4	0,0	-2,3	2,3	0,0
Net change in financial provisions	-6,8	6,8	0,0	-6,8	6,8	0,0
Share in earnings of affiliates	22,6	-16,2	6,4	22,6	-16,2	6,3
Pre-tax net income	**286,8**	**-116,8**	**170,0**	**281,8**	**-119,5**	**162,3**
Deferred tax	-10,5	10,5	0,0	-10,5	10,5	0,0
Corporate income tax	-1,5	1,1	-0,4	-1,5	1,1	-0,4
Net income for the period	**274,8**	**-105,2**	**169,6**	**269,8**	**-107,9**	**161,9**
Profits or losses on discontinued operations				5,0	2,7	7,7
Net income for the period	**274,8**	**-105,2**	**169,6**	**274,8**	**-105,2**	**169,6**

D. Balance sheet

Consolidated balance sheet

(€million)	2014	H1 2015 before reclassification	Discontinued operations	H1 2015		2014	H1 2015 before reclassification	Discontinued operations	H1 2015
Non-current assets					**Shareholders' equity**				
					Capital	188	200	0	200
Intangible assets	145	39	0	39	Additional paid-in capital	2 291	2 449	0	2 449
					Treasury stock	-4	-2	0	-2
Tangible assets	80	89	0	89	Consolidated reserves	1564	1507	0	1507
Investment properties	14 535	15 517	0	15 517	Earnings	119	275	0	275
	0	0	0	0	**share**	**4 158**	**4 428**	**0**	**4 428**
Financial assets	185	184	0	184	Non-controlling interests	3 142	3 051	0	3 051
Equity affiliates	189	152	0	152	**Total shareholders' equity (I)**	**7 300**	**7 479**	**0**	**7 479**
Deferred tax assets	17	21	0	21	**Non-current liabilities**				
Long-term financial instruments	39	42	0	42					
					Long-term borrowings	7 709	8 232	0	8 232
					Long-term financial instruments	520	516	17	499
Total non-current assets (I)	**15 189**	**16 043**	**0**	**16 043**	Deferred tax liabilities	261	310	0	310
Current assets					Pension and other liabilities	44	44	0	44
					Other long-term debt	7	11	4	7
Assets held for sale	537	1065	287	778	**Total non-current liabilities (II)**	**8 540**	**9 113**	**21**	**9 092**
Loans and finance lease receivables	8	4	0	4	**Current liabilities**				
Inventories and work-in-progress	73	73	0	73	Liabilities held for sale				
Short-term financial instruments	21	24	0	24	Trade payables	87	120	3	117
Trade receivables	264	344	16	327	Short-term borrowings	1204	1543	14	1529
Current tax	3	7	4	3	Short-term financial instruments	98	88	4	84
Other receivables	123	98	1	97	Tenant security deposits	5	6	0	6
Accrued expenses	10	20	1	20	orders	139	147	7	141
Cash and cash equivalents	1027	1147	1	1146	Short-term provisions	17	8	0	8
Discontinued operations	311	0	0	310	Current tax	6	3	0	3
					Other debt	6	3	0	223
					Accruals	37	37	0	37
					Discontinued operations	47	0	0	52
Total current assets (II)	**2 376**	**2 781**	**310**	**2 781**	**Total current liabilities (III)**	**1 726**	**2 233**	**31**	**2 254**
Total assets (I+II)	**17 566**	**18 824**	**310**	**18 824**	**Total liabilities (I+II+III)**	**17 566**	**18 825**	**52**	**18 824**

Simplified consolidated balance sheet

Assets	2014 after reclassification	H1 2015	Liabilities	2014 after reclassification	H1 2015
Fixed assets	14 760	15 645	Shareholders' equity	4 158	4 428
Equity affiliates	189	152	Non-controlling interests	3 142	3 051
Financial assets	185	184	**Shareholders' equity**	**7 300**	**7 479**
Deferred tax assets	17	21	Borrowings	8 913	9 761
Financial instruments	60	65	Financial instruments	618	582
Assets held for sale	537	778	Deferred tax liabilities	261	310
Cash	1027	1146	Discontinued operations	47	52
Discontinued operations	311	310	Other liabilities	427	640
Other	481	524			
Total	**17 566**	**18 824**	**Total**	**17 566**	**18 824**

