



Tour CB 21, La Défense



## Number 1 Office REIT in Europe

Roadshow - December 2009

# Contents

## I. Foncière des Régions

- Number 1 Office REIT in Europe
- FdR track record
- Three key drivers for FdR
- FdR 2010 Action plan

## II. The Groupama/Predica transaction

## III. 9M 2009 Update

## IV. Conclusion

## V. Calendar

*Foncière des Régions Photo Library - O. Ouadah, , A. Chezire*



# I. Foncière des Régions

Paris 12<sup>ème</sup> – 15-17 rue Traversière

# Number 1 Office REIT in Europe\*

## Foncière Partenaire

### Real Estate Partners



#### High visibility on rental income

Strategic locations for our tenants  
6 year firm residual lease length  
High occupancy rates: >97%\*\*  
Low level of bad debts

### Financial Partners

#### Some key shareholders

Entrepreneurs: Batipart and Delfin

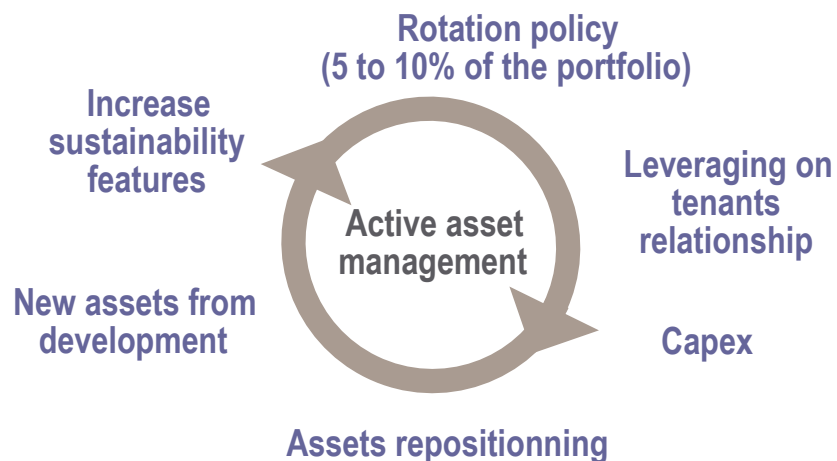
Insurance companies :  
Azur GMF Group, BNP Paribas Group,  
Crédit Agricole Group, Crédit Mutuel Group,  
Groupama, ...

#### A debt structured for these portfolios

6 year maturity  
4.5% cost of debt  
LTV of 58.8%

## Our real estate skills

Ongoing strategy to add value to the of the portfolio



More than 10 large **Externalisations** since 2001

### Local players

7 regional offices en France, 2 in Italy  
1 dedicated property management subsidiary in Germany

## Our financial skills

### Several innovative M&A transactions

Takeover/Merger on Bail Investissement (€1.5bn portfolio)  
Acquisition of FT assets from GE (€1.6bn portfolio)  
Structured exit of retail assets with Unibail and Altarea(€0.5bn)  
All-share deal with Beni Stabili (€4bn portfolio)  
Groupama/Predica paid in new shares (€0.3bn portfolio)

### Capacity to finance acquisitions with

**equity** (3 rights issues since 2001, several acquisitions paid in shares and JVs with MSREF, GE, Insurance cies...)

**debt** (mainly from French and Italian banks)

## Focus on Offices

High visibility on rental income

Ongoing strategy to improve the quality of the portfolio

Dynamic dividend policy

# Foncière des Régions track record

## ▲ portfolio\*

€9.8bn  
end of June



€6bn

€170m

## Main transactions since 2001

- 2009: First tranche of Tower CB 21 delivered to **Suez Environnement**  
Acquisition from MSREF of the remaining stake in Vélizy Campus  
Acquisition of a Paris Office portfolio paid in new shares
- 2008: Delivery of DS Campus to **Dassault Systèmes**  
*Externalisation with Eiffage*  
Disposals and disposals agreement for €1.3bn
- 2007: **Acquisition of Beni Stabili.**
- 2006: Merger with Bail Investissement  
*Externalisation with Accor (72 hotels) and Courtepaille*
- 2005: Acquisition of 206 office buildings from GE let to **France Telecom**  
*Externalisation with Accor (128 hotels)*
- 2004: **Takeover on Bail Investissement**  
CEA headquarter acquisition in JV with Predica
- 2003: SIIC status and *externalisation with Azur GMF*
- 2002: First *externalisation with France Telecom (457 buildings)*
- 2001: Acquisition in JV with MSREF of 56 regional headquarters from **EDF**  
**Acquisition of AXA regional portfolio paid in shares and cash**



