

INTERVIEW OUR AMBITION, BY CHRISTOPHE KULLMANN - P.02

COMPANY PROFILE FONCIÈRE DES RÉGIONS IN BRIEF - P.04

REVIEW OF THE YEAR KEY EVENTS - P.06

CORPORATE GOVERNANCE A NEW SYSTEM - P.09

SHAREHOLDER INFORMATION TRACK PERFORMANCE - P.10



FONCIÈRE PARTENAIRE

REVIEWING AN ACTIVE YEAR



*Foncière
des Régions*



CHRISTOPHE KULLMANN AN AMBITION TO CONTINUE SUCCEEDING

FOR CHRISTOPHE KULLMANN, THE GROUP'S ABILITY TO FORM LONG-TERM PARTNERSHIPS WITH MAJOR TENANTS IS A KEY TO SUCCESS. IN 2010, THESE SOLID RELATIONSHIPS ALLOWED IT TO STAND OUT IN A STILL-FRAGILE MARKET BY CARRYING OUT SOME IMPRESSIVE TRANSACTIONS, INCLUDING THE ACQUISITION OF THE FUTURE HEAD OFFICE OF EIFFAGE CONSTRUCTION, THE LETTING OF CARRÉ SUFFREN, A NEW AGREEMENT WITH FRANCE TÉLÉCOM AS WELL AS GAINING ITALIAN SIQ STATUS FOR BENI STABILI.

Christophe Kullmann, what is your view of the market today?

The office market is reviving in Paris and the regions. After more than two years of economic crisis, rental transactions picked up in 2010 and 2011 is likely to see a rebalancing of supply and demand with an even bigger appetite for efficient, value-for-

money buildings. I do not think there will be strong growth in rents in the very short term, but decisions will be made faster. The investment market is meanwhile bearing up well. The rise in office prices (between 5% and 10% in 2010) for quality buildings and long leases is gradually spreading to other markets and other products. The recent rise

in interest rates is not a cause for concern in the office market, since rates are still low and the market's fundamentals are sound.

What is your view of Foncière des Régions' performance in 2010?

We achieved all our objectives despite an environment still marked by the crisis.

Our marketing and asset management work led to the rental of Carré Suffren in France and the Garibaldi towers in Italy, as well as the extension of numerous leases, whose fixed term rose from 5.8 years at the end of 2009 to 6.1 years at the end of 2010. Our portfolio is also performing well, with an occupation rate of 95% and a 0.6% increase in rents on a like for like basis. At the same time it carried out structural portfolio transactions, such as the sharing of CB 21, as well as a programme of sales of nearly €1bn. Our financial targets were also met. At the end of 2010, our LTV* fell below the 50% mark which, with the return from our assets and the terms of our leases, represents a secure profile. The cost of our debt fell from 4.6% in 2009, to 4.2% at the end of 2010. Our recurring net income meanwhile increased by 1.3% to €308M.

We had a good year in terms of stock market performance and continued our policy of sustained distribution, with an exceptional distribution in 2010 – a decisive move towards obtaining SIQ status for our Italian subsidiary Beni Stabili. This status has now been achieved, meaning a huge step forward in the Italian market.

Finally, our shareholder base and our governance developed in tandem, resulting today in a Board of Directors chaired by Jean Laurent while major shareholders have increased their stake in Foncière des Régions.

How would you describe the strategic positioning of Foncière des Régions?

We are a property company specialising in offices, with expertise in all areas of real-estate, and we are the leading property partner of major clients. Large companies are now looking for property solutions closely matched to their expectations, both in terms of environmental performance, employees' quality of life, adaptation to changes in their sector and optimised

financial management. Because we are very familiar with our clients, with whom we forge long-term relationships of trust, we are capable of assisting them in their strategic reflection and offering them a tailored quality of service on a daily basis.

How will office needs change in the coming years?