Simplified balance sheet - Group share

Assets	2014 after reclassification	H1 2015	Liabilities	2014 after reclassification	H1 2015
Fixed assets	8 650	9 627			
Equity affiliates	139	187			
Financial assets	181	92	**Shareholders' equity**	**4 158**	**4 428**
Deferred tax assets	8	11	Borrowings	5 765	6 556
Financial instruments	55	51	Financial instruments	417	440
Assets held for sale	373	493	Deferred tax liabilities	135	172
Cash	801	970	Other	313	457
Discontinued operations	311	310	Discontinued operations	47	52
Other	318	365			
Total	**10 836**	**12 105**	**Total**	**10 835**	**12 105**

Shareholders' equity

Consolidated shareholders' equity rose from €4,158 million (Group share) at 31 December 2014 to €4,428.3 million (Group share) at 30 June 2015, an increase of €270.3 million due mainly to:

- income for the period: +€274.8 million
- the capital increase net of expenses: +€252.5 million
- Impact of the cash dividend distribution: -€269.4 million
- financial instruments included in shareholders' equity: +€10.1 million
- the change in the ownership interest in FDM: -€3.2 million
- the shift to full consolidation for Latécoère: +€2.3 million.

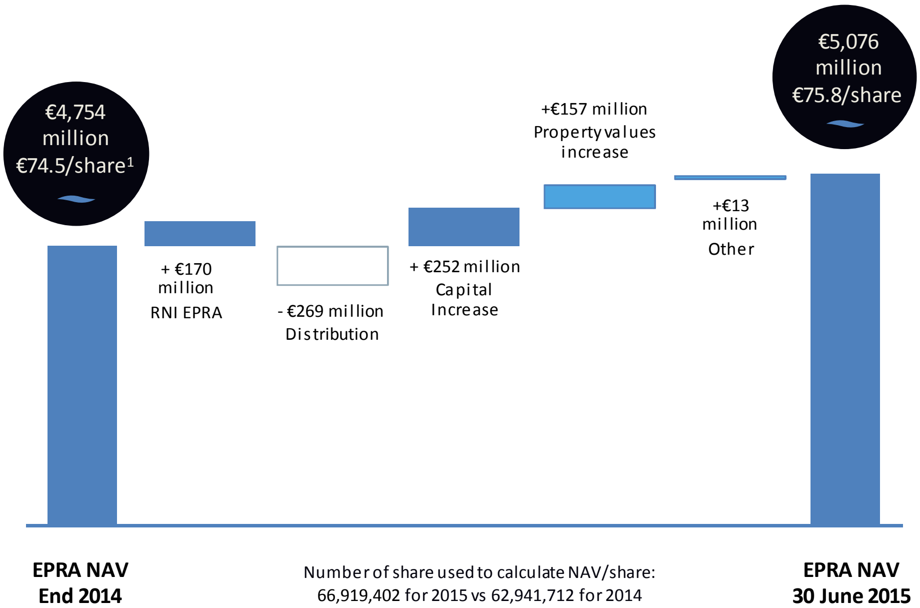
Net debt

Foncière des Régions' bank loans amounted to €6,386 million in Group share, and €9,586 million on a consolidated basis. Net debt at 30 June 2015 was €5,587 million (Group share), and €8,615 million on a consolidated basis), compared with €4,964 million (Group share), and €7,886 million on a consolidated basis) at 31 December 2014. It thus increased by €623 million (Group share) and by €729 million on a consolidated basis.

