FONCIÈRE DES RÉGIONS

Co-créateur d'histoires immobilières

€18 billion portfolio[1]

€287 million
Rental income +6%

96.7%
Occupancy rate

€177 million
Recurring Net Income +4%

€82.40/share
EPRA NAV +9%

"The half-year performance confirms Foncière des Régions' ability to seize good opportunities that will generate sustainable growth.
The strong signals given by our operational and financial indicators support our outlook and our objectives."
Christophe Kullmann, *CEO of Foncière des Régions*

H1 2016 results: a rewarding strategy

Portfolio at end of June: increase in assets in Paris, Berlin and Milan

- €18 billion portfolio, €12 billion Group share (+6.5% Group Share).
- Record level of secured investments of €1.8 billion (€1.1 billion Group Share).
- Strengthened positioning in our strategic locations: Paris, Berlin and Milan.

Rental activity: strategic successes

- Successful partnership model involving major agreements with Orange and EDF.
- Over 64,000 m² of office space rented in France and Italy, including 34,000 m² in the pipeline.
- Rise in occupancy rate (96.7%) and average firm lease term (7.5 years).

Growth in half-year results

- Recurring Net Income up 4% to €177 million (€2.64 per share).
- Increase in the value of the portfolio (+3.2% on a like-for-like scope).
- EPRA NAV per share of €82.40, up 9% over one year.

Outlook confirmed

- Ongoing quality-enhancing rotation of portfolio assets.
- Improved growth dynamics on a like-for-like scope.
- Objective of stable 2016 Recurring Net Income per share confirmed.

[1] *€12 billion Group Share*

Recurring Net Income and EPRA NAV consist of Alternative Performance Indicators as defined by the AMF and detailed in sections 3. Financial information, 4. Net Asset Value and 7. Glossary of this document.
The half-yearly financial statements underwent a limited audit. The report of this limited audit is in the process of being published.

Strengthened strategic positioning over the half-year

Foncière des Régions now holds a **portfolio of €18.3 billion** (€11.7 billion Group Share) comprising **France Offices** (44%), **Italy Offices** (18%), **German Residential** (20%) and **Hotels in Europe** (14%). Foncière des Régions relies on a partnership strategy with a leasing base made up of blue chip companies (Thales, Dassault Systèmes, Orange, EDF, Eiffage, Suez, Vinci, AccorHotels, Telecom Italia, etc.).

In the first half of 2016, Foncière des Régions implemented a particularly dynamic investment policy, with €1.8 billion (€1.1 billion Group Share) in secured investments.
On the strength of its recognised expertise in each of its asset classes, Foncière des Régions strengthened its exposure in its strategic locations, i.e. Greater Paris, Berlin and Milan. Over 80% of its investments are thus concentrated in these three cities:

- in **France Offices**, the Group's acquisitions include the **head office of the Vinci group (38,000 m²)** in Rueil-Malmaison, a bustling business district in the Greater Paris area particularly attracting large companies. The investment (€129 million including duties) is accompanied by a high yield (7.8%) for a four-year period, prior to the value-creation potential offered by the full re-development of the site.
- in **Italy Offices**, the Group continued to refocus its activities in Milan by signing two acquisitions for €85 million (€44 million Group Share) and strengthening its development pipeline with three new projects in Milan. The committed pipeline now amounts to €266 million (€139 million Group Shares), up €120 million over six months.
- in **German Residential**, the Group maintained a steady stream of investments, with acquisitions of quality buildings totalling €260 million (€182 million Group Share), mainly in the centre of Berlin. The rental growth potential of these investments stands at 40% on average.
- in the **Hotels** segment, the half-year was marked by a further increase in the Group's stake in the subsidiary Foncière des Murs through the acquisition of FDM shares in exchange for Foncière des Régions shares and the launch of a public exchange offer for FDM shares. At the end of June, Foncière des Régions held 49.6% of FDM's share capital, compared to 43.1% at end-2015. The Group also strengthened its hotel exposure in Europe with secured acquisitions totalling €1.1 billion (€259 million Group Share), mainly in Berlin, Dresden & Leipzig. These investments confirm the growth of the FDM Management vehicle, specialised in hotel operating properties.

Quality-enhancing portfolio rotation continued through a stream of disposals and agreements amounting to €689 million (€399 million Group Share) on non-strategic and non-core assets. In particular, Foncière des Régions sold its healthcare portfolio for €301 million (€149 million Group Share), with a margin of 25% over the last appraisal value and a yield of 4.6% (including duties).

The strategic progress made over the half-year enhances the Group's positioning, with a quality portfolio providing long-term secure income (occupancy rate of 96.7% and average firm lease term of 7.5 years) as well as value creation through an active asset management and development policy.

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Successful real estate strategy generating growth of 5.9% in rental income

- Maintaining a sustainable high occupancy rate: 96.7% (+0.4 points).
- Record average firm lease term: 7.5 years (+0.2 years).
- Stable rental income on a like-for-like scope: 0.0%.
- Growth of values on a like-for-like scope: +3.2%.

Boosted by the development policy in France Offices and strengthened positions in Hotels and German Residential, **rental income increased by 5.9% over the prior year**, to €287 million Group Share. On a like-for-like scope, rental income remained stable in a context of zero inflation.

	Occupancy rate	Residual firm lease terms	Rental income [1] (€m)	Change 12 months	Change at like-for-like scope
France Offices	95.8%	5.9-year	125.7	+8.0%	-0.3%
Italy Offices	95.1%	9.5-year	49.6	-7.2%	-0.8%
German Residential	98.1%	n.a.	65.3	+18.0%	+2.9%
Hotels/ Service Sector	100%	10.6-year	41.5	+6.8%	-2.1%
Other	n.a.	n.a.	5.0	-30.1%	n.a.
Total	**96.7%**	**7.5-year**	**287.1**	**+5.9%**	**0.0%**

[1] *Excluding Logistics (€2.8 million), classified as discontinued operations*

France Offices: a highly dynamic half-year
(€6.0 billion portfolio at 100%; €5.2 billion Group Share)

- High occupancy rate: 95.8% (stable).
- Firm lease maturity: 5.9 years (+0.5 years).
- Rents on a like-for-like scope: -0.3%.
- Growth of values on a like-for-like scope: +4.4%.
- Development pipeline: €2.5 billion (+€1.3 billion).

Over the half-year, **the Group strengthened its exposition to the main business districts of the Greater Paris area and Major Regional Cities** by pushing ahead with its strategy focused on its development pipeline and the acquisition of the head office of Vinci in Rueil-Malmaison.

The pipeline's rental performance confirms Foncière des Régions' solid track record and recognised expertise. In particular, the Group pre-let the 10,760 m² premises of the EDO building in Issy-les-Moulineaux through a new partnership with a large corporation. This building, purchased in 2011 with a view to its full redevelopment on the departure of the tenant in 2015, has thus been fully let one year before its delivery. In Lyon, premises of 2,800 m² (i.e. 26% of the asset) were pre-let to BNP Paribas in the Silex[1] building located in the city's main business district.

The half-year's good rental performance also applied to the operating portfolio. Leases for a total of 430,000 m² were renewed, under rental terms close to the existing ones (+0.9%), representing €61 million and 20% of the France Offices segment's annualised rental income. In particular, the Group signed two major rental agreements with its partners Orange and EDF, thereby extending the leases (to over five years firm), increasing liquidity of non-core assets and creating value.

Operational performance is solid. The occupancy rate remained at the high level of 95.8% while the firm maturity of leases increased by 0.5 years, to 5.9 years. The change in rental income on a like-for-like scope (-0.3%) reflects a zero-inflation environment while appraisal values increased 4.4% on a like-for-like scope. Apart from the positive effect of compressed yield rates, this strong performance was also due to successful developments. The appraisal value of the development projects committed increased by 20% on a like-for-like scope.

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In the future, Foncière des Régions will be able to rely on a **renewed development pipeline of €2.5 billion, up €1.3 billion, of which €470 million committed.** The Group is due to deliver 13 projects and 116,860 m² in 2016 and 2017 for €583 million (€474 million Group Share).

Italy Offices: first fruits of the new strategy
(€4.0 billion portfolio at 100%; €2.1 billion Group Share)

- Occupancy rate: 95.1% (vs. 92.8% at end-2015).
- Average firm lease term: 9.5 years.
- Rental income on a like-for-like scope: -0.8% (+2.6% for offices excluding Telecom Italia).
- Values on a like-for-like scope: +1.5% (+3.1% for offices excluding Telecom Italia).

Foncière des Régions operates in Italy through its subsidiary Beni Stabili, first Italian real estate company, **having a high-quality portfolio and secure income**. 40% of the portfolio consists of offices let to Telecom Italia for 14 years firm. The rest of the portfolio comprises offices located in Milan. This positioning **maintains sound real estate indicators**, with 95.1% occupancy for an average firm lease term of nearly 9.5 years.

In 2015, the Group set itself the objective of stepping up the quality-enhancing rotation of the portfolio by strengthening its positioning in Milan, improving the portfolio occupancy rate and bolstering its team in Italy. **The first half of 2016 was a key stage in the implementation of this new strategy**:

- Foncière des Régions thus signed new leases totalling 19,348 m² and relet 17,196 m², representing annualised rental income of €11 million (€5.7 million Group Share).

- The Group 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 some €4 billion in managed assets including 50% in offices.

- In its development pipeline, the Group pre-leased 16,000 m² of office space (with an option of 3,000 m² of additional space) to Fastweb in the first Symbiosis building (totalling 19,000 m²). This transaction confirms the quality of this new 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.

- Lastly, Foncière des Régions continued its acquisitions in Milan with €85 million (€44 million Group Share) secured for a target yield of 6.5%.

Operational performance reflects these strategic achievements. The portfolio occupancy rate rose 1.6 points to 95.1% (3.2 points to 90.6% on the portfolio excluding Telecom Italia). The average firm lease term remained particularly long, at 9.5 years.

On a like-for-like scope, rental income fell by 0.8% due to the impact of renegotiations with Telecom Italia in 2015 (leases lengthened from 9 to 15 years in exchange for a 6.9% drop in rent). For offices excluding Telecom Italia, rental income increased 2.6% on a like-for-like scope. Values increased 1.5% on a like-for-like scope, of which +3.1% for offices excluding Telecom Italia. In particular, appraisal values rose 3% in Milan.

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German Residential: quality-enhancing rotation of the portfolio and organic growth
(*€3.8 billion portfolio at 100%; €2.3 billion Group Share)*

- Very high occupancy rate: 98.1%.
- Rent growth on a like-for-like scope: +2.9%, of which +5.3% in Berlin.
- Rise in values on a like-for-like scope: +3.1%, of which +4.0% in Berlin.

Operating since 2005, **German Residential is the second greatest exposure of Foncière des Régions (at 20%)** after France Offices. The portfolio of €2.3 billion Group Share, **combines profitability** (39% in North Rhine-Westphalia with an average yield of 6.6%) **and growth** (rental potential of 30% to 35% in Berlin for instance).

On the strength of a niche investment strategy focused on prime city-centre assets, the Group pushed ahead with **a steady flow of acquisitions in the first half-year**, further strengthening its positioning in Berlin. During the half-year, acquisitions in Berlin totalled €260 million (€182 million Group Share), with an average yield of 4.9% and a rental income growth potential of 40%. At the same time, the Group sold a total of €190 million (€116 million Group Share) in non-core assets in North Rhine-Westphalia with a margin of 9% over the end-2015 appraisal.

The good performance of the indicators once again confirms the pertinence of the strategy. Rental income increased by 2.9% on a like-for-like scope, of which +5.3% in Berlin, while the occupancy rate remained stable at 98.1%. This rental performance supported the growth in appraisal values, which amounted to +3.1% for the first half-year, of which +4.0% in Berlin.

Hotels/Service Sector: ongoing expansion in major European cities
(€3.7 billion portfolio at 100%; €1.6 billion Group Share)

- Occupancy held at 100%.
- Average firm lease term: 10.6 years.
- Rents on a like-for-like scope: -2.1%.
- Growth of values on a like-for-like scope: +2.8%.

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 industry and new entrants with innovative concepts (AccorHotels, Louvre Hotels, B&B Hotels, Motel One, Meininger, etc.). Its unique positioning as a long-term hotel real estate player with renowned teams makes the Group a natural partner for these brands.

The Group consolidated its leading position in the first half-year, with **€1.1 billion in secured investments** (€467 million GS of which €208 million linked to the increased stake in FDM). In particular, the half-year saw a further reinforcement of the FDM Management vehicle, with the acquisition of two emblematic hotel portfolios for €936 million (€190 million Group Share), 60% located in Berlin. Foncière des Régions thus increased its exposure in major European cities and high-growth markets and continued to develop partnerships with new hotel operators.

Following the terrorist attacks in Paris at the end of 2015 and in Brussels in March 2016, rental income is down 2.1% on a like-for-like scope due to the drop in AccorHotels rents (-4.8%, variable according to the hotels' revenue). The geographic diversity of the portfolio and the large share of indexed fixed rents nevertheless mitigated this impact.
The value of the portfolio increased 2.8% on a like-for-like basis, supported by the 7% increase in hotels held as premises and businesses and by the 25% margin on the sale of the Healthcare portfolio.

Growth in half-year results

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Ongoing improvement in the quality of the balance sheet

With €1.7 billion (€1.4 billion Group Share) in new financing, the Group's active debt management policy was once again illustrated during the half-year, with further improvement of the debt profile.

In particular, Foncière des Régions successfully placed its first issue of Green Bonds (more than five times oversubscribed) for €500 million with a ten-year maturity, offering a coupon of 1.875%. This issue confirms the Group's ambitious CSR strategy and, in particular, the efforts made to improve its France Offices portfolio through its development pipeline and asset rotation strategy. This bond issue will finance or refinance office assets under development or recently delivered and benefiting from an HQE certification (minimum target of 9/14) or BREEAM certification (Very Good as a minimum).

Accordingly, the debt maturity increased by 0.3 years to 5.3 years, and the average interest rate decreased by 41 bps to 2.39%. The diversification of sources of financing (57% of unsecured debt) provides flexibility, as well as security and cost optimisation in a volatile financial environment. ICR improved from 3.0 at end-2015 to 3.4, while LTV stands at 46.4% due to a larger amount of investments than disposals and the payment of dividends. The Group maintains an LTV objective of less than 45%.

Recurring Net Income: €176.6 million, +4.2%

Recurring Net Income was €176.6 million, up 4.2% over a year. This strong performance is attributable to the 5.9% increase in rental income, bolstered by the delivery of assets in France Offices in 2015 (8% increase in rental income) and the Group's strengthened position in German Residential (+18%) and Hotels (+6.8%). Recurring Net Income also benefited from the reduced cost of the debt.

Per share, **Recurring Net Income stands at €2.64**, up 1.0% year-on-year due to the impact of the share issue to enable Foncière des Régions to increase its stake in its subsidiary FDM, paid in Foncière des Régions shares.

EPRA NAV up 8.7% over one year

EPRA NAV amounted to €5,652 million (EPRA triple net NAV of €4,849 million) at the end of June, up 11.4% over one year, mainly due to the good performance and growth in appraisal values. On a like-for-like scope, asset values increased 3.2%, up in all asset classes.

Per share, **EPRA NAV climbed to €82.4** (€70.7 in EPRA Triple Net), up 8.7% over one year, taking into account the impact of the share issue to enable Foncière des Régions to increase its stake in FDM.

2016 outlook confirmed

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The group confirms its objective of stable Recurring Net Income per share in 2016. The ongoing quality-enhancing portfolio rotation will continue to the end of the year and should be accompanied by new successes in our development pipeline. The Group is also confident in its ability to improve organic rental income trends.

During the half-year, Foncière des Régions strengthened its position in its target cities which are Paris, Berlin and Milan and reinforced ties with its partners. Our rental success in France and in Italy, in particular in the pipeline, and the upkeep of our operational performance confirm the pertinence of our strategy aimed at improving the quality of our portfolio. This strategy, enhancing the sustainability of our cash-flows, reinforces our capacity to create value and the growth potential.

Paris, 21 July 2016

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A conference call for analysts and investors

will take place today at 6:00 p.m. (Paris time)

The presentation relating to the conference call will be available

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

LiveTweet*: follow the live presentation of the 2016 half-year results from 6:00 p.m. on #RésultatsSemestriels*

Financial calendar

9-month revenue for 2016: 3 November 2016

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APPEL GRATUIT DEPUIS UN POSTE FIXE

Portfolio, Group Share

(€million)	Value 2015 100%	Value H1 2016 100%	Value H1 2016 GS	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of portfolio
Offices - France	5 658	6 047	5 175	4,4%	6,0%	5,8%	44%
Offices - Italy	3 905	3 963	2 070	1,5%	5,7%	5,6%	18%
Residential Germany	3 603	3 776	2 334	3,1%	6,0%	5,7%	20%
Hotels & Service sector	3 663	3 686	1591	2,8%	5,9%	5,7%	14%
Other	772	602	393	0,1%	4,0%	2,6%	3%
Parking facilities	186	186	111	n/a	n/a	n/a	1%
Portfolio	**17 788**	**18 260**	**11 673**	**3,2%**	**5,8%**	**5,6%**	**100%**
Equity affiliates	41	46	46				
Total - Consolidated	**17 829**	**18 305**	**11 719**				
Total - GS	**11 008**	**11 719**					

ED : Excluding Duties

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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 €18Bn (€12Bn 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.

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1. Business analysis

Changes in scope:

Foncière des Régions increased its stake in its subsidiary Beni Stabili in the first half of 2016, owning 52.2% of the share capital at 30 June 2016, vs. 48.5% at 31 December 2015. The ownership rate recorded in the income statement for the first half-year came to 50.12%.

Foncière des Régions also increased its stake in its hotel subsidiary Foncière des Murs in early 2016, owning 49.6% of the share capital at 30 June 2016, vs. 43.1% at 31 December 2015. The ownership rate recorded in the income statement was 43.15% for the first quarter of 2016, and 47.49% for the second quarter of 2016.

