



Paris, February 26<sup>th</sup> 2015

## **Foncière des Régions launches a share capital increase of approximately € 255 million with shareholder preferential subscription rights**

Foncière des Régions announces today the launch of its share capital increase with shareholder preferential subscription rights, in a gross amount of approximately € 255 million. The principle of the rights issue was announced on February 20<sup>th</sup> 2015.

The share capital increase aims at providing, together with the disposal of non-strategic assets and the resources available to the Company, the financing for its investments and its growth opportunities in each of its business activities (offices, residential and hotels), among which the acquisition of 14.6% of Foncière des Murs' share capital, as announced on February 20<sup>th</sup> 2015, and the tender offer (*offre publique d'acquisition - OPA*) in respect of the 9.2% of the share capital of Foncière des Murs that is held by shareholders that have not signed commitments not to tender their securities in the tender offer, that is expected to take place during the first half of 2015.

The share capital increase is fully underwritten through subscription commitments from existing shareholders and a syndicate of banks.

### **Intentions and undertakings of the main shareholders**

The main shareholders of Foncière des Régions (Delfin S.A.R.L.<sup>1</sup>, Groupe Covea Finance and ACM Vie), collectively holding 48.87% of the share capital of Foncière des Régions, have irrevocably undertaken to exercise by irrevocable rights (*à titre irréductible*) all of the preferential subscription rights attached to the shares they hold.

Foncière des Régions and Delfin S.A.R.L.<sup>1</sup>, have agreed to lock-ups from announcement of the transaction until 90 calendar days following the settlement and delivery, subject to customary exceptions. Groupe Covea Finance and ACM Vie have agreed to a lock-up from announcement of the transaction until the date of settlement and delivery of the transaction.

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<sup>1</sup> Delfin S.A.R.L. will subscribe its preferential rights via two of its subsidiaries (DFR Investment and Aterno)

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Foncière des Régions is not aware of the intentions of its other shareholders.

### **Key terms of the capital increase**

3,917,722 new shares will be issued at a price of €65 per share, representing gross proceeds of € 254,651,930.

Each shareholder of Foncière des Régions will receive on March 2<sup>nd</sup> one preferential subscription right for every share held at the close of trading on February 27<sup>th</sup> 2015. 16 preferential subscription rights will entitle the holder to subscribe to 1 new share at a subscription price of € 65 per share (corresponding to a nominal value of € 3 and an issue premium of € 62). The new shares will carry rights to dividends as from January 1st 2015 and will therefore not give right to the dividend to be paid in respect of the financial year 2014. The new shares will be traded on a separate trading line under ISIN Code FR0012476281 until existing shares start to trade ex-dividend. On this date, the new shares will be fully assimilated into the existing shares of Foncière des Régions.

Taking into account the €4.3 dividend that will be voted at Foncière des Régions' Annual General Meeting, the subscription price represents a 27.2% discount to the €93.57 closing price of Foncière des Régions' shares on February 24<sup>th</sup>, 2015 and a 26% discount to the theoretical ex-right price (TERP).

The offering will be open to the public in France only. The exercise and listing period of the preferential subscription rights will run from March 2<sup>nd</sup>, 2015 to March 12<sup>th</sup>, 2015 at the close of the trading session. During this period, the preferential subscription rights will be listed and traded on the regulated market of Euronext in Paris ("Euronext Paris") under ISIN code FR0012580124. Preferential subscription rights that are not exercised prior to the end of the subscription period will automatically lapse. Subscriptions subject to reduction (*à titre réductible*) will be accepted and remain subject to reduction in the event of oversubscription.

The settlement and delivery and the listing of the new shares on the regulated market of Euronext Paris are expected to take place on March 23<sup>rd</sup>, 2015.

BNP Paribas is acting as Global Coordinator and BNP Paribas and Morgan Stanley are acting as Joint Bookrunners on the share capital increase.

### **Information available to the public**

The prospectus which has received from the *Autorité des marchés financiers* (the "AMF") the visa No.15-063 on February 25<sup>th</sup>, 2015 consists of (i) the reference document filed by Foncière des Régions with the AMF on March 24<sup>th</sup>, 2014 under No D.14-0190, (ii) a securities note, incorporating by reference the half-year financial report for the 6-month period ended on June 30<sup>th</sup>, 2014, dated July 25<sup>th</sup>, 2014 and the report on the results for the financial year 2014 dated February 20<sup>th</sup> 2015, and (iii) a summary of the prospectus, included in the securities note.

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The prospectus approved by the AMF is available free of charge at Foncière des Régions, 30 avenue Kléber, 75116 Paris, on the company's website ([www.foncieredesregions.fr](http://www.foncieredesregions.fr)) and the website of the AMF ([www.amf-france.org](http://www.amf-france.org)).

Foncière des Régions draws the attention of investors to the risk factors, described on page 76 *et seq.* of the 2013 Reference Document, as updated in the half-year financial report, and in Chapter 2 of the securities note.

#### **About Foncière des Régions**

As a key player in real estate, Foncière des Régions has built its growth and its portfolio on the key and characteristic value of partnership. With a total portfolio valued at € 16Bn (€ 10Bn in group share), located in the high-growth markets of France, Germany and Italy, Foncière des Régions is now the recognised partner of companies and territories which it supports with their real estate strategies with a twofold: adding value to existing urban property and designing buildings for the future.

Foncière des Régions mainly works alongside Key Accounts (Suez Environnement, Thales, Dassault Systèmes, Orange, EDF, IBM, and Eiffage, etc.) in the Offices market as well as being a pioneering and astute operator in the two other profitable sectors of Residential market in Germany and Hotels.

[www.foncieredesregions.fr](http://www.foncieredesregions.fr)

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## **Disclaimer**

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*The securities referred to herein have not been, and will not be, registered under the Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements under the Securities Act. Foncière des Régions does not intend to register any portion of the proposed offering in the United States or to conduct a public offering in the United States.*

*This press release does not constitute a public offering of securities in the United Kingdom. This press release is directed only at persons (i) who are located outside the United Kingdom; (ii) who have professional experience in matters relating to investments within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 as amended (the "FSMA"); (iii) who fall within the scope of Article 49(2)(a) to (d) ("high net worth companies, unincorporated associations etc.") of the FSMA; or (iv) to whom an invitation or inducement to engage in an investment activity in connection with the issue or sale of all securities may be lawfully communicated, directly or indirectly (all such persons together being referred to as "Relevant Persons"). Any person other than a Relevant Person may not act or rely on this press release in the United Kingdom. Any investment or investment activity to which this press release relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.*

