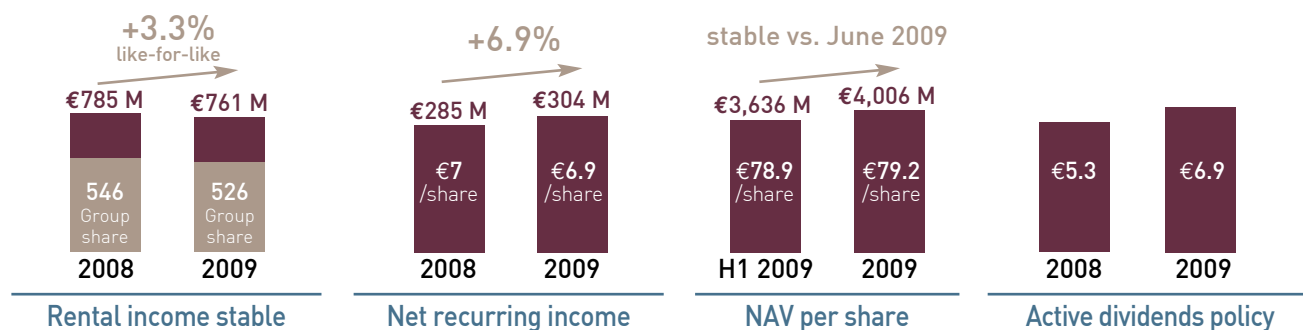


FONCIÈRE PARTENAIRE

FONCIÈRE DES RÉGIONS

2009 Objectives exceeded



Success of the FdR 2010 business plan, 2009 objectives exceeded

Reinforced financial structure

The objectives of the FdR 2010 plan, a plan initiated on January 2009 to respond to a deteriorated economic and financial environment, have been exceeded. A real estate company with primarily offices and a partner of large corporates, Foncière des Régions has reduced its debt of €1 billion (LTV of 55.6% vs. 58.8% at the end of 2008) and has increased its capital by €454 million. At the same time, the company conducted active asset management with €457 million of office real estate investments made on Ile-de-France, €751 million from asset sales (against an objective of €500 million) and maintained the average firm lease duration at more than 6 years.

Net recurring income: +6.9%

The 6.9% growth of the recurrent net income to €304 million (vs. €285 million in 2008) is explained by the like-for-like growth of rental income by 3.3%, the decrease in expense ratio to 19.7% vs. 20.1% in 2008, as well as the reduction in net interest after improving the average cost of debt in 2009 (4.60% vs. 4.88% for 2008).

Stable valuations at the end of the 2nd half of 2009

The appraisal values of the group were stable for the second half of 2009 and decreased by 3.6% over the whole year.

The NAV is €4,006 million, up 10% compared to the end of June 2009 (+1.3% over 12 months), for total portfolio of €9,286 million group share. Per share, the NAV, excluding transfer taxes and excluding financial instruments, is stable with regard to the end of June 2009 (+0.3%) at €79.2. It has dropped by 18.2% over 12 months, principally due to the issue of 5.5 million shares at €34 as a part of the 2008 dividend payment in shares and the drop in value observed in the first half of 2009.

2009 Dividends: increasing, paid partly in cash and in Beni Stabili shares

At the General Shareholders Meeting due on May 28, a dividend per share* of €3.3 in cash and 6 shares of Beni Stabili will be proposed, or a total per share of €6.9 (on the basis of a value of €0.6 per Beni Stabili share).

With a portfolio of primarily office real estate of €4.2 billion mainly situated in Milan and Rome and rented to large businesses, and a measured debt (LTV of 49.7%), Beni Stabili is positioned as the leader in the listed real estate sector in Italy. Considering the growth opportunities in the Italian market, adopting a program of fiscal transparency (SIIQ), synonymous with exemption from income taxes, is a major asset to the company.

The distribution of Beni Stabili shares constitutes a decisive step towards achieving this SIIQ regime by widening the float and bringing the direct holding of Foncière des Régions from 68% to 52.5%. This «exceptional» scheme creates value for both Foncière des Régions and Beni Stabili shareholders.

2010 Outlook

After 10 years of growth and the good resistance of its economic model in 2009, Foncière des Régions wishes to consolidate its real estate position focused on commercial real estate and large clients.

In an economic environment that remains uncertain, the company intends to pursue its strategy of active asset management and to seize investment opportunities in a consolidating market while continuing to reduce its debt.

Foncière des Régions has set new growth in its net recurring income as its objective in 2010.

* for Foncière des Régions share effect 01/01/2010, a dividend per share of 3 shares of Beni Stabili will be proposed

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1. FINANCIAL STATEMENTS

Foncière des Régions' business involves the acquisition, ownership, administration and leasing of properties, developed or not, and more specifically offices, logistical warehouses, business premises and car parks.

Registered in France, Foncière des Régions is a French limited company (société anonyme) with Management and Supervisory Boards. It is consolidated on an equity basis by Batipart and Delfin.

A. CONSOLIDATED BALANCE SHEET

(in € millions)	2008	2009		2008	2009
Non-current assets			Shareholders' equity		
Intangible fixed assets			Capital	123.3	151.9
Goodwill			Additional paid-in capital	2,259.4	2,454.7
Other intangible fixed assets	140.7	156.4	Treasury stock	-33.0	-31.5
Tangible fixed assets					
Land	56.8	54.5	Consolidated reserves	1,648.1	1,104.5
Buildings	113.9	98.4	Earnings	-556.5	-262.1
Other	8.1	4.5	Total shareholders' equity (Group share)	3,441.2	3,417.4
Fixed assets under construction	873.6	1.0	Minority interests	2,355.6	1,390.1
Investment properties	13,746.9	11,262.7	Total shareholders' equity (I)	5,796.9	4,807.4
			Equity securities issued (II)		
Long-term financial investments			Non-current liabilities		
Financial instruments	0.9	1.1	Interest-bearing borrowings	9,463.5	7,125.4
Loans	34.6	14.8	Financial instruments	495.3	599.1
Other financial assets	57.0	56.0			
Finance lease receivables	38.4	23.9	Deferred tax liabilities	481.1	315.1
Equity interest in affiliates	190.6	541.3	Pension and other liabilities	37.2	2.8
Deferred tax assets	110.1	122.3	Other long-term liabilities	16.4	13.0
Total non-current assets (I)	15,371.7	12,336.9	Total non-current liabilities (III)	10,493.5	8,055.4
Current assets			Current liabilities		
Short-term loans and short-term finance lease receivables	30.6	14.8	Trade payables and related	85.1	69.4
Inventories and work-in-progress	135.5	117.3	interest-bearing short-term borrowings	697.5	681.4
Trade receivables	174.0	95.7	Tenant security deposits	17.9	11.7%
Current tax	0.0	12.5	Advances and deposits received on current orders	142.4	98.0
Other receivables	188.4	223.9	Short-term provisions	41.5	57.7
			Current tax	28.8	4.3
Accrued expenses	8.3	9.2	Other liabilities	98.7	122.6
			Accruals	44.5	44.7
Cash and cash equivalents	199.5	191.6	Total current liabilities (IV)	1,156.3	1,089.8
Total current assets (II)	736.3	665.0	Total liabilities (I+II+III+IV)	17,446.8	13,952.6
Non-current assets available for sale (III)	1,338.7	950.7			
Total assets (I+II+III)	17,446.8	13,952.6			

B. CONSOLIDATED INCOME STATEMENT

(in € millions)	Consolidated figures		Group share figures		Change (Group share)	
	2008	2009	2008	2009	€ millions	%
Revenues	1 094.3	991.1	697.5	633.2	-64.4	-9%
Other operating income	1.9	2.6	1.0	1.3	0.3	28%
Total income from ordinary operations	1 096.3	993.7	698.5	634.4	-64.1	-9%
Change in inventories: disposals and inventoried work	48.1	10.9	36.1	9.3	-26.8	-74%
Purchases and external expenses	110.3	91.7	74.3	61.8	-12.5	-17%
Tax	25.2	24.2	17.2	17.6	0.4	2%
Salaries and fringe benefits	66.7	62.8	48.8	45.3	-3.5	-7%
Depreciation and provisions	154.8	9.7	142.1	7.9	-134.2	-94%
Provisions for current assets	1.5	-10.3	-1.2	0.2	1.4	-120%
Net provisions	-1.0	0.2	0.9	-7.9	-8.8	-996%
Other operating expenses	0.9	2.3	0.4	1.6	1.2	304%
Total current operating expenses	406.4	191.5	318.5	135.8	-182.8	-57%
Income from ordinary operations before disposal of investment assets	689.8	802.2	380.0	498.6	118.7	31%
Net disposal of non-current assets	31.0	-29.4	21.7	-24.3	-45.9	-212%
Fair value adjustment on investment assets	-497.8	-603.1	-282.4	-331.8	-49.4	18%
Other recurrent income and expenses	-69.2	-42.2	-47.1	-22.8	24.3	-51%
Total other operating income and expenses	-536.0	-674.7	-307.8	-378.9	-71.1	23%
Income from ordinary operations	153.9	127.5	72.2	119.7	47.6	66%
Total financial income	69.5	57.1	50.8	43.6	-7.2	-14%
Total financial expenses	1 015.2	639.1	633.5	402.7	-230.8	-36%
Financial result	-945.7	-582.0	-582.8	-359.1	223.6	-38%
Share in income (loss) of affiliates	-34.3	-38.5	-31.7	-40.1	-8.5	27%
Pre-tax income	-826.2	-492.9	-542.3	-279.5	262.7	-48%
Current tax	45.2	31.3	32.6	23.0	-9.6	-29%
Deferred tax	-39.3	-59.8	-18.3	-40.4	-22.2	121%
Net income	-832.1	-464.5	-556.5	-262.1	294.5	-53%
Minority interests	275.6	202.4				
Net income (Group share)	-556.5	-262.1	-556.5	-262.1	294.5	-53%
Net earnings per share (Group share)	-13.60	-5.97	-13.60	-5.97		
Diluted net earnings per share	-13.56	-5.91	-13.56	-5.91		

2. MAJOR OPERATIONS OVER THE PERIOD

6 February 2009: lease signed with Suez Environnement for 42,000 sq.m in the CB 21 Tower in La Défense.

On 6 February, Foncière des Régions and Suez Environnement signed a lease for 42,000 sq.m in the CB 21 Tower in La Défense, Europe's leading business district. This lease covers a period of 10 years and three months from 2010, with the space to be delivered in two stages: 25% at the end of 2009 and 75% midway through 2010. This lease has been extended to 44,500 sq.m following the letting of a further two floors (effective 30 June 2010).

11 May 2009: 4% stake in Foncière des Murs sold for €28 million

On 11 May 2009, a 4% capital stake in Foncière des Murs was sold off for a total of €28 million, with Foncière des Régions now owning 25.1% of Foncière des Murs

28 May 2009: Foncière des Régions further strengthens its shareholders' equity by €187 million, with 87% of shareholders opting for the dividend to be paid in shares

Foncière des Régions has announced that it has further strengthened its shareholders' equity by €187 million, with 87% of shareholders selecting the option for the dividend to be paid in shares.

A resolution adopted at the General Meeting on 24 April 2009 set the issue price for the shares reissued as payment at €34, representing 95% of the average closing share price for the 20 days trading prior to the General Meeting, less the amount of the net dividend (€5.3). This approach resulted in the creation of 5,489,897 new shares admitted for trading on 29 May 2009.

Following the operation, the company's share capital is made up of 46,578,028 shares, and the amount of the dividend paid out in cash was limited to €28 million.

8 June 2009: Foncière des Régions raises its stake in Foncière Europe Logistique following the €50 million capital increase carried out by Foncière Europe Logistique in June 2009

Foncière des Régions saw its interest rise from 60% to 67% further to the €50 million capital increase carried out in June by Foncière Europe Logistique, with Foncière des Régions subscribing for €47 million.

The gross amount of the operation totalled €51,112,884, resulting in the creation of 25,556,442 new Foncière Europe Logistique shares at a subscription price of €2 per share.

23 June 2009: new strategic agreement for Foncière des Régions and France Telecom

Foncière des Régions and France Telecom have signed an agreement with a view to consolidating their real estate partnership on 173 buildings (€887 million based on appraisal values at the end of 2008), owned by Foncière des Régions and occupied by France Telecom.

Following an initial agreement signed in 2008 for 155 buildings, covering the extension of leases and disposal of buildings, this new agreement is making it possible to continue moving forward with the process to adapt the properties occupied by France Telecom in line with the company's current and future requirements.

This agreement illustrates several years of this real estate partnership with France Telecom and confirms Foncière des Régions' ability to find real estate solutions to create value for both the tenant and the owner.

The agreement signed focuses on three key areas:

- New leases: during the second half of the year, Foncière des Régions and France Telecom signed new leases for 108 buildings in the Paris Region and other key cities throughout France. These assets represent an appraisal value of €754 million at the end of 2008, with €65 million in annualised rental income. The average term of the new leases signed will be seven years firm, compared with a previous residual term of two years
- Building disposals: France Telecom has decided to acquire 65 assets, primarily in other French regions apart from Paris, for a total of €133 million
- Greater flexibility: at the end of the new leases, France Telecom will, in line with its requirements, be able to redevelop its technical and commercial space.