# Foncière des Régions long term performances

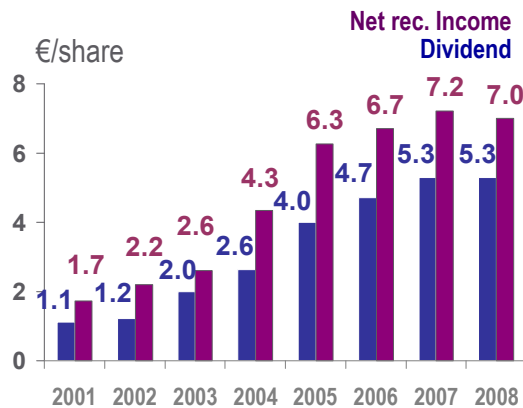
## Annualized total shareholder return

Share price at end October 2009: 75€	- 5y	- 3y	-1y
FdR	+16.8%	-8.8%	+55.4%
EPRA Europe	-0.23%	-19.5%	+11.9%
FTSE Eurotop 100	+4.9%	-6.3%	+17.1%

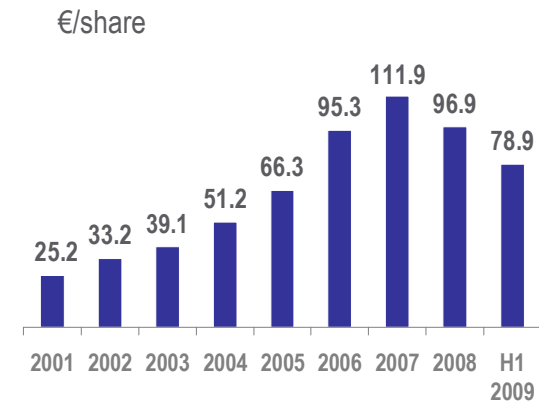
Source: EPRA

Total return = Share price performance + Dividend

## Net recurring income and ordinary dividend



## NAV since 2001\*



One of the **top performers** in Europe amongst the sector **big caps**

**Ranked n°5** total shareholder return on SBF120 index (source: JDF – October 2009)

Joined **MSCI** in 2009 and **SBF 120** in 2008

**Net recurring income per share CAGR 2001-2008 +22%**

**NAV per share CAGR 2001-H1 2009: +16%**

**Dividend payout 75%**

# FdR keys drivers : 1) Attractive core property markets

## Paris Region: Depth and breath

One of the 3 metropolitan areas in Europe > 10m inhabitants  
Biggest office market in Euro Zone  
Diversified tenant base  
Market driven by corporates looking for more efficient space  
Domestic and foreign players on the investment market



## How Foncière des Régions can benefit

Major local player  
Depth and breath of the occupier market  
Lower cyclical than in other large markets  
Opportunities for an active asset rotation policy

## France *Régions*: Structural growth

Favourable demographic trends  
Buyoant GDP and positive impact of TGV  
Marginal demand also driven by back-offices  
Attractive risk-adjusted returns



Local presence in regional markets  
Portfolio located in the main cities  
Our assets below replacement cost (low rent)  
Some development opportunities

## Italian Market: Very stable markets

Barriers to entry  
Soft demographic trends  
Scarcity of new supply due to a lack of development



Beni Stabili, n°1 in Italy  
Investment market dominated by private investors  
Opportunities to recycle capital

# FdR keys drivers : 2) SIIC regime a strong positive

## SIIC: the French REIT law

**Legislation in place since 2003**  
Negotiation with sector representatives  
and public authorities during 2002

### No tax

Neither income, nor capital gain tax  
But mandatory levels of distribution

### Conditions for becoming SIIC

Being listed  
Free Float above 15%  
Major shareholder below 60%

### Temporary favourable regime for the sellers

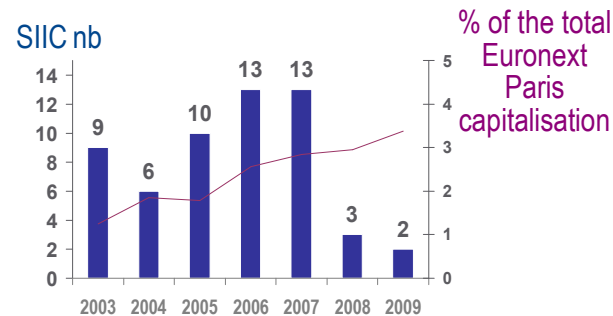
16.5% CGT instead of 33%  
if you sell to a SIIC before end of 2011

