



(a *société en commandite par actions* incorporated in France)

**€200,000,000 2.218 per cent. Notes due May 2023**

**Issue Price: 100.00 per cent.**

This prospectus constitutes a prospectus (the **Prospectus**) for the purposes of Article 5.3 of Directive 2003/71/EC, as amended (the **Prospectus Directive**). Application has been made to the *Autorité des marchés financiers* (**AMF**) for approval of this Prospectus in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive.

The €200,000,000 2.218 per cent. Notes due May 2023 (the **Notes**) of Foncière des Murs (the **Issuer** or **Foncière des Murs**) will mature on 29 May 2023 (the **Maturity Date**).

Interest on the Notes will accrue at the rate of 2.218 per cent. *per annum* from 29 May 2015 (the **Issue Date**) and will be payable in Euro annually in arrear on 29 May in each year, commencing on 29 May 2016. Payments of principal and interest on the Notes will be made without deduction for or on account of taxes of the Republic of France (See “Terms and Conditions of the Notes – Taxation”).

Unless previously redeemed, purchased and cancelled in accordance with the terms and conditions of the Notes, the Notes will be redeemed at their principal amount on the Maturity Date. The Notes may, and in certain circumstances shall, be redeemed, in whole but not in part, at their principal amount together with accrued interest in the event that certain French taxes are imposed (See “Terms and Conditions of the Notes – Redemption and Purchase”).

If a Change of Control occurs, each Noteholder will have the option to require the Issuer to redeem or repurchase all or part of the Notes held by such Noteholder on the Optional Redemption Date at their principal amount together with interest accrued up to but excluding such date of redemption or repurchase all as defined and more fully described in “Terms and Conditions of the Notes – Redemption and Purchase – Redemption at the option of Noteholders following a Change of Control”.

If the Issuer fails to comply with any of the Financial Covenants, any Noteholder may at its option, request the early redemption of all or some of the Notes that it holds, at their nominal value plus, if relevant, accrued interest, all as defined and more fully described in “Terms and Conditions of the Notes – Financial Covenants” and “Terms and Conditions of the Notes – Events of Default”.

The Issuer may, at its option (i) from and including 28 February 2023 to but excluding the Maturity Date, redeem all but not some only of the Notes outstanding, at par plus accrued interest, in accordance with the provisions set out in “Terms and Conditions of the Notes – Residual Maturity Call Option by the Issuer” and (ii) redeem the Notes, in whole or in part, at any time prior to their Maturity Date, in accordance with the provisions set out in “Terms and Conditions of the Notes – Make Whole Redemption by the Issuer”.

Application has been made to Euronext Paris S.A. for the Notes to be admitted to trading on Euronext Paris as from the Issue Date. Euronext Paris is a regulated market for the purposes of the Markets in Financial Instruments Directive 2004/39/EC, as amended, appearing on the list of regulated markets issued by the European Commission (a **Regulated Market**).

The Notes will, as from their Issue Date, be inscribed (*inscription en compte*) in the books of Euroclear France which shall credit the accounts of the Account Holders (as defined in “Terms and Conditions of the Notes – Form, Denomination and Title”) including Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

The Notes will be in dematerialised bearer form in the denomination of €100,000. The Notes will at all times be represented in book-entry form (*dématérialisé*) in the books of the Account Holders in compliance with Articles L.211-3 and R.211-1 of the French *Code monétaire et financier*. No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

Neither the Notes, nor the long-term debt of the Issuer is rated.

Copies of this Prospectus and the documents incorporated by reference will be available for inspection free of charge, at the office of the Fiscal Agent and will be available on the websites of the Issuer ([www.foncieredesmurs.fr](http://www.foncieredesmurs.fr)) and the AMF ([www.amf-france.org](http://www.amf-france.org)).

**Prospective investors should have regard to the factors described in the section headed "Risk Factors" in this Prospectus.**

**Sole Manager**

**MORGAN STANLEY**

*This Prospectus has been prepared for the purpose of giving information with regard to the Issuer, the Issuer and its consolidated subsidiaries taken as a whole (the **Group**) and the Notes which is necessary to enable investors to make an informed assessment of the assets and liabilities, financial position and profit and losses of the Issuer and the Group.*

*This Prospectus is to be read in conjunction with all the documents which are incorporated herein by reference.*

*This Prospectus does not constitute an offer of, or an invitation by or on behalf of the Issuer or the Sole Manager (as defined in "Subscription and Sale" below) to subscribe or purchase, any of the Notes. The distribution of this Prospectus and the offering of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Prospectus comes are required by the Issuer and the Sole Manager to inform themselves about and to observe any such restrictions. The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the **Securities Act**). Subject to certain exceptions, the Notes may not be offered or sold within the United States or to, or of the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act (**Regulation S**)). For a description of certain restrictions on offers and sales of Notes and on distribution of this Prospectus, see "Subscription and Sale".*

*No person is authorised to give any information or to make any representation not contained in this Prospectus and any information or representation not so contained must not be relied upon as having been authorised by or on behalf of the Issuer or the Sole Manager. Neither the delivery of this Prospectus nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuer or the Group since the date hereof or the date upon which this Prospectus has been most recently amended or supplemented or that the information contained or incorporated by reference in it or any other information supplied in connection with the Notes is correct as of any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.*

*To the extent permitted by law, the Sole Manager accepts no responsibility whatsoever for the content of this Prospectus or for any other statement in connection with the Issuer or the Group.*

*The Sole Manager has not separately verified the information contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. The Sole Manager makes no representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained or incorporated by reference in this Prospectus in connection with the Issuer or the Group. Neither this Prospectus nor any other financial statements are intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuer or the Sole Manager that any recipient of this Prospectus or any other financial statements should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Prospectus and its purchase of Notes should be based upon such investigation and assessment as it deems necessary. Each potential purchaser of Notes should consult its own advisers as to legal, tax, financial, credit and related aspects of an investment in the Notes. The Sole Manager does not undertake to review the financial condition or affairs of the Issuer or the Group during the life of the arrangements contemplated by this Prospectus nor to advise any investor or potential investor in the Notes of any information coming to its attention.*

**See "Risk Factors" below for certain information relevant to an investment in the Notes.**

*In this Prospectus, unless otherwise specified, references to a "Member State" are references to a Member State of the European Economic Area, references to "EUR" or "euro" or "€" are to the single currency introduced at the start of the third stage of European Economic and Monetary Union pursuant to the Treaty establishing the European Community, as amended.*

### **FORWARD-LOOKING STATEMENTS**

*This Prospectus contains certain statements that are forward-looking including statements with respect to the Issuer's and the Group's business strategies, expansion and growth of operations, trends in the business, competitive advantage, and technological and regulatory changes, information on exchange rate risk and generally includes all statements preceded by, followed by or that include the words "believe", "expect", "project", "anticipate", "seek", "estimate" or similar expressions. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors. Potential investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date hereof.*

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## **RISK FACTORS**

*The following are certain risk factors of the offering of the Notes of which prospective investors should be aware. The Issuer believes that the following factors may affect its ability to fulfil its obligations under the Notes. All of these factors are contingencies which may or may not occur and the Issuer is not in a position to express a view on the likelihood of any such contingency occurring. Factors which the Issuer believes may be material for the purpose of assessing the market risks associated with Notes are also described below. The Issuer believes that the factors described below represent the principal risks inherent in investing in Notes, but the inability of the Issuer to pay interest, principal or other amounts on or in connection with any Notes may occur for other reasons and the Issuer do not represent that the statements below regarding the risks of holding any Notes are exhaustive. Prospective investors should make their own independent evaluations of all risk factors and should also read the detailed information set out elsewhere in this Prospectus (including any documents incorporated by reference herein) and reach their own views prior to making any investment decision.*

*The terms defined in "Terms and Conditions of the Notes" shall have the same meaning where used below.*

### **Risks related to the Issuer and its business**

For complete information, the risks factors relating to the Issuer, the Group and the business of the Issuer and the Group are set out on pages 35 to 40, 99 and 141 to 143 of the 2014 Reference Document (as defined in the section "Documents Incorporated by Reference") incorporated by reference in this Prospectus.

Investors should carefully read the risk factors section contained in the 2014 Reference Document before investing in the Notes.

### **Risks related to the Notes**

*The Notes may not be a suitable investment for all investors*

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Prospectus or any applicable supplement;
- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency or where the currency for principal or interest payments is different from the currency in which such potential investor's financial activities are principally denominated;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

### *Legal Investment Considerations*

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult their legal counsel in order to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal counsel or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

### *Independent Review and Advice*

Each prospective investor in the Notes must determine, based on its own independent review and such professional advice as it deems appropriate under the circumstances, that its acquisition of the Notes is fully consistent with its financial needs, objectives and condition, complies and is fully consistent with all investment policies, guidelines and restrictions applicable to it and is a fit, proper and suitable investment for it, notwithstanding the clear and substantial risks inherent in investing in or holding the Notes. A prospective investor may not rely on the Issuer or the Sole Manager or any of their respective affiliates in connection with its determination as to the legality and suitability of its acquisition of the Notes or as to the other matters referred to above.

### *Legality of Purchase*

Neither the Issuer, the Sole Manager nor any of their respective affiliates has or assumes responsibility for the lawfulness of the subscription or acquisition of the Notes by a prospective investor in the Notes, whether under the laws of the jurisdiction of its incorporation or the jurisdiction in which it operates (if different), or for compliance by that prospective investor with any law, regulation or regulatory policy applicable to it.

### *A Noteholder's actual yield on the Notes may be reduced from the stated yield by several costs*

When Notes are purchased or sold, several types of incidental costs (including transaction fees and commissions) are incurred in addition to the current price of the security. These incidental costs may significantly reduce or even exclude the profit potential of the Notes. For instance, credit institutions as a rule charge their clients for own commissions which are either fixed minimum commissions or pro-rata commissions depending on the order value. To the extent that additional – domestic or foreign – parties are involved in the execution of an order, including but not limited to domestic dealers or brokers in foreign markets, Noteholders must take into account that they may also be charged for the brokerage fees, commissions and other fees and expenses of such parties (third party costs). In addition to such costs directly related to the purchase of securities (direct costs), Noteholders must also take into account any follow-up costs (such as custody fees). Investors should inform themselves about any additional costs incurred in connection with the purchase, custody or sale of the Notes before investing in the Notes.

### ***Risks related to the market generally***

Set out below is a brief description of the principal market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

#### *No active secondary market for the Notes*

The Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes in the secondary market in which case the market or trading price and liquidity may be adversely affected or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. An investment in the Notes should be considered primarily with a view to holding them until Maturity Date (i.e 29 May 2023).