A. RENTAL INCOME RECOGNISED: STABLE AT LIKE-FOR-LIKE SCOPE

	100%			Group Share				
(€million)	H1 2015	H1 2016	Change (%)	H1 2015	H1 2016	Change (%)	Change (%) LFL*	% of rent
Offices France	**125,2**	**138,4**	**10,6%**	**116,5**	**125,7**	**8,0%**	**-0,3%**	**44%**
Paris	43,2	44,2	2,2%	41,0	41,9	2,2%		15%
Paris Region	51,9	65,4	26,1%	45,4	55,0	21,0%		19%
Other French regions	30,1	28,8	-4,1%	30,0	28,9	-3,8%		10%
Offices Italy	**110,5**	**98,9**	**-10,5%**	**53,4**	**49,6**	**-7,2%**	**-0,8%**	**17%**
Core portfolio	43,1	39,3	-8,9%	20,9	19,7	-5,5%		7%
Dynamic portfolio	57,0	49,6	-13,0%	27,5	24,8	-9,7%		9%
Development portfolio	10,4	10,0	0,0%	5,0	5,0	0,0%		2%
Total Offices	**235,7**	**237,3**	**0,7%**	**169,8**	**175,3**	**3,2%**	**-0,5%**	**61%**
Hotels and Service sector	**98,9**	**100,9**	**2,0%**	**38,9**	**41,5**	**6,8%**	**-2,1%**	**14%**
Hotels	72,9	75,2	3,3%	27,6	29,9	8,1%		10%
Healthcare	7,6	7,2	-5,6%	3,3	3,3	-0,9%		1%
Business premises	18,4	18,5	0,4%	8,0	8,4	5,5%		3%
Residential Germany	**91,6**	**105,9**	**15,6%**	**55,3**	**65,3**	**18,0%**	**2,9%**	**23%**
Berlin	24,7	41,1	66,5%	14,7	24,6	67,6%		9%
Dresden & Leipzig	7,7	8,7	12,8%	4,5	5,8	30,2%		2%
Hamburg	n/a	6,1	n/a	n/a	3,4	n/a		0%
NRW	59,2	50,0	-15,6%	36,1	31,4	-13,0%		11%
Total Core activities	**426,2**	**444,2**	**4,2%**	**264,0**	**282,1**	**6,8%**	**0,0%**	**98%**
Other	**11,7**	**8,2**	**-30,1%**	**7,2**	**5,0**	**-30,1%**	**n/a**	**2%**
Residential France	11,7	8,2	-30,1%	7,2	5,0	-30,1%		2%
Total rent *	**437,9**	**452,3**	**3,3%**	**271,2**	**287,1**	**5,9%**	**0,0%**	**100%**

**excl. Logistics (10 M€ in H1-2015 - 3 M€ in H1-2016) - classified as discontinued operations*

Rental income increased by 5.9% (Group share) over one year, including +6.8% for strategic activities. This €15.9 million increase is due primarily to the following factors:

- an increase in Hotel real estate with a rise in Foncière des Murs' ownership rate in 2016 (+€2.0 million)
- acquisitions (+€19.4 million), especially in Germany Residential (+€13.3 million), where the Group strengthened its position in Berlin through several asset portfolios with high growth potential
- deliveries of new assets (+€8.7 million), mainly in France Offices
- releases of assets intended to be restructured or redeveloped (-€1.1 million)
- non-core asset disposals (-€16.5 million), particularly in Germany Residential (-€6.0 million)
- indexation and the mixed effect from departures and re-lettings (-€0.7 million), of which vacating of France Residential (-€0.6 million).

At like-for-like scope, rental income remained stable in a context of zero inflation. The performance of France Offices was very slightly negative, at -0.3% at like-for-like scope, due to the lack of a general recovery in market rent levels. For Italy Offices, the -0.8% decrease is due to the residual effect of the renegotiation of Telecom Italia leases in Italy in 2015 (extension of the leases to a term of 15 years firm in return for a 6.9% decrease in rental income). Rental income increased by 2.6% for Italy Offices, excluding Telecom Italia.

The drop in rental income at like-for-like scope in the Hotels and Service Sector (-2.1%) is due to the impact of the terrorist attacks in Paris and Brussels on AccorHotels' rental income (variable depending on the hotels' revenues). Lastly, in Germany Residential, performance at like-for-like scope accelerated (+2.9% vs. +2.4% in 2015), sustained by buoyant market conditions.

B. LEASE EXPIRATIONS AND OCCUPANCY RATES

1. Annualised lease expirations: residual lease term of 7.5 years firm for commercial activities

(years)	By lease end date (1st break)		By lease end date	
GS	**2015**	**H1 2016**	**2015**	**H1 2016**
France	5,4	5,9	6,4	6,5
Italy	9,7	9,5	15,3	15,1
Offices	**6,6**	**6,9**	**8,9**	**8,9**
Hotels & Services sector	10,7	10,6	11,0	10,9
Total	**7,3**	**7,5**	**9,3**	**9,3**

The average residual lease term is stable at 9.3 years, and the firm residual term increased slightly, despite six months of additional activity, to a new record of 7.5 years firm. This level has seen a constant increase since the market low of 2012 (at 5.5 years firm). Average maturity improved to 5.9 years firm in the France Offices segment following leasing agreements in the half-year period, in particular renegotiations with Orange, EDF and asset deliveries. The term stabilised at a particularly high level for Italy Offices and the Hotel and Services Sector after major agreements with Telecom Italia and AccorHotels in 2015.

(€million)*	By lease end date (1st break)	% of total	By lease end date	% of total
2016	10,7	2%	5,8	1%
2017	20,1	4%	10,4	2%
2018	35,6	8%	10,9	2%
2019	62,8	14%	36,6	8%
2020	14,2	3%	22,4	5%
2021	38,1	8%	41,0	9%
2022	45,1	10%	37,6	8%
2023	35,2	8%	33,3	7%
2024	13,0	3%	27,6	6%
2025	66,4	15%	70,0	15%
Beyond	114,8	25%	160,5	35%
Total	**456,1**	**100%**	**456,1**	**100%**

**Residential excluded*

Maturities of less than three years on firm residual terms were reduced from 24% of rental income at end-2015 to 14% at 30 June 2016, thereby improving the Group's visibility and securing cash flow in the medium term.

2. Occupancy rate: up at 96.7%

(%)	Occupancy rate	
GS*	**2015**	**H1 2016**
France	95,8%	95,8%
Italy	92,8%	95,1%
Offices	**94,9%**	**95,6%**
Hotels & Service sector	100,0%	100,0%
Residential Germany	98,0%	98,1%
Total	**96,3%**	**96,7%**

GS: Group Share

The occupancy rate increased slightly by 0.4 points in the first half of 2016, with in particular an increase of 2.3 points for Italy Offices, due to leases signed in the half-year period (+1.6 points) and to the increased development pipeline (positive impact of 0.7 points). The situation is stable on the other segments, with a consistently high level occupancy in Germany Residential and in the Hotels and Service Sector.

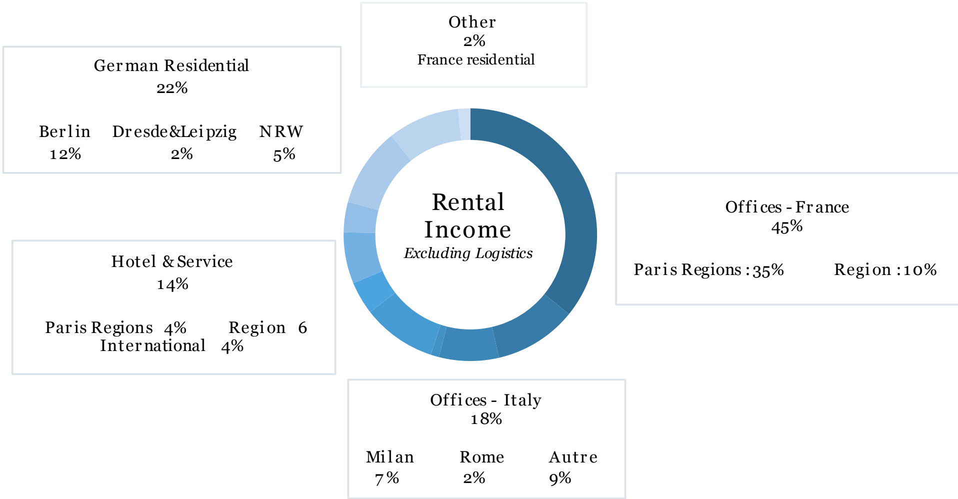
C. BREAKDOWN OF RENTAL INCOME - GROUP SHARE

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

In the first half of 2016, Foncière des Régions actively continued its partnership strategy by signing new leases with some of its Key Account tenants. Exposure to the three major tenants continues to decline (27% vs. 29% at end-2015), in accordance with the strategy pursued by the Group over the last several years.

(€million)	Annualised	
GS	**H1 2016**	**%**
Orange	82,4	14%
Telecom Italia	51,4	8%
Accor	31,4	5%
Suez Environnement	21,5	4%
EDF	18,4	3%
Vinci	16,6	3%
B&B	17,9	3%
Eiffage	11,4	2%
Thales	10,7	2%
Natixis	10,5	2%
Dassault Systèmes	9,8	2%
Quick	8,4	1%
Korian	7,2	1%
Sunparks	6,9	1%
Jardiland	6,7	1%
PSA	5,5	1%
AON	5,4	1%
Cisco System	4,8	1%
Lagardère	4,8	1%
Autres locataires < 4M€	135,0	22%
Résidentiel Allemagne	132,1	22%
Résidentiel France	9,1	2%

2. Geographic breakdown



The geographic breakdown illustrates a continuous trend towards the concentration of activities in capital cities and the major regional cities, thereby implementing the Group's strategic plan and contributing towards the constant improvement of the portfolio quality. In particular, nearly 60% of assets are located in Greater Paris, Berlin and Milan.

D. COST TO REVENUE BY BUSINESS

	Offices France	Office Italy	Hotels & Service Sector	Residential Germany	Other (Residential France)	Total	
	H1 2016	H1 2016	H1 2016	H1 2016	H1 2016	H1 2015	H1 2016
Rental Income	125,7	49,6	41,5	65,3	5,0	**271,2**	**287,1**
Unrecovered property operating costs	-3,4	-6,0	0,0	-1,6	-1,1	**-11,7**	**-12,1**
Expenses on properties	-1,1	-1,9	-0,0	-4,9	-0,6	**-7,4**	**-8,4**
Net losses on unrecoverable receivable	0,3	-0,5	0,0	-0,9	-0,1	**-2,1**	**-1,1**
Net rental income	**121,5**	**41,2**	**41,5**	**57,9**	**3,3**	**250,0**	**265,5**
Cost to revenue ratio *	**3,4%**	**16,9%**	**0,0%**	**11,3%**	**33,5%**	**7,8%**	**7,5%**

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

The cost to revenue ratio is still under control and showed a slight decrease over one year (7.5%). Cost to revenue for Germany Residential dropped to 11.3% (vs. 11.5% at 30 June 2015). The low level in France Offices and the Hotels and Service Sector is due to the triple-net lease structures. In Italy, cost to revenue has remained stable and does not yet reflect the recent improvement in vacancy. Lastly, cost to revenue for Other activities is due to vacancy in France Residential, associated with the policy for the gradual disposal of assets, in particular upon their being vacated.

E. DISPOSALS AND DISPOSAL AGREEMENTS: €399 MILLION GROUP SHARE

(€million)		Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016 2	New agreements H1 2016	Total H1 2016	Margin vs H1 2016 value	Yield	Total Realized Disposals = 1 + 2
Offices - France	100 %	81	59	1	44	**45**	1,5%	8,0%	**82**
Offices - Italy	100 %	55	3	1	48	**48**	1,4%	4,0%	**56**
	GS	29	2	0	25	**25**	1,4%	4,0%	**29**
Residential - Germany	100%	122	6	71	119	**190**	9,1%	7,2%	**193**
	GS	74	4	44	73	**116**	9,1%	7,2%	**118**
Hotels & Service sector	100 %	256	114	0	306	**306**	23,5%	5,0%	**256**
	GS	127	56	0	152	**152**	23,5%	5,0%	**127**
Other	100 %	130	128	44	55	**89**	6,3%	1,2%	**174**
	GS	119	76	27	33	**60**	5,7%	1,2%	**146**
Total asset disposals	100 %	644	310	117	572	**689**	14,0%	5,2%	**761**
	GS	**430**	**197**	**72**	**327**	**399**	**12,7%**	**5,3%**	**502**

During the first half of 2016, Foncière des Régions generated €399 million (Group share) through new disposals (for €72 million) and disposal agreements (for €327 million) to help improve the quality of the portfolio, in particular with the signature of the Healthcare portfolio for a total amount of €301 million (€295 million net of costs).
The total amount of disposals completed represents €502 million Group share, related in particular to housing units in North Rhine-Westphalia and to hotels in the regions.

Disposals continue to be signed with a substantial margin on the most recent appraisal values (12.7% over the half-year period).

F. ASSET ACQUISITIONS: SECURE €1.0 BILLION GROUP SHARE

(€million)	Secured Acquisitions			Realized Acquistions		
	Acquisitions (€million) ID* 100%	Acquisitions (€million) ID* GS	Yield ID GS	Acquisitions (€million) ID* 100%	Acquisitions (€million) ID* GS	Yield ID GS
Offices - France	140	140	7,8%	138	138	7,7%
Offices - Italy	85	44	6,5% **	0	0	n/a
Reinforcement Beni Stabili	0	147	5,7%	0	147	5,7%
German Residential	260	182	4,9%	260	182	4,9%
Hotels & Service sector	144	69	6,1%	11	6	6,5%
Business & Premises	936	190	n/a	125	25	n/a
Reinforcement FDM	0	208	5,9%	0	208	5,9%
Total	**1 565**	**980**	**6,0%**	**534**	**705**	**6,0%**

*ID: Including Duties
**Potentiel yield on acquisitions - current yield of 6,1% at current occupancy (94%)

With €980 million in secure acquisitions and €705 million Group share achieved across all asset categories, in particular Hotels in leases and Hotel operating properties, Foncière des Régions continued its asset acquisition strategy in strategic markets this half-year, with:

- the France Offices acquisition of the Rueil-Lesseps building in Rueil-Malmaison, for €129 million
- the acquisition in Berlin of several asset portfolios for €182 million in Group share
- the acquisition of four B&B hotel premises in Spain (€6 million in Group share) and of a portfolio of nine hotels in France and Belgium in Hotel operating properties for a total of €25 million in Group share.

G. DEVELOPMENT PROJECTS

1. Seven projects delivered in the first half of 2016 in France Offices and Hotels

The growth in rental income in the first half of 2016 was driven by the real estate development strategy, focusing on the development pipeline. Approximately 28,000 m² of France Offices were delivered in the first half of 2016. In Hotel operating properties, three new B&B assets were delivered, including two in Germany.

2. Committed projects: €676 million in Group share, up 10%

The pro-active strategy of renewing the pipeline in France Offices and Italy Offices as well as in Hotels led to a growth of 10% in the committed pipeline in the first half-year, to €676 million Group share. In France Offices, assets under renewal include the Helios project in Lille, for 8,700 m² to be delivered in 2018. In Hotels, the Group signed new developments with Meininger in Paris and B&B in France and Germany. Lastly, the Italy Offices pipeline increased by €120 million (€63 million Group share) with the entry of three new projects in Milan.

The pre-letting rate for the pipeline stood at 42% at 30 June 2016, including 100% for deliveries in the second half of 2016.

Projects	Type	Location	Project	Surface* (m²)	Delivery	Target rent (€/m²/year)	Pre-leased (%)	Total Budget** (M€)	Target Yield	Progress	Capex to be invested (Group Share)
Clinique INICEA	Offices - France	Saint-Mandé - Greater Paris	Construction	5 700 m²	2016	na	100%	25	6%	95%	1
DS Campus Extension 1 (FdR share: 50%)	Offices - France	Vélizy - Greater Paris	Construction	13 100 m²	2016	305	100%	39	6%	65%	6
Total 2016				**18 800 m²**		**305**	**100%**	**64**	**6%**	**77%**	**6**
Euromed Center - Bureaux Hermione (FdR share: 50%)	Offices - France	Marseille	Construction	10 400 m²	2017	265	0%	14	>7%	70%	4
Silex I	Offices - France	Lyon	Construction	10 600 m²	2017	280	26%	47	6%	60%	16
Euromed Center - Bureaux Floreal (FdR share: 50%)	Offices - France	Marseille	Construction	13 400 m²	2017	265	0%	18	>7%	55%	9
Thaïs	Offices - France	Levallois - Greater Paris	Construction	5 500 m²	2017	480	0%	40	6%	50%	14
O'rigin	Offices - France	Nancy	Construction	6 300 m²	2017	195	77%	20	6%	40%	11
Edo	Offices - France	Issy Les Moulineaux - Greater Paris	Regeneration-Extension	10 800 m²	2017	450	100%	83	6%	30%	33
Art&Co	Offices - France	Paris	Regeneration	13 500 m²	2017	520	5%	131	5%	5%	34
Total 2017				**70 500 m²**		**425**	**33%**	**353**	**6%**	**31%**	**122**
Riverside	Offices - France	Toulouse	Construction	11 000 m²	2018	195	0%	32	7%	5%	26
Hélios	Offices - France	Lille - Villeneuve d'Asq	Construction	8 700 m²	2018	160	0%	21	>7%	5%	20
Total 2018				**19 700 m²**		**181**	**0%**	**53**	**7%**	**5%**	**46**
Total - Offices France				**109 000 m²**		**381**	**39%**	**470**	**6%**	**34%**	**175**
Milan, via Colonna	Offices - Italy	Milan	Regeneration	3 464 m²	2017	260	0%	8	5%	1%	2
Milan, via Cernaia	Offices - Italy	Milan	Regeneration	8 316 m²	2017	420	0%	30	5%	4%	7
Milan, P.zza Monte Titano	Offices - Italy	Milan	Regeneration	4 816 m²	2017	190	0%	11	5%	1%	4
Turin, corso Ferrucci 112	Offices - Italy	Turin	Regeneration	45 600 m²	2017	130	0%	45	6%	10%	15
Total 2017				**62 196 m²**		**241**	**0%**	**94**	**5%**	**6%**	**29**
Symbiosis A+B	Offices - Italy	Milan	Construction	19 000 m²	2018	300	80%	45	7%	8%	26
Total 2018				**19 000 m²**		**300**	**80%**	**45**	**7%**	**8%**	**26**
Total - Offices Italy				**81 196 m²**		**260**	**26%**	**139**	**6%**	**7%**	**55**
B&B Potsdam	Hotels	Potsdam - Germany	Construction	101 rooms	2016	na	100%	3	>7%	58%	1
B&B Hamburg	Hotels	Hamburg - Germany	Construction	155 rooms	2016	na	100%	6	>7%	85%	1
Total 2016				**256 rooms**			**100%**	**8**	**>7%**	**76%**	**3**
B&B Berlin	Hotels	Berlin - Germany	Construction	140 rooms	2017	na	100%	5	>7%	32%	1
B&B Nanterre	Hotels	Nanterre - Greater Paris	Construction	150 rooms	2017	na	100%	3	6%	10%	2
Total 2017				**150 rooms**			**100%**	**8**	**>7%**	**32%**	**1**
B&B Lyon	Hotels	Lyon	Construction	113 rooms	2018	na	100%	2	6%	27%	1
B&B Chatenay Malabry	Hotels	Chatenay Malabry - Greater Paris	Construction	255 rooms	2018	na	100%	2	6%	0%	2
MotelOne Porte Dorée	Hotels	Paris	Construction	173 rooms	2018	na	100%	9	6%	42%	6
Meininger Munich	Hotels	Munich - Germany	Conversion	420 rooms	2018	na	100%	15	6%	50%	7
Meininger Porte de Vincennes	Hotels	Paris	Construction	249 rooms	2018	na	100%	24	6%	0%	16
Total 2018				**1 210 rooms**		**na**	**100%**	**51**	**6%**	**23%**	**32**
Total - Hotels & Service sector				**1 616 rooms**		**na**	**100%**	**67**	**6%**	**30%**	**36**
Total				**190 196 m²**		**na**	**42%**	**676**	**6%**	**28%**	**266**