5. Net Asset Value (NAV)

	2014	H1 2015	Var. vs 2014	Var. (%) vs 2014
EPRA NAV (€million)	4 753,5	**5 075,6**	322,0	6,8%
EPRA NAV / share (€)	74,5*	**75,8**	1,3	1,7%
EPRA triple net NAV (€million)	4 145,1	**4 437,0**	291,9	7,0%
EPRA triple net NAV / share (€)	64,9*	**66,3**	1,4	2,1%
Number of shares	62 941 712	**66 919 402**	3 977 690	6,3%

**Post adjusting the distribution of preferential subscription rights related to capital increase early 2015 (adjustment factor of 0.986)*



*[1] * Post adjusting the distribution of preferential subscription rights related to capital increase early 2015 (adjustment factor of 0.986)*

	(€million)	€/share
Shareholders' equity	**4 428,3**	**66,2**
Fair value assessment of buildings (operation + inventory)	33,0	
Fair value assessment of parking facilities	23,2	
Fair value assessment of goodwill	0,9	
Fixed debt	-65,8	
Restatement of value ED	17,4	
EPRA triple net NAV	**4 437,0**	**66,3**
Financial instruments and fix rate debt	313,0	
Deferred tax	161,5	
ORNANE	164,0	
EPRA NAV	**5 075,6**	**75,8**
IFRS NAV	**4 428,3**	**66,2**

Valuation work is carried out in accordance with the code of conduct applicable to SIICs and 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 Ebitda 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 of buildings and Hotel 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 €33.0 million.

Since Hotel business 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 €0.9 million at 30 June 2015.

◆ 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 NAV was €23.2 million at 30 June 2015.

◆ 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 €17.4 million at 30 June 2015.

◆ 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 -€65.9 million at 30 June 2015.

6. Financial Resources

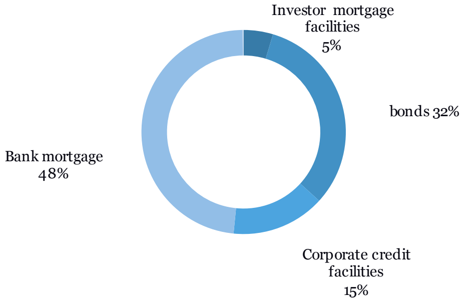
A. Main debt characteristics

GS	2014	H1 2015
Net debt, Group share (€million)	4 962	**5 587**
Average annual rate of debt	3,29%	**2,94%**
Average maturity of debt (in years)	4,1	**4,9**
Debt active hedging spot rate	84%	**88%**
Average maturity of hedging	5,1	**5,3**
LTV Including Duties	46,1%	**47,5%**
ICR	2,76	**3,00**

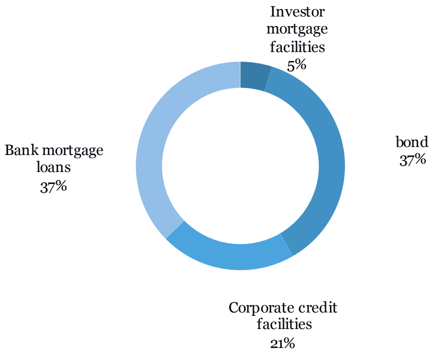
6.1. Debt by type

Foncière des Régions' net debt (Group share) amounted to €5.6 billion as at 30 June 2015 (€8.6 billion on a consolidated basis).

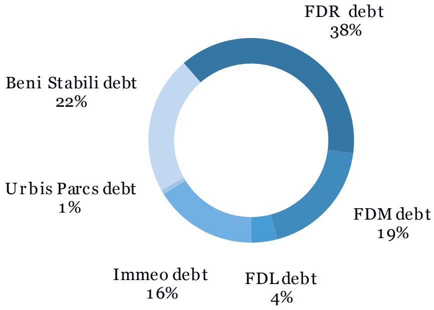
As a share of total debt, non-mortgage debt was 58% at 30 June 2015, stable compared with 31 December 2014 (60%).



