

**Final Terms dated 21 January 2011**



**COMPAGNIE DE FINANCEMENT FONCIER**

Euro 125,000,000,000

Euro Medium Term Note Programme

for the issue of *Obligations Foncières*

Due from one month from the date of original issue

**SERIES NO: 525**

**TRANCHE NO: 1**

**EUR 15,000,000 Index Linked *Obligations Foncières* due July 2020**

**Issued by: COMPAGNIE DE FINANCEMENT FONCIER (the “Issuer”)**

Issue Price: 100 per cent.

**NATIXIS**

The Base Prospectus referred to below (as completed by these Final Terms) has been prepared on the basis that any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (2003/71/EC) (each, a “**Relevant Member State**”) will be made pursuant to an exemption under the Prospectus Directive, as implemented in that Relevant Member State, from the requirement to publish a prospectus for offers of the Notes. Accordingly any person making or intending to make an offer in that Relevant Member State of the Notes may only do so in circumstances in which no obligation arises for the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. Neither the Issuer nor any Manager has authorised, nor do they authorise, the making of any offer of Notes in any other circumstances.

## PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Base Prospectus dated 1 July 2010 which received visa n°10-214 from the *Autorité des marchés financiers* (the “**AMF**”) on 1 July 2010 and the supplement to the Base Prospectus dated 2 September 2010 which received visa n°10-301 from the AMF on 2 September 2010 which together constitute a base prospectus for the purposes of the Prospectus Directive (Directive 2003/71/EC) (the “**Prospectus Directive**”).

This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus as so supplemented. Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus as so supplemented. The Base Prospectus and the supplement to the Base Prospectus are available for viewing at the office of the Fiscal Agent or each of the Paying Agents and on the website of the AMF, and copies may be obtained from Compagnie de Financement Foncier, 4, Quai de Bercy, 94224 Charenton Cedex, France.

<b>1</b>	Issuer:	Compagnie de Financement Foncier
<b>2</b>	(i) Series Number:	525
	(ii) Tranche Number:	1
<b>3</b>	Specified Currency or Currencies:	Euro (“ <b>EUR</b> ”)
<b>4</b>	Aggregate Nominal Amount:	
	(i) Series:	EUR 15,000,000
	(ii) Tranche:	EUR 15,000,000
<b>5</b>	Issue Price:	100 per cent. of the Aggregate Nominal Amount
<b>6</b>	Specified Denominations:	EUR 50,000
<b>7</b>	(i) Issue Date:	25 January 2011
	(ii) Interest Commencement Date:	Issue Date
<b>8</b>	Maturity Date:	25 July 2020
<b>9</b>	Interest Basis:	Index Linked Interest

		<i>(further particulars specified below)</i>
<b>10</b>	Redemption/Payment Basis:	Redemption at par
<b>11</b>	Change of Interest or Redemption/Payment Basis:	Not Applicable
<b>12</b>	Put/Call Options:	Not Applicable
<b>13</b>	(i) Status of the Notes:	<i>Obligations Foncières</i>
	(ii) Dates of the corporate authorisations for issuance of Notes obtained:	Decision of the <i>Conseil d'administration</i> of Compagnie de Financement Foncier dated 15 December 2009 and 27 August 2010 authorising (i) the issue of the Notes and (ii), <i>inter alia</i> , its <i>Président Directeur Général</i> and its <i>Directeur Général Délégué</i> to sign and execute all documents in relation to the issue of Notes, and decision of the <i>Conseil d'administration</i> of the Issuer dated 29 September 2010 authorising the quarterly programme of borrowings which benefit from the <i>privilège</i> referred to in Article L. 515-19 of the French <i>Code monétaire et financier</i> up to and including Euro 6 billion for the fourth quarter of 2010.
<b>14</b>	Method of distribution:	Non-syndicated
<b>PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE</b>		
<b>15</b>	<b>Fixed Rate Note Provisions</b>	Not Applicable
<b>16</b>	<b>Floating Rate Provisions</b>	Not Applicable