## Key figures

**47 SIIC listed on Euronext**

Total market cap: >€40bn

### Dynamic SIIC sector



**9 with market cap. above €1bn**

Gecina, Foncière des Régions,  
Icade, Klepierre, Mercialis,  
SFL, Silic, Unibail-Rodamco

## What's next?

**38 SIIC with  
market cap below €1bn**

**Not all SIIC complies  
with rule 60% max  
holding**

# FdR keys drivers: 3) Structural opportunities with corporates

## Rationale for externalisation

### For the corporate

Focusing on their core business  
Freeing-up financial resources  
Higher real estate flexibility  
Tax efficiency  
(capital gain reducing by 50%)

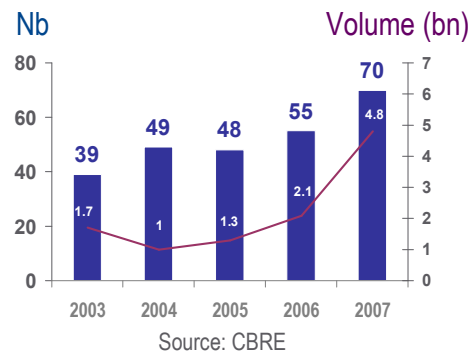
### For the REIT

Portfolio discount  
More active asset management  
Value creation opportunities

## Key figures

Approx. €22bn of transactions  
since 2000

### Externalisation in France



In the US, 70% of the corporates  
rent their premises, the proportion  
is 50% in Europe

## What's next?

80% of French companies  
prefer to be tenants  
rather real estate owner

€100bn of real estate assets  
remain on the balance sheets of the  
CAC 40 companies\*

Externalisation opportunities  
amounts to €500 billion  
as estimated by IEIF  
(French economic observatory  
for real estate)

# FdR 2010 Action Plan: A strategy implemented end-2008...

**Focus on Offices**  
**High visibility on rental income**  
**Ongoing strategy to improve the quality of the portfolio**  
**Dynamic dividend policy**

## FdR 2010 action plan

### Portfolio

Cash-flow securitisation  
(Lease extensions, etc.)

Asset quality improvement  
(Asset rotation and repositioning,  
development, etc.)

### Financing

Optimise the debt profile


Strengthen shareholders' equity  
(dividend in share, Equity warrant, ...)

### Organisation

Streamlined structure

Real estate  
and equity partnership

**Seize opportunities in a consolidating market**



## II. The transaction : Goals, description and timing

Paris 8<sup>ème</sup> – 5-7 avenue Percier

# A growth transaction while strengthening shareholders' equity (submit to EGM on the 15 December)

Acquisition of a high quality offices portfolio (€267m)...

... with a top-quality rental base (SNCF, Cisco...)