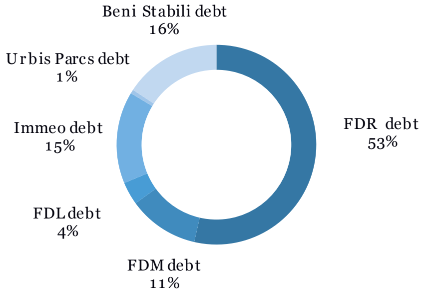
Commitments 100%



Commitments (group share)



Consolidated Commitments per company



Commitments group share per company

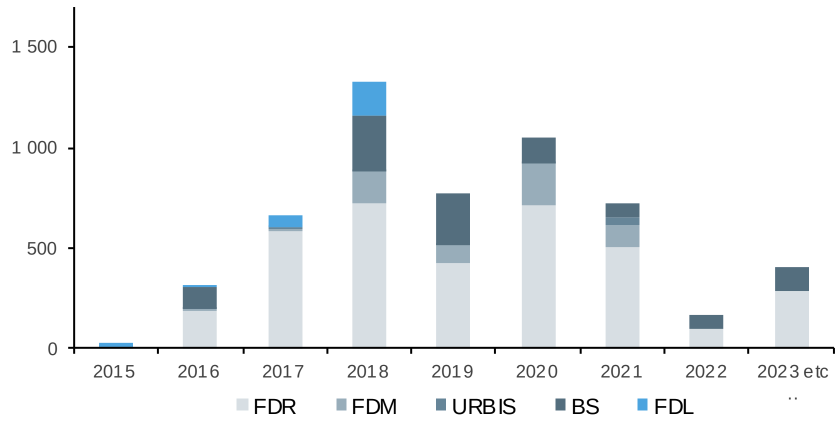
In addition, at end-June 2015, the cash and cash equivalents of Foncière des Régions totalled nearly €2.0 billion, Group share (€2.3 billion on a consolidated basis). These amounts do not include the unused portion of loans allocated to development projects under way. In particular, Foncière des Régions had €757 million in commercial paper outstanding at 30 June 2015.

6.2. Debt maturity

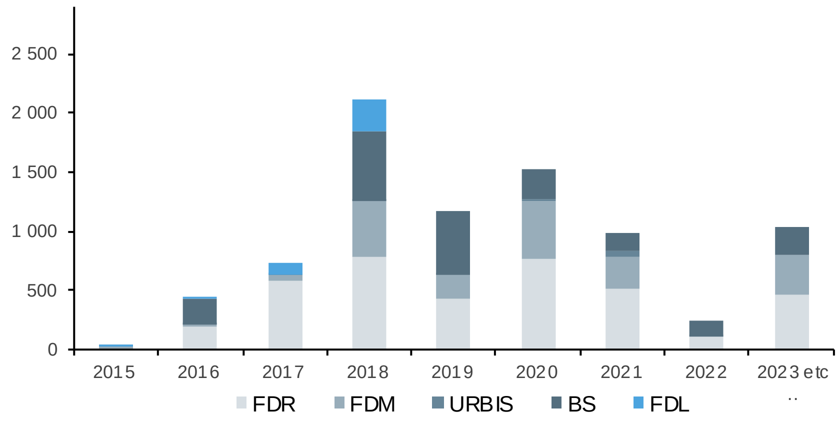
The average maturity of Foncière des Régions' debt was 4.9 years at end-June 2015.

The 2015 and 2016 maturities are covered entirely by existing cash. Maturities for 2016 mainly affect Beni Stabili (€109 million Group share and €226 million on a consolidated basis) and Foncière des Régions (€185 million in GS)

Debt amortisation schedule by company (Group share)



Debt amortisation schedule by company (on a consolidated basis)



6.3. Main changes during the period

◆ New debt issues: €2.2 billion at 100% (€1.4 billion, Group share)

- Foncière des Régions: €0.8 billion (Group share: €0.7 billion):
  - During the first half of 2015, Foncière des Régions continued the process of renegotiating its corporate credit facilities to optimise their financial conditions and extend their

maturities. As a result, €290 million were renegotiated or refinanced. In addition, €60 million in new corporate debts were taken out.

- In March 2015, Foncière des Régions refinanced the Dassault Systèmes Campus asset in Vélizy (€168 million) to optimise its financial conditions and extend its maturity to 2023. In June, Foncière des Régions also put in place financing in the amount of €45 million for the extension to this same property, where works began at the start of the year.