*The trading market for debt securities may be volatile and may be adversely impacted by many events*

The market for debt securities issued by the Issuer is influenced by economic and market conditions and, to varying degrees, market conditions, interest rates, currency exchange rates and inflation rates in other European and other industrialised countries. There can be no assurance that events in France, Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the price of Notes or that economic and market conditions will not have any other adverse effect.

*Exchange rate risks and exchange controls*

The Issuer will pay principal and interest on the Notes in Euro. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than Euro. These include the risk that exchange rates may change significantly (including changes due to devaluation of Euro or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Euro would decrease (i) the Investor's Currency-equivalent yield on the Notes, (ii) the Investor's Currency-equivalent value of the principal payable on the Notes and (iii) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

*Interest rate risks*

The Notes bearing interest at a fixed rate, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes.

*Credit risk*

The value of the Notes will also depend on the creditworthiness of the Issuer. If the creditworthiness of the Issuer deteriorates, the value of the Notes may decrease and investors may lose all or part of their investment.

***The Notes may be redeemed prior to maturity***

In the event that the Issuer would be obliged to pay additional amounts payable in respect of any Notes due to any withholding as provided in Condition 6.2, the Issuer may redeem all outstanding Notes in accordance with such Terms and Conditions.

In addition, the Issuer may, at its option (i) from and including 28 February 2023 to but excluding the Maturity Date, redeem all but not some only of the Notes outstanding, at par plus accrued interest, as provided in Condition 6.5 of the Terms and Conditions of the Notes and (ii) redeem, in whole or in part, the then outstanding Notes at any time prior to the Maturity Date, at the relevant make whole redemption amount, as provided in Condition 6.4 of the Terms and Conditions of the Notes.

The Issuer may choose to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes. The price at which a Noteholder will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

***Exercise of put option following a Change of Control, or notice of Event of Default in respect of certain Notes may affect the liquidity of the Notes in respect of which such Put Option is not exercised or a notice of Event of Default is not given***

Depending on the number of Notes in respect of which the Put Option pursuant to a Change of Control (as more fully described in Condition 6.3) is exercised or in respect of which notice of an Event of Default is given

(as provided in Condition 9), any trading market in respect of those Notes in respect of which such Put Option is not exercised or in respect of which notice of an Event of Default is not given may become illiquid.

In addition, if as a result of the exercise of such Put Option, at least 80% of the initial aggregate principal amount of the Notes have been purchased by the Issuer, the Issuer may redeem all of the remaining outstanding Notes at the principal amount of Notes together with any accrued interest and any arrears of interest (including any additional interest amounts thereon) up to such effective date of redemption of the Notes, subject to the Issuer having given the holders of the Notes not less than 30, or more than 60, calendar days' prior notice in accordance with the Terms and Conditions of the Notes.

***The Notes may not be protected by restrictive covenants, and do not prevent the Issuer from incurring additional indebtedness, including indebtedness that would come prior to or rank equally with the Notes***

The Terms and Conditions of the Notes contain financial covenants. However, these financial covenants will be suspended if an investment grade rating is assigned to the Issuer and/or to the long term debt of the Issuer and no Event of Default has occurred and is continuing. There are no specific restrictions on the payment of dividends, the incurrence of unsecured indebtedness or secured indebtedness (subject to Condition 3 Restriction on Secured Borrowings) or the issuance or repurchase of securities by the Issuer or any of its Subsidiaries. As a result, it is possible that the Issuer could enter into or be the subject of transactions that are disadvantageous to the Noteholders.

#### ***Market value of the Notes***

The value of the Notes depends on a number of interrelated factors, including economic, financial and political events in France or elsewhere, including factors affecting capital markets generally and the stock exchanges on which the Notes are traded. The price at which a holder of Notes will be able to sell the Notes prior to maturity may be at a discount, which could be substantial, from the issue price or the purchase price paid by such purchaser.

#### ***Rating***

Due to the absence of a rating for the Notes or the long-term debt of the Issuer, it is not possible to assess the Issuer's capacity to meet its obligations with respect to the payment of interest and repayment of principal under the Notes. Investors should therefore rely on their own advisers' expertise to perform this analysis.

#### ***Change of law***

The Terms and Conditions of the Notes are based on the laws of France in effect as at the date of this Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to the laws of France or administrative practice or the official application or interpretation of French law after the date of this after the date of this Prospectus. Furthermore, the Issuer operates in a heavily regulated environment and has to comply with extensive regulations in France and elsewhere. No assurance can be given as to the impact of any possible judicial decision or change to laws or administrative practices after the date of this Prospectus.

#### ***Modification and waiver***

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

#### ***French insolvency law***

Under French insolvency law, holders of debt securities are automatically grouped into a single assembly of holders (the **Assembly**) in order to defend their common interests if a preservation (*procédure de sauvegarde*, *procédure de sauvegarde accélérée* or *procédure de sauvegarde financière accélérée*) or a judicial reorganisation procedure (*procédure de redressement judiciaire*) is opened in France with respect to the Issuer.

The Assembly comprises holders of all debt securities issued by the Issuer (including the Notes) regardless of their governing law. The Assembly deliberates on the proposed safeguard (*projet de plan de sauvegarde*, *projet de plan de sauvegarde accélérée* or *projet de plan de sauvegarde financière accélérée*) or judicial reorganisation plan (*projet de plan de redressement*) applicable to the Issuer and may further agree to:

- increase the liabilities (*charges*) of holders of debt securities (including the Noteholders) by rescheduling due payments and/or partially or totally writing off receivables in form of debt securities;
- establish an unequal treatment between holders of debt securities (including the Noteholders) as appropriate under the circumstances; and/or
- decide to convert debt securities (including the Notes) into securities that give or may give right to share capital.

Decisions of the Assembly will be taken by a two-third majority (calculated as a proportion of the debt securities held by the holders expressing a vote). No quorum is required to convoke the Assembly.

The procedures, as described above or as they will or may be amended, could have an adverse impact on holders of the Notes seeking repayment in the event that the Issuer or its subsidiaries were to become insolvent.

For the avoidance of doubt, the provisions relating to the Representation of the Noteholders described in this Prospectus in Condition 9 will not be applicable in these circumstances.

### ***Taxation***

Potential purchasers and sellers of the Notes should be aware that they may be required to pay taxes or documentary charges or duties in accordance with the laws and practices of the jurisdiction where the Notes are transferred or other jurisdictions. In some jurisdictions, no official statements of the tax authorities or court decisions may be available for innovative financial instruments such as the Notes. Further, a Noteholder's effective yield on the Notes may be diminished by the tax impact on that Noteholder of its investment in the Notes.

Potential investors are advised not to rely upon the tax summary contained in this Prospectus but to ask for their own tax adviser's advice on their individual taxation with respect to the acquisition, holding, sale and redemption of the Notes. Only these advisors are in a position to duly consider the specific situation of each potential investor. This investment consideration has to be read in connection with the taxation sections of this Prospectus.

Each prospective investor should consult its own advisers as to legal, tax and related aspects of an investment in the Notes.

### ***EU Savings Directive***

Under Council Directive 2003/48/EC on the taxation of savings income (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The end of the transitional period is dependent upon the conclusion of certain other agreements relating to information exchange with certain other countries. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Savings Directive**) amending and broadening the scope of the requirements described above. The Amending Savings Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Savings Directive.

If a payment were to be made or collected through a Member State which has opted for a withholding system and an amount of, or in respect of tax were to be withheld from that payment, neither the Issuer nor any paying agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax.

#### ***Financial Transaction Tax (FTT)***

On 14 February 2013, the European Commission published a proposal for a Council Directive (the **Draft Directive**) for a common (**FTT**) in Austria, Belgium, Estonia, France, Germany, Greece, Italy, Portugal, Spain, Slovakia and Slovenia (the **Participating Member States**).

Pursuant to the Draft Directive, the FTT shall be payable on financial transactions provided that at least one party to the transaction is established or deemed established in the territory of a Participating Member State and that a financial institution established or deemed established in the territory of a Participating Member State is a party to the transaction (acting either for its own account or for the account of another person) or is acting in the name of a party to the transaction. The FTT shall, however, not apply to (*inter alia*) primary market transactions referred to in Article 5 (c) of Regulation (EC) No 1287/2006, including the activity of underwriting and subsequent allocation of financial instruments in the framework of their issue.

The rates of the FTT shall be fixed by each Participating Member State but for transactions involving financial instruments other than derivatives shall amount to at least 0.1 per cent. of the taxable amount. The taxable amount for such transactions shall in general be determined by reference to the consideration paid or owed in return for the transfer. The FTT shall be payable by each financial institution established or deemed established in the territory of a Participating Member State (a) which is a party to the transaction (acting either for its own account or for the account of another person), (b) which is acting in the name of a party to the transaction or (c) where the transaction has been carried out on its account. Where the FTT due has not been paid within the applicable time limits, each party to a transaction, including persons other than financial institutions, shall be jointly and severally liable for the payment of the FTT due by a financial institution on account of that transaction.

Joint statements issued in by Participating Member States indicate an intention to implement the FTT by 1 January 2016.

The Draft Directive is still subject to negotiation between the Participating Member States and the scope of such tax is uncertain. Moreover, once the Draft Directive has been adopted, it will need to be implemented into the respective domestic laws of the Participating Member States.

Prospective holders of the Notes should consult their own tax advisers in relation to the consequences of the FTT associated with subscribing for, purchasing, holding and disposing of the Notes.

## DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus shall be read and construed in conjunction with the following documents which have been filed with the AMF and which are incorporated in, and shall be deemed to form part of, this Prospectus:

- (a) the sections referred to in the table below included in the 2014 reference document of the Issuer in the French language (*document de référence 2014*) which was filed with the AMF on 16 March 2015 under no. D.15-0140 (the **2014 Reference Document**); and
- (b) the sections referred to in the table below included in the 2013 reference document of the Issuer in the French language (*document de référence 2013*) which was filed with the AMF on 17 March 2014 under no. D.14-0148 (the **2013 Reference Document**).

Any document incorporated by reference in this Prospectus may be obtained, without charge and upon request at the principal office of the Issuer or of the Fiscal Agent during normal business hours so long as any of the Notes is outstanding, as described in "General Information" below. Such document will be published on the websites of (a) the AMF ([www.amf-france.org](http://www.amf-france.org)), (b) the Issuer ([www.foncieredesmurs.fr](http://www.foncieredesmurs.fr)) and (c) [www.info-financiere.fr](http://www.info-financiere.fr).