Acquisition paid in new shares

Allocation of *BSA* (equity warrants) to existing shareholders



Increasing exposure to Paris Region Office Market

Broadening the rental base



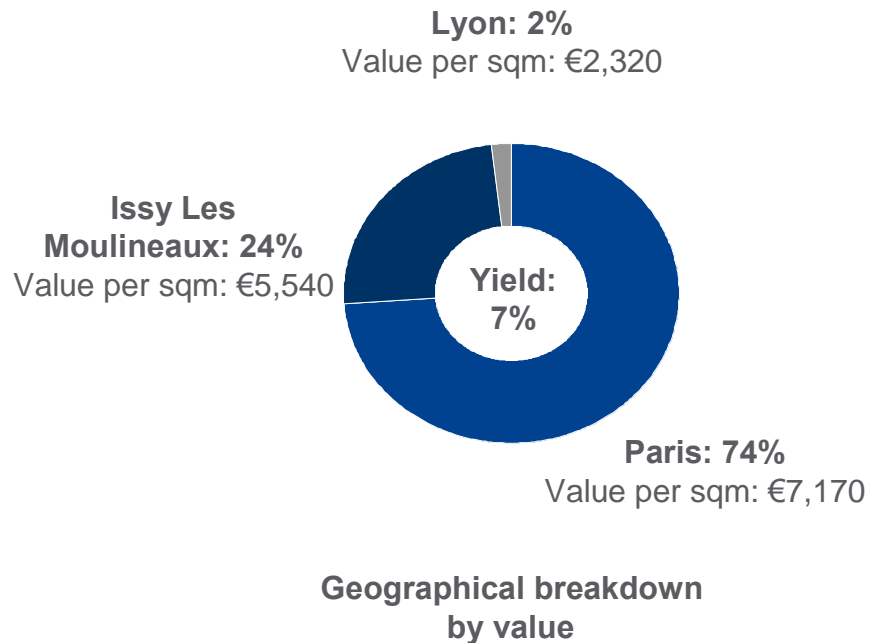
Strengthening shareholders' equity

Broadening the shareholder base

Improving investment capacity

# A €267m high-quality office Portfolio (7% net yield)

98% of portfolio  
in Paris and Issy-Les-Moulineaux



## Predica Portfolio



Paris 12<sup>ème</sup>  
15-17 rue Traversière



Paris 8<sup>ème</sup>  
11 avenue Delcassé

## Groupama Portfolio



Issy les Moulineaux  
11 rue C. Desmoulins



Paris 8<sup>ème</sup>  
5-7 avenue Percier



Lyon  
228 rue Garibaldi

Average value per sqm below €6,500

# With a steady and diversified rental base

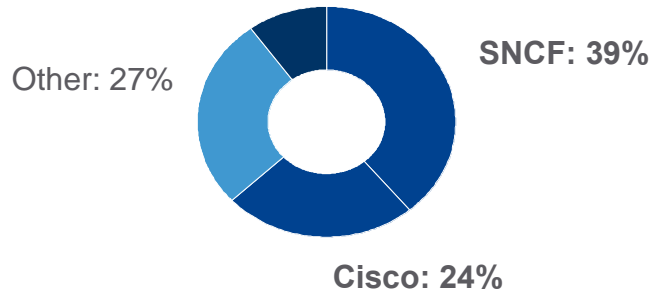
## Steady and diversified rent base...

73% of rents are from  
3 large tenants



Chloé

Chloé: 10%



Breakdown of rents  
by tenant

## ...in line with the market

Paris CDB: average €500 per sqm per year  
▶ clearly less than prime values  
▶ well adapted to actual rental demand

Paris 1st Periphery  
▶ in line with market values

Residual firm length of leases: 3.2 years

Vacancies around 3%



Paris 8<sup>ème</sup> – 5-7 avenue Percier

# A transaction paid in shares

## Acquisition (€267m) paid in shares

**Contributors:** Groupama and Prédica

### Issue of 4 million new shares:

1.975 million for Prédica at €70 (effective 01/01/2009)  
2.031 million for Groupama at €65 (effective 01/01/2010)

Transaction realised under the SIIC regime

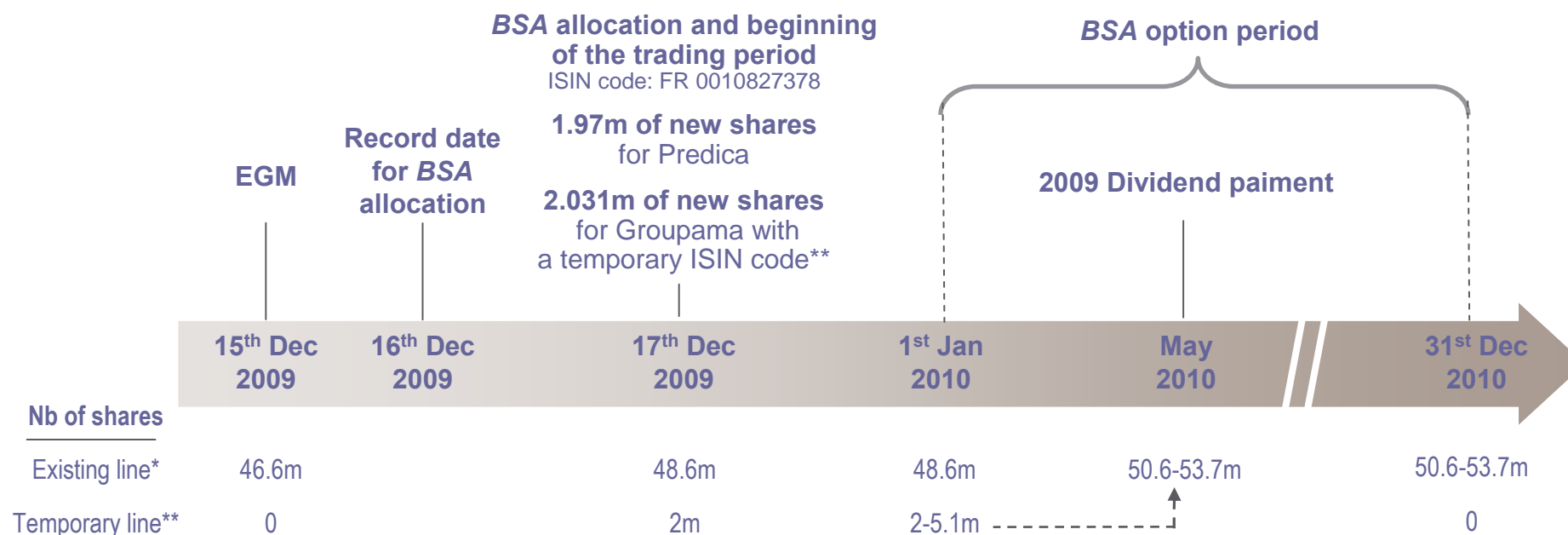
## Allocation of free BSA (equity warrants)

