



## 1<sup>st</sup> quarter of 2016: Going forward

3 May 2016

### Strengthened positions in our strategic locations

- Secured acquisitions totalling €517 million since the beginning of the year
- France Offices: acquisition of an office complex in Rueil-Malmaison for €129 million
- German Residential: investments of €241 million in the centre of Berlin
- Hotels in Europe: increase in European exposure

### Italy: key stage in the acceleration of the strategy

- Occupancy rate improvement plan: 28% of new rents already secured
- Development of Symbiosis in Milan: pre-leasing of 16,000 m<sup>2</sup> to Fastweb (option on an additional 3,000 m<sup>2</sup>)
- Appointment of Alexei Dal Pastro as General Manager of Beni Stabili

### 5.5% increase in rental income

- Rental Income, amounting to €139.9 million Group Share, up 5.5% (-0.4% on a like-for-like basis)
- High occupancy rate of 96.6% (vs. 96.3% at end-2015)
- Strong growth dynamics in German Residential (+20% in rents and +2.6% on a like-for-like basis), driven by the increase in Berlin exposure

## Strengthened positions in our strategic locations

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The first quarter of 2016 was marked by Foncière des Régions' major efforts to increase **its presence in its strategic locations**, through secured acquisitions totalling €517 million (€367 million Group Share) for an average yield of 6.3%.

### *France Offices: acquisitions amounting to €140 million*

**Foncière des Régions completed the acquisition of the Vinci Group's head office (36,000 m<sup>2</sup>)** in Rueil-Malmaison, one of the most dynamic business districts of Greater Paris, in particular for the premises of large groups (750,000 m<sup>2</sup> of office space and over 180 companies). The investment (€129 million including fees) is accompanied by a high yield (7.8%) for a 4-year period, prior to fully re-developing the site to offer value-creation potential.

### *German Residential: acquisitions amounting to €241 million (€168 million Group Share)*

**The Group continued its development in Berlin** with acquisitions totalling €241 million (€168 million Group Share), mainly in the housing sector in the city's central districts. The average yield comes to 4.9% for a rent reversion potential of around 40%.

### *Hotels in Europe: acquisitions amounting to €136 million (€59 million Group Share)*

**Foncière des Régions increased its exposure to this category of assets, while continuing its European development.** The Group thus increased its stake in Foncière des Murs (to 47.5% vs. 43.1% at end-2015) and will be launching in May a public takeover bid for the remainder of the subsidiary's capital under the same terms (i.e. 1 new Foncière des Régions share for 3 Foncière des Murs shares).

**In parallel, the Group actively pushed ahead with investments with its hotel partners**, with the acquisition of 5 NH hotels in Germany for €124.8 million (€54 million Group Share, coming into effect in 2017 and 2018) and 4 B&B hotels in Spain for €11.2 million (€5 million Group Share). Moreover, on the strength of its leading European position in this asset class, Foncière des Régions launched Foncière Développement Tourisme, a 50/50 joint venture with Caisse des Dépôts, dedicated to investments in tourist accommodation in France (hotels in holiday resorts, tourist residences, and holiday centres).

## Key stage in the acceleration of the strategy in Italy

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The first quarter marked the start of a turnaround in an improving economic climate, a major step in the achievement of the year's objectives:

- **Foncière des Régions secured 28% of its occupancy rate improvement plan in Italy**, which consists in recovering €14 million in rental income and €16 million in cash flow (respectively €7 million and €8 million Group Share) on vacant assets, in return for a capex program of €60 million (€30 million Group Share). The Group signed new leases on a total of 14,679 m<sup>2</sup>, representing €4.2 million in rental income, including 6,530 m<sup>2</sup> on Via Messina in Milan (€1.2 million in rental income). Excluding Telecom Italia, its portfolio's occupancy rate rose 3 points to 89%.
- **In its development pipeline**, the Group pre-leased 16,000 m<sup>2</sup> of office space (and an option of 3,000 m<sup>2</sup> of additional space) to Fastweb in the first building (totalling 19,000 m<sup>2</sup>) of Symbiosis. This transaction confirms the quality of this business district in the south of Milan, located in an ideal setting opposite the new Prada foundation and at the crossroads of the city's historic centre, Milan-Linate airport and Bocconi University.
- Furthermore, Foncière des Régions announced the **appointment of Alexei Dal Pastro as General Manager of its Italian subsidiary Beni Stabili**. With over 15 years' experience in real estate, Alexei Dal Pastro was until now Head of Fund Management and Asset Management

and member of the Management Board at Prelios SGR, one of Italy's leading real estate fund management companies, with €4 billion in managed assets including 50% office space.