10 November 2009: Foncière Développement Logements

EGM of November 10, 2009 approved the change in status of the company from an SCA to Société Anonyme (limited company) with a Board of Directors. Foncière Développement Logements has also launched an OPAS its own shares at 18 euros per share. Finally, Foncière Développement Logements has benefited from contributions of real estate assets for € 112 million at end-December.

Following these transactions, Foncière Développement Logements is now owned 35% by Foncière des Régions and is no longer fully consolidated by Foncière des Régions.

15 December 2009: growth operation and strengthening of shareholders' equity

On 14 October, Foncière des Régions announced that it would be acquiring five office buildings for €267 million (paid for by issuing 3.9 million new shares), and proposing a free allocation of equity warrants for its shareholders on 16 December 2009. This free allocation of equity warrants enabled Foncière des Régions' shareholders to subscribe for new Foncière des Régions shares for a total of €200 million, under similar economic conditions to the share issue carried out for the acquisition of the assets.

The acquired portfolio comprises five high-quality office buildings representing 41,600 sq.m, with 27,420 sq.m in Paris (three assets representing 74% of the portfolio value), 11,290 sq.m in Issy-les-Moulineux (one asset - 24%) and 2,890 sq.m in Lyon (one asset - 2%). It has a net yield of 7%, with an average residual firm lease term of 3.2 years and a vacancy rate of 3%. The average rent on the portfolio is €459 per sq.m per year, in line with market values

This operation was approved at the Extraordinary General Meeting on 15 December 2009.

10 February 2010: tax dispute in Italy

On 10 February 2010, the tax authorities informed Beni Stabili about a €58 million tax adjustment relating to the acquisition of a property portfolio from Comit Fund. Comit Fund was also subject to an adjustment for the same amount.

Beni Stabili has decided to appeal, recording €42 million in provisions in its accounts. The payment of the €58 million is immediate.

3. BUSINESS ANALYSIS

Unless indicated otherwise, all of the valuation information given in this section is on a fair value basis.

A. CHANGE IN REVENUES

(in € millions)	Consolidated			Group share				
	2008	2009	Change (%)	2008	2009	Change (%)	LFL change (%)	% of rental income
Offices - France								
France Telecom	172.9	156.6	-9.5%	172.9	156.6	-9.5%		29.8%
EDF	31.5	29.6	-6.0%	31.5	29.6	-6.0%		5.6%
Other	68.8	73.3	6.6%	68.8	73.3	6.6%		13.9%
Subtotal Offices - France	273.2	259.5	-5.0%	273.2	259.5	-5.0%	5.8%	49.3%
Offices - Italy								
Long-term portfolio	166.5	173.7	4.3%	121.7	127.0	4.3%		24.1%
Dynamic portfolio	44.3	38.2	-13.8%	32.4	27.9	-13.8%		5.3%
Development portfolio	2.0	1.0	-48.4%	1.5	0.8	-48.4%		0.1%
Subtotal Offices - Italy	212.8	212.9	0.1%	155.5	155.6	0.1%	3.6%	29.6%
Total Offices	486.0	472.4	-2.8%	428.7	415.1	-3.2%	5.0%	78.9%
Service Sector								
Hotel	121.2	113.3	-6.5%	35.2	30.1	-14.5%		5.7%
Health	27.2	26.4	-3.2%	7.9	7.0	-11.5%		1.3%
Restaurants	25.5	26.5	3.7%	7.4	7.0	-5.3%		1.3%
Leisure	26.3	30.6	16.5%	7.6	8.1	6.5%		1.5%
Subtotal Service Sector	200.3	196.8	-1.7%	58.2	52.3	-10.2%	-3.4%	9.9%
Logistics and business parks								
Logistics France	52.3	49.5	-5.3%	31.5	31.6	0.3%		6.0%
Logistics Germany	11.5	8.3	-28.0%	6.9	5.3	-23.8%		1.0%
Business parks	18.1	18.3	1.1%	10.9	11.6	7.0%		2.2%
Garonor	16.4	16.1	-2.2%	9.9	10.2	3.5%		1.9%
Subtotal Logistics	98.3	92.2	-6.2%	59.2	58.7	-0.8%	-3.5%	11.2%
Total rental income	784.6	761.4	-3.0%	546.1	526.1	-3.7%	3.3%	100.0%
FDL	212.8	176.7	-17.0%	82.4	67.6	-18.0%		
Services and other	97	53	-45.4%	69	39.5	-42.8%		
Total revenues	1 094.3	991.1	-9.4%	697.5	633.2	-9.2%	3.1%	

Like-for-like, consolidated rental income growth came out at 3.3% between 2008 and 2009, primarily due to indexation on the EDF and France Telecom portfolios. Office rental income represents more than two thirds of the Group share and increased slightly. Furthermore, rental income contracted 3.7% mainly due to the disposals and the changes in scope (FdM - 4%).

B. RENTAL INCOME SCHEDULE (GROUP SHARE)

(in € millions)	Lease schedule*	
	By lease end date	% of total
2010	52	9.3%
2011	73	13.0%
2012	76	13.5%
2013	29	5.2%
2014	41	7.3%
2015	16	3.0%
2016	25	4.4%
2017	29	5.2%
2018	34	6.1%
Beyond	184	-33.0
(in € millions)	559	100.0%

* Based on annualised rental income at 31 December 2009

On average, the residual term on leases was 6.1 years at 31 December 2009, compared with 6.1 years at 31 December 2008. To a great extent, the renegotiation of France Telecom's leases during the second half of the year made it possible to keep the residual term stable.

C. BREAKDOWN OF RENTAL INCOME (GROUP SHARE)

Breakdown by principal tenants

(in € millions)	Annualised rental income (Group share)		Surface area (sq.m)		Number of assets	
	2009	%	2009	%	2009	%
France Telecom	139	24.8%	1 015 848	13.4%	335	23.2%
Telecom Italia	87	15.6%	1 279 668	16.9%	203	14.1%
Accor	28	5.0%	929 599	12.2%	199	13.8%
EDF	33	6.0%	292 248	3.9%	33	2.3%
Banca Intesa	19	3.4%	100 000	1.3%	7	0.5%
Dassault Systèmes	19	3.4%	56 192	0.7%	1	0.1%
Autres	233	41.7%	3 916 484	51.6%	665	46.1%
Total rental income	559	100 %	7 590 039	100 %	1 443	100 %

Breakdown by region

(in € millions)	Annualised rental income Group share		Surface area (sq.m)		Number of assets	
	2009	%	2009	%	2009	%
Paris	87	15.6%	443,800	5.8%	57	4.0%
Paris Region	167	29.9%	1,932,635	25.5%	237	16.4%
Other French regions	138	24.7%	2,661,924	35.1%	803	55.6%
Milan	48	8.6%	347,261	4.6%	34	2.4%
Rome	17	3.1%	176,369	2.3%	40	2.8%
Other	102	18.2%	2,028,049	26.7%	272	18.8%
Total rental income	559	100%	7,590,039	100%	1,443	100%

D. DISPOSALS IN 2009

(in € millions)		Disposals	Sales agreements	Total	Margin vs appraisal values at 31 Dec 08	Yield rate
Offices - France	100 %	361.1	52.9	414.0	-4.3%	8.1%
Offices - Italy	100 %	141.9	138.6	280.5	4.6%	2.5%
	<i>Group share</i>	<i>103.7</i>	<i>101.3</i>	<i>205.1</i>	<i>4.6%</i>	<i>2.5%</i>
Total Offices	100 %	503.0	191.5	694.5	-0.8%	5.9%
	<i>Group share</i>	<i>464.8</i>	<i>154.2</i>	<i>619.1</i>	<i>-1.4%</i>	<i>6.3%</i>
Service Sector	100 %	63.0	0.0	63.0	-12.8%	6.9%
	<i>Group share</i>	<i>15.8</i>	<i>0.0</i>	<i>15.8</i>	<i>-12.8%</i>	<i>6.9%</i>
	100 %	35.4	8.7	44.2	-19.4%	7.5%
Logistics and light industrials	<i>Group share</i>	<i>23.8</i>	<i>5.9</i>	<i>29.6</i>	<i>-19.4%</i>	<i>7.5%</i>
Total	100 %	601.4	200.2	801.7	-3.1%	6.0%
	<i>Group share</i>	<i>504.4</i>	<i>160.1</i>	<i>664.5</i>	<i>-2.7%</i>	<i>6.3%</i>
FDL France	100 %	119.5	31.2	150.7	3.2%	3.8%
FDL Germany	100 %	71.6	22.8	94.4	15.0%	6.0%
Total Residential	100 %	191.0	54.0	245.1	7.5%	4.6%
	<i>Group share</i>	<i>67.5</i>	<i>19.1</i>	<i>86.7</i>	<i>7.5%</i>	<i>4.6%</i>
Total including FDL	100 %	792.5	254.3	1 046.7	-0.8%	5.7%
	<i>Group share</i>	<i>571.9</i>	<i>179.2</i>	<i>751.1</i>	<i>-1.6%</i>	<i>6.2%</i>

E. CHANGE IN PORTFOLIO

Portfolio valuation and change

(in € millions)	Value at 31 Dec 08	Value at 31 Dec 09	2009 value (Group share)	Like-for-like change in portfolio					
				Change 6 months	Change 12 months	Rent effect 12 months	Rate effect 12 months	Yield excl. TD at 31 Dec 08	Yield excl. TD at 31 Dec 09
Offices - France	3,814	4,076	4,002	1.8%	-3.1%	2.9%	-6.0%	8.1%	8.3%
Portfolio in operation	3,178	3,432	3,432	2.7%	0.6%	2.9%	-2.4%	8.1%	8.3%
Portfolio under development	636	644	570	-3.9%	-21.1%				
Offices – Italy	4,430	4,220	3,084	-1.8%	-3.5%	0.6%	-4.1%	5.2%	5.4%
Portfolio in operation	4,152	3,915	2,861	-1.8%	-3.2%	0.6%	-3.8%	5.2%	5.4%
Portfolio under development	278	305	223	-2.5%	-7.6%				
Total Offices	8,245	8,296	7,086	0.1%	-3.3%	1.9%	-5.2%	6.5%	6.8%
Service sector	3,230	2,990	749	1.5%	-5.6%	-2.5%	-3.0%	6.4%	6.6%
Logistics	1,341	1,144	768	-1.9%	-11.7%	-1.5%	-10.1%	8.1%	9.0%
Car Parks	253	238	142	-0.9%	-5.7%	NA	NA	NA	NA
Commercial portfolio	13,067	12,669	8,745	0.0%	-3.6%	1.2%	-4.8%	6.6%	6.9%
Equity affiliates *	190	541	541						
Total	13,258	13,210	9,286						
Housing	3,477	0							
Total consolidated	16,735	13,210							
Total Group share	10,375	9,286							

* FDL consolidated on an equity basis in 2009

At 31 December 2009, Foncière des Régions' portfolio represented a total of €9,286 million, compared with €10,375 million at 31 December 2008. Like-for-like, the change came out at -3.6% over the full year, and stable during the second half of 2009. This stability in terms of values during the second half of the year is primarily due to do the French office business, which increased by 1.8%, with the French office and service sector portfolio showing a good level of resilience thanks to the asset management work carried out at the same time (agreement with France Telecom, negotiations underway with EDF).

F. PORTFOLIO BREAKDOWN (GROUP SHARE) AND OTHER CHARACTERISTICS

Breakdown by region and principal tenants

(in € millions)	%	2009	%
Paris		1 437	16.7%
IDF		2 248	26.1%
Régions France		1 671	19.4%
Milan		1 281	14.9%
Rome		299	3.5%
Autres		1 667	19.4%
Total portfolio (Group share)*	100 %	8 604	100 %

* Excluding car parks

(in € millions)	2009	%
France Telecom	1 666	19.4%
Telecom Italia	1 380	16.0%
Accor	438	5.1%
EDF	358	4.2%
Banca Intesa	324	3.8%
Dassault Systèmes	281	3.3%
Autres	4 157	48.3%
Total portfolio (Group share)*	8 604	100 %

Other portfolio characteristics

	Vacancy rate* (%)		Residual lease term (years)		2009 rental income avg./sq.m	2009 value avg./sq.m
	2008	2009	2008	2009	(€)	(€)
Offices - France	0.9%	5.3%	3.7	4.8	131	1,928
Offices - Italy	2.4%	2.0%	9.4	8.5	98	1,935
Logistics and business parks	8.5%	12.3	2.9	3.0%	50	625
Service sector	0.0	0.0	9.9	9.3	123	1,878
Total (Group share)	NA	NA	6.1	6.1	101	1,609

* Financial vacancy at year-end

4. BUSINESS BREAKDOWN BY SEGMENT

A. OFFICE MARKET IN FRANCE AND ITALY

French office market

1. Office market in the Paris Region

Despite a fourth quarter that came in higher than forecast, 2009 was a sluggish year for office real estate in the Paris Region, with 1.8 million sq.m let, down 24% in relation to 2008. The market for intermediate size properties, from 1,000 sq.m to 5,000 sq.m, held up well, losing only 11%, while large properties saw their take-up collapse 35%.

Driven by deliveries of sites launched before the crisis, combined with a negative net absorption, immediate supply increased by 32% in relation to 2008, rising to 3.6 million sq.m. However, the vacancy rate for offices in the Paris Region remained relatively low, at 6.8%. With virtually no new speculative projects launched since 2008, this has led to a major drop in definite future supply, with offers over 5,000 sq.m expected to become increasingly rare and the quality of supply to deteriorate from 2011.