We will see further sell and leaseback operations in certain sectors, such as services, hotels and health, in which groups do not need to own the premises in which they carry out their business. At the same time, major clients are increasingly expressing a need for the development of very high-end comprehensive rental products. By supporting these major clients from a very early stage and on a daily basis, Foncière des Régions is particularly well positioned to carry out this dual approach alongside them.

What is your view of a project like Grand Paris and its impact on the Île-de-France market?

Accessibility is the number one criterion for companies when planning to move to a new site. Investing in a coordinated way in transport services and the organisation of the region is therefore entirely appropriate. La Défense, Saint-Denis and Paris's Left Bank owe their success to the involvement of public authorities and a good transport infrastructure. We are very attentive to these questions of "urban living" and the regional dynamic in our trade-offs and our discussions with partners. Grand Paris will have a very positive effect on the appeal and productivity of the Île-de-France.

What projects does Foncière des Régions currently have in the pipeline?

We have several specific projects for the period 2011-2012, whether in relation to repositioning buildings or to new projects. In Boulogne-Billancourt and Villeurbanne, for example, we are working on the rede-

velopment of existing buildings whose components are being entirely reviewed to reduce their environmental footprint and provide them with better market positioning.

We will be delivering the head office of Eiffage Construction in Vélizy in October 2011, acquired off-plan last November. Works we are involved in at the Amphithéâtre business park in Metz have also begun, opposite the new Centre Pompidou-Metz. Finally, for 2013 and beyond, we are working on long-term urban transformation projects including the Euromed Center in Marseilles and Cœur d'Orly. This range of coherent projects and programmes is governed and guided by the principles of environmental performance.

What are your ambitions for the future?

Continuing our work to create value. Continuing to innovate and undertake new transactions, on our own or in partnership with other players, as we are already doing successfully. We are solidly positioned to pursue our growth. We have announced our ambitions, including the target to have 50% of our portfolio classified as "green" by 2015.

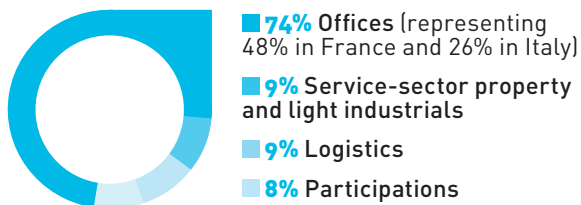
Our teams have weathered the crisis by staying on course and strengthening their relations with our major clients, as demonstrated by the lease negotiations we have carried out in recent years. It is a reason to be proud and confident in the future.

* *Loan to value.*

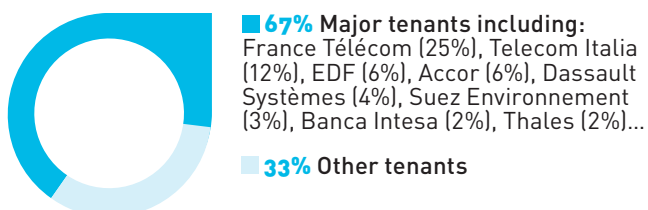
FONCIÈRE DES RÉGIONS IN BRIEF

A **key player** in office real-estate, **Foncière des Régions** now owns and manages an 8.6 billion euro portfolio, 74% of which is **offices** in solid markets in **France and Italy**. The group is a **property partner** to major tenants, guaranteeing it long-term revenue, and pursues a strategy of **continuous improvement** of its portfolio, based on both **dynamic management** of its assets and on **property developments** which respond to market expectations.

