



22 February 2007

2006 Annual Results

An active growth strategy

Proposed dividend up 67%

Founded in 2005, Foncière des Murs (FDM), the premier real estate investment company specialised in service sector property, made acquisitions totalling €665 million in 2006, as it built on partnerships with Accor and Korian and forged a new partnership with Courtepaille. At 31 December 2006, FDM's property portfolio was valued at €2.2 billion. To fund its growth, the company raised €301.7 million via a capital increase in October. Based on the average number of shares outstanding during the year, recurring cash flow from operations increased 27% in 2006, while NAV, including transfer duties, rose 29% to €105.3 per share. Net profit advanced 81.2% to €180.7 million.

2006 BUSINESS REVIEW

Active partnership with Accor leads to the purchase of 70 assets for €508 million

At the end of May 2006, Foncière des Murs acquired 70 properties operated by the Accor Group for €508 million, including 55 hotels and three health spas in France, and 12 hotels in Belgium. Most of the properties were mid-range hotels under the Ibis and Novotel banners. Furthermore, Foncière des Murs carried out two other transactions with Accor in the Paris region. Those operations totalled €38 million.

New partnership with Courtepaille results in acquisition of 69 restaurants for €108.5 million

In October 2006, Foncière des Murs acquired 69 steakhouse restaurants for €108.5 million. Operated by the Serare Group under the Courtepaille banner, the restaurants are located across France. The transaction was accompanied by the signature of firm 12-year leases with fixed, triple net rent. For Foncière des Murs, the acquisition marks the beginning of a new partnership in the restaurant property sector.



Accompanying Korian's growth

During the year, Fonciere des Murs made two new acquisitions totalling nearly €10 million, thereby strengthening its partnership with Korian, France's leading provider of dependent care services.

In all, Fonciere des Murs made €665 million in acquisitions in 2006, growing its portfolio by 59% to €2.2 billion by the end of the year. At 31 December 2006, Fonciere des Murs' property portfolio comprised 199 hotels, primarily two and three-star hotels valued at a combined €1.7 billion, 51 nursing homes and four clinics valued at €327 million, and 69 restaurants valued at €118 million, with the asset base split equally between Paris and the French regions.

Annualised rents totalled €136 million, €108 million of which was generated by hotels, with senior citizens' residences accounting for €21 million and restaurants contributing €7 million.

STRONG RISE IN EARNINGS AT 31 DECEMBER 2006

	31 Dec. 2006	31Dec. 2005	% growth
Consolidated sales in €m	116	45	158%
Consolidated cash flow from operations in €m	59	22	166%
Consolidated cash flow from operations, per share*	€7.56	€5.95	27%
Net profit, group share, in €m	180.7	99.7	81.2%

* Based on the average number of shares outstanding.

Based on the average number of shares outstanding during the year, Fonciere des Murs' recurring cash flow from operations increased 27% in 2006.

At 31 December 2006, independent appraisers valued the property portfolio at €2,188 million, excluding transfer duties. NAV, including transfer duties, amounted to €1,096 million, or €105.3 per share, representing a 29% increase over 2005. NAV, excluding transfer duties, totalled €964 million, or €92.7 per share.

Fonciere des Murs' debt totalled €1,254 million at 31 December 2006. Net debt represented 57% of asset value.

To fund its growth, Fonciere des Murs raised its capital by €301.7 million on 6 October 2006. At 21 February 2007, the company's market capitalisation totalled €1.26 billion.

PROPOSED DIVIDEND UP 67% TO €4.50 PER SHARE

The Supervisory Board will propose a dividend of €4.50 per share to the Annual General Meeting of Shareholders. The proposed dividend represents an increase of 67% over the previous year, with the payout representing 80% of Fonciere des Murs' cash flow from operations.



OUTLOOK

Fonciere des Murs plans to actively pursue growth in 2007. The company will also seek to broaden its free float and intends to continue its active cash flow payout policy.

About Fonciere des Murs

Fonciere des Murs SCA, a subsidiary of the Fonciere des Regions Group, is a listed property investment company under France's SIIC regime (*Société d'Investissements Immobiliers Cotée*). It notably specialises in property investment in the hotel, leisure and healthcare sectors. The company's investment policy is focused on building partnerships with leading operators in each sector to provide its shareholders with a recurring return on their investment. The company is headed by Yan Perchet. *Fonciere des Murs is listed on Euronext Paris' Eurolist compartment C (FR0000060303 - FMU).*

Contact: Dominique Ozanne, Secretary General
Tel. +33 (0)1 58 97 54 20 – dominique.ozanne@gfr.fr
Public relations Euro RSCG C&O, Benjamin Perret,
Tel. +33 (0)1 58 47 95 39 benjamin.perret@eurorscg.fr

www.foncieredesmurs.fr