In line with the trend that began mid-2008, rental values have continued to fall. In the Paris Region, average rent stands at €303 net of tax and charges/sq.m/year for new, redeveloped or refurbished properties (-6%) and €226 net of tax and charges/sq.m/year (-5%) for preowned properties. This downwards adjustment in rental values began in Paris Centre West at the end of 2008, and started spreading to the suburbs in 2009. Some owners have chosen to keep headline rental values high, offering major commercial breaks, from 1.5 to 2 months' discount per year of commitment. However, on small and mid-size properties, headline and economic values were starting to move closer together at the end of 2009.

The Paris market effectively capitalised on its "lead" in terms of the drop in rents to let 550,000 sq.m in 2009, limiting the decline in take-up compared with 2008 to 6%. At 5.8%, the Paris vacancy rate is still relatively low, despite the significant deliveries seen in the 13th and 15th arrondissements during the fourth quarter of 2009.

The La Défense sector had a difficult year. The 174,100 sq.m let in 2009 represents a 35% drop in relation to 2008, while there were only six transactions over 5,000 sq.m in 2009. Immediate supply came in at 150,900 sq.m, up 22%, with this increase paving the way for the vacancy rate to climb to 4.6% on this very tight market. The high level of definite future supply available within the year is expected to provide La Défense with the quality buildings it is currently lacking, but the renewal of the definite future supply is not certain after 2010. Following years of uninterrupted growth, the average rents for new, redeveloped or refurbished properties fell 2% to €470 net of tax and charges/sq.m/year, while the prime average rent slipped 16% in 2009 to €401 net of tax and charges/sq.m/year on account of the scarcity of transactions on quality properties.

2. Office market in other French regions

Despite an annual drop of 11%, take-up in other French regions* came in at 1.1 million sq.m for 2009, similar to the level for 2002-2003. The market situation in the regions still varies significantly and their resilience faced with the crisis often depends on their structure and the state of their stock.

In 2009, business was primarily driven by public sector and parapublic players. In this way, the markets based essentially on international and private businesses have been worse affected by the fallout from the crisis. Take-up fell 17% in Sophia-Antipolis, 34% in Aix-en-Provence, 36% in Lyon, etc.

Despite the economic environment, user behaviour reveals a significant focus on new offices, which accounted for 40% of take-up.

Immediate supply climbed to 1.9 million sq.m at the end of 2009, with new builds representing 31%. The quality of the stock is tending to deteriorate, with this phenomenon set to continue in 2010 in light of a higher level of office space being freed up and a reduction in the definite future supply.

Estimates show that definite future supply available for delivery in 2010 is down to 400,000 sq.m. This trend is expected to gain pace as a result of virtually all project start-ups suddenly being brought to an end in the French regions over the past year or so.

Unlike in Paris, the adjustment in rental values has not really been seen in the French regions. Indeed, the increase in economic benefits has enabled headline rents to remain stable or even climb slightly, with economic rents falling. In this way, the average rent on new and redeveloped properties rose 0.6% in 2009 to €165 net of tax and charges/sq.m/year.

3. French office investment market

In 2009, €5.1 billion changed hands on the French office investment market, the lowest level on record since 2000. As such, the investment market appears to have been worst hit by the financial crisis, which peaked in autumn 2008, with lending virtually drying up, reducing the capital available for investing in real estate. Furthermore, market values have been caught in a stranglehold between the sharp rise in yield rates and the fall in rental values, pushing down the volume of commitments.

In this way, the start of 2009 was marked by a genuine deadlock on the investment market. Faced with the significant drop in prices, many sellers withdrew from the market, with supply drying up. There was a clear trend among buyers to wait and see how the situation would pan out, believing that the downwards spiral in building values would continue, further to the reversal on the rental market. The players then took the new market conditions on board, with the reintroduction of a significant risk premium allowing investors to find a certain “appetite” again for office real estate. In this way, the volume of transactions gradually started picking up again, with €2.5 billion recorded in the fourth quarter alone.

Faced with an uncertain economic environment, investors have focused on secure quality assets, leading to the return of a certain level of competition and a compression of yield rates for the best buildings in the Paris or Lyon business districts. In fact, the established commercial sectors logically benefited from this demand for security. In this way, the capital was first to benefit from the return of investors, accounting for 53% of volumes for the year. However, the market for La Défense has remained at a standstill, on account of the size of its assets, since they are not particularly liquid. After weathering the market collapse slightly better over the start of the year, on the whole, the regions benefited only slightly from the upturn in activity.

With limited debt available, the majority of investors made use of their equity (primarily insurers, open funds, private funds and SCPI investment trusts). Listed real estate investment trusts (SIIC) continued with their policy to reduce debt, even if they saw a stronger level of acquisition business over the end of the year. As far as investment funds are concerned, only the German Spezial Funds were active. In this way, French and German players, particularly present on the Paris market, dominated.

Italian office market

The Italian economy has been hit by the financial crisis, contracting by 4.7% in 2009. The real estate market followed this trend, with property investment down 36% to €5.1 billion in 2009. The second half of the year accounted for the lion's share of volumes, with the Italian market performing acceptably over this period.

Take-up on offices reflects the need for businesses to reduce their costs by looking for premises at the best market rents, as well as the renegotiation of leases and the rationalisation of the space occupied.

1. Milan rental market

With 212,600 sq.m of offices let in 2009, Milan's market saw its annual volume drop by around one third. Continued uncertainty surrounding the level of economic activity limited users' requirements, while the scale of renegotiations contributed towards the drop in lettings. Modern and functional offices located outside of Milan's central business district, but with good transport connections, are effectively meeting the requirements of users, particularly in terms of costs.

605,000 sq.m of offices are vacant in Milan, representing an annual increase of 14%. The vacancy rate at 1 January 2010 remains reasonable at 6.2%, compared with 5.5% one year earlier. Supply, particularly in the central business district, is being undermined by a lack of quality offerings.

Rental values have held up well and Milan's prime rent came to €520, down 5.5% over 2009, but stable between the third and fourth quarters.

2. Rome rental market

The volumes of offices let in Rome dropped by half in relation to 2008, coming in at 125,000 sq.m for 2009. This was a good year for office users in Rome, who found it easy to negotiate or renegotiate the terms of their leases and obtain considerable commercial breaks.

The public sector remains an essential player on this market, making it possible to cushion the drop in volumes let. Demand focused primarily on the central business and EUR districts. Immediate supply remains high, with 565,000 sq.m available, representing a vacancy rate of 8.2%. However, the vacancy rate in the central business district remains very low.

At €420, the prime rent has dipped slightly, falling 4.5% in 2009, with the scarcity of quality offerings in the central business district and the desire among certain owners to maintain their headline values expected to contribute towards the stability of rents.

B. OFFICES - FRANCE

Foncière des Régions' office portfolio in France is primarily derived from sale and leaseback operations, including France Telecom, EDF and Eiffage, as well as development operations, such as CB21, Carré Suffren and Dassault Campus.

Change in rental income

1. Rent billed

(in € millions)	Surface area (sq.m)	Number of assets	2008 rental income	2009 rental income	Change (%)	Like-for-like change (%)
France Telecom	1,015,848 sq.m	335	€172.9 million	€156.6 million	-9.5%	4.6%
EDF	292,248 sq.m	33	€31.5 million	€29.6 million	-6.0%	2.4%
Other offices*	767,324 sq.m	220	€68.8 million	€73.3 million	6.6%	11.7%
Total	2,075,420 sq.m	588	€273.2 million	€259.5 million	-5.0%	5.8%

* Of which, Hotel rental income

The change in rental income between 2008 and 2009 comes out at -€13.7 million, primarily due to

- Like-for-like rental income growth: +€15.5 million, with +€13.6 million linked to indexation and +€1.9 million for relettings/vacancies
- GAN vacating Tour CB21 and EDF vacating Boulogne, enabling their redevelopment: -€6 million
- Acquisition of 50% of Vélizy Campus in July 2009, with a €13 million impact on rental income for 2009
- Disposals over 2008/2009: -€37 million
- Other factors: +€0.8 million

Like-for-like rental income growth comes out at +5.8%, primarily reflecting:

- Indexation
- Major reletting work in 2009, including:
 - Lease signed with Média Régie in Issy-les Moulineaux for €1.1 million/year and a six year firm period
 - Lease signed with Europe 1 on Levallois for €2.4 million/year and 4.3 years firm period
- Lease signed with La Poste in Lille for €1.1 million/year and 6 years firm period
- Significant vacancies:
 - Vacating of France Telecom buildings for €1 million/year
 - Departure of Alstom from Meudon for €1 million/year

2. Annualised rental income

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	2008 annualised rental income	Reversion potential
France Telecom	1,015,848 sq.m	335	€138.8 million	€150.3 million	
EDF	292,248 sq.m	33	€33.5 million	€36.4 million	
Other offices	767,324 sq.m	220	€98.8 million	€62.3 million	
Total	2,075,420 sq.m	588	€271.1 million	€249.0 million	-7.2%

* Annualised rental income at year-end

Nearly 75% of rental income is paid by major companies, such as France Telecom, EDF and Dassault.

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	2008 annualised rental income	Reversion potential
Paris	239,950 sq.m	36	€74.5 million	€62.5 million	
Paris Region (excl. Paris)	661,824 sq.m	138	€99.3 million	€72.0 million	
Other French regions	1,173,646 sq.m	414	€97.3 million	€114.5 million	
Total	2,075,420 sq.m	588	€271.1 million	€249.0 million	-7.2%

* Annualised rental income at year-end

3. Indexation

The impact of indexation represents +€13.6 million, primarily resulting from indexation in Q2 2008 (+8.9%) and Q3 2008 (+10.5%). Office rents were not particularly sensitive to the negative indexation recorded in Q2 2009 (-4.1%) and Q3 2009 (-5.8%). Indeed, many of the leases signed with major users have an indexation floor, protecting Foncière des Régions against negative indexation (between 0% and 1%). Rents covered by floors represent more than 65% of annualised rental income.

Furthermore, following the renegotiations with France Telecom, rents are 35% indexed based on a combination of the cost of construction index and the consumer price index and 65% against the cost of construction index.

4. Rental business

Despite a difficult context, the rental business recorded some major successes in 2009, including:

- The signing of a lease for 10 years and three months with Suez Environnement for 44,500 sq.m, with 12 floors delivered in the fourth quarter of 2009 for €21.7 million in total rent, and the balance to be delivered in June 2010. The remaining space is currently being marketed.
- The leasing of 10,770 sq.m of offices with an average rent of €175/sq.m on 14 sites for a total of €1.9 million in full-year rental income

In connection with the asset management work carried out, and the partnership with our leading tenants, rents have been secured and leases renewed. This work has made it possible to stabilise any rental situations that might involve risks of being out of sync in relation to market conditions.

a. France Telecom partnership

After signing an initial agreement with France Telecom in March 2008 aimed at increasing the portfolio's visibility (signing new leases for six to 12 years on €31 million of rent), Foncière des Régions signed an agreement on 22 June 2009, with new leases put in place with France Telecom on 107 sites (€65 million in rental income).

This agreement includes three sections:

- Sale of €133 million of assets to France Telecom
- Extension of leases granted by France Telecom for firm periods ranging from three to 12 years (€55 million in rental income), with some of the assets sold to France Telecom in certain cases
- Redevelopment of 15 assets, on which France Telecom will benefit from specific flexibility (€10 million in rental income)

This win-win agreement will enable Foncière des Régions to:

- Defend the values of its portfolio by securing leases through extensions (confirming the long-term viability of France Telecom)
- Contribute towards the plan to sell off offices in France
- Secure cash flow by increasing the residual term on leases in the portfolio (+2.2 year residual term on France Telecom's portfolio, representing a residual term of 5.2 years at the end of 2009)
- Optimise the real estate value of the portfolio, which includes certain high-quality assets, while facilitating a harmonious coexistence with the dedicated technical facilities for telecoms

Thanks to the successive agreements signed with France Telecom between 2007 and 2009, 80% of leases have been renegotiated (% of rental income).

b. EDF partnership

The leases signed with EDF at the time of the sale and leaseback of its portfolio were due to end at the end of October 2010. As a result, over the last few months, Foncière des Régions has held general or unit-based negotiations with EDF (and ERDF, the tenant occupying a certain number of sites) in order to anticipate this deadline and optimise the real estate strategy asset by asset, on the 32 assets remaining within the portfolio.

To date, a certain number of agreements have been reached, making it possible to reconcile the portfolio value development objectives with the tenant's requirements, with lease extensions (between three and six years) negotiated on 17 assets, representing nearly half of rental income for the EDF portfolio, taking the average residual maturity of leases to 3.4 years at the end of 2009. The extensions have been granted in return for support measures, including work to improve the buildings' energy performance.

In 2010, it should be possible to finalise the agreements with EDF and ERDF on the second part of the portfolio, while anticipating the specific redevelopment strategies for assets with real estate potential which EDF could be required to free up.