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### *Important Information*

*The following information is a translation of certain sections of the summary of the prospectus of Foncière des Régions (“**Foncière des Régions**” or the “**Company**” and, together with its subsidiaries, the “**Group**”) which has received from the Autorité des marchés financiers (the “**AMF**”) the visa No.15-063 on February 25th, 2015 (the “**French Prospectus**”). The French Prospectus consists of (i) the reference document filed by Foncière des Régions with the AMF on March 24th, 2014 under No D.14-0190 (the “**Reference Document**”), (ii) a securities note, incorporating by reference the half-year financial report for the 6-month period ended on June 30th, 2014, dated July 25th, 2014 and the report on the results for the financial year 2014 dated February 20th 2015 (the “**Securities Note**”, and (iii) a summary of the prospectus, included in the Securities Note and relating to the issue (the “**Issue**”) of new shares (the “**New Shares**”) with preferential subscription rights.*

*The French Prospectus, in its original French version, is publicly available at [www.amf-france.org](http://www.amf-france.org). This translation is provided for information purposes only and has not been prepared for use in connection with any offering of securities. It does not contain all of the information that an offering document would contain and should not be relied upon when making any investment decision. Decisions to subscribe New Shares should be made only on the basis of the French Prospectus.*

*In the event of any ambiguity or conflict between the French Prospectus and corresponding statements or other items contained herein, the French Prospectus shall prevail.*

*None of Foncière des Régions, its affiliates, their officers, directors, employees, agents or advisers assume any liability which may be based on this translation or any errors or omissions therefrom or misstatements therein, and any such liability is hereby expressly disclaimed. This translation does not constitute or form part of any offer to sell or the solicitation of an offer to purchase securities, nor shall it or any part of it form the basis of, or be relied on in connection with, any contract or commitment whatsoever. Persons into whose possession this translation may come are required by Foncière des Régions to inform themselves about and to observe any restrictions as to the distribution of this translation.*

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<b>B.6</b>		<b>Principal shareholders</b>																																																				
<p>On the date of the Securities Note, the Company's share capital amounts to 188,050,671 euros, divided into fully paid-up shares allocated as follows:</p>																																																						
<table border="1"> <thead> <tr> <th>Shareholders</th> <th>Shares</th> <th>% capital</th> <th>Voting rights (exercisable at shareholders' meetings)</th> <th>% votes</th> </tr> </thead> <tbody> <tr> <td>- DFR Investment</td> <td>7,122,856</td> <td>11.36%</td> <td>7,122,856</td> <td>11.37%</td> </tr> <tr> <td>- Aterno</td> <td>10,239,198</td> <td>16.33%</td> <td>10,239,198</td> <td>16.35%</td> </tr> <tr> <td>Delfin Group</td> <td>17,362,054</td> <td>27.70%</td> <td>17,362,054</td> <td>27.72%</td> </tr> <tr> <td>Covea Group</td> <td>8,406,210</td> <td>13.41%</td> <td>8,406,210</td> <td>13.42%</td> </tr> <tr> <td>ACM Vie</td> <td>4,862,145</td> <td>7.76%</td> <td>4,862,145</td> <td>7.76%</td> </tr> <tr> <td>Predica</td> <td>4,328,251</td> <td>6.90%</td> <td>4,328,251</td> <td>6.91%</td> </tr> <tr> <td>Free float</td> <td>27,681,200</td> <td>44.16%</td> <td>27,681,200</td> <td>44.19%</td> </tr> <tr> <td>Treasury shares</td> <td>43,697<sup>2</sup></td> <td>0.07%</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Total</b></td> <td><b>62,683,557</b></td> <td><b>100%</b></td> <td><b>62,639,860</b></td> <td><b>100%</b></td> </tr> </tbody> </table>					Shareholders	Shares	% capital	Voting rights (exercisable at shareholders' meetings)	% votes	- DFR Investment	7,122,856	11.36%	7,122,856	11.37%	- Aterno	10,239,198	16.33%	10,239,198	16.35%	Delfin Group	17,362,054	27.70%	17,362,054	27.72%	Covea Group	8,406,210	13.41%	8,406,210	13.42%	ACM Vie	4,862,145	7.76%	4,862,145	7.76%	Predica	4,328,251	6.90%	4,328,251	6.91%	Free float	27,681,200	44.16%	27,681,200	44.19%	Treasury shares	43,697 <sup>2</sup>	0.07%	-	-	<b>Total</b>	<b>62,683,557</b>	<b>100%</b>	<b>62,639,860</b>	<b>100%</b>
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<p>Cardif Assurance Vie informed the Company that its holding had fallen below the 1% threshold on 15 January 15th 2015 and that it now holds 623,005 Company shares (compared with to 1,008,572 shares on 31 December 31st, 2014).</p>																																																						
<p>To the Company's knowledge, no shareholder, other than the above-mentioned shareholders, holds more than 5% of the capital.</p>																																																						
<b>Section C - Securities</b>																																																						
<b>C.1</b>	<b>Nature, class and identification number</b>	<p>Ordinary shares of the same class as existing shares in the Company.                      ISIN code for existing shares: FR0000064578.                      ISIN code for New Shares: FR0012476281.</p>																																																				
<b>C.2</b>	<b>Issue currency</b>	Euro.																																																				

<sup>2</sup> Corresponding to the number of treasury shares held on 25 February 2015, after the vesting of 23,907 free shares on February 20th and 21st 2015, which are included in the free float.

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C.3	<b>Number of New Shares / Nominal value of the shares</b>	<p>At the date hereof, the share capital of the Company is comprised of 62,683,557 shares, each with a nominal value of 3 euros, all fully paid up.</p> <p>In the context of the Issue, 3,917,722 shares will be issued, each with a nominal value of 3 euros, to be fully paid-up upon subscription.</p>
C.4	<b>Rights attached to New Shares</b>	<p>Under current French law and the Company's by-laws, the main rights attached to New Shares are the following:</p> <ul style="list-style-type: none"> <li>– entitlement to dividends, it being specified that the New Shares will carry rights to dividends as from January 1st 2015 and will not give right to the dividend of 4.30 euros which will be paid in 2015 in respect of the year ended December 31st 2014;</li> <li>– voting right;</li> <li>– preferential subscription right for shares in the same class; and</li> <li>– right to a share in any surplus in the event of liquidation.</li> </ul>
C.5	<b>Restriction imposed on the free trading of shares</b>	<p>No provision in the by-laws limits free trading of the shares composing the Company's share capital.</p>
C.6	<b>Listing application</b>	<p>An application will be made for the admission of the New Shares to trading on Euronext Paris, which is expected for 23 March 2015, on a second listing line (ISIN code FR0012476281).</p> <p>All existing shares and New Shares will be traded on a single listing line after detachment of the 2014 dividend to be paid by the Company, which is expected to take place on April 24th 2015.</p>
C.7	<b>Dividend policy</b>	<p>The New Shares will carry rights to dividends from January 1st 2015 and will not give right to the dividend of 4.30 euros per share, which will be submitted to the next shareholders' meeting of the Company which will be called to decide on the financial statements for the financial year 2014.</p> <p>During the last three financial years, the Company distributed a dividend of 4.20 euros per share in 2013, 2012 and 2011 in respect of the 2012, 2011 and 2010 financial years.</p>
<b>Section D - Risks</b>		
D.1	<b>Main risks specific to the issuer or its business sector</b>	<p>Before taking their decision to invest, investors are invited to take the following main risk factors into consideration, to which Foncière des Régions is exposed:</p> <p><b><i>Risks relating to Foncière des Régions' activity and strategy</i></b></p> <p><b><i>Legal, fiscal and regulatory risks</i></b></p> <p><b><i>Risks related to specific regulations</i></b></p> <p><b><i>Environmental risks</i></b></p> <p>The risks presented below are, at the date of this document, the risks that the Company believes, were they to occur, could have a material adverse effect on its financial situation or results. Investors' attention is however drawn to the fact that other risks, unknown occurrence</p>

of which is not viewed, at the date hereof this document, as being likely to have a material adverse effect, may exist. Furthermore, Foncière des Régions has significant shareholdings in Foncière Développement Logements, Foncière des Murs and Beni Stabili which are listed companies. Accordingly, readers are invited to carefully read the risk factors section in the reference document of each of these companies.