**Allocation:** 1 BSA for 1 FdR share

### Exchange ratio:

15 BSA + €65 = 1 new FdR share  
(effect. 01/01/2010)

Total amount: €202m (ie 3.1 million new shares)



\* ISIN code: FR0000064578

\*\* ISIN code: FR0010827386



# III. 9M 2009 update

Dassault Systèmes Campus, Vélizy

# Our real estate markets

## France

### The investment market

---

Gradual return of office investors during H2 2009

Strong inflows for French life insurers and German mutual funds

Yields stabilising

Growth in the average size of transactions and gradual easing of credit

### The rental market

---

Few new tenants in H2 2009

The decision-making process lengthening

Downward pressure on rents varying greatly by region and product

Few new completions expected in 2010-2011

## Italy

### The investment market

---

Market remains dominated by private investors

Institutional market opening up again

Yields steady

### The rental market

---

No deterioration in vacancy rates

Rent essentially stable by geographical region

Very low future supply

## Rental income from commercial property holding up: + 4.0 % like-for-like

Group share (€m)	Consolidated*			Group share*				
	9 months 2008	9 months 2009	% Change	9 months 2008	9 months 2009	% Change	% Change like-for-like	% rental income
France Office	218.3	<b>195.1</b>	- 10.6%	210.4	<b>195.0</b>	- 7.3%	<b>+ 7.7%</b>	42%
Italy Office	159.7	<b>159.5</b>	- 0.1%	108.5	<b>116.6</b>	+ 7.4%	<b>+ 3.3%</b>	25%
<b>Total Offices</b>	<b>378.0</b>	<b>354.6</b>	- 6.2%	<b>318.9</b>	<b>311.6</b>	- 2.3%	<b>+ 6.0%</b>	<b>67%</b>
Logistics and business premises	72.5	69.6	- 4%	43.4	43.6	+ 0.4%	<b>- 3.3%</b>	9%
Service sector	148.5	148.3	- 0.1%	43.2	40.2	- 6.9%	<b>- 2.8%</b>	9%
<b>Commercial property</b>	<b>599.0</b>	<b>572.5</b>	<b>- 4%</b>	<b>405.5</b>	<b>395.4</b>	<b>- 2.0%</b>	<b>+ 4.0%</b>	<b>85%</b>
Residential	159.6	158.4	- 0.8%	61.7	61.3	- 0.7%	<b>+ 2.1%</b>	13%
Others	43.2	41.6	- 4.0%	30.9	31.1	+ 1.0	-	-
<b>Total revenues</b>	<b>801,8</b>	<b>772.5</b>	<b>- 3.7%</b>	<b>498.1</b>	<b>487.7</b>	<b>- 2.1%</b>	<b>+ 3.8 %</b>	-

\* 73.08% stake in Beni Stabili at 30 September 2009 vs. 67.94% at 30 September 2008

25% stake in FdM at 30 September 2009 vs. 29% at 30 September 2008, following the sale of 4% in H1.

Note also the consolidation by equity method of FDL as from 10 November 2009 following the company's change of status to Société Anonyme (limited company)

# Good real estate indicators

## France Office



## Italy Office



**Occupancy rate steady at 97.5%\***  
(vs. 97.8% at 30 June 2009)

**Average residual length of leases: 4.7 years**  
(vs. 3.3 yrs at 30 June 2009)

**Approx 70% of leases covered against  
negative indexation**

**Bad debts steady and low**

**High occupancy rate: 98%**  
(vs. 97.9% at 30 June 2009)

**Residual term of leases 8.9 yrs**  
(vs. 9.0 yrs at 30 June 2009)

**100% of leases covered against  
negative indexation**

**Offices Portfolio: Secure rental income**

# Good real estate indicators

## Logistics



420,000 sqm released since beginning of 2009

Stable vacancy rates: 11.7%

Increase in residual term of leases to 3.1 yrs (vs. 2.8 at 30 June 2009)