5. Schedule and vacancy

a. Lease schedule

Rental income for Offices in France can be broken down as follows based on the end date for current firm leases:

	Lease schedule*	
	By lease end date	% of total
2010	41.5	15.3%
2011	39.2	14.5%
2012	53.6	19.8%
2013	5.5	2.0%
2014	27.5	10.1%
2015	12.9	4.8
2016	14.2	5.2%
2017	9.6	3.5%
2018	21.4	7.9%
Beyond	45.5	16.8%
(in € millions)	271.1	100.0%

* Based on 2009 annualised rental income

The average residual term on leases is 4.8 years, compared with 3.7 years at the end of 2008. The EDF leases which had not been renegotiated or signed by 31 December 2009 are due to end in 2010. As far as the France Telecom assets are concerned, following the agreement signed in June, the maturity of leases is spread between 2012 and 2021. This increase primarily reflects the renegotiation of FT and EDF leases, offsetting the loss of 12 months firm term on the leases not renegotiated.

b. Vacancy rate and type

(%)	2008	2009
France Telecom	0.1%	0.4%
EDF	0.0	0.0
Other offices	3.5%	6.3%
Total	0.9%	2.5%

N.B. Financial vacancy at year-end excluding work

The financial vacancy at 31 December 2009 came to 2.5%, and 5.3% including Carré Suffren.

To a great extent, this change reflects the:

- 6,000 sq.m vacated in Diors, near Chateauroux
- 3,122 sq.m of office space vacated by France Telecom at sites in Montpellier and Sète (assets under preliminary sales agreements)

At 31 December 2009, the main vacant properties were as follows:

- 25,000 sq.m vacant in Carré Suffren
- 9,100 sq.m vacant in Meudon
- 17,480 sq.m vacant in Diors, near Châteauroux

6. Outstanding payments

(in € millions)	At end 2008	At end 2009
% of annualised rental income	0.50%	0.69%
In value	€1.2 million	€1.9 million

Outstanding payments have increased slightly since 30 June 2009, rising to 0.69% of annualised rental income, due in particular to two main rental disputes which are currently being settled (€0.7 million).

Portfolio

1. Disposals

(in € millions)	Disposals	Sales agreements	Total	Margin vs appraisal values 31 Dec 08	Yield rate excl. TD
France Telecom	€284.5 million	€31.2 million	€315.7 million		
EDF	€0.0 million	€0.0 million	€0.0 million		
Other offices	€76.6 million	€21.7 million	€98.3 million		
Total	€361.1 million	€52.9 million	€414.0 million	4.3%	8.1%

In 2009, Foncière des Régions sealed agreements for the sale of €414 million of office assets, including €133 million under the agreement with France Telecom.

Sales and preliminary agreements give an overall capital loss of €18.6 million, 4.3% lower than the appraisal values at 31 December 2008. This margin is in line with the change in values seen over 2009. They were carried out with an average yield of 8.1%, close to the average rate for the French office portfolio.

Three significant transactions stand out:

- Building leased to France Telecom in Paris – Bonne Nouvelle for €87 million
- Building leased to France Telecom in Paris – Diderot for €44 million
- Real estate complex in Lyon for €30.1 million

2. Acquisitions

During the third quarter of 2009, Foncière des Régions acquired the remaining 50% interest in the Vélizy Campus business park from Morgan Stanley. Foncière des Régions now owns 100% of this business park, valued at €388 million at 31 December 2009.

The site comprises the headquarters of Dassault Systèmes (firm lease through to 2020, high-quality environment-certified building), in addition to buildings leased to Thalès and Alstom, and offers medium-term development potential in excess of 100,000 sq.m. This acquisition was carried out based on a net yield of 7.7%, representing €30 million in rental income. The firm residual term on the leases on acquisition was 8.5 years.

In the fourth quarter, Foncière des Régions acquired five office buildings from Groupama and Predica for €267 million, representing a total of nearly 42,000 sq.m and a rate of 7%, with €18 million in rental income. 74% of these assets are located in Paris, with 24% in Issy les Moulineaux and the remainder in Lyon. These buildings are leased to leading tenants, such as SNCF, Cisco and Chloé, with a residual lease term of 3.5 years.

3. Development projects

(M€)	Valeur au bilan 2008	Investissement de la période	Variation de JV	Valeur au bilan 2009	Travaux restant à décaisser
CB 21 Boulogne					
Total	428 M€	101 M€	-76 M€	452 M€	73 M€

a. Asset delivery

Carré Suffren: this 25,000 sq.m building located near the Eiffel Tower was delivered during the second half of the year, and is currently being marketed.

b. Assets under development

CB 21: a lease for 10 years and three months, effective 1 July 2010, was signed in February 2009 with Suez Environnement for approximately 42,000 sq.m, extended to 44,500 sq.m (further two floors) in an addendum to the lease signed in January 2010 (representing 65% of the space).

Rental income represents a total of €21.7 million for the first three years of the lease, and then €22.5 million. Work began in January 2009, and 12 floors were delivered to Suez Environnement during the fourth quarter of 2009, with delivery of the remaining floors scheduled for the end of June 2010.

4. Portfolio valuation

a. Change in portfolio

(in € millions)	2008 value excl. TD	Change in value	Acquisitions	Disposals	Invest.	2009 value excl. TD
Total	€3,814 million	-€157 million	€653 million	-€378 million	€144 million	€4,076 million

b. Breakdown by region

(in € millions)	Regional breakdown	
	2009 value excl. TD	%
Paris	€1,335 million	33%
Paris Region	€1,667 million	41%
Other French regions	€1,075 million	26%
Total	€4,076 million	100%

c. Like-for-like change

During the second half of the year, the value of the office portfolio in operation in France increased 2.2% like-for-like, primarily reflecting the reduction in capitalisation rates, linked to the renegotiation of leases over the period (primarily the agreement with France telecom).

(in € millions)	Consolidated 2008 value excl. TD	Consolidated 2009 value excl. TD	Group share 2009 value excl. TD	Like-for-like change in portfolio					
				Change 6 months	Change 12 months	Rent effect 12 months	Rate effect 12 months	Yield excl. TD at 31 Dec 08	Yield excl. TD at 31 Dec 09
France Telecom	1 925	1 666	1 666	5.7%	4.0%	7.6%	-3.5%	8.2%	8.5%
EDF	402	358	358	1.1%	-2.6%	0.0%	-2.5%	9.1%	9.3%
Other offices	861	1 594	1 520	-2.0%	-8.6%	-2.7%	-5.9%	7.5%	7.4%
Total in operation	3 188	3 618	3 544	2.2%	0.6%	2.9%	-2.4%	8.1%	8.3%
Assets under development*	626	459	459	-1.3%	-18.4%				
Total	3 814	4 076	4 002	1.8%	-3.1%	2.9%	-2.4%	8.1%	8.3%

*CB21, Boulogne and Bagnolet

The deterioration in market conditions was partially offset by:

- The signing of a framework agreement with France Telecom and the negotiations that are underway with EDF, demonstrating the strong position and long-term viability of our main tenants, as well as the quality of our key account partnership relations (renegotiation of leases, reletting, etc.)
- The already high yield rates recorded on all the portfolios
- The small average size of Foncière des Régions' assets, giving them a certain level of liquidity in a market facing a financing crisis, as confirmed by the good level of our sales prices over the year
- A strong rent effect over the year, notably linked to the cost of construction index (primarily France Telecom and Eiffage)

C. OFFICES - ITALY

Founded in 1904 and listed on the Milan stock exchange since 1999, Beni Stabili is one of Italy's top listed real estate companies. Beni Stabili's portfolio primarily comprises offices located in cities in northern and central Italy, especially Milan and Rome.

Change in rental income

1. Rent billed

(in € millions)	Surface area (sq.m)	Number of assets	2008 rental income	2009 rental income	Change (%)	Like-for-like change (%)
Long-term portfolio	1,476,297	183	166.5	173.7	4.3%	4.1%
Dynamic portfolio	616,542	130	44.3	38.2	-13.8%	1.0%
Subtotal	2,092,839	313	210.8	211.9	0.5%	3.5%
Development portfolio	87,992	9	2.0	1.0	-48.4%	27.2%
Total	2,180,831	322	212.8	212.9	0.1%	-3.6%

The change in rental income between 2008 and 2009 (+€0.1 million) primarily reflects:

- Indexation (consumer price index) +4.2
- Leasings and relettings +4.9
- Acquisitions +0.6
- Disposals -5.7
- Vacant assets to be sold or under refurbishment -2.1
- Renegotiations -1.7

2. Annualised rental income

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	Change (%)	Reversion potential
Long-term portfolio	1,476,297	183	178.2	-0.8%	
Dynamic portfolio	616,542	130	34.3	-13.2%	
Subtotal	2,092,839	313	212.5	-1.8%	10.5%
Development portfolio	87,992	9	-0.8%	-31.0	n.d.
Total	2,180,831	322	213.3	-1.9%	n.d.

* Annualised rental income at year-end

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	Change (%)	Reversion potential
Milan	347,261	34	65.7	2.3%	
Rome	176,369	40	23.7	-2.7%	
Other	1,569,209	239	123.1	-3.6%	
Total	2,092,839	313	212.5	-1.8%	10.5%

* Annualised rental income at year-end excluding developments

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	Change (%)	Reversion potential
Telecom Italia	1,279,668	203	119.6	-4.4%	
Other	813,171	110	92.9	-1.8%	
Total	2,092,839	313	212.5	-1.8%	10.5%

* Annualised rental income at year-end excluding developments

Telecom Italia, the main tenant, accounts for 56% of rental income on assets in operation.

3. Indexation

The annual rent adjustment for indexation is calculated by taking 75% of the increase in the consumer price index applied on each anniversary of the date on which the contract was signed. The following table presents the change in the Italian consumer price index during 2009:

%	Jan 09	Feb 09	Mar 09	Apr 09	May 09	Jun 09	Jul 09	Aug 09	Sep 09	Oct 09	Nov 09	Dec 09	Average
CPI	1.5%	1.5%	1.0%	1.0%	0.7%	0.4%	0.1%	0.2%	0.1%	0.2%	0.7%	1.0%	0.7%

4. Rental business

In 2009, the following asset management activities were carried out:

(in € millions)	Number of leases	Surface area (sq.m)	Annualised rental income
New leases and relettings	45	31,312	1.5

5. Schedule and vacancy

a. Lease schedule

Rental income for Offices in Italy can be broken down as follows based on the end date for current firm leases:

Lease schedule*		
	By lease end date	% of total
2010	10.0	4.7%
2011	29.3	13.7%
2012	8.0	3.8%
2013	14.4	6.7%
2014	14.0	6.6%
2015	-2.2%	1.0%
2016	4.5	2.1%
2017	1.9	0.9%
2018	1.1	0.5%
2019	7.5%	3.5%
Beyond	120.5	56.5%
(in € millions)	213.3	100.0%

* Based on 2009 annualised rental income

Leases ending after 2019 are mainly linked to Telecom Italia. The residual term on leases came to 8.5 years at 31 December 2009.

b. Vacancy rate and type

The spot financial vacancy was 2.0% at 31 December 2009 for the long-term portfolio, versus 2.4% at 31 December 2008, with this contraction reflecting the improvement in the financial vacancy rate for assets in operation and undergoing small-scale renovation.

6. Outstanding payments

(in € millions)	At end 2008	At end 2009
% of annualised rental income	NA	3.0%
In value	NA	6.4

Portfolio

1. Disposals

At 31 December 2009, Beni Stabili sold off 29 assets for a sales price of €141.9 million and signed four promissory sales agreements for €138.6 million, giving a total of €280.5 million (including the “Corso Mateotti” asset). The sales margin compared with appraisal values at 31 December 2008 was +4.6%, with an average yield rate of 2.5% on the disposals.

2. Acquisitions

In November 2009, Beni Stabili acquired an asset located on “Via Messina” in Milan, part of the “Procaccini” business centre.

This 7,100 sq.m office asset (including parking facilities) was subject to a sale and leaseback to BTicino, the seller, with a lease signed for 7 +6 years, at a yield of nearly 7%.

The price including transfer duties was €23 million. This acquisition was financed by around €14.7 million in debt, with the balance based on Beni Stabili’s equity.

For information, Beni Stabili already owned one of the four towers making up this business centre.

In December 2009, a promissory agreement was signed for the acquisition of the “Il Ducale” shopping centre in Pavia, offering approximately 16,000 sq.m. This acquisition will be concluded before the end of June 2011 through RGD, a 50-50 joint venture between Beni Stabili and Igd, for €46 million excluding transfer duties.