Surface 100%
***Group share, including land cost and financial cost*

3. Managed projects: €2.3 billion

Projects	Type	Location	Project	Surface* (m²)	Delivery time frame
Silex II	Offices - France	Lyon	Regeneration - Extension	30 700	2020
Opale	Offices - France	Meudon - Greater Paris	Construction	30 000	2019
Bordeaux Ilot Armagnac (QP FDR 34%)	Offices - France	Bordeaux	Construction	31 600	2018
Bordeaux Cité du Numérique	Offices - France	Bordeaux	Construction	18 600	2018
Cœur d'Orly Commerces (QP FdR 25%)	Offices - France	Orly - Greater Paris	Construction	31 000	>2019
ERDF Reims	Offices - France	Reims	Construction	10 400	2017
Multiplex Europacorp	Offices - France	Marseille	Construction	2800 seats	2018
Cap 18	Offices - France	Paris	Construction	50 000	>2020
Rueil Vinci	Offices - France	Rueil-Malmaison - Greater Paris	Regeneration - Extension	43 000	>2020
Canopée	Offices - France	Meudon - Greater Paris	Construction	46 900	2020
Omega	Offices - France	Levallois-Perret - Greater Paris	Regeneration - Extension	21 500	>2020
Citroen PSA - Arago	Offices - France	Paris	Regeneration	19 500	>2020
Anjou	Offices - France	Paris	Regeneration	11 000	>2020
Montpellier Majoria	Offices - France	Montpellier	Construction	58 200	2018-2020
Avenue de la Marne	Offices - France	Montrouge - Greater Paris	Construction	18 000	2020
Cœur d'Orly Bureaux (QP FdR 25%)	Offices - France	Orly - Greater Paris	Construction	50 000	>2019
Orange Gobelins	Offices - France	Paris	Regeneration	4 100	>2020
Campus New Vélizy Extension (QP FdR 50%)	Offices - France	Vélizy - Greater Paris	Construction	14 000	2019
DS Campus Extension 2 (QP FdR 50%)	Offices - France	Vélizy - Greater Paris	Construction	11 000	>2020
ERDF Angers	Offices - France	Angers	Construction	4 700	2019
Total Offices - France				**504 200**	
Principe Amedeo	Offices - Italy	Milan	Regeneration	6 400	2017
Via Schievano	Offices - Italy	Milan	Regeneration	27 153	2019
Symbiosis (other blocks)	Offices - Italy	Milan	Construction	101 500	2022
Total Offices - Italy				**135 053**	
Total				**639 253**	

Surface at 100%

Project growth is also observed in the managed projects sector, with growth of €1.5 billion compared with end-2015, mainly in France Offices. This increase is characterised by the strategy of concentration in Europe's largest cities, with 250,000 additional square meters in Paris and Milan.

H. PORTFOLIO

Portfolio value: up 3.2% at like-for-like scope

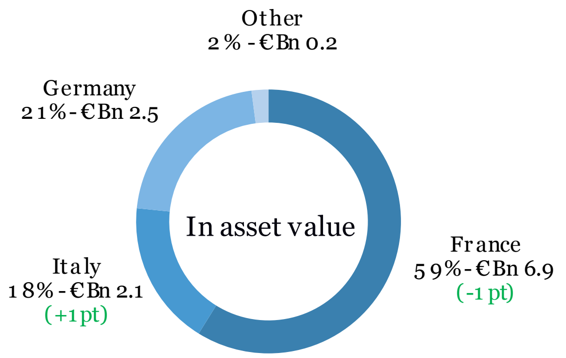
(€million)	Value 2015 100%	Value H1 2016 100%	Value H1 2016 GS	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of portfolio
Offices - France	5 658	6 047	5 175	4,4%	6,0%	5,8%	44%
Offices - Italy	3 905	3 963	2 070	1,5%	5,7%	5,6%	18%
Total Office	**9 563**	**10 009**	**7 245**	**3,5%**	**5,9%**	**5,8%**	**62%**
Residential Germany	3 603	3 776	2 334	3,1%	6,0%	5,7%	20%
Hotels & Service sector	3 663	3 686	1 591	2,8%	5,9%	5,7%	14%
Other	772	602	393	0,1%	4,0%	2,6%	3%
Parking facilities	186	186	111	n/a	n/a	n/a	1%
Portfolio	**17 788**	**18 260**	**11 673**	**3,2%**	**5,8%**	**5,6%**	**100%**
Equity affiliates	41	46	46				
Total - Consolidated	**17 829**	**18 305**	**11 719**				
Total - GS	**11 008**	**11 719**					

ED : Excluding Duties

The Group share of Foncière des Regions' total asset portfolio at 30 June 2016 stood at €11.7 billion (€18.3 billion at 100%) compared to €11.0 billion at end-2015, a like-for-like increase of 3.2% compared to end-2015.

Like-for-like change in value was particularly strong owing to France Offices (+4.4% thanks to committed developments, up 20% like-for-like in 2016) and Germany Residential (+4% in Berlin, Dresden and Leipzig). In Italy, the trend continues to improve with 3% growth like-for-like in asset value in Milan.

Geographic breakdown



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)	FdR share
Tour CB 21	La Défense (Greater Paris)	Suez Environnement, AIG Europe, Nokia, Groupon	68 077	75%
Natixis Charenton	Charenton-le-Pont (Greater Paris)	Natixis	37 835	100%
Carré Suffren	Paris 15th	AON, Institut Français, Ministère Education	24 864	60%
Dassault Campus	Velizy Villacoublay (Greater Paris)	Dassault	56 554	50,1%
Complexe Garibaldi	Milan	Maire Tecnimont	44 650	48,3%
Immeuble - 23 rue Médéric	Velizy Villacoublay (Greater Paris)	Orange	46 163	50,1%
New Velizy	Paris 17th	Thales	11 182	100,0%
Percier	Paris 8th	Chloe	8 544	100,0%
Cap 18	Paris 18th	Genegis, Media Participations	61 097	100,0%
Art&Co (Traversiere)	Paris 12th	SNCF	13 700	100,0%

excluded assets under commitments

2. Business analysis by segment

A. FRANCE OFFICES

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

- Le Ponant (83.5% owned);
- CB 21 Tower (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 (50.1% owned and fully consolidated);
- the New Vélizy 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).

In the first half of 2016, the France Offices segment was mainly marked by:

- sustained activity in development projects, with in particular the delivery of four buildings, of which three are fully pre-let: their delivery thus generated €2.5 million in gross annualised rental income

- 22% of annualised nominal rents were impacted by an Asset Management work during the half-year, including the above-mentioned agreements signed with Orange and ERDF/EDF, as well as renegotiations successfully conducted with Key Accounts such as Cisco, Thalès and IBM

- new leases amounting to €9.1 million in rental income, in particular for projects under development such as EDO in Issy-les-Moulineaux (building fully let), and Silex 1 (26% let to BNP Paribas), and for the operating portfolio, the full rental of CB21 following the lease agreement with Régus, and the signing of a firm 9-year lease with Kering for the Paris Littré premises vacated by Orange

- ongoing enhancement of the quality of the portfolio via sales of non-core assets. Dynamic development policy with an increase in the project pipeline to €2.5 billion. Targeted acquisitions amounting to €138 million, generating €11 million in gross annualised rental income (mainly Rueil Lesseps, Head Office of Vinci in Rueil Malmaison for €129 million)

- a 4.4% increase in values on a like-for-like scope, reflecting the rental agreements with Key Accounts, the signing of leases on projects under development and the ongoing strong performance of strategic markets in the portfolio (Greater Paris and Major Regional Cities).

1. Rental income recorded: €126 million, up 8.0%

1.1. Geographic breakdown: strategic locations (Paris region and Major Regional Cities – MRC) generated 89% of rental income

(€million)	Surface (m²)	Number of assets	Rental income H1 2015 100%	Rental income H1 2015 GS	Rental income H1 2016 100%	Rental income H1 2016 GS	Change GS (%)	Change GS (%) LFL	% of rental income
Paris Centre West	91092	12	17,8	17,9	18,8	18,8	5,0%	0,6%	15,0%
Southern Paris	77 285	11	15,1	12,8	15,7	13,4	4,7%	2,8%	10,6%
North Eastern Paris	121329	6	10,3	10,3	9,7	9,7	-6,0%	1,6%	7,7%
Wester Crescent and La Défense	231381	22	28,7	25,2	33,5	29,7	17,9%	-1,7%	23,6%
Inner suburbs	355 422	22	16,8	13,8	26,3	19,6	42,3%	-2,5%	15,6%
Outer suburbs	114 846	48	6,4	6,4	5,6	5,6	-12,3%	-2,6%	4,5%
Total Paris Region	**991355**	**121**	**95,1**	**86,4**	**109,6**	**96,9**	**12,1%**	**-0,7%**	**77,0%**
MRC	420 488	74	15,2	15,1	15,0	15,1	-0,5%	1,3%	12,0%
Other French regions	479 972	171	14,9	14,9	13,8	13,8	-7,1%	0,2%	11,0%
Total	**1891816**	**366**	**125,2**	**116,5**	**138,4**	**125,7**	**8,0%**	**-0,3%**	**100,0%**

The Group share of rental income rose to €126 million (+€9.2 million) over one year. This change is primarily the combined result of:

- asset disposals particularly in the outer Paris suburbs and in French regions other than the Paris Region (-€3.8 million)
- asset acquisitions and deliveries (+€11.7 million):
  - €3.7 million due to acquisitions, in particular Levallois Omega B at end-2015 and the Head Office of Vinci in Rueil Malmaison in April 2016
  - delivery of pre-let properties accounting for €8 million including:
    - Steel in July 2015, in Paris Centre West, fully rented to One Point (effective 2016)
    - Campus Eiffage in August 2015, a turnkey project leased to Eiffage in Vélizy for 12 years firm
    - Green Corner in September 2015, in Saint-Denis, 86% leased to the French Health Authority for a term of ten years firm, effective March 2016, and to Systra
    - turnkey property rented to Bose in January 2016 in St Germain en Laye
    - turnkey property rented to Schlumberger in February 2016 in Montpellier
    - the Golden Tulip hotel in Marseille in April 2016
    - the Calypso building in Marseille in April 2016.

- an increase at a like-for-like scope of -0.3% (-€0.8 million) related to:
  - the positive effect of indexation (+€0.3 million)
  - rental activity (-€1.1 million), with an unfavourable calendar effect in terms of the rental/vacating of premises and the slightly negative impact of 2015 renewals.

2. Annualised rental income: €273 million

2.1. Breakdown by major tenants

(€million) GS	Surface (m²)	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
Orange	446 504	153	87,4	82,4	-5,7%	30,2%
Suez Environnement	58 866	2	21,4	21,5	0,4%	7,9%
EDF	158 106	21	19,0	18,4	-3,3%	6,7%
Vinci	61885	5	6,6	16,6	149,6%	6,1%
Eiffage	141796	67	11,5	11,4	-0,8%	4,2%
Thalès	88 274	2	10,7	10,7	0,1%	3,9%
Natixis	37 887	3	10,5	10,5	0,0%	3,8%
Dassault	56 192	2	9,8	9,8	0,0%	3,6%
PSA	19 531	1	5,5	5,5	0,3%	2,0%
AON	15 592	1	5,4	5,4	0,0%	2,0%
Cisco	11291	1	4,8	4,8	0,0%	1,8%
Lagardère	12 953	3	5,3	4,8	- 10,6%	1,7%
Other tenants	782 938	105	66,3	71,4	7,8%	26,1%
Total	**1 891 816**	**366**	**264,3**	**273,2**	**3,4%**	**100%**

The biggest 12 tenants account for 74% of annualised rental income.

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

- Vinci: acquisition of the company's head office in Rueil Malmaison
- Orange: lowering of exposure in particular following partial sales of assets and the vacating of premises for their redevelopment
- EDF: impacts of the renegotiation and vacating of premises rented in the Patio building in Lyon
- Lagardère: temporary lowering of rent during construction work, as provided for in the Omega A and C leases in Levallois, renegotiated in 2015.

2.2. Geographic breakdown: The Paris region and Major Regional Cities account for 90% of rental income

(€million) GS	Surface (m²)	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
Paris Centre West	91092	12	39,8	42,3	6,3%	15%
Southern Paris	77 285	11	21,2	21,2	0,3%	8%
North Eastern Paris	121329	6	21,1	19,3	-8,5%	7%
Wester Crescent and La Défense	231381	22	59,8	69,4	15,9%	25%
Inner suburbs	355 422	22	47,2	47,8	1,1%	17%
Outer suburbs	114 846	48	12,3	11,0	-9,9%	4%
Total Paris Region	**991 355**	**121**	**201,4**	**211,0**	**4,8%**	**77%**
MRC	420 488	74	33,2	33,9	2,1%	12%
Other French regions	479 972	171	29,7	28,3	-4,7%	10%
Total	**1 891 816**	**366**	**264,3**	**273,2**	**3,4%**	**100%**

The Paris region remains the area generating the highest annualised rental income, stable vs. 2015. The increase in rental income from the Paris Centre West and Western Crescent areas is mainly due to the delivery of assets in 2015 and the acquisition of the Vinci head office.

3. Indexation

The indexation effect is +€0.3 million over 1 year. 81% of rental income is indexed to the ILAT, 18% is indexed to the ICC, while the remainder is indexed to the ILC construction cost index or the IRL rental reference index. Rents benefiting from an indexation floor (1%) represent 30% of annualised rental income and are indexed to the ILAT.

4. Rental activity

(€million) - 100%	Surface (m²)	Annualised rental income	Annualised rental income (€/m²)
Vacating	22 720	1,1	47,2
Letting	15 270	3,8	247,5
Pre-letting Development	13 570	5,7	418,1
Renewal	430 812	54,1	125,5

The first half-year was marked by the signing of numerous agreements and intense asset management work. Concerning the renewal and renegotiation of current leases, 22% of nominal annualised rents were impacted by an asset management procedure during the half-year, including numerous agreements signed with Key Accounts:

- comprehensive memorandum of understanding signed with Orange covering 61 leases (€17 million in rental income) to extend their average maturity (+4.1 years). At the same time, preliminary purchase agreements were signed by Orange for eight properties totalling €23 million
- comprehensive memorandum of understanding signed with ERDF/EDF: extension of the average firm lease term on seven properties (€5.4 million in rental income), tacit renewal for seven properties under the same terms and conditions and signing of a lease for nine years firm starting in 2018 for the Lyon Duguesclin building, including work (€1.9 million in rental income)
- Thalès: extension of the New Vélizy and TED leases: +3 years, €15 million in rental income
- IBM in Montpellier, extended for three years, with rental income of €2.7 million
- Cisco: renegotiation successfully conducted with a five-year extension of the lease to six years firm in exchange for a works programme.

On average, lease renegotiations and renewals resulted in a 0.9% increase on existing IFRS rents and the extension of the leases by an average of 3.3 years.

The pre-letting of assets under development continued with leases taken out for 13,570 m² over the first half-year, for rental income of €5.7 million and an average term of 8.6 years. In particular, this concerns the full pre-letting of the EDO building in Issy-les-Moulineaux due to be delivered in 2017, for nine years firm, and the signing of agreements for 2,810 m² of office and commercial space in the Silex 1 building in Lyon for six years firm to BNP Paribas.

15,270 m² was leased out during the first half-year for rental income of €3.8 million (Group share), for an average term of 8.1 years:

- the continuation of the leasing agreements for Euromed in Marseille, concerning the buildings delivered in 2015/2016, with the signing of a lease by RTM for 4,794 m² in the Astrolabe building
- the full letting of the CB21 tower at La Défense following the leasing of 1,465 m² to Regus
- the signing of a lease by Kering, for a firm nine-year term on the departure of Orange at the end of the year, for the entire surface area of the Paris Littré building on rue du Cherche Midi.

22,720 m² was vacated, representing rental income of €1.1 million (mainly in Lyon and Bordeaux).

5. Lease expirations and occupancy rates

5.1. Lease expirations: firm residual duration of leases of 5.9 years

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2016	9,0	3%	5,6	2%
2017	16,4	6%	9,5	3%
2018	28,8	11%	7,1	3%
2019	40,8	15%	27,3	10%
2020	9,7	4%	21,3	8%
2021	27,1	10%	40,0	15%
2022	30,5	11%	31,8	12%
2023	29,1	11%	30,3	11%
2024	10,9	4%	24,3	9%
2025	44,0	16%	43,6	16%
Beyond	26,9	10%	32,3	12%
Total	**273,2**	**100%**	**273,2**	**100%**

The firm residual duration of leases improved by 0.5 point to 5.9 years, despite the passing of six months, thanks to leasing agreements in particular with Orange and EDF.

5.2. Occupancy rate: 95.8%

(%)	2015	H1 2016
Paris Centre West	100,0%	100,0%
Southern Paris	100,0%	100,0%
North Eastern Paris	97,0%	97,6%
Wester Crescent and La Défense	97,0%	98,1%
Inner suburbs	93,6%	94,0%
Outer suburbs	89,7%	91,8%
Total Paris Region	**96,7%**	**97,3%**
MRC	94,8%	91,0%
Other French regions	91,6%	91,1%
Total	**95,8%**	**95,8%**

The occupancy rate remained stable compared to the end of 2015, at 95.8%. The positive impact of rental activity (new lets exceeding departures) was offset by the delivery of assets not yet fully rented, such as the Calypso building in Marseille.