Bad debts steady and low

## Service sector



100% occupancy rates

No bad debts

Residual term of leases 9.6 yrs (vs. 9.5 at 30 June 2009)

## Residential



Occupancy rates rising:

France: 97.9%

(vs. 96.8 at 30 June 2009)

Germany: 97.9%

(vs. 97.7 at 30 June 2009)

Bad debts steady and low

**Diversification portfolio: Secure rental income**

## Indexation by asset type

<i>Group share</i>	<b>% of rents</b>	<b>Type of rent indexation</b>
France Office	42%	2/3 Construction Cost Index (CCI) and 1/3 CCI-CPI 70% are exempt from negative indexation
Italy Office	25%	100% CPI 100% are exempt from negative indexation
Logistics and commercial premises	9%	100% CCI 30% are exempt from negative indexation
Business premises	9%	57% variable (Accor) Rest: CRI, CPI and RRI
Residential	13%	30% RRI (France) 70% for German premises (no downward indexation)

# Acquisition of offices at Velizy Campus

**Acquisition from MSREF** (Morgan Stanley Real Estate France) of the remaining 50% stake in Vélizy Campus Business Park

Appraised value at 30 June 2009: **€382m** (100%)

Net yield **7.7%**

Average residual length of leases: **8.5 yrs**



**56,000 sqm leased** to Dassault Systèmes (Head Office)  
Fixed term lease to 2020 – HQE building

**83,000 sqm leased** to Thalès, Alstom and France Telecom

More than **100,000 sqm** development potential

**Steady yield and development potential**

## €715m asset sales group share at prices in line with year-end 2008 appraisals (- 2.1%)

€m	Disposal agreements	Disposals	Total
France Office	55.6	341.0	396.6
Italy Office	167.7	110.4	278.1
Group Share	122.6	80.7	203.3
Logistics and business premises	8.7	27.3	36.0
Group Share	5.8	18.3	24.2
Service sector	-	63.0	63.0
Group Share	-	15.1	15.1
Residential	91.3	103.9	195.2
Group Share	34.9	39.7	74.6
<b>Total</b>	<b>323.3</b>	<b>645.7</b>	<b>969.0</b>
<b>Group Share</b>	<b>219.0</b>	<b>495.6</b>	<b>714.6</b>

**Average yield 6.1%**

# Progress in the FdR 2010 Action Plan

**Focus on Offices**  
**High visibility on rental income**  
**Ongoing strategy to improve the quality of the portfolio**  
**Dynamic dividend policy**

## Portfolio

Lease of 2/3  
of the CB 21 Tower (42,000 sqm)  
Major agreement with France Telecom  
Acquisition of a quality  
portfolio in Paris Region Area (€267m)  
and the remaining stakes  
in Velizy Campus  
New large tenants (Suez  
Environnement, SNCF, Cisco etc)  
Disposals\*: €715m

## Financing

Renegotiation of LTV agreements  
Financing of  
the CB 21 Tower for €290m  
Strengthening of shareholder's equity:  
2009:  
Dividends as shares: €187m  
New shares (Prédica, Groupama): €267m  
2010:  
Potential exercise of  
convertible bonds: €202m

## Organisation

Transformation of FDL into a  
Société Anonyme  
(limited company)  
Groupama becomes a  
new shareholder