3. Development projects

a. Deliveries of assets

Two significant development projects were delivered during the year:

- Rozzano Strada 7: completion of the redevelopment of this 11,628 sq.m office building near the Milan ring road, at a total cost of €30.8 million.
- Milan Tower B: major redevelopment of the Garibaldi Tower located near one of Milan’s main train stations. Work was completed at the beginning of 2010 for a surface area of 16,181 sq.m and a total cost of €90 million.

b. Assets under development

	Delivery	Budget (in € millions)	Surface area (sq.m)
Milan - Rozzano	Delivered	30.8	11,628
Milan - Torre B Garibaldi	31 Jan 2010	90.0	16,181
Milan - Galleria del Corso	1 Apr 2011	77.3	5,750
Milan - via Ripamonti	30 Jun 2013	167.0	57,914
Milan - via Schievano	30 Jun 2013	61.6	21,292
Padua - via Zabarella	30 Sep 2013	45.3	8,513
Total - Development Portfolio		472.0	161,463

4. Asset valuation

a. Portfolio valuation

(in € millions)	Value excl. TD at 31 Dec 2008 *	Yield at 31 Dec 2008	Change in value	Acquisitions	Disposals	Investments	Reclassification	Value excl. TD at 31 Dec 2009 *	Yield at 31 Dec 2009
Long-term portfolio	3 102.0	5.7%	-93.9	23.0	-47.1	4.8	-7.3	2 981.6	6.0%
Dynamic portfolio	1 050.1	3.8%	-33.1	0.0	-89.3	5.7	0.0	933.5	3.7%
Total excluding developments	4 152.2	5.2%	-127.0	23.0	-136.3	10.5	-7.3	3 915.1	5.4%
Development portfolio	278.2	0.4%	-21.8	0.4	0.0	40.8	7.3	304.9	0.3%
Total	4 430.4	4.9%	-148.8	23.4	-136.3	51.3	0.0	4 220.0	5.1%

(in € millions)	Regional breakdown	
	2009 value excl. TD	%
Milan	1 752.3	41.5%
Rome	409.5	9.7%
Other	2 058.1	48.8%
Total	4 220.0	100.0%

(in € millions)	Breakdown by tenant	
	2009 value excl. TD	%
Telecom Italia	1 888.7	44.8%
Other	2 331.2	55.2%
Total	4 220.0	100.0%

b. Like-for-like change

The value of Beni Stabili's portfolio contracted -3.5% like-for-like. While the long-term and dynamic portfolios saw similar trends, dropping -3.2%, the development portfolio reported the sharpest change (-7.6%), linked to more significant uncertainties on this type of project.

(in € millions)	Consolidated 2008 value excl. TD	Consolidated 2009 value excl. TD	Like-for-like change in portfolio					
			Change 6 months	Change 12 months	Rent effect 12 months	Rate effect 12 months	Yield excl. TD at 31 Dec 08	Yield excl. TD at 31 Dec 09
Long-term portfolio	3,102.0	2,981.6	-1.8%	-3.1%	1.2%	4.3%	-5.7%	-6.0%
Dynamic portfolio	1,050.1	933.5	-1.8%	-3.4%	-2.5%	-1.0%	3.8%	3.7
Total excluding developments	4,152.2	3,915.1	-1.8%	3.2%	0.6%	3.8%	5.2%	5.4%
Development portfolio	278.2	304.9	-2.5%	-7.6%				
Total	4,430.4	4,220.0	-1.8%	3.5%				

D. SERVICE SECTOR

Foncière des Murs, 25.1% owned by Foncière des Régions, is a French listed real estate investment trust (SIIC) specialised in holding service sector, primarily in the hotel, restaurant, health and leisure sectors. The company's investment policy is focused on partnerships with industry-leading operators in order to provide its shareholders with recurrent returns.

Change in rental income

1. Rent billed

(in € millions)	Surface area (sq.m)	Number of assets	2008 rental income	2009 rental income	Change (%)	Like-for-like change (%)
Hotel	929,599	199	121	113	-6.5%	-6.9%
Health	216,648	57	27	26	3.2%	3.2%
Restaurants	72,787	174	26	26	3.7	2.6%
Leisure	372,658	63	26	31	16.5%	6.1%
Total	1,591,692	493	200	197	-1.7%	-2.5%

Foncière des Murs' consolidated revenues totalled €196.8 million for 2009, down 1.7% in relation to 2008, with this -€3.5 million drop reflecting:

- The impact of the acquisitions made in 2008 and 2009, generating +€3.1 million in rental income, and more specifically:
 - In the leisure sector, the acquisition of the Kempense Meren Sunparks village, three Jardiland nurseries and the extension of the Schorrepolder Sunparks village for a total of €2.7 million
 - In the restaurant sector, the acquisition of four Quicks for €0.4 million
 - The impact of rent hikes linked to work carried out on the Sunparks and Club Med portfolios, generating +€0.8 million in rental income
- The impact of rent indexation on the health, restaurant and leisure portfolios for +€1.9 million
- The downturn in rental income in the hotel sector, linked to the drop in revenues recorded by Accor hotels (-€6.9 million)
- The impact of the disposals, in May 2009, of four retirement homes and hotels held by the Italian fund, for -€2.4 million

2. Annualised rental income

a. Breakdown by business sector

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	(%)
Hotel	929,599	199	112	57%
Health	216,648	57	25	13%
Restaurants	72,787	174	27	14%
Leisure	372,658	63	32	16%
Total	1,591,692	493	196	100%

* Annualised rental income at year-end

b. Breakdown by region

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	(%)
Paris	118,522	18	22	11%
Paris Region (excl. Paris)	292,435	85	43	22%
Other French regions	926,065	373	108	55%
Other countries	254,670	17	23	12%
Total	1,591,692	493	196	100%

* Annualised rental income at year-end

c. Breakdown by tenant

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	(%)
Accor	929,599	199	112	57%
Korian	197,685	53	23	12%
Générale de Santé	18,963	4	3	1%
Quick	46,067	103	19	10%
Courtepaille	26,720	71	8	4%
Jardiland	186,072	58	16	8%
Club Med	45,813	1	3	2%
Sunparks	140,773	4	12	6%
Total	1,591,692	493	196	100%

* Annualised rental income at year-end

3. Indexation

In June, the Korian portfolio benefited from 2.8% indexation based on the benchmark rent index (IRL) for the year during the first half of the year. In January, the Jardiland portfolio recorded its first indexation on the benchmark rent index since its acquisition in July 2007 (+3.5%). A second indexation, based on the commercial rent index (ILC) for one third and the benchmark rent index for two thirds of the portfolio, took place in July. Total indexation over the year represented +4.1%. The Quick and Courtepaille portfolios benefited from +2.6% indexation based on the commercial rent index over the year in 2009.

4. Lease schedule

	Lease schedule*	
	By lease end date	% of total
2010	0	0%
2011	1	1%
2012	0	0%
2013	0	0%
2014	0	0%
2015	0	0%
2016	0	0%
2017	65	33%
2018	44	23%
2019	56	28%
Beyond	29	15%
(in € millions)	196	100.0%

* Based on 2009 annualised rental income

The residual lease term was 9.3 years at 31 December 2009, compared with 9.9 years at 31 December 2008. The mechanical reduction in the term was offset to a slight extent by the increase in rent linked to work (Club Méditerranée and Sunparks) on long leases.

Portfolio

1. Disposals

In June 2009, Foncière des Murs sold 4 dependent elderly facilities, leased to the Korian Group, for a balance sheet value of €39 million. In addition, Foncière des Murs sold in May 2009 the shares of an Italian fund which held all of its assets in Italy, which had a balance sheet value of € 41 million

Foncière des Murs also finalised a sales agreement in 2010 covering the sale of four Accor hotels for a total of €24 million. These disposals will be carried out during the first quarter of 2010.

2. Acquisitions

In July 2009, Foncière des Murs finalised the acquisition of an extension concerning the De Haan Sunparks village in Belgium for €15 million, with a yield of 7.2%.

3. Development projects

Foncière des Murs limited the volume of its investments during the year, with €33 million of work carried out in line with its policy to accompany its tenants.

4. Portfolio valuation

a. Change in portfolio

(in € millions)	2008 value excl. TD	2008 yield excl. TD	Change in value	Reclass.	Acquisitions	Disposals	Invest.	2009 value excl. TD	2009 yield excl. TD
Hotel	1,929	6.4	-149	0	8	-41	0	1,747	6.5%
Health	421	6.5%	1	0	0	-40	0	382	6.6%
Restaurants	408	6.4	-30	0	0	0	0	378	7.1%
Leisure	473	-6.2%	-22	0	32	0	0	483	6.6%
Assets in operation	3,230	6.4	-200	0	41	-81	0	2,990	6.6%
Assets under development*									
Total	3,230	0	-200	0	41	-81	0	2,990	6.6%

At 31 December 2009, the Foncière des Murs portfolio was valued at €2,990 million (excluding transfer duties), up 1.5% like-for-like over the second half of 2009. Over the full year, the portfolio value is down 5.6% like for like, factoring in the downturn recorded during the first half.

The good level of values recorded for the second half of 2009 notably reflects the agreement sealed between Accor and Foncière des Murs. Under this agreement, hotel portfolio rents are to be revised at the end of the first lease period in 2017 and 2018, generating a mechanical gain in the appraisal values at 31 December 2009. In return, Foncière des Murs will finance further work (€41 million) over the next five years to develop the value of the hotel portfolio, managed by Accor, which it owns.

b. Breakdown by region

Foncière des Murs' assets are located in France, Belgium and Portugal.

Regional breakdown		
(in € millions)	2009 value excl. TD	%
Paris	382.6	12.8%
Paris Region	657.5	22.0%
Other French regions	1588.1	53.1%
Other countries	361.6	12.1%
Total	2,990	100.0%

c. Like-for-like change

(in € millions)	Consolidated 2008 value excl. TD	Consolidated 2009 value excl. TD	Group share 2009 value excl. TD	Like-for-like change in portfolio					
				Change 6 months	Change 12 months	Rent effect 12 months	Rate effect 12 months	Yield excl. TD at 31 Dec 08	Yield excl. TD at 31 Dec 09
Hotel	1,929	1,747	438	0.4%	-7.5%	-6.9%	-0.6%	6.3%	6.5%
Health	421	382	96	5.5%	0.2%	3.2%	-3.0%	6.4%	6.6%
Restaurants	408	378	95	1.3%	-7.3%	2.6%	-9.9%	6.4%	7.1%
Leisure	473	483	121	2.9%	-1.0%	6.1%	-7.2%	6.2%	6.6%
Total in operation	3,230	2,990	751	1.5%	-5.6%	-2.5%	-3.1%	6.4%	6.6%
Assets under development									
Total	3,230	2,990	751	1.5%	-5.6%	-2.5%	-3.1%	6.4%	6.6%

The hotel sector recorded a €141 million drop, down 7.5% like-for-like in relation to 31 December 2008. This change is linked to the 6.9% reduction in variable rents, in line with the contraction in Accor's revenues, whereas yield rates remained stable over one year.

More specifically, this stability in yield rates reflects the agreement sealed between Accor and Foncière des Murs, hiking rents in 2017 and 2018 for the entire portfolio of 200 hotels operated by Accor, generating a positive impact of €65 million on the appraisal values at 31 December 2009.

The health sector remains stable over one year, with the yield rates retained by the appraisers 20 bp higher than those applied at 31 December 2008. The 3.2% growth in rental income offset the increase in yield rates over the period.

In the restaurant sector, the 7.3% downturn like-for-like reflects the increase in yield rates (+69 bp).

The 1.0% fall over 12 months in the leisure sector is primarily linked to the increase in yield rates (+44 bp).

E. LOGISTICS

Foncière Europe Logistique, 67.1% owned by Foncière des Régions, is a SIIC real estate investment trust and Foncière des Régions' specialised subsidiary for logistics assets and business parks.

Change in rental income

1. Rent billed

(in € millions)	Surface area (sq.m)	Number of assets	2008 rental income*	2009 rental income	Change (%)	Like-for-like change (%)
France Logistics	1,032,102	28	51.4	49.5	-3.6%	-5.2%
Germany Logistics	204,170	7	11.5	8.3	-28.0%	-7.3%
Business parks	235,511	4	18.1	18.3	1.1%	1.1%
Garonor	358,305	1	16.4	16.1	-2.2%	-1.4%
Total	1,830,088	40	97.4	92.2	-5.4%	-3.5%

In a difficult climate, the change in rental income between 31 December 2008 and 31 December 2009 came to -€ 5.2 million, with this downturn linked to:

- A 3.5% fall in rental income like-for-like: -€3.1 million
- Disposals in 2009: -€2.3 million
- Assets under management in 2009 which were under development in 2008: +€2.5 million
- Compensation paid in 2008 following the departure of a tenant on Bingen: -€2.3 million

The change in rental income on a like-for-like basis primarily reflects:

- An increase in the vacancy rate (-€2.6 million impact), up to 12.3% at 31 December 2009, compared with 11% at the end of June 2009, almost entirely linked to the end of lease guarantees on two warehouses in Bollène and Dunkirk
- Lease extensions at rents between current and market rents (-€2.7 million impact)
- Positive rent indexation (+€2.6 million impact)

2. Annualised rental income

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	(%)	Reversion potential
France Logistics	1,032,102	28	48.2	52.8%	
Germany Logistics	204,170	7	8.8	9.6%	
Business parks	235,511	4	18.5	20.2%	
Garonor	358,305	1	15.9	17.4%	
Total	1,830,088	40	91.3	100.0%	-8.9%

* Annualised rental income at year-end

(in € millions)	Surface area (sq.m)	Number of assets	2009 annualised rental income*	(%)	Reversion potential
Paris	85,328	3	10.8	11.8%	
Paris Region (excl. Paris)	978,377	14	51.3	56.2%	
Other French regions	562,213	16	20	22.4%	
Germany	204,170	7	8.8	9.6%	
Total	1,830,088	40	91.3	100.0%	-8.9%

* Annualised rental income at year-end

3. Indexation

The index used for calculating indexation is the cost of construction index in France and the consumer price index in Germany. On the total portfolio, around 15 tenants have restricted indexation which varies mainly between 1.5% and 3.5%. These leases represent 18% of annualised rental income. Similarly, on account of the renewals signed in 2009, nearly 12% of annualised rental income will not be impacted by any negative indexation.