6. Reserves for unpaid rent

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

7. Disposals and disposal agreements: €45 million in new commitments in the first half of 2016

(€million)	Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016	New agrements H1 2016	Total H1 2016	Margin vs 2015 value	Yield	Total Realized Disposals = 1 + 2
Total Paris Region	62,3	52,1	0,8	17,9	18,7	14,7%	5,6%	63,1
MRC	7,5	6,3	0,1	6,8	7,0	-14,0%	9,2%	7,6
Other French regions	10,8	0,7	0,4	19,3	19,6	-3,1%	10,1%	11,2
Total	**80,6**	**59,1**	**1,2**	**44,0**	**45,2**	**1,5%**	**8,0%**	**81,9**

New commitments (new disposals and new agreements) reflect the will to improve the quality of the portfolio. In terms of volume, 75% of these new commitments are located in non-strategic areas. They mainly consist of the following:

- 60% of the agreements signed with Orange during the half-year, i.e. €29.7 million: implementation of the 2016 comprehensive memorandum of understanding (€22.7 million) and previous agreements (sale of part of the surface areas for €7 million)
- the remainder, i.e. €17 million, concerns sales of small assets in the outer Paris suburbs and in French regions other than the Paris region.

Over the period, effective disposals totalled €82 million, including the full sale of 12 assets for €37 million (of which €29 million for the Fontenay-sous-Bois property) and partial sales, in particular to Orange, within the framework of the partnership agreements signed between 2012 and 2013.

8. Acquisitions: €138 million in 2016

Assets	Surface (m²)	Location	Tenants	Acquisition Price ID* (€million)	Yield ID*
Rueil Lesseps	38 000	Rueil Malmaison	Vinci	128,9	7,8%
VPJ Orange (2)	659	/	Orange	1,4	9,6%
Cap 18 - QP Cicobail (14,29%)	/	Paris	/	4,9	7,1%
St Ouen Victor Hugo - Bâtiment 3	1400	St Ouen	Le Parisien	3,0	7,4%
Total	**40 059**			**138,2**	**7,7%**

**ID : Including Duties*

The main acquisition of the half-year was the Vinci head office in Rueil Malmaison: this acquisition will make it possible to redevelop the building complex by 2020-2021, once Vinci has vacated the premises, based on the successful model of the EDO building in Issy-les-Moulineaux. In the meantime, the asset provides a high yield of 7.8%.

In the first half-year, Foncière des Régions also made acquisitions aimed at expanding the scope of its ownership of real estate complexes it already partially owned:

- acquisition of Cicobail's 15% stake in tranche 1 of Cap 18 for €4.8 million in January 2016: Foncière des Régions now fully owns Cap 18
- acquisition of the last building in the Victor Hugo business park in Saint Ouen for €3 million: Foncière des Régions now owns the entire park.

In addition, Foncière des Régions acquired additional space from Orange in certain assets for which Orange reviewed the technical volumetry, for €1.4 million, at the price stipulated in the partnership agreements with the Key Account.

9. Development projects: a pipeline of more than €2.5 billion

The development policy of Foncière des Régions focuses on continuing the asset enhancement work undertaken (improvement of asset quality and creation of value), supporting Key Accounts partners over the long term in the roll-out of their real estate strategy, and managing new value-creating operations in strategic locations.

In the Paris region, this strategy is deployed in areas with good public transport, in established business districts and in prime locations (e.g. the high-speed train station in the district of La Part-Dieu in Lyon, etc.) in Major Regional Cities for which the annual take-up exceeds 50,000 m^2.

9.1. Projects delivered

Approximately 28,000 m² were delivered in the first half of 2016, including 5,100 m² in established Paris region business areas and 22,900 m² in Major Regional Cities.

For projects delivered in the first half-year, the occupancy rate stood at 73% on 30 June 2016, versus 68% at end-2015.

- The building in St-Germain was delivered in January 2016 and has been fully rented to Bose since its delivery
- The building built for Schlumberger in Montpellier was delivered in February 2016
- The hotel in the Euromed Center, fully rented to Golden Tulip, was delivered in April
- The Calypso office building in the Euromed Center was delivered in April with a leasing rate of 29% on delivery. The successful leasing of the building next to Astrolabe (delivered in 2015 and 98% rented) and the appeal of the Euroméditerranée area, which attracts most of the demand for new offices, point to the rapid leasing of the asset.

9.2. Committed projects: €470 million

Projects	Location	Project	Surface** (m²)	Delivery	Target offices rent (€/m²/year)	Pre-let (%)	Total Budget* (€m)	Progress	Yield	Capex to be invested (GS ; €m)
Clinique INICEA	Saint-Mandé - Greater Paris	Construction	5 700	2016	na	100%	25	95%	6%	0,6
DS Campus Extension 1 (QP FdR : 50%)	Vélizy - Greater Paris	Construction	13 100	2016	305	100%	39	65%	6%	5,6
Euromed Center - Bureaux Hermione (QP FdR 50%)	Marseille	Construction	10 400	2017	265	0%	14	70%	>7%	4,4
Silex I	Lyon	Construction	10 600	2017	280	26%	47	60%	6%	16,5
Euromed Center - Bureaux Floreal (QP FdR 50%)	Marseille	Construction	13 400	2017	265	0%	18	55%	>7%	8,8
Thaïs	Levallois - Greater Paris	Construction	5 500	2017	480	0%	40	50%	6%	14,3
O'rigin	Nancy	Construction	6 300	2017	195	77%	20	40%	6%	10,6
Edo	Issy Les Moulineaux - Greater Paris	Regeneration-Extension	10 800	2017	450	100%	83	30%	6%	33,4
Art&Co	Paris	Regeneration	13 500	2017	520	5%	131	5%	5%	34,0
Riverside	Toulouse	Construction	11 000	2018	195	0%	32	5%	7%	25,9
Hélios	Lille - Villeneuve d'Asq	Construction	8 700	2018	160	0%	21	5%	>7%	20,4
Total			**109 000**			**39%**	**470**	**34%**	**>6%**	**175**

Surface 100%

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

Several projects were launched during the first half-year, including:

- Riverside in Toulouse, involving the demolition-construction of new offices in a building of 11,000 m². The demolition of the existing building is under way
- Art&Co located on rue Traversière in Paris (12th arrondissement) near the Gare de Lyon, with 13,500 m² of office space undergoing restructuring. The building permit was obtained in April and the work will start this summer
- Hélios in Villeneuve d'Ascq, involving the construction of a set of two new buildings of 8,700 m². The building permit was obtained in May 2016.

Work on the Inicea clinic in Saint Mandé and on the extension of the Dassault Systèmes campus is nearing completion, with deliveries scheduled for the second half of 2016. Work is continuing on the Hermione and Floreal buildings in the Euromed Center, as well as on the Silex 1 (Lyon), Thaïs (Levallois), O'rigin' (Nancy) and Edo (Issy) buildings, with deliveries scheduled for 2017.

9.3. Managed projects: €2.0 billion in the pipeline

Approximately 500,000 m² are managed by Foncière des Régions:

Projects	Location	Project	Surface* (m²)	Delivery time frame
Silex II	Lyon	Regeneration-Extension	30 700	2020
Opale	Meudon - Greater Paris	Construction	30000	2019
Bordeaux Ilot Armagnac (QP FDR 34%)	Bordeaux	Construction	31600	2018
Bordeaux Cité du Numérique	Bordeaux	Construction	18 600	2018
Cœur d'Orly Commerces (QP FdR 25%)	Orly - Greater Paris	Construction	31000	>2019
ERDF Reims	Reims	Construction	10 400	2017
Multiplex Europacorp	Marseille	Construction	2 800 seats	2018
Cap 18	Paris	Construction	50 000	>2020
Rueil Vinci	Rueil-Malmaison - Greater Paris	Regeneration-Extension	43 000	>2020
Canopée	Meudon - Greater Paris	Construction	46 900	2020
Omega	Levallois-Perret - Greater Paris	Regeneration-Extension	21500	>2020
Citroen PSA - Arago	Paris	Regeneration	19 500	>2020
Anjou	Paris	Regeneration	11000	>2020
Montpellier Majoria	Montpellier	Construction	58 200	2018-2020
Avenue de la Marne	Montrouge	Construction	18 000	2020
Cœur d'Orly Offices (QP FdR 25%)	Orly - Greater Paris	Construction	50 000	>2019
Orange Gobelins	Paris	Regeneration	4 100	>2020
Campus New Vélizy Extension (QP FdR 50%)	Vélizy - Greater Paris	Construction	14 000	2019
DS Campus Extension 2 (QP FdR 50%)	Vélizy - Gretaer Paris	Construction	11000	>2020
ERDF Angers	Angers	Construction	4 700	2019
Total			**504 200**	

**Surface at 100%*

The Opale (30,000 m²) and Canopée (47,000 m²) projects in Meudon, as well as the Silex II project (30,700 m²) in Lyon are currently in the pre-letting phase and are liable to be launched, depending on the leasing agreements that may ensue.

A demolition permit was obtained in June 2016 for the asset located on Avenue de la Marne in Montrouge, purchased at the end of 2015.

The launch of the turnkey development of 10,400 m² for ERDF in Reims is scheduled for the second half of the year. The building permit was obtained in January 2016.

At the beginning of July, Foncière des Régions entered into a partnership with another REIT for the off-plan acquisition of a complex of three new office buildings in Bordeaux Armagnac at the foot of the future high-speed rail line.

Several turnkey rental projects are under study in the Pompignane business park in Montpellier, with launches scheduled between end-2016 and 2018, for total office space of nearly 58,000 m².

Lastly, studies have been launched on certain assets in the operating portfolio, with a view to potential redevelopments in the medium/long term, particularly at Omega Levallois, Arago Paris (17th arrondissement) and Cap18 in Paris (18th arrondissement).

10. Portfolio values

10.1. Change in portfolio values: increase of €335 million (Group share) in the first half of 2016

(€million) GS*	Value ED** 2015	Value adjustment	Acquisitions	Disposals	Invest.	Value creation on Acquis./Disposals	Transfer	Value ED** H1 2016
Assets in operation	4 420	165	138	-83	11	3	40	4 695
Assets under developement	420	45	0	0	54	0	-40	480
Total	**4 840**	**211**	**138**	**-83**	**66**	**3**	**0**	**5 175**

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

**ED : Excluding Duties

10.2. Like-for-like change: +4.4%, i.e. +€211 million

Value GS (incl. assets under developments)

(€million)	Value ED* 2015 100%	Value ED* H1 2016 100%	Value ED* H1 2016 GS	LFL change 12 months	Yield ED* 2015	Yield ED* H1 2016	% of total value
Paris Centre West	854	892	892	4,5%	4,7%	4,7%	17%
Southern Paris	546	585	446	6,5%	5,1%	4,8%	9%
North Eastern Paris	339	334	334	3,8%	6,2%	5,8%	6%
Wester Crescent and La Défense	1 181	1 365	1 206	4,9%	5,8%	5,8%	23%
Inner suburbs	1 258	1 261	836	1,7%	5,6%	5,7%	16%
Outer suburbs	149	148	148	1,5%	8,2%	7,5%	3%
Total Paris Region	**4 327**	**4 585**	**3 861**	**4,0%**	**5,5%**	**5,5%**	**75%**
MRC	529	623	540	4,5%	6,8%	6,2%	10%
Other French regions	307	294	294	-0,5%	9,7%	9,6%	6%
Total in operation	**5 163**	**5 502**	**4 695**	**3,8%**	**6,0%**	**5,8%**	**91%**
Assets under developement	495	545	480	10,4%	n/a	n/a	9%
Total	**5 658**	**6 047**	**5 175**	**4,4%**	**6,0%**	**5,8%**	**100%**

*ED : Excluding Duties

On a like-for-like basis, values rose 4.4% in the first half-year, mainly due to the rise in values in the Paris region, especially in Paris, as well as the leasing agreements signed over the period.

The yield on the operating portfolio stands at 5.8%, a drop of 20 bps vs. year-end 2015 as a result of the compression of the rates and the improvement in portfolio quality.

Assets under development accounted for 9% of the France Offices portfolio (GS). On a like-for-like basis, values rose 10.4%, of which +20% on committed projects.

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 portfolio of "assets under development" consists of assets for which a "committed" (appraised) development project has been initiated, the land reserve that may be undergoing appraisal, and the assets freed for short/medium term development, i.e. "managed" (undergoing internal valuation). Such assets will become "core assets" once delivered.
- Non-core assets form a portfolio compartment with a higher average yield than that of the office portfolio, with smaller, liquid assets in local markets, allowing their possible progressive sale. Note: all assets under preliminary sales agreements are automatically classed in this category.

	Core Portfolio	Pipeline	No Core Portfolio	Total
Number of assets	84	16	266	**366**
Value Excluding Duties GS (€million)	4 157	480	538	**5 175**
Yield	5,4%	n.a	8,7%	**5,8%**
Residual firm duration of leases (years)	6,2	n.a	4,4	**5,9**
Occupancy rate	97,0%	n.a	90,1%	**95,8%**

The “Core” portfolio was up by 5 points over the year and represented, at the end of June 2016, 80% of the portfolio, particularly following the four deliveries in the half-year, acquisitions and the increase in value of the Parisian assets.

With the addition of Montrouge Marne, the portfolio of "assets under development" now amounts to €482 million, accounting for 9% of total assets.

The "Non-core" portfolio continued its downward trend and accounted for 11% of the portfolio (Group share) at the year-end, down 2 points in comparison to year-end 2015, particularly due to disposals

B. ITALY OFFICES

Listed on the Milan stock exchange since 1999, Beni Stabili is the largest listed Italian property firm and is a 52.2% subsidiary of Foncière des Régions versus 48.5% at the end of December 2015. The figures are disclosed as 100%. Beni Stabili is consolidated at 50.12% in the H1 2016 P&L of Foncière des Régions.

Its assets consist largely of offices located in cities in northern and central Italy, particularly Milan. The company has a portfolio of €4.0 billion at June 30, 2016.

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

(€million)	Surface (m²)	Number of assets	Rental income H1 2015	Rental income H1 2016	Change (%)	Change (%) LFL	% of total
Offices - excl. Telecom Italia	486 048	52	43,1	39,3	-8,9%	2,6%	39,8%
Offices - Telecom Italia	1 069 917	149	57,0	49,6	-13,0%	-3,7%	50,1%
Retail	98 224	18	10,3	9,9	-3,7%	1,7%	10,1%
Others	4 567	18	0,0	0,0	na	na	0,0%
Sub-Total	**1 658 756**	**237**	**110,5**	**98,8**	**-10,5%**	**-0,8%**	**100,0%**
Developement portfolio	226 533	6	0,0	0,0	na	na	0,0%
Total	**1 885 288**	**243**	**110,5**	**98,9**	**-10,5%**	**-0,8%**	**100,0%**

Between the first half of 2015 and the first half of 2016, rental income decreased by €11.6 million, or -10.5%, primarily due to:

- Asset disposals: -€8.2 million;
- The impact of the vacating of premises and of the indexation (particularly the impact of the vacating of an asset located in Milan – via Cernaia in January 2016, which entered in development in 2016): -€4.4 million;
- The signing in Q2 2015 of a major agreement with Telecom Italia for renewal on all of its leases (€117 million in rent) for 15 years firm in return of a decrease in rents of 6.9%. In this first of half 2016 TI renegotiation impact is -€1.9 million;
- The acquisition of Milano – Corso Italia: +€ 1.1 million;
- Re-letting/new contracts for +€3.7 million.

The change at a like-for-like scope of -0.8% is mainly due to the renegotiation with Telecom Italia. Excluding TI Portfolio, the change at like-for-like is +2.3%, thanks to an increase in occupancy.

2. Annualized rental income: €204.9 million

2.1. Breakdown by portfolio

(€million)	Surface (m²)	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of total
Offices - excl. Telecom Italia	486 048	52	84,5	85,4	1,1%	41,7%
Offices - Telecom Italia	1 069 917	149	102,4	98,4	-4,0%	48,0%
Retail	98 224	18	20,6	21,1	2,2%	10,3%
Others	4 567	18	0,1	0,0	na	0,0%
Sub-Total	**1 658 756**	**237**	**207,6**	**204,8**	**-1,3%**	**100,0%**
Developement portfolio	226 533	6	0,0	0,1	n/a	n/a
Total	**1 885 288**	**243**	**207,6**	**204,9**	**-1,3%**	**100,0%**

Annualized rental income declined by 1.3% due to the impact of the Telecom Italia disposals mitigated by the increase in new contract/renewals and in acquisition.

2.2. Geographic breakdown

(€million)	Surface (m²)	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of total
Milan	577 174	43	84,5	86,2	2,0%	42,1%
Rome	89 371	29	15,6	12,0	-23,3%	5,8%
Turin	159 919	12	11,6	11,7	0,8%	5,7%
North of Italy (other cities)	640 226	94	59,9	59,6	-0,4%	29,1%
Others	418 599	65	36,0	35,4	-1,8%	17,3%
Total	**1 885 289**	**243**	**207,6**	**204,8**	**-1,3%**	**100,0%**

Excluding Development assets

Nearly 83% of rents come from assets located in the North of Italia and in Rome. Milan, where the group intends to focus on, represents close to 42% of the rents (vs 40.7% in Dec-2015).

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 2016, the average change in the IPC index was -0.2% over 6 months, nevertheless, this decrease did not apply as all leases are protected against negative indexation.

4. Rental activity

During the first half of 2016, rental activity can be summarized as follows:

(€million)	Surface (m²)	Annualised rental income	Annualised rental income (€/m²)
Vacating	10 647	3,6	342
Letting	19 348	5,1	262
Letting Development	16 000	3,8	239
Renewal	17 196	5,9	342

The main new leases relate to the Via Dante property in Milan, with new tenant – Arav Fashion (topped up rent of €1.28 million) and to Via Durini Mc Donald's – topped up rent €1 million. Another important transaction has been signed for Via Messina, Tower D and Tower B with new tenant Widiba (Topped up rent €1.2m –6,530 m²) with start in September and in October 2016.

On the development pipeline side, the company FastWeb signed a 10.5 years lease, pre-letting 16,000 m² of the 19,000 m² of the Symbiosis building in Milan. Fastweb also has an option to let the remaining 3,000 m².

Renewed leases consist mainly of the renewals of Galleria del Corso - Gruppo Coin, in the city-center of Milan. The structure of the rent has been renegotiated, with the fixed part decreasing and the variable part increasing.