The information incorporated by reference in this Prospectus shall be read in connection with the cross-reference list below.

Rule	Prospectus Regulation – Annex IX	2013 Reference Document (page number)	2014 Reference Document (page number)
<b>1.</b>	<b>PERSONS RESPONSIBLE</b>		
1.1.	All persons responsible for the information given in the registration document and, as the case may be, for certain parts of it, with, in the latter case, an indication of such parts. In the case of natural persons including members of the issuer's administrative, management or supervisory bodies indicate the name and function of the person; in case of legal persons indicate the name and registered office.	Not Applicable	Not Applicable
1.2.	A declaration by those responsible for the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the registration document is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. As the case may be, declaration by those responsible for certain parts of the registration document that, having taken all reasonable care to ensure that such is the case, the information contained in the part of the registration document for which they are responsible is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import.	Not Applicable	Not Applicable
<b>2.</b>	<b>STATUTORY AUDITORS</b>		
2.1.	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	Not Applicable	254
2.2.	If auditors have resigned, been removed or not been re-	Not Applicable	Not Applicable

<b>Rule</b>	<b>Prospectus Regulation – Annex IX</b>	<b>2013 Reference Document (page number)</b>	<b>2014 Reference Document (page number)</b>
	appointed during the period covered by the historical financial information, details if material.		
<b>3.</b>	<b>RISK FACTORS</b>		
	Prominent disclosure of risk factors that may affect the issuer's ability to fulfil its obligations under the securities to investors in a section headed "Risk Factors".	Not Applicable	35 to 40, 99 and 141 to 143
<b>4.</b>	<b>INFORMATION ABOUT THE ISSUER</b>		
4.1.	<u>History and development of the Issuer</u>	Not Applicable	249
4.1.1	the legal and commercial name of the issuer	Not Applicable	243
4.1.2	the place of registration of the issuer and its registration number		243
4.1.3	the date of incorporation and the length of life of the issuer, except where indefinite		243
4.1.4	the domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, and the address and telephone number of its registered office (or principal place of business if different from its registered office		243 - 244
4.1.5	any recent events particular to the issuer and which are to a material extent relevant to the evaluation of the issuer's solvency	Not Applicable	Not Applicable
<b>5.</b>	<b>BUSINESS OVERVIEW</b>		
5.1.	<u>Principal activities</u>	Not Applicable	5 to 21
5.1.1	A brief description of the issuer's principal activities stating the main categories of products sold and/or services performed	Not Applicable	5 to 21
5.1.2	The basis for any statements in the registration document made by the issuer regarding its competitive position.	Not Applicable	Not Applicable
<b>6.</b>	<b>ORGANISATIONAL STRUCTURE</b>		
6.1.	If the issuer is part of a group, a brief description of the group and of the issuer's position within it	Not Applicable	85 249 and 250
6.2.	If the Issuer is dependant upon other entities within the group, this must be clearly stated together with an explanation of this dependence.	Not Applicable	Not Applicable
<b>7.</b>	<b>TREND INFORMATION</b>		
7.1.	Include a statement that there has been no material adverse change in the prospects of the issuer since the date of its last published audited financial statements.  In the event that the issuer is unable to make such a statement, provide details of this material adverse change.	Not Applicable	Not Applicable

Rule	Prospectus Regulation – Annex IX	2013 Reference Document (page number)	2014 Reference Document (page number)
<b>8.</b>	<b>PROFIT FORECASTS OR ESTIMATES</b>  If an issuer chooses to include a profit forecast or a profit estimate, the registration document must contain the information items 8.1 and 8.2 the following:		
8.1.	A statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. There must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; be readily understandable by investors; be specific and precise; and not relate to the general accuracy of the estimates underlying the forecast.	Not Applicable	Not Applicable
8.2.	Any profit forecast set out in the registration document must be accompanied by a statement confirming that the said forecast has been properly prepared on the basis stated and that the basis of accounting is consistent with the accounting policies of the issuer.	Not Applicable	Not Applicable
8.3.	The profit forecast or estimate must be prepared on a basis comparable with the historical financial information.	Not Applicable	Not Applicable
<b>9.</b>	<b>ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES</b>		
9.1.	Names, business addresses and functions in the issuer of the following persons, and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:  (a) members of the administrative, management or supervisory bodies;  (b) partners with unlimited liability, in the case of a limited partnership with a share capital.	Not Applicable	53 to 83
9.2.	<u>Administrative, Management, and Supervisory bodies conflicts of interests</u>  Potential conflicts of interests between any duties to the issuing entity of the persons referred to in item 9.1 and their private interests and or other duties must be clearly stated  In the event that there are no such conflicts, a statement to that effect	Not Applicable	39
<b>10.</b>	<b>MAJOR SHAREHOLDERS</b>		
10.1.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom, and describe the nature of such control, and describe the measures in place to ensure that such control is not abused	Not Applicable	41 and 42

<b>Rule</b>	<b>Prospectus Regulation – Annex IX</b>	<b>2013 Reference Document (page number)</b>	<b>2014 Reference Document (page number)</b>
10.2.	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer	Not Applicable	Not Applicable
<b>11.</b>	<b>FINANCIAL INFORMATION CONCERNING THE ISSUER'S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES</b>		
11.1.	<p><u>Historical Financial Information</u></p> <p>Audited historical financial information covering the latest 2 financial years (or such shorter period that the issuer has been in operation), and the audit report in respect of each year</p> <p>If the audited financial information is prepared according to national accounting standards, the financial information required under this heading must include at least the following:</p> <p>(a) the balance sheet</p> <p>(b) the income statement</p> <p>(c) the accounting policies and explanatory notes</p>	143 to 179	128 to 165
11.2.	<p><u>Financial statements</u></p> <p>If the issuer prepares both own and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	143 to 179	128 to 165
11.3.	<u>Auditing of historical annual financial information</u>		
11.3.1	A statement that the historical financial information has been audited. If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications or disclaimers, such refusal or such qualifications or disclaimers, must be reproduced in full and the reasons given.	180 and 181 and 205 and 206	166 and 190
11.3.2	An indication of other information in the registration document which has been audited by the auditors.	141 and 207	192 and 241
11.3.3	Where financial data in the registration document is not extracted from the issuer's audited financial statements, state the source of the data and state that the data is unaudited.	Not Applicable	Not Applicable
11.4.	<u>Age of latest financial information</u>		
11.4.1	The last year of audited financial information may not be older than 18 months from the date of the registration document.	Not Applicable	128 to 132
11.5.	<p><u>Legal and arbitration proceedings</u></p> <p>Information on any governmental, legal or arbitration proceedings (including any such proceedings which are</p>	Not Applicable	Not Applicable

<b>Rule</b>	<b>Prospectus Regulation – Annex IX</b>	<b>2013 Reference Document (page number)</b>	<b>2014 Reference Document (page number)</b>
	pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past, significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement		
11.6.	<u>Significant change in the issuer's financial or trading position</u>  A description of any significant change in the financial or trading position of the group which has occurred since the end of the last financial period for which either audited financial information or interim financial information have been published, or an appropriate negative statement.	Not Applicable	Not Applicable
<b>12.</b>	<b>MATERIAL CONTRACTS</b>		
12.1.	A brief summary of all material contracts that are not entered into in the ordinary course of the issuer's business, which could result in any group member being under an obligation or entitlement that is material to the issuer's ability to meet its obligation to security holders in respect of the securities being issued	Not Applicable	Not Applicable
<b>13.</b>	<b>THIRD PARTY INFORMATION AND STATEMENT BY EXPERTS AND DECLARATIONS OF ANY INTEREST</b>		
13.1.	Where a statement or report attributed to a person as an expert is included in the registration document, provide such person's name, business address, qualifications and material interest if any in the issuer. If the report has been produced at the issuer's request a statement to that effect that such statement or report is included, in the form and context in which it is included, with the consent of that person who has authorised the contents of that part of the registration document.	231 to 233	257 to 259
13.2.	<u>Third party information</u>  Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading; in addition, identify the source(s) of the information.	Not Applicable	Not Applicable
<b>14.</b>	<b>DOCUMENTS ON DISPLAY</b>		
	A statement that for the life of the registration document the following documents (or copies thereof), where applicable, may be inspected:  (a) the memorandum and articles of association of the issuer;	Not Applicable	Not Applicable

<b>Rule</b>	<b>Prospectus Regulation – Annex IX</b>	<b>2013 Reference Document (page number)</b>	<b>2014 Reference Document (page number)</b>
	<p>(b) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the issuer’s request any part of which is included or referred to in the registration document;</p> <p>(c) the historical financial information of the issuer or, in the case of a group, the historical financial information of the issuer and its subsidiary undertakings for each of the two financial years preceding the publication of the registration document.</p> <p>An indication of where the documents on display may be inspected, by physical or electronic means.</p>		

## TERMS AND CONDITIONS OF THE NOTES

*The terms and conditions of the Notes will be as follows:*

The issue of €200,000,000 2.218 per cent. Notes due 29 May 2023 (the **Notes**) of Foncière des Murs SCA (the **Issuer**) has been authorised by a resolution of the Supervisory Board (*Conseil de Surveillance*) of the Issuer dated 10 April 2015 and a decision of FDM Gestion, Manager (*Gérant*), of the Issuer dated 19 May 2015. The Issuer has entered into a fiscal agency agreement (the **Fiscal Agency Agreement**) dated 27 May 2015 with CACEIS Corporate Trust as fiscal agent, calculation agent, principal paying agent and put agent. The fiscal agent, calculation agent, principal paying agent, put agent and paying agents for the time being are referred to in these Conditions as the **Fiscal Agent**, the **Calculation Agent**, the **Principal Paying Agent**, the **Put Agent** and the **Paying Agents** (which expression shall include the Principal Paying Agent), each of which expression shall include the successors from time to time of the relevant persons, in such capacities, under the Fiscal Agency Agreement, and are collectively referred to as the **Agents**. References to **Conditions** are, unless the context otherwise requires, to the numbered paragraphs below.

In these Conditions, references to "day" or "days" are to calendar days unless the context otherwise specifies.

### 1. FORM, DENOMINATION AND TITLE

The Notes are issued on 29 May 2015 (the **Issue Date**) in dematerialised bearer form in the denomination of €100,000. Title to the Notes will be evidenced in accordance with Articles L.211-3 and R. 211-1 of the French *Code monétaire et financier* by book-entries (*inscription en compte*). No physical document of title (including *certificats représentatifs* pursuant to Article R.211-7 of the French *Code monétaire et financier*) will be issued in respect of the Notes.