4. Rental business

In 2009, the rental business was very active, with leases signed for nearly 558,000 sq.m, based on the following breakdown:

(sq.m)	France Logistics	Germany Logistics	Business parks	Garonor	Total
Renewals	356,053	0	6,652	18,313	381,018
New leases	88,389	24,967	8,713	55,367	177,436
2009 total entries	444,442	24,967	15,365	73,680	558,454

The main transactions were as follows:

Renewals	Tenants	Surface area (sq.m)
St Vulbas A - B	Vente privée.com	40,846
Reventin	Easydis	32,500
Lisses	Toy'r'us	27,282
Salon de Provence	DHL Solutions	26,335
Bussy Saint George	Décathlon	24,939
Carvin	Locaposte	24,848
Chalon	Spérian	22,566
Gennevilliers	CAT	22,205
St Witz Building A - C	UPS	21,504
St Witz Building G	DAHER	21,388
Fleury	CEFB	20,446

New leases	Tenants	Surface area (sq.m)
Wuppertal	Gefco	15,010
Corbas Venissieux	CAT	13,657
St Ouen l'Aumône	SCP	10,417
Wuppertal	Chart Biomedicals	9,744
Saint Quentin Fallavier	MGF Logistique	9,660
Sénart Building 3	Herbrich Logistique	7,367
Corbas Corbège	ADG	6,089
Sénart Building 3	Laforet	6,067
Chalon Building B	Spérian	5,554
Garonor Aulnay	PLD	5,381

Over the full year in 2009, all of these signings represented the following for each portfolio:

- Logistics: 40% of rents were renegotiated or renewed, representing €22.8 million in annual rental income
- Business parks: 10.4% of rents were renegotiated or renewed, representing €1.9 million in annual rental income
- Garonor Aulnay: 20% of rents were renegotiated or renewed representing €3.2 million in annual rental income

In 2009, the 10 largest accounts represented 32% of annualised rental income.

5. Schedule and vacancy

a. Lease schedule

The firm residual term of leases in place was three years (3.5 years for logistics, 1.8 years for business parks and 2.5 years for Garonor Aulnay) at 31 December 2009, with the following breakdown:

Lease schedule*		
	By lease end date	% of total
2010	6.1	6.6%
2011	17.5	19.2%
2012	24.2	26.5%
2013	19.4	21.2%
2014	4.4	4.8%
2015	2.9	3.1%
2016	10.5	11.5%
2017	2.9	3.2%
2018	1.1	1.2%
2019	2.0	2.2%
Beyond	0.4	0.5%
in € millions	91.3	100.0%

* Based on 2009 annualised rental income

b. Vacancy rate and type

(%)	2008 *	2009*
France Logistics	7.0%	12.3%
Germany Logistics	6.8%	6.6%
Business parks	2.2%	9.6%
Garonor	19.5%	17.6%
Total	8.5%	12.3%

* financial vacancy at year-end

Vacancies increased by 85,795 sq.m due to the end of lease guarantees on the Bollène and Dunkirk assets, as well as the departure of some tenants from assets which have since been only partially released. On the whole portfolio, tenant departures totalled 263,000 sq.m, compared with 177,000 sq.m of arrivals and 381,000 sq.m of leases renewed over the same period.

6. Outstanding payments

(in € millions)	At end 2008	At end 2009
% of annualised rental income	6.1%	6.5%
In value	6.0	6.0

Outstanding payments at 31 December 2009 are stable compared with 31 December 2008.

Portfolio

1. Disposals

(in € millions)	Disposals*	Sales agreements	Total	Margin vs appraisal values 31 Dec 08	Yield
Sénart 7	20.0	0	20		
Steinhagen	3.6	0	3.6		
Aulnay 24	3.7	0	3.7		
Vitrolle	8.2	0	8.2		
Tripostal	0.0	8.7	8.7		
Total	35.4	8.7	44.2	-19.4%	7.5%

The disposals carried out by Foncière Europe Logistique concern four assets, with the total margin on these sales in relation to appraisal values coming in at -€8.6 million, down -19.5%.

2. Portfolio valuation

a. Change in absolute portfolio value

(in € millions)	2008 value excl. TD	2008 yield excl. TD	Change in value	Reclass.	Acquisitions	Disposals	Investments	2009 value excl. TD	2009 yield excl. TD
France Logistics	722.9	8.2%	-94.2	0.0	0.0	-36.0	6.3	599.1	9.2%
Germany Logistics	120.1	8.1%	-9.0	0.0	0.0	-4.4	0.5	107.2	8.8%
Business parks	224.8	8.6%	-14.9	0.0	0.0	0	1.4	211.3	9.7%
Garonor	246.9	7.6%	-39.9	0.0	0.0	-3.6	1.6	205.0	8.2%
Assets in operation	1,314.7	8.2%	-158.0	0.0	0.0	-44.0	9.9	1,122.7	9.0%
Assets under development*	25.8	NA	-4.0	0.0	0.0	0.0	0.0	21.8	NA
Total	1,340.5	8.2%	-162.0	0.0	0.0	-44.0	9.9	1,144.5	9.0%

* appraisal value

The changes in scope over 2009 are linked to the disposals.

(in € millions)	Regional breakdown	
	2009 value excl. TD	%
Paris	120.7	10.5%
Paris Region	621.2	54.3%
Other French regions	295.3	25.8%
Germany	107.2	9.4%
Total	1144.5	100.0%

b. Like-for-like change

The overall like-for-like change in appraisal values over one year comes out at -11.7% for the portfolio, with the adjustment primarily seen during the first half of 2009 (-10%). To a great extent, this downwards change reflects the impact of the increase in capitalisation rates.

The entire portfolio (excluding development) is valued based on a yield of 9% at 31 December 2009.

(in € millions)	Consolidated 2008 value excl. TD	Consolidated 2009 value excl. TD	Like-for-like change in portfolio					
			Change 6 months	Change 12 months	Rent effect 12 months	Rate effect 12 months	Yield excl. TD at 31 Dec 08	Yield excl. TD at 31 Dec 09
France Logistics	722.9	599.1	-2.2%	-12.8%	-1.8%	-11.0%	8.1%	9.2%
Germany Logistics	120.1	107.2	-2.6%	-7.3%	0.6%	-7.9%	8.1%	8.8%
Business parks	224.8	211.3	-2.5%	-6.0%	5.4%	-11.4%	8.6%	9.7%
Garonor *	246.9	205.0	0.0%	-15.7%	-9.1%	-6.6%	7.6%	8.2%
Total in operation	1,314.7	1,122.7	-1.9%	-11.7%	-1.5%	-10.1%	8.1%	9.0%
Assets under development	25.8%	21.8	-4.3%	-15.4%	NA	NA	NA	NA
Total	1,340.5	1,144.5	-1.9%	-11.7%	-1.5%	-10.1%	8.1%	9.0%

* on Garonor Aulnay, yields are calculated on potential net rental income

5. REVIEW OF THE CONSOLIDATED AND GROUP SHARE ACCOUNTS

A. SCOPE OF CONSOLIDATION

At 31 December 2009, Foncière des Régions consolidated companies located in France and five other European countries (Italy for offices, Germany for logistics, Portugal and Belgium for service sector, and Luxembourg).

The main changes in holdings during the year were as follows:

Subsidiaries	31 Dec 08	31 Dec 09
FDL	38.2%	35.4%
FDM	29.1%	25.1%
FEL	59.9%	67.1%
BENI STABILI	73.1%	73.1%
CORTON	50.0%	100.0%
PARCS GFR	58.5%	59.5%

In July 2009, Foncière des Régions acquired the remaining 50% interest in the Corton Group from Morgan Stanley. Foncière des Régions now owns 100% of this business park, with this acquisition also resulting in a change in the consolidation method, from being consolidated on an equity basis at 30 June 2009 to being fully consolidated from 1 July 2009.

Furthermore, since early 2009, Foncière Développement Logements has been rolling out a process to ensure its independence through the insourcing of property management, asset management and accounting teams. This process was completed with the decision to abandon the general partnership (société en commandité par action) status at the Extraordinary General Meeting on 10 November 2009 and become a limited company (société anonyme) with a Board of Directors.

As a result of Foncière Développement Logements' transformation into a limited company, Foncière des Régions no longer has control over the Foncière Développement Logements Group and the consolidation method has been changed accordingly.

In this way, Foncière des Régions' consolidated income statement in 2009 includes all of the items from Foncière Développement Logements' income statement, fully consolidated for 10.5 months (through to 10 November), and 35% of Foncière Développement Logements' comprehensive income in the share of earnings from equity affiliates from 10 November to 31 December; in 2008, all of the items from Foncière Développement Logements' income statement were fully consolidated over the full year.

In order to provide a consistent analytical vision, the accounts presented hereafter are "pro forma", as if Foncière Développement Logements had been consolidated on an equity basis over 2008 and 2009.

In the pro forma accounts, Foncière Développement Logements' total earnings are therefore to be understood as a share of earnings from equity affiliates in the income statement for both 2008 and 2009.

B. ACCOUNTING PRINCIPLES

The consolidated financial statements are prepared in accordance with international accounting standards issued by the International Accounting Standards Board (IASB) and adopted by the European Union as on the closing date. These standards include International Financial Reporting Standards (IFRS) and International Accounting Standards (IAS) and their interpretations. They were prepared by the Management Board on 12 February 2010.

The annual consolidated financial statements have been prepared in accordance with IAS 1 Presentation of Financial Statements, as adopted by the European Union.

C. PRO FORMA INCOME STATEMENT with FDL consolidated under equity method

(in € millions)	Consolidated figures		Group share figures		Change (Group share)
	2008	2009	2008	2009	(in € millions)
Revenues	877.8	811.4	613.9	564.5	-49.4
Other operating income	0.3	0.6	0.4	0.5	0.1
Total income from ordinary operations	878.2	812.0	614.2	564.9	-49.3
Change in inventories: disposals and inventoried work	48.1	9.5	36.0	8.8	-27.2
Purchases and external expenses	69.2	61.7	58.7	50.3	-8.4
Tax	20.5	20.9	15.4	16.3	0.9
Salaries and fringe benefits	43.5	40.5	39.9	36.8	-3.1
Depreciation and provisions	154.0	8.4	141.8	7.3	-134.5
Provisions for current assets	1.5	-0.2	0.9	0.1	-0.8
Net provisions	-1.7	-10.4	-1.4	-7.9	-6.5
Other operating expenses	0.0	1.3	0.1	1.2	1.1
Total current operating expenses	335.2	131.7	291.3	112.9	-178.4
Income from ordinary operations before disposal of investment assets	543.0	680.3	322.9	452.0	129.1
Net disposal of non-current assets	17.0	-36.5	16.3	-27.0	-43.3
Fair value adjustment on investment assets	-315.8	-559.6	-212.8	-315.2	-102.3
Other recurrent income and expenses	-77.2	-41.0	-50.2	-22.4	27.8
Total other operating income and expenses	-376.0	-637.1	-246.7	-364.6	-117.8
Income from ordinary operations	167.0	43.2	76.2	87.5	11.3
Total financial income	62.9	56.2	49.6	43.2	-6.4
Total financial expenses	801.8	522.6	552.3	358.2	-194.1
Financial result	-739.0	-466.4	-502.7	-314.9	187.7
Share in income (loss) of affiliates	-108.0	-51.5	-105.4	-54.4	51.0
Pre-tax income	-680.0	-474.7	-531.9	-281.8	250.0
Current tax	42.4	30.1	31.5	22.5	-9.0
Deferred tax	-9.6	-64.6	-6.9	-42.3	-35.3
Net income	-712.8	-440.2	-556.4	-262.1	294.3
Minority interests	156.4	178.2			
Net income (Group share)	-556.4	-262.1	-556.4	-262.1	294.3

Revenues

Revenues totalled €811 million, compared with €878 million at 31 December 2008, and €564 million Group share, compared with €614 million, down 8% due to the impact of disposals, primarily carried out since 2008 on the French office business, combined with the impact of the withholding rate in the service sector business.

Operating expenses

Operating expenses (other purchases and external expenses, tax, salaries and fringe benefits) came to €103.4 million Group share, compared with €114 million at 31 December 2008. More specifically, this lower figure reflects the plan launched for managing costs effectively in connection with 2010 FdR Plan, as well as the insourcing of certain functions. As a result, the ratio of costs to revenues was 18.3% at 31 December 2009, compared with 18.5% at 31 December 2008 Group share.

Depreciation and provisions

Over the period, depreciation and provisions primarily concerned depreciation on operating buildings and car parks, as well as the reversal of the provision on Garibaldi Tower in the Italian office business (removing the risk linked to lease restrictions, for €10.5 million Group share).

Fair value adjustment on assets

The income statement shows the value adjustments for assets based on the appraisals carried out on the portfolio. For FY 2009, the fair value adjustment on investment assets was negative, with €315.2 million Group share (€559.6 million in total).

In this way, the Group's income from ordinary operations share increased from €76.2 million to €87.5 million.

Financial result

The financial result (Group share) totalled -€314.9 million.