**Seize opportunities in a consolidating market**

# IV. Conclusion

Paris 8<sup>ème</sup> – 11 avenue Delcassé

# Guidance

**Reiterating guidance of growth in net recurring income in 2009**

**Ready to seize opportunities in a consolidating market**



# V. Agenda

Immeuble Omega, Levallois-Perret

# Agenda

**15 December 2009: EGM**  
**22 February 2010: 2009 annual results**

## Resilient assets: - 4%\* (€9.8bn group share)

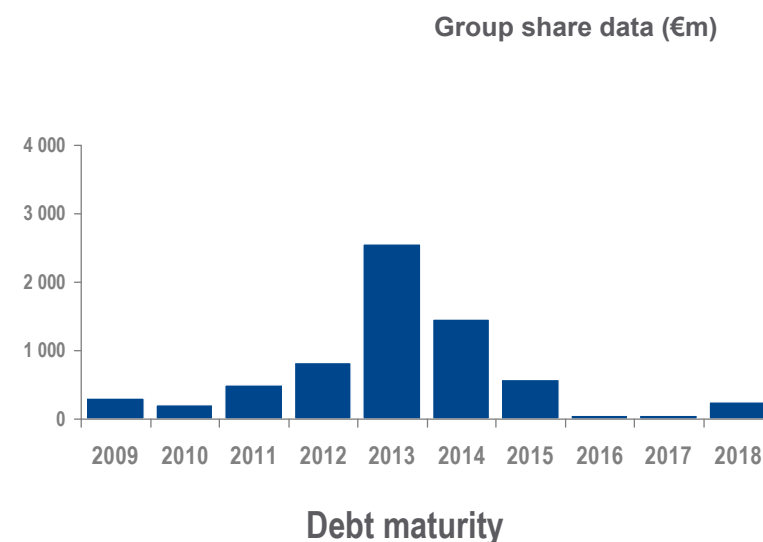
€m	Value excl TD H1 2009	Value excl TD H1 2009 group share	Yld* (%)	Change like-for-like vs end 2008 (6 months)			Change Cap rate (bps)
				(%)	Rates effect	Rents effect	
France Office	3,507.2	3,427.2	8.7%	- 5.3%	- 9.7%	+ 4.4%	62 bps
Italy Office	4,348.6	3,179.3	5.3%	- 1.6%	-1.8%	+ 0.2%	7 bps
<b>Total Offices</b>	<b>7,855.8</b>	<b>6,606.5</b>	<b>7.0%</b>	<b>- 3.6%</b>	<b>- 5.9%</b>	<b>+ 2.4%</b>	<b>33 bps</b>
Logistics and light industrial	1,177.8	790.2	8.9%	- 10.0%	- 8.1%	- 1.9%	73 bps
Service sector	2,976.3	781.6	6.7%	- 6.8%	- 4.7%	- 2.2%	34 bps
Car Parks	240.9	139.1	n/a	- 4.8%	n/a	n/a	n/a
Residential	3,399.9	1,312.2	6.3%	- 0.5%	- 2.3%	+ 1.7%	15 bps
<b>Total</b>	<b>15 650,7</b>	<b>9,629.6</b>	<b>7.0%</b>	<b>- 4.0%</b>	<b>- 5.5%</b>	<b>+ 1.5%</b>	<b>41 bps</b>
Share of equity affiliate**		147.5					
<b>Total</b>		<b>9,777.1</b>					

**A sharp rise in capitalisation rates over the last 18 months  
+ 140 bps for "France Office" + 175 bps for "Logistics"**

# Securitised debt: controlled LTV - rising ICR – no significant repayments before 2013

	2008	H1 2009
Net debt group share (€m)	6,333	6,114
Net debt group share (€m) incl disposals		5,559
Average annual debt group share	4.88%	4.49%
Average debt maturity group share (years)	4.8	4.5

Rate of debt secured group share	100.9%	106.6%
Average maturity of coverage	6.0	5.5