The Notes will, upon issue, be inscribed in the books of Euroclear France, which shall credit the accounts of the Account Holders. For the purpose of these Conditions, **Account Holders** shall mean any intermediary institution entitled to hold accounts, directly or indirectly, with Euroclear France, and includes Euroclear Bank S.A./N.V. (**Euroclear**) and the depositary bank for Clearstream Banking, société anonyme (**Clearstream, Luxembourg**).

Title to the Notes shall be evidenced by entries in the books of Account Holders and will pass upon, and transfer of Notes may only be effected through, registration of the transfer in such books.

### 2. STATUS OF THE NOTES

The obligations of the Issuer under the Notes in respect of principal, interest and other amounts, constitute direct, general, unconditional, unsubordinated and unsecured obligations of the Issuer (*engagements chirographaires*), and rank *pari passu* without any preference amongst themselves and with all other unsecured and unsubordinated indebtedness and guarantees (subject to exceptions imposed by French law), present or future, of the Issuer.

### 3. RESTRICTION ON SECURED BORROWINGS

Condition 3.1 will apply in respect of the Notes from the Issue Date for so long as any of the Notes remains outstanding unless an Investment Grade Rating (as defined below) is assigned to the Issuer or to the long term debt of the Issuer.

If an Investment Grade Rating is assigned to the Issuer or to the long term debt of the Issuer and no Event of Default (as defined in Condition 9) has occurred, Condition 3.1 will no longer apply and Condition 3.2 will apply in respect of the Notes from the date of assignment of such Investment Grade Rating to the Issuer or to the long term debt of the Issuer.

If, following the assignment of an Investment Grade Rating to the Issuer or to the long term debt of the Issuer, an Investment Grade Rating is no longer assigned to the Issuer or to the long term debt of the Issuer and no Event of Default has occurred, and subject to the Issuer having given prior notice of such loss of Investment Grade Rating to the Noteholders, in accordance with Condition 11, Condition 3.2 will no longer apply and Condition 3.1 will apply in respect of the Notes.

### 3.1 Original Restriction on Secured Borrowings

The Issuer agrees that, so long as any of the Notes remains outstanding and except with the prior approval of the General Meeting (as defined under Condition 10) of the Noteholders, the Unsecured Net Asset Value (as defined below) shall not be less than 175 per cent. of the Relevant Debt (as defined below) at any time.

### 3.2 Amended Restriction on Secured Borrowings

The Issuer agrees that, so long as any of the Notes remains outstanding and except with the prior approval of the General Meeting of the Noteholders, the Unsecured Net Asset Value shall not be less than the Relevant Debt at any time.

For the purposes of these Conditions:

**Relevant Debt** means at any time the aggregate amount of the Consolidated Net Indebtness (as defined in Condition 4) less Secured Debt;

**Secured Debt** means at any time the aggregate amount of the Consolidated Net Indebtness of the Issuer as shown in, or derived from, the latest audited annual or unaudited semi-annual consolidated financial statements of the Issuer, that is secured by or benefits from a Security Interest over any of the FDM Group's Assets;

**Security Interest** means any mortgage, mortgage options and lender's lien (*privilège du prêteur de denier*); and

**Unsecured Net Asset Value** means at any time an amount equal to the Consolidated Assets (as defined in Condition 4) less Secured Debt.

## 4. FINANCIAL COVENANTS

So long as any of the Notes is outstanding, the Issuer shall procure that:

- (a) the Consolidated LTV<sup>1</sup> (as defined below) as at each Testing Date will be lower than or equal to 60 per cent.; and
- (b) the Consolidated ICR<sup>2</sup> (as defined below) ratio as at each Testing Date for the relevant Testing Period will be higher than or equal to 2,

(together, the **Financial Covenants**).

If (i) any of the Financial Covenants is not complied with on any Testing Date or (ii) for any reason whatsoever, the Fiscal Agent did not receive the Certificate of Financial Covenants (as defined below) from the Issuer in due time, Condition 9(c) shall apply.

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<sup>1</sup> For information purposes only, the Consolidated LTV was equal to 37.25 per cent. as at 31 December 2014.

<sup>2</sup> For information purposes only, the Consolidated ICR was equal to 3.21 as at 31 December 2014.

The Financial Covenants shall be calculated in accordance with the accounting standards applicable to the Issuer as of the Issue Date and tested by reference to (i) the latest audited annual consolidated financial statements when the Testing Period ends on 31 December or (ii) semi-annual consolidated financial statements when the Testing Period ends on 30 June. In the event of a change in such accounting standards, the financial statements of the Issuer will be adjusted to calculate such Financial Covenants on the basis of the accounting standards applicable as at the Issue Date.

So long as any of the Notes is outstanding, the Issuer shall deliver to the Fiscal Agent at the date of publication of its latest semi-annual or annual consolidated financial statements, and no later than 90 days after the end of each first half of a financial year, and no later than 180 days after the end of each financial year, a certificate of an authorised representative of the Issuer certifying that each of the Financial Covenants is complied with or not in respect of the relevant Testing Date (a **Certificate of Financial Covenants**).

So long as any of the Notes is outstanding and in accordance with Condition 11, the Fiscal Agent shall promptly deliver to the Noteholders: (i) upon receipt of the Certificate of Financial Covenants from the Issuer, such Certificate of Financial Covenants or (ii) a notice of non-receipt (a **Non-Compliance Notice**), if for any reason whatsoever, the Fiscal Agent did not receive the Certificate of Financial Covenants from the Issuer in due time.

If an Investment Grade Rating is assigned to the Issuer or to the long term debt of the Issuer and no Event of Default has occurred and is continuing, then for so long as an Investment Grade Rating continues to be assigned to the Issuer or to the long term debt of the Issuer and no Event of Default occurs, and subject to the Issuer having given prior notice of such Investment Grade Rating to the Noteholders, in accordance with Condition 11, the Financial Covenants shall be suspended and shall not be applicable to the Notes and the Issuer shall not be required to deliver any Certificate of Financial Covenant as contemplated above.

For the purposes of these Conditions:

**Annual Testing Period** means, for the purposes of the determination of the Consolidated ICR, any 12 months period ending on each Testing Date corresponding to the closing date of a financial year of the Issuer.

**Consolidated Assets** (*Patrimoine Consolidé*) means, on any Testing Date, in FDM Group Share, the sum of:

- (a) the Market Values of all the FDM Group's real estate assets;
- (b) regarding the real estate assets acquired by the FDM Group since the last Testing Date and when no Market Value is available, the conventional value of such assets used to determine the purchase price (excluding tax duties, expenses and fees); and
- (c) if any, value of interests held in any company by the FDM Group.

**Consolidated Cash** (*Trésorerie Consolidée*) means, on any given date, in FDM Group Share, the sum of the credit position of bank accounts and investment securities (*valeurs mobilières de placement*) of the FDM Group.

**Consolidated Financing Cost** (*Charge Financière Consolidée*) means, on any Testing Date and for any given Testing Period, in FDM Group Share, the interest payable and similar charges borne by the Issuer and its Consolidated Subsidiaries determined in accordance with the IFRS Standard minus (a) the sum of the other interests and financial products of investments (*autres intérêts et produits*

*financiers de placements*) and available funds (*disponibilités*) and (b) the net proceeds from sale of investment securities (*valeurs mobilières de placement*).

**Consolidated Gross Operation Surplus** (*Excédent Brut d'Exploitation – EBE Consolidé*) means, on any Testing Date and for any given Testing Period, in FDM Group Share, the consolidated operating results of the Issuer and of its Consolidated Subsidiaries before financial assets sale (*cession des actifs de placement*) plus (a) net charges of provisions for liabilities and charges (*charges nettes de provisions pour risques et charges*), (b) net charges of provisions for current assets (*charges nettes de provisions sur actif circulant*), (c) charging depreciations (*dotations aux amortissements*) and (d) dividends received by the non-fully consolidated Subsidiaries of the Issuer.

**Consolidated ICR** (*ICR Consolidé*) means, on any Testing Date and for any given Testing Period, the ratio, expressed as a percentage, between (a) the Consolidated Gross Operation Surplus (*Excédent Brut d'Exploitation – EBE*) and (b) the Consolidated Financing Cost (*Charge Financière Consolidée*).

**Consolidated Indebtness** (*Endettement Consolidé*) means, on any Testing Date, in FDM Group Share, all the borrowings and assimilated interest bearing of the FDM Group (including vendor loans of more than one year but excluding (a) the impact of the fair value of hedging instruments and (b) VAT financing facility (*crédit de financement de TVA*)) according to the General Accounting System (*Plan Comptable Général*), plus (i) the debit position of overdrafts (*comptes bancaires débiteurs*), (ii) the discounted bills pending maturity, (iii) off-balance-sheet commitments determined in accordance with IFRS Standard (but excluding (a) pension liability, (b) guarantees and securities granted for the on-going operational activities of the FDM Group, (c) possible factoring, (d) rate hedging contracts), (iv) property leasing and (v) commercial bills.

**Consolidated LTV** (*LTV Consolidé*) means, on any Testing Date, the ratio, expressed as a percentage, between (a) the Consolidated Net Indebtness at the relevant Testing Date and (b) and the Consolidated Assets at the relevant Testing Date.

**Consolidated Net Indebtness** (*Endettement Net Consolidé*) means, on any given date, the difference between the Consolidated Indebtness and the Consolidated Cash.

**Consolidated Subsidiaries** means any Subsidiary of the Issuer fully consolidated (*consolidation par intégration globale*) in the financial statements of the Issuer.

**Expert** means any reputable independent expert selected by the Issuer to determine the valuation of the assets of the FDM Group as part of the regulatory obligations of the Issuer in its capacity as *société d'investissement immobilier cotée (SIIC)*, or, if these provisions are no longer applicable to the Issuer, any reputable independent expert selected by the Issuer.

**FDM Group** means the Issuer and its Consolidated Subsidiaries taken as a whole.

**FDM Group Share** means, in relation to assets, borrowings, income, expenses or any other items referred to in the financial statements of the FDM Group, the Issuer's share of such item calculated as a percentage of the aggregate amount or value of that item that is equal to the percentage of the Issuer's direct or indirect interest, in the Subsidiary who owns the asset or the borrowing, derives the income, incurs the expense or to whom such other item relates (and calculated, in the case of assets, borrowings, income, expenses or any items that are derived by, incurred by or related to the Issuer directly, as 100 per cent.).