(in € millions)	31 Dec 08		31 Dec 09		Change	
	Group share	Total	Group share	Total	Group share	Total
Interest income on cash transactions	38.2	49.0	5.6	7.6	-32.6	-41.4
Interest expense on financing operations	-303.9	-411.8	-238.7	-350.5	65.2	61.3
Net cost of debt	-265.7	-362.8	-233.2	-342.9	32.5	19.9
Finance lease	6.3	6.3	4.4	4.4	-1.9	-1.9
Fair value adjustment on financial instruments	-213.9	-341.0	-97.8	-143.8	116.1	197.2
Discounting	-13.6	-17.6	-9.8	-12.6	3.8	5.0
IFRS effects	-227.5	-358.6	-107.6	-156.3	119.9	202.3
Redemption of IMSER bonds - BENI STABILI	0.0	0.0	30.0	41.0	30.0	41.0
Net expenses on financial provisions	-15.8	-23.9	-8.5	-12.6	7.3	11.1
TOTAL	-502.7	-739	-314.9	-466.4	187.8	272.6

The fair value adjustment on financial instruments came to -€143.8 million (-€97.8 million Group share) at 31 December 2009, compared with -€341 million (-€143.8 million Group share) at 31 December 2008.

The impact of the redemption of IMSER bonds by Beni Stabili is reflected in the financial income recorded (€30 million Group share corresponding to the discount between the nominal value and the redemption price).

Discounting income and expenses primarily concern the calculation of the effective interest rate on Italian offices, the discounting of security deposits on French offices and logistics, and stock option-related expenses.

Net expenses on financial provisions primarily concern the depreciation of financing costs.

Contribution of equity affiliates to net income

Companies	Percentage held	2009		PRO FORMA	2009 PRO FORMA
		Value at 31 Dec 2009	Contribution to earnings	Value at 31 Dec 2008	Contribution to earnings
FDL	35.36%	414.5	0.2	444.3	-12.9
ALTAREA	12.06%	115.6	-26.8	150.1	-26.8
CORTON Group	50.00%	0.0	-7.9	26.1	-7.9
IBM Group	25.00%	2.7	-2.0	4.6	-2.0
Cœur d'Orly	25.00%	0.6	-0.3	0.7	-0.3
EUROMED Group	50.00%	6.3	-0.3	6.6	-0.3
Companies owned by BENI STABILI – Italy	7.31%	1.7	-1.4	2.5	-1.4
Parking Ruban Bleu	59.50%	0.0	-0.1	0.0	
TOTAL		541.3	-38.5	634.9	-51.5

Tax

The tax recorded corresponds to:

- Non-French companies not subject to a specific system for real estate activities
- French subsidiaries that have not opted for the SIIC real estate trust system,
- French SIIC subsidiaries with a taxable activity (provision of services, etc.)

Recurrent net income

Group share (€ million)	31-Dec-08	31-Dec-09	Change	%
<i>Rental and service income</i>	572.1	554.7	-17.5	-3.1%
<i>Recurring operating expenses</i>	-82.3	-80.2	2.2	-2.6%
Operating income	489.8	474.5	-15.3	-3.1%
Financial result	-242.7	-203.9	38.8	-16.0%
Margins on housing sales	0.0	0.0	0.0	
Intragroup payments	16.3	11.6	-4.7	-28.6%
Cash flow from equity affiliates	49.7	49.9	0.2	0.4%
	313.1	332.2	19.0	6.1%
Recurrent tax	-28.3	-27.9	0.4	-1.4%
	284.7	304.3	19.5	6.9%
Fair value adjustment on real estate assets	-462.9	-316.9	146.0	-31.5%
Other value adjustments on assets	-104.6	-99.9	4.7	-4.5%
Fair value adjustment on financial instruments	-257.2	-97.8	159.3	-62.0%
Margins on sales (excluding housing)	24.9	-25.2	-50.1	-201.4%
Tax provision (Comit Fund)	0.0	-30.7	-30.7	n.a
Other	-45.3	-43.9	4.4	-9.6%
Non-recurrent tax	3.8	48.2	44.4	n.a
Net income	-556.4	-262.1	294.3	-52.9%

Restatements

(In € millions)	Income statement	Non-recurring restatements	Cash flow
Revenues	564.5	-9.7	554.7
Other operating income	0.5	0.0	0.5
Total income from ordinary operations	564.9	-9.7	555.2
Costs of inventory disposals	-8.8	8.8	0.0
Other purchases and external expenses	-50.3	14.5	-35.8
Tax and related	-16.3	0.0	-16.3
Salaries and fringe benefits	-36.8	8.2	-28.6
Provisions	0.5	-0.5	0.0
Other operating expenses	-1.2	1.2	0.0
Total current operating expenses	-112.9	32.7	-80.2
OPERATING INCOME BEFORE DISPOSALS OF INVESTMENT ASSETS	452.0	23.0	475.0
Net disposal of non-current assets	-27.0	27.0	0.0
Fair value adjustment on investment assets	-315.2	315.2	0.0
Other operating income and expenses	-22.4	22.4	0.0
Total other operating income and expenses	-364.6	364.6	0.0
INCOME FROM ORDINARY OPERATIONS	87.5	387.5	475.0
Interest income on cash transactions	36.4	-30.0	6.5
Income from finance lease transactions (CB)	5.0		5.0
Financial income from discounting	1.8	-1.8	0.0
Positive fair value adjustment on financial assets and liabilities	0.0		0.0
Total financial income	43.2	-31.8	11.5
Interest expense on financing operations	-239.6	24.9	-214.7
Expenses on finance lease transactions (CB)	-0.6		-0.6
Financial expenses from discounting	-11.6	11.6	0.0
Negative fair value adjustment on financial assets and liabilities	-97.8	97.8	0.0
Net expenses on financial provisions	-8.5	8.5	0.0
Total financial expenses	-358.2	142.8	-215.3
FINANCIAL RESULT	-314.9	111.1	-203.9
Share in income (loss) of affiliates	-54.4	104.3	49.9
PRE-TAX INCOME	-281.8	602.9	321.0
Corporate income tax	-22.5	-5.4	-27.9
Deferred tax	42.3	-42.3	0.0
Minority interest share in intragroup payments	0.0	11.6	11.6
NET INCOME	-262.1	566.8	304.3

Financial indicators for principal subsidiaries

	FDM			FEL		
	2009	2008	Change (%)	2009	2008	Change (%)
Net recurring income (€ millions)	96.0	96.0	0.0%	38.4	40.4	-5.0%
Net recurring income (€/share)	1.92	1.92	0.0%	0.37	0.45	-17.8%
NAV excluding financial instruments (€/share)	21.9	25.8	-15.1%	3.6	5.4	-33.3%
LTV	61.7%	59.0%		60.6%	60.3%	
ICR	2.08	2.06		2.07	1.96	
% of capital held by FDR	25.1%	29.1%		67.1%	59.9%	

	BS			FDL		
	2009	2008	Change (%)	2009	2008	Change (%)
Net recurring income (€ millions)	42,1	51,0	21%	83.6	89.9	7.5%
Net recurring income (€/share)	0,0236	0,0286	21.0%	1.4	1.5	7.2%
NAV excl. financial instruments (€/share)	1,074 *	1,033 *	-3,8%	21.6	20.4	-5.6%
LTV	49,7%	49,7%		58.2%	55.9%	
ICR	1.47	1,63		1.57	1.71	
% of capital held by FDR	73.1%	73.1%		38.2%	35.4%	

* NAV includes financial instruments

D. PRO FORMA CONSOLIDATED BALANCE SHEET

(in € millions)	2008	2008 pro forma	2009		2008	2008 pro forma	2009
Non-current assets				Shareholders' equity			
Intangible fixed assets				Capital	123.3	123.3	151.9
Goodwill				Additional paid-in capital	2 259.4	2 259.4	2 454.7
Other intangible fixed assets	140.7	140.6	156.4	Treasury stock	-33.0	-33.0	-31.5
Tangible fixed assets							
Land	56.8	54.5	54.5				
Buildings	113.9	106.5	98.4				
Other	8.1	5.7	4.5				
Fixed assets under construction	873.6	859.7	1.0	Consolidated reserves	1 648.1	1 648.1	1 104.5
Investment properties	13 746.9	10 427.8	11 262.7	Earnings	-556.5	-556.5	-262.1
				Total shareholders' equity (Group share)	3 441.2	3 441.2	3 417.4
				Minority interests	2 355.6	1 591.2	1 390.1
Long-term financial investments				Total shareholders' equity (I)	5 796.9	5 032.4	4 807.4
Financial instruments	0.9	0.9	1.1				
Loans	34.6	34.6	14.8	Non-current liabilities			
Other financial assets	57.0	56.7	14.8	Interest-bearing borrowings	9 463.5	7 405.7	7 125.4
Finance lease receivables	38.4	38.2	23.9	Financial instruments	495.3	439.5	599.1
Equity interest in affiliates	190.6	634.9	541.3				
Deferred tax assets	110.1	87.1	122.3	Deferred tax liabilities	481.1	317.0	315.1
Total non-current assets (I)	15 371.7	12 447.2	12 336.9	Pension and other liabilities	37.2	3.0	2.8
Current assets				Other long-term liabilities	16.4	16.0	13.0
Short-term loans and short-term finance lease receivables	30.6	30.6	14.8	Total non-current liabilities (III)	10 493.5	8 181.3	8 055.4
Inventories and work-in-progress	135.5	125.6	117.3	Current liabilities			
Trade receivables	174.0	73.0	95.7	Trade payables and related	85.1	65.8	69.4
Current tax	0.0	0.0	12.5	Interest-bearing short-term borrowings	697.5	667.7	681.4
Other receivables	188.4	166.2	223.9	Tenant security deposits	17.9	11.8	11.7
				Advances and deposits received on current orders	142.4	44.7	98.0
Accrued expenses	8.3	7.8	9.2	Short-term provisions	41.5	34.2	57.7
				Current tax	28.8	23.8	4.3
Cash and cash equivalents	199.5	157.6	191.6	Other liabilities	98.7	93.1	122.6
Total current assets (II)	736.3	560.8	665.0	Accruals	44.5	44.0	44.7
Non-current assets available for sale (III)	1 338.7	1 190.7	950.7	Total current liabilities (IV)	1 156.3	985.1	1 089.8
Total assets (I+II+III)	17 446.8	14 198.8	13 952.6	Total liabilities (I+II+III+IV)	17 446.8	14 198.8	13 952.6

Shareholders' equity

Consolidated shareholders' equity (Group share) dropped from €3,441 million at 31 December 2008 to €3,417 million at 31 December 2009, down €24 million, primarily due to:

- - €262 million consolidated loss generated by consolidated companies
- - €25 million in net dividends paid to shareholders
- +€265 million further to the contributions by Predica and Groupama

Net debt

All of the Group's financial debt totalled €7,807 million on a consolidated basis, with €5,499 million Group share.

Net debt at 31 December 2009 came in at €7,615 million, with a Group share of €5,291 million. It is down 16%, reflecting the impact of consolidating the Housing business on an equity basis, in addition to disposals and cash flow.

Provisions for contingencies and liabilities

The €57.6 million in provisions for contingencies and liabilities primarily correspond to a provision for tax recorded on the Italian office business (€42.4 million, representing €31 million Group share), portfolio-related provisions (€8.1 million), provisions for disputes (€7.2 million) and provisions for retirement (€2.8 million).

Other liabilities

Other current and non-current debt includes €599 million for financial instrument liabilities and €315 million in deferred tax on financial instruments and assets for non-French companies.

6. NET ASSET VALUE (NAV)

	31 Dec 08	31 Dec 09	Change vs 31 Dec 2008	Change vs 31 Dec 2008 (%)
NAV (€ millions)	3 695.00	3 612.20	-88.2	-2.20%
NAV per share (€)	90.5	71.4	-19.1	-21.10%
NAV (in € millions) excluding financial instruments	3 952.8	4 005.9	53.1	1.3%
NAV / share (€) excluding financial instruments	96.9	79.2	-17.7	-18.20%

These calculations were made, in accordance with IFRS rules, based on the number of shares outstanding at 31 December 2009, corrected for the impact of dilution. The potential dilution factors in the exercising of current options and warrants, in addition to bonus shares.

Between 30 June 2009 and 31 December 2009, NAV excluding financial instruments increased by €370 million to reach €4,006 million, representing €79.2 per share.

	(in € millions)	€/share
Shareholders' equity	3,417.40	67.6
Restatements		
Fair valuation of buildings (operation +inventory)	9.1	0.2
Fair valuation of car parks	26.4	0.5
Fair valuation of goodwill	16.3	0.3
Inflation swap BS	16.1	0.3
Corton tax	18.6	0.4
Tax discounting	79.7	1.6
Restatement of value excl. TD	28.6	0.6
Triple net NAV	3,612.20	71.4
Financial instruments	393.7	7.8
NAV excluding financial instruments	4,005.90	79.2

Calculation method

1. NAV base - shareholders' equity:

The real estate portfolio held directly by the Foncière des Régions Group was appraised in full at 31 December 2009 by AFREXIM-member real estate appraisers (DTZ Eurexi, CBRE, JLL, Atis Real, etc.), based on a common set of specifications prepared by Foncière des Régions in accordance with industry practices. Assets were estimated at their value excluding and/or including duties, with rental income factoring in the market value. The estimates are based on the comparison method, the rental income capitalisation method, and the discounted cash flow method. Car parks are valued based on a capitalisation of the EBITDA generated by the business.