The change in vacated premises mainly results from the departure of the Via Cernaia tenant (Intesa) in Milan (7,497 m²) in January 2016 and the Viale Industria asset tenant (CVG Moda; in Vigevano, 1,117 m²). The first asset is now under development and the delivery is envisaged for Q3 2017.

5. Lease expirations and occupancy rates

5.1. Lease expirations: residual lease term of 9.5 years firm

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2016	1,4	1%	0,4	0%
2017	7,0	3%	1,6	1%
2018	7,1	3%	1,2	1%
2019	24,3	12%	1,7	1%
2020	8,3	4%	1,7	1%
2021	20,4	10%	1,2	1%
2022	27,8	14%	10,9	5%
2023	11,6	6%	5,7	3%
2024	4,1	2%	6,3	3%
2025	0,5	0%	6,5	3%
Beyond	92,2	45%	167,6	82%
Total	**204,9**	**100%**	**204,9**	**100%**

Thanks to the lease renegotiation with Telecom Italia in 2015, the firm lease term remains very long, at 9.5 years vs 9.7 years at 31 December 2015 (full term of 15.1 years).

5.2. Occupancy rate and type: an improved occupancy rate, at 95.1%

(%)	2015	H1 2016
Offices - Telecom Italia	100,0%	100,0%
Offices - excl. Telecom Italia	85,9%	90,6%
Retail	89,5%	93,4%
Others	11,7%	0,0%
Total	**92,8%**	**95,1%**

The spot financial occupancy rate at 30 June 2016 was 95.1% for the operating portfolio, with an increase from year-end 2015 (92.8%) thanks to the new leases (+1,6 pt) and due to assets now in development (0,7 pt positive impact). In particular, the occupancy rate on offices ex-Telecom Italia improves by 4.7 pts to 90.6% (+3.1 pts due to new leases).

6. Reserves for unpaid rent

(€million)	H1 2015	H1 2016
As % of rental income	2,0%	1,1%
In value *	2,2	1,1

**net provision / reversals of provison*

Reserves for unpaid rents correspond to charges to reserves net of reversals and write-offs and are slightly down over one year, at a low level of 1.1%.

7. Disposals and disposal agreements: €48.4 million

(€million)	Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016 2	New agreements H1 2016	Total H1 2016	Margin vs 2015 value	Yield	Total Realized Disposals = 1 + 2
Milan	0,0	0,0	0,0	37,8	**37,8**	1,6%	3,4%	**0,0**
Rome	50,2	0,0	0,0	0,0	**0,0**	n/a	n/a	**50,2**
Other	5,1	3,3	0,9	9,7	**10,6**	1,0%	6,2%	**5,9**
Total	**55,3**	**3,3**	**0,9**	**47,5**	**48,4**	**1,4%**	**4,0%**	**56,1**

The total value of disposals and disposal agreements in 2016 was €48.4 million. These new commitments in 2016 were entered at 1.4% above the year-end 2015 appraisal values and based on a 4.0% yield.

8. Acquisitions: €85 million secured

At June 30, 2016, €85 million in acquisitions in Milan had been secured with property transfers set to take place during the second half of 2016. Those acquisitions reinforce the focus on Milan and the quality of the portfolio. The group intends to create value through an active asset management work:

- Acquisition of 2 towers of 11,800 m² in Via Messina, Milan, for €26.8 million and 6.8% potential yield (6.1% immediate yield at current occupancy level). The group, which already own the 2 first towers, is thus owner of the whole complex of 25,000 m². The two towers, located in front of the subway station Cernisio, include 1 hotel let to B&B (19-year firm) and 6,539 m² of offices (61% let).
- Acquisition of 22,000 m² of offices in Via Scarsellini in Milan, for €58 million and 6.4% yield. The asset, built in 2010 and located nearby Affori Centro subway station, is let at 82% for 6.5 years, mainly to Aviva, and benefit also from 2-years rental guarantee on vacant space.

9. Development projects: a € 780 million pipeline

9.1. Committed projects: an increase of €120 million, to €266 million mainly in Milan

Projects	Location	Area	Project	Surface (m²)	Delivery	Target offices rent (€/m²/year)	Pre-let (%)	Total Budget (€m)	Progress	Target Yield	Capex to be invested
Turin, corso Ferrucci 112	Turin	Italy	Regeneration	45 600	june-17	130	0%	86	10%	6%	30
Milan, via Colonna	Milan	Italy	Regeneration	3 464	july-17	260	0%	16	1%	5%	4
Milan, via Cernaia	Milan	Italy	Regeneration	8 316	july-17	420	0%	57	4%	5%	14
Milan, P.zza Monte Titano	Milan	Italy	Regeneration	4 816	sept-17	190	0%	21	1%	5%	8
Symbiosis A+B	Milan	Italy	Construction	19 000	oct-18	300	80%	86	8%	7%	50
Total				**81 196**			**26%**	**266**	**7%**	**6%**	**106**

Five development projects were launched, two of them were started in 2015 and three new projects in Milan were added this last semester:

- The first phase of the Symbiosis development project. The entire project potentially involves 125,000 m² in 12 new commercial buildings located at the southern limit of central Milan, across from the new Prada Foundation. The progressive development of the area should require a total of €250 million in capex. The initial work started in 2015. The group launched the 1st phase for 19,000 m² and already pre-let 16,000 m² to Fastweb (+ option to let the remaining 3,000 m²);
- The redevelopment project on the existing Ferrucci asset, located in Turin, with a delivery timeframe of 2020;
- The redevelopment project on the existing Piazza Monte Titano asset, located in Milan. The delivery is expected in Q3-2017;
- The redevelopment project on the asset located in Milan, Via Colonna, whose delivery is expected in 3Q-2017;
- The redevelopment project of via Cernaia asset (Milan, Brera office district), which will involve the complete refurbishment of the asset and the addition of a luxurious attic. Delivery by Q3-2017.

9.2. Managed projects: €510 million of projects in Milan

Projects	Location	Area	Project	Surface (m²)	Delivery timeframe
Principe Amedeo	Milan	Italy	Regeneration	6 400	2017
Via Schievano	Milan	Italy	Regeneration	27 153	2019
Symbiosis (other blocks)	Milan	Italy	Construction	101 500	2022
Total				**135 053**	

Three projects are in the managed pipeline:

- The Schievano project consists of the construction of three office buildings for a total of 27,000 m², located at the southern limit of central Milan.
- The Symbiosis project in Milan (excluding parts A and B).
- The Principe Amadeo with the construction of a total of 101 500 m² located in Milan.

10. Portfolio values

10.1. Change in portfolio values

(€million)	Value ED* 2015	Change in value	Acquisitions	Disposals	Invest.	Reclass.	Value ED* H1 2016
Offices - Telecom Italia	1608	-5		-56	1		1548
Offices - excl. Telecom Italia	1693	52	39		4	-66	1723
Retail	345	7					352
Others	9						9
Subtotal	**3 655**	**54**	**39**	**-56**	**6**	**-66**	**3 632**
Developement portfolio	250	3			12	66	331
Total	**3 905**	**57**	**39**	**-56**	**18**	**0**	**3 963**

**ED: Excluding Duties*

The portfolio amounted to €3.96 billion at June 30, 2016, an increase of €58 million over the semester mainly due to like-for-like growth in appraisal values and to the acquisition of Corso Italia in Milan CBD. The increase in the development portion of the portfolio is particularly associated with the reclassification of the Vittorio Colonna asset (€12 million), the Piazza Monte titano asset (€13 million), the Via Cernaia asset (€43 million), previously part of the Core portfolio. The Via Spalato asset (in Turin) was also reclassified from the development portfolio in the Core portfolio.

10.2. Like-for-like change: +1.5%

(€million)	Value ED* 2015 100%	Value ED* H1 2016 100%	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of total value
Offices - Telecom Italia	1608	1548	-0,3%	6,4%	6,4%	39%
Offices - excl. Telecom Italia	1693	1723	3,1%	5,0%	5,0%	43%
Retail	345	352	2,0%	6,0%	6,0%	9%
Others	9	9	0,2%	0,8%	0,0%	0%
Subtotal	**3 655**	**3 632**	**1,5%**	**5,7%**	**5,6%**	**92%**
Developement portfolio	250	331	0,8%	n/a	n/a	8%
Total	**3 905**	**3 963**	**1,5%**	**5,7%**	**5,6%**	**100%**

**ED: Excluding Duties*

The portfolio value increased by 1.5% at a like-for-like scope in the first half of 2016, thanks to the increase in Offices ex-TI (+3.1%). The Telecom Italia portfolio shows a slight decrease of 0.3%, mostly due to the increase in the Land Tax for some assets. In Milan, the values increase by +3% like-for-like on average.

C. HOTELS & SERVICE SECTOR

Foncière des Murs (FDM), a 49.6%-owned subsidiary of Foncière des Régions (43.1% owned at end-2015), is a listed property investment company (SIIC) specialising in the service sector, especially in hotels and retail space. FDM pursues an investment strategy that favours partnerships with leading operators in various business sectors. All figures provided are at 100% and FDM share of affiliates. In the income statement of Foncière des Régions, FDM is consolidated at 43.15% for the first quarter of 2016 and at 47.49% for the second quarter of 2016. In the balance sheet, FDM is consolidated at 49.6%.

1. Recognised rental income: +2.0% year-on-year

Assets not held at 100% by FDM consist of the 167 B&B Hotels properties acquired since 2012 (held at 50.2%), as well as the 22 B&B assets in Germany (held at 93.0%) and 2 Motel One properties (held at 94.0%), acquired in 2015.

1.1. Breakdown by business sector

(€million)	Number of rooms	Number of assets	Rental income H1 2015 100%	Rental income H1 2015 FDM share	Rental income H1 2016 100%	Rental income H1 2016 FDM share	Change (%) 100%	Change (%) FDM share	Change (%) LFL	% of rental income
Hotels	34 302	350	72,9	64,0	75,2	65,7	3,3%	2,6%	-2,9%	72%
Healthcare	n/a	27	7,6	7,6	7,2	7,2	-5,6%	-5,7%	0,1%	8%
Retail Premises	n/a	185	18,4	18,4	18,5	18,5	0,4%	0,4%	-0,5%	20%
Total	**34 302**	**562**	**98,9**	**90,1**	**100,9**	**91,4**	**2,0%**	**1,4%**	**-2,1%**	**100%**

At 30 June 2016, consolidated rental income totalled €100.9 million (at 100%), an increase of 2% (€2 million) from 30 June 2015.

This change was partly due to the different movements over the portfolio:

- acquisitions and deliveries of assets under development, which increased rental income by €6 million
- additional rental income following works to the Quick portfolio (+€0.1 million)
- disposals of non-core assets (mainly AccorHotels and Korian properties) that impacted rental income negatively in the amount of €2.1 million.

The 2.1% like-for-like decline in rental income is due to the decrease in performance by AccorHotels properties (down 4.8%, indexed to hotel revenue) following the terrorist attacks in Paris and Brussels. In the AccorHotels portfolio, rental income fell 14% in Paris but rose 4% in the rest of France.

2. Annualised rental income: €174.1 million (FDM share of affiliates)

2.1. Breakdown by business sector

(€million)	Number of rooms	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
Hotels	30 064	308	135,7	122,7	-9,6%	70%
Healthcare	n/a	26	14,4	14,4	-0,1%	8%
Retail Premises	n/a	185	37,0	37,0	0,0%	21%
Total	**30 064**	**519**	**187,2**	**174,1**	**-7,0%**	**100%**

The breakdown of rental income changed little in the first half of 2016 relative to the end of 2015. In the second half of the year, this breakdown will register the impact of the disposal of the Healthcare portfolio, for which a preliminary sales agreement has been signed.

2.2. Breakdown by tenant

(€million)	Number of rooms	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
AccorHotels	11 102	81	79,0	63,3	-19,8%	36%
B&B	17 881	219	34,0	36,1	6,2%	21%
Korian	n/a	26	14,4	14,4	-0,1%	8%
Quick	n/a	81	16,9	16,9	0,0%	10%
Jardiland	n/a	49	13,5	13,5	-0,1%	8%
Sunparks	n/a	4	13,9	13,9	0,0%	8%
Courtepaille	n/a	55	6,6	6,6	0,0%	4%
Club Med	392	1	3,4	4,0	15,9%	2%
NH	232	1	3,3	3,3	0,1%	2%
MotelOne	457	2	2,1	2,1	n/a	1%
Total	**30 064**	**519**	**187,2**	**174,1**	**-7,0%**	**100%**

Exposure to the AccorHotels group decreased significantly in 2016, from 42% at end- 2015 to 36% at 30 June 2016, following the disposal of 42 assets in the first half of 2016.

2.3. Geographic breakdown

(€million)	Number of rooms	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
Paris	2 347	9	19,7	19,7	0,1%	11%
Inner suburbs	3 012	32	18,2	17,6	-3,6%	10%
Outer suburbs	2 371	50	14,8	12,8	-13,5%	7%
Total Paris Region	**7 730**	**91**	**52,7**	**50,1**	**-5,0%**	**29%**
MRC	6 635	107	37,4	33,1	-11,7%	19%
Other French regions	8 308	254	53,1	44,9	-15,4%	26%
International	7 391	67	43,9	46,0	4,8%	26%
Total	**30 064**	**519**	**187,2**	**174,1**	**-7,0%**	**100%**

In the first half, the Group continued to pursue its investment policy focusing on assets in Europe's largest cities. This resulted in an increase in rental income abroad, linked to acquisitions and deliveries carried out in Germany in 2015 as well as the acquisition of four B&B Hotels properties in Spain in the first half of 2016.

3. Indexation

56% of the rental income is indexed to benchmark indices. Indexation had a limited impact in 2016 given the movement in benchmark indices, (ICC, ILC).

AccorHotels revenues, to which 36% of rental income was indexed, resulted in a €2 million decrease in rents in the first half of 2016. This percentage will continue to decline with the sale of three assets for which a preliminary sales agreement has already been signed, due to be completed by the end of 2016, for €107 million.

4. Lease expirations and occupancy rates

(€million)	By lease end date (1st break)	% of total	By lease end date	% of total
2016	1,8	0%	0,0	0%
2017	0,0	0%	0,0	0%
2018	6,2	4%	6,2	4%
2019	18,7	12%	17,0	11%
2020	0,3	0%	0,3	0%
2021	0,7	0%	0,7	0%
2022	0,1	0%	0,1	0%
2023	0,0	0%	0,0	0%
2024	0,0	0%	0,0	0%
2025	44,7	29%	46,3	30%
Beyond	80,3	53%	82,1	54%
Total	**152,8**	**100%**	**152,8**	**100%**

At 30 June 2016, the firm residual term of leases remained very high, at 10.6 years on average (excluding assets for which preliminary sales agreements have been signed), compared with 10.7 years at 31 December 2015, and the occupancy rate was still 100%.

5. Reserves for unpaid rent

No additional amounts were set aside for unpaid rents in the portfolio in the first half of 2016, as was also the case in 2015.

6. Disposals and disposal agreements: portfolio quality improvements

(€million)	Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016 2	New agreements H1 2016	Total H1 2016	Margin vs 2015 value	Yield	Total Realized Disposals = 1 + 2
Hotels	254	108	0	11	11	0,0%	6,8%	254
Healthcare	2	0	0	295	295	24,6%	4,9%	2
Retail Premises	0	6	0	0	0	n.a	n.a	0
Total	**256**	**114**	**0**	**306**	**306**	**23,5%**	**5,0%**	**256**

During the first half-year, 43 assets were sold for a value of €256 million. These disposals involved 42 AccorHotels properties and one long-term care facility.

In addition, an agreement relating to the sale of the Healthcare portfolio (26 assets) for €301 million (€295 million net of expenses) was signed during the first half, with a margin of 25% on the appraisal value at end-2015 and a yield (including duties) of 4.6%.

7. Acquisitions

Assets	Number of rooms	Location	Tenants	Acquisition Price ID* 100% (€million)	Acquisition Price ID* FDM Share (€million)	Gross Yield ID*
B&B Espagne (4 assets)	462	Spain	B&B	11	11	6,5%
Total Acquisitions Investment properties	**462**			**11**	**11**	**6,5%**
Hermitage (Operating hotel properties)	648	France & international	Multiple tenants	125	51	7,9%**
Total Acquisitions Hotel Operating properties	**648**			**125**	**51**	**7,9%**

*ID = Including duties

**EBITDA yield

In the first half, Foncière des Régions maintained its strategy focusing on assets in Europe's largest cities, thus completing the acquisitions of:

- four B&B Hotels properties in Spain for €11 million, with firm 15-year leases
- a portfolio of nine hotels, located in northern France and in Belgium, acquired as hotel operating properties, for €125 million (€51 million FDM share of affiliates).

The Group also secured the acquisition, via its autonomous subsidiary FDM Management (40.8% owned by FDM), which invests in hotel properties and business goodwill, of a portfolio of properties located mainly in Berlin, Dresden and Leipzig for €811 million (at 100%). This portfolio consists of nine four- and five-star hotels, with a total of 4,131 rooms, as well as 18,000 m² of street-level retail space, 88% of which is located in Berlin, and 70,000 m² of additional land at Alexanderplatz, Berlin.

8. Development projects: a €135 million pipeline

8.1. Committed projects: €135 million, 100% pre-let

Projects	Location	Area	Project	Number of rooms	Delivery	Pre-let (%)	Total Budget (€m)	Progress	Yield	Capex to be invested (FDM Share ; M€)
B&B Potsdam	Potsdam - Germany	Germany	Construction	101	August 2016	100%	6	58%	>7%	3
B&B Hamburg	Hamburg - Germany	Germany	Construction	155	August 2016	100%	12	85%	>7%	3
B&B Lyon	Lyon	MRC	Construction	113	December 2017	100%	4	27%	6%	3
B&B Chatenay Malabry	Chatenay Malabry - Greater Paris	Greater Paris	Construction	255	December 2017	100%	4	0%	6%	4
B&B Berlin	Berlin - Germany	Germany	Construction	140	H1 2018	100%	10	32%	>7%	2
B&B Nanterre	Nanterre - Greater Paris	Greater Paris	Construction	150	H1 2018	100%	5	10%	6%	3
Motel One Porte Dorée	Paris	Paris	Construction	173	H1 2018	100%	18	42%	6%	11
Meininger Munich	Munich - Germany	Germany	Conversion	420	H1 2018	100%	30	50%	6%	15
Meininger Porte de Vincennes	Paris	Paris	Construction	249	H2 2018	100%	48	0%	6%	32
Total						**100%**	**135**	**30%**	**6%**	**77**

**costs in a FDM shares basis*

In the first half of 2016, Foncière des Régions supported the development of B&B in France and Germany with the delivery of three new hotels. Two other hotels, located in Hamburg and Potsdam in Germany, will be delivered in the second half of 2016. Lastly, four hotels pre-let to B&B Hotels will be delivered in 2017 and 2018:

- a 140-room hotel in Berlin
- three hotels in France, offering a total of 390 rooms.

