

Foncière des Régions: a major investment in the city centre of Berlin

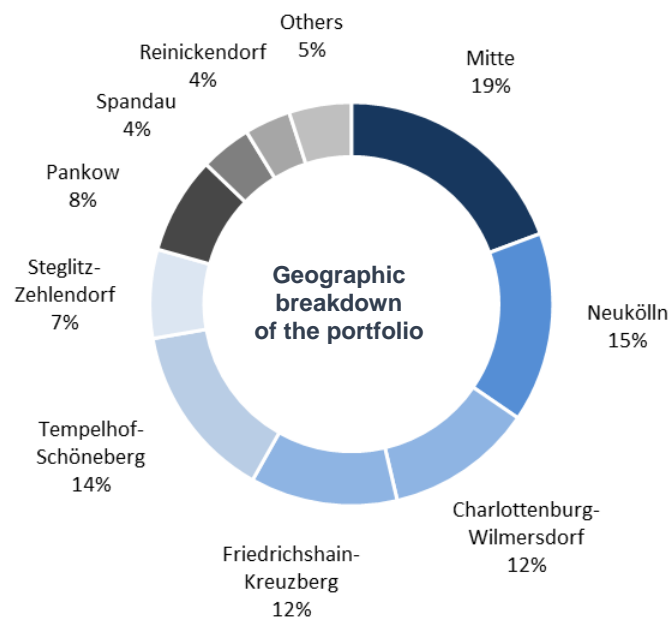
Acquisition of a prime housing portfolio

Via its German subsidiary, Immeo¹, Foncière des Régions announces the launch of a voluntary conditional public takeover bid for the share capital of Berlin IV A/S, a real estate company listed on the Copenhagen stock exchange, which owns a housing portfolio comprising 2,735 units in central Berlin.

Foncière des Régions now indirectly owns 25.27% of the voting rights in Berlin IV, and 5.18% of its share capital. In addition, it benefits from irrevocable commitments made by other shareholders representing more than a third of the voting rights and share capital.

The voluntary takeover bid is made in particular subject to the condition precedent that Foncière des Régions obtains more than 50% of the voting rights. The purpose of the transaction is to obtain more than 90% of the voting rights and share capital and, as a result, the de-listing of the company. The bid should be closed by the end of 2015.²

Accordingly, Foncière des Régions could control a portfolio which it values at €348 million (€212 million group share), comprising 135 buildings located in the heart of Berlin, 70% of which were built before 1918 ("Altbau").



¹ Immeo Group comprising the Immeo SE subsidiaries in Germany and Denmark

² Or no later than the end of the first quarter of 2016

More active management to generate strong growth

This top-quality portfolio, generating €16 million in rental income, holds great value-creating potential through:

- intensified property management thanks to the take over of the portfolio management, which was previously outsourced. This should contribute towards tapping the rental reversion potential, estimated at 43% (average rental income of €6.7/m²/month) and quickly reducing vacancy (currently at 4.2%),
- while enabling proactive asset management through the creation of new living areas for approximately 100 housing units; and through the privatization of part of the portfolio. The average metric value of €1,790 foresees profit margin potential of 50%. More than 30% of the portfolio, which now benefits from co-ownership authorisations, will be sold gradually from 2017.

Drawing on this prime portfolio that strengthens its growth and value-creation prospects in Berlin, Foncière des Régions is pursuing investments in one of the most dynamic German cities in terms of both demographic prospects and purchasing power. Following this transaction, 55% of the German residential portfolio will be located in growing cities (Berlin, Hamburg, Dresden and Leipzig), compared with 36% in early-2015.

Operating in the German residential market since 2005 with a top-quality local team, Foncière des Régions aims to continue its quality-enhancing portfolio rotation of €3.3 billion (€2.0 billion group share) in the country, and to continue building up its presence in dynamic and attractive cities.



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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 to 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 Euronext Vigeo (World 120, Eurozone 120, Europe 120 et France 20) ethical indices.

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

www.en.fonciere-des-regions.fr

