

**Foncière des Régions continues to expand
its hotel business in Europe and signs an agreement to purchase a
prime portfolio in the United Kingdom for £858M**

***Foncière des Régions buys 14 four and five-star hotels and
will sign long-term leases for 13 of the properties with InterContinental Hotels Group***

Following its acquisition of two prime portfolios in Germany and Spain, Foncière des Régions, through its dedicated hotel subsidiary Foncière des Murs, has signed an agreement to buy an iconic portfolio of 14 four and five-star hotels from Starwood Capital for £858M (€976M). The properties are all located in the largest cities of the United Kingdom. Separately, Foncière des Régions has agreed to sign long-term FRI leases for 13 of the properties with InterContinental Hotels Group (IHG), who will rebrand and operate the hotels as part of its luxury and upscale brands portfolio following closing. For Foncière des Régions, a leading European real estate operator, this landmark transaction represents its first entry into the British market.*

Foncière des Régions will now have a presence in the United Kingdom, the top hotel real estate investment market and fourth most popular travel destination in Europe (38 million tourists in 2017, an increase of 4%).

This portfolio is entirely made up of high-end hotel real estate (four and five-star hotels) and comprises a total of 2,638 rooms in prime locations at the heart of major British cities: nine are located in England (Birmingham, Leeds, Liverpool, London, Manchester, Oxford, Wotton and York), four are in Scotland (Edinburgh, Glasgow), and one is in Wales (Cardiff).

These property assets are of very high quality. Having recently benefited from various programmes of work (£182M was invested between 2014 and 2018), they offer strong potential for growth and good levels of profitability (EBITDAR margin above 30% of the turnover).



This transaction marks a major step in Foncière des Régions' hotel business development strategy, strengthening its move towards more upmarket real estate and the geographical diversification of its portfolio in this sector.

IHG, one of the world's leading hotel companies will, after closing, rebrand and operate the hotels as part of its luxury and upscale portfolio under long-term, fixed-term FRI* leases with variable rents (including a guaranteed minimum). Foncière des Régions and its partner will thus support the upscaling of this portfolio, with a target yield of 6% at cruise speed.

To finance this transaction, Foncière des Murs, a subsidiary of Foncière des Régions, has in particular planned an increase of its share capital in the amount of c. €300 million, to be subscribed by all its major shareholders**. The detailed terms and conditions of this share capital increase shall be detailed at a further stage, in particular in the prospectus submitted to the AMF's approval.

"Foncière des Régions is continuing its strategy to move upmarket in the hotel real estate industry. This acquisition is an opportunity to duplicate the development strategy already rolled out in France, Germany and Spain, where Foncière des Régions is the preferred partner of active operators on these markets. This transaction will help Foncière des Régions cement its leading position on the hotel real estate investment market in Europe", explains **Dominique OZANNE, Deputy CEO of Foncière des Régions.**

"A resolutely European player that combines working, traveling, and living on a daily basis, Foncière des Régions is launching itself on a new market, while consolidating its strategy: to select the best markets, surround ourselves with the best partners, and use all of our skills and expertise to create value for all of our stakeholders", says **Christophe KULLMANN, CEO of Foncière des Régions.**

* triple net

** i.e. Foncière des Régions, Cardif Assurance Vie, Generali Vie, Crédit Agricole Assurances, Sogecap, Assurances du Crédit Mutuel Vie SA and Caisse des Dépôts.

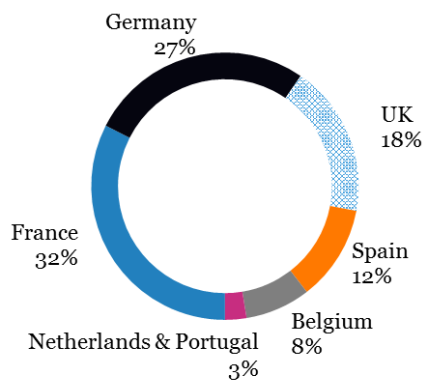
APPENDIX 1

List of hotels with number of rooms / category / city

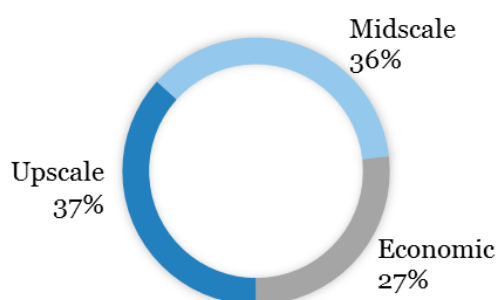
Hôtel	#ch	Cat.	City
London	334	5*	Londres
Manchester	270	5*	Manchester
Edinburgh Charlotte Square	199	5*	Edimbourg
Edinburgh George Street	240	5*	Edimbourg
Glasgow Grand Central	243	4*	Glasgow
Glasgow Blythswood Square	113	5*	Glasgow
Oxford Spires	181	4*	Oxford
Cardiff St David's	142	5*	Cardiff
York	155	5*	York
The Met Leeds	120	4*	Leeds
Oxford Thames	104	4*	Oxford
Wotton	125	4*	Wotton
Birmingham (development)	185	5*	Birmingham
Liverpool (development)	227	4*	Liverpool
Total	2 638		

APPENDIX 2

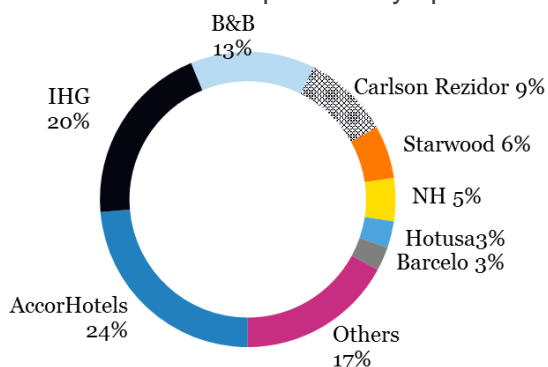
Breakdown of total Hotel portfolio by country



Breakdown of total Hotel portfolio by range



Breakdown of total Hotel portfolio by operator



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Foncière des Régions, co-author of real estate stories

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 €21Bn (€13Bn 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 ESG FTSE4 Good, DJSI World & Europe, Euronext Vigeo (World 120, Eurozone 120, Europe 120 and France 20), Oekom, Ethibel and Gaïa ethical indices.

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

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