In addition, Foncière des Régions is maintaining its strategy to support the expansion efforts of its new partners in Europe's largest cities, including the following initiatives:

- the development of hotels under the Meininger brand in Munich and of a Motel One property at Porte Dorée in Paris, launched in 2015 with deliveries scheduled for the first half of 2018
- the development of a Meininger hotel at Porte de Vincennes in Paris. This 249-room hotel, which is in keeping with the German hotel group's strategy to build its presence in France, will open its doors in the second half of 2018.

9. Portfolio values

9.1. Change in portfolio values

(€million)	Value ED* 2015** FDM share	Value adjustment	Acquisitions	Disposals	Invest.	Value creation on Acquis./Disposals	Transfert	Value ED* H1 2016 FDM share
Assets in operation	3 180	95	11	-256	0	0	16	3 047
Assets under developement	35	3	0	0	22	0	-16	43
Total	**3 215**	**98**	**11**	**-256**	**22**	**0**	**0**	**3 090**
Hotel operating properties	55	4	51	0	0	6	0	116
Total	**3 270**	**102**	**62**	**-256**	**22**	**6**	**0**	**3 205**

**ED : Excluding Duties*
***Including MotelOne Porte Dorée GS (held at 50%)*

At 30 June 2016, the portfolio was valued at €3,205 million, down €65 million due to the disposals carried out in the first half. It was positively impacted by a like-for-like improvement in value of 2.7%.

9.2. Like-for-like change: +2.7%

(€million)	Value ED* 2015** FDM share	Value ED* H1 2016 100%	Value ED* H1 2016 FDM share	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of total value
Paris	431	452	438	1,4%	4,6%	4,6%	13%
Inner suburbs	334	378	338	4,2%	5,5%	5,2%	11%
Outer suburbs	263	254	226	1,1%	5,8%	5,7%	7%
Total Paris Regions	**1 028**	**1 083**	**1 001**	**2,2%**	**5,2%**	**5,0%**	**32%**
MRC	628	658	574	2,4%	6,0%	5,8%	19%
Other French Regions	835	861	726	2,9%	6,4%	6,2%	25%
International	725	800	788	3,1%	6,2%	6,1%	24%
Total	**3 215**	**3 401**	**3 090**	**2,7%**	**5,9%**	**5,7%**	**100%**
Hotel operating properties	55	285	116	7,4%	n.a	n.a	8%
Total including Operating hotel properties	**3 270**	**3 686**	**3 205**	**2,8%**	**n.a**	**n.a**	**100%**

**ED : Excluding Duties*
***Including MotelOne Porte Dorée GS (held at 50%)*

(€million)	Value ED* 2015** FDM share	Value ED* H1 2016 100%	Value ED* H1 2016 FDM share	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of total value
Hotels	2 366	2 472	2 170	0,9%	5,7%	5,6%	67%
Healthcare	233	295	295	24,6%	6,2%	4,9%	8%
Retail Premises	582	582	582	0,0%	6,4%	6,3%	16%
Total in operation	**3 180**	**3 349**	**3 047**	**2,6%**	**5,9%**	**5,7%**	**91%**
Assets under developement	35	52	43	11,3%	n.a	n.a	1%
Total	**3 215**	**3 401**	**3 090**	**2,7%**	**5,9%**	**5,7%**	**92%**
Hotel Operating properties	55	285	116	7,4%	n.a	n.a	8%
Total including Hotel operating properties	**3 270**	**3 686**	**3 205**	**2,8%**	**n.a**	**n.a**	**100%**

**ED : Excluding Duties*
***Including MotelOne Porte Dorée GS (held at 50%)*

In Hotels, portfolio values grew 0.9% at like-for-like scope compared with end-2015, with continuing compression of rates, particularly for assets located across Germany and in Europe's largest cities. Hotels held in the Hotel operating properties portfolio saw a like-for-like increase in value of more than 7%.

The Group's Healthcare assets rose 24.6% like-for-like, following the disposal agreement signed.

D. GERMANY RESIDENTIAL

Foncière des Régions operates in the Residential sector in Germany via its 60.9%-owned subsidiary, Immeo SE. The Company owns over 42,400 units, located mostly in Berlin, Hamburg, Dresden, Leipzig and North Rhine-Westphalia (NRW).

The strategy pursued by Foncière des Régions 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.

From an operational point of view, the first half of 2016 was marked by dynamic acquisition activity with €260 million in operations signed, with persistently strong organic growth, in a still favourable economic and demographic climate in Germany.

The figures presented are divided into 100% Immeo, and Foncière des Régions Group share.

1. Rental income recognised: +18% year-on-year

1.1. Geographic breakdown

(€million)	Surface (m²)	Number of units	Rental income H1 2015 100% Immeo	Rental income H1 2015 GS FDR	Rental income H1 2016 100% Immeo	Rental income H1 2016 GS FDR	Change (%)	Change (%) LFL	% of rental income
Berlin	1 002 590	13 359	24,7	14,6	**41,1**	**24,6**	68,3%	5,3%	38%
Dresden & Leipzig	252 333	4 275	7,7	4,5	**8,7**	**5,8**	30,2%	3,1%	9%
Hamburg	123 455	2 020	n/a	n/a	**6,1**	**3,4**	n/a	2,0%	5%
NRW	1 501 180	22 707	59,2	36,1	**50,0**	**31,4**	- 13,0%	2,0%	48%
Total	**2 879 559**	**42 361**	**91,6**	**55,3**	**105,9**	**65,3**	**18,0%**	**2,9%**	**100%**

Rental income came to €65.3 million in the first half of 2016, compared to €55.3 million in the first half of 2015 (FDR GS).

This 18% increase is attributable to the impact of disposals, as well as a steady flow of acquisitions in 2015 (€871 million at 100%) and an increase in rents at like-for-like scope, which came to +2.9% over one year, bolstered mainly by the good performance of the Berlin portfolio (+5.3%)

Berlin, Hamburg, Dresden and Leipzig now account for 52% of the rental income recorded, versus 39% at 31 December 2015.

2. Annualised rental income: €132 million Group Share

2.1. Geographic breakdown

(€million)	Surface (m²)	Number of units	Annualised rental income 2015 100% Immeo	Annualised rental income 2015 GS FDR	Annualised rental income H1 2016 100% Immeo	Annualised rental income H1 2016 GS FDR	Change (%)	Average rent €/m²/month	% of rental income
Berlin	1 002 590	13 359	72,5	44,1	**86,4**	**54,0**	22,5%	7,4	41%
Dresden & Leipzig	252 333	4 275	17,1	10,6	**17,6**	**10,5**	-0,3%	5,8	8%
Hamburg	123 455	2 020	12,6	8,2	**12,4**	**8,0**	-2,3%	8,7	6%
NRW	1 501 180	22 707	110,9	67,7	**97,6**	**59,6**	- 12,0%	5,6	45%
Total	**2 879 559**	**42 361**	**213,0**	**130,5**	**214,0**	**132,1**	**1,2%**	**6,4**	**100%**

The 1% increase in annualised rental income reflects the portfolio rotation strategy:

- disposals in North Rhine-Westphalia (-12%)
- acquisitions in high-growth markets (+15%), particularly Berlin, which accounts for 41% of annualised rental income.

3. Indexation

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

- Rents for re-leased properties:

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, rents for re-leased properties cannot exceed by more than 10% a rent reference. If construction works result in an increase in the value of the property (cost of work amounting to more than 30% of the residence value), the rent for re-let property may be increased by a maximum of 11% of the cost of the work. In the event of complete modernisation, the rent may be increased freely.

- For current leases:

The current rent may be increased by 15% to 20% depending on the region, although without exceeding the Mietspiegel, the appraisal value or the average rent for a minimum of at least three comparables. This increase may only be applied every three years.

- For current leases with work done:

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. This increase is subject to two conditions:

- the works involved must increase the value of the property
- the tenant must be notified of this rent increase within three months.

4. Occupancy rate

(%)	2015	H1 2016
Berlin	98,1%	98,1%
Dresden & Leipzig	98,2%	97,7%
Hamburg	99,1%	99,1%
NRW	97,7%	98,0%
Total	**98,0%**	**98,1%**

In the first half of 2016, the occupancy rate for operating assets remained at the high level of 98.1%, stable by comparison with the end of 2015.

5. Reserves for unpaid rent

(€million)	H1 2015	H1 2016
As % of rental income	1,4%	1,2%
In value *	1,3	1,2

**net provision / reversals of provison*

The amount of reserves for unpaid rent was equivalent to 1.2% of rental income, down compared to the first half of 2015.

6. Disposals and disposal agreements: €191 million essentially in NRW (€116 million GS)

(€ million)	Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016 2	New agreements H1 2016	Total H1 2016	Margin vs 2015 value	Yield	Total Realized Disposals = 1 + 2
Berlin	4	4	3	7	**10**	46,2%	4,0%	**7**
Dresden & Leipzig	-	-	-	-	**-**	n/a	n/a	**0**
Hamburg	-	-	-	-	**-**	n/a	n/a	**0**
NRW	118	2	69	112	**181**	7,7%	7,4%	**186**
Total	**122**	**6**	**71**	**119**	**190**	**9,1%**	**7,2%**	**193**

The first half of 2016 was particularly active with €190 million (€116 million GS) in new commitments signed, of which 46.2% in Berlin, with a total average gross margin of +9.1%.

At 30 June 2016, asset disposals amounted to €193 million. These disposals mainly involved non-core assets in North Rhine-Westphalia, in line with the portfolio re-allocation strategy.

7. Acquisitions: investments of €260 million in Berlin

Assets	Surface (m²)	Number of units	Acquisition price ID* 100% Immeo (€million)	Acquisition Price ID* GS FDR (€million)	Gross Yield ID*
Berlin	122 477	1 276	260	182	4,9%
Dresden & Leipzig	-	-	-	-	-
Hamburg	-	-	-	-	-
Total	**122 477**	**1 276**	**260**	**182**	**4,9%**

**ID: Including duties*

The Group continued its geographical repositioning in Berlin with €260 million (at 100%) in investments made at 30 June 2016, mainly consisting of centrally located buildings, with a 4.9% yield and a rent reversion potential of around 40%:

- acquisition of assets for €165 million, consisting of 945 high-quality residential units (86% of the assets in terms of value), fully renovated and mainly located in sought-after districts in the centre of Berlin such as Mitte, Friedrichshain and Prenzlauerberg
- acquisition of a real estate complex made up of 117 residential units (19% of the value), 10,700 m² of office and commercial premises (40% of the value) and a 4-star Novotel hotel with 238 rooms. The €76.4 million asset is located in the heart of the Mitte district (Fischerinsel 12)
- acquisition of a portfolio of 71 residential units in the districts of Mitte, Steglitz-Zehlendorf, Tempelhof-Schöneberg and Falkensee for €18.3 million.

8. Portfolio values

8.1. Change in portfolio value: 7% growth

(€million) - GS FDR	Value ED* 2015	Value adjustment	Acquisitions	Disposals	Invest.	Others	Value ED* H1 2016
Berlin	863	34	182	-4	-	17	1092
Dresden & Leipzig	160	8	-	-	-	8	176
Hamburg	153	6	-	-	-	-	159
NRW	999	18	-	-111	-	-	906
Total	**2 175**	**66**	**182**	**-115**	**0**	**25**	**2 334**

**ED: Excluding Duties*

At 30 June 2016, the portfolio was valued at €2,334 million, up from €2,175 million at end- 2015. This change was due to the following:

- the impact of disposals (-€115 million)
- the impact of acquisitions (+€182 million)
- value adjustment (+€66 million).

During the half-year, CAPEX amounted to €20 million (€7/m², 60% dedicated to modernisation) while OPEX totalled €7 million (€2.5/m²). By comparison, for the whole of 2015, the Group's CAPEX amounted to €32 million (€18.7/m², more than 70% dedicated to modernisation) while its OPEX totalled €9 million (€5.0/m²), thus improving the quality of the assets and increasing the growth potential of rental income.

8.2. Like-for-like change: +3.1%

(€million)	Value ED* 2014 100%	Value ED* 2015 GS FDR	Value ED* H1 2016 100% Immeo	Value ED* H1 2016 GS FDR	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of total value
Berlin	1457	863	1760	1092	4,0%	5,1%	4,9%	47%
Dresden & Leipzig	273	160	284	176	4,0%	6,4%	6,2%	8%
Hamburg	239	153	248	159	3,6%	5,2%	5,0%	7%
NRW	1634	999	1485	906	2,1%	6,8%	6,6%	39%
Total Germany	**3 603**	**2 175**	**3 776**	**2 334**	**3,1%**	**6,0%**	**5,7%**	**100%**

**ED: Excluding Duties*

At like-for-like scope, values increased 3.1% over six months, driven by the increase in rental income. In particular, increases of 3.6% to 4.0% were recorded in Hamburg, Dresden & Leipzig and Berlin.

E. OTHER ACTIVITIES

I. FRANCE RESIDENTIAL

The residential business activity in France is managed by Foncière Développement Logements, at 61.3%-subsidiary of Foncière des Régions. The data presented is 100% FDL.

1.1. Rental income recognised:

(€million)	Rental income H1 2015	Rental income H1 2016	Change (%)	% of rental income
Paris and Neuilly	5,5	3,6	-34%	46%
Greater Paris Excl. Paris and Neuilly	2,3	1,7	-28%	21%
Rhônes-Alpes	1,1	0,7	-41%	8%
PACA	1,8	1,3	-26%	17%
Great West	0,5	0,4	-20%	5%
East	0,2	0,2	-2%	3%
Total France	**11,4**	**7,9**	**-30,9%**	**96%**
Total Luxembourg	**0,3**	**0,3**	**0%**	**100%**
Total	**11,7**	**8,2**	**-30,1%**	**100%**

Rental income amounted to €8.2 million at 30 June 2016, down from €11.7 million a year earlier. This change was due mainly to:

- the impact of the continuation of the disposal strategy (-€2.6 million)
- the impact of vacant properties facilitating unit sales (-€1 million)
- the impact of indexation (+€0.1 million).

2. Annualised rental income:

(€million)	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
Paris and Neuilly	6,8	6,3	-8%	41%
Greater Paris Exclud. Paris et Neuilly	3,4	3,0	-11%	21%
Rhônes-Alpes	1,4	1,3	-12%	9%
PACA	3,0	2,6	-16%	18%
Great West	0,8	0,7	-11%	5%
East	1,1	0,4	-64%	7%
Total France	**16,7**	**14,3**	**-14,3%**	**97%**
Total Luxembourg	**0,6**	**0,6**	**0%**	**100%**
Total	**17,3**	**14,9**	**-13,8%**	**100%**

The 14% decrease in annualised rental income is the result of stepping-up the disposal programme between 2015.

3. Indexation

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

4. Disposals and disposal agreements: €89 million

(€ million)	Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016 2	New agreements H1 2016	Total H1 2016	Margin vs 2015 value	Yield	Total Realized Disposals = 1 + 2
France	29	0	44	45	**89**	6,3%	0,8%	73
Luxembourg	-	-	-	-	-			0
Total	**29**	**0**	**44**	**45**	**89**	**6,3%**	**0,8%**	**73**

The half-year continued to see sustained disposal activity, with €89 million in disposals and agreements for a particularly low average yield of 0.8%, in line with the sale strategy concerning vacant buildings. 75% of the disposals and agreements took place in the Paris region.

5. Portfolio value up 0.2% at like-for-like scope

At 30 June 2016, the portfolio of Residential assets in France and Luxembourg is valued at €540 million, showing a slight 0.2% increase at like-for-like scope.

This increase is mainly due to an asset being transferred from a block value to an occupied retail value pursuant to a disposal commitment obtained on this asset. The increase is also due to the compression of the capitalisation rates used by experts on some assets.

(€million)	Value ED* 2015 100%	Value ED* H1 2016 100%	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016
France + Luxembourg	609	540	0,2%	2,8%	4,0%
Total	**609,0**	**539,8**	**0,2%**	**2,8%**	**4,0%**

ED : Excluding Duties

II. LOGISTICS

1. Rental income recognised: €2.8 million

(€million)	Surface (m²)	Rental income H1 2015	Rental income H1 2016	Change (%)	Change (%) LFL	% of total
Total	**121 648**	**10,0**	**2,8**	**-71,7%**	**n.a**	**100%**

At the end of June 2016, rental income amounted to €2.8 million, down 72% compared to end of 2015, due to (i) the disposals made in 2015 and 2016 (-€5.6 million), with the sale of the Pantin asset in July 2015, as well as the sale of a portfolio of four leased assets (Dunkirk, Bollène and land, Salon de Provence and Chalon), (ii) the vacating of Saint Martin de Crau by Castorama for €1.5 million.

2. Annualised rental income: €1.0 million

(€million)	Surface (m²)	Number of assets	Annualised rental income 2015	Annualised rental income H1 2016	Change (%)	% of rental income
Total	**121 648**	**4**	**11,0**	**1,0**	**n.a**	**100%**

3. Indexation

In France, the indices used to calculate the indexation are those of the ICC and the ILAT.

4. Occupancy rate: 15.4%

The occupancy rate dropped to 15%, compared to 71% at end-2015, due to the sale of leased assets. The strategy is to continue the asset management work on the vacant assets prior to their disposal.

5. Reserves for unpaid rent

No impact was recorded in this respect in the Company's financial statements at 30 June 2016.

6. Disposals and disposal agreements: €101 million in disposals

(€million)	Disposals (agreements as of end of 2015 closed) 1	Agreements as of end of 2015 to close	New disposals H1 2016 2	New agreements H1 2016	Total H1 2016	Margin vs 2015 value	Yield	Total Realized Disposals = 1 + 2
Total	101,0	0,0	0,0	0,0	0,0	-	-	101,0

The sale of four assets (Dunkirk, Bollène and land, Salon de Provence and Chalon), signed in 2015, was completed on 31 March 2016, for €101 million.