Other assets and liabilities are valued based on the IFRS values from the consolidated financial statements; the application of fair value primarily concerns the valuation of hedges on debt. The level of exit tax is known and incorporated into the financial statements for all the companies that have opted for the fiscal transparency system.

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

2. Principal adjustments made

a. Fair valuation of buildings and goodwill

In accordance with IFRS, operating buildings, buildings under development -- except those covered by IAS 40 (revised) -- and buildings in inventory are valued at their historical cost.

In order to take the appraisal value into consideration, a value adjustment has been made to the NAV for a total of €9.1 million.

Since goodwill is not valued in the consolidated financial statements, a restatement to take its fair value into account (as calculated by the appraisers) was made to the NAV for €16.3 million at 31 December 2009.009.

b. Recalculation of the base for certain assets (excluding duties)

When the company, rather than the assets it holds, can be sold off, transfer duties are recalculated based on the company's net asset value. The difference between the recalculated transfer duties and the transfer duties already deducted from the value of the assets led to a €28.6 million restatement at 31 December 2009.

c. Fair valuation of car parks

Car parks are valued at their historical cost in the consolidated financial statements. In the NAV, a restatement is applied to factor in the appraised value of these assets, as well as the impact of farm-outs and subsidies received in advance. The impact on the NAV at 31 December 2009 represents €26.4 million.

d. Discounting for unrealised tax

In the consolidated financial statements at 31 December 2009, deferred taxes on real estate assets are calculated taking into account the current tax rate for non-French and non-SIIC companies. In the NAV, unrealised tax has been adjusted in order to take into account:

- A probable switch to the SIIC real estate trust system (Corton Group companies: impact of €18.6 million and €10 million at 30 June 2009)
- The discounting of this tax following a prescriptive disposal plan, particularly on Italy and Germany. This tax is discounted between 4.5% and 6%. The impact of this restatement was €79.7 million at 31 December 2009 and €61.9 million at 30 June 2009.

7. FINANCIAL RESOURCES

A. MAIN CHARACTERISTICS OF DEBT

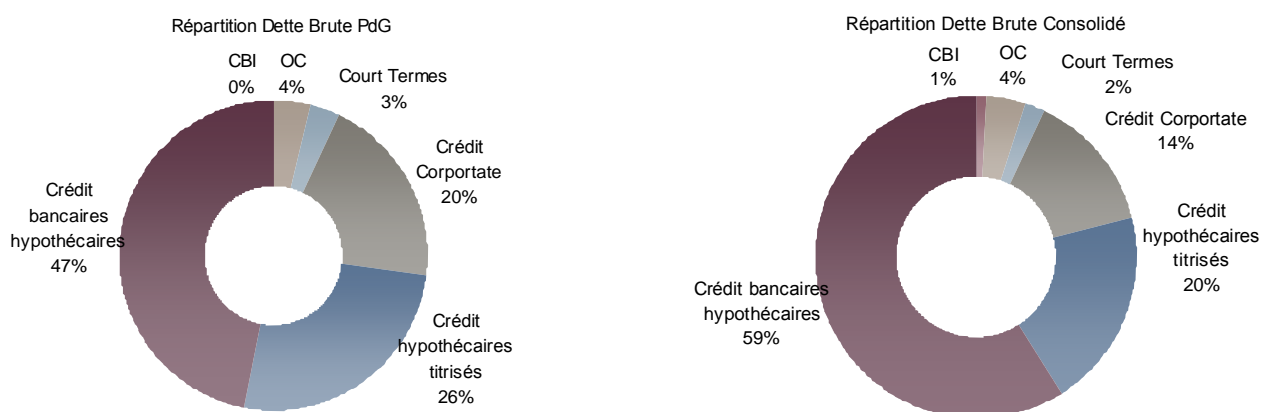
Principal characteristics of debt

	2 008	2009
Net debt, Group share (in € millions)	6 333	5 334
Average annual rate for debt, Group share	4.88%	4.60%
Average maturity of debt, Group share (years)	4.8	4.1
Debt hedging rate, Group share (SWAP + fixed rate)	76%	87%
Average maturity of hedging	6.0	5.0
LTV (Group share)	58.8%	55.6%
ICR (Group share)	2.02%	2.06%

Debt at 31 December 2009 by kind

At 31 December 2009, the gross debt on Foncière des Régions' balance sheet totalled €7.8 billion, with €5.5 billion Group share.

The majority of Foncière des Régions' debt is based on mortgages set up as its portfolios have been acquired. Its subsidiary Beni Stabili also has a convertible bond issue, maturing at the end of 2011.



Debt schedule

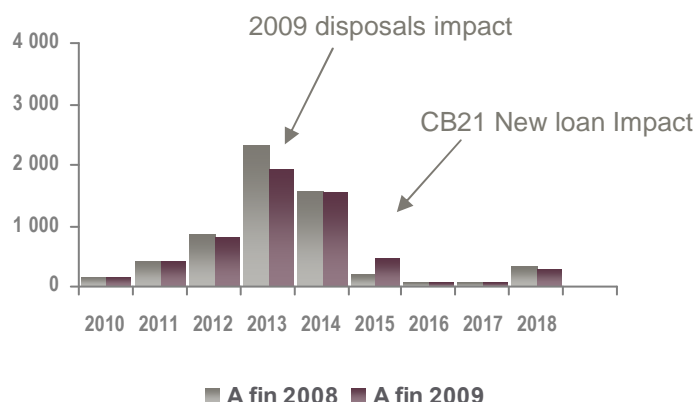
The average term of Foncière des Régions' debt was 4.2 years at 31 December 2009 (Group share).

The main maturities for debt are in 2013 and 2014.

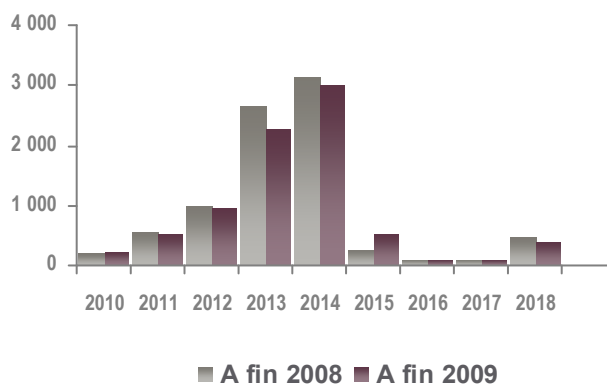
The maturities for 2010/2012 primarily concern:

- Contractual repayments of debt for around €125 million/year (Group share)
- Various maturities on credit facilities for Foncière des Murs and Foncière des Régions
- Maturing of the convertible bond issue at Beni Stabili (in 2011 for €213 million Group share), in addition to a mortgage (in 2012 for €225 million Group share)

The following chart summarises the due dates for debt on a Group share basis (amount of the total commitment).



The following chart summarises the due dates for debt on a consolidated basis (amount of the total commitment).



Principal changes over the period

1. New debt set up

a. Refinancing of the CB21 loan

In August 2009, Foncière des Régions refinanced the short-term loan backed with the CB21 asset in La Défense. This €290 million debt, over five years, is being used to refinance the acquisition, in addition to work being carried out on the tower.

b. New financing

Beni Stabili set up several bank credit lines in 2009 for a total of approximately €120 million. More specifically, €35 million in financing was drawn down for the acquisition of IMSER bonds (cf. below) and a €72 million mortgage financing facility was put in place in order to refinance a property portfolio.

At the end of January 2010, a €50 million debt facility was also set up, backed with the Eiffage assets acquired in 2008.

2. Change in scope / repayments

a. Foncière Développement Logements

After switching its status from a general partnership (société en commandité par action) to become a limited company (société anonyme), Foncière des Régions no longer has exclusive control over Foncière Développement Logements, in which it has a 35% stake. As such, Foncière Développement Logements' debt is no longer consolidated in the accounts of Foncière des Régions. Foncière Développement Logements' debt contributed €2 billion to the consolidated debt of Foncière des Régions (€0.8 billion Group share).

b. Corton / DS Campus

In July 2009, Foncière des Régions acquired a 50% stake in a property portfolio located in Vélizy and Meudon, primarily occupied by Dassault Systèmes and Thalès. This portfolio's financing is based on a mortgage facility for a nominal amount of €300 million.

c. 2009 repayments (Group share)

Over 2009, and following the disposal programme and bank negotiations, Foncière des Régions cancelled or paid back around €1.1 billion of debt.

€0.4 billion were paid back further to the disposals carried out during the year, with the balance paid back or cancelled (more specifically €240 million on CB21, €175 million on an undrawn corporate line, €104 million on Foncière Europe Logistique).

3. Debt renegotiation (FdR 2010 action plan)

In order to protect itself against a sudden and sharp change in real estate values, Foncière des Régions had renegotiated an adjustment in its LTV ratios for two years with its main banking partners, moving from 65% to 70%. In view of the ratio levels seen to date, the impact of this renegotiation on the company's debt represents less than 10 bp. This adjustment of financial covenants concerned €1.3 billion of Foncière des Régions' debt.

4. Other

Capitalising on favourable market conditions, during the first half of 2009 Beni Stabili redeemed €109 million of IMSER bonds (securitised debt backed with the Telecom Italia portfolio), with an average discount of 43%. In this way, this redemption made it possible to generate a non-recurring profit and reduce the debt by €42 million.

B. COST OF DEBT AND RATE RISK HEDGING

Hedging profile

In 2009, the framework for the hedging policy remained unchanged, with 100% of debt hedged, including at least 75% based on firm hedging, all with a maturity higher than the maturity of the debt.

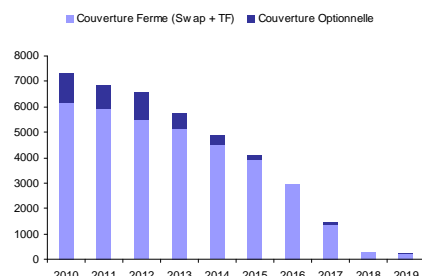
Further to the debt reduction program launched in 2008, Foncière des Régions optimised its hedging portfolio during 2009.

Capitalising on the low level of interest rates, the company set up short-term swaps to take over from non-active optional instruments, in order to set the potential gain. In addition, the company has taken out floor purchases, with

the premiums financed through cap sales, while deciding to reduce the notional for certain swaps and extending their maturity.

Based on net debt at the end of 2009, Foncière des Régions is 87% firm hedged (Group share), compared with 77% at the end of 2008, and 98% in total (based on active hedging), versus 93% at year-end 2008.

The average term of hedging is 5.0 years on a consolidated basis (4.8 years Group share), 0.8 years higher than the average term of debt, in line with the Group's objectives.



Average debt rate and sensitivity

The average rate of Foncière des Régions' bank debt came to 4.6% on a Group share basis, compared with 4.9% in 2008. This 30 bp reduction primarily reflects the drop in interest rates (3 month Euribor averaging out at 4.65% over 2008, compared with 1.22% for 2009), impacting our debt not hedged with swaps, with this effect reduced slightly by the increase in our average margin, as well as the cost of short-term debt.

For reference, a further 50 bp drop in the 3 month Euribor would have a €4 million impact on recurrent net income, with an identical impact in the event of a 50 bp increase in rates, representing around 1% of recurrent net income.

C. FINANCIAL STRUCTURE

Except for the debt facility covered by securitisations, the debt of Foncière des Régions and its subsidiaries is combined with bank covenants (ICR and LTV) relating to the consolidated accounts which, in the event of non-compliance, would be likely to represent a case for early repayment of the debt:

These covenants are determined on a Group share basis for Foncière des Régions and consolidated for covenants applying to Foncière des Régions subsidiaries.

At 31 December 2009, the LTV covenant represented 70% for Foncière des Régions and Foncière des Murs, and 65% for Foncière Europe Logistique.

The consolidated ICR covenant threshold varies considerably from one real estate company to another depending on the type of assets held, although they are consistent from one debt facility to another for the same real estate firm:

- For Foncière des Régions: 190%
- For Foncière des Murs: between 165% and 200%.
- For Foncière Europe Logistique: 150%

All of these financial covenants were met at 31 December 2009.

Foncière des Régions' consolidated ratios were 55.6% for the LTV and 206% for the ICR at 31 December 2009, compared with 58.8% and 206% respectively at 30 June 2009.

LTV calculation details

Group share (in € millions)	2 008	2009
Net debt accounting (Group share)	6 333	5 334
Preliminary sales agreements	-172	-160
Receivables on disposals	-47	-34
Security deposits received	15	15
Credit-lease backed debt	-59	-35
Net debt (Group share)	6 071	5 121
Appraisal value Group share	10 225	8 763
Preliminary sales agreements	-172	-160
Financial assets	71	51
"Fonds de commerce"	17	16
Equity affiliates	190	541
Value of assets (Group share)	10 331	9 211
LTV	58.8%	55.6%

In most cases, these covenants, broken down by accounting type and consolidated, are also combined with specific covenants for the scope of the financing (most of the Group's debt is backed by portfolios).

These "scope" covenants (more specifically "scope LTV") are based on thresholds that are usually less restrictive for Group companies than the thresholds for consolidated covenants.

8. POST-BALANCE SHEET EVENTS

With the exception of the tax dispute in Italy mentioned in Section 2 "Major operations over the period" in this document, there are no significant post-balance sheet events to report.

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