17	<b>Zero Coupon Note Provisions</b>	Not Applicable
18	<b>Index Linked Interest Note/other variable-linked interest Note Provisions</b>	Applicable
	(i) Index/Formula/other variable:	<p>The Notes will bear interest per Specified Denomination, in respect of each Interest Period, payable on each Interest Payment Date, at a rate determined and calculated by the Calculation Agent in accordance with the following formula :</p> <p><b>Min (EUR-CMS 20 years – 0.72% ; 11.50%)</b></p> <p>Where:</p> <p><b>“EUR-CMS 20 years”</b> means, in respect of any Interest Period and any calendar day in the relevant Interest Period, the annual bond basis swap rate, with a Designated Maturity of twenty (20) years, expressed as a percentage, which appears on Reuters Screen ISDAFIX02, under the heading “EURIBOR Basis – EUR” and above the caption “11:00 AM FRANKFURT” fixed on the Interest Determination Date at 11:00 am Frankfurt Time.</p>
	(ii) Calculation Agent responsible for calculating the interest due:	<p>NATIXIS</p> <p>30, avenue Pierre Mendès France</p> <p>75013 Paris</p>
	(iii) Provisions for determining Coupon where calculated by reference to Index and/or Formula and/or other variable:	<p>See Item 18 (i) (above)</p>
	(iv) Interest Period(s):	<p>The period beginning on (and including) the Issue Date and ending on (but excluding) the first Specified Interest Payment Date and each successive period beginning on (and including) a Specified Interest Payment Date and ending on (but excluding) the next succeeding Specified Interest Payment Date. For the avoidance of doubt, the Interest Amount is not subject to adjustment.</p> <p>There will be a short first coupon in respect of the period from and including the Interest Commencement Date to but excluding the first Specified Interest Payment Date</p>
	(v) Provisions for determining Coupon where calculation by reference to Index and/or Formula an/or other variable is impossible or impracticable or other wise disrupted:	<p>See Conditions 5 (c)</p>

(vi)	Interest Determinations Date(s)	Two (2) TARGET Business Days prior to the beginning of each Interest Period
(vii)	Specified Interest Payment Dates:	25 July in each year, from and including 25 July 2011 to and including the Maturity Date.
(viii)	Business Day Convention:	Not Applicable
(ix)	Business Centre(s) (Condition 5(a)):	TARGET
(x)	Minimum Rate of Interest:	0.00 per cent. per annum
(xi)	Maximum Rate of Interest:	11.50 per cent. per annum
(xii)	Day Count Fraction (Condition 5(a)):	30/360
<b>19</b>	<b>Dual Currency Note Provisions</b>	Not Applicable
<b>PROVISIONS RELATING TO REDEMPTION</b>		
<b>20</b>	<b>Call Option</b>	Not Applicable
<b>21</b>	<b>Other Option</b>	Not Applicable
<b>22</b>	<b>Final Redemption Amount of each Note</b>	EUR 50,000 per Note of EUR 50,000 Specified Denomination
<b>23</b>	<b>Early Redemption Amount</b>	
	Early Redemption Amount(s) of each Note payable on redemption for taxation reasons or on any early redemption and/or the method of calculating the same (if required or if different from that set out in the Conditions):	Not Applicable
<b>GENERAL PROVISIONS APPLICABLE TO THE NOTES</b>		
<b>24</b>	Form of Notes:	Dematerialised Notes
	(i) Form of Dematerialised Notes:	Bearer dematerialised form ( <i>au porteur</i> )
	(ii) Registration Agent:	Not Applicable
	(iii) Temporary Global Certificate:	Not Applicable
	(iv) Applicable TEFRA exemption:	Not Applicable
<b>25</b>	Financial Centre(s) (Condition 7(h)) or other special provisions relating to Payment Dates:	TARGET
	Adjusted Payment Date (Condition 7(h)):	The next following business day unless it would thereby fall into the next calendar month, in which such event such date shall be brought forward to the immediately preceding business day.
<b>26</b>	Talons for future Coupons or Receipts to be attached to Definitive Materialised Notes (and dates on which such Talons mature):	Not Applicable

- 27 Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price and date on which each payment is to be made and consequences (if any) of failure to pay: Not Applicable
- 28 Details relating to Instalment Notes: amount of each instalment, date on which each payment is to be made: Not Applicable
- 29 Redenomination, renominatisation and reconventioning provisions: Not Applicable
- 30 Consolidation provisions: Not Applicable
- 31 Representation of holders of Notes *Masse* (Condition 10) Applicable  
The initial Representative will be:  
MURACEF  
5, rue Masseran  
75007 Paris  
France  
The alternate Representative will be:  
M. Hervé Bernard VALLEE  
1, Hameau de Suscy  
77390 Crisenoy  
France  
The Representative will not receive any remuneration
- 32 Other final terms: Not Applicable
- DISTRIBUTION**
- 33 (i) If syndicated, names and addresses of Managers and underwriting commitments: Not Applicable
- (ii) Stabilising Manager(s) (if any): Not Applicable
- 34 If non-syndicated, name and address of Dealer: **NATIXIS**  
30 avenue Pierre Mendès France  
75013 Paris  
France
- 35 Additional selling restrictions: **Public Offer Selling Restriction under the Prospectus Directive**  
In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Manager has represented, warranted and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes

which are the subject of the offering contemplated by the Base Prospectus as completed by these Final Terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Manager or Managers nominated by the Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any

relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

**PURPOSE OF FINAL TERMS**

These Final Terms comprise the final terms required for issue and admission to trading on the *Bourse de Luxembourg* (regulated market of the Luxembourg Stock Exchange) of the Notes described herein pursuant to the Euro 125,000,000,000 Euro Medium Term Note Programme of Compagnie de Financement Foncier.