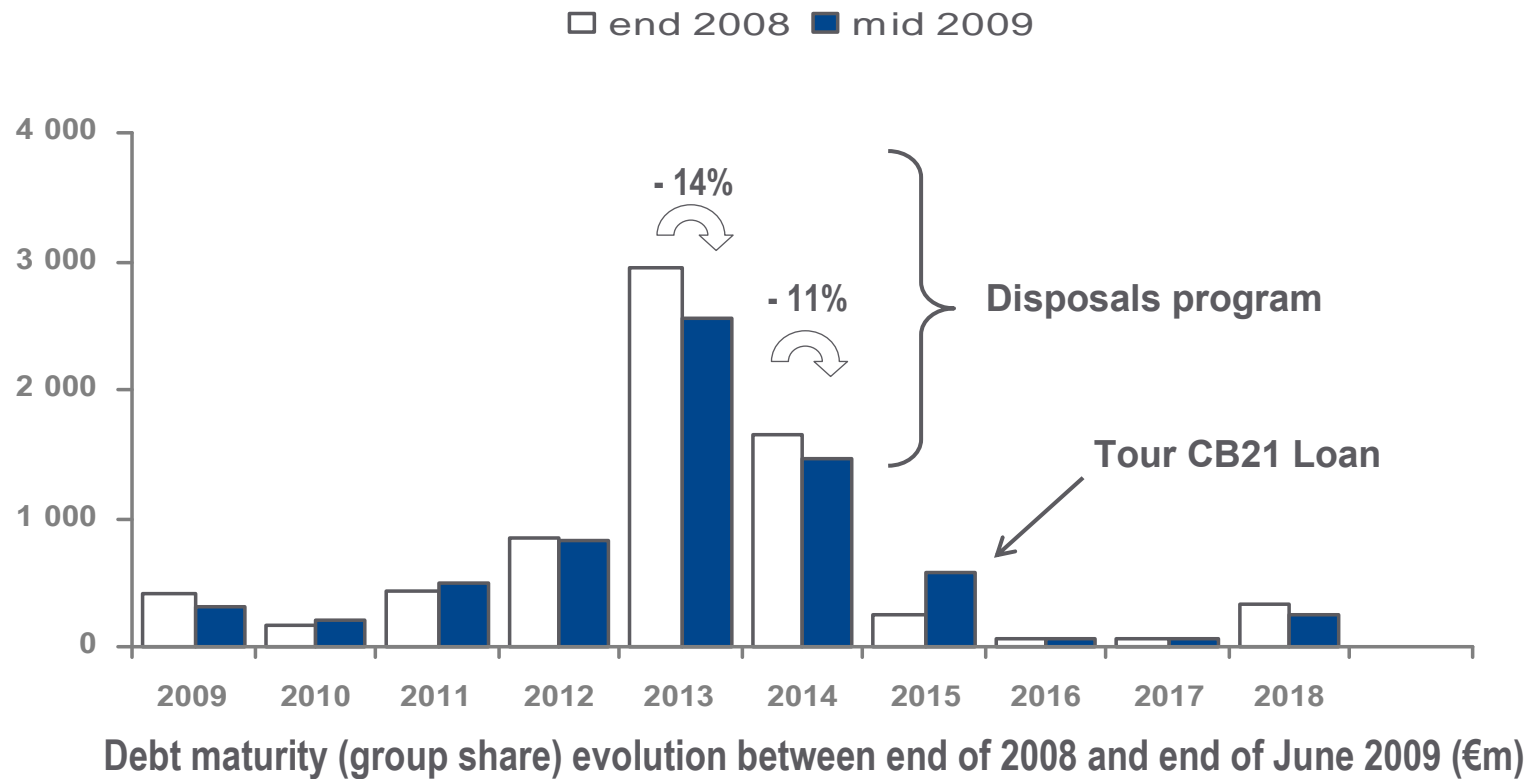


			Covenant
LTV, group share	58.8%	58.8%	70%
ICR, group share	2.02	2.09	1.9

**€775m reduction in net debt over 6 months\***

*\*including sales agreements*

# FdR 2010 "Financing" action plan: optimising debt repayment structure



**No major repayments before 2013**

# Disclaimer

Foncière des Régions (the "Company") has issued this document solely for presentation purposes. This document may not be reproduced or distributed in whole or in part by anyone other than the Company. The Company shall not be held liable for any person's use of this document.

The information in this document has not been independently verified and no express or implied guarantee is given as to the accuracy, completeness or adequacy of the information or opinions expressed herein. The Company, its shareholders, their advisors, representatives, and all other persons reject all liability for any use of this document, its content, or in general any reference to this document, by any person.

This document constitutes neither an offer nor invitation to subscribe to or purchase transferable securities, and may not be used to support, or be used as part of, any offer or invitation or any other agreement or commitment in any country.

The user of this document will under all circumstances be solely responsible for his/her assumptions, analyses and conclusions.

Participants are invited to read the Company's 2008 Reference Document ("Document de Référence") filed with the AMF on 8 April 2009 under the D09-0214 registration number and the risk factors set out in section 1 of that document. The Reference Document is available free of charge at the Company's registered office as well as on the AMF website ([www.amf-france.org](http://www.amf-france.org)) and the Company's website ([www.fonciere-des-regions.fr](http://www.fonciere-des-regions.fr))

Certain declarations in the Reference Document contain forecasts that relate to future events, trends, projects or objectives. The data, assumptions and estimates that the Company may rely on to set its objectives may change or be modified as a result of uncertainties linked in particular to economic, financial and competitive conditions. In addition, certain risks described in section 1 of the Reference Document may have an impact on the Group's activities and the Company's ability to achieve its objectives. The Company therefore makes no commitment and gives no guarantee that it will achieve its objectives and does not commit to publishing or communicating any potential corrections or updates on such matters.

No assurance can be provided as to the pertinence, completeness or accuracy of the information or opinions contained in this presentation. In the event that any information in this document differs from the Reference Document, the information in the latter shall take precedence.

# Contact

## Contact

Philippe Le Trung  
+ 33 1 58 97 52 04  
philippe.letrung@fdr.fr

Sébastien Bonneton  
+ 33 1 58 97 52 44  
sebastien.bonneton@fdr.fr

[www.fonciere-des-regions.fr](http://www.fonciere-des-regions.fr)  
[www.fdr.fr](http://www.fdr.fr)