7. Portfolio values

7.1. Change in portfolio values from €163 million to €62 million due to disposals

(€million)	Value ED* 2015	Value adjustment	Acquisitions	Disposals	Invest.	Transfer	Value ED* H1 2016
Total	163	0	0	-101	0	0	62

ED : Excluding Duties

7.2. Change at like-for-like scope: stability at like-for-like scope

(€million)	Value ED* 2015 100%	Value ED* H1 2016 100%	Value ED* H1 2016 GS	LFL change 6 months	Yield ED* 2015	Yield ED* H1 2016	% of total value
Total	163,2	62,2	62,2	0,0%	6,8%	1,6%	100%

ED : Excluding Duties

3. 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 Sectors, and to a more limited extent, in the Logistics sites 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 2016, the scope of consolidation of Foncière des Régions included companies in France and in several other European countries (Offices: Italy; Residential: Germany, Austria, Denmark; Hotels & Service Sector: Germany, Portugal, Belgium, Netherlands, Spain and Luxembourg). The main ownership interests in the fully consolidated but not wholly-owned companies are the following:

Subsidairies	H1 2015	2015	H1 2016
Foncière Développement Logements	61,3%	61,3%	61,3%
Foncière des Murs	43,1%	43,1%	49,6%
Immeo	61,0%	61,0%	61,0%
Beni Stabili	48,3%	48,5%	52,2%
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%
Lénovilla (New Velizy)	50,1%	50,1%	50,1%

Foncière des Régions increased its stake in Foncière des Murs following its contribution in kind of shares of FDM in exchange for FDR shares equal to 4.3% of the share capital of FDM. The stake in Foncière des Murs thus increased from 43.15% to 47.45% during the second quarter. This contribution in kind was followed by a mandatory public exchange offer. At the close of the first public exchange offer (28 June 2016), 2.1% of FDM's capital was acquired, increasing the stake to 49.63%. FDM was thus integrated in the income statement of Foncière des Régions at 43.15% for the first quarter and at 45.3% for the second quarter, and recorded at 49.6% in the balance sheet.

Foncière des Régions increased its stake in Beni Stabili. The average stake in Beni Stabili was 50.12% over the period (used in the income statement) and was 52.24% at 30 June 2016.

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 21 July 2016.

C. Simplified EPRA Income Statements Group share

(€million) - GS	H1 2015	H1 2016	var.	%
Net rental income	248,0	261,9	13,9	5,6%
Net operating costs	-29,5	-32,8	-3,3	11,2%
Income from other activities	12,8	7,1	-5,7	-44,5%
Depreciation of operating assets	-4,5	-4,6	-0,1	2,2%
Net change in provisions and other	-1,8	-2,0	-0,2	-
Current operating income	**225,0**	**229,6**	**4,6**	**2,0%**
Net income from inventory properties	-0,4	0,7	1,1	-
Income from asset disposals	0,0	0,8	0,8	-
Income from value adjustments	158,1	307,7	149,6	-
Income from disposal of securities	0,1	0,0	-0,1	-
Income from changes in scope	0,0	-4,9	-4,9	-
Operating income	**382,6**	**533,9**	**151,3**	**39,5%**
Income from non-consolidated companies	0,2	0,0	-0,2	-
Cost of net financial debt	-79,0	-73,3	5,7	-7,2%
Value adjustment on derivatives	-35,4	-18,5	16,9	-47,7%
Discounting of liabilities and receivables	-2,3	-2,0	0,3	-13,0%
Net change in financial and other provisions	-6,8	-29,7	-22,9	336,8%
Share in earnings of affiliates	22,6	16,4	-6,2	-
Income from continuing operations	**281,8**	**426,7**	**144,9**	**-**
Deferred tax	-10,5	-11,2	-0,7	6,7%
Corporate income tax	-1,5	-3,1	-1,6	-
Net income from continuing operations	**269,8**	**412,4**	**142,6**	**-**
Post-tax profit or loss of discontinued operations	5,0	-1,4	-6,4	-
Net income for the period	**274,8**	**411,0**	**136,2**	**-**

Discontinued operations correspond to properties in the process of being sold in the Logistics segment.

◆ Net rental income increase of 5.6% in Group share

Net rental income changed owing to the combined effects of increases in the Foncière des Régions' stakes in Foncière des Murs and Beni Stabili, and the acquisitions/disposals and delivery of properties.

Net rental income by operating segment is the following:

(€million) - GS	H1 2015	H1 2016	var.	%
Offices - France	111,2	118,4	7,2	6,5%
Offices - Italy	44,4	41,1	-3,3	-7,4%
Net rental income - Offices	**155,6**	**159,5**	**3,9**	**2,5%**
Hotels & Service sector	38,8	41,5	2,7	7,1%
Residential Germany	48,9	57,9	9,0	18,4%
Residential France	4,7	2,9	-1,8	-38,3%
Total Net rental income	**248,0**	**261,9**	**13,9**	**5,6%**

France Offices: Increase of €8 million in net rental income due to delivery of assets under development.

Italy Offices: Decrease of €4 million in rental income linked mainly to the disposal of Telecom Italia assets.

Hotels & Service Sector: Increase of €2.2 million in net rental income related to acquisitions

Germany Residential: Increase of €14 million in rental income related to acquisitions and rental activity, less the impact of disposals (-€4 million).

Net operating costs

Net operating costs were €32.8 million as compared to €29.5 million as at 30 June 2015, i.e. an increase of €3.3 million primarily related to the staff increases in Germany Residential, following the growth of the portfolio.

Income from other activities

The main components of income from other activities are the Car Parks business (€3.5 million), corresponding to car parks owned or under concession, and real estate development activities (fees and margin; €3.6 million).

Net allowances to provisions and other

Net allowances to provisions and other had a negative impact of €2 million on the 2016 income statement, primarily linked to the change in provisions.

Change in the fair value of assets

The income statement recognises changes in the fair value of assets based on appraisals conducted on the portfolio. For the first half of 2016, the change in the fair value of investment assets is positive and stands at €307.7 million. Change in the fair value of investment assets by operating segment can be broken down as follows:

- France Offices: +€187.7 million
- Italy Offices: +€27.3 million
- Hotels & Service sector: +€37.6 million
- Germany Residential: +€55.1 million

Operating income thus amounted to €533.9 million compared to €382.6 million at 30 June 2016.

Financial aggregates

Changes in the fair value of financial instruments stood at -€18.5 million compared to -€35.4 million at 30 June 2015. These mainly consist of negative changes of -€77 million in the fair value of hedging instruments and positive changes of €58 million in the value of the ORNANES.

It should be noted that the net change of -€29.7 million in financial provisions in the first half of 2016 debt were impacted by the restructuring of the Technical debt (-€5 million) and the redemption of the 2018 bond issue (-€16 million).

Share in earnings of affiliates

GS information	% interest	Value 2015	Contribution to earnings	Value 2016	Change (%)
OPCI Foncière des Murs	9,88%	31,4	2,2	35,2	12,0%
Lénovilla (New Velizy)	50,10%	36,0	3,6	39,6	10,0%
Euromed	50,00%	27,5	11,7	39,2	42,5%
SCI Latécoëre 2 (Extension DS)	50,10%	-0,9	-0,5	-1,4	55,6%
FDM Management	20,17%	7,5	-1,6	15,0	100,5%
Other Equity Interests	n/a	13,4	2,4	17,8	32,3%
Total		**115,0**	**17,8**	**145,4**	20,9%

The change in the value of the investment properties in the New Vélizy and Euromed assets impacted income for the period by +€10.4 million.

FDM Management carried out a €7 million capital increase (in Group share).

Tax regime

Taxes determined are for:

- foreign companies that are not or are only partially subject to a tax transparency regime (Germany, Belgium, the Netherlands)
- French subsidiaries not having opted for the SIIC regime

- French SIIC or Italian subsidiaries with taxable activity.

Corporate tax of -€3.1 million consists of -€0.4 million for the France Offices sector (including a 3% dividend tax), -€1.5 million for Italy Offices (related to value adjustment of the ORNANES) and -€1.2 million for the Hotels and Residential sectors abroad.

Recurring net income up by €7 million and 4.2%.

	Net income Group Share	Restatements	RNI H1 2016	RNI H1 2015
Net rental income	**261,9**	**2,6**	**264,5**	**249,8**
Operating costs	-32,8	0,5	-32,3	-28,9
Income from other activities	7,1	-0,1	7,0	13,1
Depreciation of operating assets	-4,6	4,6	0,0	0,0
Net change in provisions and other	-2,0	2,0	0,0	0,0
Current operating income	**229,6**	**9,6**	**239,3**	**234,0**
Net income from inventory properties	0,7	-0,7	0,0	0,0
Income from asset disposals	0,8	-0,8	0,0	0,0
Income from value adjustments	307,7	-307,7	0,0	0,0
Income from disposal of securities	0,0	0,0	0,0	0,0
Income from changes in scope	-4,9	4,9	0,0	0,0
Operating income	**533,9**	**-294,7**	**239,3**	**234,0**
Income from non-consolidated companies	0,0	0,0	**0,0**	**0,2**
Cost of net financial debt	**-73,3**	**7,3**	**-66,0**	**-78,2**
Value adjustment on derivatives	-18,5	18,5	0,0	0,0
Discounting of liabilities and receivables	-2,0	2,0	0,0	0,0
Net change in financial provisions	-29,7	29,7	0,0	0,0
Share in earnings of affiliates	16,4	-11,4	5,0	6,4
Pre-tax net income	**426,8**	**-248,6**	**178,4**	**162,3**
Deferred tax	-11,2	11,2	0,0	0,0
Corporate income tax	-3,1	1,5	-1,6	-0,4
Net income for the period	**412,5**	**-235,9**	**176,7**	**161,9**
Profits or losses on discontinued operations	-1,4	1,3	-0,1	7,7
Net income for the period	**411,0**	**-234,6**	**176,6**	**169,6**

- Net rental income was impacted by the application of IFRIC 21, and reflects 12 months of property taxes net of rebilling. The impact of the application of this standard is restated in recurring net income (€2.6 million), so that it only includes six months of non-rebillable taxes.
- Income from changes in consolidation scope consists exclusively of the acquisition costs for the shares of companies consolidated in accordance with IFRS3 R. These costs are excluded from recurring net income.
- The cost of debt was impacted by €7.3 million in early debt restructuring costs. These costs are excluded from the recurring net income.
- Corporate income tax includes taxes on the €1.5 million change in value of the ORNANES in Italy. These taxes are excluded from recurring net income.

D. Simplified EPRA Consolidated Income Statement

(€million) - 100%	H1 2015	H1 2016	var.	%
Net rental income	399,2	412,7	13,5	3,4%
Net operating costs	-45,5	-48,4	-2,9	6,4%
Income from other activities	15,3	9,5	-5,8	-37,9%
Depreciation of operating assets	-6,9	-7,0	-0,1	1,4%
Net change in provisions and other	-2,4	-2,8	-0,4	-
Current operating income	**359,8**	**363,9**	**4,1**	**1,1%**
Net income from inventory properties	-0,9	1,0	1,9	-
Income from asset disposals	-0,3	1,1	1,4	-466,7%
Income from value adjustments	224,5	429,8	205,3	-
Income from disposal of securities	0,0	0,0	0,0	-
Income from changes in scope	0,0	-7,6	-7,6	-
Operating income	**583,1**	**788,2**	**205,1**	**35,2%**
Income from non-consolidated companies	0,2	0,0	-0,2	-
Cost of net financial debt	-123,9	-113,8	10,1	-8,2%
Value adjustment on derivatives	-32,5	-32,9	-0,4	1,2%
Discounting of liabilities and receivables	-2,3	-1,6	0,7	-30,4%
Net change in financial and other provisions	-10,5	-34,7	-24,2	230,5%
Share in earnings of affiliates	25,2	17,8	-7,4	-
Income from continuing operations	**439,3**	**623,0**	**183,7**	**-**
Deferred tax	-18,8	-22,1	-3,3	17,6%
Corporate income tax	-3,1	-5,6	-2,5	80,6%
Net income from continuing operations	**417,4**	**595,3**	**177,9**	**-**
Post-tax profit or loss of discontinued operations	5,0	-1,4	-6,4	-
Net income for the period	**5,0**	**-1,4**	**-6,4**	**-**
Non-controlling interests	-147,6	-182,8	-35,2	-
Net income for the period - Group Share	**274,8**	**411,0**	**136,2**	**-**

◆ Increase in consolidated net rental income of €13.5 million (3.4%)

Net rental income increased primarily as a result of acquisitions and deliveries of assets under development. This growth is diminished by the disposals and downward lease renegotiations in the Italy Offices sector (renegotiation of Telecom Italia in 2015). Net rental income by operating segment is the following:

(€million) - 100%	H1 2015	H1 2016	var.	%
Offices - France	119,9	131,0	11,1	9,3%
Offices - Italy	91,8	82,0	-9,8	-10,7%
Net rental income - Offices	**211,7**	**213,0**	**1,3**	**0,6%**
Hotels & Service sector	98,8	101,0	2,2	2,2%
Residential Germany	81,0	93,9	12,9	15,9%
Residential France	7,7	4,8	-2,9	-37,7%
Total Net rental income	**399,2**	**412,7**	**13,5**	**3,4%**

E. Simplified consolidated balance sheet Group share

(€M) - Group Share Assets	2015	H1 2016	Liabilities	2015	H1 2016
Fixed assets	9 907	10 625			
Equity affiliates	115	145			
Financial assets	206	219	**Shareholders' equity**	**4 639**	**4 872**
Deferred tax assets	10	4	Borrowings	6 389	7 087
Financial instruments	47	47	Financial instruments	459	483
Assets held for sale	551	581	Deferred tax liabilities	202	215
Cash	853	1 040	Other	424	440
Discontinued operations	174	73	Discontinued operations	35	33
Other	286	395			
Total	**12 148**	**13 129**	**Total**	**12 148**	**13 129**

Fixed assets

At 31 December 2015, the portfolio by operating segment consisted of the following:

(M€) - Group Share	2015	H1 2016	var.	incl. LfL change
Offices - France	4 399	4 720	321	188
Offices - Italy	1 804	1 997	194	27
Hotels & Service sector	1 219	1 348	129	38
Residential Germany	2 110	2 258	149	55
Residential France	353	280	-73	0
Car parks	23	21	-1	0
Total Fixed Assets	**9 907**	**10 625**	**718**	**307**

The value of fixed assets in France Offices is mainly affected by the change in fair value of investment properties (+€187.7 million) and the acquisition of the Vinci head office in Rueil (€129 million including duties).

The value of fixed assets in Italy Offices was affected by the change in percentage ownership interest (+3.8 points) and by the acquisition of the Corso Italia asset in Milan (€19 million GS).

The value of fixed assets in the Hotels and Service sector is mainly linked to the increase in ownership interest and the payment of the option to acquire NH assets in Germany (+€27 million GS).

The change in fixed assets in Germany Residential was affected by the acquisitions made in the period through the acquisition of companies.

Assets held for sale

Assets held for sale primarily consist of assets for which a preliminary sales agreement has been signed. The change of €13 million between 2015 and the first half of 2016 is mainly linked to the disposal of AccorHotels assets in the Hotels & Service Sector (-€126 million) and to the reclassification of the Healthcare portfolio as an asset held for sale (€146 million including the change in fair value).

Total shareholders' equity Group share

Shareholders' equity increased from €4,639 million at the end of 2015 to €4,872 million at 30 June 2016, i.e. an increase of €232.6 million, due mainly to:

- income for the period: +€411.0 million
- the capital increase net of expenses, used for the additional acquisition of the FDM shares: +€113.2 million
- impact of the cash dividend distribution: -€286.6 million
- financial instruments included in shareholders' equity: +€12.3 million
- the change in the ownership interest in Beni Stabili and FDM: +€7.4 million.

○ Other Assets

The €109 million increase in this line item primarily includes an escrow account (€25 million) related to the disposal of the AccorHotels portfolio and the impact of 12 months of property tax rebilling in accordance with IFRIC 21 (+€37 million).

○ Other Liabilities

The change of -€16 million in this line item is mainly related to the decrease in Advances and pre-payments received in 2015 on the disposal of a portfolio of residential assets in Germany (-€58 million) and the recognition of property tax debts pursuant to the application of IFRIC 21 (+€37 million).

F. Simplified consolidated balance sheet

(€M) - 100 % Assets	2015	H1 2016	Liabilities	2015	H1 2016
Fixed assets	15 855	16 247	Shareholders' equity	4 639	4 872
Equity affiliates	179	209	Non-controlling interests	3 089	2 969
Financial assets	211	232	**Shareholders' equity**	**7 728**	**7 841**
Deferred tax assets	19	8	Borrowings	9 492	10 045
Financial instruments	54	53	Financial instruments	597	620
Assets held for sale	956	970	Deferred tax liabilities	357	367
Cash	950	1 140	Discontinued operations	35	33
Discontinued operations	174	73	Other liabilities	604	589
Other	414	563			
Total	**18 813**	**19 495**	**Total**	**18 813**	**19 495**

◆ Fixed assets

Fixed assets increased by €392 million, mainly as a result of value adjustments (+€433.5 million).

◆ Equity affiliates

Investments in equity affiliates are up by €29.4 million. This changes is linked to the earnings of the period (+€17.8 million) and the capital increase of FDM Management (+€14.4 million).

◆ Discontinued operations (Logistics business)

Following the disposal of an asset portfolio for €101 million, the Discontinued operations line item was €73 million at 30 June 2016 compared to €174 million at 31 December 2015.

◆ Deferred tax liabilities

Deferred taxes amounted to €359 million compared to €337 million at 31 December 2015. This €22 million increase is mainly due to acquisitions completed and the increase in the value of the assets in the sectors Germany Residential and Hotels & Service abroad.