**RESPONSIBILITY**

The Issuer accepts responsibility for the information contained in these Final Terms.

Signed on behalf of the Issuer:

Duly represented by:



## PART B – OTHER INFORMATION

### 1. RISK FACTORS

Not Applicable

### 2. LISTING

- |       |  |  |
|-------|--|--|
| (i)   | Admission to trading:  | Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the <i>Bourse de Luxembourg</i> with effect from 25 January 2011.                  |
| (ii)  | Additional publication of the Base Prospectus and Final Terms:   | Yes<br>The Base Prospectus as supplemented and the Final Terms will be published on the website of the <i>Bourse de Luxembourg</i> ( <a href="http://www.bourse.lu">www.bourse.lu</a> ). |
| (iii) | Estimate of total expenses related to admission to trading:  | EUR 3,500.00   |
| (iv)  | Regulated markets or equivalent markets on which, to the knowledge of the issuer, securities of the same class of the securities to be offered or admitted to trading are already admitted to trading: | Not Applicable   |

### 3. RATINGS

- |          |  |
|----------|--|
| Ratings: | The Programme has been rated Aaa by Moody's Investors Service and AAA by Standard & Poor's Ratings Services.<br>For Moody's Investors Service, Notes issued under the Programme are deemed to have the same rating as the Programme, investors are invited to check on a regular basis the rating assigned to the Programme which is publicly disclosed via Moody's Investors Service rating desk or <a href="http://moodys.com">moodys.com</a> .<br>The Notes issued under the Programme will be rated AAA by Standard & Poor's Ratings Services <sup>1</sup> and by Fitch Ratings <sup>2</sup> . |
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<sup>1</sup> An obligation rated "AAA" has the highest rating assigned by Standard & Poor's Rating Services. The obligor capacity to meet its financial commitment on the obligation is extremely strong (source: Standard & Poor's Ratings Services). A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency without notice.

<sup>2</sup> (AAA) ratings denote the lowest expectation of credit risk. They are assigned only in case of exceptionally strong capacity for timely payment of financial commitments. This capacity is highly unlikely to be adversely affected by foreseeable events (source: Fitch Ratings).

Each of Standard & Poor's Ratings Services, Fitch Ratings and Moody's Investors Service is established in the European Union and has applied to be registered under Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies, although the result of such application has not yet been notified by the relevant competent authority.

#### 4. NOTIFICATION

The *Autorité des marchés financiers* in France has provided the *Commission de Surveillance du Secteur Financier* in Luxembourg with certificates of approval attesting that the Base Prospectus dated 1 July 2010 and the supplement dated 2 September 2010 have been drawn up in accordance with the Prospectus Directive.

#### 5. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

Save as discussed in "Subscription and Sale" so far as the Issuer is aware, no person involved in the offer of the Notes has an interest material to the offer.

#### 6. REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES

- |                                 |  |
|---------------------------------|--|
| (i) Reasons for the offer:      | The net proceeds of the issue of the Notes will be used for the Issuer's general corporate purposes. |
| (ii) Estimated net proceeds:    | EUR 15,000,000   |
| (iii) Estimated total expenses: | See Part B item 2 (iii) above  |

#### 7. OPERATIONAL INFORMATION

ISIN Code: FR0010979864

Common Code: 056985697

Depositories:

- |   |     |
|---|-----|
| (i) Euroclear France to act as Central Depository:                              | Yes |
| (ii) Common Depository for Euroclear Bank S.A./N.V. and Clearstream Luxembourg: | No  |

Any clearing system(s) other than Euroclear and Clearstream, Luxembourg and the relevant identification number(s): Not Applicable

Delivery: Delivery against payment

The Agents appointed in respect of the Notes are:	<b>Calculation Agent:</b> Natixis 30 avenue Pierre Mendes France 75013 Paris France
	<b>Fiscal and Principal Paying Agent:</b> Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street EC2N 2DB London United Kingdom
	<b>Luxembourg Listing and Paying Agent:</b> Deutsche Bank Luxembourg S.A. 2 Boulevard Konrad Adenauer L-1115 Luxembourg Grand-Duchy of Luxembourg
Names and addresses of additional Paying Agent(s) (if any):	Not Applicable
The aggregate principal amount of Notes issued has been translated into Euro at the rate of <i>[currency]</i> [•] per Euro 1. 00, producing a sum of:	Not Applicable