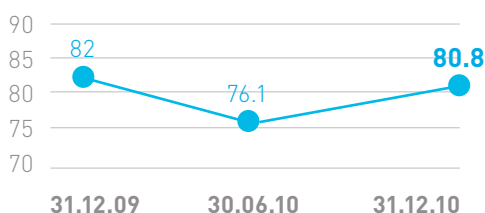
BREAKDOWN OF PORTFOLIO BY TYPE OF ASSETS (IN VALUE)



BREAKDOWN OF PORTFOLIO BY TENANT (IN RENT)



EPRA NAV PER SHARE IN EUROS

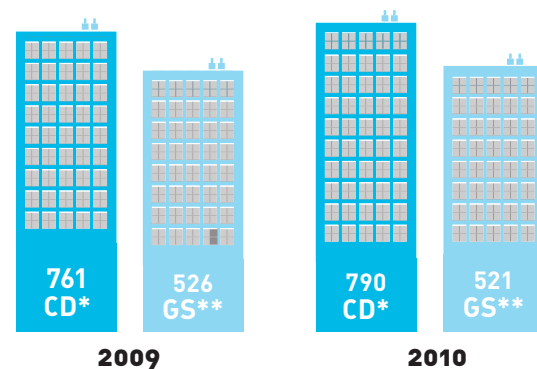


STABILITY OF EPRA NAV DESPITE THE EXCEPTIONAL DIVIDEND DISTRIBUTION

RENTAL INCOME

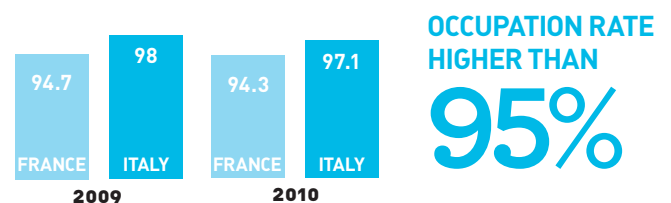
+0.6%

ON A LIKE FOR LIKE BASIS



*Consolidated data. **Group share.

OCCUPANCY RATE OF OFFICE PORTFOLIO (IN %)



**SIGNIFICANT
DECREASE IN LTV****49%**COMPARED WITH **55.6%** IN 2009
COMPARED WITH **58.8%** IN 2008**INCREASE IN RECURRENT
NET INCOME****+1.3%**REPRESENTING **€308M**

€521M
IN RENT
—
(€790M in
consolidated data)
in 2010

€8.6BN
—
PORTFOLIO
(€13,8BN in
consolidated data)
in 2010

RESIDUAL LENGTH
OF LEASES
6.1
YEARS
—
compared with 5.8 years
at the end of 2009

INCOME STATEMENT

GROUP SHARE (€ MILLION)	2009	2010	Increase/ Decrease	%
Net rental income	499.8	498.1	-1.7	-0.3%
Net operating costs	-24.2	-26.6	-2.4	9.9%
Income from other activities	10.6	10.4	-0.2	-1.9%
Cost of net financial debt	-203.9	-202.7	1.2	-0.6%
Recurrent net income from equity affiliates	39.1	37.2	-1.9	-4.9%
Margins on residential sales	10.8	14.8	4.0	37.0%
Recurrent tax	-27.9	-23.0	4.9	-17.6%
Recurrent net income	304.3	308.2	3.9	1.3%
Recurrent net income per share	6.86	5.92	-0.9	-13.7%
Fair value adjustments on real-estate assets	-324.2	378.1	702.3	n.a.
Other asset value adjustments	-79.2	2.9	82.1	n.a.
Fair value adjustment on financial instruments	-98.8	-52.0	46.8	n.a.
Other	-112.4	-31	81.4	n.a.
Non-recurrent tax	48.2	21.0	-27.2	n.a.
Net income	-262.1	627.2	889.3	n.a.

SUMMARY BALANCE SHEET

ASSETS	2010	LIABILITIES	2010
Fixed assets	12,832	Shareholder's equity (group share -1)	3,864
Current assets	455	Minority interests (2)	2,163
Cash	415	Shareholders' equity (1+2)	6,028
Non current assets held for sale	999	Borrowings	7,482
		Other liabilities	1,191
TOTAL	14,701	TOTAL	14,701

REVIEW OF THE YEAR

FEBRUARY 2010

CHRISTOPHE KULLMANN, “PIERRE D’OR” OF THE YEAR

The readers of *Immoweek – Expertise Pierre* awarded Christophe Kullmann, Chief Executive Officer of Foncière des Régions, the “Pierre d’Or for Man of the Year” 2010.