Some specific features on the risks in the German residential portfolio held by Immeo are described below, as the Company did not publish a reference document.

## **1 RISKS RELATING TO FONCIÈRE DES RÉGIONS' ACTIVITY AND STRATEGY**

### **1.1 Risks relating to the economic environment**

The Company's business, financial situation, results, prospects and assets valuation are influenced by domestic and international economic conditions, in particular by the level of economic growth, interest rates, the unemployment rate in France, the method used in calculating rent indexation, and changes in various indices, as well as by available investment alternatives (financial assets, indices, etc.). Changes in the economic conditions or their deterioration may have a material adverse effect on the Company's activity, financial situation and earnings, particularly through: (i) a decrease in demand for corporate property projects, (ii) a decrease in the occupancy rate and the price of leasing or releasing its property assets (iii) a reduction in the valuation of its assets.

Foncière des Régions is protected against these risks to a large extent thanks to the term of its leases and the prudential rules applied at the time of the launch of development operations, in particular the monitoring of the pre-marketing ratio on the assets being developed.

### **1.2 Risks relating to changes in the real-estate market**

The Company mainly operates in the sectors of office property in France and in Italy, residential in Germany and hotels in Europe. The Company's business is subject to the uncertainties in these business sectors and, in particular, to their cyclical nature. The value of the Company's portfolio depends on how these property markets evolve which may be subject to fluctuations, particularly with regard to rental income and property prices, according to the balance between the supply and the demand and the economic situation in general.

With regard to the property market in France and in Italy, demand is mainly influenced by economic growth and variations in salaried employment and supply by urban planning regulations and the availability of cash. Changes in the hotel property market depend on tourism, business travel and therefore the economic activity in general. This market has the specific feature of being closely dependant on hotel operating chains. The German residential property market changes in accordance with its local demographics (population, number of households, immigration) and more indirectly, in accordance with economic activity. This market is characterised by a new supply of reduced housing.

The Company may not always be in a position to implement its rental or leasing strategy, its investments and, where applicable, its disposals at a favourable time or under favourable market conditions, or it may be forced to delay such strategy and investments depending on the fluctuations to which the property market may be subject. In general, an unfavourable change in the property market could have an adverse effect both on the Company's investment policy and on the appraisal of its portfolio, as well as on its activities, its financial situation, its results or its outlook. In particular, a declining property market could have a significant negative impact on the Company's financing terms.

The strategy defined and the policies implemented by the Company seek to limit the negative effects of these risks. Hence, during the recent crises, Foncière des Régions proved the



resilience of its portfolio made up of high-quality buildings, 97.1% of which are let with a firm residual duration of leases of 5.7 years.

### **1.3 Risks relating to competition**

The Company faces strong competition in conducting its asset and rental activities. Within the scope of its development activity, the Company is in competition with a large number of players, some of which may have more important financial resources, or a better regional and local presence. Such factors may offer these competitors a chance to participate in tender offers, particularly those involving development operations, under financial conditions that do not necessarily match the investment criteria the Company set for itself. This could lead to uncertainties regarding growth prospects for its activity. The Company's rental activity is likewise subject to strong competitive pressure. In particular, developments of new offices by competitors close to the Company's existing sites may have an adverse effect on its activity, its financial situation and its earnings.

Foncière des Régions' policy of long-term partnerships and the constant study of projects at a very early stage partially protect it from these competitive risks.

### **1.4 Risks relating to lease renewals and rental of property assets**

Upon expiry of existing leases, the Company may be unable to renew them or let the assets involved within lead times and under conditions as favourable as those of current leases, particularly due to macroeconomic and property market conditions. In particular, the Company may not be in a position to draw enough attractive tenants or companies to its offices, and may not succeed in maintaining a satisfactory occupancy rate or rental income, which could have an adverse effect on its activity, its financial situation and its results.

The fact that Foncière des Régions' leases generally still have a long time to run and the fact that their expiry dates are staggered, as well as ongoing discussions with current tenants, substantially help to limit such risks.

With regard to the residential portfolio in Germany held by Foncière des Régions' subsidiary Immeo, the increase in the rental incomes is controlled and limited by the level of the rental incomes in the neighbourhood (and cannot go beyond about 20.0% every three years). This level is set by the cities which publish the rents charged broken down by location, year of construction, state of the building and the degree to which the housing unit is equipped.

### **1.5 Risks relating to tenants**

Foncière des Régions chose to develop tenant partnerships with key accounts. Consequently, Foncière des Régions is exposed in terms of revenues to several major companies (Orange, Accor, Telecom Italia, Suez Environnement, EDF, etc.) and, consequently, is dependent on these major customers. This strategic choice to set up tenant partnerships with these major companies is motivated by the fact that these companies are large, have access to a wide variety of financing sources, very long-lasting business models, and very often a position as leader in their market. Meetings of partnership committees are regularly held with these key accounts which makes it possible to monitor changes in their activities and eventual property establishments.

Tenants' solvency is another element which requires regular monitoring. The Company's ability to collect rental income depends above all on the financial health and therefore the solvency of its tenants. Tenant insolvency risks and their impact on the Company's results are greater in office real estate given the relative size of each tenant. Failures to pay or significant late payments likely to affect the Company's earnings cannot be entirely excluded. The group's mechanism set up for selecting tenants enables this risk to be controlled, particularly with: a diversified portfolio of Foncière des Régions customers and significant long-term partnerships

with major tenants. The Company takes the credit standard as well as the tenants' financial robustness into consideration before signing any lease. The General Management (*Direction Générale*) analyses a monthly report on unpaid rents.

With regard to Foncière des Régions' residential portfolio in Germany, the large majority of rental incomes is paid by direct debit. The existence of a national file of payment incidents that may be consulted by lessors and financial establishments is also a factor limiting the risk of unpaid rents.

For information, tenants' unpaid rent (expenses/non-collectable debts line item) at 31 December 2014, represented 1% of the amount of total rental income.