**Fitch** means Fitch Ratings, or any of its successors or affiliates.

**Investment Grade Rating** means (i) a rating of at least BBB- by S&P, Baa3 by Moody's and BBB- by Fitch and any equivalent rating by any other rating agency recognised as such by banks, securities

houses and investors in the euro-markets, and provided that (ii) no rating assigned is below BBB- by S&P, Baa3 by Moody's or BBB- by Fitch or any equivalent rating by any other rating agency recognised as such by banks, securities houses and investors in the euro-markets.

**Market Value** means, at any given date and for any real estate assets held by the Issuer or any other company of the FDM Group or interests held in any company consolidated by equity method, its most recent valuation realised by one or more Experts (conducted in accordance with the regulatory obligations of the Issuer in its capacity as *société d'investissement immobilier cotée (SIIC)*).

**Moody's** means Moody's Investors Service Inc., or any of its successors or affiliates.

**Semi-Annual Testing Period** means, for the purpose of the determination of the Consolidated ICR, any 6 months period ending on each Testing Date corresponding to the last day of the first semester of the financial year of the Issuer.

**Subsidiary** means in relation to any person or entity at any time, any other person or entity (whether or not now existing) controlled directly or indirectly by such person or entity within the meaning of Article L.233-3 of the French *Code de commerce*.

**S&P** means Standard & Poor's Ratings Services, a division of the McGraw-Hill Companies or any of its successors or affiliates.

**Testing Date** means any date on which the Financial Covenants are tested, on 30 June and 31 December of each year.

**Testing Period** means, for the purpose of the determination of the Consolidated ICR, according to the relevant Testing Date, the Annual Testing Period or the Semi-Annual Testing Period.

## 5. INTEREST

The Notes bear interest at the rate of 2.218 per cent. *per annum*, from and including 29 May 2015 (the **Interest Commencement Date**) payable annually in arrear on 29 May in each year (each an **Interest Payment Date**) and for the first time on 29 May 2016.

The period commencing on, and including, the Interest Commencement Date and ending on, but excluding, the first Interest Payment Date and each successive period commencing on, and including, an Interest Payment Date and ending on, but excluding, the next succeeding Interest Payment Date is called an **Interest Period**.

Notes will cease to bear interest from the date provided for their redemption, unless the Issuer defaults in making due provision for their redemption on said date. In such event, the Notes will continue to bear interest in accordance with this Condition (as well after as before judgment) on the principal amount of such Notes until whichever is the earlier of (i) the day on which all sums due in respect of such Notes up to that day are received by or on behalf of the relevant holder and (ii) the day after the Fiscal Agent has notified the holders of the Notes (the **Noteholders**) in accordance with Condition 11 of receipt of all sums due in respect of all the Notes up to that day.

Interest will be calculated on an Actual/Actual (ICMA) basis. Where interest is to be calculated in respect of a period of less than one (1) year, it shall be calculated on the basis of the number of days elapsed in the relevant period, from and including the date from which interest begins to accrue to but excluding the date on which it falls due, divided by the number of days in such period in which the relevant period falls (including the first but excluding the last day of such period).

## 6. REDEMPTION AND PURCHASE

The Notes may not be redeemed otherwise than in accordance with this Condition 6 and Condition 9.

### 6.1 Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, the Notes will be redeemed by the Issuer at their principal amount on 29 May 2023.

### 6.2 Redemption for Taxation Reasons

- (i) If, by reason of a change in French law or regulation, or any change in the official application or interpretation of such law or regulation, becoming effective after the Issue Date, the Issuer would on the occasion of the next payment due in respect of the Notes, not be able to make such payment without having to pay Additional Amounts as specified in Condition 8 below, and provided that such obligation cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may on any Interest Payment Date, subject to having given not more than 60 nor less than 30 days' prior notice to the Noteholders (which notice shall be irrevocable), in accordance with Condition 11, redeem all, but not some only, of the outstanding Notes at their principal amount plus any interest accrued to the date fixed for redemption provided that the due date for redemption of which notice hereunder may be given shall be no earlier than the latest practicable Interest Payment Date on which the Issuer could make payment of principal and interest without withholding for French taxes.
- (ii) If the Issuer would on the occasion of the next payment in respect of the Notes be prevented by French law or regulation from making payment to the Noteholders of the full amount then due and payable, notwithstanding the undertaking to pay Additional Amounts contained in Condition 8 below, and provided that this cannot be avoided by the Issuer taking reasonable measures available to it, then the Issuer shall forthwith give notice of such fact to the Fiscal Agent and the Issuer shall upon giving not less than 7 days' prior notice to the Noteholders in accordance with Condition 11 redeem all, but not some only, of the Notes then outstanding at their principal amount plus any accrued interest on the latest practicable date on which the Issuer could make payment of the full amount payable in respect of the Notes without withholding for French taxes, or, if such date is past, as soon as practicable thereafter.

### 6.3 Redemption at the option of Noteholders following a Change of Control

If at any time while any Note remains outstanding there occurs a Change of Control (as defined below) (a **Put Event**), each Noteholder will have the option (the **Put Option**) (unless, prior to the giving of the Put Event Notice (as defined below), the Issuer gives notice of its intention to redeem the Notes pursuant to Condition 6.2, 6.4 or 6.5) to require the Issuer to redeem or, at the Issuer's option, to procure the purchase of that Note on the Optional Redemption Date (as defined below) at its principal amount together with (or, where purchased, together with an amount equal to) accrued interest to, but excluding, the Optional Redemption Date.

Promptly upon becoming aware that a Put Event has occurred, the Issuer shall give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 11, specifying the nature of the Put Event, the circumstances giving rise to it and the procedure for exercising the Put Option contained in this Condition 6.3.

To exercise the Put Option to require redemption, or, as the case may be, purchase of the Notes under this Condition 6.3, a Noteholder must give notice to the relevant Account Holder, with a copy to the Put Agent in or substantially in the form set out in the Fiscal Agency Agreement, duly completed and signed on its behalf (the **Put Option Notice**), on any business day in Paris falling within the period of

30 days after a Put Event Notice is given (the **Put Period**). The Put Notice shall include instructions for the transfer of such Noteholders' Notes to the specified account of the Put Agent for the redemption or purchase of such Notes.

The form of the Put Option Notice shall be available from the Put Agent. A Put Option Notice once given shall be irrevocable without the consent of the Issuer.

Payment in respect of such Notes will be made on the Optional Redemption Date by transfer to the bank account specified in the Put Option Notice. The Issuer shall redeem or, at its option, procure the purchase of the relevant Notes on the Optional Redemption Date unless previously redeemed or purchased.

For the avoidance of doubt, the Issuer shall have no responsibility for any breakage costs which the Noteholder may incur as a result of or in connection with such Noteholder's exercise or purported exercise of, or otherwise in connection with, any Put Option (whether as a result of any purchase or redemption arising there from or otherwise).

In the event that at least 80 per cent. of the initial aggregate principal amount of the Notes has been purchased or redeemed by the Issuer pursuant to this Condition 6.3, the Issuer may, at its option but subject to having given not more than 60 nor less than 30 days' notice to the Noteholders (which notice shall be irrevocable) in accordance with Condition 11, redeem all, but not some only, of the remaining Notes at their principal amount plus accrued interest up to but excluding the date fixed for redemption.

A **Change of Control** means the following:

- (a) as long as the Issuer is a *société en commandite par actions*:
  - (i) FDM Gestion ceases to be the sole *associé commandité* of the Issuer; and/or
  - (ii) FDR ceases to own directly or indirectly at least 50.1 per cent. of the shares or voting rights of the sole *associé commandité* of the Issuer;
- (b) if the Issuer changes its form and is therefore no longer a *société en commandite par actions*, a third party (other than a Reference Shareholder or one of its Affiliates acting alone or in concert with one or several other Reference Shareholders or one of their Affiliates), acting alone or in concert (within the meaning of articles L.233-10 and L.233-10-1 of the French *Code du commerce*), acquires, directly or indirectly, the control of the Issuer (within the meaning of article L.233-3 of the French *Code du commerce*).

**Affiliates** means, in relation to a company, (i) any entity owned or controlled, directly or indirectly, by such company (including, if any, any subsidiary), (ii) all the entities owning or controlling, directly or indirectly, acting alone or in concert, such company, and (iii) any entities owned or controlled, directly or indirectly, by any of the entities mentioned in sub-paragraph (ii), all as defined by article L.233-3 of the French *Code du commerce*.

**FDM Gestion** means the company "FDM Gestion SAS", *société par actions simplifiée*, whose registered office is at 30, avenue Kléber, 75116 Paris, France, registered at the *répertoire SIREN* under number 450 140 298 and with the *Registre du commerce et des sociétés* of Paris.

**FDR** means the company "Foncière des Régions", *société anonyme*, whose registered office is at 18, avenue François Mitterrand, 57000 Metz, France, registered at the *répertoire SIREN* under number 364 800 060 and with the *Registre du commerce et des sociétés* of Metz.

**Optional Redemption Date** is the 5th business day in Paris following the expiration of the Put Period.

**Reference Shareholder** means shareholders holding at least 10 per cent. of the share capital and the voting rights of the Issuer as set out in the 2014 reference document of the Issuer in the French language (*document de référence 2014*) which was filed with the AMF on 16 March 2015 under no. D.15-0140.

#### 6.4 Make Whole Redemption by the Issuer

The Issuer will, subject to compliance by the Issuer with all relevant laws, regulations and directives and having given not less than thirty (30) nor more than forty-five (45) days' notice in accordance with Condition 11 to the Noteholders and to the Fiscal Agent (which notice shall be irrevocable and shall specify the date fixed for redemption), have the option to redeem the Notes, in whole or in part, at any time prior to their Maturity Date (the **Optional Make Whole Redemption Date**) at their Optional Make Whole Redemption Amount (as defined below) together with any accrued and unpaid interest up to, but excluding, the Optional Make Whole Redemption Date and any Additional Amounts.

The **Optional Make Whole Redemption Amount** will be calculated by the Calculation Agent and will be an amount in Euro rounded to the nearest cent (half a cent being rounded upwards) being the greater of (x) 100 per cent. of the Principal Amount (as defined below) of the Notes so redeemed and, (y) the sum of the then present values on the Optional Make Whole Redemption Date of (i) the Principal Amount (as defined below) of the Notes and (ii) of the remaining scheduled payments of interest of the Notes for the remaining term of the Notes (determined on the basis of the interest rate applicable to such Note from but excluding the Optional Make Whole Redemption Date), discounted to the Optional Make Whole Redemption Date on an annual basis (Actual/Actual (ICMA)) at the Early Redemption Rate plus an Early Redemption Margin.