Post-balance sheet event:

- Foncière des Régions obtained ten-year refinancing of the debt on the CB21 asset (in the amount of €280 million).

- Beni Stabili: €0.6 billion raised in the period (Group share €0.3 billion):

  - In March 2015, Beni Stabili successfully completed a private placement of €125 million in bonds, with an annual coupon of 2.125% and maturing in seven years (March 2022). This supports the ongoing strategy of extensive diversification of financing sources, reduction in the cost of the debt and the extension of its maturity.

  - In June 2015, Beni Stabili obtained €255 million in new mortgage debt maturing in ten years. This financing allows for a significant reduction in the cost of the debt and a notable improvement in the maturity.

  - Also in the first half, Beni Stabili took out a €110 million mortgage for a portfolio of assets mainly located in the Milan region and renegotiated €96 million in existing mortgage debt.

- Hotels and Service Sector: €0.3 billion raised in the period (Group share €0.1 billion):

  - In May 2015, Foncière des Murs successfully completed its first issue of non-secured bonds, via a private placement in the amount of €200 million, with an annual coupon of 2.218% and maturing in eight years. This bond issue allowed Foncière des Murs to extend the average maturity of its debt while ensuring a reduction in its average cost.

  Post-balance sheet event:

  - New mortgages in the total amount of €95 million will be taken out in the summer of 2015 in order to refinance assets leased to Motel One and B&B in Germany.

- Germany Residential: €0.5 billion raised in the period (Group share €0.3 billion):

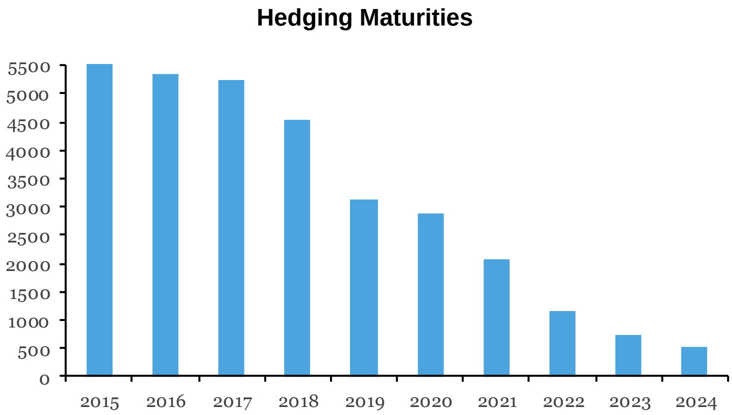
  - Immeo obtained ten-year refinancing of mortgages in the amount of €216 million allowing for marked improvements in financial conditions and the maturity of the debt.

  - Immeo also raised nearly €270 million in new ten-year financing for the period’s acquisitions, mainly in the regions of Berlin, Dresden, Hamburg, Leipzig and Cologne.

6.4. Hedging profile

In the first half of 2015, 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 30 June 2015, 87% of Foncière des Régions' debt was hedged by short-term hedges (Group share), the same rate as at 31 December 2014. The average term of the hedges is 5.3 years for Group share.



6.5. Average interest rate on the debt and sensitivity

The average rate on the debt of Foncière des Régions stood at 2.9% in Group share, compared to 3.3% in 2014. This decrease was mainly due to the full-year impact of the refinancing of Beni Stabili's securitised debt in September 2014, the new issue in September 2014 of €500 million in Foncière des Régions bonds with an annual coupon of 1.75% and maturing in seven years, as well as the impact of renegotiations in 2014 and hedge restructuring.

For information purposes, an increase of 50 basis points in the three-month Euribor rate would have a negative impact of €1.0 million on recurring net income in 2015.

◆ 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 30 June 2015 were 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 covenants applicable to the REITs are the following:

- for Foncière des Régions: 200%
- for Foncière des Murs: 200%
- for Foncière Développement Logements: 150%
- for Beni Stabili: 130%.