#### **1.6 Risks relating to asset valuation**

Foncière des Régions recognises its investment properties at fair value in accordance with the option offered by IAS 40. The fair value of an investment property is the price at which this asset could be exchanged between well-informed parties and under conditions of normal competition. It reflects the actual state of the market estimated by independent appraisers basing their appraisal on the relationship between supply and demand, interest rates, the economic situation and numerous other factors that can vary significantly according to the impulses of economic scenarios.

To make a more specific breakdown of the factors taken into account in valuing the property assets, two crucial elements may be distinguished. First and foremost, the yield rate called capitalisation rate: it expresses the yield that a purchaser would require on a property asset. Its determination depends on comparables and is sensitive to the level and change in interest rates, to the perception of the risk relating to this property asset (term of lease, quality of tenant, facility or difficulty in reletting on expiry of the lease, etc.). A reduction in the capitalisation rate determined by the independent expert in his valuation work would have a positive impact on the value of the property. Conversely, an increase in the capitalisation rate would automatically result in a negative impact on the value. The second crucial factor in the valuation of a property asset is the income component: the rents. This data changes according to indexation, market rents, risks of vacancies or unpaid rents. It is important to note that with regard to historical observations, the valuation of a property asset in terms of absolute evolution is more sensitive to changes in interest rates and the implicit risk premium than to variations in rental incomes which are, by nature, less volatile.

In addition to the assets in operation and buildings under construction, the property assets of the Company consist of land and sometimes real estate reserves which valuation depends on the vagaries of potential real estate projects that could be developed and on assumptions and projections by the Company.

The revalued net assets calculated by the Company may be significantly affected in the event of a change in the value estimated by the experts, which could occur following a change in the experts' main assumptions (yield rate, rental value, occupancy rate). The appraisal process regularly undergoes a control procedure by audits. Furthermore, the Company has set very strict rules in respect of rotating assessors which strengthens control of this risk.

#### **1.7 Risks relating to geographical and sector-specific concentration**

A significant part of the Company's business is concentrated in the Paris region and in large regional metropolitan areas in France. Consequently, economic conditions, real-estate risks, or risks of any other nature, affecting the Paris region and the large regional metropolitan areas in France could have a material effect on the Company's activity, financial situation or results. As at 31 December 2014, offices accounted for 47% of the Company's portfolio (as a percentage of rental income, group share). A deterioration in the conditions in the office leasing market in

the Paris region and in large regional metropolitan areas in France could have a material adverse effect on the Company's business, financial situation or results.

In order to contain this risk, Foncière des Régions is implementing a strategy of diversification of its assets.

### **1.8 Risks relating to development of new real estate assets**

Through certain subsidiaries, Foncière des Régions performs development activities for its own account or the account of its subsidiaries.

Within the scope of this type of activity, there are risks: a cost of building assets exceeding the initial assessment, a construction phase longer than anticipated, technical difficulties or implementation delays due to the complexity of certain projects and negative change in the prices of construction materials, failure to obtain administrative authorisations, failure to obtain third party consent, the impossibility of obtaining financing at terms favourable for its projects, etc.

In addition, initial costs (e.g. the cost of studies) cannot generally be deferred or cancelled in the event of delays or failure to carry out a project.

A specific procedure concerning development operations has been set up within the group. It covers all the studies to be carried out prior to the launch of any operation, the process of selecting service providers, the construction period up to delivery of the property and the marketing launch for operations at the project stage. Accordingly, the deadlines are integrated and monitored all through the operation. In recent years, the increase in the teams specific to development, and their proven competence, also enables these risks to be contained.

### **1.9. Risks relating to acquisitions**

The acquisition of property assets or companies that hold them is part of the growth strategy of Foncière des Régions and its subsidiaries. This strategy involves risk, such as, in particular, overestimating the expected yield of assets and consequently buying them at a price which is too high given financing in place, or being unable to acquire them on satisfactory conditions, particularly with regard to properties acquired through a bidding procedure or in periods of high economic volatility or uncertainty. The purchased assets could also have latent defects, especially as regards environmental compliance terms, or non-conforming features not covered by the warranties given in the purchase contract.

The objectives of the comprehensive due diligence performed before each acquisition with the aid of external specialised consultants, coupled with market analyses, is in particular to keep these risks to a minimum. Purchases are subject to, depending on the thresholds determined by the governance, a validation and a presentation to the Executive Committee, to the Strategy and Investment Committee and to the Board of Directors. The risks, stakes and opportunities are then analysed there.

### **1.10. Risks relating to international exposure**

Foncière des Régions has significant equity interests in companies that are active in Italy and Germany, and, to a lesser extent, in Luxembourg, Portugal and Belgium. Some of these countries may show profiles with special risks. In these countries, the economic and political context may be less sound and less stable, the regulatory framework and entry barriers less favourable. The country risks may have a negative effect on the operating income and the financial situation of Foncière des Régions. Diversifying the international exposure of Foncière des Régions in euro zone countries contributes to controlling these risks.

Being present only in euro zone countries as well as diversifying the international exposure of

Foncière des Régions contributes to controlling these risks. Foncière des Régions has invested both in Germany and in Italy in property companies which rely on local expert teams in their market in each country.

## **2. FINANCIAL RISKS**

### **2.1 Liquidity risk**

Foncière des Régions's strategy depends on its ability to raise financial resources, either by borrowing or through equity, in order to finance its investments and acquisitions, and refinance debts on maturity. Under the SIIC regime, Foncière des Régions is required to distribute a significant part of its profits. Therefore, it relies to a great extent on debt to finance its growth. This type of financing may sometimes not be available at advantageous terms.

This situation could in particular arise in case of crises in the equity or debt markets, events affecting the real estate sector, restrictions imposed by credit agreement covenants, a decrease in the Company's credit rating or any change in the business, financial situation or the shareholder structure of Foncière des Régions that may have an influence on the perception that investors or lenders have of its credit worthiness. Foncière des Régions' policy of paying down debt, instituted several years ago, has allowed it to minimise this risk. Monitoring compliance with covenants is also a priority for the Company. Furthermore, the financial department analyses eighteen-month liquidity forecasts each month and submits them to the General Management (*Direction Générale*).

Foncière des Régions is also exposed to general risks associated with all debt, particularly the risk of insufficient cash flows to assure debt service. A shortage of cash could result in acceleration or prepayment, and if the debt is collateralised, enforcement of the guarantee and, where applicable, the seizure of assets.

### **2.2 Risks relating to covenants and other undertakings stipulated in certain credit agreements**

The credit agreements entered into by Foncière des Régions contain, in addition to the usual covenants and undertakings, other covenants requiring compliance with specific financial ratios, such as those set out in Section 3 in paragraph 3.2.4.11.4. of the Reference Document. If Foncière des Régions were to breach one of its financial undertakings and to fail to remedy such breach within the contractually stipulated time period, the lenders could demand early repayment of the debt and possibly seize any collateral guaranteeing the debt. Certain loan agreements also have cross-default clauses allowing lenders to demand the early repayment of sums due in the event that Foncière des Régions would fail to meet the undertakings contained in other credit agreements (and would fail to remedy this default within the specified time periods).