The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties. The Calculation Agent shall act as an independent expert and not as agent for the Issuer or the Noteholders.

In case of partial redemption of the Notes, the redemption will be made by reducing the nominal amount of all the Notes in proportion to the aggregate nominal amount redeemed.

**Early Redemption Margin** means 0.25 per cent. *per annum*.

**Early Redemption Rate** means the average of the four quotations given by the Reference Dealers of the mid-market annual yield to maturity of the Reference Benchmark Security on the fourth (4th) business day in Paris preceding the Optional Make Whole Redemption Date at 11.00 a.m. (Central European time (CET)).

If the Reference Benchmark Security is no longer outstanding, a Similar Security will be chosen by the Calculation Agent after prior consultation with the Issuer if practicable under the circumstances, at 11.00 a.m. (Central European time (CET)) on the third (3rd) business day in Paris preceding the Optional Make Whole Redemption Date, quoted in writing by the Calculation Agent to the Issuer and notified to the Noteholders in accordance with Condition 11.

**Principal Amount** means €100,000.

**Reference Benchmark Security** means the German government bond bearing interest at a rate of 1.50 per cent. *per annum* and maturing on 15 May 2023 with ISIN DE0001102317.

**Reference Dealers** means each of the four banks (that may include the Sole Manager) selected by the Calculation Agent which are primary European government security dealers, and their respective successors, or market makers in pricing corporate bond issues.

**Similar Security** means a reference bond or reference bonds issued by the German Government having an actual or interpolated maturity comparable with the remaining term of the Notes that would be utilised, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the Notes.

## **6.5 Residual Maturity Call Option by the Issuer**

The Issuer may, at its option, from and including 3 months prior to the Maturity Date to but excluding the Maturity Date, subject to having given not more than 60 nor less than 30 days prior notice to the Noteholders and the Fiscal Agent in accordance with Condition 11 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all but not some only of the outstanding Notes, at their Principal Amount plus accrued interest up to but excluding the date fixed for redemption.

## **6.6 Purchases**

The Issuer may at any time purchase Notes together with rights to interest relating thereto in the open market or otherwise at any price. Notes so purchased by the Issuer may be held and resold in accordance with Article L.213-1A and D.213-1 A of the French *Code monétaire et financier* for the purpose of enhancing the liquidity of the Notes.

## **6.7 Cancellation**

All Notes which are redeemed pursuant to paragraphs 6.1, 6.2(i), 6.2(ii), 6.3, 6.4, 6.5 or purchased for cancellation pursuant to paragraph 6.6 of this Condition will forthwith be cancelled and accordingly may not be reissued or sold.

# **7. PAYMENTS**

## **7.1 Method of Payment**

Payments of principal and interest in respect of the Notes will be made in Euro by credit or transfer to a Euro-denominated account (or any other account to which Euro may be credited or transferred) specified by the payee in a city in which banks have access to the TARGET System. **TARGET System** means the Trans European Automated Real Time Gross Settlement Express Transfer (known as TARGET2) System or any successor thereto.

Such payments shall be made for the benefit of the Noteholders to the Account Holders and all payments validly made to such Account Holders in favour of the Noteholders will be an effective discharge of the Issuer and the Paying Agents, as the case may be, in respect of such payments.

Payments of principal and interest on the Notes will, in all cases, be subject to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto.

## **7.2 Payments on Business Days**

If any due date for payment of principal or interest in respect of any Note is not a Business Day, then the Noteholder thereof shall not be entitled to payment of the amount due until the next following day which is a Business Day (as defined below) and the Noteholder shall not be entitled to any interest or other sums in respect of such postponed payment.

In this Condition **Business Day** means any day, not being a Saturday or a Sunday, on which the TARGET System is operating and on which Euroclear France is open for general business.

No commission or expenses shall be charged to the Noteholders in respect of such payments.

### **7.3 Fiscal Agent, Calculation Agent, Put Agent and Paying Agents**

The names of the initial Agents and their specified offices are set out below:

CACEIS Corporate Trust  
14, rue Rouget de Lisle  
92130 Issy-Les-Moulineaux  
France

The Issuer reserves the right at any time to vary or terminate the appointment of the Agents and/or appoint additional or other Paying Agents or approve any change in the office through which any such Agent acts, provided that there will at all times be a Fiscal Agent, a Calculation Agent, a Put Agent and a Principal Paying Agent having a specified office in a European city that is not obliged to withhold or deduct tax pursuant to the Council Directive 2003/48/EC (as amended) or any other law implementing or complying with, or introduced in order to conform to, such Directive. Notice of any such change or any change of specified office shall promptly be given to the Noteholders in accordance with Condition 11.

## **8. TAXATION**

### **8.1 Withholding Tax**

All payments of principal and interest by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of any jurisdiction or any political subdivision or any authority thereof having power to tax, unless such withholding or deduction is required by law or regulations.

### **8.2 Additional Amounts**

If, pursuant to French laws or regulations, payments of principal or interest in respect of any Note become subject to withholding or deduction in respect of any present or future taxes, duties, assessments or other governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of France or any authority therein or thereof having power to tax, the Issuer shall, to the fullest extent then permitted by law, pay such additional amounts (the **Additional Amounts**) as may be necessary in order that the holder of each Note, after such withholding or deduction, will receive the full amount then due and payable thereon in the absence of such withholding or deduction; provided, however, that the Issuer shall not be liable to pay any such Additional Amounts in respect of any Note:

- (i) to, or to a third party on behalf of, a Noteholder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with France other than the mere holding of such Note;
- (ii) presented more than thirty (30) days after the Relevant Date (as defined below), except to the extent that the Noteholder thereof would have been entitled to such Additional Amounts on the last day of such period of thirty (30) days; or

- (iii) where such withholding or deduction is required to be made pursuant to the Council Directive 2003/48/EC (as amended) or any other Union Directive implementing the conclusions of the ECOFIN Council meeting of 26-27 November 2000 on the taxation of savings or any law implementing or complying with, or introduced in order to conform to, such Directive.

For this purpose, the **Relevant Date** in relation to any Note means whichever is the later of (A) the date on which the payment in respect of such Note first becomes due and payable, and (B) if the full amount of the monies payable on such date in respect of such Note has not been received by the Fiscal Agent on or prior to such date, the date on which notice is given to Noteholders that such monies have been so received, notice to that effect shall have been duly published in accordance with Condition 11.

Any references in these Conditions to principal and interest shall be deemed also to refer to any Additional Amounts which may be payable under the provisions of this Condition 8.

## 9. EVENTS OF DEFAULT

Any Noteholder may, upon written notice to the Issuer, with a copy to the Fiscal Agent, cause all the Notes (but not some only) held by such Noteholder to become immediately due and payable at their principal amount, together with interest accrued since the last Interest Payment Date (or, if applicable, since the Issue Date) preceding the early redemption date and until the date of effective redemption, if any of the following events occurs (an **Event of Default**):

- (a) if any amount of principal or interest on any Note shall not be paid by the Issuer on the due date thereof and such default shall not be remedied by the Issuer within a period of fifteen (15) days from such due date; or
- (b) if the Issuer defaults in the due performance of any obligation in respect of the Notes (other than as referred in (a) above and other than the compliance of the Financial Covenants described in Condition 4), and such default continues for a period of 40 days (unless such default is not curable in which case such period shall not apply) following receipt by the Issuer of a written notice of such default; or
- (c) if the Issuer defaults in the due performance of, or compliance with, any of its obligations under Condition 4; or
- (d) if any other present or future financial indebtedness of the Issuer or any of its Material Subsidiaries (as defined below), for borrowed monies in excess of Euro 5,000,000 (or its equivalent in any other currency), whether individually or in the aggregate, becomes, following, where applicable, the expiry of any originally applicable grace period, due and payable (*exigible*) prior to its stated maturity as a result of a default thereunder, or any such financial indebtedness shall not be paid when due or, as the case may be, within any originally applicable grace period therefor or any steps shall be taken to enforce any security in respect of any such indebtedness or any guarantee or indemnity granted by the Issuer or any of its Material Subsidiaries, as the case may be, for, or in respect of, any financial indebtedness of any other person shall not be paid when due and called upon unless the Issuer or any of its Material Subsidiaries, as the case may be, has disputed in good faith that such financial indebtedness is due or such guarantee or indemnity is callable, and such dispute has been submitted to a competent court in which case such event shall not constitute an Event of Default hereunder so long as the dispute has not been finally adjudicated; or
- (e) if the Issuer is wound up or dissolved or ceases to carry on all or substantially all of its business or disposes of all or substantially all of its business except (i) in connection with a merger or spin-off (including *fusion-scission*), consolidation, amalgamation or other form of reorganisation (including a management buy-out or leveraged buy-out) pursuant to which the

surviving entity shall be the transferee of or successor to all or substantially all of the business of the Issuer and assumes all of the obligations of the Issuer with respect to the Notes or (ii) on such other terms approved by a resolution of the general meeting of Noteholders; or

- (f) if the Issuer or any of its Material Subsidiaries makes any proposal for a general moratorium in relation to its debts or any judgment is issued for its judicial liquidation (*liquidation judiciaire*) or the transfer of the whole of its business (*cession totale de l'entreprise*) in the context of a procedure of judicial liquidation (*liquidation judiciaire*) or of a judicial rehabilitation (*redressement judiciaire*) or it is subject to any similar proceedings whatsoever.

**Material Subsidiaries** means any Subsidiary with a total balance sheet in excess of Euro 20,000,000 (or its equivalent in any other currency).

## 10. REPRESENTATION OF THE NOTEHOLDERS

The Masse will be governed by the provisions of the French *Code de commerce* applicable to the *Masse*.

The initial Representative shall be:

MASSQUOTE S.A.S.U.  
RCS 529 065 880 Nanterre  
7bis rue de Neuilly  
F-92110 Clichy

Mailing address :

33, rue Anna Jacquin  
92100 Boulogne Billancourt  
France

Represented by its Chairman

The alternate Representative shall be:

Gilbert Labachotte  
8 Boulevard Jourdan  
75014 Paris

The Representative will receive a remuneration of EUR500 (VAT excluded) *per annum* for its services, payable on each Interest Payment Date with the first payment on the Issue Date.

The Representative will exercise its duty until its dissolution, resignation or termination of its duty by a general assembly of Noteholders or until it becomes unable to act. Its appointment shall automatically cease on the Maturity Date, or total redemption prior to the Maturity Date.