## Rental income at the end of March 2016: €139.9 million, an increase of 5.5%

The Group's rents were boosted by the delivery of numerous assets in the France Offices segment in 2015 (105,000 m<sup>2</sup>) and stronger positions in the German Residential segment. **Rental income was €139.9 million Group Share at the end of March 2016, an increase of 5.5%.**

**On a like-for-like basis, rental income dropped slightly (-0.4%).** The revenue benefited from a good performance of the German Residential segment (+2.6%, of which +4.7% in Berlin) and from the first positive impacts of the improvement of the occupancy rate (+3 points) on the non Telecom Italia portfolio in Italy (+1.3% on a like-for-like basis). This was offset by the impact of the renegotiation with Telecom Italia in 2015 (leases lengthened by 9 years, to 15 years firm, in return for a 6.9% reduction in rents). In the Hotel segment (-1.5% in rents, and a slight rise of 0.5% excluding AccorHotels rents), revenues were weighed down by the impact of the terrorist attacks of November 2015 which affected the variable rental income from AccorHotels. The trend started to improve in March and the second part of the year should benefit from a better economic situation, as well as the Euro 2016 football tournament which will take place in France.

| Group Share                               | Rental income (€m) | Change        | Change on like-for-like basis | Occupancy rate | Residual firm terms of leases |
|---|--------------------|---------------|-------------------------------|----------------|-------------------------------|
| <b>Offices - France</b>                   | 61.7               | + 8.1%        | - 0.2%                        | 95.9%          | 5.6 years                     |
| <b>Offices - Italy</b>                    | 24.8               | - 7.6%        | - 3.1%                        | 94.3%          | 9.7 years                     |
| <i>Of which Telecom Italia offices</i>    | 12.5               | -11.9%        | -6.9%                         | 100%           | 14.6 years                    |
| <i>Of which Offices ex Telecom Italia</i> | 12.3               | -2.8%         | +1.3%                         | 89%            | 5.1 years                     |
| <b>Offices</b>                            | <b>86.5</b>        | <b>+ 3.1%</b> | <b>- 1.1%</b>                 | <b>95.5%</b>   | <b>6.7 years</b>              |
| <b>Residential Germany</b>                | 32.1               | + 19.7%       | + 2.6%                        | 97.8%          | n.a.                          |
| <b>Hotels/Service Sector</b>              | 18.7               | + 3.1%        | - 1.5%                        | 100%           | 10.5 years                    |
| Other (French Resi.)                      | 2.6                | - 31.4%       | n.a.                          | n.a.           | n.a.                          |
| <b>Total</b>                              | <b>139.9</b>       | <b>+ 5.5%</b> | <b>- 0.4%</b>                 | <b>96.6%</b>   | <b>7.3 years</b>              |

### A conference call for analysts and investors

**will take place today at 6:00 pm (Paris time)**

The presentation relating to the conference call will be available

on the website of Foncière des Régions: [www.foncieredesregions.fr/finance](http://www.foncieredesregions.fr/finance)

### Financial calendar:

Capital Markets Day 2016: 14 June 2016

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## Shareholder relations



## Appendix:

### Rental income for the first quarter of 2016 at 100% and Group Share

| (€ million)                       | 100 %        |              |             | Group Share  |              |             |                | % of rent   |
|-----------------------------------|--------------|--------------|-------------|--------------|--------------|-------------|----------------|-------------|
|                                   | Q1 2015      | Q1 2016      | Change (%)  | Q1 2015      | Q1 2016      | Change (%)  | Change (%) LFL |             |
| Offices France                    | 60,3         | 68,0         | 12,9%       | 57,0         | 61,7         | 8,1%        | -0,2%          | 44%         |
| Offices Italy                     | 55,6         | 49,6         | -10,9%      | 26,9         | 24,8         | -7,6%       | -3,1%          | 18%         |
| <b>Total Offices</b>              | <b>115,9</b> | <b>117,6</b> | <b>1,5%</b> | <b>83,9</b>  | <b>86,5</b>  | <b>3,1%</b> | <b>-1,1%</b>   | <b>62%</b>  |
| Hotels and Service sector         | 46,5         | 48,1         | 3,5%        | 18,1         | 18,7         | 3,1%        | -1,5%          | 13%         |
| Residential Germany               | 44,5         | 52,1         | 17,0%       | 26,8         | 32,1         | 19,7%       | 2,6%           | 23%         |
| <b>Total strategic activities</b> | <b>206,9</b> | <b>217,8</b> | <b>5,3%</b> | <b>128,9</b> | <b>137,3</b> | <b>6,5%</b> | <b>-0,4%</b>   | <b>98%</b>  |
| Other                             | 6,1          | 4,2          | -31,4%      | 3,7          | 2,6          | -31,4%      | n/a            | 2%          |
| <b>Total rent</b>                 | <b>213,0</b> | <b>222,0</b> | <b>4,2%</b> | <b>132,6</b> | <b>139,9</b> | <b>5,5%</b> | <b>-0,4%</b>   | <b>100%</b> |

### 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 €18Bn (€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.foncieredesregions.fr](http://www.en.foncieredesregions.fr)

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