Consequently, any failure to meet its financial undertakings could have an adverse effect on Foncière des Régions's financial situation, its results, and its flexibility in conducting its business and pursuing its development.

Foncière des Régions has set up a system to monitor and control its covenants in order to circumvent these risks.

### **2.3 Interest rate risk and financial counterparty risk**

The indebtedness of Foncière des Régions exposes it to the risk relating to changes in interest rates. Financial charges borne by Foncière des Régions on the floating rate part of its debt could increase significantly if the rates increase significantly.

Foncière des Régions uses derivative instruments to hedge this interest rate risk, primarily Cap

and Swap contracts. The group has no market transactions for any purpose other than to hedge interest rate risk.

The use of interest rate hedging contracts could expose Foncière des Régions to the risk of insolvency of the counterparties to such contracts, which could lead to payment delays or defaults, which could have a negative impact on the results of Foncière des Régions.

Outside of the hedging transactions mentioned above, since Foncière des Régions is structurally a borrower, counterparty risk is limited mainly to investments made by the group. IFRS 13 explicitly provides for counterparty risk assessment in fair value measurement of liabilities. This measurement was conducted by a specialist organisation and recognised in Foncière des Régions' financial statements.

#### **2.4 Risk relating to changes in the value of shares and bonds**

Stock markets may undergo significant fluctuations that may or may not be linked to the results of companies whose securities are traded on the regulated markets. The trading of the securities of Foncière des Régions (both the shares and the ORNANE net share settled bonds), may fluctuate and be impacted by events relating to the group, its competitors or the financial markets in general.

### **3. LEGAL, TAX, REGULATORY, ENVIRONMENTAL AND INSURANCE-RELATED RISKS**

Foncière des Régions must comply with multiple laws and regulations, including urban planning regulations, building permits and operating licences, health and safety regulations, (particularly for assets open to the public), environmental regulations, legislation on leases, labour regulations and tax and corporate law, particularly the provisions governing SIIC.

Changes in the regulatory or legal framework and/or the loss of advantages linked to a statute or authorisation may force Foncière des Régions to adjust its business, assets or strategy, which could have a material adverse effect on the value of its real estate portfolio and/or on its results.

Foncière des Régions pays careful attention to legislative and regulatory changes. Thus, in respect of the so-called "Pinel" Law of June 18th 2014 and the related Implementation Decree of November 3rd 2014, to the extent that it modifies the status of commercial leases, an internal working group involving the Legal Department, asset managers and property managers was formed in order to adapt the lease agreements. Moreover, the Company set up training courses for employees. As a general rule, the Company's Legal Department assists operational departments for the set-up of contracts of all types. Furthermore, specialized external counsels are called upon whenever necessary.

Due to the inherent complexity and form requirements of the tax regulations under which Foncière des Régions operates its business, the Company may be exposed to tax risk if it breaches these regulations. In such cases, Foncière des Régions could be subject to tax adjustments and disputes.

Foncière des Régions and its subsidiaries are also exposed to possible changes in tax rules in the countries in which they operate.

In the normal course of its business, the Group may become involved in legal proceedings (relating to, for example contractual liability, its liability as an employer or its criminal liability), and may be subject to tax assessments and administrative procedures. A reputational risk and/or a risk of image is associated with each of these risks, particularly in case of behaviour

	<p>contrary to business ethics or good practices.</p> <p>There are no regulatory, judicial or arbitral procedures, including any proceedings of which the Group is aware and which are pending or threatened, which may have or has had over the past 12 months, adverse effects on the Group's financial situation or profitability.</p> <p>The Company has implemented a system of audits and internal checks to anticipate and manage these risks.</p> <p><b>3.1 Risks relating with lease regulations</b></p> <p>In France, the law on commercial leases, reinforced by the Law of June 18th 2014, imposes certain restrictions and obligations on the lessor. Contractual provisions relating to term, termination, renewal, security deposit, and rent indexation are of public order and may restrict, for example, the flexibility of owners to increase rent in line with market changes and thereby to maximise their rental income.</p> <p>In addition, tenants have the option of vacating premises at the lease expiry date as well as, in principle, at the end of any three-year period unless explicitly agreed otherwise, which is now limited.</p> <p>The impacts of the Law of June 18th 2014 have been taken into consideration by the Company. However, new changes to the rules applicable to commercial lease, especially in terms of duration, rent indexation and capping, and the calculation of eviction compensation for tenants, could adversely impact the valuation of the Company's assets, its results, business activity or financial position.</p> <p>A regulatory watch set up to anticipate and analyse such risks is still in force.</p> <p>In Germany, the leases are governed by the local regulations applicable to residential leases. The local teams specialised in residential asset management monitor the implementation of these regulations.</p> <p><b>3.2. Risks relating to the SIIC regime</b></p> <p>Foncière des Régions is subject to the tax regime applicable to SIIC (<i>Sociétés d'Investissements Immobiliers Cotées</i> – Listed Real Estate Investment Companies) and as such is not subject to corporate tax. Opting for the SIIC regime involves the immediate liability for an exit tax at the reduced rate of 19% on unrealised capital gains relating to properties and securities of entities not subject to corporation tax. Exit tax is payable over four years, in four instalments, starting from the year during which the option has been exercised. In return, the Company undertakes to pay out 95% of its profits generated by the leasing of its real estate assets, 60% of capital gains generated on its disposals and 100% of dividends received from SIIC-status subsidiaries.</p> <p>These provisions require various conditions to be satisfied, which have been continually modified by successive governments, in particular as part of budget laws, and are also subject to interpretation by the tax authorities.</p> <p>Compliance with the SIIC tax regime is analysed on a regular basis by the Taxation Department and by external advisers in order to limit the risks listed above.</p> <p><b>3.3 Environmental risks</b></p> <p>As a property owner and manager, Foncière des Régions is required to comply with all applicable environmental regulations. Non-compliance with such environmental regulations, or the need to comply with new environmental regulations that may be enacted, may result in an increase in costs and, consequently, have an impact on the results of Foncière des Régions.</p> <p>The potential risks in this area are as follows:</p>
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		<ul style="list-style-type: none"> <li>• health or pollution risks, (particularly land and subsoil) that could generate significant extra costs and delays linked to the search for and removal of toxic substances or materials when engaging in development or building renovation projects;</li> <li>• environmental damages, safety hazards and more generally non-compliance with legal and regulatory obligations may result in civil and, if applicable, criminal liability, thus bringing on adverse consequences for the Company's image.</li> </ul> <p><b>3.4 Risks related to the costs and availability of appropriate insurance cover</b></p> <p>The Company believes that the nature of the covered risks and the amounts of the guarantees from which it benefits are in line with market practice in its business sector. However, it could face increased costs from its insurance policies or sustain losses that may not be fully covered by the insurance in place. In addition, given the size of the assets to be insured and the level of insurance cover sought, it may not be able to obtain adequate insurance cover at an acceptable cost, or it may even be unable to cover all or part of certain risks. The cost - or in the event of insurance claims - the unavailability of adequate insurance cover, could affect the valuation of the Company's assets, its business, its financial situation and its results.</p> <p>The Insurance Department controls that risk by challenging the different insurance companies, in particular through its broker, by working on policy renewals well in advance, and by spreading the policies among several insurance companies.</p>
<b>D.3</b>	<b>Main risks specific to New Shares</b>	<p>The main risk factors associated with New Shares are described below:</p> <ul style="list-style-type: none"> <li>– the market for preferential subscription rights may only offer limited liquidity and be subject to high volatility;</li> <li>– shareholders who do not exercise their preferential subscription rights would see their shareholding diluted;</li> <li>– the market price of the Company's New Shares may fluctuate and fall below the share subscription price when the preferential subscription rights are exercised;</li> <li>– the volatility and liquidity of the Company's shares may fluctuate significantly;</li> <li>– the Company's preferential subscription rights may be sold during the subscription period and the Company's shares may be sold during or after the subscription period, which may have an adverse effect on the market price of the Company's shares or the value of the preferential subscription rights;</li> <li>– in the event of a drop in the Company's share price, the preferential subscription rights may suffer a loss in value;</li> <li>– the liquidity of the New Shares could be lower due to their listing on a separate quotation line and due to the fraction of the capital they will represent;</li> <li>– the underwriting agreement may be terminated. In the event of termination of the underwriting agreement and if subscriptions have not reached 75% of the share issue, the issue may fail to take place and the subscriptions may be cancelled retroactively.</li> </ul>
<b>Section E - Offer</b>		
<b>E.1</b>	<b>Total proceeds from the Issue</b>	For illustrative purposes, the gross proceeds and the estimated net proceeds would be:

	<p><b>and estimate of the total disbursements related to the Issue / Estimated net proceeds from the Issue</b></p>	<ul style="list-style-type: none"> <li>– gross proceeds: approximately 255 million euros;</li> <li>– payment of financial intermediaries and legal and administrative costs: approximately 3 million euros;</li> <li>– estimated net proceeds: approximately 252 million euros.</li> </ul>
<p><b>E.2a</b></p>	<p><b>Reasons for the Issue</b></p>	<p>The Issue aims at providing, together with the disposal of non-strategic assets and the resources available to the Company, the financing for its investments and its growth opportunities in each of its business activities (offices, residential and hotels), among which the acquisition of 14.6% of Foncière des Murs’ share capital, as announced on February 20th 2015, and the tender offer (<i>offre publique d’acquisition</i> - OPA) in respect of the 9.2% of the share capital of Foncière des Murs that is held by shareholders that have not signed commitments not to tender their securities in the tender offer (OPA) that is expected to take place during the first half of 2015.</p>
<p><b>E.3</b></p>	<p><b>Arrangements and conditions for the Issue</b></p>	<p><b><i>Number of New Shares to be issued</i></b> 3,917,722 New Shares.</p> <p><b><i>Subscription price of New Shares</i></b> 65 euros per share (nominal value of 3 euros and issue premium of 62 euros).</p> <p><b><i>Dividend entitlement of the New Shares</i></b> The New Shares will carry rights to dividends from January 1st 2015 and will not give right to the dividend which will be paid in 2015 in respect of the year ended December 31st 2014.</p> <p><b><i>Preferential subscription right</i></b> Subscription to the New Shares will be reserved preferentially:</p> <ul style="list-style-type: none"> <li>– to holders of existing shares recorded in account at the end of the trading day of February 27th 2015; and</li> <li>– to transferees of preferential subscription rights.</li> </ul> <p>Holders of net share settled bonds convertible into new shares and/or exchangeable for existing shares issued on 24 May 2011 and maturing on 1 January 2017 (the “<b>ORNANE 2011</b>”), who have exercised their entitlement to the allocation of shares but to whom the shares will not have been delivered before the deadline of February 27th 2015, will not be able to participate in the share capital increase.</p> <p>Given the conditions to exercise the conversion right under the net share settled bonds convertible into new shares and/or exchangeable for existing shares issued on 20 November 2013 and maturing on 1 April 2019 (the “<b>ORNANE 2013</b>”), the holders of ORNANE 2013 will not be able to participate in the share capital increase.</p> <p>As regards free shares plans which are not yet vested, no preferential subscription right will be allocated to holders of these plans.</p> <p>Holders of preferential subscription rights will be able to subscribe:</p> <ul style="list-style-type: none"> <li>– on an irreducible basis, to 1 New Share, with a nominal value of 3 euros, for 16 existing</li> </ul>



shares owned (16 preferential subscription rights give the right to subscribe to 1 New Share at a price of 65 euros per share), excluding fractional shares;

- on a reducible basis, to the number of New Shares which they want on top of those which they will receive by exercising their rights on an irreducible basis.

Preferential subscription rights will be separated on March 2nd 2015 and traded on Euronext Paris until closure of the subscription period, i.e. until the close of trading on March 12th 2015 inclusive, at the close of trading, under the ISIN code FR0012580124.

***Theoretical value of the preferential subscription right and offered discount***

Based on the closing price of Foncière des Régions' shares on February 24th 2015, i.e. 93.57 euros and taking into account a dividend per share of 4.30 euros, which will be submitted to the next shareholders' meeting of the Company to be called to decide on the financial statements for the financial year 2014:

- the issue price of the New Shares (equal to 65 euros) is at a discount of 27.2% to the value of the share, after detachment of the dividend,
- the theoretical value of the preferential subscription right is 1.428 euros,
- the theoretical value of the ex-right share, after detachment of the dividend, is 87.84 euros,
- the issue price of the New Shares is at a discount of 26% to the theoretical value of the ex-right share, after detachment of the dividend.

These values prejudice neither the value of the preferential subscription right during the subscription period nor the value of the ex-right share, after detachment of the dividend, nor discounts as they will be observed on the market.

***Subscription intentions of the Company's main shareholders or members of its administrative, management or supervisory bodies or anyone intending to take out a subscription of more than 5%***

*Subscription commitment of DFR Investment*

DFR Investment, a shareholder holding 7,122,856 shares in the Company (i.e. 11.36% of the share capital) on the date of the Securities Note, agreed irrevocably on February 25th 2015, to subscribe to 445,178 New Shares, on an irreducible basis, upon the exercise of all its 7,122,856 preferential subscription rights (excluding fractional shares).

*Subscription commitment of Aterno*

Aterno, a shareholder holding 10,239,198 shares in the Company (i.e. 16.33% of the share capital) on the date of the Securities Note, agreed irrevocably on February 25th 2015, to subscribe to 639,949 New Shares, on an irreducible basis, upon the exercise of all its 10,239,198 preferential subscription rights (excluding fractional shares).