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

Lastly, with respect to Foncière des Régions, some corporate credit facilities are subject to the following ratios:

Ratio	Covenant	H1 2015
LTV	60%*	52,4%
ICR	200,0%	299,0%
Secural debt ratio	25%**	6,8%

** A single credit facility of €75 million maturing in one year is subject to a covenant at 55%.*
*** A €75 million credit facility is subject to a covenant at 22.5%.*

All covenants were fully complied with at the end of June 2015. No loan has an accelerated payment clause contingent on a Foncière des Régions rating.

LTV calculation details

€M GS	2014	H1 2015
Net book debt*	4 911	5 604
Receivables on disposals	-338	-448
Security deposits received	-39	-31
Finance lease-backed debt	-2	-2
Net debt	**4 532**	**5 122**
Appraised value of real estate assets (ID)	9 871	11 004
Preliminary sale agreements	-338	-448
Purchase Debt		-43
Financial assets	39	14
Goodwill	2	0
Receivables linked to associates	117	143
Share of equity affiliates	139	92
Value of assets	**9 829**	**10 762**
LTV ED	**48,5 %**	**50,3 %**
LTV ID	**46,1%**	**47,5 %**

**Adjusted for changes in fair value of convertible bond (-€47,3 million)*

7. Financial indicators of the main activities

	Foncière des Murs			Beni Stabili		
	H1 2015	H1 2015	Var. (%)	H1 2014	H1 2015	Var. (%)
EPRA Recurrent net income (€million)	57,9	**63,4**	9,5%	41,7	**50,8**	22,0%
EPRA Recurrent net income (€/share)	0,90	**0,86**	-5,1%	0,02	**0,02**	3,1%
	2014	**2015**	**Var. (%)**	**2014**	**2015**	**Var. (%)**
EPRA NAV (€/share)	25,9	**25,3**	-2,3%	0,87	**0,88**	0,2%
EPRA triple net NAV (€million)	22,7	**23,0**	1,4%	0,80	**0,80**	0,5%
% of capital held by FDR	28,3%	**43,1%**	0%	48,3%	**48,3%**	0%
LTV ID	34,7%	**40,0%**	+ 5,3 pts	50,8%	**48,5%**	- 2,3 pts
ICR	3,21	**3,73**	0,52	1,79	**2,30**	0,51

	Immeo		
	S1 2014	H1 2015	Var. (%)
EPRA Recurrent net income (€million)	34,9	**41,9**	20,0%
EPRA Recurrent net income (€/share)	0,30	**0,34**	-2,0%
	2014	**2015**	**Var. (%)**
EPRA NAV (€/share)	11,3	**11,5**	2,0%
EPRA triple net NAV (€million)	8,9	**9,2**	3,0%
% of capital held by FDR	60,9%	**61,0%**	0%
LTV ID	41,8%	**45,8%**	+ 4,0 pts
ICR	2,40	**2,82**	0,42

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: acquisitions, disposals and development projects (including vacated premises and deliveries of properties).

The Like-for-like change presented in portfolio tables is a variation taking into account CAPEX works done on the existing portfolio.

The current scope includes all portfolio assets.

Like-for-like change in rent

This indicator compares rents recognised from one financial year to another without accounting for changes in scope: acquisitions, disposals and development projects (including vacated premises and deliveries of properties). The change is calculated on the basis of rental income under IFRS for strategic activities.

This change is restated to exclude payments for recovery of property by landlords and income related to the IMU local property tax in Italy.

The current scope includes all portfolio assets except assets under development.

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 calculated using annualized data, on the strategic activities portfolio.

The current scope includes Core portfolio assets in both Italy and Germany, plus Core and Dynamic portfolio assets for France Offices and Service Sector (dynamic assets : assets held for sale).

The indicator “Occupancy rate” includes all portfolio assets except assets under development.

- ## 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, 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.

- ## Rental activity

Rental activity includes mention of the total surface areas and the annualised rental income for renewed leases, vacated premises and new lettings during the period under review.
For renewed leases and new lettings, the figures provided take into account all contracts signed in the period so as to reflect the transactions completed, even if the start of the leases is subsequent to the period.
Lettings relating to assets under development are identified under the heading "Lettings in assets under development".

- ## 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 "topped-up" 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:

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