◆ Other assets

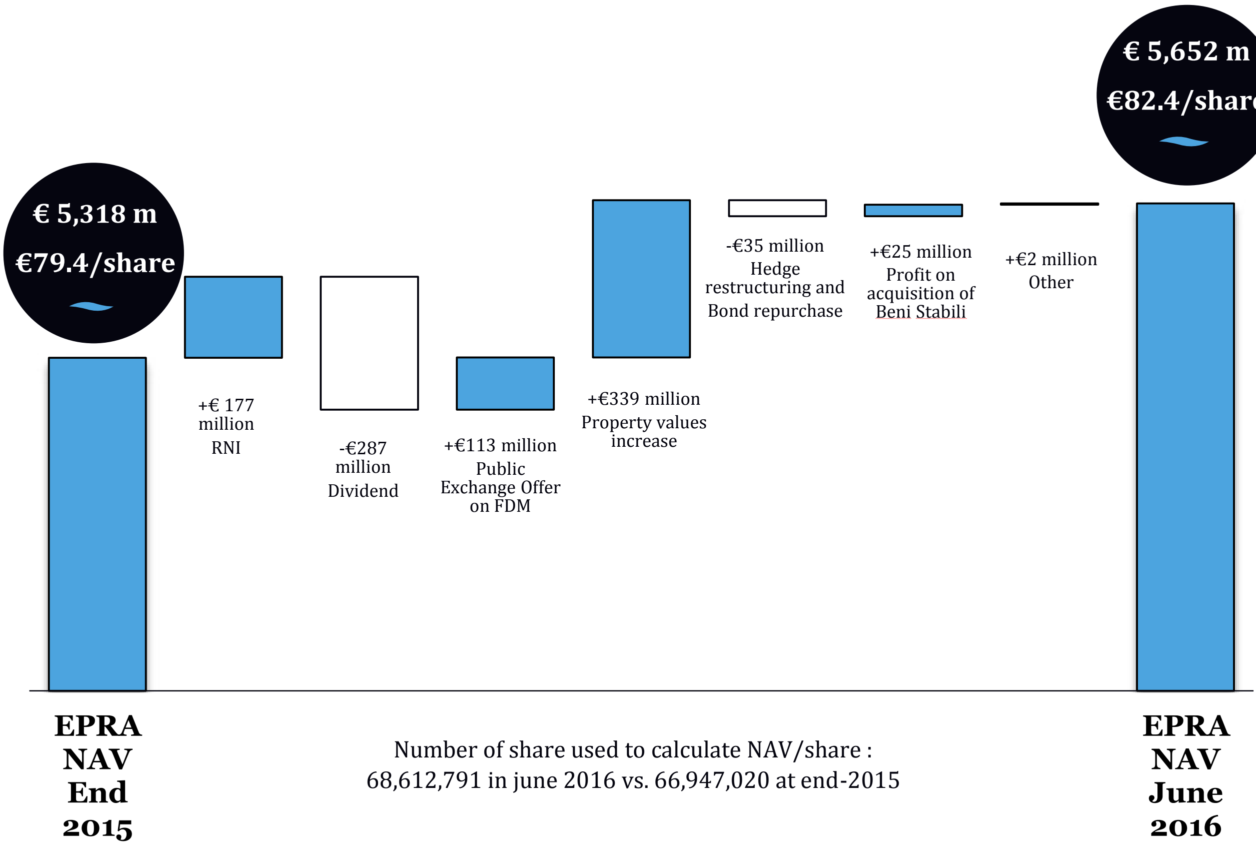
The €149 million increase in this line item primarily includes an escrow account (€50 million) related to the disposal of the AccorHotels portfolio and the impact of 12 months of property tax rebilling in accordance with IFRIC 21 (+€47 million).

◆ Other liabilities

The change of -€15 million in this line item is mainly related to the decrease in Advances and pre-payments received in 2015 on the disposal of a portfolio of residential assets in Germany (-€95 million) and the recognition of property tax debts pursuant to the application of IFRIC 21 (+€47 million).

4. Net Asset Value (NAV)

	2015	H1 2016	Var. vs 2015	Var. (%) vs 2015
EPRA NAV (€million)	5 318,2	**5 651,8**	333,6	11,4%
EPRA NAV / share (€)	79,4	**82,4**	3,0	8,7%
EPRA triple net NAV (€million)	4 609,3	**4 848,9**	239,6	9,3%
EPRA triple net NAV / share (€)	68,8	**70,7**	1,9	6,6%
Number of shares	66 947 020	**68 612 791**	1665 771	2,5%



Number of share used to calculate NAV/share :
68,612,791 in june 2016 vs. 66,947,020 at end-2015

	(€million)	€/share
Shareholders' equity	**4 871,9**	**71,0**
Fair value assessment of buildings (operation + inventory)	41,7	
Fair value assessment of parking facilities	25,5	
Fair value assessment of goodwill	5,2	
Fixed debt	- 120,6	
Restatement of property transfer duties	25,2	
EPRA triple net NAV	**4 848,9**	**70,7**
Financial instruments and fix rate debt	469,0	
Deferred tax	219,2	
ORNANE	114,7	
EPRA NAV	**5 651,8**	**82,4**
IFRS NAV	**4 871,9**	**71,0**

Valuations are 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 Ruyter 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 2016 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 comparables 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.

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

◆ Fair value adjustment for the buildings and business goodwill

In accordance with IFRS standards, properties in operation and in inventory are valued at historical cost. A value adjustment, in order to take into account the appraisal values, is recognised in the NAV for a total amount of €41.7 million.

Since the buildings and business borne by FDM Management (Hotel operating properties) are not valued in the consolidated accounts, a restatement to recognise their fair value (as calculated by the appraisers) was made in the NAV in the amount of €5.2 million at 30 June 2016.

◆ Fair value adjustment for the car parks

Car parks are valued at historical cost in the consolidated accounts. 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 €25.5 million at 30 June 2016.

◆ 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 -€120.6 million at 30 June 2016.

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 €25.2 million at 30 June 2016.

5. Financial Resources

A. Main debt characteristics

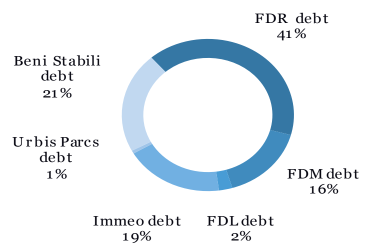
Group Share	2015	H1 2016
Net debt, Group share (€million)	5 536	**6 047**
Average annual rate of debt	2,80%	**2,39%**
Average maturity of debt (in years)	5,0	**5,3**
Debt active hedging spot rate	88%	**84%**
Average maturity of hedging	5,4	**5,7**
LTV Including Duties	45,4%	**46,4%**
ICR	3,02	**3,39**

5.1. Dette par nature

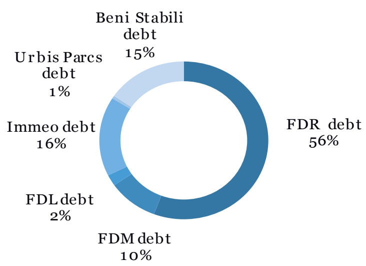
5.1. Debt by type

Foncière des Régions' net debt (Group share) amounted to €6.0 billion as at 30 June (€8.9 billion on a consolidated basis). As a share of total debt, corporate debt remains the highest at 57% at 30 June 2016.

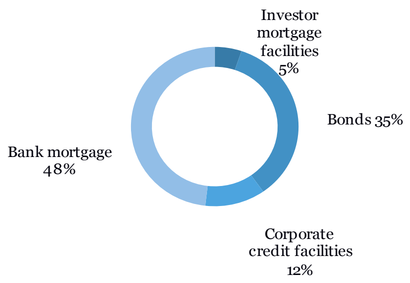
In addition, at end-June 2016, the cash and cash equivalents of Foncière des Régions totalled nearly €2.3 billion, Group share (€2.6 billion on a consolidated basis). In particular, Foncière des Régions had €849 million in commercial paper outstanding at 30 June 2016.



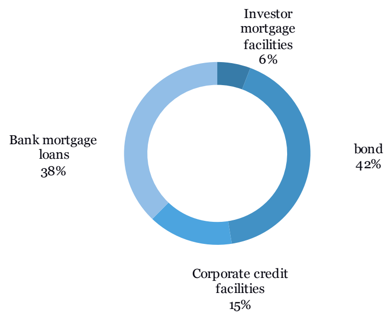
Consolidated Commitments per company



Commitments group share per company



Commitments 100%

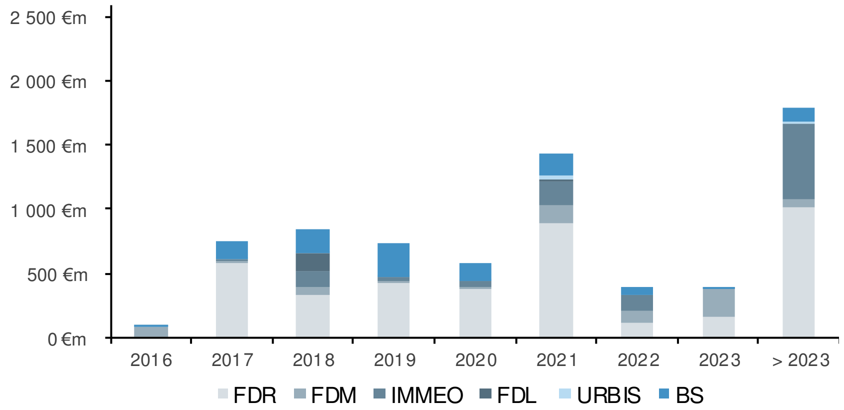


Commitments (group share)

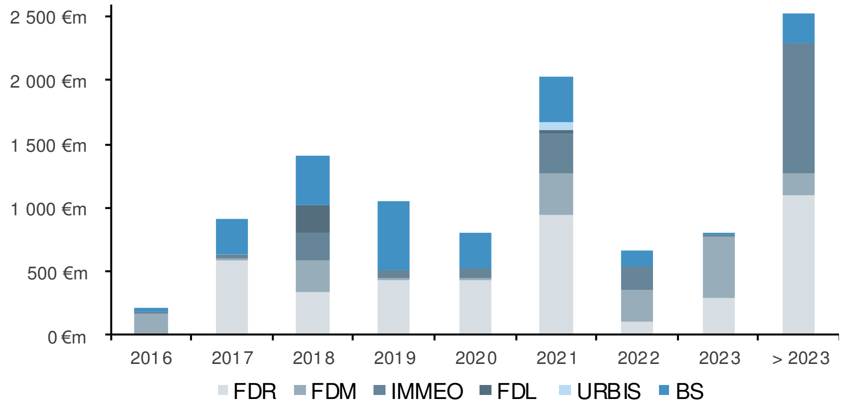
5.2. Debt maturity

The average maturity of Foncière des Régions' debt increased by 0.3 years, standing at 5.3 years at end-June 2016. The 2016 and 2017 maturities are covered entirely by existing cash and primarily involve corporate debts (particularly the ORNANE maturing in early 2017) in Germany Residential (Immeo) and in Italy Offices (Beni Stabili).

Debt amortisation schedule by company (Group share)



Debt amortisation schedule by company (on a consolidated basis)



5.3. Main changes during the period

- **Particularly strong financing and refinancing activity: €1.7 billion at 100% (€1.4 billion Group Share)**

  - Foncière des Régions: €1.03 billion (Group Share: €1.03 billion):

    - During the first half of 2016, Foncière des Régions continued the process of renegotiating its corporate credit facilities to optimise their financial conditions and extend their maturities. A total of €225 million was thus refinanced for a five-year term.

    - In May 2016, Foncière des Régions launched its first Green Bond issue for €500 million, maturing in 2026, with a fixed coupon of 1.875%, i.e. a spread of 137 bps. The issue was five times oversubscribed. At the same time, the Group redeemed €233.6 million and 47% of the bond issue maturing in 2018 and bearing interest at the rate of 3.875%.

- In February 2016, Foncière des Régions secured the refinancing of a portfolio of offices assets rented to Orange by taking out a mortgage of €300 million over ten years.

These refinancing transactions provided a clear extension of the debt maturity under optimised financial terms.

- France Residential (Foncière Développement Logement): €50 million raised (€30.6 million Group Share):

  - In the first half of 2016, Foncière Développement Logements set up a corporate credit facility of €50 million with a five-year maturity.

- Hotels & Service Sector (FDM): €20 million (€9.3 million Group Share):

- Germany Residential (Immeo): €600 million (€400 million Group Share):

  - In the first half of 2016, Immeo obtained ten-year refinancing for €56 million of mortgage financing on 886 units located in Berlin and €165 million of mortgage financing with a maturity of 7.8 years for 3,228 units located in Berlin, Dresden, Düsseldorf and Leipzig. These refinancing transactions significantly improved the financial terms and maturity of the loans.

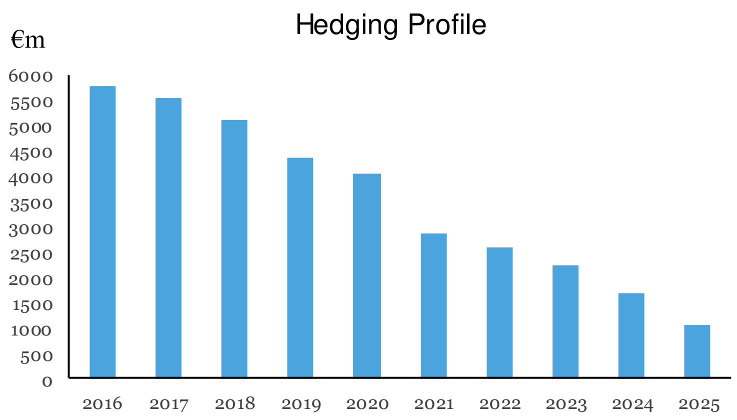
  - Immeo also raised €132 million in new financing with an average maturity of ten years for acquisitions in the Berlin and Postdam areas.

  - Over the same period, Immeo also refinanced loans totalling €285.5 million over ten years, of which €204 million for the Quadriga portfolio in Berlin and €81.5 million for the Berolina portfolio, also in Berlin.

5.4. Hedging profile

In the first half of 2016, the hedge management policy remained unchanged, with debt hedged at 90% to 100%, at least 75% of which through short-term hedges, and all of which with maturities exceeding the debt maturity.

Based on net debt at the end of June 2016, Foncière des Régions is hedged (Group Share) at 84%, compared to 88% at the end of 2015. The average term of the hedges is 5.7 years (Group Share).



5.5. Average interest rate on the debt and sensitivity

The average interest rate on Foncière des Régions' debt continued to improve, standing at 2.4% in Group share, compared to 2.8% in 2015. This drop is mainly due to the full-year impact of the refinancing of Foncière des Murs' loans between July and November 2015, the refinancing of the Technical debt in February 2016, Foncière des Régions' ten-year green bond issue in May 2016 at a rate of 1.875%, combined with the partial redemption of the bond issue maturing in 2018, as well as the impact of renegotiations in 2015 and 2016 and hedge restructuring. For information purposes, an increase of 50 basis points in the three-month Euribor rate would have a negative impact of €0.6 million on recurring net income in 2016.

◆ 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 FDM and on a consolidated basis for the other subsidiaries of Foncière des Régions (if their debts include them).

- The most restrictive consolidated LTV covenants amounted to 60% for Foncière des Régions, FDM, FDL and Beni Stabili at 30 June 2016.

- 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 REITs are as follows:

- for Foncière des Régions: 200%
- for FDM: 200%
- for FDL: 150%
- for Beni Stabili: 150%.

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	FY 2016
LTV	60%*	51,3%
ICR	200,0%	339,0%
Securaldebt ratio	25%**	7,5%

**A single credit facility of €75 million maturing in less than 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 2016. No loan has an accelerated payment clause contingent on Foncière des Régions' rating, which is currently BBB, stable outlook (S&P rating).

LTV calculation details

€M Group Share	2015	H1 2016
Net book debt*	5 594	6 046
Receivables on disposals	-609	-516
Security deposits received	-15	-53
Finance lease-backed debt	-2	-2
Net debt	**4 968**	**5 475**
Appraised value of real estate assets (ID)	11 291	12 013
Preliminary sale agreements	-609	-516
Purchase Debt	-35	-36
Financial assets	13	15
Goodwill	0	0
Receivables linked to associates	162	176
Share of equity affiliates	115	145
Value of assets	**10 938**	**11 797**
LTV Excluding Duties	**48,0%**	**49,1%**
LTV Including Duties	**45,4%**	**46,4%**

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

6. Financial indicators of the main activities

	Foncière des Murs			Beni Stabili		
	H1 2015	H1 2016	Var. (%)	H1 2015	H1 2016	Var. (%)
Recurring net income (€million)	63,4	**69,0**	8,1%	50,8	**51,3**	1,0%
EPRA NAV (€million)	1876,8	**1999,4**	6,5%	1957,60	**1887,50**	-3,6%
EPRA triple net NAV (€million)	1701,7	**1753,0**	3,0%	1818,40	**1762,90**	-3,1%
% of capital held by FDR	43,1%	**49,6%**	+6,5 pts	48,3%	**52,2%**	+3,9 pts
LTV Including Duties	40,0%	**28,9%**	- 11,1 pts	48,5%	**50,3%**	+1,8 pts
ICR	3,73	**4,65**	+0,92	2,30	**2,62**	+0,32

	Immeo		
	H1 2015	H1 2016	Var. (%)
Recurring net income (€million)	41,9	**51,2**	22,2%
EPRA NAV (€million)	1505,0	**1824,0**	21,2%
EPRA triple net NAV (€million)	1204,0	**1430,0**	18,8%
% of capital held by FDR	61,0%	**61,0%**	-0,1 pts
LTV Including Duties	45,8%	**43,0%**	-2,8 pts
ICR	2,82	**3,38**	+0,56

7. GLOSSARY

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

NAV per share (Triple Net NAV per share) is calculated pursuant to the EPRA recommendations, based on the shares outstanding as at year-end (excluding treasury shares) and adjusted for the effect of dilution.

- ### Operating assets

Properties leased or available for rent and actively marketed.

- ### 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 (becoming effective at the delivery of the project) are identified under the heading “Pre-lets".

- ### Cost of development projects

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

- ### Definition of the acronyms and abbreviations used:

MRC: 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

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.

- ### 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 where unpaid amounts not relating to rents were restated).

- ### Loan To Value (LTV)

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

- ### 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.

- **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 Euromed and New Vélizy, which are consolidated under the equity method.

- **Projects**

- Committed projects: these are projects for which promotion or construction contracts have been signed and/or work has begun and has not yet been completed at the closing date. The delivery date for the relevant asset has already been scheduled. They might pertain to VEFA (pre-construction) projects or to the repositioning of existing assets.

- Controlled projects: These are projects that might be undertaken and that have no scheduled delivery date. In other words, projects for which the decision to launch operations has not been finalised.

- **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:

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

- **Surface**

SHON: Gross surface

SUB: Gross used surface

- 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.

- 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 annualised data solely on the strategic activities portfolio.

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

- 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, developments including the vacating and delivery of properties. The change is calculated on the basis of rental income under IFRS for strategic activities.

This change is restated for certain severance pay and income associated with the Italian real estate (IMU) tax.

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

- 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, developments including the vacating and delivery 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 restated like-for-like change in value of this work is cited in the comments section.

The current scope includes all portfolio assets.