*Subscription commitment of ACM Vie*

ACM Vie, a shareholder holding 4,862,145 shares in the Company (i.e. 7.76% of the share capital) on the date of the Securities Note, agreed irrevocably on February 25th 2015, to subscribe to 303,884 New Shares, on an irreducible basis, upon the exercise of all its 4,862,145

	<p>preferential subscription rights (excluding share fractions).</p> <p><i>Subscription commitment of the Covea Group</i></p> <ul style="list-style-type: none"><li>– GMF Vie, a <i>société anonyme</i>, with a share capital of 186,966,736 euros, whose registered office is at 1, rue Raoul Dautry à Ermont (95120) and registered with the Trade and Companies' Register of Pontoise under number 315 814 806 (“<b>GMF Vie</b>”),</li><li>– MMA Vie, a <i>société anonyme</i>, with a share capital of 142,622,936 euros, whose registered office is at 14, boulevard Marie et Alexandre Oyon au Mans (72030 Cedex 9) and registered with the Trade and Companies' Register of Le Mans under number 440 042 174 (“<b>MMA Vie</b>”),</li><li>– GMF Assurances, a <i>société anonyme</i>, with a share capital of 181,385,440 euros, whose registered office is at 76, rue de Prony in Paris (75017) and registered with the Trade and Companies' Register of Paris under number 398 972 901 (“<b>GMF Assurances</b>”),</li><li>– Immobilière des MMA, a <i>société par actions simplifiée</i>, with a share capital of 59,754,000 euros, whose registered office is at 10, boulevard Alexandre Oyon au Mans (72000) and registered with the Trade and Companies' Register of Le Mans under number 333 986 719 (“<b>Immobilière des MMA</b>”),</li><li>– MAAF Vie, a <i>société anonyme</i> with a Management Board and a Supervisory Board, with a share capital of 69,230,896 euros, whose registered office is at the locality Chaban à Chauray (79180) and registered with the Trade and Companies' Register of Niort under number 337 804 819 (“<b>MAAF Vie</b>”),</li><li>– La Garantie Mutuelle des Fonctionnaires, a mutual insurance company whose registered office is at 76, rue de Prony in Paris (75017) and registered with the Trade and Companies' Register of Paris under number 775 691 140 (“<b>GMF Mutuelle</b>”),</li><li>– Sécurité Pierre Investissement, a <i>société anonyme</i> with a share capital of 146,520,870 euros, whose registered office is at 7, avenue Marcel Proust in Chartres (28000) and registered with the Trade and Companies' Register of Chartres under number 378 454 128 (“<b>Sécurité Pierre Investissement</b>”),</li><li>– Assistance Protection Juridique, a <i>société anonyme</i> with share capital of 7,017,808 euros, whose registered office is at Immeuble Le Neptune, 1, rue Galilée at Noisy le grand Cedex (93195) and registered with the Trade and Companies' Register of Bobigny under number 334 656 386 (“<b>Assistance Protection Juridique</b>”),</li><li>– La Sauvegarde, a <i>société anonyme</i> with share capital of 38,313,200 euros, whose registered office is at 76, rue de Prony in Paris (75017) and registered with the Trade and Companies' Register of Paris under number 612 007 674 (“<b>La Sauvegarde</b>”),</li><li>– Fidelia Assistance, a <i>société anonyme</i> with a share capital of 21,593,600 euros, whose registered office is at 27, quai Carnot in Saint Cloud (92210) and registered with the Trade and Companies' Register of Nanterre under number 377 768 601 (“<b>Fidelia Assistance</b>”),</li><li>– MAAF Santé, a mutual governed by book II of the <i>Code de la mutualité</i>, whose registered</li></ul>
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		<p>office is at the locality Chaban à Chauray (79180) and whose SIREN ID is 331 542 142 (“<b>MAAF Santé</b>”),</p> <ul style="list-style-type: none"><li>– MAAF Assurances SA, a <i>société anonyme</i> with a share capital of 160,000,000 euros, whose registered office is at the locality Chaban à Chauray (79180) and registered with the Trade and Companies’ Register of Niort under number 542 073 580 (“<b>MAAF SA</b>”),</li><li>– Assurances Banque Populaire IARD, a <i>société anonyme</i> with a Management Board and a Supervisory Board, with share capital of 50,000,000 euros, whose registered office is at the locality Chaban à Chauray (79180) and registered with the Trade and Companies Register of Niort under number 401 380 472 (“<b>ABP IARD</b>”),</li></ul> <p>(together the “<b>Covea Group</b>”), shareholders together holding 8,406,210 shares in the Company (i.e. 13.41% of the share capital) on the date of the Securities Note, have agreed, each as far as it is concerned, severally but not jointly, irrevocably, on February 25th 2015, to subscribe to 525,388 New Shares, on an irreducible basis, upon the exercise of all their 8,406,210 preferential subscription rights (excluding fractional shares).</p> <p>Subscription commitments cover a total of 48.87% of the amount of the share capital increase.</p> <p>The Company is unaware of the intentions of Predica and of its other shareholders. Should Predica decide to subscribe to the Issue, a press release would be published in this respect.</p> <p><b><i>Underwriting agreement</i></b></p> <p>The Issue of the New Shares is subject to an underwriting agreement covering the entire Issue (other than the part covered by subscription commitments) dated February 25th 2015 between the Company and BNP PARIBAS and MORGAN STANLEY as Joint Lead Managers and Joint Bookrunners (together, the “<b>Underwriters</b>”). This underwriting agreement may be cancelled at any time by the Underwriters, up to (and including) the settlement and delivery date and under certain usual circumstances. This agreement does not constitute a performance guarantee (<i>garantie de bonne fin</i>) within the meaning of article L. 225-145 of the <i>Code de commerce</i>. If the underwriting agreement is cancelled and if the transaction has not been 75% subscribed, the Issue may not be completed and subscriptions may be cancelled retroactively.</p> <p><b><i>Countries in which the capital increase will be open to the public</i></b></p> <p>The offer will be open to the public only in France.</p> <p><b><i>Restrictions applicable to the offer</i></b></p> <p>The distribution of the French Prospectus, the sale of shares, of preferential subscription rights and the subscription to the New Shares may, in certain countries, including the United States, be subject to specific regulations.</p> <p><b><i>Procedure for exercising the preferential subscription right</i></b></p> <p>To exercise their preferential subscription rights, holders should submit their request to their authorized financial intermediary at any time between March 2nd 2015 and March 12th 2015 inclusive, at the close of trading and pay the corresponding subscription price.</p> <p>Unexercised preferential subscription rights will automatically lapse at the end of the subscription period, i.e. March 12th 2015 at the close of trading.</p>
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***Financial intermediaries***

Subscriptions to New Shares and payments of funds by subscribers whose shares are held under the administered registered form (*sous la forme nominative administrée*) or under the bearer form (*au porteur*), should be submitted up to March 12th 2015 inclusive to their authorized financial intermediary acting in their name and on their behalf.

Subscriptions and payments by subscribers whose shares are held under the pure registered form (*sous la forme nominative pure*) should be submitted free of charge up to March 12th 2015 inclusive to BNP Paribas Securities Services, 9, quai de Débarcadère, 93761 Pantin Cedex.

Funds paid in respect of subscriptions will be centralized by BNP Paribas Securities Services, 9, quai de Débarcadère, 93761 Pantin Cedex, which will be prepare the funds deposit certificate recording the share capital increase.