JULY 2010

CB 21, THE “GREEN” RENAISSANCE OF LA DÉFENSE

With the CB 21 tower, Foncière des Régions delivered the very first project in the La Défense renewal plan. This “green” tower, 180m high and offering 68,000 sq.m of office space, was entirely renovated for a total of €130M. CB 21 is already welcoming the approximately 2,000 employees of Suez Environnement, which chose the tower for its global head office.

* “BRE Environmental Assessment Method”, UK certification for buildings.

+ FIND OUT MORE:
www.cb21.fr



JUNE 2010

SIIQ STATUS FOR BENI STABILI

In 2010 Beni Stabili, the Offices subsidiary of Foncière des Régions in Italy, obtained SIIQ (*Società di Investimento Immobiliare Quotate*) status. This move, driven by the group, required reducing Foncière des Régions’ direct stake in the Italian property company to meet the eligibility criteria for SIIQ status, according to which the main shareholder must not own more than 51% of the capital.

+ FIND OUT MORE:
www.benistabili.it



JULY 2010

A LONG-TERM PARTNERSHIP WITH FRANCE TÉLÉCOM

Foncière des Régions signed a new agreement as part of its partnership with France Télécom relating to €510M of assets at 194 sites, half of which were in Paris and the Île-de-France. Under the agreement, the fixed term of France Télécom’s leases is now 7.2 years, i.e. 2.1 years more than previously.



OCTOBER 2010**FONCIÈRE DES MURS,
A LEADING PARTNER
IN THE HOTEL SECTOR**

Foncière des Murs strengthened its partnership with Accor through the acquisition for €378M of 49 hotels with Predica located in France, Belgium and Germany. Foncière des Murs also became a partner in the B&B hotel chain by signing an undertaking to buy 18 hotels located in Germany for €65M.

+ FIND OUT MORE:
www.foncieredesmurs.fr

**NOVEMBER 2010****AN ULTRA HIGH PERFORMANCE
HEAD OFFICE FOR EIFFAGE
CONSTRUCTION**

Foncière des Régions acquired the Eiffage Construction head office off-plan. The 10,800 sq.m five-floor building, designed by architect Jean-Paul Viguier, which is HQE® certified with a BBC (low-energy building) label, is located in Vélizy-Villacoublay, in Yvelines. The building will be delivered to Eiffage Construction, which will take a 12-year lease, in October 2011.

**DECEMBER 2010****ALL GO AT THE AMPHITHÉÂTRE BUSINESS
PARK IN METZ**

Along with the project's other four partners, Foncière des Régions laid the first stone of the first plot of the Amphithéâtre business park in Metz. On a 5,400 sq.m site opposite the new Pompidou Centre, Foncière des Régions developed a seven-floor office block that is HQE® and BBC certified.

DECEMBER 2010**EMPLOYEES, HR DIRECTORS AND PROPERTY
DIRECTORS HAVE THEIR SAY**

Foncière des Régions and AOS Studley, an expert in commercial real estate consultancy, decided to launch a joint initiative to analyse their clients' needs. The two companies conducted a major survey entitled "The French and their offices, perspectives from employees and directors". Nearly 600 employees and 150 HR and Property directors were interviewed. The poll revealed strong trends surrounding these two groups' satisfaction criteria and made it possible to gather their views on changes in the workplace environment.

+ FIND OUT MORE:
www.fdr-aos-simi2010.fr

NOVEMBER 2011**FIRST GREEN LEASES**

Foncière des Murs signed 71 “environmental addenda” (known as “green” leases) with Courtepaille. Foncière des Régions also signed a “green” lease with Eiffage for the rental of the HQE®-BBC building which will house the Eiffage Construction head office in Vélizy-Villacoublay. The same was done for the Carré Suffren building.