All interested Noteholders will at all times have the right to obtain the names and the addresses of the Representative at the head office of the Issuer and at the offices of any of the Paying Agents.

In accordance with Article R.228-71 of the French *Code de commerce*, the right of each Noteholder to participate in general assemblies will be evidenced by the entries in the books of the relevant Account Holder of the name of such Noteholder as of 0:00, Paris time, on the second business day in Paris preceding the date set for the meeting of the relevant general assembly.

## **11. NOTICES**

Any notice to the Noteholders will be valid if delivered to the Noteholders through Euroclear France, Euroclear or Clearstream, Luxembourg, for so long as the Notes are cleared through such clearing systems and published on the website of the Issuer ([www.foncieredesmurs.fr](http://www.foncieredesmurs.fr)), and so long as the Notes are admitted to trading on Euronext Paris and the rules of Euronext Paris so require, on the website of Euronext Paris ([www.euronext.fr](http://www.euronext.fr)). Any such notice shall be deemed to have been given on the date of such delivery or, if delivered more than once or on different dates, on the first date on which such delivery is made.

## **12. PRESCRIPTION**

Claims against the Issuer for the payment of principal and interest in respect of the Notes shall become prescribed ten (10) years (in the case of principal) and five (5) years (in the case of interest) from the due date for payment thereof.

## **13. FURTHER ISSUES**

The Issuer may, from time to time without the consent of the Noteholders, issue further notes to be assimilated (*assimilables*) with the Notes as regards their financial service, provided that such further notes and the Notes shall carry rights identical in all respects (or in all respects except for the first payment of interest thereon) and that the terms of such further notes shall provide for such assimilation. In the event of such assimilation, the Noteholders and the holders of any assimilated notes will, for the defence of their common interests, be grouped in a single Masse having legal personality.

## **14. GOVERNING LAW AND JURISDICTION**

The Notes are governed by the laws of France.

The competent courts within the jurisdiction of the Court of Appeal of Paris have non-exclusive jurisdiction to settle any dispute arising out of or in connection with the Notes.

## **USE OF PROCEEDS**

The net proceeds from the issue of the Notes will be used by the Issuer for general corporate purposes.

## **DESCRIPTION OF THE ISSUER**

The description of the Issuer and the Group is contained in the 2014 Reference Document which is incorporated by reference in the Prospectus and available on the website of the Issuer ([www.fonciereadmurs.fr](http://www.fonciereadmurs.fr)) and on the website of the AMF ([www.amf-france.org](http://www.amf-france.org)) (see section "Documents Incorporated by Reference").

## RECENT DEVELOPMENTS

### **Tender offer launched by Foncière des Régions on the shares of the Issuer**

On 1 April 2015, the AMF approved the tender offer launched by Foncière des Régions on the shares of the Issuer.

The Issuer has filed a reply document (*note en réponse*) which has been granted visa n°15-131 by the AMF on 31 March 2015. The reply document has been published on the websites of the Issuer and of the AMF.

The offer document (*note d'information*) of Foncière des Régions, which has been granted visa n°15-131 by the AMF on 31 March 2015, mentions *inter alia* the terms of the offer and the intentions of Foncière des Régions for the coming months with regard to the industrial and financial strategy of the Issuer. The offer document specifies that Foncière des Régions does not intend to change the strategy and/or the industrial, commercial and financial policy of the Issuer over the next twelve months. The reply document has been published on the websites of Foncière des Régions and of the AMF.

The tender offer was open from 2 April 2015 to 11 May 2015 (included). As of 18 May 2015, the results of the tender offer were as follows: 58,624 shares were presented for purchase at a price of €23.00 a share. Following the settlement on 21 May 2015, Foncières des Régions owns 31,956,873 shares representing 43.12% of the share capital and of the voting rights of the Issuer.

In accordance with article 232-4 of the *règlement général* of the AMF, the tender offer is re-open from 25 May 2015 to 5 June 2015 (included).

## TAXATION

*The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Prospectus and is subject to any change in law that may take effect after such date.*

### **EU Savings Directive**

Under Council Directive 2003/48/EC on the taxation of savings income in the form of interest payments (the **Savings Directive**), Member States are required to provide to the tax authorities of other Member States details of certain payments of interest or similar income paid or secured by a person established in a Member State to or for the benefit of an individual resident in another Member State or certain limited types of entities established in another Member State.

For a transitional period, Austria is required (unless during that period it elects otherwise) to operate a withholding system in relation to such payments. The transitional period will end at the end of the first full fiscal year following the later of (i) the date of entry into force of an agreement between the European Community, following a unanimous decision of the Council, and the last of Switzerland, Liechtenstein, San Marino, Monaco and Andorra, providing for the exchange of information upon request as defined in the OECD Model Agreement on Exchange of Information on Tax Matters released on 18 April 2002 (the **OECD Model Agreement**) with respect to interest payments within the meaning of the Savings Directive, in addition to the simultaneous application by those same countries of a withholding tax on such payments and (ii) the date on which the Council unanimously agrees that the United States of America is committed to exchange of information upon request as defined in the OECD Model Agreement with respect to interest payments within the meaning of the Savings Directive. A number of non-EU countries and territories including Switzerland have adopted similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Council Directive (the **Amending Savings Directive**) amending and broadening the scope of the requirements described above. The Amending Savings Directive requires Member States to apply these new requirements from 1 January 2017, and if they were to take effect the changes would expand the range of payments covered by the Savings Directive, in particular to include additional types of income payable on securities. They would also expand the circumstances in which payments that indirectly benefit an individual resident in a Member State must be reported or subject to withholding. This approach would apply to payments made to, or secured for, persons, entities or legal arrangements (including trusts) where certain conditions are satisfied, and may in some cases apply where the person, entity or arrangement is established or effectively managed outside of the European Union.

However, the European Commission has proposed the repeal of the Savings Directive from 1 January 2017 in the case of Austria and from 1 January 2016 in the case of all other Member States (subject to on-going requirements to fulfil administrative obligations such as the reporting and exchange of information relating to, and accounting for withholding taxes on, payments made before those dates). This is to prevent overlap between the Savings Directive and a new automatic exchange of information regime to be implemented under Council Directive 2011/16/EU on Administrative Cooperation in the field of Taxation (as amended by Council Directive 2014/107/EU). The proposal also provides that, if it proceeds, Member States will not be required to apply the new requirements of the Amending Savings Directive.

## France

### **Withholding Tax**

*The following is an overview of certain withholding tax considerations that may be relevant to holders of the Notes who do not concurrently hold shares of the Issuer or who are not otherwise affiliated with the Issuer within the meaning of Article 39,12 of the French Code général des impôts.*

Payments of interest and other revenues made by the Issuer with respect to the Notes will not be subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* unless such payments are made outside France in a non-cooperative State or territory (*Etat ou territoire non coopératif*) within the meaning of Article 238-0 A of the French *Code général des impôts* (a **Non-Cooperative State**). If such payments under the Notes are made in a Non-Cooperative State, a 75 per cent. withholding tax will be applicable by virtue of Article 125 A III of the French *Code général des impôts* (subject to certain exceptions and to the more favourable provisions of an applicable double tax treaty).

The 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* is applicable irrespective of the tax residence of the Noteholder. The list of Non-Cooperative States is published by a ministerial executive order, which is updated on a yearly basis.

Furthermore, in application of Article 238 A of the French *Code général des impôts*, interest and other revenues on such Notes will not (where otherwise deductible) be deductible from the Issuer's taxable income, if they are paid or accrued to persons established or domiciled in a Non-Cooperative State or paid to a bank account opened in a financial institution established in such a Non-Cooperative State (the **Deductibility Exclusion**). Under certain conditions, any such non-deductible interest and other revenues may be recharacterised as constructive dividends pursuant to Articles 109 *et seq.* of the French *Code général des impôts*, in which case such non-deductible interest and other revenues may be subject to the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts*, at a rate of 30 per cent. or 75 per cent. (subject, if applicable, to the more favourable provisions of a double tax treaty).

Notwithstanding the foregoing, neither the 75 per cent. withholding tax set out under Article 125 A III of the French *Code général des impôts* nor, to the extent the relevant interest or revenues relate to genuine transactions and are not in an abnormal or exaggerated amount, the Deductibility Exclusion (and the withholding tax set out under Article 119 *bis* 2 of the French *Code général des impôts* that may be levied as a result of such Deductibility Exclusion) will apply in respect of the Notes if the Issuer can prove that the principal purpose and effect of the issue of the Notes are not that of allowing the payments of interest or other revenues to be made in a Non-Cooperative State (the **Exception**). Pursuant to the *Bulletin Officiel des Finances Publiques-Impôts* BOI-INT-DG-20-50-20140211 (n°550 and 990), BOI-RPPM-RCM-30-10-20-40-20140211 (n°70 and 80), BOI-IR-DOMIC-10-20-20-60-20150320 (n°10) and BOI-ANNX-000364-20120912 (n°20), the Notes will benefit from the Exception without the Issuer having to provide any proof of the purpose and effect of the issue of the Notes, if the Notes are *inter alia*:

- (i) admitted to trading on a regulated market or on a French or foreign multilateral securities trading system provided that such market or system is not located in a Non-Cooperative State, and the operation of such market is carried out by a market operator or an investment services provider, or by such other similar foreign entity, provided further that such market operator, investment services provider or entity is not located in a Non-Cooperative State; or
- (ii) admitted, at the time of their issue, to the clearing operations of a central depository or of a securities clearing and delivery and payments systems operator within the meaning of Article L.561-2 of the French *Code monétaire et financier*, or of one or more similar foreign depositories or operators provided that such depository or operator is not located in a Non-Cooperative State.

Consequently, payments of interest and other revenues made by the Issuer under the Notes are not subject to the withholding tax set out under Article 125 A III of the French *Code général des impôts* and the Deductibility Exclusion does not apply to such payments.

Besides, where the paying agent (*établissement payeur*) is established in France, pursuant to Article 125 A of the French *Code général des impôts*, subject to certain limited exceptions, interest and similar income received by individuals who are fiscally domiciled (*domiciliés fiscalement*) in France are subject to a 24 per cent. withholding tax, which is deductible from their personal income tax liability in respect of the year in which the payment has been made. Social contributions (CSG, CRDS and other related contributions) are also levied by way of withholding tax at an aggregate rate of 15.5 per cent. on such interest and similar income paid to individuals who are fiscally domiciled (*domiciliés fiscalement*) in France.