***Joint Lead Managers and Joint Bookrunners***

- BNP PARIBAS, 16, boulevard des Italiens, 75009 Paris
- MORGAN STANLEY, 61, rue de Monceau, 75008 Paris

***Indicative timetable***

Dates	Transactions
<b>February 19th 2015</b>	Decision of the Board of Directors to carry out the Issue
<b>February 25th 2015</b>	Decision by the CEO determining the final terms of the Issue
<b>February 25th 2015</b>	AMF visa on the French Prospectus Signing of the underwriting agreement
<b>February 26th 2015</b>	Distribution of a press release by the Company describing the main terms of the share capital increase and the availability of the French Prospectus
<b>February 26th 2015</b>	Publication by Euronext of the notice relating to the rights issue
<b>March 2nd 2015</b>	Opening of the subscription period Separation and start of trading of preferential subscription rights on Euronext Paris
<b>March 12th 2015</b>	Closure of the subscription period (at the close of trading) End of listing of the preferential subscription rights
<b>from March 13th to 19th 2015</b>	Centralisation of subscriptions
<b>March 19th 2015</b>	Distribution of a press release by the Company announcing the result of the subscriptions Distribution by Euronext of the admission notice for the New Shares, stating the final amount of the share capital increase and stating the allotment ratio for subscriptions on a reducible basis ( <i>à titre réductible</i> )
<b>March 23rd 2015</b>	Issue of the New Shares Settlement and delivery of the New Shares Listing of the New Shares on Euronext Paris

E.4	<b>Interests that are material to the Issue</b>	<p>BNP PARIBAS and MORGAN STANLEY, Joint Lead Managers and Joint Bookrunners for the Issue, and/or some of their affiliates, have provided and/or may provide in the future various banking, financial, investment, commercial and other services to the Company or to companies in its Group, to their shareholders or to their corporate officers, for which they have received or may receive payment.</p> <p>The subscription intentions of members of the Company’s Board of Directors, or shareholders in the Company represented on the latter, are described above.</p>									
E.5	<b>Person or entity offering to sell shares / Lock-up agreement</b>	<p><b><i>Person or entity offering to sell shares</i></b></p> <p>Pursuant to article L. 225-206 of the <i>Code de commerce</i>, the Company cannot subscribe to its own shares. Preferential subscription rights to shares separated from the shares owned by the Company will be disposed of on the market before the end of the subscription period under the conditions of article L. 225-210 of the <i>Code de commerce</i>.</p> <p><b><i>Abstention agreement by the Company</i></b></p> <p>90 calendar days, subject to certain exceptions.</p> <p><b><i>Lock-up agreement of DFR Investment and Aterno</i></b></p> <p>90 calendar days, subject to certain exceptions.</p> <p>DFR Investment and Aterno hold, as at the date of the Securities Note, 11.36% and 16.33% of the Company’s share capital, respectively.</p> <p><b><i>Lock-up agreement of ACM Vie and the Covea Group</i></b></p> <p>Period ending on the latest of the following dates: (i) the twenty-fourth (24<sup>th</sup>) calendar day following the date of the Securities Note or (ii) the settlement and delivery date for the New Shares, subject to certain exceptions.</p> <p>ACM Vie and the Covea Group hold, as at the date of the Securities Note, 7.76% and 13.41% of the Company’s share capital, respectively, and, together with the other shareholders who have made subscription commitments, 48.87% of the Company’s share capital.</p>									
E.6	<b>Dilution amount and percentage</b>	<p><b>Impact of the Issue on the shareholders’ equity</b></p> <p>By way of illustration, the impact of the Issue of the New Shares on the Group consolidated shareholders’ equity (group share) on a per share basis (calculated on the basis of the Group consolidated shareholders’ equity – as reflected in the estimated consolidated financial statements as at December 31st 2014 – and the number of shares composing the Company’s share capital as at December 31st 2014, after deducting shares owned by the Company) would be as follows:</p> <p><i>(in euros per share)</i></p> <table border="1" data-bbox="440 1675 1511 1864"> <thead> <tr> <th></th> <th style="text-align: center;">Non-diluted basis</th> <th style="text-align: center;">Diluted basis<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td>Before the Issue of 3,917,722 New Shares</td> <td style="text-align: center;">66.38</td> <td style="text-align: center;">68.57</td> </tr> <tr> <td>After the Issuer of 3,917,722 New Shares</td> <td style="text-align: center;">66.30</td> <td style="text-align: center;">68.39</td> </tr> </tbody> </table> <p><i>(1) Including the 5,253,944 ORNANE 2011 and the 4,071,757 ORNANE 2013 which are outstanding, as well</i></p>		Non-diluted basis	Diluted basis <sup>(1)</sup>	Before the Issue of 3,917,722 New Shares	66.38	68.57	After the Issuer of 3,917,722 New Shares	66.30	68.39
	Non-diluted basis	Diluted basis <sup>(1)</sup>									
Before the Issue of 3,917,722 New Shares	66.38	68.57									
After the Issuer of 3,917,722 New Shares	66.30	68.39									

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		<p><i>as the 313,216 free shares which are not yet vested, as at the date of this Securities Note. It should be noted that there is no other financial instrument or right giving access to new or existing shares in the Company.</i></p> <p><b>Impact of the Issue on the shareholders</b></p> <p>By way of illustration, the impact of Issue of the New Shares on the percentage interest of a shareholder holding 1% of the share capital of Foncière des Régions prior to the Issue and that does not subscribe in the Issue (calculated on the basis of the number of shares forming the Company's share capital as at the date of the Securities Note) would be as follows:</p> <p><b>Shareholder's interest (in %)</b></p> <table border="1" data-bbox="440 569 1511 764"> <thead> <tr> <th></th> <th>Non-diluted basis</th> <th>Diluted basis<sup>(1)</sup></th> </tr> </thead> <tbody> <tr> <td>Before the Issue of 3,917,722 New Shares</td> <td>1%</td> <td>0.86%</td> </tr> <tr> <td>After the Issue of 3,917,722 New Shares</td> <td>0.94%</td> <td>0.81%</td> </tr> </tbody> </table> <p><i>(1) Including the 5,253,944 ORNANE 2011 and the 4,071,757 ORNANE 2013 which are outstanding, as well as the 313,216 free shares which are not yet vested, as at the date of this Securities Note. It should be noted that there is no other financial instrument or right giving access to new or existing shares in the Company.</i></p>		Non-diluted basis	Diluted basis <sup>(1)</sup>	Before the Issue of 3,917,722 New Shares	1%	0.86%	After the Issue of 3,917,722 New Shares	0.94%	0.81%
	Non-diluted basis	Diluted basis <sup>(1)</sup>									
Before the Issue of 3,917,722 New Shares	1%	0.86%									
After the Issue of 3,917,722 New Shares	0.94%	0.81%									
E.7	<b>Estimate of expenses billed to investors by the issuer</b>	Not applicable.									