**DECEMBER 2010****FONCIÈRE DES RÉGIONS WINS SIIC TROPHY**

Foncière des Régions won the SIIC Trophy 2010 in the Best Transaction of the Year category for the exceptional dividend distribution carried out in 2010.

JANUARY 2011**RENTAL SUCCESSES FOR CARRÉ SUFFREN**

The Carré Suffren building at the foot of the Eiffel tower in Paris’s 15th arrondissement was acquired in 2004 by Foncière des Régions and Predica. Carré Suffren was entirely renovated to provide 25,000m² of offices and an ultra-contemporary working and living space, with environmental and energy performances in line with the latest market standards. In early 2011, 23,000 sq.m were let, respectively to insurance and reinsurance broker AON (15,000 sq.m), to departments of the French Ministry of Education (5,000 sq.m) and to the Institut Français (3,000 sq.m). These rental successes confirm the building’s strong positioning on the Left Bank property market.

**MAY 2011****DIVERSIFICATION OF FUNDING SOURCES**

Foncière des Régions successfully carried out an offering of ORNANES* expiring on 1 January, 2017, for a nominal amount of €550M (after fully exercising the extension clause). The issue generates annual interest of 3.34% and a nominal bond unit value of €85.86, representing an issue premium of 20% compared with the Foncière des Régions reference share price of €71.5468.

For reasons of market practice, the subscription period was very short, from 16 May to 18 May inclusive, and included a priority period for our shareholders up to 18 May inclusive.

** Net Share Settled Bonds Convertible into New Shares and/or Exchangeable for Existing Shares.*

**JUNE 2011****CONTINUATION OF THE PARTNERSHIP WITH SUEZ ENVIRONNEMENT**

Foncière des Régions acquired a 13,800 sq.m building in Rueil-Malmaison, in the market of Paris’s western crescent, for €43M. The head office of Degrémont, a subsidiary of Suez Environnement specialising in water treatment, is entirely let for a fixed term of 12 years.

FONCIÈRE DES RÉGIONS

GAINS A BOARD OF DIRECTORS

FONCIÈRE DES RÉGIONS CHOSE TO DEVELOP ITS CORPORATE GOVERNANCE STRUCTURE IN 2010. THE COMPANY FORMED A BOARD OF DIRECTORS ASSISTED IN ITS WORK BY THREE SPECIALISED COMMITTEES, WITH GENERAL MANAGEMENT FULFILLING THE EXECUTIVE ROLES AND COORDINATING OVERALL STRATEGY.

BOARD OF DIRECTORS

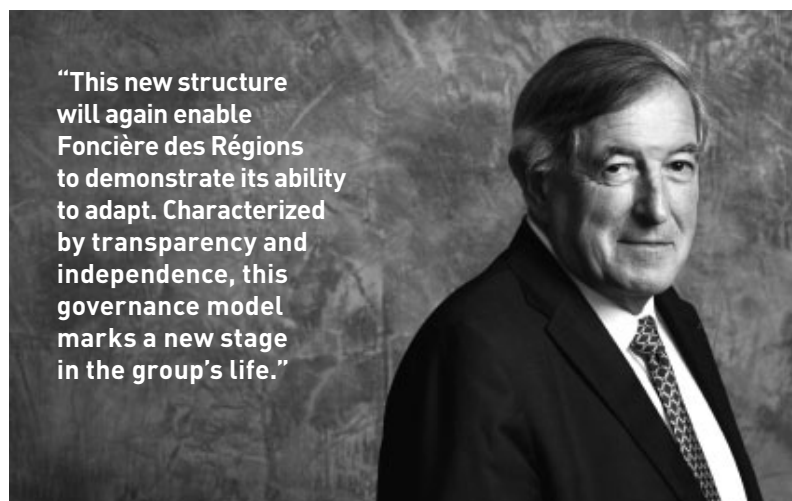
The Board determines the company's strategy and ensures it is implemented. The Board of Directors is made up of 10 members, either companies or individuals, and an overseer:

- Jean Laurent, *Chairman, independent director*
- Leonardo Del Vecchio, *Vice-Chairman*
- Catherine Allonas-Barthe, *permanent representative of ACM Vie*
- Romolo Bardin, *permanent representative of Aterno*
- Jean-Luc Biamonti, *independent director*
- Lionel Calvez, *permanent representative of GMF Vie*
- Sergio Erede
- Bertrand de Feydeau, *independent director*
- Jérôme Grivet, *permanent representative of Predica*
- Pierre Vaquier, *independent director*

GENERAL MANAGEMENT (at end of may 2011)

The General Management is responsible for implementing group strategy and is coordinated by:

- Christophe Kullmann, *Chief Executive Officer*
- Olivier Estève, *Deputy General Manager*
- Aldo Mazzocco, *Deputy General Manager*



JEAN LAURENT, NEW CHAIRMAN OF THE BOARD OF DIRECTORS

In accordance with the evolution of the shareholder base and the group's desire to adopt a new form of governance, in November 2010 Jean Laurent became President of the Foncière des Régions Board of Directors. Jean Laurent is 66 years old and previously spent his whole career with Crédit Agricole, first regionally then at the Caisse Nationale. He was notably responsible, along with René Carron, for the bank's stock market flotation in 2001, before bringing about the merger between Crédit Agricole and Crédit Lyonnais. He is currently President of the Finance Innovation competitiveness cluster, a market initiative to unite actions aimed at establishing Paris as a financial centre.