#### ***Implementation of the Savings Directive in France***

The Savings Directive has been implemented into French law under Article 242 *ter* of the French *Code général des impôts*, which imposes on paying agents based in France an obligation to report to the French tax authorities certain information with respect to interest payments made to beneficial owners domiciled in another Member State, including, among other things, the identity and address of the beneficial owner and a detailed list of the different categories of interest paid to that beneficial owner.

## SUBSCRIPTION AND SALE

### Subscription Agreement

Morgan Stanley & Co. International plc (the **Sole Manager**) has, pursuant to a subscription agreement dated 27 May 2015 (the **Subscription Agreement**), agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe and pay or, failing which, to procure subscription and payment for the Notes at the Issue Price, less any applicable commission. In addition, the Issuer will pay certain costs incurred by it and the Sole Manager in connection with the issue of the Notes.

The Sole Manager is entitled to terminate the Subscription Agreement in certain limited circumstances prior to the issue of the Notes. The Issuer has agreed to indemnify the Sole Manager against certain liabilities in connection with the offer and sale of the Notes.

### General Selling Restrictions

The Sole Manager has agreed to observe all applicable laws and regulations in each jurisdiction in or from which it may acquire, offer, sell or deliver Notes or have in its possession or distribute this Prospectus or any other offering material relating to the Notes. No action has been, or will be, taken in any country or jurisdiction that would, to the best of the Sole Manager's knowledge, permit a public offering of the Notes, or the possession or distribution of this Prospectus or any other offering material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Accordingly, the Notes may not be offered or sold, directly or indirectly, and neither this Prospectus nor any circular, prospectus, form of application, advertisement or other offering material relating to the Notes may be distributed in or from, or published in, any country or jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

### France

The Sole Manager has represented and agreed that it has not offered or sold and will not offer or sell, directly or indirectly, any Notes to the public in France and it has not distributed or caused to be distributed and will not distribute or cause to be distributed to the public in France, the Prospectus or any other offering material relating to the Notes and such offers, sales and distributions have been and will be made in France only to (a) persons providing investment services relating to portfolio management for the account of third parties (*personnes fournissant le service de gestion de portefeuille pour compte de tiers*), and/or (b) qualified investors (*investisseurs qualifiés*), as defined in, and in accordance with, Articles L.411-1, L.411-2 and D.411-1 of the French *Code monétaire et financier*.

### United Kingdom

The Sole Manager has represented and agreed that:

- (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of section 21 of the Financial Services and Markets Act 2000 (the **FSMA**)) received by it in connection with the issue or sale of the Notes in circumstances in which section 21(1) of the FSMA would not, if the Issuer were not an authorised person, apply to the Issuer; and
- (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

### United States

The Notes have not been and will not be registered under the Securities Act or the securities law of any U.S. state, and may not be offered or sold, directly or indirectly, in the United States of America or to, or for the account or benefit of, U.S. persons except pursuant to an exemption from, or in a transaction not subject to, the

registration requirements of the Securities Act or such state securities laws. The Notes are being offered and sold only outside of the United States to non-U.S. persons in reliance on Regulation S.

Terms used in this paragraph and not otherwise defined in this Prospectus have the meanings given to them in Regulation S.

In addition, until forty (40) calendar days after the commencement of the offering of the Notes, an offer or sale of Notes within the United States by a dealer that is not participating in the offering may violate the registration requirements of the Securities Act.

### **Italy**

The offering of the Notes has not been registered pursuant to Italian securities legislation and, accordingly, no Notes may be offered, sold or delivered, nor may copies of the Prospectus or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (i) to qualified investors (*investitori qualificati*), as defined pursuant to Article 100 of Legislative Decree No. 58 of 24 February 1998, as amended (the **Financial Services Act**) and Article 34-ter, first paragraph, letter (b) of CONSOB Regulation No. 11971 of 14 May 1999, as amended from time to time (**Regulation No. 11971**); or
- (ii) in other circumstances which are exempted from the rules on public offerings pursuant to Article 100 of the Financial Services Act and Article 34-ter of Regulation No. 11971.

The Sole Manager has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy will be effected in accordance with all Italian securities, tax, and exchange control and other applicable laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this Prospectus or any other document relating to the Notes in the Republic of Italy must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007 and Legislative Decree No. 385 of 1 September 1993 (the **Banking Act**) (in each case as amended from time to time);
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy; and
- (iii) in compliance with any other applicable laws and regulations or requirement imposed by CONSOB or any other Italian authority.

## GENERAL INFORMATION

### 1. Clearing of the Notes

The Notes have been accepted for clearance through Euroclear France, Clearstream, Luxembourg and Euroclear. The International Securities Identification Number (ISIN) for the Notes is FR0012741072. The Common Code number for the Notes is 123574087.

The address of Euroclear France is 66, rue de la Victoire, 75009 Paris, France. The address of Euroclear is 1 boulevard du Roi Albert II, 1210 Bruxelles, Belgium and the address of Clearstream, Luxembourg is 42, avenue John Fitzgerald Kennedy, L-1855 Luxembourg, Grand-Duchy of Luxembourg.

### 2. Admission to trading

Application has been made to the AMF, in its capacity as competent authority pursuant to Article 212-2 of its *Règlement Général* which implements the Prospectus Directive, for the approval of this Prospectus.

Application has been made to admit the Notes to trading on Euronext Paris. Euronext Paris is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council on markets in financial instruments, as amended.

### 3. Corporate authorisations

The issue by the Issuer of the Notes was approved by a decision of the Supervisory Board of the Issuer dated 10 April 2015 and decided by the FDM Gestion, in its capacity as manager (*gérant*) of the Issuer, on 19 May 2015.

The Issuer has obtained all necessary consents, approvals and authorisations in France in connection with the issue and performance of the Notes.

### 4. Documents available

Copies of:

- (i) the *statuts* of the Issuer;
- (ii) the Fiscal Agency Agreement;
- (iii) this Prospectus; and
- (iv) the documents incorporated by reference in this Prospectus,

will be available for inspection during the usual business hours on any week day (except Saturdays, Sundays and public holidays) at the registered office of the Issuer.

This Prospectus and the documents incorporated by reference in this Prospectus will be published on the websites of (a) the Issuer ([www.foncieredesmurs.fr](http://www.foncieredesmurs.fr)) and (b) the AMF ([www.amf-france.org](http://www.amf-france.org)).

### 5. No material change

There has been no significant change in the financial or trading position of the Issuer and/or the Issuer and its subsidiaries, taken as a whole, since 31 December 2014 and no material adverse change in the prospects of the Issuer since 31 December 2014.

### 6. No material contracts

There are, at the date of this Prospectus, no material contracts that are not entered into in the ordinary course of the Issuer's business, which could result in any member of the Group, being under an

obligation or entitlement that is material to the Issuer's ability to meet its obligations to Noteholders in respect of the Notes being issued.

**7. Litigation**

The Issuer is not involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware), during the twelve (12) months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the financial position or profitability of the Issuer and/or the Issuer and its subsidiaries, taken as a whole.

**8. Auditors**

Mazars and Ernst & Young et Autres are the statutory auditors of the Issuer and have audited, and rendered unqualified reports on the consolidated financial statements of the Issuer as at, and for the years ended, 31 December 2013 and 31 December 2014.

Mazars and Ernst & Young et Autres are registered as *Commissaires aux Comptes (members of the Compagnie Nationale des Commissaires aux Comptes and the Compagnie Régionale de Versailles)* and are regulated by the *Haut Conseil du Commissariat aux Comptes*.

**9. Listing fees**

The estimated costs for the admission to trading (including the AMF fees) are € 10,500.

**10. Yield**

The yield in respect of the Notes is 2.218 per cent. *per annum* and is calculated on the basis of the issue price of the Notes. It is not an indication of future yield.

**11. Interest material to the issue**

Save for any fees payable to the Sole Manager, as far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the issue.

**12. No-conflicts**

In the ordinary course of their business activities, the Sole Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or Issuer's affiliates. The Sole Manager or certain of its affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, the Sole Manager and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such short positions could adversely affect future trading prices of the Notes. The Sole Manager and its affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

## PERSONS RESPONSIBLE FOR THE INFORMATION GIVEN IN THE PROSPECTUS

To the best knowledge of the Issuer (which has taken all reasonable care to ensure that such is the case), the information contained or incorporated by reference in this Prospectus is in accordance with the facts and contains no omission likely to affect the import of such information. The Issuer accepts responsibility accordingly.

The statutory auditor's report on the consolidated financial statements for the year ended 31 December 2013 included on pages 180 and 181 of the 2013 Reference Document (as defined in Section "Documents Incorporated by Reference") includes the following emphasis paragraph :

*"Without qualifying our opinion, we draw your attention to the Notes 1.6.2 and 4.1.3 of the consolidated financial statements which present information on the fair value measurement of the property portfolio after the first application of IFRS13."*

Paris, 27 May 2015

**Foncière des Murs**  
30, avenue Kléber  
75208 Paris Cedex 16  
France

Duly represented by:

M. Dominique Ozanne  
President of FDM Gestion, Manager (*Gérant commandité*) of the Issuer



### *Autorité des marchés financiers*

In accordance with Articles L. 412-1 and L. 621-8 of the French *Code monétaire et financier* and with the General Regulations (*Règlement Général*) of the *Autorité des marchés financiers (AMF)*, in particular Articles 211-1 to 216-1, the AMF has granted to this Prospectus the visa no. 15-225 on 27 May 2015. This Prospectus has been prepared by the Issuer and its signatories assume responsibility for it. In accordance with Article L. 621-8-1-I of the French *Code monétaire et financier*, the visa has been granted following an examination by the AMF of "whether the document is complete and comprehensible, and whether the information it contains is coherent". It does not imply that the AMF has verified the accounting and financial data set out in it and the appropriateness of the issue of the Notes.

**REGISTERED OFFICE OF THE ISSUER**

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Tel: +33 (0)1 58 97 50 00

**SOLE MANAGER**

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United Kingdom

**STATUTORY AUDITORS OF THE ISSUER**

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France

**Ernst & Young et Autres**  
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**LEGAL ADVISORS**

*To the Issuer*

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France

*To the Sole Manager*

**Linklaters LLP**  
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75008 Paris  
France

**FISCAL AGENT, CALCULATION AGENT, PUT AGENT AND PRINCIPAL PAYING AGENT**

**CACEIS Corporate Trust**  
14 rue Rouget de Lisle  
92130 Issy-Les-Moulineaux  
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