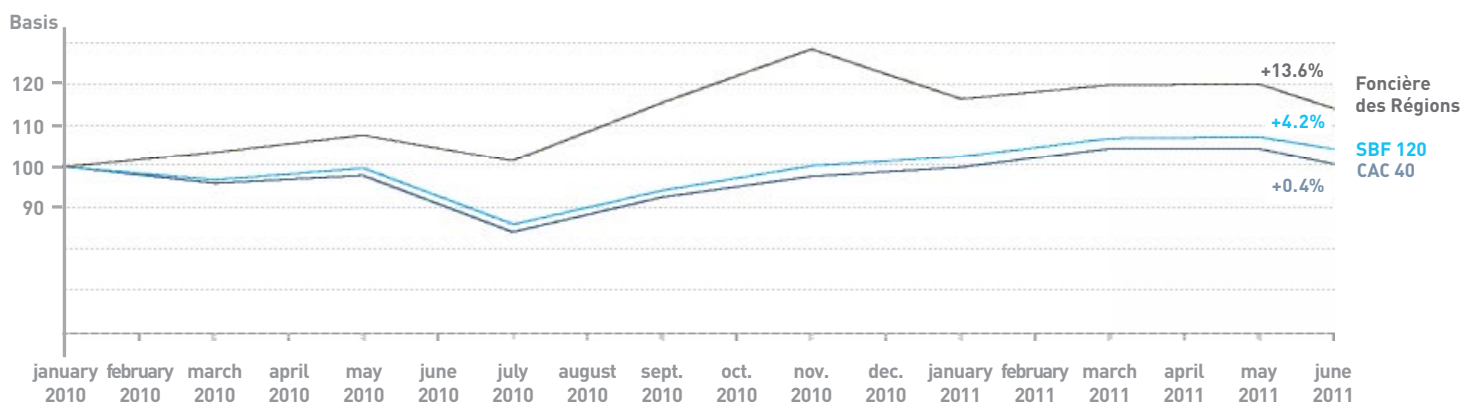
40%
independent
members

A
tight-knit
Board of
Directors

3
specialised
committees

SHAREHOLDER INFORMATION

STOCK MARKET PERFORMANCE OF FONCIÈRE DES RÉGIONS' SHARES COMPARED WITH THE CAC 40 AND SBF 120



Adjusted data

CHANGE IN DIVIDEND

REMINDER OF THE 2009 DIVIDEND ➤ €3.30 + 6 BENI STABILI SHARES EQUIVALENT TO €6.90

2010 DIVIDEND ➤ €4.20/SHARE

DIVIDEND POLICY ➤ PAY OUT OF 70%-85% OF RECURRENT NET INCOME

PAYMENT OF DIVIDENDS

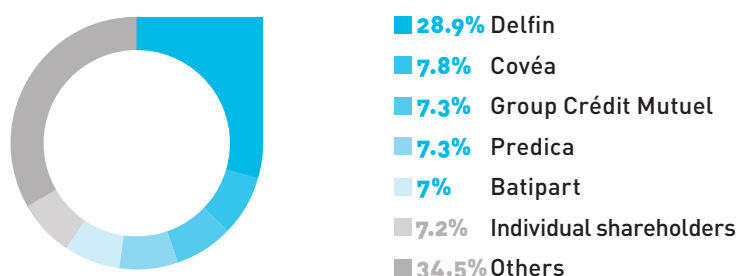
A DIVIDEND OF €4.20* PER SHARE IN TWO PARTS

During May 2011, Foncière des Régions shareholders received a dividend of €4.20 in two parts:

- €2.05 paid from the company's "available reserves" account and giving entitlement to a tax allowance of 40% where relevant (article 158-2 of the French General Tax Code);
- €2.14909 per share paid from the company's "share premium" account, corresponding to the reimbursement of capital. This enjoys special tax treatment and is adjusted from the acquisition price of Foncière des Régions shares (article 112-1 of the French General Tax Code).

* In relation to the 2010 financial year.

SHAREHOLDER BASE AT END OF 2010



A PURE NOMINEE OR ADMINISTERED ACCOUNT – WHICH TO CHOOSE AND WHAT ADVANTAGES?

In either case, simply make your request through your broker or by free phone (in France) on 0826 109 119 (BN P Paribas Securities Services). In addition to the fact that Foncière des Régions covers the management fees (custody account charges) and enables you to benefit from competitive stock exchange fees (bank commissions of €7.62 excl. tax per order and stock exchange fees of 0.65% with a minimum of €6.10 excl. tax), pure nominee registration also means you are registered directly with the company which can send you documents dedicated to shareholders (*Shareholders' newsletter*, etc.) as well as the invitation documents to Annual General Meetings.

FONCIÈRE DES RÉGIONS MEETS SHAREHOLDERS WITH FFCI*

Foncière des Régions has been a partner of FFCI since 2010 and participates in the regional meetings organized by the association. These provide an opportunity to meet shareholders and discuss the group's strategy and recent news. In June 2010, Foncière des Régions was present in Nantes and more recently in Toulouse (April 2011) and Annecy (May 2011). If you would like to be invited to these meetings, please contact us on +33 (0) 805 400 865.

* *Fédération Française des Clubs d'Investissement (French Federation of Investment Clubs).*

CALENDAR

Publication of half-yearly results:
27 July 2011

STOCK MARKET INFORMATION

ISIN CODE: FR0000064578
SHARE CODE: FDR
WHERE LISTED: Euronext Paris
MARKET: LOCAL SECURITIES
—COMPARTMENT A (BLUE CHIPS)—SRD
AREA OF ACTIVITY: REAL ESTATE INVESTMENT TRUSTS
PEA/SRD: ELIGIBLE
INDICES: SIIC FRANCE, SBF 80, CAC MID 100, EPRA EUROPE, SBF 120, MSCI, GPR 250, FTSE 4GOOD

INDIVIDUAL SHAREHOLDERS' CONTACT

SÉBASTIEN BONNETON
TEL.: +33 (0)1 58 97 52 44
FAX: +33 (0)8 20 21 09 75
E-MAIL: SEBASTIEN.BONNETON@FDR.FR
E-MAIL: ACTIONNAIRES@FDR.FR



30 avenue Kléber
75208 Paris Cedex 16 - France
Tel.: +33 (0)1 58 97 50 00
Fax: +33 (0)8 21 20 23 75
www.foncieredesregions.fr